



PUBLIC FILE

**Application for the publication of
dumping and/or
countervailing duty notices**

**Aluminium extrusions – Mill Finish
exported from Malaysia by**

**Press Metal Sdn Bhd, Milleon Extruder Sdn
Bhd, LB Aluminium Sdn Bhd, Kamco
Aluminium Sdn Bhd, Superb Aluminium
Industries Sdn Bhd and Genesis Aluminium
Industries Sdn Bhd**

APPLICATION UNDER SECTION 269TB OF THE *CUSTOMS ACT 1901* FOR THE PUBLICATION OF DUMPING AND/OR COUNTERVAILING DUTY NOTICES

DECLARATION

I request, in accordance with section 269TB of the *Customs Act 1901* (the Act), that the Minister publish in respect of goods the subject of this application:

- a dumping duty notice, or
- a countervailing duty notice, or
- a dumping and a countervailing duty notice.

This application is made on behalf of the Australian industry producing like goods to the imported goods the subject of this application. The application is supported by Australian producers whose collective output comprises:

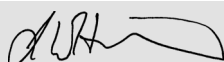
- 25% or more of the total Australian production of the like goods; and
- more than 50% of the total production of like goods by those Australian producers that have expressed either support for, or opposition to, this application.

I believe that the information contained in this application:

- provides reasonable grounds for the publication of the notice(s) requested; and
- is complete and correct.

Please note that giving false or misleading information is a serious offence.

Signature:



Name:

Mr Luke Hawkins

Position:

General Manager – Supply & Industrial Solutions

Company:

Capral Limited

ABN:

78 004 213 692

Date:

6 January 2020

IMPORTANT INFORMATION

Signature requirements

Where the application is made:

By a company - the application must be signed by a director, servant or agent acting with the authority of the body corporate.

By a joint venture - a director, employee, agent of each joint venturer must sign the application. Where a joint venturer is not a company, the principal of that joint venturer must sign the application form.

On behalf of a trust - a trustee of the trust must sign the application.

By a sole trader - the sole trader must sign the application.

In any other case - contact the Commission's Client support section for advice.

Assistance with the application

The Anti-Dumping Commission has published guidelines to assist applicants with the completion of this application. Please refer to the following guidelines for additional information on completing this application:

- *Instructions and Guidelines for applicants on the application for the publication of dumping and/or countervailing duty notices*
- *Instructions and Guidelines for applicants on the examination of a formally lodged application*

The Commission's client support section can provide information about dumping and countervailing procedures and the information required by the application form. Contact the team on:

Phone: 13 28 46

Email: clientsupport@adcommission.gov.au

Information is available from the Commission's website at www.adcommission.gov.au.

Small and medium enterprises (i.e., those with less than 200 full-time staff, which are independently operated and which are not a related body corporate for the purposes of the *Corporations Act 2001*), may obtain assistance, at no charge, from the International Trade Remedies Advisory (ITRA) Service. For more information on the ITRA Service, visit www.business.gov.au or telephone the ITRA Service Hotline on +61 2 6213 7267.

Important information

To initiate an investigation into dumping and/or subsidisation, the Commission must comply with Australia's international obligations and statutory standards. This form provides an applicant industry with a framework to present its case and will be used by the Commission to establish whether there appear to be reasonable grounds for the publication of a dumping duty or countervailing duty notice and initiate an investigation. To assist consideration of the application it is therefore important that:

- all relevant questions are answered; and

- information that is reasonably available be supplied.

The Commission does not require conclusive evidence to initiate an investigation, but any claims made should be reasonably based. An application will be improved by including supporting evidence and where the sources of evidence are identified. Simple assertion is inadequate to substantiate an application.

To facilitate compilation and analysis, the application form is structured in 3 parts:

1. **Part A** seeks information about the Australian industry. This data is used to evaluate industry trends and assess claims of material injury due to dumping/subsidisation. Where an Australian industry comprises more than one company, each should separately prepare a response to Part A to protect commercial confidentiality.
2. **Part B** relates to evidence of dumping.
3. **Part C** is for supplementary information that may not be appropriate to all applications. However some questions in Part C may be essential for an application, for example, if action is sought against subsidisation.

All questions in Parts A and B must be answered, even if the answer is 'Not applicable' or 'None'. Where appropriate, applicants should provide a short explanation about why the requested data is not applicable. This will avoid the need for follow up questions by the Commission.

The application form does not specifically address all the information required when making a claim that the establishment of an Australian industry producing like goods has been or may be materially hindered. If you are considering making such a claim, please contact the Commission to discuss information requirements.

The application form requests data over several periods (P^1, P^2, \dots, P^n) to evaluate industry trends and to correlate injury with dumped or subsidised imports. The labels $P^1 \dots P^n$ are used for convenience in this application form. Lodged applications should identify the period relevant to the data. This form does not specify a minimum period for data provision. However, sufficient data must be provided to substantiate the claims made. If yearly data is provided, this would typically comprise a period of at least four years (for example the current financial year in addition to three prior years). Where information is supplied for a shorter period, applicants may consider the use of quarterly data. Data must also be sufficiently recent to demonstrate that the claims made are current.

When an investigation is initiated, the Commission will verify the claims made in the application. A verification visit to the Australian industry usually takes several days.

Applicants should be prepared to substantiate all Australian industry financial and commercial information submitted in the application. Any worksheets used in preparing the application should therefore be retained to facilitate verification.

During verification, the Commission will examine company records and obtain copies of documents relating to the manufacture and sale of the goods.

Appendices	Some questions require attachments to be provided. The attachment numbering sequence should refer to the question answered. For example, question A2.2 requests a copy of an organisation chart. To facilitate reference, the chart should be labelled <u>Attachment A2.2</u> . If a second organisation chart is provided in response to the same question, it should be labelled <u>Attachment A2.2.2</u> (the first would be labelled <u>Attachment A2.2.1</u>).
Provision of data	Industry financial data must, wherever possible, be submitted in an electronic format. <ul style="list-style-type: none">• The data should be submitted on a media format compatible with Microsoft Windows.• Microsoft Excel, or an Excel compatible format, is required.• If the data cannot be presented electronically please contact the Commission’s client support section for advice.
Lodgement of the application	This application, together with the supporting evidence, must be lodged in the manner approved by the Commissioner under subsection 269SMS(2) of the Act. The Commissioner has approved lodgement of this application by either: <ul style="list-style-type: none">• preferably, email, using the email address clientsupport@adcommission.gov.au, or• post to: The Commissioner of the Anti-Dumping Commission GPO Box 2013 Canberra ACT 2601, or• facsimile, using the number (03) 8539 2499.
Public Record	During an investigation all interested parties are given the opportunity to defend their interests by making a submission. The Commission maintains a public record of these submissions. The public record is available on the Commission’s website at www.adcommission.gov.au . At the time of making the application both a confidential version (for official use only) and non-confidential version (public record) of the application <u>must</u> be submitted. Please ensure each page of the application is clearly marked “FOR OFFICIAL USE ONLY” or “PUBLIC RECORD”. The non-confidential application should enable a reasonable understanding of the substance of the information submitted in confidence, clearly showing the reasons for seeking the publication of a dumping duty or countervailing duty notice, or, if those reasons cannot be summarised, a statement of reasons why a summary is not possible.

PART A

INJURY

TO AN AUSTRALIAN INDUSTRY

IMPORTANT

All questions in Part A should be answered even if the answer is 'Not applicable' or 'None'. If an Australian industry comprises more than one company/entity, each should separately complete Part A.

A-1 Identity and communication

Please nominate a person in your company for contact about the application:

Contact Name:	Luke Hawkins
Company and position:	General Manager, Supply and Industrial Solutions
Address:	Level 4, 60 Phillips Street, Parramatta NSW 2150
Telephone:	+61 2 8222 0113
Facsimile:	+61 2 8222 0130
E-mail address:	Luke.hawkins@capral.com.au
ABN:	78 004 213 692

Alternative contact

Name:	
Position in company:	
Address:	
Telephone:	
Facsimile:	
E-mail address:	

If you have appointed a representative to assist with your application, provide the following details and complete Appendix A8 (Representation).

Name:	John O'Connor
Business name:	John O'Connor & Associates
Address:	P.O. Box 329, COORPAROO, QLD, 4151
Telephone:	+61 7 3342 1921
Facsimile:	+61 7 3342 1931
E-mail address:	jmoconnor@optusnet.com.au
ABN:	39 098 650 241

A-2 Company information

1. **State the legal name of your business and its type (e.g. company, partnership, sole trader, joint venture). Please provide details of any other business names you use to manufacture/produce/sell the goods that are the subject of your application.**

Capral Limited ("Capral") is a publicly listed company on the Australian Securities Exchange (ASX Code: CAA). Capral manufactures and sells aluminium extrusions and other semi-finished, non-ferrous products under its company name.

Capral is a major extruder and distributor of aluminium products. The manufacturing business produces extrusion products at five sites at Bremer Park (Qld), Penrith (NSW), Campbellfield (Vic), Angaston (SA) and Canning Vale (WA).

Capral operates eight major distribution centres and ten 'Capral Aluminium Centres' across all States and the Northern Territory. The distribution business supplies aluminium extrusion products and related components to residential and commercial construction markets, as well as to industrial fabrication and manufacturing markets. Capral also distributes a range of rolled aluminium products and hardware products that are complimentary to its aluminium extrusion products.

2. **Provide your company's internal organisation chart. Describe the functions performed by each group within the organisation.**

Capral has included a copy of its internal organisation chart at Confidential Attachment A-2.2.

3. **List the major shareholders of your company. Provide the shareholding percentages for joint owners and/or major shareholders.**

As a listed company Capral's shareholders change, below are the details of substantial shareholders (as notified to Capral) as at 13th November 2019:

Name	% of shares held
Allan Gray Australia	18.89
Perpetual Limited	10.54
Schroder Investment Management	6.44
Mitsubishi UFJ Financial Group, Inc (including Carol Australia Holdings which was previously Colonial First State & part of CBA*)	8.80
Total	44.67

4. **If your company is a subsidiary of another company list the major shareholders of that company.**

Capral is not a subsidiary of another company.

5. **If your parent company is a subsidiary of another company, list the major shareholders of that company.**

Capral does not have a parent company hence this question is not applicable.

6. Provide an outline diagram showing major associated or affiliated companies and your company's place within that structure (include the ABNs of each company).

Capral has one wholly owned subsidiaries—Austex Dies Pty Ltd (ABN 84105067267).

7. Are any management fees/corporate allocations charged to your company by your parent or related company?

This question is Not Applicable to Capral.

8. Identify and provide details of any relationship you have with an exporter to Australia or Australian importer of the goods.

Capral does not have a relationship with any of the exporters and/or importers of the goods the subject of this application as imported from Malaysia.

Capral, however, does import some further select grades of aluminium extrusions from P R China and Indonesia to supplement local production

9. Provide a copy of all annual reports applicable to the data supplied in appendix A3 (Sales Turnover). Any relevant brochures or pamphlets on your business activities should also be supplied.

A copy of Capral's 2017 and 2018 Annual Report are available at www.capral.com.au/annual. A copy of Capral's 2017 and 2018 annual reports are included as Non-Confidential Attachment A-2.9. A copy of Capral's 2019 Half year results and presentation are also included at Non-Confidential Attachment A-2.9.

10. Provide details of any relevant industry association.

Capral is a member of:

- Australian Aluminium Extrusions Association
- Australian Glass and Window Association
- National Security Screen Association (NSSA).

Other manufacturing groups Capral belongs to are Manufacturing Australia (MA), the Manufacturing Trade Alliance (MTA)). Capral is also a member of the International Fair Trade Alliance ("IFTA").

A-3 The imported and locally produced goods

1. Fully describe the imported product(s) the subject of your application:

- Include physical, technical or other properties.
- Where the application covers a range of products, list this information for each make and model in the range.
- Supply technical documentation where appropriate.

The imported goods (“the goods”) the subject of this application are aluminium extrusions, mill finish only.

In previous applications for measures, the **goods the subject of this application** were defined - as per Reports No. 148 and 362 – as follows:

Aluminium extrusions produced via an extrusion process, of alloys having metallic elements falling within the alloy designations published by The Aluminium Association commencing with 1, 2, 3, 5, 6 or 7 (or proprietary or other certifying body equivalents), with the finish being as extruded (mill), mechanical, anodized or painted or otherwise coated, whether or not worked, having a wall thickness or diameter greater than 0.5 mm., with a maximum weight per metre of 27 kilograms and a profile or cross-section which fits within a circle having a diameter of 421 mm.

The goods under consideration (“GUC”) include aluminium extrusion products that have been further processed or fabricated to a limited extent, after aluminium has been extruded through a die. For example, aluminium extrusion products that have been painted, anodised, or otherwise coated, or worked (e.g. precision cut, machined, punched or drilled) fall within the scope of the goods.

The GUC do not extend to intermediate or finished products that are processed or fabricated to such an extent that they no longer possess the nature and physical characteristics of an aluminium extrusion, but have become a different product.¹

This application, however, is limited to the above goods but in mill finish only (i.e. not including powder coated, anodised, or otherwise surface finished). The goods description for goods the subject of this application is:

*“Aluminium extrusions produced via an extrusion process, of alloys having metallic elements falling within the alloy designations published by The Aluminium Association commencing with 1, 2, 3, 5, 6 or 7 (or proprietary or other certifying body equivalents), with the **finish being as extruded (mill) (excluding all other surface finishes)**, whether or not worked, having a wall thickness or diameter greater than 0.5 mm., with a maximum weight per metre of 27 kilograms and a profile or cross-section which fits within a circle having a diameter of 421 mm. “*

Capral proposes that the goods description principally reflects that used in the Dumping Commodity Register (“DCR”) as follows.²

Aluminium extrusions that:

- *are produced by an extrusion process;*
- *are of alloys having metallic elements falling within the alloy designations published by The Aluminium Association commencing with 1, 2, 3, 5, 6 or 7 (or proprietary or other certifying body equivalents);*

¹ REP 148, p. 18 at 3.2

² <http://www.adcommission.gov.au/measures/Documents/Aluminium%20Extrusions/DCR%20-%20aluminium%20extrusions%20150910%20%282%29.pdf>

- *extruded as mill finish only, whether or not worked;*
- *have a wall thickness or diameter greater than 0.5 mm;*
- *have a maximum weight per metre of 27 kilograms; and*
- *have a profile or cross-section fitting within a circle having a diameter of 421 mm.*

Reports No 148 and 362 reflected the following goods coverage applicable to aluminium extrusions:³

< GUC >				< Non GUC >		
1	2	3	4	5	6	7
Aluminium extrusions	Aluminium extrusions with minor working	Aluminium extrusions that are parts intended for use in intermediate or finished products	Aluminium extrusions that are themselves finished products	Unassembled products containing aluminium extrusions, e.g. 'kits' that at time of import comprise all necessary parts to assemble finished goods	Intermediate or partly assembled products containing aluminium extrusions	Fully assembled finished products containing aluminium extrusions
< Examples >						
Mill finish, painted, powder coated, anodised, or otherwise coated aluminium extrusions	Precision cut, machined, punched or drilled aluminium extrusions	Aluminium extrusions designed for use in a door or window	Carpet liner, fence posts, heat sinks	Shower frame kits, window kits, unassembled unitised curtain walls	Unglazed window or door frames	Windows, doors

2. List the tariff classification(s) and statistical code(s) of the imported goods.

In Investigation No. 442 involving exports from China and Thailand, the Commission confirmed the following tariff subheadings within Schedule 3 of the Customs Tariff Act 1995 are applicable to imported aluminium extrusions:

Tariff subheading/ statistical code	Description
7604.10.00/06	Non alloyed aluminium bars, rods and profiles
7604.21.00/07	Aluminium alloy hollow angles and other shapes
7604.21.00/08	Aluminium alloy hollow profiles
7604.29.00/09	Aluminium alloy non hollow angles and other shapes
7604.29.00/10	Aluminium alloy non hollow profiles
7608.10.00/09	Non alloyed aluminium tubes and pipes
7608.20.00/10	Aluminium alloy tubes and pipes
7610.10.00/12	Doors, windows and their frames and thresholds for doors
7610.90.00/13	Other

³ REP 148, p.19 at 3.4.1

3. Fully describe your product(s) that are 'like' to the imported product:

- Include physical, technical or other properties.
- Where the application covers a range of products, list this information for each make and model in the range.
- Supply technical documentation where appropriate.
- Indicate which of your product types or models are comparable to each of the imported product types or models. If appropriate, the comparison can be done in a table.

The Commission has previously examined aluminium extrusions produced by Capral and other Australian producers (in Investigations No 148, 248, 287, 362, 392, 442, 447 and 482) and has confirmed that all aluminium extrusions produced by the Australian industry, of which Capral is the largest member, are 'like goods' to extrusions exported from countries including China, Malaysia and Vietnam.⁴

The extrusions imported from the Malaysian exporters not the subject of measures are similar in all aspects to the goods manufactured by Capral and members of the Australian industry.

A copy of Capral's catalogue for generally available standard extrusion profiles is provided as Confidential Attachment A-3.3.1. In addition, Capral (as well as most extruders worldwide) also provides a wide range of profiles made to customer specifications (i.e. exclusive shapes), some of which are multiple-sourced by customers from Australian and overseas producers.

Capral has also included a copy of its publication "Alloy Specifications" detailing extruded alloy codes and descriptions used within the industry, and Capral's Die catalogue. Please refer to Non-Confidential Attachment A-3.3.2 and A-3.3.3 respectively.

4. Describe the ways in which the essential characteristics of the imported goods are like to the goods produced by the Australian industry.

The key essential characteristics of the locally produced and imported aluminium extrusions as examined in previous investigations were identified as follows:

- The primary physical characteristics of the imported goods and locally produced goods are similar;
- The goods and locally produced goods are commercially alike as they are sold to common users, and directly compete in the same market;
- The goods and locally produced goods are functionally alike as they have a similar range of end-uses; and
- The goods and locally produced goods are manufactured in a similar manner.

Capral therefore considers that the goods manufactured by the Australian industry possess the same essential characteristics as aluminium extrusions imported from Malaysia by the exempt exporters and are considered "alike" in all respects.

5. What is the Australian and New Zealand Standard Industrial Classification Code (ANZSIC) applicable to your product.

Aluminium extrusions are covered by the very broad ANZSIC Class 2142 Aluminium Rolling, Drawing, Extruding:

Division C	Manufacturing
Subdivision 21	Primary Metal and Metal Product Manufacturing
Group 214	Basic Non-Ferrous Metal Product Manufacturing
Class 2142	Aluminium Rolling, Drawing, Extruding

⁴ Refer Report 148, pp.21-26 at 3.5 to 3.6, Report 362, pp 19-20, at 3.5 to 3.6.

6. Provide a summary and a diagram of your production process.

Please refer to Non-Confidential Attachment A-3.6 for a detailed description and diagram of the aluminium extrusions manufacturing process.

7. If your product is manufactured from both Australian and imported inputs:

- describe the use of the imported inputs; and
- identify that at least one substantial process of manufacture occurs in Australia (for example by reference to the value added, complexity of process, or investment in capital).

In the mill extrusion production process, raw material in the form of aluminium billet is substantially transformed into aluminium extrusions via a capital-intensive extrusion manufacturing process. Until 2012 Capral's entire aluminium billet was sourced locally. Due to the closure of the Kurri-Kurri smelter in October 2012, it became necessary for Capral to source some of its billet requirements from alternative overseas sources. In recent years, approximately xx - xx% of Capral's billet has been [source]. Both local and [source] smelters use similar LME plus Premiums (inclusive of Major Japanese Port Premium) pricing mechanisms for aluminium billet.

8. If your product is a processed agricultural good, you may need to complete Part C-3 (close processed agricultural goods).

Aluminium extrusions are not considered 'close processed agricultural goods' hence this question does not apply.

9. Supply a list of the names and contact details of all other Australian producers of the product.

The following table lists known Australian aluminium extrusion manufacturers:

Company	Address	Telephone/Fax
Almax Aluminium Pty Ltd	87 Trade Street Lytton QLD 4178 http://www.almax.net.au	Tel: 07 3906 6000 Fax: 07 3906 6066
Aluminium Profiles Australia Pty Ltd (APA)	25-31 Licola Crescent Dandenong South VIC 3175 http://www.aluminiumprofiles.com.au	Tel: 03 9768 5000 Fax: 03 9768 5050
Aluminium Shapemakers Pty Ltd (AluShapes)	7 Warringah Close Somersby Industrial Park Somersby NSW 2250 http://www.alushapes.com.au	Tel: 02 4340 4344 Fax: 02 4340 4348
Extrusions Australia Pty Ltd	25-28 Andretti Court Truganina VIC 3026 http://www.extrusions.com.au	Tel: 03 8348 9300 Fax: 03 8348 9301
G James Extrusion Co Pty Ltd	1082 Kingsford Smith Drive Eagle Farm QLD 4009 http://gjames.com	Tel: 07 3877 2833 Fax: 07 3877 2890
Independent Extrusions Pty Ltd (Inex)	33-39 Licola Crescent Dandenong South VIC 3175	Tel: 03 9768 0000

Company	Address	Telephone/Fax
	http://www.inex.co.nz	Fax: 03 9768 2748
Olympic Aluminium Co Pty Ltd	606 Ballarat Road Sunshine VIC 3020 http://www.olympicaluminium.com	Tel: 03 8361 2122 Fax: 03 9363 6643
Ullrich Aluminium Pty Ltd	20 Ron Boyle Crescent Carole Park QLD 4300 http://www.ullrich.com.au	Tel: 07 3718 1400 Fax: 07 3271 1230

A copy of letters supporting this application by most of the above local producers is included at Confidential Attachment A-3.9.

10. If different models can be established for the goods subject to the application:

- **What are the differences in physical characteristics that give rise to distinguishable and material differences in price?**
- **Provide supporting documentation or analysis supporting the differences in physical characteristics that affects price comparability. Unit costs may also be used to demonstrate differences in physical characteristics where it affects price comparability.**
- **In providing the list of physical differences, identify the characteristics in order of significance.**
- **Identify key characteristics where the physical differences are significantly different and it is not meaningful to compare models with different physical characteristics.**
- **Identify the physical characteristics that can be reported in relation to sales and cost data respectively. This should be reflected in the sales data provided in appendices A4 and A6.**
- **Complete the table below having regard to the information provided above. The Commission will consider this information in establishing a model control code structure for the investigation.**

This application is in respect of imported aluminium extrusions, mill finish only. The goods include aluminium extrusions comprising different alloys and tempers. The following Table confirms the sub-categories for mill finish aluminium extrusions.

Category	Sub-category	Sales Data	Cost data	Key category
Mill Finish		Mandatory	Mandatory	Yes
	Alloy Code	Mandatory	Optional	Yes
	Temper Code	Mandatory	Optional	Yes

A-4 The Australian market

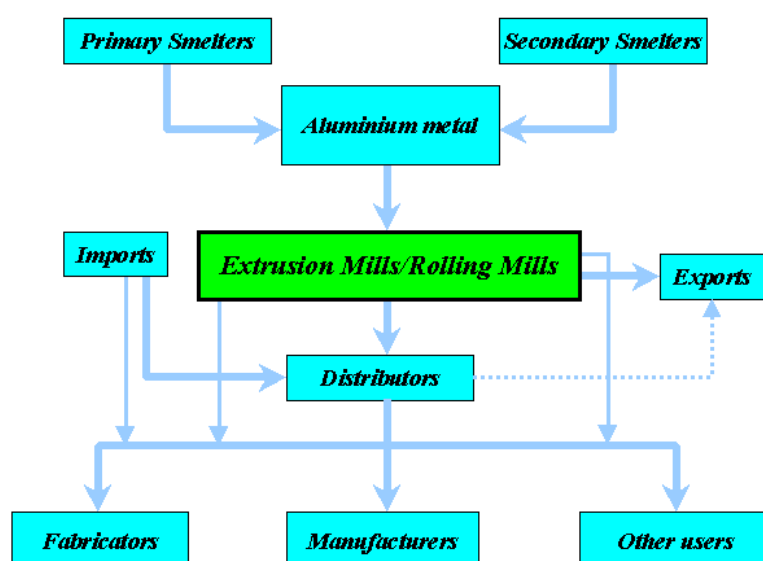
1. Describe the end uses of both your product and the imported goods.

Aluminium extrusions are used in a wide variety of applications, including commercial and residential buildings for window and door frame systems, prefabricated houses/building structures, roofing and exterior cladding, curtain walling, shop fronts, fencing, airframes, road and rail vehicles, marine, electrical and general engineering.

2. Describe the Australian market for the Australian and imported product and the conditions of competition within the overall market. Your description could include information about:

- sources of product demand;
- marketing and distribution arrangements;
- typical customers/users/consumers of the product;
- the presence of market segmentation, such as geographic or product segmentation;
- causes of demand variability, such as seasonal fluctuations, factors contributing to overall market growth or decline, government regulation, and developments in technology affecting either demand or production;
- the way in which the imported and Australian product compete; and
- any other factors influencing the market.

The diagram below outlines the aluminium extrusion industry's position (shown as Extrusion Mills/Rolling Mills) in the value chain in most, if not all, domestic markets, including Australia. It also shows the distribution channels to fabricators, manufacturers and other users.



A wide range of small to medium retail and trade end-users (including smaller fabricators, manufacturers and other users) order aluminium extrusions from distributors, metal service centres or retailers, with the choice of intermediary mainly reflecting size and complexity of orders, as well as the type of trading relationships developed over time.

In some instances, in the domestic market very large original equipment manufacturers (OEMs), such as large aluminium window manufacturers, further finishers (e.g. anodisers, powder

coat/painters) and fabricators, buy directly from the producers, normally in circumstances where the size and simplicity of order is such as not to adversely affect relationships between the producer and major distributors.

Manufacturers mainly sell aluminium extrusions to the next level of trade (distributors and OEMs) on a pricing formula reflecting:

1. the London Metal Exchange (LME) base price, plus
2. Premiums (billet premiums and Major Japanese Port (“MJP”) premium);
3. a conversion or processing fee (to cover conversion costs, profit and freight to customer store or wharf for export), plus
4. finish extras if applicable (e.g. painting/powder coating or anodising).

The difference between the LME metal price and Premiums, and the selling price, is referred to in the industry as the ‘spread’.

In addition, product profiles made to customer specifications will require special dies to be cut, which will either involve a charge to the customer to cover the upfront cost of producing the die, or will alternatively be paid for by the manufacturer with the cost amortised over the expected life of the die or the contract and built into the price of the extrusions.

Dies are sometimes owned by the customer and supplied to the extruder. Normally, die costs will be separated and negotiated for significant sales. However, a feature of some competition from imports is understood to be the offer of ‘free’ dies, even on small orders without a defined long-term order commitment. It has been usual custom in the industry to recover die costs as a separate item, either upfront for small or uncertain-duration contracts, or amortised over a defined time period for larger orders (cost-reflective pricing), however, in recent years dies have in some instances been included as an attractive enticement in the purchase of imported aluminium extrusions.

Many large customers have been increasingly sourcing a combination of local and imported product of the same specification. Imports almost always undercut domestic prices, however, invariably import products do not cover the whole range of Australian market requirements. Import prices are often used as a ‘bargaining’ device to obtain lower prices from local aluminium extrusion producers. Another feature of this process is the tendency for common, easier to make profiles to be dual-sourced, with the more difficult and lower-run volume sections mainly supplied from local sources. Multiple sourcing leads to loss of production tonnage, capacity underutilisation and production inefficiencies for local producers, contributing to material injury.

Following the commencement of Investigation No. 362, Capral observed an upsurge in imports from Thailand. Based upon market intelligence, Capral became aware of low-priced exports to Australia by the two-exempt Chinese exporters, Jiangsheng and Zhongya. Capral understands the export volumes from Jiangsheng and Zhongya, and the exports from Thailand, exceed the volume of exports at dumped prices (as per Investigation No. 362) from Malaysia and Vietnam. There was a noticeable increase that emerged as key sources of supply for imported aluminium extrusions following the imposition of anti-dumping and countervailing measures on imports from China.

Demand for aluminium extrusions correlates to the general level of economic growth, especially in building/construction, industrial and transportation activities.

3. Identify if there are any commercially significant market substitutes for the Australian and imported product.

There are no commercially significant market substitutes for the subject goods.

4. Complete appendix A1 (Australian production). This data is used to support your declaration at the beginning of this application.

Capral has completed Confidential Appendix A1 for the 12 month period to 30 September 2019.

5. Complete appendix A2 (Australian market).

Capral has completed Confidential Appendix A2 – Australian market for aluminium extrusions – mill finish. Import data obtained from the Australian Bureau of Statistics (“ABS”) does not identify the finish of the imported aluminium extrusion. Capral has therefore estimated the volume of *mill finish* product based upon its share of total sales to the Australian market – as Capral is a supplier of mill finish, powder coated and anodized aluminium extrusion.

Capral’s mill finish product as a percentage of total domestic sales across the four periods from 2015/16 to 2018/19 (for years ending September) was:

Year	Percentage
2015/16	Xxxxx
2016/17	Xxxxx
2017/18	Xxxxx
2018/19	Xxxxx

The above percentages were applied to the import volumes from all countries to arrive at an Australian market for aluminium extrusions – mill finish.

6. Use the data from appendix A2 (Australian market) to complete this table:

*Indexed table of sales quantities**

Period	(a) Your Sales	(b) Other Aust ⁿ Sales	(c) Total Aust ⁿ Sales (a+b)	(d) Dumped Imports	(e) Other Imports	(f) Total Imports (d+e)	Total Market (c+f)
2015/16	100	100	100	100	100	100	100
2016/17	99.2	100	99.7	86.3	105.8	102.2	100.5
2017/18	99.1	100	99.7	116.1	121.9	120.8	106.3
2018/19	91.2	100	97.0	128.9	128.4	128.4	106.8

Notes:

1. Data from Confidential Appendix A6.1 for mill finish product only;
2. Years ending September.

The Australian market for aluminium extrusions has experienced moderate growth since 2015/16. Imports from Malaysia declined in 2016/17 as the outcomes associated with Investigation No. 362 (exports from Malaysia and Vietnam) were finalized. The exporters the subject of this application – Press Metal Sdn Bhd, Milleon Extruder Sdn Bhd, LB Aluminium Sdn Bhd, Kamco Aluminium Sdn Bhd, Superb Aluminium Industries Sdn Bhd and Genesis Aluminium Industries Sdn Bhd – were not the subject of measures following Investigation No. 362 and are exempt from any interim dumping duty payable.

It is Capral’s understanding that the increase in exports of aluminium extrusions from Malaysia has been due to increased export volumes from the six exporters that are not the subject of the measures.

Capral acknowledges that there has been growth in exports from China, and other countries, however,

Capral's market intelligence suggests that injurious dumping originates from the exempt exporters in Malaysia. (refer section A-9.2 of application).

A-5 Applicant's sales

1. Complete appendix A3 (sales turnover).

Capral has completed Confidential Appendix A3 for the goods the subject of this application.

2. Use the data from appendix A3 (sales turnover) to complete these tables.

*Indexed table of Applicant's sales quantities**

Quantity	2015/16	2016/17	2017/18	2018/19
All Products				
Aust. Market	100	99.2	96.4	90.0
Export Market	100	130.9	262.4	141.6
Total	100	99.6	98.0	90.5
Like Goods				
Aust. Market	100	99.2	99.1	91.2
Export Market	100			
Total	100	99.2	99.1	91.2

*Index of data. For years ending September.

Capral's sales of total products reflects the like goods as Capral is predominantly a manufacturer of aluminium extrusions for which mill finish product represents the major proportion of all goods sold by Capral.

*Indexed table of Applicant's sales values**

Revenues	2015/16	2016/17	2017/18	2018/19
All Products				
Aust. Market	100	101.7	105.2	99.0
Export Market	100	120.8	260.2	154.6
Total	100	101.9	106.9	99.6
Like Goods				
Aust. Market	100	106.1	116.1	105.4
Export Market	100			
Total	100	106.1	116.1	105.4

*Index of data. Pⁿ For years ending September.

Capral has experienced a deterioration in total sales values and sales values for the like goods in 2018/19.

3. **Complete appendix A5 (sales of other production) if you have made any:**
- **internal transfers; or**
 - **domestic sales of like goods that you have not produced, for example if you have imported the product or on-sold purchases from another Australian manufacturer.**

Capral has identified sales of imports and purchasers from other Australian manufacturers at Confidential Appendix A5. Aluminium extrusions not produced by Capral are bought and sold at arm's length by Capral's distribution business.

4. **Complete appendix A4 (domestic sales).**

Capral has completed Confidential Appendix A4 for the period 1 October 2018 to 30 September 2019.

5. **If any of the customers listed at appendix A4 (domestic sales) are associated with your business, provide details of the association. Describe the price effect of the association.**

Capral does not have any sales listed in Confidential Appendix A4 to related parties.

6. **Attach a copy of distributor or agency agreements/contracts.**

Capral does not have a distributor or agency agreement with a third party. A copy of Capral's Supply Agreement between Capral Distribution and Capral Manufacturing is included at Confidential Attachment A-5.6.

7. **Provide copies of any price lists.**

Capral prices to the domestic market through a combination of methods including a 'Pricing structure' and fixed kg pricing ex-mill. Capral's distribution business uses a combination of fixed kg, list less discount and quotations.

Capral's "pricing structure" is based upon LME pricing, regional; premium and conversion factors. Examples of pricing structures are included at Confidential Attachment A-5.7.

8. **If any price reductions (for example commissions, discounts, rebates, allowances and credit notes) have been made on your Australian sales of like goods provide a description and explain the terms and conditions that must be met by the customer to qualify.**

- **Where the reduction is not identified on the sales invoice, explain how you calculated the amounts shown in appendix A4 (domestic sales).**
- **If you have issued credit notes (directly or indirectly) provide details if the credited amount has not been reported appendix A4 (domestic sales) as a discount or rebate.**

Capral provides, in limited circumstances, early payment discounts and certain 'LME' rebates as outlined at Confidential Attachment A-5.8. Capral accrues most of these rebates at the time of invoicing. Appendix A4, therefore, discloses the net amount in cases where the rebate has accrued.

9. **Select two domestic sales in each quarter of the data supplied in appendix A4 (domestic sales). Provide a complete set of commercial documentation for these sales. Include, for example, purchase order, order acceptance, commercial invoice, discounts or rebates applicable, credit/debit notes, long or short term contract of sale, inland freight contract, and bank documentation showing proof of payment.**

Capral has included two complete sets of commercial documentation for each quarter within the twelve month period 1 October 2018 to 30 September 2019. Please refer to Confidential Attachment A-5.9

10. Provide a list of model control codes from appendix A4.

Category	Sub-category	Sales Data	Cost data	Key category
Mill Finish		Mandatory	Mandatory	Yes
	Alloy Code	Mandatory	Optional	Yes
	Temper Code	Mandatory	Optional	Yes

A-6 General accounting/administration information.**1. Specify your accounting period.**

Capral's full financial year is the 12-month period ending 31 December. Capral also provides half year financial accounts for each 6 month period ended 30 June.

2. Provide details of the address(es) where your financial records are held.

Capral's financial records are held at the following addresses:

- L4, 60 Phillip Street, Parramatta, NSW 2150
- Bremer Park, 71 Ashburn Road, Bundamba, QLD 4304

3. To the extent relevant to the application, please provide the following financial documents for the two most recently completed financial years plus any subsequent statements:

- chart of accounts;
- audited consolidated and unconsolidated financial statements (including all footnotes and the auditor's opinion);
- internal financial statements, income statements (profit and loss reports), or management accounts, that are prepared and maintained in the normal course of business for the goods.

These documents should relate to:

1. the division or section/s of your business responsible for the production and sale of the goods covered by the application, and
2. the company overall.

A copy of Capral's chart of accounts is available at Confidential Attachment A-6.3.1.

Copies of Capral's annual reports for 2017 and 2018 are provided at Non-Confidential Attachment A-2.9.

A copy of Capral's internal financial statements for the months of March, June and September 2019 are included at Confidential Attachment A-6.3.2. These statements detail:

- (i) profit/loss for each of the five manufacturing operations;
- (ii) distribution operations; and
- (iii) allocated corporate overheads.

Aluminium extrusions are produced at all five manufacturing plants.

4. **If your accounts are not audited, provide the unaudited financial statements for the two most recently completed financial years, together with your taxation returns. Any subsequent monthly, quarterly or half yearly statements should also be provided.**

Not applicable.

5. **If your accounting practices, or aspects of your practices, differ from Australian generally accepted accounting principles, provide details.**

Capral's accounts comply with Australian accounting standards as certified by independent auditors in the 2018 Annual Report at Non-Confidential Attachment A-2.9.

6. **Describe your accounting methodology, where applicable, for:**

- **The recognition/timing of income, and the impact of discounts, rebates, sales returns warranty claims and intercompany transfers;**

Capral recognises income on the date of invoice. Invoices are raised each night for items shipped to the customer on that day. Some customers' net invoice value is determined on the basis of a list price less customer discount percentage, applied on each invoice and therefore recognised during the month. Customer rebates described above (i.e. early payment discounts and consolidation rebates) are calculated and a credit note raised at the end of each month.

Revenue is measured at the fair value of the consideration received or receivable. Sales revenue comprises sales of goods and services at net invoice values less returns, trade allowances and applicable rebates.

Revenue from the sale of goods is recognised when all the following conditions are satisfied:

(i) Capral has transferred to the buyer the significant risks and rewards of ownership of the goods;

(ii) Capral retains neither continuing managerial involvement to the degree normally associated with ownership nor effective control over the goods sold;

(iii) the amount of revenue can be measured reliably;

(iv) it is probable that the economic benefits associated with the transaction will flow to the entity; and

(v) the costs incurred or to be incurred in respect of the transaction can be measured reliably.

- **provisions for bad or doubtful debts;**

Doubtful Debt provision is based on a percentage of the total debt for customers who are subject to formal payment plans or legal action and 1.75% of the 90 day and over balances. The provision for doubtful debts is reviewed each month and necessary adjustments made to the provision. The provision is based on estimated irrecoverable amounts from the sale of goods, determined by reference to past experience and knowledge of customers. Allowances are made for known doubtful debts at the time of appointment of administrators, liquidators or other formal insolvency events.

Bad Debts – Debts are determined to be bad and written off when written advice is received from the Receiver, Liquidator or Trustee in Bankruptcy that no further dividend will be paid, or as approved by the Chief Financial Officer.

- **the accounting treatment of general expenses and/or interest and the extent to which these are allocated to the cost of goods;**

Capral's general or overhead costs incurred within the manufacturing business are recognised in the profit and loss of the manufacturing business. These may be captured within a cost centre where they relate to a specific area (e.g. mill, painting, anodising) or they may be captured in a general manufacturing overhead cost centre. In the Confidential Appendix A6 financials, these general overheads have been allocated to Mill, Paint, Anodise and Fabrication (non-like goods) on a per kilogram sold basis.

The costs of performing Capral's shared services functions (e.g. accounts receivable, accounts payable, payroll, finance) are captured in a Corporate profit centre. These overheads are apportioned to each business as part of Capral's annual budget process. This split is based on an estimate by corporate cost centre owners of the percentage each business uses. For example, a large portion of Capral's information technology spend relates to its enterprise resource planning (ERP) system, SAP. As such, a key determinant of IT corporate allocation is the number of SAP users in each business.

A portion of Capral's corporate costs are not allocated as part of the budget process. This relates mainly to its executive management and some property costs. As part of the Confidential Appendix A6 process, these costs were allocated to each business based on the same proportion of total corporate costs that were allocated as part of the budget process.

Capral does not allocate interest expense to businesses. As part of the Confidential Appendix A6 process, interest costs were allocated on the basis of total funds employed in each business.

- **costing methods (eg by tonnes, units, revenue, activity, direct costs etc) and allocation of costs shared with other goods or processes;**

Capral's manufacturing business consists of 5 plants.

All five plants use a standard costing system to allocate metal, labour and overheads to each production order. Metal is allocated based on a standard consumption level for the pieces produced. Labour and overheads are allocated based on a standard output rate multiplied by a standard activity rate. This is based on a manufacturing bill of materials (BOM) with specific routings to allocate labour and overheads. Angaston and Penrith plants do not maintain stock in SAP for these plants cost of sales and inventory valuation is based on the current LME plus billet premium plus a single average dollar per kilogram standard for Mill Finish, Paint and Anodise.

- **the method of valuation for inventories of raw material, work-in-process, and finished goods (e.g. FIFO, weighted average cost);**

Raw Material – Capral values its log inventory at a standard cost. The standard includes a LME and billet premium component. The standard is updated on a regular basis, in line with movements in the value of the LME and changes in billet premiums. Revaluation gains or losses are posted to the profit and loss each month.

Work in Progress (WIP) – Valued based on a standard metal cost (LME plus billet premium as per above) plus a standard cost for labour and overhead (conversion costs) for each area of production. The valuation is based on the accumulation of standard costs up to the last confirmation point. Note that the standard metal cost includes an allowance for metal waste.

Finished Goods – Valued based on a standard metal cost (LME plus billet premium as per above) plus a standard cost for labour and overhead (conversion costs) for each area of production. For example, a painted product will include a standard metal cost, a standard mill labour and overhead cost and a standard paint labour and overhead cost. Note that the standard metal cost includes an allowance for metal waste. Due to the use of standard costs, finished inventory is compared at least quarterly against actual costs (and net realisable value) and adjustments are posted to the profit and loss as required. Capral also regularly reviews dead and slow moving stock, and posts provisions to the profit and loss as required.

- **valuation methods for scrap, by-products, or joint products;**

In-House Waste – Metal waste (or scrap) is an inevitable part of the extrusion process. This consists of planned and unplanned waste. In-house scrap is booked into scrap inventory as it is generated (ie: daily).

Customer Returns – Capral receives metal returns from customers where the product is damaged or not as per the customer's order. These returns will generally be scrapped. Customer return scrap is booked into scrap inventory upon recognition that the returned goods are not able to be re-worked or re-sold.

Scrap – Scrap is sold based on agreed contract pricing with third parties. The price is generally expressed as a percentage of the market LME rate. Scrap is held in inventory at a standard cost, which is adjusted on a regular basis, in line with movements in the LME.

- **valuation methods for damaged or sub-standard goods generated at the various stages of production;**

As per above, Capral books damaged goods into scrap on a regular basis and re-values this stock to net realisable value on a regular basis (generally monthly). Capral also regularly reviews dead and slow moving stock, and posts provisions to the profit and loss as required.

- **valuation and revaluation of fixed assets;**

Fixed asset valuations and revaluations are in line with generally accepted Australian accounting principles. At each reporting date, Capral reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

- **average useful life for each class of production equipment, the depreciation method and depreciation rate used for each;**

Refer to P. 61 of Capral's 2018 Annual Report.

- **treatment of foreign exchange gains and losses arising from transactions and from the translation of balance sheet items; and**

Refer to Note 29 of Capral's Financial Statements in the 2018 annual report.

- **restructuring costs, costs of plant closure, expenses for idle equipment and/or plant shut-downs.**

Where applicable, provisions are made for expenditure in line with generally accepted Australian accounting principles.

7. **If the accounting methods used by your company have changed over the period covered by your application please provide an explanation of the changes, the date of change, and the reasons.**

Accounting methods have only changed to the extent required by Australian and international accounting standards during the investigation period.

A-7 Cost information

1. **Complete appendices A6.1 and A6.2 (cost to make and sell) for domestic and export sales.**

Capral has completed Confidential Appendix A6.1 and A6.2 for the goods the subject of this application. Capral only exports minor volume of aluminium extrusions and Confidential Appendix A6.2 includes mill finish, powder coated and anodized extrusions.

2. **Provide a list of model control codes from appendix A6.1 and A6.2.**

Confidential Attachment A-6.1 does not categorise the subject goods beyond mill finish level.

A-8 Injury

The principal indicators of injury are price, volume and profit effects – although not all of these must be evident. For this application, profit refers to amounts earned. Profitability is the ratio of profit to sales revenue. Where the application includes a claim of threat of material injury you must also complete question C.2.

1. **Estimate the date when the material injury from dumped and/or subsidised imports commenced.**

Capral commenced to experience injury from the dumped exports of mill finish aluminium extrusions from the Malaysian exporters not the subject of anti-dumping measures during 2018. The material injury from the dumped exports became noticeably apparent in Capral's profit and profitability during the 2018/19 year ending September.

2. **Using the data from appendix A6 (cost to make and sell), complete the following tables for each model control code of your production. Pⁿ is the most recent period.**

Index of production variations (model control code)

Period	2015/16	2016/17	2017/18	2018/19
Index	100	97.24	93.14	84.39

*Use data from label A of appendix A6.1

Capral has experienced a decline in production levels of mill finish aluminium extrusions in the 2018/19 year of approximately 9 per cent.

Index of cost variations (model control code)

Period	2015/16	2016/17	2017/18	2018/19
Index	100	105.64	116.69	118.06

*use data from label J of appendix A6.1

The cost-to-make-and-sell (“CTMS”) aluminium extrusions for Capral has increased by approximately 12.5 per cent since 2016/17 as raw material aluminium ingot prices have increased.

Index of price variations (model control code)

Period	2015/16	2016/17	2017/18	2018/19
Index	100	106.97	117.12	115.53

*Use data from label L of appendix A6.1

Capral's weighted average selling price for mill-finish aluminium extrusions increased by 10 per cent in 2017/18, and declined by approximately 1.5 per cent in 2018/19, for a net price increase between 2016/17 to 2018/19 of 8.5 per cent.

Index of profit variations (model control code)

Period	2015/16	2016/17	2017/18	2018/19
Index	100	685.5	107.3	34.32

*use data from label M or N (specify as appropriate) of appendix 6.1

Capral's unit profit improved in 2016/17, declined in 2017/18 to be at the levels of 2015/16 and fell sharply in 2018/19 as imports from Malaysia have increased.

Index of profitability variations (model control code)

Period	2015/16	2016/17	2017/18	2018/19
Index	100	733.3	125.7	39.7

*use data from label O of appendix A6.1

Capral's profit as a percentage of selling price has followed the trend of unit profit – with a sharp decline evident in 2018/19.

3. **Complete appendix A7 (other injury factors).**

Where applicable to injury claims, prepare an indexed table for other injury factor(s) in the format above.

Capral has completed Confidential Appendix A7. The following indicators reveal deteriorations in 2018/19 as Capral competes with increasing volumes of dumped exports from Malaysia.

Index of Revenue

Period	2015/16	2016/17	2017/18	2018/19
Index	100	106.1	116.1	105.4

*use data from appendix A7

Consistent with its decline in sales volumes of mill finish product, Capral has also experienced a deterioration in revenues of the like goods in 2018/19 (refer Confidential Appendix A6.1 Line K).

Index of Return on Investment

Period	2015/16	2016/17	2017/18	2018/19
Index	100	129.8	-65.3	-479.9

*use data from appendix A7

Capral's aluminium extrusions business (of which mill finish represents 67 per cent of its total aluminium extrusions business) experienced a sharp decline in return on investment in 2018/19.

Index of Capacity Utilisation

Period	2015/16	2016/17	2017/18	2018/19
Index	100	97.2	93.1	84.4

*use data from appendix A7

Capral has experienced a gradual downturn in production utilisation since 2015/16, with a dramatic deterioration evident in 2018/19.

Index of employment

Period	2015/16	2016/17	2017/18	2018/19
Index	100	104.3	97.9	86.0

*use data from appendix A7

Capral has reduced its workforce in response to the competitive environment in 2017/18 and 2018/19 as exports from Malaysia have increased.

Index of Wages

Period	2015/16	2016/17	2017/18	2018/19
Index	100	102.4	100.0	91.0

*use data from [appendix A7](#)

Consistent with the reduction in employee numbers in 2018/19, Capral has also experienced a reduction in its wages bill for the like goods.

A-9 Link between injury and dumped or subsidised imports

To establish grounds to initiate an investigation there must be evidence of a causal relationship between the injury and the alleged dumping or subsidisation. This section provides for an applicant to analyse the data provided in the application to establish this link. It is not necessary that injury be shown for each economic indicator.

1. Identify from the data at [appendix A2](#) (Australian market) the influence of the volume of dumped and/or subsidised imports on your quarterly sales volume and market share.

The impact of the increasing export volumes from the six exempt Malaysian exporters⁵ of mill finish aluminium extrusions has caused Capral to lose sales volumes (a decline of approximately xx per cent) and a reduction in market share of xxx per cent.

The declines in sales volumes and market shares are evident in the 2018/19 year – the likely investigation period over which the dumping has occurred.

Over this period the Australian market for mill finish aluminium extrusions has increased by approximately xx per cent. Capral, as the largest Australian manufacturer of like goods, considers that its position would be reflected by the other Australian producers who have also experienced reductions in sales volumes and market share.

2. Use the data at [appendix A2](#) (Australian market) to show the influence of the price of dumped and/or subsidised imports on your quarterly prices, profits and profitability provided at [appendix A6.1](#) (costs to make and sell). If appropriate, refer to any price undercutting and price depression evident in the market.

i. Price-effect

Capral has experienced a dramatic xx per cent decline in sales volumes of mill finish aluminium extrusions in 2018/19 even though the Australian market for the goods has been relatively buoyant. During this time, exports of Malaysian mill finish aluminium extrusions have increased by more than 12 per cent (based upon Capral's estimates), although the actual increase from 2016/17 has been approximately 40 per cent.

Market intelligence available to Capral confirms that the Malaysian exporters not the subject of the anti-dumping measures are supplying Australian importers with product that is priced at levels to undercut the Australian industry (see further below). It is also observed that Chinese exporters the subject of measures in China were the subject of a review of measures inquiry (Investigation No. 492) that was finalised in May 2019 – although it did commence early in the second half of

⁵ The Malaysian exporters not the subject of anti-dumping measures are: Press Metal Sdn Bhd, Milleon Extruder Sdn Bhd, LB Aluminium Sdn Bhd, Kamco Aluminium Sdn Bhd, Superb Aluminium Industries Sdn Bhd and Genesis Aluminium Industries Sdn Bhd

2018, providing Malaysian exporters not the subject of measures an opportunity to increase exports to Australia at prices that were below those of Chinese exporters.

Coinciding with this increase in Malaysian export volumes to Australia has been the rise in the London Metals Exchange (“LME”) cash price for raw material aluminium ingot. The Malaysian exporters not the subject of measures have been able to export to Australia at negotiated prices which Capral contends by this application are at dumped levels.

II. Price undercutting by Malaysian exporters

Capral’s Confidential Appendix A6.1 demonstrates a decline in domestic sales of mill finish aluminium extrusions in a relatively buoyant market that has experienced growth over the last three years. Capral has encountered increasing competition across its customer accounts from the Malaysian exporters not the subject of measures. The following examples demonstrate the causal link between lost sales volumes and/or price-effect injury from the Malaysian exporters.

(a) Example A

[Customer] is an important customer to Capral. [Customer] consumes approximately [volume] tonnes of aluminium extrusion p.a., with approximately xx per cent sourced from Capral and the remainder from LB aluminium of Malaysia. The following sales volumes and gross margin on sales over the last four years for [Customer] have been summarized in Table A-9.2.1. [Customer] dual sources its aluminium extrusions from Capral and LB Aluminium of Malaysia. LB Aluminium’s offer to [Customer] involves a spread for mill finish aluminium extrusions of \$xxxx - xxxx per kg – substantially less than Capral’s \$xxx/kg. It is also noted that LB Aluminum does not pass on any annual CPI costs to [Customer] (please refer Confidential Attachment B-9.2.1).

Table A-9.2.1 – [Customer] mill finish sales volumes and values

	2016	2017	2018	2019
Total Tonnes				
Revenue				
Gross Margin				

In 2017/18 there was an approximate increase in the LME of 30 per cent (basis for Review Investigation No. 492). It is evident from the above price spread for mill finish aluminium extrusion (i.e. margin over raw materials), Capral has not been able to raise its price to recover increases in the LME. This is due to [Customer] moving volumes away from Capral to LB Aluminium if price increases were enforced.

(b) Example B

[Customer] has purchased some of its aluminium extrusions from Milleon Extruder and LB Aluminium over the last twelve months. [Supplier] (now owned by [supplier]) has had a significant import strategy over recent years, however, is now sourcing from Malaysia during the likely investigation period.

Capral has offered an import replacement option for [Customer] but this has had some effect at a significant reduction in Capral’s price. However [Customer] continue to import significant volumes.

Sales volumes at [Customer] have deteriorated in 2018 and further again in 2019. Capral is not competitive with the import prices ex Malaysia (from Milleon Extruder, LB Aluminium and others). The following chart (sales volumes by month) highlights the reduction in sales volumes to [Customer] – [Customer] sourcing imported mill finish goods from Milleon and LB Aluminium during 2018/19.

[Commercially sensitive graph of customer volumes]

Refer Confidential Attachment A-9.2.2 for details of Capral's volumes and pricing at [Customer] over last four years. It includes details of Capral's [commercially sensitive details] offer which is at a reduced price. Capral's sales tonnes of mill-finish goods to [Customer] have declined from approximately xxxx tonnes in 2016 to xxxx tonnes in 2019 – a decline in sales volumes of 32 per cent. In 2019, Capral has also experienced a reduction in its margin on mill-finish sales to [Customer] – down from xx per cent in 2017 and 2018, to xx per cent in 2019.

The quotation at Confidential Attachment A-9.2.2 confirms the spread on mill-finish product from LB Aluminium to [Customer] of US\$xxx per tonne. This represents a further reduction on the A\$xxxx per kg (A\$xxxx per onne) quoted to other Australian customers sourcing from LB Aluminium and significantly undercuts Capral's spread.

Capral's decline in sales volumes and reduced margin at [Customer] is due to [Customer] increasing supply from Milleon and LB Aluminium of Malaysia during 2018/19.

(c) Example C

[Customer] purchases a significant volume of its requirements from a Malaysian supplier. Capral understands that the mill finish spread on [Customer] purchases is \$xxxx per kg – well below other offers in the market and a reasonable basis as to why Capral is unable to increase sales at this customer. Capral's recent sales history and margin analysis at [Customer] is summarised below.

Table A-9.2.2 – [Customer] mill finish sales volumes and values

	Volume (MT)	Revenue	Margin (%)
2016			
2017			
2018			
2019 ytd			

Capral's margin at [Customer] has [reduced] in 2019 as Capral has reduced its price to compete with Malaysian exports of aluminium extrusions at this customer.

Capral has included at Confidential Attachment A-9.2.3 details of the [Customer] import offers versus Capral's pricing structure to [Customer] dated June 2019.

(d) [Customer]

[Customer] is a customer that Capral supplied in excess of xxx tonnes p.a. in [year]. Capral

understands that [Customer] is importing in large volumes from LB Aluminium. [Customer] has shifted volume away from Capral to LB Aluminium due to the significantly lower price, even though lead times for purchases from Capral are lower. Capral's recent sales history at [Customer] is as follows:

Table A-9.2.3 – [Customer] mill finish sales volumes and values

	Volume (MT)	Revenue	Margin (%)
2016			
2017			
2018			
2019			

Capral has reduced its price to [Customer] in order to hold sales volumes (as reflected in the above Table summarizing volumes and revenues, and margin. Capral's price reduction to [customer] on mill finish aluminium extrusion reflects a spread of \$xxxx per kg. This price reduction is still not at the levels of LB Aluminium which is understood to be at \$xxxx per kg below Capral's most recent price offer (i.e. a mill price spread of \$xxxx per kg).

Please refer to Confidential Attachment A-9.2.4 for supporting information on sales to [Customer].

(e) [Customer]

[Customer] is a long standing customer of Capral. Capral has historically supplied a minimum of xxx tonnes per month to [Customer]. Over the last twelve-month period, Capral has lost approximately xxx tonnes of supply at [Customer] to imports from Malaysia. In September 2018, Capral [commercially sensitive arrangements with customer] to \$xxx per kg for a minimum order of xxx tonnes per month. Capral understands that [Customer] has been sourcing LB Aluminium product in late 2018 and 2019 at a mill finish spread of \$xxxx per kg - consistent with the mill spread evidenced in price negotiations at other customers in the market that have cited LB Aluminium as supplier.

Table A-9.2.4 – [Customer] mill finish sales volumes and values

	Volume (MT)	Revenue	Margin (%)
2016			
2017			
2018			
2019			

The following chart (volume in tonnes, by month) depicts the decline in sales volumes at [customer] – with [customer] understood to be sourcing from LB Aluminium. It should be noted that for the small volumes of business retained at [REDACTED] for mill finish product, the margin for Capral has been in the xx-xx per cent range.

[Commercially sensitive graph of customer volumes]

Capral has experienced continuing declines in sales volumes at [Customer] which it attributes to increasing its sourcing requirements from Malaysian manufacturers not the subject of anti-dumping measures.

(f) [Customer]

[Customer] has a dual-sourcing policy for aluminium extrusions. It purchases product from both Capral and from Malaysia (Press Metal). Whilst Capral has continued to supply [Customer] at approximately xxx tonnes per month, in 2018 and 2019, Capral has experienced an erosion of selling price and margin for sales to [customer].

The following graph (volumes in tonnes by month) depicts Capral's sales history to [customer] with reduced volumes in 2019 when contrasted with 2018.

[Commercially sensitive graph of customer volumes]

Capral has also experienced a decline in its margin on sales of mill finish product to [Customer]. In 2016, Capral had a 20 per cent margin on its sales to [Customer]. This margin has been eroded to 11 and 12 per cent in 2018 and 2019 in direct response to competition from imports from Malaysia that have influence competitors in the market supplied by [Customer].

The foregoing examples demonstrate that Capral has experienced price suppression in 2018/19 as its margin between selling price and cost has been eroded due to selling prices for dumped aluminium extrusions sourced from exporters in Malaysia not the subject of anti-dumping measures. The import prices at which Capral is responding to at prices with a mill-finish spread of approximately \$xxxx per kg well below Capral's spread with import offers selling below Capral's prevailing prices. Whilst a proportion of the offers are for LB Aluminium supplied mill-finish goods, each of the five remaining exporters would be pricing at levels similar to LB Aluminium in order for them to secure sales on the Australian market.

Where the "spread" is referenced this refers to the difference between the LME plus MJP plus billet premium and the exporter's selling price to the Australian customer. Most offers are for mill finished goods (with an amount added for surface coating) and are sourced from the six Malaysian exporters – where the source is often not disclosed but due to the purchasing history of the customer, Capral has informed knowledge as to the Malaysian exporter that has well-

established links to customers in the Australian market.

The price suppression experienced by Capral has contributed to a decline in Capral's profit and profitability in 2018/19 (refer to profit and profitability indices at Section A-8.2).

3. Compare the data at appendix A2 (Australian market) to identify the influence of dumped and/or subsidised imports on your quarterly costs to make and sell at appendix A6.1 (for example refer to changes in unit fixed costs or the ability to raise prices in response to material cost increases).

Capral's CTMS mill finish aluminium extrusion has increased in successive years from 2015/16. In aggregate, the increase has been 18 per cent since the base year. The increase in 2017/18 can be attributed to the higher LME price of aluminium ingot – which all producers of aluminium extrusions would encounter. In 2018/19, Capral encountered strong competition from Malaysian exporters not the subject of anti-dumping measures resulting a deterioration of selling prices for mill finish aluminium extrusions. As selling prices declined, Capral's CTMS in 2018/19 increased, contributing to price suppression as Capral sold less volumes than in the previous three-year period.

The impact of the dumping by the Malaysian exporters not the subject of anti-dumping measures has contributed to Capral selling a higher percentage of mill-finish aluminium extrusions (as a percentage of total domestic sales) than has historically been the case. For example, in 2015/16, Capral's sales of mill finish aluminium extrusions accounted for xxxx per cent of its total domestic sales. In 2018/19, Capral's sales of mill finish aluminium extrusion accounted for xxxx per cent of total domestic sales.

Mill finish aluminium extrusions involve less value-adding than powder coated or anodized aluminium extrusions and have a lower margin. As Capral is pushed into selling an increased percentage of mill finish aluminium extrusions at a reduced margin, Capral is incurring reduced profit and profitability at an accelerated rate.

Capral's Confidential Appendix A6.1 data for 2018/19 confirms that Capral has been unable to raise selling prices to recover increasing costs as it responds to competitive offers for lower priced imported mill finish aluminium extrusions sourced from Malaysian exporters not the subject of anti-dumping measures.

4. The quantity and prices of dumped and/or subsidised imported goods may affect various economic factors relevant to an Australian industry. These include, amongst other things, the return on investment in an industry, cash flow, the number of persons employed and their wages, the ability to raise capital, and the level of investment in the industry. Describe, as appropriate, the effect of dumped and/or subsidised imports on these factors and where applicable use references to the data you have provided at appendix A7 (other economic factors). If factors other than those listed at appendix A7 (other economic factors) are relevant, include discussion of those in response to this question.

Capral's Confidential Appendix A7 details a number of injury indicators experienced in 2018/19 that Capral attributes to the competitive conditions caused by the dumped exports from the Malaysian manufacturers not subject to measures.

Capral can evidence its has suffered injury in each of the following forms:

- reduced domestic revenues (refer Confidential Appendix A6.1) for like goods;
- reduced return on investment (applicable to aluminium extrusion of all finishes);
- reduced capacity utilisation;
- reduced employment; and
- reduced wages.

Over the previous 18 months, Capral has undertaken capital investment as follows:

- a new packaging lines at Bremer in Queensland at a cost of \$xxx M; and
- a new cutting edge, vertical “cube powder coat line” for \$xxx M.

The strong competition from the dumped Malaysian exports in 2018/19 has hindered Capral’s ability to achieve a payback on these necessary investments.

5. Describe how the injury factors caused by dumping and/or subsidisation and suffered by the Australian industry are considered to be ‘material’.

The injury experienced by Capral in 2018/19 in its domestic mill finish aluminium extrusion is considered material in nature and extends well beyond the normal ebb and flow of business for Capral’s sales of like goods. In 2018/19, Capral’s domestic sales revenue for mill finish aluminium extrusions was \$xxxx Million, generating a loss of \$xxx M (i.e. *value* profit). The level of profit achieved does not permit Capral to continue to reinvest in the aluminium extrusion industry and similarly does not allow for budgeted returns on recent capital investment projects undertaken by Capral in the industry.

Capral’s profit deteriorated in 2017/18 from an almost break-even point in the prior period, and has fallen sharply in 2018/19 as Capral reduced selling prices to maintain sales volumes (although sales volumes also declined by xx per cent in 2018/19).

6. Discuss factors other than dumped and/or subsidised imports that may have caused or may threaten to cause injury to the industry. This may be relevant to the application in that an industry weakened by other events may be more susceptible to injury from dumping and subsidisation.

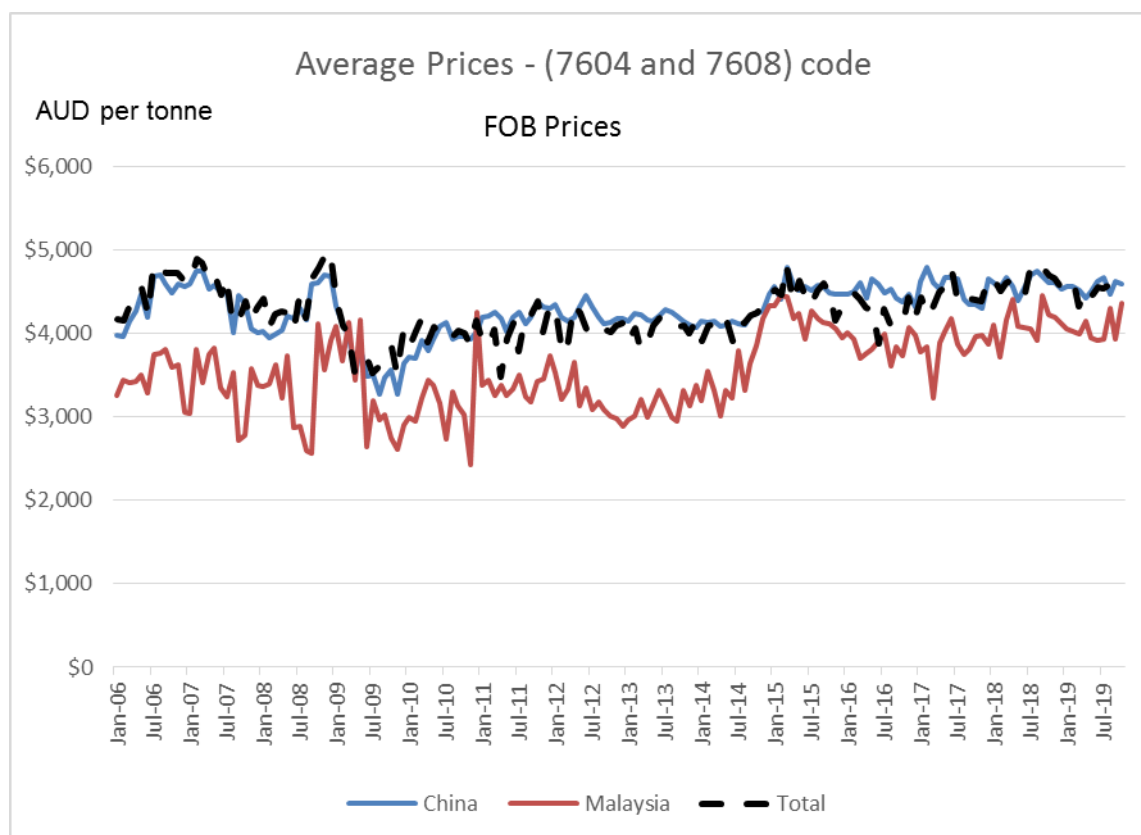
Manufacturers of aluminium extrusions are impacted by changes in raw material prices as a result of shifts in global supply and demand. The LME price for aluminium ingot increased throughout 2017/18 following a sustained period of low pricing. The cost of raw material aluminium is an influencing factor in a manufacturer’s economic performance in any given period.

The Australian market for aluminium extrusions is also the subject of anti-dumping and countervailing measures from exporters in China and Malaysia, and anti-dumping measures on exports from Vietnam. The anti-dumping measures for each of the subject countries are not based upon normal values determined in the same investigation periods. Anti-dumping and countervailing measures applicable to exports from China were recently reviewed (based upon a 2017/18 investigation period – Report 482) and are the most contemporary measures, with measures applicable to certain exporters in Malaysia and all exporters in Vietnam based upon a 2015/16 investigation period. Selling prices and costs for aluminium extrusions varied significantly between these two periods, resulting in differing normal values and determined exporty prices upon which the measures are based.

Capral highlights that the applicable anti-dumping measures that apply to exporters in China, Malaysia and Vietnam are factors that influence selling prices on the Australian market. However, in the 2018/19 year, Capral considers that the Malaysian exporters that are not the subject of measures have been the influencing factor in the determination of final selling prices on the Australian market. It is Capral’s view that the impact of the selling prices at dumped levels represents the largest influencing factor of domestic selling price sin 2018/19.

The chart at Table A-9.6.1 below demonstrates that the current FOB price for HS codes 7604 & 7608 are materially below the weighted-average China FOB price. This is also confirmed in ABS import data include din summary form at Confidential Attachment B-1.5. This demonstrates that Malaysia continues to export to Australia below the level identified by case 482 as being injurious to the Australian domestic industry.

Table A-9.6.1 – Average A\$FOB prices - Aluminium extrusions exported to Australia from China and Malaysia



7. **This question is not mandatory, but may support your application. Where trends are evident in your estimate of the volume and prices of dumped and/or subsidised imports, forecast their impact on your industry's economic condition. Use the data at [appendix A2](#) (Australian market), [appendix A6](#) (cost to make and sell), and [appendix A7](#) (other economic factors) to support your analysis.**

Capral has experienced a sharp decline in profit and profitability in 2018/19 in its mill finish aluminium extrusions business which it attributes to the dumping of exported goods from Malaysian exporters not the subject of anti-dumping measures.

Market intelligence confirms to Capral that Malaysian exporters including particularly LB Aluminium, Press Metal and Milleon Aluminium have aggressively targeted large customers in the Australian market with prices that undercut Capral's selling prices. In a number of instances, the margin spread offered by the Malaysian exporter for the supply of mill finish goods is up to \$xxxx per kg below Capral's margin spread. As evidenced by Capral's Appendix A6.1 for the like goods, Capral cannot match the selling prices of the Malaysian exporters and remain viable.

It is Capral's assessment that the subject exporters in Malaysia have been opportunistic to target customers in the Australian market and increase export sales to to Australia in 2018/19 (as supported by ABS import data). The increase in imports from Malaysia in 2018/19 far exceeds the annual growth in the market for aluminium extrusions and imports from all other source countries. At a time when the Australian market is experiencing moderate growth, Capral as the largest domestic manufacturer of like goods, has experienced injury that is material from the dumped exports from Malaysian exporters not the subject of the measures. The injury

experienced by Capral includes

- reduced sales volumes;
- reduced market share;
- price suppression;
- price depression;
- reduced profit and profitability;
- reduced revenues;
- reduced return on investment;
- reduced capacity utilisation;
- reduced employment; and
- reduced wages.

Capral submits that anti-dumping measures on the exempt Malaysian exporters of mill finish aluminium extrusions are required to address the injurious dumping that has occurred in 2018/19. Capral considers that if measures are not imposed on the injurious exports, the Australian industry will continue to experience a further deterioration in sales volumes and market share, additional price depression and price suppression. impacting further on profits and profitability.

PART B

DUMPING

IMPORTANT

All questions in Part B should be answered even if the answer is 'Not applicable' or 'None' (unless the application is for countervailing duty only: refer Part C). If an Australian industry comprises more than one company/entity, Part B need only be completed once.

B-1 Source of exports

1. Identify the country(ies) of export of the dumped goods.

The country of export of the dumped goods is Malaysia.

2. Identify whether each country is also the country of origin of the imported goods. If not, provide details.

The applicant understands that the country of export is also the country of origin for the goods (i.e. where the goods were manufactured).

3. If the source of the exports is a non-market economy, or an 'economy in transition' refer to Part C.4 and Part C.5 of the application.

Malaysia is not considered a non-market economy or an economy in transition for the purposes of Australia's Anti-Dumping provisions.

4. Where possible, provide the names, addresses and contact details of:

- **producers of the goods exported to Australia;**
- **exporters to Australia; and**
- **importers in Australia.**

The following Malaysian companies not currently the subject of measures are understood to be exporters of the goods to Australia:

- Press Metal Sdn Bhd
Suite 61 & 62, Setia Avenue
No.2, Jalan Setia Prima S U13/S
Setia Alam Seksyen U13
40170 Shah Alam
Selangor Darul Ehsan, Malaysia
Tel: +603 3362 2166
Fax: +603 3362 2000
Web: www.pressmetal.com
- Milleon Extruder Sdn Bhd
Lot 946 Sungai Choh
Mukim Serendah, 48000 Rawang
Selangor Malaysia
Tel: +60 3-6092 1128
- Kamco Aluminium Sdn Bhd
No. 3A, Jalan Suria Park 1,
Suria Park, Kawasan Perindustrian
Kampung Baru Balakong, 43300 Seri Kembangan
Selangor Malaysia
Tel: +60 3-8964 9991
- LB Aluminium Sdn Bhd
43700 Lot 11
Jalan Perusahaan 1 Kawasan Perusahaan
Beranang Selangor, 43700 Malaysia
Tel: +60 3 8723 2288
- Superb Aluminium Industries Sdn Bhd
1-22 Jalan Perindustrian
Mahkota 2, Tmn Perin Mahkota

43700 Beranang, Selangor, Malaysia
Tel: +60 3-8723 2652

- Genesis Aluminium Industries Sdn Bhd
Lot 805, Batu 1 3/4 Jalan
Bangi Lama, 43500 Semenyih
Selangor, Jalan Bangi Lama, 43500
Selangor Malaysia
Tel: +60 3-8723 1211

The following companies are understood to be importers of the dumped goods from Malaysia:

- Press Metal Aluminium (Australia) Pty Ltd
2/22 Eastern Service Road
Stapylton Queensland 4207
Tel: (07) 3382 6640
- Alsun Enterprises Pty Ltd
Unit 1, 64 Connemarra Street
Kogarah NSW 2217
- Abra Aluminium
118-120 Freight Drive
Somerton Victoria 3062
Tel: (03) 9308 5499
- Breezway
35 Cambridge St
Coorparoo Queensland 4151
Tel: (07) 3847 0500
- Bluescope Distribution
920 Nudgee Road
Northgate Queensland 4014.
Tel: (07) 3622 9222

5. **If the import volume from each nominated country at Appendix A.2 (Australian Market) does not exceed 3% of all imports of the product into Australia refer to Part C.6 of the application.**

The goods imported from Malaysia account for more than 3 per cent of the total import volume during the period 1 October 2018 to 30 September 2019. Please refer to Confidential Attachment B-1.5.

6. **In the case of an application for countervailing measures against exports from a developing country, if the import volume from each nominated country at Appendix A.2 (Australian Market) does not exceed 4% of all imports of the product into Australia refer to Part C.6 of the application.**

This application does not include an application for countervailing measure, hence this question does not apply.

B-2 Export price

Possible sources of information on export price include export price lists; estimates from the Australian Bureau of Statistics; a deductive export price calculation from the Australian selling price of the imported goods; export sales quotations or invoices; foreign government export trade clearances.

1. **Indicate the FOB export price(s) of the imported goods. Where there are different model control codes or levels of trade involved, an export price should be supplied for each.**

Australian Bureau of Statistics (ABS) import data aggregates aluminium extrusions irrespective of finish (i.e. mill finish, powder coated, anodised are all aggregated in relevant classification). It is therefore not possible to distinguish FOB export price vales separately on the basis of finish.

Capral has therefore not relied upon aggregated ABS import data for the determination of Malaysian FOB export prices for the goods exported to Australia. Capral obtained competitor offers for aluminium extrusions from the identified exporters upon which it has based deductive export price calculations.

2. **Specify the terms and conditions of the sale, where known.**

Deductive export prices have been calculated at the FOB point, Malaysian port.

3. **If you consider published export prices are inadequate, or do not appropriately reflect actual prices, please calculate a deductive export price for the goods. Appendix B1 (Deductive Export Price) can be used to assist your estimation.**

For the reasons detailed in B-2.1 above, Capral has calculated deductive export prices for the goods exported to Australia by the nominated Malaysian exporters not currently the subject of anti-dumping measures.

4. **It is important that the application be supported by evidence to show how export price(s) have been calculated or estimated. The evidence should identify the source(s) of data.**

Please refer to "Deductive Export Price" worksheets at Confidential Attachment B-4.1 for supporting evidence on deductive export price calculations.

B-3 Selling price (normal value) in the exporter's domestic market

Possible sources of information about domestic selling prices in the country of export include: price lists for domestic sales (with information on discounts); actual quotations or invoices relating to domestic sales; published material providing information on the domestic selling prices; or market research undertaken on behalf of the applicant.

1. **State the selling price for each model control code of like goods sold by the exporter, or other sellers, on the domestic market of the country of export.**

Capral has been unable to obtain domestic selling price information for for mill finish aluminium extrusions sold domestically in Malaysia. Manufacturers of locally produced alloy finish aluminium extrusions hold domestic pricing close for commercial sensitivity reasons. Selling prices are not broadly known or published.

In the absence of domestic pricing information, Capral has constructed a normal value selling price for mill finish aluminium extrusions sold in Malaysia based upon prevailing aluminium prices (ex LME), adjusted for the Major Japanese Port (MJP) premium, alloy premium, conversion cost, selling and general administration expenses, and profit. Please refer to Section B-4.1 below for details of Capral's constructed cost methodology for aluminium extrusions sold in Malaysia during

2018/19.

2. Specify the terms and conditions of the sale, where known.

The constructed normal values are calculated at the ex-factory level.

3. Provide supporting documentary evidence.

Please refer to Confidential Attachment B-4.1.

4. List the names and contact details of other known sellers of like goods in the domestic market of the exporting country.

Capral has identified Malaysian producers and exporters not the subject of measures that are sellers on the domestic market at Section B-1.4 above.

B-4 Estimate of normal value using another method

This section is not mandatory. It need only be completed where there is no reliable information available about selling prices in the exporter's domestic market. Other methods of calculating a normal value include:

- the cost to make the exported goods plus the selling and administration costs (as if they were sold in the exporter's domestic market) plus an amount for profit (if applicable);
- OR
- the selling price of like goods from the country of export to a third country.

1. Indicate the normal value of the like goods in the country of export using another method (if applicable, use appendix B2 Constructed Normal Value).

Capral has been unable to obtain domestic selling price information for mill finish aluminium extrusions sold in Malaysia. In the absence of domestic selling price information, Capral has constructed a normal value selling price for mill finish aluminium extrusions sold in Malaysia during 2018/19.

Methodology

The constructed selling price is based upon the prevailing LME price for aluminium ingot on a monthly basis, adjusted for the Major Japanese Port (MJP) premium, a billet premium, plus amounts for conversion, packaging, selling and general administration, and profit.

The LME prices for each month have been sourced from Argus Metals a often referenced industry raw material price-reporting detailing aluminium pricing globally. Argus Metals also includes pricing references for regional port premiums (in this instance, Japan) and billet premiums.

Conversion costs are based upon Capral's 2018/19 costs sourced from Confidential Appendix A6.1. Labour costs have been adjusted to reflect lower per capita income for Malaysia (the 2018 Malaysian per capita income amount has been used – source World Bank Data).

Packaging is an estimated cost including stillages.

Selling and general administration expenses has been sourced from Press Metal Berhad's published 2018 annual accounts. Press Metal Berhad is a producer and exporter of aluminium extrusions to Australia. Similarly, a level of profit has also been sourced from Press Metal Berhad financial statements.

The constructed selling price is for goods packed, ex-factory.

Constructed normal values for mill finish aluminium extrusions sold in Malaysia (at the ex-factory level) during 2018/19 are in the range A\$ 5.141 to A4 5.549 per kg.

Please refer to Confidential Attachment B-4.1 for the Malaysian constructed selling price.

2. Provide supporting documentary evidence.

Please refer to Confidential Attachment B-4.1.

B-5 Adjustments

A fair comparison must be made between the export price and the normal value. Adjustments should be made for differences in the terms and circumstances of the sales such as the level of trade, physical characteristics, taxes or other factors that affect price comparability.

1. Provide details of any known differences between the export price and the normal value. Include supporting information, including the basis of estimates.

Domestic selling prices obtained by Capral are at the ex-factory level. Deductive export prices relied upon by Capral are at the FOB point, port of export, Malaysia. Capral does not have information concerning inland freight costs for each manufacturer for the transportation of the goods from factory to port of export.

Capral has not made an adjustment to *prima facie* normal values for inland freight in Malaysia, nor for differences in credit terms between domestic and export sales.

2. State the amount of adjustment required for each and apply the adjustments to the domestic prices to calculate normal values. Include supporting information, including the basis of estimates.

Capral does not have actual costs for domestic inland freight in Malaysia or credit expenses relating to differences in domestic and export sales, hence adjustments for these expenses have not been made to the *prima facie* normal values.

B-6 Dumping margin

1. Subtract the export price from the normal value for each model control code of the goods (after adjusting for any differences affecting price comparability).

The applicant has calculated dumping margins for mill finish aluminium extrusions exported from Malaysia by comparing the constructed normal value selling price, monthly, with deductive export price calculations for mill finish aluminium extrusions, to arrive at dumping margins during the 2018/19 period.

The calculated dumping margins for mill finish aluminium extrusions exported to Australia in 2018/19 are in the range 1.757 to 2.276 per kg (or 50.12 per cent to 77.39 per cent as a percentage of export price).

2. Show dumping margins as a percentage of the export price.

Please refer to B-6.1 above for dumping margins as a percentage of export price.

PART C

SUPPLEMENTARY SECTION

IMPORTANT

Replies to questions in Part C are not mandatory in all instances, but may be mandatory for certain applications.

C-1 Subsidy

This section must be completed where countervailing duties are sought to offset foreign government assistance through subsidies to exporters or producers.

If the application is for countervailing duty alone, the domestic price information required by Part B of the application need not be supplied.

Responses to questions A-9 will need to identify the link between subsidisation and injury.

1. **Identify the subsidy paid in the country of export or origin. Provide supporting evidence including details of:**
 - (i) **the nature and title of the subsidy;**
 - (ii) **the government agency responsible for administering the subsidy;**
 - (iii) **the recipients of the subsidy; and**
 - (iv) **the amount of the subsidy.**

The Malaysian exporters the subject of this application were visited by the Anti-Dumping Commission (“the Commission”) in Investigation No. 362. The Commission’s investigations with the exempt exporters established that the companies had not received benefits above negligible levels from the Government of Malaysia (“GOM”) during the investigation period.

Capral does not have any new information available to it that would suggest that the exempt exporters are in receipt of countervailable subsidies above negligible levels in 2018/19.

C-2. Threat of material injury

1. **Identify the change(s) in circumstances that would make material injury foreseeable and imminent unless dumping or countervailing measures were imposed, for example by having regard to:**
 - (i) **the rate of increase of dumped/subsidised imports;**
 - (ii) **changes to the available capacity of the exporter(s);**
 - (iii) **the prices of imports that will have a significant depressing or suppressing effect on domestic prices and lead to further imports;**
 - (iv) **inventories of the product to be investigated;**
 - (v) **for applications claiming subsidisation, the nature of the subsidies in question and the trade effects likely to arise therefrom; or**
 - (vi) **any other relevant factor(s).**

Capral has experienced injury during 2018/19 that it has assessed as material from the increasing volumes of dumped exports of Malaysian aluminium extrusions exported to Australia. In 2018/19, imports of Malaysian aluminium extrusions have increased by approximately 32 per cent on 2017/18, and are approximately 44 per cent above the levels examined by the Commission in Investigation No. 362.

Coinciding with the increase in Malaysian imports of aluminium extrusions has been the deterioration in Capral’s profit and profitability. Capral has failed to recover increased aluminium billet costs in 2018/19 as selling prices for mill finish aluminium extrusions have declined. This erosion of Capral’s selling margin has caused Capral’s profit to decline by almost xxx per cent in 2018/19.

Capral is not relying on future material injury as the basis for its injury claims in this application. Rather, Capral can demonstrate that it has suffered material injury from the increasing exports of aluminium extrusions during 2018/19 from Malaysian exporters that are exempt from anti-dumping measures.

2. **If appropriate, include an analysis of trends (or a projection of trends) and market conditions illustrating that material injury is both foreseeable and imminent.**

As indicated, Capral's injury claim is predicated on injury that the company has already experienced in 2018/19. It is considered by Capral that in the absence of anti-dumping measures that Capral and the other Australian industry manufacturers will experience further material injury from the injurious exports from exempt Malaysian exporters.

C-3. Close processed agricultural goods

Where it is established that the like (processed) goods are closely related to the locally produced (unprocessed) raw agricultural goods, then – for the purposes of injury assessment – the producers of the raw agricultural goods form part of the Australian industry. This section is to be completed only where processed agricultural goods are the subject of the application. **Applicants are advised to contact the Commission's client support section before completing this section.**

1. Fully describe the locally produced raw agricultural goods.

Aluminium extrusions are not close processed agricultural goods. This question is not applicable.

2. Provide details showing that the raw agricultural goods are devoted substantially or completely to the processed agricultural goods.

Not applicable.

3. Provide details showing that the processed agricultural goods are derived substantially or completely from the raw agricultural goods.

Not applicable.

4. Provide information to establish either:

- a close relationship between the price of the raw agricultural goods and the processed agricultural goods; or
- that the cost of the raw agricultural goods is a significant part of the production cost of the processed agricultural goods.

Not applicable.

C-4. Exports from a non-market economy

Complete this section only if exports from a non-market economy are covered by the application. The domestic price information required by Part B of the application need not be supplied if this question is answered.

Normal values for non-market economies may be established by reference to selling prices or to costs to make and sell the goods in a comparable market economy country.

1. Provide evidence the country of export is a non-market economy. A non-market economy exists where the government has a monopoly, or a substantial monopoly, of trade in the country of export and determines (or substantially influences) the domestic price of like goods in that country.

Malaysia is not considered a "non-market economy" for the purposes of Australia's Anti-Dumping provisions.

This question does not apply to this application.

2. Nominate a comparable market economy to establish selling prices.

This question does not apply to this application.

3. Explain the basis for selection of the comparable market economy country.

This question does not apply to this application.

4. Indicate the selling price (or the cost to make and sell) for each model control code of the goods sold in the comparable market economy country. Provide supporting evidence.

This question does not apply to this application.

C-5 Exports from an 'economy in transition'

An 'economy in transition' exists where the government of the country of export had a monopoly, or substantial monopoly, on the trade of that country (such as per question C-4) and that situation no longer applies.

Complete this section only if exports from an 'economy in transition' are covered by the application. **Applicants are advised to contact the Commission's client support section before completing this section**

1. Provide information establishing that the country of export is an 'economy in transition'.

Malaysia is not considered an "economy in transition" for the purposes of Australia's Anti-Dumping provisions. This question is not applicable.

2. A price control situation exists where the price of the goods is controlled or substantially controlled by a government in the country of export. Provide evidence that a price control situation exists in the country of export in respect of like goods.

This question does not apply to this application.

3. Provide information (reasonably available to you) that raw material inputs used in manufacturing/producing the exported goods are supplied by an enterprise wholly owned by a government, at any level, of the country of export.

This question does not apply to this application.

4. Estimate a 'normal value' for the goods in the country of export for comparison with export price. Provide evidence to support your estimate.

This question does not apply to this application.

C-6 Aggregation of Volumes of dumped goods

Only answer this question if required by question B-1.5 of the application and action is sought against countries that individually account for less than 3% of total imports from all countries (or 4% in the case of subsidised goods from developing countries). To be included in an investigation, they must

collectively account for more than 7% of the total (or 9% in the case of subsidised goods from developing countries).

	Quantity	%	Value	%
All imports into Australia		100%		100%
Country A*				
Country B*				
etc*				
Total				

* Only include countries that account for less than 3% of all imports (or 4% in the case of subsidised goods from developing countries). Use the data at [Appendix A.2](#) (Australian Market) to complete the table.

The goods the subject of this application do not account for less than 3 per cent of the total import volume of goods imported into Australia during 2018/19.

APPENDICES

Appendix A1	Australian Production
Appendix A2	Australian Market
Appendix A3	Sales Turnover
Appendix A4	Domestic Sales
Appendix A5	Sales of Other Production
Appendix A6.1	Cost to Make and Sell (& profit) Domestic Sales
Appendix A6.2	Cost to Make and Sell (& profit) Export Sales
Appendix A7	Other Injury Factors
Appendix A8	Authority to Deal With Representative
Appendix B1	Deductive Export Price
Appendix B2	Constructed Normal Value