

20 May 2020

Mr Gavin Crooks
Assistant Director
Investigations 3
Anti-Dumping Commission
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Public File

Dear Mr Crooks

Investigations No. 540 and 541 – Mill Finish and Surface Coated Aluminium Extrusions exported from Malaysia - Exporter Briefings

I. Introduction

Capral Limited (“Capral”) has prepared Exporter Briefings for the six manufacturers/exporters of mill finish and surface coated aluminium extrusions exported to Australia from Malaysia. The attached briefings – Confidential attachment - are based upon Capral’s knowledge of the exporters derived primarily from Report No. 362, and each company’s Exporter Questionnaire Responses on EPR Investigation 362 (Invest 362).

II. Aluminium billet

In Invest 362, the Anti-Dumping Commission (“the Commission”) determined normal values based upon domestic selling prices in Malaysia in accordance with subsection 269TAC(1) of the *Customs Act*. The Commission concluded that sales by the Malaysian exporters were in the ordinary course of trade and recovered the cost of manufacture and allocated selling expenses consistent with the requirements of subsection 269TAC(1).

Capral observed that the Commission did examine whether the manufacturer purchased aluminium ingot in accordance with London Metal Exchange (LME) cash prices, plus amounts for billet premiums and regional premiums. It is again important that the Commission validate that the cost of aluminium billets included in each exporter’s accounts reflects the costs of the LME and premiums applicable during the investigation period. This examination is particularly important for integrated billet and extrusion manufacturers where attention to the transfer price for the aluminium billet is required.

III. Export Packing

Capral also draws to the attention of the Commission the experiences from earlier Investigations 362, 392 and 482 that have confirmed the higher costs incurred by manufacturers for export packaging that includes: steel trolleys, wooden crates and inter leave paper. Normal values for additional packaging costs for export require an upwards adjustment.

IV. Increases in CPI

The investigation period in Invest 362 was 1 July 2015 to 30 June 2016. Over the next three years following the end of r2015/16 investigation period, inflation in Malaysia has increased. The following Table depicts annual rates of inflation since 2015/16.

Table 1 – Malaysia annual CPI¹

Year	Annual inflation
2017	3.0%
2018	2.4%
2019	1.0%

Source: *Tradingeconomics*.

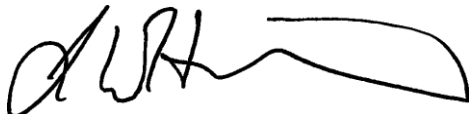
Labour rates and energy prices, along with maintenance supplies and operating costs incurred by manufacturers would reflect the inflationary increases evident since the 2015/16 investigation period of Invest 362, and should be considered by the Commission in the current inquiries.

According to *Tradingeconomics*² the average Malaysian wage in manufacturing increased from MYR 37,800 in 2016 to MYR 44,400 in 2019 (an increase of 17.4 per cent). It is Capral's expectation that the increased wages bill for Malaysian aluminium extruders would be reflected in the 2019 manufacturing costs supplied by the cooperative exporters.

It is requested that the Commission take account of the increased costs for the production of aluminium extrusions in the Investigations 540 and 541.

If you have any questions concerning this submission (or the attached exporter briefings), please do not hesitate to contact me on (02) 8222 0113 or Capral's representative Mr John O'Connor on (07) 3342 1921.

Yours sincerely



Luke Hawkins
General Manager – Supply and Industrial Solutions

¹ Inflation.eu Worldwide inflation data

² See tradingeconomics.com/china/wages-in-manufacturing