



Australian Government
**Department of Industry, Science,
Energy and Resources**

**Anti-Dumping
Commission**

CUSTOMS ACT 1901 - PART XVB

STATEMENT OF ESSENTIAL FACTS

NO. 541

AND

PRELIMINARY AFFIRMATIVE DETERMINATION NO. 541

**ALLEGED DUMPING OF SURFACE FINISHED ALUMINIUM
EXTRUSIONS**

EXPORTED TO AUSTRALIA FROM MALAYSIA

9 December 2020

CONTENTS

1	SUMMARY AND RECOMMENDATIONS.....	6
1.1	PRELIMINARY FINDINGS.....	6
1.2	AUTHORITY TO MAKE DECISION.....	6
1.3	FINDINGS AND CONCLUSIONS	8
2	BACKGROUND	11
2.1	INITIATION	11
2.2	PREVIOUS CASES.....	11
2.3	CONDUCT OF THE INVESTIGATION	12
2.4	SUBMISSIONS RECEIVED FROM INTERESTED PARTIES.....	14
2.5	PRELIMINARY AFFIRMATIVE DETERMINATION.....	15
2.6	RESPONDING TO THIS SEF.....	16
3	THE GOODS AND LIKE GOODS.....	18
3.1	PRELIMINARY FINDING.....	18
3.2	LEGISLATIVE FRAMEWORK.....	18
3.3	THE GOODS.....	18
3.4	TARIFF CLASSIFICATION	19
3.5	MODEL CONTROL CODE.....	20
3.6	LIKE GOODS ASSESSMENT.....	21
4	THE AUSTRALIAN INDUSTRY.....	23
4.1	PRELIMINARY FINDING.....	23
4.2	LEGISLATIVE FRAMEWORK.....	23
4.3	AUSTRALIAN INDUSTRY	23
4.4	PRODUCTION PROCESS.....	23
4.5	CONCLUSION.....	24
5	AUSTRALIAN MARKET	25
5.1	PRELIMINARY FINDING.....	25
5.2	BACKGROUND	25
5.3	MARKET STRUCTURE	25
5.4	PRICING.....	28
5.5	MARKET SIZE.....	29
6	DUMPING INVESTIGATION.....	32
6.1	PRELIMINARY FINDING.....	32
6.2	LEGISLATIVE AND POLICY FRAMEWORK	32
6.3	COOPERATIVE EXPORTERS.....	33
6.4	UNCOOPERATIVE EXPORTERS	34
6.5	PMB.....	35
6.6	MILLEON	46
6.7	LB ALUMINIUM.....	51
6.8	SUPERB	56
6.9	GENESIS	60
6.10	KAMCO.....	63
6.11	SUMMARY OF DUMPING MARGINS.....	64
6.12	VOLUME OF DUMPED IMPORTS.....	64
6.13	LEVEL OF DUMPING.....	64
7	ECONOMIC CONDITION OF THE INDUSTRY	65
7.1	PRELIMINARY FINDING.....	65
7.2	APPROACH TO INJURY ANALYSIS.....	65
7.3	VOLUME EFFECTS.....	65
7.4	PRICE SUPPRESSION AND DEPRESSION.....	67
7.5	PROFITS AND PROFITABILITY	69
7.6	OTHER ECONOMIC FACTORS.....	71

PUBLIC RECORD

7.7	CONCLUSION.....	74
8	HAS DUMPING CAUSED MATERIAL INJURY?.....	75
8.1	PRELIMINARY ASSESSMENT.....	75
8.2	LEGISLATIVE FRAMEWORK.....	75
8.3	APPROACH TO CAUSATION ANALYSIS	75
8.4	SIZE OF DUMPING MARGINS.....	76
8.5	VOLUME EFFECTS.....	77
8.6	PRICE UNDERCUTTING	79
8.7	PRICE EFFECTS	81
8.8	PROFIT EFFECTS.....	82
8.9	OTHER ECONOMIC FACTORS.....	82
8.10	FACTORS OTHER THAN DUMPING CAUSING INJURY	83
8.11	MATERIALITY OF INJURY CAUSED BY DUMPING	84
8.12	CONCLUSION.....	85
9	WHETHER DUMPING MAY CONTINUE.....	87
9.1	PRELIMINARY FINDINGS.....	87
9.2	INTRODUCTION	87
9.3	WHETHER DUMPING MAY CONTINUE.....	87
9.4	PRELIMINARY ASSESSMENT	90
10	NON-INJURIOUS PRICE.....	92
10.1	PRELIMINARY ASSESSMENT.....	92
10.2	LEGISLATIVE FRAMEWORK.....	92
10.3	LESSER DUTY RULE.....	92
10.4	CALCULATION OF THE NON-INJURIOUS PRICE.....	93
10.5	COMMISSION'S ASSESSMENT.....	93
11	PROPOSED MEASURES.....	95
11.1	FINDING	95
11.2	FORMS OF DUMPING DUTY AVAILABLE	95
11.3	COMMISSION'S CONSIDERATION	96
11.4	PROPOSED RECOMMENDATIONS.....	97
12	PRELIMINARY AFFIRMATIVE DETERMINATION	99
12.1	INTRODUCTION	99
12.2	FINDING	99
12.3	SECURITIES.....	99
13	PROPOSAL WITH RESPECT TO CERTAIN EXPORTERS.....	101
13.1	TERMINATION	101
13.2	EXPORTERS THAT WILL NOT BE SUBJECT TO THE DUMPING DUTY NOTICE	101
14	ATTACHMENTS	102

ABBREVIATIONS

\$	Australian dollars
ABF	Australian Border Force
ABS	Australian Bureau of Statistics
the Act	<i>Customs Act 1901</i>
ADN	Anti-Dumping Notice
the applicant	Capral Limited
China	People's Republic of China
the Commission	the Anti-Dumping Commission
the Commissioner	the Commissioner of the Anti-Dumping Commission
Criterion	Criterion Industries Pty Ltd
CTMS	Cost to Make and Sell
Dumping Duty Act	<i>Customs Tariff (Anti-Dumping) Act 1975</i>
EBIT	Earnings Before Interest and Tax
EPR	Electronic Public Record
FIS	Free into Store
FOB	Free on Board
the goods	the goods the subject of the application (also referred to as the goods under consideration or GUC)
the Guidelines	<i>Guidelines on the Application of Forms of Dumping Duty November 2013</i>
ICD	Interim Countervailing Duty
IDD	Interim Dumping Duty
Kamco	Kamco Aluminium Sdn Bhd
LB Aluminium	LB Aluminium Sdn Bhd
LME	London Metal Exchange
the Manual	<i>Dumping and Subsidy Manual</i>
Material Injury Direction	<i>Ministerial Direction on Material Injury 2012</i>
MCC	Model Control Code
Milleon	Milleon Extruder Sdn Bhd
the Minister	The Minister for Industry, Science and Technology
MJP	Major Japanese Port
NIP	Non-Injurious Price
OCOT	Ordinary Course of Trade
OEM	Original Equipment Manufacturer
PAD	Preliminary Affirmative Determination
PAD Direction	<i>Customs (Preliminary Affirmative Determinations) Direction 2015</i>
PMAA	Press Metal Aluminium (Australia) Pty Ltd
PMAH	Press Metal Aluminium Holdings Berhad

PUBLIC RECORD

PMB	Press Metal Sdn Bhd
PMBA	PMB Aluminium Sdn Bhd
PMBK	PMB (Klang) Sdn Bhd
the Regulation	<i>Customs (International Obligations) Regulation 2015 (Cth)</i>
REQ	Response to Exporter Questionnaire
ROI	Return on Investment
ROS	Return on Sales
SEF	Statement of Essential Facts
subject exporters	The exporters the subject of Capral's application
Superb	Superb Aluminium Industries Sdn Bhd
USP	Unsuppressed Selling Price
Vietnam	Socialist Republic of Vietnam

1 SUMMARY AND RECOMMENDATIONS

1.1 Preliminary findings

This statement of essential facts (SEF) 541 has been prepared in response to an application by Capral Limited (Capral, the Applicant) for the publication of a dumping duty notice in respect of surface finish aluminium extrusions (the goods) exported to Australia from Malaysia by the following exporters (the subject exporters);

- Press Metal Sdn Bhd (PMB);
- Milleon Extruder Sdn Bhd (Milleon);
- LB Aluminium Sdn Bhd (LB Aluminium);
- Kamco Aluminium Sdn Bhd (Kamco);
- Superb Aluminium Industries Sdn Bhd (Superb); and
- Genesis Aluminium Industries Sdn Bhd (Genesis).

Capral alleges that the Australian industry has suffered material injury caused by the goods exported to Australia from Malaysia at dumped prices.

The Commissioner of the Anti-Dumping Commission (the Commissioner) has found that the goods exported from the subject exporters, except for exports by Genesis, were exported at dumped prices, and that those exports caused material injury to the Australian industry.

In relation to Genesis, the Commissioner has found that the goods exported to Australia were not dumped. The Commissioner has also found that PMB is no longer exporting the goods to Australia.

Based on these preliminary findings and subject to any submissions received in response to this SEF, the Commissioner proposes to recommend that the Minister for Industry, Science and Technology (the Minister):

- publish a dumping duty notice in respect of all exports of the goods from the subject exporters except for exports by Genesis and PMB, and
- terminate this investigation so far as it relates to Genesis.

1.2 Authority to make decision

Division 2 of Part XVB of the *Customs Act 1901*¹ (the Act) describes, among other things, the procedures to be followed and the matters to be considered by the Commissioner in conducting investigations in relation to the goods covered by an application under subsection 269TB(1).

1.2.1 Application

On 6 January 2020, Capral lodged an application alleging that the Australian industry has suffered material injury caused by the goods exported to Australia from Malaysia by;

¹ All legislative references in this report are to the *Customs Act 1901*, unless otherwise stated.

1. PMB;
2. Milleon;
3. LB Aluminium;
4. Kamco;
5. Superb; and,
6. Genesis,

at dumped prices.

Having considered the application, the Commissioner decided not to reject the application and initiated an investigation into the alleged dumping of the goods from Malaysia on 24 February 2020.

Consideration Report No. 541 (CON 541) and a public notice (Anti-Dumping Notice (ADN) No. 2020/019) provide further details relating to the initiation of the investigation. CON 541 is available on the Anti-Dumping Commission's (the Commission) website at www.adcommission.gov.au.²

1.2.2 Preliminary Affirmative Determination

In accordance with section 269TD, the Commissioner may make a preliminary affirmative determination (PAD) if satisfied that there appears to be sufficient grounds for the publication of a dumping duty notice, or if satisfied that it appears that there will be sufficient grounds for the publication of such a notice subsequent to the importation of the goods into Australia.

Where a PAD is not made 60 days after initiation of the investigation, the *Customs (Preliminary Affirmative Determinations) Direction 2015* (PAD Direction) directs the Commissioner to publish a status report providing reasons why a PAD was not made.

On 24 April 2020, being 60 days after the initiation of the investigation, the Commissioner published a status report.³

As required by section 9 of the PAD Direction, if the Commissioner has published a status report in relation to an investigation, the Commissioner must reconsider whether or not to make a PAD at least once prior to the publication of the SEF.

The Commissioner has reconsidered whether to make a PAD, and decided to do so in conjunction with publishing this SEF (Chapter 12 refers).

² EPR 541, Nos. 002 and 003.

³ EPR 541, No. 009.

1.2.3 Statement of Essential Facts

The Commissioner must, within 110 days after the initiation of an investigation, or such longer period as the Minister allows under subsection 269ZHI(3)⁴, place on the public record a SEF on which the Commissioner proposes to base a recommendation to the Minister in relation to the application.⁵

In formulating the SEF, the Commissioner must have regard to the application, and any submissions concerning publication of the notice that are received by the Commission within 37 days after the date of initiation of the investigation.⁶ The Commissioner may also have regard to any other matters considered relevant.⁷

The SEF was originally due to be placed on the public record by 15 June 2020. However, the due date for the SEF and final report was extended.⁸ The Commissioner is now required to place the SEF on the public record by 9 December 2020.

1.2.4 Report to the Minister

The Commissioner's report in relation to this investigation was initially due to be provided to the Minister on, or before 28 July 2020. However, this due date was extended.⁹ The report and recommendations must now be provided to the Minister on or before 23 February 2021,¹⁰ unless the investigation is terminated earlier.

1.3 Findings and conclusions

The Commissioner's preliminary findings and conclusions in this SEF are based on available information at this stage of the investigation. A summary is provided below and there is greater detail in the remainder of this report.

1.3.1 The goods and like goods (Chapters 3 and 4)

The Commissioner considers that locally produced surface finish aluminium extrusions are 'like' to the goods the subject of the application and is satisfied that there is an Australian industry producing those like goods, which comprises of Capral and other Australian producers.

⁴ Note that this power has been delegated to the Commissioner. ADN No. 2017/10 provides further explanation.

⁵ Subsection 269TDAA(1).

⁶ Subsection 269TDAA(2)(a).

⁷ Subsection 269TDAA(2)(b).

⁸ EPR 541, Nos. 018, 024, 029 and 036.

⁹ Ibid.

¹⁰ Under section 269TEA.

1.3.2 The Australian market (Chapter 5)

The Australian market for the goods and like goods is supplied from local production and by imports from several countries, including Malaysia.

1.3.3 Dumping Margins (Chapter 6)

The Commission's assessment of dumping margins is set out in Table 1.

Exporter	Dumping Margin (%)
PMB	6.9
Milleon	6.1
LB Aluminium	2.6
Superb	12.8
Genesis	-6.1
Kamco	18.5

Table 1 Dumping Margins

1.3.4 Material injury caused by dumped and subsidised goods (Chapter 8)

The Commissioner considers that the Australian industry has suffered material injury as a result of the goods exported at dumped prices from the subject exporters in the forms of:

- reduced sales volume;
- reduced market share;
- price suppression;
- reduced profit and profitability;
- reduced revenue;
- reduced return on sales (ROS);
- reduced capacity utilisation.
- reduced employment numbers; and
- reduced wages.

1.3.5 Whether dumping may continue (Chapter 9)

The Commissioner considers that the export of the goods to Australia from the subject exporters may continue in the future at dumped prices.

1.3.6 Non-injurious price (Chapter 10)

The Commission has calculated a non-injurious price (NIP) for exports of the goods that is considered to be the minimum price necessary to prevent the injury, or a recurrence of the injury, caused by the dumped goods from Malaysia. The Commission has calculated the NIP for each exporter to be an amount equal to an un-dumped price. The Commissioner recommends that the Minister have regard to the desirability of the lesser duty rule. However, based on the fact that the NIP is not less than the normal value, the lesser duty rule will have no practical effect (i.e. the NIP will not be operative).

1.3.7 Proposed form of measures (Chapter 11)

The Commissioner proposes to recommend to the Minister that anti-dumping measures (in the form of a dumping duty notice) be imposed in respect of dumping duty that may become payable by importers of the goods from the subject exporters in Malaysia, using the combination duty method (i.e. the combination of fixed and variable duty).

1.3.8 PAD (Chapter 12)

As part of this SEF, the Commissioner, after having regard for the application, the submissions received and other relevant information has determined that it is appropriate to make a PAD. Pursuant to subsection 269TD(1)(a), the Commissioner is satisfied that there now appears to be sufficient grounds for the publication of a dumping duty notice in respect of the goods exported to Australia from Malaysia by the subject exporters.

As a result, the Commissioner has made a PAD, pursuant to section 269TD. Securities will be taken in relation to interim dumping duty (IDD) that may become payable for imports of the goods from the subject exporters that are entered for home consumption from 10 December 2020.

1.3.9 Proposal in respect of certain exporters (Chapter 13)

Termination

Section 269TDA provides for when the Commissioner must terminate an investigation.

Subject to any submissions received in response to this SEF, the Commissioner proposes to:

- terminate the dumping investigation in relation to Genesis, on the basis that the level of dumping by Superb was negligible in relation to any of those goods (the subject of the application), in accordance with subsection 269TDA(1)(b)(ii).

Exporters that will not be subject to the dumping duty notice

PMB is considered to no longer be an exporter of the goods as explained in detail in chapter 6. The Commissioner proposes to recommend that measures do not apply in respect of PMB.

2 BACKGROUND

2.1 Initiation

On 6 January 2020, Capral lodged an application for the publication of dumping duty notices in respect of the goods exported to Australia from Malaysia by the following exporters:

- PMB;
- Milleon;
- LB Aluminium;
- Kamco;
- Superb; and
- Genesis

Following consideration of the application, the Commissioner decided not to reject the application and initiated Investigation No.541 on 24 February 2020¹¹. ADN No. 2020/019 and CON 540 & 541¹² provide further details relating to the initiation of the investigation.

In respect of the investigation:

- the investigation period for the purpose of assessing dumping is 1 January 2019 to 31 December 2019; and
- the injury analysis period for the purpose of determining whether material injury to the Australian industry has been caused by exports of dumped goods is from 1 January 2016.

2.2 Previous cases

Anti-dumping measures currently apply to aluminium extrusions exported to Australia from the People's Republic of China (China)¹³, Malaysia^{14 15}, and the Socialist Republic of Vietnam (Vietnam). A history of the main cases relating to aluminium extrusions exported to Australia from Malaysia is summarised below in Table 2. Further information is also available on the public record for these cases on the Commission's website.

¹¹ ADN 2020/019.

¹² Capral submitted two applications both relating to aluminium extrusions (mill finish and surface finish). The Commission published a combined consideration report, CON 540 & 541, covering both of these applications.

¹³ The anti-dumping measures in respect of China (in the form of a dumping duty notice and a countervailing duty notice) apply to all exporters with the exception of Guangdong Jiangsheng Aluminium Co. Ltd. and Guangdong Zhongya Aluminium Co Ltd.

¹⁴ In the form of a dumping duty notice and a countervailing duty notice for all exporters except Press Metal Berhad, LB Aluminium Berhad, Superb Aluminium Industries Sdn Bhd, Kamco Aluminium Sdn Bhd, Milleon Extruder Sdn Bhd and Genesis Aluminium Industries Sdn Bhd. These exporters were not subject to the notice due to a finding of no dumping or negligible dumping/countervailing.

¹⁵ The countervailing duty notice against Alumac industries Sdn Bhd has been revoked following Review No. 490 (ADN No. 2019/60) with effect from 24 August 2018.

PUBLIC RECORD

Case type and report	ADN No.	Date	Country of export	Findings
Investigation REP 362	2017/072 (dumping) 2017/073 (countervailing)	27 June 2017	Malaysia and Vietnam	Dumping and countervailing duties imposed on all exporters from Vietnam.
Review REP 490	2019/060	31 May 2019	Malaysia	Countervailing duty notice revoked in relation to Alumac Industries Sdn Bhd.
Review REP 494	2019/061	31 May 2019	Malaysia	Variable factors changed in relation to Alumac Industries Sdn Bhd.
Exemption Inquiry REP EX0074	2019/136	17 December 2019	China, Malaysia and Vietnam	Exemption granted to certain aluminium channel extrusions.
Exemption Inquiry REP EX0075	2019/136	17 December 2019	China, Malaysia and Vietnam	Exemption granted to certain aluminium flat bar extrusions.
Exemption Inquiry REP EX0076	2019/136	17 December 2019	China, Malaysia and Vietnam	Exemption granted to certain aluminium angle line extrusions.
Review REP 509	2020/005	14 February 2020	Malaysia	Countervailing duty notice revoked in relation to EverPress Aluminium Industries Sdn Bhd. Variable factors changed in relation to EverPress Aluminium Industries Sdn Bhd.
Accelerated Review REP 534	2020/021	31 March 2020	Malaysia	Premium Aluminium (M) Sdn Bhd added to the dumping duty notice and countervailing duty notice.

Table 2 History of Anti-Dumping Measures in Relation to Malaysia

2.3 Conduct of the investigation

2.3.1 Statement of essential facts

The initiation notice advised that the SEF would be placed on the public record by 15 June 2020. However, the due date for the SEF and final report was extended.¹⁶ In the most recent extension, as advised in ADN No. 2020/131,¹⁷ the Commissioner approved an extension of time for the publication of the SEF until 9 December 2020.

¹⁶ EPR 541, Nos. 018, 024, 029 and 036.

¹⁷ EPR 541, No. 036.

2.3.2 Australian Industry

The Commissioner is satisfied that the applicant for the investigation, Capral and other Australian producers, represent the Australian industry producing like goods to the goods the subject of the investigation.

The Commission conducted a verification visit to Capral's premises in March 2020. The report made in relation to the visit is available on the public record.¹⁸

2.3.3 Importers

The Commission identified several importers in the Australian Border Force (ABF) import database that imported the goods from Malaysia during the investigation period. The Commission forwarded importer questionnaires to six importers and placed a copy of the importer questionnaire on the Commission's website for completion by other importers who were not contacted directly.

The Commission received fully completed questionnaire responses from two importers, Criterion Industries Pty Ltd (Criterion) and Press Metal Aluminium (Australia) Pty Ltd (PMAA). The Commission verified the information provided by Criterion and PMAA by undertaking remote verifications of each importer. Verification reports relating to each importer are available on the public record.^{19 20}

2.3.4 Exporters

At the outset of the investigation the Commission forwarded questionnaires to the six subject exporters of the goods from Malaysia and also placed a copy of the exporter questionnaire on the Commission's website.

After granting extensions between 14 and 28 days to the initial deadline for the receipt of questionnaires by 29 April 2020,²¹ the Commission received completed responses to the exporter questionnaire (REQ) from the following five Malaysian exporters:

- PMB;
- Milleon;
- LB Aluminium;
- Superb; and
- Genesis.

The Commission received a REQ from Kamco, however the Commission identified material deficiencies within the data submitted in its REQ. The Commissioner was satisfied that Kamco is an uncooperative exporter under section 269T(1), this is further discussed at section 6.4.

¹⁸ EPR 541, No. 010.

¹⁹ EPR 541, No. 031, Criterion Verification Report.

²⁰ EPR 541, No. 043, PMAA Verification Report.

²¹ EPR 541, No. 008.

PUBLIC RECORD

Based on verified data provided by each of the above exporters and data obtained from the ABF import database, the Commission has ascertained that the goods exported by these exporters constitutes a significant portion of total volume of exports which were imported into Australia in the investigation period from 1 January 2019 to 31 December 2019.

2.4 Submissions received from interested parties

The Commission received 21 submissions from interested parties prior to the publication of this SEF. These submissions have been considered by the Commissioner in reaching the conclusions contained within this SEF.

Public Record Item No.	Entity	Date Received
004	Bradnam's Windows and Doors Pty Ltd	04/03/2020
005	Capral Limited	05/03/2020
006	Capral Limited	26/03/2020
007	Capral Limited	31/03/2020
011	Capral Limited	20/05/2020
017	Capral Limited	05/06/2020
019	Capral Limited	19/06/2020
020	Capral Limited	20/07/2020
025	Australian Aluminium Council Ltd	03/09/2020
026	Milleon Extruder Sdn Bhd	17/09/2020
027	Capral Limited	07/10/2020
028	Superb Aluminium Industries Sdn Bhd	08/10/2020
030	Capral Limited	12/10/2020
032	Press Metal Berhad	16/10/2020
033	Milleon Extruder Sdn Bhd	22/10/2020
034	Capral Limited	30/10/2020
035	Capral Limited	02/11/2020
038	Milleon Extruder Sdn Bhd	19/11/2020
039	Capral Limited	23/11/2010
040	Capral Limited	29/11/2020
041	Milleon Extruder Sdn Bhd	01/12/2020

Table 3 Submissions considered in this SEF

2.5 Preliminary affirmative determination

In accordance with section 269TD(1), the Commissioner may make a PAD if satisfied that there appears to be sufficient grounds for the publication of a dumping duty or a countervailing duty notice, or it appears that there will be sufficient grounds for the publication of such notices, subsequent to the importation of the goods into Australia.

A PAD may be made no earlier than day 60 of the investigation (in relation to this investigation, a date no earlier than 24 April 2020). The Commonwealth may require and take securities at the time a PAD is made or at any time during the investigation after a PAD has been made if the Commissioner is satisfied that it is necessary to do so to prevent material injury to an Australian industry occurring while the investigation continues.

In accordance with the PAD Direction, 60 days after the initiation of such an investigation, the Commissioner must either make a PAD or provide a Status Report outlining the reasons why a PAD has not been made.

On 24 April 2020, the Commissioner published a Day 60 Status Report in ADN No. 2020/044.²² That report set out that the Commissioner was not satisfied, under section 269TD(1)(a), that at that particular stage of the investigation there appeared to be sufficient grounds for the publication of a dumping duty notice.

The PAD Direction also requires the Commissioner to reconsider making a PAD after the publication of a status report, at least once prior to the publication of the SEF. In preparing this SEF, the Commissioner has reconsidered whether to make a PAD in view of the additional evidence available and assessed since the 24 April 2020.

The Commissioner is now satisfied that there appears to be sufficient grounds for the publication of a dumping duty notice in relation to the goods exported to Australia from the subject exporters, in accordance with subsection 269TD.

The Commissioner considers that the Commonwealth should take securities under section 42 of the Act in respect of interim dumping duty that may become payable in relation to the goods exported to Australia from Malaysia by the subject exporters.

The Commissioner is satisfied that securities are necessary to prevent material injury to the Australian industry occurring while the investigation continues. A detailed discussion of this is set out at Chapter 12 of this report.

Securities will apply to imports of the goods from Malaysia by Milleon, LB Aluminium, Kamco and Superb entered for home consumption on or after 10 December 2020.²³

²² EPR 541, No. 009.

²³ As outlined in the discussion in relation to PMB at section 6.5, the Commission considers that PMB ceased being an exporter of the goods prior to 22 November 2019.

2.6 Responding to this SEF

This SEF sets out the essential facts on which the Commissioner proposes to base his final recommendations to the Minister.

This SEF represents an important stage in the investigation. It informs interested parties of the facts established and allows them to make submissions in response to the SEF.

It is important to note that the SEF may not represent the final views of the Commissioner.

In the notice initiating the investigation and the subsequent notices which advised of an extension to the deadline for the publication of the SEF²⁴, the notice advised that interested parties had 20 days to respond to the SEF.

As a result of the date of publication of the SEF, the 20 day period set out in the initiation notice puts the due date for submissions at 28 December 2019. As this date coincides with the Australian public holidays for the Christmas and New Year period, the Commissioner considers it is necessary to specify a further period for interested parties to lodge a submission in response to the SEF.²⁵

Interested parties are therefore invited to lodge written submissions in response to this SEF no later than the close of business on **5 January 2021**. The Commissioner is not obliged to have regard to any submission made in response to the SEF received after this date if to do so would, in the opinion of the Commissioner, prevent the timely preparation of the report to the Minister.

The Commissioner must report to the Minister by 23 February 2021.

Submissions should preferably be emailed to investigations3@adcommission.gov.au.

Alternatively, they may be posted to:

Director Investigations 3
Anti-Dumping Commission
GPO Box 2013
Canberra ACT 2601
AUSTRALIA

Confidential submissions must be clearly marked accordingly and a non-confidential version of any submission is required for inclusion on the public record. A guide for making submissions is available on the Commission's website at www.adcommission.gov.au.

The electronic public record (EPR) contains non-confidential submissions by interested parties, the non-confidential versions of the Commission's visit reports, and other publicly

²⁴ Section 2.3.1 refers.

²⁵ Subsection 269SMG.

PUBLIC RECORD

available documents. Documents can be viewed online²⁶ and should be read in conjunction with this SEF.

Documents on the Public Record should be read in conjunction with this SEF.

²⁶ [EPR 541](#)

3 THE GOODS AND LIKE GOODS

3.1 Preliminary finding

The Commissioner finds that locally produced surface finished aluminium extrusions are 'like' to the goods the subject of the application.

3.2 Legislative framework

Subsection 269TC(1) requires that the Commissioner must reject an application for a dumping duty notice if, among other things, the Commissioner is not satisfied that there is, or is likely to be established, an Australian industry in respect of like goods.

In making this assessment, the Commissioner must firstly determine that the goods produced by the Australian industry are "like" to the imported goods. Subsection 269T(1) defines like goods as:

"Goods that are identical in all respects to the goods under consideration or that, although not alike in all respects to the goods under consideration, have characteristics closely resembling those of the goods under consideration".

An Australian industry can apply for relief from injury caused by dumped or subsidised imports even if the goods it produces are not identical to those imported. The industry must however, produce goods that are "like" to the imported goods.

Where the locally produced goods and the imported goods are not alike in all respects, the Commissioner assesses whether they have characteristics closely resembling each other having regard for the following considerations:

- i. physical likeness;
- ii. commercial likeness;
- iii. functional likeness; and
- iv. production likeness.

3.3 The goods

The goods the subject of the application (the goods) are:

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 mechanical, painted, powder coated, anodised or otherwise coated (excluding mill-finish), 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 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 worked (e.g. precision cut, machined, punched or drilled) fall within the scope of the goods.

The goods under consideration 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.

3.4 Tariff classification

The goods are generally, but not exclusively, classified to the following tariff subheadings in Schedule 3 to the Customs Tariff Act 1995:

Tariff classification (<i>Schedule 3 of the Customs Tariff Act 1995</i>)			
Tariff code	Statistical code	Unit	Description
7604.10.00	06	Kg	Non alloyed aluminium bars, rods and profiles
7604.21.00	07	Kg	Aluminium alloy hollow angles and other shapes
7604.21.00	08	Kg	Aluminium alloy hollow profiles
7604.29.00	09	Kg	Aluminium alloy non hollow angles and other shapes
7604.29.00	10	Kg	Aluminium alloy non hollow profiles
7608.10.00	09	Kg	Aluminium tubes and pipes, not alloyed
7608.20.00	10	Kg	Aluminium tubes and pipes, alloyed
7610.10.00	12	Kg	Aluminium doors, windows and their frames and thresholds for doors
7610.90.00	13	Kg	Other aluminium structures and parts thereof

Table 4 Tariff classification of the goods

3.5 Model Control Code

As detailed in the initiation notice²⁷, the Commission proposed the model control code (MCC) structure below.²⁸

Category	Sub-category		Sales data	Cost data
Finish	A	Anodise	Mandatory	Mandatory
	BD	Bright dip		
	PC	Powder coating		
	MC	Mechanical		
Alloy code	6A	6060, 6063	Mandatory	Optional
	6B	6106		
	6C	6101, 1350, 6082, 6351, 6061		
	6D	6005A		
	O	Other		
Temper code	T1	T1, T4, T5, T6	Optional	Optional
	T50	T591, T595, T52		
	O	Other		
Anodising microns	0	Not anodised	Optional	Optional
	1	<20µm		
	2	>20µm		

Table 5 Proposed MCC structure

To aid in assessing the application of an MCC structure, the Commission requested the following information be provided for all product models that the importer, exporter, and Australian industry sold.

Category	Characteristics of category
Product Identifier	Company's product ID or product code which will link to the sales listing.
Finish	Finish of the extrusion in terms of mill, powder coated, anodised or mechanical.
Alloy	Alloy of the extrusion.
Temper	Temper grade of the extrusion.
Anodising microns	Anodising microns of the extrusion.

²⁷ ADN No. 2020/019.

²⁸ Further information regarding the application of MCC structures is provided at Chapter 14 in the Anti-Dumping Commission Dumping and Subsidy Manual.

Table 6 Product characteristics

Interested parties were invited to make submissions with proposals to modify the MCC structure where the Commission would consider whether modifications were justified.

Capral submitted²⁹ that the Commission should be aware of variations within the finish type of the goods, as this could affect the model matching between domestic and export sales. Where the relevant information in relation to the specific finish type has been provided by the cooperating exporters in the REQ, the Commission has had regard to variations which could affect comparability between domestic and export sales.

3.5.1 Verification of MCCs

During the course of the verification of the subject exporters, the Commission identified exporter specific amendments to the MCC structure applicable to certain exporters. These amendments to the MCC structure are included in each subject exporter's verification report, which can be found on the public record for this investigation.³⁰

3.6 Like goods assessment

An application can only be made if there exists an Australian industry producing 'like goods' to the goods the subject of the application. The phrase 'like goods' is defined in subsection 269T(1). Subsections 269T(2), 269T(3), 269T(4), 269T(4A), 269T(4B) and 269T(4C) are relevant to determining whether the like goods are produced in Australia and whether there is an Australian industry.

The following analysis sets out the Commission's assessment of whether the locally produced goods are identical to, or closely resemble, the goods the subject of the application and whether they are, therefore, 'like goods' to the goods exported to Australia.

3.6.1 Physical likeness

The surface finish aluminium extrusions produced by the Australian industry for sale in the Australian market are considered to be physically alike to the goods, as they have the same (or similar) dimensions and are made of aluminium alloys, as specified in the goods descriptions.

3.6.2 Commercial likeness

Surface finish aluminium extrusions sold by the Australian industry on the Australian market are considered commercially alike to the goods. The like goods are sold into the same market sectors, e.g. building and construction, renewable energy (solar), and compete at the same levels of trade and to the same customers, e.g. direct to end-users or via distribution sales channel. The Australian industry's like goods and the goods are also sold on similar commercial terms with respect to price setting and other market references, e.g. London Metal Exchange (LME) prices for primary aluminium.

²⁹ EPR 541, No. 017.

³⁰ EPR 541, Nos 021, 022, 023, 037, and 042.

3.6.3 Functional likeness

Surface finish aluminium extrusions sold by the Australian industry on the Australian market are considered functionally alike to the goods, as they have similar or identical end uses, e.g. these goods are used by manufacturers of aluminium window and door systems and solar panel installations.

3.6.4 Production likeness

The surface finish aluminium extrusions, produced by the Australian industry are manufactured using processes that are identical to (or closely resemble) the processes used to produce the goods.

3.6.5 Like goods assessment

Based on the above findings the Commission considers that the surface finish aluminium extrusions manufactured by the Australian industry, whilst not identical, have characteristics closely resembling, the goods exported to Australia. The Commission considers that:

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

In light of the above, the Commissioner is satisfied that the Australian industry produces 'like goods' to the goods the subject of the application, as defined in section 269T.

4 THE AUSTRALIAN INDUSTRY

4.1 Preliminary finding

The Commissioner finds that there is an Australian industry producing like goods, consisting of Capral and several other entities.

4.2 Legislative framework

The Commissioner must be satisfied that the like goods are in fact produced in Australia. Subsections 269T(2) and 269T(3) of the Act specify that for goods to be regarded as being produced in Australia, they must be wholly or partly manufactured in Australia. In order for the goods to be considered as partly manufactured in Australia, at least one substantial process in the manufacture of the goods must be carried out in Australia.

4.3 Australian industry

Capral's application identified the following companies as comprising the Australian industry producing like goods:

- Almax Aluminium Pty Ltd;
- Aluminium Profiles Australia Pty Ltd;
- Aluminium Shapemakers Pty Ltd;
- Extrusions Australia Pty Ltd;
- G James Extrusion Co Pty Ltd;
- Independent Extrusions Pty Ltd;
- Olympic Aluminium Co Pty Ltd; and
- Ullrich Aluminium Pty Ltd.

Capral is the largest domestic manufacturer of aluminium extrusions and makes up a major proportion of the total Australian industry for aluminium extrusions. This proportion comprises significantly in excess of 25% of the industry manufacturing like goods in Australia. The Commission conducted a verification visit to Capral's Penrith facility in the western suburbs of Sydney where the aluminium extrusion production process at different stages was observed.³¹

4.4 Production process

The production of aluminium extrusions starts with the aluminium billets³², otherwise referred to as 'logs', being taken from a storage yard facility and pre-heated in a furnace up to the necessary temperature required for the extrusion process. Once preheated, the

³¹ EPR 541, No. 010.

³² Unlike extrusion manufacturers in other countries, the Australian industry does not possess re-melt facilities in order to produce its own billet requirements. As a result, the Australian industry producing like goods is further supported by the broader aluminium industry through its production of aluminium billet which is sourced from a mixture of suppliers, both in Australia and overseas.

logs are cut into shorter lengths with a hydraulic shear and transferred into the extrusion press.

When the extrusions exit the extrusion press, they undergo a stretching operation before entering a gas fired furnace to age the material and achieve the desired temper. At the conclusion of this stage of the process, the product is classified as mill finished.

Depending on production orders, the extrusions are sent to be anodised, painted or subject to minor working. Once the items are produced to the necessary specification, they are packed and dispatched to the customer.

The most obvious by-product of the extrusion production process is scrap aluminium. Scrap aluminium is mainly generated at the pressing stage, due to the limitations of log usage at that stage, which restricts 100% utilisation of the log. The residual material volume that is generated is not useable and must be scrapped. The rate of scrap is known to vary across the industry. However, according to Capral's explanation during the visit, the generation of scrap would appear to be inherent in the production of extrusions and, therefore, unavoidable.

Scrap is also generated at various other points in the lifecycle of the extrusion production process as a result of defects. It can also arise due to quality issues which cause a small proportion of goods to be returned by customers.

4.5 Conclusion

The Commissioner is satisfied that:

- at least one substantial process of manufacture of like goods is carried out in Australia;
- like goods were wholly or partly manufactured in Australia by Capral; and
- there is an Australian industry, consisting of Capral and several other entities which produce like goods to the goods that are exported to Australia.

5 AUSTRALIAN MARKET

5.1 Preliminary finding

The Commissioner finds that the Australian market for the goods and like goods is supplied by the Australian industry and imports from a number of countries, including Malaysia.

5.2 Background

The Australian market for the goods and like goods is supplied by domestic aluminium producers such as Capral and the seven other entities referred to by Capral in its applications, who together represent the Australian industry. In addition, aluminium extrusions producers from other countries also supply Australian customers directly or via Australian based intermediaries and distributors.

Imports of the goods into the Australian market are sourced from numerous countries. However, in recent years the highest volumes originate from China, Malaysia and Vietnam.

The analysis of the Australian market detailed in this chapter is based on verified financial information submitted by Capral, the Australian industry applicant for the measures, import data from the ABF import database, verified importer and exporter information, and relevant information obtained during the course of investigations, reviews, and inquiries conducted by the Commission into aluminium extrusions.³³

5.3 Market structure

The market structure for the surface finished aluminium extrusions considered in this report, consists of:

- very large original equipment manufacturers (OEMs), such as large aluminium window manufacturers;
- distributors of aluminium extrusions;
- further finishers (e.g. anodisers, powder coat/painters); and
- fabricators.³⁴

The groups above include a wide range of small to medium retail and trade end-users (including smaller fabricators, manufacturers and other users) who 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.

³³ Information about the Australian market as it relates to the Australian industry is largely based on the data and information provided by Capral in its application. A verification report about the Commission's visit to Capral is available in the public record for the investigation at EPR 541, No. 010.

³⁴ 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.

During the verification, Capral advised that it considers that the main market segments are:

- residential - including products such as windows and doors, security, internal fit out of showers and robes, external fit out, and fencing;
- commercial - including commercial windows and doors, internal and external fit out, and curtain walls; and
- industrial - including automotive, truck and trailer, rail, electrical, signage, marine, portable buildings and large industrial infrastructure.

5.3.1 Marketing and distribution

Like goods manufactured by the Australian industry are produced for various markets within Australia. The Australian industry produces and sells a generic range of aluminium extrusion profiles which are commonly referred to as 'geometrics' that are not specific to any particular application or customer. An adequate inventory of these types of extrusions will usually be held in stock by producers, or where requested, can be supplied to order.

In addition to geometric profiles, the Australian industry also produces aluminium extrusions to meet a customer's specific design requirements. These types of extrusions are commonly sold to the customers directly from the extrusion mill (mill sales channel) or where relevant, sold through a distribution network (such as that operated by Capral) (distribution sales channel).

Alongside aluminium extrusions, the Australian industry, including Capral, also markets a range of window and door systems that use its aluminium extrusion profiles and other complementary products, such as rolled aluminium.

An examination of the websites of other Australian industry members also revealed product offerings similar to Capral's, which involve designs that appear to be marketed for specific end uses and sold alongside complementary products, such as windows and doors, shower screens, fencing and wardrobes. It was also observed that, in some cases, Australian industry members appeared to focus on specific parts of the supply chain, or to supply their own downstream businesses, instead of servicing the market for aluminium extrusions directly.

Within the Australian industry, the Commission has found that there are differing levels of geographic presence around Australia. Larger companies have Australia-wide production and distribution assets, whilst smaller companies service particular geographic areas.

In terms of distribution, the Commission has also ascertained that Australian customers will secure multiple supply sources in order to minimise the risk of a disruption in supply (e.g. where one manufacturer cannot fulfil an order).

Similar to the Australian industry, overseas producers who supply the Australian market were found to have a similar product offering and appear to have an ability to service the Australian market in a manner comparable to the Australian industry. Overseas producers receive purchase orders from Australian customers either directly from the customer or through an Australian based intermediary. Through these channels, overseas extrusion producers either compete with the Australian industry head-to-head, or indirectly compete with the Australian based intermediary.

Both the end-user and distribution category customers transact with overseas aluminium extrusion producers. Goods imported into Australia may be shipped directly to the customer's final location or warehoused at an importer's facility before dispatch. Some Australian customers are known to use an importer's warehousing functions rather than maintain their own. From this perspective, the Australian industry's and overseas producers' methods of distribution are very similar. However the lead time for imported goods is longer.

The Commission understands that the lead time for purchase orders is one aspect that potentially differentiates the Australian industry's value proposition from overseas suppliers. Although it wasn't identified as a key issue, it was acknowledged by interested parties that a local producer's response to quality issues (for example, complaints about the quality of the goods) could play a part in a customer's purchasing decision, in that the re-supply of initially defective goods involves shorter turnaround times, if those goods have been purchased from a domestic supplier.

5.3.2 Supply

Aluminium extrusions are a commodity product. Provided the goods meet the relevant Australian Standard and the grade requirements for the desired end-use, there are limited ways in which suppliers can differentiate their offering beyond price and service. In most circumstances, customers are able to readily change supplier. Depending on the specific type of aluminium extrusion that is being purchased by customers, the ease with which this can occur will differ in terms of cost, lead-time and management of production quality.

The Australian industry producing like goods sells directly to end users who transform the goods into products such as windows and doors, or for use in applications such as boat building and other types of products specific to residential situations. The Australian industry also caters for a large base of customers through its distribution centre networks. The ordering and lead time arrangements differ between customers and depend on the sales channel(s) through which the like goods are sold.

In addition to domestic producers of like goods, the Australian market is supplied by producers from other countries who supply Australian customers directly, or via Australian based intermediaries and distributors. Overseas producers were found to supply the same category of customer as the Australian industry and in some cases the same customer(s).

Imported surface finished aluminium extrusions on the Australian market are sourced from numerous countries, with the highest volumes in recent years originating from China, Malaysia, and Vietnam.

5.3.3 Demand

Capral identifies three industry sectors into which it sells the like goods:

- residential building - including the home renovation sub-sector;
- commercial building; and
- industrial - transport, marine and other industrial.

Out of the three industry sectors listed above, Capral's data indicated that key sectors included the residential and commercial building sectors.

Data provided by Capral in relation to sales volumes of like goods over the last six years illustrated a mild seasonal trend whereby sales in the second half of each calendar year were usually higher.³⁵ The Commission considers this marginal change is likely attributed to the slow-down in economic activity experienced during the Australian Christmas and New Year holiday period.

In a presentation by Capral³⁶ during the verification visit, Capral cited that a key demand driver for sales of like goods is the residential building sector. Capral provided data for annual dwelling commencements in the period 2012 through to 2019. After peaking in 2016, the data indicated that the trend in annual dwelling commencements between 2016 and 2019 declined year-on-year, with 2019 being the lowest. The 2019 decline in dwelling commencements was most significant in the multi-residential high rise segment, and to a lesser extent, in the detached housing segment.

However, Capral's presentation highlighted an increasing sales trend for other industry sectors. For example, the volume of truck and van builds in the transport sector exhibited an upward trend within the period 2016 to 2019. According to Capral's data, the volume of truck and van builds peaked in 2018 although in 2019 it did regress back to 2017 levels.

Capral also made reference to the current and future sources of demand for like goods, which included the defence, marine and renewable energy sectors, particularly in relation to solar panel framing systems.

5.4 Pricing

Capral explained that manufacturers mainly sell aluminium extrusions to the next level of trade (distributors and OEMs) based on a pricing formula which reflects the following elements:

1. the LME primary aluminium base price; plus
2. premiums (billet premiums and Major Japanese Port (MJP) premium); plus
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 combined sum of the LME metal price and premiums, and the selling price, is referred to in the industry as the 'spread'.

The Commission's examination of exporter and importer questionnaire responses by interested parties who cooperated with this investigation and Review of Measures No.544 and Continuation Inquiry No.543 found that aluminium extrusions exported to Australia are priced using the same (or similar) formula outlined by Capral.

In addition, extrusion profiles made to a customer's specific requirements may require costs for tooling which could involve a separate upfront charge to the customer to cover the cost of producing the die or built into the price of the extrusions.

³⁵ EPR 541, No. 010, Australian Industry Verification Report – Confidential Attachment 1.

³⁶ Ibid.

Capral explained during the verification visit that it seeks to remain competitive with other Australian and overseas suppliers by setting prices at levels which are desirable in the market place and consistent with the movement in the price for primary aluminium.

However, Capral also conceded that estimating the prices of aluminium extrusions sold by its competitors has become increasingly difficult, due to the relatively low level of transparency amongst market participants. As a result, its awareness of price in the market is generally via interactions with existing customers or other market intelligence that is publicly accessible/available.

Importers have claimed that prices for anodised extrusions from Capral have increased due to the decision of Capral to outsource its anodising operation. While this has not impacted current purchases of anodised extrusions, importers have indicated that this will influence negotiations for future supply contracts.

5.5 Market size

5.5.1 Initial application data

In Appendix A4 to question A-4.2 in its application, Capral relied on the following to estimate the size of the Australian market for surface finish aluminium extrusions covered by the goods description:

- its own sales data in relation to like goods;
- estimates of the sales volumes achieved by other Australian industry producers; and
- import data for aluminium extrusions sourced from the Australian Bureau of Statistics (ABS).

To estimate the size of the market specific to surface finish aluminium extrusions covered in its application, the Commission understands that Capral used its own sales data as a proxy to work out the proportion of the Australian market that was surface finished.

Having regard to Capral's estimation at section A-4.6 of its application, the Australian market for surface finished extrusions decreased in the 2018/19 period³⁷ by approximately eight percentage points in comparison to the 2015/16 base year.

The data in Capral's application was considered suitable for the purpose of assessing its claims to permit a decision by the Commission to initiate the investigation. However, the estimate of the Australian market size in Capral's applications related to an anticipated injury analysis period from 1 October 2015 and an investigation period of 1 October 2018 to 30 September 2019. Subsequently, the Commission nominated the year ending 30 June 2019 as the investigation period. Capral's initial application data has been set aside.

³⁷ Based on an October to September year.

5.5.2 The Commission's assessment

The Commission has assessed the Australian market on the basis of an investigation period of 1 January 2019 to 31 December 2019 and an injury analysis period from 1 January 2016.

As noted above, Capral estimated the size of the Australian market by using its own sales data as a proxy to work out the proportion of the market comprising surface finished aluminium extrusions. The Commission considers that Capral's approach was reasonable on the basis of the information available to Capral at the time that it prepared its application.

Through the various anti-dumping matters conducted by the Commission in relation to aluminium extrusions, it has long been established that aluminium extrusion finishes in the Australian market fall into a three broad categories; mill, powder coated and anodised. Powder coated and anodised goods being relevant to this investigation, and mill finish extrusions being relevant to Investigation No.540.

Limitations exist, however, in that the ABS data available to Capral does not contain the necessary details to readily identify the goods in the above three finish categories. Similarly, the Commission was confronted with the same issue in the Australian Border Force (ABF) import data which is commonly preferred by the Commission for developing a picture of the Australian market.

The Commission considers that despite some limitations, the ABF data is still highly relevant to the task of estimating the size of the Australian market. The Commission considers that the ABF data permits identification of import declarations of the goods classified under the tariff subheadings and statistical codes relevant to the goods that are the subject of the investigation.

In this current case, however, the ABF data does not contain the necessary detail to enable the Commission to accurately identify imports of the goods into Australia by the product finish type (e.g. powder coated or anodised finish). This issue arises for two reasons;

- it is not a requirement for importers to specify the finish of the goods in their consignments; and
- the tariff subheadings and statistical codes relevant to the goods, the subject of the investigation, are not designed to aggregate goods on the basis of their being made with a certain finish.

Owing to these limitations within the ABF data, the Commission has used a similar method to Capral's for assessing the size of the Australian market for surface finished aluminium extrusions. Albeit, the Commission has refined the data by extracting information using verified exporter questionnaire Australian sales listings provided for the purpose of this case and the following cases, which are being undertaken concurrently:

- Investigation No.540 (mill finished aluminium extrusions from Malaysia)
- Continuation Inquiry No.543 (aluminium extrusions from China [all finish types])
- Review of Measures No.544 (aluminium extrusions from Malaysia and Vietnam [all finish types])

PUBLIC RECORD

- Investigation No.362 (aluminium extrusions exported from Malaysia and Vietnam [all finish types])

Using the extracted data from the above cases, the Commission has estimated the proportion of surface finish aluminium extrusions exported to Australia in the investigation period and the injury analysis period. This was achieved by analysing the Australian sales of the verified exporter's data, in order to work out the volume of surface finish exports as a proportion of those exporters' total export volume(s).

The observed ratio of surface finish goods by the exporters whose Australian sales listings were examined in the above cases has been relied on to inform the volume of surface finish goods exported by other exporters in each exporter's country and exports from all other countries.

The Commission notes that the above method does, nonetheless, result in an estimate and, therefore, might not reflect the actual sales mix of goods exported to Australia. However in the absence of any other compelling data showing these volumes to be unreliable, the Commission considers its approach in this investigation provides a reasonable platform upon which certain market based findings can be made.

Having outlined the various issues and the approach above, Figure 1 below depicts the Commission's estimate of the size of the Australian market for the goods from 1 January 2016 to 31 December 2019. Figure 1 uses data from the ABF import database (as amended) and the applicants' sales data including Capral's estimated sales volumes of other Australian industry producers.

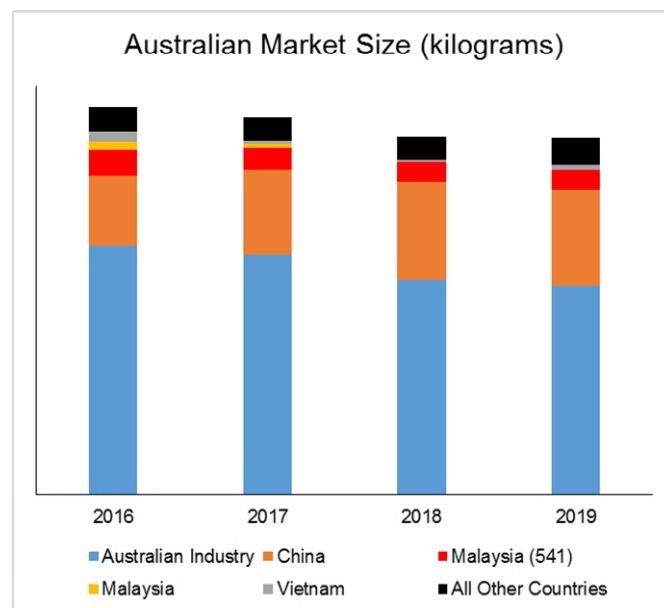


Figure 1 Australian Market Size

The Commission's assessment of the size of the Australian market is provided at **Confidential Attachment 1**.

6 DUMPING INVESTIGATION

6.1 Preliminary finding

The Commission has found that the goods exported to Australia from Malaysia by the following exporters were dumped, however in the case of Genesis, its goods were not dumped:

- PMB;
- Milleon;
- LB Aluminium;
- Kamco; and
- Superb.

The dumping margins determined for the above exporters are summarised below in Table 7.

Country	Exporter	Dumping margin (%)
Malaysia	PMB	6.9
	Milleon	6.1
	LB Aluminium	2.6
	Superb	12.8
	Genesis	-6.1
	Kamco	18.5

Table 7 Dumping margins

6.2 Legislative and policy framework

In the report to the Minister under section 269TEA(1), the Commissioner must recommend whether the Minister ought to be satisfied as to the grounds for publishing a dumping duty notice under section 269TG.

Under section 269TG, one of the matters the Minister must be satisfied of in order to publish a dumping duty notice is that the goods have been dumped.

Section 269TDA(1) also requires that the Commissioner must terminate the investigation, in so far as it relates to an exporter, if satisfied that there has been no dumping by the exporter, or there has been dumping during the investigation period, but the dumping margin is less than 2%.

Dumping occurs when a product from one country is exported to another country at a price less than its normal value. The export price and normal value of goods are determined under sections 269TAB and 269TAC respectively.

6.2.1 Export price

Export price is determined in accordance with section 269TAB, taking into account whether the purchase or sale of goods are arms length transactions under section 269TAA. Section 269TAB(1)(a) generally provides that the export price of any goods exported to Australia is the price paid (or payable) for the goods by the importer where the goods have been exported to Australia otherwise than by the importer, and have been purchased by the importer from the exporter in arms length transactions.

6.2.2 Normal value

Section 269TAC(1) provides that the normal value of any goods exported to Australia is the price paid (or payable) for like goods sold in the ordinary course of trade (OCOT) for home consumption in the country of export in sales that are arms length transactions by the exporter, or, if like goods are not so sold by the exporter, by other sellers of like goods.

Section 269TAC(2)(a)(i) provides that the normal value of goods exported to Australia cannot be ascertained under section 269TAC(1) where there is an absence, or low volume, of sales of like goods in the market of the country of export that would be relevant for the purpose of determining a price under section 269TAC(1). Relevant sales are sales of like goods sold for home consumption that are arms length transactions and sold in the OCOT.

Domestic sales of like goods are taken to be in a low volume where the total volume of like goods is less than 5% of the total volume of the goods under consideration that are exported to Australia (unless the Minister is satisfied that the volume is still large enough to permit a proper comparison). As per the Anti-Dumping Commission *Dumping and Subsidy Manual* (the Manual), where the total volume of relevant sales is 5% or greater than the total volume of the goods under consideration, and where comparable models exist, the Commission also considers the volume of relevant domestic sales of like goods for each model (or MCC).

6.2.3 Dumping margin

For all dumping margins calculated for the purposes of this investigation, the Commission compared the weighted average export prices over the whole of the investigation period with the weighted average of corresponding normal values over the whole of the investigation period.

6.3 Cooperative exporters

Section 269T(1) provides that, in relation to a dumping investigation, an exporter is a 'cooperative exporter' where the exporter's exports were examined as part of the investigation and the exporter was not an 'uncooperative exporter'. At the commencement of the investigation, the Commission contacted the exporters, the subject of the investigation, and invited them to complete an exporter questionnaire. The Commission received questionnaire responses from the following exporters that were assessed as not containing any deficiencies and were considered capable of verification:

- PMB;
- Milleon;

- LB Aluminium;
- Superb; and
- Genesis.

The Commission undertook a desktop verification of PMB, Milleon, and LB Aluminium, and a remote verification of the data submitted by Superb and Genesis.

6.4 Uncooperative exporters

Section 269T(1) provides that an exporter is an “uncooperative exporter” where the Commissioner is satisfied that an exporter did not give the Commissioner information that the Commissioner considered to be relevant to the investigation within a period the Commissioner considered to be reasonable, or where the Commissioner is satisfied that an exporter significantly impeded the investigation.

The *Customs (Extensions of Time and Non-cooperation) Direction 2015* (the Customs Direction) states at section 8 that the Commissioner must determine an exporter to be an uncooperative exporter, on the basis that no relevant information was provided in a reasonable period, if that exporter fails to provide a response or fails to request a longer period to do so within the legislated period.

The Commissioner considered the Customs Direction and determined that all exporters which did not:

- provide a REQ to the Commission; or
- request a longer period to provide a response within the legislated period; or
- address requests for further information where REQ’s were given to the Commission³⁸

are uncooperative exporters for the purposes of this investigation.

Following receipt of Kamco’s REQ, the Commission identified deficiencies within its data. Kamco was issued with two further requests to address these deficiencies in further responses which it subsequently did so by the due date on each occasion.

After receiving Kamco’s responses to the second deficiency request the Commission sought information from Kamco with the intention of undertaking a verification of its REQ. Upon doing so the Commission determined that Kamco’s REQ was not capable of verification due to the systemic issues that were identified. The verification process was therefore stopped.

As a result of the assessment of Kamco’s initial REQ, its subsequent responses and the observations made in the attempts to verify Kamco’s REQ, Kamco’s REQ was referred to the Commissioner who concluded that the deficiencies were such that they could not be, in the Commissioner’s view, quickly and easily rectified in a further response. Due to these deficiencies, the Commissioner is satisfied that Kamco is an uncooperative exporter under section 269T(1). Kamco was notified of this in a letter on 16 October 2020.

³⁸ Requests for further information are contained in deficiency letters.

Kamco subsequently submitted further information to the investigation on 5 November 2020. The further information is considered to be a late response that cannot be considered, as it would delay a key aspect of the case, in accordance with section 7 of the Customs Direction.

6.5 PMB

6.5.1 Verification

PMB has been a known producer and exporter of the goods at least since its cooperation in Investigation No.362. It was explicitly identified, amongst others, by Capral in its application for this investigation.

An examination of ABF data in response to Capral's application confirmed that PMB was named as a supplier of the goods exported to Australia during the investigation period, as well as in the period following the investigation period.

Being satisfied that PMB appeared to be an exporter of the goods relevant to Capral's application, the Commission forwarded PMB a letter on 25 February 2020 advising it of the commencement of the investigation and inviting it to submit a REQ. The letter contained the following instructions for suppliers that do not manufacture the goods [emphasis added]:

*'If you export but do not produce or manufacture the goods (for example, you are a trading company, broker, or vendor dealing in the goods), it is important that you forward a copy of this letter to the relevant manufacturers and inform the Commission of the contact details for these manufacturers **immediately**.*

In cases where goods are supplied to Australia by an entity other than the manufacturer of the goods, the Commission will require both the manufacturer and supplier of the goods to complete an exporter questionnaire (insofar as it is relevant to each entity) and consent to a verification visit if required."

After receiving the Commission's correspondence, PMB subsequently filed a REQ under its own name. At question A-2.7 of its REQ, PMB responded by indicating the overall nature of its business was "producer and distributor and trader".

During the verification process it became clear that PMB's status as a producer of the goods exported to Australia had changed as a result of a November 2019 asset sale to a related entity PMB (Klang) Sdn. Bhd. (PMBK). PMBK has since been renamed PMB Aluminium Sdn Bhd (PMBA).³⁹

The Commission now understands that for the part of the investigation period prior to 22 November 2019, PMB was the producer of the goods exported to Australia. However, from 22 November 2019, PMBA was the producer of the goods exported to Australia.

³⁹ PMB provided information confirming that on 25 August 2020 PMBK was renamed to PMB Aluminium Sdn Bhd.

Upon commencing verification, it emerged that the sales and cost data presented in PMB's REQ was an aggregation of the data (particularly the December 31 quarter of the investigation period) relevant to two separate legal entities. That is, PMB and PMBA.

PMB had filed a REQ on behalf of itself and a different, albeit related entity. Notwithstanding PMB did nonetheless provide data that was capable of verification and relevant to the task of assessing its role in exporting the goods to Australia over the whole or part of the investigation period (information which is material to determining whether the like goods may have been dumped and caused material injury to the Australian Industry).

A report covering the verification findings relating to the data relevant to PMB is available on the public record.⁴⁰

6.5.2 Assessment of PMB's status as an exporter of the goods

The Commission considers that PMB was the exporter of the goods prior to the sale of its extrusions assets to PMBA on 22 November 2019.

However, as a result of the change in circumstances relating to PMB's status as a producer of the goods in the period commencing 22 November 2019, the Commission considers two key issues need to be addressed;

1. Whether PMB should be identified as the exporter of the goods that were produced by PMBA; or alternatively,
2. Whether PMBA should be identified as the exporter of the goods.

As will be demonstrated below, the goods exported to Australia were produced by PMBA who then sold those goods to PMB prior to their exportation to Australia. PMB then re-sold the goods to the Australian customer.

The question before the Commission is, therefore, whether:

- PMB is an exporter for the purposes of section 269TAB(1)(a); or
- PMBA is the exporter for the purposes of section 269TAB(1)(c), however noting that PMBA was not an exporter named by Capral in its application for this investigation.

The Commission acknowledges that PMB has represented that it was the exporter of the goods for the purpose of any anti-dumping measures and cooperated with the investigation. This is clear from PMB's submission, dated 16 October 2020, where PMB argues it is and continues to be the exporter of the goods to Australia.⁴¹

In order to determine whether PMB is truly the exporter of the goods (from 22 November 2019), the Commission has examined;

- the circumstances relevant to the change in PMB's status as a producer of the goods;

⁴⁰ EPR 541, No. 042

⁴¹ EPR 541, No. 032.

PUBLIC RECORD

- the selling arrangements between PMBA and PMB;
- the question of who was the principal in the transaction for the goods exported to Australia; and,
- the respective roles and functions of PMB and PMBA in relation to the export of the goods to Australia.

PMB's status as a producer

PMB's ultimate owner is Malaysian listed company Press Metal Aluminium Holdings Berhad (PMAH). Having regard for PMAH's 2019 Annual Report, outlined in the Directors' Report at part [v] to the section detailing Significant and Subsequent Events⁴², the following information relevant to PMB's status as a producer is summarised as follows:

- In August 2019, PMAH incorporated a new wholly-owned subsidiary, PMBK;
- PMBK is principally engaged in the manufacturing and trading of aluminium products;
- the extrusion business of PMB (inclusive of all manufacturing assets) was sold to PMBK in November 2019 (effective 22 November 2019);
- PMB continues to undertake certain functions within the PMAH group, however, it ceased being a manufacturer of goods of any kind from 22 November 2019 onwards;
- PMB and PMBA are both, ultimately, owned by PMAH and are therefore related; and
- the same individuals hold the director positions in PMB and PMBA.

The points set out above were also reflected in the entity-level audited financial statements for both PMB and PMBA (financial year ending 31 December 2019) obtained by the Commission and the Asset Sale and Purchase Agreement between PMB and PMBK (as it was then known).

During the verification of PMB's REQ, it was established that the extrusion and billet casting manufacturing operations previously owned and operated by PMB continued to be operated by PMBA, at the same location after the sale of those assets to PMBA. There was no cessation in production activities or any interval in its operations.

In light of the above, the Commission is satisfied that PMB's role as a producer ceased on 22 November 2019 and PMBA, thereafter, became the producer.

Selling arrangements between PMBA and PMB

Having regard for the sales and cost information supplied by PMB in its REQ and during verification, the following describes the selling arrangements between PMBA and PMB from 22 November 2019;

- PMBA produced and sold the goods which were exported to Australia and the like goods sold on the Malaysian domestic market;

⁴² PMAH 2019 Annual Report, p.112.

PUBLIC RECORD

- the goods produced by PMBA for the Australian market were sold to PMB prior to those goods being exported from Malaysia and re-sold by PMB to Australian related customer PMAA;
- like goods produced by PMBA for related party domestic customers in Malaysia were initially sold to PMB and then re-sold by PMB to related party customers;
- like goods produced by PMBA for un-related party domestic customers in Malaysia were sold by PMBA directly to those customers;
- the available accounting records for PMB and PMBA were sufficient to permit the Commission to trace the sale of goods by PMBA and through PMB to the final customer, either in Australia, i.e. PMAA, or Malaysia.

Having regard for the information set out above, the Commission was satisfied that:

- PMBA was the producer and seller of the goods and like goods;
- PMB did not produce the goods and like goods;
- for the goods produced and sold by PMBA for the Australian market, PMB was an intermediary party in the transaction.

Identity of the principal in the transaction for the goods exported to Australia

The Manual state that the Commission will generally identify the exporter as;

1. a principal in the transaction located in the country of export from where the goods were shipped and who knowingly placed the goods in the hands of a carrier, courier, forwarding company, or their own vehicle for delivery to Australia; or
2. a principal will be a person in the country of export who owns, or who has previously owned, the goods but need not be the owner at the time the goods were shipped.⁴³

The Manual further states that

“Typically the manufacturer, as a principal, and who knowingly sent the goods for export to any destination, will be the exporter. The export price will be the price received by that producer/exporter i.e. the manufacturer”⁴⁴

The Commission analyses the commercial arrangements of the relevant entities from the manufacture of the goods through to their exportation, to identify the principle in the transaction with the most influence/interest in the exportation of the goods. The manufacturer is typically the exporter, as they will typically have the greatest influence/interest in the goods being exported. To be identified as the exporter, an entity must be more than just an agent or facilitator for the movement of the goods into Australia.

In order to identify the principal in the transactions, the Commission has had regard to the following information about the sales of the goods produced by PMBA and exported to Australia from 22 November 2019:

⁴³ The Manual, p. 29.

⁴⁴ The Manual, p. 30.

PUBLIC RECORD

- there was no mark-up on the price that PMB paid to PMBA for the goods prior to their sale and export to the Australian related customer, PMAA;
- the dates on PMBA's and PMB's invoices in relation to the sale of the same goods were identical and the invoice date reflected the date of departure from the port of export in Malaysia;
- PMB made payment for the goods it re-sold to the Australian customer into PMBA's bank account;
- PMB confirmed that PMB staff play no role in the sale of the goods to Australia;
- PMBA staff undertook accounting functions on behalf of PMB;
- for the goods exported to Australia, PMBA's invoices for the sale of the goods to PMB contained information, such as the Australian customer's delivery address and purchase order references, thereby demonstrating that PMBA produced goods in the knowledge that they were being exported to Australia;
- Malaysian logistic vendor invoices cite PMBA as the customer, indicating that PMBA arranges the exportation of the goods to Australia;
- accounting entries confirmed the flow of goods out of PMBA's accounts and through PMB's accounts before being re-sold by PMB to PMAA. However these transactions were limited to various sales-related accounting entries, e.g. accounts payable and receivable. PMB advised the Commission that it does not enter those goods into inventory;
- PMB was named as the consigner/exporter on various logistics documentation, certificate of origin and ABF import declarations;
- PMB indicated that the arrangement with PMBA was transitional and would cease to continue once PMBA was in a position to issue a certificate of origin under its own name;⁴⁵
- the Commission did not identify any specific contractual arrangement where PMBA was required to sell goods through PMB. However, PMB did refer the Commission to the PMAH 2020 Annual Report which contains clauses to promote related parties in the PMAH group to trade in a manner with the objective of reducing administrative burden without compromising the groups objectives⁴⁶; and,
- Goods produced by PMBA for the Australian market are not held in inventory by PMB prior to their exportation.

The Commission is satisfied that;

- PMB was the manufacturer of the goods and as a principal, knowingly sent the goods for export to Australia prior to 22 November 2019; and,
- PMBA was the manufacturer of the goods and as a principal, knowingly sent the goods for export to Australia from 22 November 2019

Roles and functions of PMB and PMBA in the export of the goods to Australia

The following section sets out the respective roles and functions of PMB and PMBA in respect of the export of the goods to Australia from 22 November 2019. The purpose

⁴⁵ Under the AANZFTA Free Trade Agreement, imports into Australia that are accompanied with the relevant certificate of origin receive an exemption of Australian general import duty.

⁴⁶ Explanatory Note (vi) to Resolution 8, PMAH 2020 Annual Report.

being to consider if PMB merely acted as an intermediary to those export transactions and therefore should be identified as such.

Having regard for the available information about the arrangement between PMB and PMBA in respect of the export of the goods to Australia from 22 November 2019, the Commission established the following:

- PMBA arranges and pays for the inland transport to the port of export;
- PMBA arranges and pays for the port handling charges at the port of export;
- PMBA arranges and pays for the ocean freight and marine insurance;
- the goods were not warehoused by PMB or held in inventory by PMB after being purchased from PMBA ;
- PMBA maintains inventory of the goods;
- PMBA was aware that the goods were being exported to Australia due to the presence of the Australian importer's (PMAA) delivery address, or PMAA's customer, and purchase order references on PMBA's commercial invoices for the sale of the goods to PMB;
- PMB produces a certificate of origin which facilitates the exemption of Australian import duty pursuant to the AANZFTA Free Trade Agreement;
- although PMB owned the goods at the time of their exportation (having purchased them from PMBA), it is not considered to be the principal agent in the transaction for reasons to follow.

The available information about PMB's role in the sales of the goods to Australia indicates that PMB's function could at best be defined as 'records based' or 'on paper'. As confirmed by PMB during verification, documents issued in PMB's name were generated by staff at PMBA and PMB staff are not involved in the administration of the sale and manufacture of the goods exported to Australia under its name.

When identifying the exporter of the goods the Commission examines the roles of the parties in the transactions, their functions and their responsibilities. While PMB was the legal owner of the goods at the time of their exportation, the Manual notes that

*"the exporter must have been the owner of the goods at one time but...ownership at the time the goods left for Australia is not treated as conclusive when identifying the exporter."*⁴⁷

The Manual also contemplates the role of intermediaries who undertake a range of services or functions and how these activities are taken into consideration when establishing the identity of the exporter of the goods.⁴⁸ On balance, the Commission considers that PMB's ownership of the goods from 22 November 2019 and prior to their exportation does not override its limited role in the ongoing export of the goods, or the finding that PMBA was the manufacturer of the goods and as a principal, knowingly sent the goods for export to any destination.

⁴⁷ The Manual, p. 29.

⁴⁸ Ibid.

The Manual outlines the rare circumstances in which it would be appropriate to identify the intermediary as the exporter. Typically this would only occur where the producer has no knowledge that the goods are destined for export and the essential role of intermediary is that of a distributor that holds its own inventory for all export sales.⁴⁹ The Commission considers that the rare circumstances outlined in the Manual do not apply in the current case.

As a result of the above findings the Commission is satisfied that, for the purpose of this investigation, PMB was the producer of the like goods, and the exporter of those goods to Australia throughout the period prior to 22 November 2019.

From 22 November 2019, however, PMBA produced and sold the goods which were exported to Australia (and PMB facilitated those transactions as an intermediary). Exports by PMBA are further assessed as part of Review of Measures No.544.

6.5.3 Submissions received regarding PMB's status as an exporter

On 5 October 2020, Capral submitted⁵⁰ that any exports to Australia from PMAH affiliated entities should be subject to measures at the 'all other' rate, a form of measures, which applies to Malaysian producers who have not been previously examined by the Commission.

In its 16 October 2020 submission, PMB responded to Capral's submission.⁵¹ PMB sets out that it has been the exporter of the aluminium extrusions prior to, and since the corporate restructure occurred within the PMAH group up to and during the latter stages of 2019. The restructure being the sale of its aluminium extrusions business (inclusive of all manufacturing assets) to PMBA on 22 November 2019. A representative of PMB further submitted that the question as to who may be the producer of the goods in question is, in substance, an irrelevant consideration, as to who is the 'exporter'.

As outlined in the discussion above at 6.5.1, the Commission considers that:

- which entity is the producer of the goods is a relevant consideration with respect to identifying the true export price for the goods;
- PMB ceased being the producer and exporter of the goods prior to 22 November 2019 (although it continued to facilitate export sales to Australia); and
- PMBA was the producer and exporter of the goods from 22 November 2019 (PMB continued as an intermediary, thereafter).

Although PMB submits that it is the exporter of the goods throughout the investigation period, its submission provides no indicia to show that PMB is actually the exporter. The Commission considers that documents representing PMB's facilitation of the export transactions are not sufficiently reliable to ascertain the normal value and export price of

⁴⁹ The Manual, p. 30.

⁵⁰ EPR 541, No. 027.

⁵¹ EPR 541, No. 032.

the like goods after 22 November 2019. Therefore, PMBA needs to be acknowledged as the exporter in respect of the imposition of measures after 22 November 2019.

6.5.4 Export price

Having regard to the finding set out above at 6.5.1, the Commission considers PMB to be the exporter of the goods in the period prior to 22 November 2019. The Commission considers this because, PMB:

- was the manufacturer of the goods located in the country of export;
- was the principal located in Malaysia, the country of export;
- knowingly placed the goods in the hands of a freight company for delivery to Australia;
- was named on the commercial invoice as the supplier;
- was named as the consignor on the bill of lading;
- arranged and paid for the inland transport to the port of export;
- arranged and paid for the port handling charges at the port of export;
- arranged and paid for the ocean freight and marine insurance; and
- reimbursed the importer for Australian importation costs.

The Commission is satisfied that for all Australian export sales during the period prior to 22 November 2019 that PMB was the exporter of the goods. The Commission also considers that PMB was an intermediary for the sale of the goods exported to Australia from 22 November 2019 and continues to be so.

In respect of PMB's Australian sales of the goods to its related customers, prior to 22 November 2019, the Commission undertook an examination of PMB's export prices to evaluate whether those prices had the appearance of being influenced due to the relationship between the parties to the transaction. PMB's export prices were assessed having regard to an examination of the following information;

- the profit for PMB's exports of the goods to Australia, having regard for all of the costs incurred in the production and sale of the goods;
- price lists provided in relation to a sample of export transactions subject to detailed examination;
- the LME market price trends;
- the manner in which PMB's Australian customers paid for the goods;
- treatment of certain exportation costs covered by PMB; and,
- the established trading practices between PMB its Australian customer.

In respect of PMB's export sales of the goods to its related customer in Australia during the period, and having regard to the above information, the Commission found no evidence that:

- there was any consideration payable for, or in respect of, the goods other than their price; or
- the price appeared to be influenced by a commercial or other relationship between the buyer (or an associate of the buyer), and the seller (or an associate of the seller); or

- the buyer (or an associate of the buyer), was directly or indirectly reimbursed, compensated or otherwise receive a benefit for, or in respect of, the whole or any part of the price.⁵²

The Commission therefore considers that all export sales to Australia made by PMB to its related customers during the period prior to 22 November 2019 were arms length transactions.

In respect of Australian sales of the goods by PMB, the Commission recommends that the export price be determined under section 269TAB(1)(a), as the price paid for the goods by the importer, other than any part of that price that represents a charge in respect of the transport of the goods after exportation or in respect of any other matter arising after exportation.

Specifically, the Commission recommends that the appropriate method of calculating the Free on Board (FOB) export price paid by PMB's Australian customers, being the value stated on commercial invoices, less relevant costs to the FOB level, i.e. the sum of Australian importation costs, marine insurance, ocean freight and stillage shipping expenses.

6.5.5 Normal Value

PMB was found to make sales to both related and unrelated customers in the Malaysian domestic market during the investigation period. Accordingly, the Commission undertook an examination of PMB's domestic prices to evaluate whether those prices had the appearance of being influenced due to the relationship between the parties to the transaction.

PMB's prices for the like goods were assessed having regard to an examination of the following information;

- price lists provided in relation to a sample of export transactions, subject to detailed examination;
- the LME market price trends;
- the prices paid by unrelated parties;
- the manner in which PMB's domestic customers paid for the goods; and
- the established trading practices between PMB its related party customers.

With the exception of one particular customer, for whom it was ascertained that the customer had not paid for any of its purchases during the period, PMB's prices for sales to related parties were considered arms length. For the goods sold to the customer who had not paid for those goods, no evidence was produced that payment had occurred. Those relevant transactions were, therefore, set aside.

In respect of PMB's domestic sales of like goods to its related customers during the period, the Commission found no evidence that:

- there was any consideration payable for, or in respect of, the goods other than their price; or

⁵² Section 269TAA refers.

PUBLIC RECORD

- the price appeared to be influenced by a commercial or other relationship between the buyer (or an associate of the buyer), and the seller (or an associate of the seller); or
- the buyer (or an associate of the buyer), was directly or indirectly reimbursed, compensated or otherwise receive a benefit for, or in respect of, the whole or any part of the price.⁵³

The Commission therefore considers that, with the exception of sales to one particular related party customer, all other domestic sales made by PMB to its other related customers during the period were arms length transactions.

In respect of PMB's domestic sales of like goods to its unrelated customers during the period, the Commission found no evidence that:

- there was any consideration payable for, or in respect of, the goods other than their price; or
- the price appeared to be influenced by a commercial or other relationship between the buyer (or an associate of the buyer), and the seller (or an associate of the seller); or
- the buyer (or an associate of the buyer), was not directly or indirectly reimbursed, compensated or otherwise received a benefit for, or in respect of, the whole or any part of the price.

The Commission further considers that all domestic sales made by PMB to its unrelated domestic customers during the period were arm's length transactions.

As detailed in the PMB verification report, the Commission assessed the total volume of relevant sales of like goods as a percentage of the goods exported to Australia and found that the volume of domestic sales was 5% or greater and therefore was not a low volume. Accordingly, the Commission is satisfied that the normal value can be ascertained under section 269TAC(1).

As per the Manual, where the total volume of like goods is greater than 5% of the total volume of the goods under consideration, and where comparable models exist, the Commission also tests the suitability of domestic sales of like goods individually for each model.

With respect to the models sold domestically, the Commission is satisfied that there are sufficient volumes of domestic sales for four models that were exported to Australia from Malaysia that are arms length transactions, and at prices within the OCOT.

For a further four export models where there were insufficient sales of the same model on the domestic market in the OCOT, specification adjustments were made to the selling price of the closest matching domestic model with sufficient sales in the OCOT to determine the normal value. Table 8 below notes these specification adjustments.

Export MCCs	Treatment of normal value where insufficient domestic sales
-------------	---

⁵³ Section 269TAA refers.

PUBLIC RECORD

PC-6A-O	No domestic sales of PC-6A-O. Surrogate model PC-6A-T1 with no adjustment for specification differences necessary.
PC-6B-T1	No domestic sales of PC-6B-T1. Surrogate model PC-6A-T1 with adjustment for specification differences under section 269TAC(8).
PC-6D-T1	No domestic sales of PC-6D-T1. Surrogate model PC-6A-T1 with adjustment for specification differences under section 269TAC(8).
PBS-6D-T1	No domestic sales of PBS-6D-T1. Surrogate model CA-6A-T1 with adjustment for specification differences under section 269TAC(8).

Table 8 Treatment of low volume domestic MCCs (PMB)

6.5.6 Adjustments

The Commission is satisfied there is sufficient information to justify the following adjustments in accordance with section 269TAC(8). The Commission considers these adjustments to be necessary to ensure a fair comparison of normal values and export prices.

Adjustment Type	Deduction/addition
Domestic credit terms	Deduct an amount for domestic credit.
Domestic inland transport	Deduct an amount for domestic inland transport.
Domestic level of trade	Add/deduct amounts relevant to differences in price brought about by sales at a non-comparable level of trade.
Domestic packaging	Deduct an amount for domestic packaging.
Export packaging	Add an amount for export packaging.
Export inland transport to port of export	Add an amount for export inland transport.
Export port handling, loading and ancillary expenses	Add an amount for port charges.
Export credit terms	Add an amount for export credit terms.
Specification	Add/deduct amounts arising from differences in specification due to the application of the surrogate normal values.
Timing	For certain MCCs exported to Australia there was an absence of domestic sales in the corresponding quarter.

Table 9 Summary of Adjustments (PMB)

6.5.7 Dumping margin

The Commission has calculated a dumping margin in respect of the goods exported to Australia by PMB for the investigation period. The dumping margin is **6.9%**.

The Commission's calculations are included at **Confidential Attachments 2 to 6**.

6.6 Milleon

6.6.1 Verification

The Commission conducted a remote verification of Milleon's REQ.

The Commission is satisfied that Milleon is the producer of the goods and like goods. The Commission is satisfied that the information provided by Milleon is accurate and reliable for the purpose of ascertaining the variable factors applicable to its exports of the goods.

A report covering the verification findings is available on the public record.⁵⁴

6.6.2 Submission in response to the verification report

In response to its verification report Milleon raised the following issues in a submission⁵⁵ to the investigation:

- an adjustment should be made for domestic sales which did not include a commission; and
- the cost to make for powder coated products was not calculated correctly.

The Commission's consideration of the issues outlined in Milleon's submission are set out below.

Adjustments relating to sales commissions

Milleon claims that adjustments relating to differences in commissions paid in its domestic market and in relation to its Australian exports have not been correctly undertaken. Milleon considers that the upwards adjustment to domestic sales should only be applied to those transactions where no commission were payable. Milleon also contends that a downwards adjustment should be applied to the normal value, in order to reflect the management team's costs for servicing non-commission sales.

In relation to commissions payable by Milleon, commissions were paid in both markets included in the prices being compared. Consistent with the approach outlined in the Manual⁵⁶ the adjustment to account for differences in commissions payable was worked out by firstly deducting the value of commissions from the net invoice value of the relevant domestic sales, where a commission was reported, and adding back amounts, to all domestic transactions, which reflected the weighted average unit value of commissions paid on export sales. The Commission considers that the adjustment relating to commissions payable to sales agents has been undertaken correctly.

Further to the claim relating to commissions payable, Milleon claims that, as its management team services domestic sales for which there is no commission, the expenses associated with the management team should be used as downwards adjustment to the domestic sales where a commission was not paid. The amount claimed

⁵⁴ EPR 541, No. 023.

⁵⁵ EPR 541, No. 026.

⁵⁶ The Manual, p.78.

by Milleon is based on an observation of the management team total wages and salaries expense allocated to the company's total non-commissioned sales volume using an estimated allocation rate. Details regarding the allocation rate were not outlined by Milleon and the specific roles and functions of the staff relevant to the claim are unclear.

The approach outlined by Milleon is contemplated in the Manual.⁵⁷ However, in order for the adjustment claim to be accepted, the Commission had considered if the cost of the management team affected the comparison between export price and the price of like goods and whether the management team expenses constituted a direct selling expense.

The management team expenses referred to by Milleon in its submission have been verified by the Commission as being indirect expenses which are relevant to all sales, not just domestic sales which do not have a commission. Milleon has not provided any additional evidence of specific roles and functions of staff, such that the management team's expenses could be considered a direct selling expense. As a result, these expenses are considered common across all its markets and would unlikely affect the comparison between the price of the goods and like goods.

The Commission does not accept Milleon's claim that a downwards adjustment should be made to domestic non-commission sales.

Cost to make for powder coated products

Milleon's submission refers to the Commission's treatment of the cost associated with powder coated extrusions. As Milleon costs its powder coating as an amount per square meter, there is no difference in the powder coating cost between two extrusions with the same surface area. When two extrusions with the same surface area have different weights, the cost per weight of the powder coating will be different.

For the purposes of determining sales in the ordinary course of trade, it is the Commission's practice to use the unit cost to make and sell of the relevant domestic models⁵⁸ and, in the case of aluminium extrusions, the unit cost is calculated per kg. Thus, for the costs associated with powder coating, the Commission will convert these into a per kg amount for use in the relevant calculations. If two extrusions of the same surface area have different weights, and this causes the unit cost to make to be different, the Commission considers that this is a natural consequence of the costing methodology used by the manufacturer. The Commission further notes that it was not provided information that allowed it to calculate the unit cost to make for powder coated goods based on product thickness.

The Commission does not have sufficient evidence to be satisfied that the differences in thickness require an adjustment to be made.

Subsequent responses by Capral and Milleon

⁵⁷ Ibid.

⁵⁸ The Manual, p.33.

Capral lodged a submission⁵⁹ in response to Milleon that claimed, amongst other things, that:

- an adjustment should not be made for estimated amounts which form part of the normal SG&A expense in relation to non-commission sales; and
- it supports the Commission's approach to the determination of cost to make and sell (CTMS) for powder coated products.

In response to the submission by Capral, Milleon submitted⁶⁰ that, amongst other things, an adjustment for relevant selling expenses in place of a commission as identified by Milleon is allowable under the Manual, and that Milleon has determined the relevant selling expenses in a reasonable manner. Milleon did not provide a response to Capral's comments on the determination of CTMS for powder coated products.

Capral contended⁶¹ that Milleon did not demonstrate how the relevant selling expenses identified by Milleon were different to other SG&A expenses, and that the relevant selling expenses identified by Milleon could not be confirmed as relating solely to non-commission sales.

The Commission maintains that it has correctly adjusted for commissions when calculating the normal value of the goods for Milleon. As identified earlier in this section, the Commission considers that the expenses identified by Milleon in its submissions are indirect expenses and as such are included in the SG&A expenses.

Both Milleon and Capral made further submissions to this investigation.⁶² The Commission considers that the issues raised in these submissions do not relate to factors which are relevant for this investigation.

6.6.3 Export price

The Commission considers Milleon to be the exporter of the goods, as Milleon:

- is the manufacturer of the goods located in the country of export;
- is the principal located in Malaysia, the country of export;
- knowingly placed the goods in the hands of a freight company for delivery to Australia;
- is named on the commercial invoice as the supplier;
- is named as the consignor on the bill of lading;
- arranges and pays for the inland transportation and port handling charges of the goods to the port of export to Australia;
- arranges and pays for the ocean freight and marine insurance where the terms of the sale requires it.

⁵⁹ EPR 541, No. 034.

⁶⁰ EPR 541, No. 033.

⁶¹ EPR 541, No. 035.

⁶² EPR 541, Nos. 038, 040 and 041.

PUBLIC RECORD

The Commission is satisfied that for all Australian export sales during the period that Milleon was the exporter of the goods.

In respect of Milleon's Australian sales of the goods to its unrelated customers during the period, the Commission found no evidence that:

- there was any consideration payable for, or in respect of, the goods other than their price; or
- the price appeared to be influenced by a commercial or other relationship between the buyer (or an associate of the buyer), and the seller (or an associate of the seller); or
- the buyer (or an associate of the buyer), was directly or indirectly reimbursed, compensated or otherwise receive a benefit for, or in respect of, the whole or any part of the price.

The Commission therefore considers that all export sales made by Milleon to its unrelated Australian customers during the period were arms length transactions.

In respect of the Australian sales of the goods by Milleon, the Commission has determined an export price under section 269TAB(1)(a), as the price paid by the importer to the exporter, less transport and other costs arising after exportation.

6.6.4 Normal value

Milleon made sales to both related and unrelated customers in the Malaysian domestic market during the investigation period. The Commission examined whether there were any differences in approach to these customers. The Commission notes that prices between related and unrelated customers were comparable.

In respect of Milleon's domestic sales of like goods to its related and unrelated customers during the period, the Commission found no evidence that:

- there was any consideration payable for, or in respect of, the goods other than their price, or;
- the price appeared to be influenced by a commercial or other relationship between the buyer (or an associated of the buyer), and the seller (or an associate of the seller), or;
- the buyer (or an associate of the buyer), was directly or indirectly reimbursed, compensated or otherwise received a benefit for, or in respect of, the whole or any part of the price.

The Commission therefore considers that all domestic sales made by Milleon during the investigation period were arms length transactions.

As detailed in the Milleon verification report, the Commission assessed the total volume of relevant sales of like goods as a percentage of the goods exported to Australia for the investigation period. The Commission found that the volume of domestic sales was 5% or greater and therefore was not a low volume. As a result, the Commission is satisfied that the normal value can be ascertained under section 269TAC(1).

As per the Manual, where the total volume of like goods is greater than 5% of the total volume of the goods under consideration, and where comparable models exist, the

PUBLIC RECORD

Commission also tests the suitability of domestic sales of like goods individually for each model type.

With respect to the models sold domestically, the Commission is satisfied that there is sufficient volumes of domestic sales for one model that was exported to Australia from Malaysia that are arms length transactions, and at prices within the OCOT.

One export model was found to have a volume of domestic sales in OCOT of the same model of less than 5%, however the Commission considers that these sales did permit a proper comparison between domestic and export sales. The Commission found that for this model, the volume of domestic sales in OCOT was close to 5%, and the sales were made to multiple unique and unrelated customers.

For the five remaining export models where there were no sales of the same model on the domestic market in the OCOT, specification adjustments were made to the selling price of the closest matching domestic model with sufficient sales in the OCOT to determine the normal value. Table 10 notes these specification adjustments.

Export MCCs	Treatment of normal value where insufficient domestic sales
A-6D-T1	Surrogate model A-6A-T1 with specification adjustment under section 269TAC(8) using the cost of production difference and an amount for SG&A and profit.
DMF-6A-T1	Surrogate model A-6A-T1 with specification adjustment under section 269TAC(8) using the cost of production difference and an amount for SG&A and profit.
PC-6D-T1	Surrogate model PC-6A-T1 with specification adjustment under section 269TAC(8) using the cost of production difference and an amount for SG&A and profit.
WOOD GRAIN-6A-T1	Surrogate model PC-6A-T1 with specification adjustment under section 269TAC(8) using the cost of production difference and an amount for SG&A and profit.
WOOD GRAIN-6D-T1	Surrogate model PC-6A-T1 with specification adjustment under section 269TAC(8) using the cost of production difference and an amount for SG&A and profit.

Table 10 Treatment of low volume domestic MCCs (Milleon)

6.6.5 Adjustments

The Commission is satisfied there is sufficient information to justify the following adjustments in accordance with section 269TAC(8). The Commission considers these adjustments to be necessary to ensure a fair comparison of normal values and export prices.

Adjustment Type	Deduction/addition
Domestic credit terms	Deduct an amount for domestic credit
Domestic commission	Deduct an amount for domestic commission
Export packaging	Add an amount for export packaging
Export inland transport and handling	Add an amount for export inland transport and handling
Export commission	Add an amount for export commission
Export bank charges	Add an amount for export bank charges

PUBLIC RECORD

Adjustment Type	Deduction/addition
Export trolley costs	Add an amount for export trolley costs
Export credit terms	Add an amount for export credit terms
Specification adjustment	Add or deduct an amount for specification differences

Table 11 Summary of adjustments (Milleon)

6.6.6 Dumping margin

The Commission has calculated a dumping margin in respect of the goods exported to Australia by Milleon for the investigation period. The dumping margin is **6.1%**.

The Commission's calculations are included at **Confidential Attachments 7 to 11**.

6.7 LB Aluminium

6.7.1 Verification

The Commission conducted a remote verification of LB Aluminium's REQ.

The Commission is satisfied that LB Aluminium is the producer of the goods and like goods. The Commission is further satisfied that the information provided by LB Aluminium is accurate and reliable for the purpose of ascertaining the variable factors applicable to its exports of the goods.

A report covering the verification findings is available on the public record.⁶³

6.7.2 Submission in response to the verification report

In response to the verification report for LB Aluminium, Capral submitted⁶⁴ that:

- the Commission should reconsider the classification of sales of products which had undergone machining operations; and
- the Commission should have been provided with information to satisfy it that the aluminium ingot selling prices for raw material purchases by LB Aluminium from its related party supplier, were accurate.

Further processed products

As identified in the verification report for LB Aluminium⁶⁵, the Commission found that there were several transactions reported in the Australian sales listing which contained a high value amount of 'other charges', which were found to be related to further processing. These sales were removed from the Australian sales listing by the Commission, as it was considered that they were not like goods.

⁶³ EPR 541, No. 037.

⁶⁴ EPR 541, No. 039.

⁶⁵ EPR 541, No. 037, p.7.

PUBLIC RECORD

Capral submitted that the products considered by LB Aluminium to fall within the description of the like goods should not have been removed from the Australian sales listing.

However, in addition to the description of the goods for this investigation (section 3.3), there are additional qualifying statements as to what constitutes the goods under consideration. The first additional qualifying statement provides that:

The goods under consideration 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 worked (e.g. precision cut, machined, punched or drilled) fall within the scope of the goods.

There is a limitation as to how far this further processing can extend before the product is not considered to fall within the scope of the goods under consideration. The following qualifying statement provides that:

The goods under consideration 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.

Quotation documents provided by LB Aluminium in relation to the transactions the Commission identified in its Australian sales listing as including excessive 'other charges' showed that these 'other charges' related to post-extrusion machining operations. The amounts for these 'other charges' were found to be significantly higher than the 'base' price of the extrusion itself.

The Commission considers that for the transactions it identified in the Australian sales listing as including excessive 'other charges', the level of additional working involved is in excess of the parameters set out. The Commission considers that these products fall into the category of "intermediate or finished products" and, therefore, are no longer covered by the goods description (the description of like goods).

Related party supplier purchases

Capral's submission regarding LB Aluminium's purchases of raw material from a related party supplier appears to question whether the Commission was availed of the necessary information to permit the assessment of whether the prices reported by LB Aluminium in relation to related party raw material purchases were accurate

Capral's submission isn't clear as to which particular finding in the LB Aluminium verification report this part of its submission relates, however, the Commission considers that Capral's reference to accuracy actually pertains to the finding that LB Aluminium's related party raw material purchases were arms length.

At section 6.4 of the LB Aluminium verification report the Commission outlines the examination of the related party supplier raw material purchases LB Aluminium reported at G-7.4 of its REQ. The purpose of this examination was to assess whether the price of LB Aluminium's related party purchases were the result of arms length transactions. In this examination the Commission found the following;

PUBLIC RECORD

- the price reported by LB Aluminium in its raw material listing was consistent with the source documents issued by the related supplier;
- LB Aluminium paid its related supplier the amount that was stated on the invoices;
- the price paid by LB Aluminium was found to be consistent with the prices it paid to unrelated party suppliers; and
- the 2019 audited income statements of LB Aluminium's related party supplier reported generating a profit from operating activities relating to the production and sale of billet and ingot and also reported an overall net profit after tax.

Having regard to the above assessment, the Commission considers that reasonable steps were taken, and it was availed of the necessary information, to ascertain whether the price of LB Aluminium's related party raw materials purchases were accurate and the result of arms length transactions.

6.7.3 Export price

The Commission considers LB Aluminium to be the exporter of the goods, as LB Aluminium:

- has been identified as the manufacturer of the goods;
- is the principal located in Malaysia, the country of export, and knowingly placed the goods in the hands of a freight company for delivery to Australia
- is named on the commercial invoice as the supplier of the goods purchased by Australian importers;
- sold the goods directly to its Australian customer;
- is named as consignor on the bill of lading;
- is named as the consignor on the AANZFTA Certificate of Origin issued in Malaysia,
- arranges and pays for the inland transport to the port of export;
- arranges and pays for the port handling charges at the port of export;
- covers the cost of ocean freight and marine insurance from the port of export to the Australian port of arrival where the sales terms require it;
- arranges and pays for the importation costs of the goods from the Australian port of arrival to the place of delivery in Australia where the sales terms require it.

The Commission is satisfied that for all of its Australian export sales during the period, LB Aluminium was the exporter of the goods.

In respect of LB Aluminium's Australian sales of the goods to its unrelated customers during the period, the Commission found no evidence that:

- there was any consideration payable for, or in respect of, the goods other than their price; or
- the price appeared to be influenced by a commercial or other relationship between the buyer (or an associate of the buyer), and the seller (or an associate of the seller); or

PUBLIC RECORD

- the buyer (or an associate of the buyer), was directly or indirectly reimbursed, compensated or otherwise receive a benefit for, or in respect of, the whole or any part of the price.⁶⁶

The Commission therefore considers that all export sales made by LB Aluminium to its unrelated Australian customers during the period were arms length transactions.

In respect of Australian sales of the goods by LB Aluminium, the Commission recommends that the export price be determined under section 269TAB(1)(a) and section 269TAB(1)(c) as the case requires.

For sales to Australian customers who were considered to be the importers (on the basis that these customers were found to be the beneficial owner of the goods at the time of importation) the Commission considers that the export price be determined under section 269TAB(1)(a), being the price paid by the importer to the exporter, less transport and other costs arising after exportation.

Specifically, the Commission recommends that the appropriate method of calculating the FOB export price as;

- the price stated on commercial invoices, less relevant costs to the FOB level, being the sum of marine insurance and ocean freight; or
- the price paid by the Australian importer, plus the cost of inland transport to the port of export and relevant country of origin port handling charges, as the case requires.

In respect of Australian sales of the goods by LB Aluminium, where the Commission found that the importer was not the beneficial owner at the time of importation, the export prices cannot be determined under sections 269TAB(1)(a) or 269TAB(1)(b). For these particular sales, the Commission recommends that the export price be calculated under section 269TAB(1)(c), having regard for all the circumstances of the exportation.

6.7.4 Normal value

LB Aluminium made sales to both related and unrelated customers in the Malaysian domestic market during the investigation period. As a result, the Commission undertook an examination of LB Aluminium's domestic prices to evaluate whether those prices had the appearance of being influenced, due to the relationship between the parties to the transaction. LB Aluminium's prices for like goods were assessed having regard to an examination of the following information;

- the prices paid by unrelated parties;
- the manner in which LB Aluminium's domestic customers paid for the goods; and
- the trading practices between LB Aluminium and its related party customers.

The Commission identified the following features in LB Aluminium's related party transactions that may suggest the possibility that the price appeared to be influenced as a result of LB's relationship with its customers:

⁶⁶ Section 269TAA refers.

PUBLIC RECORD

- related customers were ultimately wholly owned by LB Aluminium; and
- comparison with prices paid by unrelated customers identified a difference in the prices paid by related customers (the prices paid by related customers were lower).

Notwithstanding the considerations above, the quantity of related party sales reported by LB Aluminium was very low when compared to its total sales volume.

The Commission considers that the available information about these transactions does not permit a conclusion about the extent to which related party transaction prices may be influenced by the relationship between LB Aluminium and its related party customer. The Commission further considers the relatively small volume of profitable related party sales has had a material impact on LB Aluminium's normal value.

In respect of LB Aluminium's domestic sales of like goods to its related and unrelated customers during the period, the Commission consider that there is no evidence that:

- there was any consideration payable for, or in respect of, the goods other than their price;
- the price was influenced by a commercial or other relationship between the buyer (or an associate of the buyer) and the seller (or an associate of the seller); or
- the buyer (or an associate of the buyer), was directly or indirectly reimbursed, compensated or otherwise receive a benefit for, or in respect of, the whole or any part of the price.

The Commission has treated all domestic sales made by LB Aluminium during the investigation period as arms length transactions (albeit maintaining some reservations about a small volume of the sales which were not determinative).

As detailed in the LB Aluminium verification report, the Commission assessed the total volume of relevant sales of like goods as a percentage of the goods exported to Australia. The Commission has found that the volume of domestic sales was 5% or greater and, therefore, was not a low volume. As a result, the Commission is satisfied that the normal value can be ascertained under section 269TAC(1).

As per the Manual, where the total volume of like goods is greater than 5% of the total volume of the goods under consideration, and where comparable models exist, the Commission also tests the suitability of domestic sales of like goods individually for each model. Sales volumes of the relevant models were observed to be in sufficient quantities.

6.7.5 Adjustments

The Commission is satisfied there is sufficient information to justify the following adjustments in accordance with section 269TAC(8). The Commission considers these adjustments to be necessary to ensure a fair comparison of normal values and export prices.

Adjustment Type	Deduction/addition
Domestic credit terms	Deduct an amount for domestic credit
Domestic inland transport	Deduct an amount for domestic inland transport
Domestic packaging	Deduct an amount for domestic packaging

PUBLIC RECORD

Adjustment Type	Deduction/addition
Export packaging	Add an amount for export packaging
Export inland transport	Add an amount for export inland transport
Export port charges	Add an amount for port charges
Export credit terms	Add an amount for export credit terms

Table 12 Summary of adjustments (LB Aluminium)

6.7.6 Dumping margin

The Commission has calculated a dumping margin in respect of the goods exported to Australia by LB Aluminium for the investigation period. The dumping margin is **2.6%**.

The Commission's calculations are included at **Confidential Attachments 12 to 16**.

6.8 Superb

6.8.1 Verification

The Commission conducted a benchmark verification of Superb's REQ.

The Commission is satisfied that Superb is the producer of the goods and like goods. The Commission is satisfied that the information provided by Superb is accurate and reliable for the purpose of ascertaining the variable factors applicable to its exports of the goods.

A report covering the verification findings is available on the public record.⁶⁷

6.8.2 Submission in response to verification report

In response to its verification report⁶⁸ Superb raised the following issues in a submission to the investigation:

- warranty period for sales of powder coated products were not accounted for in an adjustment to its normal value;
- differences between its internal exchange rate and the actual exchange rate were not accounted for in an adjustment to its normal value;
- the cost to make for powder coated products was not calculated correctly; and
- Superb's exports of the goods do not have a material impact on the injury experienced by the Australian industry.

The Commission's consideration of the issues outlined in Superb's submission is outlined below.

Warranty for powder coated products

Superb submits that the price of powder coated products is influenced by the warranty and type of powder coating used. Superb claims that there is a demonstrable difference in the warranty and type of powder coating used between the goods exported to Australia,

⁶⁷ EPR 541, No. 022.

⁶⁸ EPR 541, No. 028.

PUBLIC RECORD

and the like goods sold on the domestic market. To support its submission, Superb provided customer invoices for Australian and domestic sales of powder coated products, invoices from its powder coating suppliers, and technical specifications for the powder coatings used.

The Commission has examined Superb's submission to consider whether it provides a basis for an adjustment to its normal value. The Commission's examination of Superb's evidence for its proposed adjustment found the following:

- Superb's Australian and domestic sales listings do not include an appropriate level of detail for the Commission to confirm the specific powder coating used;
- the price of goods specified on the invoices was consistent with the prices reported by Superb in its Australian and domestic sales listings;
- whilst the invoices to Australian and domestic customers do provide the powder coating used, they do not include details of any price related to the specific powder coating used;
- invoices from its powder coating suppliers indicated that it paid different prices for different warranties and types of powder coating; and
- Superb's powder coating suppliers warranty periods were dependent upon specific terms and conditions being met, which the Commission does not have evidence of.

Whilst the Commission accepts that Superb pays different prices for different warranty and type of powder coating, it does not have sufficient evidence to determine the effect this has on the final price. Although the Commission accepts that customers are willing to pay for specific warranties and types of powder coating, it remains that in Superb's circumstance, the part of the price relevant to Superb's adjustment claim could not be reliably quantified. As a result, the assessment of how Superb's claimed powder coating differences affect the comparison between normal value and export price cannot be undertaken.

Applicable exchange rate

Superb submits that an adjustment should be made to its normal value to account for foreign currency exchange rate differences.

Superb uses a standard exchange rate in its accounting system which was verified by the Commission as part of its verification. Superb claims that an adjustment should be made to its normal value to account for differences between its standard exchange rate and the Malaysian Central Bank exchange rate at the invoice date.

During the verification of Superb's information provided in its REQ, the Commission confirmed that its Australian invoices were denominated in a foreign currency, and this amount matched the foreign currency amount provided in the Australian sales listing. The foreign currency amount when converted into local currency using Superb's standard exchange rate was also found to reconcile to Superb's financial statements.

The Commission will make an adjustment where differences are shown to affect price. As the Commission has not been provided with any information to show that Superb's prices are set with regard to the exchange rate, the Commission does not consider that an adjustment to the normal value is warranted.

Cost to make for powder coated products

Superb's submission refers to the Commission's treatment of the cost associated with powder coated extrusions. As Superb costs its powder coating as an amount per square meter, there is no difference in the powder coating cost between two extrusions with the same surface area. When two extrusions with the same surface area have different weights, the cost per weight of the powder coating will be different.

In support of its submission, Superb provided its own adjustment calculation using the ratio of surface area to weight of the extrusion. The Commission finds several issues with the methodology proposed by Superb:

- Superb's calculation includes an adjustment to the entire price, as opposed to only the proportion relating to powder coating;
- no evidence has been provided as to how the difference in surface area to weight affects price comparability, only that there is a difference; and
- the production costs reported by Superb are the same for Australian and domestic powder coated models.

In calculating an adjustment for differences in physical characteristics, it is the Commission's practice to use the size of the price difference between products with different characteristics.⁶⁹ Superb has not provided the Commission with sufficient evidence which shows that the price of the powder coating component for different products.

Where the Commission does not have direct pricing evidence, it may make an adjustment based on production cost differences plus the addition of the gross margin to the production cost difference.⁷⁰ In the case of Superb's production costs, there is no production cost difference between the Australian and domestic powder coated models.

The Commission does not have sufficient evidence to be satisfied that the differences in the surface area to weight ratio require an adjustment to be made.

Materiality of exports

Superb submits that due to the small overall volume of its exports, it does not have a material impact on the injury experienced by the Australian industry.

When assessing materiality of injury, the Commission has regard to all dumped goods from the subject country.

6.8.3 Export price

The Commission considers Superb to be the exporter of the goods, as Superb:

- is the manufacturer of the goods located in the country of export;
- is the principal located in Malaysia, the country of export;
- knowingly placed the goods in the hands of a freight company for delivery to Australia;

⁶⁹ The Manual, p.67.

⁷⁰ Ibid.

PUBLIC RECORD

- is named on the commercial invoice as the supplier;
- is named as the consignor on the bill of lading;
- arranges and pays for the transportation of the goods to the port of export to Australia; and
- pays the port handling charges at port of export to Australia;

The Commission is satisfied that for all Australian export sales during the period that Superb was the exporter of the goods.

In respect of Superb's Australian sales of the goods to its unrelated customers during the period, the Commission found no evidence that:

- there was any consideration payable for, or in respect of, the goods other than their price; or
- the price appeared to be influenced by a commercial or other relationship between the buyer (or an associate of the buyer), and the seller (or an associate of the seller); or
- the buyer (or an associate of the buyer), was directly or indirectly reimbursed, compensated or otherwise receive a benefit for, or in respect of, the whole or any part of the price.

The Commission therefore considers that all export sales made by Superb to its unrelated Australian customers during the period were arms length transactions.

In respect of the Australian sales of the goods by Superb, the Commission has determined an export price under section 269TAB(1)(a), being the price paid by the importer to the exporter, less transport and other costs arising after exportation.

6.8.4 Normal value

Superb made sales to both related and unrelated customers in the Malaysian domestic market during the investigation period. The Commission examined whether there were differences in approach to these customer types. The Commission notes that prices between related and unrelated customers were comparable.

In respect of Superb's domestic sales of like goods to its related and unrelated customers during the period, the Commission found no evidence that:

- there was any consideration payable for, or in respect of, the goods other than their price, or;
- the price appeared to be influenced by a commercial or other relationship between the buyer (or an associated of the buyer), and the seller (or an associate of the seller), or;
- the buyer (or an associate of the buyer), was directly or indirectly reimbursed, compensated or otherwise received a benefit for, or in respect of, the whole or any part of the price.

The Commission therefore considers that all domestic sales made by Superb during the investigation period were arms length transactions.

As detailed in the Superb verification report, the Commission assessed the total volume of relevant sales of like goods as a percentage of the goods exported to Australia for the

investigation period. The Commission found that the volume of domestic sales was 5% or greater and, therefore, was not a low volume. As a result, the Commission is satisfied that the normal value can be ascertained under section 269TAC(1).

As per the Manual, where the total volume of like goods is greater than 5% of the total volume of the goods under consideration, and where comparable models exist, the Commission also tests the suitability of domestic sales of like goods individually for each model. Sales volumes of the relevant models were observed to be in sufficient quantities. Sales volumes of the relevant models were observed to be in sufficient quantities.

6.8.5 Adjustments

The Commission is satisfied there is sufficient information to justify the following adjustments in accordance with section 269TAC(8). The Commission considers these adjustments to be necessary to ensure a fair comparison of normal values and export prices.

Adjustment Type	Deduction/addition
Domestic credit terms	Deduct an amount for domestic credit
Domestic packaging	Deduct an amount for domestic packaging
Domestic inland transport	Deduct an amount for domestic inland transport
Export packaging	Add an amount for export packaging
Export inland transport	Add an amount for export inland transport

Table 13 Summary of adjustments (Superb)

6.8.6 Dumping margin

The Commission has calculated a dumping margin in respect of the goods exported to Australia by Superb for the investigation period. The dumping margin is **12.8%**.

The Commission's calculations are included at **Confidential Attachments 17 to 21**.

6.9 Genesis

6.9.1 Verification

The Commission conducted a benchmark verification of Genesis's REQ.

The Commission is satisfied that Genesis is the producer of the goods and like goods. The Commission is satisfied that the information provided by Genesis is accurate and reliable for the purpose of ascertaining the variable factors applicable to its exports of the goods.

A report covering the verification findings is available on the public record.⁷¹

⁷¹ EPR 541, No. 021.

6.9.2 Export price

The Commission considers Genesis to be the exporter of the goods, as Genesis:

- is the manufacturer of the goods located in the country of export;
- is the principal located in Malaysia, the country of export;
- knowingly placed the goods in the hands of a freight company for delivery to Australia;
- is named on the commercial invoice as the supplier;
- is named as the consignor on the bill of lading;
- arranges and pays for the transportation of the goods to the port of export to Australia; and
- pays the port handling charges at port of export to Australia;

The Commission is satisfied that for all Australian export sales during the period that Genesis was the exporter of the goods.

In respect of Genesis's Australian sales of the goods to its unrelated customers during the period, the Commission found no evidence that:

- there was any consideration payable for, or in respect of, the goods other than their price; or
- the price appeared to be influenced by a commercial or other relationship between the buyer (or an associate of the buyer), and the seller (or an associate of the seller); or
- the buyer (or an associate of the buyer), was directly or indirectly reimbursed, compensated or otherwise receive a benefit for, or in respect of, the whole or any part of the price.

The Commission therefore considers that all export sales made by Genesis to its unrelated Australian customers during the period were arms length transactions.

In respect of the Australian sales of the goods by Genesis, the Commission has determined an export price under section 269TAB(1)(a), being the price paid by the importer to the exporter, less transport and other costs arising after exportation.

6.9.3 Normal value

Genesis made sales to both related and unrelated customers in the Malaysian domestic market during the investigation period. The Commission examined whether there were and differences in approach to these customer types, and found that similar prices were paid by related and unrelated customers with similar purchase volumes, and in some cases related customers were paying a higher price than unrelated customers.

In respect of Genesis's domestic sales of like goods to its related and unrelated customers during the period, the Commission found no evidence that:

- there was any consideration payable for, or in respect of, the goods other than its price, or;
- the price appeared to be influenced by a commercial or other relationship between the buyer (or an associated of the buyer), and the seller (or an associate of the seller), or;

PUBLIC RECORD

- the buyer (or an associate of the buyer), was directly or indirectly reimbursed, compensated or otherwise received a benefit for, or in respect of, the whole or any part of the price.

The Commission therefore considers that all domestic sales made by Genesis during the investigation period were arms length transactions.

As detailed in the Genesis verification report, the Commission assessed the total volume of relevant sales of like goods as a percentage of the goods exported to Australia for the investigation period. The Commission found that the volume of domestic sales was 5% or greater and, therefore, was not a low volume. As a result, the Commission is satisfied that the normal value can be ascertained under section 269TAC(1).

As per the Manual, where the total volume of like goods is greater than 5% of the total volume of the goods under consideration, and where comparable models exist, the Commission also tests the suitability of domestic sales of like goods individually for each model.

Sales volumes of one of the relevant models was found to be in sufficient quantities.

For the two remaining export models, the Commission considers that there are insufficient volumes to permit a proper comparison between domestic and export sales. One export model was found to have no sales of the same model on the domestic market in the OCOT, and the other export model was found to have a volume of sales of the same model on the domestic market in the OCOT of far less than 5%. For these models, specification adjustments were made to the selling price of the closest matching domestic model with sufficient sales in the OCOT to determine the normal value. Table 14 notes these specification adjustments.

Export MCCs	Treatment of normal value where insufficient domestic sales
A-6C-T1-2-N	Surrogate model A-6A-T1-1-N with specification adjustment under section 269TAC(8) using the cost of production difference and an amount for SG&A and profit.
BD-O-T1-1-N	Surrogate model BD-O-T1-1-A with specification adjustment under section 269TAC(8) using the cost of production difference and an amount for SG&A and profit.

Table 14 Treatment of low volume domestic MCCs (Genesis)

6.9.4 Adjustments

The Commission is satisfied there is sufficient information to justify the following adjustments in accordance with section 269TAC(8). The Commission considers these adjustments to be necessary to ensure a fair comparison of normal values and export prices.

Adjustment Type	Deduction/addition
Domestic credit terms	Deduct an amount for domestic credit
Export packaging	Add an amount for export specific packaging cost (inclusive of costs associated with use of stillages)
Export inland transport	Add an amount for export inland transport
Export port charges	Add an amount for port charges

PUBLIC RECORD

Adjustment Type	Deduction/addition
Export other shipping charges	Add an amount for other shipping charges
Export credit terms	Add an amount for export credit terms
Specification adjustment	Add an amount to adjust A-6A-T1-1-N as a surrogate for A-6C-T1-2-N
Specification adjustment	Deduct an amount to adjust BD-O-T1-1-A as a surrogate for BD-O-T1-1-N
Timing adjustment	Adjust BD-6A-T1-1-N for the Mar-19 and Jun-19 quarters using BD-6A-T1-1-A as a surrogate.
Timing adjustment	Adjust BD-O-T1-1-A for the Sep-19 quarter using BD-6A-T1-1-A as a surrogate.

Table 15 Summary of adjustments (Genesis)

6.9.5 Dumping margin

The Commission has calculated a dumping margin in respect of the goods exported to Australia by Genesis for the investigation period. The dumping margin is **negative 6.1%**.

The Commission's calculations are included at **Confidential Attachments 22 to 26**.

6.10 Kamco

As detailed in section 6.4, the Commission considers Kamco to be an uncooperative exporter for the purposes of this investigation.

Section 269TACAB(1) sets out the provisions for calculating export prices and normal values for uncooperative exporters.

6.10.1 Export price

Pursuant to section 269TACAB(1), the Commission has determined an export price pursuant to section 269TAB(3), having regard to all relevant information. Specifically, the Commission has used the lowest of the export prices of those that were established for cooperating exporters found to be dumping in the investigation period.

6.10.2 Normal value

Pursuant to section 269TACAB(1), the Commission has determined the normal value for the uncooperative exporters pursuant to section 269TAC(6) having regard to all relevant information. Specifically, the Commission has used the highest of normal values of those that were established for the cooperating exporters found to be dumping in the investigation period.

6.10.3 Dumping margin

The Commission has calculated a dumping margin in respect of the goods exported to Australia by Kamco for the investigation period. The dumping margin is **18.5%**.

The Commission's calculations are included at **Confidential Attachment 27**.

6.11 Summary of dumping margins

The Commission has assessed that the goods exported to Australia by:

- PMB, Milleon, LB Aluminium, Superb and Kamco were dumped during the investigation period; and
- Genesis were not dumped.

A summary of the Commission's preliminary dumping margins are set out in Table 16.

Country	Exporter	Dumping margin (%)
Malaysia	PMB	6.9
	Milleon	6.1
	LB Aluminium	2.6
	Superb	12.8
	Genesis	-6.1
	Kamco	18.5

Table 16 Dumping Margins

6.12 Volume of dumped imports

Pursuant to subsection 269TDA(3), the Commissioner must terminate the investigation, in so far as it relates to a country, if satisfied that the total volume of goods that are dumped is a negligible volume. Subsection 269TDA(4) defines a negligible volume as less than 3% of the total volume of goods imported into Australia over the investigation period (subsection 269TDA(5)(c) does not apply). Pursuant to subsection 269TDA(6), the volume of goods exported to Australia at negligible dumping margins have been taken into account for the purposes of subsection 269TDA(3).

Using the ABF import database and having regard to the information collected and verified from the importers and exporters, the Commission determined the volume of imports in the Australian market. Based on this information, the Commission is satisfied that, when expressed as a percentage of the total Australian import volume of the goods, the volume of allegedly dumped goods from Malaysia by the exporters examined was greater than 3% of the total import volume, and is therefore, not negligible.

The Commission's calculations are included at **Confidential Attachment 28**.

6.13 Level of dumping

Subsection 269TDA(1)(b)(i) provides that the Commissioner must terminate a dumping investigation, in so far as it relates to an exporter of the goods, if satisfied that there has been no dumping by the exporter of any of those goods. Accordingly, the Commissioner proposes to recommend to the Minister that the dumping investigation be terminated as it relates to Genesis, pursuant to subsection 269TDA(1)(b)(i)

7 ECONOMIC CONDITION OF THE INDUSTRY

7.1 Preliminary finding

Based on an analysis of the information contained in Capral's application, and information obtained during the Australian industry verification visit, the Commission considers that the Australian industry experienced a deterioration in its economic performance during the investigation period though injury in the form of:

- reduced sales volume;
- reduced market share;
- price suppression;
- reduced profit and profitability;
- reduced revenue;
- reduced ROS;
- reduced capacity utilisation;
- reduced employment numbers; and
- reduced wages.

7.2 Approach to injury analysis

Capral is the major producer of like goods in Australia. For this reason, the Commission considers that data provided by Capral is a suitable indicator of the performance of the entire Australian industry. This approach is consistent with other investigations into aluminium extrusions.

In the analysis of volume and market share in relation to this investigation, the Commission has used data provided by Capral in respect of its own sales, its estimates relating to other Australian producers, data sourced from the ABF import database, and verified data from cooperating importers and exporters.

The injury analysis period being considered for the purpose of this investigation is from 1 January 2016.

The Commission's analysis of the Australian industry's injury factors is included at **Confidential Attachment 1 and Confidential Attachment 29**.

7.3 Volume effects

Table 17 below shows the trend in the Australian industry's like goods sales volume in the injury analysis period. The data provided by Capral indicates that since 2016 the Australian industry has experienced a reduction in sales volume in each consecutive year.

PUBLIC RECORD

Period	2016	2017	2018	2019
Sales Volume	100	97	86	84

Table 17 Index of Australian Industry Sales Volume of Like Goods⁷²

In comparison to the above, the estimated trend in the Australian market set out at Table 18 also shows a decline in the overall Australian market for the goods and like goods. From 2018 onwards, the Australian industry's sales volume has declined at a sharper rate than that of the overall Australian market.

Period	2016	2017	2018	2019
Australian Market	100	97	93	92

Table 18 Index of Australian Market Size of Surface Finish Aluminium Extrusions⁷³

Capral also claimed at section A-9.3 of its application that it is being pushed into selling an increased percentage of mill finished aluminium extrusions at the expense of the like goods. The Commission has observed that, over the injury period, the percentage split of sales of mill finished aluminium extrusions to the like goods by Carpal has increased in favour of mill finished aluminium extrusions.

7.3.1 Market share

On the basis that market data based on finish type is not available in relation to other Australian producers and cannot be identified within the ABF import data, the Commission has had to estimate the market share in order to ascertain the Australian industry's economic performance with respect to like goods.

Using the verified information provided by importers and exporters of the goods, as well as verified information from Continuation Inquiry No.543 and Review No.544, the Commission has estimated the market share of surface finished aluminium extrusions. The Commission has relied upon the approach outlined in the assessment of the size of the Australia market at section 5.5.2.

⁷² Table 6 in worksheet '541' to Confidential Attachment 1

⁷³ Ibid

PUBLIC RECORD

Country of Origin	2016	2017	2018	2019
Australia	100	99	93	91
Imports (all source countries)	100	101	112	116
China	100	124	151	147
Malaysia (subject to measures)	100	53	9	4
Malaysia (not subject to measures)	100	84	81	86
Vietnam	100	31	18	48
All other (including NZ)	100	100	106	124

Table 19 Index of Australian Market Share of Surface Finish Aluminium Extrusions⁷⁴

When the market share data in Table 19 is contrasted with the declining trend shown in the Australian industry's sales volumes at Table 17, the Commission is satisfied that the Australian industry has experienced injury in the form of a reduced market share.

7.3.2 Conclusion – volume effects

Based on the available information, the Commission considers it reasonable that the Australian industry experienced injury in the form of reduced sales volume and reduced market share.

The Commission's calculations of the Australian market size are contained in **Confidential Attachment 1**.

7.4 Price suppression and depression

Table 20 below shows the index of unit selling price variation based on Capral's verified sales data.

Period	2016	2017	2018	2019
Unit Selling Price	100	105	113	113

Table 20 Index of Capral's Unit Selling Price of Like Goods⁷⁵

7.4.1 Price depression

Price depression occurs when a company, for some reason, lowers its prices.

In relation to price depression, the variation in selling prices shown above at Table 20 indicate that Capral's price for like goods generally increased up to 2018, and remained steady in 2019. On the basis of this observation, the Commission considers that Capral has not experienced price depression in relation to its sales of like goods.

⁷⁴ Table 8 in worksheet '541' to Confidential Attachment 1

⁷⁵ Table 2 in worksheet 'CTMS 541 [SURFACE]' to Confidential Attachment 29

7.4.2 Price suppression

Price suppression occurs when price increases, which otherwise would have occurred, have been prevented.

To assess whether the Australian industry has experienced injury in the form of price suppression, the Commission has had regard to Capral's selling prices and cost to make and sell (CTMS).

The Commission has examined the relationship between Capral's prices and CTMS levels. Table 21 below shows the comparison between the index of variation in unit CTMS and unit selling price over the injury analysis period by finish type.

Period	2016	2017	2018	2019
CTMS	100	107	117	120
Selling Price	100	105	113	113

Table 21 Index of Capral's Unit CTMS and Unit Selling Price of Like Goods⁷⁶

Having regard to the relationship between the trends in the data in the tables above, the Commission makes the following observations:

- up until 2018, the rate of increase in the prices for like goods was less than the rate of increase in CTMS; and
- the price of like goods in 2018 and 2019 was unchanged, despite an increasing CTMS.

Figure 2 below illustrates the relationship between cost and price for like goods in absolute terms. In relation to its sales of like goods, Capral experienced increasing losses from 2018 to 2019.

⁷⁶ Table 2 in worksheet 'CTMS 541 [SURFACE]' to Confidential Attachment 29

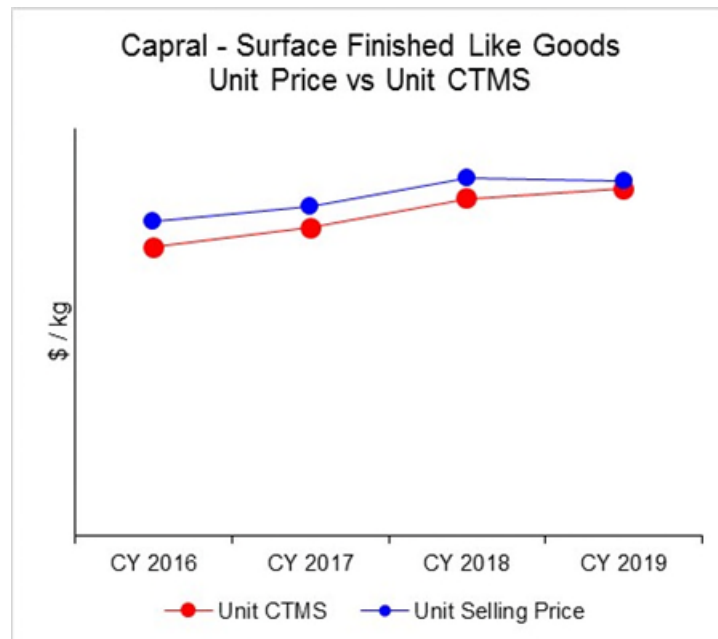


Figure 2 Comparison of Capral's Price and CTMS of Like Goods⁷⁷

The Commission considers that Capral was prevented from raising its prices to recover increasing costs, such as the cost of metal. As a result, the Commission is satisfied that Capral has experienced injury in the form of price suppression.

7.4.3 Conclusion – price effects

Having regard to the available information, the Commission is satisfied that Capral has experienced injury in the form of price suppression.

7.5 Profits and profitability

7.5.1 Like Goods Unit Profit Margin

Table 22 below shows that Capral experienced a decline in its unit profit margin each year throughout the injury analysis period, with the most pronounced decline in 2019.

Period	2016	2017	2018	2019
Profit Margin	100	83	75	29

Table 22 Index of Capral's Unit Profit Margin for Like Goods⁷⁸

⁷⁷ Worksheet '541 Charts' to Confidential Attachment 29

⁷⁸ Table 2 in worksheet 'CTMS 541 [SURFACE]' to Confidential Attachment 29

7.5.2 Like Goods Unit Profitability

Table 23 below shows that Capral experienced a decline in unit profitability, measured as the ratio of unit profit margin and unit selling price, in each year throughout the injury analysis period, with the most pronounced decline in 2019.

Period	2016	2017	2018	2019
Profitability	100	79	66	26

Table 23 Index of Capral's Profitability of Like Goods⁷⁹

7.5.3 Conclusion – profit and profitability

Figure 3 below plots the movement in profit and unit profitability of Capral's sales of like goods in absolute terms.

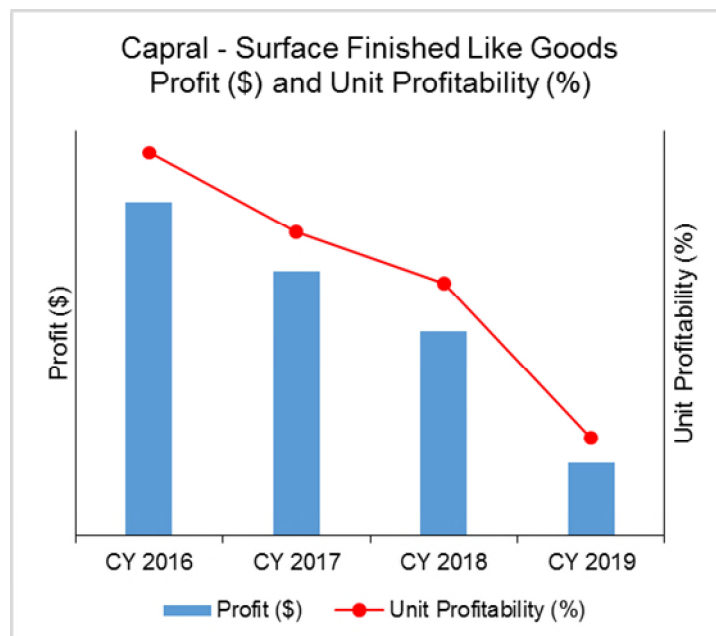


Figure 3 Capral's Profit and Profitability of Like Goods⁸⁰

The Commission is satisfied that Capral has experienced injury in the form of reduced profit and profitability.

⁷⁹ Table 2 in worksheet 'CTMS 541 [SURFACE]' to Confidential Attachment 29

⁸⁰ Worksheet '541 Charts' to Confidential Attachment 29

7.6 Other economic factors

7.6.1 Production volume

Table 24 below shows that Capral experienced a decline in the production volume, based on packed tonnes, of like goods. The decline in production volume is consistent with the decline in sales observed at Table 17 in section 7.3.

Period	2016	2017	2018	2019
Production Volume	100	93	78	70

Table 24 Index of Capral's Production Volume of Like Goods⁸¹

7.6.2 Revenue

Table 25 shows that Capral experienced declining revenue results in relation to like goods sales.

Period	2016	2017	2018	2019
Sales Revenue	100	100	93	86

Table 25 Index of Capral's Sales Revenue of Like Goods⁸²

The Commission found that sales revenue declined in each year of the injury analysis period, with the 2019 level representing a four year low. The deteriorating revenue result up to 2018 occurred at a time when prices were increasing. This trend is therefore considered to be a reflection of the continued reduction in sales volume of like goods up to that point. The revenue result for like goods in 2019 was again found to be due to a fall in sales volumes, rather than a reduction in prices.

Based on the information available, the Commission is satisfied that Capral has experienced injury in the form of reduced sales revenue brought about by the effects of declining sales volumes.

7.6.3 Return on investment

The ROI presented in Capral's applications was based on profit earned on like goods sales and the value of assets deployed in the production of like goods.

However, the Commission found that the value of assets was representative of all assets, and did not reflect those assets specific to the production of the like goods.

Further, since certain production assets are common across all aluminium extrusions, working out an asset value based ROI for like goods was not considered to be reliable.

It was agreed during the verification visit that a suitable alternative to ROI was a similar metric using the Return on Sales (ROS) approach as the inputs into this calculation can be identified by finish, e.g. powder coated or anodised. Specifically, the ROS formula

⁸¹ Table 2 in worksheet 'CTMS 541 [SURFACE]' to Confidential Attachment 29

⁸² Ibid

PUBLIC RECORD

compared operating profit, expressed as Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA), and net sales revenue.

The index of ROS variation figures are presented below at Table 26.

Period	2016	2017	2018	2019
ROS	100	80	67	29

Table 26 Index of Capral's ROS of Like Goods⁸³

The figures above in relation to Capral's sales of like goods show that it experienced a decline in ROS in each year throughout the injury analysis period, with the most pronounced decline in 2019.

7.6.4 Capacity utilisation

Table 27 below shows that Capral has experienced a decline in the capacity utilisation of its production assets used to manufacture aluminium extrusions.

Period	2016	2017	2018	2019
Capacity Utilisation	100	98	91	84

Table 27 Index of Capral's Capacity Utilisation of Mill Finished Aluminium Extrusions⁸⁴

The table above relates to those assets used to produce mill finish aluminium extrusions, which is an intermediary process in the production of like goods. Measuring the same metric for like goods was more difficult as the production capacity of the assets used to produce painted and anodised goods is not easily measured.

Notwithstanding the limitations in measuring capacity utilisation for like goods, the Commission has relied on the production volume data below at Table 28 to assess whether Capral has experienced capacity utilisation injury.

Period	2016	2017	2018	2019
Production Volume	100	93	78	70

Table 28 Index of Capral's Production Volume of Like Goods⁸⁵

Up until mid-2019 Capral's assets used in the production of like goods were relatively unchanged. Given this is the case, the decline in like goods production volumes indicated by the figures in Table 28 are an indicator that the capacity utilisation of the assets used to produce like goods has declined.

⁸³ Table 2 in worksheet 'A7 Other Factors' to Confidential Attachment 29

⁸⁴ Ibid

⁸⁵ Table 2 in worksheet 'CTMS 541 [SURFACE]' to Confidential Attachment 29

7.6.5 Employment numbers

Table 29 below shows that, with the exception of 2017, Capral has experienced a decline in its workforce employed in the production of aluminium extrusions. The Commission notes that the figures shown below relate to the whole of aluminium extrusions production, i.e. combined mill and surface finished.

Period	2016	2017	2018	2019
Employment	100	101	94	81

Table 29 Index of Capral's Employment Numbers for Aluminium Extrusions⁸⁶

As part of the verification process, it was established that in mid-2019 Capral de-commissioned its entire anodising facility and one paint line which were used to produce like goods. It also shut down one extrusion press and related support functions which were used to produce mill finish like goods. The Commission notes that the paint line that was closed follows the installation of a "new cutting edge, vertical cube powder coat line" in the 18 month period preceding Capral's applications.⁸⁷

As a result of the changes to its manufacturing operations, particularly in relation to mill finish and anodised extrusions, Capral was required to undertake a restructuring program which led to the permanent loss of staff.

The Commission is therefore satisfied that Capral has suffered injury in the form of reduced employment numbers.

7.6.6 Wages

The Commission ascertained that Capral's wage bill in relation to like goods production has declined. This outcome is consistent with the actions taken by Capral in mid-2019 whereby it was required to reduce its workforce in response to what it stated were more challenging market conditions.

Whilst Capral was unable to provide precise wages figures relevant to like goods, the Commission considers it reasonable that Capral's description of the changes to its manufacturing operations, i.e. closure of anodising and paint line and one extrusion press, and the Commission's examination of Capral's production cost accounts, is consistent with the observation that it has experienced reduced demand for its like goods.

As production output is generally a function of demand, the Commission finds that the reduced employment numbers, and thus reduced wages, is symptomatic of the reduction in production output due to a decline in demand. The Commission is satisfied that Capral has experienced injury in the form of reduced wages.

⁸⁶ Table 2 in worksheet 'A7 Other Factors' to Confidential Attachment 29

⁸⁷ EPR 541, No. 001, Capral Application, p.33.

7.7 Conclusion

Based on the assessment of the information contained in the application and obtained and verified during the Commission's visit to Capral, the Commission considers that the Australian industry, as a whole, has experienced injury in the form of:

- reduced sales volume;
- reduced market share;
- price suppression;
- reduced profit and profitability;
- reduced revenue;
- reduced ROS;
- reduced capacity utilisation.
- reduced employment numbers; and
- reduced wages.

8 HAS DUMPING CAUSED MATERIAL INJURY?

8.1 Preliminary assessment

The Commissioner is satisfied that the Australian industry has suffered injury as a result of the exports of the goods at dumped prices from Malaysia in the forms of:

- reduced sales volume;
- reduced market share;
- price suppression;
- reduced profit and profitability;
- reduced revenue;
- reduced ROS;
- reduced capacity utilisation;
- reduced employment numbers; and
- reduced wages.

The Commissioner is further satisfied that the injury caused by the dumped goods is material.

8.2 Legislative framework

Under section 269TG, one of the matters that the Minister must be satisfied of in order to publish a dumping duty notice is that, because of the dumping, material injury has been, or is being caused, or is threatened to the Australian industry producing like goods.

Subsection 269TAE(1) outlines the factors, to which the Commissioner has had regard, and that may be taken into account when determining whether material injury to an Australian industry has been, or is being, caused or threatened.

Subsection 269TAE(2A) requires that regard be had to the question as to whether any injury to an industry is being caused by a factor other than the exportation of the goods, and provides examples of such factors.

In assessing material injury, the Commission also has regard to the *Ministerial Direction on Material Injury 2012* (Material Injury Direction).

8.3 Approach to causation analysis

As outlined in Chapter 7, the Commission considers that the Australian industry has experienced injury and this injury has coincided with the presence of dumped goods from Malaysia. This chapter will analyse whether injury to the Australian industry was caused by dumping and whether that injury is material.

In assessing the materiality of injury, the Commission notes Chapter 22 of the Manual which states that causal effects may be examined using what is termed a 'coincidence' analysis; by comparing the state of the Australian industry in the investigation period to a point in time prior to the injury having commenced; or using a 'but for' analytical method.

During the injury analysis period, anti-dumping measures were imposed on aluminium extrusions exported from Malaysia and Vietnam. Furthermore the anti-dumping measures

in relation to aluminium extrusions exported from China were subject to multiple reviews and one continuation inquiry. The existence of such events during the injury analysis period can make it difficult for the Commission to assess the causation and materiality of injury using a 'coincidence' analysis.

Where a 'coincidence' analysis is not possible, the Commission may undertake an alternative analytical method, such as a 'but for' analysis, to examine causal effects. Using a 'but for' analysis it is possible to compare the current state of the Australian industry to the state that the Australian industry would likely have been in if there had been no dumping and/or subsidisation.

The Commission has conducted a 'but for' analysis to determine what the economic condition of the Australian industry would have been if the goods were not exported from Malaysia at dumped prices (for example, in terms of prices and profits).

A 'but for' analysis seeks to determine if the dumping is responsible for the material injury having regard for other potential causes of injury.

The 'but for' analysis used by the Commission is explained in greater detail in the Material Injury Direction which, amongst other things, sets out that the Commissioner is directed to be mindful that a decline in the Australian industry's rate of growth may be just as relevant as the movement of an industry from growth to decline. This consideration is a corrective to the simple conclusion that the Australian industry would necessarily have been more prosperous, but for the presence of the dumped goods.

The Commission has, for the purposes of this SEF, assessed injury and causation by examining the following evidence:

- verified volume, price, and profit effects of the Australian industry during the injury period and investigation period;
- verified sales data from cooperating exporters and importers to determine sales prices and volumes achieved by the subject exporters from Malaysia;
- verified sales data from cooperating exporters of Continuation Inquiry No.543 and Review No.544 to determine sales prices and volumes achieved by Chinese, Malaysian and Vietnamese exporters who are currently subject to anti-dumping measures;
- information from the ABF import database to determine import volumes and export prices;
- head-to-head comparison of specific customers identified in Capral's application; and
- the broader context of the economic condition of the Australian industry.

8.4 Size of dumping margins

Subsection 269TAE(1)(aa) provides that regard may be given to the size of each of the dumping margins, worked out in respect of the goods of that kind that have been exported to Australia.

As set out in section 6.1 above, the Commission found that the dumping margins for 5 out of the 6 exporters (the subject exporters) are above negligible levels (i.e. above 2%). Their margins range from 2.6% to 18.5%. The volume of exports by these exporters

accounted for approximately 91% of the volume exported from Malaysia during the investigation period. The Commission has not attributed injury to the Australian injury in relation to exports from Malaysia by exporters with dumping margins below negligible levels, or were not found to be dumped.

The Commissioner considers that the magnitude of dumping by majority of the subject exporters (i.e. those whose margins were not negligible) provided them with the ability to offer the goods to importers in Australia at prices that were lower than would otherwise have been the case.

8.5 Volume effects

Capral's application attributed the injury it experienced (in the form of reduced sales volume and market share) to the increase in exports of the goods to Australia by the subject exporters.

Table 30 below shows the index of the change in the Australian market volume overall and by country of origin for the goods and like goods. It indicates that over the injury analysis period the Australian industry experienced a decline in sales volume at a rate faster than the overall market size decrease.

In contrast to the Australian industry's performance, there was a growth in the sale volumes across the injury analysis period in relation to goods originating from China, and exporters in the 'all other countries' category over the injury analysis period.

Country of origin	2016	2017	2018	2019
Australian Industry	100	97	86	84
China	100	121	140	136
Vietnam	100	31	16	44
Malaysia (subject to measures)	100	51	8	4
Malaysia (subject exporters)	100	82	75	79
All Other Countries (including New Zealand)	100	97	98	115
Total	100	97	93	92

Table 30 Index of change in Australian Market Volume by Country of Origin⁸⁸

In the shorter term, during the investigation period, the Australian industry continued to experience a reduction in sales volume. This continued reduction in the Australian industry's sales volume coincided with a sharp increase in the sales of goods which were sourced from Vietnam, as well as exporters in the 'all other countries' category in the investigation period. Imports of the goods from the subject exporters was also observed to have increased during the investigation period.

Imports of goods from China in the investigation period exhibited a reversal of the trend observed in the prior period. Goods from China still represent the second largest share of the Australian market behind Australian industry.

⁸⁸ Table 6 in worksheet '541' to Confidential Attachment 1

PUBLIC RECORD

Further analysis of the market share data (at Table 31 below) shows that, within the context of a shrinking market, the Australian industry's share of the market declined across the injury analysis period and in the investigation period, in contrast to the increasing market share of imports generally.

Country of Origin	2016	2017	2018	2019
Australian Industry	100	99	93	91
Imports (all source countries)	100	101	112	116
China	100	124	151	147
Malaysia (subject to measures)	100	53	9	4
Malaysia (subject exporters)	100	84	81	86
Vietnam	100	31	18	48
All other (including NZ)	100	100	106	124

Table 31 Index of Australian Market Share by Country of Origin⁸⁹

Looking further at the market share data above, the Commission observed the following in relation to the changes in the market share in the investigation period compared to the prior period, i.e. 2018;

- Vietnam increased by over 100%;
- the 'all other countries' category increased by approximately 17%; and
- exports from Malaysia by the subject exporters increased by approximately 6%.

In absolute terms the market volume data available to the Commission indicates that the increase in the volume of goods exported from Vietnam and the category of 'all other' countries outstripped the increase in the growth of goods exported by the subject exporters by a magnitude of between 2 and 3 times. In relative terms, the growth in exports by the subject exporters was low however it did nonetheless increase.

Comparing the above to the actual decline in sales volume experienced by the Australian industry during the investigation period, the Commission observes that;

- the Australian industry's reduction in sales volume was almost wholly offset by the increase in the sales volume by exporters from Vietnam and the 'all other countries' category; and
- despite the growth in the sales of the goods from Vietnam and the 'all other countries' category, the volume of goods exported by the subject exporters also grew and those exporters secured a larger share of the Australian market.

The Commission's calculations of import volume and market share are included at **Confidential Attachment 1**.

⁸⁹ Table 8 in worksheet '541' to Confidential Attachment 1

8.5.1 Customer volume effects

In its application, Capral provided historic sales information relating to six customers to which it submitted comprised evidence that Capral had experienced a reduction in purchase volumes and/or price-effect injury.

Capral provided consolidated historical information of its sales to these customers, including revenue, sales price, and sales volume across the injury period.

The Commission verified Capral's claim by comparing the sales volumes achieved by Capral in relation to the customers cited in its application against the imports from the relevant subject exporters. Having regard for the customers listed in the Australian sales data provided by the subject exporters, the Commission observed that, generally, the same Capral customers purchased goods from both the subject exporters and from Capral. The Commission notes that two of the Capral customers identified in Capral's application did not purchase extrusions from the subject exporters.

Having regard to the Australian market data relied on in section 5.5.2, the Commission examined imports of the goods from the subject exporters by the customers cited in Capral's application. With the exception of one customer, all other customers were found to have increased their imports of the goods in the investigation period (2019) compared to 2018. Further, the number of Australian entities importing the goods from the subject exporters in the investigation period represented an approximate 50% increase over 2016.

Having regard to the analysis of the Australian market at both the whole of market and customer level, the Commission is satisfied that the available information supports Capral's claims that its sales volume in the investigation period would likely have been higher in the absence of the volume of dumped goods exported to Australia by the subject exporters.

The Commissions analysis of customer imports is included at **Confidential Attachment 30**.

8.6 Price undercutting

Price undercutting occurs when imported goods are sold a price below that of the Australian produced like goods. The Commission has conducted an analysis of price undercutting based on verified sales data sourced from cooperating importers and exporters for goods from Malaysia, cooperating importers and exporters for Continuation Inquiry No.543, and data provided by the Australian industry.

The price undercutting analysis was undertaken having regard to the various levels of trade at which the Australian industry competes against the subject exporters from Malaysia. The Commission considered this approach necessary, because of the obvious differences the Commission found in Capral's prices at the levels of trade at which it sells like goods and the sales channel(s) relevant to those sales.

The basic structure of Capral's business involves two sales channels, directly from its mills operations (mill sales channel) or through its distribution network (distribution channel).

PUBLIC RECORD

Sales to various levels of trade were made by Capral through either channel. However like goods sold through the mill sales channel are generally considered by the Commission to be in direct competition with the subject Malaysian exporters' own mill operations. The subject Malaysian exporters sold the goods to Australian customers at the end user or distribution level of trade.

Sales through Capral's distribution sales channel are more akin to a sale by an importer whose business involves importation and re-sale to end-users and the cost that such a business model may involve.

In order to properly compare Capral's prices to the price of dumped goods the Commission compared the following to Capral's prices;

- a fully landed export price (inclusive of all relevant duties and importations costs) of dumped imports from the subject exporters from Malaysia;
- a fully landed export price (inclusive of all relevant duties and importations costs) of goods, subject to anti-dumping measures, from China, Malaysia and Vietnam; and
- Australian importer's Australian selling prices.

Having regard to the approach outlined above, the Commission's price undercutting analysis found Capral's prices for like goods sold through its mill sales channel were undercut by the fully landed Free into Store (FIS) price of the goods exported to Australia by the subject Malaysian exporters. Capral's prices were undercut by the subject Malaysian exporter's prices by an average of 24% in each quarter of the investigation period. A further observation found that although the FIS price for goods from the subject Malaysian exporters was consistently the lowest in the market, the prices of goods imported from China and Vietnam also undercut Capral's prices by similar amounts.

The Commission found that the price of the goods exported by the subject Malaysian exporters undercut Capral's prices in each quarter of the investigation period. The price of the goods exported by the subject Malaysian exporters and Capral's prices appeared to begin to converge in 2018. During the investigation period, the prices began to diverge again. The price of goods from China showed little fluctuation over the injury period. The price of goods from Vietnam began to decrease in the investigation period.

The price trends discussed above support the claims in Capral's application that it has been required to reduce the price of its like goods in response to the availability of cheaper dumped goods on the Australian market from the subject Malaysian exporters (and other overseas exporters).

The Commission's price undercutting analysis is included at **Confidential Attachment 31**.

8.6.1 Customer comparison

In addition to comparing the broader price trends between imports from Malaysia and Capral's prices, the Commission also conducted a price undercutting analysis in relation to specific customers cited by Capral in its application.

Capral claimed that the customers cited in its application were sourcing aluminium extrusions from the subject exporters at dumped prices and because Capral also supplied these customers, it was experiencing pressure to reduce its prices.

The Commission's undercutting analysis for the customers cited in Capral's application found that Capral's prices had been undercut by the subject exporters by between 3% and 27%. Price undercutting was observed to be persistent throughout all quarters of the investigation period.

8.7 Price effects

At section A-9.6 in Capral's application it highlights that in the year ending September 30 2019, the Malaysian exporters whose exports are not currently subject to 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 on domestic selling price in Australia.

Capral claims that, due to the influence of Malaysian exporters whose exports are not currently subject to measures, it has not been able to increase its prices in-line with increasing costs.

As outlined in section 7.4 above, the Commission is satisfied that Capral has experienced injury in the form of price suppression and the price undercutting analysis at section 8.6 indicated that dumped goods exported to Australia by the subject Malaysian exporters undercut Australian industry's prices generally and in specific customer settings. However, Capral's prices in general were also being undercut by the un-dumped price of the goods exported to Australia from China and Vietnam, albeit by a lower amount.

Having regard to the analysis of the Australian market at Chapter 5, the Commission found that the Australian market for surface finish aluminium extrusions is supplied by exporters from a number of countries and domestic producers. Within the Australian market, producers from the Australian industry and China make supply the largest proportion of the market. Goods from the subject Malaysian exporters made up a lower proportion of the Australian market. However they did represent the third largest source by volume in the investigation period. The volume of goods from the subject Malaysian exporters exhibited an emerging growth trend during the investigation period.

The Commission considers that the Australian market for the goods is likely multi-faceted and influenced by a range of factors such as the LME price, existing customer and supplier relationships, each producer's production capabilities and the various price offers available within the market. The Commission observed that the goods were imported from Vietnam, China, and Malaysia at similar prices.

However, the Commission accepts that in a highly competitive market, such as is the case here, where price is one of the key determinants in a customer's purchasing decision, customers may seek to obtain a price that reflects the lowest in the market or possibly rely on these prices as reference to negotiate a lower price. The resulting prices may not necessarily be the lowest price available, but may nonetheless reflect a price reduction which Australian industry would have to bear.

On the available information the Commission found that Capral, the Australian industry's largest producer of like goods, is competing against the subject Malaysian exporters (amongst others). The Commission also found that Capral's prices are being materially undercut by the prices for the goods from the subject Malaysian exporters.

The Commission considers it reasonable that;

- price competition between Capral and the subject Malaysian exporters was a contributory factor which led to the price suppression set out at section 7.4; and
- as the lowest in the market, the prices of the goods from the subject Malaysian exporters would be a relevant factor in price negotiations where Capral has likely had to lower its prices.

The Commission is satisfied that dumping of the goods from Malaysia by the subject exporters, at prices which undercut the price of Australian industry, has caused injury to the Australian industry in the form of price suppression.

8.8 Profit effects

In the confidential versions of Capral's application, Capral sets out various metrics relating to the profit of its aluminium extrusions sales to support its claims that its profits were impacted by price offers for goods sourced from Malaysian exporters that are not subject to measures.

The general trends and features cited in Capral's application in relation to profit are evident in the analysis of the verified data at section 7.5. As a reflection of the findings at 8.7 regarding price effects, the Commission considers that Capral's prices would likely have been higher in the absence of lower-priced dumped goods from the subject exporters.

The Commission further considers that as a result of the price of dumped goods exported by the subject Malaysian exporters, Capral has been prevented from achieving a higher price which would likely have led to increased profits and improved profitability.

8.9 Other economic factors

8.9.1 Revenue effects

As discussed in section 7.6 of this report, Capral experienced a decline in revenue from 2017 to 2019.

Capral's overall revenue exhibited the sharpest decrease in 2019. The continuing drop in sales volumes, coupled with a stagnation in unit selling prices, contributed to the decrease in revenue.

As outlined in section 8.7, the Commission considers that the stagnation in Australian industry's prices outlined at 7.4 is indicative of its response to the availability of cheaper dumped goods from the subject exporters from Malaysia on the Australian market which undercut the Australian industry's prices.

The Commission considers that Capral's revenue injury is twofold. On the one hand it was unable to continue to increase its prices which in turn was further exacerbated by a reduction in sales volume.

Having regard to the findings at sections 8.5 and 8.7 in relation to the causal link between dumping and volume and price injury, of which revenue is a function of both, the Commission considers it reasonable that dumping of the goods from Malaysia, has caused injury to the Australian industry in the form of reduced revenue. In the absence of

such dumped goods the Commission further considers that Australian industry would have achieved higher revenues through an increase in prices and/or sales volume.

8.9.2 Other factors

Based on the assessment of other economic factors discussed in section 7.6 of this report, the Commission found that the Australian industry has experienced injury in the form of:

- reduced production volume;
- reduced ROS;
- reduced capacity utilisation; and
- reduced employment and wages.

The Commission considers that Capral's profit and profitability was adversely affected by lower sales volumes, price depression, and price suppression caused by the impact of dumped imports of the goods from the subject Malaysian exporters.

8.10 Factors other than dumping causing injury

Subsection 269TAE(2A) states that the Minister must consider whether any injury to an industry is being caused or threatened by a factor other than the exportation of the goods. If so, any such injury must not be attributed solely to the exportation of the goods.

Subsection 269TAE(2A) outlines several considerations for the decision maker when making a determination of injury. The Commission has considered these factors, and has also examined other potential causes of injury to the Australian industry, other than dumped goods exported from Malaysia.

The following factors other than dumping were identified during the investigation as possibly having an impact on the economic condition of the Australian industry producing like goods:

- Australian building construction;
- imports from other countries; and
- other importer's claims.

8.10.1 Australian building construction

As detailed in section 0 above, Capral cited that a key demand driver for sales of like goods is the residential building sector. Data provided by Capral for annual dwelling commencements in the period 2012 through 2019 indicated that the trend in annual dwelling commencements between 2016 and 2019 declined year on year after peaking in 2016, with 2019 being the lowest. However, the trend in Australian building construction is contrasted with an increase in the export of the goods to Australia over the same period.

8.10.2 Imports from other countries

As detailed below in Table 32 below, imports of the goods from countries other than Malaysia have increased over the injury analysis period.

PUBLIC RECORD

Country of Origin	2016	2017	2018	2019
China	100	121	140	136
Malaysia (subject to measures)	100	51	8	4
Malaysia (not subject to measures)	100	82	75	79
Vietnam	100	31	16	44
All other countries (including NZ)	100	97	98	115

Table 32 Index of Import Volume of the goods by Origin⁹⁰

The Commission's calculation of import volumes is included at **Confidential Attachment 1**.

8.10.3 Importer's claims

Importers have claimed that there have been ongoing issues in sourcing extrusions from Capral/Australian industry due to their poor quality, and that they have had to claim credits for faulty extrusions. Importers concede that Capral has acknowledged this issue and have taken steps to rectify the quality issues.

Several importers have also claimed that Capral experiences inefficiencies when compared to other local extruders due to its large overheads and dated equipment.

The Commission was not provided any evidence to support these claims however as they have been made it is considered appropriate to refer to the statements in this report.

The Commission accepts that it is possible that certain factors other than dumping may have contributed to the injury experienced by the Australian industry. However, the Commission considers that none of the other factors carry sufficient weight to detract from the evidence that shows the Australian industry has experienced material injury in the investigation period due to the dumping of the goods from Malaysia.

8.11 Materiality of injury caused by dumping

In addressing the materiality of the injury caused by dumping, the Commission has had regard to the size of the Australian market for surface finished aluminium extrusions and the relative market shares.

The Commission notes that the volume of dumped goods from subject exporters from Malaysia increased over the injury analysis period from 2018 to 2019, and that this increase in volume occurred despite a decrease of the total market. This growth in imports displaced some of the Australian industry's sales volumes and market share. However imports from Vietnam and imports under the banner of the 'all other countries' category when taken together, were found to have a greater impact on the Australian industry's sales volumes and market share.

⁹⁰ Table 6 in worksheet '541' to Confidential Attachment 1

In the investigation period, the dumped goods from the subject exporters from Malaysia were in the Australian market at a price point which the Commission considers would have been an influence on prices within the market generally. The Commission notes that the price of the goods sold by the subject Malaysian exporters were the lowest in the market during the investigation period. Furthermore, the Commission considers that the Australian industry experienced pressure from specific customers to reduce prices based on the dumped goods from the subject Malaysian exporters.

The available information also shows that the Australian industry would likely have achieved a higher profit and improved profitability had it not experienced injury in the form of price suppression due to the availability of dumped goods exported to Australia by the subject exporters. The dumping of these goods and the resulting injury were further found to have a direct impact on injury in the form of other economic factors such as reduced revenue, reduced production volume, reduced ROS, reduced capacity utilised and reduced employment and wages.

When taken as a whole, the Commission considers that the injury experienced by Australian industry, due to dumping of the goods exported from Malaysia, was material.

The Commission considers that the dumping of the goods from Malaysia by the subject exporters has caused material injury to the Australian industry. The Commission is not satisfied that the injury experienced by the Australian industry is not immaterial, insubstantial, or insignificant.⁹¹

8.12 Conclusion

The Commission has found that:

- the goods exported to Australia from Malaysia at dumped prices have undercut the Australian industry's prices;
- the price of the goods exported to Australia by the subject exporters would not have undercut the Australian industry's prices, at least not to the same extent, if the goods were not dumped;
- throughout the investigation period, the goods imported from the subject exporters in Malaysia were the lowest priced imports in the market;
- the volume of dumped goods exported to Australia by the subject exporters is not negligible;
- but for sales of the goods exported to Australia by the subject exporters at dumped prices, the weighted average delivered prices from other countries would be higher;
- undercutting of the Australian industry's prices by the goods imported from the subject exporters in Malaysia have prevented the Australian industry from obtaining a higher selling price for its aluminium extrusions;
- the Australian industry would have been able to increase its prices in a market not affected by the goods exported to Australia by the subject exporters at dumped prices. Such increases would have reflected positively on the Australian industry's profits and profitability over the investigation period;

⁹¹ Ministerial Direction on Material Injury 2012, ADN 2012/24.

PUBLIC RECORD

- the injury caused by goods exported to Australia by the subject exporters at dumped prices can be separated from other potential causes of injury; and
- the link between the goods exported from Malaysia by the subject exporters at dumped prices, in the form of price and profit effects, has had a negative impact on the Australian industry's decisions in relation to other economic factors.

As such, the Commission considers that the Australian industry has suffered material injury in the form of:

- reduced sales volume;
- reduced market share;
- price suppression;
- reduced profit and profitability;
- reduced revenue;
- reduced ROS;
- reduced capacity utilisation.
- reduced employment numbers; and
- reduced wages.

and that this material injury is caused by sales of the goods exported from Malaysia, by the subject exporters (except Genesis), at dumped prices.

9 WHETHER DUMPING MAY CONTINUE

9.1 Preliminary findings

The Commission is preliminarily satisfied that, among other things, dumping may continue in relation to the export of the goods by Milleon, LB Aluminium, Kamco and Superb from Malaysia.

9.2 Introduction

When publishing a notice under subsections 269TG(2) the Minister must be satisfied that, among other things, dumping may continue.

In assessing whether dumping may continue, the Commissioner considers the term 'may' to mean 'possible'.

9.3 Whether dumping may continue

Genesis was not found to have dumped the goods during the investigation period.

The Commission also notes that measures will not be applied to PMB as part of this investigation, despite a finding that PMB dumped the goods during the investigation period. The reason for this being that the measures that would have applied to goods exported by PMB will now be applied to goods exported by PMBA as part of the Review of Measures which is examining PMBA concurrently (REV 544). The Commission considers that PMB's cessation as an exporter of the goods entails that it is unlikely to dump the goods in future (PMBA's status as a new exporter is material to that consideration).

This chapter therefore is not applicable to Genesis and PMB.

The Commission has found that the goods were exported to Australia from Malaysia by Milleon, LB Aluminium, Kamco and Superb during the investigation period at dumped prices above negligible levels, with dumping margins ranging between 2.6% and 18.5%.

To assess whether dumping may continue in respect of Milleon, LB Aluminium, Kamco, and Superb, the Commission has had regard to the following;

- each of Milleon, LB Aluminium, Kamco and Superb's domestic selling prices;
- competition between the subject Malaysian exporters;
- Australian market trends;
- production capacity;
- distribution links; and
- prices of goods exported from China and Vietnam.

9.3.1 Malaysian exporters' domestic selling prices

With the exception of Genesis, the Commission considers that an exporter's normal value could rise or fall independently of export price and is therefore informative of whether dumping may continue, based on an assumption that export prices do not increase.

PUBLIC RECORD

To assess the possibility of whether the subject exporter's normal values would decrease independently of export prices, and to the levels necessary to avoid a finding that dumping may continue, the Commission has examined the following factors:

- the cost of production differential between the goods and like goods;
- price lists for the goods and like goods; and
- the profit earned by exporters in each market.

In relation to cost of production, during verification of each Malaysian exporter's data, the Commission found little to no differentiation between the production processes and input costs for products sold into the Malaysian and Australian markets.

With respect to price, all exporters were found to rely on an LME based pricing formula similar to the formula outlined in section 5.4. The LME reference in price represents the cost of primary aluminium ingot which is a price determinate for the main raw material used to produce aluminium extrusions, aluminium billet. Aluminium billet represents the highest proportion of production cost. It influences the cost and price of domestic and Australian aluminium extrusions equally.

In terms of profit margin, the Commission considers that it would be open to the subject Malaysian exporters to reduce their prices of like goods by taking a reduction in profit. In theory, this may prevent the outcome that exported goods continue to be dumped. However, the Commission considers the degree of price reduction would be contingent on the amount of available profit relative to each exporter's dumping margins and whether this would be desirable for them.

The Commission examined the net profit margin achieved by the subject Malaysian exporters in the investigation period and has contrasted this to the level of dumping identified in Chapter 6. In some instances the exporter's profit margins on like goods sales were approximate to the level of dumping in respect of that exporter. In other cases the level of dumping was in excess of the exporter's net profit margin on like goods.

The Commission found that the profit margin earned on domestic sales of like goods by the subject exporters would need to be wholly or partially reduced to bring about a price decrease to offset the level of dumping observed in this investigation. Given the importance of the domestic market for each exporter (in terms of sales volume), the Commission considers that exporters would not be willing to engage in the necessary prices reductions.

Having regard to the above, the Commission considers the subject Malaysian exporter's prices for the goods and like goods are unlikely to vary independently from one another on account of the finding that both are influenced by the same factors in relation to production cost and price setting practice. From this perspective, the differences observed between export price and normal value in this investigation are unlikely to change and, therefore, the dumping may continue.

The Commission further considers that exporters would not be willing to sacrifice profits on their domestic market in order to bring about the necessary prices reductions to offset the level of dumping found. As a result, in the absence of an export price increase, domestic selling prices will remain unchanged and the differences observed between export price and normal value in this investigation are similarly unlikely to change. Assuming this to be accurate, the dumping may continue unless the export price is raised.

9.3.2 Competition between subject exporters

A further observation can be made with respect to the export prices of the subject Malaysian exporters concerning price competition between these exporters. When price competition is considered solely within the subject Malaysian exporters found to be dumping, their export prices were found to be relatively similar.

The similarity in export prices between the subject Malaysian exporters suggests that these entities are, as between one another, highly competitive in respect of price. The competition between the subject Malaysian exporters may rule out any one exporter increasing its prices in the future and risking sales being lost to other Malaysian competitors.

9.3.3 Australian market trends

Table 33 (below) shows the index of change in the Australian market volume overall and by country of origin. The data indicates that over the injury analysis period, the Australian market size decreased and consistent with this so did the volume connected with the subject exporters. However, in the investigation period, the sales volumes of the subject Malaysian exporters increased and represented a reversal of the broader market trend. The Commission considers that the increasing export volumes by the subject exporters confirms that these exporters exhibit an export focus and have maintained their distribution links with Australian customers.

Country of origin	2016	2017	2018	2019
Australian Industry	100	97	86	84
China	100	121	140	136
Vietnam	100	31	16	44
Malaysia (subject to measures)	100	51	8	4
Malaysia (subject exporters)	100	82	75	79
All Other Countries (including New Zealand)	100	97	98	115
Total	100	97	93	92

Table 33 Index of Australian Market Volume by country of origin

The increasing trend in export volumes over the injury analysis period may also be indicative that, being the lowest priced in the market, the dumped goods are increasingly being preferred over those being sold by other more expensive suppliers. Therefore the subject Malaysian exporters may be incentivised to continue selling their goods at dumped prices at the lower end of the range within the market.

9.3.4 Production capacity

In relation to production capacity, the Commission considers that, even at its full capacity, the Australian industry is not capable of supplying the whole Australian market. Information provided in the cooperating exporter's REQs indicated excess production capacity ranging from 22% to 46% during the investigation period. With this level of excess production capacity the Commission considers that the subject Malaysian exporters would not be prevented from maintaining or increasing their exports of the dumped goods to Australia. This finding is supported by the observations in ABF import data and forward order data provided by importers in their RIQ's. Furthermore, the subject Malaysian

exporters have continued to export their goods, which the Commission considers may be dumped, to Australia following the investigation period.

9.3.5 Distribution links

The Commission identified that several importers of the goods from Malaysia have existing long-term supply arrangements with the subject Malaysian exporters which were in place during the investigation period. Furthermore, these importers have specific aluminium extrusion profiles (in some cases) which represent a substantial initial investment in tooling costs and various testing and trials before committing product to market. The Commission considers that these factors indicate that importers will be discouraged from changing supplier and continue to source the goods from Malaysia at prices which are dumped.

In addition, a detailed analysis of ABF data revealed that the number of Australian entities importing the goods from Malaysia in the investigation period represents an approximate 50% increase over 2016. As noted above in 9.3.4 the goods have continued to be exported to Australia in reasonably significant volumes after the investigation period. The Commission considers that the expanding customer base of the subject Malaysian exporters and the sustained pattern of trade after the investigation period indicate that the subject Malaysian exporters may continue to export the goods at dumped prices.

9.3.6 Other country export prices

The Commission has found that in a majority of cases, the quarterly dumping margins associated with the goods exported by the subject Malaysian exporters remained similar, or increased over the investigation period. These dumped prices were found to be consistently below those of dumped exports of the goods from China, Malaysia and Vietnam whose goods are already subject to anti-dumping measures.

The Commission considers that the subject Malaysian exporters would look to maintain their current pricing advantage over other exporters from China, Malaysia and Vietnam by continuing to export the goods at dumped prices.

9.4 Preliminary assessment

In view of the above analysis, the Commission considers there is sufficient evidence to conclude that;

- the relationship between the export price and normal value of the subject Malaysian exporters will remain unchanged because of profit protection and the export price competition between them;
- beyond the investigation period, the subject Malaysian exporters may seek to maintain a price advantage over other suppliers in the market, by continuing to sell the goods at a dumped price;
- export volumes of the goods to Australia by the subject Malaysian exporters have trended upwards over the injury analysis period;
- excess productive capacity exists amongst the subject Malaysian exporters, which would enable a continuation of the goods being exported to Australia following the investigation period;
- over the injury analysis period, the subject Malaysian exporters have maintained an export focus and distribution links with Australian customers; and

PUBLIC RECORD

- the number of Australian entities importing the goods from the subject Malaysian exporters in the investigation period increased by approximately 50%, compared to 2016.

Having considered the available information, the Commission is preliminarily satisfied that, among other things, dumping may continue in relation to the exports of the goods by the subject exporters from Malaysia, with the exception of PMB and Genesis.

10 NON-INJURIOUS PRICE

10.1 Preliminary assessment

The Commissioner proposes to recommend that the NIP is equal to the normal value in relation to the subject Malaysian exporters.

The Commissioner further proposes to recommend that the Minister have regard to the desirability of fixing a lesser rate of duty, in accordance with the operation of subsection 8(5B) of the *Customs Tariff (Anti-Dumping) Act 1975* (Dumping Duty Act).

10.2 Legislative framework

Where the Minister is required to determine IDD in respect of the goods and a dumping duty notice has previously been published in respect of those goods, subsection 8(5B) of the Dumping Duty Act applies. Subsection 8(5B) requires the Minister, in determining the IDD payable, to have regard to the 'lesser duty rule' which requires consideration of the desirability of fixing a lesser amount of duty, such that the export price, together with IDD, do not exceed the NIP.⁹²

The Minister need not have regard to the desirability of fixing a lesser amount of duty in certain circumstances set out in the Dumping Duty Act (the exceptions).⁹³ The exceptions include:

- where there is a situation in the market that renders domestic selling prices unsuitable for the purpose of determining normal value under subsection 269TAC(1);
- where there is an Australian industry in respect of like goods consisting of at least two small to medium sized enterprises (as defined in the *Customs (Definition of "small-medium enterprise") Determination 2013*).

None of the exceptions apply to this investigation.

10.3 Lesser duty rule

The calculation of the NIP is relevant for the purposes of the lesser duty rule under the Dumping Duty Act.

IDD may be applied where it is established that dumped imports have caused material injury to the Australian industry producing like goods. The level of IDD imposed by the Minister cannot exceed the level of dumping.

Where the Minister is required to determine IDD, and the NIP of the goods is less than the normal value of the goods, the Minister must have regard to the 'lesser duty rule' in

⁹² Under subsections 269TACA(a) and (c), the NIP of the goods exported to Australia is the minimum price necessary to prevent the injury, or a recurrence of the injury, to the Australian industry caused by dumped or subsidised goods.

⁹³ The exceptions are set out in section 8(5BAA).

accordance with subsection 8(5B) of the Dumping Duty Act, unless one of the exceptions applies.

Having regard to the available information, the Commission does not consider that any of the exceptions in the Dumping Duty Act apply. The Commission therefore proposes to recommend that the Minister consider the desirability of applying a lesser rate of duty, if applicable.

10.4 Calculation of the non-injurious price

Under subsections 269TACA(a) and 269TACA(b), the NIP of the goods exported to Australia is the minimum price necessary to prevent the injury, or a recurrence of the injury, or to remove the hindrance to the Australian industry caused by the dumping of the goods.

The Commissioner generally derives the NIP by first establishing a price at which the Australian industry might reasonably sell its product in a market unaffected by dumping. This price is referred to as the unsuppressed selling price (USP).

The Commissioner's preferred approach to establishing the USP, as outlined in chapter 23 of the Manual, observes the following hierarchy:

- industry selling prices at a time unaffected by dumping;
- constructed industry prices – industry CTMS plus profit; or
- selling prices of un-dumped imports.

Having calculated the USP, the Commissioner then calculates a NIP by deducting the costs incurred in getting the goods from the export FOB point (or another point if appropriate) to the relevant level of trade in Australia. The deductions normally include overseas freight, insurance, into-store costs and amounts for importer expenses and profit.

10.5 Commission's assessment

As noted above, the Commission will first seek to establish a price at which the Australian industry might reasonably sell its product in a market unaffected by dumping. In relation to this investigation, the Commission has established that exports to Australia by the subject Malaysian exporters were dumped at levels which were not *de minimus*.

In REP 362, the Commission calculated the NIP for each exporter to be a price equal to an un-dumped and un-subsidised price in a market unaffected by dumped goods from Malaysian and Vietnam.⁹⁴

The Commission considers that the circumstances outlined in REP 362⁹⁵ are similar to those in the investigation period here. In REP 362 the Commission considered that in a market unaffected by goods from Malaysia at dumped prices, it is reasonable to expect

⁹⁴ EPR 362, No. 089.

⁹⁵ EPR 362, No. 089. pp.104-105.

PUBLIC RECORD

that the Australian industry would be able to achieve as a minimum, selling prices that reflected un-dumped import prices from Malaysia.

For the same reasons as those set out in REP 362, it is not practicable to determine a NIP based on a time when the Australian industry's prices were not affected by dumping, because the goods have been found to be dumped by a number of different countries over a sustained and lengthy period of time. The Commission, therefore, proposes to determine the NIP to be equal to the normal value in relation to each exporter, subject to this investigation, found to be dumping.

The Commission further notes that, although it will recommend that the Minister have regard to the desirability of applying the lesser duty rule (in accordance with subsection 8(5B) of the Dumping Duty Act), because the NIP is not less than the normal value, the lesser duty rule will not be operative (i.e. it will have no practical effect).

11 PROPOSED MEASURES

11.1 Finding

Except for PMB and Genesis, the Commissioner proposes to recommend to the Minister that anti-dumping measures (in the form of a dumping duty notice) for Malaysia be imposed:

- in respect of any IDD that may become payable by importers of the goods from LB Aluminium, Milleon, Kamco and Superb in Malaysia using the combination duty method (i.e. the combination of fixed and variable duty).

11.2 Forms of dumping duty available

The forms of dumping duty available to the Minister when imposing anti-dumping measures are prescribed in the *Customs Tariff (Anti-Dumping) Regulation 2013* and include:

- fixed duty method (\$X per tonne);
- floor price duty method;
- combination duty method; or
- *ad valorem* duty method (i.e. a percentage of the export price).⁹⁶

The various forms of dumping duty all have the purpose of removing the injurious effects of dumping. However, in achieving this purpose, certain forms of duty will better suit particular circumstances than others. When considering which form of duty to recommend to the Minister, the Commissioner will have regard to the published *Guidelines on the Application of Forms of Dumping Duty November 2013* (the Guidelines) and relevant factors in the market for the goods.⁹⁷

11.2.1 Fixed duty method

A fixed duty method operates to collect a fixed amount of duty – regardless of the actual export price of the goods. The fixed duty is determined when the Minister exercises their powers to ascertain an amount for the export price and the normal value.

11.2.2 Floor price duty method

The floor price duty method sets a “floor” – for example a normal value of \$100 per tonne – and duty is collected when the actual export price is less than that normal value of \$100 per tonne. The floor price is either the normal value or the NIP, whichever becomes applicable under the duty collection system.

11.2.3 *Ad valorem* duty method

The *ad valorem* duty method is applied as a proportion of the actual export price of the goods. An *ad valorem* dumping duty is determined for the product as a whole. This

⁹⁶ Section 5 of the *Customs Tariff (Anti-Dumping) Regulation 2013*.

⁹⁷ Available on the Commission website.

means that a single ascertained export price is required when determining the dumping margin. The ad valorem duty method is the simplest and easiest form of duty to administer when delivering the intended protective effect.

11.2.4 Combination duty method

The combination duty method comprises two elements: the “fixed” element and the “variable” duty element. The fixed element is determined when the Minister exercises powers to “ascertain” an amount (i.e. set a value) for the export price and the normal value. This may take the form of either a fixed duty or an *ad valorem* applied to the ascertained export price.

if the actual export price of the shipment is lower than the ascertained export price, the variable component works to collect an additional duty amount (i.e. the difference between the ascertained export price and the actual export price). It is called a “variable” element because the amount of duty collected varies according to the extent the actual export price is beneath the ascertained export price.

11.3 Commission’s consideration

The Commission considers that the combination duty method is the most appropriate method for determining the duty payable in this instance.

The combination duty method is considered appropriate where circumvention behaviour is likely (particularly because of related party dealings), where complex company structures exist between related parties, and where there are limited models or types of the good with significantly different prices.

As this investigation relates to surface finished aluminium extrusions only, there are limited models, and between models, the Commission has not identified a significant difference in price. One of the largest exporters was also found to have a complex company structure, where multiple related parties were involved in the export of the goods to Australia.

A further consideration for applying the combination duty method relates to price trend in a particular market. The Guidelines outline that in a falling market, the combination duty method is considered inappropriate as it may be considered punitive due to the operation of the fixed element. At Figure 4 below, the Commission examined the change in quarterly FOB prices between 1 January 2016 and 31 December 2019 and found that prices have generally increased over time thereby suggesting a rising market.

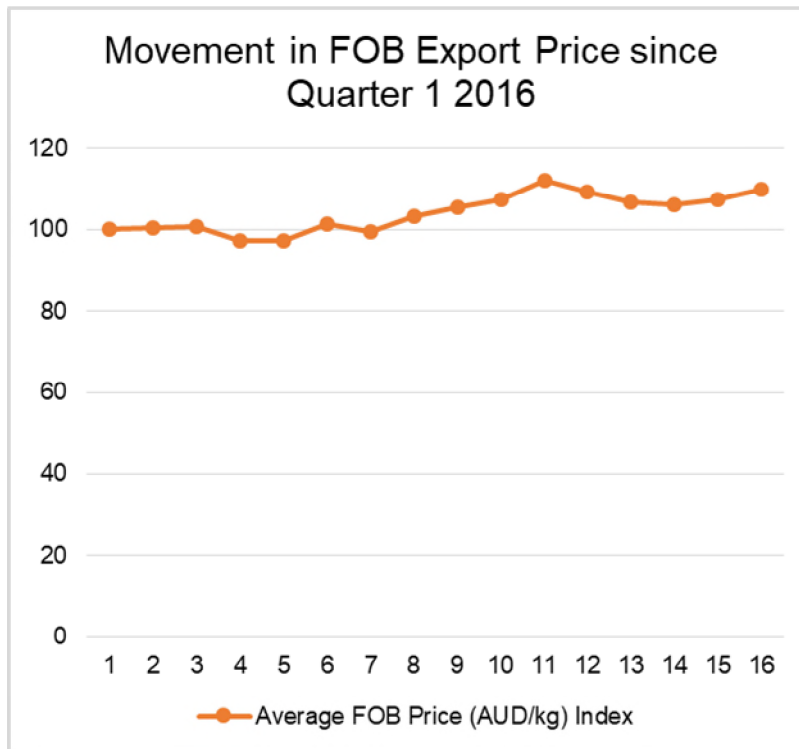


Figure 4 Movement in FOB Export Price since 1 January 2016

Given the above observation of a rising market, the Commission considers it is unlikely that the subject exporters will be disadvantaged if the combination duty method is imposed.

The Commission's assessment of the FOB export price movements is included at **Confidential Attachment 32**.

The fixed component of IDD that may become payable in relation to the goods exported to Australia from the subject exporters is proposed to be at the rates specified in section 6.13. The variable component will be applicable where the actual export price is below the ascertained export price.

11.4 Proposed recommendations

The Commission proposes that duties be calculated, in respect of any IDD that may become payable, using the combination of fixed and variable duty method. For each exporter, the fixed rate of IDD will be an *ad valorem* rate equal to the dumping rate calculated.

A summary of the proposed recommendations and effective rates of interim dumping duty are shown below in Table 34.

PUBLIC RECORD

Exporter	Proposed duty method	Fixed rate of IDD (%)	Variable component of IDD
Milleon	Combination	6.1	Applicable only where the actual export price is below the ascertained export price.
LB Aluminium	Combination	2.6	
Superb	Combination	12.8	
Kamco	Combination	18.5	

Table 34 Summary of proposed effective interim dumping duty

12 PRELIMINARY AFFIRMATIVE DETERMINATION

12.1 Introduction

Under section 269TD, at any time not earlier than 60 days after the date of the initiation of an investigation into whether there are sufficient grounds for the publication of a dumping duty notice, in respect of the goods subject to the application, the Commissioner may make a PAD. The Commission may make a PAD, on being satisfied that:

- there appears to be sufficient grounds for the publication of such a notice; or
- it appears that there will be sufficient grounds for the publication of such notice subsequent to the importation into Australia of such goods.

In relation to a dumping investigation, the Commonwealth may, at the time of making a PAD (or at any later time during the investigation), require and take securities under section 42 in respect of any IDD that may become payable. The Commission may do this if satisfied that it is necessary to do so to prevent material injury to an Australian industry occurring while the investigation continues.

12.2 Finding

As outlined previously, the Commissioner has found that the goods exported from Malaysia during the investigation period were at dumped prices (Chapter 6 refers). The Commissioner is also satisfied that the dumped exports have caused material injury to the Australian industry producing like goods (Chapter 8 refers).

Accordingly, the Commissioner has decided to make a PAD under section 269TD and is satisfied that it is necessary to require and take securities under section 42 to prevent material injury to the Australian industry occurring while this investigation continues.

However, as a result of the finding in Chapter 6 that PMB ceased to be an exporter of the goods prior to 22 November 2019, the Commission does not consider it appropriate to make a PAD in relation to PMB.

12.3 Securities

The PAD, including the level of securities, will be publicly notified by way of an ADN⁹⁸. Securities will be collected from all exporters of the goods from Malaysia and entered for home consumption on or after 10 December 2020.

The Commonwealth will calculate the amount of securities payable using combination duty method. The securities applicable to the goods exported to Australia will apply as follows:

⁹⁸ In accordance with subsections 269TD(4)(a) and 269TD(5).

PUBLIC RECORD

Exporter	Duty method	Fixed rate IDD (%)	Variable component of IDD
Milleon	Combination	6.1	Applicable only where the actual export price is below the ascertained export price.
LB Aluminium	Combination	2.6	
Superb	Combination	12.8	
Kamco	Combination	18.5	

Table 35 Summary of dumping securities

13 PROPOSAL WITH RESPECT TO CERTAIN EXPORTERS

13.1 Termination

Section 269TDA sets out the circumstances in which the Commissioner must terminate an investigation in its entirety, or solely in respect of a specific exporter. Section 269TDA provides for rules of termination on the basis of volumes and scale of dumping by countries and exporters.

Based on the findings in this SEF, and subject to any submissions received in response, the Commissioner proposes to terminate the investigation in relation to Genesis, on the basis that the level of dumping by Genesis was negligible in relation to the goods, the subject of the application, in accordance with subsection 269TDA(1).

13.2 Exporters that will not be subject to the dumping duty notice

PMB is considered to no longer be an exporter of the Goods, although it was found to have been an exporter for the majority of the investigation period (until 22 November 2019). PMB was also found to have dumped the goods above a negligible level of dumping (6.9%). From 22 November 2019, however, PMB facilitated the exports for which PMBA is now the exporter.

PMBA is currently being assessed as a new exporter as part of Review No.544 and, consequently, recommendations in respect of applying dumping duty measures to PMBA will be made in the report for Review No.544.

14 ATTACHMENTS

Confidential Attachment 1	Australian Market Size
Confidential Attachment 2	PMB Export Sales
Confidential Attachment 3	PMB CTMS
Confidential Attachment 4	PMB Domestic Sales
Confidential Attachment 5	PMB Normal Value
Confidential Attachment 6	PMB Dumping Margin
Confidential Attachment 7	Milleon Export Sales
Confidential Attachment 8	Milleon CTMS
Confidential Attachment 9	Milleon Domestic Sales
Confidential Attachment 10	Milleon Normal Value
Confidential Attachment 11	Milleon Dumping Margin
Confidential Attachment 12	LB Aluminium Export Sales
Confidential Attachment 13	LB Aluminium CTMS
Confidential Attachment 14	LB Aluminium Domestic Sales
Confidential Attachment 15	LB Aluminium Normal Value
Confidential Attachment 16	LB Aluminium Dumping Margin
Confidential Attachment 17	Superb Export Sales
Confidential Attachment 18	Superb CTMS
Confidential Attachment 19	Superb Domestic Sales
Confidential Attachment 20	Superb Normal Value
Confidential Attachment 21	Superb Dumping Margin
Confidential Attachment 22	Genesis Export Sales
Confidential Attachment 23	Genesis CTMS
Confidential Attachment 24	Genesis Domestic Sales
Confidential Attachment 25	Genesis Normal Value

PUBLIC RECORD

Confidential Attachment 26	Genesis Dumping Margin
Confidential Attachment 27	Kamco Dumping Margin
Confidential Attachment 28	Negligible Volume Calculation
Confidential Attachment 29	Australian Industry Injury Analysis
Confidential Attachment 30	Customer Volume Effects
Confidential Attachment 31	Price Undercutting Analysis
Confidential Attachment 32	FOB Price Analysis