

8 September 2020

Ms. Heidi Yang
Case Manager
Investigations 1
Anti-Dumping Commission
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Dear Ms. Yang

Investigation 542 – Submission by Aluminium Shapemakers Pty Ltd

The following is in response to certain matters commented on by Aluminium Shapemakers Pty Ltd (“Alushapes”) in their submission dated 31 August 2020.

(1) Alushapes production capability

JSA disputes Alushapes comment that “micro-extrusion is a specialized process that requires dedicated extrusion capability”. “Micro” extrusions are produced using the same processes, equipment, and raw materials as other extrusions.

Through its application for this dumping case and its own website, Alushapes confirms they are currently operating a single 7-inch 1800T press to produce the GUC and all other extrusions.

By comparison JSA operates 19 presses ranging from 3.5-inch 690T through to 12-inch 4000T.

Through our 20-year experience we have found the smaller 690T press (of which we have 8) is far more suited to extruding the GUC than our 1800T press. The greater force produced by the larger 1800T press results in an inconsistent extrusion flow on smaller profiles leading to a rougher surface and inconsistent wall thickness and therefore a higher reject rate.

This seems to be supported by [REDACTED] (entity) experience purchasing flyscreen frame from Alushapes. [REDACTED] has had regular issues with [REDACTED] (quality issues identified by entity) supplied by Alushapes. This has led to a reluctance from [REDACTED] to purchase flyscreen frame from Alushapes. In comparison, they have had no such issues with the same product supplied by JSA.

(2) Allocation of cost

JSA does not dispute that different extrusions have different production costs and profitability. What JSA is disputing is that these different costs have a direct correlation to the mass and hollow nature of an extrusion.

As JSA has demonstrated in the videos submitted with our verification, small extrusions give the opportunity to use multi-hole dies to increase the output of that extrusion and therefore reduce its cost/kg.

It is for this reason that JSA integrates its “micro” extrusion costs with our overall production costs. We do not, as Alushapes incorrectly asserts, “accurately record” the exact costs for “micro” extrusion, because they form part of our normal extrusion process.

The fact that the Commission has accepted Alushapes assertion that hollow extrusions less than 0.2kg/m somehow fall outside the parameters of the normal extrusion process is regrettable. We urge the Commission to reject Alushapes request that they now also move away from previously accepted and investigated methods of cost allocation.

Alushapes has grossly exaggerated the difficulty and cost of producing what they have called “micro” extrusions.

It is also important to note that we reject Alushapes claim that JSA applies “flat pricing”. JSA applies surcharges to a range of extrusions where the degree of difficulty, recovery rate and volume fall outside what we consider an average extrusion. Flyscreen frame is not such a product.

(3) Production Lines

We will allow others to judge “the comment reveals a market ignorance of the extrusion processes and how extrusion businesses are set up and run”, other than to say that after 20 years of establishing and running a profitable extrusion business, supplying high quality extrusions with minimal reject rate, we find the statement questionable.

We note that Alushapes states that it is not commonplace for micro extrusions to be run on large extrusion presses, yet in their own application they state that they can extrude sections up to 220mm diameter. This completely contradicts their own assertion.

(4) Limited production range

JSA reasserts that it is rare for an aluminium extruder to focus on a limited size or product range. Other than those few overseas extruders that produce high spec. **true** micro extrusions for medical applications etc., most extruders produce a large range of extrusions, as is the case in Australia.

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Alushapes statements regarding the comparison between State influenced command economies compared to free enterprise democratic countries is an outdated generalization and bears no resemblance to the realities of the extrusion industry in modern China, nor JSA's privately owned situation.

Once again, we will allow others to judge whether JSA has an "understanding of the manufacture of aluminium extrusions".

Yours sincerely,



Craig Cordukes
General Manager