

7 April 2020

The Director
Investigations 3
Anti-Dumping Commission
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Melbourne Victoria 3001

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Public File

Dear Sir/Madam

Investigation No. 543 – Continuation of measures on aluminium extrusions exported from The People’s Republic of China – Submission by Classic Blinds and Shutters

I. Background

I refer to the recent submission by Classic Blinds and Shutters (“CB&S”) (EPR Document 006).

II. Investigation periods

Capral Limited (“Capral”) respectfully disagrees with many, if not all, of the assertions made by CB&S which are very selective and conveniently fail to disclose the full context of Capral’s position at any point in an investigation. This is highlighted by the reference to Investigation 482 (review of measures inquiry) with an investigation period of 1 July 2017 to 30 June 2018. The investigation period in this continuation of measures investigation is 1 January 2019 to 31 December 2019 – some 18 months following Investigation 482. Capral experienced a significant deterioration in profits and profitability in 2019 as imports – including from China – increased. Comments referenced by CB&S concerning Capral’s economic performance relate to the earlier period ending June 2018 and do not reflect more recent and contemporary trends (i.e. deterioration in profits and sales).

III. Local manufacture

CB&S accuses Capral of not attempting “to create business opportunities with small and mediums businesses” (sic). Capral strongly refutes this accusation and considers that CB&S statement seeking “competitive pricing” from Capral and other Australian industry members is directly linked to the unfairly priced imports with which Capral and other members of the industry are not able to compete with.

IV. Public Interest provision

CB&S has referenced the public interest tests of other administrations. Australia has an in-built mechanism that operates via the “lesser duty rule” to not impose measures at a level above what is necessary to remove the injury from dumping. There is, of course, some exceptions to this principle including where the government in the exporting country significantly influences prices and costs in that market (e.g. China). Investigation 543 is not an investigation into a ‘public interest’ provision.

V. Prima facie evidence

CB&S has criticised Capral’s *prima-facie* assessment of normal values and consequent dumping margins in its application for the continuation of measures against exports of aluminium extrusions from China.

Capral has followed the same methodology adopted by the Anti-Dumping Commission (“the Commission”) in investigations¹ involving China since measures were imposed in Report 148. It is curious that CB&S states Capral’s pricing data “must be discredited” due to Capral not having access to the “level of GOC and SOE pricing involvement” when the government of China (“GOC”) has failed to cooperate and provide insight into the extent of its influence in the aluminium extrusions industry in all investigations including Investigation 148.

CB&S fails to acknowledge the substantial evidence available to investigating administrations (not just Australia) that have been satisfied as to the extent of the GOC’s interference in the aluminium extrusions industry.

VI. LME movements

A further criticism referenced by CB&S relates to Capral’s data of LME price movements as referenced in Investigation 543. CB&S does not acknowledge that exporters the subject of the measures reviewed in Investigation 482 have reflected revised measures in final selling prices on the Australian market. Capral notes that two Chinese exporters are not the subject of the measures and are therefore not impacted by the applicable measures and hence export prices from these exporters would reflect LME price trends.

Capral rejects the assertion by CB&S that the data in its application for the continuation of measures (Investigation 543) was not reliable and has been sourced by Capral from the same organisation as the Commission.

VII. Government of China subsidies

Capral welcomes the concession by CB&S that “*many countries provide subsidies for aluminium production and GOC involvement in this worldwide scheme is somewhat of a larger proportion*”. The investigation by the Commission will address the imbalance provided by the GOC that benefits Chinese exporters’ lower export prices that can be attributed to those subsidies and the dumping of aluminium extrusions exported to Australia. It is evident that there is recognition that the subsidies exist and the purpose of the current investigation is to ensure that unfair prices do not continue to cause material injury to the Australian industry.

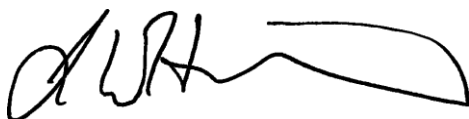
VIII. Conclusions

The submission by CB&S fails to take account of all the relevant information available to the Commission in determining the applicable variable factors to be applied to Chinese exporters of aluminium extrusions in an anti-dumping investigation. CB&S comments reflect a select window across an expansive period that commenced with the dumping of aluminium extrusions exported at dumped and subsidised prices in 2009. CB&S comments are not reflective of actual data and periods of investigation considered by the Commission.

CB&S has suggested changes to the effective duty rates mechanism. Capral notes that the measures once imposed cannot be reviewed for a twelve-month period and the EPR system provides a level of improved transparency that achieves adequate disclosure of the Commission’s investigation process.

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

Yours sincerely



Luke Hawkins
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¹ Refer Reports No. 248, 287, 392 and 482.