

19 June 2020

Mr Gavin Crooks  
Assistant Director  
Investigations 3  
Anti-Dumping Commission  
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Melbourne Victoria 3000

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Dear Mr Crooks

**Investigation No. 544 – Review of variable factors - Aluminium Extrusions exported from Malaysia and Vietnam**

I. Background

Anti-dumping measures applicable to certain exporters from Malaysia and Vietnam as imposed by the then Assistant Minister following Investigation No. 362 were based upon an investigation period of 1 July 2015 to 30 June 2016.

This review of variable factors investigation period is 1 January 2019 to 31 December 2019. A period of two-and-a-half years has passed following the end of the original investigation period to the commencement of the current investigation period in Investigation 544. Over this period, in addition to significant movements in the LME price for aluminium<sup>1</sup> of approximately 20 per cent, there has also been increases in other consumables, employee labour costs and the annual rates of inflation.

II. Increases in CPI

As indicated, the original investigation period in Investigation 362 was 1 July 2015 to 30 June 2016. Over the next three year period, inflation in Malaysia has increased. The following Table depicts annual rates of inflation since 2015/16.

**Table 1 – Malaysia annual CPI<sup>2</sup>**

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

Source: *Tradingeconomics*.

<sup>1</sup> See Capral submission dated 26 March 2020, EPR Document No. 002.

<sup>2</sup> Inflation.eu Worldwide inflation data

A similar position is reflected in the inflation rate in Vietnam Table 2 reflects the rates of inflation in Vietnam from 2017 to 2019.

**Table 2 – Vietnam annual CPI<sup>3</sup>**

Year	Annual inflation
2017	5.2%
2018	2.2%
2019	2.2%

Source: *Tradingeconomics*.

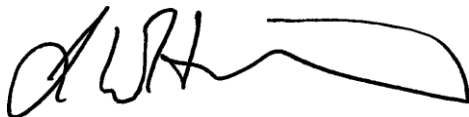
Labour rates and energy prices, along with maintenance supplies and operating costs incurred by manufacturers in Malaysia and Vietnam would reflect the inflationary increases evident following the original 2015/16 investigation period of Investigation 362, and should be considered by the Commission in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

According to *Tradingeconomics*<sup>4</sup> the average Malaysian wage in manufacturing increased from MYR 37,800 in 2016 to MYR 44,400 in 2019 (an increase of 17.4 per cent). It is Capral's expectation that the increased wages bill for Malaysian aluminium extruders would be reflected in the 2019 manufacturing costs supplied by the cooperative exporters. In respect of Vietnam the average wage in manufacturing has increased from VND 61,464 in 2017 to 70,488 in early 2019<sup>5</sup>.

It is requested that the Commission take account of the increased costs for the production of aluminium extrusions in the review of variable factors Investigation No. 544.

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  
General Manager – Supply and Industrial Solutions

<sup>3</sup> Inflation.eu Worldwide inflation data

<sup>4</sup> See [tradingeconomics.com/malaysia/wages-in-manufacturing](https://tradingeconomics.com/malaysia/wages-in-manufacturing)

<sup>5</sup> Data not available for Vietnam beyond Jan 2019.