

23 October 2020

Mr Gavin Crooks
Assistant Director
Investigations 3
Anti-Dumping Commission
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Dear Mr Crooks

Investigations No. 544 - Review of variable factors - Aluminium Extrusions exported from Malaysia and Vietnam – Aus Star Holdings International Pty Ltd Importer Verification Report

I refer to the Aus Star Holdings International Pty Ltd (“Aus Star”) importer verification report (“the report”) at EPR Document No. 015 in Investigation No. 544 (“Invest 544”).

Capral Limited (“Capral”) provides the following comments concerning the report.

I. Level of cooperation

The Anti-Dumping Commission (“the Commission”) identified Aus Star’s reluctance to “*disclose the identity of all of its extrusions suppliers on account of it being unclear as to how this information was relevant to the verification process*”. The Commission confirmed that Aus Star’s position to prevent the Commission from validating “*a material volume of sales*” required the Commission to consider data that may not be relevant to the determination of export prices for Aus Star.

Capral, however, considers that Aus Star’s reluctance to provide the relevant and necessary information should have resulted in the Commission ruling that the information provided by Aus Star was unreliable.

II. Sales completeness

The Commission was unable to confirm that sales listing provided by Aus Star for the subject goods was complete and reliable listing of imports from Vietnam. As Aus Star “does not record the sales of goods from its various suppliers in separate cost of goods sold accounts” it was not possible for the Commission to identify what sales of imported goods from Vietnam were made by Aus Star.

As such, it is Capral’s view that the sales of Aus Star’s imports from Vietnam cannot be reliably determined based upon the limited information available from the importer.

III. Cost verification

The Commission was provided with a claimed complete listing of imports by Aus Star for the subject goods imported from Vietnam. The Commission states that it was able to validate costs associated with the shipments. Capral challenges whether the claimed SG&A costs which are “Based on the relevant

sales to total sales as percentage of revenue” can be considered reliable given Aus Star’s reluctance to disclose information about other sales of imports (other than from Vietnam) by Aus Star.

IV. Arms length sales

The Commission confirmed that Aus Star purchases its imports of the goods from an unrelated party from Vietnam. This import trader acts as an “intermediary” between the Vietnamese exporter East Asia Aluminium Company Limited (“EAA”) and Aus Star. The Commission further confirmed that of the twelve shipments selected for verification, only two were assessed as profitable and, overall, the shipments were considered to have been at a loss.

Aus Star’s reluctance to disclose certain sales information compounded the Commission’s ability to fully assess the arms-length nature of Aus Star’s purchases from Vietnam.

The Commission then assessed the likelihood of recovery of the losses on the sales of product sourced from EAA of Vietnam. The Commission concluded that “*it is likely these costs will be able to be recovered within a reasonable time*”. The Commission had regard to the price paid by the importer and other “related importation and selling costs” to arrive at this conclusion. As the Commission could not be satisfied as to the reliability of the complete information from Aus Star in relation to its imports, it is not clear to Capral that the Commission could reasonably be satisfied that the sales by EAA to Aus Star can be treated arms-length in nature. The stated reference to Aus Star’s financial tax records establishing that the importer did not incur overall losses, does not address the losses incurred on the goods under investigation.

The Commission’s conclusion on the arms-length nature of Aus Star’s purchases from EAA is incorrect and its reliance on the overall tax records of the entity is unreasonable (particularly given Star Aus’ reluctance to fully cooperate).

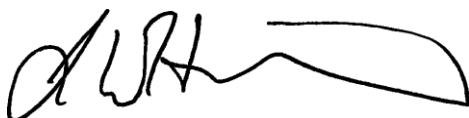
V. Conclusion

Capral submits that the Commission’s conclusion on sales from EAA to Star Aus as arms-length in nature is unreliable based upon the lack of full disclosure of information provided by Star Aus.

Capral requests the Commission to re-examine Star Aus’ purchase of the goods from EAA of Vietnam and determine that the sales are “non arms length”. In the absence of full disclosure of reliable information by Star Aus this is the only conclusion that can be arrived at.

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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