

23 November 2020

Mr Gavin Crooks
Assistant Director
Investigations 3
Anti-Dumping Commission
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PUBLIC FILE

Dear Mr Crooks

Investigations No. 544 - Review of variable factors - Aluminium Extrusions exported from Malaysia and Vietnam – Alumac Industries Sdn Bhd Exporter Verification Report

I refer to the Alumac Industries Sdn Bhd (“Alumac Industries”) exporter verification report (“the report”) at EPR Document No. 017 in Investigation No. 544 (“Invest 544”).

Alumac Industries was the applicant company in the review of variable factors in Investigation 490 (Investigation period 1 July 2017 to 30 June 2018). The Anti-Dumping Commission (“the Commission”) did not conduct an on-site verification visit with Alumac Industries, and was limited to a desk audit verification.

Capral Limited (“Capral”) has reviewed Alumac Industries exporter verification report in Investigation 544 and provides the following comments.

I. Related party sales

It is noted that Alumac Industries has related party sales to two domestic customers:

- Alumac Marketing Sdn Bhd (Alumac Marketing); and
- Alumac Trading Sdn Bhd (Alumac Trading).

The Commission examined the selling prices to the two related parties and determined the following¹:

Selling prices to these related parties were assessed having regard to domestic sales of other sellers of like goods, in sales of similar specifications that were found to be arms length transactions.

From this analysis it was found that Alumac Industries’ selling prices to related parties were comparable with prices of relevant domestic sales of like goods to other sellers. Based on this analysis, it was not found that prices to related parties appeared to be influenced by the relationship. In addition, there was no evidence found of any consideration payable in respect of

¹ Investigation 544, EPR Document No. 017, Section 3.2, P.8-9.

the goods besides the price, or of reimbursements. As such, these sales were considered to be arms length transactions and have been included in the assessment of the normal value based on domestic selling prices.

Respectfully, Capral does not consider that in the conduct of a remote verification, the Commission would be able to do anything more than compare selling prices provided by Alumac Industries for its related party sales for comparison with non-related party sales. The Commission is unable to confirm whether Alumac Marketing or Alumac Trading receive – from Alumac Industries – compensation post sale for their sales to unrelated customers of the subject goods. It is Capral’s view that the Commission stating that it has found no other considerations payable is somewhat hollow when this cannot be fully validated.

It is Capral’s position that the Commission should require full details of any payments made (or credits provided) to all parties (including the related parties).

II. Verification of CTMS Accuracy

Capral welcomes the Commission’s instance that the allocation of certain costs (labour and machining costs) be revised and correctly allocated to reflect actual production costs for certain products.

Capral notes that Alumac Industries incurred costs for “an anodising service” and that it also incurred “outsourced costs” The report contains minimal detail of these expenses, although it would appear that machining costs have been outsourced. Capral is concerned as to whether these costs have been fully disclosed and that incurred costs have been correctly allocated to the goods to which the service applies. Capral agrees with the Commission’s assessment that all costs associated with the precision cutting of the and transportation costs are correctly identified and allocated.

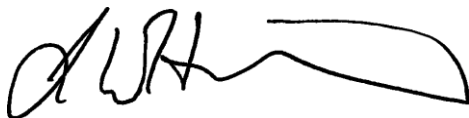
It is not clear from the report whether Alumac Industries is anodising goods on behalf of third parties.

III. Conclusion

Capral requests the Commission to further assess the sales by Alumac to its related party affiliates to assess whether any other consideration has been made to the affiliated parties in relation to sales of the subject goods.

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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