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7 January 2021

Director Operations 3
Anti-Dumping Commission
GPO Box 1632
Melbourne VIC 3001

Received 7 January 2021

Review of measures into aluminium extrusion exported from Vietnam

Dear Director,

This submission is made on behalf of East Asia Aluminium (EAA) in response to the preliminary findings contained in Statement of Essential Facts 544 (SEF 544).

Form of measure

SEF 544 determines that EAA's dumping margin for the review period was less than 2% and therefore de minimis. Whilst it is accepted that de minimis margins are only relevant to termination of the original investigation, EAA submits that its negligible dumping margin is relevant to the consideration of the form of measure.

It is broadly accepted that positive dumping margins that are de minimis and less than 2%, could not have caused 'material' injury to the industry. This view is reflected in the requirement for termination of an investigation where an exporter's dumping margin is found to be de minimis. Despite the termination provisions not applying in a review of measures, it is still the case that an exporter's de minimis margin could not have caused 'material' injury to the local industry.

On the basis that EAA's exports did not cause material injury to the local industry during the review period, it is reasonable for the Commission to consider imposing the least onerous measure that adequately addresses the effects of dumping and does not go further than is necessary to attain it. Understandably, Capral continues to argue for the combination method of duty as the preferred form of measure, as it introduces a minimum price control which works as an effective barrier to entry into the Australian market.

In EEA's particular circumstance, where its exports price have not caused or contributed to 'material' injury to the industry, the imposition of a minimum floor price goes well beyond addressing the effects of dumping. Accordingly, EAA urges the Commission to consider recommending that its future exports be subject to an ad valorem measure, which would sufficiently remove the effects of negligible dumping.

Issues raised by Capral

Reliability of EAA information

In its submissions to the review and in response to the SEF 544, Capral questions the accuracy of EAA's submitted data and attempts to introduce doubt about the reliability of the determined normal values and export prices. There is no basis to Capral's assertions.

In EAA's exporter questionnaire, it fully disclosed all costs and sales information relevant to both the domestic and export market. This included detailed information relevant to related parties involved in the export sales transactions. During the verification process, EAA was able to demonstrate and reconcile its submitted data to its audited financial statements.

With respect to the related party, EAA was able to reconcile submitted data through to its ledger accounts and down to source documents. Reconciliation to audited statements was not possible, as the entity is not required to maintain audited financial statements given its shell company status of the relevant jurisdiction.

Assertions raised by Capral in its submissions must be dismissed by the Commission, as they are without foundation and merely attempt to question the integrity of EAA and the capability of the Commission.

Adjustments

Capral also raises the prospect of an upward adjustment to the normal values, which captures the SG&A and profit of the "trader" related party. No such adjustments are required as the Commission has correctly noted in SEF 544 that it *'does not consider there to be any additional selling, general and administration (SG&A) or profit in relation to the export sales, not already captured and reported by EAA to the Commission.'*

Yours sincerely

John Bracic