



ANTI-DUMPING NOTICE NO. 2021/119

Customs Act 1901 – Part XVB

Aluminium extrusions exported from Malaysia and the Socialist Republic of Vietnam

Initiation of Continuation Inquiry No. 591 into Anti-Dumping Measures

Notice under section 269ZHD(4) of the *Customs Act 1901*

I, Dr Bradley Armstrong PSM, the Commissioner of the Anti-Dumping Commission (Commissioner), have initiated an inquiry into whether the continuation of anti-dumping measures in respect of aluminium extrusions (or ‘the goods’) exported to Australia from Malaysia and the Socialist Republic of Vietnam (Vietnam), is justified.

The anti-dumping measures are in the form of a dumping duty notice (Malaysia and Vietnam) and a countervailing duty notice (Malaysia only). The anti-dumping measures are due to expire on 27 June 2022 (the specified expiry day).¹

The Anti-Dumping Commission (Commission) has assisted me in initiating this continuation inquiry and will assist me in undertaking the continuation inquiry, pursuant to the commission’s function specified in section 269SMD of the *Customs Act 1901*.²

1. The goods

The goods subject to the anti-dumping measures and this inquiry are:

Aluminium extrusions produced via an extrusion process, of alloys having metallic elements falling within the alloy designations published by The Aluminium Association commencing with 1, 2, 3, 5, 6 or 7 (or proprietary or other certifying body equivalents), with the finish being as extruded (mill), mechanical, anodized or painted or otherwise coated, whether or not worked, having a wall thickness or diameter greater than 0.5 mm, with a maximum weight per metre of 27 kilograms and a profile or cross-section which fits within a circle having a diameter of 421 mm.

The goods under consideration include aluminium extrusion products that have been further processed or fabricated to a limited extent, after aluminium has been extruded through a die. For example, aluminium extrusion products that have been painted, anodised, or otherwise coated, or worked (e.g. precision cut, machined, punched or drilled) fall within the scope of the goods.

¹ On and from 28 June 2022, if not continued, the anti-dumping measures would no longer apply.

² All legislative references in this notice are to the *Customs Act 1901*, unless otherwise stated.

The goods do not extend to intermediate or finished products that are processed or fabricated to such an extent that they no longer possess the nature and physical characteristics of an aluminium extrusion, but have become a different product.

The goods are generally, but not exclusively, classified to the following tariff subheadings of Schedule 3 to the *Customs Tariff Act 1995*.³

Tariff classification (Schedule 3 of the <i>Customs Tariff Act 1995</i>)			
Tariff code	Statistical code	Unit	Description
7604.10.00	06	Kg	Non alloyed aluminium bars, rods and profiles
7604.21.00	07	Kg	Aluminium alloy hollow angles and other shapes
7604.21.00	08	Kg	Aluminium alloy hollow profiles
7604.29.00	09	Kg	Aluminium alloy non hollow angles and other shapes
7604.29.00	10	Kg	Aluminium alloy non hollow profiles
7608.10.00	09	Kg	Aluminium tubes and pipes, not alloyed
7608.20.00	10	Kg	Aluminium tubes and pipes, alloyed
7610.10.00	12	Kg	Aluminium doors, windows and their frames and thresholds for doors
7610.90.00	13	Kg	Other aluminium structures and parts thereof

Table 1: Tariff classification

2. Background to the anti-dumping measures

The anti-dumping measures were imposed by public notice on 27 June 2017 by the then Assistant Minister for Industry, Innovation and Science and Parliamentary Secretary to the Minister for Industry, Innovation and Science following consideration of *Anti-Dumping Commission Report No. 362 (REP 362)* (the original investigation).

The original investigation and the imposition of the anti-dumping measures resulted from an application made under section 269TB by Capral Limited (Capral), representing the Australian industry producing like goods.

The anti-dumping measures are applicable to all exporters from Malaysia, with the following exceptions:

- The dumping duty notice does not apply to Milleon Extruder Sdn Bhd, Superb Aluminium Industries Sdn Bhd, Kamco Aluminium Sdn Bhd, LB Aluminium Berhad, Press Metal Sdn Bhd and Genesis Aluminium Industries Sdn Bhd.⁴
- The countervailing notice does not apply to the above listed exporters, Alumac Industries Sdn Bhd and EverPress Aluminium Industries Sdn Bhd.⁵

The anti-dumping measures in the form of a dumping duty notice are applicable to all exporters from Vietnam.

³ These tariff classifications and statistical codes may include goods that are both subject and not subject to the anti-dumping measures. The listing of these tariff classifications and statistical codes are for convenience or reference only and do not form part of the goods description. Please refer to the goods description for authoritative detail regarding goods subject to the anti-dumping measures.

⁴ The original investigation was terminated with respect to these exporters. Further information is available in *Termination Report No. 362*, available on the commission's website.

⁵ Following review nos. 490, 509 and 544. Further information is available on the commission's website.

Further details on the goods and existing measures are available on the Dumping Commodity Register on the commission's website (www.adcommission.gov.au).

3. Application for continuation of the anti-dumping measures

Division 6A of Part XVB sets out, among other things, the procedures to be followed in dealing with an application for the continuation of anti-dumping measures.

In accordance with section 269ZHB(1), I published a notice on the commission's website on 25 June 2021.⁶ The notice invited the following persons to apply for the continuation of the anti-dumping measures:

- the person whose application under section 269TB resulted in the anti-dumping measures (section 269ZHB(1)(b)(i)) or
- persons representing the whole or a portion of the Australian industry producing like goods to the goods covered by the anti-dumping measures (section 269ZHB(1)(b)(ii)).

On 24 August 2021, the commission received an application for the continuation of the anti-dumping measures from Capral. A non-confidential version of the application is available on the commission's public record.

Having regard to the application, the original investigation and the public record for the original investigation, I am satisfied that:

- Capral is the person under section 269ZHB(1)(b)(i) because its application under section 269TB resulted in the existing anti-dumping measures and
- Capral is the person under section 269ZHB(1)(b)(ii) because it is an Australian producer of aluminium extrusions.

4. Consideration of application under section 269ZHD(1)

Pursuant to section 269ZHD(1), I must reject an application for the continuation of anti-dumping measures if I am not satisfied of one or more of the matters referred to in section 269ZHD(2). These matters are whether:

- the application complies with section 269ZHC (see section 269ZHD(2)(a)) and
- there appear to be reasonable grounds for asserting that the expiration of the anti-dumping measures to which the application relates might lead, or might be likely to lead, to a continuation of, or a recurrence of, the material injury that the measures are intended to prevent (see section 269ZHD(2)(b)).

5. Assessment under section 269ZHD(2)(a) - compliance with section 269ZHC

I consider that the application complies with the requirements of section 269ZHC as it:

- is in writing
- is in a form approved by me for the purposes of that section
- contains the information that the form requires
- is signed in the manner indicated by the form and
- was lodged in a manner approved under section 269SMS, being by email to the commission's email address provided in the instrument under section 269SMS.⁷

⁶ [Anti-Dumping Notice No. 2021/079](#) refers.

⁷ A copy of the instrument is on the commission's website, www.adcommission.gov.au.

6. Assessment under section 269ZHD(2)(b) - reasonable grounds

As part of its application, Capral provided Australian Bureau of Statistics (ABS) import data for the goods to demonstrate that Malaysian and Vietnamese producers of aluminium extrusions continue to export the goods to Australia. Capral's estimates of export prices are based on the ABS data.

Capral constructed normal values using the prevailing London Metals Exchange (LME) price for aluminium ingot on a monthly basis (sourced from Argus Metals). This was adjusted for the Major Japanese Port (MJP) premium, a billet premium, plus amounts for conversion, packaging, selling and general administration, and profit.

Applicant's claims

In its application, Capral claims, among other things, that:

- In the absence of the measures the dumping and subsidisation of exports of aluminium extrusions to Australia will continue or recur.
- The recent findings in the Review of Measures 544 (REP 544)⁸ confirms that Malaysian and Vietnamese exporters have continued to export at dumped and injurious prices, although dumping measures have been in place.
- A comparison of *prima facie* normal values and export prices suggest that the exports of aluminium extrusions to Australia from Malaysia and Vietnam have been at dumped prices in 2020/21.
- Exports of aluminium extrusions from Malaysia and Vietnam have continued since the measures were imposed in 2017 and exporters from these two countries have maintained distribution links into the Australian market.
- Malaysia is the second largest source of imports into Australia, and imports from Malaysia and Vietnam have increased considerably since measures were imposed.
- Import volumes from Vietnam were approximately 330% higher in 2020/21 than immediately following the imposition of measures in 2017/18.
- The increase in volumes can be attributed to the measures not reflecting contemporary pricing levels for aluminium extrusions.
- LME and MJP premium prices in 2020/21 are higher than in the review period in REP 544 (the 2019 calendar year), and therefore the current measures are less than is required to remove injury.
- Normal values are below contemporary selling prices for aluminium extrusions and therefore there exists an incentive to export excess production to obtain contributions to overall operating costs.
- Contrary to escalation in metal costs, export prices are relatively stable or in the case of Vietnam have declined in 2020/21.
- Exporters from Malaysia and Vietnam continue to have excess capacity to supply the Australian market (established in REP 362).
- Exporters subject to the decision in REP 362 have likely exported at dumped prices in 2020/21 resulting in a recurrence of material injury to the Australian industry.
- To make up for short-term recovery in 2021 following shipping uncertainty, exporters will likely expedite export volumes to capitalise on a recovery at the expense of the Australian industry.
- REP 362 confirmed that the dumped prices from Malaysia and Vietnam substantially influenced the Australian industry's prices – this is likely to recur

⁸ [Commission Electronic Public Record \(EPR\) 544](#) refers.

- (given falling export prices for Vietnam) should the measures expire.
- The Australian market for aluminium extrusions is transparent with a high level of price sensitivity.
 - The commission's recent Reports 540, 541, 543 and 544 confirm that the Australian industry is vulnerable to the injurious effects of dumping (and subsidisation).
 - Should measures expire Capral would be required to match the injurious prices in order to maintain production and sales volumes and would likely experience a reduction in prices, which would reduce profits and profitability.
 - In the event of the anti-dumping measures expiring, the Australian industry will suffer and be threatened with a recurrence of material injury that the measures were intended to prevent.

My consideration of the application

I have examined the information I obtained from the Australian Border Force (ABF) import database and found that exporters from Malaysia and Vietnam have continued to export the goods to Australia since the imposition of the anti-dumping measures. This confirms that manufacturers in Malaysia and Vietnam have maintained distribution links into the Australian market.

I examined Capral's approach to constructing normal values and estimating export prices of aluminium extrusions exported from Malaysia and Vietnam. Given the limited amount of information that is publicly available, I consider that the method that Capral has used to construct a normal value is reasonable. The quarterly export prices that Capral provided, based on ABS import data, also appear adequate for the purpose of its application.

The export price estimated by Capral for Malaysia is slightly lower than the average Free on Board export price reported in the ABF import database for the goods exported during the 12 months to 30 June 2021. For the same period, Capral's estimated export price for Vietnam is slightly higher than the prices reported in the ABF import database.

My analysis of the ABF import database indicates that the volume of goods exported from Malaysia and Vietnam (and other countries) has risen since the imposition of the measures. My analysis of the ABF import database is in **Confidential Attachment 1**.

I also compared Capral's normal value calculations to the weighted average normal values established in REP 544. Capral's normal value calculation is on average higher than that established in REP 544. Using Capral's estimated export price and estimated normal value suggests that dumping has occurred. My analysis on normal value and export price is in **Confidential Attachment 2**.

It was during the latest review (REP 544) that I found aluminium extrusion exports continued to Australia from Malaysia at dumped prices by some exporters. This was during the period 1 January 2019 to 31 December 2019. I also found that the largest exporter from Vietnam exported the goods at dumped prices during the same period. Accelerated review no. 577 (REP 577), also found exports of aluminium extrusions at dumped prices during the more recent period of 1 January 2020 to 31 December 2020.

I did not find Malaysian producers of aluminium extrusions to have been in receipt of countervailable subsidies during the review periods for REP 544 or REP 577. However, the commission did find countervailable subsidies in REP 362. I am of the understanding that these countervailable programs are still in place and may still be available to Malaysian exporters.

I note the findings in REP 362 that the Australian industry suffered injury from dumped and subsidised prices in the forms of price depression, price suppression, reduced profits and profitability, and reduced capital expenditure. Capral’s application stated that due to a high level of price transparency and pricing sensitivity, imports at injurious prices have a broad and pervasive impact on industry prices.

To remain competitive, Capral has claimed that the Australian industry must respond to the price of imported products by matching “the injurious prices” in order to maintain production and sales volumes which may lead to reduced profits and profitability. Capral provided an example of such price undercutting in a confidential attachment to its application.

In addition to the aluminium extrusions market in Australia being price sensitive, it is also expanding. The below figure, taken from the analysis in **Confidential Attachment 1**, shows an increasing quantity of aluminium extrusions being imported to Australia.

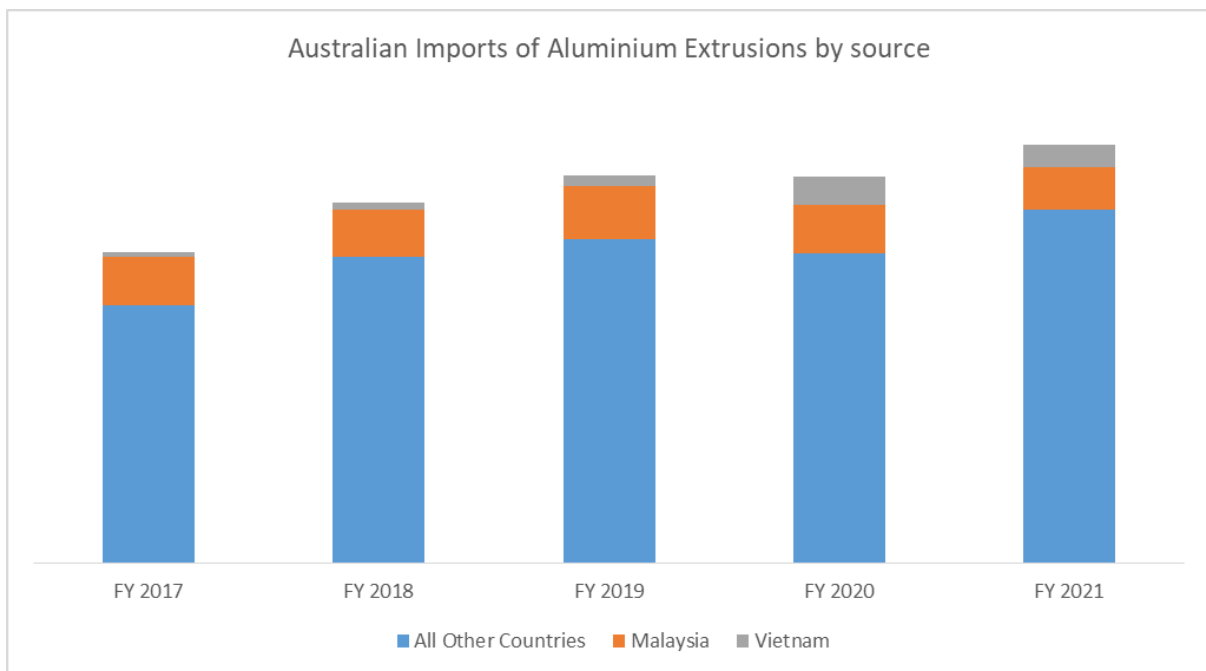


Figure 1: Volume of imports

With the size of the aluminium extrusions market in Australia increasing, evidence provided by Capral indicates that its revenue and sales quantity for aluminium extrusions declined from 2017 to 2019. There was a slight increase in revenue and sales quantity in 2020. Production levels and overall company revenue followed a similar trend.

Conclusion

Having regard to the application, Capral’s claims and other relevant information set out in this notice, I am satisfied that, in accordance with section 269ZHD(2)(b), there appear to be reasonable grounds for asserting that the expiration of the anti-dumping measures might lead, or might be likely to lead, to a continuation of, or a recurrence of, the material injury that the measures are intended to prevent.

Further, I am satisfied that, in accordance with section 269ZHD(2)(a), the application complies with section 269ZHC.

Accordingly, I have therefore decided to not reject the application.

7. This continuation inquiry

For the purposes of this inquiry, I will examine the period from 1 July 2020 to 30 June 2021 (the inquiry period) to determine whether dumping (Malaysia and Vietnam) and subsidisation (Malaysia only) have occurred and whether the variable factors relevant to the determination of duty have changed.

Following my inquiry, I will recommend to the Minister for Industry, Science and Technology (the Minister) whether the notice(s) should:

- (i) remain unaltered; or
- (ii) cease to apply to a particular exporter or to a particular kind of goods; or
- (iii) have effect in relation to a particular exporter or to exporters generally, as if different variable factors had been ascertained; or
- (iv) expire on the specified expiry day.

8. Proposed model control code structure

The commission undertakes model matching using a Model Control Code (MCC) structure to identify key characteristics that will be used to compare the goods exported to Australia and the like goods sold domestically in the country of export.⁹ In developing the MCC structure the commission will have regard to differences in physical characteristics that give rise to distinguishable and material differences in price.

The table below outlines the commission's proposed MCC structure for this inquiry.

Category	Sub-category	Sales data	Cost data
Finish	A Anodised	Mandatory	Mandatory
	BD Bright dip		
	M Mill		
	PC Powder coating		
	MC Mechanical		
	W Wood grain		
Alloy code	6A 6060, 6063	Mandatory	Optional
	6B 6106		
	6C 6101, 1350, 6082, 6351, 6061		
	6D 6005A		
	O Other ¹⁰		
Temper code	T1 T1, T4, T5, T6	Optional	Optional
	T50 T591, T595, T52		
	O Other ¹¹		
Anodising microns	0 Not anodised	Optional	Optional
	1 <20 µm		
	2 >20 µm		

Table 2: Proposed MCC structure

⁹ Further information regarding the application of MCC structures is provided at Chapter 14 in the Anti-Dumping Commission *Dumping and Subsidy Manual*, available at www.adcommission.gov.au.

¹⁰ Specify alloy code and temper code.

¹¹ Ibid.

Proposals to modify the proposed MCC structure should be raised as soon as is practicable, but no later than **22 October 2021**.

Interested parties are encouraged to make a submission on whether any proposed modifications to the MCC structure should be accepted by the commission. Any changes to the MCC structure will be considered by the commission and reported in verification reports or in the statement of essential facts (SEF).

9. Public record

I must maintain a public record for this inquiry. The Electronic Public Record (EPR) hosted on the commission's website (www.adcommission.gov.au) contains, among other things, a copy of all non-confidential submissions from interested parties. Documents hosted on the EPR can be provided upon request to interested parties.

10. Submissions

I invite interested parties, as defined in section 269T(1), to lodge written submissions with me concerning the continuation of the measures, no later than close of business on **22 October 2021**, being 37 days after the date of publication of this notice. The commission's preference is to receive submissions by email to investigations1@adcommission.gov.au.

Submissions may also be addressed to:

The Director, Investigations Unit 1
Anti-Dumping Commission
GPO Box 2013
Canberra ACT 2601

Interested parties wishing to participate in the inquiry must ensure that submissions are lodged promptly. Interested parties should note that I am not obliged to have regard to a submission received after the date indicated above if to do so would, in my opinion, prevent the timely placement of the SEF on the public record.

Interested parties claiming that information contained in their submission is confidential, or that the publication of the information would adversely affect their business or commercial interests, must:

- (i) provide a summary containing sufficient detail to allow a reasonable understanding of the substance of the information that does not breach that confidentiality or adversely affect those interests, or
- (ii) satisfy me that there is no way such a summary can be given to allow a reasonable understanding of the substance of the information.

Submissions containing confidential information must be clearly marked 'OFFICIAL: Sensitive'. Interested parties must lodge a non-confidential version or a summary of their submission in accordance with the requirement above (clearly marked 'PUBLIC RECORD').

11. Statement of essential facts

The dates specified in this notice for lodging submissions must be observed to enable me to report to the Minister within the legislative timeframe. I will place the SEF on the public

record on or before **4 January 2022**,¹² that is, within 110 days after the publication of this notice, or by such later date as I may allow in accordance with section 269ZHI(3).¹³

The SEF will set out the essential facts on which I propose to base a recommendation to the Minister concerning the continuation of the anti-dumping measures.

I invite interested parties to lodge submissions in response to the SEF within 20 days of the SEF being placed on the public record. I will take into account submissions received in response to the SEF within 20 days of the SEF being placed on the public record when completing my report and recommendation to the Minister. The email and physical addresses at which submissions can be lodged in relation to the SEF are the same as those specified above under the section titled 'Submissions'.

12. Report to the Minister

I will make a recommendation to the Minister in a report on or before **17 February 2022**, that is, within 155 days after the date of publication of this notice, or such later date as I may allow in accordance with section 269ZHI(3).¹⁴

The Minister must make a declaration within 30 days after receiving the report, or if the Minister considers there are special circumstances, such longer period, ending before the specified expiry day, as the Minister considers appropriate. If the Minister receives the report less than 30 days before the specified expiry day, the Minister must make the declaration before that day.

13. Contacting the commission

Enquiries about this notice may be directed to the case manager on +61 3 8539 2408 or investigations1@adcommission.gov.au.

Dr Bradley Armstrong PSM
Commissioner
Anti-Dumping Commission
15 September 2021

¹² Note that 110 days from the date of initiation is 3 January 2022. As this day is a public holiday, the deadline becomes the next business day, 4 January 2022.

¹³ On 14 January 2017, the powers and functions of the Minister under section 269ZHI were delegated to the Commissioner. Refer to ADN No. 2017/10 for further information.

¹⁴ Ibid.