

17 February 2022

Mr Ben Merlin  
Assistant Director  
Investigations 1  
Anti-Dumping Commission  
GPO Box 2013  
Canberra ACT 2601

Dear Mr Merlin

**For Public File**

**Investigation No. 591 – Aluminium extrusions exported from Malaysia and Vietnam – Imports from Malaysia and Vietnam**

I. Background

We refer to Capral Limited's ("Capral") submission dated 15 December 2021 concerning the likelihood of continued dumping by exporters in Malaysia and Vietnam the subject of continuation investigation No. 591.

Capral has obtained updated imports data to November 2021 that confirms the continued importations of aluminium extrusions in the second half of 2021 that are benefiting from the lower variable factors that apply when contrasted with current normal values.

II. Recent trends in imports

Capral noted in its 15 December 2021 submission that imports of aluminium extrusions from Malaysia had increased following Investigation No. 362 and that due to the variable factors having been determined based upon domestic prices in 2019, it is likely that exporters the subject of measures in Invest No. 362 had increased export volumes to Australia due to the low values reflected in variable factors<sup>1</sup>.

Similarly, the increased export volumes from Vietnam in 2020 and 2021 reflect low variable factors that do not provide effective relief from dumping due to aluminium costs and aluminium extrusion prices being higher in 2020/21. As a consequence, the import volumes from Vietnam have increased following imposition in 2017.

The increasing trends in import volumes at dumped prices from both Malaysia and Vietnam indicate that the anti-dumping measures are required to prevent a recurrence of material injury that is considered "likely" should the measures be allowed to expire.

III. Price sensitivity

The market for aluminium extrusions is price sensitive with customers freely moving to cheaper import options that appear attractive due to rising aluminium costs that are not reflected in variable factors. Capral has highlighted in its application that Vietnamese export prices to Australia for aluminium extrusions declined across the four quarters from July 2020 to 30 June 2021. This downward trend is

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<sup>1</sup> That is, the variable factors applicable to exporters the subject of Invest 362 that were reviewed in Invest 544 based upon factors applicable in 2019, are significantly lower than the variable factors applicable in 2020/21.

inconsistent with the increase in aluminium prices across the period and contrasts with export prices from Malaysia across the same period that remained relatively stable (and in fact increased by the end of the period)<sup>2</sup>.

IV. Invest 544 – most recent review

The review of measures in Invest 544 was considered necessary to align the original variable factors with substantial increases in primary aluminium prices. Capral observed an increase in export volumes from Malaysia and Vietnam as the variable factors became outdated. It is considered that exporters in Malaysia and Vietnam that are presently the subject of measures would utilise existing distribution channels to swiftly increase exports to Australia again should the measures be allowed to expire.

V. Future material injury

Capral's application noted that cooperative Malaysian exporters PMB Aluminium Sdn Bhd and EverPress Aluminium Industries Sdn Bhd (and uncooperative exporters) had continued to export to Australia (refer Invest 544) at dumped prices. Exporters in Vietnam were found to have dumping margins of 1.9 per cent – marginally below negligible levels.

It was further noted that in the original Investigation (Invest 362), Vietnam seeling prices were the lowest in the Australian market – demonstrating a preparedness to reduce prices to secure sales. This same willingness to secure sales is likely should the measures expire (as exporters have maintained distribution links into Australia).

It must also be recalled that the Anti-Dumping Commission (“the Commission”) confirmed in Invest 362 that the cooperative exporters (Malaysian and Vietnamese) had an overall capacity utilisation rate – confirming that exporters possessed ample free capacity to increase export volumes to Australia. Capral is not aware of changes in unused production capacity in any degree in either Malaysia or Vietnam and anticipates the exporters continue to operate at less than full utilisation rates and can increase supply to Australia if required.

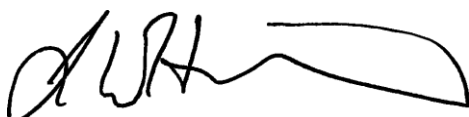
Capral re-affirms its position that the anti-dumping measures applicable to exports of aluminium extrusions to Australia continue to be required. As exporters in Malaysia and Vietnam have continued to export at dumped prices (whilst the measures were in place) is considered highly likely that should the measures expire material injury will recur or, be threatened, and the Australian industry will again experience price undercutting from the dumped exports.

VI. Recommendation

Capral requests the Commissioner to recommend to the Minister that he take steps to ensure the anti-dumping measures on aluminium extrusions exported from Malaysia and Vietnam do not expire on 27 June 2022.

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

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<sup>2</sup> Refer Table 4 of Capral's Continuation of Measures Application (P. 4).