

19 March 2019

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Anti-Dumping Commission
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Public File

Dear Mr Mantynen

Exemption Investigation No. 0068 – Concrete Formwork Technology – submission by CFT

I refer to EPR Document No. 009 (submission by Concrete Formwork Technologies Pty Ltd (“CFT”) dated 12 March 2019).

Capral Limited (“Capral”) notes the comments made on behalf of the applicant – essentially questioning Capral’s quotation associated with tooling costs for the production of the goods the subject of the exemption application. It is further submitted that Capral’s costs “do not reflect tooling costs and refunds appropriate to small businesses of the size and with the stock requirements such as CFT.” It is then argued by CFT (on basis of Capral’s quotation) that “... we submit that Capral does not offer the Goods on equal terms as compared to the rest of the Australian industry.”

Subsection 8(7) of the *Dumping Duty Act* permits the Minister to exempt goods from interim dumping duty where:

- “(a) *that like or directly competitive goods are not offered for sale in Australia to all purchasers on equal terms under like conditions having regard to the custom and usage of trade;*”

It is not disputed by CFT that Capral does not supply like goods. What is under challenge is whether Capral supplies the goods under the second leg of subsection 8(7)(a) of the *Dumping Duty Act*. It is Capral’s view that it does supply the subject goods “to all purchasers on equal terms under like conditions having regard to the custom and usage of trade”.

Capral offers for supply to the Australian market the subject goods and does not provide different terms for different customers. Capral’s supply position for the goods is consistent with its supply for aluminium extrusions to the whole Australian market. It therefore cannot be disputed that Capral does not supply the goods on the same terms to all customers on the Australian market. The CFT submission is contending that as Capral’s offer for the supply of the goods involves tooling costs and refunds that are not the same as its competitors, an exemption under the second leg of subsection 8(7)(a) is available. This is not correct. CFT’s grounds that Capral’s offer is “too expensive” is not the test under subsection 8(7)(a). Capral has provided CFT with a genuine offer for supply that is consistent with its supply requirements for goods requiring new dies and a return on that die.

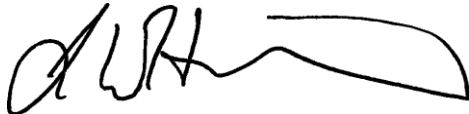
Capral is a supplier of aluminium extruded product to small and large customers. CFT's infers that Capral does not quote on a "reasonable" basis and does not consider "*the size and requirements of the business making the order*". Capral rejects this suggestion. Capral would draw to the attention of CFT the findings in recent Statement of Essential Facts No. 482 ("SEF 482") where the Commission has found in the most recent review investigation period (i.e. 1 July 2017 to 30 June 2018) that Capral has experienced price suppression which has impacted its profit and profitability.

Capral therefore rejects the arguments presented by CFT that it does not offer like goods to all purchasers on the Australian market on equal terms under like conditions having regard to the trading conditions on the Australian market. Capral does carefully consider its supply proposition and is mindful that it offers goods consistent with the requirements of subsection 8(7)(a).

Capral again reiterates that it can supply the goods required by CFT that are the subject of Exemption application 0068. Capral again requests the Commission not to recommend to the Minister an exemption from the measures that apply to exporters of aluminium extrusions in China.

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