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Anti-Dumping Commission
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AUSTRALIAN
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COUNCIL LTD

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Dear Commissioner

Re: Investigations No. 540 and 541 – Mill Finish and Surface Coated Aluminium Extrusions exported from Malaysia

The Australian Aluminium Council (the Council) welcomes the opportunity to make a supporting statement with regard to Case Numbers 540 and 541.

The Australian aluminium industry has been operating in Australia since 1955 and has been a significant contributor to the Australian economy since this time. The industry is globally comparatively young and well maintained. The industry includes five bauxite mines (>10 Mt per annum), six alumina refineries and four aluminium smelters. Australia is the world's largest producer of bauxite and largest exporter of alumina, and the sixth largest producer of aluminium. As such, the industry should be considered as three processes which each have their own globally significant standing. Australia's aluminium industry is a key employer and contributor in the communities in which we operate. In 2019 we:

- Directly employed more than 14,500 people;
- Provided income for another 40,000 families;
- Paid \$1B in wages, at a rate nearly double the Australian manufacturing average;
- Spent more than \$4 B in our local communities; and
- Contributed more than \$15B to the Australian economy in export revenue.

Within the regions in which the industry operates, there is not only high-quality direct employment at mines, refineries and smelters, but also the opportunities for local manufacturers to grow where the aluminium industry provides a baseline of work on which they can then build.

It is important to recognise Australia's electricity intense manufacturing sector is facing intense near-term challenges securing and maintaining internationally competitive energy contracts. The COVID-19 pandemic has underscored the importance of electricity intense manufacturing domestically, both in terms of economic and employment contribution, supporting a productive and resilient economy.

The crisis has also demonstrated the advantages of not only the ability to value add within an almost exclusively domestic supply chain but also the importance of local industry which provides the underpinning market for our dependent contracting and manufacturing sector. This sector was able to pivot to meet rapidly changing domestic needs such as sanitiser, face shields and ventilators. Energy intensive industry provides not only current regional jobs, but also supports the smart Australian jobs of the future.

While Australia exports the majority of the primary aluminium it produces, around 120,000 tonnes of it is further manufactured domestically. This is an important market for billet from Australian smelters. Every tonne of imported extrusion material impacts on the Australian portfolio and ultimately their cash margin.

The Australian extrusion market in total is estimated at around 190,000 tonnes. Australia's nine extruders have a nameplate capacity of 150,000 tonnes, however at the moment around 30,000 tonnes is idled. Support for the Australian aluminium manufacturing sector could see a growth in domestic production; and more jobs for Australians.

The Australian Aluminium Council therefore would support the Commissioner take account of the increased costs for the production of aluminium extrusions in the Investigations 540 and 541.

If you have any further questions about this supporting statement, please do not hesitate to contact me.

Yours sincerely,



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