

Isolde Lueckenhausen
Acting Anti-Dumping Commissioner
Anti-Dumping Commission
GPO Box 2013
Canberra ACT 2600
investigations@adcommission.gov.au

11 November 2024

Dear Ms Lueckenhausen,

Re: Continuation Inquiry 657 - Aluminium extrusions from China

The Australian Aluminium Council (the Council) represents Australia's bauxite mining, alumina refining, aluminium smelting and downstream processing industries. The aluminium industry has been operating in Australia since 1955, and over the decades has been a significant contributor to the nation's economy. The industry includes six large bauxite mines plus several smaller mines which collectively produce around 100 Mt per annum making Australia one of the world's largest producers of bauxite. Australia is the world's largest exporter of alumina with five alumina refineries producing around 20 Mt per annum of alumina. Australia is the seventh largest producer of aluminium, with four aluminium smelters and additional downstream processing industries including more than 20 extrusion presses and production of metal powders and aluminium coatings. Aluminium is Australia's top manufacturing export. The industry directly employs more than 20,000 people, including 6,600 full-time-equivalent contractors. It also indirectly supports a further 55,000 families, predominantly in regional Australia. The integrated nature of bauxite mining, alumina refining, aluminium smelting and extrusion processes in Australia means that efficient and effective regulatory processes for each step are critically important to the ongoing operation of the overall system.

The Council understands that one of our Members, Capral Aluminium Pty Ltd (Capral) has made an application for anti-dumping measures against injurious exports from China to be extended beyond the existing expiry. As a supporting organisation dedicated to ensuring ongoing local Australian manufacturer of aluminium extrusions the Council fully supports Capral's application for a continuation of measures for a further five-year period.

Aluminium is one of the commodities most widely used in the global transition to a clean energy future¹. It is also recognised for its importance to both economic development and low emissions transition. Aluminium use is highly correlated with GDP, so as countries urbanise, per capita use of aluminium increases. It is expected that by 2050, global demand for aluminium will nearly double². While an increasing proportion will be met through recycled aluminium, there will still be a need for increased production of primary aluminium requiring a comparable increase in global bauxite mining and alumina refining rates.

The integrated bauxite, alumina, aluminium and downstream industry provides a sovereign capability that increases the value added contribution to the Australian economy. With products available in Australia, the Industry and other sectors are less reliant on primary and extruded aluminium products from international

¹ <https://www.worldbank.org/en/topic/extractiveindustries/brief/climate-smart-mining-minerals-for-climate-action>

² International Aluminium Institute High Substitution Scenario

sources. The local production of aluminium lowers logistic risks and improves the competitiveness of the vertically integrated Industry and other sectors.

For example, COVID- 19 disrupted the import supply chain for customers of extruded and fabricated aluminium. The significant disruption in shipping logistics meant many companies with international supply chains needed local solutions. Australian aluminium extruders were able to replace imported products with domestic production to avoid more significant impacts within other sectors, such as building and construction (including residential, commercial and industrial). Solar, rail, window and door products reverted to Australian-based production to supply their businesses and customers. Australian aluminium extruders also supplied critical market segments including defence, heavy transport, ship building, medical equipment, medical, energy and infrastructure projects. A strong domestic aluminium extrusion sector helps ensure that broader economic activity can continue in times of national crisis.

The vertically integrated aluminium industry can provide further sovereign capability and product reliability by minimising the dependency on foreign sourced long-term inputs used in the production of alumina and aluminium. By manufacturing production inputs within Australia, the Industry will provide additional value add and employment to the economy.

However, currently the unfair import competition in the downstream sectors of the industry is believed to be threatening future production and community outcomes. Downstream sectors of Industry are exposed to foreign competitors, that at times sell below the price of production. The Australian importation of extruded and fabricated aluminium has increased with the dumping of aluminium products that have subsidised production costs. The Department of Foreign Affairs and Trade have reported a steady increase in the importation of extruded aluminium and fabricated aluminium structures since 2010³. Anti-dumping measures on aluminium extrusion and fabricated products occur within international markets. Markets that apply an anti-dumping measure, such as import tariffs or quotas on aluminium extrusions, include the USA, UK, Europe Union, and Canada. These anti-dumping measures recognise that unfair trade practices are causing harm to domestic aluminium extruders.

The importation of extruded and fabricated aluminium from foreign sources that hold production subsidies reduce the market share of domestic producers. A reduction in the customer market share for domestic producers will reduce revenue, preventing future investment and production levels. As a result, the community will receive lower levels of value and reduced sovereign capability. The Council supports strong action by the Australian government to protect against cost subsidised imported aluminium. This should include further strengthening the trade remedies process to better protect domestic industries against these practices to ensure free and fair trade.

If you have any questions with regard to this letter of support or require any further information to assist you during the investigation into Capral's application. The Council looks forward to assisting the Commission with its inquiries as required and are happy to provide further information on any of the issues raised in this letter.

Kind regards,



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³ Department of Foreign Affairs and Trade, [Trade and statistical pivot table](#).