

PUBLIC RECORD



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The Director, Operations 2
Anti-Dumping Commission
5th Floor, Customs House
5 Constitution Avenue
CANBERRA ACT 2601

**Re: Dumping investigation ADC 225
Copy paper exported from China
Appropriate form for the dumping measures**

The following submission addresses the question of the appropriate form for any antidumping measures to be imposed on copy paper imports from China.

USP and NIP:

Australian Paper has made a submission to the Commission in respect of unsuppressed selling price (USP) and non-injurious price (NIP) suggesting two options for the USP: Option 1 suggested was the company's full weighted average cost to make and sell the goods in the period Jan-Jun 2013 plus the profit achieved on domestic sales of the goods sold domestically in the period Jan-Jun 2010. Option 2 suggested was the company's full average net sales revenue for the goods in the period Jan – Jun 2010. The NIP would then be the unsuppressed selling price less into-store costs, sea freight costs and duty. No allowance should be made for Australian agent costs because these are covered by the manufacturer or its head office rather than by a mark-up on the goods.

The Jan-Jun 2013 FOB export price as reported in official Australian import statistics for imports of the goods from China was [REDACTED] or, alternatively, as reported by Chinese official export statistics was [REDACTED]. The non-injurious price thus calculated is [REDACTED] above the FOB price.

Dumping Margin:

In its application, Australian Paper has demonstrated a dumping margin above [REDACTED] in June 2013.

Chinese domestic ex-works selling prices and normal values:

Also in its application, Australian Paper has reported, for the June quarter 2013, Chinese ex-works domestic net prices (including VAT) of RMB [REDACTED]/ream or [REDACTED] from different suppliers, with the supplier which is responsible for the highest volume of exports to

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Australia priced at [REDACTED] ex-works. The normal value calculated was approximately [REDACTED] above the domestic ex-works net price excluding 17% VAT.

There is a price and normal value difference of around [REDACTED] between the cheapest and most expensive of the Chinese export grade copy papers sold domestically.

Discussion of Measures:

Since the non-injurious price we have calculated is less than the June quarter 2013 normal value, this suggests the non-injurious price may prevail in setting anti-dumping measures.

The variation between manufacturers and between different labels for the one manufacturer suggests that a single floor price may not be appropriate.

The effects of a fixed duty (\$/t) and those of an ad-valorem (%) duty would not be expected to be materially different, so, on balance, Australian Paper would favour the ad-valorem method as being easier to administer and also for Australian Paper to track the prices and duty paid.

Undertakings:

Australian Paper would strongly oppose provision of an undertaking in lieu of dumping duties, as past experience has been that this course results in an application to have the undertakings removed at the first legal opportunity on the basis that dumping is no longer occurring (which was the point of the undertaking anyway), leading to costs for both Australian Paper and the Commission to reinvestigate as well as business disruption to Australian Paper and to Importers in allocating the considerable time and effort required to prepare for and respond to the reinvestigation.

If acceptance of an undertaking were being seriously considered by the Commission as an alternative to an ad valorem or fixed duty, Australian Paper strongly suggests that a floor price set at the non-injurious price would achieve the same end – that the importer pays no duty on imports which are not dumped.

Indexing of a floor price:

Unfortunately, the Australian legislation and regulations do not provide for indexing of a floor price as permitted in the EU. If this were possible, a floor price indexed in part to the world short fibre pulp price and in part to a suitable Chinese manufacturing cost index would perhaps be appropriate if a CTMS-based normal value were proposed rather than a domestic price based normal value.

Summing up:

Australian Paper favours an ad-valorem duty based on the normal values and FOB export prices prevailing in the half-year to June 2013. A serious question which remains to be answered is what the real FOB price is, given that, as previously notified, a significant gap has opened between the Australian official import FOB and the Chinese official export FOB prices.

Garry Jones

Planning & Development Manager

Australian Paper