



Australian Government
**Australian Customs and
Border Protection Service**

**REVIEW OF ANTI-DUMPING MEASURES
APPLYING TO
CONSUMER PINEAPPLE AND FOOD SERVICE AND
INDUSTRIAL PINEAPPLE
EXPORTED TO AUSTRALIA FROM
THAILAND
VISIT REPORT
THAI PINEAPPLE CANNING INDUSTRY CORP LTD**

**THIS REPORT AND THE VIEWS OR RECOMMENDATIONS CONTAINED
THEREIN WILL BE REVIEWED BY THE CASE MANAGEMENT TEAM AND
MAY NOT REFLECT THE FINAL POSITION OF CUSTOMS AND BORDER
PROTECTION**

February 2013

COMMERCIAL IN CONFIDENCE

1 CONTENTS

1	CONTENTS.....	2
2	BACKGROUND.....	4
2.1	Background to the current investigation.....	4
2.2	Purpose of meeting.....	5
2.3	Meeting and preliminary issues.....	6
2.4	Meeting dates and attendees.....	7
3	COMPANY INFORMATION.....	9
3.1	Company background.....	9
3.2	Commercial operations.....	10
3.3	Accounting.....	11
4	GOODS UNDER CONSIDERATION AND LIKE GOODS.....	13
4.1	The goods.....	13
4.2	Tariff classification.....	Error! Bookmark not defined.
4.3	Tariff classification.....	Error! Bookmark not defined.
4.4	Like Goods.....	Error! Bookmark not defined.
5	EXPORT SALES.....	14
5.1	General.....	14
5.2	Export sales process.....	15
5.3	Pricing.....	16
5.4	Export sales verification - reconciliation to financial statements and source documents.....	17
5.5	The exporter.....	21
5.6	The importer.....	22
5.7	Arms' length.....	22
5.8	Export price preliminary assessment.....	23
6	DOMESTIC SALES.....	24
6.1	Market.....	24
6.2	Levels of trade.....	Error! Bookmark not defined.
6.3	Ordering.....	Error! Bookmark not defined.
6.4	Pricing and terms.....	Error! Bookmark not defined.
6.5	Domestic sales verification.....	Error! Bookmark not defined.
6.6	Arms' length.....	Error! Bookmark not defined.
6.7	Ordinary course of trade.....	Error! Bookmark not defined.
7	COST TO MAKE & SELL.....	25
7.1	Introduction.....	25
7.2	Cost to make and sell.....	25
7.3	Verification of cost to make.....	Error! Bookmark not defined.
7.3.1	Reconciliation to financial statements.....	Error! Bookmark not defined.
7.3.2	Production volume.....	Error! Bookmark not defined.
7.3.3	Verification of cost to make.....	Error! Bookmark not defined.
7.3.3.1	Verification of iron ore costs.....	Error! Bookmark not defined.
7.3.3.2	Verification of coal costs.....	Error! Bookmark not defined.
7.3.3.3	Verification of direct labour costs.....	Error! Bookmark not defined.

COMMERCIAL IN CONFIDENCE

7.3.3.4	Verification of electricity costs	Error! Bookmark not defined.
7.3.3.5	Verification of depreciation costs	Error! Bookmark not defined.
7.4	Selling, general and administration (SG&A) expenses	Error! Bookmark not defined.
7.5	Cost to make and sell – summary	28
8	<i>THIRD COUNTRY SALES</i>	30
9	<i>ADJUSTMENTS</i>	31
9.1	Credit terms	Error! Bookmark not defined.
9.2	Domestic warranty expenses	31
9.3	Advertising expense	Error! Bookmark not defined.
9.4	Domestic inland transport	Error! Bookmark not defined.
9.5	Payment guarantee charge	Error! Bookmark not defined.
9.6	Export inland transport and handling charges	Error! Bookmark not defined.
10	<i>NORMAL VALUE</i>	33
10.1	Constructed normal values	Error! Bookmark not defined.
10.2	Conclusion on normal value	33
11	<i>DUMPING MARGINS</i>	Error! Bookmark not defined.
12	<i>OTHER MATTERS</i>	Error! Bookmark not defined.
13	<i>LIST OF APPENDICES AND ATTACHMENTS</i>	Error! Bookmark not defined.

COMMERCIAL IN CONFIDENCE

2 BACKGROUND

2.1 Background to the current measures

Anti-dumping measures were first imposed on certain pineapple products exported from Thailand on 18 October 2001. All exporters of consumer pineapple from Thailand were subject to interim dumping duties. All exporters of Food Services Industry (FSI) pineapple were also subject to the goods with the exception of FSI pineapple exported by Malee Sampran Public Co.

2.1.1 Consumer pineapple

Following a decision of the Federal Court in April 2008 measures applying to exports of consumer pineapple from Thailand by TPC lapsed.

Subsequent to an application submitted by Golden Circle in 2011, measures were imposed on consumer pineapple exported from Thailand by TPC. International Trade Remedies Report 173b (REP 173b) refers.

2.1.2 FSI Pineapple

On 28 September 2006 the Minister accepted the recommendation of Customs and Border Protection to continue anti-dumping measures for a further five years following consideration of an application for continuation inquiries and reviews into consumer and FSI pineapple. Trade Measures Report No 111 ("REP 111") refers. Different variable factors were fixed at this review.

On 14 October 2011 the Minister accepted the recommendation of Customs and Border Protection to continue anti-dumping measures for a further five years with the variable factors fixed at a different rate to those determined in the 2006 review. Trade Measures Report No. 172c ("REP 172c") refers. The period of review was 1 January 2010 to 31 December 2010.

Only one exporter from Thailand, Kuiburi Fruit Canning Co Ltd ("KFC") cooperated with the 2011 review of anti-dumping measures relating to FSI pineapple.

Measures in relation to both FSI and consumer pineapple are due to expire on 14 October 2016, subject to any continuation inquiry or revocation.

2.2 The current review of measures

2.2.1 Consumer Pineapple

On 3 December 2012, Siam Agro-Food Industry Public Company Limited (SAICO), a wholly owned subsidiary of TPC and an exporter of consumer pineapple, lodged an application requesting both a review of the variable factors (export price and normal value) and a revocation review of the anti-

COMMERCIAL IN CONFIDENCE

dumping measures applying to consumer pineapple exported to Australia from Thailand by TPC.

The CEO decided not to reject the application, the reasons for which are set out in Consideration Report No. 195 (CON 195). CON 195 is available at www.customs.gov.au. A notice indicating that it is proposed to conduct a review of the measures was published in The Australian on 19 December 2012.

The review of measures comprises both a review of the variable factors, being the export price, normal value and non-injurious price (the variable factors review), and a review to determine whether current measures as they apply to TPC are no longer warranted (the revocation review). The review period is 1 October 2011 to 30 September 2012.

2.2.2 FSI

On 10 December 2012, Tipco, an exporter of FSI pineapple from Thailand, lodged an application requesting a variable factors review and a revocation review of the anti-dumping measures applying to FSI pineapple exported to Australia from Thailand by Tipco.

The CEO decided not to reject the application for a review of variable factors. However the CEO decided to reject the application for a revocation review on the basis that the supporting evidence provided by the applicant and other relevant information, did not constitute reasonable grounds for asserting that dumping measures are no longer warranted and for a revocation review to be initiated.

The reasons for the initiation of a variable factors review, and rejection of the revocation review application, are set out in Consideration Report No. 196 (CON 196). CON 196 is available at www.customs.gov.au. A notice indicating that it is proposed to conduct a review of variable factors was published in The Australian on 19 December 2012.

The review period is 1 October 2011 to 30 September 2012.

2.2.3 Extension of reviews

On 16 January 2013 the Minister for Home Affairs agreed to extend the scope of the review of measures in relation to both FSI and consumer pineapple to cover all exporters of FSI and consumer pineapple in Thailand.

2.3 Purpose of meeting

The purpose of the visit was to verify information contained in TPC's questionnaire responses and, where appropriate, obtain and verify additional information relevant to determining normal values and export prices in respect of consumer canned pineapple produced and exported to Australia by TPC and FSI pineapple produced by SAICO.

COMMERCIAL IN CONFIDENCE

This report should be read in conjunction with TPC's submissions.

A non-confidential version of the exporter questionnaire responses was placed on the public record.

Customs and Border Protection will use the verified information gathered at the visit to make preliminary assessments of, inter alia, the contemporary values of variable factors under investigation in relation to consumer and FSI pineapple exported to Australia from Thailand.

Specifically, in relation to consumer pineapple, Customs and border protection will use the verified information to produce preliminary assessment of:

- export prices;
- potential appropriate bases for the determination of normal values; and
- issues associated with the claim that measures are no longer warranted (that is, the bases for the claim for the revocation of measures)

Customs and Border protection will use the verification and assessment of the variable factors listed above to determine preliminary dumping margins with respect to the goods under consideration exported to Australia by TPC.

As is discussed in greater detail below, in relation to FSI pineapple, Customs and Border Protection will use the information provided by TPC to clarify details of prospective exports of FSI pineapple to Australia by TPC including, the preliminary determination of correlative normal values for the product types intended for export to Australia.

2.4 Meeting and preliminary issues

2.4.1 Preliminary matter

Customs and Border Protection note that TPC/SAICO have been visited previously in the context of the original investigation and subsequent continuation enquiries, and investigation 173, pursuant to which the measures currently in force were applied (see above).

In all past instances, Customs and Border Protection have found TPC to be fully cooperative and, the information provided with respect to the GUC to be reliable and complete.

In undertaking the visit Customs and Border Protection was satisfied that the history of verification of TPC's commercial operations with respect to the GUC mitigated the need to conduct a complete verification of certain aspects of TPC's commercial operations such as its commercial structures and production processes.

COMMERCIAL IN CONFIDENCE

The documented verification history also allowed Customs and Border Protection to focus certain aspects of verification related to cost to make and sell to consider specific elements. This will be discussed in greater detail below.

2.4.2 Details of the reviews

We confirmed that TPC was aware of the following details:

- The investigation period for both FSI and consumer pineapple is 1 October 2011 to 30 September 2012.
- A statement of essential facts will be placed on the public record in relation to each separate review by 8 April 2013 or such later date as the Minister allows.
- In each instance, the statement of essential facts will set out the material findings of fact on which Customs and Border Protection intends to base its recommendations to the Minister with respect to the review of variable factors and revocation of measures.
- The statement of essential facts will invite interested parties to respond, within 20 days, to the issues raised. Submissions received in response to the statement of essential facts will be considered when compiling the report and recommendations to the Minister.
- Customs and Border Protection's reports to the Minister in relation to both FSI and consumer pineapple reviews are due no later than 23 May 2013, unless an extension to the statement of essential facts is approved by the Minister.

We advised TPC that we would prepare a confidential report on the visit, a copy of which would be provided to them to provide them opportunity to review the report for accuracy. TPC was also advised that a non-confidential version of this visit report would be prepared in consultation with the company and placed on the public record.

2.5 Meeting dates and attendees

Verification meetings were held at the offices of TPC which are located in Bangkok in Thailand.

As reflected below, TPC were represented by the principal of Roger Simpson and Associates, Mr Roger Simpson.

All representatives of the company, as well as all company employees involved in the visit had strong written and verbal English language comprehension, as well as Thai.

As such official translation services were not required at any stage of the meeting.

The following people were present at various stages of the meeting:

COMMERCIAL IN CONFIDENCE

Company name:	Thai Pineapple Canning Industry Corp., Ltd (TPC)
Address:	50 Sukhumvit 21 Road 17 th Floor GMM Grammy Place North Klonggtoey Wattana Bangkok Thailand
Contact Numbers:	66 2 665 9333
Company representatives:	Ms Ghanyapad Tantipipatpong Director SAICO Mr Natchanon Theerawarodom, Chief accountant Mr Roger Simpson, Roger Simpson and Associates
Customs:	John Bracic Edward Macgregor
Date	12-15 February 2013

COMMERCIAL IN CONFIDENCE

3 COMPANY INFORMATION

3.1 Company background

3.1.1 Historical Corporate Structure

We note that, when measures were first imposed in 2001 TPC was recognised as an individually operated privately owned company established in Thailand in 1967. We understand that TPC was the first company in Thailand to process pineapple products.

In December 2005, TPC bought 90.69% of Siam Agro Industry Pineapple and Others Public Company Limited.

The corporate structure of TPC and SAICO was rationalised in 2010 in order to increase efficiencies in production and management across both companies. Specifically, TPC was restructured so that it became a holding company in SAICO and the operation of TPC was transferred under the official corporate purview of SAICO.

Following the 2010 restructure, the organization became known as the Siam Agro-Food Industry Public Company Limited (SAICO). We understand that, following this restructure, SAICO became recognised commercially as the 4th largest pineapple processor in the world.

We note that the affiliation between TPC and SAICO and the corporate restructure which streamlined TPC's commercial operations under SAICO, were noted by Customs and Border Protection's previous visit to TPC/SAICO in the context of investigation 173, pursuant to which measures were imposed on consumer pineapple exported from Thailand by TPC (the measures currently in force).

3.1.2 Current corporate structure

We confirmed with SAICO/TPC that there have been no further significant changes to the corporate structure of SAICO in relation to the commercial operations of TPC.

For the purposes of the visit and this report, we are satisfied that it is appropriate to characterise TPC to be a corporate limb of SAICO (the principle commercial entity), notwithstanding that beneficial ownership of SAICO, by way of majority shareholding, is held by TPC.

We are satisfied that SAICO and TPC are the same corporate entity.

3.2.3 Distinction between SAICO and TPC with respect to the GUC

COMMERCIAL IN CONFIDENCE

Notwithstanding the above, we confirmed that there is a distinction between SAICO and TPC associated with the production and sale of consumer and FSI pineapple.

Specifically, we confirmed that all consumer pineapple exported by the SAICO/TPC is produced at the same production facility (explained in more detail below) and is exported Australia (and other countries) under the TPC trading name due to the standing commercial reputation of TPC with respect to consumer pineapple. As is discussed in greater detail below, there is a standing internal arrangement established between SAICO and TPC whereby consumer pineapple bound for export is [REDACTED]

SAICO advised that, notwithstanding the corporate reality that SAICO and TPC are the one commercial entity, [REDACTED]

On this basis we are satisfied that, for the purposes of this report all appropriately refer to TPC rather than SAICO.

Conversely, in relation to FSI pineapple, we confirmed with SAICO that all prospective exports of FSI pineapple to Australia would be negotiated, administered and represented as export sales of SAICO. As such, discussion regarding the production and potential export of FSI pineapple to Australia will refer to SAICO rather than TPC.

3.2 Commercial operations

3.2.1 General

We have confirmed that the core business of TPC remains the sale of canned pineapple, pineapple juice concentrate, and pineapple sauce products. We understand that SAICO's operations are more diversified and comprise a wide variety of manufactured goods.

SAICO's head office is at 50 Sukhumvit 21 Road, 17th Floor, GMM Grammy Place Klongtoey Nua, Wattana, Bangkok 10110 Thailand

As referred to above, SAICO operates two production facilities in Thailand, located at Pranburi and Rayong. The Pranburi facility is referred to as the 'TPC factory' whilst the Rayong facility is referred to as 'SAICO factory'. We confirmed that these references do not reflect any distinction of ownership and are merely superficial short-hand names.

3.2.2 Production of the GUC

COMMERCIAL IN CONFIDENCE

TPC provided a summary explanation of the production process with respect to the consumer pineapple produced at the TPC factory and FSI pineapple produced at the SAICO factory. These are included as **confidential attachment GEN XX**.

In summary, we understand the total production process of canned pineapple fruit to comprise 56 distinct stages from receipt of the primary raw material through to the storage and delivery of the final product, canned and labelled.

For the purposes of this report, we confirmed with TPC that the production process can be summarised into three general categories of production which comprise different incremental stages of the 56 point process comprehensively outlined in TPC's production process diagram. The general stages of production are thus:

- 1) *Fruit processing:*
- 2) *Canning*
- 3) *Labelling and final product delivery*

3.2.2 Site visit

After due consideration of the logistical efforts required to conduct a site visit of the Rayong or Panburi facilities, we decided that a site visit would not be of sufficient benefit relative to the potential sacrifices of time available for verification of substantive data provided by TPC.

3.2.9 Production capacities and actual rates of production

TPC have advised that, during the review period, the Panburi and Rayong facilities achieved a combined actual production of [REDACTED] metric tons (MT) of all fruit product, including the GUC— equating to roughly [REDACTED]% of total production capacity.

Of the total volume of the GUC sold by TPC during the investigation period, [REDACTED] MT ([REDACTED]%) was exported to Australia and [REDACTED] MT ([REDACTED]%) was sold to third country export markets.

3.3 Accounting

TPC's accounting period is 1 January to 31 December. Its financial records are held at its head office. TPC's financial management information system is based on the SAP platform.

TPC's accounting methods are described at section A-4 to its submission. TPC provided copies of the audited financial statements for the previous two completed accounting periods for SAICO with its submission.

COMMERCIAL IN CONFIDENCE

Both sets of financial statements were audited by KPMG Poomchai Audit Ltd, indicating that the financial statements represent fairly the financial position of the company.

The auditor's opinion was expressed in the following terms:

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position as at 31 December 2011 and 2010, and the results of operations and cash flows for the years then ended of Siam Agro-Food Industry Public Company Limited, in accordance with general accepted accounting principles

COMMERCIAL IN CONFIDENCE**4 GOODS UNDER CONSIDERATION AND LIKE GOODS****4.1 The goods**

4.1.1 Consumer pineapple

The goods under consideration (GUC) are of pineapple fruit, prepared or preserved in containers not exceeding 1 litre.

The tariff classification for pineapple fruit, prepared or preserved in containers not cans not exceeding 1 litre is 2008.20.00/26.

4.1.2 FSI Pineapple

The goods the subject of the application (the goods) are pineapple prepared or preserved in containers exceeding one litre (FSI pineapple).

The goods are classified to tariff subheading 2008.20.00, statistical code 27 and 28 in Schedule 3 of the *Customs Tariff Act 1995 (Cth)* ("Tariff Act").

The general rate of duty for imports of pineapple fruit from Thailand is free.

COMMERCIAL IN CONFIDENCE

5 EXPORT SALES

5.1 General

5.1.1 FSI Pineapple

We confirmed that SAICO did not export any FSI pineapple to Australia during the review period.

We confirmed that SAICO’s application for review in relation to FSI pineapple was submitted for the purposes of determining contemporary variable factors, and the potential associated amendment of measures, in anticipation of future exports of FSI pineapple to Australia. SAICO also confirmed that, as part of the review, it wished to have measures adjusted to reflect that exports of FSI pineapple were made by SAICO rather than TPC, as currently reflected in the terms of the measures.

5.1.2 Consumer pineapple

During the investigation period TPC directly exported a total quantity of [REDACTED] Metric Tonnes (MT) of consumer pineapple to [REDACTED] separate companies registered in Australia:

- [REDACTED]
- [REDACTED]
- [REDACTED]

The table below summarises the total volume of consumer pineapple sold during the POI by customer and reflects the ratio of sales by customer in relation to the total volume of pineapple exported by TPC during the POI.

Customer	Total quantity (MT)	% of total GUC sold
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]

5.1.3 Overview of Australian export market

TPC’s Australian customers are either distributors who procure the goods for supply to downstream wholesale and retail markets within Australia ([REDACTED]) or large retail corporations who procure the goods for retail within their networks of affiliated grocery retail stores throughout Australia ([REDACTED]).

COMMERCIAL IN CONFIDENCE

From the data provided by SAICO, we note that all [REDACTED] of TPC's customers procure [REDACTED] product types – [REDACTED]-[REDACTED]-[REDACTED] – which represents [REDACTED]% of total quantity of the consumer pineapple exported to Australia during the review period. For completeness, we note that [REDACTED] alone procured the product types [REDACTED] – which represents roughly [REDACTED]% of total exported quantity of all product types.

We confirmed that TPC does not operate any agency or distributorship arrangements with any customers or other entities in the Australian domestic market.

5.2 Export sales process

5.2.1 General

TPC advised that its export sales process for all exports to Australia during the were standardised, with the only minor difference being that some sales were made by [REDACTED] process with Australian customers whilst others were made [REDACTED].

5.2.2 Summary of sales process

In summary, TPC explained that the process for all export sales was as follows:

- In the case of [REDACTED], contracts are executed with TPC [REDACTED].
- Sales terms are negotiated and crystallised in the terms of official supply contract between TPC and the particular customer – with respect to [REDACTED], pricing terms are negotiated directly [REDACTED].
- [REDACTED] and [REDACTED] negotiate price [REDACTED] as part of the contract negotiation process.
- The contract between TPC and the customer functions as a head of agreement under which multiple orders for individual transactions are administered between TPC and the customer;
- Orders are placed directly with TPC by the Customer or the customer's agent;

COMMERCIAL IN CONFIDENCE

Payment is required by electronic funds transfer, on the basis of either [REDACTED], [REDACTED] day or [REDACTED] credit terms, payable from the date of the relevant bill of lading.

- products are manufactured to order, or sold from existing inventory depending on the product specifications ordered and the volumes required;
- SAICO arranges transportation of the GUC from the warehouse to the port of export using trucks supplied by third party freight providers;
- SAICO invoices [REDACTED]

once delivered to the port of export, [REDACTED] retains beneficial ownership of the goods and incurs all expenses associated with packing and moving the goods from FAS basis to FOB point;

- goods are sold by TPC on FOB terms;
- beneficial ownership of the product passes from TPC to the Australian customer once the goods cross the guardrail of the vessel of export at the Thai port.

5.3 Pricing

TPC advised that contracts with Australian customers are usually negotiated [REDACTED].

Price is negotiated for the life of each supply contract taking into account a number of prevailing market conditions at the time of negotiation. Specifically, TPC explained that the price offered to Australian customers was correlative to the cost of the primary raw material – raw pineapple.

TPC advised that raw pineapple prices in Thailand are subject to fluctuation driven primarily by patterns of crop supply. As such, raw material price is directly linked to climatic variables which impact crop yield, both positively and negatively. TPC confirmed that, historically, the patterns of upward spikes in pineapple prices in Thailand have been directly linked to extreme weather patterns – most notably periods of drought in 2007 and 2010 which led to dramatic decrease in crop yield relative to demand.

As such, in its negotiations for the price of the goods for the contractual period TPC takes into account projected environmental variances and, to the extent possible, climate modelling.

TPC advised that it, in its price negotiation, it aims to set a price that takes into consideration potential cost fluctuations and which enables a gross profit

COMMERCIAL IN CONFIDENCE

margin of roughly ■%. TPC concede, however, that environmental forecasting is an inherently in-exact endeavour and there is an inherent risk that during the life of a contract costs can increase due to unexpected climatic extremes to the extent that sales price falls below cost.

5.3.1 Discounts, rebates and allowances

TPC stated in its response that it does not provide its Australian customers with discounts, rebates or allowances and that the price on the invoice is the price paid.

We found no evidence to indicate that this was not the case.

5.4 Export sales verification - reconciliation to financial statements and source documents

5.4.2 Verification (completeness and accuracy)

As part of its response to the exporter questionnaire, TPC provided a spread sheet reflecting, inter alia, the total turnover of the GUC, by volume and by value, to Australia during the POI.

We confirmed that the total volume and value reflected in the Australian export sales listing reconciled with the turnover spreadsheet.

We then asked TPC to demonstrate, by reference to management reports and the audited financial statements, that the turnover spread sheet and, by association, the export sales listing was complete and accurate.

TPC was able to satisfactorily demonstrate the accuracy and completeness of the data by providing a sales report extracted from the company's SAP system for the fourth quarter of 2011 and the first three quarters of 2012 (the review period) which was used to reconcile the total export value as reflected in SAP to the total export value reflected in the turnover spreadsheet (and, in turn, the export sales listing).

These SAP reports were captured in screenshots and are provided as **confidential attachment EXP 1**.

We were satisfied that the export sales to Australia shown in Attachment B4 are a full record of all sales to Australia in the investigation period.

5.4.2 Selected transactions

We note that each invoice number reflected in the Australian sales listing often comprised numerous individual transactions reflected in the listing on a line-by-line basis.

COMMERCIAL IN CONFIDENCE

As such, for prior to the visit, we selected 6 invoice numbers, which comprise sales to each of TPC's Australian customers, from the Australian Sales spreadsheet. We intentionally selected a mix of invoices which appeared to relate to single transactions and invoice numbers which comprise numerous sales listings to verify the accuracy of the listing.

We requested supporting commercial documents in relation to the following selected invoices:

Invoice number	Invoice date	Order number
091/54	10/02/2011	S90968408
095/54	10/03/2011	028987W/0
116/54	16/10/2011	152611016
126/54	19/10/2011	152611016
012/55	03/01/2012	S91641157
040/55	24/06/2012	S91995526

5.4.3 Source documentation requested

For each selected transaction we requested, and were provided with;

- Formal purchase order from the Australian Customer to TPC
- Commercial invoice from TPC to the Australian customer;
- invoice from [REDACTED];
- Complete bill of lading with respect to shipments;
- Evidence of bank charges, inland transport, export charges, other incidental shipping charges
- Evidence of proof of payment from the buyer to TPC in relation to selected invoices;

For each selected invoice we were able to trace sales volumes (in terms of total invoiced cartons and total net weight) and values using the commercial invoices and packing lists provided to individual or composite listings in export sales spreadsheet.

Documents obtained and verified relating to export sales are at **Confidential Attachment EXP 2**.

5.4.4 Payment terms

SAICO sells the goods to [REDACTED]. TPC advised that the price of goods between [REDACTED] in these transactions reflects ex-works value of the goods plus transport cost and a margin of profit. In relation to each transaction TPC provided invoices between [REDACTED] which confirmed that sales were made on an [REDACTED] basis in THB with payment terms of [REDACTED] days.

COMMERCIAL IN CONFIDENCE

For completeness, we calculated an approximate FAS sales price from the data provided in the export sales listing by subtracting all export expenses except inland transport. We calculated that the margin of difference between the FOB invoice price and calculated FAS value was roughly █% (█).

TPC sells the goods to its Australian customers █ on terms as noted, with various payment terms including █.

As noted, sales were invoiced in █. The significant majority of sales were invoiced in █.

TPC advised that commonly Australian customers will provide composite payment of a number of invoices. To provide proof of payment, for each transaction TPC provided TT confirmations of the total amount of payment from the from the customer to TPC. TPC also provided EFT remittance advices which enabled identification of individual invoices within the composite payment amount. For further assurance TPC also provided evidence of deposit of the total amount reflected in the TT confirmation into TPC's bank account in the relevant currency.

On this basis we are satisfied that the invoice price shown in the Australian Sales spreadsheet is reflective of value of individual transactions, which comprise the total contract price paid by the relevant customer.

5.4.6 Inland freight and export charges

We sought to confirm the inland and port and terminal handling charges.

Inland freight

As explained above inland freight cost is incurred by SAICO, and is reflected in the invoice value of █.

Freight costs were calculated separately on a line by line basis and were reflected in the export sales spreadsheet as 'inland transport' as a cost per kilogram. We confirmed that these amounts were not included in the calculated FOB price reflected in the sales listing.

TPC provided source documentation to demonstrate the basis for the methodology by which unit (THB/KG) freight cost were included in the sales listing.

For each selected invoice TPC provided the inland transport invoice from the freight company reflecting transport of composite invoices. Unit transport cost were allocated using the total inland transport cost for the cohort of invoices divided by the total gross weight transported. Each invoice reflected the license identification number of the vehicles used in transportation

COMMERCIAL IN CONFIDENCE

For each sales package TPC provided proof of payment from SAICO to the freight company reflecting composite payment for a number of transport invoices. TPC also provided a summary report of payments comprising the total value paid to the freight company. From the summary we were able to identify the relevant invoiced transportation by licence identification number.

Shipping/export charge

Export charge reflect charges incurred by TPC. A unit value (THB/KG) has been allocated on a line by line basis in the sales listing.

TPC advised that export charges were invoiced as a composite total reflecting with respect a number of individual shipments. As part of each sales package TPC provided evidence of the commercial invoice which identified the cohort of shipment invoice numbers for which charges were incurred.

We confirmed that unit export charge was allocated using the total value of export charges for the applicable cohort of invoices (net of VAT) divided by the total gross weight (in KG) of the shipments.

Shipping charges were calculated in a similar manner to export charges and inland freight using the value of shipping charges incurred divided by the total weight of the relevant invoice. In contrast to other export charges, TPC has used shipping charge values incurred in relation to each invoice number (and provided source documentation to support the values used).

We were satisfied with the basis of the methodology used by TPC to determine shipping and export charges reflected in the sales listing.

5.4.7 Bank Charges

Bank charges were reflected by TPC as credit expense.

Like shipping charges and inland freight, TPC had allocated a unit bank charge on a line by line by line basis using a formula which reflected total bank charges incurred in relation to the composite TT payment of invoices by the relevant Australian customer divided by the total weight of invoices comprising the total transferred amount.

For completeness, TPC advised that marginal errors had been made with respect to the calculation of bank charges for some of the sales packages. Specifically, the total value of bank fees had inadvertently been undervalued.

We confirmed however, that the difference in charge amount did not alter the allocated unit value. On this basis we were satisfied that this marginal clerical error was not significant.

COMMERCIAL IN CONFIDENCE

5.4.8 Packing

TPC packs the canned pineapple according to customer requirements. The cans are packed in cartons of 6 cans.

Packing cost is included in the CTMS (discussed in turn below).

5.5 The exporter

The *Customs Act* 1901 (Customs Act) does not define the “exporter”, however Customs and Border Protection tends to look for the circumstances surrounding the exportation of the goods.

5.5.1 consumer pineapple

As discussed above, whilst certain administrative processes exist whereby consumer pineapple is [REDACTED] before being exported to Australia under the TPC trading name we are satisfied that the production of the goods and the export sales process of those goods to Australia is administered by TPC and SAICO as a single commercial entity.

As discussed previously, we are satisfied that any commercial distinction made between SAICO and TPC as separate commercial entities is superficial.

On this all export sales during the review period, we consider SAICO/TPC to be the exporter of consumer pineapple to Australia because it:

- is the manufacturer of the goods;
- negotiates with customers in Australia directly, or via customer agent, for the establishment of long-term supply contracts pursuant to which goods are exported to Australia
- owned the goods at all times time prior to export;
- is listed as the supplier on the bill of lading; and
- issues invoices, and receives payment, for commercial transactions with Australian entities involving the exportation of the subject goods from Thailand to Australia.

We are satisfied that TPC/SAICO retains all responsibility for the administration of the export of the goods to Australia up to the FOB point.

Further, whilst we note that, in some instances a customer agent is involved as an intermediary third party between Australian customers and TPC – the function provided by these parties are merely as facilitator of sales negotiations and does not relate to any aspect of the exportation of the goods.

5.5.2 FSI pineapple

COMMERCIAL IN CONFIDENCE

As explained previously SAICO did not export any FSI pineapple to Australia during the review period. As such we do not consider it necessary to identify the exporter with respect to potential future exports of FSI pineapple to Australia.

5.6 The importer

We noted that TPC's Australian customers in relation to consumer pineapple:

- negotiate directly with TPC, or via an intermediary customer agent¹, for the long term supply of goods under formal contractual commercial relationships;
- are named as the consignee on the bill of lading;
- arrange customs clearance, quarantine, logistics, and overseas freight and storage of the goods after they have been delivered to the Australian port; and
- take control of the goods on arrival and become the beneficial owner of the goods.

We consider that TPC's invoiced Australian customers are the beneficial owners of the goods at the time of importation and are therefore the importer of the GUC exported by TPC during the review period.

5.7 Arms' length

In determining export prices under s.269TAB(1)(a) of the Customs Act and normal values under s. 269TAC of the Customs Act, the legislation requires that the relevant sales are arms' length transactions.

Section 269TAA the Customs Act outlines the circumstances in which the price paid or payable shall not be treated as arms' length. These are where:

- there is any consideration payable for in respect of the goods other than price;
- the price is influenced by a commercial or other relationship between the buyer, or an associate of the buyer, and the seller, or an associate of the seller; or
- in the opinion of the Minister, the buyer, or an associate of the buyer, will, directly or indirectly, be reimbursed, be compensated or otherwise receive a benefit for, or in respect of, the whole or any part of the price.

¹ We confirmed that the role of the sales agent is purely as an intermediary between the seller (SAICO) and the Australian customer in relation to sales negotiation and at no stage retains physical possession of the GUC or is in any way involved in the importation process of the goods after the relevant terms of sale have been confirmed.

COMMERCIAL IN CONFIDENCE

On the basis of previous investigation of TPC's sales of the GUC to Australia, we understand that TPC is not related to its Australian customers. We found no evidence to suggest that the nature of the commercial relationship between TPC and its Australian customers has changed since TPC were last visited.

With respect to the commercial relationship between the exporter and importer, we found no evidence that:

- there is any consideration paid or payable for or in respect of the goods other than their price; or
- the price is influenced by a commercial or other relationship between the buyer, or an associate of the buyer, and the seller, or an associate of the seller; or
- the buyer, will, subsequent to the purchase or sale, directly or indirectly, be reimbursed, be compensated or otherwise receive a benefit for, or in respect of, the whole or any part of the price.

Based on the above, we consider that sales of the GUC from TPC to its Australian customers are sales that are arm's length transactions pursuant to the terms of subsection 269TAA.

5.8 Export price preliminary assessment

5.8.1 Basis for calculation

In the case of export sales to Australia by TPC, we consider:

- that the goods have been exported to Australia otherwise than by the importer;
- that the goods have been purchased by the importer from the exporter; and
- the purchases of the goods were arms' length transactions

Therefore, we consider that export price for export sales from SAICO can be established under section 269TAB(1)(a) of the Customs Act being the price paid or payable for the goods by the importer, other than any part of that price that represents a charge in respect of the transport of the goods after exportation or in respect of any other matter arising after exportation

Export price calculations are included at **confidential appendix 1**.

COMMERCIAL IN CONFIDENCE

6 DOMESTIC SALES

6.1 Market

6.1.1 General

TPC confirmed our understanding, formed on the basis of previous visits undertaken with TPC in the context of investigation 173, that TPC does not sell like goods to the GUC on the domestic market in Thailand.

We note that, during the previous visit undertaken for the purposes of investigation 173, Customs and Border Protection confirmed that TPC sold a small volume of canned pineapple, being catering size cans (A10) for the food service and industrial market (FSI) in Thailand. SAICO advised that it no longer sells any FSI pineapple domestically in Thailand.

We also confirmed that SAICO sold a very small volume of consumer pineapple to traders registered in Thailand. We confirmed that these sales were not 'true domestic' sales as SAICO understood them to be intended for export by the traders.

To satisfy ourselves of the veracity of SAICO's claim that all 'domestic' sales were not 'true domestic' sales, we requested, and TPC provided, a SAP summary report of all sales of canned pineapple by customer.

We selected the customer with the greatest sales volume (excluding sales from SAICO to TPC) and confirmed that the customer was a Thai trading company whose operations relate to the export of the goods. We are of the opinion that this product was bound for export, and not for consumption in Thailand.

We are therefore satisfied that TPC made no comparable domestic sales of consumer pineapple fruit in the investigation period.

Documents relating to the verification of domestic sales are at **confidential attachment DOM 1**.

COMMERCIAL IN CONFIDENCE

7 COST TO MAKE & SELL

7.1 Introduction

TPC's financial statements are prepared on a calendar year basis. TPC provided copies of the most recent audited financial statements and all relevant internal cost reports covering the nominated period, for both SAICO and TPC.

TPC's accounts are maintained in accordance with generally accepted accounting principles in Thailand. Actual costs are posted in the accounts.

TPC provided documents including invoices, bank documents, bills of materials, management accounts and financial statements, as requested, to assist our verification of the information.

TPC had initially provided Cost to make and sell information for all 11 product codes representing total costs (and calculated unit costs) for the entire POI (October 2011 to September 2012). Prior to the visit we confirmed that the data had been constructed reflecting the composite total values captured monthly in the SAP system.

To enable a greater transparency and efficiency in our verification we requested, and were provided with more detailed CTMS data which presented cost to make and sell for each code for each month of the POI.

7.2 Cost to make

7.2.1 Raw material costs

We confirmed that raw material costs account for roughly ■% of the total cost to make all product codes exported to Australia during the POI.

TPC advised that the costs of raw materials are allocated as actual costs by model (product code).

The cost of raw materials relates to:

- pineapples,
- canning materials (tinplate, copper, packaging, lids); and
- sugar.

Preliminary issues - confirmation of accuracy of SAP system

As mentioned above, SAICO compiled the cost to make and sell data directly from its SAP system. To assure ourselves that this method reasonably reflected all relevant costs we attempted to reconcile the total raw material inventory costs reflected in the company's audited financial statement for 2011 and trial balance, to the raw material usage reflected in SAP.

COMMERCIAL IN CONFIDENCE

TPC advised that the SAP system captures both reprocessed goods and finished materials, such as the cans and lids, which are already reflected through the materials used to manufacture the cans and lids.

As such the total raw material cost as shown in SAICO's financial statement and trial balance could not be directly reconciled to the total raw material usage reflected in SAP.

However the company advised that these doubled counted items in SAP can be identified to explain the difference in raw material values contained in SAP and its audited statements.

To demonstrate that the total raw material usage identified in its audited financial statements had been accounted for, TPC provided a summary report from SAP showing the total value of material consumption as reflected in SAP for the 2011 calendar year. This was further summarised across the two plants operational plants at Rayong and Pranburi.

For each plant, TPC provided a detailed material consumption report which highlighted double-counted items and deducted the total value of these items from the total material consumption for each plant. This document is included as **confidential attachment CTMS 1**.

When these adjustments were made to the values reflected in SAP, we were able to reconcile raw material usage value in SAP with the corresponding total reflected under the 'raw materials inventory' cost item in the financial statement for 2011, which is a composite element of the cost of sales of the goods in the statements.

Therefore we were satisfied that the SAP system that was be used to compile the cost to make and sell information contained all relevant costs.

Verification framework

Given that TPC's cost accounting system has previously been verified (and found to be an accurate and complete basis upon which to provide CTMS data) we chose to focus our verification solely on raw material cost allocated to the monthly CTMS data provided for FSI and consumer pineapple.

We selected the consumer product code **A04PP00UU** () with the greatest export volume and FSI product code **A01ST65L** for further verification of raw materials to source documents.

We selected April 2012 for the consumer product and March 2012 for the FSI for the purposes of verification.

For each product code TPC walked us through the SAP system to demonstrate how the cost data captured in SAP could be drilled down to

COMMERCIAL IN CONFIDENCE

identify the basis for the allocated raw material costs for the chosen months, for each product code.

For each product TPC began by filtering the data in SAP to identify the relevant production plant, and the month of production. This process produced a total production report reflecting total production volumes and values for all goods (including the subject goods). This data was filtered to select only 'canned pineapple' and a refined production report was generated from which the individual product codes were identified and selected.

A detailed production report was then generated from SAP showing all production orders of the selected product in the selected month on a line by line basis. The report identified the total material consumption value for each production order.

7.2.2 Verification summary

Using the detailed production report we selected a single production order for each product code.

For each selected production order a detailed production cost sheet was generated from which we sought to verify raw material costs of pineapple fruit and tinplate.

Pineapple fruit

From the production cost sheet we were able to identify the planned and actual costs relating to the total quantities of cans consumed and the total quantity of raw pineapple fruit consumed.

TPC then provided a fresh pineapple purchase ledger for the particular day of the production order selected. The material stock report provided transactional data of all pineapple fruit purchases on the particular day.

We were able to reconcile the total quantity of pineapple consumed for the production order to an individual line of the purchase ledger.

For further assurance of the accuracy of data reflected in the purchase ledger We selected several transactions and reconciled the volume and value of the purchases to payment vouchers in SAP.

Therefore we are satisfied that the pineapple fruit costs identified in TPC's detailed cost to make and sell data are reliable.

Canning costs

After pineapple the next most significant cost item is the can cost.

The process of verification followed was similar to that undertaken for the pineapple fruit.

COMMERCIAL IN CONFIDENCE

Using the production cost sheets relating to the selected production orders we drilled down into the can cost item. This yielded a detailed report reflecting the composite cost items involved in the production of the particular can type – copper wire, tin plate and lids. We confirmed with TPC that all composite cost items are purchased from domestic producers in Thailand.

For each product type we sought to verify the material cost of tinplate back to source documents. TPC advised that cans moved to production, and reflected in the cost sheet of any production order will be taken from inventory of the previous month. In turn, the composite raw materials of cans produced in any given month, will be taken from inventory purchased in the immediately preceding calendar month.

As such, to verify the tinplate cost reflected in the detailed production cost sheets, we sought to verify purchases of tinplate two months prior to the date of the production order.

A summary report for tinplate purchases in the relevant months were produced. We selected individual transactions from each summary report and were provided with source documentation in the form of payment slips.

Finally, given that we had verified the reliability of SAP in the context of the 2011 calendar year (upwards to 2011 audited financial statements), we requested and TPC provided documentation following the exact cost drilldown methodology in SAP explained above in relation to consumer product code for the month of December 2011.

Documents relating to the verification of TPC's raw material costs are at **Confidential Attachment COST 1**.

7.2.2 Conclusion regarding cost to make verification

Following review of the above documents we are satisfied that the depreciation expense reported in Hyundai's financial system is accurate.

7.3 Profit

In the absence of domestic sales, we advised SAICO that we would need to include a measure for profit as part of our methodology for constructing normal values for the goods on the basis of the cost to make and sell information provided.

We advised SAICO that, pursuant to cooperation from relevant parties, Customs and Border Protection would be consulting with other Thai exporters that may relevant domestic sales of like or similar general category of goods for the purposes of determining an appropriate measure of profit to be added to the normal value if constructed under s.269TAC(2)(c).

COMMERCIAL IN CONFIDENCE

SAICO noted that, in the context of the original investigation, Customs and Border Protection were satisfied that that it would not be reasonable to include a measure for profit in its calculations given the nature of the domestic market in Thailand.

In the context of the current investigation, SAICO recommended that Customs and Border Protection should be cognisant of the fact that the domestic market in Thailand remains unchanged since the previous investigation. Specifically, SAICO stated that the only domestic sales of canned pineapple continue to be aimed at a handful of supermarkets located in expat areas of Bangkok and are not generally available in Thailand.

SAICO provided evidence in relation to domestic sales made during the 2005 review of measures which were found to be profitable. The documentation showed that subsequent sales by SAICO were unprofitable which led to the company withdrawing from supply of that particular contract and the domestic market more generally.

7.4 Cost to make and sell – summary

We are satisfied that sufficient information was available and verified to substantiate the cost to make and sell the goods. We are satisfied that the method TPC has adopted to allocate costs reasonably reflects the cost to make and sell.

We are satisfied that sufficient information was available and verified to substantiate the CTMS for the GUC by TPC. We consider these CTMS are suitable for determining a constructed normal value (see 10.1 below).

The final CTMS worksheets are at **confidential appendix 3**.

COMMERCIAL IN CONFIDENCE**8 THIRD COUNTRY SALES**

It its exporter questionnaire response, TPC provided summary sales information relating to its exports sales of consumer canned pineapple to other third country export markets.

TPC have submitted that the characteristics of its exports to third country markets differ considerably to its exports to Australia in relation to different products exported, differences in the commercial relationships with customers including the typical trends of volume of export and the terms of sale prevailing market conditions.

We consider that there is insufficient information about each of these other export markets to establish whether the nature of trade of like goods in Thailand would be similar to the nature of trade in these third countries.

Therefore, we considered that third country export sales were not an appropriate basis for establishing a normal value to be compared with export sales to Australia

COMMERCIAL IN CONFIDENCE

9 ADJUSTMENTS

9.1 General

Under s.269TAC(9) of the Act, if normal values are ascertained under s.269TAC(2)(c), the Minister must make such adjustments as are necessary to ensure that the normal value so ascertained is properly comparable with the export price of those goods.

In order to adjust the ascertained normal value to a level comparable with export sales at FOB, and should due allowance be required by the method used to establish the normal values, then the following adjustments to the unadjusted normal values are recommended.

9.2 Adjustments

Customs and Border Protection considered all available evidence, and considered the following adjustments were warranted.

Inland transport

SAICO incurs inland transportation costs for delivery by truck from its factory to the port in Bangkok. The delivery expenses TPC incurred on its export sales to Australia were included in the FOB export prices. They are identified for groups of transactions using a calculation methodology discussed above.

We consider that an upward adjustment to the normal value for inland transport is warranted.

Bank charges

TPC incurs bank charges on receipt of payment from its export customers. The bank charges are considered to be part of the FOB export price and were individually identified for each sale.

We consider that an upward adjustment to the normal value for inland transport is warranted.

Handling and other FOB charges

TPC incurs export expenses charged by the freight forwarder or shipping line for container freight station charges, terminal handling charges and bill of lading fees.

These expenses incurred by TPC on its export sales to Australia were included in the FOB export prices. They were individually identified for each sale.

We consider that an upward adjustment to the normal value for handling and other FOB related charges is warranted.

COMMERCIAL IN CONFIDENCE*Shipping charges*

TPC incurs shipping related expenses in relation to its Australian exports. These expenses incurred by TPC on its export sales to Australia are included in the FOB export prices. They were allocated on a line-by-line basis using a formula of calculation discussed above in the context of export sales.

We consider that an upward adjustment to the normal value for shipping related expenses is warranted.

COMMERCIAL IN CONFIDENCE

10 NORMAL VALUE

10.1 Construction of normal value

We consider that there is insufficient information to establish normal values under s.269TAC(1). As a consequence, preliminary normal values have been calculated under s.269TAC(2)(c) of the Act.

We recommend normal values be calculated using TPC's cost to make and sell information for the exported goods in accordance with s.269TAC(2)(c).

In considering an appropriate amount of profit to be added to the constructed normal value, we note that the nature of the domestic market for consumer canned pineapple is limited to insignificant retail sales aimed at the expat community in Bangkok. Subject to relevant domestic sales by other Thai exporters, we consider that TPC would be unable to make profitable sales on the domestic market in Thailand. Therefore we have not added an amount for profit to the constructed normal value.

In relation to exports of FSI by SAICO, we consider that there is sufficient evidence to consider that actual realised profits verified during the 2005 review of measures may no longer be appropriate. We are aware that other exporters of FSI canned pineapple are cooperating with this current review and may possess relevant information to establish a reasonable rate of profit. However at this time, we recommend that no profit be added to the constructed normal value.

Upward adjustments to the normal value have been made to account for bank charges, inland transport, handling and FOB related charges and shipping charges, in accordance with s.269TAC(9) of the Act.

A spread sheet detailing the adjusted normal values is at **Confidential Attachment 2**.

COMMERCIAL IN CONFIDENCE

11 REVOCATION

In its application for revocation of anti-dumping measures applying to consumer pineapple exported by TPC, the company claimed that the dumping margins established in the original investigation (TM Report No. 173b) were as a consequence of unforeseen increases in production costs incurred by TPC. The cost increases were primarily the result of a sharp increase in fresh pineapple prices in 2010 due to Thailand experiencing higher than average rainfall in 2010 which negatively impacted on the supply of fresh pineapple.

Given that TPC had entered into [REDACTED] supply agreements with Australian retailers which involved negotiating prices by between [REDACTED] months prior to the goods being produced and exported, the sharp increase in its costs resulted in exports during the original investigation period being significantly unprofitable and dumped. In considering whether the current measures are warranted to prevent the recurrence of dumping and material injury to the Australian industry, we sought to understand the relevant factors taken into account by TPC in setting its contract prices and to establish the likelihood of TPC facing similar conditions to those in 2010.

In response to questioning, TPC advised that the majority of its sales were not long-term based contracts and that it aimed to achieve a gross margin on sales ranging from between [REDACTED]% to [REDACTED]% depending on the type of pineapple product being sold. It noted that in 2010 the company traded at a loss due primarily to raw material increases arising from the poor growing conditions.

TPC also advised that in negotiating contract prices with the Australian retailers, it takes into account current production costs plus forecast adjustments for fresh pineapple and tinplate costs. Fresh pineapple and tinplate represent approximately [REDACTED]% of the total cost of production of canned pineapple manufactured by TPC. In estimating the value of the forecast adjustments, TPC examines future predictions for El Nino (increased probability of drier conditions) and La Nina (increased probability of wetter conditions) weather phenomenon, and analysis of historical trends/fluctuations in its costs. TPC considers that neither of the weather conditions would necessarily provide for increased profitability.

Other relevant factors include forecasting of the relevant exchange rates and demand conditions in the various markets.

Prior to our visit, we requested TPC to prepare a summary of its historical fresh pineapple prices. We were provided with weighted average annual prices from 2005 through to 2012. The year on year movement in average prices is shown in the table below.

Fruit cost	2005	2006	2007	2008	2009	2010	2011	2012
% change		%	%	%	%	%	%	%

COMMERCIAL IN CONFIDENCE

TPC noted that the year on year movements did not appropriately reflect the range of pricing within each year by noting that the average 2010 price was ■■■■ baht/kg whereas prices reached as high as ■■■■ baht/kg in that year. We requested and were provided with the pricing information on a semi-annual basis. Period to period movements are shown in the table below.

Fruit cost	1H 2005	2H 2005	1H 2006	2H 2006	1H 2007	2H 2007	1H 2008	2H 2008
% change		%	%	%	%	%	%	%
Fruit cost	1H 2009	2H 2009	1H 2010	2H 2010	1H 2011	2H 2011	1H 2012	2H 2012
% change		%	%	%	%	%	%	%

We noted that prices in 2007 increased at a greater rate than in 2010 and TPC was able to confirm that it had traded unprofitably in that year.