

15 November 2013

Ms Joanne Reid
Director
Anti-Dumping Commission
C/o The Australian Customs and Border
Protection Service
Customs House
5 Constitution Avenue
CANBERRA ACT 2601

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T: (03) 5023 5174 F: (03) 5023 3321
E: enquiries@driedfruitsaustralia.org.au
www.driedfruitsaustralia.org.au

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54 Lemon Avenue
P.O. Box 5042, Mildura Vic. 3502

ABN: 88 658 293 079

Dear Ms Reid

Re: Statement of Essential Facts No. 213 and 220 - Continuation and Review of Anti-Dumping Measures – Processed currants exported from Greece

Background

I refer to Statement of Essential Facts (“SEF”) No. 213 and 220 published on 29 October 2013 concerning the continuation and review of anti-dumping measures on processed dried currants exported from Greece.

Dried Fruits Australia (“DFA”) welcomes the Commission’s proposed recommendation to the Minister that he take steps to secure the continuation of anti-dumping measures applying to processed currants exported from Greece from the expiry date of 14 January 2014. DFA also welcomes the preliminary finding that the variable factors have changed and that the continued measures will reflect the change in variable factors as determined across the investigation period to 30 June 2013.

DFA views the continuation of the measures as key to sustaining a viable dried currants industry in Australia. It is also critical that the non-injurious price for processed currants exported from Greece is not determined at a level that is insufficient to remove injury to both growers of dried currants and processors of dried currants.

Comments in response to SEF No.’s 213 and 220

DFA supports the Commission’s confirmation from earlier inquiries that it remains satisfied that dried currants are close processed agricultural goods, and that the Australian industry of currants consists not only of the processors of currants, but also the growers of the currants.

Dried currant growers are members of DFA and fully endorse the Commission’s findings concerning dried currants as close processed agricultural goods.

DFA also concurs with the Commission’s assessment of the Australian market for processed currants including the decline in imports from Greece following the imposition of the measures in 2009, and the subsequent increase in Greek imports following the poor seasons in Australia during 2010/11 and 2011/12, and then the decline in Greek imports as the Australian industry recovered from the seasonal impacts over the nominated two-year period. In 2013, dried currant production improved and is returning to normal levels.

The Commission has indicated that the imposition of the measures in 2009 has “had a positive impact” on the Australian industry’s selling prices for processed currants. DFA agrees with this finding.

The Commission also established that “seasonal prices to the growers of currants seem to follow the trend of Sunbeam’s selling prices”. DFA also agrees with this observation. It is on this point that the DFA would like to comment on the appropriate basis for an unsuppressed selling price (“USP”).

The Commission is proposing that the industry’s USP be based upon “Sunbeam’s weighted average selling prices of Australian currants into the industrial food market during the review period”. It is noted by DFA that Sunbeam’s selling prices in the industrial food segment of the market declined after 2012 – coinciding with declines in prices to growers for dried currants. It is understood by DFA that the reductions in prices to growers in 2012/13 was as a consequence of reductions in prices in the market for industrial currants – influenced by the Greek processed currant export prices.

SEF No. 213 and 220 confirms that the processed currants exported from Greece during the investigation period were at dumped prices – by the exporter Aeghion at margins of 3.3 per cent, and for all remaining exporters at 8.1 per cent.

The reduction in the Australian industry’s selling prices in 2013 is consistent with the availability of the dumped (and injurious) Greek export prices across the investigation period. The Commission has commented that the Australian industry experienced injury during the investigation period in the form of price suppression¹ (and hence impacts on profit and profitability). DFA acknowledges the impact of the depreciating Australian dollar during 2012/13 and that the landed Greek prices may be slightly higher than the Australian industry’s selling prices. However, it must be recalled that the Australian industry’s selling prices are suppressed as confirmed by the Commission and, the Greek export prices are at dumped levels.

DFA does not agree with the Commission’s statement that “the fall in the price of currants in 2013 was primarily due to good growing conditions resulting in higher yields and production volumes”. Similarly, DFA rejects the Commission’s statement “the prices of Greek currants entering the Australian market as such that the injurious effect of dumping is assumed to have been remedied” as incorrect. Respectfully, the Commission has found that the Greek export prices across the investigation period were at dumped prices (between 3.3 and 8.1 per cent) and that the industry had experienced suppressed prices (and subsequent impacts on profit and profitability). The reduction in the industry’s selling prices was driven by the competitive prices of dumped Greek currants. It therefore cannot be “assumed” that the measures removed the injurious impact of dumping. The impact of the dumped export prices on the Australian industry’s selling prices suggests otherwise.

It is DFA’s view that the industry’s selling prices in 2013 reflect injurious prices affected by the dumped exports. The USP as proposed by the Commission is not a price that is “unaffected” by dumping and should not form the basis of a USP (see further below).

DFA supports the Commission’s finding that it is likely that in the absence of the anti-dumping measures dumping will recur. The Commission established that a review of Aeghion’s variable factors confirmed that its normal value was increasing and its export prices to Australia were decreasing. As Greece is the only major source of imported product, it is the Greek export prices that influence Australian selling prices for processed currants. Additionally, Greek exporters have a surplus of currants from 2012 moving into the harvesting of the larger 2013 crop, indicating that there is likely to be an increase in Greek exports of currants in 2013/14. It is therefore evident that the increased availability of Greek currants at increasing dumped prices poses a foreseeable and imminent threat of future material injury to the Australian industry manufacturing like goods.

The Commission’s review of the variable factors across the investigation period confirms that the variable factors have altered since the last review (for Aeghion) and since the initial measures were imposed (remaining exporters). It is therefore appropriate that the measures be revised to reflect changes in normal values, export prices and the non-injurious price.

¹ Statement of Essential Facts No. 213 and 220, P.27.

The impact of reductions in the selling price for dried currants to growers from the processors was provided to the Commission during the investigation. DFA demonstrated that in the absence of anti-dumping measures, selling prices would fall in response to falling Greek export prices. DFA therefore fully supports the Commission's findings that in the absence of the anti-dumping measures it is likely that the Australian industry (comprising growers and processors) would again incur material injury.

Summary of DFA's Comments

The Commission's proposed recommendation to the Minister to not allow the measures to expire is unequivocally supported. The information identified during the investigation confirmed:

- Greek export prices during the investigation period were at dumped (between 3.3 and 8.1 per cent);
- Greek normal values increased across the investigation period;
- there is a likelihood that future Greek exports would be at reduced prices;
- there is increased availability of Greek currants in the 2013 crop;
- Greek exporters have maintained distribution channels into the Australian market;
- the Australian industry's selling prices (for both growers and processors) declined in 2012/13;
- the Australian industry experienced injury during the investigation period;
- that in the absence of anti-dumping measures it is likely that the Australian industry would again experience material injury from Greek exports at dumped prices.

DFA therefore requests that the Commission recommend to the Minister that the anti-dumping measures not be allowed to expire. Additionally, DFA seeks the Commission to recommend that the variable factors be altered to reflect the changed factors evident during the investigation period. With respect to the USP, DFA specifically requests that the Commission reconsider its conclusion that it can be "assumed" that the anti-dumping measures remedied the injurious impacts of dumping. It has been demonstrated that the application of the measures is based upon past prices evident in an investigation period and the contemporaneous nature of those prices is limited to the period in which they occur, and not the subsequent period (particularly where normal values – as is evident in this case – have increased).

For this reason DFA recommends that the USP should be based upon the processors cost to make and sell ("CTM&S") which incorporates a non-suppressed price for dried currants to growers consistent with the level 2011/12.

If you have any questions concerning this submission, please do not hesitate to contact me on (03) 5023 5174.

Yours sincerely



Phil Chidgzy
Chief Executive Officer

