



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

INTERNATIONAL TRADE REMEDIES BRANCH

CONSIDERATION REPORT NO. 210

**APPLICATION FOR REVOCATION OF
ANTI-DUMPING MEASURES**

GREYBACK CARTONBOARD

EXPORTED FROM

THE REPUBLIC OF KOREA

16 May 2013

1 Summary and recommendations

This consideration report (CON 210) provides the results of the Australian Customs and Border Protection Service's (Customs and Border Protection's) consideration of an application lodged by Hansol Paper Co Ltd (Hansol) for the revocation of the anti-dumping measures that apply to greyback cartonboard exported to Australia from the Republic of Korea (Korea).

Hansol has applied for the revocation of the anti-dumping measures as applied to all exporters generally. The anti-dumping measures comprise a dumping duty notice that applies to all exporters except Daehan Pulp Co., Ltd (Daehan) and a price undertaking applying to exports by Daehan.

The ground for Hansol's application is that the sole Australian producer of greyback cartonboard, Amcor Packaging (Australia) Pty Ltd (Amcor) will cease production of greyback cartonboard before the end of 2013.

1.1 Recommendation

Customs and Border Protection recommends that the Chief Executive Officer of Customs and Border Protection (CEO)¹ decide **not to reject** the application for the revocation of the anti-dumping measures (the dumping duty notice and the undertaking) as they apply to all exporters generally.

If the CEO accepts this recommendation, to give effect to that decision, the CEO must publish the notice at **Appendix 1** indicating that Customs and Border Protection will conduct a revocation review of the measures covered by the application.

Hansol has not applied for a review of the variable factors relevant to the measures. As such the review will only examine whether the measures should be revoked.

1.2 Application of law to facts

Division 5 of Part XVB of the *Customs Act 1901* ("the Act")² sets out, among other things, the procedures to be followed by the CEO in dealing with an application for the review of measures.

The Division empowers the CEO to reject or not reject an application for review of anti-dumping measures. The CEO's powers have been delegated to certain officers of Customs and Border Protection.

1.3 The role of the International Trade Remedies Branch

The International Trade Remedies Branch (ITRB) is responsible for preparing a report for the CEO examining an application for a review of the measures.

In this report, the following matters are to be considered in relation to the application:

- whether the application complies with subsection³ s.269ZB; and

¹ References to the CEO in this report also refer to the Delegate of the CEO.

² A reference to a division, section or subsection in this report is a reference to a provision of the Act, unless otherwise specified.

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- whether there are reasonable grounds for asserting that the anti-dumping measures are no longer warranted.

1.4 The role of the CEO of Customs and Border Protection

The Division empowers the CEO, after having regard to the ITRB report and to any other information that the CEO considers relevant, to reject or not reject an application for a review of the measures.

If the CEO decides not to reject the application, the CEO must give public notice of the decision providing details of the review.

1.5 Findings and conclusions

Customs and Border Protection has examined the application and is satisfied that:

- the application complies with the requirements of s.269ZB of the Act (as set out in Section 3 of this report); and
- there appear to be reasonable grounds for asserting that the anti-dumping measures are no longer warranted (as set out in Section 4 of this report).

³ The terms “section”, “s.” and “subsection” are used interchangeably in this report.

2 Background

On 7 May 2013, Hansol, an exporter of greyback cartonboard from Korea, lodged an application requesting a revocation review of the anti-dumping measures applying to greyback cartonboard exported to Australia from Korea in relation to exporters generally.

2.1 Existing measures

On 15 December 2004, an investigation in respect of greyback cartonboard exported from Korea was initiated following an application from Amcor. The relevant Minister accepted the conclusions and recommendations in Trade Measures Report No. 92 (REP 92) that exports of the goods from Korea were at dumped prices, the Australian industry producing like goods had suffered material injury as a result of those dumped goods and material injury would continue to be caused to the Australian industry if the goods from Korea continued to be exported to Australia at dumped prices. A dumping duty notice was published on 27 July 2005 for exports of the goods by all exporters except for Daehan. The Minister agreed to accept a price undertaking by Daehan.

On 9 June 2010, the Minister for Home Affairs accepted the recommendations in REP 154 to continue anti-dumping measures for a further five years and accepted the recommendations in REP 155 to change the variable factors relevant to the measures.

Anti-dumping measures applying to greyback cartonboard from Korea are currently due to expire on 27 July 2015 unless revoked earlier.

2.2 The goods subject to the measures

The goods the subject of the application (the goods) are coated greyback cartonboard, grey on one side and coated white on the other side. Greyback cartonboard are cellulose fibre based paperboards containing recycled fibre. Thicknesses range from 320 to 720 microns, which corresponds to a weight range of 250 to 550 grams per square metre.

2.3 Tariff classification of the goods

The goods are classified to tariff subheading 4810.13.90 statistical code 56, 4810.19.90 statistical code 57, 4810.29.90 statistical codes 64 and 80 and 4810.99.00 statistical code 85 in Schedule 3 of the *Customs Tariff Act 1995 (Cth)*. The applicable rate of Customs duty for greyback cartonboard imported from Korea is five per cent.

2.4 Australian industry producing like goods

The 2010 continuation inquiry and review found that there was an Australian industry producing like goods with Amcor being the sole manufacturer of greyback carton board in Australia.

Information will be sought from Amcor during the review. Customs and Border Protection will also seek information on whether there are any other Australian industry members that produce greyback cartonboard.

3 Compliance with s.269ZB

3.1 Finding

Based on the information provided in the application, Customs and Border Protection is satisfied that the application complies with s.269ZB.

3.2 Legislative framework

Pursuant to s.269ZA where anti-dumping measures have been taken in respect of goods, an 'affected party'⁴ may by application lodged with the CEO request that the CEO initiate a review of measures.

The application can be made by the affected party who considers that it may be appropriate to review those measures as they affect a particular exporter of those goods, or as they affect exporters of those goods generally, on the grounds that the anti-dumping measures are no longer warranted.

Subsection 269ZB(1) requires that the application be in writing, be in an approved form, contain such information as the form requires and be signed in the manner indicated by the form.

Subsection 269ZB(2) requires an applicant to provide:

- a description of the kind of goods to which the measures the subject of the application relate; and
- a description of the measures the subject of the application; and
- if the application is based on circumstances that, in the applicant's view, indicate that the anti-dumping measures are no longer warranted the applicant must provide evidence in accordance with the approved form, of the circumstances.

3.3 Particulars of the application

Hansol has submitted an application for the initiation of a revocation review of measures in respect of the subject goods pursuant to s.269ZA.

In summary, the application requests the CEO to revoke the current measures on the basis that Amcor will close its cartonboard plant by the end of 2013, meaning there will no longer be an Australian industry producing like goods.

⁴ "affected party" , in relation to an application under Division 5 for review of anti-dumping measures imposed on particular goods, is defined under s.269T of the Act to be:

- (a) a person who is directly concerned with the exportation to Australia of the goods to which the measures relate or who has been directly concerned with the exportation to Australia of like goods; or
- (b) a person who is directly concerned with the importation into Australia of the goods to which the measures relate or who has been directly concerned with the importation into Australia of like goods; or
- (c) a person representing, or representing a portion of, the Australian industry producing like goods; or
- (d) the Government of a country from which like goods have been exported to Australia.

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Hansol provided a copy of a letter from Amcor to customers advising that the Amcor cartonboard plant was closing as evidence of its claims.

3.4 Customs and Border Protection assessment

Hansol was identified as an exporter of the goods in the investigation in 2004 and participated in that investigation.

Customs and Border Protection is satisfied that Hansol meets the definition of an “affected party” for the purposes of the Act, being a person who is directly concerned with the exportation to Australia of the goods to which the measures relate.

Customs and Border Protection is satisfied that the application lodged by Hansol:

- is in writing;
- provides a description of the goods subject to the measures;
- provides a description of the measures the subject of the application; and
- provides evidence of the particular circumstances which the applicant believes indicate that the measures are no longer warranted.

On the basis of the above, Customs and Border Protection is satisfied that the application satisfies the form and substance requirements under s.269ZB.

4 Consideration of reasonable grounds

4.1 Finding

Customs and Border Protection is satisfied, on the basis of the supporting evidence provided by the applicant and other relevant information, that there are reasonable grounds for asserting that the anti-dumping measures are no longer warranted.

4.2 Application for a revocation review

Hansol claims that there are reasonable grounds for asserting that the measures in respect of the subject goods are no longer warranted on the basis that the Australian industry producing like goods will cease production by the end of 2013.

4.2.1 Applicant's claims

Hansol provided a copy of a letter from Amcor notifying customers of the intended closure of its cartonboard mill as evidence of its claims.

Hanson states that the closure of Amcor's cartonboard production plant will mean that there is no longer an Australian industry producing like goods to the grey cartonboard from Korea to which current anti-dumping measures apply and therefore these anti-dumping measures should be revoked.

4.2.2 Customs and Border Protection's assessment

The letter from Amcor is dated 18 February 2013 and notes the following:

- its half year results included notification of the impending closure of the Amcor Cartonboard Mill at Petrie in Queensland; and
- subject to customer demand, we (Amcor) anticipate a phased shut-down will commence in the second half of calendar 2013 with full closure before the end of the year.

Information available on Amcor's website on the internet and news reports confirms the intended closure of Amcor's cartonboard mill.

As noted above, the 2010 continuation inquiry and review into cartonboard found that Amcor was the sole producer of cartonboard in Australia. The industry visit to Amcor in 2010 for the continuation inquiry notes that cartonboard is produced at Amcor's Petrie Mill in Queensland.

Based on the available information it appears that the sole producer of cartonboard in Australia, Amcor, will cease production by the end of 2013. No other Australian producer of cartonboard has been identified in the previous investigation, inquiry and review.

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4.2.3 Conclusion on “reasonable grounds”

Customs and Border Protection is satisfied, on the basis of the application, supporting evidence provided by Hansol and other available relevant material, that there appear to be reasonable grounds for asserting that the anti-dumping measures are no longer warranted.

Accordingly it is recommended that the delegate decide not to reject the application for a revocation review and publish a notice indicating that Customs and Border Protection will conduct a revocation review of the anti-dumping measures applying to greyback cartonboard.