



Ekman

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The Director
Operations 1
International Trade Remedies Branch
Australian Customs and Border Protection
5 Constitution Avenue
CANBERRA ACT 2601

Dear Sir / Madam

Re: Revocation Review of Anti-Dumping Measures concerning Greyback Cartonboard exported from the Republic of Korea (ITR 2010)

Submission against the Revocation of Measures

Submission by an interested party

Ekman Pty Ltd (Ekman) is an interested party within the meaning of s269T of the Customs Act (Cth) 1901 in that Ekman Pty represents KleanNara Paper (formerly Daehan) in Australia on an exclusive basis.

Daehan / KleanNara is a Korean manufacturer of Greyback Cartonboard. When the first Dumping findings were found in 2005 Daehan / KleanNara worked with Australian Customs and Border Protection (ACBP) to agree a Free On Board (FOB) minimum price. In essence an FOB price below which it would not export. They repeated this work and reached another minimum FOB price in the 2010 review.

KleanNara / Daehan have not breached this undertaking.

In addition Ekman has actively participated in both the 2005 Dumping investigation and the 2010 review.

The use of Greyback Cartonboard

Other submissions have outlined the manner in which Greyback Cartonboard is used.

KleanNara manufactures a high quality Greyback Cartonboard which meets USA FDA standards. It is extensively used in the production of cartons for packing cereals and like foods, as well as other products.

Kleannara and it's history of supplying businesses in Australia:

KleanNara has continuously supplied the Australian market for 13 years.

As stated above, the price undertakings it agreed with ACBP, have never been breached. KleanNara invested heavily in the Australian market and is the only Korean Greyback Cartonboard supplier to have worked to reach a commercial undertaking with ACBP.

KleanNara has demonstrated a commitment to the Australian market which other Korean Greyback Cartonboard manufacturers have not. They have proved to be a reliable and loyal supplier to the Australian market.

Current Global Greyback Cartonboard market dynamics:

The last 2 years has seen the introduction of large amounts of Greyback Cartonboard capacity.

Nine Dragons, a Chinese producer started manufacture from two new machines in 2012 which increased their annual output capability from 910,000 metric tonnes to 2 million metric tonnes (MT). A side effect of this is that Korean Greyback Cartonboard manufacturers are exporting less to China than they did before these machines were started.

Competing grades such as Folding Box Board (FBB) have also had capacity increases. Bohui, a Chinese manufacturer started a new machine in quarter one 2013 which increased its capability from 650,000 MT to 1.65 million MT per annum.

The Australian market has many options to source Greyback Cartonboard or similar products without the need to revoke the Anti-Dumping measures and the minimum FOB price agreement made in good faith with ACBP by KleanNara / Daehan.

We believe that the continuation of the measures will not increase the costs for Australian carton manufacturers.

In fact because of these competitive developments KleanNara / Daehan is under pressure to reduce prices now. It has also had to enter long term (12 months) fixed price arrangements with some of its key customers and prospective customers.

Amcor's decision to close Petrie mill and the timing of its exit from the market.

Amcor made the decision to close Petrie mill based on financial facts and forecasts. They announced this in February to give their own Carton manufacturing plants and other customers time to find replacement Greyback Cartonboard sources or alternative products.

Amcor's Petrie mill is still operational and will continue to deliver orders to customers until 31st October. Many customers will continue to use Amcor Petrie Greyback Cartonboard until the end of 2013 and perhaps longer.

Conclusions and submissions

We submit that this Review should run the full course as outlined in the ACBP publication of 18th May.

It should be remembered that the other Korean Greyback Cartonboard producers admitted dumping and did not seek to reach an undertaking with ACBP and the government.

There are many choices available to the Australian market to source Greyback Cartonboard or alternate products from producers who have not been found guilty of dumping practices.

We therefore submit that the measures should remain in place.

Additionally we believe that to revoke the measures would be disrespectful to the working men and women who have devoted a large part of their lives to Amcor Petrie mill.

We further submit that should decision be made to revoke the Anti-Dumping measures that the timing of this revocation should be no sooner than 1st January 2014, which is effectively when Amcor Greyback Cartonboard will cease to be used.

I would be happy to discuss this submission in detail with you or your officers at any time.

Yours truly

A handwritten signature in black ink, appearing to read 'David Bodin', with a long horizontal line extending to the right.

DAVID BODIN
Manager and Director