



1 June 2016

NON - CONFIDENTIAL

Mr Con Soumbassis
Acting Case Manager
Anti-Dumping Commission
Level 35
55 Collins Street
Melbourne VIC 3000

Dear Mr Soumbassis,

CONTINUATION INQUIRY – FSI PINEAPPLE FROM THE PHILIPPINES AND THAILAND

This submission, made on behalf of Siam Agro-Food Industry Public Co Ltd (“SAICO”), demonstrates that there is no justification for continuation of the anti-dumping measures applicable to food service and industrial (“FSI”) pineapple exported from Thailand.

It is paramount that the anti-dumping measures applicable to FSI pineapple from Thailand have been in place for 15 years (imposed in 2001) and Golden Circle Ltd (“Golden Circle”) continues to experience a poor economic performance in its FSI pineapple operations. As reported in the Commission’s Verification Visit report re Golden Circle, during 2013-2015 Golden Circle’s economic performance was as follows:

- Reduced sales volume;
- Selling prices below costs;
- Reduced research and development;
- Static production capacity;
- Decreased capacity utilisation; and
- Reduced employment.

That Golden Circle has been protected against dumping for the past 15 years and continues to experience poor economic performance, must lead to a conclusion that continuation of anti-dumping measures is not going to prevent continuation of the material injury that it is intended to prevent. The measures are ineffective and should not be continued.

Since anti-dumping measures were imposed in 2001, FSI pineapple imports from Thailand have continually increased and their Australian market prices have been significantly lower than those of Golden Circle’s product. This has no doubt caused Golden Circle material injury, but such material injury cannot be attributed to dumping as it occurred during anti-

Head Office: Level 1, 2 Mercantile Dock, Port Adelaide S.A. 5015 Australia

Postal: P.O. Box 2112, Business Centre, Port Adelaide S.A. 5015 Australia

Tel: 61 8 8447 3699; **Fax:** 61 8 8447 2661

Email: roger@panpac.biz

dumping regimes. We understand that factors to which this increasing import volume from Thailand at increasing market prices can be attributed include –

- limited availability of Golden Circle's FSI pineapple for the food service market;
- Golden Circle's market pricing being significantly higher than that of undumped imports from Thailand; and
- quality issues with Golden Circle's product in certain market sectors, eg pizza application.

The principle reason for Thailand's significant price advantage during anti-dumping regimes is its significant comparative cost advantage due to its –

- economy of scale;
- lower raw pineapple cost; and
- lower labour cost.

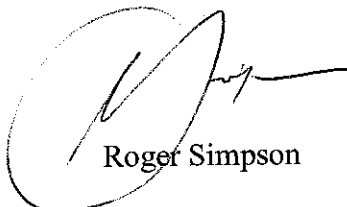
In its application, Golden Circle reported that imports of FSI pineapple from Thailand increased by 71% during 2013-2015 (source ABS). It is of important note that this significant increase in import of FSI pineapple from Thailand occurred whilst their market price increased by about 25%. It did not occur because their market price had decreased over this period.

To continue anti-dumping measures for a further 5 years as requested by Golden Circle will mean that Golden circle will have 20 years of protection against dumping of FSI pineapple from Thailand, when the first 15 years of such protection has not resulted in a material improvement in its economic performance. Therefore, to do so will continue to increase market prices of FSI pineapple from major supply source Thailand, with no real benefit to Golden Circle because of its inability to compete with undumped imports from Thailand.

It is clear that the anti-dumping measures in place since 2001 have been ineffective and should not be continued.

We strongly suggest that this continuation inquiry includes the Commission's contact with importers of FSI pineapple from Thailand to ascertain the reasons for their importation of FSI pineapple subject to anti-dumping measures from Thailand rather than purchasing from Golden Circle.

Yours sincerely,



Roger Simpson