



Australian Government
**Department of Industry,
Innovation and Science**

**Anti-Dumping
Commission**

INVESTIGATION 334

**CONTINUATION INQUIRY OF
PINEAPPLE FRUIT -
FOOD SERVICE AND INDUSTRIAL (FSI)**

**EXPORTED FROM
THE REPUBLIC OF PHILIPPINES AND THE KINGDOM OF
THAILAND**

VERIFICATION REPORT

**SIAM AGRO-FOOD INDUSTRY PUBLIC
COMPANY LTD (SAICO)**

**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 THE ANTI-DUMPING COMMISSION**

June 2016

1 BACKGROUND

1.1 Background

On 9 March 2016, the Commissioner of the Anti-Dumping Commission (the Commissioner) gave public notice of his decision to initiate a continuation inquiry into anti-dumping measures in respect of consumer and FSI pineapple exported to Australia from the Republic Of Philippines (Philippines) and the Kingdom of Thailand (Thailand). Anti-Dumping Notice (ADN) No. 2016/26¹ provides further information on the investigation and is available on the Anti-Dumping Commission's (the Commission's) electronic public record (EPR).

The background relating to the initiation of this inquiry is contained in Consideration Report 334.

Following initiation of the inquiry, the Commission wrote to Siam Agro-Food Industry Public Company Ltd (SAICO) advising them of the initiation of the inquiry and requesting co-operation with the inquiry. SAICO co-operated through submitting a completed exporter questionnaire response (EQR) and relevant attachments.

1.2 Purpose of this report

On the basis that SAICO have only exported FSI pineapple, this report relates only to investigation case no. 334.

Based on the volumes of SAICO's exports relative to the total export volume during the investigation period, a decision was made not to conduct an on-site verification visit at SAICO's premises.

Whilst a decision was made not to conduct an on-site verification visit, an analysis of the exporter questionnaire response provided by SAICO was completed. This analysis included tests for the reasonableness, accuracy and completeness of the export sales, domestic sales and cost to make and sell (CTMS) data utilised in calculating the preliminary dumping margin.

¹ Document no. 2 on the electronic public file.

2 VERIFICATION OF DOMESTIC AND AUSTRALIAN SALES

2.1 Australian sales listing

As part of its exporter questionnaire response, SAICO provided a line by line listing of Australian sales. A comparison of the Australian sales listing to the information reported in the Australian Border Force (ABF) import database matched to the SAICO sales listing to within a reasonable variance.

SAICO provided additional source documents to substantiate the accuracy of the information provided in the Australian sales listing.

The source documents included purchase orders, commercial invoices, bills of lading, packing declaration, export declarations and proof of payment documents. These documents are at **Confidential Attachment SALES 1**.

In addition, SAICO provided financial statements for the year ending December 2015 and a reconciliation of Australian sales combined with domestic and third party sales to balance back to the financial statements. The commission was able to match the documents back to the sales listing. (**Confidential Attachment FIN 1**).

2.2 Domestic sales listing

As part of its exporter questionnaire response, SAICO provided a line by line listing of Domestic sales.

SAICO provided additional source documents to substantiate the information provided in the Australian sales listing.

The source documents included purchase orders, commercial invoices and proof of payment documents. The commission was able to match the documents back to the sales listing as evidence of accuracy.

In addition, SAICO provided financial statements for the year ending December 2015 and a reconciliation of Australian sales combined with domestic and third party sales to balance back to the financial statements as evidence of completeness.

2.3 Conclusion

Having regard to the above testing of accuracy and completeness, the assessment team is satisfied that the Australian sales listings provided by SIACO are reasonably accurate, relevant and complete, and can be relied upon for the purpose of assessing the export price.

3 EXPORT PRICE

3.1 Australian export sales

In its EQR, SAICO stated that it was not related to its Australian customers during the investigation period and does not offer discounts, rebates or allowances. The assessment team found no evidence to suggest otherwise.

The assessment team has adopted the invoice date as the date of sale.

3.2 Export price – preliminary assessment

The assessment team considers that:

- SIACO is the exporter;
- the goods have been exported to Australia otherwise than by the importer; and
- purchases of the goods by the importer were arm's length transactions.

As such, the export price has been calculated using paragraph 269TAB(1)(a) of the *Customs Act 1901* (the Act)² using the invoiced price by SIACO to the importer less 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.

Details of the preliminary export price calculations are at **Confidential Appendix 1**.

² All legislative references in this report relate to the Customs Act 1901, unless stated otherwise.

4 COST TO MAKE AND SELL

4.1 Cost to make and sell

In its EQR, SAICO provided a CTMS spreadsheet showing quarterly costs data for the goods sold to Australia (**Confidential Appendix 2**).

4.2 Verification of SAICO's CTMS to financial statements

The assessment team was able to reconcile the main CTMS line items to the management accounts for completeness, noting that the total cost to make and sell reconciled to the management accounts with an immaterial variance.

4.3 Verification of costs to source documents

4.3.1 Pineapple fruit

The assessment team notes that pineapple fruits (together with tin cans) accounts for the vast proportion of SAICO's cost to make. Given the materiality of pineapple fruit cost, the assessment team verified the accuracy of SAICO's costs to source documents.

At the request of the Commission, SAICO provided a line by line listing of its pineapple fruit purchases. From this listing the assessment team selected two purchases for verification to source documents. SAICO provided purchase orders, invoice and proof of payment documents for the two purchases.

4.3.2 Tin cans

At the request of the Commission, SAICO provided a spreadsheet detailing its tin can costs for the investigation period. From this listing the assessment team selected two tin purchases for verification to source documents. SAICO provided invoices and payment details for the two purchases.

4.4 Cost to make and sell summary

Having verified SAICO's CTMS data for cost to make to financial accounts and to source documents, the assessment team is satisfied that SAICO's CTMS data is reasonably complete, relevant and accurate.

SAICO's verified CTMS spreadsheet is at **Confidential Appendix 2**.

5 NORMAL VALUE

5.1 Domestic sales

As part of its exporter questionnaire response, SAICO provided a line by line listing of Domestic sales. The commission tested these sales for profitability in order to determine which sales were in the ordinary course of trade (OCOT) and found the company had no profitable domestic sales.

5.1.1 Related party transactions

There were no related parties or related party transactions.

5.2 Normal value – preliminary assessment

5.2.1 Constructed normal value

The assessment team has formed the view that there are no suitable domestic sales by SAICO to be used for establishing normal values under subsection 269TAC(1).

Instead, the assessment team has utilised 269TAC(2)(c) to construct SAICO's normal value.

The constructed costs included:

Cost to make and sell	Add SAICO's actual cost to make and sell in relation to export sales.
Inland transport costs	Add unitised inland transport costs from SAICO's Australian export sales
Handling costs	Add unitised handling costs from SAICO's Australian export sales
Port costs	Add unitised port costs from SAICO's Australian export sales
Bank charges	Add unitised bank costs from SAICO's Australian export sales
Sales commission	Add unitised sales commissions from SAICO's Australian export sales
Export credit Costs	Add unitised credit costs associated with SAICO's Australian export sales
Domestic credit costs	Less unitised credit costs associated with SAICO's domestic sales
Profit	Add profit, calculated from a weighted average profit of OCOT sales from other exporters in Thailand with domestic FSI sales.

A full reconstruction of this method is attached under **Confidential Appendix 3**.

5.2.2 Profit

For the purposes of providing data for a constructed normal value under subsection 269TAC(2)(c)(ii), Regulation 45(3)(b) of the *Customs Regulations (International Obligations) 2015* allows for the profit to be determined by using the weighted average of the actual amount realised by other exporters or producers from the sale of like goods in the domestic market.

A weighted average was calculated based on exporters that exported like goods in the investigation period.

6 DUMPING MARGIN

Dumping has been assessed by comparing quarterly weighted average export prices (at free on board terms) to corresponding quarterly weighted average constructed normal values for the investigation period, in accordance with paragraph 269TACB(2)(a) of the Act.

The weighted average product dumping margin for FSI pineapple exported to Australia by SAICO for the investigation period is **35.05 per cent**.

Details of the preliminary dumping margin calculations are at **Confidential Appendix 4**.

7 LIST OF APPENDICES

Confidential Attachment SALES 1	Source documents for Australian export sales
Confidential Attachment SALES 2	Financial Statement
Confidential Appendix 1	Export price summary
Confidential Appendix 2	Cost to make and sell summary
Confidential Appendix 3	Normal value summary
Confidential Appendix 4	Dumping margin summary