



CONTINUATION INQUIRY
AND
REVIEW OF ANTI-DUMPING MEASURES
ANTI-DUMPING MEASURES IN RESPECT OF CURRANTS
EXPORTED FROM GREECE
DUMPING MARGIN CALCULATION REPORT
AGRICULTURAL COOPERATIVE UNION –
AEGHION S.A.

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

September 2013

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2 BACKGROUND

2.1 Background

The anti-dumping measures applying to processed dried currants (currants) exported to Australia from Greece were initially imposed by public notice on 14 January 2009 by the Minister for Home Affairs (the Minister) following consideration of Trade Measures Report No. 140. These measures were applicable to all exporters from Greece.

On 13 May 2013, the Minister revised the level of measures relating to exports of currants from Greece by one exporter (Agricultural Co-Operative Union Aeghion (Aeghion)), after consideration of International Trade Remedies Branch Report No. 192.

Aeghion was cooperative in that review of anti-dumping measures, providing a completed exporter questionnaire response.

The anti-dumping measures in so far as they relate to exporters other than Aeghion have not been reviewed since their introduction in 2009.

The existing anti-dumping measures are due to expire on 14 January 2014.

On 11 July 2013 the Anti-Dumping Commission (the Commission), following receipt of an application made by Sunbeam Foods Pty Ltd (Sunbeam) representing the Australian industry, initiated a continuation inquiry into whether the measures should be continued for another 5 years.

On 25 July 2013 the Commission initiated a review after a request was made by the Minister to review the anti-dumping measures as they affect exporters of currants exported to Australia from Greece. The review period is 1 July 2012 to 30 June 2013, and covers all exporters of the goods from Greece. The review will examine whether the variable factors relevant to the taking of the measures have changed.

Following initiation of the inquiry and review, a search of Australian Customs and Border Protection Service's import database indicated that Aeghion supplied currants from Greece to Australia in the period 1 July 2012 to 30 June 2013.

The Commission notified Aeghion of the initiation of the inquiry and review and sought its cooperation by providing an exporter questionnaire to complete. The non-confidential version of the questionnaire response is available on the public record.

2.2 Purpose of this report

The purpose of this report is to assess Aeghion's exporter questionnaire response and to make a preliminary assessment of:

- who is the exporter and who is the importer;
- export prices and normal values; and
- dumping margins.

2.3 Company background

According to the exporter questionnaire response, Aeghion is a company limited by shares under Greek law. It provided a list of all its shareholders and the number of shares and percentage ownership held by each shareholder.

Aeghion stated that it manufactures products, including currants, for distribution across the globe.

2.4 Accounting

The exporter questionnaire response states that Aeghion's financial accounting period is from 1 January to 31 December and it provided a copy of its 2012 audited financial statement.

The exporter questionnaire response also states that the financial accounting practices and policies used by Aeghion do not differ from the generally accepted accounting principles of Greece.

3 THE GOODS AND LIKE GOODS

3.1 Description of the goods

The goods the subject of the anti-dumping measures (the goods) are processed dried currants of the grape variety *Vitis Vinifera L. Black Corinth*. Sultanas, Muscat raisins, unprocessed currants or blended dried fruit mixtures are excluded from the measures.

During the original investigation, Sunbeam defined the meaning of “processed” in the context of dried currants as:

Processing of sun dried currants involves a multi-staged procedure which includes the separation of good fruit from stems, capstems, poor fruit, grit, and other foreign matter through a riddle and cone system. The fruit then passes onto a belt where it is examined and unsuitable fruit or foreign matter not removed earlier is removed via hand-picking, prior to washing of the fruit and then passing to a de-watering procedure via a spinner. Finally, a light oil is sprayed onto the fruit before packing for sale.

3.2 Tariff classification

The goods are classified to the following tariff subheading 0806.20.00, statistical code 29 in Schedule 3 to the *Customs Tariff Act 1995*.

3.3 Like goods

Section 269T(1) of the *Customs Act 1901* (the Act) defines like goods to mean:

Goods that are identical in all respects to the goods under consideration or that, although not alike in all respects to the goods under consideration, have characteristics closely resembling those of the goods under consideration.

Aeghion’s exporter questionnaire response provides details of the description of currants exported to Australia and sold domestically in Greece.

Aeghion states that Vostizza currants are exported to Australia and are identical to the Vostizza currants sold domestically in Greece.

3.3.1 Like goods – preliminary assessment

Currants produced and sold domestically by Aeghion have characteristics closely resembling those of the goods exported to Australia and are therefore “like goods” in terms of section 269T(1) of the Act.

4 EXPORT SALES TO AUSTRALIA

4.1 General

Aeghion exports currants from Greece to Australia to one customer, Frutex Australia Pty Ltd (Frutex).

In its exporter questionnaire response, Aeghion provided a spreadsheet containing a detailed listing of sales to Frutex. During the review period, Aeghion made 7 export sales transactions and provided the following source documents for all 7 export transactions:

- commercial invoice;
- export declaration;
- bill of lading;
- inland transport invoice;
- export handling charges invoice; and
- proof of payment.

The source documents provided matches the data in the export sales spreadsheet. In addition, the export sales spreadsheet reconciles to the Australian Customs and Border Protection Service's import database.

4.2 The exporter

It appears that Aeghion is the exporter of currants from Greece as Aeghion:

- is the manufacturer of the goods;
- owned the goods at the time of export;
- is the principal in the transaction located in the country of export from where the goods were shipped; and
- sent the goods for export to Australia and was aware of the identity of the Australian importer of the goods.

4.3 The importer

It appears that Frutex is the beneficial owner of the goods at the time of importation. The beneficial owner is considered to be the one who was entitled to all the benefits associated with ownership even though they may not be the legal owner of the goods.

Frutex purchase currants at free-on-board (FOB) terms. Frutex then arranges and pays for the post FOB exportation costs including ocean freight, marine insurance and Customs clearances. Frutex is also named as the consignee and the notify party on the bill of lading. Therefore, Frutex is the importer of the goods from Aeghion.

This is consistent with findings of the verification visit to Frutex during this inquiry and review that Frutex is the importer.

4.4 Arm's length

In respect of Aeghion's sales to Australia, there is no evidence that:

- there is any consideration payable for or in respect of the goods other than their price; or
- the price is influenced by a commercial or other relationship between the buyer, or an associate of the buyer, and the seller, or an associate of the seller; or
- the buyer, will, subsequent to the purchase or sale, directly or indirectly, be reimbursed, be compensated or otherwise receive a benefit for, or in respect of, the whole or any part of the price.

Therefore, the export sales of currants by Aeghion to Frutex can be considered as arm's length transactions in terms of section 269TAA of the Act.

This is consistent with the findings of the verification visit to Frutex that the sales between Aeghion and Frutex are arm's length transactions.

4.5 Export price – preliminary assessment

It appears that:

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

Therefore, the export price has been determined under section 269TAB(1)(a) of the Act using the invoiced price 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 export price calculations are at **confidential appendix 1**.

5 COSTS TO MAKE & SELL

In its exporter questionnaire response, Aeghion provided a cost to make and sell spreadsheet for currants. The spreadsheet shows the annual cost to make and sell currants sold domestically in Greece and exported to Australia.

A reconciliation of the cost to make and sell data to Aeghion's income statement was attempted however, there was insufficient information to enable a proper reconciliation of the data. Nonetheless, at this stage, the cost to make and sell data as provided in the exporter questionnaire response has been used for the purpose of assessing whether domestic sales are made in the ordinary course of trade.

The calculation of unit costs to make and sell for currants from Aeghion is contained in **confidential appendix 2**.

6 DOMESTIC SALES

6.1 General

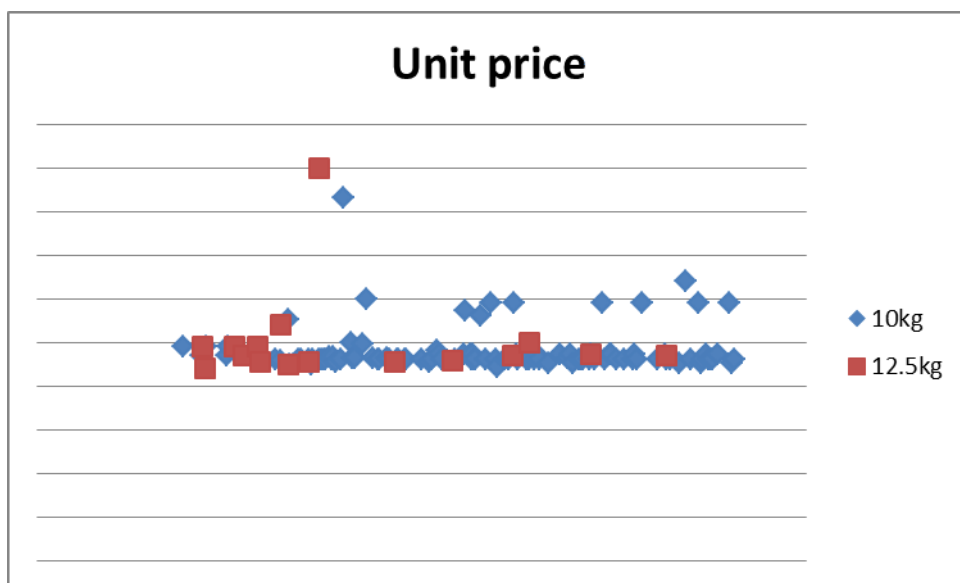
In its exporter questionnaire response, Aeghion provided a spreadsheet containing detailed sales of currants in the European market, including Greece.

Aeghion provided the commercial invoices for two Greek sales transactions, which matches the data in the domestic sales spreadsheet.

According to the sales spreadsheet, Aeghion sold currants in a variety of packages, including in 10kg and 12.5kg cartons, in the Greek domestic market during the review period. As Aeghion exported currants for the industrial market during the review period, it was considered appropriate to use Aeghion's Greek sales of 10kg and 12.5kg cartons of currants to determine normal values.

Of 170 Greek sales of currants in 10kg and 12.5kg cartons, there were seven outliers where the unit price was unusually low. Therefore, these transactions were excluded from the domestic sales listing.

It is noted that Aeghion only exported currants in 12.5kg cartons over the review period. However, an analysis of the unit prices of Greek sales of currants in 10kg and 12kg cartons, found that there no distinguishable price differences as shown in the graph below.



6.2 Ordinary course of trade

Section 269TAAD of the Act provides that if like goods are sold in the country of export at a price less than the cost of such goods and are unrecoverable within a reasonable period, they are taken not to have been made in the ordinary course of trade (OCOT).

In order to test whether the domestic sales of currants are in the OCOT, the profitability of each arm's length transaction was tested individually by comparing the unit selling price to the corresponding weighted average cost to make and sell. This test resulted in no unprofitable sales, therefore all sales are deemed to be made in the OCOT.

6.3 Suitability of sales

Section 269TAC(2) of the Act provides that certain domestic sales may be unsuitable for use in determining normal values because of a factor in the market. One such factor is where there is an absence, or low volume, of sales of like goods in the domestic market.

Low volume is defined in section 269TAC(14) of the Act as less than 5% of the total volume of the goods that are exported to Australia by the exporter.

The volume of domestic OCOT sales of currants during the review period as a proportion of the total volume of export sales to Australia was 7.7%. Therefore, there are sufficient domestic OCOT sales of currants during the review period.

6.4 Domestic sales – preliminary assessment

There were sufficient volumes of domestic sales of currants cartons by Aeghion that were arm's length transactions and at prices that were in the OCOT.

Based on the information provided, Aeghion's domestic sales of currants in 10kg and 12.5 kg cartons are suitable for assessing normal value under section 269TAC(1) of the Act.

The domestic sales spreadsheet, including the OCOT and sufficiency tests, is at **confidential appendix 3**.

7 THIRD COUNTRY SALES

In its exporter questionnaire response, Aeghion provided detailed sales of currants into the European market. It also provided a summary of its currants export sales to other third countries.

There is sufficient information from the submission to calculate normal values for currants using domestic sales.

8 ADJUSTMENTS

8.1 General

To ensure that the normal value was comparable to the Australian export price, the following adjustments were made.

8.2 Export inland freight

An upwards adjustment for export inland freight was applied to the normal value using the weighted average export inland freight over the review period.

8.3 Export handling costs

An upwards adjustment for export handling costs was applied to the normal value using the weighted average export handling costs over the review period.

8.4 Domestic inland freight

No adjustment for domestic inland freight was necessary as all Greek sales were made on an ex-works basis.

8.5 Adjustments – Conclusion

In accordance with section 269TAC(8) of the Act, these adjustments are necessary to ensure a fair comparison of normal values and export prices:

Export inland freight	Add an amount for export inland freight
Export handling costs	Add an amount for export handling costs

9 NORMAL VALUE

As there were sufficient domestic sales in the OCOT by Aeghion during the review period, normal values have been ascertained in accordance with section 269TAC(1) of the Act using the domestic selling prices.

In using domestic prices as the basis for normal values, certain adjustments, in accordance with section 269TAC(8) of the Act, are necessary to ensure fair comparison of normal values with export prices.

A summary of normal value calculations is at **confidential appendix 4**.

10 DUMPING MARGIN – PRELIMINARY ASSESSMENT

A dumping margin calculation is not required for the purpose of reviewing the variable factors. However, a dumping margin has been calculated for the purpose of informing the inquiry into whether the continuation of anti-dumping measures is warranted.

In accordance with section 269TACB(2)(a) of the Act, the dumping margin has been calculated by comparing the export price with the corresponding quarterly normal value. The weighted average product dumping margin for currants is 3.3%.

A summary of the dumping margin calculation is at **confidential appendix 5**.

11 LIST OF APPENDICES AND ATTACHMENTS

Confidential Appendix 1	Export price
Confidential Appendix 2	Cost to make and sell
Confidential Appendix 3	Domestic sales, OCOT and sufficiency
Confidential Appendix 4	Normal values
Confidential Appendix 5	Dumping margin