

1 December 2014

Mr Geoff Gleeson
Director
Anti-Dumping Commission
1010 La Trobe Street
DOCKLANDS Victoria 3008

Email: Geoff.Gleeson@adcommission.gov.au

Public File

Dear Mr Gleeson

Investigation No. 242 – Newsprint exported from France and Korea – Comments following discussions of 5 November 2014

I refer to our discussions of 5 November 2014 in Canberra on the clarification of certain matters related to material injury experienced by Norske Skog Industries (Australia) Limited ("Norske Skog").

A number of matters were raised during the discussions as summarized in the Meeting Notes placed on the public file. These included the *[expenditure items]* of the Boyer mill, contract matters relevant to *[entities]*, matters relating to Norske Skog's financial statements, negotiations between Norske Skog and certain customers, and issues raised in submissions (including the Skate system, 100 per cent recycled paper, etc).

Norske Skog provides the following comments in support of earlier representations.

Boyer *[expense item]*

Norske Skog identified the *[items for review]* for 2012 and determined that as a result of *[trend in economic indicators]*, the *[item relativity]*. The *[expense item]* was assessed as appropriate for that year.

[Entities]

As discussed,

[Commercially sensitive contract negotiation details between NSIA and customers]

Further *[commercially sensitive details]* have followed in 2014 (reflected in the April to September 2014 Appendix A6.1 data). *[Commercially sensitive details]* resulting in losses to Norske Skog.

[Further commercially sensitive contract negotiation details between NSIA and customers]

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[customer] Contract

Norske Skog was notified in March 2014 that it was unsuccessful with its tender to supply newsprint to [customer]. The contract was for a [period] supply, commencing xxxxx 2014. Norske Skog offered \$xxx per metric tonne, however was unsuccessful. It can be deduced that the suppliers [company] and [company] were at reduced prices to the Norske Skog offer (and confirmed by xxxxxx import prices of below A\$xxx per metric tonne).

Skate System

The Skate System was originally installed at five locations in Australia (companies). In 2014, this has been reduced to [commercially sensitive details]. Contractors, however, can supply imported newsprint at these locations. Norske Skog has also successfully delivered imported paper in standard shipping containers to skate sites [commercially sensitive details].

Recycled Paper

In a recent submission, it was suggested that [company] preferred 100 per cent recycled paper. Norske Skog has not been notified that this has been a supply requirement, including in the recent negotiations for supply (in early 2014). [evidence of commercial negotiations]. It should be noted that the [customer] proposed contract makes no mention of any requirement or preference for 100% recycled newsprint. It is Norske Skog's clear opinion that its newsprint is completely substitutable and historically has performed in major newspaper printing operations as well if not better than newsprint made from 100% recycled paper.

Link to anti-dumping activity in Malaysia

In a recent public submission it was suggested that the anti-dumping application in Australia was somehow linked to similar action by MNI in Malaysia. While Norske Skog Australia's parent company is a minority shareholder in MNI, both Norske Skog and MNI operate through an independent board structure. Decisions about anti-dumping that have been made by MNI and Norske Skog have been made completely independently. That said as a general strategy Norske Skog believes that it is appropriate for any manufacturing company to take anti-dumping action wherever it sees evidence of unfair competition that has an injurious effect on the local manufacturer.

I hope the above comments assist with your clarification on matters raised during our discussions. If you have any further questions, please do not hesitate to contact me on (02) 8268 2037, or Norske Skog's consultant John O'Connor on (07) 3342 1921.

Yours sincerely

Andrew McKean
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