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The Director, Operations 2
Anti-Dumping Commission
5th Floor, Customs House
5 Constitution Avenue
CANBERRA ACT 2601

Re: Dumping investigation ADC 225
Copy paper exported from China
Response to ADC Visit Report – UPM (China) Co. Ltd.

The following submission comments on and raises questions arising from the Exporter Visit Report prepared by the Anti-dumping Commission in respect of UPM (China) Co. Ltd. and also the submission on that matter from Minter Ellison on behalf of UPM Asia Pacific Pte Ltd.

It also draws together relevant information from the Australian marketplace and from the visit reports prepared by the Anti-dumping Commission in respect of import agent UPM-Kymmene Pty. Ltd. in Australia and importer Fuji Xerox Australia Pty. Ltd.

1. The Exporter Visit Report for UPM (China) Co. Ltd.

The Visit Report concludes, in s.10 that *"the goods exported to Australia were dumped at a margin of -0.95%"* i.e. dumping was not found, albeit by a margin of less than 1%.

The following are our observations and questions relating to the report:

- s.4.1.1. Where are rebates brought to book in UPM AP accounts?
- s.4.1.2. states that *"Neither UPM AP nor UPM Australian has any standing agreement with Australian customers"*. We understand that UPM has won supply agreements and tenders with [redacted] and that Fuji Xerox Asia Pacific tenders its copy paper supply for the region, with UPM currently the major supplier to Fuji Xerox in Australia. There seems to be a conflict with s.4.1.2. of the report which needs to be investigated.

  The section also notes that *"The Changshu Paper Mill…arranges the delivery through UPM's logistics department"*. Where are the costs of UPM's logistics department for exports to Australia? These should constitute an upward adjustment to the normal value.
- s.4.1.9. states that *"aside from rebates to selected customers, UPM indicated that no other financial assistance is provided to Australian customers"*. This is repeated in s.4.3.10.

  [redacted]

[redacted] *[potential alternatives to rebates]*

Were only rebates paid directly from the exporter in China to the importer in Australia sighted, or were rebates paid to affiliates of the Australian importer, e.g. Fuji Xerox Asia Pacific in Singapore or by affiliates of the exporter to either the Australian importer or their affiliates also sighted?

It is common practice in the industry that global, head office to head office global rebates are paid in addition to those which flow at national level from mill to customer [redacted] This would only be confirmed by questioning at the global corporate level.

- s.4.2. of the report included the following very odd statement:

  "The sales revenue for cutsize paper was only able to be provided at the aggregate level of total export sales to all countries including Australia. We were provided with SAP sales revenue data for export sales of cutsize paper to all countries for Jul-Dec 2012 and Jan-Jun 2013."

  On the face of it, this seems quite unbelievable – that UPM-Kymmene could not provide sales revenue specifically for sales to Australia, since that information has been provided, in the form of FOB prices, to Chinese and Australian Customs on a shipment by shipment basis. On questioning this, we now understand that the individual data for Australia was available from other reports sighted by the Commission.

- s.4.3.5. refers to "*inland transportation expenses from the Changshu mill to the port in Shanghai"* in the first paragraph, then *"from the Changshu mill jetty to the Port of Changshu*" in the second paragraph. We expect that exports to Australia are from Shanghai rather than Changshu and that the adjustments to the Normal Value calculations would reflect the transport, port charges etc. costs associated with this.

- s.4.3.6. refers to *"residual VAT on domestic materials used in exported goods"*. We are having difficulty understanding this, when read with the statement in s.2.5. "*For raw materials purchased by UPM directly from overseas suppliers, VAT is paid but is credited for goods sold on the domestic market".* This implies considerable VAT on, particularly, pulp imports for production of export copy paper, or, alternatively, avoidance of this VAT by UPM (China) never taking ownership of the pulp (see s.4.4).

- s.4.3.7 of the report suggests that the '*ocean freight charges'* set out in UPM's records *'included terminal port handling, port and other charges in Shanghai*'.

  We are unsure from this whether the FOB price declared to Chinese and Australian authorities included these charges as it should or whether they have been excluded.

  Also, these charges, together with other charges should constitute an upward adjustment to the normal value calculations.

  The information apparently provided to the Commission is "*showing different ports of loading. Changshu Jetty Terminal, Changshu Port or the Shanghai Port."* Of these, it is likely that in all cases, the goods are only loaded on the containership for Australia in Shanghai Port. Adjustments to the Normal Value calculations should reflect this. Loading on a barge or river ship at the Changshu jetty terminal does not constitute FOB.

  The section notes that ocean freight charges include terminal handling charges in Shanghai. These are pre-FOB costs and need to be included as an upward adjustment to the normal value. There would also be pre-export container holding costs (warehousing) at Shanghai port as export containers arrive progressively up until the time of export container ship loading.

We note that the port of export declared in Chinese trade statistics appears to be different from the port of export in the Australian trade statistics and the difference may well be the FOB point used.

Conceivably this may, in part, account for the discrepancy between Chinese and Australian trade statistics [redacted]

- s.4.3.8. Would not marine insurance be a charge which is post-FOB?
- s.4.3.10. We have noted the industry practice of global rebates at a head office level and the likelihood that these exist between the UPM organisation and Fuji Xerox organisation in our comments on s.4.1.9. This is a critical issue which would not be evident from mill or importer accounts. Global rebates may also raise tax issues if they are not brought to account in the producer and customer's countries.

  Direct rebates would be subject to rebate agreements with customers. Were any of these rebate agreements sighted?
- s.4.4. makes the observation that *"Importantly, during the process, UPM AP maintained ownership of raw materials provided to UPM for the production of export copy paper'.*

  This is an extremely odd situation, with UPM (China) acting as a 'toll processor' for UPM AP on, presumably, a 'cost plus' basis.

  With the major raw material, bleached eucalypt pulp, being sourced from another UPM-Kymmene mill in Uruguay which has a very low cash cost reported as USD301/tonne, there seems to be scope for transactions which, although not prima facie dumping, could render the whole transaction train from supplier to customer non-arms-length and dictate a different approach in calculation of normal value and export price.

  The arrangement also raises the question of whether, in the accounts of UPM (China), the Commission was inspecting the invoice cost of the raw materials, in particular bleached eucalypt pulp from Uruguay used in production of copy paper for the domestic market or the same pulp, used in production of copy paper for export (which could conceivably be priced differently). The only way to be sure would, it seems, be by examination of the accounts of UPM AP in Singapore.

  There also appear to be tax implications in China. S.2.5. states "*For raw materials purchased by UPM directly from overseas suppliers, VAT is paid but is credited for goods sold on the domestic market'.* What is happening with VAT in relation to the goods purchased by UPM AP and 'toll converted' into paper for export is unclear. There also may be non-VAT tax issues.

  We also ask whether the Commission have verified the pulp costs against Chinese import statistics which are readily available. (Imports of pulp from Uruguay declared at Nanjing are almost certainly destined for UPM Changshu).
- s.4.6 notes that certain customers for export sales to Australia *"were reimbursed for part of the price through a system of rebates"*.

  s.6.3 notes that in respect of its domestic market, *"UPM explained that it has a well-established system of rebates linked mainly to volume targets*" this was repeated in s.6.8.

  If the domestic distributors have a long-standing relationship in which they only handle UPM copy paper and no other brand, the question does need to be asked whether they are truly arms-length or whether they are effectively under the control of UPM despite there being no ownership.

  Also, to explain the discrepancy between recent low retail prices in Australia and declared FOB export prices, rebates of up to an unlikely 40% would be required.

  Were only rebates directly given by the exporter to the importer identified, or were indirect rebates flowing via affiliates also identified?
- s.5.3.1 examines CTMS data *"at the levels of material costs, direct labour, manufacturing overheads and depreciation".* While we appreciate that an additional breakdown of these cost

elements was provided and used for verification of CTMS, it is unclear whether all costs have been captured, as examples, mill engineering and technical support, maintenance materials, labour and overheads, paper machine clothing and consumables (fabrics, felts, press covers, refiner plates etc.), mill order handling staff, site costs including site services, jetty, employee accommodation, mill warehousing etc.

Do the items referred to as follows "We noticed that *two line items in the CS ma spreadsheet had not been included in the appendix G4 data."* Are these items associated with product for export sale or domestic sale or both and it the allocation method between export and domestic appropriate? In particular, the item included in selling costs could be quite different between domestic and export because of the high export paperwork requirements.

From other references, the item included in *"selling costs"* appears to have been interpreted as for domestic sales only. There should be a matching item for export sales.

- s.5.3.3. – see comments on s.4.4. above

Pulp

We found the comment that *"the volume of pulp purchased from related companies was small in comparison to the volumes purchased from unrelated companies"* to be at odds with the Chinese import statistics.

Chinese import statistics (provided to Australian Paper by TradeData and provided to the Commission on 25 October 2013 reveal that 340,000 tonnes of bleached hardwood pulp was imported from Uruguay to ports serving Changshu mill. UPM operates the only export scale pulp mill in Uruguay. It has a capacity in excess of 1 million tonnes/year of bleached hardwood pulp.

Between 0.7 and 0.8 tonnes of bleached hardwood (eucalypt) pulp is consumed per finished tonne of copy paper, so 340,000 tonnes of pulp from Uruguay would make 425,000 – 485,000 tonnes of copy paper i.e. the full capacity of UPM Changshu PM1.

Coated paper, made on UPM Changshu PM2 uses a significantly higher proportion of bleached long fibre pulp than copy paper. We are also unsure of the suitability of the UPM Uruguay pulp for coated paper manufacture.

We suspect that the pulp you have examined was for the whole Changshu mill rather than just for Changshu PM1 or for copy paper. We also ask whether it included the pulp purchased by UPM AP and used for toll manufacture of export copy paper. This could also skew the mix away from related company supply.

Another explanation is that there is a specialist pulp trading intermediary facilitating the pulp shipments and handling the sales paperwork.

This major disconnect needs close examination.

Coal

Coal has an ash content of, typically, 15 – 30%, but sometimes as high as 50%. When burned in industrial boilers, there is also generally some unburned material, so there is a quantity of ash to be disposed of which is 20-35% or possibly more of the quantity of coal used. This is often in a wet form, so the gross quantity would be higher.

The ash is frequently land-filled, but may, on occasion, be used by cement works or in road making.

Have the quite significant ash disposal costs for UPM (China) been accounted for?

Labour and depreciation costs

There was a statement that *"direct labour cost included elements for basic salary, overtime, pensions, social security, bonuses, accident insurance"* all components we would expect.

Large Chinese businesses are also required to make a housing fund contribution of 8 – 12 %, although we understand that UPM (China) provides on-site accommodation for its workers in lieu of this allowance. We ask whether the cost of this accommodation has been considered in assessing labour costs.

- In s.5.4.2. it was difficult for us to unravel from the discussion which were costs for domestic, which were costs for export and which were costs for both.

  There are selling costs associated with both domestic and export sales which are incurred at the mill rather than in regional offices. These include the back office functions for order receival, production scheduling, order tracking and delivery planning, booking and tracking as well as preparation of shipping and customs documents for export orders. These selling costs would be significantly different between domestic and export orders, being higher for export.

- s.5.4.2. notes that the unit marketing expense *"covered domestic marketing costs for UPM branded copy paper and the expenses for regional sales offices"*.

  s.6.4.1 notes that "*UPM explained that all domestic sales in the investigation period were on delivered terms"*

  s.6.4.2 notes "*UPM included expenses for the following items, incurred in relation to domestic sales:*
    - *inland transport*
    - *transport insurance*
    - *warehousing*
    - *commissions; and*
    - *customs (import) duty on raw materials"*

  s.8.4. suggests that in the domestic market, UPM-Kymmene sells almost all UPM branded copy paper and that exports to Australia are all or almost all customer brand.

  While mill brand paper can be produced to stock and held in dispersed distribution warehouses, and also attracts a marketing cost and cost for regional sales offices, customer brands are made to order without stock, do not incur a marketing expense, would generally be sold as a major transaction at head office level. Warehousing, marketing and regional sales office expenses would not apply.

  We are therefore puzzled by the statement in s.8.4 that "*In addition, as discussed at section 6.4 UPM sells UPM branded copy paper on the domestic market, with export sales being almost all customer branded paper. UPM incurs expenses for the marketing of UPM branded copy paper on the domestic market which are not incurred for export sales. As such, we consider that a downwards adjustment is required to the normal value calculations. The deduction has been made using the verified monthly domestic marketing expenses for copy paper."* This adjustment appears not to be justified.

  It would seem to us that the fair comparison of domestic UPM branded copy paper with customer branded export copy paper would require this adjustment not be made.

  There is no evidence that UPM (China) extract a premium for their brand over a well-established customer brand on the same delivered terms as provided for UPM branded product. On the contrary, Australian Paper can provide evidence of one established well-known customer brand in China, [redacted] selling at a higher price to distributors than the equivalent UPM mill brand. Marketing of the UPM brand is, therefore, all about brand recognition and volume in the domestic market.

  We would therefore contend that warehousing, marketing and regional sales office costs, all specifically associated with a mill brand but not with a customer brand should NOT therefore be a part of the downwards adjustment needed to go from a delivered price to a normal value. In addition, customer brand paper is likely to have lower distribution costs because shipments would be likely to go directly to the customer warehouse rather than in 2 stages via a UPM warehouse then to the customer.

  Also, both FSC and non-FSC paper is sold by UPM in the Chinese domestic market whilst all exports are certified FSC (s.2.5). The Normal Value calculation should be based on the equivalent export product, i.e. FSC certified, which attracts a price premium over uncertified product in the domestic market.

- s.5.4.3. Mill administration should be allocated over production rather than sales.

- s.5.4.4. Sales value rather than sales volume would be more appropriate as the basis for allocating finance expenses.
- s.6.7.3. Were rebate agreements between UPM and its Australian customers sighted?

  Were global rebate agreements or payments found?

  Adjustments to the accounts receivable seems to be a highly questionable way of providing these rebates, with apparently no documentation or acknowledgement from the customer that the rebate had been paid.
- s. 6.7.4 Extended payment terms in the Chinese domestic market would seem quite unusual and for UPM's insurer to accept these terms at a common price with more developed markets seems unusual unless the relationship between buyer and seller was sufficiently close that it should not be considered arms-length.
- s.6.7.6. If selling cost was included under 'commissions' in spreadsheet D-4, what was included under 'selling cost'?

  UPM was invited to *"make a submission on the matter of selling expenses"* was such a submission made, and if so, could a 'public record' version be released?
- s.6.7.8. As we have stated elsewhere, for a proper comparison of like for like between domestic and export sales, warehousing and cartage should be ignored since customer brand product would go directly from mill to customer warehouse. Because of reduced handling and no warehousing for customer brands, transport insurance should also reduce. These would serve to reduce the negative adjustments in the normal value calculation.

  Not covered here is inland transport mill to export port and container storage (warehousing) at the export port for exports to Australia. These are positive adjustments to the normal value calculation.
- s.8.4. Several points, which have also been covered above, arise:

  There are selling expenses at the mill associated with order taking, planning, tracking, paperwork and shipment of export orders. These are a positive adjustment to normal value.

  Domestic sales are generally of UPM brand product, supported by warehousing and sales offices in major centres in China and by marketing of the UPM brand. None of these apply to customer branded product which, if sold in China, would be negotiated at mill/head office level and delivered direct to customer warehouses. These costs, associated with the UPM brand and UPM branded copy paper must be excluded from downward adjustments in the normal value calculation.
- s.8.7. refers to sighting product for Australian customers in the mill warehouse.

  This suggests an associated cost which would be a positive adjustment to the normal value.
- s.8.9 deals with the global trade credit policy of UPM-Kymmene Corporation.

  The extended payment terms in the Chinese domestic market make it seem quite unusual that UPM's insurer would accept that there was no higher risk than in more developed markets. This is unless the relationship between buyer and seller was sufficiently close that it should not be considered arms-length.
- s.9.1. appears to nominate the FOB point as the mill jetty. This is not appropriate. FOB should be the point at which the goods are on board the vessel which will take them out of the exporting country. There are, therefore, freight to export port, storage at export port, port handling charges etc. which are positive adjustments to the normal value

In the above, we have raised a number of queries about the information reported and have also identified several adjustments in the normal value calculation which we believe should be handled differently.

s.10 concludes that *"the goods exported to Australia were dumped at a margin of -0.95%"* i.e. dumping was not found, albeit by a margin of less than 1%. The treatment of adjustments to the normal value calculation we have suggested above would, we expect materially change this conclusion.

2. Developments in the Australian Market

There have been recent developments in respect of dumped copy paper exports from China.

The retail copy paper channel appears, since late 2013 to be inundated with exceedingly low-priced copy paper imported by Fuji Xerox from two Chinese manufacturers, UPM-Kymmene (branded Fuji Xerox Laserprint and Fuji Xerox Everyday Paper) and Yueyang Paper (branded Fuji Xerox Express and also sold as a retail customer brand).

Since late in 2013, the following extremely low retail prices have been observed:

- 'Fuji Xerox Laserprint' sold Oct/Nov 2013 through [redacted] @ $2.50/ream, displayed at front of store and advertised in catalogue. The paper is believed to have been manufactured by UPM-Kymmene
- 'Fuji Xerox Everyday' sold January 2014 through [redacted] @ $3.00/ream, displayed in the regular stationery aisle. The FSC registration number C104197 on the wrapper is registered to Fuji Xerox Asia Pacific, Australia, French's Forest, NSW). The paper is believed to have been manufactured by UPM-Kymmene.
- 'Fuji Xerox Express' sold January 2014 through [redacted] @ $2.50/ream, displayed at front of store and advertised in their catalogue. The wrapper is date-stamped 5/10/2013. The FSC registration number C028214 on the wrapper is registered to Yueyang Forest & Paper Co. Ltd.
- 'Fuji Xerox Laserprint' sold Jan/Feb-14 through [redacted] @ $2.00/ream, displayed at front of store and advertised in their catalogue. The FSC registration number, C104719 on the wrapper is registered to UPM Kymmene.
- [redacted] *[retailer brand example]*

As retail offers, all of these prices include 10% GST and correspond, as in a previous submission, to FOB prices ranging from:

[redacted]

The calculations for these FOB prices did not include any profit or cost recovery margin for Fuji Xerox or allowance for a retail margin or recovery of retailer costs.

Needless to say, for a complete analysis of the situation, it would be essential to interrogate the transaction and financial trail at all stages of the supply chain from the key raw materials supplier (UPM-Kymmene Uruguay) to UPM-Kymmene Asia Pacific to UPM (China) back to UPM-Kymmene Asia Pacific in Singapore to Fuji Xerox Asia Pacific in Singapore to Fuji Xerox Australia to the retailer selling the very low priced product (and any related or unrelated intermediaries in between). All prices, costs and margins need to be considered and the source of funding for the gap of up to almost [redacted] between the recorded FOB and the FOB implied by the lowest retail prices must be clearly identified, together with the motivation for providing that funding.

While 'loss-leading' is, under most circumstances quite legal and accepted behaviour amongst retailers attempting to attract customers who are likely to purchase other goods and services, [redacted] *[market intelligence]*

Similarly, where a manufacturer is focussed on its domestic market, it is not uncommon to sell to selected export markets at less than full cost (but more than cash cost).

Unlike retailers and manufacturers, Fuji Xerox Australia is, in relation to copy paper, purely a trading company, which must cover its costs and make a margin from buying below its sell price. The days of linkage between copy machine sales and copy paper sales are long gone. Unlike a paper manufacturer, for which the capital costs are sunk costs and cash flow rather than profit rules its decision making, a trading company's margin on cash flow less cash expenses is fundamentally its profit. Selling at a loss does not make any sense and the motivation and source of funds to make up that loss needs to be questioned in detail.

In the case of the four Fuji Xerox branded papers noted above, we believe the import quantities were of the order of 200 to 500 tonnes or 10 – 25 containers (40 ft.) each shipment. These shipments should be easy for the Commission to identify in the detailed trade data available to the Commission. Alternately, Fuji Xerox Australia should be asked to identify each of the shipments.

It is imperative that the Commission trace these individual shipments from source to retailer and determine the declared FOB value and verify this with the manufacturer.

If the declared FOB value and the value in UPM (China) and Fuji Xerox' accounts are not close to the value calculated above, (allowing for declared rebates) this provides clear evidence of non-arms-length transactions and the Commission should proceed to obtain the detailed documentation from both the exporter and importer and, potentially, their head offices, which are both located in Singapore. In the paper industry, 'Global' head office to head office rebates, in addition to the mill-to-customer rebates are a common practice and are not always disclosed to either the mill or the importing customer.

[redacted]. This would substantiate a non-arms-length relationship which would mean that the declared FOB prices should be ignored and a constructed FOB price based on the retail price should be used in assessing dumping.

s.4.3.3. of the Commission's Visit Report – Importer Fuji Xerox Australia Pty Ltd records that the Commission was *"unable to match the figures provided in the commodity paper breakdown for March 2013 to the March 2013 sales recorded in the Part C response"* Fuji Xerox explained that "*due to the way sales are tracked in the system, we would be unable to directly cross match a particular month's sales commodity report to the exact data recorded in Part C"*.

Given the extraordinary match which occurred between Chinese export prices and Australian import prices immediately after the dumping application became public, this seems unlikely.

s.4.3.4. of the Commission's Visit Report – Importer Fuji Xerox Australia Pty Ltd originally recorded that "*of the shipments examined, only two were sold at a profit…".* This was amended on 27 February to show that *"of the nine shipments examined, seven were sold at a profit"* and two were not. This provides a confirmation that Fuji Xerox, rather than the retailer, is at least in part, responsible for the low prices.

The sampled sales quite probably do not include the extraordinarily low priced product placed in the retail channel in quantity since December 2013 which would, presumably, show significant losses.

We ask the Commission to specifically request from the importer, the exporter and their Singapore-based parents for the full document trail associated with the low priced retail offers and to make a judgement on whether these sales are, on the balance of probabilities, arms-length and un-dumped.

We have previously drawn the Commission's attention to the fact that Fuji Xerox has at least 3 operations in Australia and that the Commission should engage with all of these separately. This remains our strong view.

3. Issues raised by the Minter Ellison submission of 21 February 2014

3.1 Normal Value

1. Whilst, because of redactions and other material we are not party to, we have no way of knowing whether a portion of the selling commission paid to UPM Kymmene Pty Ltd (Australia) is attributable to post-exportation matters, or is 'profit', this is not relevant.

   The result, in terms of dumping margin, should be the same whether the commission is paid by UPM (China) or the paper exported at a lower price and UPM Kymmene Pty Ltd (Australia) is paid by adding its margin to the paper cost invoiced to the Australian customer.

   We support the treatment of this issue adopted by the Commission.

2. With limited access to information, we are unable to comment on the inland transport VAT issue.

3.2 Identification of Parties

The Minter Ellison submission:

- Opposes the treatment of UPM (China) and UPM Asia Pacific as a single exporting entity.
- Submits that the importer of the goods is UPM Asia Pacific Pte Ltd.

We have no opinion on the treatment of UPM (China) and UPM Asia Pacific as a single exporting entity, other than the seemingly intermeshed activities of the two companies to the point that "*several staff who listed on the UPM AP organisation chart had UPM (China) Co. Ltd. printed on their business cards"* (visit report s.4.4.).

In relation to the importer of the goods, it is difficult to see how UPM Asia Pacific can be the importer without a presence on the ground in Australia and without handling the import paperwork.

Regardless, these representations strongly support our contention that the Commission should fully engage with the head office of UPM Asia Pacific in Singapore, and also the head office of Fuji Xerox Asia Pacific, also in Singapore to fully examine the transaction trail associated with copy paper exports to Australia.

4. Some observations

[redacted] *[trade statistics commentary]*

The conclusion in the UPM (China) Co. Ltd. Visit Report, in s.10 that *"the goods exported to Australia were dumped at a margin of -0.95%"* seems rather too close for coincidence and suggests that there may be 'managed' data.

5. Summing Up

In relation to the Visit Report – Exporter UPM (China) Co. Ltd., we have raised several queries about the information reported and have also identified several adjustments in the normal value calculation which we believe should be handled differently.

We have also reported recent developments in the Australian market which has seen UPM (China) copy paper imported by Fuji Xerox Australia and sold by major retailers for GST-inclusive prices as low as $2/ream ($800/tonne), a level quite inconsistent with trade statistics.

The individual imports associated with these extremely low prices were most likely not included in the transactions sampled by the Commission, but, even so, the Visit Report – Importer Fuji Xerox Australia Pty Ltd as revised on 27 February 2014 reported that only seven of the nine shipments they had sampled were sold at a profit. Fuji Xerox, in relation to copy paper, is a trading company which lives or dies on margin. There is no rational motivation for a trading company to trade at a loss.

We have also noted, in the course of this investigation, several uncanny coincidences in relation to export/import statistics and the dumping margin reported.

We ask that the Commission:

- Change its treatment of certain adjustments to the normal value calculation as we suggest in 1. above
- Investigate and report on the issues we have identified in the report
- Trace the individual shipments associated with the very low price Fuji Xerox paper in the Australian market, and obtain all documentation for these shipments, from importer back to manufacturer and forward again to the importer and importer's customer, including any involvement of the Singapore head offices of both importer and exporter.
- Obtain a clear account of what party has funded the losses made on these transactions, the mechanism of funding and the motivation.
- Regardless of the outcome of the commissions consideration of the issues raised by Minter Ellison in relation to the identity of the exporter and importer of the goods, fully engage with the head office of UPM Asia Pacific in Singapore, and also the head office of Fuji Xerox Asia Pacific, also in Singapore to fully examine the transaction trail associated with exports of the goods to Australia.

Yours sincerely,

Garry Jones
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