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Australian Government
Anti-Dumping Commission

Meeting with:	Corrs Chambers Westgarth, representing Bowater Korea, and the Anti-Dumping Commission (the Commission)	
Regarding:	Investigation into the alleged dumping of newsprint exported to Australia from France and Korea.	
Date and Time:	Tuesday 8 December 2014	
Location:	Customs House, 1010 La Trobe Street, Docklands, VIC, Australia	
Attendees:	Corrs Chambers Westgarth:	Andrew Korbel (Partner) Andrew Percival (Special Counsel)
	Anti-Dumping Commission:	Jukka Mäntynen George Katsoulis An Chew

General Discussion

- Corrs Chambers Westgarth, representing Bowater Korea (Bowater), explained that it sought this meeting to present its views on:
 - the calculation of the dumping margin as calculated in the *draft Dumping Margin Calculation For Bowater Korea And Desk Assessment Report*; and
 - whether any injury has been caused by the alleged dumping.

Dumping Margin

- Bowater indicated its view that:
 - the model matching methodology used by the Anti-Dumping Commission (the Commission) is not reasonable where it compared all exports sales to Australia to a single product sold in Korea
 - in its calculations, the Commission should use a range of domestic products that closer match exported products on the basis of roll width and roll diameter
 - basis weight (grams per square metre: gsm) determines whether sales can be made into a particular market, but is not the factor which determines price within a market.
- The Commission indicated that:
 - its understanding is that newsprint costs and pricing are calculated and quoted on the basis of weight, and not by the roll
 - all cost and pricing data that has been provided by Bowater is on the basis of weight and not by the roll
 - evidence received so far indicates that GSM is a significant factor influencing the price of news print on a per tonne basis
 - in the information that has been provided, the Commission has not been able to find consistency in costs and prices to support Bowater's view

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- any public and confidential submission that includes evidence and data to support Bowater's view would be welcome but must be provided promptly by Bowater
- information from Bowater in relation to differences, or similarities, in costs and pricing to facilitate the calculation of an adjustment factor, if required, in relation to 45 gsm and 46 gsm newsprint would be welcome

Material Injury

- Bowater indicated its view that:
 - the decline in the newsprint market resulting in falling prices and profits for newsprint producers is the context in which to evaluate injury
 - injury claims by the Australian newsprint industry (Norske Skog) appear to be limited to price effects
 - Norske Skog is the price leader in the Australia market because it is the dominant player with the greatest market share
 - any price effects Norske Skog may have suffered must be due to prices that are in recently negotiated contracts with its major customers
 - Norske Skog appears to have acted strategically by renegotiating major contracts before they expired and offering lower prices to maintain volume levels over the long term. Therefore prices paid by its major customers are not affected by imports.
 - prices and injury are particularly not affected by imports from Bowater which is a small player in the Australian market [REDACTED]
[REDACTED] **[Confidential: commercial sales information]**
 - News Ltd and Fairfax presumably agree to long term arrangements for reasons other than price
 - Newsprint is not a 'commodity' product for major newspaper publishers, in the sense that they enter into long-term contracts for supply (buying only small amounts on the spot market) and have strict quality and service requirements
 - any anti-dumping measures that are put in place would not remedy injury because they presumably could not affect the prices that are already 'locked' in long term contracts. They would also not prevent any alleged threatened material injury – because that injury could only relate to WAN and APN. In respect of those two publishers, any contracts once held by Norske Skog are not claimed to have been lost as a result of dumping, and the evidence suggests that it is not dumped prices which are standing in the way of Norske Skog being contracted now to supply them.
- The Commission indicated that:
 - it will consider all submissions made to it in its investigations
 - the Statement of Essential Facts is due to be published on 18 December 2014.

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