

NOT CONFIDENTIAL

ANTI-DUMPING COMMISSION INVESTIGATION ADC 242
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FRANCE AND THE REPUBLIC OF KOREA

**SUPPLEMENTAL SUBMISSION ON THE DUMPING MARGIN CALCULATION FOR
BOWATER KOREA AND DESK ASSESSMENT REPORT**

18 DECEMBER 2014

We respectfully submitted on 4 December 2014 that the Anti-Dumping Commission (**Commission**) failed to make a fair comparison between the export price and normal value in its dumping margin calculation for Bowater Korea as required by Australia's anti-dumping legislation and Article 2.4 of the WTO Antidumping Agreement. The basis for our claim was the significant difference in the prices of models with different widths that the Commission failed to take into account when it compared sales of all models sold to Australia, on the one hand, to sales of a single model sold within the Korean market, on the other. The Commission has asked Bowater Korea to provide further information to substantiate that claim.

We have reviewed thoroughly Bowater Korea's sales information in response to the Commission's request. There is a definite correlation between price and the width of the products that Bowater Korea sold to Australia. However, we now understand that the price difference may not have been caused by the width of the rolls per se, but more likely because all but one of the wider width models sold to Australia were [REDACTED]

[REDACTED]
[confidential commercial information relating to export sales]. By contrast, with the

exception of one sale, the narrower width models sold to Australia were [REDACTED]
[REDACTED] [confidential commercial information
relating to export sales]

All of the sales to [REDACTED] [customer
names] that Bowater Korea reported in its Australian Sales database were of [REDACTED]
The reason that it was [REDACTED]
[REDACTED] [confidential commercial
information relating to export sales] Other reasons why paper may be [REDACTED]
[REDACTED]
[REDACTED] [confidential commercial information relating to export sales] [REDACTED] bought
this paper from Bowater Korea at a [REDACTED]
[confidential commercial information relating to export sales] the paper was not important.
Documentation confirming that [REDACTED] was purchasing [REDACTED]
[REDACTED] is provided in Confidential Exhibit 1. [REDACTED] also bought [REDACTED]
[REDACTED] presumably for [REDACTED]

The Commission compared all sales of all models sold to Australia to Normal Values
calculated from a single model sold in Korea. All sales of that model, [REDACTED], were of
[REDACTED]
[confidential commercial information relating to domestic sales] See Confidential Exhibit 2.
A fair comparison cannot be made between this product and the [REDACTED]
[REDACTED] in Australia without an adjustment for this [REDACTED]
[REDACTED]

The Anti-Dumping Manual states the following regarding adjustments for differences in
[REDACTED] (page 61):

Physical characteristics and quality

Adjustment is allowed for differences in physical characteristics where the differences can be quantified to ensure fair comparison. Relevant differences include quality, chemical composition, structure, or design.

Evidence may be provided of different selling prices for products with different physical characteristics or quality. In such cases, the size of the price difference may be used as the basis for any adjustment. However, in most cases adjustments for differences in physical characteristics, or for quality, are based on production cost differences. Additionally, in order that the adjustment calculation estimates the market value of the difference, the gross margin (i.e. the administrative, selling and general costs and profit) is added to the production cost difference.

Bowater Korea's [REDACTED] went through the same production processes and had the same cost to make as the [REDACTED]. Consequently, the amount of the adjustment would need to be based on the difference in selling prices.

The adjustment needed here should be based on the difference in price for sales in the same market of products that otherwise are identical except for the [REDACTED]. As shown in its Australian sales database, Bowater Korea made two sales to Australia of product [REDACTED] on the same day, 17 May 2013. One was a sale to [REDACTED] [REDACTED] (see Confidential Exhibit 3); the other was to [REDACTED] [REDACTED] [confidential commercial information relating to export sales]. These two sales were otherwise of identical products sold by the same company on the same day in Australia.

The difference in price between the two sales of apparently the same product is due solely to the very [REDACTED] [REDACTED] [confidential commercial information relating to sales]. The FOB Unit Price in Korean Won that [REDACTED] paid was [REDACTED]/MT. The FOB Unit Price in Korean Won that [REDACTED] paid was [REDACTED] MT. The sale to [REDACTED] [REDACTED] was [REDACTED] [REDACTED] [confidential commercial information relating to export sales]. Thus, to account for the [REDACTED]

████ the Commission should make a █████ when comparing Normal Value to the export price on the sales of models █████ to █████ and of model █████ to █████.

We have recalculated the dumping margin provided to us by the Commission in accordance with the foregoing. A copy of that calculation is attached (confidential).

These █████ account for █ percent (████ metric tons out of █████ metric tons) of Bowater Korea's sales to Australia during the period of investigation. As they do not █████, those imports could not have competed with Norske Skog or other imports in the market █████ [confidential commercial information relating to export sales]

If you have any questions regarding the attached calculation and, importantly, on the comments set out above on which that calculation is based, or require further information, please contact us..

Andrew Korbel Andrew Percival Corrs Chambers Westgarth Level 17 8 Chifley 8-12 Chifley Square Sydney NSW 2000	Elliot J. Feldman John Burke Baker Hostetler LLP 1050 Connecticut Ave., NW Suite 1100 Washington, D.C. 20036 United States of America
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