



Private & Confidential
Director Operations 3
Trade Measures Branch
Australian Customs and Border Protection Service
5 Constitution Avenue
CANBERRA ACT 2600

7 October 2011

Dear Sir/Madam

**Certain Structural Timber exported from the Republic of Austria, Canada, the Czech Republic, the Republic of Estonia, the Federal Republic of Germany, the Republic of Lithuania, Sweden and the United States of America
-ACDN 2011/41 refers**

We act on behalf of Stora Enso Timber Australia Pty Ltd ("SETA") and its related entities (collectively, "Stora Enso Group").

The Stora Enso Group

The Stora Enso Group is the largest timber producer in Europe.

SETA is a wholly owned subsidiary of Stora Enso Wood Products Oy Ltd and member of the Stora Enso Group. It operates from four distribution centres located in Melbourne, Brisbane, Adelaide and Gosford. Sales are also made in Perth through a wholesaler/s

SETA's main product range is timber framing material for wall and truss manufacturing and this is supplied mostly from the Stora Enso Group sawmills in the Baltics, Nordic and Central Europe.

Other products include weatherboards and a limited range of joinery products mostly supplied from the Stora Enso Group Baltic and Nordic sawmills.

SETA's vision is to maintain and further develop their position as the number one quality supplier of European softwoods in the Australian market.

Stora Enso Product Range

SETA offers a wide range of products on the Australian market, including:

DIY – Do It Yourself and WoodPax

SETA's DIY and WoodPax production offers a customised range of products and assortment plans for shop modules and rack types. The DIY products are mostly sawn and re-sawn, S4S - both square and eased edges, Planed T&G Panelling, Planed T&G Floorings of pine and spruce. WoodPax is a product offered by SETA which provides the customer with ready-to-install products for a variety of

PricewaterhouseCoopers, ABN 52 780 433 757
Freshwater Place, 2 Southbank Boulevard, SOUTHBANK VIC 3006, GPO Box 1331, MELBOURNE VIC 3001
T: 61 3 8603 1000, F: 61 3 8603 1999, www.pwc.com.au

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construction and interior decoration needs: high-quality exterior claddings, wall and ceiling panels and floor boards. WoodPax products are made from spruce (whitewood) and pine (redwood).

Sawn Timber

SETA offers a wide selection of sawn timber types from their Nordic, Central European, Baltic and Russian mills for different construction purposes. There are a wide range of qualities and sizes to meet local requirements. The products are cut and graded according to the needs of the end use.

Structural Timber

SETA offers structural timber produced from selected spruce, pine and douglas fir/larch.

The high quality of European raw material gives our products excellent strength values, appearance and consistent quality. Our structural lumber is produced to a light to no-wane specification. The products are manufactured for use by builders, home improvement centres, retailers, truss and wall panel manufacturers and more. They are the optimal building material for Australian timber frame houses, such as commercial and residential construction, as well as for industrial applications. Our customers appreciate the high and consistent quality enabling them to save time and money in any application.

Please find below a summary of the technical details for structural timber:

<i>Processing</i>	Planed or rougher headed, finger-jointed, Kiln dried (Heat treated), PET, Machine stress graded (MSR)
<i>Wood Species</i>	Spruce, Pine, Douglas Fir/Larch
<i>Moisture Content</i>	15% average or less
<i>Surface</i>	Planed/rougher headed
<i>Grades</i>	MGP10, MGP12, F Grades
<i>Thickness</i>	34/45 mm
<i>Widths</i>	70,90,120,170,190,240 mm
<i>Lengths</i>	Studs: 2.4,2.7,3.0,3.3 Longs: 3.6-6.0
<i>Country of Origin</i>	The Czech Republic, Austria, Sweden, Estonia, Lithuania
<i>Certification</i>	HFA, EMAS, ISO 14001, ISPM

Stora Enso Product Range – Coming to the market

SETA is currently investigating bringing the following product to the local market:

CLT - Cross laminated timber

CLT is commonly applied for external and internal walls, ceilings and roofs. It is composed of spruce, larch or pine (on request) kiln dried, planed, glued with formaldehyde-free adhesive, with 3, 5, 7 or



more layers. The building material offers a short assembly time at the building site because of the prefabricated boards and no time is required for curing.

The advantages of CLT include air tightness, fire resistance, thermal insulation and acoustic insulation and sustainability.

Part B and Part C of the Importer Questionnaire

Please find enclosed at Appendices 1 and 2, our response to Part B and Part C (respectively) of the Importer Questionnaire attached to your letter dated 9 September 2011 in relation to the subject anti-dumping application above.

Samples request by the Australian Customs and Border Protection Service

We note that the samples requested by the Australian Customs and Border Protection Service ("Customs and Border Protection") do not accurately reflect the nature and volume of products exported to Australia by the Stora Enso Group. In particular, the sample:

- Cover only a minimal number of the products imported into Australia by SETA. This is an inadequate basis for assessing dumping for the Stora Enso Group products, given the range of items and origins covered by the terms of the investigation. The sample therefore does not provide a true and fair view of the nature of the structural timber products offered by the Stora Enso Group to the Australian market; and
- Provides a distorted representation of the volume of structural timber products imported into Australia by SETA.

Our preliminary assessment of the sample shipments selected by Customs is that there is a significant difference between the product profile in the sample and the product profile for the total importation data for the period, for structural timber.

We request that Customs and Border Protection reconsider the set of samples requested for the investigation.

Subject to further data review, we will provide a more accurate sample set which captures the normal distribution of imported products and provides a better indication of the volumes of products imported by SETA.

Termination of the Anti-Dumping application

We intend to make a submission to Customs and Border Protection concerning the publication of the dumping duty notice sought in the Applicant's claim.

Our client is of the view that there is no dumping occurring in the structural timber market in Australia and that any injury suffered by Building Supplies Group Holding Pty Ltd ("BSG"), Hyne & Sons Pty Ltd ("Hyne") and Gunns Limited ("Gunns") (collectively, "the Applicants") is not linked to these exports.

Further information will be provided in our submission to Customs and Border Protection. Once these facts are verified, the anti-dumping investigation should be terminated.



If you have any questions related to the above, please feel free to contact Clare McGrane on (03) 8603 5298 or me on (03) 8603 6043

Yours faithfully

Peter Konidaris
Partner
Tax & Legal Services
peter.konidaris@au.pwc.com



Australian Government

Australian Customs and
Border Protection Service

Importer Questionnaire

STRUCTURAL TIMBER EXPORTED TO AUSTRALIA FROM THE REPUBLIC OF AUSTRIA, CANADA, THE CZECH REPUBLIC, THE REPUBLIC OF ESTONIA, THE FEDERAL REPUBLIC OF GERMANY, THE REPUBLIC OF LITHUANIA, SWEDEN AND THE UNITED STATES OF AMERICA

This questionnaire seeks information in relation to your imports and sales of certain structural timber (structural timber). The attached ACDN No. 2011/41 provides more detail of the goods under consideration (the goods). The information you provide will be used to establish export prices, to construct the Australian market for the goods, and in an assessment of the applicants' claims.

Part A Company and overseas supplier information **Return by 16 September 2011**

Part B Imports and forward orders **Return by 7 October 2011**

Part C Sales and expenses **Return by 7 October 2011**

Return address

Mail:

Director Operations 3
Trade Measures Branch
Australian Customs and Border Protection Service
5 Constitution Avenue
CANBERRA ACT 2600

Facsimile: 02 6275 6990

E-mail: tmops3@customs.gov.au

SECURITY CLASSIFICATION

Part A – Company and overseas supplier information**1. Your company**

Company Name	Stora Enso Timber Australia Pty Ltd
ABN:	64 099 948 491
Contact name:	Matthew Wood
Position:	Managing Director
Mailing address:	2 Cyanamid St Laverton North VIC 3026
Telephone:	03 9360 3100
Facsimile:	03 9360 3199
E-mail address:	matthew.wood@storaenso.com

Provide details on the ownership of your company and major shareholders.

100 % Owned by Stora Enso Oyj, located in Finland

Describe the role of your company in the Australian market for the goods - for example, buying or selling agent, importer/distributor, importer/wholesaler or importer/retailer.

Importer/distributor

At what level of trade is each of your customers - for example, distributor, wholesaler or retailer?

Customer	Level of Trade
Supplied to Customs and Border Protection in confidence	Retailer
Supplied to Customs and Border Protection in confidence	Retailer
Supplied to Customs and Border Protection in confidence	Manufacturer
Supplied to Customs and Border Protection in confidence	Retailer
Supplied to Customs and Border Protection in confidence	Retailer
Supplied to Customs and Border Protection in confidence	Merchant/Manufacturer
Supplied to Customs and Border Protection in confidence	Wholesaler
Supplied to Customs and Border Protection in confidence	Wholesaler
Supplied to Customs and Border Protection in confidence	Merchant
Supplied to Customs and Border Protection in confidence	Merchant/Manufacturer
Supplied to Customs and Border Protection in confidence	Retailer
Supplied to Customs and Border Protection in confidence	Manufacturer
Supplied to Customs and Border Protection in confidence	Merchant
Supplied to Customs and Border Protection in confidence	Merchant
Supplied to Customs and Border Protection in confidence	Manufacturer
Supplied to Customs and Border Protection in confidence	Manufacturer
Supplied to Customs and Border Protection in confidence	Merchant
Supplied to Customs and Border Protection in confidence	Merchant/Manufacturer

Supplied to Customs and Border Protection in confidence	Merchant
Supplied to Customs and Border Protection in confidence	Merchant
Supplied to Customs and Border Protection in confidence	Merchant
Supplied to Customs and Border Protection in confidence	Manufacturer
Supplied to Customs and Border Protection in confidence	Merchant
Supplied to Customs and Border Protection in confidence	Merchant
Supplied to Customs and Border Protection in confidence	Merchant
Supplied to Customs and Border Protection in confidence	Merchant
Supplied to Customs and Border Protection in confidence	Merchant
Supplied to Customs and Border Protection in confidence	Merchant
Supplied to Customs and Border Protection in confidence	Merchant
Supplied to Customs and Border Protection in confidence	Merchant
Supplied to Customs and Border Protection in confidence	Wholesaler
Supplied to Customs and Border Protection in confidence	Merchant
Supplied to Customs and Border Protection in confidence	Merchant

2. Your overseas supplier/s of the goods

Commodity	Structural timber
Grade(s)(if applicable)	MGP10 & MGP12
Company:	UAB Stora Enso Lietuva
Contact name:	Darius Vaiciukynas
Position:	Mill Manager
Mailing address:	Naujoji G.134
	4580 ALYTUS
	LITHUANIA
Telephone:	
Facsimile:	
E-mail address:	

Commodity	Structural timber
Grade(s)(if applicable)	MGP10 & MGP12
Company:	Stora Enso Wood Products Oy Ltd
Contact name:	Vesa Polho
Position:	Senior Vice President, Production, Northern European Unit
Mailing address:	Lintulahdenkuja 10
	HELSINKI, 00500
	FINLAND
Telephone:	
Facsimile:	
E-mail address:	
Contact name:	Christian Winlof
Position:	Sales Manager
Mailing address:	Linslagarvägen 2
	79180 FALUN
	SWEDEN

Telephone:	
Facsimile:	
E-mail address:	

Commodity	Structural timber
Grade(s)(if applicable)	MGP10, MGP12, 6th grade, Schaal
Company:	Stora Enso Timber AB
Contact name:	Vesa Polho
Position:	Senior Vice President, Production, Northern European Unit
Mailing address:	Lintulahdenkuja 10 HELSINKI, 00500 FINLAND
Telephone:	
Facsimile:	
E-mail address:	
Contact name:	Christian Winlof
Position:	Sales Manager
Mailing address:	Linslagarvägen 2 79180 FALUN SWEDEN
Telephone:	
Facsimile:	
E-mail address:	

Commodity	Structural timber
Grade(s)(if applicable)	Merch, F5, F8, MGP10 & MGP12
Company:	Stora Enso Wood Products Planá s.r.o
Contact name:	Radek Pecka
Position:	Mill Manager
Mailing address:	Tachovska 824 34815 PLANA U MARIANSKYCH LAZNI CZECH REPUBLIC
Telephone:	
Facsimile:	
E-mail address:	

Commodity	Structural timber
Grade(s)(if applicable)	MGP10 & MGP12
Company:	Stora Enso Wood Products GMBH
Contact name:	Robert Hüttler

Position:	Mill Manager Brand & Wood Procurement
Mailing address:	AT-3531 BRAND 44
	AUSTRIA
Telephone:	
Facsimile:	
E-mail address:	
Contact name:	Eduard Reutner
Position:	Mill Manager Sollenau, Quality, IT & Operations Improvement
Mailing address:	Industriestrasse 260 AT-2601 SOLLENAU AUSTRIA
Telephone:	
Facsimile:	
E-mail address:	
Contact name:	Reinhard Moser
Position:	Mill Manager Ybbs, Production Austria & Poland
Mailing address:	Bahnhofstr. 31 AT-3370 YBBS AUSTRIA
Telephone:	
Facsimile:	
E-mail address:	
Contact name:	Herbert Jöbstl
Position:	Senior Vice President Stora Enso WP Bad St. Leonhard GmbH
Mailing address:	Wisperndorf 4 AT-9562 Bad St. Leonhard AUSTRIA
Telephone:	
Facsimile:	
E-mail address:	

Commodity	Structural timber
Grade(s)(if applicable)	F5, MGP10 & MGP12
Company:	Stora Enso Eesti AS
Contact name:	Marek Moorits
Position:	Mill Manager Imavere
Mailing address:	Liivalaia 13/15
	10118 TALLINN
	ESTONIA
Telephone:	
Facsimile:	
E-mail address:	

Contact name:	Tonu Saaber
Position:	Mill Manager Näpi
Mailing address:	Näpi tee 2E EE-44305 RAKVERE ESTONIA
Telephone:	
Facsimile:	
E-mail address:	

Commodity	Structural timber
Grade(s)(if applicable)	F8
Company:	Stora Enso Wood Products zdirec s.r.o.
Contact name:	Pavel Urban
Position:	Mill Manager
Mailing address:	Nádražní 68 58263 ZDÍŘEC NAD DOUBRAVOU CZECH REPUBLIC
Telephone:	
Facsimile:	
E-mail address:	

Commodity	Structural timber
Grade(s)(if applicable)	F8, F11
Company:	Stora Enso Timber Sp z.o.o.
Contact name:	Michael Temper
Position:	Mill Manager
Mailing address:	Wolnosci 4 46-030 Murow POLAND
Telephone:	
Facsimile:	
E-mail address:	

Commodity	Structural timber
Grade(s)(if applicable)	F14
Company:	Centrum Dystrybucji I Obrobki
Contact name:	Christian Winlof (Stora Enso Internal contact)
Position:	Sales Manager
Mailing address:	Kolonia106 12-140 SWIETAJNO POLAND
Telephone:	
Facsimile:	
E-mail address:	

3. Overseas manufacturer/s of the goods [if different from overseas supplier]

Commodity	Structural timber
Grade(s)(if applicable)	MGP10 & MGP12
Company:	Vida Wood AB
Contact name:	Christian Winlof (Stora Enso Internal contact)
Position:	Sales Manager
Mailing address:	PO BOX 100
	342 21 ALVESTA
	SWEDEN
Telephone:	
Facsimile:	
E-mail address:	

4. Timing of proposed visit by Customs and Border Protection

Customs and Border Protection would like to undertake visits to importers between **10 October and 4 November 2011**. Can you please advise what dates are suitable for the Customs and Border Protection visit? Please note that it may be helpful to consider the availability of key staff, such as your accountant, purchasing officer or sales staff.

We suggest 10th or 11th Oct 2011 for a customs visit.

Address for proposed visit:

Street address:	2 Cyanamid St
	Laverton North VIC 3026
Telephone:	03 9360 3100
Facsimile:	03 9360 3199

Part B – Imports and forward orders

Please refer to A1: "Stora Enso Importer Letter – non confidential".

The goods the subject of the application are described as follows:

"Structural timber, being coniferous wood that is sawn or chipped lengthwise, capable of being used in structural applications in accordance with the Building Code of Australia and that:

- has a thickness exceeding 6mm; and
- has a cross-sectional area of less than 120cm²; and
- is untreated or treated to meet the requirements of hazard class H1 or H2 as specified in Australian standard AS1604.1.

For clarification, the goods do not include weatherboards, laminated veneer lumber, glued laminated timber or timber treated to a level above hazard class H2 but do include end-jointed or finger-jointed structural timber."

The goods are classified to the following tariff subheadings and statistical codes of Schedule 3 to the *Customs Tariff Act 1995*:

- 4407.10.10 (statistical codes 22, 23, 24, 25 and 33); and
- 4407.10.99 (statistical codes 08, 09, 10, 11, 12 and 13)

1. Identification of imports of Structural Timber under investigation from Austria, Canada, the Czech Republic, Estonia, Germany, Lithuania, Sweden and the United States of America

Customs and Border Protection will shortly provide you with a list of your imports for goods exported in the period 1 July 2010 to 30 June 2011. When received, please confirm whether the shipments are the goods and the quantities and value are correct.

Please complete the "Part B – Cost to Import and Sell" spreadsheet included in the *IMP spreadsheets1.xls* file with details for each selected shipment. Customs and Border Protection will advise you which shipments have been selected for this more detailed examination.

(Please note that you cannot complete this part of the questionnaire until Customs and Border Protection provides you with the respective listing of your imports. Customs and Border Protection will contact you shortly in this regard after receiving Part A of the questionnaire).

This information is disclosed in confidential spreadsheet: Part B 1 SETA Importer Questionnaire Selected Imports.

2. Documents required at the Customs and Border Protection visit

Should Customs and Border Protection decide to visit you, for the selected shipments, please prepare copies of the commercial invoice, bill of lading, packing list, and any other documents supporting post exportation costs including:

- overseas freight and insurance;
- Customs duties;

- landing and wharfage charges;
- freight forwarding fees;
- cartage/delivery fees; and
- any other charges between the FOB point and the landed, duty paid into-store point.

It would be appreciated if these documents could be assembled into one bundle for each shipment. Please retain these copies for presentation at the Customs and Border Protection visit.

This information has been supplied to Customs and Border Protection in confidence at the site visit which took place on 11 November 2011.

3. Forward orders

Please provide the following details of any forward orders of the goods in the "Part B - Forward Orders" spreadsheet included in the *IMP spreadsheets1.xls* file.

Supplier	Terms	Expected arrival date	Quantity	Type/Grade	Unit price

We do not have any forward orders.

Part C – Sales and expenses**1. Your Sales**

Please provide details of all your sales of structural timber in the Australian market for the period 1 July 2010 to 30 June 2011 in the "Part C – Sales" spreadsheet included in the *IMP spreadsheets1.xls* file:

- Customer name;
- Customer level of trade (Distributor, End user etc);
- Location – state;
- Location – city;
- Invoice number;
- Invoice date;
- Delivery terms (eg. FIS, Ex-warehouse);
- Credit terms (days);
- Grade;
- Quantity;
- Packing;
- Total invoiced price;
- Unit invoiced price;
- Off invoice discount/rebate amount (if applicable, list each type of discount/rebate individually);
- Net unit sales price;
- Your supplier of the goods;
- Purchase order number to supplier; and
- Country of origin.

This information is disclosed in confidential spreadsheet: Part C1 SETA Importer Qs Austr Sales Analysis 1Jul10 30Jun11.

2. Selling, General and Administration expenses

Please calculate the selling, general and administration (SG&A) expenses for structural timber for the period **1 July 2010 to 30 June 2011**.

These expenses are normally derived from profit and loss statements or other management records and are typically expressed as a percentage of sales revenue. Where structural timber sales are only a part of overall company sales, allocations of SG&A expenses may have to be made.

Customs and Border Protection will seek to verify your sales data and your estimate of SG&A expenses at the importer visit.

This information is disclosed in confidential spreadsheet: Part C2 SETA Importer Questionnaire SGA Cost.

Checklist

- Return by **16 September 2011**
 - Part A response
 - o Your company details
 - o Supplier/manufacturer details
 - o Suitable dates for verification meeting with Customs and Border Protection

- Return by **7 October 2011**
 - Part B response
 - o Sales Route spreadsheet of imports
 - o Information on forward orders
 - Part C response
 - o Sales spreadsheet of sales
 - o Selling, General and Administration expenses

- During verification meeting (may be required to assist verification)
 - o Copies of source documents of post-exportation costs for shipments
 - o Financial statements
 - o Bank records
 - o Import and post-exportation documents for other shipments
 - o Sales invoices
 - o Documentation to support selling costs (eg freight, warehousing)
 - o Documentation to support SG&A expenses