Australian Paper
a member of the Nippon Paper Group

307 Ferntree Gully Road Locked Bag 87
Mt Waverley Victoria 3149 Australia
Telephone +61 3 8540 2300
Facsimile +61 3 8540 2280
ABN 63 061 583 533
www.australianpaper.com.au

16 January 2017

Mr Tim King
Case Manager
Dumping Operations
Anti-Dumping Authority
Level 35, 55 Collins Street
Melbourne Victoria 3000

Public File

Dear Mr King

Investigation No. 341 – A4 Copy Paper exported from Brazil, P R China, Indonesia and Thailand – Submission by Double A (1991) Thailand

I. Introduction

I refer to the submission by Double A (1991) ("Double A") in response to Statement of Essential Facts No. 341 ("SEF 341") published by the Anti-Dumping Commission ("the Commission") on 23 December 2016.

II. Date of Sale

Double A has sought the Commission to establish the date of sale as the date of purchase order placement. It is the Commission's practice to use the date of invoice as the date at which the terms of the sale have been determined. The Dumping and Subsidy Manual (Section 14.3) details that the exporter must furnish the Commission with information in support of the purchase order placement date.

It is not evident whether Double A has provided the Commission with clear supporting evidence that at the purchase order date the terms of sale were agreed and finalised. In the absence of such reliable information, the Commission should continue to accept the date of invoice as the date of sale.

III. Sustained appreciation of Thai Baht

Double A is seeking an adjustment to account for sustained exchange rate fluctuations that purportedly occurred in the July to September 2015 quarter.

Double A identifies the relevant provisions for seeking an adjustment. However, the practice of considering an adjustment involves the examination of the fluctuation period with an eight-week period that immediately precedes the fluctuation period, and not an eight-week period that occurred in the year prior to the investigation period.

Given Double A's interpretation of the basis for seeking an adjustment for sustained currency fluctuation(s) is incorrect and does not consider the eight-week period immediately prior to the fluctuation period, the request for an adjustment must fail.

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IV. Price increases

It is not apparent to Australian Paper Pty Ltd ("AP") what Double A is seeking the Commission to adjust. It would seem to AP that the price increases would be reflected in the invoices. If this is not the case, Double A would need to demonstrate with a high degree of satisfaction that the export sales did in fact occur at the higher claimed selling price.

In the absence of this information, the Commission cannot be satisfied that export prices were at a higher level than those evidenced on commercial invoices.

Double A relies upon the Commission to support its claim for adjusted higher export prices to evidence that its exports have not been the cause of injury to the Australian industry. The Commission's finding is based upon the cumulative effect of the dumped (and subsidised) imports during the investigation period. Double A's export prices – adjusted or unadjusted – were at dumped prices that contributed to the injury experienced by the Australian industry.

V. Exclusion from cumulation

Double A has sought to have its exports excluded from cumulation on the basis that it allegedly does not sell via all distribution channels on the Australian market.

AP would reaffirm that A4 copy paper – irrespective of origin – is a price sensitive, homogenous product that can be used interchangeably in all channels of distribution on the Australian market. AP encourages the Commission not to accept Double A's assertions that on the basis of its alleged limited distribution channels that its product does not compete with imported A4 copy paper from other sources (e.g. Brazil, China and Indonesia).

It cannot be concluded that as Double A does not sell in all channels of distribution (or to select customers) that it can be "de-cumulated" from the injury analysis. Double A's dumped exports to Australia must continue to be cumulated with all other dumped and subsidised exports for the purposes of injury analysis.

VI. Government agencies contracts

Double A is seeking exclusion from the cumulation process on the grounds that its volumes are minor as identified in consumption of imported A4 copy paper by government agencies.

The government agencies contracts involve only one distribution channel within the Australian market, with suppliers able to offer product for supply in alternate channels to market.

VII. Price effects

AP assumes that Double A is claiming that as it did not participate in the trials, was not a tenderer and did not appear on scan data that this provides further support for Double A being de-coupled from the cumulation of injury attributable to dumped and subsidised exports.

AP rejects this proposition. It has previously been demonstrated that A4 copy paper is a price sensitive market and the exported goods may be supplied in all distribution channels within Australia.

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It is further argued by Double A that as it did not reduce its export prices in 2015, it cannot be considered to have caused price depression and price suppression to the Australian industry manufacturing A4 copy paper. Double A also considers that it has been unfairly prejudiced due to the Commission's categorisation of products which includes its premium product. When the price undercutting analysis is undertaken, Double A contends that it is disadvantaged by the inclusion of the premium grade product and requests the Commission undertake the price undercutting analysis with consideration of brand type.

However, as Double A has repeatedly referenced in its submission the price sensitivity of the market is such that it is appropriate to include all brands of the exporter's product in one category (as aggressive price reductions by select grades may have occurred).

VIII. Branded products

Double A is seeking an adjustment for what the Commission describes as "*an adjustment to account for the differing prices they (i.e. Double A) are able to achieve in the domestic market compared to the Australian market*".

As the Commission has not elected to provide Double A with the "Brand Margin" adjustment, it cannot be considered that there exists differing conditions of competition for Double A in the Australian market. Again, Double A's exports are wholly interchangeable with product supplied by other exporters and the Australian industry.

IX. Will dumped exports from Thailand continue?

AP would highlight the size of the dumping margin applicable to Double A and that in the event anti-dumping measures are not applied to Double A, it is likely that the exporter would seek to fill the gap of sales on the Australian market previously supplied by exporters from Brazil, China and Indonesia.

AP disagrees with Double A that the Commission's assessment that the Thai domestic market is subject to increasing competition from imports from China and that this does not suggest Double A would likely increase exports to Australia in the absence of measures. The Commission is correct in concluding that domestic pressures on Double A would likely increase the propensity for Double A to increase export sales, including to Australia.

X. Conclusion

Double A has submitted that it is adversely affected by the Commission's stance in relation to the date of export, sustained currency appreciation, the exclusion of a distributor's margin adjustment in Double A's normal value, and in its assessment of injury that should not be attributed to exports by Double A.

AP submits that Double A's representations have been addressed in SEF 341 and that the exporter has not furnished additional information in support of its desired adjustments to normal value. The Commission, therefore, must maintain its stance in the treatment of Double A's normal value and the cumulation of its exports with dumped and subsidised

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exports from Brazil, China, Indonesia and remaining Thai exports for material injury assessment purposes.

If you have any questions concerning this submission, please do not hesitate to contact me on (03) 8540 2451 or AP's representative Mr John O'Connor on (07) 3342 1921.

Yours sincerely

Matt Decarne
Trade Affairs Manager