PUBLIC RECORD

Australian Government
Department of Industry, Innovation and Science

Anti-Dumping Commission

Investigation into A4 Copy Paper Exported from the Federative Republic of Brazil, the People's Republic of China, the Republic of Indonesia and the Kingdom of Thailand.

File Note:

Information obtained by the Commission to undertake its assessment of 'a particular market situation' in the Indonesian copy paper market

Background

On 12 April 2016 the Commissioner of the Anti-Dumping Commission initiated an investigation following an application lodged by Paper Australia Pty Ltd (Australian Paper).

The goods covered by this investigation are: 'uncoated white paper of a type used for writing, printing or other graphic purposes, in the normal basis weight range of 70 to 100 gsm and cut to sheet of metric size A4 (210mm x 297mm) (also commonly referred to as cut sheet paper, copy paper, office paper or laser paper)'.

The application sought the publication of a dumping duty notice in respect of the goods exported to Australia from the Federative Republic of Brazil, the People's Republic of China (China), the Republic of Indonesia (Indonesia) and the Kingdom of Thailand, and the publication of a countervailing duty notice in respect of the goods exported from China and Indonesia.

With regard to alleged dumping and subsidisation of exports from Indonesia, Australian Paper also requested the Anti-Dumping Commission (the Commission) investigate the existence of 'a particular market situation' (market situation) within the Chinese and Indonesian copy paper markets.

Sourcing of information to support the Commission's assessment of Australian Paper's 'market situation' claims

In investigating whether a market situation exists due to government influence, the Commission will seek to determine whether the impact of the government's involvement in the domestic market has materially distorted competitive conditions. A finding that competitive conditions have been materially distorted may give rise to a finding that domestic prices are artificially low or not substantially the same as they would be if they were determined in a competitive market.[1]

[1] Dumping and Subsidy Manual, p35.

In response to Australian Paper's 'market situation' claim, the Commission's preliminary assessment as set out in SEF 341, found that government induced distortions within the Indonesian forestry sector and pulp industry had contributed to a 'market situation' being present within the domestic Indonesian A4 copy paper market during the investigation period.

In response to this finding, both the Government of Indonesia and the Sinar Mas Group made submissions to the Commission outlining their concerns that the Commission's analysis had not adequately accounted for Indonesia's comparative advantage in the production of timber used in pulp production, when comparing domestic Indonesian log prices to pricing estimates for logs produced in other Asian countries including Malaysia, Thailand and Vietnam.[2]

In response to these concerns the Commission has purchased a study of global timber growing costs from RISI to better assess the extent of the Indonesian forestry sector's comparative advantage. The 'Global Tree Farm Economics Review 2017'[3] provides growing costs for all major timber producing regions globally, including Asian producers such as Indonesia, Malaysia, Vietnam and the Philippines. The study provides growing costs for different types of timber, for different species of timber and for timber grown for different end uses.

In addition to purchasing this study, the Commission has also sought addition information from the Government of Indonesia concerning the sources of its claimed comparative advantage in timber production, for the purpose of pulp production, compared to other Asian timber producers. The Commission intends to use both sources of information when concluding its assessment of Australian Paper's claims in REP 341, due to be provided to the Parliamentary Secretary by 6 March 2017.

[2] Submission numbers: 148, 167.
[3] http://www.risiinfo.com/product/global-tree-farm-economics-review/