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Australian Government
Department of Industry,
Science and Resources

**Anti-Dumping
Commission**

Customs Act 1901 - Part XVB

CONSIDERATION REPORT NO. 628

APPLICATION FOR A DUMPING DUTY NOTICE

**FOOD SERVICE AND INDUSTRIAL (FSI) PINEAPPLE
EXPORTED TO AUSTRALIA FROM
THE REPUBLIC OF INDONESIA AND THE KINGDOM OF
THAILAND**

24 July 2023

Applicant: Golden Circle Limited

CONTENTS

CONTENTS ii

ABBREVIATIONS 1

1 FINDINGS AND RECOMMENDATIONS 1

 1.1 Introduction..... 1

 1.2 Findings and recommendations..... 1

2 APPLICATION ASSESSMENT 3

 2.1 Lodgement of the application..... 3

 2.2 Compliance with section 269TB(4) 3

3 THE GOODS THE SUBJECT OF THE APPLICATION..... 5

 3.1 The goods..... 5

4 AUSTRALIAN INDUSTRY MANUFACTURING LIKE GOODS 6

 4.1 Locally produced like goods 6

 4.2 Manufacture in Australia 7

 4.3 Australian industry information..... 8

5 REASONABLE GROUNDS - DUMPING 10

 5.1 Legislative framework 10

 5.2 Export price 10

 5.3 Normal value..... 11

 5.4 Dumping margins..... 13

6 REASONABLE GROUNDS - INJURY TO THE AUSTRALIAN INDUSTRY 15

 6.1 Legislative framework 15

 6.2 The applicant’s injury claims 15

 6.3 Volume effects 16

 6.4 Price effects 17

 6.5 Profit and profitability effects..... 18

 6.6 Other injury factors 18

 6.7 Threat of material injury 18

7 REASONABLE GROUNDS - CAUSATION 19

 7.1 Legislative framework 19

 7.2 The applicant’s claims for causation 19

8 APPENDICES AND ATTACHMENTS 21

PUBLIC RECORD

ABBREVIATIONS

Abbreviation/short form	Full reference
ABF	Australian Border Force
the Act	<i>Customs Act 1901</i>
ATO	Australian Tax Office
AUD	Australian Dollars
commission	Anti-Dumping Commission
Commissioner	Commissioner of the Anti-Dumping Commission
FOB	Free on Board
forex	foreign exchange
FSI	food service and industrial
Golden Circle	Golden Circle Limited
the goods	FSI pineapple
HS	Harmonised System
IDR	Indonesian Rupiah
Indonesia	Republic of Indonesia
kg	kilogram
Kraft Heinz	Kraft Heinz Australia Pty Ltd
L	litre
THB	Thai Baht
Thailand	Kingdom of Thailand
VAT	value-added tax

1 FINDINGS AND RECOMMENDATIONS

1.1 Introduction

This report explains the consideration by the Anti-Dumping Commission (the commission) of an application lodged by Golden Circle Limited (Golden Circle) for the publication of a dumping duty notice in respect of food service and industrial (FSI) pineapple (the goods) that has been exported to Australia from the Republic of Indonesia (Indonesia) and the Kingdom of Thailand (Thailand).

The application was made according to section 269TB(1) of the *Customs Act 1901* (the Act).¹

Golden Circle alleges the Australian industry for FSI pineapple has experienced material injury caused by the goods exported to Australia from Indonesia and Thailand at dumped prices.

1.2 Findings and recommendations

1.2.1 Commission's findings

Application lodgement and form (Chapter 2.1 and 2.2)

The commission is satisfied that the application from Golden Circle complies with the lodgement and form requirements established in sections 269TB(4)(a) to (f), section 269TB(5) and section 269TC(2A).

Australian industry manufacturing like goods and support (Chapter 3 and 4)

Golden Circle wholly manufactures FSI pineapple in Australia. This FSI pineapple appears to be like goods as defined by sections 269T(1), (2) and (3). Golden Circle is therefore a member of the Australian industry producing FSI pineapple as defined by section 269T(4). Golden Circle appears to be the sole Australian industry member, and therefore the application is supported by a sufficient part of the Australian industry in accordance with section 269TB(6).

Reasonable grounds for material injury caused by dumping (Chapter 5, 6, and 7)

The application provides information that indicates that FSI pineapple exported from Indonesia and Thailand has been at dumped prices. The application also includes information which indicates that exports at dumping prices has caused material injury to Golden Circle. On this basis, there appear to be reasonable grounds for the publication of a dumping duty notice in respect of FSI pineapple (the goods the subject of the application), having regard to section 269TDA(1)(ii), section 269TG and section 269TAE.

1.2.2 Commission's recommendations

The commission recommends that the Commissioner of the Anti-Dumping Commission (Commissioner) decide **not to reject** the application and initiate an investigation to determine whether a dumping duty notice should be published, in accordance with section 269TC.

The commission additionally recommends that:

¹ All legislative references in this report are to the *Customs Act 1901* unless otherwise specified.

PUBLIC RECORD

- exports to Australia during the period **1 July 2022 to 30 June 2023** be examined for dumping, and
- details of the Australian market **from 1 July 2019** be examined for injury analysis purposes.

If the Commissioner agrees with these recommendations, the Commissioner must give public notice of the decision at **Attachment 1**, in accordance with the requirements set out in section 269TC(4).

2 APPLICATION ASSESSMENT

The commission finds that Golden Circle’s application satisfies the lodgement requirements and complies with the form and content requirements set out in the Act.

2.1 Lodgement of the application

The commission finds that Golden Circle’s application satisfies the lodgement requirements set out in section 269TB(1), section 269TB(5) and section 269TC(2A).

The commission’s application lodgement assessment is set out in Table 1.

Event	Date	Details
Application lodged and received by the Commissioner sections 269TB(1) and (5)	26 May 2023	The commission received an application from Golden Circle alleging the Australian industry has and will experience material injury caused by FSI pineapple that has been and is likely to be imported into Australia from Indonesia and Thailand at dumped prices.
	6 June 2023	The commission notified Golden Circle that the application contained deficiencies which, if left unaddressed, create doubt on the reasonableness of the grounds for the publication of dumping duty notice.
Applicant provided further information in support of the application section 269TC(2A)	12 June 2023 15 June 2023 16 June 2023 27 June 2023 3 July 2023	Further information was received on 5 occasions, and each tranche restarted the 20 day period for consideration of the application.
Consideration decision due section 269TC(1)	24 July 2023 ²	The Commissioner shall decide whether to reject or not reject the application within 20 days after the applicant last provided further information.

Table 1: The Commissioner’s timeframe for considering an application

2.2 Compliance with section 269TB(4)

The commission finds that Golden Circle’s application (original lodgement and further information) complies with section 269TB(4).

The commission’s compliance assessment of Golden Circle’s application is summarised in Table 2.

Requirement for the application	Details
Lodged in writing section 269TB(4)(a)	Golden Circle lodged confidential and non-confidential written versions of the application. ³
Lodged in an approved form section 269TB(4)(b)	The application is in the approved form (B108) for the purpose of making an application under section 269TB(1).

² 20 days after receipt of the 3 July 2023 further information is Sunday 23 July 2023. As this day is a Sunday, the Commissioner must make his decision no later than the next business day, being 24 July 2023.

³ The non-confidential version of the application can be found on the electronic public record on the commission’s website at www.adcommission.gov.au.

PUBLIC RECORD

Requirement for the application	Details
Contains such information as the form requires section 269TB(4)(c)	Golden Circle provided: <ul style="list-style-type: none"> • a signed declaration • answers to all questions that were required to be answered by the applicant • completed the appendices that were required to be completed • sufficient detail in the non-confidential version of the application to enable a reasonable understanding of the substance of the information submitted in confidence.
Signed in the manner indicated in the form section 269TB(4)(d)	The application was signed in the manner indicated in Form B108 by a representative of the applicant.
Supported by a sufficient part of the Australian industry section 269TB(4)(e) and determined in accordance with section 269TB(6)	Based on the application and its experience in prior cases, the commission considers that Golden Circle is the sole Australian industry member manufacturing like goods to the goods the subject of the application (Chapter 4). The commission concludes that the application is supported by a sufficient part of the Australian industry.
Lodged in the manner approved under section 269SMS section 269TB(4)(f)	The application was lodged by email to the commission's nominated email address. ⁴

Table 2: The commission's compliance assessment of the application

The commission's detailed assessment is at **Confidential Attachment 1**.

⁴ As approved by the Commissioner's [instrument](#).

3 THE GOODS THE SUBJECT OF THE APPLICATION

3.1 The goods

The subject goods described in the application is referenced at Table 3.

Full description of the goods, as subject of the application
Pineapple, prepared or preserved in containers exceeding one litre (FSI pineapple) in various forms, including (but not limited to) chunks, pieces, pizza cut, sliced, thick sliced, tidbits and crushed pineapple. The goods are packaged with liquid added.
Further information
Excluded from this application are glace and/or dehydrated pineapple. The applicable unit of quantity for Customs duty is litres. However, for the purposes of this application, the applicable unit of quantity is kilograms. Kilograms can be converted to litres by dividing the number of kilograms by 1.043174.

Table 3: The goods description

3.1.1 Tariff classification

The tariff classification relevant to the goods is described in Table 4.

Tariff classification				
Tariff code	Description			
2008	Fruit, nuts and other edible parts of plants, otherwise prepared or preserved, whether or not containing added sugar or other sweetening matter or spirit, not elsewhere specified or included:			
2008.20.00	Pineapples			
	Statistical code	Unit	Description	Duty rate
	27	Litre (L)	Canned, in containers exceeding 1 L	5%
	28	Kilogram (kg)	Other	5%

Table 4: Tariff classification of the goods

The goods are generally, but not exclusively, classified to the tariff classifications and statistical codes in Schedule 3 of the *Customs Tariff Act 1995*.

Tariff classifications and statistical codes may include goods that are both subject and not subject to this investigation. The listing of these tariff classifications and statistical codes are for reference only and do not form part of the goods the subject of the application.

The goods description at Chapter 3.1 provides the description of the goods the subject of the application.

3.1.2 Previous investigations

The commission has previously investigated FSI pineapple exported to Australia from Thailand and the Philippines and measures were previously imposed. The measures expired on 17 October 2021 (Thailand) and 13 November 2021 (the Philippines).⁵

⁵ [Anti-Dumping Commission Report No 573 & 574](#).

4 AUSTRALIAN INDUSTRY MANUFACTURING LIKE GOODS

Section 269TC(1) requires that the Commissioner reject an application for a dumping duty notice if, among other things, the Commissioner is not satisfied that there is, or is likely to be established, an Australian industry in respect of like goods.

The commission is satisfied that the application and other relevant information demonstrates there is an Australian industry producing like goods to the goods the subject of the application. The commission found:

- Golden Circle produces goods that are identical in all respects and/or have characteristics that closely resemble the goods the subject of the application described at Table 3, and
- the like goods are wholly manufactured in Australia.

The commission considered Golden Circle’s application and information obtained from previous cases involving FSI pineapple. The commission’s assessment is at **Confidential Attachment 1**.

4.1 Locally produced like goods

The commission finds that the locally produced goods by Golden Circle are ‘like’ to the goods the subject of the application. Like goods are defined under section 269T(1).

The commission has assessed if the goods produced by Golden Circle are identical to, or closely resemble, the goods the subject of the application and are therefore like goods. This assessment is at Table 5. It utilises the application and other relevant information, as well as the ‘likeness test’ described in the commission’s *Dumping and Subsidy Manual*.⁶

Factor	The applicant’s claims	The commission’s assessment
Physical likeness	<p>The goods produced in Indonesia and Thailand and the locally produced like goods consist of:</p> <ul style="list-style-type: none"> • cut pineapple fruit in a packing medium, typically of juice or syrup • in containers exceeding 1 L. 	<p>The commission observed that the description of imported goods from Indonesia and Thailand in the Australian Border Force (ABF) import database described the same or similar physical attributes to the FSI pineapple produced by Golden Circle.</p> <p>The commission also examined a brochure from an Indonesian exporter of FSI pineapple and found that the goods in that brochure were like to the goods produced by Golden Circle.⁷</p> <p>The commission has previously investigated FSI pineapple exported from Thailand and found these to be like goods.</p>
Commercial likeness	<p>The goods produced in Indonesia and Thailand and locally produced like goods are sold via distributors.</p>	<p>The commission assessed data in the ABF import database and observed that the same or similar customers to Golden Circle’s customers imported the goods from Indonesia and Thailand.</p>
Functional likeness	<p>The applicant did not provide a specific functional likeness claim.</p>	<p>The imported and locally produced like goods are foodstuffs intended for consumption.</p>

⁶ [Dumping and Subsidy Manual](#) (December 2021), pp. 10-11.

⁷ The brochure was found by the commission performing desktop research: <https://itpc-busan.kr/uploads/dibi/medium/130/media-130-pdf-20200706060221.pdf>

PUBLIC RECORD

Factor	The applicant's claims	The commission's assessment
Production likeness	<p>The goods produced in Indonesia and Thailand and locally produced like goods are both produced using:</p> <ul style="list-style-type: none"> • similar manufacturing equipment and processes • the same and/or similar raw materials. 	<p>Based on the above 'likeness' criteria and available information from other FSI pineapple investigations, the commission considers that the goods from Indonesia and Thailand are likely to be produced using:</p> <ul style="list-style-type: none"> • similar manufacturing equipment and processes, and • the same and/or similar raw materials, as the goods produced by Golden Circle.
The commission's assessment		
<p>The commission's assessment is that the locally produced goods have characteristics that are identical and/or closely resemble the:</p> <ul style="list-style-type: none"> • goods the subject of the application • goods exported to Australia from Indonesia and Thailand <p>and are like goods.</p>		

Table 5: Like goods assessment

4.2 Manufacture in Australia

The commission finds that Golden Circle is an Australian industry that wholly manufactures like goods in Australia.

The Australian industry manufacturing like goods is defined under sections 269T(2), (3) and (4). The commission has used the application and other relevant information to assess whether Golden Circle:

- manufacture like goods in Australia and
- the like goods are wholly manufactured or at least one substantial process of manufacture is carried out in Australia.

The commission's assessment is described in Table 6.

The applicant's claims
<p>Golden Circle summarised the manufacturing process that occurred at its Brisbane facility.</p> <pre> graph TD A[Pineapples] --> B[Grading for size and ripeness] B --> C[Removing the crown] C --> D[Wasing] D --> E[Peeling and coring] E --> F[Slicing] E --> G[Syruping] F --> H[Punching] H --> I[Trimming] I --> J[Sorting] J --> K[Filling] G --> L[Exhausting] L --> M[Can closing] M --> N[Processing] N --> O[Cooling] K --> P[Labeling] O --> P P --> Q[Packaging] Q --> R[Marketing] </pre>
<p>The commission has previously verified Golden Circle's manufacturing facilities.</p>
The commission's assessment
<p>The commission considers that Golden Circle:</p> <ul style="list-style-type: none"> • is an Australian manufacturer of like goods to the goods the subject of the application and • the like goods are wholly manufactured in Australia.

Table 6: Assessment of the identity of the Australian industry

4.3 Australian industry information

The commission has summarised Golden Circle’s application data in Table 7.

Have the relevant appendices to the application been completed?		
A1	Australian production	Yes
A2	Australian market	Yes
A3	Sales turnover	Yes
A4	Domestic sales	Yes
A5	Sales of other production	Yes
A6.1	Cost to make and sell (& profit) – Domestic sales	Yes
A6.2	Cost to make and sell (& profit) – Export sales	Yes
A7	Other injury factors	Yes
General administration and accounting information		
History	Golden Circle (www.goldencircle.com.au) commenced producing the goods in 1947. It was acquired by H.J. Heinz Company Australia Ltd in 2008. As a result of a further merger with Kraft Foods Group Inc in 2015 (www.kraftheinzcompany.com), Golden Circle became a subsidiary of Kraft Heinz Australia Pty Ltd (Kraft Heinz).	
Ownership	Golden Circle is a wholly owned subsidiary of Kraft Heinz (www.heinz.com.au).	
Operations	Golden Circle is a producer of a range of canned fruit and vegetables, juices and related products. Golden Circle is the sole Australian manufacturer of FSI pineapple. Golden Circle sells both self-manufactured and imported FSI pineapple.	
Financial year	January to December	
Annual reports and audited accounts	Golden Circle does not prepare a separate annual report. Golden Circle provided consolidated audited financial statements for the four years ending December 2018 to December 2021 for the parent entity, Kraft Heinz. The Kraft Heinz annual report consolidates the financial results for all subsidiaries. The application pre-dates the finalisation of the year ending December 2022 audited accounts.	
Production and sales information	Cost to make and sell information	Other injury factors
No material concerns, subject to the commission’s usual verification practices.	No material concerns, subject to the commission’s usual verification practices.	No material concerns, noting allocations are necessary in respect of some factors as the goods are one product amongst many produced by Golden Circle.
The commission’s assessment		
Based on the information in the application, which includes information relevant to the period between 1 January 2019 and 31 December 2022, the commission is satisfied that there is sufficient data on which to analyse the performance of the Australian industry. This period is proposed by Golden Circle, and is the period the commission has examined to assess Golden Circle’s claims for the purposes of this report. Consistent with the commission’s usual practice, it is recommended that the investigation will instead examine the four most recently completed financial quarters (i.e. the 12 months ending 30 June 2023) for dumping, and the four years commencing 1 July 2019 for the assessment of the economic condition of the Australian industry.		

Table 7: Application completeness assessment

The commission’s assessment is at **Confidential Attachment 1**.

4.3.1 The Australian market

The commission estimates that the volume of goods from each of Indonesia and Thailand is greater than 3% of the total volume of the goods imported into Australia in the period 1 January 2022 to December 2022.

PUBLIC RECORD

The commission has estimated the size of the Australian FSI pineapple market at Figure 1. This estimate uses data from the ABF import database and sales of Golden Circle's own production (from *Confidential Appendices A-2 and A-6.1* to the application). The commission's assessment of the Australian market size for FSI pineapple is at **Confidential Attachment 1**.

The commission observes from Figure 1 that the FSI pineapple market in Australia has been comparatively stable in 2019, 2021 and 2022.

The commission notes that the Australian market is supplied by FSI pineapple exported from several countries, predominately from Indonesia and Thailand.

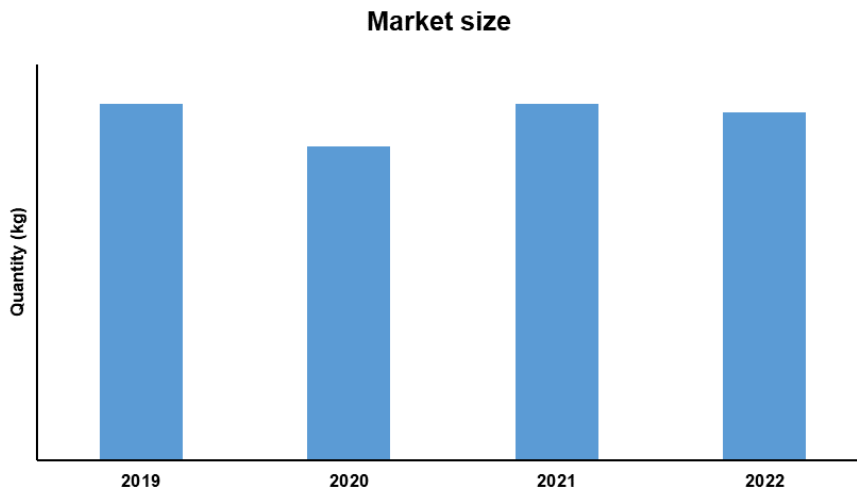


Figure 1: Market size estimate – FSI pineapple per calendar year

5 REASONABLE GROUNDS - DUMPING

The commission finds the application appears to demonstrate reasonable grounds for the publication of a dumping duty notice, pursuant to section 269TC(1)(c).

The application and other relevant information obtained by the commission appears to show that:

- the goods have been exported to Australia from Indonesia and Thailand at dumped prices
- the estimated dumping margin for exports from Indonesia is greater than 2% and therefore is not negligible
- the estimated dumping margin for exports from Thailand is greater than 2% and therefore is not negligible, and
- the estimated volume of goods from each of Indonesia and Thailand that appear to have been dumped is greater than 3% of the total volume of the goods imported into Australia in the period 1 January 2022 to 31 December 2022 and is not negligible.

The commission’s assessment of the applicant’s grounds for dumping is contained at **Confidential Attachment 1**.

5.1 Legislative framework

Section 269TC(1) requires that the Commissioner reject an application for a dumping duty notice if, among other things, the Commissioner is not satisfied that there appear to be reasonable grounds for the publication of a dumping duty notice.

Under section 269TG, one of the matters that the Minister must be satisfied of in order to publish a dumping duty notice is that the export price of goods that have been exported to Australia is less than the normal value of those goods, i.e. that dumping has taken place (to an extent that is not negligible). This issue is considered in the following sections.

5.2 Export price

5.2.1 Legislative framework

Export price is determined by applying the requirements in section 269TAB taking into account whether the purchase or sale of goods was an arms length transaction under section 269TAA.

5.2.2 The applicant's estimate and the commission’s assessment

Golden Circle estimated an export price for the like goods exported from Indonesia and Thailand. The information and methodology used by Golden Circle, as well as the commission’s approach, is summarised in Table 8.

Country	Estimate basis	Estimate methodology
Indonesia Thailand	Price paid by the importer to the exporter.	Golden Circle calculated a weighted average annual export price in Australian Dollars (AUD) per kilogram (kg) at Free on Board (FOB) terms. Revenue and export quantity data was also provided for each year 2016 to 2022. Source: TradeData International for Harmonised System (HS) code 2008.20.

The commission's assessment

TradeData International is an independent third party trade data provider.⁸

The data available to Golden Circle included all pineapple container sizes.

The commission calculated an annual FOB export price (AUD/kg) using data from the ABF import database. The commission was able to narrow the scope of the data by using HS code 2008.20.00 and statistical code 27 to specifically include FSI pineapple.

The commission calculated prices from Indonesia and Thailand. This price was compared with the estimates provided by Golden Circle. The commission found that Golden Circle's export price when compared with the commission's estimate was:

- higher for exports from Indonesia
- lower for exports from Thailand.

Table 8: Export price estimate in the application and commission assessment

The commission's assessment of the applicant's export price estimate is at **Confidential Attachment 1**.

5.3 Normal value

5.3.1 Legislative framework

Normal value is determined by applying the requirements in section 269TAC taking into account whether:

- the purchase or sale of the goods was an arms length transaction under section 269TAA
- the goods were sold in the ordinary course of trade under section 269TAAD
- there has been an absence or low volume of sales of like goods in the country of export and
- whether the situation in the market of the country of export is such that sales in that country are not suitable for determining normal value under section 269TAC(1).

5.3.2 The applicant's estimate and the commission's assessment

Golden Circle estimated a normal value for the like goods exported from Indonesia and Thailand. The information and methodology used by Golden Circle to calculate a normal value, as well as the commission's approach, is summarised in Table 9 and Table 10.

⁸ <https://tradedata.net/>

PUBLIC RECORD

Country	Estimate basis	Estimate methodology
Indonesia	Price paid by domestic customers - retail / supermarket	<p>Golden Circle obtained photo evidence of consumer pineapple brands sold in multiple retail / supermarket settings. The photos are date stamped in 2022.</p> <p>This point of sale (retail shelf) price in Indonesian Rupiah (IDR) was used as the basis for estimating the price paid by the retailer to the Indonesian producer. The following adjustments were made to the shelf price to estimate the purchase price by the retailer:</p> <ul style="list-style-type: none"> • calculation of an IDR/kg price • minus 11% value-added tax (VAT) in Indonesia • minus an estimated percentage for retailer / distributor margin, to estimate a wholesale (i.e. FSI) price • converted to AUD using average annual foreign exchange (forex) rates reported by the Australian Tax Office (ATO). <p>Golden Circle calculated individual values for different brands sold in different stores, as well as an average for all brands and stores.</p>

The commission's assessment

Golden Circle estimated a domestic price (at delivered terms) between the producer and the retailer. The commission used these retailer purchase price estimates calculated at delivered terms (IDR/kg) as the basis for its normal value estimate. However, the commission made the following adjustments to estimate a normal value (AUD/kg) at FOB terms:

- *add* a tinfoil cost adjustment, as the retail domestic cans sold in Indonesia appeared to be smaller than the exported cans identified in the ABF database
- *minus* domestic inland transport costs (IDR/kg - from a previous investigation involving Indonesia)
- *add* export inland transport (IDR/kg - from a previous investigation involving Indonesia)
- *add* port, handling and broker fees (IDR/kg - from a previous investigation involving Indonesia)
- converted transport and handling to AUD/kg using the same forex rates provided by Golden Circle.

The commission also calculated a range of normal values using the purchase price estimates from Golden Circle. Specifically, the commission used the:

- lowest purchase price
- highest purchase price
- average purchase price

The commission considers that the information and methodology used by Golden Circle in the application appears to form an acceptable basis to estimate a normal value.

Table 9: Normal value estimate in the application and commission assessment - Indonesia

Country	Estimate basis	Estimate methodology
Thailand	Price paid by domestic customers - online retail	<p>Golden Circle showed evidence of online prices of consumer pineapple brands from some online retailers. The commission confirmed the prices by visiting the website of the online retailers.</p> <p>This point of sale (online retail) price in Thai Baht (THB) was used as the basis for estimating the price paid by the retailer to the Thai producer. The following adjustments were made to the shelf price to estimate the purchase price by the retailer:</p> <ul style="list-style-type: none"> • calculation of an THB/kg price • minus 10% VAT in Thailand • minus an estimated percentage for retailer / distributor margin • converted to AUD using average annual forex rates reported by the ATO <p>Golden Circle calculated individual values for different brands sold in different retailers, as well as an average for all brands and retailers.</p>

The commission's assessment

Assessment 1:

Golden Circle estimated a domestic price (at delivered terms) between the producer and the retailer.

The commission used these retailer purchase price estimates calculated at delivered terms (THB/kg) as the basis for its normal value estimate. However, the commission made the following adjustments to estimate a normal value (AUD/kg) at FOB terms:

- *add* a tinsplate cost adjustment, as the retail domestic cans sold in Thailand appeared to be smaller than the exported cans identified in the ABF database
- *minus* domestic inland transport costs (THB/kg - from a previous FSI investigation involving Thailand)
- *add* export inland transport (THB/kg - from a previous FSI investigation involving Thailand)
- *add* port, handling and broker fees (THB/kg - from a previous FSI investigation involving Thailand)
- converted to AUD/kg using the same forex rates provided by Golden Circle.

The commission calculated a range of normal values using the purchase price estimates from Golden Circle. Specifically, the commission used the:

- lowest purchase price
- highest purchase price
- average purchase price

The commission considers that the information and methodology used by Golden Circle in the application appears to form an acceptable basis to estimate a normal value.

Assessment 2:

The commission also examined the normal value calculations from a previous inquiry involving FSI pineapple exported from Thailand (*Anti-Dumping Commission Report No 573 & 574*). The inquiry period for that inquiry was calendar year 2020. The commission considered that these calculations are a relevant point of comparison to Golden Circle's estimate.

The commission found that the 2020 normal value for FSI pineapple was lower than Golden Circle's estimate and the commission's normal value estimate (refer Assessment 1). Notwithstanding these variations, Golden Circle's estimates of normal value appear to be comparable to previously verified values and are therefore a reasonable estimate based on the information available to the applicant.

Table 10: Normal value estimate in the application and commission assessment - Thailand

The commission's assessment of the applicant's normal value estimate is at **Confidential Attachment 1**.

5.4 Dumping margins

5.4.1 Legislative framework

Dumping margins are determined in accordance with the requirements of section 269TACB. The margin of dumping is the unit price difference between the normal value and the export price. Dumping margins are expressed as a percentage of the margin compared to the export price.

A dumping margin of less than 2% is a negligible margin (section 269TDA(1)(ii)). A negligible dumping margin may indicate that there are not reasonable grounds for the publication of a dumping duty notice under section 269TC(1).

5.4.2 The applicant's estimate and the commission's assessment

Golden Circle's estimated export price (Chapter 5.1) and normal value (Chapter 5.2) has been used to estimate a dumping margin for the goods exported from Indonesia and Thailand.

PUBLIC RECORD

The commission has also estimated a range of dumping margins, using its own assessment of the export price and normal values using the methodologies described in Table 8, Table 9 and Table 10. These estimates are shown in Table 11.

Country	Applicant's estimate	Commission's estimate	Commission's assessment
Indonesia	90%	53.6% - 109.6%	The applicant's and commission's dumping margin estimates are not negligible.
Thailand	174%	7.3% - 198.6%	The applicant's and commission's dumping margin estimates are not negligible.

Table 11: Dumping margin estimates

The commission is satisfied that there appear to be reasonable grounds for concluding that FSI pineapple from Indonesia and Thailand is exported at dumped prices, and the dumping margin is not negligible.

The commission's assessment of the applicant's dumping margin estimate is at **Confidential Attachment 1**.

6 REASONABLE GROUNDS - INJURY TO THE AUSTRALIAN INDUSTRY

The commission considers that there appear to be reasonable grounds in the application that the Australian industry has experienced injury.

The application supports Golden Circle’s claims that injury has occurred in the form of:

- loss of sales volume
- reduced market share

The application does not support Golden Circle’s claimed injury in the form of:

- price suppression (although there is an argument that prices would have been higher in the absence of dumping)
- loss of profits
- reduced profitability
- reduced revenue
- reduced employment
- reduced capacity utilisation and
- reduced return on investment.

The commission’s assessment of injury is at **Confidential Attachment 1**.

6.1 Legislative framework

Under section 269TG, one of the matters that the Minister must be satisfied of in order to publish a dumping duty notice is that the Australian industry has experienced material injury. This issue is considered in the following sections.

6.2 The applicant’s injury claims

Golden Circle claimed two alternate periods of material injury from allegedly dumped imports from Indonesia and Thailand.

- injury commenced from calendar year 2017 and continued in calendar year 2022
- injury is threatened and will occur after Golden Circle’s proposed investigation period (i.e. after 31 December 2022).

For the purposes of this report, the commission will examine the economic condition of the Australian industry from 1 January 2019.

The commission assessed the injury claims and data in Golden Circle’s application. This assessment is summarised at Table 12, with detailed explanations at Chapters 6.2 to 6.5.

Material injury claimed in application		The commission’s assessment
Volume effects (Chapter 6.2)	Loss of sales volume	Increasing sales volume occurred in the period 2020 and 2022, but not achieving the volumes sold in 2019.
	Reduced market share	Market share declined from 2019 to 2022.
Price effects (Chapter 6.3)	Price suppression	There appears to be some price suppression between 2019-2020, before improvements in 2021 and 2022.
Profit and profitability effects (Chapter 6.4)	Loss of profit	Golden Circle was unprofitable in 2019 and 2020, but improved profits and profitability in 2021 and 2022.
	Reduced profitability	

PUBLIC RECORD

Material injury claimed in application		The commission's assessment
Other injury factors (Chapter 6.5)	Reduced revenue	Revenue has increased between 2020 and 2022, although not to the revenue achieved in 2019.
	Reduced employment	Employee numbers increased each year during the injury analysis period from 2019-2022, but in each of these years the employee numbers are lower than reported for 2017-2018 (when Golden Circle claims the injury commenced).
	Reduced capacity utilisation	Capacity utilisation in 2021-2022 returned to 2017-2018 levels, despite a decline in 2019-2020.
	Reduced return on investment	There appears to be an improvement in the return on investment over the injury analysis period.

Table 12: The applicant's injury claims

6.2.1 Legislative framework

The matters that may be considered in determining whether the industry has suffered material injury are set out in section 269TAE.

6.3 Volume effects

6.3.1 Sales volume

The commission considers the application shows Golden Circle experienced an increase in sales volume between 2020 to 2022. The annual volumes in this period were approximately half of the sales volume achieved in 2019.

Golden Circle's sales volume

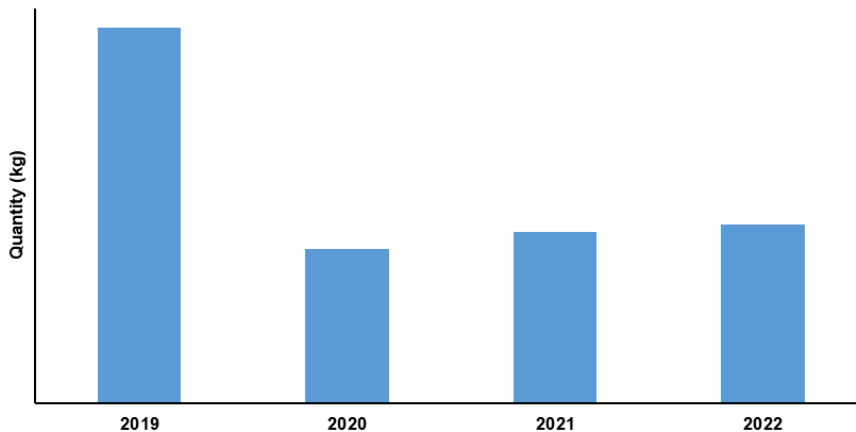


Figure 2: Golden Circle's sales volume - FSI pineapple

6.3.2 Market share

The commission considers the application shows Golden Circle experienced a market share decline between 2019 to 2022. Golden Circle's market share in 2022 is approximately half of its market share in 2019.

Approximately 97% of the Australian market is supplied by imported FSI pineapple.⁹ Over the injury analysis period (i.e. from 1 January 2019), Indonesian imports have increased

⁹ This is an estimate only and is based on the data provided by Golden Circle and the commission's preliminary analysis of import data using the ABF import database.

PUBLIC RECORD

market share. Imports from Thailand have remained comparatively consistent each year, comprising approximately 60% of the Australian market.

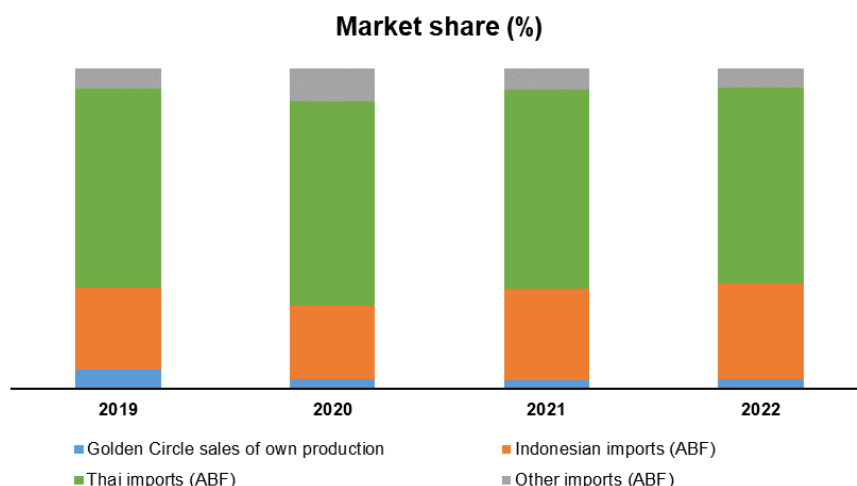


Figure 3: Estimate of market share – FSI pineapple

6.4 Price effects

The commission finds that Golden Circle's application appears to demonstrate it has experienced price suppression in the period 2019 and 2020.

Price depression occurs when a company, for some reason, lowers its prices. Price suppression occurs when price increases, which otherwise would have occurred, have been prevented. An indicator of price suppression may be the margin between prices and costs.

The commission observes from Figure 4 that Golden Circle's unit price has increased over the injury analysis period. Prices increased at a higher rate than costs in 2021 and 2022. Golden Circle advised in its application it was able to negotiate a price increase with its customers in 2022.

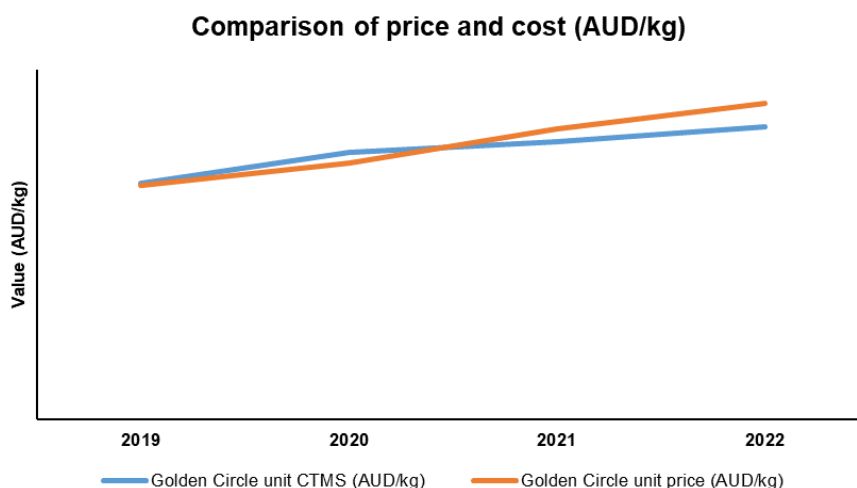


Figure 4: Comparison of price and cost (AUD/kg) - FSI pineapple

6.5 Profit and profitability effects

Golden Circle's application shows it was unprofitable in 2019 and 2020. It appears that the price increases achieved in 2021 and 2022 (Figure 4) resulted in Golden Circle becoming profitable in that same period.

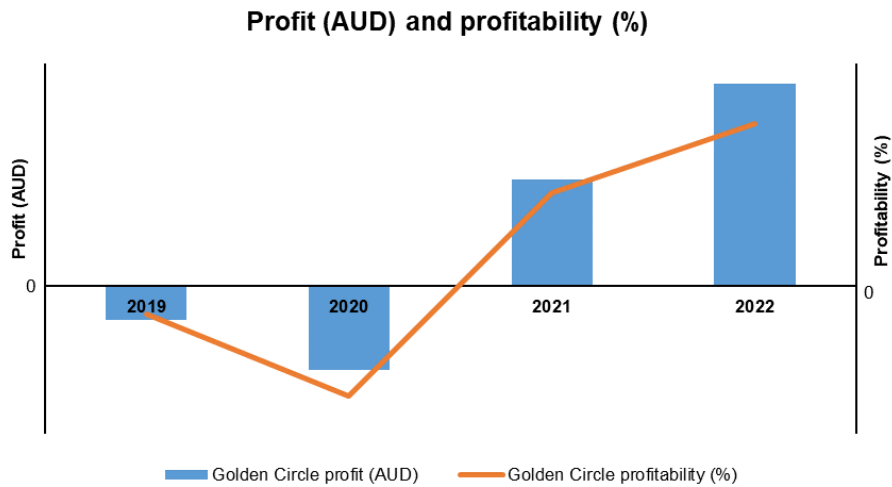


Figure 5: Golden Circle's profit (AUD) and profitability (%) - FSI pineapple

6.6 Other injury factors

The data presented in Golden Circle's application does not appear to support its claimed injury in the form of:

- reduced employment
- reduced capacity utilisation
- reduced return on investment.

Golden Circle's data will be assessed during the investigation.

6.7 Threat of material injury

Golden Circle completed section C-2 of the application form relating to threat of material injury. Golden Circle allege that threat of material injury to the Australian industry is foreseeable and imminent from the significant volume of dumped imports from Indonesia and Thailand.

Golden Circle made representations to the commission during previous cases that it was committed to growing its processed pineapple operations to return to production and sales volumes that were previously achievable.¹⁰ These plans cannot be achieved if the industry is weakened by the injurious effects of dumping.

The commission will examine the threat of injury during the investigation.

¹⁰ See, for example, the commission's *Australian Industry Verification Report* for cases 571/572, [document no 017](#).

7 REASONABLE GROUNDS - CAUSATION

The commission finds there appear to be reasonable grounds in the application for the material injury claimed by the Australian industry to be caused by dumping.

The commission has had regard to the application and other relevant information to support this finding.

7.1 Legislative framework

Under section 269TG, one of the matters that the Minister must be satisfied of in order to publish a dumping duty notice is that the material injury suffered by the Australian industry was caused by dumping. This issue is considered in the following sections.

7.2 The applicant’s claims for causation

The table below summarises the causation claims of the applicant.

Injury caused by dumping
<p>Golden Circle claims that there is a direct correlation between the volumes of FSI pineapple imported from Indonesia and Thailand and the Australian industry’s annual sales volume and market share for the like goods.</p> <p>Golden Circle further claims that its prices for the goods were heavily influenced by the presence and prices of the dumped imports, which suppressed its proposed price increases for FSI pineapple. Golden Circle’s application includes confidential evidence of price negotiations with customers to support this view.</p> <p>Golden Circle also relies on the findings of the Anti-Dumping Review Panel (ADRP) in its review of the most recently completed major case involving the goods. In the context of price negotiations between major customers (e.g. distributors) and Golden Circle, the ADRP noted:</p> <p style="padding-left: 40px;">“Both sides would be aware of the presence in the market of imported product and the significant price undercutting of such imports. [...] It would not need to be spelt out in the correspondence for it to have an effect.”¹¹</p> <p>Golden Circle points to the generally stable market in Australia for FSI pineapple, and submits that the injury it suffered is greater than that likely to occur in the normal ebb and flow of business, and that this injury is therefore material.</p>
Injury caused factors other than dumping
<p>Golden Circle notes the presence of the goods from other countries in the market, but claims that the volume the goods from Indonesia and Thailand are sufficient to cause material injury to the Australian industry.</p> <p>Golden Circle notes the absence of any information to suggest there were changes in patterns of consumption or demand in the Australian market, developments in technology or changes in productivity which otherwise explains the Australian industry’s economic condition during the period 1 January 2022 to 31 December 2022. Golden Circle also notes the small volume of the goods that it exports, and claims this is also not a likely factor causing its injury.</p>

Table 13: Summary of Golden Circle’s claims regarding causes of injury

7.2.1 Commission’s assessment

The commission has examined the market intelligence provided by Golden Circle, the evidence of price negotiations and its claims of injury experienced. The commission notes that the injury experienced by the Australian industry is loss of sales volume and reduced market share.

¹¹ [ADRP Report No 144](#), para 53.

PUBLIC RECORD

The *Ministerial Direction on Material Injury 2012* provides that injury from dumping need not be the sole cause of injury to the industry, where injury caused by dumping is material in degree.¹²

On the information presented by the applicant, the presence of the dumped goods in the market have influenced price negotiations and sales volumes. But for the dumped goods, the commission considers there are reasonable grounds for expecting that the Australian industry could have achieved greater sales volumes, and in some cases, it may have achieved higher prices. All other things being equal, this ought to have resulted in higher profits and profitability.

As a result, the commission is satisfied that there appear to be reasonable grounds for finding that FSI pineapple has been exported from Indonesia and Thailand at dumped prices, and that the dumping has caused material injury to the Australian industry producing like goods. Accordingly, the commission is satisfied that there appear to be reasonable grounds for the publication of a dumping duty notice in respect of the goods the subject of the application.

¹² Anti-Dumping Notice No. 2012/24.

8 APPENDICES AND ATTACHMENTS

Attachments	Title
Attachment 1	Public notice
Confidential Attachment 1	Application assessment