

PUBLIC RECORD



Australian Government
**Department of Industry,
Innovation and Science**

**Anti-Dumping
Commission**

REVIEW 478

**REVIEW OF MEASURES RELATING TO CONSUMER
PINEAPPLE**

EXPORTED FROM THE KINGDOM OF THAILAND

VERIFICATION VISIT REPORT - IMPORTER

SK MARKETING PTY LTD

THIS REPORT AND THE VIEWS OR RECOMMENDATIONS CONTAINED THEREIN
WILL BE REVIEWED BY THE CASE MANAGEMENT TEAM AND MAY NOT REFLECT
THE FINAL POSITION OF THE ANTI-DUMPING COMMISSION

September 2018

PUBLIC RECORD

CONTENTS

| | |
|---|----------|
| CONTENTS | 2 |
| 1 BACKGROUND | 3 |
| 1.1 THIS REVIEW..... | 3 |
| 1.2 VERIFICATION PROCESS | 3 |
| 1.3 COMPANY INFORMATION | 3 |
| 2 AUSTRALIAN SALES | 4 |
| 2.1 VERIFICATION OF SALES TO AUDITED FINANCIAL STATEMENTS | 4 |
| 2.2 VERIFICATION OF SALES TO SOURCE DOCUMENTS | 4 |
| 2.3 RELATED PARTY CUSTOMERS | 4 |
| 3 IMPORTS | 5 |
| 3.1 THE GOODS | 5 |
| 3.2 VERIFICATION OF IMPORTATION AND SELLING COSTS | 5 |
| 3.3 IMPORT LISTING..... | 5 |
| 3.4 THE IMPORTER | 5 |
| 3.5 THE EXPORTER | 6 |
| 3.6 PROFITABILITY OF IMPORTS | 6 |
| 3.7 RELATED PARTY SUPPLIERS | 6 |
| 3.8 ARM’S LENGTH..... | 6 |
| 4 RECOMMENDATIONS | 7 |
| 5 ATTACHMENTS | 8 |

1 BACKGROUND

1.1 This review

On 18 June 2018, the Commissioner of the Anti-Dumping Commission (the Commissioner) initiated a review of measures applying to pineapple fruit – consumer (consumer pineapple or the goods) exported to Australia from the Kingdom of Thailand (Thailand). The initiation was notified to the public in Anti-Dumping Notice (ADN) No. 2018/101. The background relating to the initiation of this review is contained in Consideration Report No. 478 (CON 478). ADN No. 2018/101 and CON 478 can be accessed at the Anti-Dumping Commission (the Commission) website.

1.2 Verification process

Following the initiation, the Commission wrote to SK Marketing Pty Ltd (SK Marketing) and other importers of the goods inviting them to participate in the review. SK Marketing cooperated with the review and completed the importer questionnaire and relevant attachments.

Due to the owner of SK Marketing being overseas during the months of July and August, the Commission conducted the verification remotely, based on the company's importer questionnaire response (RIQ), source data provided relating to imports and sales of the goods and a telephone conference on 28 June 2018.

1.3 Company Information

SK Marketing is a small business operated by one person describing himself as a sales agent that trades in various food and beverage products. The company is owned by a family trust, and does not produce audited financial statements.

2 AUSTRALIAN SALES

2.1 Verification of sales to audited financial statements

As SK Marketing are not required to produce financial statements, the verification team was not able to verify the completeness and relevance of SK Marketing's sales listing by reconciling it to audited financial statements in accordance with ADN No. 2016/30.

The verification team verified the completeness of SK Marketing's sales listing by reconciling the sales quantities to the quantities imported by the company as per Australian Border Force (ABF) imports database.

Details of this verification process are contained in the verification work program at **Confidential Attachment 1**.

2.2 Verification of sales to source documents

The verification team verified the accuracy of SK Marketing's sales listing by reconciling it to source documents in accordance with ADN No. 2016/30.

Details of this verification process are contained in the verification work program at **Confidential Attachment 1**.

The verification team did not find any issues with the verification of the sales listing to source documents.

2.3 Related party customers

The verification team did not find any evidence that SK marketing is related to any of its customers during the review period.

3 IMPORTS

3.1 The goods

SK Marketing confirmed that it imported consumer pineapple from Thailand during the review period, which matches the description of the goods that are the subject of this application.

SK Marketing imported consumer pineapple in cans containing 440 grams (net weight). The cans are packed in cartons that each contain 12 cans. The imported goods were differentiated by cut (slices, tidbits and crush) and packing media (heavy syrup, light syrup and natural juice).

3.2 Verification of importation and selling costs

The verification team verified the accuracy of the importation and selling costs by reconciling selected imports to the source documents in accordance with ADN No. 2016/30.

Details of the verification are contained within the verification work program as **Confidential Attachment 1**.

The verification team did not find any issues with the verification of importation and selling costs to source documents.

3.3 Import listing

SK marketing confirmed that the import listing extracted from the ABF import database is a complete list of imports of the goods over the investigation period.

The verification team calculated the weighted average FOB export price by supplier at **Confidential Appendix 1**.

3.4 The importer

The verification team found SK Marketing is:

- named on the commercial invoice from its supplier;
- named as the consignee on the bill of lading;
- declared as the importer on the importation declaration to ABF;
- pays for all the importation charges; and
- arranges delivery from the port.

The verification team considers SK Marketing to be the beneficial owner of the goods at the time of importation and therefore considers SK Marketing to be the importer of the goods.

3.5 The exporter

Subject to further inquiries, the verification team considers that the manufacturers of the goods imported by SK Marketing to be the exporters of the goods.¹

3.6 Profitability of imports

The verification team calculated the profitability of the 4 selected shipments.

The verification team found that all 4 shipments were profitable. The assessment is at **Confidential Appendix 2**.

3.7 Related party suppliers

The verification team did not find any evidence that the importer is related to any of its suppliers of the goods exported from Thailand during the review period.

3.8 Arm's length

In respect of imports of the goods to Australia by the importer during the review period, the verification team found no evidence that:

- there was any consideration payable for, or in respect of, the goods other than its price; or
- the price was influenced by a commercial or other relationship between the buyer, or an associate of the buyer, and the seller, or an associate of the seller; or
- the buyer, or an associate of the buyer, was directly or indirectly, reimbursed, compensated or otherwise received a benefit for, or in respect of, whole or any part of the price.

Therefore, subject to further inquiries, the verification team is satisfied that the import transactions between SK Marketing and its suppliers were at arm's length.

¹ The Commission generally identifies the exporter as a principal in the transaction, located in the country of export from where the goods were shipped, that gave up responsibility by knowingly placing the goods in the hands of a carrier, courier, forwarding company, or its own vehicle for delivery to Australia; or a principal in the transaction, located in the country of export, that owns, or previously owned, the goods but need not be the owner at the time the goods were shipped.

4 RECOMMENDATIONS

The verification team is of the opinion that, for the goods imported by SK Marketing from the exporters:

- the goods have been exported to Australia otherwise than by the importer;
- the goods have been purchased by the importer from the exporters; and
- the purchases of the goods by the importer were arm's length transactions.

Subject to further inquiries with the exporters, the verification team recommends that the export price for the consumer pineapple imported by SK Marketing can be established under subsection 269TAB(1)(a) of the *Customs Act 1901*, using the invoiced price, less transport and other costs arising after exportation.

PUBLIC RECORD

5 ATTACHMENTS

| | |
|----------------------------------|---------------------------|
| Confidential Appendix 1 | Export price |
| Confidential Appendix 2 | Profitability of sales |
| Confidential Attachment 1 | Verification work program |