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

**Anti-Dumping
Commission**

REVIEW 496

**REVIEW OF MEASURES APPLYING TO RESEALABLE CAN
END CLOSURES**

EXPORTED FROM THE PHILIPPINES

VERIFICATION VISIT REPORT - IMPORTER

IRWIN PACKAGING 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

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1 BACKGROUND

On 27 November 2018, following an application by Irwin Packaging Pty Ltd (Irwin Packaging), the Commissioner of the Anti-Dumping Commission (the Commissioner) initiated a review of the anti-dumping measures applying to resealable can end closures (tagger, ring and foil ends, TRFs or the goods) exported to Australia from the Philippines by Genpacco Inc (Genpacco). The review will examine whether the variable factors relevant to the taking of the anti-dumping measures as they affect Genpacco should be varied.

Public notification of the initiation of the review was published on the Commission's website. The background relating to the initiation of this review is contained in *Anti-Dumping Commission Consideration Report No. 496* (CON 496).

Following the initiation, the Anti-Dumping Commission (the Commission) wrote to Irwin Packaging inviting them to cooperate with the review. Irwin Packaging cooperated with the review and completed the importer questionnaire and relevant attachments.

2 AUSTRALIAN SALES

2.1 Verification of sales to audited financial statements

Irwin Packaging does not import and on-sell TRFs in the same condition - Irwin Packaging attach seams the imported TRFs onto composite can bodies and sells the complete can unit (body, with TRF plus end).As such, Irwin Packaging was unable to provide a listing of sales of the goods.

2.2 Related party customers

The verification team did not find any evidence that Irwin Packaging is related to any of its customers during the investigation period.

3 IMPORTS

3.1 The goods

Irwin Packaging confirmed that it imported TRFs from Genpacco in the Philippines during the review period. The TRFs imported matched the description of the goods that are the subject of this review.

Irwin Packaging imported TRFs of the following sizes:

- 73mm;
- 83mm;
- 99mm;
- 127mm; and
- 153mm.

Irwin Packaging did not import the goods from any other exporter subject to measures in the review period. However, Irwin Packaging also imported certain TRFs exempt from the measures from Hindustan Tin Works Ltd (India).

3.2 Verification of importation and selling costs

The verification team verified the accuracy of the importation costs by reconciling selected imports to the source documents in accordance with ADN 2016/30.

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

3.2.1 Exception 1: Allocation of importation costs

The majority of consignments of the goods imported from Genpacco also included various quantities of other products not covered by the measures, namely can ends. In its response to the importer questionnaire, Irwin Packaging allocated total importation costs to the goods and to other products on a revenue basis.

The verification team reallocated importation costs on a quantity basis. Due to the majority of products imported being of a comparable size, and importation costs largely being determined by the weight and size of products imported, the verification team was of the view that quantity was the most accurate basis for the allocation of costs, based on the information available.

Additionally, the verification team found that dumping duties had been allocated to products not covered by the measures. Therefore where costs for dumping duties were allocated to products not subject to the measures, these were reallocated to the goods.

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3.2.2 Exception 2: Selling, general and administration (SG&A) costs

As discussed at section 2.1, Irwin Packaging sell complete composite can units that include the goods as a component. Irwin Packaging explained that selling expenses are not incurred specific to the goods.

Due to this, the verification team obtained alternate evidence from Irwin Packaging to calculate SG&A costs. SG&A costs have been calculated by having regard to Irwin Packaging's SG&A as a proportion of total revenue.

3.3 Import listing

Irwin Packaging confirmed that the import listing extracted from the ABF import database is a complete list of imports of the goods over the review period.

The verification team calculated the weighted average free on board (FOB) export price for imports of the goods from Genpacco at **Confidential Appendix 1**.

3.4 The importer

The verification team considers Irwin Packaging to be the beneficial owner of the goods at the time of importation and therefore the importer as Irwin Packaging 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 of the goods.

3.5 The exporter

Subject to further inquiries, the verification team considers Genpacco to be the exporter of the goods¹.

3.6 Profitability of imports

As Irwin Packaging further processed the imported goods and did not on-sell TRFs in the Australian market, the verification team did not verify the profitability of TRFs as an individual component. Instead, the verification team obtained alternative evidence by reference to Irwin Packaging's financial records to verify Irwin Packaging's overall profitability.

Importation costs, SG&A and the verification team's assessment of Irwin Packaging's profitability are at **Confidential Appendix 2**.

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.

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3.7 Related party suppliers

The verification team did not find any evidence that Irwin Packaging is related to its suppliers of TRFs imported during the review period.

3.8 Arms length

In respect of imports of certain TRFs to Australia by Irwin Packaging 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 import transactions between Irwin Packaging and Genpacco are arms length transactions.

4 PRICING ARRANGEMENTS

The verification team sought information from Irwin Packing about the pricing arrangements of TRFs and can ends, and whether these pricing arrangements had been affected by the introduction of anti-dumping measures.

Irwin Packaging stated that it was not industry standard to purchase TRFs and can ends as a package and that it would purchase differing quantities of these products on an as needs basis. Furthermore it indicated that TRFs and can ends could be sourced from different suppliers and that prices of can ends had remained stable since the introduction of measures.

The verification team observed imports of the goods and can ends in Irwin Packaging's factory and identified that can ends were packaged separately and that TRFs and can ends from different suppliers could be substituted into the production process.

During verification of source documents, the verification team confirmed that TRFs and can ends were purchased in differing quantities and did not appear negotiated as a package.

The verification team analysed Irwin Packaging's purchases of TRFs and can ends from Genpacco and did not find any evidence to suggest that pricing arrangements had changed since the implementation of measures or that can ends were priced in a way to enable Irwin Packaging to avoid the measures on the goods.

5 RECOMMENDATIONS

The verification team are of the opinion that for the goods imported by Irwin Packaging from Genpacco:

- 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 arms length transactions.

Subject to further inquiries with Genpacco, the verification team recommends that the export price for goods imported by Irwin Packaging from Genpacco can be established under s.269TAB(1)(a) of the *Customs Act 1901*, using the invoiced price, less transport and other costs arising after exportation.

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6 ATTACHMENTS

Confidential Appendix 1	Export price
Confidential Appendix 2	Importation costs
Confidential Attachment 1	Verification work program