



Australian Government  
Department of Industry, Science,  
Energy and Resources

Anti-Dumping Commission

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## Government Questionnaire

**Case number:** 547

**Product:** A4 copy paper

**From:** The Republic of Indonesia

**Review period:** 1 January 2019 to 31 December 2019

**Original investigation period:** 1 January 2015 to 31 December 2015

**Response due by:** 27 April 2020

**Return completed questionnaire to:**  
investigations2@adcommission.gov.au

**Anti-Dumping Commission website:** [www.adcommission.gov.au](http://www.adcommission.gov.au)

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## INSTRUCTIONS

### Why you have been asked to fill out this questionnaire?

The Anti-Dumping Commission (the Commission) is conducting a review of the anti-dumping measures applying to A4 Copy Paper (the goods) exported to Australia from the Republic of Indonesia (Indonesia) by Pt Indah Kiat Pulp & Paper Tbk (Indah Kiat) and Pt Pindo Deli Pulp & Paper Mills (Pindo Deli). The anti-dumping measures applying to Indah Kiat and Pindo Deli are in the form of a dumping duty notice.

The Commission will use the information provided by the Government of Indonesia to examine whether the variable factors (relevant to the taking of the anti-dumping measures in relation to Indah Kiat and Pindo Deli) have changed and whether the anti-dumping measures applying to Indah Kiat and Pindo Deli are no longer warranted.

Any additional questions, if necessary, will be put to the GOI using supplementary questionnaires.

A separate exporter questionnaire has been sent to Indah Kiat and Pindo Deli. The Commission will also be inviting other exporters in Indonesia to provide information in relation to this review.

### Response to this questionnaire

The GOI may elect not to respond to and complete the questionnaire.

However, if the GOI does not respond, the Commission may be required to rely on information supplied by other parties, including information supplied by Australian industry.

Therefore, it may be in the GOI's interests and the interest of Indonesian exporters of the goods to provide a complete response.

If the GOI elects to respond to this questionnaire, the response is due by **27 April 2020**.

### If you decide to respond

Should the GOI elect to provide a response to this questionnaire, please note:

#### Confidential and non-confidential versions

If the GOI elects to respond to this questionnaire, you are *required* to lodge a confidential version (for official use only) and a non-confidential version (for public record) of your response to this questionnaire by the due date. Please ensure that *each page* of information you provide is clearly marked either "FOR OFFICIAL USE ONLY" or "PUBLIC RECORD".

All information provided to the Commission in confidence will be treated accordingly. The public record version of your questionnaire will be placed on the public record, and must contain sufficient detail to allow a reasonable understanding of the substance of the information, but does not breach confidentiality nor adversely affect those interests.

A person is not required to provide a summary for the public record if the Commission can be satisfied that no such summary can be given that would allow a reasonable understanding of the substance of the information.

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All questionnaires are required to have a bracketed explanation of deleted or blacked out information for the public record version of the questionnaire. An example of a statement to accompany deleted/blacked out text is:

[Number of pulp and paper companies].

If such an explanation is not provided, the Commission may disregard the information in the submission.

### Declaration

You are required to make a declaration that the information contained in the GOI's response is complete and correct. You must return the signed declaration of an authorised GOI official at the last section of this questionnaire with the GOI's response.

### Coordination of responses

In completing the questionnaire, if a question requires information from other authorities (e.g. provincial or local governments, state owned entities, etc.) please forward the questions to the relevant source.

However, it is the responsibility of the GOI to ensure that a full and complete response to all sections of the questionnaire is submitted, and that responses from all levels of governments, agencies and/or other applicable entities are collated and coordinated in the one response.

### Consultants/parties acting on your behalf

If you intend to have another party acting on your behalf please advise the Commission of the relevant details.

The Commission will generally require a written authorisation from the GOI for any party acting on its behalf.

### Provision of documents

Numerous documents are requested from the GOI throughout this questionnaire. In many cases, the titles or description of these documents within the questionnaire may not correlate to the official title that the GOI has granted each document, but is rather a descriptor of the document to the best of the Commission's knowledge.

If the listed title is unknown to the GOI but a document that appears to be similar to the requested document, relates to a similar topic area, or otherwise would be considered to contain useful information is identified by the GOI, please provide this document.

Further, when providing requested documents, please indicate whether the documents:

- are current/in force;
- were current/in force during the original investigation period;
- were current/in force during the review period; or
- have been repealed, revised or superseded.

Where the documents have been repealed, revised or superseded, where applicable:

- indicate when this revision occurred;
- provide any notice of repeal;

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- provide the revised version;
- provide the document that supersedes the requested document;
- indicate whether the revised version was in force during the original investigation period; and
- indicate whether the revised version was in force during the review period.

### General matters

Responses to questions should:

- be as accurate and complete as possible, and attach all relevant supporting documents, even where not specifically requested in this questionnaire;
- be in English (with fully translated versions of all requested and other applicable documents submitted);
- list your source(s) of information for each question;
- identify all units of measurement used in any tables, lists and calculations;
- show any amounts in the currency in which they were originally denominated.

Please note that answers such as "Not Applicable", or an answer that only refers to an exhibit or an attachment without any explanation, may be considered to be inadequate by the Commission. We therefore suggest that in answering the questions you outline the key elements of your response in the primary submission document, and not merely refer to supporting documents the relevance and reliability of which has not been explained in your answer.

### Submitting a response to the questionnaire

You may lodge your response by emailing it to the address for lodgement shown on the front cover of this questionnaire.

In completing any lists of names and addresses requested throughout this questionnaire, electronic responses in a Microsoft Excel spreadsheet would be preferred.

### **Clarification**

If you have any difficulties in completing the questionnaire, or require clarification on any questions asked, contact the Commission as soon as possible.

### **Consultations and verification of the information that you supply**

The Commission may seek to visit the GOI to hold consultations in relation to the information provided in the questionnaire response. The Commission may also wish to examine records and to verify the information provided. It is common practice for Commission officers to visit Government officials, exporters and manufacturers of the subject goods, in order to verify the information submitted. You will be contacted in advance of such a meeting in order to make arrangements.

A complete response, including all of the documentation requested, must be submitted to the Commission before a verification meeting will be considered.

If a verification visit is undertaken, the key Government officials involved in preparing the response and those who have knowledge of the source documentation and the information contained therein should be available to meet with Commission officers and to provide additional clarification and explanation, as required.

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If verification meetings are unreasonably delayed or cancelled, the assessment of the variable factors may be based on the facts available to the Commission.

The purpose of the verification meeting will be to verify the information provided in your questionnaire response. It is not intended to be a second opportunity for the GOI to provide new or additional information. Accordingly, it is important that your response be as complete and accurate as possible.

### **Important instructions for preparing your response**

- All questions in this questionnaire must be completed. If a question is not applicable to your situation, please answer the question with “Not Applicable” and provide an explanation as to why.
- All questions must be answered in English. An English translation must be provided for documents not originally in English.
- Clearly identify all units of measurement (e.g. KG) and currencies (e.g. IDR) used. Apply the same measurement consistently throughout your response to the questionnaire.
- Label all attachments to your response according to the section of the questionnaire it relates to.
- The data must be created as spreadsheet files in Microsoft Excel.
- If you have used formulas to complete spreadsheets, these formulas must be retained and not hard-coded.
- You must retain all worksheets used in answering the questionnaire. Be prepared to provide these worksheets during the Commission’s verification of your data.
- If you cannot present electronic data in the requested format contact the case officer as soon as possible.
- Where possible, electronic data should be emailed or shared with the Commission via SIGBOX, a secure online document repository. Please contact the Commission to request access to SIGBOX if required.

## CHECKLIST

This section is an aid to ensure that you have completed all sections of this questionnaire.

Section	Please tick if you have responded to all questions
Section A General questions	<input type="checkbox"/>
Section B Particular market situation	<input type="checkbox"/>
Section C Indonesian forestry industry	<input type="checkbox"/>
Section D Market situation and proper comparison	<input type="checkbox"/>
Section E Proper comparison	
Declaration	<input type="checkbox"/>
Non-confidential version of this response	<input type="checkbox"/>

## GOODS SUBJECT TO ANTI-DUMPING MEASURES

The goods subject to anti-dumping measures (the goods) are:

*Uncoated white paper of a type used for writing, printing or other graphic purposes, in the nominal basis weight range of 70 to 100 gsm and cut to sheets of metric size A4 (210 mm x 297 mm) (also commonly referred to as cut sheet paper, copy paper, office paper or laser paper).*

Further information on the subject goods specifies that the:

*Paper is not coated, watermarked or embossed and is subjectively white. It is made mainly from bleached chemical pulp and/or from pulp obtained by a mechanical or chemical process and/or from recycled pulp.*

### Tariff Classification

The goods are currently classified to tariff subheadings 4802.56.10 (statistical code 03 and 09) of Schedule 3 to the *Customs Tariff Act 1995*.

The goods are subject to zero per cent Customs duty rate.



## SECTION A GENERAL QUESTIONS

### Instructions

In the original investigation the GOI provided responses to an initial questionnaire and to a supplementary questionnaire.

This section includes questions sourced from the original investigation and new questions raised in relation to this review. As questionnaires are constantly improved over time, the wording of questions in the original investigation may not be the same and should be carefully read.

Where a question was asked in the original investigation, there will be two response sections. These are:

- **Questions from the original investigation**  
This section provides an opportunity for the GOI to affirm responses made in the original investigation or to provide an updated response with further information. If the GOI believes that its response has not changed from the responses to the two questionnaires provided during the original investigation and the GOI elects not to provide an updated response with further information then please indicate that in each question. Otherwise, please provide an updated response with supporting documents.
- **New questions for this review**  
This section provides an opportunity for the GOI to respond specifically to the questions in the context of this review.

1. Identify the government representatives' co-ordinating the response to this questionnaire and provide the names and contact details of the official(s) (including email addresses). Please note that the Commission may have further inquiries concerning the questionnaire response and a contact must be available to respond to any further information requests.

### **Response for this review**

[The Government of Indonesia is invited to provide responses for the review period (1 January 2019 to 31 December 2019).

**Pradnyawati**  
**Director of Trade Defense**  
**Directorate General of Foreign Trade**  
**Ministry of Trade**  
**pradnyawati@kemendag.go.id**  
**(62-21) 3857955**

2. Describe the nature and structure of the copy paper industry in Indonesia. Without limiting your response include details of any government involvement in the copy paper market including the markets for upstream raw materials and inputs, for example, without limiting the foregoing, the markets for pulp, calcium carbonate, caustic soda, and coal). The response should include details of:
  - (a) distribution channels
  - (b) any vertical integration

- (c) any changes over the last 5 years (such as mergers and acquisitions)
- (d) any changes to the government laws and regulations after 1 January 2010

Response from original investigation	Updated response
<p>The nature and structure of the copy paper industry in Indonesia are all privately owned. During the Period of Investigation (POI), the Government of Indonesia (GOI) does not have any state-owned company producing copy paper or any involvement in Indonesia copy paper industry including the market of pulp, calcium carbonate, caustic soda and coal.</p> <p>There are 62 private pulp and paper companies registered at the Indonesia Pulp and Paper Association (APKI). Large copy paper companies in Indonesia, including the mandatory respondents (APP<sup>1</sup> and APRIL<sup>2</sup>) are usually integrated and having their own upstream raw materials and inputs facility.</p> <p>In general, the distribution channels of copy paper industry can be seen as follows:</p> <div data-bbox="272 837 845 931" data-label="Diagram"> <pre> graph LR     A[Producers] --&gt; B[Distributors]     B --&gt; C[End Users] </pre> </div> <p>GOI is only aware of 2 mergers or acquisition of copy paper companies notified to the Indonesia's Competition Supervision Authority (KPPU) over the last 5 years namely (1) PT Pabrik Kertas Tjiwi Kimia Tbk and PT Oki Pulp and Paper Mills. (2) PT Pindo Deli Pulp and Paper Mills and PT Oki Pulp and Paper Mills.</p> <p>There is no specific laws and regulations on copy paper industry as well as pulp, caustic soda or calcium carbonate industry.</p> <p>The GOI would like to draw attention to the fact that Australia also highly regulates the forest and wood product industries for a variety of purposes. The Applicant acknowledges this in its 2013 Sustainability Report at pages 24 and 25. It states that the <i>"forestry and wood products sector is one of the most highly regulated industries in Australia"</i>. See: <a href="http://www.australianpaper.com.au/media/3786604/2013-Sustainability_Report_web.pdf">http://www.australianpaper.com.au/media/3786604/2013-Sustainability_Report_web.pdf</a>. It also includes regulation of the logging of timber in, for example, forests in Victoria controlled by the Victorian Government, including a state-owned business that is responsible for the harvest, regeneration and commercial sale of timber from forests in Victoria.</p> <p>It is not unusual for countries, including Indonesia, to regulate these industries for similar purposes as the Australian government does, as identified in the Applicant's Sustainability Report. Presumably, the Australian government in regulating these industries are not seeking to subsidize those industries.</p> <p>The above comment and suggestion of investigation of the effect and purpose of the regulation of the Australian forest</p>	<p><b>See our corresponding response below</b></p>

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Response from original investigation	Updated response
<p>and wood products industries applies equally to the questions below in relation to the regulation and management of logging forests in Indonesia.</p> <p>_____</p> <p>1 APP refers to (1) PT Indah Kiat Pulp &amp; Paper Tbk; (2) PT Pindo Deli Pulp and Paper Mills; (3) PT Pabrik Kertas Tjiwi Kimia Tbk.</p> <p>2 APRIL refers to PT Riau Andalan Pulp and Paper ("RAPP") and its other affiliated crossed-owned companies.</p>	

Response for this review
<p><b>The situation described in the original investigation remains relevant. Please also refer to the companies' response for this question.</b></p>

Additionally, include information concerning:

- the size and output (value and quantity) of the industry;
- the extent of the reliance on imported raw material inputs;
- any government involvement in upstream materials and inputs;
- the extent of any restrictions, quotas or limits for the production volumes in the industry; and
- any Government involvement at each level of the industry.

Response for this review
<p><b>The GOI believes that response to original investigation remains relevant and given the nature of this question please refers to the companies' response questioner for this.</b></p>

- At all levels of government (central, provincial, regional, municipal, special economic zone (SEZ), etc.) identify the names of the government departments, bureaus or agencies that are responsible for the administration of any GOI measures concerning the forestry, pulp and paper industry. Include information relating to the following areas:
  - supervision of state-invested enterprise (SIE) senior management and administration;

Response from original investigation	Updated response
<p>In Indonesia there is the Ministry of State Enterprises, one of which main responsibilities, is to supervise SIEs. However, there are and were no SIEs in relation to pulp and paper industry during the POI.</p>	<p><b>See our corresponding response below</b></p>

Response for this review
<p><b>Response to the questionnaire in the original investigation remains relevant and that no Government's share or control over the companies being subject to this Review as both are fully private-owned.</b></p>

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- consolidation of domestic copy paper producers;

Response from original investigation	Updated response
In Indonesia there is the Commission for the Supervision of Business Competition (KPPU). One of its roles is to supervise merger control to avoid abuse of dominant position just like the ACCC does in Australia. However, there is no specific governmental agency responsible specific for the administration of consolidation of domestic copy paper producers.	<b>See our corresponding response below</b>

Response for this review
<b>Response in the original investigation remains relevant</b>

- industrial policy and guidance;

Response from original investigation	Updated response
In Indonesia there is the Ministry of Industry, one of which main responsibilities, is to issue policies in all industrial sectors including the pulp and paper industry.	<b>See our corresponding response below</b>

Response for this review
<b>Response to original investigation remains relevant</b>

- market entry criteria;

Response from original investigation	Updated response
In Indonesia we have negative list for foreign investment. However, the pulp and paper industry is open for foreign investment. In fact one of the mandatory respondent (APRIL) is a foreign investment company. The agency that administers foreign and domestic investments is the Investment Coordinating Board (BKPM). Investment in pulp and paper industry is encouraged both for foreign and domestic investors.	<b>See our corresponding response below</b>

Response for this review
<b>Response in the original investigation remains relevant.</b>

- environmental enforcement;

Response from original investigations	Updated response
In Indonesia we have the Ministry of Environment and Forestry, one of which main responsibilities, is to issue environmental	<b>See our corresponding response below</b>

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Response from original investigations	Updated response
related policies as well as its law enforcement. The environmental related policies are only for environmental purpose and no other purposes e.g. to assist/subsidise producers or to manage production for other purposes.	

Response for this review
<b>Response in the original investigation remains relevant.</b>

- management of land utilisation;

Response from original investigations	Updated response
In Indonesia the agency in charge for land administration is the Ministry of Agrarian/National Land Body (BPN). However, in relation to the forest land utilization it is administered by the Ministry of Environment and Forestry.	<b>See our corresponding response below</b>

Response for this review
<b>Response in the original investigation remains relevant</b>

- banking regulations and financing in relation to copy paper;

Response from original investigations	Updated response
Banking regulations in Indonesia are under the auspice of the Indonesian Central Bank just like any other central bank including the Australia's Reserve Bank.	<b>See our corresponding response below</b>

Response for this review
<b>Response in the original investigation remains relevant.</b>

- investigation and inspection of manufacturing facilities and electricity providers;

Response from original investigations	Updated response
The investigation and inspection of manufacturing facilities would be undertaken by the Ministry of Industry. For the electricity producers there is the National Electricity Company (PLN). PLN applied higher rate for industrial use compared to household usage. However, some industries might have their own power plant if PLN power is not enough to cater their needs.	<b>See our corresponding response below</b>

<b>Response for this review</b>
<b>Response to the original investigation remains relevant. In addition, as generally applied, the cost of electricity will depend on distribution and that the longer distribution from the initial generation stage will result in higher cost.</b>

- the section in the National Development and Reform Commission that is responsible for the forestry, pulp and paper industry;

<b>Response from original investigations</b>	<b>Updated response</b>
Indonesia does not have any National Development and Reform Commission that is responsible for the forestry, pulp and paper industry.	<b>See our corresponding response below</b>

<b>Response for this review</b>
<b>Response to the original investigation remains relevant.</b>

- import licensing for raw materials used in copy paper manufacture;

<b>Response from original investigations</b>	<b>Updated response</b>
Required import licensing for raw materials used in copy paper manufacture is only Importer Identification Number which is issued by the Ministry of Trade.	See our corresponding response below

<b>Response for this review</b>
Importer Identification Number is not required for Import Licensing (Minister of Trade Regulation No. 13/2018)

- export regulations, export licensing, “guidance prices”, free trade export zones, etc.; and

<b>Response from original investigations</b>	<b>Updated response</b>
Export related regulations and export licensing procedures are usually issued and administered by the Ministry of Trade. GOI would like to stress there is no “guidance prices” for pulp and paper products.  As for free trade zone related policy it is under the Ministry of Finance. GOI would like to point out that both mandatory respondents APRIL and APP are not operating in Free Trade Zone.	<b>See our corresponding response below</b>

<b>Response for this review</b>
<b>Response to the original investigation remains relevant.</b>

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- taxation – especially export taxes; export tax rebates and value added tax (including any rebates).

Response from original investigations	Updated response
In Indonesia there is Directorate General of Taxation under the Ministry of Finance that handles all matters relating to taxation. There is no special taxation treatment addressed specifically only for the copy paper industry.	<b>See our corresponding response below</b>

Response for this review
<b>Response to the original investigation remains relevant</b>

Ensure that your response includes contact information regarding the government officials responsible for the listed areas listed along with their full mailing addresses, phone numbers, email addresses and fax numbers.

Response from original investigations	Updated response
See Exhibit 1 for the contact information of the Ministries or Agencies mentioned above.	<b>See our corresponding response below</b>

Response for this review
<b>See Exhibit 1 for the contact information of the Ministries or Agencies mentioned above.</b>

- Describe the ownership structure of the Indonesian copy paper industry, identifying what proportion of the industry is represented by SIEs, foreign-invested enterprises (FIEs), and Indonesian domestic-owned private enterprises. For each business where the GOI is a shareholder in the business, provide the name and percentage GOI ownership of the enterprise.

Response from original investigation	Updated response
<p>Please see Exhibit 2 for the list of all pulp and paper producers - members of the Indonesia Pulp and Paper Producers Association (APKI).</p> <p>There are and were no SIEs in relation to pulp and paper industry during the POI. Therefore GOI is not a shareholder in any of the pulp and paper companies.</p> <p>As mentioned earlier pulp and paper industry is open for foreign investment. There is no differential treatment for foreign invested enterprises or Indonesian domestic-owned private enterprises. However, GOI does not have detailed information on every pulp and paper producer whether they are foreign-invested enterprise or Indonesian domestic owned private enterprise.</p>	<b>See our corresponding response below</b>

<b>Response from original investigation</b>	<b>Updated response</b>
Nevertheless what GOI understands is the two biggest copy paper companies in Indonesia which are the mandatory respondents are APRIL and APP. APRIL is a foreign-invested enterprise, whereas APP is a Indonesian domestic-owned private enterprise.	

<b>Response for this review</b>
<b>Response to the original investigation remains relevant.</b>

5. Complete the attached spreadsheet A-4 (using Microsoft Excel format) listing all manufactures/traders of A4 copy paper and upstream raw material providers in Indonesia including the following details:
- name of the business entity;
  - location of the business entity;
  - function of the business (e.g. manufacturer, trader, exporter);
  - type of business (e.g. State invested enterprise (SIE), Foreign invested enterprise (FIE), private enterprise or other (please specify));
  - association with the GOI;
  - whether the business is a manufacturer of A4 copy paper;
  - production quantity of A4 copy paper;
  - whether GOI is a shareholder in the business, and if so the percentage of GOI holdings; and
  - whether there is GOI representation in the business, and if so the type of representation (e.g. on the Board of Directors), the authority responsible, and indicate any special rights provided to the representative (e.g. veto rights)

For each business where the GOI is a shareholder and/or there is GOI representations in the business provide:

- the complete organisational structure, including subsidiaries and associated businesses; and
- copies of annual reports of the business for the last 2 years.

<b>Response from original investigation</b>	<b>Updated response</b>
See Exhibit 2 for A4 copy paper provider and the pulp provider.	<b>See our corresponding response below</b>

<b>Response for this review</b>
<b>Response to the original investigation remains relevant</b>

6. Which industry associations represent A4 copy paper manufacturers? Please provide names, address and contact details including their websites of the relevant industry associations. Include all national, provincial and regional producer organisations that represent the interests of copy paper manufacturers and traders in Indonesia.



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<b>Response from original investigation</b>	<b>Updated response</b>
Industry association representing A4 copy paper manufacturers is Asosiasi Pulp dan Kertas Indonesia (APKI).  Jalan Cimandiri No. 6 Flat 1/2 Jakarta 10330 Telp (021) 31926084 Fax (021) 3911351 Email info@apki.net Website: http://apki.net	<b>See our corresponding response below</b>

<b>Response for this review</b>
<b>Response to the original investigation remains relevant.</b>

## SECTION B

### PARTICULAR MARKET SITUATION

#### Instructions

In the original investigation the GOI provided responses to an initial questionnaire and to a supplementary questionnaire.

This section includes questions sourced from the original investigation and new questions raised in relation to this review. As questionnaires are constantly improved over time, the wording of questions in the original investigation may not be the same and should be carefully read.

Where a question was asked in the original investigation, there will be two response sections. These are:

- **Questions from the original investigation**  
This section provides an opportunity for the GOI to affirm responses made in the original investigation or to provide an updated response with further information. If the GOI believes that its response has not changed from the responses to the two questionnaires provided during the original investigation and the GOI elects not to provide an updated response with further information then please indicate that in each question. Otherwise, please provide an updated response with supporting documents.
- **New Questions for this review**  
This section provides an opportunity for the GOI to respond specifically to the questions in the context of this review.

Opening remark from original investigation	Updated response
As per GOI preliminary submission to AADC dated 1 June 2016, GOI strongly objects the application of Particular Market Situation (PMS) for this case because Indonesia is a market economy country which has been recognized globally by all WTO Members. There is no evidence that the GOI is artificially manipulating the prices of inputs to manufacture actually amount to countervailable subsidies under WTO rules and no such evidence has been advanced by the applicant. Nevertheless, without prejudice of our preliminary submission, GOI will answer to its best ability this section on market situation.	<b>Response to the original investigation remains relevant.</b>

#### **Response for this review**

**Response to the original investigation remains relevant**

### **B-1 General questions**

1. Identify and provide an explanation of the specific roles and responsibilities of government departments, agencies or institutions, which are either directly or indirectly

involved in economic policy development, economic regulation and decision-making activities with respect to the forestry, pulp, and paper industries.

<b>Response from original investigation</b>	<b>Updated response</b>
The government department responsible for policies related to the forestry sector is the Ministry of Environment and Forestry while the government department responsible for policies related to pulp and paper industry is the Ministry of Industry.	<b>See our corresponding response below</b>

<b>Response for this review</b>
<b>Response to the original investigation remains relevant</b>

2. Identify any government departments, agencies or institutions that are involved in the manufacture, sale, purchase or acquisition of copy paper, and explain the nature of their involvement.

<b>Response from original investigation</b>	<b>Updated response</b>
There is no government departments, agencies or institutions that are involved in the manufacture, sale, purchase or acquisition of copy paper.	<b>See our corresponding response below</b>

<b>Response for this review</b>
<b>Response to the original investigation remains relevant</b>

3. Provide a detailed description of the domestic Indonesian copy paper industry and the relevant upstream industries. The response should include details of:
- (a) distribution channels
  - (b) any vertical integration
  - (c) any changes over the last 5 years (such as mergers and acquisitions)
  - (d) any changes to the government laws and regulations after 1 January 2010.

<b>Response from original investigation</b>	<b>Updated response</b>
Please refer to GOI answer to question No.1 in Section A above.	<b>See our corresponding response below</b>

<b>Response for this review</b>
<b>Response to the original investigation remains relevant</b>

4. Provide quarterly data (using Microsoft Excel format) over the last 5 calendar years of:
- (a) import quantity (by volume and value) of
    - (i) white A4 copy paper
    - (ii) pulp
    - (iii) coal
    - (iv) caustic soda
    - (v) calcium carbonate

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- (vi) titanium dioxide
- (vii) logs and other forestry related raw materials including bark and woodchip

Response from original investigation	Updated response
See Exhibit 3.	See our corresponding response below

Response for this review
<b>Pulp and Paper industry in Indonesia is integrated company. Most of materials refer to the above are locally sourced [Please see attached the requested import data listed as Exhibit 2_Realizaion of export and import on certain products_2012-2020] and pulp is chemical product, therefore only several chemical items need to buy from local supplier.</b>

- (b) export quantity (by volume and value) of
  - (i) white A4 copy paper
  - (ii) pulp
  - (iii) coal
  - (iv) caustic soda
  - (v) calcium carbonate
  - (vi) titanium dioxide
  - (vii) logs and other forestry related raw materials including bark and woodchip

For export and import values, specify if the value is based on ex-factory, F.O.B. (port, shipping point, etc), C.I.F. or some other value.

Response from original investigation	Updated response
See Exhibit 3.	See our corresponding response below

Response for this review
<b>Please see attached the requested export data listed as Exhibit 2 export and import statistic on certain products_2015-2020.</b>

5. Provide a schedule for the last 5 calendar years and provide supporting documentation of:
- (a) the corporate tax rate in relation to:
    - (i) caustic soda, calcium carbonate, coal miners/importers/traders
    - (ii) wood and log traders
    - (iii) titanium dioxide traders
    - (iv) copy paper manufacturers/traders

Response from original investigation	Updated response
As an initial matter, like most other countries, Indonesia implements progressive tax rates for individual taxpayers, as well as for corporate taxpayers regardless of the products produced by the companies.	See our corresponding response below

Response from original investigation	Updated response
<p>For corporate taxpayers, based on Articles 17 and 31E of Law Number 7 Year 1983 concerning Income Tax as last amended by Law Number 36 Year 2008 (Income Tax Law), the statutory corporate income tax rates (based on their annual turnover) are set as follows:</p> <ol style="list-style-type: none"> <li>1. For every corporate taxpayer who obtains an annual turnover (on a world-wide income basis) of up to 50 billion rupiah: <ul style="list-style-type: none"> <li>• 12.5% tax rate is applicable only to some part of taxpayer's taxable incomes calculated from its annual turnover up to 4.8 billion rupiah;</li> <li>• 25% tax rate is applicable for remaining taxpayer's taxable incomes above 4.8 billion rupiah but not more than 50 billion rupiah.</li> </ul> </li> <li>2. For every corporate taxpayer who obtains an annual turnover (on world-wide income basis) of more than 50 billion rupiah: <ul style="list-style-type: none"> <li>• The applicable tax rate is 25%.</li> </ul> </li> </ol> <p>Article 31E of the Income Tax Law is applicable to every corporate taxpayer on a self-assessment basis regardless of their industry or business activity. Annual turnover is the only criteria of eligibility without any administrative procedures.</p> <p>See Exhibit 4 for the relevant provisions of the referenced Income Tax Law.</p>	

Response for this review
<b>Response to the original investigation remains relevant.</b>

(b) import tariff rates and/or import quotas applicable to:

- (i) logs
- (ii) wood chip
- (iii) pulp
- (iv) coal
- (v) caustic soda
- (vi) calcium carbonate
- (vii) titanium dioxide
- (viii) copy paper

Response from original investigation	Updated response
<p>In 2010, Indonesia ratified the ASEAN Trade in Goods Agreement (ATIGA) regulation, which aims to increase trade among ASEAN countries by reducing the import duty to 0% on most goods. Indonesia is also a party to several free trade agreements that grant</p>	<p><b>See our corresponding response below</b></p>

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Response from original investigation	Updated response
<p>preferential tariff rates for imports into Indonesia. These include ASEAN–China FTA (ACFTA), ASEAN-Korea FTA (AKFTA), ASEAN-India FTA (AIFTA), ASEAN-Australian and New Zealand FTA (AANZFTA), and Indonesia–Japan Economic Partnership Agreement (IJEPA). These free trade agreements also results in reducing (if not zeroing) import duty of most goods.</p> <p>Therefore, to determine the rate of import duties for capital goods and equipment, the Department must first identify the 10 digits tariff classification and the country of origin of the capital goods and equipment. In order to identify the rate of import duties for goods as mentioned above, see Exhibit 5.</p>	

Response for this review
<b>Response to the original investigation remains relevant. In addition, currently the tariff clarification refers to 8 digits instead of 10 digits.</b>

(c) export tariff rates and/or export quotas applicable to:

- (i) logs
- (ii) wood chip
- (iii) pulp
- (iv) coal
- (v) caustic soda
- (vi) calcium carbonate
- (vii) titanium dioxide
- (viii) copy paper

Response from original investigation	Updated response
<p>Pursuant to Minister of Finance Regulation No. 75/2012 which was last amended by Minister of Finance Regulation No. 136/2015, export tariff applicable to wood chip falls within HS code of 4404.20.10.00 and ex. 4404.20.90.00, which have 5% export tariff. Other above mentioned goods, such as logs, pulp, coal, caustic soda, calcium carbonate, titanium dioxide, and copy paper are not imposed with export tariff.</p> <p>See Exhibit 6 for MOF 75/2012 and its amendments.</p>	<b>See our corresponding response below</b>

Response for this review
<b>Response to the original investigation remains relevant</b>

(d) value added tax (VAT) export rebates applicable to exports of:

- (i) logs

- (ii) wood chip
- (iii) pulp
- (iv) coal
- (v) titanium dioxide
- (vi) caustic soda
- (vii) calcium carbonate
- (viii) copy paper

Response from original investigation	Updated response
Based on Article 7(2)(a) of the VAT Law No 42, 2009, the VAT tariff for export of goods and services is 0% and therefore there is no VAT rebate for exports of the above goods.	<b>See our corresponding response below</b>

Response for this review
<b>Response to the original investigation remains relevant.</b>

6. If export quotas applied to any of the items at Question 5(c) above, identify which agency of the GOI legislates and monitors the quotas.

Response from original investigation	Updated response
<p>There is no export quota for wood chip, pulp, titanium dioxide, caustic soda, calcium carbonate, and copy paper as well as there is no export ban on coals. There is an export licensing (quota) for coals because coals are unrenewable natural resource that has negative impact on the environment. There is also an export ban on certain types of log which will be further elaborated in section C below.</p> <p>The export related policy is under the auspices of the Ministry of Trade and the monitoring is executed together with the Directorate of Customs as well as independent surveyors.</p>	<b>See our corresponding response below</b>

Response from supplementary questionnaire from original investigation	Updated response
There are no export quotas applicable to exports of acacia or eucalyptus logs from Indonesia. Concerning the export ban please refer to the GOI's answer to the Commission's questions below.	<b>See our corresponding response below</b>

Response for this review
<b>Response to the original investigation remains relevant</b>

7. Identify and document any financial assistance provided by the GOI since 2009 in support of the copy paper and/or forestry industry.

<b>Response from original investigation</b>	<b>Updated response</b>
GOI did not provide any financial assistance for copy paper and/or forestry industry during the Period of Investigation or since 2009.	<b>See our corresponding response below</b>

<b>Response for this review</b>
<b>Response to the original investigation remains relevant.</b>

8. Has the GOI (at any level of government) issued or participated in the issuance of any debt or equity instruments in any business entity associated with the copy paper industry in the last 5 years? If so:
- (a) provide the names and address of the business entities
  - (b) explain the reasons for using a particular financial instrument(s);
  - (c) provide full details (such as number of shares and value of bonds), including the period of investments and the rate of return(s) (and/or expected yields)
  - (d) are any of these instruments or securities listed in any securities exchange in Indonesia or overseas? If so:
    - (i) provide the name(s) of the securities of exchange
    - (ii) identify any trading restrictions by the business entity and/or the securities exchange

<b>Response from original investigation</b>	<b>Updated response</b>
As mentioned in GOI answer to Section A No.1 above during POI, the GOI does not have any state-owned company producing copy paper or any involvement in Indonesia copy paper industry. As like other countries (including Australia) GOI has issued some government bonds in the last five years. However, it was traded in financial market at market price and no form of financial assistance is granted through such government bonds. However, none of these government bonds were bought by the mandatory respondents.	<b>See our corresponding response below</b>

<b>Response for this review</b>
<b>Response to the original investigation remains relevant.</b>

9. Provide details (quantify the value) of any government guarantee provided for any commercial loans by a business entity associated with copy paper and/or the forestry industry in the last 5 years.

<b>Response from original investigation</b>	<b>Updated response</b>
GOI never provides any guarantee for commercial loans to the mandatory respondent in the last 5 years.	<b>See our corresponding response below</b>



<b>Response for this review</b>
<b>Response to the original investigation remains relevant</b>

10. Do enterprises need to be verified by the GOI prior to being approved entry to the copy paper and the forestry industry?

<b>Response from original investigation</b>	<b>Updated response</b>
<p>The forestry or copy paper industries are open for any companies. However, they have to comply with the prevailing laws and regulations particularly concerning permits and licensing. During the applications of these permits and licensing the required documentations are checked to ensure the compliance with the laws and regulations.</p> <p>As for the forestry industry, only companies that have obtained an "IUPHHK" can harvest timbers on designated government-owned forest areas, and they must all pay for PSDH, DR and/or PNT as well as other associated costs (Stumpage Fee) depending on the source whether from natural forest or from plantation as per the regulation.</p> <p>As for the copy paper industry, similar to other industries, there is also industrial license that must be obtained before a company can engage into such business. During the application of such industrial license the required documentations will be checked.</p>	<p><b>See our corresponding response below</b></p>

<b>Response for this review</b>
<b>Response to the original investigation remains relevant.</b>

11. Are copy paper producers in Indonesia required to hold any types of licences for production? If so, provide details and documentary evidence.

<b>Response from original investigation</b>	<b>Updated response</b>
<p>Copy paper producers in Indonesia need to hold industrial license (Ijin Usaha Industri/IUI) for production. IUI application shall be submitted to the authorized officials using the form provided in Minister of Industry Regulation No. 41/2008. Required documentations to apply for IUI are as follow:</p> <ol style="list-style-type: none"> <li>Copy of company establishment deed and its amendments</li> <li>Copy of Building Construction Permit</li> <li>Copy of Principal License</li> <li>Copy of form (model Pm-II) concerning the progress of factory construction and production facilities</li> </ol>	<p><b>See our corresponding response below</b></p>

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<b>Response from original investigation</b>	<b>Updated response</b>
<p>e. Copy of Nuisance Permit f. Copy of Location Permit g. Copy of document on environmental conservation, including AMDAL or UKL and UPL h. Other required documentation</p> <p>Current regulation concerning IUI is Government Regulation No. 107/2015, however this regulation just came into effect on 28 December 2015.</p> <p>IUI of the mandatory respondents please refer to the mandatory respondent's questionnaire response.</p>	

<b>Response for this review</b>
<p><b>The prevailing regulation concerning IUI now is Minister of Industry Regulation No. 15/2019 effective as of 6 May 2019 and that previous regulation No. 41/2008 was revoked. Required commitment to apply for IUI are as follow :</b></p> <p>a. <b>Sosialisasi Sistem Informasi Industri Nasional (SIINas) Account</b> b. <b>Letter of Statement</b> c. <b>Industrial Data</b> d. <b>Location Permit</b> e. <b>Environmental Permit according to regulation</b> f. <b>Field Examination</b></p>

12. Are there any production limits and/or export limits placed on copy paper producers? If so, provide documentary evidence.

<b>Response from original investigation</b>	<b>Updated response</b>
There are no production limits and/or export limits placed on copy paper producers.	<b>See our corresponding response below</b>

<b>Response for this review</b>
<b>Response to the original investigation remains relevant</b>

13. Are there any domestic price restrictions on copy paper or forestry products? If so, provide details.

<b>Response from original investigation</b>	<b>Updated response</b>
There are no domestic price restrictions on copy paper or forestry products.	<b>See our corresponding response below</b>

<b>Response for this review</b>
<b>Response to the original investigation remains relevant</b>

**FOR PUBLIC RECORD**

14. Identify any GOI initiatives and/or policies that affect the copy paper and/or the forestry industry, including raw materials such as pulp, caustic soda, calcium carbonate, coal, and logs. Provide all documentary evidence.

Response from original investigation	Updated response
GOI would like to point out that this is a very broad question. Government policies affect all industries. Some are targeted to particular industries and others apply to all industries. Also, the question does not specify what particular "affect" that the Commission is concerned about. Therefore, GOI seeks further clarification from the Commission before being able to properly and fully answer this question.	<b>See our corresponding response below</b>

Response for this review
<b>Response to the original investigation remains relevant</b>

15. Describe and explain whether the national, provincial or local governments (including ministries or offices of those governments, or any quasi-governmental organisation identify ed) explicitly or implicitly recognises the industries that produces pulp and copy paper, as a national provincial and/or local development objective, or otherwise directs the development of any of those industries.

Response from original investigation	Updated response
<p>The GOI would like to draw attention to the fact that Australia also highly regulates the forest and wood product industries for a variety of purposes. The Applicant acknowledges this in its 2013 Sustainability Report at pages 24 and 25. It states that the <i>"forestry and wood products sector is one of the most highly regulated industries in Australia"</i>. See: <a href="http://www.australianpaper.com.au/media/3786604/2013-Sustainability_Report_web.pdf">http://www.australianpaper.com.au/media/3786604/2013-Sustainability_Report_web.pdf</a> It also includes regulation of the logging of timber in, for example, forests in Victoria controlled by the Victorian Government, including a state-owned business that is responsible for the harvest, regeneration and commercial sale of timber from forests in Victoria.</p> <p>It is not unusual for countries, including Indonesia, to regulate these industries for similar purposes as the Australian government does, as identified in the Applicant's Sustainability Report. Presumably Australian as well as Indonesian governments in regulating these industries are not seeking to subsidize those industries.</p>	<b>See our corresponding response below</b>

Please provide a complete list of regulations and provide any regulations, with corresponding explanations, which demonstrate that acacia or eucalyptus logs are not subject to the ban.

Response from supplementary questionnaire from original investigation	Updated response
<p>Indonesia has various regulations concerning forest and wood product industries whether in the form of laws, government regulations, presidential decrees, ministerial decrees, and other forms of regulations. There are also various ministries related to the forest and wood product industries such as the Ministry of Finance, Ministry of Forestry, Ministry of Industry and Ministry of Trade. Each of the Ministry issues regulations concerning forest and wood product industries depending on the authority given to each Ministry.</p> <p>Regulations issued by each ministry can be accessed online. For example:</p> <p>Laws, Government Regulations, Presidential Decrees  <a href="http://indonesia.go.id">http://indonesia.go.id</a></p> <p>Ministry of Finance <a href="http://www.kemenkeu.go.id">http://www.kemenkeu.go.id</a></p> <p>Ministry of Environment and Forestry  <a href="http://www.menlhk.go.id">http://www.menlhk.go.id</a></p> <p>Ministry of Industry <a href="http://www.kemenperin.go.id">http://www.kemenperin.go.id</a></p> <p>Ministry of Trade <a href="http://www.kemendag.go.id">http://www.kemendag.go.id</a></p> <p>Thus, the Government of Indonesia is unable to provide the Commission with a complete list of regulations concerning the Indonesian forest and wood product industries given the open-ended nature of this question. It is unclear to the GOI what the scope of government regulations that the Commission is actually seeking as a wide range of regulations affect all industries, including the timber/pulp/paper industries. This would be the case in other countries, including Australia.</p> <p>If the Commission would provide more specific question or identify its particular concerns and the nature of the regulations it is seeking that is more precise than <i>“regulations concerning the Indonesian forest and wood product industries”</i>, then the GOI would then be able to provide a more comprehensive and detailed answer.</p>	<p><b>See our corresponding response below</b></p>
<p>The export log ban is regulated under the Ministry of Trade Decree No 44/MDAG/PER/7/2012 concerning Export Prohibition on Certain Goods. As stipulated in Article 2 of the Decree the Minister of Trade determines certain goods as goods restricted from exports for the following reasons:</p> <ul style="list-style-type: none"> <li>• threatening national security or public interests including social, cultural and</li> <li>• moral interests of the society;</li> <li>• protecting Intellectual Property Rights;</li> <li>• protecting human life or health;</li> <li>• protecting the environment and ecosystem; and/or</li> <li>• complying with the international treaty or agreements signed and ratified by the Government of Indonesia</li> </ul>	<p><b>See our corresponding response below</b></p>

Response from supplementary questionnaire from original investigation	Updated response																																																
<p>Under Attachment II of the Decree, forestry products which are restricted for exports are listed. The list includes HS codes and description of goods. Logs (wood) are classified under HS 4403.10.10.00 – 4403.99.90.00, the descriptions of which, according to Indonesia Tariffs Classification, are as follows:</p> <table><tr><td><b>44.03</b></td><td><b>Wood in the rough, whether or not stripped of bark or sapwood, or roughly squared.</b></td></tr><tr><td>4403.10</td><td>- Treated with paint, stains, creosote or other preservatives:</td></tr><tr><td>4403.10.10.00</td><td>- - Baulks, sawlogs and veneer logs</td></tr><tr><td>4403.10.90.00</td><td>- - Other</td></tr><tr><td>4403.20</td><td>- Other, coniferous:</td></tr><tr><td>4403.20.10.00</td><td>- - Baulks, sawlogs and veneer logs</td></tr><tr><td>4403.20.90.00</td><td>- - Other</td></tr><tr><td></td><td>- Other, of tropical wood specified in Subheading Note 2 to this Chapter:</td></tr><tr><td>4403.41</td><td>- - Dark Red Meranti, Light Red Meranti and Meranti Bakau:</td></tr><tr><td>4403.41.10.00</td><td>- - - Baulks, sawlogs and veneer logs</td></tr><tr><td>4403.41.90.00</td><td>- - - Other</td></tr><tr><td>4403.49</td><td>- - Other:</td></tr><tr><td>4403.49.10.00</td><td>- - - Baulks, sawlogs and veneer logs</td></tr><tr><td>4403.49.90.00</td><td>- - - Other</td></tr><tr><td></td><td>- Other:</td></tr><tr><td>4403.91</td><td>- - Of oak (<i>Quercus spp.</i>):</td></tr><tr><td>4403.91.10.00</td><td>- - - Baulks, sawlogs and veneer logs</td></tr><tr><td>4403.91.90.00</td><td>- - - Other</td></tr><tr><td>4403.92</td><td>- - Of beech (<i>Fagus spp.</i>):</td></tr><tr><td>4403.92.10.00</td><td>- - - Baulks, sawlogs and veneer logs</td></tr><tr><td>4403.92.90.00</td><td>- - - Other</td></tr><tr><td>4403.99</td><td>- - Other:</td></tr><tr><td>4403.99.10.00</td><td>- - - Baulks, sawlogs and veneer logs</td></tr><tr><td>4403.99.90.00</td><td>- - - Other</td></tr></table>	<b>44.03</b>	<b>Wood in the rough, whether or not stripped of bark or sapwood, or roughly squared.</b>	4403.10	- Treated with paint, stains, creosote or other preservatives:	4403.10.10.00	- - Baulks, sawlogs and veneer logs	4403.10.90.00	- - Other	4403.20	- Other, coniferous:	4403.20.10.00	- - Baulks, sawlogs and veneer logs	4403.20.90.00	- - Other		- Other, of tropical wood specified in Subheading Note 2 to this Chapter:	4403.41	- - Dark Red Meranti, Light Red Meranti and Meranti Bakau:	4403.41.10.00	- - - Baulks, sawlogs and veneer logs	4403.41.90.00	- - - Other	4403.49	- - Other:	4403.49.10.00	- - - Baulks, sawlogs and veneer logs	4403.49.90.00	- - - Other		- Other:	4403.91	- - Of oak ( <i>Quercus spp.</i> ):	4403.91.10.00	- - - Baulks, sawlogs and veneer logs	4403.91.90.00	- - - Other	4403.92	- - Of beech ( <i>Fagus spp.</i> ):	4403.92.10.00	- - - Baulks, sawlogs and veneer logs	4403.92.90.00	- - - Other	4403.99	- - Other:	4403.99.10.00	- - - Baulks, sawlogs and veneer logs	4403.99.90.00	- - - Other	
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<p>However, the Decree provides a more detailed description of goods as compared to what is stated in Indonesia Tariff Classification above as can be seen below:</p> <table><tr><th>No</th><th>Tariffs Code/ HS</th><th>Description of Goods</th></tr><tr><td>1</td><td>4403.10.10.00 up to 4403.99.90.00</td><td>Wood in the rough, whether or not stripped of bark or sapwood, or roughly squared (<b>big round wood</b>)</td></tr></table> <p>Big round wood is defined in Indonesia’s National Standard 7533.1:20101 as round wood that has a diameter of more than 30 cm. Acacia or eucalyptus trees used in the pulp and paper industry have a diameter of less than 30 cm. Based on the description of goods in Attachment II of the Decree and as previously submitted, acacia and eucalyptus wood used in the pulp and paper industry are not the subject to any export ban or other restrictions.</p> <p>Again, the GOI would like to reiterate that the main raw material of paper industry, which is chipwood, woodchip or pulpwood, is not subject to the export ban.</p>	No	Tariffs Code/ HS	Description of Goods	1	4403.10.10.00 up to 4403.99.90.00	Wood in the rough, whether or not stripped of bark or sapwood, or roughly squared ( <b>big round wood</b> )																																											
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1 See Appendix I.

Response for this review
<p>Response to the original investigation remains relevant. However, currently Minister of Trade Regulation No. 45 of 2019 concerning Export Prohibited Goods having objective of</p> <p>a. protect national security or the public interest, including social, cultural and moral community;</p>

**Response for this review**

- b. to protect intellectual property rights; and / or
- c. to protect the health and safety of humans, animals, fish, plants and the environment.

Specifically, export logs are included in the commodities that are prohibited for export and regulated in the Minister of Trade Regulation No. 45 of 2019 concerning Export Prohibited Goods. As regulated in the Article 2 of the Minister of Trade Regulation stipulate export prohibited goods on the grounds of:

- a. to protect national security or the public interest, including social, cultural and moral community;
- b. to protect intellectual property rights; and / or
- c. c. to protect the health and safety of humans, animals, fish, plants and the environment.

**Note about certain countervailable subsidy programs**

In the original investigation, information was provided by exporters in relation to certain countervailable subsidy programs alleged by the applicant. The Commissioner of the Anti-Dumping Commission ultimately terminated the subsidy aspect of the investigation. Some of the information provided by exporters and the GOI in relation to these questions relate to the particular market situation assessment completed by the Commission in the original investigation. The questions from the original questionnaire relevant to the PMS particular market situation assessment are below.

**B-2 Provision of standing timber for less than competitive market prices**

The original investigation assessed whether raw materials, in the form of standing timber, were supplied to producers at a price that is below what would otherwise be in a competitive market.

1. Please report the “dana reboisasi” (DR), cash stumpage fees (PSDH), and other fees (e.g., PSDA) that were due from any of the mandatory respondent’s cross-owned logging companies during the POI, and the DR and PSDH fees that were actually paid by these cross-owned logging companies during the POI. Please provide this information in chart format provided as part of the Stumpage Appendix, by company and by tree species. Indicate the volume and/or value of the harvest which was the basis for calculating the DR and PSDH fees that were owed to the GOI by the mandatory respondents’ cross-owned logging companies during the POI.

Response from original investigation	Updated response										
<p>Based on information supplied by APRIL to the GOI, its only cross-owned logging company is PT Riau Andalan Pulp &amp; Paper (“RAPP”). See Exhibit 7 report of DR, PSDH and PNT due during the POI for RAPP, and the amounts that were actually paid by RAPP during the POI using the Stumpage Appendix as provided by AADC.</p> <p>However, insofar as APP is concerned, GOI would request the Commission to refer to the APP’s exporter’s questionnaire response to obtain this information.</p> <p>The applicability of all regulations concerning PSDH, PNT and DR levies as well as the benchmark prices during POI can be seen in the following table.</p> <table border="1"> <thead> <tr> <th>Cost Item</th><th>Regulations</th></tr> </thead> <tbody> <tr> <td>PSDH &amp; DR</td><td>MOF 52/2014</td></tr> <tr> <td>PNT</td><td>MOF 52/2014</td></tr> <tr> <td>Tariff</td><td>GR 12/2014</td></tr> <tr> <td>Benchmark Price</td><td>MOF 68/2014</td></tr> </tbody> </table>	Cost Item	Regulations	PSDH & DR	MOF 52/2014	PNT	MOF 52/2014	Tariff	GR 12/2014	Benchmark Price	MOF 68/2014	<p><b>See our corresponding response below.</b></p>
Cost Item	Regulations										
PSDH & DR	MOF 52/2014										
PNT	MOF 52/2014										
Tariff	GR 12/2014										
Benchmark Price	MOF 68/2014										

**FOR PUBLIC RECORD**

Response from original investigation	Updated response														
<p>However, in addition to DR, PSDH, PNT, six other costs are incurred by concession holders because of government requirements - even though not prescribed in the Concession Deed. We list the six items in the table below.</p>															
<table><tr><th>Cost Item</th><th>Government Regulations</th></tr><tr><td>Land Tax</td><td>Law No. 12/1985 as amended by Law No. 12/1994 concerning Building and Land Tax</td></tr><tr><td>Livelihood Plantation</td><td>Ministry of Forestry Decree No. 70/kpts-II/95 concerning Spatial Arrangement of Industrial Forest Plantation</td></tr><tr><td>Community Development</td><td>Government Regulation No. 47/2012 concerning Company Social and Environmental Responsibility and Law 40/2007 concerning Company Law</td></tr><tr><td>Ecosystem Restoration</td><td>Government Regulation No. 47/2012 concerning Company Social and Environmental Responsibility and Law 40/2007 concerning Company Law</td></tr><tr><td>IUPHHK - HTI Fee</td><td>Government Regulation No. 59/1998 as amended by Government Regulation No. 12/2014</td></tr><tr><td>Cost for planning, replantation, mantainance, and infrastructure</td><td>The Company's IUPHHK Permits</td></tr></table>	Cost Item	Government Regulations	Land Tax	Law No. 12/1985 as amended by Law No. 12/1994 concerning Building and Land Tax	Livelihood Plantation	Ministry of Forestry Decree No. 70/kpts-II/95 concerning Spatial Arrangement of Industrial Forest Plantation	Community Development	Government Regulation No. 47/2012 concerning Company Social and Environmental Responsibility and Law 40/2007 concerning Company Law	Ecosystem Restoration	Government Regulation No. 47/2012 concerning Company Social and Environmental Responsibility and Law 40/2007 concerning Company Law	IUPHHK - HTI Fee	Government Regulation No. 59/1998 as amended by Government Regulation No. 12/2014	Cost for planning, replantation, mantainance, and infrastructure	The Company's IUPHHK Permits	
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Cost for planning, replantation, mantainance, and infrastructure	The Company's IUPHHK Permits														

Response for this review
<p>Response to the original investigation remains relevant but some change of the regulation as follows:</p> <p>Minister of Finance (MOF) regulation No. 52/2014 replaced MOF regulation No. 71/2016 concerning Procedures State-Owned Goods Management Used For Implementing Task and Function of State Ministries/Institution]</p> <p>PNT</p>



<b>Response for this review</b>
<p>Minister of Finance (MOF) regulation No. 52/2014 replaced by MOF regulation No. 71/2016 (there is no PNT levies, revoked by Supreme Court of The Republic of Indonesia decision No. 12 P/HUM/2015)</p> <p><b>Tariff</b> Government Regulation (GR) No. 12/2014 → still valid except PNT levies, revoked by MARI decision No. 12 P / HUM / 2015</p> <p><b>Benchmark Price</b> Minister of Finance (MOF) regulation No. 68/2014 replaced by MOF regulation No. 64/2017</p> <p><b>IUPHHK-HTI License Fee</b> Government Regulation (GR) No. 59/1998 replaced by GR No. 12/2014</p>

2. Is there any commercial log harvesting that occurs on private forest areas? Please explain. If commercial log harvesting occurs in such areas, please provide the volume and value of such operations broken down by company and species harvested during the POI.

<b>Response from original investigation</b>	<b>Updated response</b>
<p>Yes, commercial log harvesting does occur on privately-owned forest areas in Indonesia (Hutan Rakyat). Indeed, forest areas in Indonesia can be on either state-owned land or on privately-owned land. For privately-owned forest areas, there is no obligation to pay the GOI for DR, PSDH, PNT or IUPHHK, because the GOI does not control how privately-owned forest land is used.</p> <p>The GOI was able to obtain the volume of timber sourced from privately-owned forest area from the paper industry in Indonesia – from Raw Material Fulfillment Realization Recapitulation Table 2015 (Daftar Rekapitulasi Realisasi Pemenuhan Bahan Baku). See Exhibit 8. The Indonesian paper industry reports that in 2015, logging on privately-owned land in Indonesia was 5,224,697 m<sup>3</sup>. By comparison, the volume of timbers sourced from state-owned forest area in 2015 was 41,332,323 m<sup>3</sup>.</p> <p>However, because these operations occur on private land, over which the GOI does not have any control, the GOI does not have information on the value of such operations broken down by company and species harvested during POI. Nor does the Indonesian paper industry have this information.</p>	<p><b>See our corresponding response below</b></p>

<b>Response for this review</b>
<b>Response to the original investigation remains relevant</b>

<b>Response for this review</b>

3. Provide:
- (a) a description of how the GOI monitors companies to ensure compliance with the forestry laws;

Response from original investigation	Updated response
<p>Based on Article 73 of Government Regulation No 6 of 2007, to ensure compliance with the forestry laws and regulations of Indonesia, the GOI regulates some mechanisms that should be followed by the license holder:</p> <ol style="list-style-type: none"> <li>1) Long Term Work Plan for 10 Years Period ("Rencana Kerja Usaha Pemanfaatan Hasil Hutan Jangka Panjang"/"RKUPHHK")</li> <li>2) Annual Work Plan ("Rencana Kerja Tahunan"/"RKT")</li> <li>3) Production Report ("LHP") that should be submitted periodically</li> </ol> <p>The Ministry of Forestry has local officials who will verify the LHP prepared by the logging companies. The verification itself will be conducted by an officer appointed by the Head of Provincial Forestry Office/"Dinas Provinsi."</p> <p>The production reports cover the volume of harvested logs.</p> <p>Based on the LHP, fees for PSDH, DR and PNT are calculated and a Letter of Payment Order (Surat Perintah Pembayaran/SPP) will be issued. PSDH, DR and PNT must be paid, and proof of payment must be submitted along with the next LHP. Otherwise the next LHP will not be verified by the appointed officer. PSDH, DR and PNT must be paid only if the timber is harvested from "hutan alam" (natural forest). If the timber is self-planted by the logging company on state-owned land that they have IUPHHK, the company is only required to pay PSDH (and not DR and PNT). Further, the Head of Regency Forestry Office will prepare Reconciliation Reports to match the SPP with the paid fees.</p> <p>Based on the GOI's data, the mandatory respondents were not accused of violating Indonesian forestry laws during the POI in relation to the stumpage payments.</p>	<p><b>See our corresponding response below</b></p>

<b>Response for this review</b>

<b>Response for this review</b>
<p>Since 2016, all implementation of activities in the field and supervision have been carried out through electronic reporting and supervision, known as the Sustainable Production Forest Management Information System (SI PHPL). SI PHPL has subcomponents which include:</p> <ul style="list-style-type: none"> <li>a) SI PUHH (Information System of Forest Products) records good reporting from planning, harvesting to transporting forest products. (P.66 / 2019 and P.67 / 2019)</li> <li>b) SI PNBP (Non-Tax State Revenue Information System) records PNBP payment reporting (DR and / or PSDH). (P.71 / 2016)</li> <li>c) SI GANIS (PHPL Technical Personnel Information System) carries out administration and supervision of technical personnel working in the company. (P.70 / 2019)</li> </ul> <p>In carrying out activities, each company reports its harvesting results (LHP) through the SI PUHH system. Then the DR and / or PSDH obligations are calculated through the SI PNBP system and reported payments through the SI PNBP. If the payment obligations have been made, SI PNBP will automatically send the paid status to SI PUHH so the company can then print the transport document. On every stage that is not carried out by the company, the system will be automatically locked and the company cannot proceed to the next stage.</p> <p>Enforcement of the regulations on the companies that do not comply with applicable regulations is done through a compliance audit mechanism that is carried out jointly within related work units (P.54 / 2019).</p>

- (b) a discussion of the process the GOI uses to determine if an infringement has occurred;

<b>Response from original investigation</b>	<b>Updated response</b>
<p>Under the forestry laws and regulations of Indonesia, infringements can be classified into two types: 1) exploitation infringement; and 2) administrative infringement.</p> <p>1) Exploitation Infringement This is based on Article 74 of the Government Regulation No 6 of 2007 as amended by the Government Regulation No 3 of 2008. Under Exploitation Infringement, the following are prohibited:</p> <ul style="list-style-type: none"> <li>• Harvest the timber more than 5% from the total targeted volume as mentioned in the Annual Working Plan (RKT)</li> <li>• Harvest the timber more than 3% from the total targeted volume of each timber species as mentioned in the RKT</li> <li>• Harvest the timber prior to the GOI approval of Annual Working Plan (RKT)</li> <li>• Harvest the timber to build corridors before the license issuance or in violation of the license</li> <li>• Harvest the timber below the permitted standard diameter</li> <li>• Harvest the timber outside the permitted block</li> <li>• Harvest the timber to build the access outside the permitted block, except the authority approves it</li> </ul>	<p><b>See our corresponding response below</b></p>

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Response from original investigation	Updated response
<ul style="list-style-type: none"> <li>Abandon the working area</li> </ul> <p>Infringements of the above are usually discovered after receiving reports submitted by local communities, or after unscheduled site inspections by the authority.</p> <p>2) Administrative Infringement This is based on the Government Regulation No 29 of 2009 regarding Payment Mechanism on Non-Tax State Revenue. It should be noted that this regulation does not specifically regulate forestry issues. Instead, this regulation relates to the payment of outstanding amount by the logging companies. However, infringement of PSDH, DR and PNT payments usually occurs when there is a mistake in LHP report resulting in underpayment of PSDH, DR and PNT or there is an overdue payment of PSDH, DR or PNT.</p>	

Response for this review
<p><b>Response to the original investigation remains applicable with some additional explanation below.</b></p> <p><b>In accordance with Law No. 41/1999 and Government Regulation No. 6/2007 jo Government Regulation No. 3/2008, violations may be imposed on permit holders and non-permit holders.</b></p> <p><b>If against non-permit holder, will be subjected to criminal provisions and added PNPB in the form of Stumpage Compensation (GRT).</b></p> <p><b>If against the permit holder, then can be subjected to both criminal and sanction provisions in the form of fines or other administrative matters.</b></p> <p><b>The compliance audit is carried out through a mechanism regulated in Minister of Environment and Forestry Regulation No. P.54 / 2019.</b></p>

(c) the details of how the tariff rates/fines are applied; and

Response from original investigation	Updated response
<p>For Exploitation Infringement, it is regulated under Article 128 of Government Regulation No 6 of 2007 amended Government Regulation No 3 of 2008. In case of infringement, the GOI has the right to impose administrative sanctions in the form of:</p> <ul style="list-style-type: none"> <li>Temporarily postpone the administrative service</li> <li>Temporarily postpone the operations</li> <li>Fines</li> <li>License revocation</li> </ul>	<p><b>See our corresponding response below</b></p>

Response from original investigation	Updated response
<p>Moreover, with regard to the application of fines for IUPHHK HTI holders, it is regulated under Government Regulation No 6 of 2007 providing fines of 10 times of the benchmark price, with the types of violations as follows:</p> <ul style="list-style-type: none"> <li>i. Failure to submit RKT 2 months before the RKT comes into effect</li> <li>ii. Failure to conduct measurement or verification of wood products</li> <li>iii. Failure to prepare RKUPHHK after a year the license granted by the Regent or appointed officials</li> <li>iv. Implement RKT as a self assessment mechanism</li> <li>v. Submit the periodical report to the Minister</li> </ul> <p>With regard to the application of fines for IUPHHK HPH holders, the fines can be 10 times or 15 times of the benchmark price depending on the types of violation as provided in Article 132 of Government Regulation No 6 of 2007.</p> <p>With respect to Administrative Infringement, it is based on Article 5 of Government Regulation No 29 of 2009. The logging companies should pay the outstanding payment before its due. In situations where payment cannot be settled by the due date, the GOI imposes a 2% penalty per month.</p>	

Response for this review
<b>Response to the original investigation remains relevant.</b>

(d) any relevant studies or verifications performed by the GOI regarding fines under these provisions.

Response from original investigation	Updated response
The GOI has never conducted any particular studies or verification regarding fines.	<b>See our corresponding response below</b>

Response for this review
<b>Response to the original investigation remains relevant.</b>

4. Has the GOI ever found any of the companies involved in supplying pulpwood (either directly or indirectly) to the mandatory respondents paper producers/exporters to have violated any provisions of the laws governing their operations? If so, please provide complete details of what actions the GOI took and what fines and penalties the companies had to pay.

Response from original investigation	Updated response
Based on Ministry of Forestry Regulation No. P.43/Menhut-II/2014, Ministry of Forestry all forestry license holder (IUPHHK-HA; IUPHHK-HT; IUPHHK-HTR; IUPHHK-RE; IUPHHK-HKM; IUPHHK-HD; IUPHHK-HTR; etc) needs to be verified under SVLK (Sistem Verifikasi Legalitas Kayu/Timber Verification System). This system is created by the Ministry of Forestry to make sure the forest products used by the companies as raw materials come from legal sources. GOI will conduct designated as well as random inspections to ensure that all forestry products have fulfilled required certifications. So based on such regulation all pulpwood suppliers to the mandatory respondents must be verified under SVLK to ensure no exploitation infringement occurs.	<b>See our corresponding response below</b>

Response for this review
<b>Based on the Minister of Environment and Forestry Regulation No. P.30 / 2016, all forestry permit holders (IUPHHK-HA; IUPHHK-HT; IUPHHK-HTR; IUPHHK-RE; IUPHHK-RE; IUPHHK-HKM; IUPHHK-HD ; IUPHHK-HTR; etc.) must have SLK. This system was introduced by the Ministry of Environment and Forestry to ensure that forest products used by companies as raw materials come from legal sources. The Government of Indonesia will conduct designated and random inspections to ensure that all forestry products meet the required certifications.</b>

5. The RGQ indicates that total production of timber used by the paper industry in 2015 was 5,224,697 m3 (privately owned land) and 41,332,323 m3 (state owned forest) (also see Exhibit (8)).
6. The response also notes that because these operations occur on private land, over which the GOI does not have any control, the GOI does not have information on the value of timber harvested by such operations broken down by company and species during the POI.
  - Does the GOI have this information for state owned forests or at an aggregate level i.e. total volume and value of timber grown for the purpose of pulp production or on a species basis? If so, please provide for the investigation period.

Response from original investigation	Updated response
The GOI grants 6.2 million Ha of land concession (IUPHHK-HTI) (i.e. effectively leases of land as has previously been submitted to the Commission) for use by plantation owners to establish, at their cost and expense, timber plantations for the cultivation of timber for a variety of uses including the cultivation of acacia and eucalyptus timber that is ultimately used in paper production.	<b>See our corresponding response below</b>

Response from original investigation	Updated response
<p>However, during the period of 2010-2016 only 2.6 million Ha of land (41.95%) has been used to cultivate acacia and eucalyptus timber for the purpose of providing raw material for the pulp and paper industry. This is because, by law, the land concession holder (e.g. plantation operators) can only use up to 70% of the total area for economic purposes. The remaining 30% is required to be used as a conservation area (10%) and as a community empowerment area (20%, again at the cost and expense of the plantation operator).</p> <p>In 2015, the volume of harvested acacia and eucalyptus timber within industrial forest (state owned forest leased to plantation owners) for the pulp industry was 29,241,932 m<sup>3</sup>. This area was calculated using amounts paid by plantation owners to the government for use of the land (e.g. PSDH, DR, PNT) in 2015.</p>	

Response for this review
Response to the original investigation is still relevant.

- Is the GOI able to source this information or similar information from taxation or royalty collection data? More specifically, is GOI able to source timber production volumes through information collected to calculate royalty obligations for individual companies? If so, please provide for the investigation period.

• Response from original investigation	Updated response
<p>Yes. In 2015, the amount received from RAPP (with its long term suppliers) was USD [ ] (PSDH, DR, and PNT) for [ ] of harvested timbers. The Commission should be able to identify and confirm amounts paid by the mandatory respondents to the GOI for land use in the cultivation of acacia and eucalyptus timber for pulp/paper production from accounts submitted to the Commission in response to the exporter questionnaire and verified by the Commission.</p>	See our corresponding response below

Response for this review
Response to the original investigation is still relevant.

- Is this information available through planning and reporting requirements as detailed in Section (C), Program (1), Question (3)? If so, please provide for the investigation period.

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• Response from original investigation	Updated response
Indeed the planning and reporting requirements are provided in the Government Regulation No 6 of 2007 <i>junto</i> Government Regulation No 3 of 2008.  In the investigating period, RAPP (with its long term suppliers) paid USD [     ] (PSDH, DR, and PNT) for [     ] of harvested timbers.	<b>See our corresponding response below</b>

Response for this review
<b>Response to the original investigation is still relevant.</b>

7. The RGQ notes that the export of woodchips, chip wood and pulpwood is regulated under different regulations than those that apply to the export of logs. The response also noted that based on MOT 81/2013, woodchips, chip wood and pulpwood are allowed to be exported as long as the exporter has been registered at the Ministry of Trade as a Registered Exporter of Forestry Industrial Products (ETPIK).

- Please confirm the correct export tariff classifications for acacia and eucalyptus logs, which have not been converted to woodchips, chip wood or pulpwood. Would they be classified within Indonesian Tariff Codes: 4403.10.10.00 to 4403.99.90.00?

• Response from original investigation	Updated response
Acacia and eucalyptus logs, which have not been converted into woodchips, chip wood or pulpwood, are classified to Indonesian Tariff Code headings as follows: Headings 4403.10.10.00 to 4403.99.90.00. However, please also refer to Indonesia's answer to question No 2 above concerning big round wood.	<b>See our corresponding response below</b>

Response for this review
<b>Response to the original investigation is still relevant</b>

- Assuming that exports of acacia and eucalyptus do fall under the above tariff classification and given information contained with Exhibit (3), would exports of acacia and eucalyptus logs be classified under 4403.49 or 4403.99?

• Response from original investigation	Updated response
Please also refer to Indonesia's answer to question No 2 above concerning big round wood	<b>See our corresponding response below</b>



<b>Response for this review</b>
<b>Response to the original investigation is still relevant</b>

- Does the GOI have any information concerning the aggregate level i.e. total volume and value of acacia or eucalyptus log exports? If so, please provide for the investigation period.

<b>Response from original investigation</b>	<b>Updated response</b>
In 2015 there were no exports of acacia or eucalyptus logs from Indonesia during the investigation period.	<b>See our corresponding response below</b>

<b>Response for this review</b>
<b>Response to the original investigation is still relevant</b>

### **B-3 Government of Indonesia's log export ban**

The original investigation assessed whether the domestic price of raw materials, in the form of logs, is artificially low due to a ban on the export of logs by the GOI.

<b>Opening remark from original investigation</b>	<b>Updated response</b>
<p>As an initial matter, the GOI submits that an export prohibition on logs should not be deemed a subsidy - as this issues was considered by a WTO panel in US - Export Restriction (DS 194). That WTO Panel concluded that an export restraint as defined in this dispute cannot constitute government-entrusted or government-directed provision of goods in the sense of subparagraph (iv), and therefore it does not constitute a financial contribution (and is not a subsidy) in the context of SCM Agreement Article 1.1(a). Accordingly, the WTO Panel found that the treatment of these export restraints as financial contributions is inconsistent with Article 1.1(a).</p> <p>The GOI will elaborate more about this issue in its legal brief. However, the GOI is confident that Australia, as a WTO Member, has an obligation to follow the ruling of WTO panel that has been adopted on August 23, 2001. See Exhibit 9 for a summary of US-Export Restriction (DS 194).</p>	<b>See our corresponding response below</b>

Opening remark from original investigation			Updated response
GOI also notes that export bans on logs are also applied in many parts of the world - including in the United States:			
Countries	Period	Types of Export Log Policy	
United States	1926 - Now	Log export ban from Federal lands in Alaska	
	1990 - Now	Log export ban from west side of Federal lands, except there is a log surplus and export needs (since 1990); Log export ban from west side of State and other public lands not including Indian land (since 1995)	
Canada	1906 - Now	Log export limitation from British Columbia, and some other regulations of export log in central and provincial governments.	
Bolivia	1974 - 1996	Log export ban	
Brazil	1969 - Now	Log export ban from natural forests since 1969. Export ban from plantation forest (such as pine and eucalyptus) can be done if there is a surplus of log.	
Cameroon	June 1999 - Now	Log export limitation in the form of annual	

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Opening remark from original investigation			Updated response
		increasing log production to be processed domestically.	
Costa Rica	May 1986 - Now	Log export ban	
Ghana	1972, extended in 1979 and 1994 - Now	Log export ban	
Papua New Guinea	1994 - Now	Log export quota and changed into the tax imposition for logs.	
Malaysia	1992 - Now	Log export quota from Sarawak	
	1993-1996	Log export quota from Sabah (until 40% from the total log production from Sabah can be exported). Log export ban from Peninsular Malaysia.	
New Zealand	1993 - Now	a partial ban on the export of logs., BBS, and sawnwood from natural forests and limitation on logs harvesting only in the area that the environment management has been approved.	
Philippines	1989 - Now	export ban for all native wood products, except value added products	
	January 1999 - Now	Log export ban from natural forests	

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Opening remark from original investigation			Updated response
		but only allowed log export from plantation forests.	
Russian Federation	1999 - Now	Tax imposition for logs to increase the domestic market. The government imposes the export tax gradually, 6,5% in 2006, 25% in 2007, and 80% in 2009.	
Vietnam	April, 1992 - Now	Log export ban and sawnwood from natural forests.	
Cambodia	September, 1992 - Now	Moratorium of log export ban	
Thailand	1986 - Now	Log export ban	
China	1998 - Now	Log export ban	
Gabon	May 2011	Log export ban	
Mozambique	Present	Logs included in the first class can't be exported but should be processed domestically.	
Côte d'Ivoire	Present	Log export ban	
Paraguay	1970 - Now	Log export ban	
Nicaragua	1997 to 1998	Log export ban applied for mahogany, royal cedar and pochote.	
	1998 - Now	Log export ban even the logs cannot be harvested since 1998.	
Peru	1972 - Now	Log export ban from natural forests. Same	

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Opening remark from original investigation			Updated response
		like Brazil, log export for mahogany, <i>Swietenia macrophylla</i> , can be done but should comply with CITES Appendix II requirements.	
Suriname	Present	Tax imposition for logs and processed timber	
Guatemala	Present	Log export ban from natural forests but the export from plantation forests is allowed. No tax imposition for log, but they regulate the 10% stumpage fee from total standing timber.	
Ecuador	Present	a partial ban on the export of logs. The prohibited logs are <i>Mahogany and Cedar</i> .	
Honduras	Present	Log export ban	

Response for this review
<p><b>Response to the original investigation remains relevant. It is important to note that in its final determination of CVD investigation, ADC conclusively determined that export ban was not subsidy within the meaning of the WTO SCM Agreement.</b></p>

1. Provide copies of all the Indonesian laws and regulations limiting the export of logs and chips in effect during the POI and the preceding 4 years (2016 – 2019).

Response from original investigation	Updated response
See Exhibit 10 for a copy of Minister of Trade Decree No 44/M-DAG/PER/7/2012 concerning	<b>See our corresponding response below</b>

Response from original investigation	Updated response
<p>Export Restriction for Certain Products (MOT Decree 44/2012) including logs and an English translation. However, exports of wood chips, chipwood and pulpwood are regulated under a different regulation than the export of logs. During 2014, exports of wood chips, chipwood and pulpwood were regulated by Ministry of Trade Decree No 64/M-DAG/PER/10/2012 concerning Export Provisions on Forestry Industrial Products as amended by the Ministry of Trade Decree No 81/M-DAG/PER/12/2013 (MOT 81/2013). See Exhibit 11 for Ministry of Trade Decree No 64/M-DAG/PER/10/2012 concerning Export Provisions on Forestry Industrial Products and the Ministry of Trade Decree No 81/M-DAG/PER/12/2013 and its English translation.</p> <p>Unlike logs, based on MOT 81/2013, wood chips, chipwood and pulpwood are allowed to be exported as long as the exporter has been registered at the Ministry of Trade as Registered Exporters of Forestry Industrial Products (ETPIK).</p> <p>The differences between wood chips, chipwood, pulpwood and logs are as follows:</p> <ul style="list-style-type: none"> <li>• “Wood chips” are wood in chips or particles from coniferous or non-coniferous woods which is classified under the Indonesian tariff schedule 4401.21.00.00 and HTS 4401.22.00.00.</li> <li>• “Chipwood” is chipwood and the like from coniferous or non-coniferous wood, which is classified under the Indonesian tariff schedule 4404.10.00.00 and 4404.20.10.00.</li> <li>• “Wood Pulp (Pulp made of wood)” is mechanical or chemical wood pulp or wood pulp obtained through the combination of mechanical and chemical pulp process classified under the Indonesian tariff schedule 4701.00.00.00, 4702.00.00.00, 4703.11.00.00 - 4703.29.00.00, 4704.11.00.00 - 4704.29.00.00 and 4705.00.00.00. Generally, under the Indonesian tariff schedule, “pulpwood” and “wood pulp” are used interchangeably.</li> <li>• “Logs” are classified under the Indonesian Tariff Codes 4403.10.10.00 - 4403.99.90.00.</li> </ul> <p>To distinguish between the above products prior to every exportation, the products must be verified by independent surveyor to ensure, among others, the type of woods and the HS</p>	

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<b>Response from original investigation</b>	<b>Updated response</b>
Codes. The result of the verification report must be attached to the export document.  Copy paper industry uses wood chips, chipwood and wood pulp for its raw materials whereby logs are usually used by the furniture industry.	

<b>Response for this review</b>
<b>Response to the original investigation remains relevant with additional Minister of Trade Regulation Number 45 Year 2019 concerning Export Prohibited Goods.</b>

2. When was each of the laws passed, and when did each law go into effect?

<b>Response from original investigation</b>	<b>Updated response</b>
MOT Decree No. 01/M-DAG/PER/1/2007 was stipulated on 22 January 2007 and entered into force on 23 January 2007;  MOT Decree 44/2012 was stipulated on 18 July 2012 and entered into force on 19 July 2012;  Ministry of Trade Decree No 64/M-DAG/PER/10/2012 was stipulated on 22 October 2012 and entered into force on 1 January 2013;  Ministry of Trade Decree No 81/M-DAG/PER/12/2013 was stipulated and entered into force on 27 December 2013.	<b>See our corresponding response below</b>

<b>Response for this review</b>
<b>Response to the original investigation remains applicable with additional Minister of Trade Regulation Number 45 Year 2019 concerning Export Prohibited Goods which currently applies.</b>

3. Do the export restrictions apply specifically to logs harvested on privately-held lands or public lands or both?

<b>Response from original investigation</b>	<b>Updated response</b>
The export restriction applies to both logs harvested on privately-held lands and public lands.	<b>See our corresponding response below</b>

<b>Response for this review</b>
<b>Response to the original investigation remains relevant.</b>

4. Are there export restrictions in effect for any other products? If so, identify the products

that had such restrictions in effect during the POI and preceding 4 years?

Response from original investigation	Updated response
Other products subject to similar export restrictions during 2012-2014 can be seen in the attachment of MOT Decree No. 01/M-DAG/PER/1/2007 and MOT Decree 44/2012 including agriculture, fisheries, industries, mining and other products. MOT Decree 44/2012 is applicable since 2012 to POI and MOT Decree No. 01/M-DAG/PER/1/2007 is applicable since 2007-2012.	<b>See our corresponding response below</b>

Response for this review
<b>Response to the original investigation remains relevant.</b>

5. If the restrictions are different than the restrictions on logs and chips, please explain.

Response from original investigation	Updated response
Please refer to GOI answer to No 1 above. Wood chips, chipwood and pulpwood which are the raw material for copy paper industry are allowed to be exported. Logs that are banned to be exported are usually used for furniture industry.	<b>See our corresponding response below</b>

Response for this review
<b>Response to the original investigation remains relevant.</b>

6. Explain the GOI's economic/commercial rationale or objectives for imposing the export log restrictions.

Response from original investigation	Updated response
Pursuant to Article 2 (d) of MOT Decree 44/2012, the reason why the GOI imposes such export restrictions is for the conservation of the environment and ecosystem as well as the implementation of international convention on health, safety, environment and public moral (K3LM).	<b>See our corresponding response below</b>

Response for this review
<b>Response to the original investigation remains relevant.</b>

7. Provide copies of government and independent studies that analyse the effectiveness of the Indonesian log export ban in meeting the GOI's objectives.



**FOR PUBLIC RECORD**

Response from original investigation	Updated response
There are no independent studies that analyse the effectiveness of the Indonesian log export ban.	<b>See our corresponding response below</b>

Response for this review
<b>Response to the original investigation remains relevant.</b>

8. Exceptions: Are there provisions in the current law and regulations that allow some exceptions to the log export ban? If so, describe the basis for the exception and provide copies of relevant legislation.

Response from original investigation	Updated response
Again GOI would like to reiterate that wood chips, chipwood and pulpwood which are the raw material for copy paper industry are allowed to be exported. See Exhibit 12 for statement from GOI concerning this issue.	<b>See our corresponding response below</b>

Response for this review
<b>Response to the original investigation remains relevant.</b>

9. Provide the names and addresses of all companies that exported Indonesian logs during the last four years under any exception and state the volume (in cubic meters) and value (in Indonesian rupiah per cubic meter) of logs exported. Provide a breakdown by species and quality.

Response from original investigation	Updated response
Due to the log export restriction in place since 19 July 2012, no companies are allowed to export any logs. However, for wood chips, chipwood and pulpwood see Exhibit 13 for the list of companies exporting wood chips, chipwood and pulpwood during the last four years.	<b>See our corresponding response below</b>

Response for this review
<b>Response to the original investigation remains relevant.</b>

10. Provide the volume and value of all logs sold domestically in each of the last four years. Provide a breakdown by species and quality.

Response from original investigation	Updated response
The GOI only has the volume of logs consumed domestically based on Raw Material Fulfilment Realization Recapitulation Table:	<b>See our corresponding response below</b>

**FOR PUBLIC RECORD**

Response from original investigation	Updated response
<ul style="list-style-type: none"> <li>• 2013: 46,572,699.45</li> <li>• 2014: 46,261,628.79</li> <li>• 2015: 46,463,060.36</li> </ul> <p>However, the GOI does not have any information broken down by species and quality.</p>	

Response for this review
<b>The update data is not yet available and in that situation we would like to refer to the response to the original investigation</b>

11. What quality of logs is sold domestically compared to those logs, if any, that are sold for export? If there are differences, please explain.

Response from original investigation	Updated response
Based on MOT 44/2012, exports of logs under the headings of 4403; ex. 4404; 4406; ex. 4407 and 1401 are prohibited. However, this export prohibition does not relate to pulpwood. Pulpwood is essentially scrap-wood. It includes logs of any size, with no regard to quality or standard. Pulpwood is destined to be turned into woodchips which will then be converted into pulp. Pulpwood and woodchip fall under the HS Code of 4401. Therefore, MOT 44/2012 does not prohibit the export of pulpwood nor woodchips created from pulpwood. Subsequently, export prohibition would have had no impact on prices of pulpwood.	<b>See our corresponding response below</b>

Response for this review
<b>Response to the original investigation remains relevant</b>

12. What portion of the total annual log harvest on public lands and privately-owned lands was sold domestically to unrelated purchasers over each of the last four years?

Response from original investigation	Updated response																
Based on Ministry the portions of the total annual volume of log harvested from government owned forest and privately owned forest over the last 3 years are as follows:	See our corresponding response below																
<table><tr><th>Year</th><th>Government Forest</th><th>Private Forest</th><th>Ratio Gov : Private</th></tr><tr><td>2013</td><td>41,804,581</td><td>3,965,872</td><td>91:9</td></tr><tr><td>2014</td><td>39,713,699</td><td>5,320,694</td><td>88:12</td></tr><tr><td>2015</td><td>41,332,323</td><td>5,224,697</td><td>89:1</td></tr></table>		Year	Government Forest	Private Forest	Ratio Gov : Private	2013	41,804,581	3,965,872	91:9	2014	39,713,699	5,320,694	88:12	2015	41,332,323	5,224,697	89:1
Year		Government Forest	Private Forest	Ratio Gov : Private													
2013		41,804,581	3,965,872	91:9													
2014		39,713,699	5,320,694	88:12													
2015		41,332,323	5,224,697	89:1													

**FOR PUBLIC RECORD**

Response from original investigation	Updated response

Response for this review
The update data is not yet available and in that situation we would like to refer to the response to the original investigation

13. Have the GOI, provincial governments, or a private party, attempted to quantify the effect of log export restrictions on domestic log prices, or the effect of the export restriction on domestic log production, or paper production? If so, provide copies of the studies.

Response from original investigation	Updated response
The GOI has never undertaken any study to quantify the effect of log export restriction on domestic log prices nor the effect of the export restriction on domestic log production nor paper production.	See our corresponding response below

Response for this review
Response to the original investigation remains relevant.

14. Describe the effect of lifting the Indonesian log export restrictions.

Response from original investigation	Updated response
The effect of lifting the Indonesian log export restriction would result in increasing pace of deforestation and further degradation of Indonesia forests and ecosystems.	See our corresponding response below

Response for this review
Response to the original investigation remains relevant.

15. In what countries is potential demand highest for Indonesian logs? Explain the basis for this estimate.

Response from original investigation	Updated response
The GOI believes that China, Korea and Japan would potentially be attractive markets for Indonesian logs.	See our corresponding response below

Response for this review
Response to the original investigation remains relevant.

*If any of the documents are not in English, please provide a complete translation of the documents.*

**FOR PUBLIC RECORD**

## SECTION C INDONESIAN FORESTRY INDUSTRY

### Instructions

In the original investigation the GOI provided responses to an initial questionnaire and to a supplementary questionnaire.

This section includes questions sourced from the original investigation and new questions raised in relation to this review. As questionnaires are constantly improved over time, the wording of questions in the original investigation may not be the same and should be carefully read.

Where a question was asked in the original investigation, there will be two response sections. These are:

- **Questions from the original investigation**  
This section provides an opportunity for the GOI affirm responses made in the original investigation or to provide an updated response with further information. If GOI believes that its response has not changed from the responses to the two questionnaires provided during the original investigation and the GOI elects not to provide an updated response with further information then please indicate that in each question. Otherwise, please provide an updated response with supporting documents.
- **New questions for this review**  
This section provides an opportunity for the GOI to respond specifically to the questions in the context of this review.

### **C-1 Timber species used within Indonesian pulp industry**

While noting that the GOI has previously indicated that only acacia timber is used in the production of pulp for A4 copy paper within Indonesia, it is the Commission's understanding, based on responses provided by cooperating exporters, that while acacia is the dominant species used, eucalyptus species are also used for pulp production within the Indonesian A4 copy paper industry.

1. Please confirm whether Indonesia produces both acacia and eucalyptus timber for the purpose of producing pulp used in A4 copy paper.

Response from supplementary questionnaire from original investigation	Updated response
<p>The Government of Indonesia ("GOI") confirms that Indonesia produces both acacia and eucalyptus timbers. These two species are predominantly used by the pulp and paper industry. All acacia and eucalyptus timbers in Indonesia used in pulp and paper industry are grown in industrial forests (HTI).</p> <p>However, please note that acacia and eucalyptus timber produced in Indonesia is used predominantly in the production of wood chips and pulp, which is either used to make paper in Indonesia or is exported to countries</p>	<p><b>See our corresponding response below</b></p>

<b>Response from supplementary questionnaire from original investigation</b>	<b>Updated response</b>
<p>such as China and Korea, as noted by the Commission in the Statement of Essential Facts. Consequently, there is no excess production (i.e. over supply) of timber (acacia and eucalyptus) or of wood chip or of pulp production in Indonesia. All production is either consumed locally or exported to meet overseas demand.</p> <p>Indonesia also would like to reiterate that no export ban is applied to wood chips and pulp of any species of tree, as we have mentioned in GOI's response to Government Questionnaire and in submissions.</p>	

<b>Response for this review</b>
<b>Response to the original investigation remains relevant.</b>

2. Please indicate whether acacia or eucalyptus timber grown in Indonesia is used in any other industries besides the pulp industry.

<b>Response from supplementary questionnaire from original investigation</b>	<b>Updated response</b>
<p>Acacia or eucalyptus timber is also used in other industries such as woodworking and furniture industry. However, unlike the pulp and paper industry, the woodworking and furniture industry requires bigger sizes of timber that are grown for at least 15 years.</p>	<p><b>See our corresponding response below</b></p>

<b>Response for this review</b>
<b>Response to the original investigation remains relevant.</b>

3. Please indicate whether Indonesia imports any acacia or eucalyptus timber. If yes, which countries is the timber imported from, and which industries is it used in? Please provide corresponding import volumes and values for individual countries.

<b>Response from supplementary questionnaire from original investigation</b>	<b>Updated response</b>
<p>Yes, Indonesia imports acacia and eucalyptus timber from Malaysia.</p> <p>However, since Indonesia import statistic for HS 4403 cannot be differentiated by species, the Commission should refer to the companies' exporter questionnaire responses to obtain information on import volumes of acacia or eucalyptus timbers. Based on information from the companies PT. RAPP in 2015 imported [ ] of timber and [ ] in 2015 imported [ ] of timber.</p>	<p><b>See our corresponding response below</b></p>

**Response for this review**

**Response to the original investigation remains relevant.**

## C-2 Indonesia's softwood market

While noting that acacia and eucalyptus are both hardwoods, the GOI has claimed that the Commission has not undertaken adequate analysis of the Indonesian softwood market.

1. Please provide details of the volume and value of domestic softwood production, as well as any imports and exports of softwood timber. Please also provide details of whether exports are in log or woodchip form.

Response from supplementary questionnaire from original investigation	Updated response
<p>At the outset, the GOI notes that categorisation of timber into hardwood and softwood may be misleading. This is because timber that may be thought to be hardwood, is in fact softwood and vice versa. For example, balsa wood, which is one of the softest woods, is actually a hardwood. The GOI believes it is preferable to focus on species of timber rather than on categorisation of timber into hardwood and softwood. Nevertheless, the GOI has responded to the Commission's below.</p> <p>Softwood trees usually grow in highlands (i.e. above 600 meter from sea level). In Indonesia there are some softwood trees like pine trees. However, pine trees in Indonesia are not used for wood production but rather only to get their sap. There is no industrial forests in Indonesia that grow softwood tree. Thus, GOI does not have any data on the volume or value of domestic softwood production. The GOI considers that the cultivation of softwood timber in Indonesia is not relevant to this investigation as it is not primarily used in paper production.</p> <p>The pulp and paper industry, particularly for A4 copy paper, uses small amounts of softwood pulp with long fibre to add additional strength to the product. The Indonesia pulp and paper industry imports 100% of their long fibre requirements in the form of pulp from trading companies in Singapore, Europe and North America.</p> <p>The GOI is unaware of any exports of softwood, either in the form of logs or woodchips, from Indonesia.</p>	<p><b>See our corresponding response below</b></p>

**Response for this review**

**Response to the original investigation remains relevant.**

2. If applicable, please advise which countries are the main suppliers of softwood imports into Indonesia. Please provide volume and value data for individual countries during the investigation period.

<b>Response from supplementary questionnaire from original investigation</b>	<b>Updated response</b>
Pulp and paper companies usually import softwood (long fibre) in the form of pulp from trading companies in Singapore, Europe and North America. The origin of such softwood pulp can be from Chile, Sweden, Germany, New Zealand. Since Indonesia import statistics are not differentiated between hardwood or softwood, the Commission should refer to the companies to obtain information on the volume and value of softwood imports.	<b>See our corresponding response below</b>

<b>Response for this review</b>
<b>Response to the original investigation remains relevant</b>

3. Please provide details of the volume of domestic softwood production and imported softwood used in pulp production. What specific species of softwood are used in pulp production?

<b>Response from supplementary questionnaire from original investigation</b>	<b>Updated response</b>
The GOI does not have any detailed information concerning the volume of domestic and imported softwood used in pulp production. The Commission should refer to the mandatory respondent's responses to exporter questionnaire and other information provided to the Commission by those companies to seek such clarification. However, based on information the GOI obtained from the one of companies, RAPP uses pine or conifer species originating from North America in the form of pulp to be mixed in their copy paper production. However, the GOI understand that the quantities of softwood so imported and used is relatively small.	<b>See our corresponding response below</b>

<b>Response for this review</b>
<b>Response to the original investigation remains relevant</b>

### **C-3 The GOI's classification of pulpwood**

The Commission notes that in Section (C), Program (2), Question (11) of its original RGQ, the GOI notes that the relevant export prohibition "does not relate to pulpwood. Pulpwood is



essentially scrap wood. It includes logs of any size, with no regard to quality or standard.” The Commission understands that ‘scrap-wood’ is wood produced as scrap from other forestry activities.

However, in Section (C), Program (1), Question (2) of the RGQ, the GOI reported that logging for the Indonesian paper industry produced 5,224,697 m<sup>3</sup> of timber from privately owned land and 41,332,323 m<sup>3</sup> from state owned forests.

From the information highlighted above and information provided by the cooperating exporters, the Commission considers that ‘pulpwood’, as defined in the RGQ, is not the sole source of fibre for pulp production. The Commission has drawn this conclusion based on the assumption that, given the area under cultivation by the pulp and paper industry and the associated financial costs, the pulp industry would not be reliant on ‘scrap wood’ alone.

1. Please confirm the Commission’s understanding of the GOI’s claim that the Indonesian pulp industry only uses ‘pulpwood’, which is essentially scrap wood from other forestry activities.

Response from supplementary questionnaire from original investigation	Updated response
The raw material for pulp industry is not scrap-wood from other forestry activities. The raw material for pulp industry is all from industrial forests (HTI), which usually grow eucalyptus and acacia tree with ages ranging from 5-6 years, as set out earlier above.	<b>See our corresponding response below</b>

Response for this review
<b>Response to the original investigation remains relevant</b>

2. If it is the case that pulp is only produced from scrap-wood, and given that pulp is produced from acacia and possibly eucalyptus within Indonesia, what are the acacia and eucalyptus logs used for?

Response from supplementary questionnaire from original investigation	Updated response
See GOI answer above.	<b>See our corresponding response below</b>

Response for this review
<b>Response to the original investigation remains relevant</b>

#### **C-4 Indonesia’s comparative advantage in timber production**

The GOI has previously indicated that it believes the Indonesian forestry sector has a significant comparative advantage in the production of timber (for pulp production). Subsequent to publication of the SEF, the Commission has sourced a comprehensive study from RISI detailing the ‘pulpwood’ growing cost for a number of different countries.

The report notes that the rotation cycle for Indonesian (acacia) is similar to other acacia producers in the Asian region, including Malaysia, the Philippines and Vietnam and is also

similar to Brazil (eucalyptus). The report also notes that the cost of growing pulpwood is significantly higher in Indonesia compared to these same countries. For the purpose of this study, growing costs comprised: operational costs (land, site preparation, pest control, maintenance and administration); stumpage; and harvesting costs.

1. Does the claimed comparative advantage primarily relate to growing costs, or does it also relate to the other costs associated with the production, transport and marketing of timber? Please provide details.

Response from supplementary questionnaire from original investigation	Updated response
<p>Before answering the above question, we wish to reiterate that we agree with the Commission's assessment of our comparative advantage, that already made by the Commission's in the first SEF. In the SEF it was clearly mentioned that Indonesia enjoys a comparative advantage over other countries and a listing was made of the reasons why Indonesia had a comparative advantage.</p> <p>The Indonesia has a comparative advantage over other countries in the region in the production of timber because Indonesia has favourable climate conditions, abundant fertile soil as well as sufficient economical labour. Acacia or eucalyptus tree in Indonesia has a growth rate of 5-6 years compared to 20-25 years in sub-tropical regions. As an example, acacia trees can be harvested in 5-6 years with production of 150 to 210 m<sup>3</sup>/Ha (with assumption MAI 30 to 35 m<sup>3</sup>/Ha/year). Eucalyptus trees can be harvested in 5-6 years with production of 150 to 210 m<sup>3</sup>/Ha.</p> <p>Cost of production is relatively low because of the fast growing species and efficient transportation costs due to the close proximity between the raw materials and pulp production facilities. Similarly, other production costs in Indonesia would generally be lower than similar costs incurred by the Australian industry in timber, wood chip, pulp and paper production and, hence, its comparative advantage over Australia.</p> <p>The extent of Indonesia's comparative advantage in timber/wood chip/pulp/paper production over countries in the Asia Pacific region would depend upon the circumstances prevailing in each such country in relation to the production of those countries. However, the GOI does not consider this to be relevant to this investigation as it is concerned with exports of A4 Copy Paper from Indonesia to Australia. To the extent that other countries in the Asia Pacific region have a comparative advantage over Australia would require an</p>	<p><b>See our corresponding response below</b></p>

<b>Response from supplementary questionnaire from original investigation</b>	<b>Updated response</b>
<p>assessment of conditions prevailing in each such country as compared with Australia.</p> <p>The GOI notes that the report obtained by the Commission, as referred to above, states that the production costs of pulpwood (e.g. costs consisting of “operational costs (land, site preparation, pest control, maintenance and administration), stumpage, and harvesting costs”, although there are no stumpage fees in Indonesia) in Indonesia were higher than in the ‘comparable countries (e.g. Malaysia, Vietnam and the Philippines). This evidences that production costs of pulpwood are not artificially lowered or otherwise distorted by policies of the GOI, either directly or indirectly. This, in turn, given the Commission’s analysis as set out in the Statement of Essential Facts in its claim that a ‘particular market situation exists in Indonesia in relation to the domestic market for A4 Copy Paper, supports the GOI’s submissions that pulp and paper production costs have not been distorted, nor A4 Copy Paper prices, by government policies. Consequently, there is no “particular market situation” in the Indonesian domestic market for A4 Copy Paper for this reason, as well as for the other reasons submitted to the Commission by the GOI and others.</p> <p>Finally, the GOI reiterates its request that this RISI report be made available to the GOI and a non-confidential version be placed on the public file consistent with Article 6 of the WTO Anti-Dumping Agreement. Failure to do so could amount to a denial of natural justice, as the Commission would be aware, and a breach of Article 6 of the WTO Anti-Dumping Agreement.</p>	

<b>Response for this review</b>
<b>Response to the original investigation remains relevant</b>

2. Please provide any available information, including reports, analysis and cost comparisons that the GOI considers to support its position concerning its comparative advantage in timber and pulp production.

<b>Response from supplementary questionnaire from original investigation</b>	<b>Updated response</b>
The Commission should refer to the respective companies’ data concerning the detailed costs of timber and pulp production since each company has its own cost	<b>See our corresponding response below</b>

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<b>Response from supplementary questionnaire from original investigation</b>	<b>Updated response</b>
<p>structure. The GOI does not have this information.</p> <p>The GOI's view on Indonesia's comparative advantage regarding timber, pulp and paper production is based on common knowledge of the advantages that Indonesia has in relation to timber and pulp production compared with countries in sub-tropical regions, such as Australia, and is evidenced by the quantity of pulp exported from Indonesia as detailed in the Statement of Essential Facts by the Commission. See also the GOI's response to the preceding question.</p>	

<b>Response for this review</b>
<b>Response to the original investigation remains relevant</b>

## SECTION D

### MARKET SITUATION AND PROPER COMPARISON

#### Instructions

This section provides an opportunity for the GOI to respond specifically to the questions in the context of this review.

Section 269TAC(1) of the *Customs Act 1901* (Cth) (the Act) provides that, subject to this section, the normal value of any goods exported to Australia is the price paid or payable for like goods sold in the ordinary course of trade for home consumption in the country of export in sales that are arms length transactions by the exporter or, if like goods are not so sold by the exporter, by other sellers of like goods.

In addition, section 269TAC(2)(a)(ii) of the Act provides that, subject to this section, where the Minister is satisfied that because of the situation in the market of the country of export is such that sales in that market are not suitable for use in determining a price under subsection (1), the normal value of the goods exported to Australia cannot be ascertained under subsection (1).

#### **D-1 Market situation**

In the original investigation, the Commissioner made findings in relation to a situation in the market (market situation) affecting the Indonesian exporters' domestic prices of A4 copy paper. Following the Commissioner's recommendation, the then Parliamentary Secretary<sup>1</sup> accepted, among other things that:

- programs and policies of the Government of Indonesia and the export ban on logs increased the supply of logs in Indonesia and thereby lowered the cost and price of logs and hardwood pulp;<sup>2</sup>
- the lowered cost and price of logs and hardwood pulp in Indonesia induced and allowed Indonesian A4 copy paper producers (also integrated A4 copy paper producers with their own upstream pulp facilities)<sup>3</sup> to supply more A4 copy paper at each possible price point than they otherwise would have; and
- the resultant price of A4 copy paper in Indonesia was artificially low, significantly below regional benchmarks and reflected the lowered cost and price of logs and hardwood pulp in Indonesia that resulted from the programs and policies of the Government of Indonesia.<sup>4</sup>

For a full description of the Commissioner's findings, please refer to Appendix 2 of *Anti-Dumping Commission Report No. 341* (REP 341).

As part of its Review, the Commission will be considering if a market situation exists in the Indonesian A4 copy paper market during the review period.

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<sup>1</sup> Parliamentary Secretary to the Minister for Industry, Innovation and Science and the Assistant Minister for Industry, Innovation and Science, to the Minister for Industry, Innovation and Science.

<sup>2</sup> Report 341, Appendix 2, p. 166, 168, 170, 172, 183.

<sup>3</sup> Report 341, Appendix 2, p. 167, 168, 173 (footnote omitted), 174.

<sup>4</sup> Report 341, Appendix 2, p. 153, 167, 173-174.

1. Provide any information, including any evidence, you may wish to submit in relation to whether this market situation has changed during the review period.

**Response:**

**The response and submissions provided by the GOI in the original investigation remain relevant. In fact, there is no particular market situation applies in Indonesia; it did not apply during the original investigation and never applies until this point in time. In fact, ADC determined it conclusively in its CVD original investigation that export log ban did not constitute any subsidy within the WTO SCM Agreement. ADC firmly determined that none other alleged programs were countervailable during the original investigation. As such, the GOI does not see its policies being questioned in this Review have any relevance with particular market situation. Pricing of A4 copy paper is market driven which is again the GOI has no control on it by any form. In particular, as verified by ADC, the companies subject to this Review use the same materials, labours and production facilities. This is irrefutable that their domestic and export price of A4 copy paper including export to Australia are fully comparable and as such they permit proper comparison.**

## **D-2 Proper comparison**

If the Minister is satisfied a market situation exists during the review period, the Minister must consider whether, because of that market situation, Indonesian exporters' domestic sales of A4 copy paper are suitable for determining a price under section 269TAC(1) of the Act.

In the event that a market situation is found, the Commissioner in his recommendation to the Minister intends to consider the suitability of Indonesian domestic sales by determining whether, because of the market situation, Indonesian exporters' domestic sales price permit a proper comparison with their export price by assessing the following:

- the effect of the market situation on the exporter's domestic price in Indonesia;
- the effect of the market situation on the exporter's export price; and
- whether the effect of the market situation is such that the exporter's domestic price and export price cannot be properly compared.

In accordance with the World Trade Organization (WTO) Panel Report, the Commissioner's assessment will include, but is not limited to, consideration of the following comments made by the WTO Panel:

- "[a] purely numerical comparison between the [domestic and export] prices may not reveal anything about whether the domestic price can be properly compared with the export price."<sup>5</sup>
- "The phrase "because of the particular market situation" makes clear that the qualitative assessment of whether the domestic and export prices can be properly compared should focus on how the particular market situation affects that comparison."<sup>6</sup>

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<sup>5</sup> Panel Report, *Australia – Anti-Dumping Measures on A4 Copy Paper*, para. 7.75.

<sup>6</sup> Panel Report, *Australia – Anti-Dumping Measures on A4 Copy Paper*, para. 7.75.

- “[t]he investigating authority must examine the domestic sales in order to determine whether a proper comparison between the two prices is permitted in spite of the effect of the particular market situation.”<sup>7</sup>
  - “[w]hile a particular market situation may have an effect on both domestic and export prices, it does not follow that the impact on domestic and export prices will be the same.”<sup>8</sup>
  - “[h]ow domestic prices and export prices of an individual exporter are affected notwithstanding an equal decrease in input costs is likely to depend significantly upon a number of factors, including the prevailing conditions of competition in each market and the existing relationship between price and cost. We consider that an exporter may find itself with different options in respect of how to take advantage of an input cost decrease depending on market conditions in each market.”<sup>9</sup>
  - “[w]hether the exporter’s domestic sales permit a proper price comparison with the export price is a question that can only be ascertained through an examination of relevant factual circumstances.”<sup>10</sup>
1. In the event that the Minister is satisfied this market situation is found to exist during the review period, please comment and provide any relevant evidence on:
    - (a) the effect of the market situation on Indah Kiat’s domestic price in Indonesia;
    - (b) the effect of the market situation on Indah Kiat’s export price;
    - (c) whether the effect of the market situation is such that Indah Kiat’s domestic price and export price cannot be properly compared.
  2. In the event that the Minister is satisfied this market situation is found to exist during the review period, please comment and provide any relevant evidence on:
    - (a) the effect of the market situation on Pindo Deli’s domestic price in Indonesia;
    - (b) the effect of the market situation on Pindo Deli’s export price;
    - (c) whether the effect of the market situation is such that Pindo Deli’s domestic price and export price cannot be properly compared.
  3. In the event that the Minister is satisfied this market situation is found to exist during the review period, please comment and provide any relevant evidence on the effect of the market situation on the exports of like goods by any Sinar Mas Group entities to Australia.

Please provide any further information and evidence you may wish to submit.

**Response:**

**The response and submission provided by the GOI in the original investigation remain applicable. In fact, there is no particular market situation applies in Indonesia; it did not apply during the original investigation and never applies until this point in time. In fact, ADC determined it conclusively in its CVD original investigation that export log ban did not constitute any subsidy within the WTO SCM Agreement. ADC firmly determined that none other alleged programs were countervailable during the original investigation. As such, the GOI does not see its policies being questioned in this Review have any relevance with particular**

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<sup>7</sup> Panel Report, *Australia – Anti-Dumping Measures on A4 Copy Paper*, para. 7.76.

<sup>8</sup> Panel Report, *Australia – Anti-Dumping Measures on A4 Copy Paper*, para. 7.76.

<sup>9</sup> Panel Report, *Australia – Anti-Dumping Measures on A4 Copy Paper*, para. 7.80.

<sup>10</sup> Panel Report, *Australia – Anti-Dumping Measures on A4 Copy Paper*, para. 7.81.

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market situation. Pricing of A4 copy paper is market driven which is again the GOI has no control on it by any form. In particular, as verified by ADC, the companies subject to this Review use the same materials, labours and production facilities. This is irrefutable that their domestic and export price of A4 copy paper including export to Australia are fully comparable and as such they permit proper comparison.



## SECTION E

### PROPER COMPARISON – INDONESIAN A4 COPY PAPER MARKET

#### Instructions

This section provides an opportunity for the GOI to respond specifically to the questions in the context of this review.

#### E-1 Prevailing conditions of competition in the Indonesian market

1. Describe the Indonesian market for A4 copy paper and the prevailing conditions of competition within the market, including:
  - (a) Provide an overall description of the A4 copy paper market in Indonesia which explains its main characteristics and trends over the past five years;
  - (b) Provide the sources of demand for A4 copy paper in Indonesia, including the categories of customers, users or consumers of the product;
  - (c) Provide the proportion (%) of sales from each of those sources of demand listed in (b);
  - (d) Describe the factors that influence consumption/demand variability in Indonesia, such as seasonal fluctuations, factors contributing to overall market growth or decline, government regulation, and developments in technology affecting either demand or production;
  - (e) Describe any market segmentations in Indonesia; such as geographic or product segmentations;
  - (f) Provide the proportion of sales from each of the market segments listed in (e);
  - (g) Describe the way in which Indonesian and imported A4 copy paper compete in the Indonesian market;
  - (h) Describe the ways that A4 copy paper are marketed and distributed in the Indonesian market; and
  - (i) Describe any other factors that are relevant to characteristics or influences on the A4 copy paper market in Indonesia.

*If available, provide documentary evidence to support the responses made to questions 1(a) to (i).*

#### Response

**In fact, there is no particular market situation applies in Indonesia; it did not apply during the original investigation and never applies until this point in time. In fact, ADC determined it conclusively in its CVD original investigation that export log**

ban did not constitute any subsidy within the WTO SCM Agreement. ADC firmly determined that none other alleged programs were countervailable during the original investigation. As such, the GOI does not see its policies being questioned in this Review has any relevance with particular market situation. There is no market segmentation and that Pricing of A4 copy paper is market driven and fair competition, which is again to prove that GOI has no control on them by any form. In particular, as verified by ADC, the companies subject to this Review use the same materials, labours and production facilities. This is irrefutable that their domestic and export price of A4 copy paper including export to Australia are fully comparable and as such they permit proper comparison.

2. Describe the regulatory framework of the Indonesian market for A4 copy paper as it relates to the following:
  - (a) competition policy and regulation;
  - (b) taxation;
  - (c) product standards;
  - (d) participant licensing requirements;
  - (e) regulations or restrictions relating to the importation of A4 copy paper; and
  - (f) product safety or warranty regulations;

Provide a copy of any law, regulation or requirement described with an English translation.

#### **Response**

Consistent with the above response, in fact, there is no particular market situation applies in Indonesia; it did not apply during the original investigation and never applies until this point in time. In fact, ADC determined it conclusively in its CVD original investigation that export log ban did not constitute any subsidy within the WTO SCM Agreement. ADC firmly determined that none other alleged programs were countervailable during the original investigation. As such, the GOI does not see its policies being questioned in this Review have any relevance with particular market situation. Pricing of A4 copy paper is market driven, which is again the GOI has no control on it by any form. Indonesia has effective institution (KPPU) to supervise fair conduct of competition. We would like to reiterate that as verified by ADC, the companies subject to this Review use the same materials, labours and production facilities. This is irrefutable that their domestic and export price of A4 copy paper including export to Australia are fully comparable and as such they permit proper comparison.

3. Describe any entry restrictions for new participants into the Indonesian market for A4 copy paper. Your response could include information about the following:
  - resource ownership;
  - patents and copyrights;
  - licensing requirements;
  - barriers to entry;
  - any restrictions placed on imported sourced A4 copy paper;
  - any other government regulations (including the effect of those government regulations).

**Response**

**There is no restriction of import of A4 copy paper in Indonesia.**

**In fact, there is no particular market situation applies in Indonesia; it did not apply during the original investigation and never applies until this point in time. In fact, ADC determined it conclusively in its CVD original investigation that export log ban did not constitute any subsidy within the WTO SCM Agreement. ADC firmly determined that none other alleged programs were countervailable during the original investigation. As such, the GOI does not see its policies being questioned in this Review have any relevance with particular market situation. Pricing of A4 copy paper is market driven which is again the GOI has no control on it by any form. In particular, as verified by ADC, the companies subject to this Review use the same materials, labours and production facilities. This is irrefutable that their domestic and export price of A4 copy paper including export to Australia are fully comparable and as such they permit proper comparison.**

## DECLARATION

The undersigned certifies that all information supplied herein in response to the questionnaire (including any data supplied in an electronic format) is complete and correct to the best of his/her knowledge and belief.

27 April 2020

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**Date**



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**Signature of authorised official**

Pradnyawati

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**Name of authorised official**

Director of Trade Defense,  
Directorate General of Foreign Trade  
Ministry of Trade Republic of Indonesia

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**Title of authorised official**

## APPENDIX

### GLOSSARY OF TERMS

This glossary is intended to provide you with a basic understanding of technical terms that appear in the questionnaire.

#### Associated persons and/or companies

Persons shall be deemed to be associates of each other if:

- (a) both being natural persons:
  - (i) they are connected by a blood relationship or by marriage or adoption; or
  - (ii) one of them is an officer or director of a body corporate controlled, directly or indirectly, by the other;
- (b) both being bodies corporate:
  - (i) both of them are controlled, directly or indirectly, by a third person (whether or not a body corporate); or
  - (ii) both of them together control, directly or indirectly, a third body corporate; or
  - (iii) the same person (whether or not a body corporate) is in a position to cast, or control the casting of, 5% or more of the maximum number of votes that might be cast at a general meeting of each of them; or
- (c) one of them, being a body corporate, is, directly or indirectly, controlled by the other (whether or not a body corporate); or
- (d) one of them, being a natural person, is an employee, officer or director of the other (whether or not a body corporate); or
- (e) they are members of the same partnership.

#### Enterprise

"Enterprise" includes a group of enterprises, an industry and a group of industries.

#### Government of Indonesia (GOI)

For the purposes of this questionnaire, GOI refers to all levels of government, i.e., central, provincial, regional, city, special economic zone, municipal, township, village, local, legislative, administrative or judicial, singular, collective, elected or appointed.

It also includes any person, agency, enterprise, or institution acting for, on behalf of, or under the authority of any law passed by, the government of that country or that provincial, state or municipal or other local or regional government.

#### Incoterms

The following abbreviations are commonly used (comment is provided concerning costs that are normally borne by the seller):

EXW	ex works (the seller's minimum obligation as costs relate to goods being made available at the sellers premises)
FCA	free carrier (main carriage not paid by seller. Pay costs until such time that the goods have been delivered at the named point into custody of a carrier named by the seller. Customs formalities, taxes etc. paid if required)
FAS	free alongside ship (main carriage not paid by seller. Deliver the goods alongside the ship)
FOB	free on board (main carriage not paid by seller. Deliver the goods on board, provide export clearance if required, pay loading costs to the point the goods

	have passed the ship's rail, pay customs formalities, taxes etc. payable upon exportation)
CFR	cost and freight (main carriage paid by seller. Pay all costs until delivered as well as freight, loading and unloading, pay customs formalities, taxes etc. payable upon exportation)
CIF	cost, insurance and freight (main carriage paid by seller. Pay all costs as under CFR as well as marine insurance) the terms CFR and CIF are only used where goods are carried by sea or waterway transport
CPT	carriage paid to
CIP	carriage and insurance paid to the terms CPT and CIP are used as alternatives to CFR and CIF where the goods are carried by air, road, rail etc.
DAF	delivered at frontier (goods carried by rail or road and cleared for export at the named place at the frontier. Pay costs until delivered at the frontier plus any discharge costs incurred to place the goods at the customer's disposal)
DES	delivered ex ship (goods made available to the buyer on board the ship uncleared for import at the named port of destination. Pay all costs incurred in placed at the disposal of the buyer, pay customs formalities, taxes etc. payable upon exportation, and where necessary for transit through another country)
DDU	delivered duty unpaid (Pay all costs for carriage to the agreed point, pay customs formalities, taxes etc. payable upon exportation, and where necessary for transit through another country)
DDP	delivered duty paid (goods made available at the named place in the country of importation – all risks and costs being incurred by the seller including duties, taxes etc. incurred upon importation)

### **Particular market situation**

Refers to a situation within the domestic market of exported goods that renders sales within that market of those goods unsuitable for determining normal values under s.269TAC(1) of the Act.

### **Special Economic Zone (SEZ)**

Refers to a Special Economic Area, Economic and Technical Development Zone, Bonded Zone, Export Processing Zone, High Technology Industrial Development Zone, or any other designated area where benefits from the GOI (including central, provincial, municipal or county government) accrue to a company because of being located in such an area.

### **State Invested Enterprises (SIE)**

For the purposes of this questionnaire, SIE refers to any company or enterprise that is wholly or partially owned by the GOI as defined above (either through direct ownership or through association) including.

- 'enterprises with state investment'
- 'state-owned assets'
- 'state-invested enterprises'

For the purposes of this questionnaire, SIE refers to any and all of the above types of enterprises.

### **The period**

A period defined by the Commission over which importations of the goods are examined.

**FOR PUBLIC RECORD**