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The Director, Investigations 3
GPO Box 2013
CANBERRA ACT 2601

By email: investigations3@adcommission.gov.au

Dear Sir/Madam,

**Re: Dumping Investigation No. 548 – Certain Kraft Paperboard Exported to Australia from the United States of America.
Response by the Applicant – Visy Glama Pty Ltd (“Visy Glama”) - Like Goods**

We refer to the Issues Paper placed on the public record of this investigation by the Anti-Dumping Commission (Commission) on 7 September 2020.

Submissions from GPI and WestRock dated 21 and 22 September 2020

We note that two importers, namely Graphic Packaging International (GPI) and Westrock, have lodged submissions with the Commission in response to issues raised in the Issues Paper.

We note that the GPI submission dated 21 September 2020, whilst lengthy, does not raise any new substantive issues over and above the matters contended by GPI in its earlier submissions of 13 May and 26 and 28 July 2020. These had been previously responded to and put in perspective by Visy’s submissions of 18 June and 4 September 2020.

However, it is worth noting that, contrary to GPI's assertion on page 11 of its submission of 21 September 2020, Visy has in fact previously disclosed complete sales data in respect of Visy group sales of microflute products. As previously indicated, Visy's microflute production facilities were built specifically for the supply of beverage can multi-packs, and almost 20 years later microflute is still sold by Visy almost exclusively for this purpose.

In addition, the submission of Westrock dated 22 September 2020 does not raise any issues that would materially affect the clear proposition that Australian manufactured microflute and certain imported kraft paperboard *as strictly defined by the Goods Description in this investigation* are like goods. Visy does not agree with Westrock's assertions and is of the view that the matters raised are not relevant to the proper comparison of the competing goods in this investigation.

Other Comments in respect of the ADC Issues Paper

In its Issues Paper the Commission invited submissions from industry participants on the 'like goods' issue, prior to engaging its own expert to consider. Visy has a very clear position that the beverage industry in Australia does view microflute and kraft paperboard within the GUC as like goods and has previously addressed the point in detail. (See, for example, Visy's submission of 18 June 2020 at page 3 and Visy's submission of 4 September 2020 at pages 5-6). For its part GPI has largely ignored the actual Australian market dynamics and has instead focussed on peripheral issues. With all due respect to GPI's expert Mr Klass, he is an academic who has never worked in the Australian beverage industry, and his evidence focuses on relatively minor physical and production process differences between the two products, failing to see the larger landscape. The so called differences between the products called out by GPI and Mr Klass, in substance, have no impact or relevance on buying decisions within the Australian market, and so are not persuasive in regards to the question of whether microflute and kraft paperboard within the GUC are 'like goods'.

It is highly noteworthy that there have been no submissions filed in response to the Issues Paper by Australian customers or end users of microflute and/or kraft paperboard to the effect that microflute and the kraft paperboard under investigation are not like goods. These parties would be incentivized to support GPI's position, as the introduction of dumping duty would be contrary to their financial interests. However, their silence has been deafening, and it can reasonably be assumed that these parties do not hold strong views that align with GPI and Westrock's contentions regarding like goods. Australian customers, in the context of the major commercial decisions they make in choosing between microflute and kraft paperboard in the Australian marketplace, would be expected to have a clear view on whether the two are 'like goods'. The absence of an industry voice to the contrary, and the frequency with which beverage can multi-packs are switched between the two options, seems to leave little room for doubt that the two are seen in the industry as like goods.

In light of this absence of meaningful industry input, Visy has sought and obtained a statement from a former senior beverage industry executive, which is **enclosed** with this letter. This statement is given by Mr Arthur Mitropoulos, who was directly responsible for making major procurement decisions over an extended period of time on whether a global beverage company would fulfil its packaging requirements by using microflute versus kraft paperboard.

In this statement, Mr Mitropoulos squarely addresses the practical question of whether a purchaser (or potential purchaser) of beverage packaging would consider microflute and kraft paperboard to be like goods. Visy strongly asserts that the evidence of Australian industry of this nature is much more relevant and compelling than theoretical arguments raised by importers.

Whilst Visy believes the evidence it has presented to the Commission on the question of 'like goods' is compelling, should the Commission still harbour any doubts on the issue Visy would welcome the Commission's stated approach of appointing an independent industry expert to assess and prepare a report, and Visy stands ready to assist in any way it can.

Do not hesitate to contact the writer should the Commission require any further information or wish to discuss the matter generally.

Yours faithfully

GROSS & BECROFT

A handwritten signature in black ink, appearing to be 'R. Becroft', written over a horizontal line.

Dr. Ross Becroft

Principal

Encl.