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The Director - Investigations 2
Anti-Dumping Commission
GPO Box 2013
Canberra ACT 2601

Review of measures into A4 Copy Paper exported from Brazil

Dear Director,

This submission is made on behalf of Jackaroo Paper Pty Ltd ("Jackaroo") to the current review of measures into A4 copy paper exported from Brazil (Review 551).

Jackaroo notes that a number of parties to the review have identified the local producer, Australian Paper ("AP"), as an importer of the subject goods during the review period. In its importer questionnaire, UPM identified AP as a substantial importer of the subject goods from South Africa, accounting for approximately 5% of the Australian market during the review period. Likewise, Officeworks in its importer questionnaire highlighted AP was an importer.

In Jackaroo's importer questionnaire response, the Commission was alerted to AP's imports from South Africa and provided direct evidence from AP's customers which confirms the source of the product and the extremely low prices being offered by AP to its customers.

Jackaroo is concerned that AP has not fully disclosed its interests as a seller of imported A4 copy paper during the review period. For example, question 4 of the review application requests the applicant to '*Describe your interest as an affected party (e.g. are you concerned with the exportation of the goods, the importation of the goods, or part of the Australian industry, or acting on behalf of the Government of an exporting country).*' AP did not properly address this question as it only confirmed that it was the sole Australian manufacturer. It did not disclose whether it was an importer of the goods.

In its questionnaire response¹, AP confirms that it '*... imports a small volume of cut sheet paper as a compliment to its range where demand does not justify local production.*' AP appears to dismiss the importance of its imports on the basis of it being a small volume

¹ EPR 551, Record no. 4, page 8.

PUBLIC RECORD

It is also noted that the Commission has published Statement of Essential Facts Report 547 (SEF 547), and it notes that ‘... *Australian Paper imports a very small amount of ‘presentation grade’ A4 copy paper.*’

There is a clear discrepancy and contradiction between statements and data provided by AP to the Commission, available evidence surrounding import data, and market knowledge of AP’s substantial sales of imported goods. As noted earlier, UPM have estimated the import volume from South Africa to account for approximately 5% of the Australian market. This would represent approximately a third of total imports using an estimated Australian market size of 200,000 metric tonnes. These estimates are consistent with Jackaroo’s understanding of the import data, and would indicate that AP was one of the largest sellers of imported product during the review period, and most certainly the seller of the lowest priced paper in the Australian market.

One explanation for the discrepancy could be if AP sources the goods from South Africa through an intermediary that was the declared importer of the goods. The Commission is urged to carefully investigate imports from South Africa and the low price offers made by AP to its customers, for copy paper imported from South Africa.

Further, Jackaroo understands that AP sourced imports from Malaysia, which were cut by a Malaysian converter from jumbo reels supplied by AP. If this was the case, it would confirm the views presented by interested parties, that AP faced production constraints during the review period.

Jackaroo considers the issue of AP’s sales of imported paper from South Africa to be critical to the current review of variable factors. One of the relevant variable factors is the non-injurious price, and the consideration of the unsuppressed selling price is critical to the calculation of the non-injurious price. In considering the appropriate methodology for establishing the unsuppressed selling price, Jackaroo contends that the low selling prices for AP’s imports would be directly relevant given the Commission’s conclusion in SEF 547, that ‘*Australian Paper is the sole producer of A4 copy paper in Australia and sets prices relative to imports.*’ [emphasis added]

That is, if AP’s selling prices of imports are the lowest in the market and undercutting other imports subject to measures, then it must be concluded that AP’s imports are non-injurious and sales of its own production are unaffected by dumping during the review period.

Yours sincerely

John Bracic