



Exporter Verification Report

Verification & Case Details

Initiation Date	16/04/2020	ADN:	ADN2020/039
Case Number	551		
The goods under consideration	A4 Copy Paper		
Case type	Review of measures		
Exporter	Greenpoint Global Trading (Macao Commercial Offshore) Ltd.		
Location	China		
Verification from	17 July 2020	to	30 October 2020
Review period	From 1 January 2019	to	31 December 2019

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

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1 COMPANY BACKGROUND

1.1 Corporate Structure and Ownership

Greenpoint Global Trading (Macao Commercial Offshore) Ltd. (“Greenpoint”) exported the goods to Australia during the review period. Greenpoint is incorporated in Macao. Greenpoint’s main activities involve trading paper, pulp and board products for export markets.

The goods exported to Australia were produced under a tolling arrangement between Greenpoint and the manufacturer Asia Symbol (Guangdong) Paper Co. (“Asia Symbol”), which is incorporated in the People’s Republic of China (China). Asia Symbol manufactures paper products for sale in the domestic market and for export markets under the tolling arrangement.

Greenpoint and Asia Symbol share a common ultimate holding company.

1.2 Related Parties

With respect to Greenpoint and Asia Symbol, the verification team examined the relationships of suppliers and customers involved in the manufacture and sale of the goods.

1.2.1 Related suppliers

The manufacturer, Asia Symbol, purchased pulp from related suppliers during the review period. Assessment of whether these transactions were arms length is at chapter 6.4.

1.2.2 Related customers

The verification team did not identify any related customers for Greenpoint and Asia Symbol.

1.3 Accounting records

Greenpoint’s audited financial statements were audited, which includes the statement that the financial accounts comply with Financial Reporting Standards of Macao Special Administrative Region.

Asia Symbol’s audited financial statements were audited, which includes the statement that the financial accounts comply with the provisions of Accounting Standards for Business Enterprises in China.

Therefore, the verification team considers that the accounting records held by the companies are in accordance with the generally accepted accounting principles of the relevant jurisdictions.

2 THE GOODS AND LIKE GOODS

2.1 Production Process

Asia Symbol's production process for the goods is as follows:

- **Key raw material – pulp:**
 - *Australia* – Greenpoint purchased pulp (and starch) from related and unrelated suppliers.
 - *Domestic* – Asia Symbol purchased pulp (and starch) from related and unrelated suppliers.
- **Bale pulper/Stock preparation:** At Asia Symbol's factory, the slush pulp is mixed with softwood pulp and filler in the bale pulper, then pumped to stock preparation tanks where it is blended with chemicals, such as bleach.
- **Head box:** The pulp is pumped into the head box of the papermaking machine and then squirted through a horizontal slit over a moving wire mesh to remove excess water, into the wire section.
- **Wire section and sheet formation:** The pulp fibres in the wire section spread out and form a thin sheet.
- **Press section:** The thin sheet is fed into the press section, which 'de-waters' the sheet.
- **Drying:** The sheet is heated and dried over a series of cast-iron cylinders, and then rolled into jumbo reels.
- **Cutting:** The jumbo reel is transferred to the winder where it is cut into smaller sections referred to as rolls, then wrapped and transported to temporary storage.
- **Copy paper and offset paper lines:** The paper is either moved into finished goods inventory as offset paper rolls, or transferred for cutting on the copy paper or offset paper lines.
- **Finished goods:** The finished products are offset paper rolls, or copy paper and offset paper that is cut to size, and are transferred to the finished goods warehouse.
- **Scrap:** Paper scrap is generated at most stages of the production process. All paper scrap is collected and reintroduced into production. None of the paper scrap was sold during the period.
- **Packaging:** Asia Symbol claims that both domestic and export sales are packed in the same manner, in which they are packed as reams into paperboard boxes, loaded onto a pallet, wrapped in plastic, then loaded into containers for shipment (both domestically and export).
- **Despatch:** from the finished goods warehouse, the goods are either delivered or picked up by the customer.

2.2 Model Control Codes (MCCs)

Greenpoint and Asia Symbol provided sales and cost data in its response to the exporter questionnaire in accordance with the model control code (MCC) structure detailed in Anti-Dumping Notice (ADN) No. ADN2020/039.

Based on analysis of the price comparability of the goods under consideration, the verification team considers it necessary to make amendments to the MCC structure.

No.	Exception	Resolution
1	Based on price analysis and the price premium listed in Greenpoint's price lists, the verification team considers that the category of whiteness influenced the price and should be included in the MCC structure.	The verification team has introduced the category of whiteness to the MCC structure.
2	Two of the exact weights (grams per square meter (gsm)) types sold by Asia Symbol on the domestic market, being 72 and 75 gsm, fit into the 80 gsm range in the MCC structure. Based on price analysis and the price list of Asia Symbol, the verification team considers the MCC for gsm should be based on exact gsm rather than gsm range.	The verification team has revised the MCC category for gsm to be based on exact gsm rather than gsm range.

Table 1 Amendments to the MCCs

2.3 The goods exported to Australia

The verification team was satisfied that Greenpoint exported the goods to Australia. Greenpoint exported the goods to Australia with the following MCCs during the period:

- 70-158-N
- 80-163-N

2.4 Verification of MCCs

Error! Reference source not found. below provides detail on how the MCC sub-categories were determined and verified to source documents.

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Category	Determination of the sub-category
Weight (grams per square metre (gsm))	As per commercial invoice, purchase order and packing lists.
Whiteness	As per product code listed on commercial invoice, purchase order and packing lists.
Recycled content	Based on a review of Greenpoint and Asia Symbol's product brochures and specifications, as well as the cost verification, the verification team considers that all product had no recycled content.

Table 2 MCC sub-category determination

2.5 Like goods sold on the domestic market

The verification team found that Greenpoint did not sell the goods on the domestic market in China during the period. However, the verification team was satisfied that Asia Symbol sold like goods in the domestic market during the period.

The verification team considers that the goods manufactured for domestic consumption are identical to, or have characteristics closely resembling, the goods exported to Australia, as they:

- have similar physical characteristics, including the weight (in gsm) and whiteness;
- are produced on the same paper machines, using the same raw material inputs and manufacturing processes;
- compete in the same market sectors and use similar distribution channels; and
- can be considered functionally alike, as they have the same end uses.

Asia Symbol sold like goods on the domestic market with the following MCCs during the period:

- 70-95-N
- 70-145-N
- 70-151-N
- 70-158-N
- 70-163-N
- 72-158-N
- 75-158-N
- 75-163-N
- 80-151-N
- 80-158-N
- 80-163-N
- 85-163-N
- 100-163-N

2.6 Like goods – assessment

The verification team considers that the goods produced by Asia Symbol for domestic sale have characteristics closely resembling those of the goods exported to Australia and are therefore ‘like goods’ in accordance with section 269T(1) of the *Customs Act 1901* (the Act).¹

¹ References to any section in this report relate to provisions of the Act, unless specifically stated otherwise.

3 VERIFICATION OF SALES COMPLETENESS AND RELEVANCE

Verification of relevance and completeness is conducted by reconciling selected data submitted "upwards" through management accounts up to audited financial accounts. The total sales value and quantity is reconciled to management reports with particular attention given to ensuring that all relevant transactions are included and irrelevant transactions are excluded. The total value from the management reports is then reconciled to the total revenue figure reported in the audited income statement.

The verification team verified the completeness and relevance of the export and domestic sales listings provided in the Response to the Exporter Questionnaire (REQ) by reconciling these to audited financial statements in accordance with ADN No. 2016/30.

The verification team verified the relevance and completeness of the sales data for Greenpoint and Asia Symbol as follows:

- Reconciled the total revenue in audited income statements for 2019 to the sales accounting system;
- Based on the sales accounting system, sales revenue and quantity were categorised by product type and market destination; and
- Reconciled the sales revenue and quantity of the goods and like goods to the Australian and domestic sales listings.

The verification team did not identify any issues during this process. Details of this verification process are contained in the verification work program and its relevant attachments, at **Confidential Attachment 1**.

3.1 Sales completeness and relevance finding

The verification team is satisfied that the sales data provided by Greenpoint and Asia Symbol is complete and relevant.

4 VERIFICATION OF SALES ACCURACY

The accuracy of data is verified by reconciling selected data submitted "downwards" to source documents. This part of verification involves the process of agreeing the volume, value and other key information fields within the sales data down to source documents. This verifies the accuracy of the data.

The verification team verified accuracy of the export and domestic sales listings submitted in the REQ by reconciling these to source documents in accordance with ADN No. 2016/30.

The verification team identified the issues outlined below during this process. Details of this verification process are contained in the verification work program and its relevant attachments, at **Confidential Attachment 1**.

4.1 Exceptions during verification of sales accuracy

No.	Exception	Resolution
2	In the domestic sales listing, the verification team identified several transactions that listed whiteness category that was inconsistent with the relevant sub-code in the product code.	The verification team revised the whiteness category for these transactions to be consistent with the product code.
3	Rebate ratio revision in the domestic sales listing.	The rebate ratio was revised after correcting for sales revenue values of paper products in the allocation calculation. This resulted in a minor change to the allocation of rebates in the domestic sales listing.

Table 3 Exceptions during verification of accuracy of sales data

4.2 Sales accuracy finding

The verification team is satisfied that the sales data provided by Greenpoint and Asia Symbol, including the required amendment as outlined in the exception table above, is accurate.

5 VERIFICATION OF COST TO MAKE AND SELL (CTMS) COMPLETENESS AND RELEVANCE

Verification of relevance and completeness is conducted by reconciling selected data submitted "upwards" through management accounts up to audited financial accounts. The total cost to make data is reconciled to the cost of production in the management reports with particular attention given to ensuring that all relevant costs are included and irrelevant costs have been excluded. The cost of production data is then reconciled, through relevant account ledgers, to the cost of goods sold figure reported in the audited income statement. Additionally, selling, general and administration (SG&A) expenses are reconciled to income statements, with particular attention given to specific expenses that were excluded or should be excluded.

The verification team verified the completeness and relevance of the cost to make and sell (CTMS) information provided in the REQ by reconciling it to audited financial statements in accordance with ADN No. 2016/30.

In relation to Asia Symbol, the verification team verified the relevance and completeness of the cost data as follows:

- The total cost of goods sold (COGS) was reconciled from the income statement within the 2019 audited financial statements to the financial system's general ledger. A minor adjustment relating to audit adjustments was made, and these costs were verified to the accounting system.
- No timing adjustment was required to be made to the COGS given the accounting period and the review period are the same.
- Several cost adjustments were made to convert the COGS to cost of production, including change in finished goods inventory.
- Based on product codes in the finished good ledger, the cost of production and production quantities for the goods under consideration were identified, and subsequently, the amounts relating to the domestic, Australia and third country markets were identified.
- The cost of production and production quantities for domestic and Australia were reconciled to the CTMS information.

In relation to Greenpoint, the verification team verified the relevance and completeness of the cost data as follows:

- The total cost of goods sold (COGS) from the income statement within the 2019 audited financial statements was reconciled to the financial system's general ledger. A minor adjustment relating to audit adjustments was made, and these costs were verified to the accounting system.
- No timing adjustment was required to be made to the COGS given the accounting period and the review period are the same.
- Note that a conversion from COGS to cost of production is not relevant given Greenpoint did not manufacture the goods.
- Based on product codes in the finished good ledger, the COGS and production quantities for the goods under consideration were identified, and subsequently, the amounts relating to the domestic, Australia and third country markets were identified.

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- The cost of production and production quantities for domestic and Australia were reconciled to the CTMS information.

In relation to Greenpoint and Asia Symbol, the verification team verified the relevance and completeness of the SG&A data as follows:

- The total SG&A from income statement within the 2019 audited financial statements was reconciled to the financial system's general ledger.
- The total SG&A from the financial system's general ledger was reconciled to the total SG&A set out in the CTMS information.

The verification team identified the issues outlined below during this process. Details of this verification process are contained in the verification work program and its relevant attachments, at **Confidential Attachment 1**.

5.1 Exceptions during verification of completeness and relevance of CTMS data

No.	Exception	Resolution
4	In relation to Greenpoint's SG&A listing, the total SG&A amount did not reconcile to the audited income statement due to the absence of finance expenses.	A revised SG&A listing was provided by Greenpoint that included finance expenses.

Table 4 Exceptions during verification of completeness and relevance of CTMS data

5.2 Completeness and relevance finding of CTMS data

The verification team is satisfied that the CTMS data provided in the exporter questionnaire response by Greenpoint and Asia Symbol, including the required amendments as outlined as an exception above, is complete and relevant.

6 VERIFICATION OF COST TO MAKE AND SELL (CTMS) ACCURACY

6.1 Cost allocation method

The verification team verified the reasonableness of the method used to allocate the cost information provided in the REQ.

The verification team made a minor revision to ensure that costs were allocated to the models used for matching export and domestic sales.

The verification team did not identify any other issues during this process. Details of this verification process are contained in the verification work program and its relevant attachments, at **Confidential Attachment 1**.

Table 5 below outlines the allocation method applied to each cost item.

Cost item	Method applied
Raw Materials	Raw material costs were allocated on the basis of production quantity for the finished goods.
Scrap Allocation	All pulp scrap is re-introduced into production and no scrap offset was applied to the costs in the company's records nor in the CTMS information.
Manufacturing Overheads	Manufacturing overheads costs were allocated on the basis of production quantity for the finished goods.
Direct labour	Direct labour costs were allocated on the basis of production quantity for the finished goods.
Depreciation	Depreciation costs were allocated on the basis of production quantity for the finished goods.
Variance (standard to actual costing)	The monthly variance for all finished goods was applied to each product code's standard cost to obtain actual costs.

Table 5 Cost allocation method

6.2 Verification of Accuracy of CTMS data

The accuracy of data is verified by reconciling selected data submitted "downwards" to source documents. This part of verification involves the process of agreeing the volume, value and other key information fields within the cost data down to source documents. This verifies the accuracy of the data.

The verification team verified the accuracy of the CTMS information provided in the REQ by reconciling it to source documents in accordance with ADN No. 2016/30.

The verification team identified the issues outlined below during this process. Details of this verification process are contained in the verification work program and its relevant attachments, at **Confidential Attachment 1**.

6.3 Exceptions during verification of accuracy of CTMS data

No.	Exception	Resolution
5	<p>Within the SG&A listing, a number of expenses had been classified as indirect selling expenses and therefore not allocated to the total domestic SG&A. These expenses include:</p> <ul style="list-style-type: none"> • Rental warehouse expense; • Credit insurance; and • Numerous selling activities, such as accommodation and entertainment. 	<p>Based on the nature of these expenses, the verification team has classified these as being relevant to the SG&A for domestic sales, and therefore form a part of the domestic CTMS used for the ordinary course of trade test.</p>
6	<p>The verification team identified that Asia Symbol's SG&A expenses included amounts for the following:</p> <ul style="list-style-type: none"> • foreign exchange gains and losses; and • a minor cost relating to fees and commissions for import bills. 	<p>As Asia Symbol's domestic sales of like goods are sold in local currency (RMB) and do not involve the importation of inputs or services, the verification team considers that the amounts for foreign exchange gains and losses and import bills are not relevant to domestic sales. Therefore the verification removed these amounts in calculating domestic SG&A for Asia Symbol.</p>

Table 6 Exceptions during verification of accuracy of CTMS data

6.4 Related party suppliers

The manufacturer, Asia Symbol, purchased pulp from related suppliers during the review period.

The verification team analysed Asia Symbol's pulp purchases over the review period and found that the weighted average price paid to related suppliers was immaterially different to unrelated suppliers. This finding was consistent when analysing prices on a quarterly basis. Major pulp types and quantities were also considered when comparing prices. In relation to one major pulp type, prices to related suppliers were found to be higher than unrelated suppliers.

Further, the verification team observed that prices paid to both related and unrelated suppliers followed the same trend over the review period. In some quarters, the prices paid to related suppliers were higher than unrelated suppliers, which indicates there is not a consistent price difference due to relationships.

As such, no material or consistent differences in price were identified between related and unrelated suppliers.

The verification team considers that Asia Symbol's purchases of pulp from related suppliers reflect arms length transactions.

6.5 Accuracy finding

The verification team is satisfied that the CTMS data provided in the exporter questionnaire response by Greenpoint and Asia Symbol, including the required amendments as outlined as exceptions above, is accurate and reasonably reflect the costs associated with the production and sale of the goods under consideration.

7 EXPORT PRICE

7.1 The importers

The verification team considers Greenpoint's Australian customers to be the beneficial owners of the goods at the time of importation and therefore the importers as they:

- are named on the commercial invoice as the customer;
- are named as the consignee on the bill of lading,
- are declared as the importer on the importation declaration to ABF;
- pay for all the importation charges; and
- arrange delivery from the port in Australia.

7.2 The exporter

The verification team found that Greenpoint:

- is named on the commercial invoice as the supplier;
- is named as consignor on the bill of lading;
- reimburses Asia Symbol for the cost of inland transport to the port of export;
- reimburses Asia Symbol for the cost of port handling charges at the port of export; and
- arranges and pays for the ocean freight and marine insurance.

Although Asia Symbol manufactured the goods exported to Australia and was aware of the export destination, the tolling arrangement meant that Asia Symbol never took ownership of the goods. Greenpoint negotiated sales with Australian customers, raised invoices and had ownership of the goods at all times.

Therefore, the verification team is satisfied that Greenpoint was the exporter of the goods to Australia.²

7.3 Arms length

In respect of Greenpoint's Australian sales of the goods, the verification team found that all customers were unrelated and found no evidence that:

- there was any consideration payable for, or in respect of, the goods other than its price; or
- the price appeared to be influenced by a commercial or other relationship between the buyer, or an associate of the buyer, and the seller, or an associate of the seller; or

² The Commission generally identifies the exporter as a principal in the transaction, located in the country of export from where the goods were shipped, that gave up responsibility by knowingly placing the goods in the hands of a carrier, courier, forwarding company, or its own vehicle for delivery to Australia; or a principal in the transaction, located in the country of export, that owns, or previously owned, the goods but need not be the owner at the time the goods were shipped.

- the buyer, or an associate of the buyer, was directly or indirectly reimbursed, compensated or otherwise receive a benefit for, or in respect of, the whole or any part of the price.³

The verification team therefore considers that Greenpoint's export sales to its Australian customers during the period were arms length transactions.

7.4 Export Price – assessment

In respect of Australian sales of the goods by Greenpoint, the verification team recommends that the export price be determined under section 269TAB(1)(a), as the price paid by the importer to the exporter less transport and other costs arising after exportation.

The verification team's preliminary export price calculations are at **Confidential Appendix 1**.

³ Section 269TAA refers.

8 DOMESTIC SALES

Section 269TAC(1) provides the general rule for calculating normal value. For sales to be relevant for the purpose of section 269TAC(1), they must be sales of like goods sold in the exporter's domestic market for home consumption that are at arms length and in the ordinary course of trade (OCOT).

8.1 Arms length

8.1.1 Unrelated customers

In respect of Asia Symbol's domestic sales of like goods, the verification team found that all customers were unrelated and found no evidence that:

- there was any consideration payable for, or in respect of, the goods other than its price; or
- the price appeared to be influenced by a commercial or other relationship between the buyer, or an associate of the buyer, and the seller, or an associate of the seller; or
- the buyer, or an associate of the buyer, was not directly or indirectly reimbursed, compensated or otherwise received a benefit for, or in respect of, the whole or any part of the price.

The verification team therefore considers that all domestic sales made by Asia Symbol to its domestic customers during the period were arm's length transactions.

8.2 Ordinary course of trade

Section 269TAAD states that domestic sales of like goods are not in the OCOT if arms length transactions are:

- unprofitable in substantial quantities over an extended period; and
- unlikely to be recoverable within a reasonable period.⁴

The verification team tested profitability by comparing the price at ex-works against the relevant cost for each domestic sales transaction.

The team then tested whether the unprofitable sales were in substantial quantities (not less than 20 per cent) by comparing the volume of unprofitable sales to the total sales volume, for each model over the period.

The team tested recoverability by comparing the price at ex-works against the relevant weighted average cost over the period for each domestic sales transaction.

The following table sets out further detail:

⁴ In general, the Commission will consider 'extended period' and 'reasonable period' to be the investigation, review or inquiry period.

OCOT particulars	Details
Price	Net invoice price, excluding direct selling expenses.
Cost	Quarterly cost to make and sell, excluding direct selling expenses.
Weighted average cost	Weighted average cost to make and sell, excluding direct selling expenses, over the period.

Table 7 OCOT details

8.3 Volume of relevant sales

Section 269TAC(2) provides alternative methods for calculating the normal value of goods exported to Australia where there is an absence, or low volume, of relevant sales of like goods in the market of the country of export. An exporter’s domestic sales of like goods are taken to be in a low volume where the total volume of sales of like goods for home consumption in the country of export by the exporter is less than five per cent of the total volume of the goods under consideration that are exported to Australia by the exporter (unless the Minister is satisfied that the volume is still large enough to permit a proper comparison for the purposes of assessing a dumping margin).

The verification team assessed the total volume of relevant sales of like goods as a percentage of the goods exported to Australia and found that the volume of domestic sales was five per cent or greater and therefore was not a low volume.

When calculating a normal value under section 269TAC(1), in order to ensure a proper comparison between the goods exported to Australia and the goods sold on the domestic market, the Commission considers the volume of sales of each exported MCC on the domestic market. Where the volume of domestic sales of an exported model is less than five per cent of the volume exported, the Commission will consider whether a proper comparison can be made at the MCC level. In these situations, the Commission may consider whether a surrogate domestic model should be used to calculate normal value for the exported model.

This analysis is detailed in the table below.

	Export MCC	Is volume of domestic sales of same model 5% or greater as a proportion of export volume?
	70-158-N	Y
	80-163-N	Y
All sales	Y	

Table 8 Domestic volumes

The verification team’s volume analysis is at **Confidential Appendix 3**.

9 ADJUSTMENTS

To ensure the normal value is comparable to the export price of goods exported to Australia at free-on-board (FOB) terms, the verification team has considered the following adjustments in accordance with section 269TAC(8).

9.1 Rationale and Method

Adjustment type	Assessment for adjustment	Calculation method and evidence	Claimed in REQ?	Adjustment required?
Level of trade	<p>Australian sales were made to distributors, and domestic sales were made to distributors and e-commerce retailers. The verification team notes that a minor proportion of domestic sales were made to e-commerce retailers.</p> <p>Based on price analysis, the verification team considers that level of trade has a material and consistent influence on domestic prices. Therefore, the verification team considers it appropriate to ensure that the dumping margin accounts for differences in level of trade between export and domestic sales.</p>	For the dumping margin calculation, normal values were based on domestic sales made at the same level of trade as export sales, being sales to distributors.	Yes	Yes
Domestic credit terms	Asia Symbol offered credit terms for domestic customers.	The domestic credit rate is based on the short term borrowing rate applied to the weighted average number of payment days.	Yes	Yes
Credit insurance	<p>Greenpoint and Asia Symbol incurred the cost of credit insurance on export and domestic sales, respectively.</p> <p>The verification team verified that the cost of premiums for export and domestic sales were minor, and identified a negligible net difference between the costs. As such, the verification team was not satisfied that the cost of credit insurance</p>	Not applicable.	Yes – however subsequently withdrew the claim.	No

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	influenced the price. Greenpoint and Asia Symbol agreed and withdrew the adjustment claims.			
Packaging	<p>Greenpoint and Asia Symbol claimed there was no difference in the cost of packaging between export and domestic sales.</p> <p>For export and domestic sales, the main packaging costs for A4 copy paper relate to paper wrap, carton box and pallet. All A4 copy paper were packaged in paper wrap and carton box, therefore the only cost driver is whether the goods were palletised.</p> <p>The verification team verified that:</p> <ul style="list-style-type: none"> • the paper wrap and carton boxes are the same for domestic and Australia (i.e. reams and cartons); and • all Australian sales were palletised and a vast majority (> 99%) of domestic sales were palletised. <p>As such, the verification team is satisfied there is no material difference in packaging costs for Australian and domestic sales.</p>	Not applicable.	No	No
Selling effort expenses	<p>For Australian sales, Greenpoint incurred the cost of an Australian sales agent for the purpose of marketing activities. For domestic sales, Asia Symbol incurs the cost of its sales department.</p> <p>For both Greenpoint and Asia Symbol, the selling effort expenses represent negligible amounts. The verification team also does not consider that there is sufficient evidence to demonstrate that these selling effort expenses influenced the price.</p>	Not applicable.	Yes – however subsequently withdrew the claim.	No

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	Therefore, the verification team considered that these adjustments were not justified. Asia Symbol agreed and withdrew the adjustment claims.			
Warehouse expenses	In relation to domestic sales, Asia Symbol incurred the cost of renting several distribution warehouses in China. The verification team found that the warehouse expense was negligible and considered that it does not influence the price. Asia Symbol agreed and withdrew the claim for the adjustment.	Not applicable.	Yes – however subsequently withdrew the claim.	No
Domestic inland transport	Asia Symbol incurred inland transport expenses for domestic sales sold at delivered terms.	Weighted average unit value based on the total inland transport costs and invoice quantity.	Yes	Yes
Export inland transport	Greenpoint incurred inland transport expenses for all Australian sales.	Weighted average unit value based on actual inland handling cost and invoice quantity.	Yes	Yes
Export port charges	Greenpoint incurred port handling expenses for all Australian sales.	Weighted average unit value based on actual port handling charges and invoice quantity.	Yes	Yes
Export credit terms	Greenpoint offered credit terms for Australian customers.	The export credit rate is based on the short term borrowing rate applied to the weighted average number of payment days.	Yes	Yes
Non-refundable VAT	The verification team identified that Asia Symbol incurred non-refundable VAT in relation to its toll processing for goods that were exported by Greenpoint. Asia Symbol provided cost accounting information to substantiate the amount incurred in relation to Australian sales. The verification team considers that an adjustment for non-refundable VAT is warranted because: <ul style="list-style-type: none"> there is a difference in tax liability between Asia Symbol's domestic sales and the 	The rate of non-refundable VAT incurred by Asia Symbol during the review period for Australian sales was calculated by: <ul style="list-style-type: none"> working out the proportion of total non-refundable VAT of total processing costs; then applying that proportion to the toll processing fee for Australian sales in order to allocate non-refundable VAT to Australian sales; then 	No	Yes

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	<p>goods it produces that are exported to Australia by Greenpoint; and</p> <ul style="list-style-type: none"> • the cost would be reasonably expected to influence the export price by Greenpoint, given that: <ul style="list-style-type: none"> ○ the company advised that the processing fee charged by Asia Symbol to Greenpoint factors in the non-refundable VAT; and ○ the toll processing agreement is finalised prior to Greenpoint negotiating the price of goods exported to Australia. 	<ul style="list-style-type: none"> • dividing the allocated non-refundable VAT amount by the Australian sales revenue during the period. 		
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Table 9 Assessment of adjustments

9.2 Adjustments

The verification team considers the following adjustments under section 269TAC(8) are necessary to ensure that the normal value so ascertained is properly compared with the export price of those goods.

Adjustment Type	Deduction/addition
Level of trade	Compared export prices to domestic prices that were at the same level of trade.
Domestic credit terms	Deduct an amount for domestic credit
Domestic inland transport	Deduct an amount for domestic inland transport
Export inland transport	Add an amount for export inland transport
Export port charges	Add an amount for port charges
Export credit terms	Add an amount for export credit terms
Non-refundable VAT	Add an amount for non-refundable VAT

Table 10 Summary of adjustments

The verification team’s preliminary adjustment calculations are included in normal value calculations at **Confidential Appendix 3**.

10 NORMAL VALUE

The verification team found that there were sufficient volumes of sales of like goods sold for home consumption in the country of export that were arms length transactions and at prices that were within the OCOT by another seller, being Asia Symbol, of like goods. As like goods are not sold by Greenpoint on the domestic market, Asia Symbol is considered to be an appropriate seller of like goods for the purpose of section 269TAC(1) as it manufactured the goods exported to Australia.

The verification team is therefore not satisfied that there is an absence, or low volume, of sales relevant for the purpose of determining a price under section 269TAC(1).

As such, the verification team has determined a preliminary normal value under section 269TAC(1).

In using domestic sales as a basis for normal value, the verification team considers that certain adjustments, in accordance with section 269TAC(8), are necessary to ensure that differences between the normal value of goods exported to Australia and the export price of the exported goods would not affect comparison of domestic prices with export prices, as outlined in chapter 9 above.

The verification team's preliminary normal value calculations are at **Confidential Appendix 3**.

11 DUMPING MARGIN

The dumping margin was assessed by comparing weighted average Australian export prices to the corresponding quarterly weighted average normal value for the review period.

The dumping margin for the goods exported to Australia by Greenpoint for the period is **15.1 per cent**.

The preliminary dumping margin calculation is at **Confidential Appendix 4**.

12 APPENDICES AND ATTACHMENTS

Confidential Appendix 1	Export price
Confidential Appendix 2	Cost to make and sell
Confidential Appendix 3	Domestic sales, OCOT, profitability and normal value
Confidential Appendix 4	Dumping margin
Confidential Attachment 1	Verification work program