



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

**Anti-Dumping
Commission**

Received

Anti-Dumping Commission 30/03/2020

Application for an
anti-circumvention inquiry

A4 Copy Paper

Paper Australia Pty Ltd

Public File Version

APPLICATION UNDER SECTION 269ZDBC OF THE *CUSTOMS ACT 1901* FOR AN ANTI-CIRCUMVENTION INQUIRY

In accordance with subsection 269ZDBC(1) of the *Customs Act 1901* (the Act), I request that the Commissioner of the Anti-Dumping Commission conduct an anti-circumvention inquiry in relation to a notice published under subsections 269TG(2) or 269TJ(2) of the Act, in respect of the goods the subject of notice.

I consider that there are reasonable grounds to assert that one or more of the following circumvention activities, as prescribed by section 269ZDBB of the Act or in the *Customs (International Obligations) Regulation 2015*, have occurred:

- assembly of parts in Australia
- assembly of parts in a third country
- export of goods through one or more third countries
- arrangements between exporters
- slight modification of goods exported to Australia


This application is made by a person representing, or representing a portion of, the Australian industry producing like goods, that considers one or more circumvention activities in relation to the notice have occurred.

I consider that it may be appropriate to alter the notice because of the circumvention activities.

DECLARATION

I believe that the information contained in this application:

- provides reasonable grounds for the conduct of an anti-circumvention inquiry; and,
- is complete and correct to the best of my knowledge and belief.

Signature: 

Name: Adrian Berton

Position: General Manager AP Manufacturing

Company: Paper Australia Pty Ltd.

ABN: 63 061 583 533

Date: 24/03/2020

Signature requirements

Where the application is made:

- *By a company:* the application must be signed by a director, servant or agent acting with the authority of the body corporate.
- *By a joint venture:* a director, employee, agent of each joint venturer must sign the application. Where a joint venturer is not a company, the principal of that joint venturer must sign the application form.
- On behalf of a trust: a trustee of the trust must sign the application.
- By a sole trader: the sole trader must sign the application.
- In any other case: contact the Anti-Dumping Commission's (the Commission's) Client Support section for advice.

Assistance with the application

The Commission has published guidelines to assist applicants with the completion of this application. Please refer to the '*Instructions and Guidelines for applicants: Application for an anti-circumvention inquiry*' on the Commission's website.

The Commission's Client Support section can also provide information about dumping and countervailing procedures and the information required by the application form. Contact the section on:

Phone: 13 28 46

Fax: (03) 8539 2499

Email: clientsupport@adcommission.gov.au

Other information is available from the Commission website at www.adcommission.gov.au.

Small and medium enterprises (i.e., those with less than 200 full-time staff, which are independently operated and which are not a related body corporate for the purposes of the *Corporations Act 2001*), may obtain assistance, at no charge, from the Department of Industry, Innovation and Science's International Trade Remedies Advisory (ITRA) Service. For more information on the ITRA Service, visit www.business.gov.au or telephone the ITRA Service Hotline on +61 2 6213 7267.

Required information

1. Provide details of the name, street and postal address, of the applicant seeking the inquiry.
2. Provide details of the name of a contact person, including their position, telephone number and facsimile number, and e-mail address.
3. Provide known names, addresses, telephone and facsimile numbers of other parties likely to have an interest in this matter, e.g., Australian manufacturers, importers, exporters and end users.
4. Provide a description of the kind of goods that are the subject of the original notice.
5. Provide a description of the original notice, including:
 - whether the notice was a dumping and/or countervailing notice;
 - the tariff classification/s of the goods;
 - the countries and/or exporters covered by the notice; and
 - the date of publication of the notice.

6. Provide a detailed statement regarding the circumvention activities in relation to the original notice that you consider have occurred. Applicants must provide evidence to support your view that there are reasonable grounds for asserting that one or more circumvention activities in relation to the notice have occurred.
7. Provide a description of the alterations to the original notice that you consider should be made.
8. Please refer to the '*Instructions and Guidelines for applicants: Application for an anti-circumvention inquiry*' for further information on completing questions 6 and 7.

Provision of data

Industry financial data must, wherever possible, be submitted in an electronic format.

- The data should be submitted on a media format compatible with Microsoft Windows.
- Microsoft Excel, or an Excel compatible format, is required.
- If the data cannot be presented electronically please contact the Commission's Client Support section for advice.

Lodgement of the application

This application, together with the supporting evidence, must be lodged in the manner approved by the Commissioner under subsection 269SMS(2) of the Act. The Commissioner has approved lodgement of this application by either:

- preferably, email, using the email address clientsupport@adcommission.gov.au, or
- post to:

The Commissioner of the Anti-Dumping Commission
GPO Box 2013
Canberra ACT 2601, or
- facsimile, using the number (03) 8539 2499.

Public Record

During an inquiry all interested parties are given the opportunity to defend their interests, by making a submission. The Commission maintains a public record of these submissions. The public record is available on the Commission's website at www.adcommission.gov.au.

At the time of making the application both a confidential version (for official use only) and non-confidential version (public record) of the application must be submitted. Please ensure each page of the application is clearly marked "FOR OFFICIAL USE ONLY" or "PUBLIC RECORD". The non-confidential application should enable a reasonable understanding of the substance of the information submitted in confidence, clearly showing the reasons for seeking the inquiry, or, if those reasons cannot be summarised, a statement of reasons why summarisation is not possible. If you cannot provide a non-confidential version, contact the Commission's Client Support section for advice.

Answers to required information:

1. Provide details of the name, street and postal address, of the applicant seeking the inquiry.

Paper Australia Pty Ltd (ACN 061 583 533)
307 Ferntree Gully Road,
Mt. Waverley VIC 3149

2. Provide details of the name of a contact person, including their position, telephone number and facsimile number, and e-mail address.

Contact Name:	Matt Decarne
Company and position:	Trade Affairs Manager
Address:	307 Ferntree Gully Road, Mt Waverley, Victoria, 3149
Telephone:	0425 619 677
E-mail address:	matt.decarne@australianpaper.com.au
ABN:	49 082 475 438

Alternative contact

Name:	Adrian Berton
Position in company:	General Manager AP Manufacturing
Address:	307 Ferntree Gully Road, Mt Waverley, Victoria, 3149
Telephone:	(03) 5136 0200
Facsimile:	(03) 5134 6127
E-mail address:	Adrian.Berton@australianpaper.com.au

Authorised representative

Name:	John O'Connor
Business name:	John O'Connor and Associates Pty Ltd
Address:	P.O. Box 329, Coorparoo Qld, 4151
Telephone:	(07) 3342 1921
Facsimile:	(07) 3342 1931
E-mail address:	jmoconnor@optusnet.com.au
ABN:	3909 865 0241

3. Provide known names, addresses, telephone and facsimile numbers of other parties likely to have an interest in this matter, e.g., Australian manufacturers, importers, exporters and end users.

Australian Manufacturer: Paper Australia Pty Ltd (known as "Australian Paper" or "AP") is the sole Australian manufacturer of A4 copy paper.

Exporter: The following company is a producer/exporter in China:

- **UPM (China) Co., Ltd.**
Shanghai Office
23/F, Grand Gateway Tower 2, No. 3 Hongqiao Road,
200030 Shanghai, China
Tel. +86 21 6288 1919
Fax +86 21 6288 2929/1079
www.upm.com

Importer: The following company is believed to be the Australian importer:

- **Complete Office Supplies**
25 Nyrang Street
Lidcombe NSW 2141
Tel: 1300 882 244
Email: info@cos.net.au

4. Provide a description of the kind of goods that are the subject of the original notice.

The imported products the subject of the application were:

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 (210mm x 297mm) (also commonly referred to as cut sheet paper, copy paper, office paper or laser paper).

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 chemi-mechanical process and/or from recycled pulp.

The tariff classifications and statistical codes of the imported goods since 1 January 2012 are:

Period	Subheading/statistical code	Description/gsm
From 1 January 2012	4802.56.10/03	A4 paper 40-89 gsm white
	4802.56.10/09	A4 paper 90 to less than 150 gsm
Prior to 1 January 2012	4802.56.10/03	A4 paper 40-89 gsm

This anti-circumvention application is limited to imports of A4 copy paper the subject of anti-dumping measures. In Investigation No. 341 & 463 it was brought to the attention of the Anti-Dumping Commission that some goods could be imported under subheading 4802.56.00 statistical code 09. This includes some A4 copy paper that is greater than 89 gsm and up to and including 100 gsm.

Australian Paper has included technical documentation for the goods at Confidential Attachment 1.

5. Provide a description of the original notice, including:

- **whether the notice was a dumping and/or countervailing notice;**

On 19 April 2017, with an effective date of 20 April 2017, anti-dumping measures in the form of interim dumping duty (IDD) were imposed on A4 Copy Paper exported from the People's Republic of China (China), the Republic of Indonesia (Indonesia), the Federative Republic of Brazil (Brazil) and the Kingdom of Thailand (Thailand), except for exports by PT Pabrik Kertas Tjiwi Kimia Tbk (Tjiwi Kimia) of Indonesia.

On 19 April 2017, with an effective date of 20 April 2017, anti-dumping measures in the form of interim countervailing duty (ICD) were also imposed on A4 Copy Paper exported from China, except for exports by UPM (China) Co. Ltd (UPM) and Asia Symbol (Guangdong) Paper Co. Ltd (Asia Symbol).

For more information please refer to the final report No. 341 ("Report 341") and Anti-Dumping Notices ADN 2017/39 and ADN 2017/40.

On 10 April 2019, with an effective date of 11 April 2019, anti-dumping measures in the form of IDD were imposed on A4 Copy Paper exported from Finland, Republic of Korea, Russian Federation (Russia) and Slovak Republic (Slovakia).

For more information please refer to the final report 463 ("Report 463") and Anti-Dumping Notice ADN 2019/37.

- **the tariff classification/s of the goods;**

The tariff classification for the A4 copy paper (“the goods”) exported to Australia is as follows:

- 4802.56.10 statistical code 03, for A4 copy paper 40-89 gsm white; and
- 4802.56.10 statistical code 09, for A4 copy paper 90 to less than 150 gsm.

- **the countries and/or exporters covered by the notice; and**

The countries the subject of the 19 April 2017 notices (ADN 2017/39 and 2017/40) are Brazil, the People’s Republic of China (“China”), Indonesia and Thailand,

- **the date of publication of the notice.**

The notices (ADN 2017/39 and 2017/40) were published on 19 April 2017.

6. Provide a detailed statement regarding the circumvention activities in relation to the original notice that you consider have occurred. Applicants must provide evidence to support your view that there are reasonable grounds for asserting that one or more circumvention activities in relation to the notice have occurred.

I. Introduction

Anti-dumping measures were originally applied on exports of A4 copy paper to Australia from Brazil, China, Indonesia and Thailand with effect from 17 April 2017. The measures included countervailing measures on exports from China and Indonesia. The measures were imposed following the investigation by the Anti-Dumping Commission (“the Commission”) with the findings and recommendations included in Report No. 341.

II. Circumvention – legislative provisions

Subsection 269ZDBD(2) requires an application to include a description of the circumvention activity. The application is required to include evidence to support the view that there exist reasonable grounds for asserting that a circumvention activity has occurred.

For the purpose of subsection 269ZDBB(6), a circumvention activity involving the slight modification of goods requires a circumstance in which all of the following, as set out in subsection 48(2) of the Regulation shall apply:

- (a) goods (the circumvention goods) are exported to Australia from a country in respect of which the notice applies;
- (b) before that export, the circumvention goods are slightly modified;
- (c) the use or purpose of those goods is the same before, and after, they are so slightly modified;
- (d) had the circumvention goods not been so slightly modified, they would have been the subject of the notice; and,
- (e) section 8 or 10 of the Customs Tariff (Anti-Dumping) Act 1975 (“Dumping Duty Act”), as the case requires, does not apply to the export of the circumvention goods to Australia.

Subsection 48(3) of the Regulation provides that, for the purposes of determining whether a circumvention goods is slightly modified the Commissioner must compare the circumvention goods and the goods having regard to any factor that the Commissioner considers relevant, including any of the following factors:

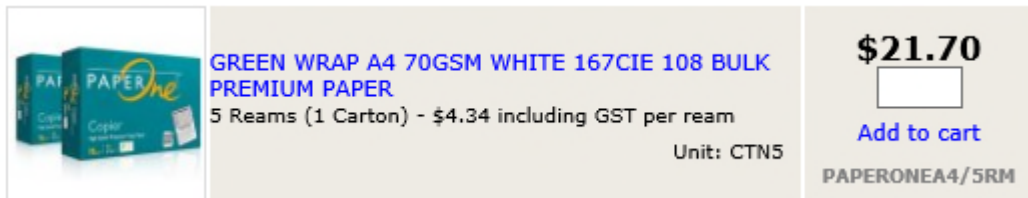
- (a) each good’s general physical characteristics;
- (b) each good’s end use;
- (c) the interchangeability of each good;
- (d) differences in the processes used to produce each good;
- (e) differences in the cost to produce each good;
- (f) the cost of modification;

- (g) customer preferences and expectations relating to each good;
- (h) the way in which each good is marketed;
- (i) channels of trade and distribution for each good;
- (j) patterns of trade for each good;
- (k) changes in the pricing of each good;
- (l) changes in the export volumes for each good; and
- (m) tariff classifications and statistical codes for each good.

III. Background on the Australian Market

Historically copy paper weights of as low as 70gsm have been present in domestic market, however sales volumes and market acceptance has been minimal. AP believes that the only reason there has been a renewed push by exporters and importers of low gsm A4 copy paper to the Australian market is due to the fact that anti-dumping measures do not apply to grades below 70gsm, hence the emergence of a 68gsm copy paper from China.

There has been some small volume of low gsm A4 copy paper in the range of 70 – 75 gsm which had been introduced into the Australian market in an attempt to secure market share at the lower price points. These low gsm grades have historically had little market penetration as the 80gsm grades which dominated the market were also priced very competitively. An example of 70gsm copy paper in the market is Paper One Green Wrap 70gsm (Indonesia) which is pictured below.



In the early 2000's Australian Paper attempted to introduce a 70gsm copy paper into the market as an alternative to the 80gsm grades in the form of 'Reflex Draft' brand. Australian customers did not readily accept the lower gsm grade due to a perception that the lighter paper was lower quality compared with the standard 80gsm. In 2005 the grade was discontinued due to poor sales and had to be sold at or below cost price in order to clear stock from AP inventories.

Given volumes in the Australian market which fall outside of the standard 80gsm grade are understood to have been low over the long term, and the fact that the import tariff code for white A4 copy paper grade include broadly includes grades in the 40 – 100gsm range, there has been little incentive or ability to identify market share of low gsm grades.

IV. Circumvention activity – A4 copy paper

AP has become aware that certain exports of A4 copy paper from China are circumventing anti-dumping measures imposed by the Minister. This circumvention activity came to AP's attention as of 24 July 2019 through an article published by a popular industry publication known as *Office Products News*¹. The article described a 'new' A4 copy paper product soon to enter the Australian market via Complete Office Supplies (COS) under a brand name 'New Future Opti'. The article claimed that "New Future Opti uses 15 per cent less 'paper' than its competitors". Given that the vast majority of A4 copy paper in the Australian market is sold as 80gsm, it can be concluded that using 15% less paper includes a grade with a grammage of 68gsm.

The "new" grade of A4 copy paper has not been marketed in Australia previously and has not been supplied to the Australian market prior to the imposition of measures following Investigation 341.

As stated in the goods description above, the current anti-dumping measures applicable to exports from the subject countries named in Investigations 341 and 463 include white A4 copy paper of 70-100 gsm. AP further understands that this product – the A4 copy paper with a gsm less than 70 -100 gsm as

¹ Office Products News Article, 24 July 2019 - COS sees the 'Future' in lighter office paper

<http://www.officeproductsnews.com.au/newsitem/cos-sees-%E2%80%98future%E2%80%99-lighter-office-paper>

specified in the notices (hereafter referred to as the “circumvention goods”) - is exported to Australia from China by the manufacturer UPM (China) Co., Ltd (UPM). UPM is currently the subject to an interim dumping duty (IDD) of 4% and is circumventing the anti-dumping duties imposed by the Minister by producing and exporting to Australia slightly modified A4 copy paper with a gsm below the range covered by the notices (i.e. understood to be 68 gsm copy paper).

AP has collated evidence related to the origin and specification (importantly gsm) of the circumvention goods as follows:

- New Future Opti specification sheet available on UPM’s website confirming product is 68gsm, see Confidential Attachment 2.

TECHNICAL TARGET VALUES:

Basis Weight (ISO 536) (g/m²)	68
Thickness (ISO 534) (µm)	97
CIE Whiteness (ISO 11475) (%)	165
Opacity (ISO 2471) (%)	90
Roughness Bendtsen (ISO 8791-2) (ml/min)	230

Please note: Technical values are informative and subject to production variations.

- New Future Opti ream wrap confirming country of manufacture.



New Future is produced by UPM, the leading forest-based bioindustry company in the world.
upmspecialtypapers.com
 Made in China

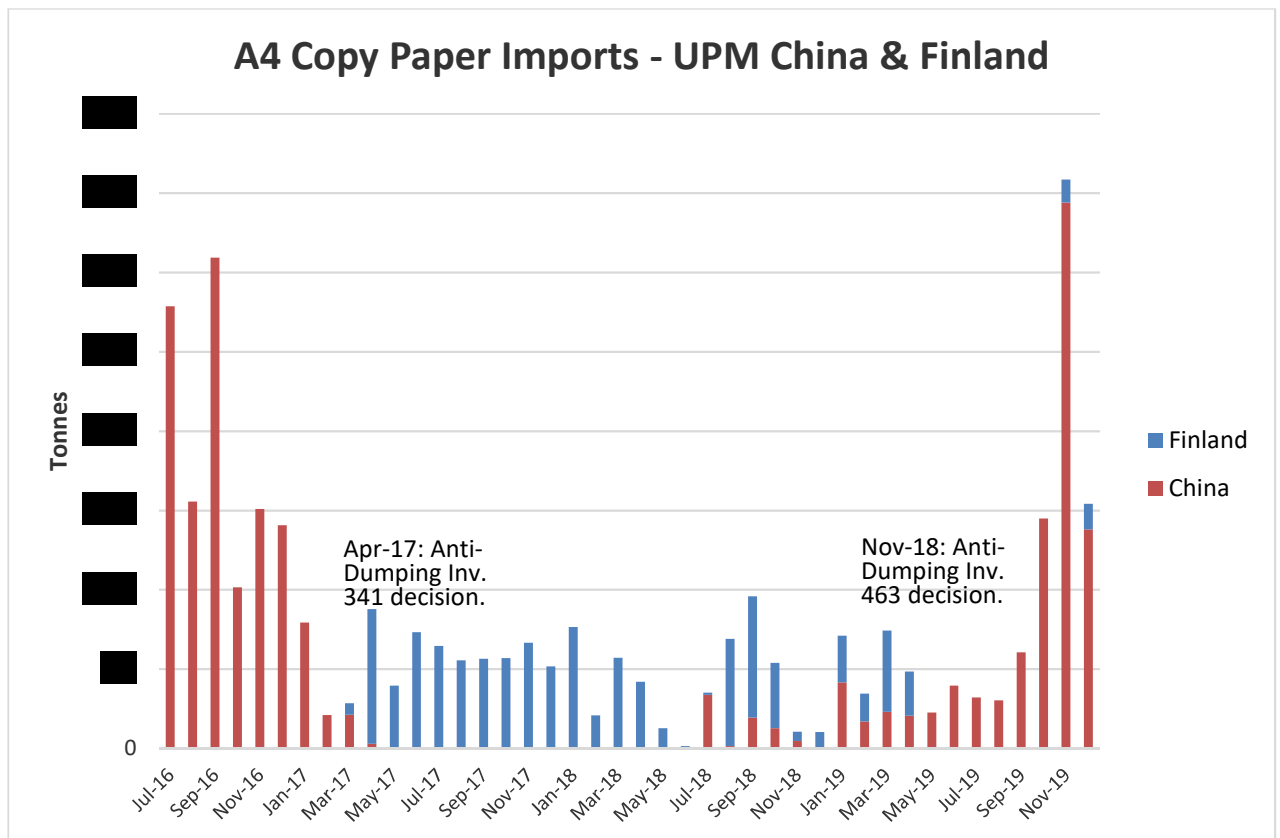
The information extracted above from the UPM website confirms that the Chinese exporter UPM is offering A4 copy paper manufactured in China with 68 gsm to the Australian market. AP would highlight that measures also apply to exports of A4 copy paper from Finland (Investigation 463) and UPM is a Finnish producer of A4 copy paper that is the subject of anti-dumping measures.

V. Has a circumvention activity occurred?

AP considers that UPM China has recently exported circumvention goods to Australia. The supply of the circumvention goods to the Australian market is evidenced by the:

- (a) The availability of the goods on the UPM website;
- (b) The availability of the goods on the COS website;
- (c) [confidential information relating to source of evidence], see Confidential Attachment 3;
- (d) A change in the import volumes for the goods supplied from China, see below graph and Confidential Attachment 4;
- (e) Circumvention goods have displaced sales of like goods by Australian Paper at COS directly, and the commercial channel indirectly i.e. Winc sales of AP manufacture goods

The below graph depicts the impact of the measures arising from investigation 341 in April 2017, as well as the subsequent increase of volumes from China including the circumvention goods produced by UPM from mid-late 2018.



The timing of the significant increase in volumes and the consistency with which these imports are observed in the data since late 2018 and early 2019 aligns with AP's expectation that these imports include the goods which are circumventing the duties. The Office Products News article referenced earlier was released in mid 2019, and the importation of this product would have been negotiated, with packaging and branding development, months ahead of its eventual production and shipping to Australia. Therefore it is reasonable to conclude that these products emerged as a result of the Investigation 341 duties applied to UPM China, and potentially the subsequent UPM Finland dumped goods, as established in Investigation 463.

VI. Are the circumvention goods slightly modified?

AP submits that the circumvention goods exported to Australia from China are slightly modified and, except for the slight modification employed in the production of the goods (i.e. to produce to 68 gsm), would otherwise be the subject of the anti-dumping measures applied by the Minister on 19 April 2017.

(a) Physical characteristics

The exported 68 gsm A4 copy paper is alike to 70gsm and 80 gsm A4 copy paper sourced from China (and other exporting countries the subject of measures in Investigations 341 and 463) and that manufactured in Australia by AP. Regulation 48(3)(a) provides that the Commissioner may have regard to the general physical characteristics when comparing the the circumvention goods and the goods. AP submits that the goods and the circumvention goods have the same general physical characteristics, with the only difference being the gsm per sheet of paper. AP notes that a “*comparison of the physical characteristics should not be made at a level of specificity than the description of the goods and the further information regarding the goods*”². AP considers that but for the circumvention goods being of 68 gsm, the circumvention goods would fall within the description of the goods (including the additional information provided in respect of the goods).

AP contends that this supports its contention that there is a slight modification of the goods.

AP also notes that the circumvention goods are classified to the same tariff subheading and statistical code as the goods the subject of the notices. The circumvention goods (i.e. 68 gsm A4 copy paper) falls within the same tariff heading and statistical key to the goods (i.e. 4802.56.10 statistical key 03).

(b) Each good's end use

Regulation 48(3)(b) requires the Commissioner to have regard to each good's end use. The circumvention goods and the goods are used in the same end-use applications. There is no difference in the end-use to which the circumvention goods and the goods are used i.e. A4 copy paper used for general office and home printing.

(c) Interchangeability of each good

Regulation 48(3)(c) requires the Commissioner to have regard to the interchangeability of each good when comparing the circumvention goods and the goods. The circumvention goods and the goods can be used interchangeably in the desired end-use applications..

The marketing of the circumvention goods and the re-emergence of exports from China (that are not the subject of the measures due to the slight modification of the circumvention goods) supports AP's contention that the circumvention goods and the goods are interchangeable.

(d) Production processes

The Commissioner may also have regard to the production processes involved for the circumvention goods and the goods. The circumvention goods are manufactured on the same production line as the goods the subject of the notices, albeit that the paper machine operates to produce at a reduced gsm.

The manufacture process for the circumvention goods and the goods is therefore the same.

(e) Cost to produce the goods

Regulation 48(3)(e) provides for the Commissioner to have regard to the differences in the cost to produce the circumvention goods and the goods.

AP contends that the cost to produce the circumvention goods will depend upon the operating rate of the paper machine. Typically, to produce paper of lower gsm means that the paper machine will operate slightly faster, with higher output but of similar overall weight. On this basis, there is unlikely to be anything more than a minor reduction in cost to produce the circumvention goods when compared with the costs of production of the goods. Generally speaking, other flow on costs associated with producing lighter weight paper usually reduce machine efficiency due to higher complexity and increased grade changes will offset any reduction per tonne cost.

It should be noted that lower gsm can decrease paper machine efficiency and it is AP's experience that there is no significant cost advantage to the manufacturer in reducing the gsm of copy paper grades. As such we consider that the only reason this exporter has decided to do so is to circumvent the duties.

² Report No. 483, P.14.

Generally speaking when a paper machine decreases the gsm of the paper it is producing there are a few possible outcomes;

1. On some paper machines (depending on how they are set up), the speed of the machine increases proportionally to the decrease in gsm of the paper, i.e. the net production rate of the paper machine is unchanged and therefore there is little if any cost advantage.
2. Alternatively, on other machines there is little to no increase in the speed of the machine, which means that the net production rate per tonne has decreased and costs have therefore increased.
3. In addition to either of the above scenarios, a likely result of down-grammage of the paper is an increased risk of paper sheet breaks due to the lower gsm sheet having less strength than higher gsm paper. This causes a short period of downtime for the machine as operators work to reconnect the sheet more often, reducing the machine efficiency and increasing cost per tonne.
4. Finally, introducing a new lower grammage paper to the production mix increases complexity in the process which again negatively impacts machine efficiency. As the paper machine changes between paper weights, there is a short period where out of spec paper is being produced and this must go back for repulping. These reels are referred to as 'broke' or 'BTM' (Back to machine), and increase the net cost to make paper.

Overall there is unlikely to be any cost benefit to the manufacturer in producing lower gsm paper, and it is clear to AP that in this circumstance the intent of the lower gsm paper's introduction to the market is simply to circumvent payment of Anti-Dumping duties.

(f) Cost of modification

The Regulation permits the Commissioner to have regard to the cost of modification when comparing the circumvention goods and the goods. As the paper machine will typically operate faster to produce 68 gsm paper (when compared with 80 gsm paper), the output difference in volume terms is not material.

(g) Customer preferences

Regulation 48(3)(g) enables the Commissioner to have regard to the customer's preference and expectation concerning the circumvention goods and the goods.

It is AP's contention that customer preference and expectation is the same for the circumvention goods and the goods. Generally, customers would not be aware of the differences in gsm of the circumvention goods and the goods unless closer scrutiny was made of the labelling.

(h) Marketing

Regulation 48(3)(h) permits the Commissioner to consider the manner in which the circumvention goods and the goods are marketed. The circumvention goods and the goods are marketed in the same manner, with no differences in marketing approach, form or targeting.

(i) Channels of trade and distribution

Regulation 48(3)(i) enables the Commissioner to have regard to the trade and distribution channels of the circumvention goods and the goods.

The channels to market, including the trading channels and distribution channels are the same for the circumvention goods and the goods.

(j) Patterns of trade

The patterns of trade is a factor that Regulation 48(3)(j) permits the Commissioner to consider when comparing the circumvention goods and the goods. AP is unable to accurately examine individual export volumes of the circumvention goods and the goods as they fall within the same subheading and statistical key classifications.

(k) Pricing for each good

Regulation 48(3)(k) enables the Commissioner to have regard to the pricing for the circumvention goods and the goods. As the circumvention goods do not attract IDD or ICD they are priced competitively with the goods (i.e. at levels below) the goods.

AP submits that the failure of the circumvention goods to attract IDD (or ICD) provides a price advantage for the circumvention goods in the marketplace.

(l) *Changes in export volumes*

Please refer to comments at (j) above concerning patterns of trade.

(m) *Tariff classifications and statistical codes*

As indicated above, the circumvention goods and the goods are classified to the same subheading and statistical code being 4802.56.10/03.

VII. The use or purpose of the circumvention goods was the same before and after they were slightly modified

Regulation 48(2)(c) addresses whether the use or purpose of the circumvention goods is the same before and after they were slightly modified.

AP has demonstrated above that the end use or purpose of the circumvention goods and the goods is the same. Further, the circumvention goods and the goods are used interchangeably.

It is therefore evident that the requirements of Regulation 48(2)(c) have been met.

VIII. Had the circumvention goods not been modified they would have been subject to the notice

Regulation 48(2)(d) involves consideration that if the goods had not been slightly modified they would have been the subject of the notice.

As the goods fall within the same subheading and statistical code, they would be the subject of the notice if they had not been slightly modified during the production process. Regulation 48(2)(d) has therefore been met in respect of the circumvention goods.

IX. Section 8 of the Dumping Duty Act

Section 6 of the Dumping Duty Act does not apply to the circumvention goods due to the slight modification in the manufacturing process. As the notice refers to A4 copy paper of 70 to 100 gsm, the circumvention goods are not covered by the notice (and hence Section 8 of the Dumping Duty Act does not apply).

X. Conclusion

AP has demonstrated that Subsections 48(2) and 48(3) of the Regulation concerning circumvention activities has been met in respect of the circumvention goods the subject of this application.

AP contends that the available evidence is supportive that the circumvention goods are slightly modified to the goods the subject of the measures. This viewpoint is based upon the following:

- The goods and the circumvention goods although not identical have similar characteristics;
- The goods and the circumvention goods can be used interchangeably in the same end-uses;
- the timing of the introduction of the circumvention goods (following the imposition of the measures) to displace exports of the goods the subject of the notices;
- the production processes for the goods and the circumvention goods are similar;
- the cost of production of the circumvention goods is similar to the cost of production for the goods;
- the pricing of the goods and the circumvention goods are similar;
- the marketing, and the channels of distribution for the goods and the circumvention goods are the same;
- the patterns of trade and changes in export volumes are indicative of the circumvention goods displacing the goods the subject of the measures.

AP therefore requests that the Commissioner commence an investigation into the circumvention activities of the Chinese producer that has manufactured and exported A4 copy paper (at approximately 68 gsm) to Australia to circumvent anti-dumping measures applied in notices following the Minister's acceptance of recommendations in Reports 341.

7. Provide a description of the alterations to the original notice that you consider should be made.

AP considers that the description of the goods should be extended to include A4 copy paper to a lower gsm range (i.e. less than 70 gsm). The proposed new description would reduce the lower limit of the gsm range to 40 gsm and therefore bring the dumping duties into alignment with the applicable tariff codes being 4802.56.10/03 and 4802.56.10/09 covering 40-89gsm and 90-150gsm respectively.

New description would be as follows:

*Uncoated white paper of a type used for writing, printing or other graphic purposes, in the nominal basis weight range of **40 to 100 gsm** and cut to sheets of metric size A4 (210mm x 297mm) (also commonly referred to as cut sheet paper, copy paper, office paper or laser paper).*

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 chemi-mechanical process and/or from recycled pulp.

8. Please refer to the 'Instructions and Guidelines for applicants: Application for an anti-circumvention inquiry' for further information on completing questions 6 and 7.