



Australian Government
Department of Industry, Science,
Energy and Resources

Anti-Dumping Commission

Government Questionnaire

Case number: 583

Product: A4 copy paper

From: The Republic of Indonesia

Investigation period: 1 April 2020 to 31 March 2021

Response due by: **Friday 6 August 2021**

Return completed questionnaire to: investigations@adcommission.gov.au

Anti-Dumping Commission website: www.adcommission.gov.au

PUBLIC RECORD

TABLE OF CONTENTS

TABLE OF CONTENTS	1
INSTRUCTIONS	3
CHECKLIST	7
GOODS UNDER CONSIDERATION	8
TARIFF CLASSIFICATION	8
SECTION A GENERAL QUESTIONS	9
SECTION B PARTICULAR MARKET SITUATION	15
B-1 GENERAL QUESTIONS.....	15
B-2 PROVISION OF STANDING TIMBER FOR LESS THAN COMPETITIVE MARKET PRICES	21
B-3 GOVERNMENT OF INDONESIA'S LOG EXPORT BAN	25
SECTION C INDONESIAN FORESTRY INDUSTRY	29
C-1 TIMBER SPECIES USED WITHIN INDONESIAN PULP INDUSTRY	29
C-2 INDONESIA'S SOFTWOOD MARKET	29
C-3 THE GOVERNMENT OF INDONESIA'S CLASSIFICATION OF PULPWOOD	30
C-4 INDONESIA'S COMPARATIVE ADVANTAGE IN TIMBER PRODUCTION.....	30
SECTION D MARKET SITUATION AND PROPER COMPARISON	32
D-1 MARKET SITUATION	32
D-2 PROPER COMPARISON.....	33
SECTION E INDONESIAN A4 COPY PAPER MARKET	36
E-1 PREVAILING CONDITIONS OF COMPETITION IN THE INDONESIAN MARKET	36
DECLARATION	38
APPENDIX GLOSSARY OF TERMS	39

PUBLIC RECORD

INSTRUCTIONS

Why you have been asked to fill out this questionnaire?

The Anti-Dumping Commission (the Commission) is conducting an investigation into the alleged dumping of A4 Copy Paper (the goods) exported to Australia from the Republic of Indonesia (Indonesia) by PT Pabrik Kertas Tjiwi Kimia Tbk (Tjiwi Kimia).

The Commission will use the information provided by the Government of Indonesia (GOI) to determine normal values and export prices over the investigation period (the period).

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

A separate exporter questionnaire has been sent to PT Pabrik Kertas Tjiwi Kimia Tbk.

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 **Friday 6 August 2021**.

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 "**OFFICIAL: Sensitive**" 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.

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.

PUBLIC RECORD

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

PUBLIC RECORD

- 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.

If verification meetings are unreasonably delayed or cancelled, the assessment of the certain aspects of the investigation 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.

PUBLIC RECORD

- 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.

PUBLIC RECORD

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	√
Section B Particular market situation	√
Section C Indonesian forestry industry	√
Section D Market situation and proper comparison	√
Section E Indonesian A4 Copy Paper Market	√
Declaration	√
Non-confidential version of this response	√

PUBLIC RECORD

GOODS UNDER CONSIDERATION

The goods under consideration (the goods) are described as follows:

Uncoated white paper of a type used for writing, printing or other graphic purposes, in the nominal basis weight range of 67 to 100 gsm (grams per square metre) 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).

Further information on the 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 chemi-mechanical 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.

PUBLIC RECORD

SECTION A GENERAL QUESTIONS

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

Pradnyawati
Acting Director of Trade Defense
Directorate General of Foreign Trade
Ministry of Trade
Email: pradnyawati@kemendag.go.id
Phone: (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

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

The nature and structure of the copy paper industry in Indonesia are all privately owned. The government of Indonesia (GOI) does not have any state-owned company producing copy paper or any involvement in the Indonesia copy paper industry including the market of pulp, calcium carbonate, caustic soda, and coal.

There are 99 private pulp and paper companies in Indonesia and 66 among them are registered as Indonesia Pulp and Paper Association (APKI) members.

The total production capacity for the paper industry in Indonesia is [] tons in 2017.¹ Copy paper industry in Indonesia does not rely on imported materials, except for long fibre pulp that can only be produced in sub-tropical countries.

¹ Indonesian Pulp and Paper Industry Directory 2019, 2019

PUBLIC RECORD

Response

Large copy paper companies in Indonesia are usually integrated and having their own upstream raw materials and inputs facility and also, they can supply their own upstream raw from their sister company). There are only two copy paper companies (i.e., PT Indah Kiat Pulp & Paper Tbk. and PT Riau Andalan Pulp and Paper) that are integrated and having their own upstream raw materials and inputs facility.

In general, the distribution channels of the copy paper industry can be seen as follows:



There have been no mergers and acquisitions of copy paper companies in the last 5 years and there is also no GOI involvement in upstream materials and inputs, as well as GOI's involvement at every level of the industry.

There are no specific laws and regulations for upstream raw materials and inputs, such as calcium carbonate and coal. Since PT. Pabrik Kertas Tjiwi Kimia Tbk. is a non-integrated copy paper industry, the company does not use caustic soda as raw materials.

3. 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;
- consolidation of domestic copy paper producers;
- industrial policy and guidance;
- market entry criteria;
- environmental enforcement;
- management of land utilisation;
- banking regulations and financing in relation to copy paper;
- investigation and inspection of manufacturing facilities and electricity providers;
- the section in the National Development and Reform Commission that is responsible for the forestry, pulp and paper industry;
- import licensing for raw materials used in copy paper manufacture;
- export regulations, export licensing, "guidance prices", free trade export zones, etc.; and
- taxation – especially export taxes; export tax rebates and value added tax (including any rebates).

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.

- supervision of state-invested enterprise (SIE) senior management and administration;

Response

Assistant Deputy for Plantation and Forestry Industry
Ministry of State-Owned Enterprises

Address: Jl. Medan Merdeka Selatan No.13, Jakarta 10110, Indonesia

PUBLIC RECORD

- consolidation of domestic copy paper producers;

Response

N/A.

- industrial policy and guidance;

Response

Directorate of Forest and Plantation Based Industry, Directorate General of Agro-Based Industry, Ministry of Industry (MoI)

Address: Jl. Jenderal Gatot Subroto Kav.52-53, Lt.17, Jakarta Selatan

- market entry criteria;

Response

During the POI, the agency that administers foreign and domestic investment is the Investment Coordinating Board (BKPM).

- environmental enforcement;

Response

Directorate General of Environmental and Forestry Law Enforcement, Ministry of Environment and Forestry (MoEF)

Address: Manggala Wanabakti Building Block IV 4th Floor
Jl. General Gatot Soebroto - Jakarta 10270

- management of land utilisation;

Response

Directorate of Production Forest Management Units (Dit. KPHP) and Directorate of Production Forest Business (Dit. UHP), Directorate General of Sustainable Production Forest Management, MoEF

Address: Manggala Wanabakti Building Block I 5th and 6th Floor
Jl. Gatot Subroto, Senayan, Central Jakarta

PUBLIC RECORD

- banking regulations and financing in relation to copy paper;

Response

Based on Law No.21/2011, Otoritas Jasa Keuangan/OJK (Indonesia Financial Services Authority/IFSA) is the main regulatory and supervisory authority for banks in Indonesia and is independent, and free from interference by other parties.

There are no special banking regulations and financing related to copy paper. No discriminatory regulation is accorded towards financing to any sectors. Prudential regulations are aligned with the Basel standards.

- investigation and inspection of manufacturing facilities and electricity providers;

Response

1. The investigation and inspection of manufacturing facilities are carried out by the Ministry of Industry, Directorate of Forest and Plantation Based Industry, Directorate General of Agro-Based Industry.
2. Electricity in Indonesia is provided by the State Electricity Company (PLN).

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

Response

The GOI does not have a special National Development and Reform Commission responsible for the forestry, pulp, and paper industries.

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

Response

Directorate of Import, Directorate General of Foreign Trade, Ministry of Trade (MoT)

Address: Jl. M.I. Ridwan Rais No. 5, Jakarta Pusat 10110

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

Response

1. Export regulations and export licensing

Directorate of Export Agricultural and Forestry Products, Directorate General Foreign Trade, MoT.

Address: Jl. M.I. Ridwan Rais No. 5, Jakarta Pusat 10110

2. Free Trade Export Zones

PUBLIC RECORD

Response

Directorate of Tax Regulation II, Directorate General of Taxation, Ministry of Finance (MoF)

Address: Jl. Gatot Subroto, Kav. 40-42, Jakarta 12190

Please note that there is no such price guidance or any sort for pulp and paper in Indonesia including A4 Copy Paper.

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

Response

Directorate of Tax Regulation II, Directorate General of Taxation, Ministry of Finance (MoF)

Address: Jl. Gatot Subroto, Kav. 40-42, Jakarta 12190

4. 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 for this review

Please refer to the GOI's answer A.2.

5. Complete the attached worksheet at "**A-5 Market Participants**" (using Microsoft Excel format) listing all manufactures/traders of A4 copy paper and upstream raw material providers in Indonesia including the following details:
 - (a) name of the business entity;
 - (b) location of the business entity;
 - (c) function of the business (e.g. manufacturer, trader, exporter);
 - (d) type of business (e.g. State invested enterprise (SIE), Foreign invested enterprise (FIE), private enterprise or other (please specify));
 - (e) association with the GOI;
 - (f) whether the business is a manufacturer of A4 copy paper;
 - (g) production quantity of A4 copy paper;
 - (h) whether GOI is a shareholder in the business, and if so the percentage of GOI holdings; and
 - (i) 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:

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

PUBLIC RECORD

Response

The GOI has no ownership or involvement in the production, sales and distribution of A4 copy paper of the producers in Indonesia. Indonesia producers of A4 copy paper are independent entity.

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.

Response

Asosiasi Pulp dan Kertas Indonesia (APKI).
Indonesian Pulp and Paper Association

Address: Jalan Cimandiri No. 6 Flat 1/2 Jakarta 10330

Phone: (62-21) 31926084

Fax: (62-21) 3911351

Email info@apki.net

Website: <http://apki.net>

SECTION B PARTICULAR MARKET SITUATION

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.

Response

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 the pulp and paper industry is the Ministry of Industry.

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.

Response

There are no government departments, agencies, or institutions that are involved in the manufacture, sale, purchase, or acquisition of A4 copy paper.

3. Provide a detailed description of the domestic Indonesian A4 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.

Response

Please refer to the GOI answer to question No. 2 of Section A above.

4. Provide quarterly data (using Microsoft Excel format) in the period 1 January 2016 to 31 March 2021 by completing the tables in the attached worksheet at "**B-1.4 Trade Statistics**":

- (a) import 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

PUBLIC RECORD

Response

Please refer to the attached worksheet B-1.4 Trade Statistics.

(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

Please refer to the attached worksheet B-1.4 Trade Statistics.

5. Provide a schedule relevant to each year in the period 1 January 2016 to 31 March 2021 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

- For the period 2010 to 2019

The tax rate generally applies to taxable income is as follow:

The tax rate applicable to entities as a corporate taxpayer and permanent establishment is 25% which applies beginning from the tax year of 2010.

(Law of The Republic Indonesia Number 36 of 2008 concerning Fourth Amendment of Law Number 7 of 1983 concerning Income Tax)

- For the years 2020 and 2021

The tax rate generally applies to entities as the corporate taxpayer and the permanent establishment is 22%.

(GR No. 30/2020 and MoF Regulation No. 123/PMK.03/2020)

PUBLIC RECORD

(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

Pursuant to MoF Regulation No. 213/2011 which was amended by Minister of Finance Regulation No. 134/2016 concerning the Determination of the Classification System Goods and Import Duties Implementation on Imported Goods.

2016

- i. logs (HS code 44.03), import duty: 0%
- ii. wood chip (HS code 44.01 / 44.04), import duty: 0%
- iii. pulp HS code 47.01 – 47.06), import duty: 0%
- iv. coal (HS code 27.01), import duty: 5%
- v. caustic soda (HS code 28.15), import duty: 10%
- vi. calcium carbonate HS code 28.36), import duty: 5%
- vii. titanium dioxide (HS code 28.23), import duty: 0%
- viii. copy paper (HS code 48.02), import duty: 5%

2017-2021

MoF Regulation PMK No. 6/2017 lastly amended by PMK No. 17/2020 concerning the Determination of The Classification System Goods and Import Duties Implementation on Imported Goods.

- i. logs (HS code 44.03), import duty: 0%
- ii. wood chip (HS code 44.01 / 44.04), import duty: 0%
- iii. pulp HS code 47.01 – 47.06), import duty: 0%
- iv. coal (HS code 27.01), import duty: 5%
- v. caustic soda (HS code 28.15), import duty: 15%
- vi. calcium carbonate HS code 28.36), import duty: 5%
- vii. titanium dioxide (HS code 28.23), import duty: 0%
- viii. copy paper (HS code 48.02), import duty: 5%

(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

PUBLIC RECORD

Response

2016

MoF Regulation No. 140/2016 concerning Stipulation of Exported Goods Subject to Export Duties and Tariffs for Export Duties.

2017

MoF Regulation No 13/2017 which was amended by the MoF Regulation No 166/2020 concerning Stipulation of Exported Goods Subject to Export Duties and Tariffs for Export Duties.

There are no export tariff rates and/or export quotas applicable to logs, pulp, and copy paper.

- i. logs (HS code 44.03), no export duty
- ii. wood chip (HS code 44.01 / 44.04), export duty: 5%
- iii. pulp (HS code 47.01 – 47.06), export duty: no export duty
- iv. coal (HS code 27.01), export duty: no export duty
- v. caustic soda (HS code 28.15), export duty: no export duty
- vi. calcium carbonate (HS code 28.36), export duty: no export duty
- vii. titanium dioxide (HS code 28.23), export duty: no export duty
- viii. copy paper 48.02 (HS code), export duty: no export duty

(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

Logs, Wood Chip, Pulp, Titanium Dioxide, Caustic Soda, Calcium Carbonate, and Copy Paper

During period 1 January 2016 to 31 March 2021, Value Added Tax Rates applicable to exports of Logs, Wood Chip, Pulp, Titanium Dioxide, Caustic Soda, Calcium Carbonate, and Copy Paper is 0%.

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

Response

There is no export quota applied to any of the products mentioned in Question 5(c).

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

PUBLIC RECORD

Response
There is no financial assistance provided by the GOI specifically to support the copy paper and/or forestry industry.

8. Has the Government of Indonesia (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 relevant to each year in the period 1 January 2016 to 31 March 2021?

If **YES**:

- (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?

Response
As mentioned in the GOI response on Section A no.2, during POI the GOI does not have any state-owned company producing copy paper or any involvement in the Indonesia copy paper industry. There are no government bonds issued specifically related to the copy paper industry.

If **YES**:

- (i) provide the name(s) of the securities of exchange
- (ii) identify any trading restrictions by the business entity and/or the securities exchange

Response
N/A.

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 relevant to each year in the period 1 January 2016 to 31 March 2021.

Response
The GOI does not provide a government guarantee for any private company.

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

Response
The GOI regulations require verification including compliance with regulations, work safety, and legality/sustainability of timber raw materials. Its implementation is regulated in the MoEF Decree of the No. P.21/2020 Regarding Guidelines, Standards, and/or Procedures for

PUBLIC RECORD

Response
Performance Assessment of Sustainable Production Forest Management, Timber Legality Verification, Due Diligence and Declaration of Supplier Conformity, and Issuance of V-Legal Documents or FLEGT License.

11. Are copy paper producers in Indonesia required to hold any types of licences for production?

If **YES**, provide details and documentary evidence.

Response
All industries must have Industrial Business License (IUI) includes copy paper producers. The prevailing regulation concerning IUI now is MoI Regulation No. 15/2019 effective as of 6 May 2019.

12. Are there any production limits and/or export limits placed on copy paper producers?

If **YES**, provide documentary evidence.

Response
There are no production limits and/or export limits placed on copy paper producers.

13. Are there any domestic price restrictions on copy paper or forestry products?

If **YES**, provide details.

Response
There are no domestic price restrictions on copy paper of forestry products.

14. Identify any Government of Indonesia 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
There are no GOI initiatives and/or policies that affect the copy paper and/or the forestry industry including its raw materials in particular.

15. Describe and explain whether the national, provincial or local governments (including ministries or offices of those governments, or any quasi-governmental organisation identified) 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.

PUBLIC RECORD

Response

There is no regulation explicitly or implicitly that recognizes the pulp and copy paper industries as a national objective or directs the development of these industries.

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

There is no regulation that demonstrates acacia and eucalyptus logs are not subject to the ban.

Regarding the ban on export logs, as regulated in the Regulation of the MoT No. 45 of 2019 concerning Goods Prohibited from Exporting, aims to:

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

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

1. 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 investigation period (1 April 2020 to 31 March 2021), and the DR and PSDH fees that were actually paid by these cross-owned logging companies during the investigation period.

Report the above information by completing that table at worksheet **“B-2.1 Stumpage”**, summarised 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 Government of Indonesia by the mandatory respondents’ cross-owned logging companies during the investigation period.

Response

The Obligation of plantation forest concession only cash stumpage fees. Totally PSDH data (all harvested from plantation forest areas in Indonesia):

Period of January – December 2020:
PSDH in Rupiah = Rp. [] Billion

Period of January – March 2021:
PSDH in Rupiah = Rp. [] Billion

MoEF does not provide mandatory respondent’s cross-owned logging companies data. Thus table in worksheet **“B-2.1 Stumpage”**, is not applicable.

2. Is there any commercial log harvesting that occurs on private forest areas?

If **YES**;

PUBLIC RECORD

- (a) Explain the if commercial log harvesting occurs in such areas; and
- (b) Provide the volume and value of the harvested logs summarised by company and species harvested during the investigation period.

Response
<p>There were numerous commercial logs harvested on private forest areas during POI.</p> <ul style="list-style-type: none">a) The owners of private forests are free to manage their land by themselves. The GOI does not control how privately owned land is used and does not charge a fee for harvesting timber on such land. The GOI understand that the most common species harvested from private lands area are Eucalyptus (North Sumatra), Sengon, Jabon, Pine, Teak, Mahogany, Sonokeling, Rubber (Sumatra, Java, Kalimantan), Pulai (Sumatra), Gelam, Lamtoro, Gamal (Java and East Nusa Tenggara and West Nusa Tenggara) and Kaliandra (Java) were found mostly logged from private forest areas.b) The GOI does not maintain the record based on species.

3. Provide:

- (a) a description of how the Government of Indonesia monitors companies to ensure compliance with the forestry laws;

Response
<p>The monitoring of forestry industries/companies to ensure compliance with forestry laws is generally carried out by: monitoring carried out by the provincial forestry service and if post-audit of compliance from the central government (MoEF); Online system monitoring government and certification by auditors.</p>

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

Response
<p>Based on Government Regulation No. 12 of 2014, the GOI applied fines for infringement as follows:</p> <ul style="list-style-type: none">A. For Natural Forest Concessionaires:<ul style="list-style-type: none">1. Not conducting wood administration2. Not conducting grading and scaling of wood harvested3. Harvest the timber more than 5% from the total targeted volume as mentioned in the Annual Working Plan (RKT)4. Harvest the timber more than 5% from the total targeted volume of each timber species as mentioned in the RKT5. Harvest protected species timber6. Harvest the timber prior to the GOI approval of Annual Working Plan (RKT)7. Harvest the timber to build corridors before the license issuance or in violation of the license8. Harvest the timber below the permitted standard diameter9. Harvest the timber outside the permitted block10. Harvest the timber for build the access outside the permitted block, except the authority approves it

PUBLIC RECORD

Response

- B. For Plantation Forest Concessionaires
1. Not conducting wood administration
 2. Not conducting grading and scaling of wood harvested

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

Response

The tariff rate/fines are applied for the infringement as stated in Section B-2 No. 3 (b) are as follows:

- For infringement point A No. 1 – 4: 10 x 10% from reference price
- For infringement point A No. 5 – 10: 15 x 10% from reference price
- For infringement point B No. 1 – 2: 10 x 10% from reference price

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

Response

Fines For Infringement Applied During POI (IDR million)

2016	2017	2018	2019	2020
[]	[]	[]	[]	[]

4. Has the Government of Indonesia 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 **YES**, provide complete details of what actions the Government of Indonesia took and what fines and penalties the companies had to pay.

Response

The GOI has never 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 during the POI.

5. Does the Government of Indonesia 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 **YES**, provide data relevant to the investigation period.

Response

N/A.

6. Is the Government of Indonesia able to source timber production volumes through information

PUBLIC RECORD

collected to calculate royalty obligations for individual companies?

If **YES**, provide data relevant to the investigation period.

Response
The information of the calculation of royalty obligation companies from volume production is regulated in MoEF Regulation No. P.64/2017 concerning Determination of Forest Product Calculation of cash stumpage fees (PSDH) and Compensation Forest Standing Stock. PSDH calculation is cumulative of the benchmark price and the tariff/rates of harvested forest products per cubic metric (timber harvesting).

7. The Government of Indonesia has previously reported that the export of woodchips, chip wood and pulpwood is regulated under different regulations than those that apply to the export of logs.

The Government of Indonesia has also advised that pursuant to MOT 81/2013, woodchips, chip wood and pulpwood are allowed to be exported on the condition that the exporter has been registered at the Ministry of Trade as a Registered Exporter of Forestry Industrial Products (ETPIK).

- (a) 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
Yes, they were classified within Indonesian Tariff Codes 4403.10.10.00 to 4403.99.90.00. Please note that ETPIK is no longer applicable since 2015.

- (b) Assuming that exports of acacia and eucalyptus do fall under the above tariff classification, would exports of acacia and eucalyptus logs be classified under 4403.49 or 4403.99?

Response
2016 Acacia 4403.10: Treated with paint, stains, creosote or other preservatives 4403.99: Other than treated with paints, stains, creosote or other preservatives Eucalyptus 4403.10: Treated with paint, stains, creosote or other preservatives 4403.99: Other than treated with paints, stains, creosote or other preservatives
2017 -2021 Acacia 4403.12: Treated with paint, stains, creosote or other preservatives 4403.49: Other than treated with paints, stains, creosote or other preservatives Eucalyptus 4403.12: Treated with paint, stains, creosote or other preservatives 4403.98: Other than treated with paints, stains, creosote or other preservatives

PUBLIC RECORD

- (c) Does the Government of Indonesia have any information concerning the aggregate level i.e. total volume and value of acacia or eucalyptus log exports?

If **YES**, report this data for the investigation period.

Response
There are no logs export.

B-3 Government of Indonesia's log export ban

1. Provide copies of all the Indonesian laws and regulations limiting the export of logs and chips in effect relevant to each year in the period 1 January 2016 to 31 March 2021.

Response
Regulation of the Minister of Trade of The Republic of Indonesia No. 44 Year 2012 Concerning Export Prohibited Goods which was replaced by Regulation of the Minister of Trade of The Republic of Indonesia No. 45 Year 2019 Concerning Export Prohibited Goods.

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

Response
MOT Regulation No. 44 of 2012 is effective from 19 July 2012 to 20 July 2019. MOT Regulation No. 45 of 2019 is effective from 21 July 2019 until now.

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

Response for this review
There is export ban for log.

4. Are there export restrictions in effect for any other products?

If **YES**, identify the products that had such restrictions in effect relevant to each year in the period 1 January 2016 to 31 March 2021.

Response
There is export ban for other logs

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

Response for this review
N/A.

PUBLIC RECORD

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

Response
<p>The rationale or objectives for imposing the export log ban are as follows:</p> <ol style="list-style-type: none">1. To protect national security or the public interest, including social, cultural, and moral society;2. To combat illegal logging and illegal trading3. To protect the health and safety of humans, animals, fish, plants, and the environment life.

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

Response
<p>N/A.</p>

8. Exceptions: Are there provisions in the current law and regulations that allow some exceptions to the log export ban?

If **YES**, describe the basis for the exception and provide copies of relevant legislation.

Response
<p>There is generally no such exception.</p>

9. Provide the names and addresses of all companies that exported Indonesian logs relevant to each year in the period 1 January 2016 to 31 March 2021 and were subject to any exception and report the volume (in cubic meters) and value (in Indonesian rupiah per cubic meter) of logs exported.

Summarise the presentation of the data by species and quality.

Response
<p>N/A.</p>

10. Provide the annual volume and value of all logs sold domestically for each year in the period 1 January 2016 to 31 March 2021.

Summarise the presentation of the data by species and quality.

Response
<p>[Confidential]</p>

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

PUBLIC RECORD

If there are differences, please explain.

Response
N/A.

12. What portion of the total annual log harvest on public lands and privately-owned lands was sold domestically to unrelated purchasers relevant to each year in the period 1 January 2016 to 31 March 2021?

Response
The GOI does not collect such information about the total annual log harvest on public lands and privately-owned lands which was sold domestically or have any basis to provide an estimate.

13. Have the Government of Indonesia, 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 **YES**, provide copies of the studies.

Response
The GOI has never attempted to analyse the effect of log export restrictions on domestic log prices or the effect of the export restriction on domestic log production, or paper production.

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

Response
Indonesia is blessed with the largest tropical forest in the world and biodiversity and as such Indonesia is to attempt to protect its humans, animal, fish, plants, and the environment.
Lifting the Indonesian log export ban will cause excessive pressure on deforestation. It will also aggravate illegal logging. Lifting the log export ban will create a severe impact on forest sustainability, watershed protection, carbon, and biodiversity storage.
It should be noted that Indonesia has succeeded to decrease the deforestation rate, from 1,05 million hectares in 2000 – 2003 to 0,115 million hectares in 1999 – 2020
The World Resources Institute reports that primary forest loss in Indonesia was 40% lower in 2018, compared to the average annual rate of loss during the period 2002 – 2016. (Please refer to exhibit 3.14)

15. In what countries is potential demand highest for Indonesian logs?

Explain the basis for this estimate.

PUBLIC RECORD

Response

N/A.

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

SECTION C	INDONESIAN FORESTRY INDUSTRY
------------------	-------------------------------------

C-1 Timber species used within Indonesian pulp industry

While noting that the Government of Indonesia 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 eucalyptus species timber is also used for pulp production within the Indonesian A4 copy paper industry.

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

Response
<p>Yes, Indonesia produces both acacia and eucalyptus timber to produce pulp used in A4 copy paper.</p>

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

Response
<p>Acacia and eucalyptus timber are also used in other industries such as wood chips, woodworking, and furniture industry.</p>

3. 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?

Provide corresponding import volumes and values for individual countries.

Response
<p>According to Statistics Indonesia:</p> <p>Indonesian imports statistics does not differentiate the species of timber wherein acacia is included in HS code 4403.49 in combination with other species of timbers. Under this HS code in 2020 Indonesia imported timber from [] were valued at USD [] with a total volume of []. During the period of January-May 2021, from [] were valued at USD [] thousand with a total volume of [].</p> <p>According to Indonesian imports statistic, Indonesia imported eucalyptus (HS code 4403.98) which is used for furniture industry and woodworking. In 2020, Indonesia's imports from [] were valued at USD [] with a total volume of []. Meanwhile, during the period January-May 2021, Indonesia's imports from [] were valued at USD [] with a total volume of [].</p>

C-2 Indonesia's softwood market

1. Provide details of the volume and value of domestic softwood production, as well as any imports and exports of softwood timber.

PUBLIC RECORD

Provide details of whether exports are in log or woodchip form.

Response

The GOI is unaware of any exports of softwood, either in the form of logs or woodchips, from Indonesia.

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

Response

Indonesia did not import softwood but Needle Bleached Kraft Pulp (NBKP) derives from softwood timber.

3. 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?

Response

There is no domestic production for softwood in Indonesia and no import of the same into Indonesia.

C-3 The Government of Indonesia's classification of pulpwood

1. Confirm the Commission's understanding that the Indonesian pulp industry only uses 'pulpwood', which is essentially scrap wood from other forestry activities.

Response

All of Indonesian pulpwood industry uses eucalyptus and acacia timber as raw materials, from industrial forests (HTI) that managed sustainably. Other source of raw materials of pulp are recycled paper, that can also be used to produce copy paper.

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

Please refer to response C.1 Number 2.

C-4 Indonesia's comparative advantage in timber production

The Government of Indonesia has previously indicated that the Indonesian forestry sector has a significant comparative advantage in the production of timber (for pulp production).

PUBLIC RECORD

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
<p>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 the production of 150 to 210 m³/ha (with assumption MAI 30 to 35 m³/ha/year). Eucalyptus trees can be harvested in 5-6 years with the production of 150 to 210 m³/ha.</p> <p>However, costs associated with the production, transport, and marketing timber in Indonesia vary depending on various factors so that the GOI cannot provide detailed data associated with the question.</p>

2. Provide any available information, including reports, analysis and cost comparisons that the Government of Indonesia considers necessary to support its position concerning its comparative advantage in timber and pulp production.

Response
<p>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 the production of 150 to 210 m³/ha (with assumption MAI 30 to 35 m³/ha/year). Eucalyptus trees can be harvested in 5-6 years with the production of 150 to 210 m³/ha.</p>

SECTION D MARKET SITUATION AND PROPER COMPARISON

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 *Anti-Dumping Commission Report No. 341* (REP 341) and *Anti-Dumping Commission Report No. 547* (REP 547), the Commissioner made findings in relation to a situation in the market (market situation) affecting the Indonesian exporters' domestic prices of A4 copy paper.

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

1. Provide any information, including any evidence, you may wish to submit in relation to whether this market situation identified by the Commission in previous cases has changed.

Response

It is critical to note that Indonesia consistently maintains that there is no particular market situation ever exists in Indonesia. Moreover, Indonesia would like to remind Commission as follows:

1. The Commission must consider whether a "particular market situation exists" based on the ordinary meaning of that phrase and, if the Commission does so, the Commission will not find that a "particular market situation" exists.
2. The ordinary meaning of "particular market situation" is an exceptional situation affecting the domestic market in such a way as to prevent a proper comparison of domestic to export prices.

Article 2.2 of the Anti-Dumping Agreement and its footnote state in full:

"When there are no sales of the like product in the ordinary course of trade in the domestic market of the exporting country or when, because of the particular market situation or the low volume of the sales in the domestic market of the exporting country², such sales do not permit a proper comparison, the margin of dumping shall be determined by comparison with a comparable price of the like product when exported to an appropriate third country, provided that this price is representative, or with the cost of production in the country of origin plus a reasonable amount for administrative, selling and general costs and for profits.

² Sales of the like product destined for consumption in the domestic market of the exporting country shall normally be considered a sufficient quantity for the determination of the normal value if such sales constitute 5 percent or more of the sales of the product under consideration to the importing Member, provided that a lower ratio should be acceptable where the evidence demonstrates that domestic sales at such lower ratio are nonetheless of sufficient magnitude to provide for a proper comparison."

PUBLIC RECORD

Response

3. The first sentence specifies three limited exceptions to using the exporter's or producer's domestic sales price to calculate normal value if a proper price comparison is not possible because of: 1) no sales of the like product in the ordinary course of trade in the domestic market, 2) a particular market situation, or 3) the low volume of sales in the domestic market.

4. "Particular market situation" is not defined in the Anti-Dumping Agreement. But the lack of a definition does not mean the provision cannot be interpreted using standard methods of interpretation, like dictionary definitions. Indeed, were that not the case, no undefined term in a treaty would be susceptible to an ordinary meaning analysis.

5. Furthermore, the interpretation of the phrase "particular market situation" must begin with an examination of the meaning of each word. "Particular" is defined in the Oxford English Dictionary as "[d]istinguished in some way among others of the same kind; not ordinary; worthy of notice, remarkable; special." A "market" may be defined as "[a] geographical area of commercial activity". A "situation" is defined as: "[p]osition of affairs; combination of circumstances". This definition of "situation", like the others, fits best with the word in the context of the overall phrase as well as the context of the provision in relation to other provisions of the Anti-Dumping Agreement.

6. Meaning must be given to the use of the singular "market" rather than plural "markets", such that a "particular market situation" must be understood to be a set of circumstances existing in a single market. That the market is the domestic market is evident from the plain meaning.

7. Put together, the above definitions suggest a "particular market situation" is an exceptional combination of circumstances taking place in a geographic region and that region being the home market.

8. During the investigation period, there were no exceptional circumstances taking place in Indonesia that affected the domestic price of A4 copy paper. Even if the Commission persists in finding Indonesia's forest management policies distorted the price of pulp, an input in manufacturing A4 copy paper, there is no basis for the Commission to find domestic prices are unfit for comparison to export prices because pulp is used to produce merchandise for domestic and export sales in the exact same manner.

D-2 Proper comparison

If the Minister is satisfied a market situation exists during the investigation 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:

PUBLIC RECORD

- “[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.”²
- “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.”³
- “[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.”⁴
- “[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.”⁵
- “[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.”⁶
- “[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.”⁷

1. In the event that the Minister is satisfied this market situation is found to exist during the investigation period, comment and provide any relevant evidence on:

- (a) the effect of the market situation on the domestic price of like goods sold by PT Pabrik Kertas Tjiwi Kimia Tbk;
- (b) the effect of the market situation on the export price of the goods sold by PT Pabrik Kertas Tjiwi Kimia Tbk;
- (c) whether the effect of the market situation is such that PT Pabrik Kertas Tjiwi Kimia Tbk domestic prices and export price cannot be properly compared.

Response

- a. As discussed above, Indonesia strongly does not agree with the existence of a “particular market situation.” Even if the Commission finds a “particular market situation existence” exists, it has had no effect on the price of A4 copy paper sold by Tjiwi Kimia in the Indonesian market. As a rational profit maximizing company, Tjiwi Kimia sells A4 copy paper in Indonesia at the highest price the market will permit.
- b. As discussed above, Indonesia strongly does not agree with the existence of a “particular market situation.” Nevertheless, even if the Commission finds a “particular market situation existence” exists, it has had no effect on the price of A4 copy paper sold by Tjiwi Kimia in the Australian market. As a rational profit maximizing company, Tjiwi Kimia sells A4 copy paper in Australia at the highest price the market will permit.
- c. As discussed above, Indonesia strongly does not agree with the existence of a “particular market situation.” Nevertheless, even if the Commission finds a “particular market

² Panel Report, *Australia – Anti-Dumping Measures on A4 Copy Paper*, para. 7.75.

³ Panel Report, *Australia – Anti-Dumping Measures on A4 Copy Paper*, para. 7.75.

⁴ Panel Report, *Australia – Anti-Dumping Measures on A4 Copy Paper*, para. 7.76.

⁵ Panel Report, *Australia – Anti-Dumping Measures on A4 Copy Paper*, para. 7.76.

⁶ Panel Report, *Australia – Anti-Dumping Measures on A4 Copy Paper*, para. 7.80.

⁷ Panel Report, *Australia – Anti-Dumping Measures on A4 Copy Paper*, para. 7.81.

PUBLIC RECORD

Response

situation existence” exists, domestic and export prices can be properly compared.

The nature of the A4 copy paper production process is such that even if input prices for hardwood timber were distorted, the same inputs are used to manufacture the A4 copy sold to the Indonesian domestic market and the A4 copy paper exported to Australia. In this respect, it is useful to recall the A4 copy paper production process in simplified form. Two types of wood fibre are needed: softwood and hardwood. All of the softwood fibre Tjiwi Kimia used was imported as softwood pulp, meaning only hardwood fibre is at issue because only hardwood fibre was harvested in Indonesia. The critical and undeniable point is Tjiwi Kimia used the same hardwood fibre to manufacture A4 copy paper sold to the Indonesian domestic market and exported to Australia.

Further, the Commission recently examined the comparability of prices in a review of the anti-dumping measures on A4 copy paper from Indonesia and concluded such prices were comparable. Specifically, the Commission examined the profit margin on sales in Indonesia and of those in Australia and found they were comparable. During the investigation period, the Commission will find Tjiwi Kimia’s profit margins on sales in Indonesia were comparable to those for sales in Australia. Consequently, the Commission should use Tjiwi Kimia’s sales in Indonesia for purposes of normal value.

SECTION E INDONESIAN A4 COPY PAPER MARKET

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 in the period 1 January 2016 to 31 March 2021;
 - (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
<p>a. []% market A4 copy paper is in Java. The market is very price sensitive. Demand growth from 2016 till 2019 was at the rate of [] but there is at least a []% decline in 2020 due to the pandemic further declines are possible in 2021 depending on how the situation evolves.</p> <p>b. Demand sources are from copy centres, corporates and retailers.</p> <p>c. [Confidential].</p> <p>d. Economic and education activities are the main factors in determining demand growth. Seasonal variation although not much is there during the festival season of Idul Fitri and Christmas/New Year. There could be some fluctuation also due to back to school. Printing technology has helped improve copying speeds.</p> <p>e. Market is divided into three segments which are high, medium, and low.</p> <p>f. [Confidential].</p> <p>g. Negligible quantity of A4 Copy Papers is imported into Indonesia.</p> <p>h. Manufactures appoint certain distributors or agents to sell to wholesalers and retailers.</p> <p>i. Seasonal factors such as Idul Fitri and Christmas/New Year.</p>

2. Describe the regulatory framework of the Indonesian market for A4 copy paper as it relates to the following:

PUBLIC RECORD

- (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
<p>A4 copy paper is a free commodity, there is no special policy, regulation, and taxation :</p> <ul style="list-style-type: none">a) There are no specific competition policies regarding the copy paper industry. Indonesia, there is KPPU as the inquiry institution dealing with competition law in Indonesia.b) There are no special policies, regulations, and taxation but 5% MFN import duty and 10% VAT (PPN) for all A4 copy paper products sold in Indonesia, all taxation matters are regulated by the Ministry of Finance.c) Paper products in Indonesia must follow product standard specifications for paper which stated in SNI (Standard National Indonesia) 6691:2015 Kertas Multiguna (Voluntary Standard) and SNI Ecolabel Criteria 7188.1.3:2016 for Uncoated Printing Paper and Multipurpose Paper (Voluntary Standard).d) As in other countries, to be able to operate, such industries must obtain licenses, such as industrial licenses, concession licenses, licenses related to the environment. These licenses are issued by various government agencies, as needed.e) No restrictions relating to the importation of A4 Copy Paper in Indonesia.f) Regulations regarding product safety and warranty are issued by various ministries, according to the need, for example, those related to human health, issued by the Ministry of Health, etc. In addition, product safety is also regulated through standards such as ISO and SNI.

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
<p>Please refer to GOI answers to question No. 2 Section A above.</p>

PUBLIC RECORD

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.

5 August 2021

Date



Signature of authorised official

Pradnyawati

Name of authorised official

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

Title of authorised official

PUBLIC RECORD

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 seller's 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

PUBLIC RECORD

	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.