



Customs Act 1901 Part XVB

Consideration report number: 583

Application for a dumping duty notice

Submitted by: Paper Australia Pty Ltd

In relation to A4 copy paper exported to Australia from the Republic of Indonesia by PT Pabrik Kertas Tjiwi Kimia Tbk

17 May 2021

CONTENTS

| | | |
|----------|---|-----------|
| 1 | Findings and recommendations | 2 |
| 1.1 | Findings | 2 |
| 1.2 | Recommendations | 2 |
| 2 | The application and Australian industry | 3 |
| 2.1 | Lodgement of the application | 3 |
| 2.2 | Compliance with section 269TB(4) | 3 |
| 2.3 | The goods the subject of the application | 5 |
| 2.4 | Like goods and the Australian industry | 6 |
| 2.5 | Australian industry information | 9 |
| 3 | Reasonable grounds – dumping | 11 |
| 3.1 | Findings | 11 |
| 3.2 | Legislative framework | 11 |
| 3.3 | Export price | 11 |
| 3.4 | Normal value | 12 |
| 3.5 | Dumping margins | 14 |
| 4 | Reasonable grounds – injury to the Australian industry | 16 |
| 4.1 | Findings | 16 |
| 4.2 | Legislative framework | 16 |
| 4.3 | The applicant's claims | 16 |
| 4.4 | Approach to injury analysis | 17 |
| 4.5 | Volume effects | 17 |
| 4.6 | Price effects | 19 |
| 4.7 | Profit and profitability effects | 20 |
| 4.8 | Other injury factors | 21 |
| 4.9 | The Commission's assessment | 24 |
| 5 | Reasonable grounds – injury caused by dumping | 25 |
| 5.1 | Findings | 25 |
| 5.2 | Cause of injury to the Australian industry | 25 |
| 5.3 | The applicant's claims | 25 |
| 5.4 | The Commission's assessment | 26 |
| 5.5 | Conclusion – material injury caused by dumping | 27 |
| 6 | Attachments | 28 |

ABBREVIATIONS

| Abbreviations | Full reference |
|------------------|--|
| ABF | Australian Border Force |
| the Act | <i>Customs Act 1901</i> (Cth) |
| ADN | Anti-Dumping Notice |
| APP | Asia Pulp & Paper |
| the applicant | Paper Australia Pty Ltd or Opal Australian Paper |
| China | the People's Republic of China |
| the Commission | the Anti-Dumping Commission |
| the Commissioner | the Commissioner of the Anti-Dumping Commission |
| CTMS | cost to make and sell |
| FOB | Free on Board |
| the goods | the goods the subject of the application, as described in section 2.3.1 of this report |
| Indah Kiat | PT Indah Kiat Pulp & Paper Tbk |
| Indonesia | the Republic of Indonesia |
| Paper Force | Paper Force (Oceania) Pty Ltd |
| Pindo Deli | PT Pindo Deli Pulp & Paper Mills |
| RISI | Fastmarkets RISI |
| ROI | return on investment |
| SG&A | selling, general and administration |
| Tjiwi Kimia | PT Pabrik Kertas Tjiwi Kimia Tbk |
| TradeData | TradeData International |

1 Findings and recommendations

This report outlines the consideration by the Anti-Dumping Commission (the Commission) of an application lodged under section 269TB(1) of the *Customs Act 1901* (Cth) (the Act)¹ by Paper Australia Pty Ltd (referred to as the ‘applicant’ or ‘Opal Australian Paper’ throughout this report) for the publication of a dumping duty notice in respect 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 applicant alleges that the Australian industry producing A4 copy paper has suffered material injury caused by A4 copy paper exported to Australia from Indonesia by Tjiwi Kimia at dumped prices.

The legislative framework that underpins the making of an application and the Commission’s consideration of an application is contained in Divisions 1 and 2 of Part XVB of the Act.

1.1 Findings

In accordance with section 269TC(1), the Commission has examined the application for a dumping duty notice and is satisfied that:

- the application complies with the requirements of section 269TB(4) (as set out in section 2.2 of this report);
- there is an Australian industry producing like goods (as set out in section 2.4 of this report); and
- there appear to be reasonable grounds for the publication of a dumping duty notice in respect of the goods the subject of the application (as set out in Chapters 3, 4 and 5 of this report).

1.2 Recommendations

In respect of Opal Australian Paper’s application for the publication of a dumping duty notice, the Commission recommends that the Commissioner of the Anti-Dumping Commission (Commissioner) decide not to reject the application and initiate an investigation to determine whether a dumping duty notice should be published.

The Commission further recommends that:

- exports to Australia during the investigation period 1 April 2020 to 31 March 2021² be examined for dumping; and
- details of the Australian market from 1 April 2017 be examined for injury analysis purposes.

If the Commissioner agrees with these recommendations, the Commissioner must give public notice of the decision in accordance with the requirements set out in section 269TC(4).

¹ All legislative references in this report are to the *Customs Act 1901* unless otherwise specified.

² As outlined in section 3.2 of the Dumping and Subsidy Manual (November 2018), the investigation period is generally the 12 months preceding the initiation date and ending on the most recently completed quarter or month.

2 The application and Australian industry

2.1 Lodgement of the application

2.1.1 Legislative framework

The legislative framework that underpins the making of an application and the Commission's consideration of an application is contained in Divisions 1 and 2 of Part XVB of the Act.

The procedures for lodging an application are set out in section 269TB.

The procedures and timeframes for the Commissioner's consideration of the application are set out in section 269TC.

2.1.2 Application and provision of further information

Table 1 summarises the timeline in relation to the assessment of the application.

| Event | Date | Details |
|--|---------------------------|---|
| Application lodged and receipted by the Commissioner under sections 269TB(1) and (5) | 30 March 2021 | The Commission received an application from Opal Australian Paper which alleges that the Australian industry has suffered material injury caused by A4 copy paper that has been exported to Australia from Indonesia by Tjiwi Kimia at dumped prices. |
| | 9 April 2021 | The Commission notified the applicant that the application contained critical and important deficiencies, which, if left unaddressed, create doubt on the reasonableness of the grounds for the publication of a dumping duty notice. |
| Applicant provided further information in support of the application under section 269TC(2A) | 15 April to 27 April 2021 | The applicant provided further information and data in support of the application without having been requested to do so, as provided for in subsection 269TC(2A). The application was taken to have been lodged and receipted on 27 April 2021 when the final additional information was received. Accordingly, the 20 day period for consideration of the application was restarted. |
| Consideration decision due under section 269TC(1) | 17 May 2021 | The Commissioner shall decide whether to reject or not reject the application within 20 days after the applicant last provided further information in support of their application. |

Table 1: Consideration of application

2.2 Compliance with section 269TB(4)

2.2.1 Finding

Based on the information submitted by the applicant, the Commission considers that the application complies with section 269TB(4).

2.2.2 Legislative framework

Section 269TC(1) requires that the Commissioner reject an application for a dumping duty notice if, among other things, the Commissioner is not satisfied that the application complies with section 269TB(4).

2.2.3 The Commission's assessment

The table below summarises the Commission's assessment of compliance with section 269TB(4).

| Requirement for the application | Details |
|--|--|
| Lodged in writing under section 269TB(4)(a) | The applicant lodged in writing confidential and non-confidential versions of the application. The non-confidential version of the application can be found on the electronic public record on the Commission's website at www.adcommission.gov.au . |
| Lodged in an approved form under section 269TB(4)(b) | The application is in the approved form (B108) for the purpose of making an application under section 269TB(1). |
| Contains such information as the form requires under section 269TB(4)(c) | The applicant provided: <ul style="list-style-type: none"> • a completed declaration; • answers to all questions that were required to be answered by the applicant; • complete appendices; and • sufficient detail in the non-confidential version of the application to enable a reasonable understanding of the substance of the information submitted in confidence. |
| Signed in the manner indicated in the form under section 269TB(4)(d) | The application was signed in the manner indicated in Form B108 by a representative of the applicant. |
| Supported by a sufficient part of the Australian industry under section 269TB(4)(e) and determined in accordance with section 269TB(6) | As set out in section 2.4 of this report, the Commission is satisfied that there is an industry producing like goods in Australia. The applicant stated that it is the sole Australian manufacturer of A4 copy paper. The Commission is not aware of any other manufacturers of A4 copy paper in Australia, and did not find any in previous A4 copy paper investigations. Therefore, in accordance with subsections 269TB(6)(a) and (b), the Commission is satisfied that the applicant, which produces like goods in Australia, accounts for: <ul style="list-style-type: none"> • more than 50 per cent of the total production of like goods by that proportion of the Australian industry that has expressed either support for, or opposition to, the application; and • not less than 25 per cent of the total production of like goods in Australia. |
| Lodged in the manner approved under section 269SMS for the purposes section 269TB(4)(f) | The application was lodged in a manner approved in the Commissioner's instrument made under section 269SMS, being by email to an address nominated in that instrument. The application was therefore lodged in a manner approved under section 269SMS(2). |

Table 2: Compliance with subsection 269TB(4)

2.3 The goods the subject of the application

2.3.1 The goods

The table below describes the goods the subject of the application.

| Full description of the goods, as subject of the application |
|---|
| 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 |
| 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. |

Table 3: The goods the subject of the application

2.3.2 Tariff classification

The goods are generally, but not exclusively, classified to the following tariff classifications in Schedule 3 of the *Customs Tariff Act 1995*.

| Tariff Subheading | Statistical Code | Description |
|-------------------|------------------|---|
| 4802 | | UNCOATED PAPER AND PAPERBOARD, OF A KIND USED FOR WRITING, PRINTING OR OTHER GRAPHIC PURPOSES, AND NON PERFORATED PUNCH-CARDS AND PUNCH TAPE PAPER, IN ROLLS OR RECTANGULAR (INCLUDING SQUARE) SHEETS, OF ANY SIZE, OTHER THAN PAPER OF 4801 OR 4803; HAND-MADE PAPER AND PAPERBOARD: |
| 4802.56 | | Weighing 40 g/m ² or more but not more than 150 g/m ² , in sheets with one side not exceeding 435 mm and the other side not exceeding 297 mm, in the unfolded state: |
| 4802.56.10 | | <i>Printing and writing paper, 297 mm x 210 mm (A4 paper): Weighing 40 g/m² or more but less than 90 g/m²:</i> |
| | 03 | <i>White</i> |
| | 09 | <i>Weighing 90 g/m² or more but not more than 150 g/m²</i> |

Table 4: General tariff classification for the goods the subject of the application

These tariff classifications and statistical codes may include goods that are both subject and not subject to this investigation. The listing of these tariff classifications and statistical codes are for reference only and do not form part of the goods the subject of the application. Please refer to the goods description in section 2.3.1 for authoritative detail regarding the goods the subject of the application.

2.3.3 Previous investigations relating to exports of A4 copy paper

On 19 April 2017, with an effective date of 20 April 2017, anti-dumping measures (in the form of a dumping duty notice and a countervailing duty notice) were imposed by public notice³ in relation to A4 copy paper exported to Australia from the Federative Republic of Brazil, the People's Republic of China (China), Indonesia and the Kingdom of Thailand by the then Minister following consideration of *Anti-Dumping Commission Report No. 341*. The dumping duty notice applied to all exporters of A4 copy paper from the subject countries except Tjiwi Kimia,⁴ whereas the

³ Anti-Dumping Notice (ADN) Nos. 2017/39 and 2017/40.

⁴ Investigation 341 was terminated in relation to Tjiwi Kimia, as set out in *Termination Report No. 341*.

countervailing duty notice applied to all exporters of A4 copy paper from China except Asia Symbol (Guangdong) Paper Co., Ltd, Greenpoint Global Trading (Macao Commercial Offshore) Ltd, UPM (China) Co., Ltd and UPM Asia Pacific Pte Ltd.

On 11 September 2020, the Minister for Industry, Science and Technology revoked the dumping duty notice applying to the goods exported to Australia from Indonesia by PT Indah Kiat Pulp & Paper Tbk (Indah Kiat) and PT Pindo Deli Pulp & Paper Mills (Pindo Deli) with effect from 12 March 2020, following the consideration of *Anti-Dumping Commission Report No. 547*.

On 10 April 2019, with an effective date of 11 April 2019, anti-dumping measures (in the form of a dumping duty notice) were imposed by public notice⁵ in relation to A4 copy paper exported to Australia from Austria, Finland, the Republic of Korea, the Russian Federation and the Slovak Republic.

2.4 Like goods and the Australian industry

2.4.1 Finding

The Commission is satisfied that there is an Australian industry producing like goods to the goods the subject of the application on the basis that:

- the applicant produces goods that have characteristics that closely resemble the goods the subject of the application; and
- the goods are wholly manufactured in Australia.

2.4.2 Legislative framework

Section 269TC(1) requires that the Commissioner reject an application for a dumping duty notice if, among other things, the Commissioner is not satisfied that there is, or is likely to be established, an Australian industry in respect of like goods.

Like goods are defined under section 269T(1). Sections 269T(2), 269T(3), 269T(4) and 269T(4A) are used to determine whether like goods to the goods the subject of the application are produced in Australia, and whether there is an Australian industry producing like goods.

2.4.3 Locally produced like goods

The table below summarises the Commission's assessment of whether the locally produced goods are identical to, or closely resemble, the goods the subject of the application and are therefore like goods.

⁵ ADN No. 2019/37.

PUBLIC RECORD

| Factor | The applicant's claims | The Commission's assessment |
|---------------------|--|---|
| Physical likeness | <p>The applicant claims that the goods the subject of the application and the goods produced by the Australian industry are physically alike in all practical aspects.</p> <p>The applicant provided information from TradeData International (TradeData)⁶ that contains the copy paper products exported by Tjiwi Kimia to Australia. The applicant also provided product specification sheets in relation to the goods produced by the Australian industry.</p> | <p>Based on the information provided by the applicant, the Commission considers that both the imported goods and the goods produced by the Australian industry are physically alike based on primary physical characteristics, being white paper cut in rectangular sheets. The Commission considers that both are what the Australian consumer would recognise as white copy paper. This is consistent with the findings in Investigation 341 and Investigation 463.⁷</p> |
| Commercial likeness | <p>The applicant claims that the imported goods and the goods produced by the Australian industry compete for the same market.</p> | <p>Based on the applicant's own sales data and data obtained from the Australian Border Force (ABF) import database, the Commission considers that the goods produced by the Australian industry are commercially similar as they are sold to the same or similar customers and compete in the same market.</p> |
| Functional likeness | <p>The applicant claims both the imported goods and the goods produced by the Australian industry are used in the same range of applications, including high speed and low speed copying, printing (both on computer printers and small offset printers), and general use in business, education and home offices as well as in small offset printers.</p> | <p>Based on the information provided by the applicant and the Commission's previous finding regarding functional likeness, the Commission considers that the imported and locally produced goods are functionally alike as they have the same end use can be used interchangeably in copying and printing applications.</p> |

⁶ TradeData provides global trade information to manufacturers and other similar companies. This includes product classification codes, country of export and import, supplier and importer details, volumes and values, and similar trade information.

⁷ Investigation 463 assessed dumping of A4 copy paper exported to Australia from Austria, Finland, the Republic of Korea, the Russian Federation and the Slovak Republic.

| Factor | The applicant's claims | The Commission's assessment |
|---|--|--|
| Production likeness | <p>The applicant claims that the imported goods and the goods produced by the Australian industry are manufactured using equipment and processes which are alike in all practical aspects.</p> <p>The applicant provided a description of the production process in the application, which is discussed in section 2.4.4 of this report.</p> | <p>Based on the information provided by the applicant, and based on information previously verified by the Commission in Investigation 341, the Commission considers that the paper production and finishing processes are substantially similar across the A4 copy paper industry.</p> <p>The imported goods and the goods produced by the Australian industry appear to be manufactured using equipment and processes which are alike in all significant practical aspects. This includes the way in which the paper is formed, drained and pressed before ultimately being cut to the correct diameter.</p> |
| Commission's assessment | | |
| <p>The Commission considers that, while the locally produced goods are not identical in all respects to the goods the subject of the application, the locally produced goods closely resemble the goods the subject of the application and are like goods given that the primary physical characteristics of imported and locally produced goods are similar; the imported and locally produced goods are commercially alike as they are sold to common end users; the imported and locally produced goods are functionally alike as they have the same end-uses; and the imported and locally produced goods are manufactured in a similar manner.</p> | | |

Table 5: Assessment of like goods

2.4.4 Manufacture in Australia

The table below summarises the Commission's assessment of whether the goods are wholly manufactured, or at least one substantial process of manufacture is carried out, in Australia and whether the like goods are therefore considered to have been manufactured in Australia.

| The applicant's claims |
|---|
| <p>The applicant claims that the entire manufacturing process from wood to wrapped, boxed and palletised cut sheet paper takes place in Australia at its Maryvale mill in Gippsland, Victoria.</p> <p>The major raw material used in papermaking is wood pulp, including recycled wood pulp. The majority of wood pulp used is produced on site at Maryvale and this is supplemented by imported pulp. The other two key materials used are calcite and starch, which are both produced and supplied from within Australia.</p> <p>The applicant claims that there have been no changes to the goods or in the production of the goods manufactured by it in the period subsequent to the commencement of Investigation 341.</p> <p>The applicant's production process was provided in its application and it claims this is consistent with the papermaking process in all printing and writing paper mills.</p> |
| The Commission's assessment |
| <p>Based on the information provided by the applicant in its application, the Commission considers that at least one substantial process in the manufacture of like goods is carried out in Australia.</p> <p>This is consistent with the findings in Investigations 341 and 463.</p> |

Table 6: Manufacture of like goods in Australia

2.5 Australian industry information

The table below summarises the Commission's assessment of whether the applicant has provided sufficient information in the application to analyse the performance of the Australian industry.

| Have the relevant appendices to the application been completed? | | |
|--|--|---|
| A1 | Australian production | Yes |
| A2 | Australian market | Yes |
| A3 | Sales turnover | Yes |
| A4 | Domestic sales | Yes |
| A5 | Sales of other production | Yes |
| A6.1 | Cost to make and sell (& profit) – Domestic sales | Yes |
| A6.2 | Cost to make and sell (& profit) – Export sales | Yes |
| A7 | Other injury factors | Yes |
| General administration and accounting information – Opal Australian Paper | | |
| Ownership | The applicant is an Australian proprietary company, limited by shares, and registered with the Australian Securities and Investments Commission. The company is a wholly owned subsidiary of Nippon Paper Industries Co., Ltd, which is registered in Japan. | |
| Operations | <p>The applicant's Australian operations comprise a number of business units, each with its own capability, spanning manufacturing, production and printing. The applicant's head office is located in Melbourne, Victoria. Products produced include envelopes and stationery, cut sheet paper, printing and converting papers, and packaging and industrial papers.</p> <p>The applicant's pulp and paper mill is located in Maryvale in Victoria.</p> | |
| Financial year | 1 January to 31 December | |
| Audited accounts | No additional audited accounts to the annual report (refer below) were provided in the application. | |
| Annual reports | Audited annual financial reports for financial years 2018 and 2019 were provided in the application. | |
| Production and sales information | Cost to make and sell information | Other injury factors |
| The Commission has no significant concerns regarding the production and sales information provided by the applicant. | The Commission has no significant concerns regarding the cost data provided by the applicant. | The Commission has no significant concerns regarding the data provided in Appendix A7 to the application. |
| The Commission's assessment | | |
| Based on the information provided by the applicant in its application, the Commission is satisfied that there is sufficient data on which to analyse the performance of the Australian industry from January 2016. | | |

Table 7: Information provided by applicant

2.5.1 Market size

In estimating the size of the Australian market for A4 copy paper, the applicant had regard to its own sales volumes and export data obtained from TradeData.

The applicant claims that it has observed a significant decline in market demand for A4 copy paper in 2020 as a consequence of the COVID-19 pandemic. The applicant further claims that the declining market created more intense conditions of competition between like goods produced by the Australian industry and imported goods, where the only way to increase or even maintain sales volumes is to compete for market share through competitive pricing.

The applicant observes that total imports from Indonesia have decreased from 2016 to 2020, which can be attributed to the anti-dumping measures placed on Indonesian exporters (except Tjiwi Kimia) following Investigation 341. The applicant claims that subsequently, import volumes from these Indonesian exporters have declined dramatically, while import volumes from Tjiwi Kimia, which is exempt from anti-dumping measures, has increased and remained comparatively strong in the Australian market.

Figure 1 depicts the Commission's estimate of the size of the Australian market of A4 copy paper from 2016 to 2020 using data from the ABF import database and the applicant's sales data.

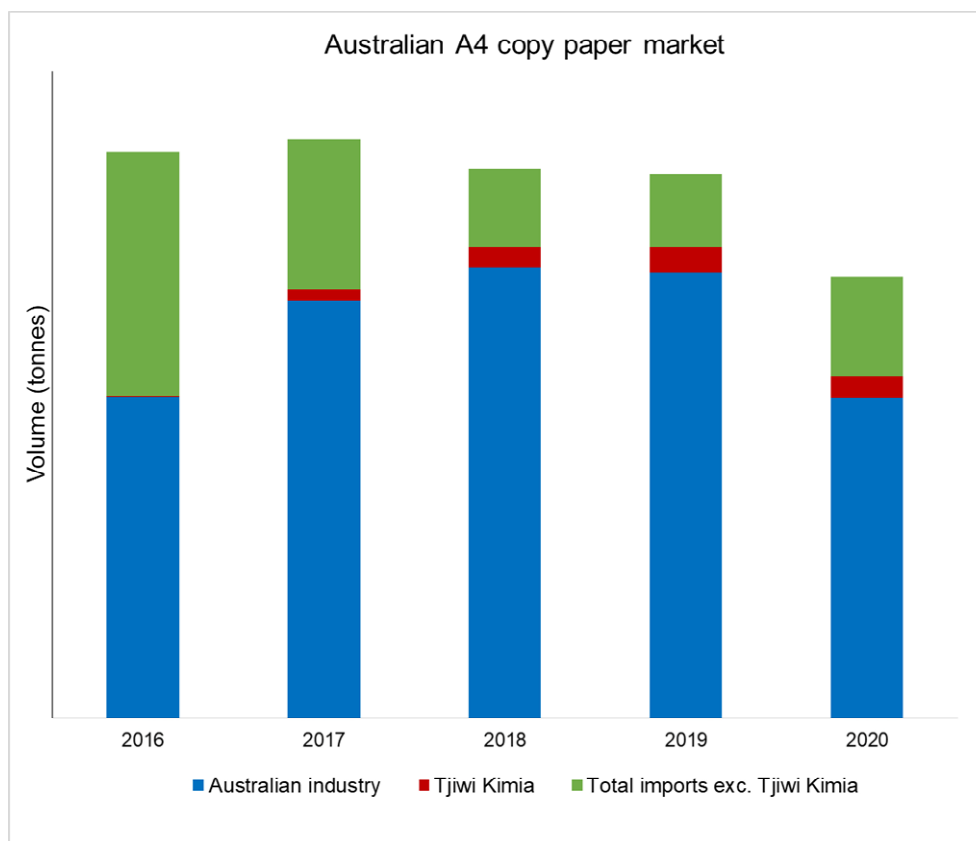


Figure 1: Australian market for A4 copy paper

The Commission observes that the Australian market for A4 copy paper has decreased since 2017, and contracted significantly in 2020, which is consistent with the applicant's observation of a significant decline in demand for copy paper due to the COVID-19 pandemic.

The Commission's assessment of the Australian A4 copy paper market is at **Confidential Attachment 1**.

3 Reasonable grounds – dumping

3.1 Findings

Pursuant to section 269TC(1)(c), the Commission considers that there appear to be reasonable grounds for the publication of a dumping duty notice in respect of the goods the subject of the application, as:

- the goods the subject of the application appear to have been exported to Australia from Indonesia by Tjiwi Kimia at dumped prices;
- the estimated dumping margin for exports of the goods from Indonesia by Tjiwi Kimia is not less than 2 per cent and therefore is not negligible; and
- the estimated volume of the goods the subject of the application (i.e., the goods exported from Indonesia by Tjiwi Kimia) that appear to have been dumped is not less than 3 per cent of the total Australian import volume of goods and therefore is not negligible.

3.2 Legislative framework

Section 269TC(1) requires that the Commissioner reject an application for a dumping duty notice if, among other things, the Commissioner is not satisfied that there appear to be reasonable grounds for the publication of a dumping duty notice.

Under section 269TG, one of the matters that the Minister must be satisfied of in order to publish a dumping duty notice is that the export price of goods that have been exported to Australia is less than the normal value of those goods, i.e. that dumping has taken place to an extent that is not negligible. The Commission's consideration of the export price and normal value, including the dumping margin, is outlined in the following sections.

3.3 Export price

3.3.1 Legislative framework

Export price is determined by applying the requirements in section 269TAB, taking into account whether the purchase or sale of goods was an arms length transaction as per the requirements of section 269TAA.

3.3.2 The applicant's estimate of export price

The table below summarises the approach taken by the applicant to estimate export prices and the evidence relied upon.

| Exporter | Basis of estimate | Details |
|-------------|---|--|
| Tjiwi Kimia | The applicant used export data relating to cut size copy paper obtained from TradeData. The applicant stated that this data is derived from official government statistical sources in the country of export. The applicant also stated that TradeData obtains the information either directly from the government agency or from a licensed reseller of the information. | Using export data from TradeData, the applicant estimated monthly weighted average export prices at Free on Board (FOB) terms for cut size copy paper exported to Australia from Indonesia by Tjiwi Kimia. Export prices were estimated in Australian dollars, and export quantities were in tonnes. |

Table 8: Applicant's estimate of export price

3.3.3 The Commission's assessment of export price

The Commission assessed the applicant's calculations of the export price and the information provided by the applicant to support these calculations.

The Commission considers that the data used by the applicant in its estimate of the export price is contemporaneous. However, the Commission observes that the information relied upon by the applicant also includes data that is not relevant to the goods the subject of the application, including coloured paper, and paper that has weights outside of the range of 67 to 100 gsm.

Given the issues identified with the data relied upon by the applicant, the Commission has estimated the export price using data as recorded in the ABF import database. The Commission identified relevant import consignments of goods the subject of the application exported from Indonesia by Tjiwi Kimia. The Commission considers that export prices sourced from the ABF import database are more reliable than the applicant's estimate given that these prices relate to Tjiwi Kimia's exports of the goods the subject of the application.

The applicant's estimate of the export price, including the Commission's estimate, is at **Confidential Attachment 2**.

3.4 Normal value

3.4.1 Legislative framework

Normal value is determined by applying the requirements in section 269TAC taking into account whether:

- the purchase or sale of the goods was an arm's length transaction under section 269TAA;
- the goods were sold in the ordinary course of trade under section 269TAAD;
- there has been an absence or low volume of sales of like goods in the country of export under section 269TAC(2)(a)(i); and
- whether the situation in the market of the country of export is such that sales in that country are not suitable for determining normal value under section 269TAC(1) under section TAC(2)(a)(ii).

3.4.2 The applicant's estimate of normal value

The table below summarises the approach taken by the applicant to estimate normal values and the evidence relied upon.

| Exporter | Basis of estimate | Details |
|-------------|---|--|
| Tjiwi Kimia | <p><u>Selling prices in the exporter's domestic market</u></p> <p>The applicant obtained a report from an Indonesian consultancy containing market pricing for major Indonesian copy paper brands, including those manufactured by the Asia Pulp and Paper (APP) Group, of which Tjiwi Kimia is a part.</p> <p><u>Constructed normal value (cost to make, plus selling, general and administrative expenses, including profit)</u></p> <p>The applicant obtained the following sources of information in order to construct a normal value:</p> <ul style="list-style-type: none"> the cost of production for Tjiwi Kimia from Fastmarkets RISI (RISI); global average pulp prices from RISI; and depreciation, and selling, general and administrative (SG&A) expenses, sourced from Tjiwi Kimia's publically available 2019 annual report; and profit sourced from the applicant's own records. | <p><u>Normal value based on selling prices in the exporter's domestic market</u></p> <p>The applicant calculated the normal value at FIS terms by calculating the average selling price of the major Indonesian copy paper brands sold to first-tier distributors.</p> <p><u>Constructed normal value</u></p> <p>The applicant does not consider that normal value for Indonesian producers should be determined using domestic selling prices because it considers that a particular market situation exists in Indonesia. Therefore, the applicant constructed the normal value based on the sum of:</p> <ul style="list-style-type: none"> the cost of production for Tjiwi Kimia's manufacture of sheeted 'Xerographic' paper from RISI, with a cost replacement for pulp with reference to global average pulp prices from RISI; the cost of depreciation, calculated as the percentage of total sales revenue from Tjiwi Kimia's annual report; SG&A expenses, calculated as a percentage of total sales revenue as reported in Tjiwi Kimia's 2019 annual report; and profit achieved on the applicant's sales of like goods in the Australian market during the period January 2012 to December 2014, which represents a period unaffected by dumping. <p>The applicant stated that it understands that the export prices at FOB terms involve the seller incurring the cost of inland freight and credit terms. However, the applicant calculated the normal value at ex-works with no adjustments applied. The applicant claims that it does not have access to the cost of inland freight from the producer's factory to the port of export, nor the cost of port handling, and therefore has not applied any adjustments to the normal value.</p> |

Table 9: Applicant's estimate of normal value

3.4.3 The Commission's assessment of normal value

The Commission assessed the applicant's calculations of the normal value and the information provided by the applicant to support these calculations.

The applicant provided an estimate of the normal value that was calculated using selling prices in the Indonesian A4 copy paper market.

To assess whether the Indonesian market prices provided by the applicant are reliable, the Commission compared these prices to Indonesian net invoice selling prices that were verified by the Commission in Review of Measures 551. The Commission found that the prices were closely aligned.

In relation to the applicant's estimate of the constructed normal value, the Commission has concerns about the reasonableness of the applicant's replacement of certain pulp costs, some of which appear to be imported pulp rather than pulp produced and sourced within Indonesia. The Commission also has concerns about the applicant's estimate of the profit margin used in the construction of the normal value, given it does not reflect the profit margin achieved on sales of like goods sold for home consumption in Indonesia.

The Commission considers that the Indonesian market prices provided by the applicant in support of its application are a more reliable source of information upon which to base the estimate the normal value. Therefore, for the purposes of determining whether to initiate an investigation, the applicant's estimate of the normal value using market prices in Indonesia is a more reliable estimate than its estimate of the normal value using a constructed approach.

During the course of the investigation, the Commission will assess whether a particular market situation exists in the Indonesian market (as claimed by the applicant) that renders domestic selling prices unsuitable for the purposes of determining a normal value in accordance with section 269TAC(1).

The applicant's estimates of the normal value are at **Confidential Attachment 2**.

3.5 Dumping margins

3.5.1 Legislative framework

Dumping margins are determined in accordance with the requirements of section 269TACB.

Pursuant to sections 269TDA(1) and 269TDA(3), if, during the course of the investigation, the Commission is satisfied that dumping margins and the volume of dumped goods are negligible, the Commissioner must terminate the investigation so far as it relates to the exporter. Whether dumping margins and the volume of dumped goods are negligible is assessed under section 269TDA.

3.5.2 The Commission's assessment of dumping

The table below summarises the dumping margin⁸ estimated by the applicant, including the Commission's estimate of the dumping margin based on its estimate of the export price using data in the ABF import database.

| Applicant's estimate | Commission's estimate |
|----------------------|-----------------------|
| 22.8% ⁹ | 11.4% |

Table 10: Estimate of dumping margin

The Commission's estimate of the dumping margin, based on its estimate of the export price, and using the applicant's estimate of the normal value using selling prices in the Indonesian A4 copy paper market,¹⁰ is above 2 per cent. Therefore, there appear to be reasonable grounds to support the applicant's claim that dumping has occurred and that the dumping margin is not negligible.

⁸ Dumping margins are expressed as a percentage of the export price.

⁹ Confidential Attachment B-6 to application.

¹⁰ As discussed in section 3.4.3 of this report, the Commission considers the applicant's estimate of the normal value using market prices in Indonesia to be reliable for the purposes of deciding whether to initiate an investigation.

The applicant's and the Commission's estimates of the dumping margin for the goods exported to Australia from Indonesia by Tjiwi Kimia are at

Confidential Attachment 2.

3.5.3 Volume of dumped goods

Based on the information in the ABF import database, the total volume of goods the subject of the application that have been exported to Australia from Indonesia by Tjiwi Kimia that appear to be dumped represents more than 3 per cent of the total Australian import volume. Therefore, in accordance with subsection 269TDA(4)(a), the volume of the dumped goods is not negligible.

The Commission's assessment of the import volumes of A4 copy paper is at

Confidential Attachment 1.

4 Reasonable grounds – injury to the Australian industry

4.1 Findings

Pursuant to section 269TC(1)(c), having regard to the matters contained in the application, and to other information considered relevant, the Commission considers that there appear to be reasonable grounds to support the claims that the Australian industry has experienced injury in the form of:

- loss of sales volume;
- reduced production;
- reduced market share;
- price depression;
- price suppression;
- loss of profits;
- reduced profitability;
- reduced utilisation of production capacity;
- reduced return on investment (ROI); and
- reduced employment.

4.2 Legislative framework

Under section 269TG of the Act, one of the matters that the Minister must be satisfied of in order to publish a dumping duty notice is that the Australian industry has experienced material injury.

The matters that may be considered in determining whether the Australian industry has suffered material injury are set out in section 269TAE.

In assessing the materiality of the claimed injury, the Commission also has regard to the *Ministerial Direction on Material Injury 2012*.¹¹

4.3 The applicant's claims

The applicant claims that the Australian industry has been injured through:

- loss of sales volume;
- reduced production;
- reduced market share;
- price depression;
- price suppression;
- loss of profits;
- reduced profitability;
- reduced utilisation of production capacity;
- reduced ROI;
- reduced employment; and
- reduced attractiveness to reinvest.

The applicant alleges that injury commenced from 2016, when APP switched exporting virgin grades of A4 copy paper to Australia from Indah Kiat and Pindo Deli to Tjiwi Kimia. The applicant alleges that undercutting occurred over the following periods 'leading market prices downwards after the imposition of dumping measures following Investigation 463'¹², and causing material injury in calendar year 2020.

¹¹ *Ministerial Direction on Material Injury 2012*, 27 April 2012, available at www.adcomission.gov.au.

¹² Page 35 of the application (confidential version).

4.4 Approach to injury analysis

In accordance with section 269TAE, the Commission assessed the economic condition of the Australian industry in order to determine whether there appear to be reasonable grounds to support the applicant's claim that the Australian industry has suffered material injury.

The assessment detailed in this chapter of the report is based on information provided by the applicant in support of its application, including quarterly production, costs, sales and other financial data up to 31 December 2020.

For the purposes of conducting the injury assessment as outlined in this chapter of the report, the Commission has analysed the applicant's data and injury claims from 1 January 2016 to 31 December 2020, given that the applicant has only provided its financial data up to 31 December 2020.¹³ The figures presented in this chapter of the report show the data for years ending 31 December.

The Commission's analysis of the economic condition of the Australian industry is at **Confidential Attachment 3**.

4.5 Volume effects

The applicant claims that the Australian industry has experienced injury in the form of reduced production and sales volumes. The following sections of the report summarise the claimed injury indicators (in terms of volume effects) and outline the Commission's assessment.

4.5.1 Sales volume

The applicant claims that its domestic sales volumes decreased in 2020, which also led to a decrease in production volume in the same period. Figure 2 shows the trend in the applicant's domestic sales volume of A4 copy paper over the period 2016 to 2020.

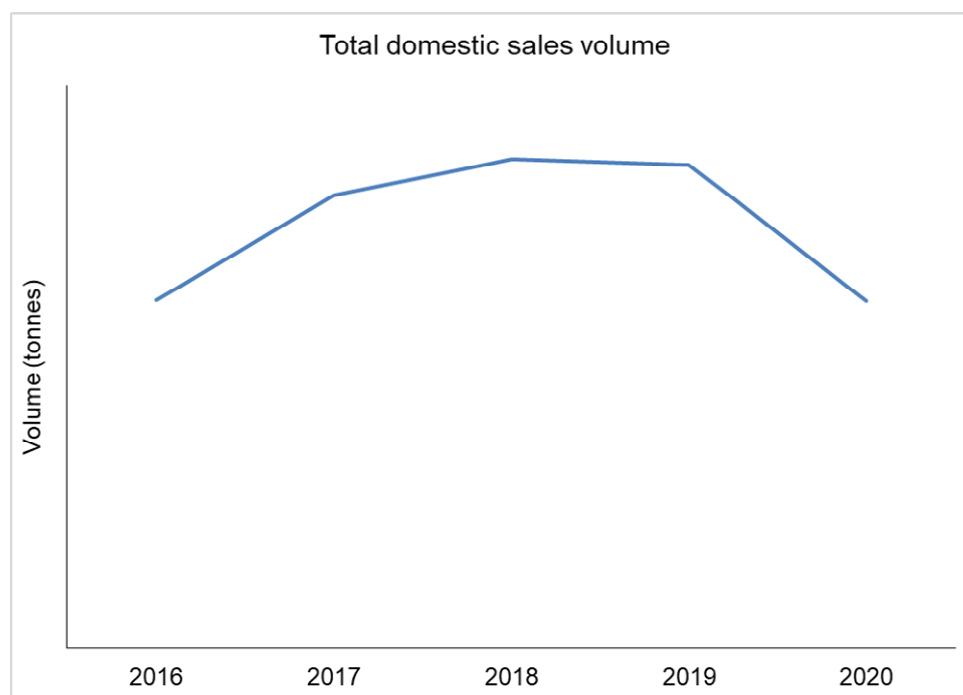


Figure 2: Opal Australian Paper's total domestic sales volumes of A4 copy paper

¹³ While the applicant has provided sales and cost data up to 31 December 2020 in support of its application, the Commission has set the investigation period from 1 April 2020 to 31 March 2021 and will seek data from the applicant for the quarter ending 31 March 2021 once the investigation is initiated.

The Commission observes that the applicant's sales volumes of A4 copy paper in the domestic market increased between 2016 and 2018, and decreased slightly in 2019. In 2020, the applicant's sales volume of A4 copy paper decreased significantly and is lower than the volume of A4 copy paper sold in 2016.

4.5.2 Market share

The applicant claims that due to 'intense import competition'¹⁴, declining demand and the price sensitivity of the market, it was forced to either reduce prices to maintain volumes or lose market share in 2020. The applicant claims that its market share declined in 2020 relative to its market share in 2019.

Figure 3 shows the total Australian market for A4 copy paper during the period 2016 to 2020, comprising the Australian industry's sales, imports from Tjiwi Kimia, and imports from other exporters and countries.

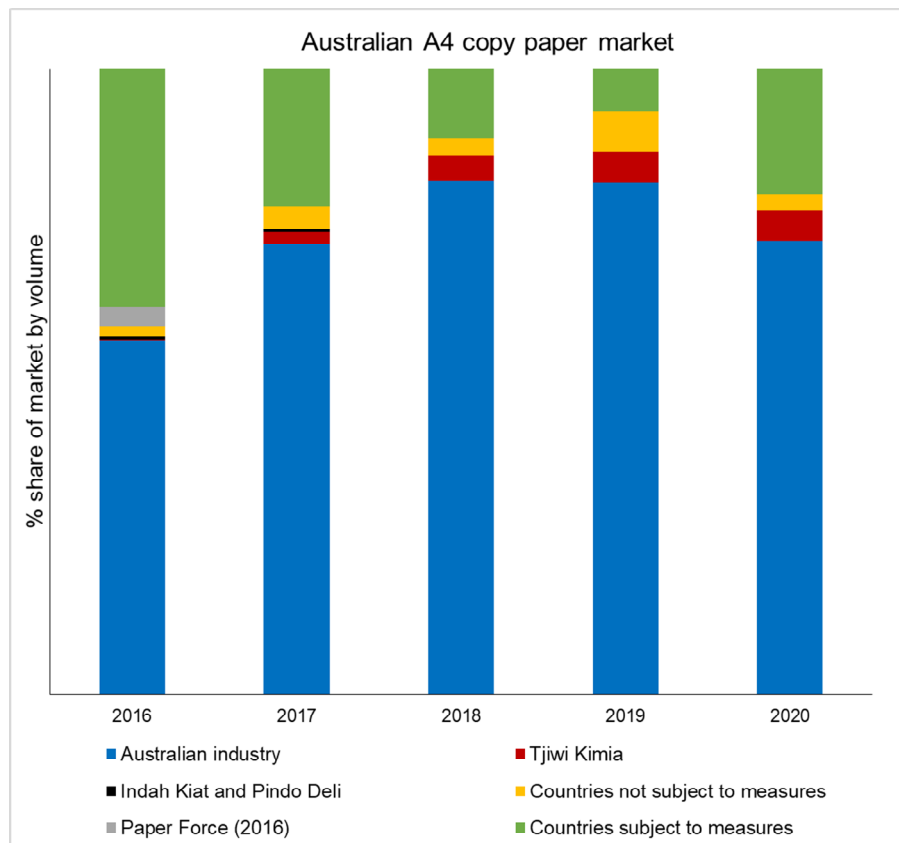


Figure 3: Australian A4 copy paper market¹⁵

The Commission observes the following:

- the applicant's market share increased from 2016 to 2018, likely due to the imposition of anti-dumping measures on A4 copy paper exported from certain countries. The applicant's market share slightly decreased in 2019 relative to its share of the market in 2018, and significantly decreased in 2020;
- the market share of A4 copy paper imported from Tjiwi Kimia has steadily increased from 2017 and has remained steady in 2020 relative to Tjiwi Kimia's market share in 2019;

¹⁴ Page 58 of application (confidential version).

¹⁵ The Commission could not identify the identity of the APP mill that exported some volumes to Australia through Paper Force (Oceania) Pty Ltd (Paper Force) in 2016, as declared to the ABF in the relevant import declarations. Therefore, the Commission reported the volumes for Paper Force in 2016 separately.

- the market share of A4 copy paper imported from Indah Kiat and Pindo Deli (the other related APP mills) significantly decreased since anti-dumping measures were imposed on the goods exported by these two exporters in 2017—there is no evidence to suggest that these exporters exported A4 copy paper to Australia following the imposition of anti-dumping measures in 2017;
- the market share of A4 copy paper imported from countries subject to anti-dumping measures has decreased steadily from 2016 to 2019, however the market share of import volumes from these countries has notably increased in 2020; and
- the market share of A4 copy paper imported from countries not subject to anti-dumping measures has increased in 2017 (relative to 2016), decreased in 2018, and increased in 2019 before decreasing in 2020.

4.5.3 Conclusion – volume effects

Based on the analysis in the preceding sections, the Commission considers that there appear to be reasonable grounds to support the applicant's claim that the Australian industry has experienced injury in the forms of reduced production, reduced sales volumes and reduced market share in 2020.

4.6 Price effects

The applicant claims that it has experienced injury in the form of price depression and price suppression.

Price depression occurs when a company, for some reason, lowers its prices.

Price suppression occurs when price increases, which otherwise would have occurred, have been prevented. An indicator of price suppression may be the margin between prices and costs.

The following sections of the report outline the claimed injury indicators (in terms of price effects) and include the Commission's assessment.

4.6.1 Price depression and price suppression

The applicant claims that following the imposition of anti-dumping measures as a result of Investigation 341, it was not able to achieve price recovery from the low pricing achieved in the 2015 investigation period, given that importers shifted to sourcing A4 copy paper from other exporters which were found to be dumping in Investigation 463.

The applicant claims that, following the imposition of anti-dumping measures as a result of Investigation 463, it was able to achieve a slight increase in price for like goods sold in the domestic market in 2019, however, this increase in price was not sufficient to cover the cost increase in the same period.

The applicant further alleges that prices decreased in 2020 because of competition with allegedly dumped goods exported to Australia by Tjiwi Kimia, and that it remains unable to increase prices in line with cost increases due to the 'real and present competition with dumped goods exported by Tjiwi Kimia'.¹⁶

Figure 4 shows the trends in the applicant's weighted average cost to make and sell (CTMS) and weighted average prices of like goods sold in the Australian market during the period 2016 to 2020.

¹⁶ Page 37 of application (confidential version).

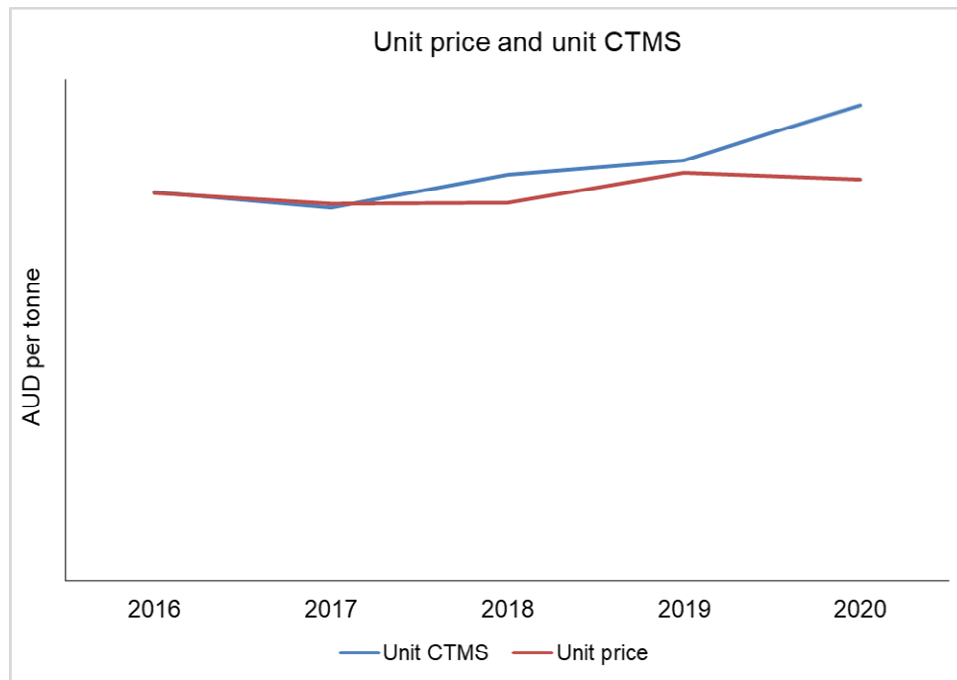


Figure 4: Opal Australian Paper's weighted average CTMS and price of like goods sold in the Australian A4 copy paper market

The Commission observes that the applicant's price steadily decreased from 2016 to 2018, and increased in 2019, consistent with the applicant's observation that it was able to increase price following the imposition of measures as a result of Investigation 463. The Commission further observes that the applicant's costs have increased since 2017, and costs exceed price in the years following 2017, including in 2020, indicating price suppression.

4.6.2 Conclusion – price effects

Based on the analysis in the preceding sections, the Commission considers that there appear to be reasonable grounds to support the applicant's claim that the Australian industry has experienced injury in the form of price depression and price suppression in 2019 and 2020.

4.7 Profit and profitability effects

The applicant claims that as a result of continuing price depression and suppression in 2020, combined with lost sales volumes to competitors, it has experienced injury in the form of reduced profit and profitability.

Figure 5 shows the trends in the applicant's domestic profits or losses, and profitability, during the period 2016 to 2020.

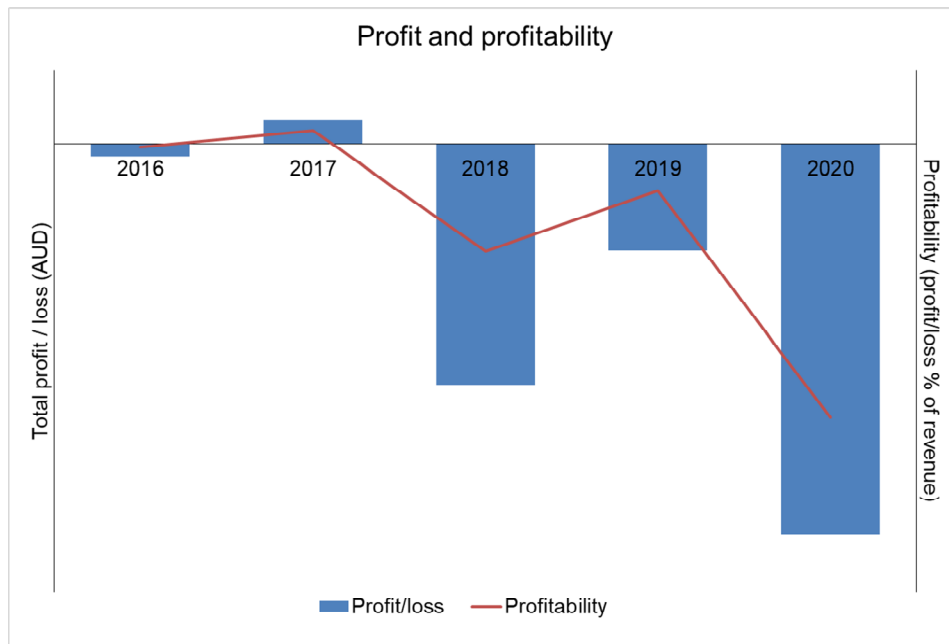


Figure 5: Opal Australian Paper's total profit / loss and profitability of like goods sold in the Australian market

The Commission observes the applicant continued to make financial losses since 2018, and has made a significant financial loss in 2020. Profitability has also deteriorated substantially in 2020 relative to previous years.

4.7.1 Conclusion – profit and profitability effects

Based on the analysis in the preceding sections, the Commission considers that there appear to be reasonable grounds to support the applicant's claim that the Australian industry has experienced injury in the form of loss of profits and reduced profitability in 2020.

4.8 Other injury factors

The applicant claims that the Australian industry has also experienced injury in the form of reduced ROI (and consequently, reduced attractiveness to reinvest), reduced employment and reduced capacity utilisation.

4.8.1 Production capacity utilisation

The applicant claims that it experienced reduced production capacity utilisation in 2020 as a result of reduced demand due to the COVID pandemic, as well as 'intense domestic competition from dumped imports'. The applicant claims that decreases in capacity utilisation prior to 2020 were marginal, given that volumes increased over the injury analysis period resulting from outcomes of Investigations 341 and 463.

Figure 6 shows the trends in the applicant's rates of capacity utilisation during the period 2016 to 2020.

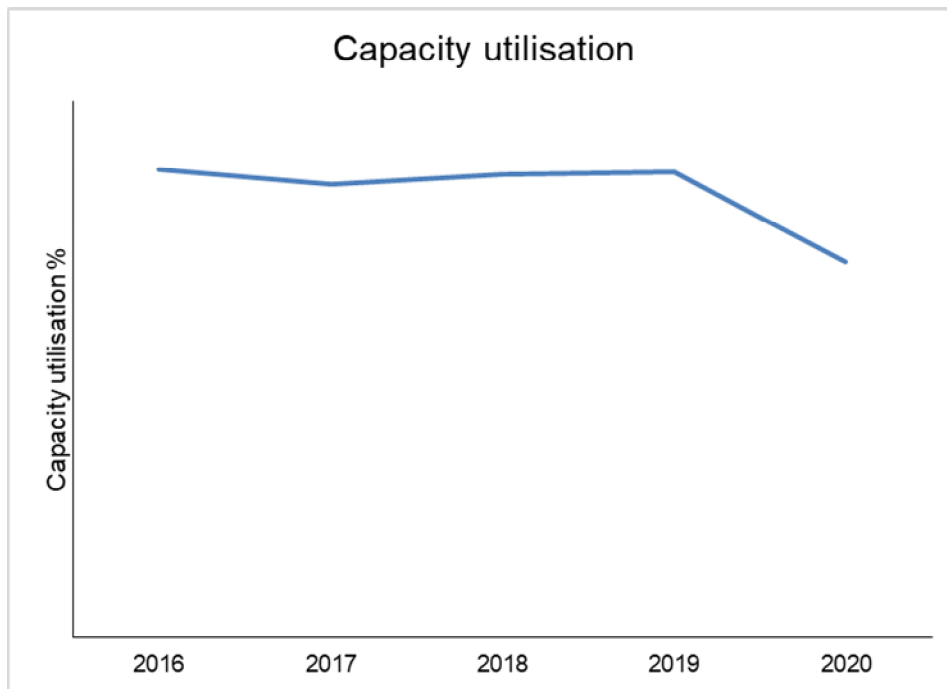


Figure 6: Opal Australian Paper's utilisation of production capacity for like goods

The Commission observes that the applicant's rate of capacity utilisation decreased significantly in 2020.

4.8.2 Return on investment and attractiveness to reinvest

The applicant claims that it experienced a decline in ROI¹⁷ in 2020. Given that the ROI and profitability were negative in 2020, the applicant alleges that reinvestment and capital expenditure in respect of its copy paper business is not attractive or viable.

Figure 7 shows the trends in the applicant's ROI (or return on assets) during the period 2016 to 2020.

¹⁷ The applicant claims that given the capital intensive nature of the pulp and paper manufacturing return on fixed assets is considered an adequate indicator of ROI.

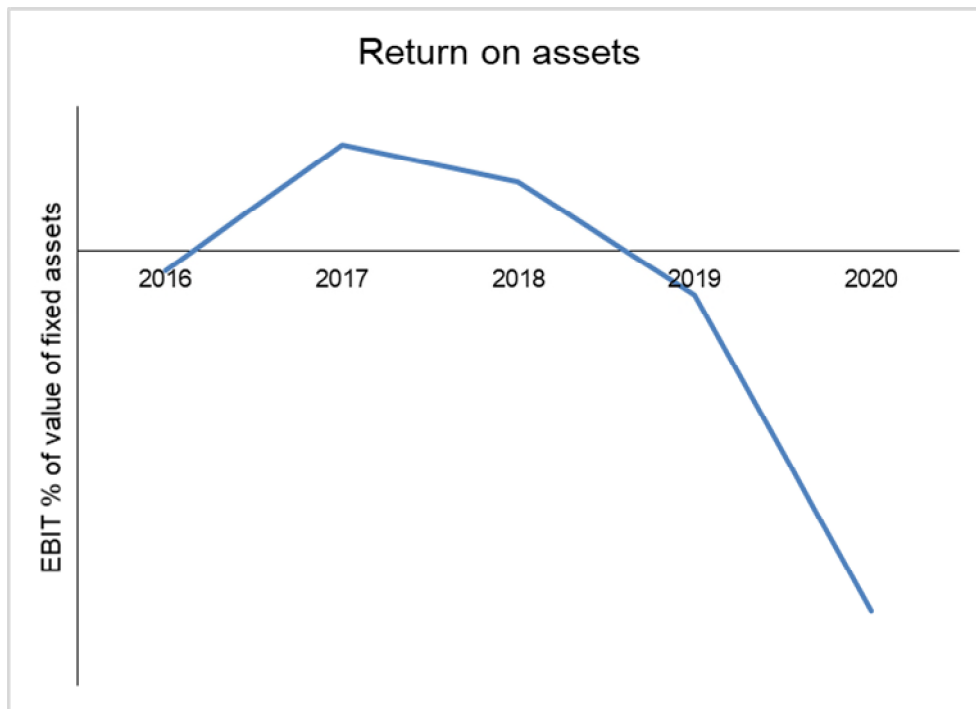


Figure 7: Opal Australian Paper's return on assets / ROI

The Commission observes that the applicant's return on assets increased in 2017 and has decreased since. The decrease in return on assets observed in 2020 appears significant. This will be further assessed during the course of the investigation.

4.8.3 Employment

The applicant alleges that the number of full time employees employed in the production of like goods at its Maryvale production mill increased following the imposition of measures as a result of Investigation 341. The applicant claims that from 2017 to 2019, employment remained steady before decreasing in 2020 as a result of reduced demand for its production 'in connection with lost volumes due to intensified competition in the contracted 2020 marketplace'.¹⁸

Figure 8 shows the trends in the number of employees employed in the production of like goods at the applicant's Maryvale mill during the period 2016 to 2020.

¹⁸ Page 39 of application (confidential version).

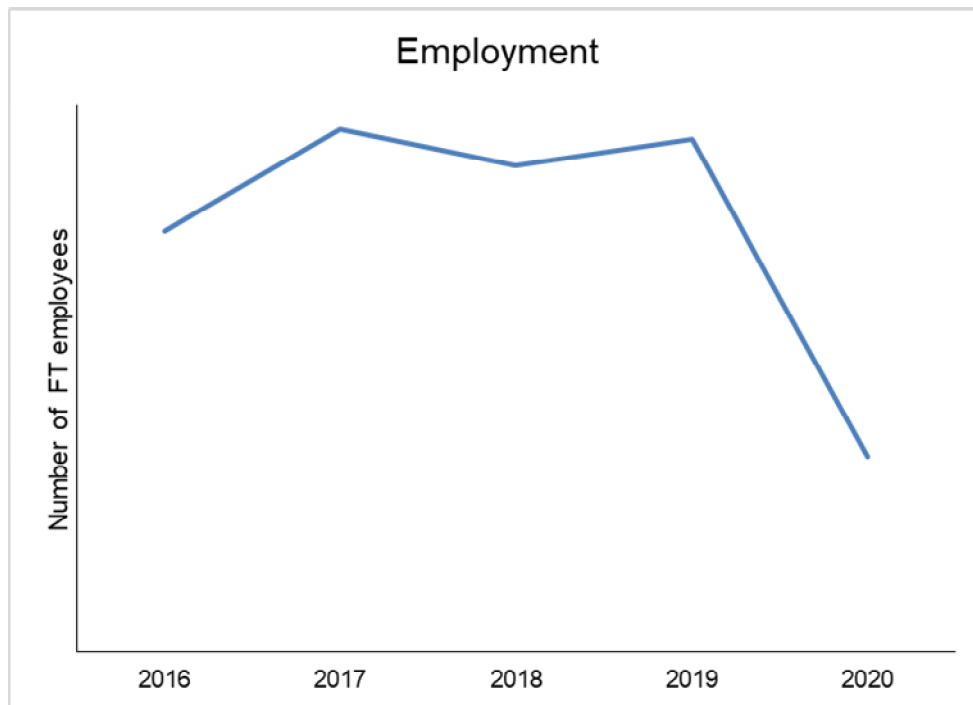


Figure 8: Number of full-time employees employed at Opal Australian Paper's Maryvale mill

The Commission observes that the number of employees employed in the production of like goods decreased significantly in 2020. The Commission will further assess the trend in employment numbers during the course of the investigation.

4.8.4 Conclusion – other injury indicators

The Commission has considered injury indicators other than price, volume and profit, as claimed by the applicant. Based on the information provided in the application, the Commission considers that there appear to be reasonable grounds to support the applicant's claim that the Australian industry has suffered injury in the form of reduced capacity utilisation, reduced ROI and a reduction in the number of employees employed in the manufacture of like goods.

The Commission will further assess these other injury indicators or factors as they specifically relate to the sale and production of like goods during the course of the investigation.

4.9 The Commission's assessment

The Commission considers that there appear to be reasonable grounds to support the applicant's claim that the Australian industry has experienced injury in the form of:

- loss of sales volume;
- reduced production;
- reduced market share;
- price depression;
- price suppression;
- loss of profits;
- reduced profitability;
- reduced utilisation of production capacity;
- reduced ROI; and
- reduced employment.

5 Reasonable grounds – injury caused by dumping

5.1 Findings

Having regard to the matters contained in the application, and to other information considered relevant, the Commission considers that there appear to be reasonable grounds to support the applicant's claims that the Australian industry has suffered material injury caused by dumping.

5.2 Cause of injury to the Australian industry

5.2.1 Legislative framework

Under section 269TG of the Act, one of the matters that the Minister must be satisfied of in order to publish a dumping duty notice is that the material injury suffered by the Australian industry was caused by dumping.

Matters that may be considered in determining whether the Australian industry has suffered material injury caused by dumped goods are set out in section 269TAE.

5.3 The applicant's claims

| Injury caused by dumping |
|--|
| <p>The applicant claims that following the imposition of anti-dumping measures stemming from Investigation 341, it was not able to achieve price recovery from the injuriously low pricing experienced in the 2015 investigation period, given that importers shifted to sourcing A4 copy paper from other countries which were subsequently found to be dumping in Investigation 463. The applicant claims that it was only after measures were applied following Investigation 463 that it was able to achieve slight pricing increases in the domestic market, although these price increases were not sufficient to remove injury, nor were they sufficient to counteract its cost increases, because of continuing competition with allegedly dumped imports not covered by existing measures.</p> <p>The applicant alleges that following the imposition of anti-dumping measures on goods exported from Indonesia, the volume of goods exported from two APP mills (namely, Indah Kiat and Pindo Deli), including goods exported from APRIL, declined substantially however, the volume of goods exported from Tjiwi Kimia (which was exempt from the anti-dumping measures) increased. The applicant claims that the prices of the goods exported by Tjiwi Kimia in 2020 have been the lowest prices of all participants, including other exporters, in the Australian market.</p> <p>The applicant contends that injury commenced from 2016 when the APP group switched to exporting virgin grades of A4 copy paper to Australia from the Indah Kiat and Pindo Deli paper mills to Tjiwi Kimia.</p> <p>The applicant alleges that in 2020, its sales and production volumes, prices and profit decreased substantially as a result of competition with Tjiwi Kimia's allegedly dumped goods exported to Australia. In support of its claims, the applicant provided three examples or 'case studies' which it purports demonstrate the adverse influence that Tjiwi Kimia's allegedly dumped exports had on its volumes and prices.</p> |
| Injury caused by other factors |
| <p>The applicant acknowledges that demand in the Australian market for A4 copy paper has contracted in 2020 because of the COVID pandemic. The applicant alleges that despite the impact of the contraction in demand on its financial performance in 2020, it has still been materially impacted through direct competition with Tjiwi Kimia's allegedly dumped exports, as demonstrated by the three 'case studies' provided in support of its application which allegedly show the adverse influence dumping had on the applicant's negotiations with customers and on the outcome of those negotiations which came into effect in 2020.</p> |

Table 11: Applicant's injury and causation claims

5.4 The Commission's assessment

5.4.1 Volume effects

As noted in chapter 4 of this report, the Commission considers that the applicant has experienced injury in the form of loss of sales volume and market share in 2020, which has consequently impacted production volumes in the same period.

The Commission assessed the evidence provided by the applicant in support of its claims that it lost sales volumes which were awarded to and supplied by Tjiwi Kimia. The applicant outlines two 'case studies' in its application, which it alleges are examples of unsuccessful tenders or bids to supply two separate customers.

The Commission considers that for one of the unsuccessful tenders, there is evidence to suggest that the volumes the applicant has unsuccessfully tendered for have been supplied by Tjiwi Kimia.

In respect of the applicant's second unsuccessful bid to supply A4 copy paper to a particular customer, the Commission considers that the evidence provided by the applicant in support of its allegation that it had lost sales volumes which were awarded to Tjiwi Kimia is inconclusive in terms of the *total* volume that it claims to have lost. The Commission reviewed import declarations as recorded in the ABF import database and could identify some consignments of the relevant brands / grades imported from Tjiwi Kimia, but not all grades that the applicant alleges to have lost to Tjiwi Kimia. The applicant has provided further information to indicate that while it had initially lost the opportunity to supply one of the grades, it had subsequently been successful in securing the supply of this particular grade in late 2020. Nevertheless, there is sufficient evidence that the applicant has lost the opportunity to supply at least one grade of the paper it claims it had lost to Tjiwi Kimia, which appears to support the applicant's claim that it had lost sales volumes (albeit much less than that claimed) that were awarded to Tjiwi Kimia by this particular customer.

Based on the evidence provided in the application as well as other relevant information available to the Commission, the Commission considers that there appear to be reasonable grounds to support the applicant's claim that the allegedly dumped goods exported from Indonesia by Tjiwi Kimia have caused injury to the Australian industry in the form of reduced sales volume and market share.

During the course of the investigation, the Commission will further consider injury in the form of reduced sales volumes and market share. The Commission will consider the additional production and sales volumes that the applicant may have obtained in the absence of dumped imports, and the consequential impact on the applicant's revenue and profit, as well as other potential causes of reduced volumes and market share as outlined in section 5.4.4.

5.4.2 Price effects

As noted in chapter 4 of this report, the Commission considers that the applicant has experienced injury in the form of price depression and price suppression in 2020.

The Commission assessed the evidence provided by the applicant in support of its claims that it had to reduce its price in response to competition from Tjiwi Kimia's dumped goods in order to maintain sales volumes and supply to a particular customer in 2020.

The evidence provided by the applicant in support of its claims pertain to a negotiation that occurred in 2019. The evidence shows the customer requesting benchmarking and comparison of the applicant's bid price to a 'best alternative' price, which the applicant believes to be Tjiwi Kimia's price. The Commission notes that the 'best alternative' price was lower than the applicant's bid price.

The Commission observes that following this request, the applicant reduced its prices several times across the range of grades or brands it bid for, and was able to secure supply of most grades or brands but it appears that it was not able to secure supply of four specific grades.

While the customer's 'best alternative' supplier was not identified by the customer in the evidence provided by the applicant, the Commission considers that, based on the import declarations recorded in the ABF import database, there are reasonable grounds to consider that Tjiwi Kimia was the 'best alternative' supplier for this particular customer.

The Commission considers that the applicant's claims regarding price depression will require further consideration during the investigation to determine whether price depression can be attributed to dumped exports.

5.4.3 Profit effects

As outlined in section 5.4.1 of this report, the Commission considers that there appear to be reasonable grounds to support the applicant's claim that the dumped goods exported from Indonesia by Tjiwi Kimia have caused injury to the Australian industry in the form of loss of sales volumes.

Given that profit is a function of sales volume and profit margin, the Commission considers that there appear to be reasonable grounds to support the applicant's claim that the dumped goods have also caused injury to the Australian industry in the form of reduced profit and reduced profitability.

5.4.4 Injury caused by factors other than dumping

Apart from acknowledging the contraction in demand in 2020 caused by the COVID pandemic, the applicant did not attribute any injury to factors other than dumping.

In accordance with section 269TAE(2A), during the course of the investigation, the Commission will assess other potential causes of injury to the Australian industry, including, but not limited to:

- factors affecting the demand for A4 copy paper in the Australian market, including the impact of the COVID pandemic on demand in 2020;
- increases in the Australian industry's production costs since 2017;
- unplanned manufacturing plant shutdowns; and
- the volumes and prices of A4 copy paper imported from other countries.

5.5 Conclusion – material injury caused by dumping

The Commission considers that:

- the level of the dumping indicated in the application and in the Commission's revised calculations;
- the preliminary assessment of loss of sales and market share, including the evidence provided by the applicant linking dumping to the claimed volume injury; and
- the preliminary assessment of reduced profit and profitability,

appear to provide reasonable grounds to support the applicant's claim that the goods exported from Indonesia by Tjiwi Kimia at dumped prices have caused material injury to the Australian industry.

6 Attachments

| Attachment | Title |
|---------------------------|---|
| Confidential Attachment 1 | Australian A4 copy paper market |
| Confidential Attachment 2 | Estimate of dumping margin |
| Confidential Attachment 3 | Analysis of the economic condition of the Australian industry |