



ANTI-DUMPING NOTICE NO. 2021/082

Customs Act 1901 – Part XVB

A4 copy paper

Exported from the Federative Republic of Brazil, the People's Republic of China, the Republic of Indonesia and the Kingdom of Thailand

Initiation of Continuation Inquiry No. 588 into Anti-Dumping Measures

Notice under section 269ZHD(4) of the Customs Act 1901

I, Dr Bradley Armstrong PSM, the Commissioner of the Anti-Dumping Commission, have initiated an inquiry into whether the continuation of anti-dumping measures applying to certain A4 copy paper (the goods) exported to Australia from the Federative Republic of Brazil (Brazil), the People's Republic of China (China), the Republic of Indonesia (Indonesia) and the Kingdom of Thailand (Thailand) (collectively, the subject countries), is justified.

The anti-dumping measures are in the form of a dumping duty notice applying to the goods exported from Brazil, China, Indonesia and Thailand, and a countervailing duty notice applying to the goods exported from China only.

The dumping duty notice applies to all exporters of A4 copy paper from the subject countries except by the following exporters from Indonesia;

- PT Indah Kiat Pulp & Paper Tbk (Indah Kiat);
- PT Pabrik Kertas Tjiwi Kimia Tbk (Tjiwi Kimia); and
- PT Pindo Deli Pulp & Paper Mills (Pindo Deli).

The countervailing duty notice applies to all exporters of A4 copy paper from China except by;

- Asia Symbol (Guangdong) Paper Co., Ltd (Asia Symbol) and Greenpoint Global Trading (Macao Commercial Offshore) Ltd (Greenpoint); and
- UPM (China) Co., Ltd (UPM China) and UPM Asia Pacific Pte Ltd (UPM AP).

The anti-dumping measures are due to expire on 19 April 2022.¹

¹ On and from 20 April 2022, if not continued, the anti-dumping measures would no longer apply.

1. The goods

The goods subject to the anti-dumping measures are:

uncoated white paper of a type used for writing, printing or other graphic purposes, in the nominal basis weight range of 70 to 100 gsm [grams per square metre] and cut to sheets of metric size A4 (210 mm x 297 mm) (also commonly referred to as cut sheet paper, copy paper, office paper or laser paper).

In addition to the specifications outlined above, with respect to the goods from China, the dumping duty and countervailing duty notices extend to A4 copy paper in the nominal weight range of 67 to 69 gsm.²

The applicant at the time of the original investigation supplied the following additional information to clarify the scope of the goods description:

The paper is not coated, watermarked or embossed and is subjectively white. It is made mainly from bleached chemical pulp and/or from pulp obtained by a mechanical or chemi-mechanical process and/or from recycled pulp.

The goods are generally, but not exclusively, classified to the following tariff subheadings in Schedule 3 to 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 1: General tariff classification for the goods

These tariff classifications and statistical codes may include goods that are both subject and not subject to the anti-dumping measures. The listing of these tariff classifications and statistical codes is for reference only and do not form part of the goods description.

2. Background to the anti-dumping measures

The anti-dumping measures, in the form of a dumping duty notice and a countervailing duty notice, were initially imposed on 19 April 2017 by the then Assistant Minister for Industry, Innovation and Science and Parliamentary Secretary Minister for Industry, Innovation and Science following consideration of *Anti-Dumping Commission Report No. 341* (REP 341).³

The dumping duty notice applied to all exporters of A4 copy paper from the subject countries except Tjiwi Kimia, whereas the countervailing duty notice applied to all exporters of A4 copy paper from China except Asia Symbol, Greenpoint, UPM China and UPM AP.

² Anti-Dumping Notice (ADN) 2021/024 refers.

³ ADN Nos. 2017/39 and 2017/40 refer. REP 341 is available on the Commission's website.

The original investigation and the imposition of the anti-dumping measures resulted from an application made under section 269TB of the *Customs Act 1901*⁴ by Paper Australia Pty Ltd (Australian Paper), representing the Australian industry producing like goods to the goods subject to the anti-dumping measures.

Further details on the goods and existing measures is available on the Dumping Commodity Register on the Anti-Dumping Commission's (Commission) website (www.adcommission.gov.au).

WTO Dispute DS529 and Review 547

Following a request by Indonesia, the World Trade Organization (WTO) Dispute Settlement Body (DSB) established a panel on 27 April 2018 to hear Indonesia's complaint regarding the measures imposed in relation to Indah Kiat and Pindo Deli following Investigation 341.

The final report of the WTO Panel in DS529 was published on 4 December 2019, and was adopted by the WTO DSB on 27 January 2020. The Panel found the measures imposed in relation to Indah Kiat and Pindo Deli were inconsistent with some provisions of the WTO Anti-Dumping Agreement, and recommended that Australia bring its measures into conformity with its obligations under the Anti-Dumping Agreement. A copy of the dispute panel's final report is available on the WTO's website.⁵

On 12 March 2020, following a request by the then Minister for Industry, Science and Technology (the then Minister), the Commissioner initiated a review of the anti-dumping measures applying to A4 copy paper exported to Australia from Indonesia by Indah Kiat and Pindo Deli.⁶

Following consideration of REP 547,⁷ the then Minister revoked the dumping duty notice applying to goods exported to Australia from Indonesia by Indah Kiat and Pindo Deli.⁸

Anti-circumvention Inquiry 552

On 28 April 2020, the Commissioner initiated an inquiry into alleged circumvention activity involving a slight modification of goods exported to Australia from China.⁹ This inquiry was initiated following an application made by Australian Paper.

Following consideration of *Anti-Dumping Commission Report No. 552*, the then Minister accepted the Commissioner's recommendations to alter the dumping duty notice and countervailing duty notice applying to A4 copy paper exported from China to include goods in the nominal weight range of 67 to 69 gsm, with effect on and after 28 April 2020.¹⁰ Further details concerning the alterations to the notices as they apply to the goods exported from China are outlined in ADN No. 2021/024.

⁴ All legislative references in this notice are to the *Customs Act 1901*, unless otherwise stated.

⁵ See https://www.wto.org/english/tratop_e/dispu_e/cases_e/ds529_e.htm.

⁶ ADN No. 2020/028.

⁷ Electronic public record (EPR) 547, item no. 24.

⁸ ADN No. 2020/090, published 14 September 2020.

⁹ ADN No. 2020/045.

¹⁰ On 28 April 2021 UPM Asia Pacific Pte Ltd applied for review of the Minister's decision. Refer to 2021/133 - A4 copy paper exported from the People's Republic of China

Review 551

On 16 April 2020, the Commissioner initiated a review of the anti-dumping measures applying to the goods exported to Australia from Brazil, China, Indonesia and Thailand.

The review examined whether the variable factors relevant to the determination of duty payable under the *Customs Tariff (Anti-Dumping) Act 1975* have changed.

On 7 June 2021 I provided my final report and recommendations to the Minister for Industry, Science and Technology (the Minister).

3. Application for continuation of the anti-dumping measures

Division 6A of Part XVB sets out, among other things, the procedures to be followed in dealing with an application for the continuation of anti-dumping measures.

In accordance with section 269ZHB(1), I published a notice on the Commission's website on 12 April 2021.¹¹ The notice invited the following persons to apply for the continuation of the anti-dumping measures:

- the person whose application under section 269TB resulted in the anti-dumping measures (section 269ZHB(1)(b)(i)); or
- persons representing the whole or a portion of the Australian industry producing like goods to the goods covered by the anti-dumping measures (section 269ZHB(1)(b)(ii)).

On 7 June 2021, an application for the continuation of the anti-dumping measures was received from Australian Paper. A non-confidential version of the application is available on the public record.

Having regard to the application and the original investigation (Investigation 341), I am satisfied that Australian Paper is the person under section 269ZHB(1)(b)(i) because Australian Paper's application under section 269TB resulted in the existing anti-dumping measures.

4. Consideration of application under section 269ZHD(1)

Pursuant to section 269ZHD(1), I must reject an application for the continuation of anti-dumping measures if I am not satisfied of one or more of the matters referred to in section 269ZHD(2). These are:

- whether the application complies with section 269ZHC (see section 269ZHD(2)(a)); and
- whether there appear to be reasonable grounds for asserting that the expiration of the anti-dumping measures to which the application relates might lead, or might be likely to lead, to a continuation of, or a recurrence of, the material injury that the measures are intended to prevent (see section 269ZHD(2)(b)).

5. Assessment under section 269ZHD(2)(a) – compliance with section 269ZHC

I consider that the application complies with the requirements of section 269ZHC because it is in writing, in a form approved by me for the purposes of this section, contains the information that the form requires, is signed in the manner indicated by the form, and was

¹¹ ADN No. 2021/049.

lodged in a manner approved under section 269SMS, being by email to the Commission's email address provided in the instrument under section 269SMS.¹²

6. Assessment under section 269ZHD(2)(b) – reasonable grounds

Applicant's claims

In its application, Australian Paper claims that:

- exporters of the goods from the subject countries have maintained distribution networks in the Australian market and exports have continued since the imposition of the measures;
- the goods are dumped at significantly greater margins than the margins established in the original investigation period (2015), noting the Commission's findings in the statement of essential facts for Review 551,¹³ and noting that domestic selling prices have increased in the 12 month period ending 31 December 2020 relative to the domestic selling prices in 2015;
- following the imposition of measures, export prices of the goods increased and peaked in September 2019, before declining significantly in 2020 as exporters 'aggressively' sought to maintain or increase market share in the Australian market;
- Australian Paper's domestic sales of A4 copy paper increased in 2017 and 2018 due to the imposition of the measures in April 2017, but decreased in 2020 due to the impact of the COVID-19 pandemic;
- a contracting A4 copy paper market creates a situation where market share can only be retained or increased by 'winning' sales volume at competitive prices; therefore, the contraction in apparent consumption in 2020 increased the importance of volume retention and has further increased competition in terms of pricing;
- the low prices observed in 2020 demonstrate the exporters' willingness to undercut prices in the Australian market, and that without the continuation of the measures, injury will recur in the form of loss of sales volume and further 'price erosion'; and
- the continued exportation of the dumped goods, as well as the maintained distribution networks and the regional overcapacity, point to the fact that removal of the measures will impact the Australian industry 'demonstrably'.

As part of its application, Australian Paper provided data from TradeData International to demonstrate that exporters from the subject countries continue to export the goods to Australia.

7. The Commission's consideration

The Commission examined information it obtained from the Australian Border Force import database. From this examination it found that the volume of A4 copy paper exported from the subject countries declined (in absolute and relative terms) following the imposition of measures in April 2017, albeit volumes increased in 2020 and maintain a material share of the Australian market. The continuing and still significant volumes of these exports demonstrates that exporters from the subject countries have maintained distribution links in the Australian market.

In REP 341, the Commission found that Australian Paper sets its prices relative to imports, and that price was the key determination in winning contracts for supply.¹⁴ The

¹² A copy of the instrument can be found on the Commission's website at www.adcommission.gov.au.

¹³ EPR 551, item no. 40.

¹⁴ EPR 341, item no. 221, pp. 105-107.

Commission found that import offers and movements in the price of imported A4 copy paper were leveraged by customers to negotiate prices with Australian Paper during tender negotiations, and that Australian Paper responded to the price of imported products by reducing its price offers to remain competitive.

The Commission notes that evidence submitted by Australian Paper with its application indicates that its prices following the imposition of measures have not increased to any significant extent. This may be due to the continuing competition from dumped goods, which undercut Australian Paper prices in the Australian market.

8. Conclusion

Having regard to the application, Australian Paper's claims and other relevant information set out in this notice, I am satisfied that, in accordance with section 269ZHD(2)(b), there appear to be reasonable grounds for asserting that the expiration of the anti-dumping measures might lead, or might be likely to lead, to a continuation of, or a recurrence of, the material injury that the measures are intended to prevent. Further, I am satisfied that, in accordance with section 269ZHD(2)(a), the application complies with section 269ZHC.

Accordingly, I have decided not to reject the application.

9. This continuation inquiry

I have recently completed a review of the measures (Review 551) pursuant to Division 5 of Part XVB of the Act. My findings and recommendations resulting from this review are currently being considered by the Minister. I propose to have regard to the variable factors determined in Review 551 for the purposes of this continuation inquiry.¹⁵

However, if an interested party would like to complete an exporter questionnaire and provide data relevant to their export prices, normal values and the amount of countervailable subsidisation received in respect of goods exported from China they must do so no later than close of business on **Monday 9 August 2021**. Responses to the exporter questionnaire received by this date will be taken into consideration when examining whether the expiration of the measures would lead, or would be likely to lead, to a continuation of, or recurrence of the dumping or subsidisation and material injury to Australian industry.

Following my inquiry, I will recommend to the Minister whether the dumping duty notice and the countervailing duty notice should:

- (i) remain unaltered; or
- (ii) cease to apply to a particular exporter or to a particular kind of goods; or
- (iii) have effect in relation to a particular exporter or to exporters generally, as if different variable factors had been ascertained; or
- (iv) expire on the specified expiry day.

10. Public record

I must maintain a public record for this inquiry. The Electronic Public Record (EPR) hosted on the Commission's website (www.adcommission.gov.au) contains, among other things, a copy of all non-confidential submissions from interested parties. Documents hosted on the EPR can be provided upon request to interested parties.

¹⁵ The Commission assessed data pertaining to calendar year 2019 in determining the variable factors.

11. Submissions

Interested parties, as defined in section 269T(1), are invited to lodge written submissions concerning the continuation of the measures no later than the close of business on **Monday 9 August 2021**. The Commission's preference is to receive submissions by email to investigations@adcommission.gov.au.

Submissions may also be addressed to:

The Director, Investigations 3
Anti-Dumping Commission
GPO Box 2013
Canberra ACT 2601

Interested parties wishing to lodge written submissions must ensure that submissions are lodged promptly. Interested parties should note that I am not obliged to have regard to a submission received after the date indicated above if to do so would, in my opinion, prevent the timely placement of the statement of essential factors (SEF) on the public record.

Interested parties claiming that information contained in their submission is confidential, or that the publication of the information would adversely affect their business or commercial interests, must:

- (i) provide a summary containing sufficient detail to allow a reasonable understanding of the substance of the information that does not breach that confidentiality or adversely affect those interests, or
- (ii) satisfy me that there is no way such a summary can be given to allow a reasonable understanding of the substance of the information.

Submissions containing confidential information must be clearly marked "OFFICIAL: Sensitive". Interested parties must lodge a non-confidential version or a summary of their submission in accordance with the requirement above (clearly marked "PUBLIC RECORD").

12. Statement of essential facts

The dates specified in this notice for lodging submissions must be observed to enable me to report to the Minister within the legislative timeframe. The SEF will be placed on the public record on or before **Wednesday 20 October 2021**, or by such later date as I may allow in accordance with section 269ZHI(3).¹⁶ The SEF will set out the essential facts on which I propose to base a recommendation to the Minister concerning the continuation of the anti-dumping measures.

Interested parties are invited to lodge written submissions in response to the SEF within 20 days of the SEF being placed on the public record. Submissions received in response to the SEF within 20 days of the SEF being placed on the public record will be taken into account in completing my report and recommendation to the Minister.

¹⁶ On 14 January 2017, certain powers and functions of the Minister under section 269ZHI of the Act were delegated to the Commissioner. Refer to ADN No. 2017/10 for further information.

13. Report to the Minister

I will make a recommendation to the Minister in a report on or before **Monday 6 December 2021**¹⁷, that is, within 155 days after the date of publication of this notice, or such later date as I may allow in accordance with section 269ZHI(3)).

The Minister must make a declaration within 30 days after receiving the report, or if the Minister considers there are special circumstances, such longer period, ending before the specified expiry day, as the Minister considers appropriate.

14. Contact

Enquiries about this notice may be directed to the case manager on telephone number +61 3 8539 2418 or email at investigations@adcommission.gov.au.

Dr Bradley Armstrong PSM
Commissioner
Anti-Dumping Commission

2 July 2021

¹⁷ The due date is 4 December 2021, however, as this falls on a Saturday, the effective due date is the following business day.