



**Opal Australian Paper**

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## Public File

19 January 2022

The Director  
Investigations 2  
Anti-Dumping Commission  
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Dear Sir/Madam

### **Continuation Inquiry 588 - Opal Australian Paper response to Jackaroo Paper Pty Ltd submission**

#### I. Introduction

Paper Australia Pty Ltd (hereafter referred to as “Opal Australian Paper”, or “OAP”) has reviewed recent interested party submissions in response to the initiation of Continuation Inquiry Notice (“Inquiry 588”) and responds to the Electronic Public Record (“EPR”) submission No. 26 made on behalf of Jackaroo Paper Pty Ltd (“Jackaroo”) and published on 13 January 2022. OAP also notes that EPR submission No. 28 on behalf of Sylvamo do Brasil Ltda (“Sylvamo”) is made by the same representative and repeats most if not all of the points made in the Jackaroo submission. Therefore, where OAP refers to Jackaroo’s and Sylvamo’s claims, they should be considered interchangeable.

Opal Australian Paper rejects the interested party’s contentions in their submissions that the recently published Statement of Essential Facts (“SEF”) published by the Anti-Dumping Commission (“the Commission”) has failed to demonstrate that there is a likelihood of continuation or recurrence of material injury. The interested parties claim that the Commission has overlooked dynamics and market share position of OAP and asserts that the Commission must subsequently reconsider its material injury analysis.

However, having reviewed the SEF, OAP wishes to reiterate its support for the Commission’s analysis contained within the SEF insofar as it relates to the abovementioned contentions, and more broadly the exports from Brazil. Whilst OAP notes that it has previously discredited the repeated claims made by Jackaroo, and that the Commission’s analysis in the SEF also deals with many of the issues raised in great detail, OAP also recognises the importance of correcting new misrepresentations.

#### II. Australian Market and likely impact on volumes

Jackaroo’s submission contends that whilst the exports from Brazil increased during the 2020 year, that the volumes were immaterial, and further that the increase was not significant. In fact, the data available to OAP<sup>1</sup> suggests that exports from Brazil increased between 2019 and 2020 by approximately 26 per cent. Furthermore, OAP notes the consistent nature of the exports to Australia following the original measures.

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<sup>1</sup> Export volumes to Australia of the subject goods sourced from TradeData International Pty Ltd.

Jackaroo's claims of immaterial volumes are inaccurate given that they have imported an annual average of around 2,250 tonnes per annum over the past decade. Additionally, the claim is also largely irrelevant considering that the Commission's determination that the existence of dumped prices in the market influence the price sensitive good and OAP's pricing due to price transparency regardless of volumes. Furthermore, the Brazilian export volumes in and of themselves need not be substantial as the Commission has correctly cumulated the volumes of dumped goods with other imports in assessing material injury.

Jackaroo submission states that because one of its customers; Complete Office Supplies ("COS") is named as an interested party in another investigation, that this in some way precludes them from sourcing the like goods from Brazil now, or in the future in the absence of measures. This claim is of course not supported by any evidence, and indeed defies logic.

Jackaroo goes on to assert that OAP did not tender for business with this same customer in 2015 and 2016, due to an exclusivity clause with another customer, and that this should somehow lead the Commission to determine that Brazil is unlikely to export the goods to Australia in the absence of measures in future. This claim is brazenly untrue, unsupported with evidence, and irrelevant to the facts under consideration in the continuation inquiry for the following reasons:

- The referenced tender was approximately 6-7 years ago, and has no bearing on the likelihood future exportation of Brazilian copy paper to Australia.
- The customer referenced is one of several Australian customers which sold the imported goods from Brazil. The Commission's analysis demonstrated evidence of the Brazilian made product being sold at Officeworks and OAP has submitted evidence below to show it is still for sale today.
- OAP did in fact respond to the tender in question offering to supply like goods.
- The exclusivity clause referenced by Jackaroo has long expired (shortly after the original measures were set in place).
- OAP confirms that it has no exclusivity agreements with any customers and has no intention of entering into any in future.

Notwithstanding these facts, this issue was considered by the Commission the within in Investigation 341 analysis, which found that dumped exports of the like goods from Brazil had caused material injury to the Australian Industry. The issue was also considered in even greater detail within Investigation 463.

Jackaroo goes on to state *"it is clear that Paper Australia continues to refuse to supply virgin private label products to COS as is evident from the current dumping investigation into A4 copy paper from Indonesia."* For the sake of clarity Jackaroo refers to the ongoing Investigation No. 588 related to exports of the like goods from Indonesian exporter Tjiwi Kimia. OAP confirms that this statement is patently false. In fact, OAP's application included evidence confirming that it was unsuccessful in its tender bid to supply COS' private label in 2020.

Jackaroo then states *"Paper Australia's exclusive supply arrangement with Staples ended with the company's acquisition in 2017. As such, there is no possibility of a recurrence of indirect injury."* Whilst OAP's customer [customer] was acquired by [acquirer] it does continue to operate the business under the name [customer]. So the likelihood of competition whether direct or indirect remains. In fact, the expiration and non-renewal of this contract substantially increases the exposure of OAP to future injury, given that sales to this customer are now made on an [nature of sales agreement and exposure to import competition].

Jackaroo then claims *"supply of COS private label paper is supplied by exporters from Indonesia that are not subject to measures. There is no prospect of Jackaroo supplying COS with imports from Brazil."* Whether or not Jackaroo currently supplies COS with the like goods is not the primary concern of the Commission, but rather whether injurious exports from Brazil are likely recur in the absence of measures. Given that the Commission has adequately demonstrated that there is a significant degree of opportunity for customers including COS to switch between supply sources, and that Brazilian exports to Australia remain commonplace, including at other major customers such as [customer], it is

clears that there is a high degree of likelihood that the exports will continue, and especially so if measures are discontinued.

### III. Exported products

Jackaroo repeats their previous false and frankly tiresome claims that the products exported from Brazil differs from the like goods because of their “*recommended use with HP inkjet and laserjet printers*”, along unexplained “*non-standard characteristics*” and “*technical attributes*”. These claims have been dealt with in multiple investigations and are specifically addressed in the SEF, notwithstanding the fact that Jackaroo has provided no evidence whatsoever to support this claim.

### IV. Likely effect on prices

In their submissions, Jackaroo and Sylvamo make an attempt to decumulate the Brazilian exports from the undercutting analysis by claiming that their products do not adequately align to those produced by the domestic industry. This attempt to differentiate their products from other products in the Australian market was noted by the Commission in the original investigation:

*“Whilst IP Brasil (now Sylvamo) seeks to differentiate its product, it is noted that that both Australian industry and some exporters from the other nominated countries also commonly make similar claims to differentiate their products. The Commission considers this product differentiation is a sign of a highly competitive market;”*<sup>2</sup>

Following on from the unsupported claims that Brazilian products are not comparable with the Australian market, they then seek to mislead the Commission on the product mix of OAP’s Australian sales, claiming that “*the majority of products sold by Paper Australia are understood to relate to its own ‘Reflex’ brand.*” This claim is of course false. OAP has submitted its sales records to the Commission which confirm that the majority of OAP’s sales are not its Reflex brand, in fact non-Reflex sales make up approximately XX per cent of its sales. The fact also remains that Reflex continues to compete directly in the market with all other A4 copy paper brands especially those historically supplied by Brazilian exports including Private Label brand “COS Premium” and the “HP” brand, as well as those from other countries subject of the measures.

In lieu of any compelling argument or evidence, Jackaroo seeks to support its claims with cherry picked information from a single reseller claiming that recycled papers achieve higher market prices and are therefore not comparable. However, OAP has supplied the Commission with its complete sales record which confirms that at the appropriate level of trade, there is no price premium achieved on recycled grades. There may of course be instances where a downstream customer may lower its retail price on a non-recycled grade as a promotion (as per the Jackaroo example), but of course this does not affect the prices achieved by OAP at the level of trade that it competes with the imported goods.

A simple search on the [customer] website tells a different and far more compelling story given that both OAP and Brazil manufactured products compete side by side. From the example below taken from the [customer] website on 19 January 2022, it can be seen that there is negligible price difference between Reflex recycled and non-recycled grades. In fact, the difference is only \$0.09 per ream or 1.8 per cent. However, in the below example the non-recycled grade is also ‘unwrapped’ which will always be less expensive since it has far less packaging. Therefore it is likely that if [customer] had Reflex non-recycled grades for sale which were individually wrapped, then the price for the non-recycled would actually be higher than the recycled grade. This completely discredits Jackaroo’s claims.






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<sup>2</sup> Final Report 341, Section 9.4.5, Page 100.



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Furthermore, the Brazilian produced 'HP' brand is also listed for sale at a highly comparable price point to OAP's Reflex brand i.e. it is within \$0.03 or 0.5 per cent of the Reflex 100% recycled grade which they claim do not compete.

 <b>\$4.99</b> Reflex 50% Recycled 80gsm A4 Copy Paper 500 Sheet Ream <a href="#">Add to Cart</a> <a href="#">Add to My List</a>	 <b>\$5.00</b> Reflex 100% Recycled Carbon Neutral 80gsm A4 Paper Ream <a href="#">Add to Cart</a> <a href="#">Add to My List</a>	 <b>\$24.50</b> Reflex Ultra White 80gsm A4 Copy Paper 2500 Sheet Box <b>\$4.90 /ream</b> <a href="#">Add to My List</a> <a href="#">Add to Compare</a>	 <b>\$24.95</b> Reflex 50% Recycled 80gsm A4 Copy Paper 5 Ream Carton <b>\$4.99 /ream</b> <a href="#">Add to My List</a> <a href="#">Add to Compare</a>	 <b>\$25.11</b> HP 80gsm A4 Office Paper Carton <b>\$5.02 /ream</b> <a href="#">Add to My List</a>
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At no point in their submission do the interested parties provide any compelling evidence to suggest that the Commission's prior analysis on this matter is no longer relevant or applicable, nor that it could not be considered likely to recommence undercutting after measures are discontinued given that Brazilian exports were still dumping by 25.7% according to most recent analysis.

V. Conclusion

Opal Australian Paper rejects aforementioned claims made by Jackaroo and Sylvamo that the Commission has erred in its analysis outlined in the SEF in relation to the exports from Brazil. Given the lack of relevant evidence or logic in support of their claims, it is OAP's contention that Jackaroo and Sylvamo seek to distract and delay the Commission from making its final recommendation to the Minister in a timely manner.

If you have any questions concerning this submission please do not hesitate to contact me on 0425 619 677.

Yours sincerely

Matt Decarne  
Trade Affairs Manager