



## Anti-Dumping Review Panel - Conference Summary

### 2017/55 – 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

*Applicant: Phoenix Pulp and Paper Company Ltd*

Applicant	Phoenix Pulp and Paper Company Ltd
Panel Member	Jaclyne Fisher
Date	8-9 August 2017
Participants	Justin Wickes (Anti-Dumping Commission), Tim King (Anti-Dumping Commission)
Time	8 Aug 8.30 - 10.30 am
Time	8 Aug 1 - 2.30 pm

#### *Purpose*

The purpose of this conference is to obtain further information in relation to the review before the ADRP, in relation to 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.

In the course of this conference, I may ask parties to clarify an argument, claim or specific detail contained in the party’s application or submission. The conference is not a formal hearing of the review, and is not an opportunity for parties to argue their case before me.

I have only had regard to information provided at this conference that relates to relevant information (within the meaning of section 269ZZK(6) of the *Customs Act 1901*). Any conclusions reached at this conference are based on that relevant information.

#### *Discussion*

1. The Panel Member asked the Commission to confirm whether all domestic sales of like goods (noting the model differences) were used for s.269TAC(1) purposes or were only those to the same level of trade as the importer used?

The Commission advised that all sales were used as it was necessary to ensure there were sufficient volume of sales in the ordinary course of trade for TAC(1) purposes. The Commission provided all the relevant confidential spreadsheets demonstrating the sales used and outlined the calculations undertaken. It also provided the domestic pricing analysis undertaken for sales of the model matched goods between the end users and dealers. The Commission advised that this information formed the basis of the statement in 6.10.4.2.1 of REP 341 that there was not a consistent pricing hierarchy between prices to end user and dealers for all models.

2. The Panel Member asked for the rationale for using the price difference rather than the cost difference in making a specification adjustment, noting the comments in the application to the Review Panel.

The Commission indicated that specification adjustments on a cost basis were quite complex given the fact that there is less pulp in lower gram per square metre sheets, there are different costs in rolling and cutting the finer sheets and there are also quite different yields between the different models. It is not a straight pulp difference in the costs for a specification adjustment. For this reason, the Commission considered it more appropriate to base the specification adjustment on price differences. It stated that this approach had been adopted for other exporters and is discussed in the Dumping Policy Manual as an option.



3. The Panel Member asked for clarification as to the modification of the Commission's approach in relation to domestic stock carrying adjustment in REP 341.

The Commission indicated the applicant claimed there were no stock carrying costs for export sales however there were costs for domestic stock embedded in the domestic prices. The Commission considered that even though export sales are made to order, there is some time between final manufacture of all the goods being produced for export and its packing into containers that would incur a cost to the exporter. It stated that the exporter did not provide evidence of what that cost difference would be between the two sales and for this reason, the Commission stated it did not consider evidence had been provided which correctly quantified this difference. The Commission provided copies of the confidential exporter questionnaire and the verification report relating to this issue. A copy of the confidential submission (138) was also provided which outlined the applicant's position in more detail which was considered by the Commission.

4. The Panel Member asked for additional information in relation to the 'other marketing expenses' incurred in the domestic sales and why it allowed the 'salesman expense' incurred in the domestic sales but did not consider 'other marketing expenses' were directly connected to the sales in question.

The Commission supplied the confidential information that the applicant had provided in relation to 'other marketing expenses'. It stated that as outlined in REP 341 it did not consider these expenses were directly connected to the goods in question and were more general marketing expenses. It stated that the adjustment of salesman expense had been part of a composite charge for inland freight which could be directly connected to the domestic sales in question.