



ADRP Conference Summary

Review No. 138 – A4 Copy Paper exported from the Federative Republic of Brazil, the People’s Republic of China, the Republic of Indonesia (except by PT Indah Kiat Pulp & Paper Tbk, PT Pabrik Kertas Tjiwi Kimia Tbk and PT Pindo Deli Pulp & Paper Mills) and the Kingdom of Thailand

Panel Member	Jaci Fisher
Review type	Review of Minister’s decision
Date	22 September 2021
Participants	Andrew Percival (authorised representative of APRIL Far East (Malaysia) Sdn. Bhd. and PT Riau Andalan Kertas), joint application referred to as APRIL, Justin Wickes (ADC representative) Corey Hawke (ADC representative) Evan Schnell (ADC representative) Adam Hourigan (ADC representative)
Time opened	1.00 pm AEST
Time closed	2.10 pm AEST

Purpose

The purpose of this conference was to obtain further information in relation to the application before the Anti-Dumping Review Panel (Review Panel) in relation to A4 Copy Paper exported from the Federative Republic of Brazil, the People’s Republic of China, the Republic of Indonesia (Indonesia) and the Kingdom of Thailand.

The conference was held pursuant to section 269ZZHA of the *Customs Act 1901* (the Act).

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

I have only had regard to information provided at this conference to the extent that it relates to relevant information within the meaning of section 269ZZK of the Act. Any conclusions reached at this conference are based on that relevant information. Information that relates to some new argument not previously put in an application or submission is not something that the Anti-Dumping Review Panel (Review Panel) may have regard to and, therefore, is not reflected in this conference summary.



At the time of the conference, I advised the participants:

- That the conference was being recorded and transcribed by Express Virtual Meetings Pty Ltd, and that the recording would capture everything said during the conference.
- That the conference was being recorded for the Review Panel to have regard to when preparing a conference summary. The conference summary would then be published on the Review Panel's website.
- Any confidential information discussed during the conference would be redacted from the conference summary prior to publication.

Prior to the conference, participants were provided with a copy of the Review Panel's Privacy Statement. The Privacy Statement outlines who the conference recording and transcript may be disclosed to. The Privacy Statement is available on the Review Panel's website [here](#). The participants indicated that they understood the Privacy Statement and consented to:

- The recording of the conference; and
- The recording being dealt with as set out in the Privacy Statement.

Discussion

The specific information that the Review Panel sought in this conference relates to Grounds One and Two in the joint application from APRIL Far East (Malaysia) Sdn. Bhd. (AFEM) and PT Riau Andalan Kertas (RAK), and is referred to as the APRIL application. RAK and AFEM are also referred to as individual parties. Particular information was sought from APRIL and the ADC.

APRIL:

1. The RAK and the AFEM invoice provided to the Review Panel in the letter dated 31 August 2021 (and previously supplied to the ADC as part of the verification), shows a box that says [REDACTED]

[REDACTED]

[REDACTED] (Confidential export pricing information).

- (a) Could APRIL advise details regarding the [REDACTED] shown on the invoice, what it reflects and its calculation (confidential export pricing information)?



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APRIL advised that the [REDACTED] is a deduction for the functions performed by AFEM in making sales to Australian customers. This includes [REDACTED]

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED] (Confidential sales and marketing information on export transactions).

The Review Panel requested copies of the invoices made to Australia with the relevant amounts provided.

Copies of the confidential invoices were provided by APRIL on 27 September 2021.

(b) What is the meaning of [REDACTED] and [REDACTED] on the invoice provided to the Review Panel?

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]. (confidential export sales and pricing information). This process has been applied to the prices used in the AFEM and RAK transactions.

2. In the letter dated 31 August 2021 (confidential version) it states the price from RAK to AFEM [REDACTED] (confidential export sales information). As part of the ADC verification program, it indicated that AFEM's sales department negotiates from an order placed by the Australian customer that includes the product, quantity, price, payment terms, delivery terms and other sales terms. AFEM bases its prices on an [REDACTED]
[REDACTED]
[REDACTED] (Confidential export sales information). The price to the Australian importer is established prior to the purchase order being raised by AFEM with RAK.

(a) Could APRIL advise the process used to establish the price from RAK to AFEM?

APRIL advised that once the AFEM price to Australian customers is established then the price from RAK to AFEM is calculated by [REDACTED]



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████████████████████ (Confidential export price information). This enables the price to be considered a 'market price' for accounting and taxation purposes.

(c) Given the price to Australian customers is at the ██████████ are the ██████████
████████████████████ (confidential export price information)?

APRIL advised that the ██████████ used in establishing the price to Australian importers is an estimate based on ██████████. (Confidential export costing information).

3. In the letter dated 31 August 2021, APRIL refers to Ground Two adjustments (regarding Normal Value adjustments pursuant to s.269TAC(8) of the Act) as having been provided to the ADC as part of the 3rd and 4th information responses during verification. Could APRIL please specify exactly what adjustment information was provided as it is unclear?

APRIL advised that at the time this information was provided to the ADC, APRIL was unaware of the approach being considered by the ADC in relation to the determination of the export price and the normal value. This response needs to be considered in this context. The response outlines answers to the questions posed by the verification team in relation to the manner in which domestic prices and export prices were established, particularly noting the comments in relation to transfer pricing considerations. It does not have specific adjustments detailed but rather describes the selling processes in the export and domestic markets.

The Review Panel noted this context but referred to the APRIL application and its letter dated 31 August 2021 regarding specific information in relation to the exact nature and amounts being claimed in relation to adjustments pursuant to s.269TAC(8) of the Act.

APRIL advised that it considered that the adjustment relates to the difference between the ██████████
████████████████████ from RAK to AFEM. APRIL considers this is a difference in the terms and circumstances of the sales, being that the domestic sale ██████████
████████████████████, whereas the sale used by the ADC ██████████
████████████████████. APRIL proposes that an adjustment ██████████
████████████████████ be the amount used as an adjustment to the domestic selling price to reflect the 'terms and circumstances' difference required under s.269TAC(8) of the Act. (Confidential domestic and export pricing information)



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The Review Panel requested that APRIL identify the exact amounts being claimed under this ground for adjustment.

APRIL advised on 27 September 2021 that the exact amount of the adjustment required is the weighted average [REDACTED] (confidential export pricing information) deducted from the amount of the selling price by AFEM to Australian importers, noting that all [REDACTED]

APRIL acknowledged that the sales from AFEM to Australian importers (distributors) was at the same level as the sale from RAK to domestic customers (distributors).

APRIL also noted that the amounts calculated by the ADC for other adjustments were correct. It indicated that RAK incurs selling and administration expenses for all of its sales, but the costs differ between export and domestic sales.

4. The Review Panel requested clarification of comments made by APRIL to the ADC as reported at page 56 of REP 551 regarding the 'scope and manner in which the relevant prices are modified differently by their respective terms and conditions of trade are confidential to RAK and AFEM' (comments in APRIL submission dated 19 April 2021). This is in the context of what type of adjustment pursuant to s.269TAC(8) of the Act was being sought by APRIL.

APRIL advised it would need to look at its earlier correspondence prior to responding.

The Review Panel indicated this could be provided as further information to this conference or via an additional conference if necessary.

APRIL advised on 27 September 2021 that its comments relate to the [REDACTED] methodology used by AFEM and RAK. (Confidential export pricing information).

5. In APRIL's review application, there is a confidential spreadsheet attached which has a calculation in Dumping Margin 2 which shows in the export price (cells D6 - D8) that the export price is [REDACTED] M/T:

- (a) how has this amount been calculated as it does not align with the amounts shown in the invoice referred to above.



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(b) The invoice shows that the price from RAK to AFEM is [REDACTED] (being calculated as [REDACTED] [REDACTED]. In addition, the same spreadsheet has a weighted average normal value (in cells F6 - F8) of [REDACTED] that does not have any calculations shown. The ADC calculated a weighted average normal value of [REDACTED] Can APRIL advise how its calculations have been made in its spreadsheet given these differences?

APRIL to confirm the amounts calculated and shown in the information provided in its Review Application. It will also correct the references in the invoice to include A4 copy paper.

APRIL provided on 27 September 2021 its explanation and calculation of the amounts shown in the documents provided.

ADC:

1. In REP 551 the ADC states that the export price has been determined pursuant to s.269TAB(1)(c) of the Act based on the price between RAK and AFEM. Could the ADC advise whether there were any other circumstances considered?

The ADC advised that the circumstances of exportation considered relevant are those outlined at pages 33 to 34 of REP 551. It also advised that it had considered the profitability of the transactions between RAK and AFEM and AFEM and its Australian customers in relation to whether the sales were arms length transactions for export price purposes.

2. In REP 551 (page 56) there is a comment regarding whether an adjustment would be required for price comparability as referred to by APRIL in its review application concerning level of trade differences resulting from sales to distributors in the domestic market and whether one would have been made for the trader's margin. Could the ADC expand on its comments regarding the trader's margin for AFEM?

The ADC advised that this comment was made on the basis that if the normal value had not been based on RAK's sales, but rather AFEM being considered the exporter (as proposed by APRIL), the normal value would have been based on 'other sellers of like goods'. This would have necessitated an adjustment to reflect differences in the terms and circumstances of the sales. It was providing a scenario of what adjustments might have been applicable if the exporter was considered to be AFEM.



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3. Could the ADC advise of the normal value calculations and in particular the normal value adjustments made to the domestic selling price used in the confidential spreadsheet of dumping margin?

The ADC outlined the adjustments to the domestic selling price to calculate the normal value based on RAK's sales in Indonesia. It noted that some of the currency conversions were to enable ordinary course of trade assessment.

I requested that APRIL provide the following information following the conference:

- Copies of the relevant export invoices for A4 copy paper with the relevant amounts provided.
- The exact amounts being claimed with respect to ground Two for adjustment purposes.
- The confidential nature of the adjustments being sought (as referred to REP 551) and advise the Review Panel accordingly.
- Confirmation of the amounts calculated and shown in the information provided in its Review Application. It will also correct the references in the invoice to include A4 copy paper (referred to above).

APRIL provided the requested information on 27 September 2021, and this is shown in **bold** in the conference summary.

The Review Panel advised that the draft summary of this conference would be provided to the parties within one working day, and it would be appreciated if any comments regarding the accuracy and confidentiality could be provided to the Review Panel Secretariat within two working days.