



**Australian Government**  
**Anti-Dumping Review Panel**

Anti-Dumping Review Panel  
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By EMAIL

Mr D Seymour  
Anti-Dumping Commissioner  
Anti-Dumping Commission  
55 Collins Street  
MELBOURNE VIC 3000

Dear Mr Seymour,

Newsprint exported from France

I refer to the application for review by UPM Kymmene Pty Ltd (UPM) of the decision of the Parliamentary Secretary to impose anti-dumping measures on exports of newsprint from France.

As you are aware, I am currently conducting the review.

Pursuant to section 269ZZL of the Customs Act 1901, I require that the finding that newsprint exported from France had caused material injury to the Australian industry producing like goods<sup>1</sup> be reinvestigated.

To clarify, this request for re-investigation does not cover the finding that there was material injury suffered by the Australian industry.

I provide below a summary of my reasons for making the request under s.269ZZL. More detailed reasons will be provided in my report to the Parliamentary Secretary.

Briefly, my reasons are:

1. The injury analysis period for the purpose of determining whether the Australian industry had suffered injury was from 1 April 2010 and the investigation period

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<sup>1</sup> Para 8.2 of Final Report No.242 dated 23 March 2015

was from 1 April 2013 to 31 March 2014<sup>2</sup>. The Australian industry (NSIA) was found to have suffered the following injury:

- reduced sales volumes;
  - price depression;
  - price suppression;
  - reduced profits and profitability;
  - reduced revenues<sup>3</sup>.
2. It is not clear however, how this injury was caused by dumped imports of newsprint from France.
  3. With the injury in the form of sales volumes, the conclusion was that in the absence of dumping, NSIA would have been in a stronger position to achieve sales to Western Australian Newspapers Ltd (WAN) because the UPM price offer would have been less competitive.<sup>4</sup> It is not clear though how this would support a conclusion that the dumped exports caused the lower sales volumes for NSIA which were identified.
  4. The investigation found that from 2010/11 through to 2013/14 NSIA's annual sales fell by around 25%. During this time, the exports by UPM increased, although from a small base, apparently as a result of a successful bid in 2010 to supply WAN.
  5. The bids for the supply and the award of a three year contract by WAN in 2013 were analysed<sup>5</sup>. However, this contract was for the supply of newsprint for the years 2014/15 onwards and therefore cannot have caused the loss of sales in the earlier years. The loss of sales volumes would seem to have been caused by the dramatic fall in the market for newsprint, with a decline of around 37% in annual sales.<sup>6</sup>
  6. With the injury caused by price effects, there are two relevant findings<sup>7</sup>. The first is that dumping gave UPM a price advantage which allowed it to secure sales when competing directly with NSIA. While UPM was awarded part of the WAN contract for supply from 2014/15 onwards, it is difficult to see how that evidence (given the timing and the various pricing in the bids), could have caused the price effects injury identified during the investigation period.
  7. The second finding is that it was reasonable to conclude that NSIA's prices in other contracts were influenced by the competition with the dumped imports from France. It is not clear what evidence there is to support this finding. Again, the only tender by UPM which was analysed is the WAN tender in 2013 for the supply of newsprint for three years from 2014/15 and it is not clear how the pricing in this tender influenced pricing during the investigation period.

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<sup>2</sup> Section 2.1, page 9 of the above report.

<sup>3</sup> Section 7.1, page 29

<sup>4</sup> Section 8.5.2, page 37

<sup>5</sup> Confidential Appendix 9

<sup>6</sup> Section 7.3.1, page 30

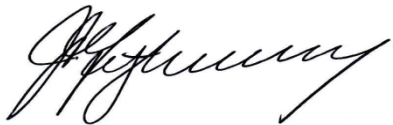
<sup>7</sup> Section 8.6.3, page 39

8. In its submission<sup>8</sup>, NSIA refers to its price offer to APN News and Media Ltd (APN) being on the basis of available price offers of dumped imports from UPM. There is however no analysis of the APN tender by the Commission when considering the issue of causation. What were the available price offers of dumped imports and how did those offers influence NSIA's prices in other contracts?
9. To the extent that exports were influencing prices during the investigation, they would seem to be the undumped exports from Korea<sup>9</sup>. There does not seem to be any evidence that prices were being influenced by dumped exports from France.
10. The findings in relation to the other injury identified in the form of lower profits/profitability and reduced revenues appear to flow from the findings of causation with respect to the loss of sales and lower prices.
11. Finally, while there is evidence that NSIA suffered material injury, it is not clear that any injury caused by dumped imports was material.

Please report the result of the reinvestigation by 30 October 2015.

Thank you for your cooperation.

Yours sincerely,



Ms. Joan Fitzhenry  
Anti-Dumping Review Panel Member.  
19 August 2015

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<sup>8</sup> Letter dated 24 July 2015 from NSIA received by email on 28 July 2015

<sup>9</sup> Section 8.8.1, page 40 and Confidential Appendix 1 and 9