



Australian Government
**Australian Customs and
Border Protection Service**

R E P O R T

TRADE MEASURES BRANCH
STATEMENT OF ESSENTIAL FACTS NO.155
REVIEW OF ANTI-DUMPING MEASURES
**GREYBACK CARTONBOARD EXPORTED FROM THE
REPUBLIC OF KOREA**

March 2010

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ABBREVIATIONS

Amcor Packaging	Amcor Packaging (Australia) Pty Ltd
Anzpac	Anzpac Services (Australia) Pty Ltd
ACDN	Australian Customs Dumping Notice
CEO	Chief Executive Officer of Customs and Border Protection
CTMS	Cost to make and sell
Customs and Border Protection	Australian Customs and Border Protection Service
Daehan	Daehan Pulp Co Ltd
the goods	the goods subject to measures
gsm	grams per square metre
Hansol	Hansol Paper Co Ltd
NIP	Non-injurious price
REQ	response to the exporter questionnaire
USP	Unsuppressed selling price

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1. SUMMARY AND RECOMMENDATIONS

This review is in response to a request from the Minister for Home Affairs to review the measures as they affect exporters of greyback cartonboard¹ from the Republic of Korea (Korea) to Australia.

This statement of essential facts (SEF) sets out the facts on which the Chief Executive Officer of Customs and Border Protection (CEO) proposes to base his recommendations to the Minister responsible for the Australian Customs and Border Protection Service (Customs and Border Protection) in relation to the review².

This SEF is contingent upon the proposed recommendation contained in SEF 154 for the inquiry into the continuation of measures on greyback cartonboard from Korea.

1.1 Proposed recommendation

The CEO proposes to recommend to the Minister that:

- to the extent that the measures involved the publication of a dumping duty notice that the notice have effect in relation to exporters generally as if different variable factors had been ascertained; and
- to the extent that the measures involved the acceptance by the Minister of an undertaking that the Minister seek a variation of the terms of the undertaking.

1.2 Preliminary findings and conclusions

Customs and Border Protection has made the following preliminary findings and conclusions based on all available information at this stage of the investigation (section 4.4 of this SEF refers):

- revised export prices for Daehan Pulp Co Ltd (Daehan) can be established using the price paid for the goods by the importer less any amounts for post-export charges;
- revised normal values for Daehan can be established using the price paid for like goods sold in Korea, with adjustments to ensure fair comparison with export prices;
- revised export prices and normal values for Hansol Paper Ltd (Hansol) and other exporters can be established having regard to all relevant information; and
- the goods exported by Daehan from Korea to Australia during the review period were not dumped (dumping margin -0.43 per cent).

¹ A full description of the goods is at section 3.2.

² In this report, the term 'Minister', unless otherwise specified, refers to the Attorney-General. The Minister for Home Affairs has advised that he is unable to exercise powers in this matter and the senior portfolio Minister, the Attorney-General, has indicated that he is the appropriate Minister to receive this report.

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Based on these preliminary findings, and subject to any submissions received in response to this SEF and SEF 154, the CEO proposes to recommend to the Minister in respect of the review of measures applying to greyback cartonboard exported from Korea to Australia that:

- to the extent that the measures involve the publication of a dumping duty notice that the measures have effect in relation to a particular exporter or to exporters generally as if different variable factors had been ascertained; and
- to the extent that the measures involve the acceptance by the Minister of an undertaking that the Minister seek a variation of the terms of the undertaking as indicated in the CEO's report.

1.4 Final report

The CEO's final report and recommendations must be provided to the Minister by **7 May 2010**.

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2. INTRODUCTION

2.1 Review process

If anti-dumping measures have been taken in respect of certain goods an affected party may consider it appropriate to review those measures as they affect a particular exporter or exporters generally. Accordingly the affected party may apply for, or the Minister may request that the CEO conduct, a review of those measures if one or more of the variable factors has changed. The Minister may initiate a review at any time however no other interested party may apply for a review to take place earlier than 12 months since the publication of the original dumping duty notice.

If an application for a review of anti-dumping measures is received and not rejected, Customs and Border Protection has up to 155 days to inquire and report to the Minister on the review of the measures. Within 110 days of the initiation, Customs and Border Protection must place on the public record an SEF on which it proposes to base its recommendation to the Minister concerning the review of the measures.

In respect of a dumping duty notice, the CEO must provide a proposed recommendation to the Minister that the dumping duty notice³:

- 1 remain unaltered; or
- 2 be revoked in its application to a particular exporter or to a particular kind of goods or revoked generally; or
- 3 have effect in relation to a particular exporter or to exporters generally as if different variable factors had been ascertained.

In respect of the undertaking, the CEO must provide a proposed recommendation to the Minister that the undertaking⁴:

- 1 remain unaltered; or
- 2 that the Minister seek a variation of the terms of the undertaking as indicated in the CEO's report; or
- 3 that the Minister indicate to the person who gave the undertaking that the undertaking is no longer acceptable and that the investigation of the need for a dumping duty notice covering that person be resumed; or
- 4 that the Minister indicate to the person who gave the undertaking that the person is released from the undertaking and that the investigation of the need for a dumping duty notice covering that person is terminated.

In formulating this SEF, the CEO must have regard to the Minister's request, any submissions concerning publication of the notice that are received by Customs and

³ Section 269ZDA(1)(a).

⁴ Section 269ZDA(1)(b).

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Border Protection within 40 days after the date of initiation of the review, and any other matters considered relevant⁵.

Interested parties have 20 days to make submissions in response to the SEF, and the CEO must provide the Minister with a report no later than 155 days from the date of initiation.

2.2 Notification and participation

The current anti-dumping measures applying to greyback cartonboard from Korea are due to expire on 27 July 2010.

On 4 November 2009 a continuation inquiry was initiated following an application from Amcor Packaging (Australia) Pty Ltd (Amcor Packaging). Further details of the continuation inquiry can be found in SEF 154.

Following a request from the Minister, the CEO initiated a review inquiry regarding the measures applying to the goods. Australian Customs Dumping Notices (ACDN) 2009/43 and 2009/46 were published with additional information regarding the review inquiry.

The final report to the Minister which outlines Customs and Border Protection's findings and recommendations is due on or before 7 May 2010.

An exporter questionnaire was sent to Korean manufacturers of the goods, known to Customs and Border Protection from the original investigation and after a search of Customs and Border Protection's import database. A response to the exporter questionnaire (REQ) was received from Daehan. Hansol, the other identified Korean manufacturer, declined to participate in the inquiry.

At the commencement of the inquiry, Customs and Border Protection set 1 July 2008 to 30 June 2009 as the review period. Interested parties submitted that if measures were continued from their original expiry date of 27 July 2010 the data used to perform analysis would be outdated. Opinions were obtained from interested parties regarding whether the review period should be moved forward by one quarter to take account of the most recent verified data from Amcor Packaging and Daehan.

Following consideration of the submissions the most recent period of verified data is preferred because recent cost and price trends are incorporated within any revised variable factors. Although this period includes a portion of the global economic slowdown it would be unsafe to rely on earlier periods on the assumption that future cost and price levels will automatically return to levels prior to the slowdown. Further, as the goods are a commodity product traded on the global market, prices will invariably move on a regular basis. Consequently the review period is altered to 1 October 2008 – 30 September 2009 and analysis in this report is based on data from that period.

⁵ Subsection 269ZD(2) and (3).

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2.3 Responding to the SEF

The CEO proposes to base its recommendations to the Minister concerning the review of the anti-dumping measures on this SEF. Interested parties may therefore wish to make submissions in response to this SEF.

The CEO is not obliged to have regard to any submissions received after **12 April 2010** if to do so would prevent the timely preparation of the report to the Minister.

Submissions should be sent to:

The Director
Trade Measures Operations 3
Australian Customs and Border Protection Service
5 Constitution Avenue
CANBERRA ACT 2601
AUSTRALIA

Submissions can be faxed to (02) 6275 6990 or emailed to tmops3@customs.gov.au. Interested parties intending to respond to the SEF must include a non-confidential version of their submission for placement on the public record⁶. Submissions provided in confidence must be clearly marked **"IN-CONFIDENCE"**.

The public record contains non-confidential submissions already received from interested parties, this SEF, non-confidential versions of Customs and Border Protection's visit reports and other publicly available documents such as Customs and Border Protection's initiation report, notices and other information. These documents should be read in conjunction with this SEF.

All documents on the public record are available on Customs and Border Protection's electronic public record which may be accessed on the internet at www.customs.gov.au by following the prompts for "anti-dumping".

2.4 History of anti-dumping measures

On 15 December 2004, Customs and Border Protection initiated an investigation in respect of greyback cartonboard exported from Korea following an application from Amcor Packaging.

In Trade Measures Report No. 92 (REP 92), the CEO concluded that:

- exports of the goods from Korea were at dumped prices;
- the Australian industry producing like goods had suffered material injury as a result of those dumped goods; and
- material injury would continue to be caused to Australian industry if the goods from Korea continue to be exported to Australia at dumped prices.

⁶ In preparing a non-confidential version interested parties should take account of the requirements set out in ACDN 2006/54.

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It was recommended to the then Minister that a dumping duty notice be published in respect of the goods exported from Korea.

On 27 July 2005, the Minister accepted a price undertaking by Daehan and published a dumping duty notice for all other exporters, in respect of greyback cartonboard exported to Australia from Korea. Notification of the Minister's decision was contained in ACDN 2005/39.

The measures have not been reviewed since the initial investigation and are due to expire on 27 July 2010.

2.5 The measures under review

The measures are currently structured such that there is interim dumping duty applying all exporters except Daehan who is subject to a price undertaking.

As stated in SEF 92, for exporters subject to interim dumping duty, the normal value is the operative measure, i.e. the normal value was lower than the non-injurious price and therefore the difference between export price and normal value became the basis for interim dumping duty.

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3. THE GOODS & LIKE GOODS SUBJECT TO THE REVIEW

3.1 Preliminary findings

Based on the information available, the CEO considers that:

- Amcor Packaging produces greyback cartonboard that has characteristics closely resembling those of greyback cartonboard manufactured in Korea and exported to Australia; and therefore
- greyback cartonboard manufactured by Amcor Packaging are like goods⁷ to the goods exported from Korea to Australia (section 3.2.2 refers); and
- goods which fall within either the micron or grams per square metre ranges should be subject to the measures and the review.

3.2 The goods

The goods subject to the measures (the goods) are coated greyback cartonboard, grey on one side and coated white on the other side. The goods are cellulose fibre based paperboards containing recycled fibre. Thickness ranges from 320 to 720 microns, which corresponds to a weight range of 250 to 550 grams per square metre.

Various terms are used to describe the goods, such as coated duplex board, duplex board, boxboard, newsback and white lined chipboard. The goods are referred to as greyback cartonboard throughout this report.

Greyback cartonboard has one white, smooth, glossy surface which is suitable for high quality graphic printing. The other side is grey or brown in colour, representing the colour of the recycled fibre used. Greyback cartonboard is supplied in sheets or in rolls.

The principal use of greyback cartonboard is in the manufacture of printed folding cartons for the packaging of a range of supermarket goods, such as breakfast cereals, biscuits and snacks, laundry detergents, dental care products, facial tissues, nappies and cake mixes.

It came to the attention of the case management team during the inquiry that it is possible for goods to be produced with properties that overlap the ranges specified in the above paragraph. That is, it is possible to produce greyback cartonboard within the grams per square metre (gsm) range but outside the micron level range. Customs and Border Protection asked for the views of interested parties on whether those goods which have properties within the gsm range but outside the micron range should be subject to measures and to this continuation and review inquiry. Interested parties suggested that changes to manufacturing processes and materials used in the manufacturing process will cause variances in the properties of the goods. These

⁷ Section 269T.

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variances are noted in the product specification sheets published by all manufacturers. Ultimately, these variances do not affect the end-usage of the goods. Customs and Border Protection finds that the goods description should be read to mean that goods which have prosperities falling on or within the gsm or micron ranges stated should be subject to measures and to this continuation and review inquiry.

3.2.1 Tariff classification

The tariff classifications for the goods are 4810.13.90 statistical code 56, 4810.19.90 statistical code 57, 4810.29.90 statistical codes 64 and 80 and 4810.99.00 statistical code 85. These classifications have been applicable to the goods since 1 January 2002. The applicable rate of Customs duty for greyback cartonboard imported from Korea is five per cent.

3.2.2 Like goods

Like goods manufactured and sold in Australia by Amcor Packaging

Amcor Packaging manufactured two grades of greyback cartonboard which compete directly with the goods subject to measures, Eco-Cote and Artcote Grey. However since measures have been in place, Amcor Packaging have ceased the manufacture of the Eco-Cote grade of greyback cartonboard. Customers who previously bought Eco-Cote have moved to purchasing Artcote Grey. Amcor Packaging claimed that it ceased production of Eco-Cote for two main reasons: that customers now expect a product with a higher quality finish and for production efficiencies. Artcote Grey also covers the specifications previously covered by the Eco-Cote grade.

In REP 92, Eco-Cote and Artcote Grey grades of greyback cartonboard were considered like goods to the goods. Based on the information provided by the Australian industry and importers, Customs and Border Protection considers the goods manufactured by the Australian industry are like goods to the goods for the following reasons:

- physical: the goods are produced in similar grades, weights, standards and appearance;
- commercial: the goods directly compete with Australian produced goods and are interchangeable;
- functional: the goods are used to perform the same function and have the same end-use and;
- production: the goods are manufactured in a similar process.

Amcor Packaging also manufactures the following grades of cartonboard.

- Artcote White. This cartonboard is coated on both sides. It is used where hygiene and aesthetics demand a white back, such as the packaging of food, confectionary, cosmetics and pharmaceuticals.

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- Artcote Kraft. This cartonboard is coated white on one side and coated with unbleached kraft pulp on the other side (this pulp is brown in colour). It is used where added strength and moisture resistance is required, such as the packaging of frozen foods.
- Uncoated boards. This cartonboard has no coating on either side.
- Starcote Laminating. This is a thinner greyback cartonboard that is designed specifically for use as a liner for corrugated boxes. It is used in the packaging of goods such as wine casks and electrical appliances.

Amcor Packaging also sells a brand of cartonboard that is “off quality”, or second grade. Amcor Packaging stated that this product does not meet the technical and quality specifications of the relevant grade. In REP 92 these other grades of cartonboard were not considered like goods to the goods. The CEO remains satisfied that these grades are not like goods to the goods based on the information provided.

Like goods manufactured and sold in Korea

Daehan, stated in its REQ stated that it manufactured and sold like goods on the domestic Korean market and to third countries. The like goods sold on these markets are identical in their specification and production process to the goods.

Based on the information provided to Customs and Border Protection in the REQ and the Daehan visit report, the CEO is satisfied that the greyback cartonboard sold on the Korean domestic market and to third countries are like goods to the goods.

4. REVIEW OF VARIABLE FACTORS

4.1 Preliminary findings

The CEO has made preliminary findings that:

- the export price for the goods exported by Daehan can be established under s.269TAB(1)(a) and (c) and for Hansol and all other exporters under s.269TAB(3);
- the normal value for Daehan can be established under s.269TAC(1), with appropriate adjustments made under s.269TAC(8) and normal value for Hansol and all other exporters can be established under s.269TAC(6);
- the goods exported by Daehan during the review period were not dumped, with a dumping margin of -0.43 per cent; and
- Hansol and other exporters did not export the goods to Australia during the review period, however the revised export prices and normal values retain the margins from REP 92, i.e. 31.7 per cent for Hansol and 21.8 per cent for other exporters.

4.2 Introduction

The Minister initiated this review after considering that one or more of the variable factors had changed. This section explains the results of Customs and Border Protection's inquiry into whether the variable factors had changed since measures were imposed.

4.3 Importers

In their application for the continuation of the measures, Amcor Packaging identified five importers of the goods, being:

- Kellogg (Australia) Pty Ltd;
- Anzpac Services (Australia) Pty Ltd (Anzpac);
- ABC Tissue Products Pty Ltd;
- Colgate Palmolive Pty Ltd; and
- DaiEi Australia Pty Ltd.

Following an analysis of the information on hand at the time of the initiation of the continuation inquiry, including the REP 92 and information from the import database, Customs and Border Protection considered it appropriate to visit:

- Ekman Pty Ltd (importer/trader);
- CPI Group Ltd (importer/converter); and
- Anzpac (importer/converter).

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The visit report for each of the three above companies is on the public record.

4.4 Exporters

Amcor Packaging identified two manufacturers of the goods, being:

- Daehan, who did export the goods to Australia during the review period; and
- Hansol, who did not export the goods to Australia during the review period.

A search of Customs and Border Protection's import database did not identify any other additional exporters.

Customs and Border Protection sent questionnaires to both nominated manufacturers/exporters and received a completed REQ from Daehan. Hansol declined to complete the exporter questionnaire. Customs and Border Protection undertook a verification visit to Daehan and the visit report is on the public record.

4.4.1 Export price

Daehan

Daehan manufactured and exported the goods to Australia during the review period.

In respect of some of Daehan's exports of greyback cartonboard to one of its Australian customers, the goods were exported to Australia other than by the importer, and the importer purchased the goods from the exporter in arms length transactions. Therefore, Customs and Border Protection has established export prices (under s. 269TAB(1)(a)) using the Daehan invoiced export prices, less any charges arising after exportation of the goods.

In relation to all other Daehan exports of greyback cartonboard, the goods were exported to Australia other than by the importer in arms length transactions, but the importer did not purchase the goods from the exporter. In these cases, the goods were purchased from an intermediary, but, as noted above, Daehan is the exporter. Therefore, export prices for these sales cannot be established under s. 269TAB(1)(a) or 269TAB(1)(b). Having regard to all of the circumstances of the exportations Customs and Border Protection has calculated export prices under s. 269TAB(1)(c) using the Daehan invoiced export prices to the intermediary, less any charges arising after exportation of the goods.

Hansol and other exporters

Import activity was identified from Hansol in the period since the measures were imposed but not in the review period. Although Customs and Border Protection sent Hansol an exporter questionnaire, the company advised that they did not wish to participate in the continuation inquiry.

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As sufficient information has not been furnished, export prices cannot be established under ss. 269TAB(1) (a), (b) or (c). Therefore, having regard to all relevant information, export prices for Hansol and other exporters have been calculated under s. 269TAB(3). Customs and Border Protection intends to calculate the revised Hansol and other exporters ascertained export price by subtracting the existing dumping margin (i.e. 31.7 per cent for Hansol and 21.8 per cent for other exporters) from the revised normal values.

4.4.2 Normal value

Daehan

There was a sufficient volume⁸ of sales of like goods in the domestic market, in relation to all but one grade (that is, of each different grammage) exported, that were arms length transactions and sold at prices that were in the ordinary course of trade.

For the one grade that had domestic sales volume below five per cent of the volume exported to Australia, we note that the grade was only marginally below the threshold and all sales of the grade were profitable. Accordingly the CEO intends to recommend to the Minister that the low volume of sales is still large enough to permit a proper comparison for the purposes of assessing a dumping margin.

Based on the information provided by Daehan, and the verification processes conducted on site, prices paid in respect of Daehan's domestic sales of greyback cartonboard are suitable for assessing normal value under s. 269TAC(1).

The normal value incorporated adjustments made under subsection 269TAC(8) to ensure a fair comparison with export prices. These adjustments are for: packaging; inland transport; handling; warranty expense; credit; inventory carrying costs; warehousing; sales promotion and; duty drawback.

Hansol and other exporters

As discussed above, Hansol declined to complete the exporter questionnaire. As sufficient information has not been furnished, normal values cannot be established under ss. 269TAC(1) or(2). Therefore, having regard to all relevant information, Customs and Border Protection has established a normal value for Hansol and other exporters under s. 269TAC(6). Specifically, Customs and Border Protection intends to use the Daehan normal value, excluding all favourable (negative) adjustments. Customs and Border Protection consider this is reasonable because it has no information to indicate that the favourable adjustments apply to Hansol and other exporters in part, or at all.

⁸ Section 269TAAD.

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4.4.3 Dumping margin

Measurement of a dumping margin is not required for the purposes of revising the variable factors, however it may be relevant to the consideration of whether measures should be revoked (refer section 6).

Customs and Border Protection calculated a dumping margin for the review period by comparing the weighted average of export prices over the whole of the review period with the weighted average of corresponding normal values over the whole of that period⁹.

The product dumping margin indicated that greyback cartonboard exported by Daehan from Korea to Australia was exported at undumped prices, with a dumping margin of -0.43 per cent.

In relation to Hansol and other exporters, a dumping margin was not calculated because they did not export the goods to Australia in the review period. However, the dumping margin calculated during the original investigation of 31.7 per cent for Hansol and 21.8 per cent for all other exporters have been retained in ascertaining the revised variable factors (refer section 4.4.1).

4.5 Australian industry's claims

Amcor Packaging submitted that altering the review period to the 12 months ending September 2009 would result in normal values reflecting low domestic selling prices due to the global economic slowdown.

Amcor Packaging provided evidence of price trends for old corrugated containers, a major raw material input for the goods as evidence for the low prices in the paper industry caused by the global economic slowdown. It claimed that a review period for the 12 months ending September 2009 would align the investigation period with the full effects of the slowdown and reflect pricing at distressed levels.

However Customs and Border Protection considers a review period ending June 2009 would not capture the recovery in prices since the slowdown and it would not permit the use of the most recent information available.

Customs and Border Protection also noted that the cost to make and sell the goods and the variable factors for Korean manufacturers of the goods had risen above levels found in the original investigation.

⁹ Subsection 269TACB(2)(a).

5. NON-INJURIOUS PRICE

5.1 Preliminary findings

The CEO makes a preliminary finding that the non-injurious price (NIP) can be established by using the Australian industry's selling prices for the 15 month period ending September 2009 (a period unaffected by dumping) less any charges to the FOB level.

5.2 Introduction

Dumping duties may be applied where it is established that dumped imports have caused or threaten to cause injury to the Australian industry producing like goods. The level of dumping duty cannot exceed the margin of dumping, but a lesser duty may be applied if it is sufficient to remove the injury.

The calculation of the NIP provides the mechanism whereby this lesser duty provision is given effect. The NIP is the minimum price necessary to prevent the injury, or a recurrence of the injury, caused to the Australian industry by the dumping¹⁰.

Anti-dumping duties are based on FOB prices in the country of export. Therefore a NIP is calculated in FOB terms for the country of export.

5.3 Unsuppressed selling price

Customs and Border Protection generally derives the NIP by first establishing a price at which the local industry might reasonably sell its product in a market unaffected by dumping. This price is referred to as the unsuppressed selling price (USP).

Customs and Border Protection's preferred approach to establishing a USP observes the following hierarchy:

1. industry selling prices at a time unaffected by dumping;
2. constructed industry prices – industry cost to make and sell plus profit; or
3. selling prices of un-dumped imports.

Having calculated the USP, Customs and Border Protection then calculates a NIP by deducting the costs incurred in getting the goods from the export FOB point (or another point if appropriate) to the relevant level of trade in Australia. The deductions normally include overseas freight, insurance, into store costs and amounts for importer expenses and profit.

In REP 92, the USP was established using selling prices and transaction values from a period unaffected by dumping being the period 2002/03.

¹⁰ The NIP is defined in s.269TACA.

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5.4 Australian industry's claims

Amcor Packaging submitted to Customs and Border Protection two options for establishing a USP:

1. updating the USP on the basis of 2002/03 selling prices adjusted for the effect of inflation over the intervening period to 2009/10, or in the alternative;
2. using Australian industry's cost to make and sell (CTMS) for the 2008/09 year plus the industry's profit achieved in 2002/03.

5.5 Customs and Border Protection's assessment

The preferred methodology listed at section 5.3 above and the views of Australian industry were considered. In this case, Customs and Border Protection considers that using the Australian industry's sell price for the 15 month period ending September 2009 (a period unaffected by dumping¹¹) is the most appropriate method to establish a USP.

It was necessary to use sell price data for the 15 month period ending September 2009 as it was not possible for Customs and Border Protection to breakdown Australian industry's data, as presented in the Appendix A6 to the application, for the 2008-09 period into quarters.

5.6 Effect of the review

As a result of this variable factors review, Customs and Border Protection considers that the export price and normal value for all exporters of the goods to have increased since the original measures were imposed in July 2005. The non-injurious price has decreased since measures were imposed.

From this review of the variable factors, the normal value for Daehan and the non-injurious price for Hansol and all other exporters, becomes the operative measure.

¹¹ At section 6.3 of this SEF, Customs and Border Protection finds that Daehan's price undertaking has been an effective deterrent to dumping. Daehan's goods were the only Korean product imported in the 15 month period being considered as the basis for USP.

6. SHOULD THE MEASURES BE REVOKED?

6.1 Preliminary findings

Customs and Border Protection considers that if the anti-dumping measures to which this review relates had not been taken, the Minister would be entitled to take such measures as the goods would have been dumped and those dumped goods would have caused material injury to the Australian industry producing like goods. Accordingly, Customs and Border Protection considers that the measures should not be revoked.

6.2 Introduction

After reviewing the variable factors Customs and Border Protection considered whether a recommendation to the Minister should be made to:

- revoke the dumping duty notice published under s.269TG(1),(2) and (6) as it applies to a particular exporter or to exporters generally; and / or
- whether the person who gave the undertaking should be released from that undertaking and that the investigation of the need for a dumping duty notice as it relates to that person be terminated.

This section outlines the factors Customs and Border Protection considers relevant in drawing the preliminary finding stated at 6.1 above.

6.3 Customs and Border Protection's assessment

Customs and Border Protection considers that the following points are relevant to its preliminary finding that without measures in place the Minister would be satisfied that the goods would be dumped:

- the dumping margin for Daehan has fallen from 16 per cent in the original investigation to -0.43 per cent in this review while the variable factors have risen marginally in that same period. Customs and Border Protection considers that Daehan's price undertaking has been an effective deterrent to dumping. Without the undertaking in place, Customs and Border Protection considers dumping is likely to recur in the future and is likely to have occurred during the review period;
- without measures in place, Korean exporters of greyback cartonboard would be likely to lower prices to dumped levels to regain lost market share in Australia;
- the anti-dumping investigation by the National Tariff Commission of the Islamic Republic of Pakistan which has made preliminary determination and levy of provisional anti-dumping duties indicates Korean manufacturers are likely to have dumped into that market;

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- the two quotes for the goods into a third country market, that were submitted by Amcor Packaging in its application, indicate significant levels of dumping into that market, which Customs and Border Protection considers appropriate for comparison to Australia; and
- the dumping margin for Daehan's exports to third country markets with similar volume exports to that of Australia ranges from 22 to -2 per cent, which indicates a preparedness for dumping into similar markets.

Customs and Border Protection considers that the following is relevant to its preliminary finding that without measures in place the Minister would be satisfied of injury or the threat of injury to Australian industry:

- the volume of dumped Korean product being exported to Australia would be greater in volume and in market share;
- prices to third country markets are below that offered in Australia and these lower prices would be likely to be offered in Australia; and
- the likelihood of dumping (discussed above) would result in significantly more competitive prices which would also lead to price, volume and profit injury to the Australian industry.