



Australian Government
Australian Customs Service

ALLEGED DUMPING OF OLIVE OIL FROM SPAIN
Re-examination of an application for a
dumping duty notice

1. Introduction

On 13 October 2003 Inglewood Olive Processors Limited (Inglewood) lodged an application under s. 269TB(1) of the Act, requesting the Minister publish countervailing duty and dumping duty notices in respect of olive oil exported to Australia from Greece, Italy and Spain.

On 12 November 2003, Customs released an initiation report (the initiation report) in respect of the application. The initiation report found that the application established there were reasonable grounds to publicise a countervailing duty notice in respect of olive oil exported from Greece, Italy and Spain and a dumping duty notice in respect of olive oil exported from Italy. Customs found that the application did not demonstrate that there were reasonable grounds to conclude that olive oil from Greece and Spain were exported at actionable dumped prices.

This document should be read in conjunction with that initiation report.

2. Reconsideration of dumping in respect of Spain

Customs' analysis of dumping margins in respect of olive oil from Spain only looked at dumping margins in respect of extra virgin olive oil and concluded (correctly) that for this type of oil actionable dumping was not occurring.

Customs has re-examined the data before it and found that for refined olive oil exported from Spain, a dumping margin of up to 17.5% existed – **confidential appendix 1** refers.

In its examination of 'like goods' in the initiation report, Customs found that Australian-produced extra virgin olive oil was considered like goods to imported virgin olive oil and refined olive oil. As noted in the initiation report, Customs will seek the views of interested parties on the issue of like goods over the course of the investigation.

3. Dumping

As Australian-produced extra virgin olive oil is considered like goods to the imported refined olive oil for the purpose of initiation, a dumping margin in respect of refined olive oil is a relevant consideration. In this instance, the dumping margin of refined olive oil exported from Spain is sufficiently large to be a factor in Customs' consideration in deciding whether to initiate.

4. Injury

Other factors considered to be reasonably demonstrated in the initiation report remain unchanged, ie:

- price undercutting;
- price depression;
- price suppression;
- negative profits and profitability;
- negative return on investment; and
- reduced ability to raise capital.

5. Causal link

A discussion of causal link is in the initiation report and, in the presence of a *prima facie* dumping margin on exports of olive oil from Spain, becomes relevant.

6. Other issues

A calculation of a dumping margin for refined olive oil from Italy is at confidential appendix 1, which shows a *prima facie* dumping margin of 24% exists. This does not affect the finding in the initiation report in respect of Italy.

Customs re-examined the dumping margins for refined olive oil from Greece. The application did not contain any normal value information in respect of refined olive oil sold in Greece. The application, instead, relied on the normal value of fine virgin olive oil to compare to a deductive export price of refined olive oil. This appears to be a reasonable comparison, given similarities in prices between refined olive oil and fine virgin olive oil in Italy and Spain, as shown in the application. By using the fine olive oil price in Greece compared to the applicant's deductive export price, olive oil from Greece is not exported at dumped prices. The finding in the initiation report is unaffected in respect of Greece.

7. Compliance

Sub-section 269TB(4) of the Act requires that the application:

- be in writing;
- be in an approved form;
- contain such information as the form requires;
- be signed in the manner indicated in the form; and
- be supported by sufficient part of the domestic industry.

I am satisfied that these requirements have been met.

The application is in writing, is in the approved form, contains such information that the form requires and is signed in a manner indicated in the form.

Section 269ZJ requires that the CEO maintain a public file for each investigation. Accordingly, each application must be accompanied by a non-confidential version suitable as a public document. I have examined the non-confidential summary and am satisfied that it complies with requirements.

Sub-section 269TB(6) of the Act requires that the application be supported by a sufficient part of the Australian industry. The application is taken to be supported by a sufficient part of the Australian industry when the person(s) who produce or manufacture the goods and who support the application:

- account for at least 50 percent of the total production of that part of the domestic industry that have commented; and
- account for at least 25 percent of the total production of like goods.

The information contained in Appendix A1 of the application indicates that Inglewood significantly exceeds the above criteria. A total of 21 other

Australian olive oil processors support the application. No companies contacted by the applicant oppose the application.

Based on my examination of the evidence supplied by the applicant I am satisfied that the application complies with sub-section 269TB(4) of the Act.

I am satisfied that there are reasonable grounds contained in the application for the publication of a dumping duty notice in respect of olive oil exported from Spain.

8. Recommendation

I recommend you decide not to reject the application in respect of dumping from Spain.

Andrew Mumberson
Customs Manager
Trade Measures Operations 3

12 November 2003