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NON-Confidential: Initiation of Review

Application by Croxley Stationery Limited for a Review of the Anti-Dumping Duties on Diaries from China and Malaysia

1. This report assesses an application made by Croxley Stationery Limited (Croxley) on 4 October 2012 for a review of the anti-dumping duties that currently apply to imports of diaries from the People's Republic of China (China) and Malaysia and recommends that you initiate a review. The application received on 4 October was an amended version of an earlier application submitted by Croxley.

Background

2. An investigation into diaries from China and Malaysia was completed in 2007 following an application by Croxley alleging that imports of diaries from China and Malaysia were dumped and causing material injury to it as the New Zealand industry. Anti-dumping duties were imposed as a result of the investigation.¹

3. The current anti-dumping duties will expire on 8 October 2012. If a review is initiated the duties will remain in place pending the outcome of the review.

4. The diaries that would be subject to any review that is initiated are described as:

Diaries, with or without covers, excluding: diaries with steel ring binders; and wallplanners.

5. The diaries subject to review are classified under tariff item and statistical key 4820.10.00 02J.

6. The above description includes diary refills including those which could replace the pages of a diary in a steel ring binder, which is normally referred to as a day planner or organiser.

Sunset Reviews

7. A sunset review involves an investigation to determine whether the expiry of the anti-dumping duty would be likely to lead to the continuation or recurrence of dumping and injury. Any interested party that requests a review of the imposition of anti-dumping duties must submit positive evidence justifying the need for a review² and the request must be duly substantiated and made by or on behalf of the domestic industry, within a reasonable period of time prior to the date of expiry of the duties.

¹ The Minister of Commerce imposed *ad valorem* anti-dumping duty rates on a number of Chinese and Malaysian exporters. The rates for each exporter are listed in the attached **Appendix 1**.

² The Ministry interprets the requirement of section 14(8) of the Dumping and Countervailing Duties Act 1988 for an interested party to submit "positive evidence justifying the need for a review" as being a requirement for positive evidence, but not evidence to the same extent as that required under section 10(2) of the Act in respect of new investigations. This interpretation is supported by the international jurisprudence relating to the Anti-Dumping Agreement and the WTO Agreement.

New Zealand Industry

8. The Anti-Dumping Agreement states that a request for a sunset review “must be made by or on behalf of the domestic industry” (Article 11.3). Section 3A of the Act defines an “industry” as the New Zealand producers of like goods.³

9. Croxley advised that it is the major New Zealand producer of diaries of the type subject to anti-dumping duty with the only other producer being K Kurtovich Products Limited (Kurtovich). Croxley estimated (based on market intelligence gathered by its sales force) that it currently produces approximately [redacted] percent of domestic production.

10. The Ministry considers the information outlined above constitutes positive evidence that there is still a domestic “industry” in terms of section 3A of the Act, which consists predominantly of Croxley. On this basis, the request for the initiation of a review constitutes an application made by the New Zealand domestic industry.

Like Goods

11. Croxley considers that the diaries it produces closely resemble the diaries imported from China and Malaysia.

12. The Ministry is not aware of any major changes in the marketing strategies and distribution channels for diaries since the 2007 investigation. Furthermore, on the basis of the information sourced at this stage, the Ministry considers that Croxley’s production methods, pricing structures and distribution channels are similar to those of the Chinese and Malaysian manufacturers. On this basis, the Ministry considers that there is sufficient evidence that Croxley produces like goods to the imported diaries, for the purpose of initiating a review.

Likelihood of a Continuation or Recurrence of Dumping (in the Absence of Anti-dumping Duties)

13. Croxley has claimed that even with the current remedy in place, there has been a continuation of dumping of diaries from China and Malaysia, illustrated through the export price and normal value information provided in its Application. Croxley also claims that if the duty was to be removed, it would give rise to a likelihood that dumping would continue with greater dumping margins and significantly increased import volumes.

Export Prices

CHINA

14. To substantiate its claim that diaries from China are still being dumped into the New Zealand market, Croxley provided the Ministry with a free-on-board (f.o.b.) export price quote from a Chinese manufacturer, [redacted], for a 2013 A5-1 Appointment Diary. The f.o.b. price was evidenced by an email from [redacted]. The price was an ex-Hong Kong f.o.b. price, therefore, Croxley also provided information on container freight charges from the Hong Kong port of export to ex-factory in China and container loading charges and Customs clearance charges in Hong Kong. The container charges were evidenced by an email from [redacted] and are based on a 20’ full container load (FCL) of A5 diaries from Schenzhen, China to Hong Kong.

³ Like goods, in relation to any goods, means—

(a) Other goods that are like those goods in all respects; or

(b) In the absence of goods referred to in paragraph (a) of this definition, goods which have characteristics closely resembling those goods.

15. The export price calculations are shown in the table below:

Table 1: Export Price of Chinese Diaries

Product	F.O.B. Export price (USD)	F.O.B. Export price (CNY)*	Less container freight charges, customs clearance etc. (CNY)	Ex-factory Export price (CNY)
A5-1 Appointment Diary	■	■	0.08	■

* Converted to Chinese Renminbi (CNY) using an Oanda exchange rate conversion of 6.329 (www.oanda.com).

MALAYSIA

16. To substantiate its claim that diaries from Malaysia are still being dumped into the New Zealand market, Croxley provided the Ministry with an f.o.b. export price quote from a Malaysian manufacturer, ■ (■), for a 2013 A5-1 diary. The f.o.b. export price provided by Croxley was evidenced by an email from ■ quoting the f.o.b. price ex-Malaysia for the A5-1 diary under consideration. Croxley also provided information on container freight and f.o.b. charges from Penang to port-side Penang. The container charges were evidenced by an email from ■ and are based on a 20' FCL of A5 diaries from Penang, Malaysia.

17. The export price calculations are shown in the table below:

Table 2: Export Price of Malaysian Diaries

Product	F.O.B. Export price (USD)	F.O.B. Export price (MYR)*	Less domestic freight, port-handling etc. (MYR)	Ex-factory Export Price (MYR)
A5-1 diary	■	■	0.0153	■

* Converted to Malaysian Ringgit (MYR) using an Oanda exchange rate conversion of 3.062 (www.oanda.com).

Normal Values

CHINA

18. Croxley obtained a retail selling price of a Chinese produced A5-1 2012 diary, with similar dimensions to that exported to New Zealand. The price obtained by Croxley was evidenced by a photo of the diary and a retail business invoice (dated August 2012) showing the purchase price of the diary. Croxley also provided email correspondence noting the diary's specifications and that, "... had the purchase been made in December 2012 for a 2013 diary, the price would have been considerably higher because 2012 diaries being sold in September 2012 will be heavily discounted".

19. Croxley stated that the percentage uplift between retail/wholesale in China for diaries is between 30 - 50 percent depending on category strategy ■ and the time of year the product is being sold. In order to substantiate this mark-up, Croxley provided email correspondence from a colleague in the stationery trade, noting in particular that the 30 - 50 percent mark-up was validated across three different sources.

20. However, Croxley considers that, while a 30 - 50 percentage uplift (margin) would be applicable in a normal domestic selling situation, based on its own market intelligence concerning the Chinese diary market, the CNY15 price paid for the A5 diary in question represents a direct price from the Chinese producer to the retailer. According to the company, the price paid was already heavily discounted as the diary was sold at a time when diary sales are made in the market simply to cover costs. For

this reason, the company does not consider a retail/wholesale uplift (margin) is warranted in calculating the Chinese normal value.

21. While noting Croxley’s argument, the Ministry decided to make a conservative deduction to the retail price supplied by Croxley for a traders’ margin between factory and retail (covering all stages of the selling chain). On the basis of the mark-up information provided by Croxley, the Ministry has deducted a 30% trading margin, of CNY [redacted], from the retail price obtained by Croxley. This adjustment represents what the Ministry considers is a likely trading margin on locally traded diaries in China.

22. Croxley did not provide an amount for internal freight charges from producer to retail outlet to enable the normal value to be calculated at the ex-factory level. The company noted that it was not able to obtain information to allow such an adjustment to be made.

23. While noting Croxley’s argument, the Ministry considered that, because an adjustment has been made to the export price, it is reasonable that a similar adjustment should be made to the normal value. The Ministry decided to make an internal freight deduction to the Chinese normal value based on the information on container freight charges provided by Croxley for export prices. Using this information, the Ministry calculated a domestic freight charge of CNY [redacted] per diary.

24. The normal value calculations are shown in the table below:

Table 3: Normal Value in China

Product	Chinese Retail price (CNY)	Less 30%Trader’s Margin (CNY)	Factory Price (CNY)	Internal freight charges (CNY)	Ex-factory Normal Value (CNY)
A5-1 diary*	15.00	[redacted]	[redacted]	[redacted]	[redacted]

* The normal value information has been provided in respect of a 2012 diary, rather than a 2013 diary (which the export price was based on). This indicates that the normal value calculated above is likely to be conservative.

MALAYSIA

25. Croxley obtained retail selling prices for a Malaysian produced 2013 A4-1 diary and a 2013 A5-1 diary. The prices obtained by Croxley were evidenced by a photo of the two diaries with price tags attached to the diaries showing their retail selling prices and product reference numbers. As the export price information was provided for the A5-1 model, the company calculated a normal value for the equivalent A5-1 domestic model, only.

26. From the average retail price, Croxley has deducted a [redacted]% gross trading margin of MYR [redacted]. This percentage adjustment was provided by Croxley in the context of the recently-initiated dumping review into certain bound stationary (CBS) products from Malaysia, however, the company considers the margin to be equally applicable to diaries sold in Malaysia. The margin is a compromise between information obtained from two different Malaysian sources.

27. Croxley also provided an amount for internal freight charges in order to calculate a normal value at the ex-factory level. The company made an internal freight deduction to the Malaysian normal value based on the information on container freight charges provided for export prices. On the basis of that information, the company calculated a domestic freight charge of MYR0.0153 per diary.

28. The normal value calculations are shown in the table below:

Table 3: Normal Value in Malaysia

Product	Malaysian Retail price (MYR)	Less █%Trader's Margin (MYR)	Factory Price (MYR)	Internal freight charges (MYR)	Ex-factory Normal Value (MYR)
A5-1 CF diary	30.80	█	█	0.0153	█

29. The Ministry notes that the normal value for Malaysia is particularly high. While this may cast some doubt on the accuracy of the information provided by Croxley, the high dumping margin established (see the table below) does indicate that even if some of the features of the Malaysian domestic diary are not directly comparable to the exported diary, there would still likely be evidence of dumping.

Comparison of Export Price and Normal Value

30. A comparison of the export prices and normal values calculated above results in a 25% dumping margin for China and a 243% dumping margin for Malaysia, as shown in the table below:

Table 5: Comparison of Export Prices and Normal Values

	Export Price	Normal Value	Dumping Margin (as % of export price)
China (A5-1 diary) CNY	█	█	25%
Malaysia (A5-1 diary) MYR	█	█	243%

Conclusion on Dumping

31. On the totality of the information provided by Croxley, the Ministry is satisfied that positive evidence has been submitted to show that imports of diaries from China and Malaysia are being dumped into New Zealand with anti-dumping duties in place. The Ministry further concludes that this is unlikely to change if the duty was removed. In other words, the continued existence of dumping while the measures are in effect indicates that dumping will likely continue if the anti-dumping duties expire.

Continuation or Recurrence of Material Injury (in the Absence of Anti-dumping Duties)

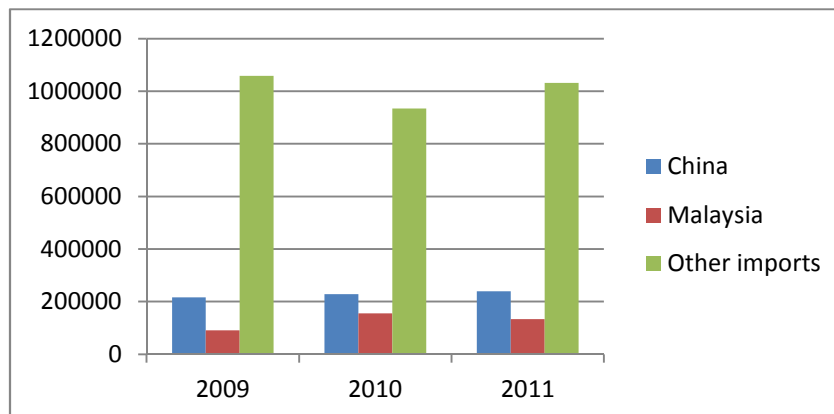
32. This section of the report considers the evidence provided by Croxley on the likelihood of the continuation or recurrence of material injury to it should the duties be removed.

33. Croxley contends that increased volumes of imports from China and Malaysia at continually decreasing average f.o.b. prices has led to instances of price undercutting, price depression and suppression and will lead to further price effects if the anti-dumping duties are removed. The company further contends that these price effects will result in a decline in output and sales, market share, profits, return on investments, utilisation of production capacity and adverse effects on cash flow, inventories, employment and growth thereby causing a continuation of material injury which will be exacerbated if the duties are removed. To substantiate its claim, Croxley provided evidence of its current performance and forecast performance under the scenarios that anti-dumping duties remain in place and should they be removed (see below).

Volume Effects

34. Croxley provided Statistics New Zealand import data for the calendar years 2009 to 2011 for imports of diaries covered by the goods description. The following graph shows these import volumes:

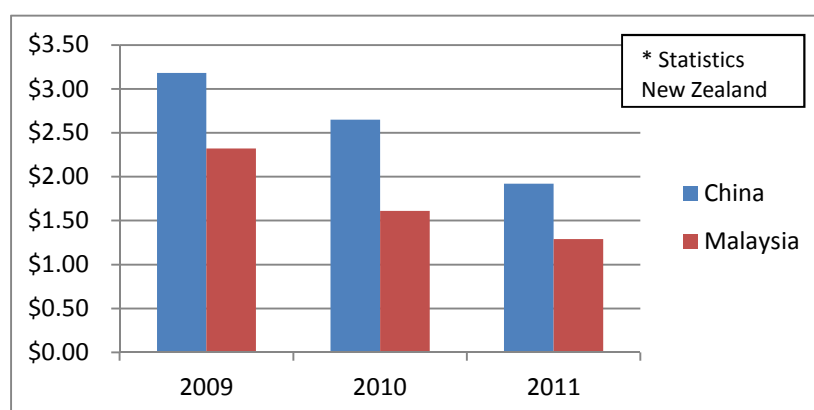
Graph 1: Imports of diaries by Volume (units, Calendar Years)



35. The graph shows that imports of diaries from all sources increased over the 3 year period by 3 percent. Imports from China increased by 11 percent while imports from Malaysia increased by 46 percent. In respect of imports from other sources, Australian diaries increased by over 200 percent and remain a reasonably significant percentage of total imports. Imports from Korea represented the largest single source by volume over the 3-year period. The Ministry also notes that while imports from China and Malaysia increased from 2009 to 2011, they are still significantly below the import volumes from both countries in 2007 (the duties were imposed with effect from February 2008).

36. Croxley also provide the following graph showing the decline in average f.o.b. import prices of Chinese and Malaysian diaries over the 2009 – 2011 period:

Graph 2: Ave. f.o.b. price for diaries imported from China and Malaysia (\$NZ/unit, Calendar years)*



Conclusion

37. The information indicates that, even with anti-dumping duties in place, Croxley is competing with significant volumes of Chinese and Malaysian product in the New Zealand market and that the f.o.b. prices of these goods has decreased since 2009. However, while NZ Customs data shows that overall imports haven't increased since 2007, imports from other sources are significantly greater than those from China and Malaysia.

Price Undercutting

38. In a situation where there are current anti-dumping duties imposed on imported goods, it would not normally be expected that the domestic industry's prices are being undercut by imported prices. The anti-dumping duties should be acting to create a level playing field, through fair prices, in the New Zealand market.

39. In terms of diaries, Croxley claims that its prices have been undercut in certain tendering situations by imports from China and Malaysia. To support its claim the company noted that, when tendering for a significant house brand order worth over \$_____, it was advised by the client that its prices were approximately _____ percent higher than the imported product. Croxley was unable to provide written evidence supporting its claim because the comments made by the customer were verbal only. However, Croxley did provide the name of the customer who had subsequently imported the goods.

40. To gauge the extent of any current price undercutting, the Ministry compared the 2011 average f.o.b. price of imports (for tariff item 4820.10.00 02J), which excludes any anti-dumping duty, from China (NZ\$1.92) and Malaysia (NZ\$1.29), provided by Croxley, with Croxley's average 2011 ex-factory price of NZ\$_____. The information shows that, when prices are compared at the f.o.b. versus ex-factory level of trade, Croxley's prices are being significantly undercut by both the Chinese and Malaysian prices. This exercise should be treated with some circumspection, however, as the import figures have been averaged over all the different types of diaries imported into New Zealand and do not include ocean freight and insurance and anti-dumping duty to bring them to the ex-wharf level (which is a more comparable level with Croxley's ex-factory prices).

Conclusion

41. The Ministry considers that Croxley has provided positive evidence of price undercutting, in specific tendering situations, for the purpose of initiating a review. However, should a review be initiated, the information provided will need to be considered in conjunction with other information collected on price competition in the New Zealand market.

Price Depression

42. Croxley stated that since 2009 it has had to introduce a range of _____ options covering a number of key diaries (A51, A52 and A53) to protect market share against dumped imports. According to the company, these products were sold at very low margins and in some cases below cost. The company stated that, if the current anti-dumping duties were removed, it would no longer be able to offer competitive product and would lose approximately \$_____ - \$_____ in sales.

43. The Ministry has used Croxley's information to determine whether its prices are being depressed. The following table has been constructed by the Ministry and shows Croxley's average price of diaries from 2009 – 2011 and its forecast prices (for 2013 and 2014) should the duties expire:

Table 6: Croxley Price Depression - Historical and Forecast (NZD/unit)

All Diaries	---- Historical ----				-- Forecast if AD duties expire --	
	2009	2010	2011	2012F*	2013	2014
Ave. price	_____	_____	_____	_____	_____	_____

Change from previous year	-	■	■	■	■	■
% Change	-	■%	■%	■%	■%	■%

* 2012 full-year projection based on 2011 performance.

44. The figures in the table show that Croxley has not suffered price depression over the last two calendar years. The data, therefore, does not substantiate Croxley's claim that it has had to hold its prices in the face of increased competition and rising costs, although it should be noted that the figures in the table above relate to Croxley's total range of diaries which may disguise the extent to which the company has suffered price depression for particular diary models. Over the next two years Croxley has forecast its prices ■ if the anti-dumping duties remain or if they are allowed to expire. The company aims to ■ prices in the face of imports from China and Malaysia.

Price Suppression

45. Croxley stated that in order to protect the "Collins" branded diaries against imports from China and Malaysia, it has not increased the price of a number of key diaries (A51, A52, A53, A41, A42 and A43) since 2009. The company claims that this has seen an erosion of profit as costs have increased over that period. The company added that each year it finds itself under pressure from customers to retain, or reduce diary prices, or risk losing business to the cheaper imports from China and Malaysia. To substantiate its claim Croxley pointed to the fact that since 2009 overall import volumes from China and Malaysia have increased at the same time as average f.o.b. values have been decreasing.

46. The Ministry has used Croxley's information to determine whether its prices are being suppressed. The following table has been constructed by the Ministry and shows Croxley's costs in relation to prices for diaries from 2009 – 2011 and its forecast figures (for 2013 and 2014), should the duties expire:

Table 7: Croxley Price Suppression - Historical and Forecast (\$NZ/unit)

All Diaries	---- Historical ----				-- Forecast if AD duties expire --	
	2009	2010	2011	2012F*	2013	2014
Ave. price	■	■	■	■	■	■
Total cost per unit	■	■	■	■	■	■
Total cost as % of Ave. price	■%	■%	■%	■%	■%	■%

* 2012 full-year projection based on 2011 performance.

47. The figures in the table show that Croxley has not suffered price suppression with the current duties in place. Over the period 2009 to 2011 there has been a decline in costs in relation to average selling price. The data, therefore, does not substantiate Croxley's claim that it has had to hold its prices in the face of increased competition and rising costs, although it should be noted that the figures in the table above relate to Croxley's total range of diaries which may disguise the extent to which the company has suffered price suppression for particular diary models. Croxley has forecast that, in the absence of anti-dumping duties, it will suffer significant price suppression over the period 2012 to 2014.

Conclusion

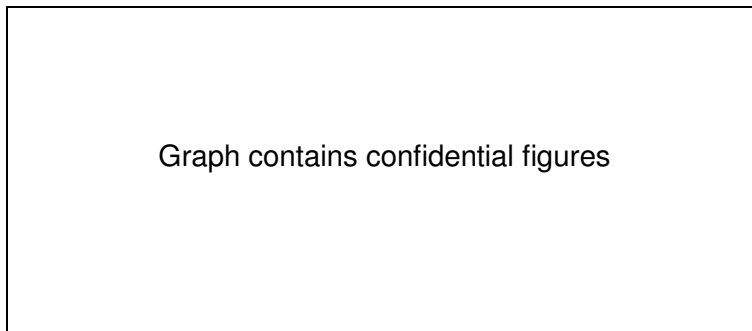
48. While there is no evidence that Croxley has suffered price depression or price suppression since 2009, this is not unusual considering the anti-dumping duties imposed on imported diaries from China and Malaysia should be acting to create a level playing field, through fair prices, in the New Zealand market. However, the Ministry considers that Croxley has provided positive evidence, sufficient for the purpose of initiating a review, that should the current anti-dumping duties be removed, it will suffer significant price suppression over the period 2012 to 2014. The information provided by Croxley, in particular the assumptions underpinning its forecasts in the absence of measures, will need to be further considered should a review be initiated.

Output, Sales and Market Share

49. Croxley claims the introduction of its range of [redacted] covering a number of key diaries and its reluctance to increase the price of these key diaries has helped maintain sales and protect its market share from increased volumes of diaries from China and Malaysia. However, the company considers that the removal of the current anti-dumping duties would seriously endanger its market position and erode margins as prices would need to be dropped further. According to Croxley, this would eventually result in a large loss in production of diaries.

50. Croxley provided the following graph showing its revenue earned through the sale of diaries, from 2009 – 2011, and its forecast revenue figures (for 2013 and 2014), should the duties expire:

Graph 3: Croxley Manufactured Diary Revenue (\$000's)



51. The graph above shows that Croxley has achieved a \$ [redacted] sales revenue increase since 2009. Croxley also provided sales volume information showing that its total sales (by volume) of diaries increased over the same period (2009 – 2011).

52. However, in the absence of anti-dumping duties, Croxley forecasts that it would incur a decline in both its sales revenue and volume over the next two years (2012 to 2014) by almost [redacted] percent, especially if imports from China and Malaysia continued to increase at their current volume levels and prices. Croxley claims that this would constitute a recurrence of material injury.

53. In order to substantiate the above claims, Croxley provided the following table showing its sales volumes achieved and revenue earned through the sale of diaries from 2009 – 2011 and its forecast figures (for 2013 and 2014), should the duties expire:

**Table 8: Croxley Sales Volume and Revenue - Historical and Forecast
(units, 000)**

<i>All Diaries</i>	---- Historical ----				-- Forecast if AD duties expire --	
	2009	2010	2011	2012F*	2013	2014
Sales volume (units, 000)	█	█	█	█	█	█
Change from previous year	-	█	█	█	█	█
% Change		█%	█%	█%	█%	█%
Sales revenue (\$,000)	█	█	█	█	█	█
Change from previous year	-	█	█	█	█	█
% Change		█%	█%	█%	█%	█%

* 2012 full-year projection based on 2011 performance.

54. The figures in the table confirm that Croxley has achieved an increase in both sales volume and revenue for diaries since 2009. The figures also quantify Croxley's forecasts for significant losses in both sales volume and revenue over the next two years (2013 – 2014), if the current anti-dumping duties are removed.

55. To substantiate its claim that both China and Malaysia have the manufacturing capacity to substantially increase exports to New Zealand, Croxley provided the Ministry with extracts from a market research report on the 2011 import and export market for a number of stationery products, including diaries. The report illustrates that in 2011 China and Malaysia exported significant volumes of diaries to foreign markets, thus demonstrating the significant manufacturing capacity in both countries.

Profits

56. Croxley stated that imports from China and Malaysia continue to pose an on-going threat to its overall profitability, as the company endeavours to retain existing customers. The company claims that any decline in sales has a flow on effect on profitability.

57. Croxley provided the following table showing its EBIT achieved through the sale of diaries from 2009 – 2011 and its forecast figures (for 2013 and 2014), should the duties expire:

**Table 9: Croxley's Profits - Historical and Forecast
(\$NZ, 000)**

<i>All Diaries</i>	---- Historical ----				-- Forecast if AD duties expire --	
	2009	2010	2011	2012F*	2013	2014
EBIT (\$,000)	█	█	█	█	█	█
Change from previous year	-	█	█	█	█	█
% Change		█%	█%	█%	█%	█%

* 2012 full-year projection based on 2011 performance.

58. The figures in the above table show that Croxley has achieved an increase in EBIT for diaries since 2009. However, the company has forecast significant decreases

in EBIT in 2013 and a net loss in 2014, in the absence of anti-dumping duties on imports from China and Malaysia.

Other Economic Effects

59. Croxley has submitted that the loss of sales volume, sales revenue and profits from a recurrence of dumped imports (if duties are removed) will have significant adverse effects upon its achievable return on investments, utilisation of production capacity, cash flow, inventories, employment, and growth. The company has not quantified these effects.

60. In terms of employment and investment, Croxley stated that over the years it has invested heavily in very specific skills (people) and equipment in order to produce diaries. Croxley claims that the loss of sales it would incur (if it had to compete with dumped imports without duties in place) would directly affect its manufacturing operation and result in people leaving the industry. Croxley claims that the dumped imports would also put pressure on its capital investment program by jeopardising a recent NZ\$ [REDACTED] capital request application. The investment is critical if the company is to maintain a viable and successful manufacturing operation, however, the returns expected from such an investment rely on a profitable payback period and detailed knowledge of any restraints, which would be put in jeopardy if the duties were removed.

Other Causes of Injury

61. The Statistics New Zealand import data provided by Croxley show that significant imports of diaries are also being sourced from South Korea, India, Singapore and Australia. Any review will need to examine the extent to which supply of diaries is being shifted to non-dutiable countries and whether imports from sources other than China and Malaysia are a cause of injury to the New Zealand industry.

62. Croxley itself has imported diaries from Malaysia and China, although the company's import figures have been excluded from the data used by the Ministry in its import analysis.

Causal Link

63. Croxley provided information to show that the f.o.b. price of Chinese and Malaysian diaries has reduced significantly over the last three years to a level which Croxley believes is undercutting the prices of its own diaries. Croxley considers this is evidence that the exported goods from China and Malaysia continue to be dumped and causing it injury and that, if the anti-dumping duties are removed, there will be greater dumping margins and significantly increased import volumes.

64. Croxley also stated that the alarming rate of dumped imports has directly impacted its market share and, as a consequence of recent trends, its gross sales will reduce significantly should the duties be removed. Croxley provided forecasts showing that its projected decline in sales will also have a direct impact on its profits.

Conclusion on Injury

65. Croxley has provided information showing there has been a significant increase in import volumes of diaries from China and Malaysia and that, in particular tendering situations, the company's prices have been undercut by dumped imports.

66. However, a sunset review mainly focuses on the likely recurrence of injury should the anti-dumping measures expire. In this respect, Croxley has also provided

forecasts showing that, should the anti-dumping duties on Chinese and Malaysian imports be removed, and import prices of these products continue to decline, the resulting level of price undercutting would cause it future lost sales, market share and profits.

67. The Ministry considers the extent of the projected losses in sales and profit calculated by Croxley is positive evidence that the removal of anti-dumping duties on Chinese and Malaysian imports is likely to cause a recurrence of material injury to the New Zealand industry. However, any review will need to examine in more detail the injury claims by Croxley, including the assumptions underpinning its forecasts in the absence of measures, and the extent to which any likely recurrence of injury can be assigned to the dumping.

Conclusion on Evidence Presented

68. The Ministry is satisfied that an application has been made by the domestic industry that contains positive evidence sufficient to justify the initiation of a review.

Recommendation

69. It is recommended, in accordance with section 14(8) of the Act and acting under delegated authority, that you:

- a. formally initiate a review of the imposition of anti-dumping duty on diaries from China and Malaysia; and
- b. sign the attached notice of the initiation of the review for publication in the *New Zealand Gazette*.

Mike Andrews
(Senior Analyst)

Robin Hill
Chief Advisor

Agreed/Not Agreed

Iain Southall
Acting Manager, Trade Rules, Remedies and Tariffs Group
Competition, Trade and Investment Branch, Economic Development
Ministry of Business, Innovation and Employment.

APPENDIX 1

Anti-dumping Duty Rates Applying to Imports of Diaries from China and Malaysia

Company	Rate of Duty
<i>Diaries Originating from China:</i>	
Alco International Co. Ltd	30%
Beijing Light Stationery Manufacturing Co. Ltd.	28%
Dragon Boat Ltd	59%
Everbest Printing Co Ltd	0%
Haier Fung Choi Printing Ltd	59%
Kin Tai Printing Co. Ltd	31%
Ningbo Guangbo Import & Export Co. Ltd	59%
Olympia Diary Guangzhou Ltd	53%
Richgrade Ltd	164%
Sintex Link Ltd*	36%
Texsun Ltd	48%
WKT Co. Ltd	38%
Yang Yang (China) Ltd	24%
Residual rate of duty (all other exporters)	53%
<i>Diaries Originating from Malaysia:</i>	
Chee Wah Corporation Berhad	12%
Ginhau Psn Printing (M) Sdn Bhd	30%
Olympia Diary (M) Sdn Bhd	39%
UPA Press Sdn Bhd	25%
Residual rate of duty (all other exporters)	34%