

Plasterboard from Thailand: Non-Confidential Initiation Report

TR800/A/01/2

14 November 2001

The Acting Manager
Trade Remedies Group

Introduction

1. Winstone Wallboards Ltd (Winstone) lodged, on 9 October 2001, a request for a reassessment of anti-dumping duty on plasterboard from Thailand.
2. This memorandum provides background on the current duties, assesses the evidence provided in support of a reassessment and recommends that you initiate a reassessment of the anti-dumping duty on plasterboard from Thailand.

Background

3. Anti-dumping duties on plasterboard imported from Thailand were first imposed in 1989. Since then there have been a number of reviews, investigations and reassessments. Current anti-dumping duties on plasterboard, except for anti-dumping duties on certain other plasterboard, were reassessed on 19 November 2000 and took effect from 30 September 1999, being the date of initiation of the review that preceded the reassessment. Following an investigation, anti-dumping duties on certain other plasterboard from Thailand were imposed with effect from 28 September 2000.

4. The anti-dumping duties in place are in the form of:

- Non-Injurious-Free-On-Board (NIFOB) amount for exports from Thai Gypsum;
- NIFOB amount for imports by Sigma from SCT/Siam Gypsum;
- Normal Value Equivalent amount for imports from SCT/Siam Gypsum by importers other than Sigma;
- A residual ad valorem rate for imports from other exporters.

5. In calculating the current NIFOB amounts, as explained below, the Ministry took account of the fact that Winstone advised that **[text deleted due to confidentiality]**. NIFOB's are calculated from a Non-Injurious Price (NIP) which, in the case of plasterboard, is based usually on an Import Parity Price (IPP), being the lowest undumped cost or price of board available in the New Zealand market. The NIP was calculated at \$4.51 per square metre, being the undumped cost at the ex-wharf level. This NIP was **[text deleted due to confidentiality]** than Winstone's **[text deleted due to confidentiality]** and any NIFOB calculated on the basis of that NIP would **[text deleted due to confidentiality]**. The NIFOB was therefore calculated on the basis of **[text deleted due to confidentiality]**. Winstone indicated that it **[text deleted due to confidentiality]**.

6. The reassessment report stated that:

Any change to the level of the duty that may be necessary as a result of a subsequent increase in prices by Winstone can only to be considered by way of a separate reassessment. While Winstone is free to apply for a reassessment at any stage, the Ministry is of the view that a period of at least six months should be allowed to pass before a further reassessment is contemplated. This would allow the market time to assimilate the new anti-dumping duties.

7. Winstone's request for a reassessment is based on altered normal values and Winstone's **[text deleted due to confidentiality]** NIP level that it has calculated.

Legal Provisions

Reassessments are provided for in section 14(6) of the Act as follows:

(6) The Secretary may initiate a reassessment of any rate or amount of anti-dumping or countervailing duty determined under subsection (4) of this section, including any elements of any formula used to establish such a rate or amount,-

- (a) On the initiative of the Secretary; or
- (b) Where a request for a reassessment is submitted to the Secretary by an interested party who submits evidence justifying the need for a reassessment; or
- (c) Following the completion of a review carried out under subsection (8) of this section-and the Minister may determine a new rate or amount in accordance with subsection (4) of this section, and, in that event, shall give notice of the new rate or amount.

9. The Act does not provide for retrospective collection of additional duty if a reassessment results in a higher duty. If the reassessment results in a duty lower than the current duty, the Minister may require the Collector of Customs to refund, from the date of initiation of the reassessment, the difference between the duty paid and the lower duty.

Evidence Provided

10. Winstone has advised its customers of [text deleted due to confidentiality] per square metre to take effect from [text deleted due to confidentiality], which is [text deleted due to confidentiality]since its [text deleted due to confidentiality] Winstone has based its [text deleted due to confidentiality]on updated calculations of the normal value in Thailand and the undumped import parity price.

11. Winstone provides supporting evidence, obtained [text deleted due to confidentiality], in the form of Thai Gypsum's and Siam Gypsum's domestic prices effective from 1 January 2001 and domestic invoices for standard plasterboard. The evidence provided indicates that normal values have increased since March 2000.

12. Winstone states that the method and level of the current duty "have been inadequate to prevent material injury to Winstone", as indicated by increased import volumes from Thailand and increased market share taken by Thai imports. Winstone considers that a remedy at the level of the full margin of dumping is required and states that it will demonstrate this during the reassessment by providing further evidence.

Recommendation

13. The evidence provided by Winstone is sufficient to justify the initiation of a reassessment of anti-dumping duties on plasterboard from Thailand in terms of section 14(6) of the Act. It is recommended that:

- a. in accordance with section 14 (6) of the Act, and acting under your delegated authority, you formally initiate a reassessment of the anti-dumping duty on plasterboard imported into New Zealand from Thailand; and
- b. you sign the attached *Gazette* notice of the initiation of a reassessment.

Robin Hill

Senior Investigator, Trade Remedies Group
Regulatory and Competition Policy Branch

Agreed

Anne Corrigan

Acting Manager, Trade Remedies Group
Regulatory and Competition Policy Branch
Acting under delegated authority from the Chief Executive of the Ministry of Economic
Development