**IMPORTER QUESTIONNAIRE**

**ANTI-CIRCUMVENTION INQUIRY No.483**

**ALLEGED SLIGHT MODIFICATION OF WIRE ROPE**

**EXPORTED TO AUSTRALIA FROM THE REPUBLIC OF SOUTH AFRICA**

This questionnaire seeks information in relation to your imports and sales of wire rope up to 8 strands (the goods) and wire rope of 9 strands or more (referred to below as the circumvention goods) exported to Australia from the Republic of South Africa (South Africa). This information will be used to assist in determining whether a circumvention activity in the form of slight modification of goods has occurred in relation to exports of wire rope exported from South Africa.

The attached Anti-Dumping Notice No 2018/105 provides details of the goods the subject of the inquiry, the application and the investigation procedures.

|  |  |  |
| --- | --- | --- |
| **Part A** | **Company and overseas supplier information** | **Return as quickly as possible but no later than**  **16 July 2018** |
| **Part B** | **Imports and forward orders** | **Return as soon as possible after receiving the Commission’s detailed spreadsheets but no later than**  **27 July 2018** |
| **Part C** | **Sales and expenses** |

The timeliness of your response is important. The Commissioner must consider the direction as set out in the *Customs (Extensions of Time and Non-cooperation) Direction 2015* (the Direction). More details on this direction are explained in Anti-Dumping Notice No. 2015/129, available on the Commission’s website at [www.adcommission.gov.au](http://www.adcommission.gov.au).

**Return address:** Anti-Dumping Commission

GPO Box 2013

CANBERRA

ACT 2601

Australia

Attention: Director Operations 4Director Investigations 2

**Facsimile**: +61 3 8539 2499

**E-mail:** [Investigations2@adcommission.gov.au](mailto:Investigations2@adcommission.gov.au)

# BACKGROUND TO THE INQUIRY

On 6 July 2018 the Commissioner of the Anti-Dumping Commission initiated an   
anti-circumvention inquiry into the alleged slight modification of wire rope exported to Australia from South Africa. The initiation of the inquiry followed consideration of an application received from Bekaert Wire Ropes Pty Ltd (BBRG), a member of the Australian industry producing like goods the subject of an anti-dumping notice (Anti-Dumping Notice (ADN) No. 2018/105 refers).

In its application, BBRG alleged that the applicable anti-dumping measures in respect of wire rope exported to Australia from South Africa has been circumvented by importers and exporters of the goods through the slight modification of those goods. Specifically, BBRG alleged that wire rope that would otherwise be subject to the anti-dumping measures, was being slightly modified through the addition of an extra strand, which allows for those goods to no longer be considered wire rope of the kind subject to anti-dumping measures. For the purpose of this inquiry, references to nine-stranded wire rope is also considered to be a reference to ‘the circumvention goods’.

The Anti-Dumping Commission (the Commission) is responsible for investigating the allegation that slightly modified wire rope has been exported to Australia from South Africa to circumvent the anti-dumping measures.

The Commission will also use the information you provide to make recommendations about potential changes to the anti-dumping measures should a circumvention activity be found to have occurred. You may make submissions concerning any other matter.

The Commission investigation will be carried out under the provisions of the Part XVB of the *Customs Act 1901*.

# ORIGINAL INVESTIGATION AND ANTI-DUMPING MEASURES

Anti-dumping measures in the form of a dumping duty notice apply to wire rope from South Africa following consideration of *Final Report 401* by the Assistant Minister.[[1]](#footnote-2)

The calculation of the amount of dumping duty to be collected was established using the combination of fixed and variable duty method, comprising a fixed rate of duty and a variable rate of duty. A dumping duty of 28.9% was found for all exporters.

# THE GOODS SUBJECT TO ANTI-DUMPING MEASURES (THE GOODS)

The goods the subject of the original notice are:

*stranded wire rope, alloy or non-alloy steel, whether or not coated or impregnated, having both of the following:*

* *Not greater than 8 strands;*
* *Diameter not less than 58mm and not greater than 200mm,*

*with or without attachments.*

Further information regarding the goods:

1. *Stranded steel wire rope is rope and strand made of high carbon wire (whether or not containing alloys);*
2. *The strand or rope can also be sheathed or impregnated and sheathed respectively in plastic or composites;*
3. *The wires can be layered-up in various configurations in order to give the strand or rope the desired physical properties;*
4. *Variances can include:*

* *strand diameter;*
* *number of wires;*
* *wire finish (e.g. typically black but may be galvanised);*
* *wire tensile grade;*
* *type of lubricant;*
* *strand or rope length; and*
* *whether or not an attachment is included (but not limited to ferrules and/or beckets).*

1. *Cores may be made of:*

* *natural or synthetic fibre; or*
* *Independent Wire Rope Cores (“IWRC”), which may or may not be sheathed or impregnated in plastic.*

*Typical uses include applications such as dragline hoist, drag and dump ropes, and shovel hoist, crowd and retract ropes.*

*Goods excluded from the measures are:*

* *stranded wire rope that is stainless steel as defined under Note (e) “Stainless steel” to the Tariff;*
* *stranded wire rope with more than 8 strands, regardless of diameter; and*
* *stranded wire rope less than 58mm or greater than 200mm in diameter, regardless of the number of strands.*

# GOODS SUBJECT TO THE INQUIRY (THE CIRCUMVENTION GOODS)

The goods subject to the anti-circumvention inquiry (the circumvention goods) are described as wire rope consisting of nine strands.

The circumvention goods are allegedly being imported into Australia from South Africa under tariff subheading 7312.10.00, statistical code 93 of Schedule 3 to the *Customs Tariff Act 1995*. The following table provides the details regarding goods classified under 7312.

| **Tariff Subheading** | **Statistical Code** | **Unit** | **Description** |
| --- | --- | --- | --- |
| 7312.10.00 | 93 | kg | Ropes and cables containing more than eight strands, of alloy or non-alloy steel. |

# PART A – COMPANY AND OVERSEAS SUPPLIER INFORMATION

**A.1 Your company**

|  |  |
| --- | --- |
| Company Name |  |
| ABN: |  |
| Contact name: |  |
| Position: |  |
| Mailing address: |  |
|  |  |
|  |  |
|  |  |
|  |  |
| Telephone: |  |
| Facsimile: |  |
| E-mail address: |  |

Provide details on the ownership of your company and major shareholders:

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Describe the role of your company in the Australian market for wire rope – for example, buying or selling agent, importer/distributor, importer/wholesaler, importer/retailer or importer/end-user.

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At what level of trade is each of your customers – for example, distributor, wholesaler, retailer or end-user?

|  |  |
| --- | --- |
| **Customer** | **Level of trade** |
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**A.2 Your overseas supplier(s) of the goods and circumvention goods**

Please complete the below information for each of your overseas supplier of the goods and the circumvention goods (using a new box for each supplier).

If you source the goods or circumvention goods from a country other than South Africa, please provide details of the supplier(s).

|  |  |
| --- | --- |
| Supplier name: |  |
| Is the supplier the manufacturer?  If ‘no’, please also answer question A.3 in relation to this supplier. |  |
| Form  supplied: | *e.g. 8 strands or below, above 8 strands* |
| Country of origin: |  |
| Contact name: |  |
| Position: |  |
| Mailing address: |  |
|  |
|  |
|  |
|  |
| Telephone: |  |
| Facsimile: |  |
| E-mail address: |  |

**A.3 Overseas manufacturer(s) of the goods and circumvention goods**

If the supplier(s) listed in your response to question A.2 above is not the manufacturer of the either the goods or the circumvention goods, please complete the below for each manufacturer (using a new box for each supplier).

|  |  |
| --- | --- |
| Supplier name (from A.2): |  |
| Manufacturer name: |  |
| Country of origin: |  |
| Manufacturer contact name: |  |
| Position: |  |
| Mailing address: |  |
|  |
|  |
|  |
|  |
| Telephone: |  |
| Facsimile: |  |
| E-mail address: |  |

**A.4 Timing of proposed visit by the Commission**

The Commission would like to commence visits to importers to verify the data submitted within import questionnaire responses and discuss the inquiry as soon as possible from 3 August 2018.

Can you please advise what dates are suitable to your company for this visit?

Please note that it may be helpful to consider the availability of key staff, such as your accountant, purchasing officer or sales staff.

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Address for proposed visit (the address at which your accounting records are held):

|  |  |
| --- | --- |
| Street address: |  |
|  |
|  |
|  |
|  |
| Telephone: |  |
| Facsimile: |  |

# PART B – IMPORTS AND FORWARD ORDERS

Please complete this part after the Commission has provided you with your detailed spreadsheets of imports, and return this part, along with your response to Part C no later than 27 July 2018

To assist with the identification of imports of the goods and the circumvention goods, the Commission will shortly provide you with spreadsheets of your imports in the period between;

* 1 January 2016 to 30 June 2018.

This information will be provided from the Commission’s import database.

Within this spreadsheet, the Commission will select several shipments (by highlighting them) to examine in more detail.

**B.1 Import details**

Please complete worksheet “*Part B – Cost to import and sell*” in the supplied spreadsheet template file “*ADC 483 Importer Questionnaire Data.xls*” with details for the highlighted selected shipments.

The spreadsheet should contain your costs and sales data for the selected shipments of the goods and circumvention goods imported by your company. The completed spreadsheet should be returned as part of your Part B response, along with details of your forward orders (see B.3 below).

(Please note that that you cannot complete this part of the questionnaire until the Commission provides you with the respective listing of your imports. The Commission will contact you shortly in this regard after receiving Part A of the questionnaire).

**B.2 Documents required at the visit**

In relation to the shipments selected by the Commission for verification (i.e. those shipments highlighted in the spreadsheet which will be provided by the Commission), please prepare copies of the commercial invoice, bill of lading, packing list and any other documents supporting post exportation costs including;

* overseas freight and insurance;
* customs duties;
* landing and wharfage charges;
* freight forwarding fees;
* cartage/delivery fees and
* any other charges between the FOB point and the landed, duty paid into-store point.

It would be appreciated if these documents could be assembled into one bundle for each shipment selected. Please retain these copies for presentation at the Commission’s visit.

**B.3 Forward orders**

Please complete the “*Part B – Forward Orders*” worksheet in the supplied spreadsheet template file “*ADC 483 Importer Questionnaire Data.xls*”. The completed spreadsheet should be returned as part of the Part B response, along with details of your selected shipments as discussed in B.1 above.

**B.4 Ordering process**

1. Fully describe the ordering and purchase process from your overseas suppliers from market offer through to invoicing, delivery and payment.

In your response, indicate the time period for each of the sales process steps.

1. Does the process described above differ in any way from the ordering and purchase process of the goods and circumvention goods? Provide details.
2. Are the models of the circumvention goods that you imported to Australia during the inquiry period part of your suppliers’ standard product offering to Australia, or are they only available under special circumstances (e.g. through special order)? Provide details.
3. Do you specifically request/order the circumvention goods? Provide details e.g. specify number of strands.
4. What is the minimum order quantity from your supplier of the goods and the circumvention goods.

**B.5 Purchase price**

1. Is there a difference in purchase price from your suppliers between the goods and the circumvention goods, assuming all other factors of the sale were the same (e.g. order quantity, product characteristics such as thickness, sheet size (W x L), credit terms). Provide details.

If the answer to the above is yes, quantify the price difference for each year of the inquiry period. Provide any documents that support this price difference (e.g. price lists, comparable invoices, etc).

**B.6 Supplier relationships (in the previous 5 years)**

If your company ‘shifted’ from importing the goods to the circumvention goods during the inquiry period, answer the following questions:

1. Which supplier(s) were supplying you the goods prior to shifting to imports of the circumvention goods?
2. What was the reason for this shift in imports?
3. What was this shift in response to?
4. What alterations to your ordering processes were needed?
5. When did you first commence importing the circumvention goods to Australia?

# PART C – SALES AND SELLING EXPENSES

Please return your responses to Part C along with your response to Part B no later than 27 July 2018.

**C.1 Your sales**

Please provide details of all your sales in the Australian market of the goods and the circumvention goods from South Africa in the period between;

* 1 January 2016 and 30 June 2018.

If possible, and where appropriate, the following data provided at worksheet “*Part C*” in the supplied spreadsheet template file “*ADC 483 Importer Questionnaire Data.xls*”

Please include:

* + Customer name;
  + Customer level of trade (Distributor, End user etc);
  + Location – state;
  + Location – city;
  + Invoice number;
  + Invoice date;
  + Delivery terms (eg. FIS, Ex-warehouse);
  + Credit terms (days);
  + Product/type/description;
  + Number of strands;
  + Quantity;
  + Packing;
  + Total invoiced price;
  + Unit invoiced price;
  + Off invoice discount/rebate amount (if applicable, list each type of discount/rebate individually);
  + Net unit sales price;
  + Your supplier of the goods;
  + Purchase order number to supplier; and
  + Country of origin.

**C.2 Selling, general and administration expenses**

*If you did not on-sell your imports please disregard this question.*

Please calculate your selling, general and administration costs for the goods and circumvention goods sourced from South Africa which you sold in the Australian market in the period between 1 January 2016 to 30 June 2018 and enter this information into worksheet “*Part B*” in the supplied spreadsheet template file “*ADC 483 Importer Questionnaire Data.xls*”.

These expenses are normally derived from profit and loss statements or other management records and are typically expressed as a percentage of sales revenue. Where wire rope is only a part of overall company sales, allocations of selling, general and administrative expenses may have to be made.

The Commission will seek to verify your sales data, and your estimate of selling, general and administrative expenses at the importer visit.

**C.3 Australian Sales End Use**

1. After importing the circumvention goods, explain the subsequent sales channel/use of the product. For example, do you on-sell the products to other Australian entities for their use (or further on-sale), or do you consume the goods in the manufacture of products by your company?
2. In general, are there any specific purpose(s) and/or end use(s) that the circumvention goods you import are suitable for that the goods are not suitable for? Provide specific product details and supporting evidence where possible.
3. Are there any purpose(s) and/or end use(s) that the goods and circumvention goods can be used interchangeably for?
4. What standards/specifications are the goods and circumvention goods manufactured/supplied to when importing into Australia?
5. If you are doing so, explain why are you importing a mix of the goods and circumvention goods to Australia?
6. If you use the circumvention goods for the production of other goods by your company:
7. explain the use(s) of the circumvention goods;
8. explain how the circumvention goods are treated or adapted (if at all) to make it fit for your end use purposes; and
9. are the circumvention goods able to be used for this same use(s) (if not, please explain why).
10. If your company on-sells the circumvention goods to other parties please refer to questions C3 and C4 below.

**C.3 Australian Selling Price**

*If you on-sell the goods and circumvention goods that you import (i.e. do not consume in your own manufactured products), answer the following questions.*

1. Is there a difference in selling price to your Australian customers, assuming all other factors of the sale were the same (e.g. order quantity, product characteristics, credit terms). Provide details.
2. If the answer to the above is yes, quantify the price difference for each year of the inquiry period. Provide any documents that support this price difference (e.g. price lists, comparable invoices, etc).

**C.4 General Sales Questions**

*If you on-sell the* goods and circumvention goodsyou import *(i.e. do not consume in your own manufactured products), answer the following questions.*

1. When on-selling the circumvention goods, is it the case that your customer(s) specified that the product contain more than 8 strands? Did these customers previously purchase the goods?
2. If your customer(s) changed their preference from purchasing the goods to the circumvention goods please indicate what factors may have contributed, e.g. price, end use, quality, or any other requirements, e.g. pre-processing at the supplier.
3. If your immediate Australian customer is not the end user of the circumvention goods you import, is it likely that the end user of those products is aware that the circumvention goods have a greater number of strands compared to the goods (8 strands and under)? If the customer(s) were aware of this difference did this have any impact on how the product would be used?
4. Is the addition of extra strands to the circumvention goods that you supply to your Australian customers described on any of the commercial or other documentation associated with that sale, including your offer for sale to your Australian customers? If so, please provide documentary evidence of this (invoice, purchase order, offer for sale, etc).

# CHECKLIST

* Return by **16 July 2018**
* Part A response
  + Your company details
  + Supplier/manufacturer details
  + Suitable dates for verification meeting with the Commission
* Return by **27 July 2018**
* Part B response
* Sales Route spreadsheet of imports
  + Information on forward orders
* Part C response
  + Sales spreadsheet of sales
  + Selling, General and Administration expenses
* During verification meeting (may be required to assist verification)
  + Copies of source documents of post-exportation costs for shipments
  + Financial statements
  + Bank records
  + Import and post-exportation documents for other shipments
  + Sales invoices
  + Documentation to support selling costs (eg freight, warehousing)
  + Documentation to support SG&A expenses

1. [Final Report 401](http://adcommission.gov.au/cases/EPR%20351%20%20450/EPR%20401%20-%20archived%205%20March%202018/024%20-%20Report%20-%20Final%20Report%20-%20REP%20401.pdf) [↑](#footnote-ref-2)