

NON-CONFIDENTIAL

**EXPORTER QUESTIONNAIRE
RESPONSE**

of

**SIAM YAMATO STEEL CO., LTD.
(SYS)**

in relation to

**HOT ROLLED STRUCTURAL
SECTIONS**

from

**JAPAN, KOREA, TAIWAN AND
THAILAND**

SECTION A - COMPANY STRUCTURE AND OPERATIONS

This section requests information relating to company details and financial reports.

A-1 IDENTITY AND COMMUNICATION

Please nominate a person within your company who can be contacted for the purposes of this investigation:

Head office:

Name:	Mr. Chalernpol Tassananavin
Position in the company:	Export Sales Manager
Address:	Siam Yamato Steel Co.,Ltd. 1 Siam Cement Rd. Bangsue Bangkok 10800 Thailand
Telephone:	(+66 2) 586-2371
Facsimile number:	(+66 2) 586-2687,(+66 2) 910-3123
E-mail address of contact person:	chalerta@syssteel.com

Factory:

SYS1

Address:	9, I-7 Road, Map Ta Phut Industrial Estate, Map Ta Phut, Mueang, Rayong 21150, Thailand
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SYS2

Address:	9/9, G-5 Road, Hemaraj Eastern Industrial Estate, Huay Pong, Mueang, Rayong 21150, Thailand
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A-2 REPRESENTATIVE OF THE COMPANY FOR THE PURPOSE OF INVESTIGATION

If you wish to appoint a representative to assist you in this investigation, provide the following details:

Name:	Roger Simpson
Organisation:	Roger D Simpson & Associates Pty Ltd
Position:	Director
Address:	Level 1, 2 Mercantile Dock, Port Adelaide SA 5015 Australia
Telephone:	(61) 8 8447-3699
Facsimile/Telex number:	(61) 8 8447-2661
E-mail address of contact person:	roger@panpac.biz

Note that in nominating a representative, the Commission will assume that confidential material relating to your company in this investigation may be freely released to, or discussed with, that representative.

A-3 COMPANY INFORMATION

1. What is the legal name of your business? What kind of entity is it (eg. company, partnership, sole trader)? Please provide details of any other business names that you use to export and/or sell goods.

Siam Yamato Steel Co., Ltd. ("SYS")

2. Who are the owners and/or principal shareholders? Provide details of shareholding percentages for joint owners and/or principal shareholders. (List all shareholders able to cast, or control the casting of, 5% or more of the maximum amount of votes that could be cast at a general meeting of your company).

Shareholders	Percentage
1.The Siam Cement Public Company Limited	[REDACTED]
2.Yamato Kogyo Co., Ltd.	[REDACTED]
3.Mitsui & Co., Ltd.	[REDACTED]
4.Sumitomo Corporation	[REDACTED]
5.Mitsui&Co.(Thailand)Ltd.	[REDACTED]

3. If your company is a subsidiary of another company list the principal shareholders of that company.

SYS is a subsidiary of Yamato Kogyo Co.,Ltd.

4. If your parent company is a subsidiary of another company, list the principal shareholders of that company.

Yamoto's Kogyo's principal shareholders are as follows:

Mr. Hiroyuki Inoue	[REDACTED]
Inoue Fudousan Ltd.	[REDACTED]
The Master Trust Bank of Japan, Ltd.	[REDACTED]
Mitsui & Co., Ltd.	[REDACTED]

5. Provide a diagram showing all associated or affiliated companies and your company's place within that corporate structure.

[Corporate structure chart]

6. Are any management fees/corporate allocations charged to your company by your parent or related company.

[REDACTED]

7. Describe the nature of your company's business. Explain whether you are a producer or manufacturer, distributor, trading company, etc.

SYS is a Producer, domestic seller and exporter of various hot rolled steel shapes – refer to enclosed company profile

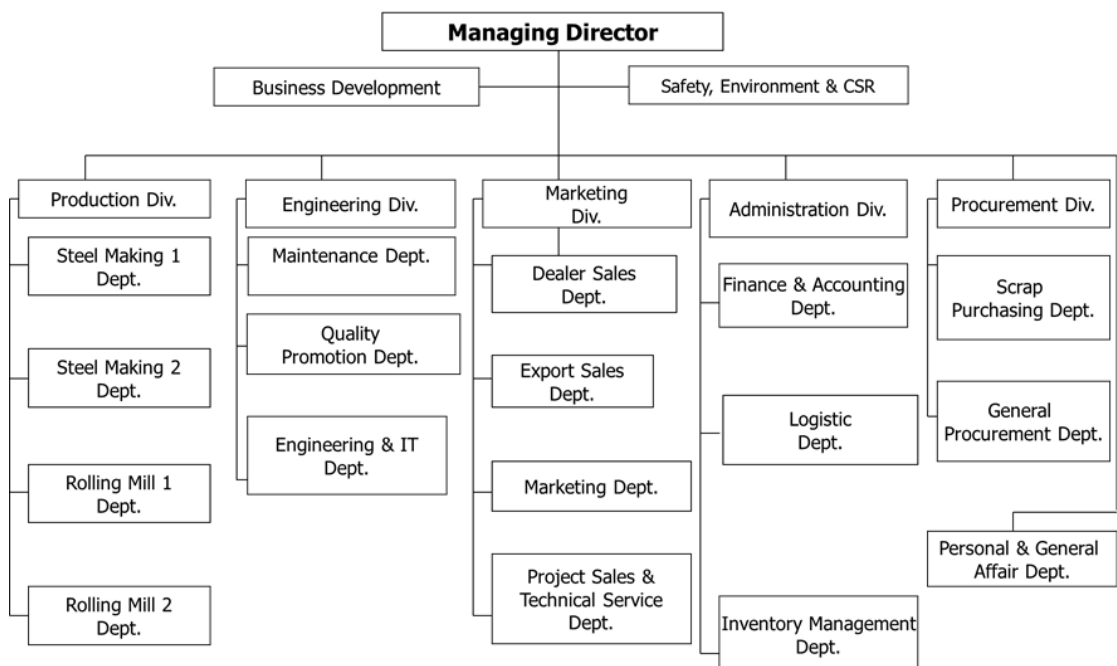
8. If your business does not perform all of the following functions in relation to goods, then please provide names and addresses of the companies which perform each function:

- produce or manufacture
- sell in the domestic market
- export to Australia, and
- export to countries other than Australia.

SYS performs all of the above functions.

9. Provide your company's internal organisation chart. Describe the functions performed by each group within the organisation.

Organization Structure



10. Provide a list of your business' Board of Directors, Managing Director (or CEO) and Senior Executives.

Board of Directors

- | | | |
|---------|------------|---------------------|
| 1. Mr. | [REDACTED] | (Chairman) |
| 2. Mr. | [REDACTED] | (Director) |
| 3. Mr. | [REDACTED] | (Director) |
| 4. Mr. | [REDACTED] | (Director) |
| 5. Mr. | [REDACTED] | (Director) |
| 6. Mr. | [REDACTED] | (Director) |
| 7. Mr. | [REDACTED] | (Director) |
| 8. Mr. | [REDACTED] | (Director) |
| 9. Mr. | [REDACTED] | (Director) |
| 10. Mr. | [REDACTED] | (Managing Director) |

Management Team

- | | | |
|--------|------------|-----------------------------------|
| 1. Mr. | [REDACTED] | (Managing Director) |
| 2. Mr. | [REDACTED] | (Production Division Manager) |
| 3. Mr. | [REDACTED] | (Engineering Division Manager) |
| 4. Mr. | [REDACTED] | (Marketing Division Manager) |
| 5. Mr. | [REDACTED] | (Administration Division Manager) |
| 6. Mr. | [REDACTED] | (Procurement Division Manager) |

11. Provide a copy of your most recent annual report together with any relevant brochures or pamphlets on your business activities.

SYS does not produce an annual report. A company profile is enclosed.

12. Are any of your company's operations in a Special Economic Area, Economic and Technical Development Zone, Bonded Zone, Export Processing Zone, High Technology Industrial Development Zone, the Western Regions, or any other similarly designated area?

No.

13. If your answer to question A-3.12 above is 'yes':

- advise if any benefits (e.g. grants, reduced liabilities on commercial interest rates, etc) from the GOC (including central, provincial, municipal, county or any other level of government) accrue to your company because of being located in such an area;
- please explain the nature of the operations, identify the specific zone(s) [or other area(s)] and provide a brief overview of all of the benefits of operating within the specified zone(s) or area(s).

14. Provide details of all transactions between your company and all related parties. For example:

- Supplying/selling completed or partially completed products.
- Supplying/selling raw materials.
- Performing management functions (including any financial functions).
- Processing (including toll processing) of any raw materials, intermediary or completed products.

- Trading in products/materials supplied by related parties.
- **Raw material (steel scrap) is supplied by the below** [REDACTED].
[REDACTED]
[REDACTED]
[REDACTED]
- **See also A-3.6 above.**

A-4 GENERAL ACCOUNTING/ADMINISTRATION INFORMATION

1. Indicate your accounting period.

January – December

2. Indicate the address where the financial records are held.

Head office : 1 Siam Cement Rd. Bangsue BKK 10800

3. Provide the following financial documents for the two most recently completed financial years plus all subsequent monthly, quarterly or half yearly statements:

- chart of accounts;
- audited consolidated and unconsolidated financial statements (including all footnotes and the auditor's opinion);
- internal financial statements, income statements (profit and loss reports), or management accounts, that are prepared and maintained in the normal course of business for the goods under investigation.

These documents should relate to:

- the division or section/s of your business responsible for the production and sale of the goods under investigation, and
- the company overall.

Refer to attachment A-4.3

3. If you are not required to have the accounts audited, provide the unaudited financial statements for the two most recently completed financial years, together with your relevant taxation returns. Any subsequent monthly, quarterly or half yearly statements should also be provided.

N/A

4. Do your accounting practices differ in any way from the generally accepted accounting principles in your country? If so, provide details.

No.

5. Describe:

The significant accounting policies that govern your system of accounting, in particular:

- the method of valuation for raw material, work-in-process, and finished goods inventories (eg last in first out –LIFO, first in first out- FIFO, weighted average);

Raw material , Spare parts, Store supplies and other :

[REDACTED]

Work in process :

[REDACTED]

Finished goods :

[REDACTED]

- costing methods, including the method (eg by tonnes, units, revenue, direct costs etc) of allocating costs shared with other goods or processes (such as front office cost, infrastructure cost etc);

Cost Allocation of goods produced.

Raw Material :

[REDACTED]

Other costs :

[REDACTED]

The raw material usage and production time used vary from grades, types and sizes of products to be manufactured.

SG&A expenses are allocated on the basis of

[REDACTED]

- valuation methods for damaged or sub-standard goods generated at the various stages of production;

[REDACTED]

- valuation methods for scrap, by products, or joint products;

[REDACTED]

- valuation and revaluation methods for fixed assets;

Fixed assets

[REDACTED]

No revaluation system.

- average useful life for each class of production equipment and depreciation method and rate used for each;

Depreciation is calculated on straight line basis.

Estimated useful life as follows:

Land Improvement

Building and building improvement

Machinery and factory equipment

Furniture fixtures and office equipment

[REDACTED] years
[REDACTED] years
[REDACTED] years
[REDACTED] years

Motor Vehicles

■■■■ years

- treatment of foreign exchange gains and losses arising from transactions;

All transaction is recorded as actual and at end of every month the gain and loss is adjusted as from the exchange rate from Bank of Thailand.

- treatment of foreign exchange gains/losses arising from the translation of balance sheet items;

To be adjusted at the end of each month as from the exchange rate from Bank of Thailand.

- inclusion of general expenses and/or interest;

Based on accrual basis and reported in financial statements as reported as SG&A.

- provisions for bad or doubtful debts, and treatment thereof in your accounts;

N/A

- expenses for idle equipment and/or plant shut-downs;

N/A

- costs of plant closure;

N/A

- restructuring costs;

N/A

- by-products and scrap materials resulting from your company's production process;

■■■■ byproducts. Scrap is ■■■■

- effects of inflation on financial statement information.

N/A

6. In the event that any of the accounting methods used by your company have changed over the last two years provide an explanation of the changes, the date of change, and the reasons for it.

N/A

A-5 INCOME STATEMENT

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Complete the spreadsheet entitled '**Income statement**' within the *HRS Exporter Questionnaire – accompanying spreadsheet* provided alongside this questionnaire.

Please refer to attachment A-5 - Income statement.

A-6 SALES

Complete the spreadsheet entitled '**Turnover**' within the *HRS Exporter Questionnaire – accompanying spreadsheet* provided alongside this questionnaire.

Provide the completed spreadsheet in electronic format on CD-ROM or USB (or via email) with your response. If formulas are used to calculate the field within this sheet, please ensure they remain included in the submitted version.

In completing the sheet, use the currency in which your accounts are kept.

This information will be used to verify the cost allocations to the goods in Section G.

Also, you should be prepared to demonstrate that sales data shown for the goods is a complete record by linking total sales of these goods to relevant financial statements.

Please refer to attachment A-6 – Turnover.

SECTION B - SALES TO AUSTRALIA (EXPORT PRICE)

This section requests information concerning your export practices and prices to Australia. You should include costs incurred beyond ex-factory.

Export prices are usually assessed at FOB point, but the Commission may also compare prices at another level (e.g. ex factory).

*You should report prices of **all goods shipped to Australia during the investigation period.***

The invoice date will normally be taken to be the date of sale. If you consider:

- *the sale date is not the invoice date (see 'date of sale' column explanation in question B4 below) and;*
- *an alternative date should be used when comparing export and domestic prices*

*you **must** provide information in section D on domestic selling prices for a matching period - even if doing so means that such domestic sales data predates the commencement of the investigation period.*

B-1 For each customer in Australia to whom you shipped goods in the investigation period list:

- name :
- address :
- contact name :
- Phone number :
- Fax number :
- trade level :



B-2 For each customer identified in B1 please provide the following information.

- (a) Describe how the goods are sent to each customer in Australia, including a diagram if required.

The goods are delivered by truck to the shipping port. Shipment to Australia by vessel [redacted]

- (b) Identify each party in the distribution chain and describe the functions performed by them. Where commissions are paid indicate whether it is a pre or post exportation expense having regard to the date of sale

[redacted] **The functions performed by** [redacted]

- (c) Explain who retains ownership of the goods at each stage of the distribution chain. In the case of delivered duty paid (DDP) sales, explain who retains ownership when the goods enter Australia.

Export sales to Australia are [redacted] **and it is at this point that ownership is transferred from SYS to** [redacted].

- (d) Describe any agency or distributor agreements or other contracts entered into in relation to the Australian market (supply copy of the agreement if possible).

N/A

- (e) Explain in detail the process by which you negotiate price, receive orders, deliver, invoice and receive payment. If export prices are based on price lists supply copies of those lists.

Price:

[REDACTED]

Orders:

[REDACTED]

Delivery:

[REDACTED]

Invoice:

[REDACTED]

Payment:

[REDACTED]

[REDACTED]

- (f) State whether your firm is related to any of its Australian customers. Give details of any financial or other arrangements (eg free goods, rebates, or promotional subsidies) with the customers in Australia (including parties representing either your firm or the customers).

SYS and [REDACTED] are not related.

- (g) Details of the forward orders of the goods (include quantities, values and scheduled shipping dates).

[REDACTED] mt to be shipped within [REDACTED].
Value-AUD [REDACTED].

- B-3** Do your export selling prices vary according to the distribution channel identified? If so, provide details. Real differences in trade levels are characterised by consistent and distinct differences in functions and prices.

[REDACTED]

- B-4** Complete the spreadsheet entitled '**Australian sales**' within the *HRS Exporter Questionnaire – accompanying spreadsheet* provided alongside this questionnaire.

Please refer to attachment B-4 - Australian Sales.

B-5 If there are any other costs, charges or expenses incurred in respect of the exports listed above which have not been identified in the table above, add a column within the 'Australian sales' spreadsheet (see "other factors" in question B-4) for each item, and provide a description of each item. For example, other selling expenses (direct or indirect) incurred in relation to the export sales to Australia.

N/A

B-6 For each type of discount, rebate, or allowance offered on export sales to Australia:

- provide a description; and
- explain the terms and conditions that must be met by the importer to obtain the discount.

Where the amounts of these discounts, rebates etc are not identified on the sales invoice, explain how you calculated the amount shown in your response to question B4. If they vary by customer or level provide an explanation.

SYS provides [REDACTED].

B-7 If you have issued credit notes (directly or indirectly) to the customers in Australia, in relation to the invoices listed in the detailed transaction by transaction listing in response to question B4, provide details of each credit note if the credited amount has **not** been reported as a discount or rebate.

N/A

B-8 If the delivery terms make you responsible for arrival of the goods at an agreed point within Australia (eg. delivered duty paid), insert additional columns in the spreadsheet for all other costs incurred. For example:

Import duties	Amount of import duty paid in Australia
Inland transport	Amount of inland transportation expenses within Australia included in the selling price
Other costs	The Commission brokers, port and other costs incurred (itemise)

N/A

B-9 Select two shipments, in different quarters of the investigation period, and provide a complete set of all of the documentation related to the export sale. For example:

- the importer's purchase order, order confirmation, and contract of sale;
- commercial invoice;
- bill of lading, export permit;

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- freight invoices in relation to movement of the goods from factory to Australia, including inland freight contract;
- marine insurance expenses; and
- letter of credit, and bank documentation, proving payment.

The Commission will select additional shipments for payment verification at the time of the visit.

Refer to attachment B-9

- B-10** Are your export sales of imperial or metric product (or both)? Does your selling price differ based on whether the product sold is imperial or metric product?



SECTION C – EXPORTED GOODS & LIKE GOODS

- C-1** Fully describe all of the goods you have exported to Australia during the investigation period. Include specification details and any technical and illustrative material that may be helpful in identifying, or classifying, the exported goods.

The goods exported to Australia during the investigation period are [REDACTED] of specifications per the table below.

[Description: Goods exported to Australia]

- C-2** List each model/type of the good exported to Australia (these models should cover all models listed in spreadsheet “**Australian Sales**” – See section B of this questionnaire).

Please see attachment B-4.

- C-3** If you sell like goods (see explanation in glossary) on the domestic market, for each model/type that your company has exported to Australia during the investigation period, list the most comparable model(s) sold domestically and provide a detailed explanation of the differences where those goods sold domestically (ie. the like goods) are not identical to the goods exported to Australia.

Please refer to attachment C-3 - Like goods.

- C-4** Please provide any technical and illustrative material that may be helpful in identifying or classifying the goods that your company sells on the domestic market.

Please refer to the enclosed catalogues.

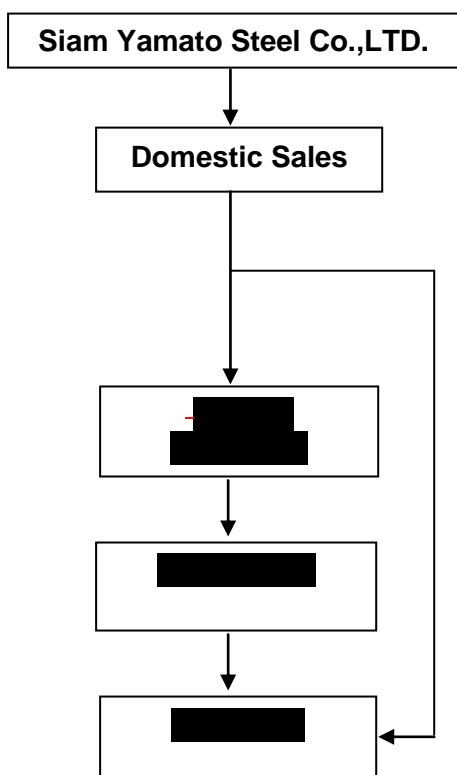
SECTION D - DOMESTIC SALES

D-1 Provide:

- a detailed description of your distribution channels to domestic customers, including a diagram if appropriate;
- information concerning the functions/activities performed by each party in the distribution chain; and
- a copy of any agency or distributor agreements, or contracts entered into.

If any of the customers listed are associated with your business, provide details of that association. Describe the effect, if any, that association has upon the price.

- Domestic distribution is outlined in the diagram hereunder.



- SYS has [Redacted]

D-2 Do your domestic selling prices vary according to the distribution channel identified? If so, provide details. Real differences in trade levels are characterised by consistent and distinct differences in functions and prices.

Domestic selling prices generally [Redacted]

D-3 Explain in detail the sales process, including:

- the way in which you set the price, receive orders, make delivery, invoice and finally receive payment; and the terms of the sales; and
- whether price includes the cost of delivery to customer.

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If sales are in accordance with price lists, provide copies of the price lists.

1- [REDACTED]

Price:

[REDACTED]

Orders:

[REDACTED]

Delivery:

[REDACTED]

Invoice:

[REDACTED]

Payment:

[REDACTED]

Cost of delivery:

[REDACTED]

2- [REDACTED]

Price:

[REDACTED]

Orders:

[REDACTED]

Delivery:

[REDACTED]

Invoice:

[REDACTED]

Payment:

[REDACTED]

Cost of delivery:

[REDACTED]

D-4 Complete the spreadsheet entitled '**Domestic sales**' within the *HRS Exporter Questionnaire – accompanying spreadsheet* provided alongside this questionnaire.

Please refer to attachment D-4 - Domestic Sales

D-5 If there are any other costs, charges or expenses incurred in respect of the sales listed which have not been identified in the table in question D-4 above add a column for each item (see "other factors"). For example, certain other selling expenses incurred.

N/A

D-6 For each type of commission, discount, rebate, allowance offered on domestic sales of like goods:

- provide a description; and
- explain the terms and conditions that must be met by the customer to qualify for payment.

Where the amounts of these discounts, rebates etc are not identified on the sales invoice, explain how you calculated the amounts shown in your response to question D4.

If you have issued credit notes, directly or indirectly to the customers, provide details if the credited amount has **not** been reported as a discount or rebate.

Commission:

[REDACTED]

Discount:

[REDACTED]

Rebates:

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

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[REDACTED]

[REDACTED]

[REDACTED]

D-7 Select two domestic sales, in different quarters of the investigation period, that are at the same level of trade as the export sales.

Provide a complete set of documentation for those two sales. Include, for example:

- purchase order
- order acceptance
- commercial invoice
- discounts or rebates applicable
- credit/debit notes
- long or short term contract of sale
- inland freight contract
- bank documentation showing proof of payment

The Commission will select additional sales for verification at the time of our visit.

Refer to attachment D-7

D-8 Are your domestic sales of imperial or metric product (or both)? Does your selling price differ based on whether the product sold is imperial or metric product?

[REDACTED]

SECTION E - FAIR COMPARISON

E-1 COSTS ASSOCIATED WITH EXPORT SALES

(These cost adjustments will relate to your responses made at question B-4, 'Australian Sales')

1. Transportation

Explain how you have quantified the amount of inland transportation associated with the export sale ("**Inland transportation costs**"). Identify the general ledger account where the expense is located. If the amount has been determined from contractual arrangements, not from an account item, provide details and evidence of payment.

Based on the actual unit cost (THB/tonne) according to the SYS contract with the transportation company.

2. Handling, loading and ancillary expenses

List all charges that are included in the export price and explain how they have been quantified ("**Handling, loading & ancillary expenses**"). Identify the general ledger account where the expenses are located. If the amounts have been determined using actual observations, not from a relevant account item, provide details.

The various export related ancillary costs are identified in the table at question B4, for example:

- terminal handling;
- wharfage and other port charges;
- container taxes;
- document fees and customs brokers fees;
- clearance fees;
- bank charges, letter of credit fees
- other ancillary charges.

Since export sales to Australia are at [REDACTED] [REDACTED] Bank charge is included in the Australian Sales spreadsheet and is the actual bank charge incurred for each transaction.

3. Credit

The cost of extending credit on export sales is not included in the amounts quantified at question B4. However, the Commission will examine whether a credit adjustment is warranted and determine the amount. Provide applicable interest rates over each month of the investigation period. Explain the nature of the interest rates most applicable to these export sales eg, short term borrowing in the currency concerned.

If your accounts receivable shows that the average number of collection days differs from the payment terms shown in the sales listing, *and if* export prices are influenced by this longer or shorter period, calculate the average number of collection days. See also item 4 in section E-2 below.

[REDACTED]

4. **Packing costs**

List material and labour costs associated with packing the export product. Describe how the packing method differs from sales on the domestic market, for each model. Report the amount in the listing in the column headed '**Packing**'.

[REDACTED]

5. **Commissions**

For any commissions paid in relation to the export sales to Australia:

- provide a description; and
- explain the terms and conditions that must be met.

Report the amount in the sales listing in question B-4 under the column headed "**Commissions**". Identify the general ledger account where the expense is located.

N/A

6. **Warranties, guarantees, and after sales services**

List the costs incurred. Show relevant sales contracts. Show how you calculated the expenses ("**Warranty & guarantee expenses**" and "**Technical assistance & other services**"), including the basis of any allocations. Include a record of expenses incurred. Technical services include costs for the service, repair, or consultation. Where these expenses are closely related to the sales in question, an adjustment will be considered. Identify the ledger account where the expense is located.

N/A

7. **Other factors**

There may be other factors for which an adjustment is required if the costs affect price comparability – these are identified in the column headed "**Other factors**". For example, other variable or fixed selling expenses, including salesmen's salaries, salesmen's travel expenses, advertising and promotion, samples and entertainment expenses. Your consideration of questions asked at Section G, concerning domestic and export costs, would have alerted you to such other factors.

[REDACTED]

8. **Currency conversions**

In comparing export and domestic prices a currency conversion is required. Fluctuations in exchange rates can only be taken into account when there has been a 'sustained' movement during the investigation period (see article 2.4.1 of the WTO Agreement). The purpose is to allow exporters 60 days to adjust export prices to reflect 'sustained' movements. Such a claim requires detailed information on exchange movements in your country over a long period that includes the investigation period.

N/A

E-2 COSTS ASSOCIATED WITH DOMESTIC SALES

1. Physical characteristics

The adjustment recognises that differences such as quality, chemical composition, structure or design, mean that goods are not identical and the differences can be quantified in order to ensure fair comparison.

The amount of the adjustment shall be based upon the market value of the difference, but where this is not possible the adjustment shall be based upon the difference in cost plus the gross profit mark-up (ie. an amount for selling general and administrative costs (S G & A) plus profit).

The adjustment is based upon actual physical differences in the goods being compared and upon the manufacturing cost data. Identify the physical differences between each model. State the source of your data.

[REDACTED]

[REDACTED]

[REDACTED]

2. Import charges and indirect taxes

If exports to Australia:

- are partially or fully exempt from internal taxes and duties that are borne by the like goods in domestic sales (or on the materials and components physically incorporated in the goods), or
- if such internal taxes and duties have been paid and are later remitted upon exportation to Australia;

the price of like goods must be adjusted downwards by the amount of the taxes and duties.

The taxes and duties include sales, excise, turnover, value added, franchise, stamp, transfer, border, and excise taxes. Direct taxes such as corporate income tax are not included as such taxes do not apply to the transactions.

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Adjustment for drawback is not made in every situation where drawback has been received. Where an adjustment for drawback is appropriate you must provide information showing the import duty borne by the domestic sales. (That is, it is not sufficient to show the drawback amount and the export sales quantity to Australia. For example, you may calculate the duty borne on domestic sales by quantifying the total amount of import duty paid and subtracting the duty refunded on exports to all countries. The difference, when divided by the domestic sales volume, is the amount of the adjustment).

In substantiating the drawback claim the following information is required:

- a copy of the relevant statutes/regulations authorising duty exemption or remission, translated into English;
- the amount of the duties and taxes refunded upon *exportation* and an explanation how the amounts were calculated and apportioned to the exported goods;
- an explanation as to how you calculated the amount of duty payable on imported materials is borne by the goods sold *domestically* but is not borne by the exports to Australia;

Substitution drawback systems

Annex 3 of the WTO Agreement on Subsidies provides: *“Drawback systems can allow for the refund or drawback of import duties on inputs which are consumed in the production process of another product and where the export of this latter product contains domestic inputs having the same quality and characteristics as those substituted for the imported inputs”*

If such a scheme operates in the country of export please provide **full** details about the operation of the scheme as well as providing the information requested above.

N/A

3. Level of trade

Question D-4 asks you to indicate the level of trade to the domestic customer. To claim an adjustment for level of trade differences you will need to quantify the amount by which level of trade influences price.

Trade level is the level a company occupies in the distribution chain. The trade level to which that company in turn sells the goods and the functions carried out distinguish a level of trade. Examples are producer, national distributor, regional distributor, wholesaler, retailer, end user, and original equipment manufacturer.

It may not be possible to compare export prices and domestic prices at the same level of trade. Where relevant sales of like goods at the next level of trade must be used to determine normal values an adjustment for the difference in level of trade may be required where it is shown that the difference affects price comparability.

The information needs to establish that there are real trade level differences, not merely nominal differences. Real trade level differences are characterised by a consistent pattern of price differences between the levels and by a difference in functions performed. If there is no real trade level differences all sales are treated as being at the same level of trade.

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A real difference in level of trade (may be adjusted for using either of the following methods:

- (a) *costs arising from different functions*: the amount of the costs, expenses etc incurred by the seller in domestic sales of the like goods resulting from activities that would not be performed were the domestic sales made at the same level as that of the importer.

This requires the following information:

- a detailed description of each sales activity performed in selling to your domestic customers (for example sales personnel, travel, advertising, entertainment etc);
- the cost of carrying out these activities in respect of like goods;
- for each activity, whether your firm carries out the same activity when selling to importers in Australia;
- an explanation as to why you consider that you are entitled to a level of trade adjustment.

or

- (b) *level discount*: the amount of the discount granted to purchasers who are at the same level of trade as the importer in Australia. This is determined by an examination of price differences between the two levels of trade in the exporter's domestic market, for example sales of like goods by other vendors or sales of the same general category of goods by the exporter. For this method to be used it is important that a clear pattern of pricing be established for the differing trade levels. Such pattern is demonstrated by a general availability of the discounts to the level - isolated instances would not establish a pattern of availability.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

4. Credit

The cost of extending credit on domestic sales is not included in the amounts quantified at question D-4. However, the Commission will examine whether a credit adjustment is warranted and determine the amount. An adjustment for credit is to be made even if funds are not borrowed to finance the accounts receivable.

The interest rate on domestic sales in order of preference is:

- the rate, or average of rates, applying on actual short term borrowing's by the company; or
- the prime interest rate prevailing for commercial loans in the country for credit terms that most closely approximate the credit terms on which the sales were made; or
- such other rate considered appropriate in the circumstances.

Provide the applicable interest rate over each month of the investigation period.

If your accounts receivable shows that the average number of collection days differs from the payment terms shown in the sales listing, and if domestic prices are influenced by this longer or shorter period, calculate the average number of collection days.

Where there is no fixed credit period agreed at the time of sale the period of credit is determined on the facts available. For example, where payment is made using an open account system,¹ the average credit period may be determined as follows:

1. Calculate an accounts receivable turnover ratio

This ratio equals the total credit sales divided by average accounts receivable. (It is a measure of how many times the average receivables balance is converted into cash during the year).

In calculating the accounts receivable turnover ratio, credit sales should be used in the numerator whenever the amount is available from the financial statements. Otherwise net sales revenue may be used in the numerator.

¹ Under an open account system, following payment the balance of the amount owing is carried into the next period. Payment amounts may vary from one period to the next, with the result that the amount owing varies.

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An average accounts receivable over the year is used in the denominator. This may be calculated by:

- using opening accounts receivable at beginning of period plus closing accounts receivable at end of period divided by 2, or
- total monthly receivables divided by 12.

2. Calculate the average credit period

The average credit period equals 365 divided by the accounts receivable turnover ratio determined above at 1.

The resulting average credit period should be tested against randomly selected transactions to support the approximation.

The credit cost adjustment included in the Domestic sales spreadsheet is the cost amount included in credit term sales prices which is based on [REDACTED] % per annum. That is, the amount included is - no. of days of credit/365 x [REDACTED] % x invoice amount.

5. Transportation

Explain how you have quantified the amount of inland transportation associated with the domestic sales (“**Inland transportation Costs**”). Identify the general ledger account where the expense is located. If the amount has been determined from contractual arrangements, not from an account item, provide details and evidence of payment.

Delivery terms of Domestic sales are Ex-works and CFR. In Ex-works sales there is no transportation cost. In CFR sales the amount reported in the Domestic sales spreadsheet is the cost of transportation from SYS sales depot (Sriracha depot) to customers. It is based on [REDACTED]

6. Handling, loading and ancillary expenses

List all charges that are included in the domestic price and explain how they have been quantified (“**Handling, loading and ancillary Expenses**”). Identify the general ledger account where the expense is located. If the amounts have been determined using actual observations, not from a relevant account item, provide details.

The costs included in column AC of the Domestic sales spreadsheet are the costs of transferring products for sales in the domestic market from the mill to the Sriracha depot and the operating cost of the Sriracha depot. The amounts shown are based on [REDACTED]

7. Packing

List material and labour costs associated with packing the domestically sold product. Describe how the packing method differs from sales on the domestic market, for each model. Report the amount in the listing in the column headed “**Packing**”.

[REDACTED]

8. Commissions

For any commissions paid in relation to the domestic sales:

- provide a description
- explain the terms and conditions that must be met.

Report the amount in the sales listing under the column headed “**Commissions**”. Identify the general ledger account where the expense is located.

Please refer to section D-6

9. Warranties, guarantees, and after sales services

List the costs incurred. Show relevant sales contracts. Show how you calculated the expenses (“**Warranty & Guarantee expenses**” and “**Technical assistance & other services**”), including the basis of any allocations. Include a record of expenses incurred. Technical services include costs for the service, repair, or consultation. Where these expenses are closely related to the sales in question, an adjustment will be considered. Identify the ledger account where the expense is located.

N/A

10. Other factors

There may be other factors for which an adjustment is required if the costs affect price comparability – these are identified in the column headed “**Other factors**”. List the factors and show how each has been quantified in per unit terms. For example:

- *inventory carrying cost*: describe how the products are stored prior to sale and show data relating to the average length of time in inventory. Indicate the interest rate used;
- *warehousing expense*: an expense incurred at the distribution point;
- *royalty and patent fees*: describe each payment as a result of production or sale, including the key terms of the agreement;
- *advertising*; and
- *bad debt*.

[REDACTED]

[REDACTED]

E-3 DUPLICATION

In calculating the amount of the adjustments you must ensure that there is no duplication.

For example:

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- adjustments for level of trade, quantity or other discounts may overlap, or
- calculation of the amount of the difference for level of trade may be based upon selling expenses such as salesperson's salaries, promotion expenses, commissions, and travel expenses.

Separate adjustment items must avoid duplication.

An adjustment for quantities may not be granted unless the effect on prices for quantity differences is identified and separated from the effect on prices for level of trade differences.

There is no duplication.

SECTION F - EXPORT SALES TO COUNTRIES OTHER THAN AUSTRALIA

Your response to this part of the questionnaire may be used by the Commission to select sales to a third country that may be suitable for comparison with exports to Australia.

Sales to third countries may be used as the basis for normal value in certain circumstances. The Commission may seek more detailed information on particular third country sales where such sales are likely to be used as the basis for determining normal value.

F-1 Complete the spreadsheet entitled '**Third country sales**' within the *HRS Exporter Questionnaire* – accompanying spreadsheet provided alongside this questionnaire.

Please refer to attachment F-1 - Third country sales.

F-2 Please identify any differences in sales to third countries which may affect their comparison to export sales to Australia.

Difference in sales to between third countries and export sales to Australia are

**SECTION G - COSTING INFORMATION AND
CONSTRUCTED VALUE**

G-1 PRODUCTION PROCESS AND CAPACITY

1. Describe the production process for the goods. Provide a flowchart of the process. Include details of all products manufactured using the same production facilities as those used for the goods. Also specify all scrap or by-products that result from producing the goods.

If your company manufactures/produces the steel raw material used to manufacture the goods, describe this process and provide a flowchart of this production process.

- **Production flow chart hereunder.
[confidential]**
- **Beam Blank, Bloom and Billet are produced by SYS and are included in the above production flow chart**

2. Complete the spreadsheet entitled '**Production**' within the *HRS Exporter Questionnaire – accompanying spreadsheet* provided alongside this questionnaire.

Provide the completed spreadsheet in electronic format on CD-ROM or USB (or via email) with your response. If formulas are used to calculate the field within this sheet, please ensure they remain included in the submitted version.

Please refer to attachment G-1 - Production.

3. Explain whether you produce the goods and like goods (for domestic sale and export to third countries) to imperial and/or metric measurements.

[REDACTED]

3. If your company manufactures/produces steel materials that are used in the production of HRS, does your company also make sales of these steel materials?

N/A

G-2. COST ACCOUNTING PRACTICES

1. Outline the management accounting system that you maintain and explain how that cost accounting information is reconciled to your audited financial statements.

[REDACTED]

2. Is your company's cost accounting system based on standard (budgeted) costs? State whether standard costs were used in your responses to this questionnaire. If they were state whether all variances (ie differences between standard and actual production costs) have been allocated to the goods - and describe how those variances have been allocated.



3. Provide details of any significant or unusual cost variances that occurred during the investigation period.

N/A

4. Describe the profit/cost centres in your company's cost accounting system.

Please refer to attachment G-2.4

5. For each profit/cost centre describe in detail the methods that your company normally uses to allocate costs to the goods. In particular specify how, and over what period, expenses are amortised or depreciated, and how allowances are made for capital expenditures and other development costs.

The allocation of cost is [REDACTED]. Concerning depreciation, please refer to section A-4.5.

6. Describe the level of product specificity (models, grades etc) that your company's cost accounting system records production costs.

Product group (eg. H-Beam, I-Beam, Channel).

7. List and explain all production costs incurred by your company which are valued differently for cost accounting purposes than for financial accounting purposes.

N/A

8. State whether your company engaged in any start-up operations in relation to the goods. Describe in detail the start-up operation giving dates (actual or projected) of each stage of the start-up operation.

N/A

9. State the total cost of the start-up operation and the way that your company has treated the costs of the start-up operation in its accounting records.

N/A

G-3 COST TO MAKE AND SELL ON DOMESTIC MARKET

This information is relevant to testing whether domestic sales are in the ordinary course of trade.²

² The Commission applies the tests set out in s.269TAAD of the *Customs Act 1901* to determine whether goods are in ordinary course of trade. These provisions reflect the WTO Anti-Dumping Agreement – see Article 2.2.1.

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1. Complete the spreadsheet entitled '**Domestic CTMS**' within the *HRS Exporter Questionnaire – accompanying spreadsheet* provided alongside this questionnaire.

Please refer attachment G-3 - Domestic CTMS.

G-4 COST TO MAKE AND SELL GOODS UNDER CONSIDERATION (GOODS EXPORTED TO AUSTRALIA)

Complete the spreadsheet entitled '**Australian CTMS**' within the *HRS Exporter Questionnaire – accompanying spreadsheet* provided alongside this questionnaire.

Provide the completed spreadsheet in electronic format on CD-ROM or USB (or via email) with your response. If formulas are used to calculate the field within this sheet, please ensure they remain included in the submitted version.

In doing so, provide the actual unit cost to make and sell each model/type (identified in Section C) of the like goods sold on the domestic market.

Provide this cost data for each quarter over the investigation period. If your company calculates costs monthly, provide monthly costs.

Indicate the source of cost information (account numbers etc) and/or methods used to allocate cost to the goods. Provide documentation and worksheets supporting your calculations.

If you are unable to supply this information in this format, please contact the Case Manager for this investigation at the address shown on the cover of this questionnaire.

Please specify unit of currency.

Please refer to attachment G-4 - Australian CTMS.

The information is relevant to calculating the normal values based on costs. It is also relevant to calculating certain adjustments to the normal value.

- G-5** Where there are cost differences between goods sold to the domestic market and those sold for export, give reasons and supporting evidence for these differences.

Please refer to section E-2.1.

- G-6** Give details and an explanation of any significant differences between the costs shown, and the costs as normally determined in accordance with your general accounting system. Reference should be made to any differences arising from movements in inventory levels and variances arising under standard costing methods.

N/A

- G-7** In calculating the unit cost to make and sell, provide an explanation if the allocation method used (eg number, or weight etc) to determine the unit cost differs from the prior practice of your company.

N/A

- G-8** List major raw material costs, which individually account for 10% or more of the total production cost.

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For these major inputs:

- identify materials sourced in-house and from associated entities;
- identify the supplier; and
- show the basis of valuing the major raw materials in the costs of production you have shown for the goods (eg market prices, transfer prices, or actual cost of production).

Where the major input is produced by an associate of your company the Commission will compare your purchase price to a normal market price. If the associate provides information on the cost of production for that input such cost data may also be considered.

Normal market price is taken to be the price normally available in the market (having regard to market size, whether the input is normally purchased at 'spot prices' or under long term contracts etc).

The term associate is defined in section 269TAA of the Act. Included in that definition are companies controlled by the same parent company (a company that controls 5% or more of the shares of another is taken to be an associated company); companies controlled by the other company; and companies having the same person in the board of directors.

If the major input is purchased or supplied from an integrated production process you should provide detailed information on the full costs of production of that input.

Scrap is the only raw material cost accounting for 10% or more of total production cost.

Please refer to attachment G-8 for scrap supply details.

SECTION H – EXPORTER/PRODUCER’S DECLARATION

I hereby declare that **Siam Yamoto Steel Co Ltd.** did, during the investigation period export the goods and have completed the attached questionnaire and, having made due inquiry, certify that the information contained in this submission is complete and correct to the best of my knowledge and belief.

SECTION I - CHECKLIST

This section is an aid to ensure that you have completed all sections of this questionnaire.

Section	Please tick if you have responded to all questions
Section A – general information	<input checked="" type="checkbox"/>
Section B – export price	<input checked="" type="checkbox"/>
Section C – like goods	<input checked="" type="checkbox"/>
Section D – domestic price	<input checked="" type="checkbox"/>
Section E – fair comparison	<input checked="" type="checkbox"/>
Section F – exports to third countries	<input checked="" type="checkbox"/>
Section G – costing information	<input checked="" type="checkbox"/>
Section H – declaration	<input checked="" type="checkbox"/>

Electronic Data	Please tick if you have provided spreadsheet
INCOME STATEMENT	<input checked="" type="checkbox"/>
TURNOVER – sales summary	<input checked="" type="checkbox"/>
AUSTRALIAN SALES – list of sales to Australia	<input checked="" type="checkbox"/>
LIKE GOODS – comparison between export and domestic goods sold	<input checked="" type="checkbox"/>
DOMESTIC SALES – list of all domestic sales of like goods	<input checked="" type="checkbox"/>
THIRD COUNTRY – third country sales	<input checked="" type="checkbox"/>
PRODUCTION – production figures	<input checked="" type="checkbox"/>
DOMESTIC CTMS – cost to make and sell domestic goods	<input checked="" type="checkbox"/>
AUSTRALIAN CTMS – cost to make and sell goods sold to Australia	<input checked="" type="checkbox"/>

LIST OF ATTACHMENTS

Attachment	A-4.3	Financial statements (Confidential)
	A-5	Income Statement (Confidential)
	A-6	Turnover (Confidential)
	B-4	Australian Sales (Confidential)
		B-9 Sample sales to Australia (2) (Confidential)
	C-3	Like Goods (Confidential)
	D-4	Domestic Sales (Confidential)
	D-7	Sample sales domestic (2) (Confidential)
	F-1	Third Country Sales (Confidential)
	G-1	Production (Confidential)
	G-2.4	Cost centres (Confidential)
	G-3	Domestic CTMS (Confidential)
	G-4	Australian CTMS (Confidential)
	G-8	Scrap supply (Confidential)
Enclosures		Company profile
		Product catalogues (2)

