

PUBLIC RECORD VERSION



Australian Government
Anti-Dumping Commission

Exporter Questionnaire



Product: Steel Reinforcing Bar

From: The Republic of Korea, Malaysia, Singapore, Spain, Taiwan, the Kingdom of Thailand and the Republic of Turkey

Period of Investigation: 1 July 2013 to 30 June 2014

Response due by: 27 November 2014

Extended to 12 December 2014

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Return completed questionnaire to: Anti-Dumping Commission
1010 La Trobe Street
Docklands Victoria 3008
Australia
Attention: Director Operations 3

GOODS UNDER CONSIDERATION

The goods under consideration (the goods) i.e. the goods exported to Australia, allegedly at dumped prices are:

Hot-rolled deformed steel reinforcing bar whether or not in coil form, commonly identified as rebar or debar, in various diameters up to and including 50 millimetres, containing indentations, ribs, grooves or other deformations produced during the rolling process.

The goods covered by this application include all steel reinforcing bar meeting the above description of the goods regardless of the particular grade or alloy content or coating.

Goods excluded from this application are plain round bar, stainless steel and reinforcing mesh.

The goods are typically classified to the following Subheadings in Schedule 3 of the *Customs Tariff Act 1995*.

- 7214.20.00 (statistical code 47);
- 7228.30.90 (statistical code 49);
- 7213.10.00 (statistical code 42); and
- 7227.90.90 (statistical code 42).

These goods, if imported from Spain under these tariff subheadings, are subject to a general rate of duty of 5%; and the goods imported from Korea, Malaysia, Singapore, Taiwan, Thailand and Turkey are subject to a “free” rate of duty.

PUBLIC RECORD VERSION

TABLE OF CONTENTS

GOODS UNDER CONSIDERATION 2

TABLE OF CONTENTS 3

SECTION A COMPANY STRUCTURE AND OPERATIONS 4

 A-1 IDENTITY AND COMMUNICATION 4

 A-2 REPRESENTATIVE OF THE COMPANY FOR THE PURPOSE OF INVESTIGATION 4

 A-3 COMPANY INFORMATION 5

 A-4 GENERAL ACCOUNTING/ADMINISTRATION INFORMATION 6

 A-5 INCOME STATEMENT 11

 A-6 SALES 12

SECTION B SALES TO AUSTRALIA (EXPORT PRICE) 14

SECTION C EXPORTED GOODS & LIKE GOODS 20

SECTION D DOMESTIC SALES 22

SECTION E FAIR COMPARISON 27

 E-1 COSTS ASSOCIATED WITH EXPORT SALES 27

 1. TRANSPORTATION 27

 2. HANDLING, LOADING AND ANCILLARY EXPENSES 28

 3. CREDIT 28

 4. PACKING COSTS 28

 5. COMMISSIONS 29

 6. WARRANTIES, GUARANTEES, AND AFTER SALES SERVICES 29

 7. OTHER FACTORS 29

 8. CURRENCY CONVERSIONS 29

 E-2 COSTS ASSOCIATED WITH DOMESTIC SALES 30

 1. PHYSICAL CHARACTERISTICS 30

 2. IMPORT CHARGES AND INDIRECT TAXES 30

 3. LEVEL OF TRADE 31

 4. CREDIT 32

 5. TRANSPORTATION 33

 6. HANDLING, LOADING AND ANCILLARY EXPENSES 34

 7. PACKING 34

 8. COMMISSIONS 34

 9. WARRANTIES, GUARANTEES, AND AFTER SALES SERVICES 34

 10. OTHER FACTORS 34

 E-3 DUPLICATION 35

SECTION F EXPORT SALES TO COUNTRIES OTHER THAN AUSTRALIA (THIRD COUNTRY SALES) 36

 F-1 USING THE COLUMN NAMES AND COLUMN DESCRIPTIONS BELOW PROVIDE A SUMMARY OF YOUR EXPORT SALES TO COUNTRIES OTHER THAN AUSTRALIA. 36

 F-2 PLEASE IDENTIFY ANY DIFFERENCES IN SALES TO THIRD COUNTRIES WHICH MAY AFFECT THEIR COMPARISON TO EXPORT SALES TO AUSTRALIA. 37

SECTION G COSTING INFORMATION AND CONSTRUCTED VALUE 38

 G-1 PRODUCTION PROCESS AND CAPACITY 38

 G-2 PROVIDE INFORMATION ABOUT YOUR COMPANY'S TOTAL PRODUCTION IN THE FOLLOWING TABLE: 39

 G-3 COST ACCOUNTING PRACTICES 39

 G-4 COST TO MAKE AND SELL ON DOMESTIC MARKET 41

 G-5 COST TO MAKE AND SELL GOODS UNDER CONSIDERATION (GOODS EXPORTED TO AUSTRALIA) 42

 G-6 MAJOR RAW MATERIAL COSTS 44

SECTION H EXPORTER'S DECLARATION 45

SECTION I CHECKLIST 46

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:

NatSteel Holdings Pte. Ltd. ("NSH") office and factory	
Name	Mr. Melvin Choo Teow Lim
Position in Company	Chief Marketing Officer Regional Downstream Development
Visiting address	22 Tanjong Kling Road Singapore 628048
Telephone	+ 65 6265 1233
Facsimile Number	+ 65 6264 2471
Email address	ctl@natsteel.com.sg

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:	Alistair Bridges
Position	Lawyer, Moulis Legal
Address	6/2 Brindabella Circuit Brindabella Business Park Canberra International Airport Australian Capital Territory Australia 2609
Phone:	+61 2 6163 1000
Facsimile	+ 62 2 6162 0606
Email address	alistair.bridges@moulislegal.com

All communication should be directed to Moulis Legal in the first instance.

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.

The legal name of NSH is NatSteel Holdings Pte. Ltd (“NSH”).
NSH is a limited liability company domiciled in Singapore.
NSH itself does not use any other business names to export and/or sell the goods.

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).

NSH is a wholly owned subsidiary of Tata Steel Global Holdings Pte. Ltd.

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

[CONFIDENTIAL TEXT DELETED –corporate group structure]

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

[CONFIDENTIAL TEXT DELETED –corporate group structure]

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

Please refer to [CONFIDENTIAL] [Attachment 1 – NSH corporate structure](#).

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

[CONFIDENTIAL TEXT DELETED – information regarding intracompany operations]

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

NSH is a manufacturer, distributor and fabricator. NSH manufactures certain

steel products for the building and construction industry, including upstream steel reinforcement products like bar and coil and a wide variety of downstream building products.

Over the years NSH has evolved from selling straight bars to mainly prefabricated products in Singapore. Today NSH has a very large downstream fabrication centre equipped with the latest automation technologies. Downstream prefabricated products account for [CONFIDENTIAL TEXT DELETED – percentage] of the total domestic sales of NSH.

NSH has since expanded its Regional Downstream business to Malaysia, China and Hong Kong.

[CONFIDENTIAL TEXT DELETED – information regarding regional operations]

8. If your business does not perform all of the following functions in relation to the goods under consideration, 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.

NSH performs each of these functions.

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

Please refer to [CONFIDENTIAL] [Attachment 2 – NSH internal organisation chart](#).

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

NSH does not publish “annual reports” of a marketing/informative type. Please refer to [Attachment 3 – NSH brochure](#) for general and product-related information about NSH.

A-4 General accounting/administration information

1. Indicate your accounting period.

NSH's accounting period is from 1 April to 31 March.

2. Indicate the address where the company's financial records are held.

22 Tanjong Kling Road, Singapore 628048.

3. Please provide the following financial documents for the two most recently completed financial years plus all subsequent monthly, quarterly or half

PUBLIC RECORD VERSION

yearly statements:

- chart of accounts;

Please refer to [CONFIDENTIAL] Attachment 4 – NSH Chart of Accounts.

- audited consolidated and unconsolidated financial statements (including all footnotes and the auditor’s opinion);

Please refer to:

- **[CONFIDENTIAL] Attachment 5 – NSH Consolidated Financial Report March 2013;** and
- **[CONFIDENTIAL] Attachment 6 - NSH Consolidated Financial Report March 2014.**

- 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 consideration.

Please refer to [CONFIDENTIAL] Attachment 7 – P&L for 1 April to 30 June.

These documents should relate to:

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

4. 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 taxation returns. Any subsequent monthly, quarterly or half yearly statements should also be provided.

Not applicable. NSH is required to have its accounts audited.

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

No, NSH’s accounting practices are in accordance with the generally accepted accounting principles of Singapore.

6. 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);

Inventories are stated at the lower of cost and net realisable value. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

PUBLIC RECORD VERSION

8

Scrap is the raw material of the company. Scrap purchased by the company is valued at moving average purchase price.

Cost of finished goods inventories is calculated using the weighted average method.

[CONFIDENTIAL TEXT DELETED – cost recording methods]

Fixed production overheads are those indirect costs of production that remain relatively constant regardless of the volume of production, such as depreciation and maintenance of factory buildings and equipment, and the cost of factory management and administration.

Variable production overheads are those indirect costs of production that vary directly, or nearly directly, with the volume of production, such as indirect materials and indirect labour.

- 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 of production is based on standard cost of materials and conversion activities during the month, except for liquid steel, where cost of scrap materials are charged in at actual weighted average cost basis.

Cost of production is brought back to actual cost incurred basis at month end. [CONFIDENTIAL TEXT DELETED – cost recording methods]

Production overheads for shared services are allocated to production centres which use the services based on their estimated level of usage

Key parameters for actual conversion cost are as follows:[CONFIDENTIAL TEXT DELETED – details of measurement of conversion costs]

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

Sub-standard goods are downgraded to the appropriate grade of stock at standard cost during the month and re-valued at actual cost during month end costing run process. Stocks which are damaged and cannot be classified as sub-standard goods are classified as scrap at standard cost.

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

Non-valuated by-products [CONFIDENTIAL TEXT DELETED - information regarding by-products].

Valuated by-products are [CONFIDENTIAL TEXT DELETED - information regarding by-products]. They are valued at standard cost during the month and re-valued to actual cost at month end closing.

There are no joint products.

- valuation and revaluation methods for fixed assets;

Land and buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated in the financial statement at their cost less any subsequent accumulated depreciation and subsequent

accumulated impairment losses.

Plant and equipment is stated at cost less accumulated depreciation and any accumulated impairment losses.

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

NSH uses a straight line method of depreciation to write-off costs and assets, other than free-hold land and capital work in progress, over the estimated useful life of the costs and assets. The estimated useful lives are:

Leasehold land and buildings	Over the remaining lease period up to a maximum of 50 years
Leasehold improvements	Over the remaining lease period up to a maximum of 5 to 10 years
Plant and machinery	3 to 10 years
Other assets	1 to 5 years

Depreciation on capital work in progress is not charged and will only commence when the assets are ready for their intended use.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any change in estimate accounted for and applied on a prospective basis.

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

Transaction in currencies other than Singapore dollars (“SGD”) are recorded at the rates of exchange approximate to the prevailing on the date of the transaction. Exchange differences arising from the settlement of monetary items, or from the retranslation of monetary items, are included in the profit or loss for the period at a month end rate of previous month as advised by Treasury.

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

Exchange differences arising from the retranslation of monetary items are included in the profit or loss for the period in which they arise. Exchange differences arising on the retranslation of non-monetary items carried at fair value are also included in the profit or loss for the period, unless the exchange gains or losses arising from the retranslation of the non-monetary item are directly recognised in other comprehensive income.

- inclusion of general expenses and/or interest;

General expenses and interest are charged to the profit and loss account.

- provisions for bad or doubtful debts;

Provision is made for bad or doubtful debts in the profit and loss accounts, when the probability of collection of those debts is acknowledged to be remote.

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

The recoverable amount for idle equipment is its fair value less cost of disposal. If the recoverable amount is less than its carrying value, an impairment loss on the equipment is recognised in the profit and loss account.

Costs directly associated with and incurred during and in relation to plant shutdown costs will be capitalised as permitted under GAAP.

- costs of plant closure;

[CONFIDENTIAL TEXT DELETED – accounting information relevant to POI]

If applicable the following GAAP will apply:

- If no implementation before end of the reporting period:
 - and before the end of the reporting period, the decision of plant closure was not communicated to any of those affected and no other steps were taken to implement the decision; or
 - in the case of a present obligation as a result of a past obligating event – there has been no obligating event and so there is no obligation,then no provision of cost is recognised.
- If communicated/implemented before end of the reporting period:
 - and a detailed plan for closing down the plant division was agreed by the board and communication has been made to raise the expectation in its staff of the plant that it will carry out the redundancy plan;
 - in the case of a present obligation as a result of a past obligating event – the obligating event is the communication of the decision to the employees, which gives rise to a constructive obligation from that date, because it creates a valid expectation that the division will be closed,

then a provision is recognised at the end of the reporting period for the best estimate of the costs of closing the plant.

- restructuring costs;

[CONFIDENTIAL TEXT DELETED – accounting information relevant to POI]

If applicable, such costs would be treated as expenses in the P&L. If referable to plant closure, see above.

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

[CONFIDENTIAL TEXT DELETED - by-products] generated during the

production process are sold at market price to a range of customers or, alternatively, some by-products [CONFIDENTIAL TEXT DELETED – usage of some by-products].

- effects of inflation on financial statement information

The company does not adopt financial reporting standards in hyper-inflationary economies as it operates in Singapore, a non hyper-inflationary economy with relatively stable and strong Singapore dollars.

The functional currency of the company is Singapore dollars.

7. 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.

NSH has not changed any of its accounting methods over the last two years.

A-5 Income statement

Please fill in the following table. It requires information concerning all products produced and for the goods under consideration ('goods under consideration' (the goods) is defined in the Glossary of Terms in the appendix to this form). You should explain how costs have been allocated.

	Most recent completed financial year (specify)		Investigation period	
	All products	Goods Under Consideration	All products	Goods Under Consideration
Gross Sales (1)				
Sales returns, rebates and discounts (2)				
Net Sales (3=1-2)				
Raw materials (4)				
Direct labour (5)				
Depreciation (6)				
Manufacturing overheads (7)				
Other operating expenses (8)				
Total cost to make (9=4+5+6+7+8)				
OPERATING INCOME (10=3-9)				
Selling expenses (11)				
Administrative & general expenses (12)				

PUBLIC RECORD VERSION

Financial expenses (13)				
SG&A expenses (14)=(11+12=13)				
INCOME FROM NORMAL ACTIVITIES (15)=(10-14)				
Interest income (16)				
Interest expense (enter as negative) (17)				
Extraordinary gains and Losses – enter losses as negative (18)				
Abnormal gains and losses – enter losses as negative (19)				
PROFIT BEFORE TAX (20)=(15+16+17+18+19)				
Tax (21)				
NET PROFIT (22)=(20-21)				

Note: if your financial information does not permit you to present information in accordance with this table please present the information in a form that closely matches the table.

Prepare this information on a spread sheet named "**Income statement**".

Please refer to [CONFIDENTIAL] [Attachment 8 – Income statement](#).

This information will be used to verify the completeness of cost data that you provide in Section G. If, because of your company's structure, the allocations would not be helpful in this process, please explain why this is the case.

A-6 Sales

State your company's net turnover (after returns and all discounts), and free of duties and taxes. Use the currency in which your accounts are kept, in the following format:

	Most recent completed financial year (specify)		Investigation period	
	Volume	Value	Volume	Value
Total company turnover (all products)				
Domestic market				
Exports to Australia				
Exports to Other Countries				
Turnover of the nearest business unit, for which financial statements are prepared,				

PUBLIC RECORD VERSION

which includes the goods under consideration				
Domestic market				
Exports to Australia				
Exports to Other Countries				
Turnover of the goods under consideration				
Domestic market				
Exports to Australia				
Exports to Other Countries				

Prepare this information in a spreadsheet named "**TURNOVER**".

Please refer to [CONFIDENTIAL] [Attachment 9 – Turnover](#).

This information will be used to verify the cost allocations to the goods under consideration 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.

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 the ex factory level.

You should report prices of all goods under consideration (the 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 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:

During the period of investigation NSH shipped the goods under consideration to the following Australian customers:
[CONFIDENTIAL TEXT DELETED – identification of Australian customers]

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:

When the goods have been manufactured in accordance with the order they are trucked direct from the factory to the port by a third-party logistics provider.

The products will either be shipped break-bulk (a way of shipping a very large quantity, by special vessel), or in containers, depending on economics and vessel availability. Container stuffing is done on-site at ex-factory point.

Once packed, the goods are shipped to the relevant port in Australia, usually being [CONFIDENTIAL TEXT DELETED – Australian ports shipped to]

- (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.

The following parties participated in the distribution chain to Australia during

the period of investigation:

[CONFIDENTIAL TEXT DELETED – identity of parties used in the distribution chains to Australia during the period of investigation, and their functions]

[CONFIDENTIAL TEXT DELETED – information about commissions]

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

All Australian sales are made on [CONFIDENTIAL TEXT DELETED – sales terms]

- (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).

[CONFIDENTIAL TEXT DELETED – details of relationships between parties]

- (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.

[CONFIDENTIAL TEXT DELETED – detailed discussion of sales process and sales terms]

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

[CONFIDENTIAL TEXT DELETED – details of relationships between parties]

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

[CONFIDENTIAL TEXT DELETED – details of forward orders at the time of lodgement of EQ response]

- 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.

[CONFIDENTIAL TEXT DELETED – discussion of distribution channels for sales to Australia]

- B-4** Prepare a spreadsheet named “Australian sales” listing all shipments (i.e. transaction by transaction) to Australia of the goods under consideration in

PUBLIC RECORD VERSION

16

the investigation period. You must provide this list in electronic format. Include the following

Column heading	Explanation
Customer name	names of your customers
Level of trade	the level of trade of your customers in Australia
Model	commercial model name
Product code	code used in your records for the model/grade/type identified. Explain the product codes in your submission.
Finish	Specify product finish (e.g. black, painted, epoxy coated, galvanised, powder-coated, painted, anodized, other)
Straight or Coil	Specify whether rebar is in a straight length or in a coil
Length	Specify length
Dimension	Specify diameter
Deformation Type	Specify how surface is deformed (e.g. ribbed, indented, etc)
Grade	Specify strength grade manufactured to (e.g. 250, 500 etc.)
Production method	Specify the method used to achieve mechanical properties (e.g. Water-quenched & self-tempered OR micro alloyed OR cold-worked)
Standard manufactured to	Specify the standard the rebar was manufactured to comply with
ACRS Certification	Specify whether the product has Australasian Certification Authority for Reinforcing and Structural Steels (ACRS) certification
Ductility	Specify Ductility class manufactured to
Alloy	If the product is made from 'alloy steel', specify this and specify the alloy
Invoice number	invoice number
Invoice date	invoice date
Date of sale	Refer to the explanation at the beginning of this section. If you consider that a date other than the invoice date best establishes the material terms of sale, report that date. For example, order confirmation, contract, or purchase order date.
Order number	if applicable, show order confirmation, contract or purchase order number if you have shown a date other than invoice date as being the date of sale.
Shipping terms	Delivery terms eg. CIF, C&F, FOB, DDP (in accordance with Incoterms)
Payment terms	Agreed payment terms eg. 60 days=60 etc
Invoice weight basis	Show basis on which goods are weighted for invoice purposes (e.g. theoretical or actual).
Actual weight	Actual weight of (specify units e.g. Tonnes)
Theoretical weight	Theoretical weight, if your business uses theoretical weight (specify units e.g. Tonnes)
Gross invoice value	Gross invoice value shown on invoice in the currency of sale, excluding taxes.

PUBLIC RECORD VERSION

PUBLIC RECORD VERSION

Discounts on the invoice	If applicable, the amount of any discount deducted on the invoice on each transaction. If a % discount applies show that % discount applying in another column.
Rebates or other allowances	The amount of any deferred rebates or allowances paid to the importer in the currency of sale.
Other charges	Any other charges, or price reductions, that affect the net invoice value. Insert additional columns and provide a description.
Invoice currency	The currency used on the invoice
Exchange rate	Indicate the exchange rate used to convert the currency of the sale to the currency used in your accounting system
Net invoice value in the currency of the exporting country	The net invoice value expressed in your domestic currency as it is entered in your accounting system
Other discounts	The actual amount of other discounts (e.g. quantity discounts) not deducted from the invoice. Show a separate column for each type of quantity discount.
Ocean freight**	The actual amount of ocean freight incurred on each export shipment listed.
Marine insurance	Amount of marine insurance
FOB export price**	The free on board price at the port of shipment.
Packing*	Packing expenses
Inland transportation costs*	Inland transportation costs included in the selling price. For export sales this is the inland freight from factory to port in the country of export.
Handling, loading & ancillary expenses*	Handling, loading & ancillary expenses. For example, terminal handling, export inspection, wharfage & other port charges, container tax, document fees & customs brokers fees, clearance fees, bank charges, letter of credit fees, & other ancillary charges incurred in the exporting country.
Warranty & guarantee expenses*	Warranty & guarantee expenses
Technical assistance & other services*	Expenses for after sale services, such as technical assistance or installation costs.
Commission	Commissions paid. If more than one type is paid insert additional columns of data.
Other Costs	Any other costs, charges or expenses incurred in relation to the exports to Australia (include additional columns as required). See question B.5.

** FOB export price and Ocean Freight:

Costs marked with * are explained in section E-1.

FOB export price: An FOB export price must be calculated for each shipment - regardless of the shipping terms. FOB price includes inland transportation to the port of exportation, inland insurance, handling, and loading charges. It excludes post exportation expenses such as ocean freight and insurance. Use a formula to show the method of the calculation on each line of the export sales spreadsheet.

Ocean freight: as ocean freight is a significant cost it is important that the actual amount of ocean freight incurred on each exportation be reported. If estimates must be made you must explain the reasons and set out the basis - estimates must reflect changes in freight rates over the investigation period.

Freight allocations must be checked for consistency.

* All of these costs are further explained in section E-1.

See [CONFIDENTIAL] [Attachment 10 – 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 (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.

Not applicable, in that no other costs or charges have been identified.

B-6 For each type of discount, rebate, 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.

[CONFIDENTIAL TEXT DELETED – details of dealings with Australian customers]

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.

[CONFIDENTIAL TEXT DELETED – details of dealings with Australian customers]

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	Customs brokers, port and other costs incurred (itemise)

Not applicable. [CONFIDENTIAL TEXT DELETED – details of sales terms].

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;
- applicable test certificates and production reports.
- bill of lading, export permit;
- 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.

Please refer to:

- [CONFIDENTIAL] [Attachment 11 – Australian sales bundle 1](#); and
- [CONFIDENTIAL] [Attachment 12 – Australian sales bundle 2](#).

**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.

NSH produces the following products that are considered to be the goods under consideration for the purposes of this investigation:

- rebar straights – [CONFIDENTIAL TEXT DELETED – Australian sales product mix]; and
- rebar in coil – [CONFIDENTIAL TEXT DELETED – Australian sales product mix]

These products are produced as per the AS/NZ 4671 standard and are certified to meet the standards required by the Australasian Certification Authority for Reinforcing and Structural Steels (“ACRS”).

In addition to these products, NSH produces the following products, which are not the goods under consideration:

- cold reduced wire in cut lengths coils;
- reinforcing welded wire mesh;
- trench mesh; and
- cut and bent bars.

Please refer to [Attachment 3 – NSH brochure](#) for further details.

C-2 List each type of goods exported to Australia (these types should cover all types listed in spreadsheet “Australian sales” – see section B of this questionnaire).

See our response to C1 and C3.

C-3 If you sell like goods on the domestic market, for each 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 – see explanation in glossary) are not identical to goods exported to Australia.

EXPORTED TYPE	DOMESTIC TYPE	IDENTICAL?	DIFFERENCES
Product code of each model	Product code of comparable	If goods are identical indicate	Where the good exported to Australia is not identical to the like goods,

PUBLIC RECORD VERSION

of the goods exported to Australia	model sold on the domestic market of the country of export	"YES". Otherwise "NO"	describe the specification differences. If it is impractical to detail specification differences in this table refer to documents which outline differences For instance, differences in production methods (e.g. water-quenched vs micro-alloyed) to achieve mechanical properties for export vs domestic sales must be noted.
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Please refer to [CONFIDENTIAL] [Attachment 13 – 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 [Attachment 3 – NSH brochure.](#)

SECTION D DOMESTIC SALES

This section seeks information about the sales arrangements and prices in the domestic market of the country of export.

All domestic sales made during the investigation period must be listed transaction by transaction. If there is an extraordinarily large volume of sales data and you are unable to provide the complete listing electronically you must contact the case officer before completing the questionnaire. If the case officer agrees that it is not possible to obtain a complete listing he or she will consider a method for sampling that meets the Commission requirements. If agreement cannot be reached as to the appropriate method the Commission may not visit your company.

The Commission will normally take the invoice date as being the date of sale in order to determine which sales fall within the investigation period.

If, in response to question B4 (Sales to Australia, Export Price), you have reported that the date of sale is not the invoice date and you consider that this alternative date should be used when comparing domestic and export prices –

*you **must** provide information 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.*

If you do not have any domestic sales of like goods you must contact the case officer who will explain the information the Commission requires for determining a normal value using alternative methods.

D-1 Provide:

- a detailed description of your distribution channels to domestic customers, including a diagram if appropriate;

**NSH sells its product on the domestic market to [CONFIDENTIAL TEXT DELETED – number] different kinds of customers:
[CONFIDENTIAL TEXT DELETED – details of domestic customer range]**

- information concerning the functions/activities performed by each party in the distribution chain; and

**In between the seller (NSH) and the buyers, the following parties play a role in each distribution chain:
[CONFIDENTIAL TEXT DELETED – parties that played a role in distribution channels and the roles they play]**

- a copy of any agency or distributor agreements, or contracts entered into.

[CONFIDENTIAL TEXT DELETED – details of agreements entered into in relation to domestic sales distribution chain]

If any of the customers listed are associated with your business, provide

PUBLIC RECORD VERSION

details of that association. Describe the effect, if any, that association has upon the price.

[CONFIDENTIAL TEXT DELETED – details of domestic customers]

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 vary according to the terms and circumstances of individual sales. The factors taken into account include volume, price and relationship.

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;
- whether the invoice price is based on theoretical or actual weight ;and
- whether price includes the cost of delivery to customer.

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

All sales are negotiated with customers taking into account competitive market conditions, sales terms and whether spot sale or period contract. Strictly speaking, there are [CONFIDENTIAL TEXT DELETED – number] different types of sales entered into:
[CONFIDENTIAL TEXT DELETED – explanation of different types of sales and customers]
The customer will order products from NSH either by email, fax or phone. They will specify their requirements including delivery destination.
[CONFIDENTIAL TEXT DELETED – pricing considerations]

D-4 Prepare a spreadsheet named “domestic sales” listing all sales of like goods made during the investigation period. The listing must be provided on a CD-ROM. Include all of the following information.

Column heading	Explanation
Customer name	Names of your customers. If an English version of the name is not easily produced from your automated systems show a customer code number and in a separate table list each code and name.
Level of trade	The level of trade of your domestic customer

PUBLIC RECORD VERSION

Model	Commercial model
Product code	Code used in your records for the model/grade/type of the goods identified. Explain the product codes in your submission.
Production method	Specify the method used to achieve mechanical properties (eg. Water-quenched & self-tempered OR microalloyed OR cold-worked)
Finish	Specify product finish (e.g. black, painted, epoxy coated, galvanised, powder-coated, painted, anodized, other)
Grade	Specify strength grade manufactured to (eg 250, 500 etc)
Deformation Type	Specify how surface is deformed (eg ribbed, indented, etc)
Straight or Coil	Specify whether rebar is in a straight length or in a coil
Length	Specify length
Dimension	Specify diameter
Standard manufactured to	Specify the standard the rebar was manufactured to comply with
Ductility	Specify Ductility class manufactured to
Alloy	If the product is made from 'alloy steel', specify this and specify the alloy
Imperial or metric	Specify if the product sold is an imperial or metric-sized measurement
Invoice number	Invoice number
Invoice date	Invoice date
Date of sale	Refer to the explanation at the beginning of this section. If you consider that a date other than the invoice date best establishes the material terms of sale, report that date. For example, order confirmation, contract, or purchase order date.
Order number	If applicable, show order confirmation, contract or purchase order number if you have shown a date other than invoice date as being the date of sale.
Delivery terms	Delivery terms
Payment terms	Agreed payment terms eg. 60 days=60 etc
Invoice weight basis	Specify whether invoicing is done on theoretical or actual weight basis
Actual weight	Actual weight of (specify units e.g. Tonnes)
Theoretical weight	Theoretical weight, if your business uses theoretical weight (specify units e.g. Tonnes)

PUBLIC RECORD VERSION

Gross Invoice value	Gross value shown on invoice in the currency of sale, net of taxes.
Discounts on the Invoice	The amount of any discount deducted on the invoice on each transaction. If a % discount applies show that % discount applying in another column.
Rebates or other Allowances	The actual amount of any deferred rebates or allowances in the currency of sale
Other charges	Any other charges, or price reductions, that affect the net invoice value. Insert additional columns and provide description.
Net invoice value in the currency of the exporting country	The net invoice value expressed in your domestic currency as recorded in your accounting system
Other discounts	The actual amount of quantity discounts not deducted from the invoice. Show a separate column for each type of quantity discount.
Packing*	Packing expenses
Inland transportation Costs*	Amount of inland transportation costs included in the selling price.
Handling, loading and ancillary Expenses*	Handling, loading & ancillary expenses.
Warranty and guarantee expenses*	Warranty & guarantee expenses
Technical assistance and other services*	Expenses for after sale services such as technical assistance or installation costs.
Commissions*	Commissions paid. If more than one type is paid insert additional columns of data.
Other factors*	Any other costs, charges or expenses incurred in relation to the domestic sales (include additional columns as required). See question D5.

Costs marked with * are explained in section E-2.

Please refer to [CONFIDENTIAL] [Attachment 14- 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.

Please refer to NSH’s response to Question E2-10 below.

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.

[CONFIDENTIAL TEXT DELETED – terms and conditions for domestic sales]

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.

Please refer to:

- [CONFIDENTIAL] Attachment 15- Domestic sales bundle 1; and
- [CONFIDENTIAL] Attachment 16- Domestic sales bundle 2.

SECTION E FAIR COMPARISON

Section B sought information about the export prices to Australia and Section D sought information about prices on your domestic market for like goods (ie. the normal value).

Where the normal value and the export price are not comparable adjustments may be made. This section informs you of the fair comparison principle and asks you to quantify the amount of any adjustment.

As prices are being compared, the purpose of the adjustments is to eliminate factors that have unequally modified the prices to be compared.

To be able to quantify the level of any adjustment it will usually be necessary to examine cost differences between sales in different markets. The Commission must be satisfied that those costs are likely to have influenced price. In practice, this means that the expense item for which an adjustment is claimed should have a close nexus to the sale. For example, the cost is incurred because of the sale, or because the cost is related to the sale terms and conditions.

Conversely, where there is not a direct relationship between the expense item and the sale a greater burden is placed upon the claimant to demonstrate that prices have been affected, or are likely to have been affected, by the expense item. In the absence of such evidence the Commission may disallow the adjustment.

Where possible, the adjustment should be based upon actual costs incurred when making the relevant sales. However, if such specific expense information is unavailable cost allocations may be considered. In this case, the party making the adjustment claim must demonstrate that the allocation method reasonably estimates costs incurred.

A party seeking an adjustment has the obligation to substantiate the claim by relevant evidence that would allow a full analysis of the circumstances, and the accounting data, relating to the claim.

The investigation must be completed within strict time limits therefore you must supply information concerning claims for adjustments in a timely manner. Where an exporter has knowledge of the material substantiating an adjustment claim that material is to be available at the time of the verification visit. The Commission will not consider new claims made after the verification visit.

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.

NSH has used the rates for rebar (straights and coils) that have been contractually agreed with the transport company. These are the rates as invoiced and can be matched to invoiced costs.

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.

Port charges are invoiced on a per shipment basis. The invoiced cost has been allocated to each shipment concerned on a per MT basis.

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.

[CONFIDENTIAL TEXT DELETED – details of payment periods].

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**’.

The cost shown is for container stuffing, as per the invoiced amount from

contractor per shipment.

[CONFIDENTIAL TEXT DELETED – discussion regarding packing methods used]

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.

[CONFIDENTIAL TEXT DELETED – information about commissions]

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.

[CONFIDENTIAL TEXT DELETED – details of post-sales interactions with customers]

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.

NSH has identified that the ACRS certification cost applies only in relation to Australian sales and not also to domestic sales. [CONFIDENTIAL TEXT DELETED – method of recording certification costs in confidential attachment]

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 period of investigation (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.

E-2 Costs associated with domestic sales

(These cost adjustments will relate to your responses made at question D-4, “domestic sales”)

The following items are not separately identified in the amounts quantified at question D-4. However you should consider whether any are applicable.

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 (i.e. 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.

The goods under consideration can be grouped for comparison purposes. Please refer to [CONFIDENTIAL] [Attachment 13 – Like goods](#).

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.

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;

Not applicable. No such tax schemes operate in Singapore.

Substitution drawback system

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 adjustments can also be made for the drawback payable on the substituted domestic materials, provided the total amount of the drawback does not exceed the total duty paid.

Not applicable. Singapore does not have a substitution draw-back scheme.

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.

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.

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.

Domestic selling prices vary according to the terms and circumstances of individual sales. The factors taken into account include volume, price, and relationship.

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 borrowings 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.

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.

[CONFIDENTIAL TEXT DELETED – details of payment periods]

The following items are identified in the amounts quantified at question D-4:

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.

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.

NSH has allocated the monthly actual costs of delivering rebar to the monthly delivered sales.

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.

[CONFIDENTIAL TEXT DELETED – details of handling, loading and ancillary expenses]

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**”.

[CONFIDENTIAL TEXT DELETED – details of packing methods]

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.

[CONFIDENTIAL TEXT DELETED – information about commissions]

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.

[CONFIDENTIAL TEXT DELETED – details of post-sales interactions with customers]

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*.

[CONFIDENTIAL TEXT DELETED – details of other factors incurred in relation to domestic sales].

E-3 Duplication

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

For example:

- 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.

Noted. It is not considered that any adjustments are duplicated.

SECTION F
EXPORT SALES TO COUNTRIES OTHER THAN AUSTRALIA (THIRD COUNTRY SALES)

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 Using the column names and column descriptions below provide a summary of your export sales to countries other than Australia.

Column heading	Explanation
Country	Name of the country that you exported like goods to over the investigation period.
Number of customers	The number of different customers that your company has sold like goods to in the third country over the investigation period.
Level of trade	The level of trade that you export like goods to in the third country.
Quantity	Indicate quantity, in units, exported to the third country over the investigation period.
Unit of quantity & Invoice weight basis	Show unit of quantity (eg kg). Specify whether invoicing is done on theoretical or actual weight basis
Value of sales	Show net sales value to all customers in third country over the investigation period
Currency	Currency in which you have expressed data in column SALES
Payment terms	Typical payment terms with customer(s) in the country eg. 60 days=60 etc
Shipment terms	Typical shipment terms to customers in the third country eg CIF, FOB, ex-factory, DDP etc.

Supply this information in spreadsheet file named "Third country".

Please refer to [CONFIDENTIAL] [Attachment 18 – Third country sales.](#)

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

There are a range of differences that would affect any comparison, including product type and mix and the situation in the third country's market.

SECTION G

COSTING INFORMATION AND CONSTRUCTED VALUE

The information that you supply in response to this section of the questionnaire will be used for various purposes including:

- *testing the profitability of sales of like goods on the domestic market;*
- *determining a constructed normal value of the goods under consideration (the goods) - ie of the goods exported to Australia; and*
- *making certain adjustments to the normal value.*

You will need to provide the cost of production of both the exported goods (the goods) and for the like goods sold on the domestic market. You will also need to provide the selling, general, and administration costs relating to goods sold on the domestic market; the finance expenses; and any other expenses (eg. non-operating expenses not included elsewhere) associated with the goods.

In your response please include a worksheet showing how the selling, general, and administration expenses; the finance expenses; and any other expenses have been calculated.

If, in response to question B4 (Sales to Australia, Export Price) you:

- *reported that the date of sale is not the invoice date and consider that this alternative date should be used when comparing domestic and export prices, and*
- *provided information on domestic selling prices for a matching period as required in the introduction to Section D (Domestic Sales)*

you must provide cost data over the same period as these sales even if doing so means that such cost data predates the commencement of the investigation period.

At any verification meeting you must be prepared to reconcile the costs shown to the accounting records used to prepare the financial statements.

G-1 Production process and capacity

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.

The process to produce the goods under consideration is as follows:

First, the melt-shop recycles scrap metals into good quality steel. Essentially, the scrap is melted and refined so that once it solidifies it is a different grade of steel. Natsteel uses a finger shaft electric arc furnace to carry out its daily scrap melting process. The molten steel is then refined at the ladle furnace ("LF") and is cast into billets at the continuous casting machine ("CCM").

Secondly, the billets will then be sent directly to the rolling mill, where they will be rolled into the finished product.

The merchant bar rolling process is summarised in the below diagram:
 [CONFIDENTIAL IMAGES DELETED – pictorial representation of production processes]
 The detailed rolling mill process for rebar straights is as follows:
 [CONFIDENTIAL TEXT DELETED – details of the rolling mill process for rebar straights]
 The rolling process for coil (“DBIC”, or deformed bar in coil) is as follows
 [CONFIDENTIAL TEXT DELETED – detailed description of rolling process for DBIC]

G-2 Provide information about your company's total production in the following table:

	PREVIOUS FINANCIAL YEAR	MOST RECENT FINANCIAL YEAR	Investigation Period
A – Production capacity (eg kg, tonnes)*			
B – Actual production in volume (eg kg, tonnes)			
C – Capacity utilisation (%) (B/A x 100)			

* rather than showing a ‘name-plate’ optimal capacity it is more meaningful to show the maximum level of production that may reasonably be attained under normal operating conditions. For example assuming: normal levels of maintenance and repair; a number of shifts and hours of operation that is not abnormally high; and a typical production mix.

Provide this information on a spreadsheet named "**Production**".

Please refer to [CONFIDENTIAL] [Attachment 19 – Production](#).
 [CONFIDENTIAL TEXT DELETED – details of production capacity during the period of investigation].

G-3 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.

NSH uses [CONFIDENTIAL EXT DELETED – proprietary accounting software] to maintain its accounts. NSH’s accounting system operates in accordance with the Singapore Financial Reporting Standard. NSH’s audited financial statements are based on [CONFIDENTIAL EXT DELETED – proprietary accounting software], therefore the information is easily reconcilable.

PUBLIC RECORD VERSION

Cost accounting information is reconciled to cost of goods sold in the audited financial statements as follows:

[CONFIDENTIAL TEXT DELETED – accounting reconciliation methods]

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.

Under the company's cost accounting system, standard costs used during the month are actualised at month end closing. Any variances that arise between standard costs and actual costs are allocated proportionately to:

[CONFIDENTIAL TEXT DELETED – accounting allocation method]

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

Please refer to our responses to G3.8 and 9 below.

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

[CONFIDENTIAL TEXT DELETED – information about profit centres]

The cost centres are grouped into [CONFIDENTIAL TEXT DELETED – number] categories:

[CONFIDENTIAL TEXT DELETED – list of cost centres]

5. For each profit/cost centre describe in detail the methods that your company normally uses to allocate costs to the goods under consideration. 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.

[CONFIDENTIAL TEXT DELETED – details of operations of profit/cost centres]

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

NSH's cost accounting system records production costs [CONFIDENTIAL TEXT DELETED – cost recording method]

[CONFIDENTIAL TEXT DELETED – proprietary accounting software] has provided the functionality of summary product reports whereby production orders will be summarised based on the defined hierarchies, such as [CONFIDENTIAL TEXT DELETED – proprietary accounting software].

Furthermore, [CONFIDENTIAL TEXT DELETED – proprietary accounting software] has been designed in such a way to assign the production hierarchy with [CONFIDENTIAL TEXT DELETED – proprietary accounting software]

7. List and explain all production costs incurred by your company which are

valued differently for cost accounting purposes than for financial accounting purposes.

[CONFIDENTIAL TEXT DELETED – details of production costs during period of investigation]

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

[CONFIDENTIAL TEXT DELETED – explanation of capital works undertaken]

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.

[CONFIDENTIAL TEXT DELETED – cost recording methods]

G-4 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

1. Please provide (in the format shown in the table below) 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.
2. 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.

	Quarter X	Quarter X	Quarter X	Quarter X
Like Domestic Model/Type – from spreadsheet LIKE GOOD (section C-3)				
Material Costs ¹				
Direct Labour				
Manufacturing Overheads				
Other Costs ²				
Total Cost to Make				
Selling Costs				

² The Commission applies the tests set out in s.269TAA 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.

PUBLIC RECORD VERSION

Administration Costs				
Financial Costs				
Delivery Expenses ³				
Other Costs ³				
Unit Cost to Make and Sell				

Prepare this information in a spreadsheet named "**Domestic CTMS**".

¹ Identify each cost separately. Include indirect material costs as a separate item only if not included in manufacturing overheads.

² Relating to costs of production only; identify each cost separately.

³ Identify each cost separately. Please ensure non-operating expenses that relate to the goods under consideration are included. Where gains/losses due to foreign currency exchange are incurred, please provide detail of the amounts separately for transaction and translation gains/losses.

Provide this information for each quarter (or month if your company calculates costs on a monthly basis) over the period of the investigation.

Provide the information broken down into fixed and variable costs, and indicate the % total cost represented by fixed costs.

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

Please specify unit of currency.

Please refer to [CONFIDENTIAL] Attachment 20 – Australian and Domestic CTMS.

G-5 Cost to make and sell goods under consideration (goods exported to Australia)

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

	Quarter X	Quarter X	Quarter X	Quarter X
Like Domestic Model/Type – from spreadsheet LIKE GOOD (section C-3)				
Material Costs ¹				
Direct Labour				
Manufacturing Overheads				
Other Costs ²				
Total Cost to Make				

PUBLIC RECORD VERSION

Selling Costs				
Administration Costs				
Financial Costs				
Delivery Expenses ³				
Other Costs ³				
Unit Cost to Make and Sell				

Prepare this information in a spreadsheet named "**Australian CTMS**".

Please refer to [CONFIDENTIAL] [Attachment 20 – Australian and Domestic CTMS](#).

¹ Identify each cost separately. Include indirect material costs as a separate item only if not included in manufacturing overheads.

² Relating to costs of production only; identify each cost separately.

³ Identify each cost separately. Please ensure non-operating expenses **that relate to the goods** are included. Where gains/losses due to foreign currency exchange are incurred, please provide detail of the amounts separately for transaction and translation gains/losses.

Provide this information for each quarter (or month if your company calculates costs on a monthly basis) over the period of the investigation.

Provide the information broken down into fixed and variable costs, and indicate the % total cost represented by fixed costs.

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

Please specify unit of currency.

- 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.

[CONFIDENTIAL TEXT DELETED – cost recording methods]

- 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.

Please refer to our responses to previous questions in this EQ Section G.

- 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.

[CONFIDENTIAL TEXT DELETED –cost recording methods]

G-6 Major raw material costs

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

For these major inputs:

- identify materials sourced in-house and from associated entities;
- identify the supplier;
- 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).

[CONFIDENTIAL TEXT DELETED – detailed explanation of purchases of raw materials]

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 Customs 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.

Important note: If the major input is sourced as part of an integrated production process you should provide detailed information on the full costs of production of that input.

PUBLIC RECORD VERSION

45

**SECTION H
EXPORTER'S DECLARATION**

PUBLIC RECORD VERSION

**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 spread sheet
INCOME STATEMENT	<input checked="" type="checkbox"/>
TURNOVER – sales summary	<input checked="" type="checkbox"/>
AUSTRALIAN SALES – list of sales to Australia	<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 COSTS – costs of goods sold domestically	<input checked="" type="checkbox"/>
AUSTRALIAN COSTS – costs of goods sold to Australia	<input checked="" type="checkbox"/>