



# INVESTIGATION 223

## ALLEGED DUMPING OF HOT ROLLED STRUCTURAL STEEL SECTIONS

### EXPORTED FROM

JAPAN, KOREA, TAIWAN AND THAILAND

## IMPORTER VERIFICATION VISIT REPORT

THYSSENKRUPP MANNEX PTY LTD

THIS REPORT AND THE VIEWS OR RECOMMENDATIONS CONTAINED THEREIN WILL BE REVIEWED BY THE CASE MANAGEMENT TEAM AND MAY NOT REFLECT THE FINAL POSITION OF THE ANTI-DUMPING COMMISSION

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## 1 BACKGROUND AND PURPOSE

### 1.1 Background

On 26 August 2013, OneSteel Manufacturing Pty Ltd (OneSteel) lodged an application requesting that the then-relevant Minister, the Minister for Home Affairs, publish a dumping duty notice in respect of hot rolled structural steel sections (HRS) exported from Japan, the Republic of Korea (Korea), Taiwan and Thailand.

OneSteel provided further information and data in support of its application, the last of which was received on 1 October 2013, restarting the 20 day period for consideration of the application.

OneSteel alleges that the Australian industry has suffered material injury caused by HRS exported to Australia from Japan, Korea, Taiwan and Thailand at dumped prices. OneSteel claims the industry has been injured through:

- price depression;
- price suppression;
- reduced profits and profitability;
- reduced domestic revenues;
- reduced production capacity utilisation;
- reduced employment; and
- reduced attractiveness for reinvestment.

Public notification of the initiation of the investigation was made on 24 October 2013 in *The Australian* newspaper and Anti-Dumping Notice No. 2013/75.

### 1.2 Purpose of visit

The purpose of the visit was to:

- confirm that ThyssenKrupp Mannex Pty Ltd (TKM) is the importer of hot rolled structural steel sections (HRS) attributed to it within the Australian Customs and Border Protection's (ACBPS') import database and obtain information to assist in establishing the identity of the exporters of this HRS;
- verify information on imports of HRS to assist in the determination of export prices;
- establish whether the purchases of HRS were arms-length transactions;
- establish post-exportation costs;
- identify sales and customers and verify sales volume, selling prices and selling costs;
- obtain general information about the Australian market for HRS; and
- provide the company with an opportunity to discuss any issues it believed relevant to the investigation.

**1.3 Meeting details**

Company	ThyssenKrupp Mannex Pty Ltd
Date of visit	30 January 2014

The following representatives were present during the meeting:

ThyssenKrupp Mannex Pty Ltd	Thomas Georges, Financial Controller & Company Secretary Joachim Koch, Managing Director Alister Shaw, Product Manager – Structural Steel Alan Skopal, Product Manager – Long Products
Roger Simpson and Associates	Roger Simpson, Consultant to TKM
Anti-Dumping Commission	Lydia Cooke, Operations 1 Cienna Turpie, Operations 2 Reuben McGovern, Operations 2

**1.4 Investigation process and timeframes**

TKM was advised of the investigation process and timeframes, in particular that:

- The investigation period is 1 October 2012 to 30 September 2013 and that the injury analysis period is from 1 July 2009 for the purpose of analysing the condition of the Australian industry;
- A preliminary affirmative determination (PAD) may be made no earlier than day 60 of the investigation (23 December 2013) and provisional measures may be imposed at the time of the PAD or at any time after the PAD has been made;
- The Anti-Dumping Commission (Commission) will not make a PAD until (and if) it becomes satisfied that there appears to be, or that it appears there will be, sufficient grounds for the publication of a dumping duty notice. This was distinguished from the ‘reasonable grounds’ threshold for initiation of the investigation;
- The Statement of Essential Facts (SEF) for the investigation is due to be placed on the public record by the extended date of 12 May 2014 or such later date as the Minister allows under s.269ZHI of the *Customs Act 1901* (the Act);

The SEF will set out the material findings of fact on which the Anti-Dumping Commission (Commission) intends to base its recommendations to the Parliamentary Secretary to the Minister for Industry, and will invite interested parties to respond, within 20 days, to the issues raised therein;

- Following receipt and consideration of submissions made in response to the SEF, the Commission will provide its final report and recommendations to the Parliamentary Secretary; and
- This final report is due no later than 26 June 2014, unless a further extension to the SEF is approved by the Parliamentary Secretary.

### **1.5 Visit report**

The company was advised that the Commission would prepare a report of the meeting and provide it for review of its factual accuracy, and to identify those parts of the report it considers confidential.

It was explained that, in consultation with TKM, a non-confidential version of the report would be prepared and published on the Public Record for Investigation 223.

## 2 THE GOODS

### 2.1 Description

The goods the subject of investigation 223 (the goods) are:

*Hot rolled structural steel sections in the following shapes and sizes, whether or not containing alloys:*

- *universal beams (I sections), of a height greater than 130mm and less than 650mm;*
- *universal columns and universal bearing piles (H sections), of a height greater than 130mm and less than 650mm;*
- *channels (U sections and C sections) of a height greater than 130mm and less than 400mm; and*
- *equal and unequal angles (L sections), with a combined leg length of greater than 200mm.*

*Sections and/or shapes in the dimensions described above, that have minimal processing, such as cutting, drilling or painting do not exclude the goods from coverage of the application.*

*Goods excluded from this application are:*

- *hot rolled 'T' shaped sections, sheet pile sections and hot rolled merchant bar shaped sections, such as rounds, squares, flats, hexagons, sleepers and rails; and*
- *sections manufactured from welded plate (e.g. welded beams and welded columns).*

### 2.2 Tariff classification

Goods identified as hot rolled non-alloy steel sections are classified to the following tariff subheadings in Schedule 3 to the *Customs Tariff Act 1995*:

- 7216.31.00 statistical code 30 (channels – U and C sections);
- 7216.32.00 statistical code 31 (universal beams – I sections);
- 7216.33.00 statistical code 32 (universal column and universal bearing piles – H sections); and
- 7216.40.00 statistical code 33 (equal and unequal angles – L sections).

For the tariff subheadings outlined above, the general rate of duty is 5% for goods imported from Japan and free for imports from Korea, Taiwan and Thailand.

The Commission received advice from the Tariff Policy section of ACBPS, indicating tariff subheading 7216.50.00 may be applicable to C sections, only in circumstances whereby these goods are differentiated by industry members and consumers from U sections. The Commission notes that OneSteel considers these products to be interchangeable and the Commission will seek further clarification on this matter during the course of the investigation.

Goods identified as hot rolled other alloy steel sections, as per the specified shapes and sizes as set out above, are classified to tariff subheading 7228.70.00 in Schedule 3 of the *Customs Tariff Act 1995*. The applicable duty rate for imports from Japan, Korea and Taiwan is 5%, and Thailand is free.

### **2.3 Like goods**

TKM confirmed that the imported goods under investigation have the same physical characteristics as the domestically produced goods and that it considered them to be like goods. The company further stated that there is only one grade in the Australian HRS standards.

TKM did not consider any alternative products as a suitable substitute for HRS for its business.

### 3 COMPANY DETAILS

#### 3.1 Company background

##### 3.1.1 Organisational structure of company

TKM is a privately owned Australian company. The original company, Mannesmann Trading, was established in 1981. It was later purchased by ThyssenKrupp and its name was changed to Thyssen Mannesmann Trading Pty Ltd. When the right to the Mannesmann name expired in December 2004, it changed its name to ThyssenKrupp Mannex Pty Ltd. The ultimate parent company is ThyssenKrupp AG.

##### 3.1.2 Functions of company

TKM deals with steel and related products and describes itself as an importer/trader that sells mainly to distributors, rather than end users. TKM advised that its three main functions relating to imports are:

- service (import, i.e. purchasing and transport, as well as sales),
- finance, and
- insurance.

TKM sells steel products including parallel flange channels, universal beams and columns (i.e. HRS). It also sells steel tubes, line pipes, large diameter pipes, flat products, technical steel goods, stainless steel, plate steel and long/bar as well as non-ferrous products.

It also advised that HRS accounts for approximately [REDACTED] % of its overall revenue.

#### 3.2 Accounting

TKM's financial year runs from 1 October to 30 September. Its profit centres are aligned with the activities of each sales person, which also correlates to a group of products.

TKM provided a copy of its draft audited financial statement for the year ending 30 September 2013. These are at **confidential attachment 1**. Its accounts have been audited by PriceWaterhouseCoopers since 2013.

#### 3.3 Relationship with suppliers of the goods

In its response to the Importer Questionnaire (RIQ) TKM identified [REDACTED] [number of] suppliers of goods within the relevant tariff classifications during the investigation period:

- [REDACTED] [supplier A] [REDACTED] [country A];
- [REDACTED] [supplier B] [REDACTED] [country B]; and
- [REDACTED] [supplier C] [REDACTED] [country B].

Of the identified suppliers, it was determined that only [REDACTED] [supplier A] and [REDACTED] [supplier B] sell HRS, while [REDACTED] [supplier C] [REDACTED], [supplies



goods to TKM other than HRS that are still within the relevant tariff classification] which falls outside the scope of the investigation.

TKM stated that it has an [redacted] [type of supply] relationship with [redacted] [supplier A] in Australia, which it has maintained for over 25 years. The company stated that it has a [redacted] [redacted] [type of supply] relationship with [redacted] [supplier B] and [redacted] [supplier C] and has been purchasing from both exporters for over twenty years.

TKM stated that it is not related to any of its suppliers and has no relationship with its suppliers beyond an arms length commercial relationship. The company also advised that it [redacted]. [comment concerning rebates and discounts].

Consistent with TKM's explanation, no evidence of [redacted] [particular commercial arrangement] was found during verification. There appears to be no relationship between TKM and any of their suppliers beyond their commercial dealings, indicating TKM is unrelated to its suppliers.

### 3.4 Relationships with customers

In its importer questionnaire response, TKM identified [redacted] [number of customers] customers of HRS during the investigation period.

TKM's main customers during the investigation period were:

- [redacted]; [customer A]
- [redacted], [customer B] and
- [redacted] [customer C].

A full list of TKM customers based on an extract from its sales database was provided.

TKM advised that its business model is to sell predominantly to distributors rather than end users. This is reflected in their completed importer questionnaire response (**confidential attachment 2**) where it stated the majority of listed customers are distributors, with a small number of end user customers.

No evidence of any [redacted] [particular commercial arrangement] between TKM and its customers was identified.

TKM explained that it shares supply to customers with other HRS importers and the Australian industry. It estimated that of the customers purchasing HRS, between approximately [redacted]%-[redacted]% are shared customers with OneSteel, while the remainder purchase HRS from other importers in addition to TKM.

**4 IMPORTS**

**4.1 Import volumes**

TKM's import list from the ACBPS' import database (**confidential attachment 3**) demonstrated the following volumes from the nominated countries:

Exporter	Country	Volume (tonnes)
[supplier A]	[country A]	
[supplier B]	[country B]	
[supplier C]	[country B]	

Table 1

The volumes in the import database however, include a wide range of products, some of which are outside the goods description for the investigation. Excluding imports from [supplier C], which were established to be outside of the scope of the investigation, [tonnes] of steel within the relevant tariff classification were imported, the majority of which TKM stated is HRS. TKM advised that all imports from [supplier A] were HRS, some imports from [supplier B] were HRS, and none of the goods imported from [supplier C] were HRS.

Information provided by the company about the sales to Australian customers demonstrated a comparable sales volume over the period, totalling [tonnes]:

Exporter	Country	Volume (tonnes)
[supplier A]	[country A]	
[supplier B]	[country B]	

Table 2

**4.2 TKM's sales**

**4.2.1 Ordering and sales process**

TKM purchases HRS on a [terms of trade] basis and accordingly [TKM performs responsibilities required of it under the terms of trade which it purchases].

TKM only places orders with its suppliers after confirming orders from its customers. The products are delivered [delivery location] with orders usually taken [period of time].

The company stated that it receives market offers from HRS suppliers usually [time when offers are received]; within a few days it announces offers to its customers [basis for price offers to customers]. Prices from TKM to its customers are valid for a specified period, usually [period of time], with the main determinants of the price being [factors determining price]. TKM stated that it offers [ ]

[redacted] [variable pricing arrangements].

After reaching agreement with customers, TKM collates all the orders and places orders with its suppliers. Upon delivery the supplier then issues an invoice to TKM. It was advised that TKM would not place an order unless it has a specific firm order from a customer [redacted] [redacted] [explanation for delivery conditions]. TKM stated that its supplier has a minimum order quantity requirement for channels because those products are specifically made for the Australian and New Zealand market. The minimum order quantity is based on the mill's rolling capacity.

The mill is responsible for [redacted] [certain exportation costs] incurred in accordance with [redacted] [terms of trade] terms. TKM pays the [redacted] [certain exportation costs] for the goods to be delivered to Australia and nominates the destination port. The HRS exports are sold mainly [redacted] [terms of trade]. TKM offers the product with credit terms of [redacted] to [redacted] days from Bill of Lading depending on the customer, and generally delivers to the customers' store.

TKM has [redacted] [comment on contractual arrangements].

#### 4.3 Verification

Prior to the visit, eight shipments were selected and TKM was requested to provide the Commission with the following source documents:

- commercial invoices;
- packing lists;
- purchase orders;
- bills of lading; and
- Customs broker and domestic freight invoices.

TKM provided source documents for all selected shipments. These documents are contained in **confidential attachment 4**.

For each shipment, the source documents provided confirmed the quantity, invoice value, ocean freight, exchange rate, customs duty, importation costs, expenses and average selling prices in the import sales spread sheet. Documents to support proof of payment for each the shipment and post exportation costs were also provided. The shipment number, quantity, value, price and delivery terms for the selected shipments reconciled with the data in the import list.

On examination of the source documents, it was apparent that three of the selected shipments, although containing goods within the relevant tariff classification for the investigation, did not contain any HRS. As a result, three further shipments were selected which did contain HRS, and source documents for these importations were provided by TKM following the verification visit.

**4.3.1 Commercial Invoices**

Copies of invoices for each shipment were provided to the Commission. These invoices were used to verify the applicable data provided by TKM, including the goods description and value. Payment of the invoice and the exchange rate applied were also verified to source documents.

**4.3.2 Insurance**

Marine insurance and credit insurance costs were allocated to each of the sampled transactions based on the premium rate specified under the respective annual insurance policy. A copy of each of these policies was provided by TKM for the period 1 October 2012 to 30 September 2013. The combined insurance cost was equal to [REDACTED] % of the invoiced value of the imports. Insurance documents form **confidential attachment 5**.

**4.3.3 Bank Charges**

TKM identified bank charges associated with the selected importations, such as [REDACTED] [example of type of bank charges]. These were recorded as the actual costs incurred on each selected importation. TKM provided bank statements for each shipment to verify the bank charges.

**4.3.4 Commission**

TKM explained that it [REDACTED]  
[REDACTED]  
[REDACTED] [explanation of commission paid].

**4.3.5 Importation costs**

The average post free on board (FOB) expenses were calculated for the selected shipments containing HRS, which are summarised in Table 2 (expressed in Australian dollars per tonne), below:

Cost	Weighted average cost per unit (MT)	
	[REDACTED] [country A]	[REDACTED] [country B]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]

Table 3

**4.4 Export prices for shipments**

The weighted average FOB export price (in AUD) was calculated for the selected imports over the investigation period. These calculations are included in Table 4, below:

Principal Original Country	Supplier Full Name	AUD FOB (MT)
██████ [country B]	██████████ [supplier B]	██████
██████ [country A]	██████ [supplier A]	██████

Table 4

Due to the inclusion of items that were outside the scope of the investigation in ACBPS' import listing, the Commission was unable to calculate a weighted average FOB export price exclusively for HRS over the investigation period for ██████ [supplier B].

**4.5 Forward Orders**

TKM provided the volume and value of forward orders. The volume of forward orders is summarised in Table 5, below:

Supplier	Aug-13 (MT)	Sep-13 (MT)	Oct-13 (MT)	Dec-13 (MT)
██████ [supplier B]	█		██████	█
██████ [supplier A]	██████	██████	██████	██████
Grand Total	██████			

Table 5

**4.6 Identifying the importer**

In terms of identifying the importer, TKM:

- is named as the customer on supplier invoices;
- is named as the consignee on the bill of lading; and
- pays for delivery of the goods to the customer.

Accordingly, TKM is considered the beneficial owner of the goods at the time of importation and is therefore the importer.

**4.7 Identifying the exporter**

The Commission will generally identify the exporter as:

- a principal in the transaction located in the country of export from where the goods were shipped who gave up responsibility by knowingly placing the goods in the hands of a carrier, courier, forwarding company, or their own vehicle for delivery to Australia; or
- a principal will be a person in the country of export who owns, or who has previously owned, the goods but need not be the owner at the time the goods were shipped.

Where there is no principal in the country of export the Commission will normally consider the exporter to be the person who gave up responsibility for the goods as described above.

In relation to [REDACTED] [supplier A] and [REDACTED] [supplier B], verified documents demonstrate that:

- the commercial invoices identify the supplier;
- the bills of lading identify the supplier as the shipper of the goods; and
- the supplier arranges and pays for the goods to be transported to the wharf per [REDACTED] terms of trade; and
- TKM pays the relevant supplier.

Based on information to date, the Commission is satisfied that [REDACTED] [supplier B] and [REDACTED] [supplier A] are exporters of HRS.



## 5 AUSTRALIAN MARKET

### 5.1 General market conditions

TKM advised that the Australian steel market slumped following the global financial crisis and has not fully recovered. It also advised that fluctuations in the Australian dollar had created uncertainty in the market. TKM also outlined that increases in the value of the Australian dollar had impacted on the steel industry in Australia, as had major projects such as the Australian Government's Building the Education Revolution program, the effects of which it claimed continued to be felt up to 6-9 months after the program's conclusion. Lack of demand in building and construction over the past two years has greatly affected the overall demand for HRS in Australia. Overall, TKM characterised the HRS market in Australia as competitive and price sensitive, and noted that most mills producing HRS worldwide currently have spare capacity.

### 5.2 Market supply

TKM stated that OneSteel holds a 75% market share, with the remainder allocated to imports. It advised that it considers itself in competition with OneSteel and other importers of HRS. TKM explained that it [redacted] [comment on exclusivity of customers – *Under s.269ZJ (5) of The Act, the Commissioner disagrees that the information redacted herein is confidential or would adversely affect a person's business or commercial interests*] and that it is not typical for HRS customers to source their products from only one supplier, and often many importers and the Australian industry, being OneSteel, to a certain extent supply the same customers.

### 5.3 Sales of imported goods

As discussed above at 3.4, TKM's customers comprise almost entirely distributors. During the investigation period, it was observed that [redacted] [a portion of sales] sales were made to [redacted], [redacted] [name of customer]. Of the remaining customers, none comprised more than [redacted]% of TKM's HRS sales.

A full list of TKM's sales during the investigation period is at **confidential attachment 6**.

### 5.4 Price and distribution arrangements

TKM offer [redacted]. [services offered to customers purchasing HRS – *Under s.269ZJ (5) of The Act, the Commissioner disagrees that the information redacted herein is confidential or would adversely affect a person's business or commercial interests*]. The company generally provides HRS to customers on [redacted] [terms of trade] terms, however it informed the Commission that a small number of its customers prefer to [redacted] [arrangements for alternative terms of trade – *Under s.269ZJ (5) of The Act, the Commissioner disagrees that the information redacted herein is confidential or would adversely affect a person's business or commercial interests*].

Freight costs associated vary depending on delivery location, with additional costs applying to some areas, for example, Darwin. TKM informed the Commission that [REDACTED]

[REDACTED] [price and distribution arrangements].

TKM stated that it [REDACTED] [comment on inventory]. It informed the Commission that credit terms to its customers are [REDACTED] - [REDACTED] days from the date of the bill of lading.

## 5.5 Sales verification

### 5.5.1 Accuracy

The detailed sales spreadsheet was reconciled to commercial source documents to verify its accuracy. Three sales transactions were selected to verify.

TKM provided three packages of sales documents, (confidential attachment 6). Each package contained an invoice, remittance advice and bank statement showing payment.

For all packages, the remittance advices were for payment of numerous commercial invoices and TKM provided the commercial invoices that included sales of HRS.

The sales transactions from the detailed sales spreadsheet matched the commercial invoices, and those same transactions were identifiable on the remittance advice. The total amount shown on the remittance advice further reconciled to TKM's bank statements, demonstrating that payment reflected the amount invoiced.

The reconciliation of selected sales transactions to commercial source documents provided a reasonable level of assurance of the accuracy of the detailed sales spreadsheet.

### 5.5.2 Completeness and relevance

The detailed sales spreadsheet was reconciled up to financial statements to verify its completeness and relevance.

TKM provided a management report listing all of its sales for the investigation period with the imported HRS subset matching the detailed sales spreadsheets. It demonstrated that the total sales value reconciled the total sales revenue on its September 2013 financial statement (**confidential attachment 1**).

Reconciliation of the total sales volume to management reports, and sales value up to financial statements, provided a reasonable level of assurance of the completeness and relevance of the detailed sales information provided by TKM.

### 5.5.3 Selling, general and administrative costs

TKM included in its importer questionnaire response a selling, general and administrative (SG&A) cost equal to [REDACTED]% of revenue for HRS imports from [REDACTED] [country A] and [REDACTED]% of revenue for HRS imports from [REDACTED] [country B]. The differentiation was on the basis that SG&A costs, [REDACTED] [types of SG&A costs and the difference in those costs between different countries of export].



A profit centre analysis report for the investigation period identified each item included in TKM's SG&A calculation (**confidential attachment 7**), with separate departments listed in the document for HRS from [REDACTED] [country A and country B].

#### **5.5.4 Profitability of sales**

To assess the profit and profitability of TKM's importations for the selected shipments, the fully absorbed cost to import and sell was compared with the average selling price.

The exchange rate used was the average of that received by TKM over the investigation period.

Sales were found to be made at a profit, consistent with TKM's statement that it aims to maintain a fixed profit margin.

The weighted average profit for the selected shipments of HRS was [REDACTED]%. Calculations of profitability and import costs for the selected shipments are at **Confidential Appendix 1**.

**6 ARMS LENGTH**

In determining export prices under s. 269TAB(1)(a) and normal values under s. 269TAC(1), the Act requires that the relevant sales are arms length transactions.

S.269TAA outlines the circumstances in which the price paid or payable shall not be treated as arms length. These are where:

- there is any consideration payable for in respect of the goods other than price;
- the price is influenced by a commercial or other relationship between the buyer, or an associate of the buyer, and the seller, or an associate of the seller; and
- in the opinion of the Minister, the buyer, or an associate of the buyer, will, directly or indirectly, be reimbursed, be compensated or otherwise receive a benefit for, or in respect of, the whole or any part of the price.

TKM stated that it does not receive any reimbursement, rebates or other support from its suppliers in respect of the goods. TKM advised that the invoice price was the price actually paid.

A review of documentation for the selected shipments did not demonstrate in respect of the purchase of HRS, that:

- there is any consideration payable for or in respect of the goods other than price;
- the price was influenced by a commercial or other relationship between TKM or an associate of TKM, and its suppliers or an associate of the supplier; and/or
- TKM or an associate of TKM was directly or indirectly reimbursed, compensated or otherwise received a benefit for or in respect of the whole or any part of the price.

The Commission is preliminarily satisfied that import transactions between TKM and its suppliers are at arms length in terms of s. 269TAA.

## 7 GENERAL COMMENTS

### 7.1 Level of trade adjustments

TKM commented generally on the nature of domestic sales in [redacted] [country A] by [redacted] [supplier A]. It claimed that as TKM's sales in Australia were mainly to distributors, only sales at the same level of trade should be used to calculate dumping margins for [redacted] [supplier A] and that an adjustment should be made [redacted] [redacted] [adjustment claimed for export price – *Under s.269ZJ (5) of The Act, the Commissioner disagrees that the information redacted herein is confidential or would adversely affect a person's business or commercial interests*]. TKM did not provide any evidence to support its claims because the Commission determined that the adjustment may be more effectively considered during exporter verification as it related to price setting by the exporter.

### 7.2 Injury

TKM stated it believes OneSteel is incorrectly attributing injury it has suffered to dumping. It stated that OneSteel has made a choice to reduce prices, and that all factors must be considered in assessing injury, including the effects of the GFC, mining downturn, movements in the Australian dollar and the Building the Education Revolution program.

### 7.3 Non-injurious price

TKM did not have any submissions to make on the non-injurious price at the time of the meeting, however it indicated that a submission may be made on this matter as the investigation progresses.

## 8 RECOMMENDATIONS

The following preliminary recommendations apply to the goods imported by TKM from [REDACTED] [country A] and [REDACTED] [country B]:

- the goods have been exported to Australia otherwise than by the importer;
- the goods have been purchased by the importer from the exporters; and
- the purchases of the goods by the importer were arms-length transactions.

Subject to further inquiries with relevant exporters, it is recommended that the export price for HRS imported by TKM from [REDACTED] [supplier A] and from [REDACTED] [supplier B], may be established under s.269TAB(1)(a) of the Act, using the invoiced price, less any deductions for fair comparison as required.

**9 ATTACHMENTS AND APPENDICES**

confidential attachment 1	2013 Financial statement
confidential attachment 2	Importer questionnaire response
confidential attachment 3	ACBPS' import database extract
confidential attachment 4	Commercial documents for selected shipments
confidential attachment 5	Insurance documents
confidential attachment 6	TKM HRS sales for investigation period
confidential attachment 7	Selling, general and administrative costs
confidential attachment 8	Sales proof of payment documents
confidential appendix 1	Sales and profitability analysis