



**Australian Government**  
**Australian Customs and  
Border Protection Service**

**International Trade Remedies Branch**

**EXPORTER QUESTIONNAIRE – TAIWAN, JAPAN, THE REPUBLIC OF  
INDONESIA AND THE REPUBLIC OF KOREA**

**PRODUCT CONCERNED:** **HOT ROLLED PLATE STEEL FROM THE  
PEOPLE’S REPUBLIC OF CHINA, THE  
REPUBLIC OF KOREA, THE REPUBLIC OF  
INDONESIA, JAPAN AND TAIWAN**

**INVESTIGATION PERIOD:** **1 JANUARY TO 31 DECEMBER 2012**

**RESPONSE DUE BY:** **21 MARCH 2013**

**ADDRESS FOR RESPONSE:** **International Trade Remedies Branch  
Australian Customs and Border Protection  
Service  
5 Constitution Avenue  
Canberra act 2601  
Australia  
Attention: Director Operations 3**

**CASE MANAGER:** **Mr Mick Kenna & Mrs Michelle Gibson**  
**TELEPHONE:** **+61-2-6275-6544 (Mick Kenna) +61-2-  
6275-6129 (Michelle Gibson)**

**FAX:** **+61-2-6275-6990**  
**EMAIL:** **[itrops3@customs.gov.au](mailto:itrops3@customs.gov.au)**

**Please note that a non-confidential version of the reply to this questionnaire must also be provided.**

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## ABBREVIATIONS

the Act	the <i>Customs Act 1901</i>
The applicant	BlueScope Steel Limited
AS	Australian Standard
CTMS	cost to make and sell
Customs and Border Protection	the Australian Customs and Border Protection Service
FOB	Free-on-board
the goods	the goods the subject of the application (hot rolled plate steel)
HRC	Hot Rolled Coil
the investigation period	1 January 2012 – 31 December 2012
The Minister	The Minister for Home Affairs
Plate Steel	hot-rolled plate steel
SEF	Statement of essential facts
WTO	World Trade Organisation

\*Refer to this questionnaire's Glossary of Terms for a definition.

**GLOSSARY OF TERMS**

Throughout this questionnaire, there are certain words and terminology used that require some clarification. The following are their definitions for purposes of this investigation.

**Adjustments**

To enable a fair comparison between the export price and the normal value Australian legislation provides for the adjustment of the domestic price paid for like goods. Adjustments are made to account for sales occurring at different times, specification differences, and differences in the terms or circumstances of the sales. The adjustment to the normal value may be upward or downward. Areas where you believe an adjustment is necessary should be identified. Section E of the questionnaire refers.

Examples of adjustments that may be made include: sales occurring at different times (it is sometimes necessary to compare domestic and export sales made at different times - in these circumstances an adjustment may be made to reflect price movements during that time); specification differences; packaging; taxes; level of trade; advertising; servicing/warranty; inland freight; warehousing; export charges; credit terms; duty drawback; commissions.

Adjustments may also be required where the normal value is based upon costs to make and sell.

**Arms length**

Sales are not considered to be at "arms length" on your domestic market if there is any consideration payable for the goods other than their price, or there is an association between the buyer and the seller which affects the price, or there will be a reimbursement, compensation or benefit for, or in respect of, the price.

**Associated Companies**

Persons shall be deemed to be associates of each other if, and only if:

(a) both being natural persons:

- (i) they are connected by a blood relationship or by marriage or by adoption; or
- (ii) one of them is an officer or director of a body corporate controlled, directly or indirectly, by the other;

(b) both being bodies corporate:

- (i) both of them are controlled, directly or indirectly, by a third person (whether or not a body corporate); or
- (ii) both of them together control, directly or indirectly, a third body corporate; or
- (iii) the same person (whether or not a body corporate) is in a position to cast, or control the casting of, 5% or more of the maximum number of votes that might be cast at a general meeting of each of them; or

(c) one of them, being a body corporate, is, directly or indirectly, controlled by the other (whether or not a body corporate); or

(d) one of them, being a natural person, is an employee, officer or director of the other (whether or not a body corporate); or

(e) they are members of the same partnership.

### **Constructed value**

In cases where domestic prices paid for the GUC in the country of export cannot be used for the determination of normal value, i.e. when there are no or insufficient sales or where such sales were not made in the ordinary course of trade, normal value may be based on a constructed value. Constructed value is calculated on the basis of the cost of production of the GUC plus a reasonable amount for selling, general and administration costs, and for profits, that are associated with sales on the domestic market of the country of export.

### **Cost of production/manufacturing**

The cost of production or manufacture consists of all manufacturing costs associated with the goods. It is the sum of direct materials, direct labour and factory overheads.

### **Cost to make and sell (CTMS)**

The cost to make and sell is the sum of the cost of production or manufacture, and the selling, general and administration costs associated with the sale of those goods.

### **Country of origin**

The country in which the last significant process in the manufacture or production of the goods was performed.

### **Date of sale**

Customs and Border Protection will normally use the invoice date as recorded in the exporter or producer's records. Another date may be used if this better reflects the material terms of sale. The questionnaire directs attention to matching data sets of domestic and export sales where some other date is used, as well as matching cost information.

### **Direct labour cost**

Direct labour is categorised as a variable cost, i.e. the value varies with the level of production.

### **Dumping**

Dumping occurs when the products of one country are exported to another country at a price less than their normal value.

### **Dumping margin**

Where the export price is less than the normal value the dumping margin is the amount of the difference. It can be expressed as a value or as a percentage of the export price.

### **Enterprise**

"Enterprise" includes a group of enterprises, an industry and/or a group of industries.

### **Export price**

The export price of the goods is usually the price paid or payable to the exporter in arms length transactions, in most instances calculated at the Free on Board (FOB) level.

### Exporting country

The country of export is normally the country of origin from which the goods are shipped. The country of export may be an intermediate country, except where the products are merely transhipped through that country, or the products concerned are not produced in that country, and there is no comparable price in that country.

### Factory overheads

Factory overheads consist of variable costs e.g. power, supplies, and indirect labour and fixed costs e.g. factory rent, factory insurance, factory depreciation etc.

### Goods under consideration (GUC)

The goods to which the application for anti-dumping action relates. That is, the goods that you have exported to Australia allegedly at dumped prices.

### Incoterms

The following abbreviations are commonly used (comment is provided concerning costs that are normally borne by the seller):

EXW	ex works (the seller's minimum obligation as costs relate to goods being made available at the sellers premises)
FCA	free carrier (main carriage not paid by seller. Pay costs until such time that the goods have been delivered at the named point into custody of a carrier named by the seller. Customs and Border Protection formalities, taxes etc paid if required)
FAS	free alongside ship (main carriage not paid by seller. Deliver the goods alongside the ship)
FOB	free on board (main carriage not paid by seller. Deliver the goods on board, provide export clearance if required, pay loading costs to the point the goods have passed the ship's rail, pay customs formalities, taxes etc payable upon exportation)
CFR	cost and freight (main carriage paid by seller. Pay all costs until delivered as well as freight, loading and unloading, pay customs formalities, taxes etc payable upon exportation)
CIF	cost, insurance and freight (main carriage paid by seller. Pay all costs as under CFR as well as marine insurance) the terms CFR and CIF are only used where goods are carried by sea or waterway transport
CPT	carriage paid to
CIP	carriage and insurance paid to the terms CPT and CIP are used as alternatives to CFR and CIF where the goods are carried by air, road, rail etc
DAF	delivered at frontier (goods carried by rail or road and cleared for export at the named place at the frontier. Pay costs until delivered at the frontier plus any discharge costs incurred to place the goods at the customers disposal)

DES	delivered ex ship (goods made available to the buyer on board the ship uncleared for import at the named port of destination. Pay all costs incurred in placed at the disposal of the buyer, pay customs formalities, taxes etc payable upon exportation, and where necessary for transit through another country)
DDU	delivered duty unpaid (Pay all costs for carriage to the agreed point, pay customs formalities, taxes etc payable upon exportation, and where necessary for transit through another country)
DDP	delivered duty paid (goods made available at the named place in the country of importation – all risks and costs being incurred by the seller including duties, taxes etc incurred upon importation)

**Investigation period**

A period defined by Customs and Border Protection over which importations of the goods are examined.

**Like goods**

Like goods are goods sold on the domestic market of the country of export (or to a third country) that are identical in all respects to the GUC or that, although not alike in all respects have characteristics closely resembling those of the GUC. The term 'like goods' also refers to the goods produced by the Australian industry allegedly being injured by dumped imports.

**Normal value**

Australian legislation sets out several ways to assess "normal value".

The preferred method is to use the price paid for like goods sold for domestic consumption in the country of export. Usually, these sales are made by you, but there may be circumstances where it is appropriate to use sales made by other sellers on the domestic market.

Sale prices must be at arms length and in the ordinary course of trade. In the absence of relevant or suitable domestic sales, the normal value may be determined by constructing a price based upon all costs to make and sell the goods. Profit may also be included if the sales on the domestic market are profitable. Alternatively the normal value may be ascertained using the price paid for like goods sold in the ordinary course of trade at arms length to customers in a country other than Australia, however this option is rarely used.

Finally, when a normal value cannot be ascertained by any of the above methods, or if no information is provided, Customs and Border Protection will determine the normal value by considering all the relevant information, including the applicant's information. This allows the applicant's information to be used where sufficient information has not been furnished or is not available.

**Ordinary course of trade**

Testing for "ordinary course of trade" includes a comparison of the selling price and the unit cost to make and sell for the same period. If sales in respect of a substantial quantity of goods over an extended period of time, usually 12 months, do not recover all costs and these losses are not likely to be recovered within a reasonable period of time, (again usually 12 months) then the sales are regarded as being not in the ordinary course of trade.

There may be circumstances where it is appropriate to use a period other than 12 months in assessing whether sales are in the ordinary course of trade.

Unprofitable sales are to be taken to have occurred in substantial quantities during an extended period where the unprofitable sales amount to 20% or more of the total volume of sales of the goods by the exporter over the period. An extended period of time is usually taken to be a period not less than 12 months. Where unprofitable sales are rejected, normal value is based upon remaining profitable sales provided they occur in sufficient number. Where all sales have been made at a loss, or profitable sales are insufficient, the normal value may be constructed from costs to make and sell.

### **Selling, general and administration expenses (SG&A)**

The selling, general and administration expenses includes all selling, distribution, general and administration expenses including finance costs that would be incurred if the goods were sold for domestic consumption in the country of export. The amounts are determined in each case using all the available information and may include expenses incurred in:

- domestic sales of like goods;
- sale of goods of the same general category by the exporter; or
- sales in the industry in the country of export.

The expenses must, however, reflect the selling, general and administration costs of the goods. Administrative and selling expenses include: director's fees, management salaries and benefits, office salaries and benefits, office supplies, insurance, promotion, entertainment, depreciation and corporate overheads.



**BACKGROUND AND GENERAL INSTRUCTIONS****1. BACKGROUND**

On 12 February 2013, following an application by BlueScope Steel Limited (BlueScope Steel), an Australian industry member, the Australian Customs and Border Protection Service (Customs and Border Protection and Border Protection) has initiated:

- a dumping investigation in respect of hot rolled plate steel exported to Australia from the People's Republic of China (China), the Republic of Korea (Korea), the Republic of Indonesia, Japan and Taiwan; and
- a countervailing investigation in respect of hot rolled plate steel exported to Australia from China.

BlueScope alleged that the Australian industry has suffered material injury caused by hot rolled plate steel exported to Australia from Korea, Japan, Indonesia and Taiwan at dumped prices and exported from China at dumped and subsidised prices.

The abovementioned dumping investigation involves allegations that there is a situation within the domestic Chinese hot rolled plate market that renders sales within this market unsuitable for determining normal values under s.269TAC(1) of the *Customs Act 1901* (the Act) (i.e. that a 'particular market situation' exists in this market).

A notice advising initiation of the investigation was published in *The Australian* on 12 February 2013. Australian Customs and Border Protection Dumping Notice (ACDN) No. 2013/18 outlining the details of the investigation, and the procedures to be followed during the investigation can be accessed on Customs and Border Protection website at [www.customs.gov.au](http://www.customs.gov.au).

**2. THE GOODS UNDER CONSIDERATION (GUC)****Description**

The goods under consideration (the goods) i.e. the goods exported to Australia, allegedly at dumped prices, are hot rolled plate steel. The applicant provided further details as follows:

General description

The application specifies that the imported goods subject to the hot rolled plate steel application are:

*“Flat rolled products of:*

- *iron;*
- *non-alloy steel; or*
- *non-heat treated alloy steel of a kind commonly referred to as Quench and Tempered (Q&T) Green Feed;*

*of a width greater than 600mm, with a thickness equal to or greater than 4.75mm, not further worked than hot rolled, not in coils, with or without patterns in relief.*

*Goods excluded from this application are:*

- *250 grades of plate steel with a thickness greater than 150mm*

- 350 grades of plate steel with a thickness greater than 100mm
- Q & T Green Feed grades of plate steel with a thickness greater than 105mm
- Heat treated Q & T grades of plate steel.”

Standard dimensions of imported plate product ranges within 1500mm – 3200mm in width, 5mm – 150mm in thickness and 6 – 12 metres in length.

Imported non-alloy steel plate product is most commonly offered in nominal yield strengths of 250 Mpa and 350 Mpa, depending on application and end use.

Imported alloy steel plate product grades that are made by BlueScope Steel and also imported into Australia are generically called Q & T Green Feed. Q & T Green Feed is supplied only in ‘non heat-treated’ condition. Q & T Green Feed steel grades possess a higher hardenability, which (on heat treating) results in higher strength and hardness properties over 250 Mpa and 350 Mpa non alloy steel grades. To achieve this higher hardenability, additional specific alloys are added during the steelmaking process (i.e. thereby incurring a higher cost of production).

Q & T Green Feed grades of steel have chemical compositions that typically fall within the following range:-

- Carbon Max – 0.40%
- Manganese Max – 1.6%
- Silicon Max – 0.65%
- Sulphur Max – 0.035%
- Phosphorous Max – 0.035%
- Nickel Max – 2.5%
- Chrome Max – 2.0%
- Molybdenum Max – 1.0%
- Vanadium Max – 0.15%
- Boron Max – 0.006%

It is noted that the % of individual alloying elements will vary in accordance with each manufacturer’s grade specifications and that not all elements may be utilised in all Q & T Green Feed steel grades.

Q&T Green Feed products are normally “negotiated mill to customer” chemistry grades of plate steel.

Q & T Green Feed is only supplied in the non heat-treated condition. (ie the heat treatment process to achieve the higher hardenability is undertaken by BlueScope Steel’s customer(s)).

The GUC are generically called hot rolled plate steel, plate steel, coil plate steel or Q&T Green Feed (used interchangeably with GUC in the application).

Trade or further generic names often used to describe these Goods include:

- “XLERPLATE” steel
- “XLERPLATE LITE” steel
- Plate
- Pattern Plate
- Coil Plate
- Checker Plate
- Floor Plate

- Q&T Green Feed

Standards

(i) Australia

The application stated that there are a number of relevant International Standards for plate steel products that cover the goods via specific grade designations, including the recommended or guaranteed properties of each of these product grades.

Q & T green feed products are often ‘negotiated mill to customer’ chemistry grades of plate steel.

The relevant standards are noted in the tables below.

**Table A1 - Relevant International Standards for Plate steel – Structural Grades**

Australian and International Standards:- Structural Grades			
AS/NZS 3678	ASTM	JIS	China
Grade	Grade	Grade	Grade
<b>250</b>	A36	G3101-SS400	GB/T 700 - Q275
250L15			
250L20			
250Y20			
250L40			
250Y40			
<b>300</b>			
300L15			
300L20			
300Y20			
300L40			
300Y40			
<b>350</b>	A572 -345 (50)	G3101-SS490	GB/T 1591 - Q345
350L15			
350L20			
350Y20			
350L40			
350Y40			
<b>400</b>	A572 -415 (60)		GB/T 1591 - Q390
400L15			
400L20			
400Y20			
400L40			
400Y40			
<b>450</b>	A572 -450 (65)		GB/T 1591 - Q420
450L15			GB/T 1591 - Q460
450L20			
450Y20			
450L40			
450Y40			

**Table A2 - Relevant International Standards for Plate steel – PV grades**

Australian and International Standards:- Pressure Vessel and Boiler Grades	
AS 1548	ASTM
Grade	Grade
PT 430	A516 - 415 (60)
PT 460	A516 - 450 (65)
PT 490	A516 - 485 (70)
PT 490	A516 - 485 (70)
PT 490 N	A516 - 485 (70) N

### Tariff classification

The application stated that the GUC are classified to the following tariff subheadings:

- 7208.40.00 statistical code 39;
- 7208.51.00 statistical code 40;
- 7208.52.00 statistical code 41;
- 7225.40.00 statistical codes 22 and 24.

For tariff subheadings:

- 7208.40.00 statistical code 39;
- 7208.51.00 statistical code 40; and
- 7208.52.00 statistical code 41;

the general rate of duty is currently five per cent for goods imported from Japan and free for imports from China, Indonesia, Korea and Taiwan.

For goods imported under the tariff subheading 7225.40.00 statistical codes 22 and 24; the general rate of duty for goods imported from Japan, Korea and Taiwan is five per cent and four per cent for imports from China and Indonesia.

### 3. INVESTIGATION PERIOD

The existence and amount of any dumping and subsidisation in relation to hot rolled plate steel exported to Australia from China, Taiwan, Japan, Indonesia and Korea will be determined on the basis of an investigation period from *1 January 2012 – 31 December 2012* (hereinafter referred to as ‘the investigation period’).

Customs and Border Protection will examine details of the Australian market from 1 January 2008 for injury analysis purposes.

### 4. WHY YOU HAVE BEEN ASKED TO FILL OUT THIS QUESTIONNAIRE?

Either; the application, an importer of hot rolled plate steel or data contained within Customs and Border Protection’s commercial database has identified you as a potential exporter of hot rolled plate steel to Australia during the investigation period.

Consequently, Customs and Border Protection has forwarded you this questionnaire and the associated spreadsheet '*Exporter questionnaire – Hot Rolled Plate Steel – Taiwan, Japan, Indonesia & Korea*' to provide you with the opportunity to participate and cooperate with its investigation.

Customs and Border Protection may use information provided by exporters to determine:

- the normal values and export prices of the GUC over the investigation and review periods

Customs and Border Protection may use the information you provide to determine whether hot rolled plate steel exported by your company to Australia were dumped.

You may make separate submissions concerning any other matter relevant to Customs and Border Protection inquiries.

Customs and Border Protection's investigation will be carried out under the provisions of Part XVB of the Act. These provisions reflect the World Trade Organisation (WTO) *Anti-Dumping Agreement* and the *Agreement on Subsidies and Countervailing Measures*.

Any additional questions may be posed to participating exporters in the form of supplementary questionnaires.

## **5. WHAT HAPPENS IF YOU DO NOT RESPOND TO THIS QUESTIONNAIRE?**

You do not have to complete the questionnaire. However, if you do not respond Customs and Border Protection may be required to rely on information supplied by other parties in making its assessments as to whether hot rolled plate steel exported to Australia were dumped and/or subsidised (this may include information supplied by the Australian industry).

If you do not provide all of the information sought, or if you do not allow Customs and Border Protection to verify the information you provide (see below), we may deem that you did not cooperate with the investigation.

It is Customs and Border Protection's objective to arrive at a recommendation to the Minister based on a full knowledge of all relevant facts. This can only be achieved if exporters cooperate. Customs and Border Protection considers that your interests would be best served by fully completing the questionnaire.

## **6. IF YOU DECIDE TO RESPOND**

Should you choose provide a response to this questionnaire, please note the following.

For Official Use Only and Public Record versions

If you choose to respond to this questionnaire, you are required to lodge both For Official Use Only (confidential) version and Public Record version of your submission by the due date (due date is specified on front cover).

In submitting these versions, please ensure that each page of the information you provide is clearly marked either 'For Official Use Only' or 'Public Record' version.

All information provided to Customs and Border Protection in For Official Use Only will be treated in confidence. The Public Record version of your submission will be placed on the public record, which all interested parties can access.

The public-record version of your submission will be placed on the public record. The public record is available to all interested parties who may comment on the material on the public record. Other interested parties have the opportunity to comment on issues you have raised. It is not expected that the public record version of your submission would include commercially sensitive information. However it must contain sufficient detail to allow a reasonable understanding of the substance of the 'for official use only' version. If, for some reason, you cannot produce a public record version, please contact the investigation Case Manager.

You can access the public record electronically online at [www.customs.gov.au](http://www.customs.gov.au) (follow the sub links to anti-dumping, current cases and public record).

#### Declaration

You are required to make a declaration that the information contained in your submitted questionnaire is complete and correct. You must return the signed declaration of an authorised official at Section H of this questionnaire with your response.

#### Consultants/parties acting on your behalf

If you intend to have another party acting on your behalf please advise Customs and Border Protection of the relevant details.

Customs and Border Protection will generally require written authorisation from exporters and manufacturers for any party acting on its behalf.

### **7. DUE DATE FOR RESPONSE**

Manufacturers and exporters are requested to respond to this questionnaire and return it to Customs and Border Protection within the time specified on the cover.

There is a statutory time limit imposed for the investigation. Customs and Border Protection may not be able to consider submissions received after the due date if to do so would prevent meeting the statutory reporting requirements.

Customs and Border Protection would encourage you to make contact with the Case Manager (see contact details on front cover) if you need any assistance in completing the questionnaire.

**If you intend to lodge a submission but cannot do so by the due date please advise the Case Manger as soon as possible.**

In considering whether or not to grant an extension of time, regard is given to the following:

- a) difficulties in translation of documentation, including the exporter questionnaire;
- b) availability of key staff;
- c) public holidays; or
- d) any circumstance outside the company's control.

Customs and Border Protection may consider granting a small extension of time for lodgement of your submission if you provide a sufficient reason as outlined above.

You may lodge your response by mailing it to the address for lodgement shown on the front cover of this questionnaire, with data requested in electronic format.

Alternatively you are welcome to lodge your response by email. The email address for lodgement is shown on the front cover of this questionnaire. If you lodge by email you are still required to provide for official use only and a public record version of your submission by the due date.

## **8. VERIFICATION OF THE INFORMATION THAT YOU SUPPLY**

After you have submitted the questionnaire and Customs and Border Protection is satisfied that the information you have provided is sufficiently complete and warrants verification, Customs and Border Protection may seek to visit your company to verify the information provided.

Once the information you have provided is verified, Customs and Border Protection can rely on that information in forming its conclusions in relation to the inquiry.

Verification visits may take several days.

During this verification, we will seek to examine in detail your company's records in respect of the goods and will ask for copies of documents relating to the manufacture and sale of the goods. You will need to ensure that any supplementary material such as spreadsheets, calculations etc that you used to prepare or compile your response are available. We will need to consult with your staff, particularly your financial controller (or accountant) and your domestic and export sales people. We may also need to see your factory, in which case we will need to consult with your operational managers.

After gathering the information we will prepare a report of the visit.

We will provide you with a draft of the report and then respond to any questions that you may want to ask. We will also ask you to assist in the preparation of a public record copy for the public file.

## **9. GENERAL INSTRUCTIONS FOR PREPARING YOUR RESPONSE**

- When answering the questionnaire please carefully read all instructions. Customs and Border Protection requires a response to *all sections* of this questionnaire. Please provide an explanation if a question is not relevant to your situation.
- All documents and source material submitted in response to this questionnaire, including financial statements, must be translated into English.
- Answer questions in the order presented in the questionnaire. Please ensure that information submitted conforms to the requested format and is clearly labelled. Please repeat the question to which you are responding and place your answer below it.
- Identify source documents and advise where they are kept. During on-site verification you should be prepared to substantiate all the information you have submitted. Every part of the response should be traceable to company documents that are used in the ordinary course of business.
- You should retain all work sheets used in answering the questionnaire, in particular those linking the information supplied with management and accounting records. This will help to verify the information.
- Clearly identify all units of measurement and currencies used. Apply the same measurement consistently throughout your response to the questionnaire.

## 10. INSTRUCTIONS ON PROVIDING ELECTRONIC DATA

- It is important that, where requested, information is submitted in electronic format on a CD-ROM.
- Alternatively electronic data can be submitted directly by email to the email address shown on the front cover of this questionnaire.
- The data must be created as spreadsheet files, preferably in Microsoft Excel 2010 or 2007, or alternatively in an Excel compatible format (for example, Excel can normally access data in Dbase or as an ASCII file).
- The Excel files must be compatible to the USA version.
- If you cannot present electronic data in the requested format contact the investigation Case Manager as soon as possible.
- Responses to questions should be as accurate and complete as possible, and attach all relevant supporting documents, even where not specifically requested in this questionnaire.

Please note that answers such as "Not Applicable" or an answer that only refers to an exhibit or an attachment may not be considered by Customs and Border Protection to be adequate. We therefore suggest that in answering the questions you outline the key elements of your response in the primary submission document, rather than merely pointing to supporting documents of varying degrees of relevance and reliability as your answer.

## 11. FURTHER INFORMATION

Before you respond to the questionnaire you should read all the documentation that we have included with this questionnaire, including:

- the booklet *Australia's Anti-Dumping and Countervailing Administration*;
- Australian Customs Dumping Notice 2013/18 notifying the initiation of the investigation; and
- the Glossary of Terms within this questionnaire.

It is also recommended that you access and read the Public Record version of BlueScope's application which is available online on the Electronic Public Record at [www.customs.gov.au](http://www.customs.gov.au) (follow the sub-links to anti-dumping, current cases and public record).

If you require further assistance, or you are having difficulties completing your submission, please contact the investigation Case Manager.

Please note that Customs and Border Protection may send you a supplementary questionnaire if it needs to clarify matters provided by you in response to this questionnaire or to seek new information.

## 12. OUTLINE OF INFORMATION REQUIRED BY THIS QUESTIONNAIRE

- Section A**            General information relating to your company including financial reports.
- Section B**            A complete list of your company's exports to Australia over the investigation period.
- Section C**            A list of goods sold on the domestic market of the country of export (like goods) that may be compared to the GUC.



- Section D** A detailed list of all of your company's sales of like goods in your domestic market.
- Section E** Information to allow a fair comparison between export and domestic prices.
- Section F** Information in relation to your company's exports of like goods to countries other than Australia. This may be particularly relevant if you have not exported to Australia in significant volumes in more recent times.
- Section G** Costs to make and sell, for exports to Australia and for the domestic market.
- Section H** Your declaration
- Section I** Submission checklist

**SECTION A - COMPANY STRUCTURE AND OPERATIONS**

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

**A-1 IDENTITY AND COMMUNICATION**

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

**Head office:**

Name: **CHENG-YEN YU**

**SHANG CHEN STEEL CO., LTD. ("SC" hereinafter)**

Position in the company: **PRESIDENT**

Address: **No.7, Daye S. Rd., Xiaogang Dist., Kaohsiung City 812, Taiwan (R.O.C.)**

Telephone: **886 - 7 8716911**

Facsimile number: **886 - 7 8714153**

E-mail address of contact person: [ssstyw@gmail.com](mailto:ssstyw@gmail.com)

**Factory:**

Address: **No.7, Daye S. Rd., Xiaogang Dist., Kaohsiung City 812, Taiwan (R.O.C.)**

Telephone: **886 - 7 8716911**

Facsimile number: **886 - 7 8714153**

E-mail address of contact person: [ssstyw@gmail.com](mailto:ssstyw@gmail.com)

**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: Troy Morrow/M J Howard

Organisation: STAUGHTON'S Pty Ltd.

Position: Advisors

Address:

Telephone: +61 459 21 2702

Facsimile/Telex number:

E-mail address of contact person: [jack@itada.com.au](mailto:jack@itada.com.au)

*Note that in nominating a representative, Customs and Border Protection 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 (e.g. company, partnership, sole trader)? Please provide details of any other business names that you use to export and/or sell goods.

*SC is a company limited by shares. It has no other business or trade names.*

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).

*Report as instructed. Please see conf SC-Exhibit A-3.2 List of Shareholders of SC.*

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

*SC is not a subsidiary of other companies.*

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

*SC is not a subsidiary of other companies.*

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

*SC is only affiliated with one company, [REDACTED] (name of company and shareholding detail)*

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

*SC does not afford any management fees occurring with its affiliated company.*

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

*SC produced and sold the following products:*

*Hot Rolled Steel Coil;*

*Cold Rolled Steel Coil;*

*Galvanized Steel Coil;*

*Hot Rolled Steel Plate.*

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

*SC produced and sold the goods in domestic market and to Australia and other countries.*

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

*Please see Conf Exhibit A-3.9 Company Organization Chart of SC for SC's internal structure.*

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

*Please refer to Conf Exhibit A-3.10 for SC's board of Directors, Managing Directors and Senior Executives.*

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

*Please refer to:*

*Conf Exhibit A-3.11-1 for Audited Financial Report of SC as of 2011 and 2010, and;*

*Conf Exhibit A-3.11-2 [REDACTED] (product catalogue provided)*

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

- Suppling/selling completed or partially completed products.
- Suppling/selling raw materials.
- Performing management functions (including any financial functions).
- Processing (including toll processing) of any raw materials, intermediary or completed products.
- Trading in products/materials supplied by related parties.

*All the primary materials were purchased from unrelated suppliers.*

#### **A-4 GENERAL ACCOUNTING/ADMINISTRATION INFORMATION**

1. Indicate your accounting period.

*SC's accounting period is from January 1st to December 31st*

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

*The accounting records of SC is located in No.19 Chu-Kung 2 Lane, Chu-Hou Village, Jen-Wu Country, Kaohsiung County, Taiwan, R.O.C.*

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

- o chart of accounts;

*Please see SC- Conf Exhibit-A-4.3 Chart of Accounts of SC.*

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

*Please refer to SC- Conf Exhibit A-3.11.1 Audited Financial Report of SC as of 2011 and 2010.*

- o internal financial statements, income statements (profit and loss reports), or management accounts, that are prepared and maintained in the normal course of business for the goods under investigation.

[REDACTED] *(explanatory outline on internal reporting )*

These documents should relate to:

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

[REDACTED] *(detail on process accounting and reporting system)*

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

*SC has audited financial report.*

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

*SC's accounting practices are consistent with the General Acceptable Accounting Principles ("GAAP") of Taiwan.*

5. Describe the significant accounting policies that govern your system of accounting, in particular:

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

*Inventory of raw materials and finished goods are valued on weighted average method. [REDACTED]. (detail on works in process)*

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

*SC accounts for its [REDACTED]. (detail on production cost accounting)*

*The annual consumption cost of [REDACTED] (raw material used) is allocated to total production quantity of all products based on the following standard yield rates:*

*Hot-rolled coil [REDACTED]*

*Cold-rolled coil [REDACTED]*

*Galvanized coil [REDACTED]*

*Hot-rolled steel plate [REDACTED]*

*The total direct labour and manufacture overhead occurring during the year are [REDACTED]*

*SC's accounting system is an integral part [REDACTED]  
[REDACTED] (details on product cost allocation and financial reporting system)*

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

*SC allocated all production cost to [REDACTED]. (details on product cost allocation)*

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

*Scrap is valued [REDACTED]*

*[REDACTED] (valuation method of scrap and detail on by products)*

- valuation and revaluation methods for fixed assets;

*Property, plant and equipment, except land, are stated at cost or cost plus revaluation increment less accumulated depreciation. Borrowing costs directly attributable to the acquisition or construction of property, plant and equipment are capitalized as part of the cost of those assets. Major additions, renewals and improvements are capitalized, while costs of maintenance and repairs are expensed currently.*

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

*SC adopts straight-line depreciation method. The useful life of building is ■ years. The useful life of equipment is ■ years. The useful life of the equipment to produce plate is ■ years.*

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

*The accounts of the Company are maintained in New Taiwan Dollars, the functional currency. Transactions denominated in foreign currencies are translated into New Taiwan Dollars at the exchange rates, published by the Taiwan Customs for every ■ days, prevailing at the invoice dates.*

*The exchange gain or loss is recorded as non-operating income or expense.*

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

*At the balance sheet date, foreign currency monetary assets and liabilities are revalued using prevailing exchange rates and the exchange differences are recognized in the profit or loss account.*

- inclusion of general expenses and/or interest;

*Material expenditures that benefit the Company in the futures are capitalized; otherwise recorded as current expense or loss.*

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

*SC did not have bad debts in the end of 2012.*

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

*This expense does not occur to SC.*

- costs of plant closure;

*SC did not close its facility.*

- restructuring costs;

*SC did not conduct any reconstruction.*

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

*Scrap is valued at the [REDACTED] (how scrap is valued)*

*[REDACTED] (detail on other by products etc)*

- effects of inflation on financial statement information.

*Inflation did not impact on financial statement.*

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

*SC's accounting methods did not change during the last three years.*

#### A-5 INCOME STATEMENT

Complete the spreadsheet entitled '**Income statement**' within the Exporter questionnaire – *Hot Rolled Plate Steel – Taiwan, Japan, Indonesia & Korea* – accompanying spreadsheet provided alongside this questionnaire.

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

Explain how costs have been allocated between all products and the GUC within these calculations.

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.

*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.*

*Report as instructed. Please refer to Conf Exhibit A-5 Income Statement.*

#### A-6 SALES

Complete the spreadsheet entitled '**Turnover**' within the *Hot Rolled Plate Steel Exporter Questionnaire – Taiwan, Japan, Indonesia & Korea* – accompanying spreadsheet provided alongside this questionnaire.



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

In completing the sheet, use the currency in which your accounts are kept. This information will be used to verify the cost allocations to the GUC 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.

*Reported as instructed. Please refer to Conf Exhibit A-6 Turnover.*

#### **A-7 PRODUCTION PROCESS AND CAPACITY**

1. In addition to manufacturing hot rolled plate steel, does your company manufacture any of the raw materials used in the production of the plate steel? (e.g. HRC or steel slab) Please list all raw materials manufactured by your company.
2. Describe the production process for the GUC. If there is more than one production process, describe each production process. Provide a flowchart of the process/es. 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.

*Please refer to SC Conf -Exhibit A-3.11.2 Catalogue which contains SC Production process for the flowchart of production process of SC.*

3. Complete the spreadsheet entitled '**Production**' within the *Hot Rolled Plate Steel Exporter Questionnaire – Taiwan, Japan, Indonesia & Korea* – accompanying spreadsheet provided alongside this questionnaire.'

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

*Reported as instructed. Please refer to Conf Exhibit A-7.3 Production.*

**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 Customs and Border Protection may also compare prices at another level (e.g. ex factory).*

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

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

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

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

*In addition, if you have reported that the date of sale is not the invoice date, you should provide information on the lead times for domestic and export sales (from order confirmation to fulfilment), lead-time differences in raw material purchasing and delivery and/or in the production rolling schedules, so far as those differ between export and domestic sales.*

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

- name;
- address;
- contact name and phone/fax number where known; and
- trade level (for example: distributor, wholesaler, retailer, end user, original equipment).

*Reported as instructed. Please see Conf Exhibit B-1 List of Australia 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.

*Having decided to accept an order from the customer, SC sends a sales confirmation to the customer. Following the sales confirmation, SC will proceed with production. As soon as the [REDACTED] is received from the customer, SC ships the merchandise to the customer, along with the commercial invoice and shipping documents.*

*Please see Attachment Conf Exhibit B-2.a for a chart setting out the terms of delivery and payment.*



*There was only one channel for export sales during the POI.*

- B-4** Complete the spreadsheet entitled ‘**Australian sales**’ within the *Hot Rolled Plate Steel Exporter Questionnaire – Taiwan, Japan, Indonesia & Korea* – accompanying spreadsheet provided alongside this questionnaire.

This spreadsheet is to list **all** shipments (*i.e. transaction by transaction*) to Australia **of the GUC** (do not include non-GUC items) in the investigation period.

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

The below table provides information as to what is meant by each column heading within the spreadsheet.

*Reported as instructed. Please see Conf Exhibit B-4 Australian sales.*

Column heading	Explanation
Customer name	names of your customers
Level of trade	the level of trade of your customers in Australia
Model/type	commercial model or type
Plate surface	Surface of the plate - patterns in relief Yes/No
Product code	code used in your records for the model/grade/type identified. Explain all product codes in your submission.
Thickness (mm)	Thickness measured in millimetres of the steel plate
Width (mm)	Width measured in millimetres of the steel plate
Length (mm)	Length of the steel plate
Trimmed edge or untrimmed edge	Identify if the edges of the steel plate are trimmed or untrimmed
Grade	Identify the grade of the steel plate, e.g. 250/350/450 MPa
Low temperate tested	Low temperature (Charpy) tested, and if so, tested to what temperature.
High temperature (tensile) tested	Indicate if the steel plate has undergone high temperature (tensile) testing.
Through thickness (tensile) tested	Indicate if the steel plate has undergone through thickness (tensile) testing.
Ultrasonic tested	Indicate if the steel plate has undergone ultrasonic testing and if yes to what quality level.
Prime or non-prime	Identify if the steel plate is prime product or non-prime
Standard	Identify the standard that the steel plate has been produced to (e.g. Australian Standard, Japanese Standard, British Standard)
Order number	Order number
Date of order confirmation	Date order is confirmed
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 <i>other than</i> the invoice date best establishes the material terms of sale, report that date. For example, order confirmation, contract, or purchase order date.
Shipping terms	Delivery terms e.g. CIF, C&F, FOB, DDP (in accordance with Incoterms)
Payment terms	agreed payment terms e.g. 60 days=60 etc
Quantity	Quantity in units shown on the invoice. Show basis e.g. kg.
Gross invoice value	gross invoice value shown on invoice <i>in the currency of sale, excluding taxes.</i>
Discounts	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	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 affects 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	the net invoice value expressed in your domestic currency as it is entered in your accounting system
Other discounts	The actual amount of discounts not deducted from the invoice. Show a separate column for each type of 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.
Commissions*	Commissions paid. If more than one type is paid insert additional columns of data. Indicate in your response to question B2 whether the commission is a pre or post exportation expense having regard to the date of sale.
Other factors*	<b>any other</b> costs, charges or expenses incurred in relation to the exports to Australia (include additional columns as required). See question B5.

## Notes

\*\* FOB export price and Ocean Freight:

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.

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

*SC was*

*(details on other expenses incurred on export transactions)*

- B-6** For each type of discount, rebate, or allowance offered on export sales to Australia:
- provide a description; and
  - explain the terms and conditions that must be met by the importer to obtain the discount.

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

*No discounts, rebates or allowances were offered by SC on export sales to Australia.*

- 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.

*No credit notes were issued by SC on export sales to Australia.*

- B-8** If the delivery terms make you responsible for arrival of the goods at an agreed point within Australia (e.g. 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 and Border Protection brokers, port and other costs incurred (itemise)

*No DDP sales transacted.*

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

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

Customs and Border Protection will select additional shipments for payment verification at the time of the visit.

*Reported as instructed. Please see Conf Exhibit B-9 for selected Australian sales documents.*

## PUBLIC RECORD VERSION

## SECTION C – EXPORTED GOODS &amp; 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.

*SC exported hot-rolled plate and hot-rolled sheets to Australia. The specification of the goods exported to Australia is listed in the following table:*

<i>Internal Code</i>	<i>Specification</i>	<i>Product Category</i>
█	█	<i>Plate and HRC</i>
█	█	<i>Plate and HRC</i>
█	█	<i>Plate and HRC</i>
█	█	<i>Plate and HRC</i>
█	█	<i>Plate and HRC</i>
█	█	<i>Plate and HRC</i>
█	█	<i>Plate and HRC</i>
█	█	<i>Plate and HRC</i>

*Please refer to Conf Attachment Exhibit A-3.11.2 for a product catalogue with specification in details.(details provided on Specifications and internal product ID)*

*Also, please refer to the two sample mill certificates provided with Conf Attachment Exhibit B-9.a and Conf Exhibit B-9.b.*

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

*The goods exported to Australia are clearly identified by the model numbers shown in the Australian sales spreadsheet set out in Attachment SC-Conf Exhibit B-4.*

*Please refer to Conf Attachment SC-Exhibit C-2 █ (product ID methodology)*

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

This should be done by completing the spreadsheet entitled ‘**Like goods**’ within the *Hot Rolled Plate Steel Exporter Questionnaire – Taiwan, Japan, Indonesia & Korea* – accompanying spreadsheet provided alongside this questionnaire, detailing as follows:



EXPORTED MODEL	DOMESTIC MODEL	IDENTICAL?	DIFFERENCES
Product code of each model of the goods exported to Australia	Product code of comparable model sold on the domestic market of the country of export	If goods are identical indicate "YES". Otherwise "NO"	Where the good exported to Australia is not identical to the like goods, describe the specification differences. If it is impractical to detail specification differences in this table refer to documents which outline differences

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

*Please refer to the two sample mill certificates provided with Attachment Conf Exhibit B-9.a and Conf Exhibit B-9.b.*

**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 of like goods to the GUC 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 Manager **before** completing the questionnaire.*

*If the Case Manager agrees that it is not possible to obtain a complete listing he or she will consider a method for sampling that meets Customs and Border Protection requirements. If agreement cannot be reached as to the appropriate method Customs and Border Protection may not visit your company.*

*Customs and Border Protection 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 Manager who will explain the information Customs and Border Protection requires for determining a normal value using alternative methods.*

*In addition, if you have reported that the date of sale is not the invoice date, you should provide information on the lead times for domestic and export sales (from order confirmation to fulfilment), lead-time differences in raw material purchasing and delivery and/or in the production rolling schedules, so far as those differ between export and domestic sales.*

**D-1 Provide:**

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

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

*In the domestic market, SC had [REDACTED] channels of distribution. On one hand, SC sold the goods to unrelated local [REDACTED]. On the other, SC sold the goods to [REDACTED] in domestic markets. (details on domestic customer type)*

*As to the sales made to domestic [REDACTED], no any other parties perform any functions or activities during the transaction. Furthermore, all the sales were made upon order and had no agreement or contracts.*

*As to the sales made to [REDACTED] received orders from domestic customers. Then passed the order to SC for the latter to arrange production. SC then sold the products and issued invoices to [REDACTED] which further [REDACTED] and issued invoices to domestic customers. [REDACTED] and SC did not have any agreement or contract regarding distribution (description of domestic customers level of trade)*

*Please refer to attachments of Conf Exhibit D-1.a for Chart of Distribution Channel (Domestic Market) and Conf Exhibit D-1.b for List 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.

*SC's prices [REDACTED] SC's prices are based on steel type, grade, specifications, volume and delivery schedule.(detail on pricing dynamics)*

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

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

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

*In the end of each month, SC set the basic price taking into account [REDACTED] [REDACTED] and issued to all customers.(detail on pricing affects)*

*SC also maintains a list of [REDACTED] The monthly basic price was added with a figure depending on thickness of the product (the thinner the more expensive) and other special product characteristics. The [REDACTED] were set by SC and remained unchanged during the POI.(detail on basis for pricing products)*

*Please see SC-Conf Exhibit D-3.a for Flowchart of Sales Process (Domestic Market) and Conf Exhibit D-3.b List of [REDACTED]. (details on pricing structure)*

*The customers would then place [REDACTED] with SC for the quantity as of the next month. During the month, the customers would issue order to SC for [REDACTED] [REDACTED]. Payment was made in the [REDACTED] day of the month next to the delivery month.*

*Selling price [REDACTED]  
(level of sale details)*

**D-4** Complete the spreadsheet entitled ‘**Domestic sales**’ within the *Hot Rolled Plate Steel Exporter Questionnaire – Taiwan, Japan, Indonesia & Korea* – accompanying spreadsheet provided alongside this questionnaire.

This spreadsheet is to list **all domestic sales of like goods** (i.e. transaction by transaction) in the investigation period (do not include non-GUC items).

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

The below table provides information as to what is meant by each column heading within the spreadsheet.

*Reported as instructed. Please see Conf Exhibit D-4 Domestic Sales.*

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
Model/type	commercial model or type
Plate surface	Surface of the plate - patterns in relief Yes/No
Product code	code used in your records for the model/grade/type identified. Explain the product codes in your submission.
Thickness (mm)	Thickness measured in millimetres of the steel plate
Width (mm)	Width measured in millimetres of the steel plate
Length (mm)	Length of the steel plate
Trimmed edge or untrimmed edge	Identify if the edges of the steel plate are trimmed or untrimmed
Grade	Identify the grade of the steel plate, e.g. 250/350/450 MPa
Low temperate tested	Low temperature (Charpy) tested, and if so, tested to what temperature.
High temperature (tensile) tested	Indicate if the steel plate has undergone high temperature (tensile) testing.
Through thickness (tensile) tested	Indicate if the steel plate has undergone through thickness (tensile) testing.
Ultrasonic tested	Indicate if the steel plate has undergone ultrasonic testing and if yes to what quality level.
Prime or non-prime	Identify if the steel plate is prime product or non-prime
Standard	Identify the standard that the steel plate has been produced to (e.g. Australian Standard, Japanese Standard, British Standard)
Order number	show order confirmation number
Date of order confirmation	Date order is confirmed
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 <i>other than</i> the invoice date best establishes the material terms of sale and should be used, report that date. For example, order confirmation, contract, or purchase order date.
Delivery terms	e.g. ex factory, free on truck, delivered into store
Payment terms	payment terms agreed with the customer e.g. 60 days=60 etc
Quantity	quantity in units shown on the invoice e.g. kg.
Gross Invoice value	gross value shown on invoice <i>in the currency of sale</i> , net of taxes.
Discounts	the amount of any discount deducted on the invoice on each transaction. If a % discount applies show that % discount applying in another column.
Rebates	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.
Net invoice value	the net invoice value expressed in your domestic currency as recorded in your accounting system
Other discounts	The actual amount of discounts not deducted from the invoice. Show a separate column for each type of 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 & Guarantee expenses*	warranty & guarantee expenses
Technical assistance & 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*	<b>any other</b> costs, charges or expenses incurred in relation to the domestic sales (include additional columns as required). See question D5.

### Notes

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

- 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.

*There were [REDACTED] of the sales listed and not reported in D-4.(details of other expenses included in sales)*

- 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.

*All discounts , rebates etc are identified.*

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.

*Details on credit notes provided.*

- 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

*Reported as instructed. Please refer to Conf Exhibit D-7 Selected Domestic Sales Documents.*

Customs and Border Protection will select additional sales for verification at the time of our visit.

**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 (i.e. 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. Customs and Border Protection 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 Customs and Border Protection 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. Customs and Border Protection 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.

*SC reported the actual inland transportation cost incurred with each export sales. Where one inland freight payment covers more than one sales listed in B-4, the inland freight is allocated based on sales quantity. Please refer to Conf Exhibit E-1.1.a for Inland-Freight Schedule and Conf Exhibit E-1.1.b List of Export Expenses and General Ledger Accounts.*

## 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.

*SC listed the following export ancillary expenses in B-4. All the expenses are reported on actual basis. Where one payment of expense cover more than onetransaction the expense is allocated based on sales quantity. Please note that there*

*[REDACTED] (details of specific types of shipments)*

*(a) Brokerage: The brokerage expenses are reported on an actual basis. The charge normally include*

*[REDACTED] (details of specific charges)*

*(b) Harbour service fee (charged by government)*

*The harbour service fee is reported on an actual basis. The harbour service fee rate was*

*[REDACTED] (details of specific charges)*

*(c) THC & CFS charge: Cost including*

*[REDACTED] (details of specific charges)*



*(d) Storage Fee:* [REDACTED]

[REDACTED] *(details of specific charges)*

*(e) Trade promotion fee (charged by government)*

*The trade promotion fee was reported on an actual basis, allocated to each product type included in the same shipment by quantity.*

*(f) Bank charge*

*SC has reported the bank charge for each draft on an actual basis based.*

*Please refer to worksheet for exporting expenses calculation in Conf Exhibit E-1.2.a and Conf Exhibit E-1.2.b.*

### 3. Credit

The cost of extending credit on export sales is not included in the amounts quantified at question B4. However, Customs and Border Protection 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 e.g., 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.

*All the sales made to Australia* [REDACTED]

[REDACTED] *(details on terms of sales for Australian sales)*

### 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**'.

*There are different packing methods between domestic and export sales to Australia.*

[REDACTED] *(details on packing differentials)*

**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.

[REDACTED] *(details on any commissions paid)*

**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.

*SC did not grant warranties, guarantees or provide any after sales services with respect to the sales to Australia.*

**7. Other factors**

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

[REDACTED] *(detail on claims for other factors)*

**8. Currency conversions**

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

[REDACTED] *(response on currency factor)*

**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.

*All the differences in physical characteristics are reflected in the Conf Exhibit B-4. [REDACTED] (details on product differentials)*

**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.

*Export to Australia is not subject any tax exemption or drawback. [REDACTED] (detail on basis for any claim)*

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

In substantiating the drawback claim the following information is required:

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

#### Substitution drawback systems

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

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

### **3. Level of trade**

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

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

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

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

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.

 *(detail on level of trade differentials and basis for any adjustment)*

#### 4. Credit

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

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

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

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

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

Where there is no fixed credit period agreed at the time of sale the period of credit is determined on the facts available. For example, where payment is made using an open account system,<sup>1</sup> 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.

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<sup>1</sup> 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.

*Credit terms have been identified in SC's domestic sales spread sheet. Please note that for those sales with the payment term of " [REDACTED] the payment period used for credit cost calculation is regarded as [REDACTED] days [REDACTED] ) because the actual credit period, calculated from the invoice date to the actual payment date would be longer than the [REDACTED] days period, which is counted from the last date of the selling month. Because the actual invoice date in the selling month could be any day during the selling month, and for most customers multiple invoices were issued in that selling month, we believe that it should take the average figure, [REDACTED] days, to calculate the in-month credit period. Together with the after-month [REDACTED] days, the actual credit period would amount to [REDACTED] days.(rationale for credit terms adjustment)*

*Credit Cost = the average short-term borrowings interest rates × credit period × invoice value ÷ 365 days*

*Please see Exhibit E-2.4 for the applicable monthly interest rate on NTD short-term borrowing.*

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.

*Inland freight has been reported on an actual basis and allocated by quantity for the goods shipped in the same shipment.*

*Please see Conf Exhibit E-1.1.a Inland Freight Schedule.*

#### 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.

*SC was not incurred with other selling expenses with respect to the domestic sales.*

#### 7. **Packing**

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

*[REDACTED] sold in domestic market were not packed and had no packing costs.*

**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.

*SC pays [REDACTED]. (details on payment of 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.

*[REDACTED] (response provided on warranties etc)*

**10. Other factors**

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

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

*[REDACTED] (detail on other factor adjustments)*

**E-3 DUPLICATION**

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

For example:

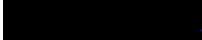
- adjustments for level of trade, quantity or other discounts may overlap, or



- 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.

. *No duplication is evident.*

**SECTION F - EXPORT SALES TO COUNTRIES OTHER THAN AUSTRALIA**

*Your response to this part of the questionnaire may be used by Customs and Border Protection 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. Customs and Border Protection may seek more detailed information on particular third country sales where such sales are likely to be used as the basis for determining normal value.*

**F-1** Complete the spreadsheet entitled ‘**Third country sales**’ within the *Hot Rolled Plate Steel Exporter Questionnaire – Taiwan, Japan, Indonesia & Korea* – accompanying spreadsheet provided alongside this questionnaire.

This spreadsheet is to list **all export sales of like goods** (i.e. transaction by transaction) to countries other than Australia in the investigation period (do not include non-GUC items).

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

The below table provides information as to what is meant by each column heading within the spreadsheet.

*Reported as instructed. Please see Conf Exhibit F-1.a for Third country and Conf Exhibit F-1.b for List of Third Country Customers.*

<b>Column heading</b>	<b>Explanation</b>
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.
Model/grade/type	Commercial model/grade or type
Thickness (mm)	Thickness measured in millimetres of the steel plate
Width (mm)	Width measured in millimetres of the steel plate
Length (mm)	Length of the steel plate
Trimmed edge or untrimmed edge	Identify if the edges of the steel plate are trimmed or untrimmed
Grade	Identify the grade of the steel plate, e.g. 250/350/450 MPA
Prime or non-prime	Identify if the steel plate is prime product or non-prime
Standard	Identify the standard that the steel plate has been produced to (e.g. Australian Standard, Japanese Standard, British Standard)
Quantity	Indicate quantity, in units, exported to the third country over the investigation period.
Unit of quantity	Show unit of quantity e.g. kg

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 e.g. 60 days=60 etc
Shipment terms	Typical shipment terms to customers in the third country e.g. CIF, FOB, ex-factory, DDP etc.

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

**[REDACTED]** *there are no differences between SC's sales to Australia and to other third countries.(detail on any differences on export sales)*

**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 GUC - i.e. 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 (GUC) 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 (e.g. 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-2. COST ACCOUNTING PRACTICES**

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

 (outline on management cost reporting etc)

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 (i.e. differences between standard and actual production costs) have been allocated to the goods - and describe how those variances have been allocated.

*SC does not adopt standard cost system.*

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

*There are no such cost variances occurring during the POI.*

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

[REDACTED]

*(detail on cost accounting and profit centers)*

4. For each profit/cost centre describe in detail the methods that your company normally uses to allocate costs to the GUC. 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.

*SC does not set up any profit or cost centres. This question is not applicable.*

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

*SC collected production cost*

[REDACTED]

*(detail on production cost centers)*

*Hot-rolled coil/sheet*

*Cold-rolled coil*

*Galvanized coil*

*Hot-rolled plate*

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

*All production costs are valued in the same methods for cost accounting purposes and for financial accounting purposes.*

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

*SC did not engage in any start-up operation in relation to the goods.*

8. 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.

*SC did not engage in any start-up operation in relation to the goods.*

**G-3 COST TO MAKE AND SELL ON DOMESTIC MARKET**

*This information is relevant to testing whether domestic sales are in the ordinary course of trade.<sup>2</sup>*

1. Complete the spreadsheet entitled '**Domestic CTMS**' within the *Hot Rolled Plate Steel Exporter Questionnaire – Taiwan, Japan, Indonesia & Korea* – accompanying spreadsheet provided alongside this questionnaire.

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

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

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

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

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

Please specify unit of currency.

*Please refer to Conf Exhibit G-3 Domestic CTMS. Please also refer to the answer to G-7 below for detail of calculation methods.*

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

Complete the spreadsheet entitled '**Australian CTMS**' within the *Hot Rolled Plate Steel Exporter Questionnaire – Taiwan, Japan, Indonesia & Korea* – accompanying spreadsheet provided alongside this questionnaire.

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

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

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

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

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

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

Please specify unit of currency.

*Please refer to Conf Exhibit G-4 Australian CTMS. Please also refer to the answer to G-7 below for detail of calculation methods.*

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

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

*The product sold in domestic market and sold to Australia [REDACTED]  
[REDACTED] (product differentials)*

*The costs to sell are allocated based on turnover.*

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

*There are no significant differences between the cost show and the cost on SC's general accounting system.*

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

*SC reports quarterly unit cost of each product type in Conf Exhibits G-3 and G-4 pursuant to the layout of spreadsheet. [REDACTED]*

*[REDACTED] (detail on cost to make and sell methodology)*

*In its ordinary cost accounting practice, [REDACTED] In order to report the distinctive costs of different steel grades ( [REDACTED] basis, SC breaks out the aggregate raw material cost of the product group in that quarter into [REDACTED] by reference to their respective slab cost and their respective production quantity in that quarter. For the [REDACTED], there was no purchase of [REDACTED], so SC takes the purchase price of the most recent purchase in [REDACTED] as the [REDACTED] of breaking out the total raw material cost of [REDACTED].(specifics on raw material purchases used in production of GUC)*

*For direct labor and factory overhead costs, SC takes the aggregate labor and overhead cost of the relevant product group in the same quarter and allocates them by volume to each type.*

*In respect of [REDACTED] product group, it is comprised in the [REDACTED] product group in SC's ordinary cost accounting records. For the purpose of this response, SC first takes the aggregate [REDACTED] cost per quarter and segregate the [REDACTED] cost by the relative volume ratio. Then, SC takes the aggregate raw material cost of [REDACTED] and allocates it to [REDACTED] and [REDACTED] types by the same method as described above for [REDACTED] production group. The labor and overhead costs per each type are calculated by allocation of the aggregate [REDACTED] labor and overhead costs based on production volume.(product category described in above outline)*

*The SGA expenses per type are calculated by taking the aggregate amounts in Conf Exhibit A-5 and allocated to each type by turnover.*

**G-8** 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; and
- show the basis of valuing the major raw materials in the costs of production you have shown for the goods (e.g. market prices, transfer prices, or actual cost of production).

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

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



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

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

*The only primary raw material is [REDACTED] (raw material input)*

*All the [REDACTED] were supplied by various foreign, unaffiliated suppliers. Please see Conf Exhibit G-9 for the supplier list.(raw material purchase)*

*SC recorded the actual purchase value of [REDACTED] as the raw material cost.(raw material purchase)*

**G-9** Complete the attached spreadsheet entitled ‘**Raw Material Purchases**’ within the *Hot Rolled Plate Steel Exporter Questionnaire – Taiwan, Japan, Indonesia & Korea* – accompanying spreadsheet provided alongside this questionnaire (i.e. transaction by transaction) for all purchases of hot rolled coil, steel slab, coking coal and coke. Provide the completed spreadsheet in electronic format with your response.

(NB if your company is purchasing more than one material type (HRC, steel slab, coking coal and coke), please provide your responses in separate spreadsheets).

*Please see Conf Exhibit G-9 for SC’s Raw Material Purchases spread sheet.*

**PUBLIC RECORD VERSION****SECTION H – EXPORTER/PRODUCER'S DECLARATION**

I hereby declare that SHANG CHEN STEEL CO.,LTD did, during the investigation period export the GUC and have completed the attached questionnaire and, having made due inquiry, certify that the information contained in this submission is complete and correct to the best of my knowledge and belief.

or

I hereby declare that.....(company) did, during the investigation period, produce the GUC which were exported to Australia by another company and have completed the attached questionnaire and, having made due inquiry, certify that the information contained in this submission is complete and correct to the best of my knowledge and belief.

Name : CHENG-YEN YU

Signature:

Position in  
Company : PRESIDENT



Date : 2<sup>ND</sup> APRIL 2013

**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
<b>Section A – general information</b>	√
<b>Section B – export price</b>	√
<b>Section C – like goods</b>	√
<b>Section D – domestic price</b>	√
<b>Section E – fair comparison</b>	√
<b>Section F – exports to third countries</b>	√
<b>Section G – costing information</b>	√
<b>Section H - declaration</b>	√

Electronic Data	Please tick if you have provided spreadsheet
<b>HRC &amp; STEEL SLAB PURCHASES</b> – purchase cost of Hot Rolled Coil and Steel Slab during the investigation period	√
<b>RAW MATERIAL PURCHASES</b> – purchase cost of raw materials during the investigation period	√
<b>INCOME STATEMENT</b>	√
<b>TURNOVER</b> – sales summary	√
<b>AUSTRALIAN SALES</b> – list of sales to Australia	√
<b>DOMESTIC SALES</b> – list of all domestic sales of like goods	√
<b>THIRD COUNTRY</b> – third country sales	√
<b>PRODUCTION</b> – production figures	√
<b>DOMESTIC COST TO MAKE &amp; SELL</b> – costs of goods sold domestically	√
<b>AUSTRALIAN COST TO MAKE &amp; SELL</b> – costs of goods sold to Australia	√