



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

**INVESTIGATIONS INTO THE ALLEGED DUMPING OF
HOT ROLLED PLATE STEEL**

**EXPORTED FROM THE PEOPLE'S REPUBLIC OF
CHINA (CHINA), THE REPUBLIC OF INDONESIA
(INDONESIA), JAPAN, THE REPUBLIC OF KOREA
(KOREA) AND TAIWAN**

AND

**ALLEGED SUBSIDISATION OF HOT ROLLED PLATE
STEEL EXPORTED FROM CHINA**

IMPORTER VISIT REPORT

ONESTEEL TRADING PTY LTD

**THIS REPORT AND THE VIEWS OR RECOMMENDATIONS CONTAINED
THEREIN WILL BE REVIEWED BY THE CASE MANAGEMENT TEAM AND
MAY NOT REFLECT THE FINAL POSITION OF CUSTOMS AND BORDER
PROTECTION**

May 2013

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2. BACKGROUND

2.1 Background to the investigation

On 21 December 2012, BlueScope Steel Limited (the applicant) on behalf of the Australian industry manufacturing Hot Rolled Plate Steel (plate steel), lodged an application requesting that the Minister for Home Affairs (the Minister) publish a dumping duty notice in respect of Hot Rolled Plate Steel (plate steel) exported to Australia from the People's Republic of China (China), the Republic of Indonesia (Indonesia), Japan, the Republic of Korea (Korea) and Taiwan and a countervailing duty notice in respect of plate steel exported to Australia from China.

The application alleges that plate steel has been exported to Australia from China, Indonesia, Japan, Korea and Taiwan at prices lower than its normal value, that plate steel exported to Australia from China has received countervailable subsidies, and that this dumping and subsidisation has caused material injury to the Australian industry producing plate steel.

Following consideration of the application, the Australian Customs and Border Protection Service (Customs and Border Protection) decided not to reject the application. Public notification of initiation of the investigation was made in *The Australian* newspaper on 12 February 2013.

Australian Customs Dumping Notice (ACDN) No. 2013/18 and ACDN No. 2013/20 provide further details of this investigation and are available at www.customs.gov.au.

The investigation period is 1 January 2012 to 31 December 2012. Customs and Border Protection will examine exports to Australia of the goods during that period to determine whether dumping has occurred. Customs and Border Protection will examine details of the Australian market from 1 January 2008 for injury analysis.

Prior to initiation of the investigation, OneSteel Trading Pty Ltd (OneSteel) was identified as a potential large importer of plate steel from China, Indonesia, Japan and Taiwan in the investigation period in Customs and Border Protection's commercial database. Consequently, OneSteel was invited to participate in the investigation, and was provided with an Importer Questionnaire to complete.

Prior to the meeting OneSteel was provided with a list of its imports of plate steel during the investigation period, extracted from Customs and Border Protection's import database, with a sample of consignments selected to undergo further verification to source documentation.

OneSteel completed the importer questionnaire, providing details regarding the company, overseas supplier information, imports and importation and selling expenses. A copy of Part A (company and supplier details) of OneSteel importer questionnaire response is at **Confidential Attachment GEN 1**. In its questionnaire response OneSteel provided copies of all relevant

documentation relating to the transactions that had been selected by Customs and Border Protection for detailed verification.

2.2 Purpose of meeting

The purpose of this visit was to:

- confirm that OneSteel is the importer of plate steel attributed to it within the commercial database and obtain information to assist in establishing the identity of the exporter(s) of this plate steel;
- verify information on imports of plate steel to assist in the determination of export prices;
- establish whether the purchases of plate steel by OneSteel was in arms length transactions;
- establish post-exportation costs incurred by OneSteel in importing plate steel;
- identify OneSteel's sales and customers and verify selling prices and selling costs;
- recommend how export price for importations of plate steel by OneSteel may be determined under s. 269TAB of the Customs Act 1901 (the Act)¹; and
- provide the company with an opportunity to discuss any issues it believed relevant to the investigation.

2.3 Meeting

At the meeting we provided a summary of the investigation process and timeframes as follows:

- The investigation period is 1 January 2012 to 31 December 2012.
- The injury analysis period is from 1 January 2008 for the purpose of analysing the condition of the Australian industry.
- A preliminary affirmative determination (PAD) may be made no earlier than day 60 of the investigation (15 April 2013) and provisional measures may be imposed at the time of the PAD or at any time after the PAD has been made.
Customs and Border Protection will not make a PAD until (and if) it becomes satisfied that there appears to be, or that it appears there will be, sufficient grounds for the publication of a dumping duty notice and/or a countervailing duty notice.
- The Statement of Essential Facts (SEF) for the investigation is due to be placed on the public record by 3 June 2013, or such later date as the Minister allows under s.269ZHI of the Act. The SEF will set out the material findings of fact on which Customs and Border Protection intends to base its recommendations to the Minister, and will invite interested parties to respond, within 20 days, to the issues raised therein.
- Following receipt and consideration of submissions made in response to the SEF, Customs and Border Protection will provide its final report and recommendations to the Minister. This final report is due no later

¹ All references to legislative provisions within this report refer to the Act, unless specified otherwise.

than 17 July 2013, unless an extension to the SEF is approved by the Minister.

- The Minister will have 30 days from the date of receipt of the final report to make a final decision.
- Certain interested parties have the right to seek a review to the Trade Measures Review Officer in relation to the Minister's decision.

OneSteel has been recently visited by Customs and Border Protection for investigations into the alleged dumping of hot rolled coil (HRC) (Investigation No. 188) and investigations into the alleged dumping and subsidisation of aluminium zinc coated steel and zinc coated steel. Therefore, OneSteel is familiar with the anti-dumping investigation process.

2.4 Visit report

We advised OneSteel that:

- We would prepare a '*For Official Use Only*²' report on the verification visit;
- OneSteel would be given an opportunity to review the visit report for accuracy; and
- a public record version of this visit report would then be prepared in consultation with OneSteel and placed on the Public Record for the investigation.

2.5 Meeting details

Details of the visit were as follows:

Company:	OneSteel Trading Pty Ltd
Address:	Level 8, 205 Pacific Highway, St Leonards, NSW
Telephone no:	02 8424-9880
Visit date:	Wednesday 3 April 2013
Present at the visit	
OneSteel	Matt Condon – Manager Trade Measures [REDACTED]
Customs and Border Protection	Mick Kenna, Manager, Operations 3 Michelle Gibson, Manager, Operations 3 Tim Flor, Supervisor, Operations 3

Prior to the meeting Customs and Border Protection forwarded an agenda to OneSteel. A copy of the visit agenda is at **Confidential Attachment GEN 2**.

² Which replaces the previously used security classification of "*Confidential*".

3. THE GOODS

3.1 Description

The goods the subject of the application (the goods) 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 600 millimetres (mm), 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 the investigation are:

- *250 mega Pascal (MPa) yield strength grades of plate steel with a thickness greater than 150mm;*
- *350 MPa yield strength grades of plate steel with a thickness greater than 100mm;*
- *Q & T Green Feed grades of plate steel with a thickness greater than*
- *105mm; and*
- *heat treated Q & T grades of plate steel.*

3.2 Tariff classification

The goods are classified to the following tariff subheadings in Schedule 3 to the Customs Tariff Act 1995:

- 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, 7208.51.00 and 7208.52.00 the general rate of duty is 5 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 the general rate of duty for goods imported from Japan, Korea and Taiwan is 5 per cent and 4 per cent for imports from China and Indonesia.

3.3 The Goods and Like Goods

OneSteel imports plate steel manufactured to the same Australian Standard BlueScope manufactures its plate steel to. OneSteel import plate steel in some sizes that BlueScope offer and in some sizes that they do not.

[OneSteel imports]

OneSteel further commented that BlueScope has limited supply of plate steel of 5-8mm and 100-200mm thickness and that BlueScope's minimum order quantity (MOQ) is quite high for some of these sizes whereas exporters generally have far lower MOQs.

We asked OneSteel if customers differentiate between plate steel manufactured from hot rolled coil (coil plate) and plate steel made from slab (pattern plate). OneSteel commented that most of the time pattern plate was distinguished from coil plate by different sizes and product names (OneSteel use the term 'standard plate' to describe plate made from slab). OneSteel further clarified that even when standard plate and coil plate are available in the same size, width and thickness range, customers differentiate between coil plate versus standard plate due to end use requirements. Generally a customer requests coil plate due to the properties it has over standard plate, namely being available in thinner sizes.

OneSteel commented that coil plate is generally more expensive for it to purchase

[confidential selling arrangements]

3.4 Price difference between imported and Australian manufactured plate

We asked OneSteel whether there was a difference in the price of imported plate versus plate manufactured by BlueScope. It was explained to us that there was a price differential

[confidential information on price differentials]

OneSteel continued that the price of 'extras' (incurred for thicknesses/widths outside a set range and certain testing properties) are generally

[confidential information on pricing of extras]

OneSteel purchases approximately % of its plate product from BlueScope, a portion of which BlueScope charges a premium above import offers (anywhere from above).

[redacted] [confidential pricing arrangements]

[redacted]
[confidential pricing arrangements]

3.5 Quality

Some of OneSteel's customers have a preference for the origin of the plate steel they are purchasing - either manufactured by BlueScope or imported.

[redacted]
[customer preferences]

OneSteel explained that some customers only like to use plate steel manufactured by BlueScope because they have used imported plate steel in the past and the quality was poor. It was also stated that the [redacted]

[redacted] [customer preferences]

Importers are now evaluating suppliers rather than importing product sight unseen. OneSteel also states that the overall quality of imported plate steel has [redacted] and that there was a shift in the market away from the early days when goods were imported solely on price. OneSteel and the bigger of its domestic competitors do not import poor quality plate steel.

3.6 OneSteel comments

OneSteel advised that they import plate steel primarily to ensure security of supply. It was explained to us that in the past 24 months BlueScope on average were able to deliver approximately [redacted]% of plate product to OneSteel on time [redacted] [lead time for deliveries] but that in the last 6-12 months this figure was approximately [redacted]%. This means that [redacted]% of the time BlueScope don't deliver stock within OneSteel's required time range meaning OneSteel is unable to meet the requirements of its customers. OneSteel commented that not meeting customer requirements was not an option, if its availability drops below [redacted]% there is a flow on effect to customers.

[Redacted]

[OneSteel's observations on market dynamics]

4. COMPANY DETAILS

4.1 Company background

OneSteel is a separately registered entity under the corporate umbrella of Arrium Limited. Arrium Limited is a publicly listed company, registered in Australia that was spun out from BHP Billiton in 2000. Arrium was formerly named OneSteel Limited. OneSteel Limited changed its name to Arrium with effect from 2 July 2012.

The OneSteel representatives present at the meeting provided a short presentation regarding the corporate structure of Arrium Limited and the relevant position of OneSteel branded business within this structure.

In summary, we note that Arrium comprises 3 major divisions:

- Arrium Mining;
- Arrium Mining Consumables; and
- OneSteel Steel and Recycling.

OneSteel operates under the OneSteel Steel and Recycling division. We note that, despite the change in name of the parent corporate entity, 'OneSteel' is still the commercially used, and recognised, trading name associated with the various operations that fall within the Steel and Recycling division and specifically in relation to those operations that relate to the Goods Under Consideration (GUC).

We understand that OneSteel Steel and Recycling division comprises three internal subdivisions, each of which in turn comprises a number of specific, separately registered and operated business entities. The subdivisions are:

- OneSteel Distribution;
- OneSteel Manufacturing; and
- OneSteel Recycling.

We clarified that each division (and composite business entities within that fall under each limb) are delineated by the commercial services that the entities within each perform.

OneSteel Distribution (of which OneSteel Trading Ltd is a part) is responsible, inter alia, for the distribution of steel and related products. The portfolio of businesses under the division use separate selling, distribution and supply chains to deliver products and services to Australian customers. This division comprises a number of distinct businesses.

4.2 Functions of OneSteel Trading

4.2.1 Corporate structure

OneSteel Trading Pty Ltd is the holding company for the wider group of distribution businesses including those trading as OneSteel Steel and Tube, and Metaland (now branded as OneSteel Metalcentre) which are involved in the dumping investigation.

At the visit OneSteel Trading provided a copy of its company structure which is included as **confidential attachment GEN 3**.

4.2.2 Commercial operations

OneSteel described itself as an importer and distributor of a range of steel products including Hot Rolled plate steel as well as steel piping products. OneSteel represents itself as one of Australia's largest distributors of flat rolled products.

OneSteel submitted that it distributes steel products to a number of key market segments in Australia including:

- Residential and non residential construction;
- Manufacturing;
- Transport & Distribution;
- Engineering and Civil Construction;
- Mining; and
- Oil & Gas.

OneSteel has over [REDACTED] employees, within its distribution business.

We clarified that OneSteel is responsible for the procurement, and associated supply chain management, of steel products from domestic and overseas suppliers. Specifically, in relation to the GUC, we understand that OneSteel sources plate steel from domestic and overseas suppliers.

OneSteel administers a large distribution network via Metaland. OneSteel Metalcentre is owned by OneSteel and acts as a regional distributor of OneSteel's products to smaller regional based customers.

4.2.3 Products

OneSteel estimated that the GUC account for approximately [REDACTED]% of the total turnover for the OneSteel Metalcentre business.

[REDACTED] [supply arrangements]

OneSteel explained that the proportion of locally sourced product relative to the quantity of imported product will vary slightly depending on the competitive offers available from each respective supply source at the relevant time.

4.2.4 Accounting

OneSteel explained that it uses SAP system for all purchasing, maintenance, accounts payable, the fixed assets register, and inventory valuation. OneSteel has a financial year of 1 July to 30 June.

4.2.5 Relationship with suppliers

In calendar year 2012 OneSteel imported plate steel from [REDACTED] [REDACTED]. [supplier] OneSteel claim that it is not related or affiliated in any way with [REDACTED]. [supplier] We discovered no evidence that would contradict this representation.

4.2.6 Relationships with customers

OneSteel stated that it sells to end users as well as resellers. It was explained to us that most of OneSteel's customers fabricate or further work the plate steel and either transform it into something they sell or use as a component in further production. Some customers use the plate steel to make intermediate components that are sold to other manufacturers as components.

OneSteel advised that it does not have any association or affiliation with its Australian customers, beyond ongoing commercial relationships for the supply of the GUC. The exception to this statement would be small quantities that OneSteel may [REDACTED] for use in maintenance applications. [confidential arrangements]

5. AUSTRALIAN MARKET AND SALES

5.1 General

It was explained to us that there are not many uses for plain plate steel without it undergoing further working such as bevelling, cutting or drilling. It advised that plate steel is sold into all segments of the market with one of the bigger segments being the manufacturing sector.

OneSteel described how recent years have seen an increase in importations of finished goods either pre-fabricated, partially finished or totally finished. It stated that this was quite unique for plate steel as compared to other steel products. Importations of pre-fabricated goods are particularly widespread in

[redacted] *[market intelligence]*

OneSteel's customers remind it that they have to compete with imports of finished products when negotiating prices. The visibility of prices of plate steel and finished goods has greatly increased in the past few years

[redacted] *[activities of OneSteel's customers]*

It was described to us how imports of final quench and tempered (Q&T) plate steel has increased in recent years. OneSteel purchase % of its final Q&T plate steel from

[redacted] *[confidential supply arrangements]* OneSteel

commented that if dumping duties are placed on Q&T green feed but not final Q&T plate steel, ability to competitively manufacture Q&T plate steel would be considerably impacted.

OneSteel commented that the Australian market for plate steel had increased in the past four years since the GFC but is currently down on the pre GFC period. It is of the opinion that the market in FY2012 had since FY2011 but that FY2013 had. It explained that work that had been occurring in the past few years had hidden what was happening in

[redacted] *[market intelligence]*

It was explained to us that pre GFC, leading up to 2008 BlueScope was unable to meet demand in the market with almost all customers placed on allocations by BlueScope. Customers held stock because they were not certain on when they could get their next delivery. Now customers expect distributors to have a large stock of supply on the ground and available for delivery at a days' notice. Prior to the GFC, customers would order stock which would be delivered with a week's delivery timeframe. With customers now expecting delivery by distributors in, OneSteel said that they need

to hold stock of plate steel. Customers are also keen to have distributors hold stock as they save on the cost of holding the stock.

OneSteel explained that its customers prefer to purchase all their requirements for a specific job from the one supplier [REDACTED]. [pricing arrangements] It believes that the number one customer requirement is [REDACTED] [customer requirements]

5.2 OneSteel's sales

5.2.1 Ordering and sales process

OneSteel advised that its usual ordering and sales process for the goods is as follows:

- OneSteel updates its price list to its Australian customers regularly;
- OneSteel contacts or is contacted by its Australian customers to discuss availability, timing of supply and price;
- Irregular orders outside the offered list are provided with a quote; Prices for specific quotes are usually valid for [REDACTED];
- Once supply and price is negotiated the customer issues a purchase order;
- OneSteel's Australian customers pay OneSteel according to agreed payment terms. These payment terms [REDACTED] in which the goods were invoiced.

OneSteel advised that it usually sells plate steel manufactured by [REDACTED]. OneSteel has contracts in place with its larger customers but also emphasised that sometimes its customers [REDACTED] [confidential price structures]

5.2.2 Payment terms

OneSteel's payment terms are [REDACTED] days. It was stated that on average this tracks [REDACTED] days and that customers purchase from several distributors [REDACTED] [payment terms] OneSteel [REDACTED], but they are seeing more stress in the market, particularly in the past 6-12 months. There has been a number of big fabricators fall over in the past few years [REDACTED] [confidential market observations]

5.2.3 Forward orders

OneSteel's Importer Questionnaire response indicated that there [REDACTED] of relevant forward orders.

5.2.4 Sales verification

OneSteel did not provide a full list of its sales of the GUC during the investigation period. It explained that the sales listing did [REDACTED]

between sales of imported versus locally produced plate steel. It also explained that extracting the sales listing from the company's database would [REDACTED] *[confidential information on OneSteel database]*

At the verification visit we asked OneSteel to show us how the revenue figures supplied in Part B of its completed importer questionnaire spreadsheet were derived. We were shown OneSteel's detailed sales listing for the IP. Each shipment in Part B of the questionnaire response was sent to a separate OneSteel store location from where the product was sold and delivered to customers.

We selected the month of July 2012 and the location [REDACTED] for detailed verification. We watched OneSteel navigate in its detailed sales listing to sales from the [REDACTED] location made in July 2012 (**Confidential Attachment DOM 1**). We sited the volume of plate steel sold and the total revenue for this month (**Confidential Attachment DOM 2**) and were satisfied with the approach OneSteel had taken in calculating a per tonne sales revenue figure.

5.2.5 Profitability of sales

Using the revenue figures for each shipment provided by OneSteel, we calculated the total profitability of the 11 selected shipments. Each shipment was profitable with an average profit of [REDACTED]%. However OneSteel did note that the revenue figures did include some processing costs (such as drilling etc.) which were not possible to remove and that therefore the average profit figures were [REDACTED]

6. IMPORTS

6.1 Introduction

OneSteel advised that they import across the whole range of plate steel (with the exclusion of [REDACTED]). Most imports are [REDACTED] MPA with a smaller amount of [REDACTED] MPA and across the whole range of widths, thicknesses and lengths.

6.2 Volume of trade

Customs and Border Protection's commercial database download shows that OneSteel imported [REDACTED] metric tonnes of plate steel during the investigation period from mostly all from [REDACTED] [REDACTED] [supplier]

6.3 Ordering process

OneSteel advised us that [REDACTED] has a standard price list that shows a base price for [REDACTED] MPA plate steel and additional prices for thicknesses outside an [REDACTED] range and for plate manufactured to [REDACTED] MPA [REDACTED]. OneSteel provided us with a sample price list from [REDACTED] from December 2012 for January 2013 delivery (**confidential attachment IMP1**).

A few weeks before they place an order, OneSteel ring [REDACTED] and discuss what prices in the world market are doing in comparison to what other plate steel prices are doing [REDACTED]

[REDACTED]
[market intelligence monitoring]

OneSteel advised that the elapsed time from placement of order to shipment of said order is usually [REDACTED] months and that the goods are generally on the water for [REDACTED] before arriving in Australia. OneSteel stated that they do not receive [REDACTED] for the purchase of plate steel. All shipments were sold on [REDACTED] terms with payment L/C [REDACTED] days.

6.4 Verification of imports

Customs and Border Protection forwarded OneSteel a download from its commercial database identifying importations of plate steel made by OneSteel during the investigation period (having regard to their customs valuation date).

Within this listing we selected 12 shipments and asked OneSteel to provide Customs and Border Protection the following source documents:

- commercial invoices;
- packing lists;

- certificate of origin;
- bills of lading;
- Customs broker and domestic freight invoices.

The source documents are at **confidential attachment IMP 2**.

OneSteel advised that shipment 1 had been incorrectly classified and was not the goods. It provided the commercial invoice, packing list, certificate of origin and bill of lading showing that this shipment was hot rolled steel sheet in coils.

For each shipment we used the source documents provided to check the listed quantity, invoice value, ocean freight, customs duty, importation costs in the cost to import spread sheet provided with the importer questionnaire response. We noted that the exchange rate used by OneSteel in its Part B response varied slightly to the exchange rate used by Customs and Border Protection in our import database. OneSteel advised that the exchange rate it had input into the Part B questionnaire response was [REDACTED]. [use of exchange rate]

OneSteel advised that some of the costs in Part B of its importer questionnaire response were standard costs whilst others were actual costs. It identified which costs were standard and which were actual by colour coding the cells in Part B. Due to the use of standard costs and the different exchange rate used (discussed above) there were some minor discrepancies between amounts for shipping between the source documentation, Part B and Customs and Border Protection's import database. OneSteel provided us with a printout of the spreadsheet from which it derives its standard freight, local delivery and wharf storage costs, at **confidential attachment IMP3**. OneSteel advised that the costs in this spreadsheet were provided to it by OneSteel International Trade Group who organise movement of the products from the wharf to the OneSteel locations.

Following the visit we verified all twelve sets of documents for proof of payment of the shipment and post exportation costs to source documents at confidential attachment IMP2. We were able to reconcile the shipment number, quantity, value, supplier and delivery terms for the selected shipments with the data in the import list from Customs commercial database and to the cost to import and sales worksheet.

6.4.1 Importation costs

We calculated the average post [REDACTED] expenses for the selected shipments which are summarised in the following table (expressed in Australian dollars per tonne).

Item	Average cost AU\$/T
Ocean freight	[REDACTED]
Australian importation costs	[REDACTED]
Selling, general and administrative expenses	[REDACTED]
Interest cost on [REDACTED]	[REDACTED]
Total	[REDACTED]

6.4.2 Selling, general and administrative (SG&A) costs

OneSteel calculated the selling, general and administrative costs per tonne for each selected importation. The SGA figure was calculated for the OneSteel store location that the importation was sent to. OneSteel took the P&L for each location and looked at the selling and warehousing expenses, the total tonnes of product sold and divided the expenses by the total tonnes to get a per tonne figure.

We selected shipment 3, which was sent to the [REDACTED] location for further verification. OneSteel provided us with a print out of the P&L for the [REDACTED] location for Jan – Jul (**confidential attachment IMP4**) and Jul – Dec 2012 (**confidential attachment IMP5**). OneSteel also provided us with a print out of the total sales volumes for all products from the [REDACTED] location for calendar year 2012 (**confidential attachment IMP6**). OneSteel demonstrated how the sales volume figure agreed to the volume figure in SAP. We noted that there was a slight variance due to SAP calculating volume of delivered orders and the BW program calculating volume of invoiced orders. We drilled down in the BW program to the transaction level. **Confidential attachment IMP7** is a print out of an invoice for plate steel in the month of July.

Confidential attachment IMP8 is a print out of OneSteel's SGA calculations. We could see that the total expenses in the P&L print outs and the total sales tonnes in confidential attachment IMP6 matched the figures on this calculation spreadsheet. The calculated SGA dollar per tonne figure for on this print out agreed with the SGA dollar per tonne figure that OneSteel had provided for [REDACTED] in the 'Part B' spreadsheet response to the importer questionnaire.

We were satisfied with OneSteel's method of calculating SGA costs for plate steel.

6.5 Export prices for selected shipments

Based on data for the 11 verified selected shipments, we calculated average FOB export price (in AUD) for the goods over the investigation period. The vast majority of plate steel imported in the selected shipments was ■■■ MPA, with a very small quantity of ■■■ MPA.

We calculated the average ■■■ invoice price as A\$■■■ per tonne.

7. WHO IS THE IMPORTER AND EXPORTER

7.1 Who is the importer?

We have reviewed the importation process and have noted that, for imports from [REDACTED], OneSteel:

- is named as the customer on supplier invoices;
- is named as the consignee on the bill of lading;
- arranges and pays for ocean freight; and
- arranges Customs clearance, logistics and storage of the goods after they delivered to the Australian port.

We consider OneSteel to be the beneficial owner of the goods at the time of importation and therefore the importer.

7.2 Who is the exporter?

Customs and Border Protection will generally identify the exporter as:

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

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

In relation to exports from [REDACTED] to OneSteel, we have reviewed the documentation provided and note:

- [REDACTED] is identified as the shipper/exporter on the commercial invoice;
- [REDACTED] is identified as the shipper on the bill of lading; and
- [REDACTED] is identified as the beneficiary of the imported goods on the beneficiary certificate provided with the certificate of origin.

We consider that [REDACTED] is the exporter of the goods imported by OneSteel.

8. ARMS LENGTH TRANSACTIONS

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

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

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

As discussed above, OneSteel stated that it has no relationship with its customers other than being buyer and seller in arms length transactions [REDACTED] [company transaction] It stated that it does not receive any reimbursement, rebates or other support from its supplier in respect of the goods. OneSteel advised that the invoice price was the price paid.

We reviewed the documentation for the selected shipments and did not find any evidence, in respect of the purchase of hot rolled plate steel, that:

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

We found that overall the selected shipments were profitable.

We are satisfied that transactions between OneSteel and its supplier and OneSteel and its customers are arms length.

9. RECOMMENDATIONS

From our investigations with OneSteel, we are of the opinion that, for the goods imported by OneSteel from [REDACTED]:

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

Subject to further inquiries with [REDACTED], we recommend that the export price for plate steel imported by OneSteel from [REDACTED] can be established under s.269TAB(1)(a) of the Act, using the invoiced price, less deductions to the FOB level as required.

10. LIST OF ATTACHMENTS

Confidential Attachment GEN 1	Part A – Importer Questionnaire Response
Confidential Attachment GEN 2	Verification visit agenda
Confidential Attachment GEN 3	OneSteel company structure
Confidential Attachment DOM 1	Detailed sales list for [REDACTED] location
Confidential Attachment DOM 2	[REDACTED] sales total – plate steel
Confidential Attachment IMP 1	[REDACTED] price list
Confidential Attachment IMP 2	Source documents for selected import transactions
Confidential Attachment IMP 3	Standard freight costs
Confidential Attachment IMP 4	Profit & Loss statement [REDACTED] Jan – Jun 2012
Confidential Attachment IMP 5	Profit & Loss statement [REDACTED] Jul – Dec 2012
Confidential Attachment IMP 6	Sales volumes - [REDACTED]
Confidential Attachment IMP 7	Sales invoice plate steel - [REDACTED]
Confidential Attachment IMP 8	OneSteel's SGA calculations