



Australian Government
Australian Customs and
Border Protection Service

PUBLIC FILE 25

International Trade Remedies Branch

**SUPPLEMENTARY GOVERNMENT
QUESTIONNAIRE - CHINA**

PRODUCT CONCERNED: HSS FROM THE PEOPLE'S REPUBLIC OF CHINA, THE REPUBLIC OF KOREA, MALAYSIA, TAIWAN AND THE KINGDOM OF THAILAND

INVESTIGATION PERIOD: 1 JULY 2010 TO 30 JUNE 2011

RESPONSE DUE BY: 23 FEBRUARY 2012

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

TABLE OF CONTENTS

TABLE OF CONTENTS..... 2
ABBREVIATIONS..... 3
BACKGROUND AND GENERAL INSTRUCTIONS..... 4
SUPPLEMENTARY QUESTIONS..... 10
DECLARATION..... 25

PUBLIC RECORD

ABBREVIATIONS

the Act	the <i>Customs Act 1901</i>
China	the People's Republic of China
Customs and Border Protection	the Australian Customs and Border Protection Service
GOC ¹	Government of China
the goods	the goods the subject of the application (HSS)
GQ	The Government Questionnaire
HRC	hot-rolled coil
IIRS	hot-rolled steel (both HRC and narrow strip collectively)
HSS	certain hollow structural sections
the investigation period	1 July 2010 to 30 June 2011
Korea	the Republic of Korea
SASAC	the State-owned Assets Supervision and Administration Commission of the State Council
SGQ	The Supplementary Government Questionnaire (this document)
Thailand	the Kingdom of Thailand

¹ For the purposes of this questionnaire, GOC refers to all levels of government, i.e., central, provincial, regional, city, special economic zone, municipal, township, village, local, legislative, administrative or judicial, singular, collective, elected or appointed. It also includes any person, agency, enterprise, or institution acting for, on behalf of, or under the authority of any law passed by, the government of that country or that provincial, state or municipal or other local or regional government.

BACKGROUND AND GENERAL INSTRUCTIONS**1. Introduction and purpose**

The Australian Customs and Border Protection Service (Customs and Border Protection) has initiated:

- an investigation into allegations that certain hollow structural sections (HSS) from the People's Republic of China (China), the Republic of Korea (Korea), Malaysia, Taiwan and the Kingdom of Thailand (Thailand) have been exported to Australia at dumped prices, and because of that dumping, material injury has been caused to an Australian industry producing like goods; and
- an investigation into allegations that countervailable subsidies have been received in respect of HSS exported from China to Australia, and because of that subsidisation, material injury has been caused to an Australian industry producing like goods.

The abovementioned dumping investigation involves allegations that there is a situation within both the domestic Chinese and Thai HSS markets that renders sales within those markets 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 these markets).

The investigation also involves allegations that HSS exported to Australia from China has been in receipt of countervailable subsidies.

As part of its investigation, Customs and Border Protection provided the Government of China (GOC) a Government Questionnaire (GQ) that included questions and requested documents that it was considered would be useful in addressing the above-mentioned market situation and subsidy claims in relation to Chinese HSS.

A response to this GQ was received on 6 December 2011.

This Supplementary Government Questionnaire (SGQ) has been developed by the Australian Customs and Border Protection Service (Customs and Border Protection) after considering the Government of China's (GOC) response to the Government Questionnaire to this investigation. It contains further questions and requests for information that Customs and Border Protection may be useful in assessing the allegations in relation to Chinese HSS.

It should be noted that any reference below to an Attachment refers to the Attachments submitted by the GOC in response to the Government Questionnaire.

2. Product concerned**Description**

The goods the subject of the application (the goods) are:

PUBLIC RECORD

Certain electric resistance welded pipe and tube made of carbon steel, comprising circular and non-circular hollow sections in galvanised and non-galvanised finishes. The goods are normally referred to as either CHS (circular hollow sections) or RHS (rectangular or square hollow sections). The goods are collectively referred to as HSS (hollow structural sections). Finish types for the goods include in-line galvanised (ILG), pre-galvanised, hot-dipped galvanised (HDG) and non-galvanised HSS.

Sizes of the goods are, for circular products, those exceeding 21 mm up to and including 165.1 mm in outside diameter and, for oval, square and rectangular products those with a perimeter up to and including 1277.3mm. Categories of HSS excluded from the goods are conveyor tube; precision RHS with a nominal thickness of less than 1.6mm and air heater tubes to Australian Standard (AS) 2556.

The application includes the following information to clarify the nature of the goods.

Finishes

All HSS regardless of finish is included in the application. Finish types for the goods include in-line galvanised (ILG), pre-galvanised, hot-dipped galvanised (HDG) and non-galvanised HSS. Non-galvanised HSS is typically of painted, black, lacquered or oiled finished coatings.

CHS with other than plain ends (such as threaded, swaged and shouldered) are also included in the application.

Standards

HSS is generally produced to either the British Standard BS 1387 or the Australian Standard AS 1163 or international equivalent standards (including ASTM/JIS and KS). HSS can also be categorised according to minimum yield strength. The most common classifications are 250 and 350 mega Pascals (MPa).

HSS may also be referred to as extra-light, light, medium or extra heavy according to its wall thickness.

Excluded goods

The following categories are excluded from the goods subject of the application:

- conveyor tube (made for high speed idler rolls on conveyor systems, with inner and outer fin protrusions removed by scarfing (not exceeding 0.1 mm on outer surface and 0.25 mm on inner surface), and out of round standards (i.e. ovality) which do not exceed 0.6 mm in order to maintain vibration free rotation and minimum wind noise during operation);
- precision RHS with a nominal thickness of less than 1.6mm (is not used in structural applications); and
- air heater tubes to AS 2556.

Tariff classification

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

- 7306.30.00 (statistical codes 31, 32, 33, 34, 35, 36 and 37)
- 7306.61.00 (statistical codes 21, 22 and 23)
- 7306.69.00 (statistical codes 26, 27 and 28)

Customs and Border Protection notes that the statistical codes relevant to the above tariff subheadings have since changed, and the goods are now correctly classified to:

- 7306.30.00 (statistical codes 31, 32, 33, 34, 35, 36 and 37)
- 7306.61.00 (statistical codes 21, 22 and 25)
- 7306.69.00 (statistical codes 10)

The goods exported to Australia from Korea and Taiwan are subject to a 5% rate of duty.

For China and Malaysia the goods exported to Australia are subject to a 4% rate of duty.

The goods exported to Australia from Thailand using Thailand Free Trade Agreement are free from duty as of 1 January 2010.

There are numerous Tariff Concession Orders applicable to the relevant tariff subheadings.

3. Investigation period

The existence and amount of any subsidy and/or dumping in relation to HSS exported to Australia from China will be determined on the basis of an investigation period from 1 July 2010 to 30 June 2011 (hereinafter referred to as 'the investigation period').

In order to permit the allocation of certain types of subsidy to the investigation period, information relating to earlier periods is also requested in certain sections of this questionnaire.

Customs and Border Protection will examine details of the Australian market from 1 July 2007 for injury analysis purposes.

4. Response to this questionnaire

The GOC does not have to complete the questionnaire.

However, if the GOC does not respond Customs and Border Protection may be required to rely on information supplied by other parties (possibly information supplied by the Australian industry – the applicant for anti-dumping and countervailing measures) and its own interpretation of certain information previously provided by the GOC.

Therefore, it is considered to be in the GOC's interests, and the interest of Chinese exporters of HSS, to provide a complete response.

If the GOC chooses to respond to this questionnaire, the response is due by **COB 23 February 2012**.

5. If you decide to respond

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

Confidential and non-confidential versions

If the GOC chooses to respond to this questionnaire, you are required to lodge a confidential and a non-confidential version of your submission by the due date.

In submitting these versions, please ensure that each page of the information you provide is clearly marked either "IN-CONFIDENCE" or "NON-CONFIDENTIAL" in the header and footer.

All information provided to Customs and Border Protection in confidence will be treated accordingly. The non-confidential version of your submission will be placed on the Public Record.

Your non-confidential submission must contain sufficient detail to allow a reasonable understanding of the substance of the confidential version. If, for some reason, you cannot produce a non-confidential summary, contact the investigation case officer (see contact details on Page 1 of this questionnaire).

Declaration

You are required to make a declaration that the information contained in the GOC's response is complete and correct. You must return the signed declaration of an authorised GOC official at the Declaration of this questionnaire.

Coordination of responses

In completing the questionnaire, if a question requires information from other authorities (e.g. provincial or local governments, state owned entities, etc.) please forward the questions to the correct source.

However, it is the responsibility of the GOC to ensure that a full and complete response to all sections of the questionnaire is submitted, and that responses from all levels of government, agencies and/or other applicable entities are collated and coordinated in the one response.

Provision of documents

Numerous documents are requested from the GOC throughout this questionnaire. In many cases, the titles or description of these documents within the questionnaire may not correlate to the official title that the GOC has granted each document, but is rather

a descriptor of the document to the best of Customs and Border Protection's knowledge.

If the listed title is unknown to the GOC but a document that appears to be similar to the requested document, relates to a similar topic area, or otherwise would be considered to contain useful information is identified by the GOC, please provide this document.

Further, when providing requested documents, please indicate whether the documents:

- are current/in force;
- were current/in force during the investigation period; or
- have been repealed, revised or superseded.

Where the documents have been repealed, revised or superseded, where applicable:

- indicate when this revision occurred;
- provide any notice of repeal;
- provide the revised version;
- provide the document that supersedes the requested document; and;
- indicate whether the revised version was in force during the investigation period.

Lodgement

You may lodge your response by mailing it to the address for lodgement shown on the front cover of this questionnaire.

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 a confidential and a non-confidential version of your submission by the due date.

In completing any lists of names and addresses requested throughout this questionnaire, electronic responses in a Microsoft Excel spreadsheet would be preferred. If lodging your response in hard copy, please include these lists in electronic format on an included CD-ROM.

General matters

Responses to questions should:

- be as accurate and complete as possible, and attach all relevant supporting documents,² even where not specifically requested in this questionnaire;

² This includes, but is not limited to, any laws, decrees, regulations, statements of policy, or other administrative guidelines. In each case, include any legislative history as well as other descriptive materials and explanations of the criteria underlying the decisions relating to each of the programmes mentioned in this questionnaire. If applicable, a sample of each of the applications that a company must complete to participate in each of the programs should also be included.

- be in English (with fully translated versions of all requested and other applicable documents submitted);
- list your source(s) of information for each answer;
- identify all units of measurement used in any tables, lists and calculations;
- show any amounts in the currency in which they were originally denominated.

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.

6. Clarification

If you have any difficulties in completing the questionnaire, or require clarification on any questions asked, contact the case manager as soon as possible (contact details are provided on Page 1 of this questionnaire).

7. Future questions and verification

If deemed necessary, Customs and Border Protection may seek to carry out a visit to the GOC to examine relevant records and to verify the information provided. It is common practice for Customs and Border Protection officers to visit government officials, exporters and manufacturer(s) of the subject goods in order to verify the information submitted. You will be contacted in advance of such a proposed meeting to make arrangements as to the time and place of the verification meeting.

A complete response, including all of the documentation requested, must be submitted to Customs and Border Protection before a verification meeting will be considered.

If such verification is undertaken, it is preferable that the key government officials involved in preparing the response and who have knowledge of the source documentation and the information contained therein be available to meet with Customs and Border Protection officers and to provide additional clarification and explanation, as required.

If verification meetings are unreasonably delayed, cancelled, or otherwise hindered by the GOC, the assessment of a particular market situation and the assessment as to the receipt and/or countervailability of subsidy programs may be based on the facts available to Customs and Border Protection.

The purpose of the verification meeting is to verify information already provided to Customs and Border Protection in your submission prior to the meeting. It is not intended to be a second opportunity for the GOC to provide new or additional information. Accordingly, your original response should be complete and accurate.

SUPPLEMENTARY QUESTIONS

1. Question B2 of the GQ requested the GOC to describe the nature and structure of the Chinese HRS and HSS industries and market, including total size (value and volume) for the period.

Customs and Border Protection considers the GOC's response to Question B2 is limited and does not fully address the question.

Please review your response to Question B2 and provide a fully complete response.

2. In its response to Question B3 of the GQ, the GOC has provided a listing of the top 50 identified Chinese HSS producers (for 2010), and top 11 exporters (for the investigation period) as Attachments 1 and 2 respectively.

Identify within Attachment 1 which entities were the top 15 HSS producers by volume, and detail their total production of HSS, during the investigation period.

3. Article 29 of Attachment 4 (*Regulations of the People's Republic of China for controlling the registration of enterprises as legal persons*) talks of the registration of authorities exercising functions of supervision and control over enterprises according to law, including supervising the compliance of enterprises with laws, regulations and policies of the State.

- (a) What is the identity of this registration authority?

- (b) How is this function exercised?

- (c) Has the registration authority exercised any such function in relation to any Chinese HSS or HRS manufacturer during the period 1 July 2006 – 30 June 2011? Provide details.

4. The following questions relate to the GOC's response to Question B4 of the GQ and related attachment(s).

- (a) Where not previously provided, provide English translations of the names of those companies listed in Attachment 5 that are identified as being State Invested Enterprises ('Control Status Code 1') or Collective Enterprise ('Control Status Code 2').

- (b) Indicate, within a revised version of Attachment 5, whether the listed enterprise produces HRC, narrow strip, or both.

- (c) Indicate what percentage of the total volume of domestic HRS output in China is represented collectively by the companies listed within Attachment 5, by 'Control Status Code'.

(d) Indicate which of the companies within Attachment 5 represent the top 15 HRS producers in China during the investigation period, and the total volume of their production of HRC and/or narrow strip.

5. Throughout the GOC response, the GOC refers to 'respondent enterprises' or 'the respondents'. Identify what entities are included in this list of 'respondents'.
6. At Question B8 of the GQ, the GOC was asked to provide, for 1 July 2006 - 30 June 2011, total volume and value data of all exports of coke, coal and iron ore. This has not been provided.

Provide this data.

7. The following questions relate to the GOC's provided Attachment 15 (the *Law of the People's Republic of China on Industrial Enterprises Owned by the Whole People* (the SOE Law)).

(a) Article 26 of the SOE Law notes:

The enterprise shall have the right to determine for itself the prices of its products and the charges for its services, except for those which, as stipulated by the State Council, are under the control of the price authorities and the relevant competent departments.

- i. Provide a listing of products and services which are currently under the control of the price authorities or have been under this control from July 2006 onwards. If this has been previously provided in response to the GQ, identify which Attachment(s) include this listing.
- ii. Has HSS, steel (in any form e.g. HRC, steel billet) or any steel raw material, been under the control of the price authorities from July 2006 onwards?
- iii. Identify which entities are the 'price authorities' identified in this article. Explain the purpose, structure, functions, responsibilities, and powers of these authorities.
- iv. Provide translated copies of any legislation, policies, or other documents that establish, regulate, prescribe authority to, or are otherwise concerned with these price authorities.

(b) Article 35 of the SOE Law observes that enterprises must fulfil 'mandatory plans'.

- i. Provide an explanation of the meaning of 'mandatory plans'. How are these plans developed?
- ii. What role does the GOC have in developing the content of these plans, approving these plans, or any other influence in the development or implementation of these plans (noting Article 55)?
- iii. What are the consequences of not adhering to these plans?

(c) Article 37 of the SOE Law notes:

The enterprise must observe state provisions concerning finance, labour and wages, price control, etc., and accept supervision by the financial, auditing, labour and wage, price and other administrative authorities.

- i. Provide an explanation of what is meant by state provisions concerning price control.
- ii. Are any such price controls currently in effect in relation to HSS, steel (in any form) or any steel raw material, or have there been any such price controls in relation to any of these products from July 2006 onwards? Provide details.

(d) Article 55 of the SOE Law notes:

The government or the competent department of the government shall, in accordance with the provisions of the State Council, issue unified mandatory plans to the enterprises, ensure the supply of materials which are subject to planned allocation and needed by the enterprises for the fulfilment of mandatory plans, examine and approve plans submitted by the enterprises for capital construction and major technical transformation, appoint or remove, reward or punish factory directors, appoint or remove, reward or punish leading administrative cadres at the level of a vice-director of a factory, as proposed by factory directors, and examine and train leading administrative cadres at the factory level.

- i. Provide copies of the current and preceding mandatory plans for all enterprises identified in the GOC's response to Question 2 and 4(d) above that fall under the provisions of the SOE Law.
- ii. Has the GOC undertaken any action sanctioned by Article 55 against any enterprise identified in the GOC's response to Question 2 and 4(d), or employee of those entities, from the period of July 2007 onwards? Provide details.

8. In its response to Question C2.7, the GOC highlights that article 18 of the price law allows it to maintain limited control over the prices of SOE goods and services:

The government shall issue government-set or guided prices for the following merchandises and services if necessary: 1. The few merchandises that are of great importance to development of the national economy and the people's livelihood; 2. The few merchandises that are in shortage of resources; 3. Merchandises of monopoly in nature; 4. Important public utilities; 5. Important services of public welfare in nature.

Has HSS, steel (in any form) or any steel raw material been categorised/considered by the GOC to fall into any of the categories of goods within Article 18 of the Price Law since July 2006? If so what, if any action

PUBLIC RECORD

has the GOC taken as a result of this classification?

9. The following questions relate to the National Steel Policy, provided as Attachment A1 to the GQ.
- (a) Explain and provide details of any and all steps the GOC takes to encourage the implementation of the National Steel Policy.
 - (b) Explain and provide details of any and all steps the GOC takes to monitor the implementation of the steel policy.
 - (c) Explain how the GOC measures the success of the national steel policy (i.e. whether the aspirations are being achieved).
10. The following questions relate to the five-year plans (FYPs) of the GOC generally.
- (a) How does the GOC monitor whether the aims and goals within its FYPs are reached, and what action is generally taken by the GOC to ensure the aims of the FYPs are met?
 - (b) Customs and Border Protection's research indicates that the Government of China has passed the twelfth FYP; however the GOC has only provided the tenth and eleventh FYPs. Provide a translated copy of the twelfth FYP, as well as the original Chinese version.
 - (c) Highlight any provisions/articles within the twelfth FYP that apply to or impact (directly or indirectly) the Chinese HSS, steel or any steel raw materials markets.
 - (d) Provide copies of any laws, regulations, circulars, policies or other GOC-issued documents that have been released/issued to achieve the aims/goals of the twelfth FYP in relation to any steel or steel raw materials.
 - (e) Provide the current and previous FYP for the regions of the top 15 HRS producers in China (identified by the GOC in its response to Question 4(d) above).
 - (f) How are regional FYPs developed, monitored, implemented and measured for success?
11. The following Questions Relate to Attachment 22 (*Eleventh Five-Year Plan for national Economic and Social Development*).
- (a) What measures activities, action, etc. has the GOC taken to achieve the outcomes outlined in Chapter 13 Section 1?
 - (b) How does the GOC monitor whether it is achieving the goals set out in Chapter 13, Section 1, and the goals within its five-year plans generally?

PUBLIC RECORD

- (c) Provide copies of any documents, laws, regulations, etc issues by the GOC aimed at achieving the aims within Chapter 13, Section 1.
12. It is understood that within China, certain industries are identified as 'strategic' industries and 'pillar' industries.
- (a) Provide a listing of all industries considered to be 'strategic' for the period of July 2006 - July 2011.
- (b) Provide a listing of all industries considered to be 'pillar' for the period of July 2006 - July 2011.
- (c) Outline what is meant by each of these terms.
13. Customs and Border Protection has accessed the Constitution of the Communist Party of China (CPC) online at <http://www.china.org.cn/english/features/49109.htm> on 28 January 2012. The following questions relate to Article 32 the CPC Constitution as downloaded.

Article 32 of the CPC Constitution states:

In a state-owned or collective enterprise, the primary Party organization acts as the political nucleus and works for the operation of the enterprise. The primary Party organization guarantees and supervises the implementation of the principles and policies of the Party and the state in its own enterprise and backs the meeting of shareholders, board of directors, board of supervisors and manager (factory director) in the exercise of their functions and powers according to law. It relies wholeheartedly on the workers and office staff, supports the work of the congresses of representatives of workers and office staff and participates in making final decisions on major questions in the enterprise. It works to improve its own organization and provides leadership over ideological and political work, efforts for cultural and ethical progress and the trade unions, the Communist Youth League and other mass organizations.

In a non-public economic institution, the primary Party organization carries out the Party's principles and policies, provides guidance to and supervises the enterprise in observing the laws and regulations of the state, exercises leadership over the trade union, the Communist Youth League organization and other mass organizations, rallies the workers and office staff around it, safeguards the legitimate rights and interests of all quarters and stimulates the healthy development of the enterprise.

In an institution where the administrative leaders assume full responsibility, the primary Party organization acts as the political nucleus. In an institution where the administrative leaders assume full responsibility under the leadership of the Party committee, the primary Party organization discusses and decides on major issues and at the same time ensures that the administrative leaders are able to fully exercise their functions and powers.

PUBLIC RECORD

- (a) Explain what 'the primary Party organization' means.
- (b) How are these organisations formed/selected?
- (c) What is meant by 'backs the meeting of shareholders, board of directors, board of supervisors and manager (factory director) in the exercise of their functions and powers according to law.
- (d) How do these organisations 'guarantee and supervise' the implementation of the principles and policies of the party?
- (e) How do these organisations 'participate in making final decisions on major questions in the enterprise'?
- (f) Provide examples of 'major questions in the enterprise' and indicate whether any of the following would be considered such a 'major decision':
 - i. organisation structure
 - ii. management of an organisation
 - iii. source of materials
 - iv. selling prices
 - v. production volumes
 - vi. expansion/contraction of organisation size and/or activities
- (g) The Article states that the Party organisation 'guarantees and supervises the implementation of the principles and policies of the Party and the state in its own enterprise'. Are the aims of the GOC's FYPs and/or the National Steel Policy such 'principles and policies of the Party'?
- (h) The Article states that the Party organisation of non-public economic institutions 'carries out the Party's principles and policies, provides guidance to and supervises the enterprise in observing the laws and regulations of the state, exercises leadership over the trade union, the Communist Youth League organization and other mass organizations, rallies the workers and office staff around it, safeguards the legitimate rights and interests of all quarters and stimulates the healthy development of the enterprise'.

Describe what is meant by 'non-public economic institutions. Describe how Party organisations perform this function.

- 14. Provide a copy of the State Economic Trade Commission (SETC) development plan for the metallurgical industry for the years 2001 - 2005 (Metallurgical Industry Plan). Provide any subsequent copies of this plan, or similar plans.
- 15. Provide a copy of the Circular on Controlling Total (Capacity), Eliminating the Obsolete (Capacity) and Accelerating Structure Adjustment of Iron and Steel Industry (2006) Fa Gai Gong Ye.

PUBLIC RECORD

16. Customs and Border Protection has viewed the official GOC website www.gov.cn. The following questions relate to articles located on that website from the period 16-20 January 2012.
- (a) Customs and Border Protection has accessed the article 'China scraps export tax rebates on some steel, metal products' at http://english.gov.cn/2010-06/22/content_1634240.htm.
 - i. Provide any official GOC documents, circulars, etc. that relate to this change in export tax rebates.
 - ii. Advise the rationale behind this change in rebates.
 - (b) Customs and Border Protection has accessed the article 'China to raise tax rebates on textile, metal exports' at http://english.gov.cn/2009-03/25/content_1268590.htm.
 - i. Provide any official GOC documents, circulars, etc. that relate to this change in export tax rebates.
 - ii. Advise the rationale behind this change in rebates.
 - (c) The article *Report on China's national economic, social development plan*, available at http://english.gov.cn/2010-03/16/content_1556792.htm discusses the *2009 Plan for National Economic and Social Development* and the *2010 Draft plan for National Economic and Social Development*.
 - i. Provide copies of both plans, and any subsequent similar plans.
 - ii. What is the purpose of these plans?
 - iii. How are these plans developed, disseminated, implemented and their access monitored?
17. In its response to C2.9(c)(ii) of the GQ, the GOC notes the existence of the 'Specific Monitoring Report System in National Steel Market'.
- (a) Explain the role of this system, describe how it functions, describe how it monitors and exports on the National Steel Market.
 - (b) How is the information gathered by the system used by the GOC?
 - (c) Does the system produce regular reports for the GOC? Provide copies of these reports for the investigation period.
18. The GOC response to C2.9(c)(ii) of the GQ names the "Monitoring Report System for Price of National Important Consumption Goods and Service" and the "Specific Monitoring Report System on National Steel Market".
- (a) Provide copies of any GOC documents that provide for the establishment, administration, management, function, or any other operations of these systems.
 - (b) Explain the purpose of each system.

PUBLIC RECORD

- (c) Explain how these systems operate, how they collect and report upon the pricing of these products, how the data is used by the GOC (e.g. does it contribute to policy formation, the reserving activities of the State Reserve Bureau, etc).
 - (d) What action does the GOC take if this system indicates that the price of monitored products is undesirable (e.g. unreasonably high or low)?
 - (e) Provide copies of any reports, notices, documents issued in relation to the price monitoring of these systems over the period of July 2006 - June 2011 for all steel products, steel itself and any steel raw materials.
19. The following questions relate to the GOC's response to Question C3.2(b) of the GQ and associated attachments.
- (a) Within the GOC's Attachment 36 the GOC has indicated 'N/A' against certain tariff classifications across the years queried, however this does not seem to indicate that the tariff code was not in use during that time. Explain what is meant by this N/A identification in Attachment 36.
 - (b) Explain the reasons/rationale and policy aims for the change of VAT rebate on HRS (72111900) from Jan - May 2009 (no refund) to Jun-Dec 2009 (9%).
 - (c) Explain the reasons/rationale and policy aims for the changes in HRS VAT rebate between 2010 (9%) and 2011 (no refund).
 - (d) Explain the reasons/rationale and policy aims for the change in the VAT refund on HSS in 2009 (where the rebate increased to 9%).
 - (e) Could the GOC indicate within a revised Attachment 36 which circulars provided as Attachment 31 - 35 relate to each change in VAT rebate in Attachment 36?
20. Within Attachment 42, the GOC references Export Tariff Duty rates as 'Temporary Rate'. Explain what is meant by this term.
21. Explain the reasons/rationale behind the following export tariff rates identified in Attachment 42 (including the policy aims of these changes).
- (a) The increase in duty on Iron ore from 2006 to 2007.
 - (b) The increases in duty on coke from 2006 to 2007, 2007 to 2008, 2008 to 2009.
 - (c) The increase in duty on coal of CN code 27011100 and 2701110090 from 2008 to 2009.

22. Could the GOC indicate within a revised Attachment 42 and Attachment 43 which circulars provided relate to each change in export tariff rebate in each attachment.
23. Explain the reasons/rationale behind the following export tariff rates identified in Attachment 43 (including the policy aims of these changes).
- (a) The decrease in import tariff on coke from 2008 – 2009.
 - (b) The decrease in rates on all CN codes of coal from 2008 - 2009.
24. The following questions relate to the GOC's Attachment 44 (*Notice Regarding Declaration Conditions and Procedure of 2009 Trade Coke Export Quota*).
- (a) It is observed that the original Chinese version of this document had not been provided as requested, and the text of the English translation provided appears to be summarised in parts (e.g. Point I 1.(5) states...Social security fee' which I 3.(4) states 'omitted'. Provide a copy of the original Chinese version of this document, as well as a complete English translation.
 - (b) Attachment 44 refers to the 'Regulation of the People's republic of China on the Administration of the Import and Export of Goods. Provide a copy of this regulation.
 - (c) The GOC's Attachment 44 mentioned the Admittance condition of coking industry'. Provide a copy of these conditions. Do any similar conditions exist for HSS, HRS, or any other steel raw material? Provide copies of these.
 - (d) At point I 3. of Attachment 44, the document states 'In order to enhance concentration of export operation and reduce enterprises quantity...' what is meant by this phrase?
25. The following questions relate to the GOC's response to Question C3.5 of the GQ.
- (a) At its response to C3.5, the GOC identifies that there were export quotas on coke between 2008 and 2010. Explain the reasons (policy rationale, aims, purpose) of these restrictions. Were these restrictions aimed at achieving any of the policy aims of the National Steel Policy or any other GOC policy (if so, provide a copy of this policy)?
 - (b) At its response to C3.8, the GOC identifies that there were export license restrictions on coal exports from 2006 - 2011. Generally explain how this export restriction operated (e.g. who it related to, how it was enforced, what entity was in charge of imposing and/or monitoring the system, how was the system reviewed, etc.)? Explain the reasons (policy rationale, aims, purpose) of these restrictions. Were these restrictions aimed at achieving any of the policy aims of the

National Steel Policy or any other GOC policy (if so, provide a copy of this policy)?

(c) From the documents provided by the GOC in its response to C3.5, it is evident that foreign-invested enterprises (FIEs) were treated differently from other enterprise types in relation to the exporter quota restrictions on coke. Explain and describe the different treatment of FIEs in relation to this quota.

26. Provide a copy of the original Chinese version of the documents provided as Attachment 45, Attachment 46 and Attachment 48 to the GQ.
27. Customs and Border Protection observes that the GOC has identified that alleged subsidy program 14 (entitled *Tariff and VAT Exemptions for Imported Materials and Equipment*) ceased operation in 2000.

In its response to the GQ in the Aluminium Extrusions investigation (submitted in September 2009), the GOC identified a program with a similar title (*Program 13 - Exemption of tariff and import VAT for the imported technologies and equipment*), and advised it operated under the *Circular of the State Council Concerning the Adjustment in the Taxation Policy of Import Equipment*.

The GOC further identified that part of that program ceased in 2008 and the other part was in operation at the time of submitting that response.

clarify this matter and provide complete responses to Questions D1.1 - D1.14 in relation to this program (if the GOC considers the program did cease in 2000, answer the questions in relation to this program when it was in operation in any case).

If the GOC considers the program identified within its response to the Aluminium Extrusions investigation is a separate program, answer questions D1.1 - D1.14 in relation to this program).

28. In its response to Section D of the GQ, the GOC has been unable to identify a program identified by Customs and Border Protection as the *Special Support Fund for Non State-owned Enterprises*.

During its investigations into Aluminium Extrusions, Customs and Border Protection found evidence of this program in Yunnan Province online at http://www.ynppb.gov.cn/bofcom_en/5189555245125992448/20061114/83873.html.

With this in mind, could the GOC conduct further research and answer Questions D1.1 - D1.4 in relation to this program.

29. At its response to Question D2.8(a) of the GQ, the GOC identifies that the 'system for the administration and supervision of State-owned assets' is a system 'designed to ensure and achieve safety and operation of state-owned assets'.

PUBLIC RECORD

The GOC further identifies that SASAC of each level of government is the main body of implementation of this system.

- (a) Describe this system in detail including what form it takes, how it is administered, and how it is monitored.
 - (b) Explain what is meant by 'ensure and achieve safety and operation of state-owned assets'.
30. In its response to D2.8(b), the GOC identifies that the system of administration and supervision 'requires the capital contributor to supervise the safety of State asset while requesting the enterprises with State investment be responsible for their own profit and loss'.
- (a) How does the capital contributor 'supervise the safety of state assets'?
 - (b) What form do these 'requests' to be responsible for profits take? What are the repercussions for not adhering to these requests?
31. Attachment 132 of the GOC's response to the questionnaire (the Interim Measures for the Administration of Comprehensive Performance Evaluation of Central Enterprises) makes mention of the Regulations of the Supervision and Administration of State-owned Assets of Enterprises. Provide a copy of these regulations.
32. The following questions relate to the GOC's Attachment A11 to the GQ, the *Standard Conditions on Production and Operation of the Iron and Steel Industry*.
- (a) The GOC appears to have only partially translated Attachment A11 and has not provided the original Chinese version of this document.
 - i. Provide the original Chinese document of this attachment and a full English translation.
 - ii. indicate the date of this document.
 - iii. What is the purpose of this document?
 - iv. How has it been implemented, monitored, and its success/failure evaluated?
 - v. Explain what are the potential outcomes or repercussions for enterprises that do not adhere to the conditions set out in the document.
 - (b) Attachment A11 refers to the *Steel and Iron Industry Development Policy*, the *Steel and Iron Industry Restructuring and Revitalisation Plan* and the *Directory Catalogue on Readjustment of Industrial Structure*.
- confirm that these refer to Attachment A1, A12 and A6 respectively.

- (c) Attachment A11 refers to "Several Opinions of General Office of the State Council on Further Strengthening Energy Conservation and Reducing Discharge and Accelerating Industrial Structure Adjustment of Iron and Steel Industry" (GUOBANFA [2010] No.34).

Provide a copy of this document in English, along with its original Chinese version.

33. Appendix A to the GQ, the GOC has advised that it has not attached the requested document A34 (*State Will Adjust Tariff Rates from June 1 to Control the Export of High-Energy Consumption Products*).

The GOC Has advised that it does not consider this document relevant to the investigation.

- (a) Explain why this document is not considered relevant to the investigation.
- (b) Provide the original Chinese version of the document.

32. The GOC has provided the Directory Catalogue on Readjustment of Industrial Structure as its Attachment A-6.2.

- (a) It appears as though this document has only been partially translated (with the GOC focussing on the translation of the Iron & Steel sections of the catalogue, though these appear to only be partially translated).

Provide a full translation of the following sections of this catalogue:

- i. I(8) Iron and Steel Encouraged Investment Industries
 - ii. I(3) Coal Encouraged Investment industries
 - iii. II(2) Coal Restricted Investment Industries
 - iv. II(6) Iron and Steel Restricted Investment Industries
 - v. III(I)(2) Coal Eliminated investment industries
 - vi. III(I)(5) Steel Eliminated Investment Industries
 - vii. III(II)(3) Steel eliminated investments industries
- (b) Explain what is meant by 'encouraged', 'restricted', or 'eliminated' investment industries, as listed within Attachment A6.2. Include information that describes:
- i. what each classification means;
 - ii. what are the consequences/benefits to industries charactered in each of these groups; and
 - iii. what different treatment (if any) enterprises within these groups receive in comparison with industries not on the catalogue by the GOC, its departments or agencies (e.g. are development approvals denied for eliminated industries, are encouraged industries granted preferential treatment and/or assistance etc.).

33. The following questions relate to Attachment A12 of the GQ, the *Blueprint for Steel Industry Adjustment and Revitalization*.

- (a) What is the purpose of this document (Attachment A12)? Which agency is responsible for its development, implementation and monitoring?
- (b) Within Attachment A12 it is stated that an aim is to 'Improve the import and export environment of steel products, implement appropriate and facile export tax policy, stabilize international market share, and encourage indirect steel export.'

It is unclear what this statement means. Detail what is meant by this statement, including identifying what is meant by 'facile export tax policy'.

- (c) Within Attachment A12 it is stated that:

Industrial association and chamber of commerce shall help to build market orders with more self-discipline, by seizing the recession of current market, coordinate domestic consumers and iron ore providers, and build import pricing mechanism and long-term stabilized partnership which benefits both parties. Build steel product sales system with risk-shared mechanism and exert the adjusting function of circulation channels to the steel market stabilization.

- i. What associations or chambers of commerce are intended to be referred to here?
 - ii. What 'import pricing mechanism' has been built?
 - iii. Describe this mechanism in detail (including the rationale behind it, what form it takes, how it is administered, monitored, enforced, etc).
 - iv. What 'steel product sales system' exists? Provide a detailed explanation of this system. What is the rationale for this system?
 - v. What 'risk-shared mechanism' has been built? Provide a detailed description. What is the rationale for this mechanism?
 - vi. How has the GOC exerted the 'adjusting function of circulation channels to the steel market stabilization'? Describe what is meant by this statement. Describe the rationale behind this exertion of influence.
- (d) Attachment A12 states an aim to Continue on policy orientation of controlling export of "two high, one resource" and low value-added goods.

What is meant by 'two high, one resource'?

34. Attachment 32 of the GQ, the *Notice for the Adjustment of The Catalogue of Export Products Subject to Price Review by Customs*, makes reference to the

fact that 'Export products subject to price review by customs after adjustments will be 30 categories.'

- (a) Provide a complete listing of these categories, and detail any sub-categories that relate to HSS, steel, or any steel raw materials.
 - (b) Explain the purpose of this price monitoring, what form it took, and how it was administered.
 - (c) The GOC's Appendix A response to the GQ notes that Attachment A32 was terminated in 2010.
 - i. Has any document replaced it?
 - ii. Provide a copy of any such replacement.
 - iii. Did the price monitoring system cease as well in 2010, or did it continue (in any form)?
 - iv. If so, provide details of the categories of goods subject to the system following 2010, highlighting whether any HSS, steel, or steel raw materials, were subject to this price review.
35. Attachment A35 to the GQ (the *Notice of the State Council on Printing and Issuing General Work Plan for Energy Conservation and Pollutant Discharge Reduction*) states the aim to eliminate 'backward production capacity'.

Advise what is meant by 'backward production capacity' in this context.

36. Attachment A44 (the *Announcing 2010 Export Licensing Management Commodities List*) notes at I(i):

Goods subject to export quota: Corn, Rice, WheatCoal, Coke....

The document further notes at II(III):

Corn, rice...coal...are subject to state-owned trade management.

- (a) Provide details on the export quota on coal including its size, any documents that provide for this quota, its purpose, and the date(s) of operation of the quota (noting that the GOC's response to C3.5 states 'An export quota was placed on coke between 2008 and 2010. All other products listed in C3.2(a) have not been subject to any export restrictions).
 - (b) Explain in detail what is meant by 'state-owned trade management'?
37. Define what is meant by the term 'collective controlled company' and/or 'collective-owned enterprise' (where the two differ). Are these entities in any way owned by the GOC?
38. Provide copies of the following documents:
- (a) Notice of Further Strengthen the Elimination of Backward Production Capacity (state Council 2010)

- (b) Notice on Introduction Plan for Clean Producing Technologies in Seventeen Major Industries (MIIT, 2010)
 - (c) Guidance of Energy Saving and Emission Reduction in Steel Industry (MIIT 2010)
 - (d) Some Opinions on Further Strengthening Energy Saving and emission reduction and Speeding up Structural adjustment of steel industry' (State Council 2010)
 - (e) Production and Management Norm for Steel Industry (MIIT, 2010)
 - (f) Notice on withdrawal of export tax rebate for some commodities (Ministry of Finance, June22 2010)
39. Answer Question D1.6 of the GQ for alleged subsidy programs 3, 4, 6, 7, 8, 9, 11, 12, 15, 17, 18 and 19 for the period 1 July 2001 – 30 June 2010:
40. Advise whether the GOC's response to D1.6 in relation to Program 4, is a complete account of the GOC's knowledge of all entities that received the alleged program from 1 July 2001 - 30 June 2011. If not, provide a complete listing of such entities.
41. Advise whether the GOC's response to D1.6 in relation to Program 5, is a complete account of the GOC's knowledge of all entities that received the alleged program from 1 July 2001 - 30 June 2011. If not, provide a complete listing of such entities.
42. Confirm whether the GOC's response to D1.6 relates specifically to those companies the GOC has identified as responding to the investigation.
43. Customs and Border Protection observes that the GOC has identified the following two programs at Section D of the GQ:
- the *One-Time Awards to Enterprises Whose Products Qualify for 'Well-known Trademarks of China' and 'Famous Brands of China'* (Program 2); and
 - the *Special Fund for Developing Trade Through Science and Technology of Guangdong Province* (Program 3); and

The GOC has identified that these program ceased operation in 2009 and has since provided limited responses in relation to these programs in its response to Section D as a result.

Customs and Border Protection considers it possible that HSS exporters benefited from these programs during the investigation period.

Provide detailed responses to Questions D1.1 - D1.14 in relation to these programs that identify how the programs operated when in operation.

DECLARATION

DECLARATION

The undersigned certifies that all information supplied herein in response to the questionnaire (including any data supplied in an electronic format) is complete and correct to the best of his/her knowledge and belief.

Date

Signature of authorised official

Name of authorised official

Title of authorised official