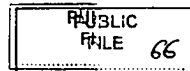


# PUBLIC RECORD



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

## INVESTIGATION INTO THE ALLEGED DUMPING AND SUBSIDISATION OF HOLLOW STRUCTURAL SECTIONS (HSS)

**PEOPLE'S REPUBLIC OF CHINA (CHINA), THE REPUBLIC OF KOREA  
(KOREA), MALAYSIA, TAIWAN AND THE KINGDOM OF THAILAND  
(THAILAND)**

### NOTE FOR FILE

#### NEWLY - IDENTIFIED SUBSIDY PROGRAMS

**Monday, 19 March 2012**

During a verification visit by the Australian Customs and Border Protection Service (Customs and Border Protection) to a cooperating Chinese exporter, a number of non-operating income items recorded during the investigation period came to the attention of the visit team. These income items appeared to be in the form of grants or tax deductions received from various government agencies.

During the visit, the exporter provided the visit team with:

- the title of the program under which the payment was made;
- the date of approval and date of receipt of the payment;
- the name of the relevant granting authority;
- the products that are relevant to each particular program; and
- a brief description of the criteria which was met by the exporter to receive the income.

These schemes were titled by the exporter as follows:

- Water Conservancy Fund Deduction;
- Wuxing District Freight Assistance;
- Huzhou City Public Listing Grant;
- Huzhou City Freight Assistance;
- Wuxing District Patent Fee Assistance;
- Zhejiang Industry New Product or Technology Award;
- Huzhou City Quality Award;
- Huzhou Industry Enterprise Transformation & Upgrade Development Fund;
- Land Use Tax Deduction;
- Wuxing District Public List Grant;
- Anti-dumping Respondent Assistance;
- Technology Project Assistance;
- City Level Patent Model Enterprise; and
- Balidian Town Public Listing Award.

The exporter provided supporting evidence of receipt of this income, including non-operating income ledgers for FY2010 and January to June 2011, and corresponding journal entries.

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Customs and Border Protection has analysed the information gathered during the verification visit in relation to these income items, and considers there is sufficient evidence to consider that these payments meet the definition of 'subsidies',<sup>1</sup> being a direct transfer of funds from the Government of China (either at the national, provincial, city or district level) that has conferred benefit to the exporter (equal to the amount of the transferred funds).

The exporter did not provide relevant documentation detailing the legal basis for each program or the relevant criteria that limited to the program to certain enterprises or industries. However, the exporter was able to outline in each case the criteria that it met that enabled it to receive payment (e.g. for public listing, producing a hi-tech product, or responding to an anti-dumping investigation).

It is therefore considered there is sufficient information to consider that the programs were limited to certain enterprises and therefore specific (and countervailable).

Customs and Border Protection is therefore satisfied that there appear to be reasonable grounds to further investigate these additional alleged subsidy schemes.

These programs will be investigated in addition to the 20 allegedly countervailable programs outlined in Customs and Border Protection's Consideration report for this investigation (CON177).

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<sup>1</sup> s.269T of the *Customs Act 1901*.