



Australian Government
Anti-Dumping Commission

EXPORTER QUESTIONNAIRE

PRODUCT CONCERNED: ZINC COATED (GALVANISED) STEEL FROM
THE PEOPLE'S REPUBLIC OF CHINA

INVESTIGATION PERIOD: 1 JULY 2013 - 30 JUNE 2014

RESPONSE DUE BY: 7 December 2014

ADDRESS FOR RESPONSE: Anti-Dumping Commission
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1010 La Trobe Street
Docklands VIC 3008
Australia
Attention: Director Operations 1

CASE MANAGER: Ben Merlin
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Please note that a non-confidential version of the reply to this questionnaire must also be provided.

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BACKGROUND AND GENERAL INSTRUCTIONS

1. BACKGROUND

The Anti-Dumping Commission (the Commission) has received an application from Jiangyin Zongcheng Steel Co., Ltd (Zongcheng), a new exporter, for an accelerated review of the dumping duty notice and countervailing duty notice, in respect of zinc coated (galvanised steel) exported to Australia from the People's Republic of China under *Division 6 of the Customs Act 1901*.

2. THE GOODS UNDER CONSIDERATION

Description

The goods subject to anti-dumping measures, in the form of a dumping and countervailing duty notice, are:

“flat rolled products of iron and non-alloy steel of a width less than 600mm and, equal to or greater than 600mm, plated or coated with zinc”

The goods are generically called galvanised steel (referring to zinc coated steel) and include galvanised steel of any width.

Additional information

Further information in relation to the goods was provided in the application as follows:

The amount of zinc coating on the steel is described as its coating mass and is nominated in grams per meter squared (g/m²) with the prefix being Z (Zinc) or ZF (Zinc converted to a Zinc/Iron alloy coating). Common coating masses used for zinc coating are: Z350, Z275, Z200, Z100, and for zinc/iron alloy coating are: ZF100, ZF80 and ZF30 or equivalents based on international standards and naming conventions.

The application stated that trade and other names often used to describe galvanised steel include:

- *“GALVABOND®” steel;*
- *“ZINCFORM®” steel;*
- *“GALVASPAN®” steel;*
- *“ZINCHITEN®” steel;*
- *“ZINCANNEAL” steel;*
- *“ZINCSEAL” steel;*
- *Galv;*
- *GI;*
- *Hot Dip Zinc coated steel;*
- *Hot Dip Zinc/iron alloy coated steel; and*
- *Galvannea*

Product Treatment:

The galvanised steel application covers galvanised steel whether or not including any (combination of) surface treatment, for instance; whether passivated or not passivated, (often referred to as chromated or unchromated), oiled or not oiled, skin passed or not skin passed, phosphated or not phosphated (for zinc iron alloy coated steel only).

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The goods excluded from this definition are painted galvanised steel, pre-painted galvanised steel, electro-galvanised plate steel and corrugated galvanised steel are not covered by the application and subsequent investigation.

Tariff Classification

The goods are classified under tariff subheadings 7210.49.00 (statistical codes 55/56/57/58) and 7212.30.00 (statistical code 61) of Schedule 3 to the Customs Tariff Act 1995. These goods are duty free (based on DCS country rate).

There are several Tariff Concession Orders applicable to tariff classification subheading 7210.49.00.

3. INVESTIGATION PERIOD

The existence and amount of any subsidy and/or dumping in relation to galvanised steel exported to Australia from the People's Republic of China will be determined on the basis of an investigation period from 1 July 2013 to 30 June 2014 (hereinafter referred to as 'the investigation period').

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

Zongcheng is the applicant for this accelerated review. Hence, the Commission has forwarded you this questionnaire and associated spreadsheet "Galvanised Steel - exporter questionnaire supporting data" to provide you with the opportunity to participate and cooperate with this review.

The Commission may use the information you provide to determine normal values and export prices over the investigation period. This information will determine whether galvanised steel is dumped.

The Commission investigation will be carried out under the provisions of the Part XVB of the *Customs Act 1901*. These provisions reflect the World Trade Organisation (WTO) *Anti-Dumping Agreement* (WTO Agreement).

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, the Commission may be required to rely on information supplied by other parties in making its assessments as to whether galvanised steel exported to Australia was dumped (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 the Commission to verify the information you provide (see below), it may deem that you did not cooperate with the investigation.

In these cases the Commission may assess a dumping margin for your company based upon normal values that may be the highest determined in your country during the investigation period.

It is the Commission's objective to arrive at a recommendation to the Parliamentary Secretary to the Minister for Industry based on a full knowledge of all relevant facts. This can only be achieved if exporters cooperate. The Commission considers that your interests would be best served by providing a complete and accurate submission, capable of verification.

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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 a 'FOR OFFICIAL USE ONLY' version and a 'PUBLIC RECORD' version of your submission by the due date (as specified on the cover page to this questionnaire).

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'.

All information provided to the Commission is for official use only will be treated accordingly.

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 for the Official Use Only version. As provided for in Australia's anti-dumping legislation, all public version submissions are required to have a bracketed explanation of deleted or blacked out information. Note that if such an explanation is not provided, the Commission may disregard the information in the submission. An example of a statement to accompany deleted/blacked out text is:

[explanation of cost allocation through the divisions].

If, for some reason, you cannot produce a Public Record version, please contact the investigation Case Manager (see contact details on the cover page of this questionnaire).

You can access the Public Record electronically online at www.adcommission.gov.au (follow the links to 'Cases and Electronic Public Record' and 'Current Cases').

Declaration

You are required to make a declaration at Section I that the information contained in your submission is complete and correct. Alternatively, if you did not export the goods during the investigation period, you may make a declaration to that effect.

You must return a signed declaration with your response to the questionnaire.

Consultants/parties acting on your behalf

If you intend to have another party acting on your behalf please advise the Commission of the relevant details.

The Commission will generally require written authorisation from exporters and manufacturers for any party acting on its behalf.

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7. DUE DATE FOR RESPONSE

Manufacturers and exporters are requested to respond to this questionnaire and return it to the Commission within the time specified on the cover page.

There is a statutory time limit imposed for the investigations. The Commission may not be able to consider submissions received after the due date if to do so would prevent meeting the statutory reporting requirements.

The Commission would encourage you to make contact with the Case Manager (see contact details on the cover page to this questionnaire) 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 Manager as soon as possible.

In considering whether or not to grant an extension of time, regard is had 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.

The Commission 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 cover page of this questionnaire, with data requested in electronic format provided on a CD-ROM (see point 11 below).

Alternatively, you are welcome to lodge your response by email. The email address for lodgement is shown on the cover page 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.

8. VERIFICATION OF THE INFORMATION THAT YOU SUPPLY

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

The purpose of the visit is to verify the information submitted in response to this questionnaire. It is not meant to be a chance for you to provide new or additional information. The Commission expects your response to the questionnaire to be complete and accurate.

Verification visits may take several days. During this verification, the Commission's representatives will want 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. They will need to consult with your staff, particularly your financial controller (or accountant) and your domestic and export sales people. They may also need to see your factory, in which case they will need to consult with your operational managers.

After gathering the information, the Commission will prepare a report of the visit. Its representatives will provide you with a draft of the report and then respond to any questions you have. They will ask you to prepare a non-confidential copy of the report for the Public Record.

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9. 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 goods under consideration.
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.
Section G	Costs to make and sell, for exports to Australia and for the domestic market.
Section H	Countervailing
Section I	Your declaration.
Section J	Submission checklist.
Appendix 1	A glossary of terms used in this questionnaire.

10. GENERAL INSTRUCTIONS FOR PREPARING YOUR RESPONSE

- When answering the questionnaire please carefully read all instructions. The Commission 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.
- We recommend that you retain all work sheets used in answering the questionnaire, in particular those linking the information supplied with management and accounting records. This will help us to verify the information.
- Clearly identify all units of measurement and currencies used. Apply the same measurement consistently throughout your response to the questionnaire.

11. INSTRUCTIONS ON PROVIDING ELECTRONIC DATA

- It is important that, where requested, information is submitted in electronic format.
- Electronic data can be submitted directly by email to the email address shown on the cover page of this questionnaire, or can be submitted on a CD-ROM by mail.
- The data must be created as spreadsheet files, preferably in Microsoft Excel, 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.

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- An Excel spreadsheet, '*Galvanised Steel - exporter questionnaire supporting data*' accompanies this questionnaire and forms a template for your response to the data requested. The spreadsheet is referred to throughout this questionnaire as appropriate. This spreadsheet (and the worksheets therein) should be completed and used to provide the requested data where possible.
- 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 the Commission to be adequate. The Commission therefore suggests 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.

12. FURTHER INFORMATION

Before you respond to the questionnaire you should read all the documentation enclosed with this application including the applicant's non-confidential submission, the booklet Australia's Anti-Dumping and Countervailing Administration and the Anti-Dumping Notice notifying the initiation of the investigation. We also advise that you read the attached glossary of terms.

Please note that the Commission may send you a supplementary questionnaire if it needs to clarify matters provided by you in the response to this questionnaire, or to seek new information.

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SECTION A - COMPANY STRUCTURE AND OPERATIONS

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: [Mr Allen Chou](#)
Position in the company: [Assistant General Manager](#)
Address: [No. 568 Wuxing Road, Jiangyin, Jiangsu, China](#)
Telephone: [+86 510 68171171](#)
Facsimile number: [+86 510 8160 1000](#)
E-mail address of contact person: allen398702@gmail.com

Factory:

Address: [No. 568 Wuxing Road, Jiangyin, China](#)
Telephone: [+86 510 68171171](#)
Facsimile number: [+86 510 8160 1000](#)
E-mail address of contact person: allen398702@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: [Mr John Bracic](#)
Organisation: [J.Bracic & Associates Pty Ltd](#)
Position: [Director](#)
Address: [PO Box 3026, Manuka, ACT 2603](#)
Telephone: [+61 \(0\)499 056 729](#)
Facsimile/Telex number: [N/A](#)
E-mail address of contact person: john@jbracic.com.au

Note that in nominating a representative, the Commission 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.

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Jiangyin Zongcheng Steel Co., Ltd. (Zongcheng) is the legal name of the business. Zongcheng was originally established on 2nd March 2004 as a wholly foreign owned enterprise. Zongcheng uses no other business name to export or sell its goods.

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).

Refer to **Confidential Attachment 1** for Zongcheng's shareholder details. Also refer to **Confidential Attachment 2** for the company's world-wide corporate structure.

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

Zongcheng is a subsidiary of [REDACTED] [shareholder information].

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

Refer to **Confidential Attachment 2** for Zongcheng's world-wide corporate structure and affiliations.

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

Refer to **Confidential Attachment 2**.

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

[REDACTED] [Management fee/corporate allocation information].

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

Zongcheng is a manufacturer and exporter of the subject merchandise. The scope of its business is the production of galvanized and high anti-corrosive aluminium zinc alloy plate, coated steel. Zongcheng [REDACTED] [operating functions].

8. If your business does not perform all of the following functions in relation to the goods under consideration, then please provide names and addresses of the companies which perform each function:

- produce or manufacture;
- sell in the domestic market;

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- export to Australia; and
- export to countries other than Australia.

Zongcheng produces and performs all the functions listed above.

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

Refer to **Confidential Attachment 3** for Zongcheng's organizational chart. The functions performed in the main department can be described as follows:

- 1) [REDACTED]
- 2) [REDACTED]
- 3) [REDACTED]

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

Position	Name
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]

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

Zongcheng has not published an annual report since it is not a public listed company in China. Refer to **Confidential Attachment 4** for a product brochure.

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

- supplying/selling completed or partially completed products;
- supplying/selling raw materials;
- performing management functions (including any financial functions);
- processing (including toll processing) of any raw materials, intermediary or completed products; or
- trading in products/materials supplied by related parties.

Zongcheng [REDACTED] [trading relationship with related parties].

A-4 GENERAL ACCOUNTING/ADMINISTRATION INFORMATION

1. Indicate your accounting period.

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Zongcheng's accounting period is from January 1st to December 31th of the calendar year.

2. Indicate the address where the company's financial records are held.

Zongcheng's financial records are held at No. 568 Wuxing Road, Jiangyin City, Jiangsu Province, China.

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

- chart of accounts;
- audited consolidated and unconsolidated financial statements (including all footnotes and the auditor's opinion); and
- 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.

These documents should relate to:

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

Refer to **Confidential Attachment 5** for Chart of Accounts and **Confidential Attachment 6** for audited financial statement for 2012 and 2013 plus 2014 semi-annual financial statements.

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

Not applicable.

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

Zongcheng's financial accounting practices are in accordance with "GAAP" practice in China.

6. 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);

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[illegible][illegible]

- 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);

The cost calculation method is briefly described as below:

-
- (1)
- (2)
- (3)
- (4)



- valuation methods for damaged or sub-standard goods generated at the various stages of production;
- valuation methods for scrap, by products or joint products;

Wastage, scrap and sub-standard goods

- valuation and revaluation methods for fixed assets;

Fixed assets and tangible assets are assets:

- (a) that are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes;
- (b) that have a useful life more than one year; and
- (c) that have a relatively high unit price.

Fixed assets are recorded [REDACTED]. Depreciation is [REDACTED].

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

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The estimated residual value, useful life and annual depreciation rate of each category of fixed assets are as follows:

Category of Fixed Assets	Useful Life	Annual Depreciation Rate
Office Equipment	XXXXXX	XXXXXX
Transportation Equipment	XXXXXX	XXXXXX
Machinery Equipment	XXXXXX	XXXXXX
Buildings	XXXXXX	XXXXXX
Others	XXXXXX	XXXXXX

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

Zongcheng adopts Renminbi (RMB) as its reporting currency. All transactions in currencies other than RMB,

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

At the balance sheet date, XXXXXXXX
XXXXXXXXXXXXXXXXXXXXXXXXXXXX
XXXXXXXXXXXXXXXXXXXXXXXXXXXX

At the balance sheet date, XXXXX

- inclusion of general expenses and/or interest;

General and administrative expenses and/or interest expense

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

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Bad debt is accounted for

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

Not applicable as there were no idle equipment and/or plant shut-downs expenses incurred during review period.

- costs of plant closure;

Not applicable.

- restructuring costs;

Not applicable.

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

Refer to explanation above regarding valuation methods for scrap, by products, or joint products.

- effects of inflation on financial statement information.

Not applicable.

7. 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.

Zongcheng's accounting methods have not change over the last two financial years.

A-5 INCOME STATEMENT

Please complete the worksheet titled '**Income Statement**' within the '*Galvanised Steel - exporter questionnaire supporting data*' spreadsheet provided alongside this questionnaire.

Refer to Confidential Attachment '**A-5 Income statement**'.

A-6 SALES

Please complete the worksheet titled '**Turnover**' within the '*Galvanised Steel - exporter questionnaire supporting data*' spreadsheet provided alongside this questionnaire.

Refer to Confidential Attachment '**A-6 Turnover**'.

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SECTION B - SALES TO AUSTRALIA (EXPORT PRICE)

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

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

Not applicable as Zongcheng has not exported galvanised steel to Australia during the review period.

B-2 For each customer identified in Section B-1 please provide the following:

- a) Describe how the goods are sent to each customer in Australia, including a diagram if required.
- b) Identify each party in the distribution chain and describe the functions performed by them. Where commissions are paid indicate whether it is a pre or post exportation expense having regard to the date of sale.
- c) Explain who retains ownership of the goods at each stage of the distribution chain. In the case of delivered duty paid (DDP) sales, explain who retains ownership when the goods enter Australia.
- d) Describe any agency or distributor agreements or other contracts entered into in relation to the Australian market (supply copy of the agreement if possible).
- e) Explain in detail the process by which you negotiate price, receive orders, deliver, invoice and receive payment. If export prices are based on price lists supply copies of those lists.
- f) State whether your firm is related to any of its Australian customers. Give details of any financial or other arrangements (e.g. free goods, rebates or promotional subsidies) with the customers in Australia (including parties representing either your firm or the customers).
- g) Details of the forward orders of the goods under consideration (include quantities, values and scheduled shipping dates).

Not applicable as Zongcheng has not exported galvanised steel to Australia during the review period.

B-3 Do your export 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.

Not applicable as Zongcheng has not exported galvanised steel to Australia during the review period.

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- B-4** Complete the worksheet titled '**Australian Sales**' within the '*Galvanised Steel - exporter questionnaire supporting data*' spreadsheet provided alongside this questionnaire.

This spreadsheet should list **all** shipments to Australia (i.e. transaction by transaction) **of the goods under consideration** in the investigation period. Do not include non-goods items.

Not applicable as Zongcheng has not exported galvanised steel to Australia during the review period.

- 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 (see 'other factors' in Section 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.

Not applicable as Zongcheng has not exported galvanised steel to Australia during the review period.

- 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 Section B-4. If they vary by customer or level provide an explanation.

Not applicable as Zongcheng has not exported galvanised steel to Australia during the review period.

- 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 Section B-4, provide details of each credit note if the credited amount has **not** been reported as a discount or rebate.

Not applicable as Zongcheng has not exported galvanised steel to Australia during the review period.

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

Not applicable as Zongcheng has not exported galvanised steel to Australia during the review period.

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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.

The Commission will select additional shipments for payment verification at the time of the visit.

Not applicable as Zongcheng has not exported galvanised steel to Australia during the review period.

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SECTION C - EXPORTED GOODS AND LIKE GOODS

- C-1** Fully describe all of the goods you have exported to Australia during the investigation period. Include specification details (such as the grade of the product) and any technical and illustrative material that may be helpful in identifying, or classifying, the exported goods.

Not applicable as Zongcheng has not exported galvanised steel to Australia during the review period.

- C-2** List each model/type of goods exported to Australia (these models should cover all models listed in the worksheet '**Australian Sales**' – see Section B of this questionnaire).

Not applicable as Zongcheng has not exported galvanised steel to Australia during the review period.

- 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 of terms) are not identical to goods exported to Australia. Make sure that you identify the grade of each model/type that is sold domestically.

An example of how this information can be presented is below:

EXPORTED TYPE	DOMESTIC TYPE	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

As Zongcheng did not export galvanised steel to Australia during the review period, it is unable to identify the 'most comparable models sold domestically'. However, the following is a list of all the various coating masses sold on the domestic market – [REDACTED] [product information].

- 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.

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SECTION D - DOMESTIC SALES

D-1 Please 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.

Galvanised steel is sold on the domestic market in China via the following three channels:

- 1) [REDACTED];
- 2) [REDACTED];
- 3) [REDACTED].

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.

Domestic selling prices [REDACTED]
[REDACTED]
[REDACTED] [factors determining domestic selling prices].

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;

Generally, the sales process involves the following steps:

- 1) Price setting - [REDACTED]
[REDACTED].
- 2) Receive orders - [REDACTED]
[REDACTED].
- 3) Goods delivery - [REDACTED]
[REDACTED].
- 4) Issued of VAT invoice - [REDACTED]
[REDACTED].
- 5) Payment Receiving - [REDACTED]
[REDACTED].

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- whether price includes the cost of delivery to customer.

Sales of galvanised steel by Zongcheng [REDACTED].

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

Zongcheng [REDACTED].

- D-4** Complete the worksheet titled '**Domestic Sales**' in the '*Galvanised Steel - exporter questionnaire supporting data*' spreadsheet provided alongside this questionnaire.

This worksheet is to list **all domestic sales of like goods** (i.e. transaction by transaction) made during the investigation period. Do not include non-goods items.

Refer to **Confidential Attachment 'D-4 Domestic sales'**.

- 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 Section D-4 above, add a column for each item (see 'other factors'). For example, certain other selling expenses incurred.

- D-6** For each type of commission, discount, rebate or 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 Section D-4.

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.

- 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; and
- bank documentation showing proof of payment.

The Commission will select additional sales for verification at the time of our visit.

Refer to **Confidential Attachment 'D7 Sample sales'** for requested documentation relating to selected domestic sales.

PUBLIC VERSION

SECTION E - FAIR COMPARISON

E-1 COSTS ASSOCIATED WITH EXPORT SALES

These cost adjustments will relate to your responses made at Section 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.

[Not applicable](#)

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 and 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 Section B-4, 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; and
- other ancillary charges.

[Not applicable](#)

3. Credit

The cost of extending credit on export sales is not included in the amounts quantified at Section B-4. However, the Commission 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.

[Not applicable](#)

4. Packing costs

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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**'.

Not applicable

5. 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 Section B-4 under the column headed '**commissions**'. Identify the general ledger account where the expense is located.

Not applicable

6. Warranties, guarantees, and after sales services

List the costs incurred. Show relevant sales contracts. Show how you calculated the expenses ('**warranty and guarantee expenses**' and '**technical assistance and 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.

Not applicable

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.

Not applicable

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 period of investigation (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.

Not applicable

E-2 COSTS ASSOCIATED WITH DOMESTIC SALES

PUBLIC VERSION

These cost adjustments will relate to your responses made at Section D-4, '**domestic sales**'.

The following items are not separately identified in the amounts quantified at Section 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 (SG&A) costs, 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.

Not applicable

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,

then 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.

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;

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- 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.

Not applicable

Substitution drawback systems

Annex 3 of the WTO *Agreement on Subsidies and Countervailing Measures* provides:

'[d]rawback 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 adjustments can also be made for the drawback payable on the substituted domestic materials, provided the total amount of the drawback does not exceed the total duty paid.

Not applicable

3. Level of trade

Section 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;

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- 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.

Not applicable

4. Credit

The cost of extending credit on domestic sales is not included in the amounts quantified at Section D-4. However, the Commission 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 borrowings 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,¹ the average credit period may be determined as follows:

a) *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.

¹ 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.

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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 two; or
- total monthly receivables divided by 12.

b) Calculate the average credit period

The average credit period equals 365 divided by the accounts receivable turnover ratio determined above at point a).

The resulting average credit period should be tested against randomly selected transactions to support the approximation.

Not applicable

The following items are identified in the amounts quantified at Section 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.

Not applicable

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.

Not applicable

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**'.

Not applicable

8. Commissions

For any commissions paid in relation to the domestic sales:

- provide a description; and

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- 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.

Not applicable

9. Warranties, guarantees and after sales services

List the costs incurred. Show relevant sales contracts. Show how you calculated the expenses ('**Warranty and guarantee expenses**' and '**technical assistance and 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.

Not applicable

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.

Not applicable

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.

Not applicable

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SECTION F - EXPORT SALES TO COUNTRIES OTHER THAN AUSTRALIA (THIRD COUNTRY SALES)

- F-1** Using the column names and column descriptions below provide a summary of your export sales to countries other than Australia.

Complete the worksheet titled '**Third Country Sales**' within the '*Galvanised Steel - exporter questionnaire supporting data*' spreadsheet provided alongside this questionnaire.

Refer to **Confidential spreadsheet 'F1 Third country sales'**.

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

Not applicable.

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SECTION G - COSTING INFORMATION AND CONSTRUCTED VALUE

G-1 PRODUCTION PROCESS AND CAPACITY

1. Describe the production process for the goods. Provide a flowchart of the process. 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.

The production of galvanised steel is undertaken

2. Complete the worksheet titled '**production**' within the '*Galvanised Steel - exporter questionnaire supporting data*' spreadsheet provided alongside this questionnaire.

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

Refer to **Confidential Attachment – 'G2 Production'**.

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.

Zongcheng utilises

[costing accounting methodology].

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.

The cost accounting system of Zongcheng is

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

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

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Zongcheng [REDACTED]
[REDACTED] [costing accounting methodology].

5. For each profit/cost centre, describe in detail the methods that your company normally uses to allocate costs to the goods under consideration. 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.

All materials, labour and manufacturing costs relating to Zongcheng's [REDACTED].

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

Zongcheng's production costs [REDACTED].

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

Not applicable as there are no differences between cost accounting purposes and financial accounting purposes.

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

Not applicable.

9. 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.

Not applicable.

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.²

Complete the worksheet titled '**Domestic CTMS**' within the '*Galvanised Steel - exporter questionnaire supporting data*' spreadsheet provided alongside this questionnaire.

Refer to Confidential Attachment '**G3 Domestic CTMS**'.

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

² The Commission applies the tests set out in s.269TAA of the *Customs Act 1901* to determine whether goods are in the ordinary course of trade. These provisions reflect the WTO Agreement – see Article 2.2.1.

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Complete the worksheet titled '**Australian CTMS**' within the '*Galvanised Steel - exporter questionnaire supporting data*' spreadsheet provided alongside this questionnaire.

Not applicable as Zongcheng did not export the goods to Australia during the review period.

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.

Not applicable as Zongcheng did not export the goods to Australia during the review period.

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.

As explained earlier, Zonhcheng

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.

Refer to response at G-6.

G-8 List major raw material costs, which individually account for 10% or more of the total production cost.

The major raw material used in the production of galvanised steel

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, the Commission 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).

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The term associate is defined in section 269TAA of the *Customs Act 1901*. 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.

Important note: if the major input is sourced as part of an integrated production process you should provide detailed information on the full costs of production of that input.

- G-9** Complete the attached spreadsheet entitled 'Raw Material Purchases' within the "Galvanised Steel - exporter questionnaire supporting data" – provided alongside this questionnaire (i.e. transaction by transaction) for all purchases of hot rolled coil, 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, Coking Coal and Coke), please provide your responses in three separate spreadsheets).

Refer to **Confidential spreadsheet 'G9 Raw Material Purchases'**.

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SECTION H - COUNTERVAILING

The following subsidy programs are subject of a countervailing duty notice in respect of galvanised steel exported to Australia:

Program Number	Program Name
PREFERENTIAL INCOME TAX PROGRAMS	
4	Preferential Tax Policies for Enterprises with Foreign Investment Established in the Coastal Economic Open Areas and Economic and Technological Development Zones
5	Preferential Tax Policies for Foreign Invested Enterprises– Reduced Tax Rate for Productive Foreign Invested Enterprises scheduled to operate for a period of not less than 10 years
6	Preferential Tax Policies for Enterprises with Foreign Investment Established in Special Economic Zones (excluding Shanghai Pudong area)
7	Preferential Tax Policies for Enterprises with Foreign Investment Established in Pudong area of Shanghai
8	Preferential Tax Policies in the Western Regions
9	Land Use Tax Deduction
10	Preferential Tax Policies for High and New Technology Enterprises
TARIFF AND VAT EXEMPTIONS ON IMPORTED MATERIALS AND EQUIPMENT	
11	Tariff and value-added tax (VAT) Exemptions on Imported Materials and Equipment
GRANTS	
12	One-time Awards to Enterprises Whose Products Qualify for 'Well-Known Trademarks of China' and 'Famous Brands of China'
13	Matching Funds for International Market Development for Small and Medium Enterprises
14	Superstar Enterprise Grant
15	Research & Development (R&D) Assistance Grant
16	Patent Award of Guangdong Province
17	Innovative Experimental Enterprise Grant

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18	Special Support Fund for Non State-Owned Enterprises
19	Venture Investment Fund of Hi-Tech Industry
20	Grants for Encouraging the Establishment of Headquarters and Regional Headquarters with Foreign Investment.
21	Grant for key enterprises in equipment manufacturing industry of Zhongshan
22	Water Conservancy Fund Deduction
23	Wuxing District Freight Assistance
24	Huzhou City Public Listing Grant
25	Huzhou City Quality Award
26	Huzhou Industry Enterprise Transformation & Upgrade Development Fund
27	Wuxing District Public List Grant
28	Anti-dumping Respondent Assistance
29	Technology Project Assistance

The table below summarises additional countervailable subsidy programs investigated by ACBPS following receipt of information during the course of the original investigations:

Program Number	Program Name
COUNTERVAILABLE SUBSIDY PROGRAMS INVESTIGATED FOLLOWING RECEIPT OF INFORMATION DURING THE COURSE OF THE INVESTIGATIONS	
30	Capital injection
31	Environmental protection grant
32	High and New Technology Enterprise Grant
33	Independent Innovation and High-Tech Industrialisation Program
34	VAT refund on domestic sales by local tax authority
35	Environmental Prize
36	Jinzhou District Research and Development Assistance Program

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H-1 PREFERENTIAL INCOME TAX PROGRAMS (PROGRAMS 4-10)

1. Did your business or any company/entity related to your business receive any benefit³ under the following seven programs during the investigation period (1 July 2013 to 30 June 2014):

Program 4: Preferential Tax Policies for Enterprises with Foreign Investment Established in the Coastal Economic Open Areas and in Economic and Technological Development Zones

Program 5: Preferential Tax Policies for Foreign Invested Enterprises - Reduced Tax Rate for Productive Foreign Invested Enterprises scheduled to operate for a period not less than 10 years

Program 6: Preferential Tax Policies for Enterprises with Foreign Investment Established in Special Economic Zones (excluding Shanghai Pudong area)

Program 7: Preferential Tax Policies for Enterprises with Foreign Investment Established in Pudong area of Shanghai

Program 8: Preferential Tax Policies in the Western Regions

Program 9: Land Use Tax Deduction

Program 10: Preferential Tax Policies for High and New Technology Enterprises

Zongcheng did not receive benefits under any of the above programs. Refer to Confidential Attachment – 'Income Tax'.

2. It is our understanding that the general tax rate for enterprises in China from 1 July 2013 was 25%. Confirm whether this is correct and if not, please identify the general tax rate for enterprises in China from 1 July 2013.

Zongcheng confirms that the general tax rate for enterprises in China is 25%.

3. If your business currently pays corporate income tax at a rate less than 25% (or whatever the rate of general tax is as discussed above), or paid at a rate less than that during the investigation period, please indicate whether the reduced rate relates to any of the preferential income tax programs identified above.

Not applicable.

4. If the income tax rate of less than the general rate does not relate to any of the programs identified above, please provide an explanation for the reduced income tax rate.

Not applicable.

5. Please answer the following questions for each program identified in Part H-1 (1) above:

- i. Provide complete details of the amount of the benefit received, including whether it was received in total or in instalments.

³ Refer to the Glossary of Terms for a definition of benefit in this context.

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Not applicable.

- ii. Indicate which goods you produced that benefited from the program (e.g. the program may have benefited all production, or only certain products that have undergone research and development).

Not applicable.

- iii. Describe the application and approval procedures for obtaining a benefit under the program.

Not applicable.

- iv. Where applicable, provide copies of the application form or other documentation used to apply for the program, all attachments and all contractual agreements entered into between your business and the GOC in relation to the program.

Not applicable.

- v. Outline the fees charged to, or expenses incurred by your business for purposes of receiving the program.

Not applicable.

- vi. Outline the eligibility criteria your business had to meet in order to receive benefits under this program.

Not applicable.

- vii. State whether your eligibility for the program was conditional on one or more of the following criteria:
 - a) whether or not your business exports or has increased its exports;
 - b) the use of domestic rather than imported inputs;
 - c) the industry to which your business belongs; or
 - d) the region in which your business is located.

Not applicable.

- viii. If the benefit was provided in relation to a specific activity or project of your entity, please identify the activity and provide supporting documentation.

Not applicable.

- ix. What records does your business keep regarding each of the benefits received under this program? Provide copies of any records kept in relation to the program.

Not applicable.

- x. Indicate where benefits under this program can be found in your accounting system (i.e., specify the ledgers or journals) and financial statements.

Not applicable.

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- xi. To your knowledge, does the program still operate or has it been terminated?

Not applicable.

- xii. If the program has been terminated, please provide details (when, why). When is the last date that your business could apply for or claim benefits under the program? When is the last date that your business could receive benefits under the program?

If the program terminated has been substituted for by another program, identify the program.

Not applicable.

PUBLIC VERSION

H-2 TARIFF AND VAT EXEMPTIONS ON IMPORTED MATERIALS AND EQUIPMENTS (PROGRAM 11)

It is our understanding that certain enterprises in China are eligible for exemption from the payment of import duty and import VAT on imported inputs, technologies and machinery.

If your business or any company/entity related to your business received benefits under any such program during the period 1 July 2009 to 30 June 2014, please answer the following questions.

Zongcheng did not receive an exemption or reduction of VAT and/or duty on imported materials and equipment during the period 1 July 2009 to 30 June 2014.

1. Provide complete details involving the amount of the VAT refund received, including whether the refund was received in a lump sum or multiple instalments.

Not applicable.

2. Describe the application and approval procedures for obtaining a benefit under the program.

Not applicable.

3. Where applicable, provide copies of the application form or other documentation used to apply for the program, all attachments and all contractual agreements entered into between your business and the GOC in relation to the program.

Not applicable.

4. Outline the fees charged to, or expenses incurred by your business for purposes of receiving the program.

Not applicable.

5. Outline the eligibility criteria your business had to meet in order to receive benefits under this program.

Not applicable.

6. State whether your eligibility for the program was conditional on one or more of the following criteria:

- a) whether or not your business exports or has increased its exports;
- b) the use of domestic rather than imported inputs;
- c) the industry to which your business belongs; or
- d) the region in which your business is located.

Not applicable.

7. If the benefit was provided in relation to a specific activity or project of your entity, please identify the activity and provide supporting documentation.

Not applicable.

PUBLIC VERSION

8. What records does your business keep regarding each of the benefits received under this program? Provide copies of any records kept in relation to the program.

Not applicable.

9. Indicate where benefits under this program can be found in your accounting system (i.e., specify the ledgers or journals) and financial statements.

Not applicable.

10. To your knowledge, does the program still operate or has it been terminated?

Not applicable.

11. If the program has been terminated, please provide details (when, why). When is the last date that your business could apply for or claim benefits under the program? When is the last date that your business could receive benefits under the program?

If the program terminated has been substituted for by another program, identify the program.

Not applicable.

12. Were the materials and/or equipment that were entitled to a refund of VAT used in the production of the goods during the investigation period? If yes, provide the following information:

- (a) type of inputs;
- (b) cost of inputs;
- (c) quantity of inputs; and
- (d) amount of VAT refunded.

Not applicable.

13. Has your company received exemption from payment of or refunds of import duty and import VAT for imported material inputs (e.g. hot rolled coil, coking coal and coke) at any time that were used in the production of the goods during the investigation period? If yes, provide the following information:

- (a) description of imported product;
- (b) country of origin;
- (c) quantity of imported product;
- (d) purchase price;
- (e) terms of purchase (e.g. FOB, CIF);
- (f) ocean freight;
- (g) value for duty of imported product;
- (h) regular rate of taxes and duties;
- (i) concessionary rate of taxes and duties;
- (j) amount of duties and taxes normally applicable;
- (k) amount of duties and taxes paid;
- (l) amount of duties and taxes exempt;
- (m) date of importation;
- (n) tariff classification number;

PUBLIC VERSION

- (o) customs entry number; and
- (p) application fee.

Not applicable.

14. Explain if (and how) the GOC determines which imported inputs are consumed by your business in the production of the subject goods and in what amounts, and the amount of duty paid or payable on the inputs (including any allowance for waste).

Explain how the GOC determined the percentage rate of duty exemption.

Please note that goods consumed in the production of exported goods (inputs) include:

- (a) goods incorporated into the exported goods; and
- (b) energy, fuel, oil and catalysts that are used or consumed in the production of the exported goods.

Not applicable.

15. Provide a representative sample of copies of import entry documents (for example: bill of entry, invoice from supplier, etc.) for each type of importation covering duty-exempt inputs and duty-paid inputs imported for use in the manufacturing of the subject goods.

Not applicable.

16. In addition to the import entry documents, you must also provide copies, if applicable, of any applications submitted to and/or approval document received from the GOC relating to the exemption from the payment of import duty and import VAT on imported inputs and in relation to the VAT that is refunded on the exportation of the subject goods.

Not applicable.

17. Provide copies of reports and audits by the GOC authority responsible for administering the duty rebate or duty drawback scheme with respect to the verification of the importation and use of inputs and the remittance or drawback of the related duty paid or payable.

Not applicable.

H-3 GRANTS (PROGRAMS 12-29, 31-36)

It is our understanding that the GOC may be providing grants to enterprises in China including the following identified programs:

Program 12: One-time Awards to Enterprises Whose Products Qualify for 'Well-Known Trademarks of China' and 'Famous Brands of China'

Program 13: Matching Funds for International Market Development for Small and Medium Enterprises

Program 14: Superstar Enterprise Grant

Program 15: Research & Development (R&D) Assistance Grant

Program 16: Patent Award of Guangdong Province

PUBLIC VERSION

Program 17: Innovative Experimental Enterprise Grant

Program 18: Special Support Fund for Non State-Owned Enterprises

Program 19: Venture Investment Fund of Hi-Tech Industry

Program 20: Grants for Encouraging the Establishment of Headquarters and Regional Headquarters with Foreign Investment.

Program 21: Grant for key enterprises in equipment manufacturing industry of Zhongshan

Program 22: Water Conservancy Fund Deduction

Program 23: Wuxing District Freight Assistance

Program 24: Huzhou City Public Listing Grant

Program 25: Huzhou City Quality Award

Program 26: Huzhou Industry Enterprise Transformation & Upgrade Development Fund

Program 27: Wuxing District Public List Grant

Program 28: Anti-dumping Respondent Assistance

Program 29: Technology Project Assistance

Program 31: Environmental protection grant

Program 32: High and New Technology Enterprise Grant

Program 33: Independent Innovation and High-Tech Industrialisation Program

Program 34: VAT refund on domestic sales by local tax authority

Program 35: Environmental prize

Program 36: Jinzhou District Research and Development Assistance Program

1. Did your business or any company/entity related to your business receive any benefit under the above programs during the period 1 July 2009 to 30 June 2014?

[Zongcheng did not receive benefits under any of the above programs.](#)

2. Did your business receive benefits under any other grant (including awards, prizes, funds) program during the period 1 July 2009 to 30 June 2014?

[Refer to Confidential Attachment 7 – List of Subsidies.](#)

3. Provide copies of management reports showing your business' non-operating income (or another ledger account) during the period 1 July 2009 to 30 June 2014 and highlight the entry referring to income from the grants identified above.

[Refer to Confidential Attachment 8 – Non-operating income ledgers](#)

For each program identified in your answers above:

- i. Provide complete details involving the amount of the grant received, including whether the grant was received in a lump sum or multiple instalments.

PUBLIC VERSION

Refer to **Confidential Attachment 7 – List of Subsidies**

- ii. Indicate which goods you produced that benefited from the program (e.g. the program may have benefited all production, or only certain products that have undergone research and development).

Refer to **Confidential Attachment 7 – List of Subsidies**

- iii. Describe the application and approval procedures for obtaining a benefit under the program.

[REDACTED]

- iv. Where applicable, provide copies of the application form or other documentation used to apply for the program, all attachments and all contractual agreements entered into between your business and the GOC in relation to the program.

This question is not applicable please refer to our response stated in (iii) above.

- v. Outline the fees charged to, or expenses incurred by your business for purposes of receiving the program.

There are [REDACTED]

- vi. Outline the eligibility criteria your business had to meet in order to receive benefits under this program.

Refer to **Confidential Attachment 7 – List of Subsidies**

- vii. State whether your eligibility for the program was conditional on one or more of the following criteria:
 - a. whether or not your business exports or has increased its exports;
 - b. the use of domestic rather than imported inputs;
 - c. the industry to which your business belongs; or
 - d. the region in which your business is located.

It is Zongcheng's understanding that none of the list subsidies were conditional on such criteria.

- viii. If the benefit was provided in relation to a specific activity or project of your entity, please identify the activity and provide supporting documentation.

Refer to **Confidential Attachment 7 – List of Subsidies.**

- ix. What records does your business keep regarding each of the benefits received under this program? Provide copies of any records kept in relation to the program.

Not applicable.

PUBLIC VERSION

- x. Indicate where benefits under this program can be found in your accounting system (i.e., specify the ledgers or journals) and financial statements.

Refer to non-operating income ledger.

- xi. To your knowledge, does the program still operate or has it been terminated?

It is Zongcheng's understanding [REDACTED]

- xii. If the program has been terminated, please provide details (when, why). When is the last date that your business could apply for or claim benefits under the program? When is the last date that your business could receive benefits under the program?

Not applicable.

If the program terminated has been substituted for by another program, identify the program.

Not applicable.

- xiii. Identify the body responsible for administering the grant.

Refer to Confidential Attachment 7 – List of Subsidies.

- xiv. Identify the date of approval of the grant and the date the grant was received.

Refer to Confidential Attachment 7 – List of Subsidies and non-operating income ledgers

- xv. Indicate where the grant was accounted for on your business' financial statements.

Non-operating income ledger accounts.

H-4 EQUITY CONTRIBUTIONS INCONSISTENT WITH NORMAL PRACTICES OF PRIVATE INVESTORS IN THE COUNTRY CONCERNED (PROGRAM 30)

Program 30: Capital injection

If your business or any company/entity related to your business received any form of capital contribution from the GOC during the period 1 July 2009 to 30 June 2014, please answer the following questions:

1. What were the initial terms and conditions of the capital contribution (provide all documentary evidence)? Also explain in detail how the funds were used.

Not applicable.

2. Explain in detail the process of converting cash into equity (provide all documentary evidence).

Not applicable.

PUBLIC VERSION

3. Provide the detailed procedures to increase the registered capital required by the stock exchange.

Not applicable.

4. Was any approval required / sought from any regularity authority other than the stock exchange? If so provide a copy of the approval including all terms and conditions of the approval.

Not applicable.

5. If different to common shares listed on the stock exchanges, explain how the type of the shares was determined? (Examples of other shares may include (but not limited to) class A shares, preferential shares, etc).

Not applicable.

6. If different classes of shares were issued on conversion please explain the type(s) of new shares issued and explain the reasons for issuing different share classes. Also explain how these shares were different to those listed shares.

Not applicable.

7. How many new shares were issued on conversion and for what value? Were the new shares tradeable? If not explain the reasons.

Not applicable.

8. What was the value of the shares on the relevant stock exchange(s) at the time of the capital contribution by the GOC?

Not applicable.

9. How was the value of the shares (equity) determined for the purpose of conversion? Explain the methodology adopted and provide a detailed explanation of the process involved.

Not applicable.

10. Was the value of the new shares issued discounted? If so please provide the details including value of the shares at the time of conversion and how much discount was provided. Explain the basis of determining the discount.

Not applicable.

11. Provide the date(s) when the capital contributions were converted into equity.

Not applicable.

12. If the shares issued were of the same class and/or type as those listed on the relevant stock exchange(s), answer the following questions;

- i. Provide details of all announcements made by the company on the stock exchange(s) relating to the equity conversion.

PUBLIC VERSION

Not applicable.

- ii. How did the market react to these announcements (provide trading data (value and volume) from both stock exchanges one month immediately before and after the announcements).

Not applicable.

- iii. Were all new shares that were issued after conversion listed on one or both exchanges?

Not applicable.

- iv. In the case of multiple relevant stock exchanges, was there any price arbitrage between the stock exchanges one month immediately before and after the conversions? If so what was the difference and how was it managed? (e.g. trading being suspended immediately after the announcements etc)

Not applicable.

- v. Provide the names of the controlling shareholders and percentage of shares held by each shareholder immediately before and immediately after each of the issues of new shares.

Not applicable.

PUBLIC VERSION

SECTION I - EXPORTER'S DECLARATION

☐

I hereby declare that.....(company)
did, during the period of investigation export the goods under consideration 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.

☐

I hereby declare that.....(company)
did not, during the period of investigation, export the goods under consideration and
therefore have not completed the attached questionnaire.

Name :.....

Signature :.....

**Position in
Company** :.....

Date :.....

PUBLIC VERSION

SECTION J- CHECKLIST

SECTION	Please tick if you have responded to all questions
Section A – general information	
Section B – export price	
Section C – like goods	
Section D – domestic price	
Section E – fair comparison	
Section F – exports to third countries	
Section G – costing information	
Section H – countervailing	
Section I – declaration	

ELECTRONIC DATA	Please tick if you have completed worksheets
INCOME STATEMENT	
TURNOVER – sales summary	
AUSTRALIAN SALES – list of sales to Australia	
DOMESTIC SALES – list of all domestic sales of like goods	
THIRD COUNTRY – third country sales	
PRODUCTION – production figures	
DOMESTIC COSTS – costs of goods sold domestically	
AUSTRALIAN COSTS – costs of goods sold to Australia	
RAW MATERIAL PURCHASES – list of raw material purchases	
INCOME TAX	

PUBLIC VERSION

APPENDIX 1 - GLOSSARY OF TERMS

This glossary is intended to provide you with a basic understanding of technical terms that appear in the questionnaire.

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; and
- 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.

Constructed value

In cases where domestic prices paid for the goods under consideration 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 goods under consideration plus a reasonable amount for SG&A 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.

PUBLIC VERSION

Cost to make and sell

The cost to make and sell is the sum of the cost of production or manufacture and the SG&A 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

The Commission 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.

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 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, i.e. power, supplies and indirect labour, as well as fixed costs, i.e. factory rent, insurance and depreciation.

Goods under consideration (the goods)

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.

PUBLIC VERSION

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 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)

NB: 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

NB: 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 the Commission 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 goods under consideration or that, although not alike in all respects have characteristics closely resembling those of the goods under consideration. The term 'like goods' also refers to the goods produced by the Australian industry allegedly being injured by dumped imports.

PUBLIC VERSION

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, the Commission 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.

Where domestic price generally and the trade of the exporting country are determined or substantially influenced by the government of the exporting country, an alternative/surrogate market economy is selected by the Commission and the normal value is determined as if the surrogate country were the export source.

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.

PUBLIC VERSION

Program(s)

The term “program”, as used throughout this questionnaire in reference to alleged subsidies, refers to broad categories of subsidies that the Commission has reason to believe may be available to exporters of the goods.

In this regard, the term “program” as used in this questionnaire should not be taken to necessarily refer to formal programs maintained by the GOC, nor should it be taken to refer to one specific subsidy. Rather, “program” as used in this questionnaire can refer to informal subsidies provided by the GOC, and can also refer to multiple individual, albeit similar, subsidies.

Review period

A period defined by the Commission over which importations of the GUC are examined.

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.

However, the expenses must 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.

Special Economic Zone (SEZ)

Refers to a Special Economic Area, Economic and Technical Development Zone, Bonded Zone, Export Processing Zone, High Technology Industrial Development Zone, or any other designated area where benefits from the GOC (including central, provincial, municipal or county government) accrue to a company because of being located in such an area.

State Owned Enterprises (SOE)

For the purposes of this questionnaire, SOE refers to any company or enterprise that is wholly or partially owned by the GOC as defined above (either through direct ownership or through association).

In previous investigations and correspondence, the GOC has advised that the use of the term ‘SOE’ is declining in China, and that these enterprises are now referred to with terms such as:

- ‘enterprises with state investment’
- ‘state-owned assets’
- ‘state-invested enterprises’
- ‘enterprises under the supervision of SASAC’

of which there are several types.

For the purposes of this questionnaire, SOE refers to any and all of the above types of enterprises.

PUBLIC VERSION

Subsidy

In relation to goods that are exported to Australia, means:

(a) a financial contribution:

- (1) by a government of the country or export or country of origin of those goods; or
- (2) by a public body of that country or of which government is a member; or
- (3) by a private body entrusted or directed by that government or public body to carry out a governmental function;

that is made in connection with the production, manufacture or export of those goods and that involves:

- (4) a direct transfer of funds from that government or body to the enterprise by whom the goods are produced, manufactured or exported; or
- (5) a direct transfer of funds from that government or body to that enterprise contingent upon particular circumstances occurring; or
- (6) the acceptance of liabilities, whether actual or potential, of that enterprise by that government body; or
- (7) the forgoing, or non-collection, of revenue (other than an allowable exemption or remission) due to that government or body by that enterprise; or
- (8) the provision by that government or body of goods or services to that enterprise otherwise than in the course of providing normal infrastructure; or
- (9) the purchase by that government or body of goods provided by that enterprise; or

(b) any form of income or price support as referred to in Article XVI of the General Agreement Tariffs and Trade 1994, that is received from such a government or body; if that financial contribution or income or price support confers a benefit in relation to those goods.