**Supplementary Importer Questionnaire**

**Case number:** 521

**Product:** Zinc coated (galvanised) steel

**From:** the People’s Republic of China, the Republic of India, the Republic of Korea, Malaysia, Taiwan and the Socialist Republic of Vietnam

**Review period:** 1 July 2018 to 30 June 2019

**Response due by:** 26 May 2020 7-November-99

7-November-99

**Return completed questionnaire to:** investigations4@adcommission.gov.au

**Anti-Dumping Commission website:** [www.adcommission.gov.au](http://www.adcommission.gov.au)

# Market situation

Section 269TAC(1) of the *Customs Act 1901* (Cth) (the Act) provides that, subject to this section, the normal value of any goods exported to Australia is the price paid or payable for like goods sold in the ordinary course of trade for home consumption in the country of export in sales that are arms length transactions by the exporter or, if like goods are not so sold by the exporter, by other sellers of like goods.

In addition, section 269TAC(2)(a)(ii) of the Act provides that, subject to this section, where the Minister is satisfied that because of the situation in the market of the country of export is such that sales in that market are not suitable for use in determining a price under subsection (1), the normal value of the goods exported to Australia cannot be ascertained under subsection (1).

In the application from BlueScope Steel Limited received by the Commission on 30 July 2019 in respect of zinc coated (galvanised) steel (the goods), it was claimed that a particular market situation exists with respect to the goods within the People’s Republic of China (China).

As part of its investigation, the Commission will consider if a market situation exists in the zinc coated (galvanised) steel market in China during the review period. The Commission will also investigate whether any market situation, if found to exist, influences a comparison between export prices and normal values. To undertake this assessment, the Commission requires further information about the respective markets.

Australian Market

Please return your responses no later than 26 May 2020.

**A Prevailing conditions of competition in the Australian market**

1. Describe the Australian market for the goods and the prevailing conditions of competition within the market, including:
2. Provide an overall description of the market for the goods in Australia which explains its main characteristics and trends over the past five years;
3. Provide the sources of demand for the goods in Australia, including the categories of customers, users or consumers of the product;
4. Provide the proportion (%) of sales revenue from each of those sources of demand listed in (b);
5. Describe the factors that influence consumption/demand in Australia, such as seasonal fluctuations, factors contributing to overall market growth or decline, government regulation, and developments in technology affecting either demand or production;
6. Describe any market segmentations in Australia; such as geographic or product segmentations;
7. Provide the proportion of sales revenue from each of the market segments listed in (e);
8. Describe the way in which Australian manufactured and other imported goods compete in the Australian market;
9. Describe the ways that the goods are marketed and distributed in the Australian market; and
10. Describe any other factors that are relevant to characteristics or influences on the market for the goods in Australia.

Provide documentary evidence to support the responses made to questions 1(a) to (i).

1. Provide a diagram which describes the market for the goods in Australia, ensuring that all the categories of participants are included. In this diagram use linkages to illustrate the different levels of trade and distribution channels within the Australian market.
2. Describe the commercially significant market participants in the market for the goods in Australia at each level of trade over the review period. Include in your description:

* names of the participants;
* the level of trade for each market participant (e.g., manufacturer, reseller, original equipment manufacturer (EOM), retailer, corporate stationer, importer, etc.);
* a description of the degree of integration (either vertical or horizontal) for each market participant; and
* an estimation of the market share of each participant.

1. Identify the names of commercially significant importers in the market for the goods in Australia over the review period and estimate their market share. Specify the country each importer imports from and their level of trade in the Australian market, if known.
2. Describe the regulatory framework of the market for the goods in Australia as it relates to competition policy, taxation, product standards and the range of the goods. Provide a copy of any regulation described, if available.
3. Describe any entry restrictions for new participants into the market for the goods in Australia. Your response could include information on:

* resource ownership;
* patents and copyrights;
* licenses;
* barriers to entry;
* Import restrictions; and
* government regulations (including the effect of those government regulations).

In responding to question 6 ensure that relevant regulations are referenced.

**B Products in the Australian market**

1. Generally describe the range of the goods offered for sale in the Australian market. The description should include all goods under consideration including those produced by your company. Your description could include information about:

* quality differences;
* price differences;
* supply/availability differences;
* technical support differences;
* the prevalence of private labels/customer brands;
* the prevalence of generic or plain labels;
* the prevalence of premium labels; and
* product segmentation.

1. Describe the end uses of the goods in the Australian market from all sources.
2. Describe the key product attributes that influence purchasing decisions or purchaser preferences in the Australian market. Rank these preferences or purchasing influencers in order of importance.
3. Identify if there are any commercially significant market substitutes in the market for the goods in Australia.
4. Identify if there are any commercially significant market complements in the market for the goods in Australia.
5. Have there been any changes in market or consumer preferences in the market for the goods in Australia in the last five years? If yes, provide details including any relevant research or commentary on the industry/sector that supports your response.

**C Relationship between price and cost in Australia**

1. Describe the importance of the Australian market to your company’s operations. In your response describe:
2. The proportion of your company’s sales revenue derived from sales of the goods in Australia; and
3. The proportion of your company’s profit derived from sales of the goods in Australia.

In responding to question 1 please provide evidence supporting calculations.

1. Is your organisation/business entity the price leader of the goods in the Australian market? If no, please explain the reasons behind your response and specify the name(s) of the price leaders.
2. Describe the nature of your pricing for the goods (e.g. market penetration, inventory clearance, product positioning, price taker, price maker, etc.) and your price strategies (e.g., competition-based pricing, cost-plus pricing, dynamic pricing, price skimming, value pricing, penetration pricing, bundle pricing, etc.) in Australia. If there are multiple strategies applied, please rank these by importance. If there are different strategies for different products, please specify these. Provide copies of internal documents which support the nature of your product pricing.
3. Explain the process for how the selling prices of the goods for the Australian market by your business are determined. Provide copies of internal documents which support how pricing is determined.
4. How frequently are your Australian selling prices reviewed? Describe the process of price review and the factors that initiate and contribute to a review. Provide the names and positions of all persons involved.
5. Rank the following factors in terms of their influence on your pricing decisions in the Australian market, with the most important factor ranked first and the least important factor ranked last:

* Competitors’ prices;
* Purchase price of raw materials;
* Cost to make and sell the goods;
* Level of inventory;
* Value of the order;
* Volume of the order;
* Value of forward orders;
* Volume of forward orders;
* Customer relationship management;
* Supplier relationship management;
* Desired profit;
* Brand attributes;
* Other [please define what this factor is in your response].

1. Describe the relationship between selling price and your costs in the Australian market. Does your company maintain a desired profit margin for the goods? If not, does your company seek to maintain a desired profit margin for the goods?
2. Do you offer price reductions (e.g. commissions, discounts, rebates, allowances or credit notes) in the Australian market? If yes, provide a description and explain the terms and conditions that must be met by the customer to qualify. Explain how your costs are considered in establishing these price reductions. Provide copies of internal documents which support your claims in response to this question.
3. Do you offer bundled pricing in the Australian market? If yes, explain how the pricing for bundled sales is determined. Explain how your costs for the goods are considered in establishing these bundled prices. Provide copies of internal documents which support your claims in response to this question.
4. Does the volume of sales to a customer or the size of an order influence the selling price? If yes, advise how volume is used to determine selling prices. Explain how your costs are considered in establishing volume based prices for the goods. Provide copies of internal documents which support your claims in response to this question.
5. Does your organisation/business entity use sales contracts in the Australian market? If yes:
6. What proportion of your sales revenue would come from contracted sales versus uncontracted sales?
7. Do you offer exclusivity contracts? If yes, what proportion of your sales revenue would come from exclusivity contracts?
8. How frequently are sales contracts renegotiated?
9. How frequently are price reviews conducted between contracts?
10. Do you provide opportunities for price reviews for customers within contracts? If yes, provide a description of the process and an explanation of the circumstances that might lead to a price review.
11. Do changes in your costs enable you to review prices for customers within contracts?
12. Provide a list of the customers under contract during the review period and copies of the two largest contracts in terms of sales revenue. Provide a complete translation of the documents.
13. Provide copies of any price lists for the goods used in the Australian market during the review period. If you do not use price lists, describe the transparency of your prices in the Australian market.
14. How do you differentiate pricing for different goods in the Australian market? Describe how your products are grouped for price differentiation and the methodology used. Describe any cost differences between differentiated products. Describe how these cost differences (if any) influence pricing decisions. Provide copies of internal documents which support your claims in response to this question.
15. Do you tier or segment your customers for the goods in terms of pricing? If yes, provide:
16. a general description of how this is done;
17. list the factors that influence pricing differentiation in different tiers or segments; and
18. explain how your costs are considered in making pricing decisions for different tiers or segments.

Provide copies of internal documents which support your claims in response to this question.

1. Do you sell the goods to related entities in Australia? If yes, describe how prices are set for related party transactions and specify what proportion of your sales in terms of sales revenue are to related party entities. If available, provide a copy of any internal document relevant to establishing pricing to related parties.

**D Marketing and sales support in the Australian market**

1. How does your company market the goods in the Australian market? Include in your response the value proposition used (e.g., competitive price, superior quality, reliability, availability, etc.).
2. Does your company conduct brand segmentation in the Australian market for the goods? If yes, describe the brand segmentation used and provide the proportion of sales revenue derived from each brand segment.
3. Provide examples of your Australian advertising of the goods over the past five years. If you have not used advertising in Australia, provide examples of any other promotion campaigns for the goods you have conducted over the review period.
4. How many people are in your Australian sales team and where are they located? In general terms, how are they remunerated? If they are offered performance pay based on sales, describe the performance indicators used to establish the performance pay. Provide copies of internal documents which support your claims in response to this question.
5. Describe what parameters are provided to sales staff to assist in establishing pricing for the goods when negotiating sales with customers. Provide copies of internal documents which support your claims in response to this question.