Australian Government
Anti-Dumping Commission

Application for the publication of dumping and/or countervailing duty notices

CHROME PLATED BAR

ANTI-DUMPING COMMISSION
Form B108
July 2013

APPLICATION UNDER SECTION 269TB OF THE *CUSTOMS ACT 1901* FOR THE PUBLICATION OF DUMPING AND/OR COUNTERVAILING DUTY NOTICES

DECLARATION

I request, in accordance with Section 269TB of the Customs Act 1901, that the Minister publish in respect of goods the subject of this application:

- [x] a dumping duty notice, or
- [ ] a countervailing duty notice, or
- [ ] a dumping and a countervailing duty notice

This application is made on behalf of the Australian industry producing like goods to the imported goods the subject of this application. The application is supported by Australian producers whose collective output comprises:

- 25% or more of the total Australian production of the like goods; and
- more than 50% of the total production of like goods by those Australian producers that have expressed either support for, or opposition to, this application.

I believe that the information contained in this application:

- provides reasonable grounds for the publication of the notice(s) requested; and
- is complete and correct.

Signature: M. Reis

Name: Manfred Reis

Position: Managing Director

Company: Milltech Pty Ltd

ABN: 44 002 299 158

Date: 9. 11. '15

IMPORTANT INFORMATION

Signature requirements

Where the application is made:

By a company - the application must be signed by a director, servant or agent acting with the authority of the body corporate.

By a joint venture - a director, servant, agent of each joint venturer must sign the application. Where a joint venturer is not a company, the principal of that joint venturer must sign the application form.

On behalf of a trust - a trustee of the trust must sign the application.

By a sole trader - the sole trader must sign the application.

In any other case - contact the Commission's Client support section for advice.

Assistance with the application

The Anti-Dumping Commission has published guidelines to assist applicants with the completion of this application. Please refer to the following guidelines for additional information on completing this application:

- *Instructions and Guidelines for applicants: Application for the publication of dumping and or countervailing duty notices*
- *Instructions and Guidelines for applicants: Examination of a formally lodged application*

The Commission's client support section can provide information about dumping and countervailing procedures and the information required by the application form. Contact the team on:

Phone: 1300 884 159

Fax: 1300 882 506

Email: clientsupport@adcommission.gov.au

Other information is available from the Commission's website at www.adcommission.gov.au.

Small and medium enterprises (i.e., those with up to 200 employees) may obtain assistance, at no charge, from the International Trade Remedies Adviser, employed by Australian Industry Group and funded by the Australian government. To access this service, visit www.aigroup.com.au/traderemedies or telephone (03) 9867 0267.

Important information

To initiate an investigation into dumping and/or subsidisation, the Commission must comply with Australia's international obligations and statutory standards. This form provides an applicant industry with a framework to present its case and will be used by the Commission to establish whether there are reasonable grounds to initiate an investigation. To assist consideration of the application it is therefore important that:

- all relevant questions (particularly in Parts A and B) are answered; and
- information that is reasonably available be supplied.

The Commission does not require conclusive evidence to initiate an investigation, but any claims made should be reasonably based. An application will be improved by including supporting evidence and where the sources of evidence are identified. Simple assertion is inadequate to substantiate an application.

To facilitate compilation and analysis, the application form is structured in 3 parts:

1. **Part A** seeks information about the Australian industry. This data is used to assess claims of material injury due to dumping/subsidisation. Where an Australian industry comprises more than one company, each should separately prepare a response to Part A to protect commercial confidentiality.
2. **Part B** relates to evidence of dumping.
3. **Part C** is for supplementary information that may not be appropriate to all applications. However some questions in Part C may be essential for an application, for example, if action is sought against subsidisation.

All questions in Parts A and B must be answered, even if the answer is 'Not applicable' or 'None'. Where appropriate, applicants should provide a short explanation about why the requested data is not applicable. This will avoid the need for follow up questions by the Commission.

The application form requests data over several periods (P^1, P^2....P^n) to evaluate industry trends and to correlate injury with dumped imports. The labels P^1...P^n are used for convenience in this application form. Lodged applications should identify the period relevant to the data. This form does not specify a minimum period for data provision. However, sufficient data must be provided to substantiate the claims made. If yearly data is provided, this would typically comprise a period of at least four years (for example the current financial year in addition to three prior years). Where information is supplied for a shorter period, applicants may consider the use of quarterly data. Data must also be sufficiently recent to demonstrate that the claims made are current.

When an investigation is initiated, the Commisison will verify the claims made in the application. A verification visit to the Australian industry usually takes several days.

Applicant companies should be prepared to substantiate all Australian industry financial and commercial information submitted in the application. Any worksheets used in preparing the application should therefore be retained to facilitate verification.

During the verification visit, the Commisison will examine company records and obtain copies of documents relating to the manufacture and sale of the goods.

Appendices Some questions require attachments to be provided. The attachment numbering sequence should refer to the question answered. For example, question A2.2 requests a copy of an organisation chart. To facilitate reference, the chart should be labelled Attachment A2.2. If a second organisation chart is provided in response to the same question, it should be labelled Attachment A2.2.2 (the first would be labelled Attachment A2.2.1).

Provision of data Industry financial data must, wherever possible, be submitted in an electronic format.

- The data should be submitted on a media format compatible with Microsoft Windows.
- Microsoft Excel, or an Excel compatible format, is required.
- If the data cannot be presented electronically please contact the Commission's client support section for advice.

Lodgement of the application This application, together with the supporting evidence, should be lodged with:

The National Manager - Operations
Anti-Dumping Commission
Customs House
1010 Latrobe St
Docklands VIC 3008

or

Sent by facsimile to **1300 882 506**

Public Record During an investigation all interested parties are given the opportunity to defend their interests, by making a submission. The Commission maintains a public record of these submissions. The public record is available on the Commission's website at www.adcommission.gov.au.

At the time of making the application both a confidential version (for official use only) and non-confidential version (public record) of the application must be submitted. Please ensure each page of the application is clearly marked "FOR OFFICIAL USE ONLY" or "PUBLIC RECORD". The non-confidential application should enable a reasonable understanding of the substance of the information submitted in confidence, clearly showing the reasons for seeking the conduct of a dumping and/or subsidy investigation, or, if those reasons cannot be summarised, a statement of reasons why summarisation is not possible. If you cannot provide a non-confidential version, contact the Commission's client support section for advice.

PART A

INJURY

TO AN AUSTRALIAN INDUSTRY

IMPORTANT

All questions in Part A should be answered even if the answer is 'Not applicable' or 'None'. If an Australian industry comprises more than one company/entity, each should separately complete Part A.

For advice about completing this part please contact the Commission's client support section on:

Phone: 1300 884 159
Fax: 1300 882 506
Email: clientsupport@adcommission.gov.au

A-1 Identity and communication.

Please nominate a person in your company for contact about the application:

Contact Name:	Dean Taylor
Company and position:	Commercial Manager
Address:	5 Laverick Ave Tomago NSW 2322
Telephone:	(02) 4964 0100
Facsimile:	(02) 4964 9944
E-mail address:	deant@milltech.biz
ABN:	44 002 299 158

Alternative contact

Name:	Andrew Wilson
Position in company:	Business Manager
Address:	5 Laverick Ave Tomago NSW 2322
Telephone:	(02) 4964 0100
Facsimile:	(02) 4964 9944
E-mail address:	andreww@milltech.biz

If you have appointed a representative to assist with your application, provide the following details and complete Appendix A8 (Representation).

Name:

Business name:

Address:

Telephone:

Facsimile:

E-mail address:

ABN:

A-2 Company information.

1. State the legal name of your business and its type (eg. company, partnership, sole trader, joint venture). Please provide details of any other business names you use to manufacture/produce/sell the goods that are the subject of your application.

The company seeking the imposition of anti-dumping measures is Milltech Pty Ltd (ABN 44 002 299 158).

The trading business name Milltech Martin Bright Pty Ltd is also used in relation to the manufacture, and sale of the goods.

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

The Organisational Chart for Milltech Pty Ltd (Milltech) is provided below.

Confidential Business Chart

Group Roles

Confidential business functions

Milltech is a single business unit enterprise operating from three factory locations.

1. Tomago NSW – The Tomago facility is the Head Office of Milltech Pty Ltd

   Confidential business functions

2. Hexham NSW – The Hexham factory

   Confidential business functions

3. Laverton North VIC – The Laverton North factory

   Confidential business functions

The subject goods are produced at the site located in *confidential*.

3. List the major shareholders of your company. Provide the shareholding percentages for joint owners and/or major shareholders.

Milltech Pty Ltd is a proprietary company.

The shareholders for each class of share are shown below.

Confidential business structure

4. If your company is a subsidiary of another company list the major shareholders of that company.

Not applicable.

5. If your parent company is a subsidiary of another company, list the major shareholders of that company.

Not applicable.

6. Provide an outline diagram showing major associated or affiliated companies and your company's place within that structure (include the ABNs of each company).

Not applicable.

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

Not applicable.

8. Identify and provide details of any relationship you have with an exporter to Australia or Australian importer of the goods.

Milltech has no relationship with any exporter of the like goods into Australia.

Milltech is a supplier to some engineering bar distributors who also directly import the like goods.

9. Provide a copy of all annual reports applicable to the data supplied in appendix A3 (Sales Turnover). Any relevant brochures or pamphlets on your business activities should also be supplied.

Company brochures and Financial Statements for the period 2012-2015 are attached to this application.

10. Provide details of any relevant industry association.

Relevant industry associations include the Australasian Institute of Surface Finishing, Australian Steel Institute and the Australian Steel Association Inc.

Milltech is a member of the Australasian Institute of Surface Finishing.

A-3 The imported and locally produced goods.

1. Fully describe the imported product(s) the subject of your application:

- Include physical, technical or other properties.
- Where the application covers a range of products, list this information for each make and model in the range.
- Supply technical documentation where appropriate.

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

Chromium plated circular solid steel bars (chrome bars) that have **all** of the following characteristics:

- Circular cross section;
- Made from alloy or non-alloy steel bar;
- Chrome plating of any thickness;
- Lengths not greater than 8m; and
- Diameters in the range from 18mm to 170mm.

Further Information

Minimal prior or subsequent processing such as cutting, drilling or painting does not exclude chrome bars in the dimensions described above from coverage of the application.

Without limiting the generality of the above description, the goods include;

- Chrome bars manufactured using steel bars that are quenched and tempered, otherwise heat treated or induction hardened;
- Chrome bars manufactured using the following grades of steel bars (and any equivalent or materially similar international grades).
  - SAE/AISI 1045; and
  - SAE/AISI 4140.

Goods excluded from the description are:

- Chromium plated steel bars with oval or flattened circle cross sections; and
- Hollow or tubular chrome plated bars.

2. What is the tariff classification and statistical code of the imported goods.

The applicant notes that the *'Combined Australian Customs Tariff Nomenclature and Statistical Classification'* does not have a specific tariff code for chrome plated bars.

Advice received from the Tariff Section (Australian Border Force) indicates that the goods could be imported under a range of tariff codes including 7215.50.90 depending on the alloy content and description. The description for this tariff code is bars of iron or non-alloyed steel. The applicant notes that the goods could be described as 'of alloyed steel'.

The available information from export and import databases such as Comtrade and Zauba demonstrate the use of different classifications with large variances in import and export quantities between countries.

3. Fully describe your product(s) that are 'like' to the imported product:

- Include physical, technical or other properties.
- Where the application covers a range of products, list this information for each make and model in the range.
- Supply technical documentation where appropriate.
- Indicate which of your product types or models are comparable to each of the imported product types or models. If appropriate, the comparison can be done in a table.

Milltech produces chrome plated round steel bar products from both 1045 and 4140 grade steel bars.

1045 grade bars can be supplied in an 'as rolled' condition with no additional heat treatment and are also able to be supplied as 'induction hardened'. The bars are chromium plated in a range of thicknesses from a minimum of 15 micron for bars less than 20mm diameter and 20 micron for bars greater than 20mm diameter. End users are able to specify the maximum thickness to suit their requirements.

The bars are supplied in lengths of from 3.6m to 7.5m although longer lengths can be produced.

4140 grade bars are supplied as "quenched and tempered' and may also be 'induction hardened' prior to the chroming process. They are available with the same range of chromium plating thickness and the same range of lengths as the 1045 grade bars.

The comparable imported products to 1045 and 4140 are shown in the table in Question 1.

Milltech and Cromsteel technical brochures for chromium plated bar products are attached.

4. Describe the ways in which the essential characteristics of the imported goods are alike to the goods produced by the Australian industry.

a. Physical Likeness

The imported goods have the same circular shape and chromed appearance as those manufactured in Australia. The imported goods are manufactured to grades and strengths that are comparable to the Australian equivalents. The imported goods are sold in the same lengths and diameter ranges as the Australian product.

The imported goods have essentially the same technical and physical properties as the Australian produced goods. They are produced to standards that are comparable to those used in Australia and the goods can be considered to be direct substitutes for each other.

b. Commercial Likeness

The imported goods are comparable in the market and are a direct substitute for the Australian product.

Distributors and end use customers are sensitive to price and readily substitute the imported goods for the Australian product based on price considerations.

The distribution channels are the same as for the Australian product with distributors and large end use customers able to import the goods directly from overseas suppliers. The goods are packaged for protection in a comparable way using cardboard protective sleeves that is effectively the same as the Australian equivalent.

c. Functional Likeness

The goods are essentially the same product and are used in the same manner and applications as the Australian product with no modification.

d. Product Likeness

The imported goods are produced using similar tank or continuous line processes and on similar equipment to that used in Australia.

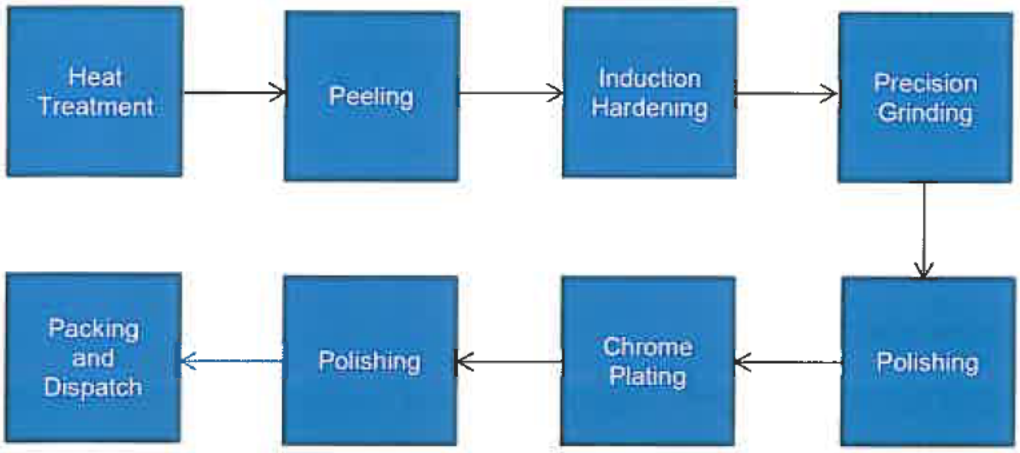
5. What is the Australian and New Zealand Standard Industrial Classification Code (ANZSIC) applicable to your product.

The ANZSIC code for the production of chrome plated rod and bar is:

2293 – Metal Coating and Finishing.

6. **Provide a summary and a diagram of your production process.**

Raw steel bars undergo a number of processes to convert them to chrome plated bars.



1. Initial Heat Treatment – Quench and Temper

Bars that are required to be heat treated are heated to the necessary temperature before being rapidly cooled to change the crystalline structure of the steel. This increases the strength and toughness to the required level but leaves the bars too brittle for use in most applications.

To reduce the brittleness of the steel, the quenched bars are tempered by re-heating them to a specified temperature before they are cooled in a controlled way.

2. Bar Peeling

Bar peeling is a process carried out to enhance the dimensional accuracy of bars and to remove any surface defects introduced by the quench and tempering process.

This step is a necessary prerequisite to precision grinding.

3. Induction Hardening

Steel bars may be induction hardened prior to the chroming process to meet customer specifications. The induction hardening process results in greater surface hardness and impact resistance that is needed in applications such as mining hydraulics.

4. Precision Grinding

Precision grinding is a process that is carried out to achieve the very fine surface finish and size tolerance that is a prerequisite for chrome plating.

Specialised computer controlled centreless bar grinding machines achieve the close tolerances required.

5. Polishing

Following precision grinding, bars are polished to achieve an extremely smooth finish prior to the application of the chrome plating.

6. Chrome Plating

The chrome bar production process is carried out by Milltech using one of two technologies. The conventional immersion tank process is still in use but is being phased out with the introduction of new continuous line technology.

Immersion Tank

With the immersion tank process, bars are submerged in a tank of chromic acid solution for a period of time and an electric current is passed through them. The bars remain stationary while the electric current causes the chromium layer to be deposited by electrolytic action.

Continuous Chroming Line

Milltech Pty Ltd installed the first of two planned continuous chroming lines in 2013. The second line is *confidential.*

The continuous process differs from the conventional process by having the bars advance and rotate through the process rather than remain stationary. They are driven one by one through the chromium plating machine and have the required current transferred to them via contact with copper rollers that allow the bar to rotate in the chromic acid solution. The ground and polished bars enter the machine from one side and exit, fully plated, from the other.

The continuous process is more cost and energy efficient than the conventional process and produces a higher quality product.

7. Final Polishing

The chrome plated bars receive a final polish using linishing (polishing) machines to achieve the exact final size and surface finish required.

8. Packaging

The polished chrome bars are given a coating of protective oil before being individually packed in cardboard tubes. This ensures that the finish of the bars is protected during the final distribution to customers.

7. If your product is manufactured from both Australian and imported inputs:

All of the *confidential* grade steel bars up to *confidential* mm in diameter and *confidential* mm bars in *confidential* grade are sourced from Australian steel manufacturers. Larger sizes are directly imported by Milltech.

The locally sourced and imported bars undergo all eight steps in the manufacturing process except for heat treatment that does not apply to 1045 grade bars.

The conversion of the bar whether locally sourced or imported, into chrome plated bar is all done in Australia and represents a substantial process of manufacture that creates the essential nature of the chrome bar.

The precision grinding, polishing and chrome plating and final polishing are all part of the process that create from a steel bar a finished chrome bar that has different properties, specifications and end uses.

The chroming process that is carried out in the *confidential* facility represents approximately *confidential* of the cost of the final product. Milltech has invested over $ *confidential* since 2013 in installation of continuous chroming lines to increase both quality and efficiency and to reduce production costs, in particular energy use.

8. If your product is a processed agricultural good, you may need to complete Part C-3.

Not Applicable.

9. Supply a list of the names and contact details of all other Australian producers of the product.

Milltech is the sole remaining large scale Australian producer of chrome plated bar.

Martensite Pty Ltd was the only other producer of chrome plated bar on a commercial scale. They ceased trading in February 2015 and are in liquidation. Milltech purchased some of Martensite's equipment in July 2015 from the liquidator, but other than this has no information regarding the company and has had no other association with the company.

Milltech believes that there may be small producers and hydraulic cylinder manufacturers who can chrome plate bars on a job lot basis but has no information regarding these possible other producers.

A-4 The Australian market.

1. Describe the end uses of both your product and the imported goods.

Chrome plated steel bar is primarily used in the manufacture of hydraulic and pneumatic equipment. Typical applications are in the manufacture and maintenance of:

- Agricultural equipment
- Mining equipment
- Hydraulic jacks and cylinders
- Machine tools
- Pumps
- Earth moving equipment
- Pneumatic cylinders.

The Australian and imported products are both used in these applications.

2. Generally describe the Australian market for the Australian and imported product and the conditions of competition within the overall market. Your description could include information about:

- sources of product demand;
- marketing and distribution arrangements;
- typical customers/users/consumers of the product;
- the presence of market segmentation, such as geographic or product segmentation;
- causes of demand variability, such as seasonal fluctuations, factors contributing to overall market growth or decline, government regulation, and developments in technology affecting either demand or production;
- the way in which the imported and Australian product compete; and
- any other factors influencing the market.

The demand for chromium plated steel bar comes from industrial applications as outlined in the previous section. Hydraulic and pneumatic components are used in a wide range of industries such as mining, agriculture, manufacturing and logistics.

Milltech has not been able to accurately determine the overall size of the market for chrome plated round bars due to the lack of reliable import data that specifically identifies chrome product.

An estimated market size of *confidential* tonnes per year was determined in late 2012 by Milltech based on knowledge of end users.

Chromium plated bar products are supplied to end use customers from Australian steel distributors and can also be directly imported.

Milltech supply to distributors and a very small amount of sales (less than *confidential* %) are made direct to end users.

The imported products compete directly with the Australian produced bars. Demand is price sensitive as end users accept that the products are effectively identical and are able to be substituted. Reductions in selling price by Milltech have not resulted in an increase in sales in the domestic market.

The end users are typically manufacturers and repairers of hydraulic and pneumatic equipment and other industrial machinery where wear and corrosion resistance is required.

Milltech is invited to submit a quotation to provide the goods which are usually sold by weight with a minimum order quantity applicable. The distributors are also able to obtain a quotation from overseas suppliers for essentially the same product. End users either have supply agreements with distributors or purchase the goods from them on a quotation basis. End users are also able to seek prices from overseas suppliers and can import the goods directly. Milltech therefore competes with the price that both distributors and end users can get from overseas suppliers.

The price charged by Milltech for the goods is usually negotiated on a quote by quote basis to remain competitive. It is not uncommon for distributors to *confidential*. The average price that Milltech can charge for the goods has been declining along with sales volumes.

Demand variability occurs primarily due to fluctuations in industrial activity. The base level of demand appears to remain relatively constant with peaks occurring due to increases in mining and industrial activity. Hydraulic cylinder manufacturers are concentrated on the East coast of Australia driving demand in this geographic area.

3. Identify if there are any commercially significant market substitutes for the Australian and imported product.

There are no commercially significant substitutes for the goods used in the applications previously described. Chrome bar is preferred in hydraulic and pneumatic applications due to its wear and corrosion resistance properties.

4. Complete <u>appendix A1</u> (Australian production). This data is used to support your declaration at the beginning of this application.

Appendix A1 is attached. Milltech is the only Australian manufacturer of the goods on a commercial scale.

5. Complete <u>appendix A2</u> (Australian market).

Appendix 2 is attached.

Milltech has estimated the Australian market based on:

- available information on Martensite;
- the estimate size of the market from end users; and

- available import and export data.

There are a range of potential codes that may be in use for the importation of the goods. Information supplied by distributors who are importing the chromium plated round bars directly indicates that the goods are being imported under a range of tariff codes. *Confidential* chrome bars have been invoiced using codes HS 7215.50.90 which describe alloy bars "other" making it difficult to determine to quantity of chromium plated round bar being imported. This classification can be applied to bars with a variety of different surface finishes that include chrome plating.

The bars are also being traded internationally under code HS 7215.50.80 and 7215.90.90 which are likely to also be being used for Australian imports.

6. Use the data from appendix A2 (Australian market) to complete this table:

Australian Market A2

Period	(a) Your Sales	(b) Other Aust^n Sales	(c) Total Aust^n Sales (a+b)	(d) Dumped Imports	(e) Other Imports	(f) Total Imports (d+e)	Total Market (c+f)
2011/12	100	100	100	100	100	100	100
2012/13	69	78	71	131	71	110	99
2013/14	81	89	83	100	100	100	95
2014/15	65	56	63	100	129	110	96

A-5 Applicant's sales.

1. Complete appendix A3 (sales turnover).

2. Use the data from appendix A3 (sales turnover) to complete these tables.

Applicants Sales Volumes A3

All products	2011/12	2012/13	2013/14	2014/15
Australian market	100	108	121	114
Export market	100	77	96	91
Total	100	106	120	113

Like goods	2011/12	2012/13	2013/14	2014/15
Australian market	100	69	81	65
Export market	100	51	67	74
Total	100	66	79	67

Applicants Sales Values A3

All products	2011/12	2012/13	2013/14	2014/15
Australian market	100	102	105	104
Export market	100	73	90	87
Total	100	100	104	103

Like goods	2011/12	2012/13	2013/14	2014/15
Australian market	100	64	67	52
Export market	100	57	72	66
Total	100	63	67	54

3. **Complete appendix A5 (sales of other production) if you have made any:**

   Not applicable.

4. **Complete appendix A4 (domestic sales).**

   Appendix A4 is attached.

   Product codes are used to describe the goods supplied. They describe the diameter, shape, steel grade, steel treatment process and whether the product has been chrome plated. Some typical example codes and their interpretation are shown in the following table.

Code	Diameter	Shape	Steel Grade	Treatment	Chrome
3500R1045ARCB	35mm	Round	1045	As Rolled	Yes
4500R4140HTCB	45mm	Round	4140	Heat Treated	Yes
7620R1045IHCB	76.2mm	Round	1045	Induction Hardened	Yes

The majority of sales are delivered to customers and the invoice amounts are shown inclusive of delivery where required. The delivery charge is included in the quoted price per tonne where required and cannot be separately identified on the invoice.

Payment terms are typically *confidential*. This can vary in some circumstances with terms from *confidential* to *confidential* days in place for particular customers.

5. If any of the customers listed at appendix A4 (domestic sales) are associated with your business, provide details of the association. Describe the price effect of the association.

None of the sales are to associated entities.

6. Attach a copy of distributor or agency agreements/contracts.

Not applicable.

7. Provide copies of any price lists.

A copy of the current price list is attached.

8. If any price reductions (for example commissions, discounts, rebates, allowances and credit notes) have been made on your Australian sales of like goods provide a description and explain the terms and conditions that must be met by the customer to qualify.

- Where the reduction is not identified on the sales invoice, explain how you calculated the amounts shown in appendix A4 (domestic sales).
- If you have issued credit notes (directly or indirectly) provide details if the credited amount has **not** been reported appendix A4 (domestic sales) as a discount or rebate.

Confidential rebates information.

Rebates were less than *confidential* % of sales value in 2015. There is a minor difference (0.4%) between the gross values in Appendices A6.1 and A4, due to some timing differences between sale and the issuing of the invoice.

A table of *confidential* for 2014/15 is attached.

9. Select two domestic sales in each quarter of the data supplied in appendix A4 (domestic sales). Provide a complete set of commercial documentation for these 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.

Documentation of domestic sales is attached.

A-6 General accounting/administration information.

1. The accounting period is 1 July to 30 June.

2. Financial records are held at 5 Laverick Ave Tomago NSW 2322.

3. **To the extent relevant to the application, please provide the following financial documents for the two most recently completed financial years plus any subsequent statements:**

A copy of the chart of accounts is attached.

Milltech has no requirement to produce audited consolidated and unconsolidated financial statements.

Separate internal financial statements, income statements and management accounts are not prepared and maintained in the normal course of business for the goods.

Monthly income statements for the overall business are prepared.

4. **If your accounts are not 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.**

Special Purpose Financial Reports are externally prepared for the use of the company owners.

The two most recent reports and taxation returns are attached.

5. **If your accounting practices, or aspects of your practices, differ from Australian generally accepted accounting principles, provide details.**

Financial statements have been prepared in accordance with Australian generally accepted accounting principles.

6. **Describe your accounting methodology, where applicable, for:**

- **The recognition/timing of income, and the impact of discounts, rebates, sales returns warranty claims and intercompany transfers;**

  Income is recognised at the time of product dispatch to the customer and associated risks have passed to the carrier or customer. The invoice date is therefore the date of sale and date of dispatch except for some minor timing variations in the production of documents for some sales.

- **provisions for bad or doubtful debts;**

  There is no provision for bad or doubtful debts. Bad debts are written off when they have been determined to be uncollectable.

- **the accounting treatment of general expenses and/or interest and the extent to which these are allocated to the cost of goods;**

  The Cost of Goods Sold is determined by the allocation of directly attributable fixed and variable costs to each product line.

  Interest associated with the installation of capital equipment that is solely used for a specific product is allocated only to that product.

- **costing methods (eg by tonnes, units, revenue, activity, direct costs etc) and allocation of costs shared with other goods or processes;**

  Products are costed on a per tonne basis.

- **the method of valuation for inventories of raw material, work-in-process, and finished goods (eg FIFO, weighted average cost);**

  Inventories of raw material, WIP and finished goods are valued at the lower of cost or net realisable value.

- **valuation methods for scrap, by-products, or joint products;**

  Scrap material from the production is sold for recycling at a rate dependant on the scrap type. General steel waste, steel shavings and solid steel scrap are separately sorted and sold at a contract rate of between $ *confidential* and $ *confidential* per tonne depending on the type of material.

  The revenue from the sale of scrap is recorded as part of 'Steel Sales'.

- **valuation methods for damaged or sub-standard goods generated at the various stages of production;**

  Damaged and sub-standard goods are valued at the lower of cost or net realisable value.

- **valuation and revaluation of fixed assets;**

  Fixed assets are stated at historical cost or revaluation less depreciation as appropriate.

  Depreciation is calculated on straight line or diminishing value with lives based on rates approved by the Commissioner of Taxation or the director's assessment of useful lives

- **average useful life for each class of production equipment, the depreciation method and depreciation rate used for each;**

  Production assets are typically depreciated using the diminishing value method over the expected useful life of the asset.

  Buildings have an effective life of up to 40 years.

  Production assets including plant and machinery typically have an effective life of 10 to 20 years.

- **treatment of foreign exchange gains and losses arising from transactions and from the translation of balance sheet items; and**

  Foreign currency transactions are translated into Australian Dollars using the exchange rate prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets denominated in foreign currencies are recognised in the profit and loss.

- **restructuring costs, costs of plant closure, expenses for idle equipment and/or plant shut-downs.**

  Not applicable.

7. **If the accounting methods used by your company have changed over the period covered by your application please provide an explanation of the changes, the date of change, and the reasons.**

   Milltech complies with Australian Accounting Standards and International Financial Reporting Standards as amended from time to time.

A-7 Cost information

1. Complete appendices A6.1 and A6.2 (cost to make and sell) for domestic and export sales.

   Completed appendices are attached.

   Milltech combines the cost of selling and administration in "Selling, Distribution and Administration" as the tasks are carried out by a combined team.

   Distribution costs include *confidential*.

A-8 Injury

The principal indicators of injury are prices, volumes and profit effects – although not all of these must be evident. For this application, profit refers to amounts earned. Profitability is the ratio of profit to sales revenue. Where injury is threatened, but has not yet occurred, refer to question C.2.

1. Estimate the date when the material injury from dumped imports commenced.

The injury from dumping is estimated to have commenced in late 2012.

Milltech seeks an investigation period of January 2014 to June 2015. Milltech is seeking this 18 month period as it best reflects the full effects of dumping on Milltech economic performance, changes in company structures and conditions in the market.

The period in early 2014 was when Milltech's major customers for the goods locked in to supplies from Romania and Italy at dumped prices that Milltech is not able to compete with. Following this change in suppliers, Milltech was left as a make-up supplier in the case of late overseas deliveries or as a short term supplier to major customers.

In addition, a large part of the export prices and normal values is sourced from the 2014 calendar year as this is the latest available information.

2. Using the data from <u>appendix A6</u> (cost to make and sell), complete the following tables for each model and grade of your production. P^n is the most recent period.

Index of production variations (model, type, grade of goods)

Applicants Production variations A6.1

	2011/12	2012/13	2013/14	2014/15
1045 Grade	100	67	64	67
4140 Grade	100	56	84	58
Total	100	63	72	64

Applicants Cost variations A6.1

	2011/12	2012/13	2013/14	2014/15
1045 Grade	100	123	114	110
4140 Grade	100	120	107	115
Total	100	121	112	112

Index of profit variations (model, type, grade of goods)

Applicants Profit variations A6.1

	2011/12	2012/13	2013/14	2014/15
1045 Grade	100	-398	-414	-341
4140 Grade	100	-3	-34	-41
Total	100	-172	-224	-200

Index of profitability variations (model, type, grade of goods)

Applicants Profitability variations A6.1

	2011/12	2012/13	2013/14	2014/15
1045 Grade	100	-555	-632	-592
4140 Grade	100	-5	-50	-90
Total	100	-269	-336	-388

3. Complete appendix A7 (other injury factors).

Where applicable to injury claims, prepare an indexed table for other injury factor(s) in the format above.

Applicants Revenue variations A7

	2011/12	2012/13	2013/14	2014/15
1045 Grade	100	72	65	58
4140 Grade	100	57	68	46
Total	100	64	67	52

Capacity Utilisation Like goods Tonnes Produced / Capacity

2011/12	2012/13	2013/14	2014/15
100	61	71	66

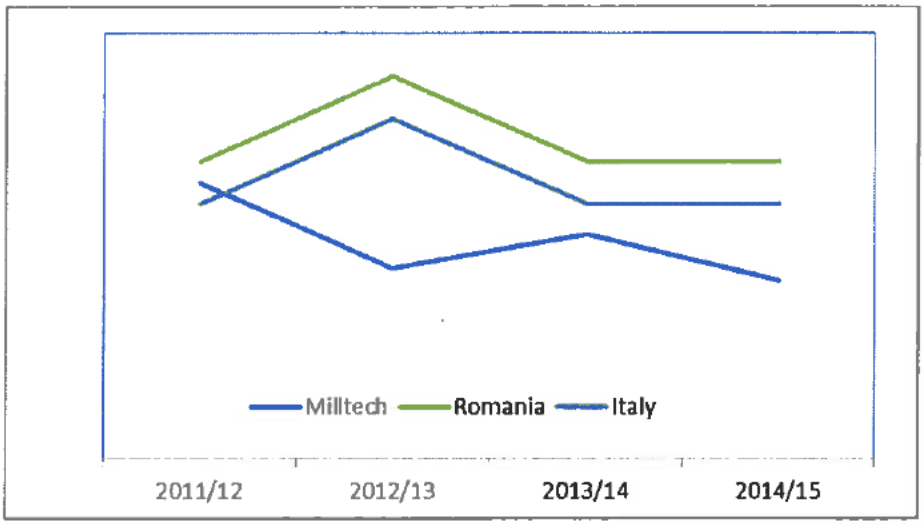
A-9 Link between injury and dumped imports.

To establish grounds to initiate an investigation there must be evidence of a relationship between the injury and the alleged dumping. This section provides for an applicant to analyse the data provided in the application to establish this link. It is not necessary that injury be shown for each economic indicator.

1. Identify from the data at appendix A2 (Australian market) the influence of the volume of dumped imports on your quarterly sales volume and market share.

Over the past four years, Milltech sales of both grades of chromium plated bar have decreased from the 2012 level.

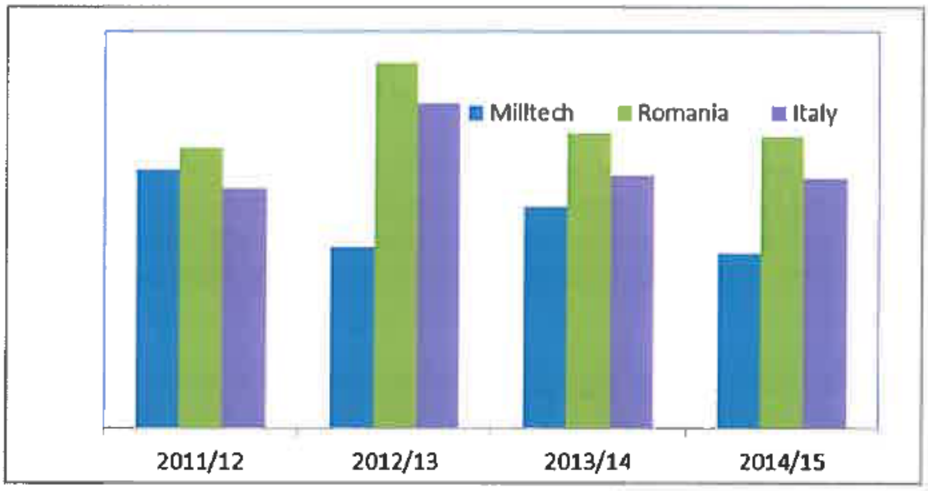
Information from distributors indicates that the market has remained relatively constant for chrome bar however Milltech's market share has declined due to the sales lost from dumped imports.



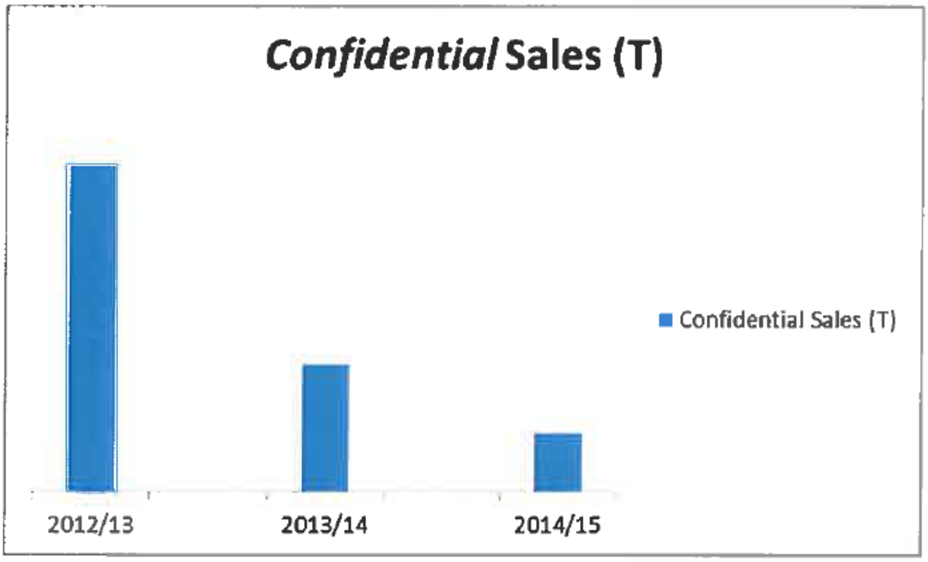
The above graph illustrates how Milltech's sales have declined over the injury period whilst dumped imports from Romania and Italy have increased and maintained steady levels.

Milltech estimates that the dumped imports of *confidential* tonnes from Romania and *confidential* tonnes from Italy per year are resulting in lost revenue in the order of $*confidential* per annum. This estimated revenue loss is based on an un-dumped price of $*confidential* per tonne plus $*confidential* into store costs. At un-dumped prices Milltech considers that it would be able to win back the majority of the business resulting in increased sales volumes, increased revenue and increased profit and profitability. In addition, the increased sales volumes would result in increased production volumes realising lower overheads and cost to make and sell further increasing profit and profitability.

The graph on market share shows how Milltech's market share has declined over the injury period whilst that of the dumped imports has increased.



The following graph shows the decline in Milltech's sales to *confidential* who were the distributors for Milltech's chrome bar sales to *confidential* and *confidential*.



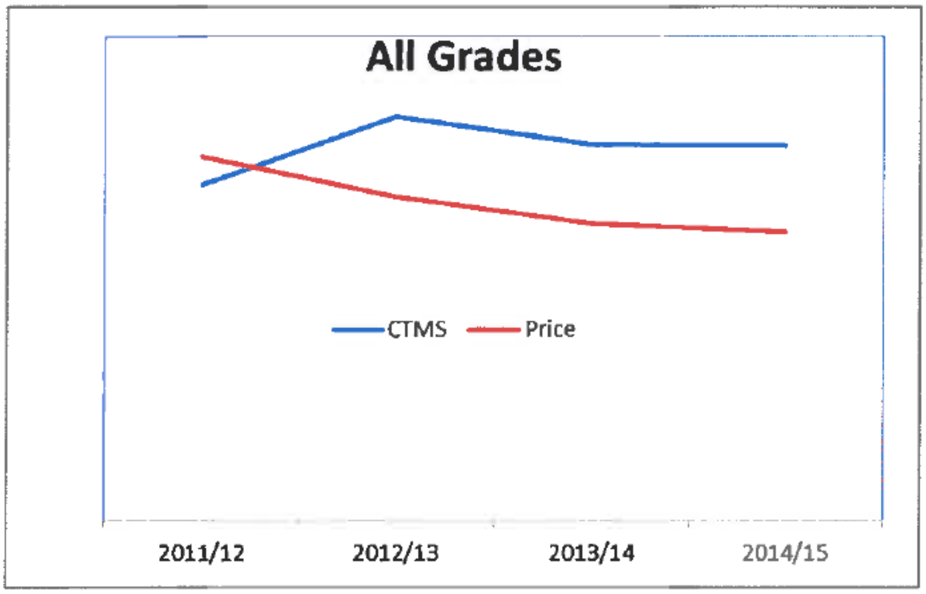
The first decline occurred when *confidential* declined to renew a supply arrangement with Milltech for supply to *confidential*. Milltech had offered a discount of approximately *confidential* % per tonne *confidential* in order to retain the business. Milltech was advised by *confidential* that a further price reduction in the order of *confidential* % was required to compete with imports that Milltech understands come from Romania. Milltech could not agree to the quantum of price reduction required and the contract was terminated in *confidential* with a loss of sales of more than $*confidential* per annum.

The *confidential* contract bid through *confidential* in *confidential* was not successful. Milltech was not able to compete with the dumped imports supplied by *confidential* which are understood to have been sourced from Italy. *Confidential* have indicated that they have now lost this contract with *confidential* who are directly importing the goods from Italy. The financial statements from the Italian producer Stelmi note that they are forced to sell the goods at less than the cost of production in order to compete with Eastern European suppliers and have made an overall loss in 2013 and 2014 in doing so.

Milltech have been advised by *confidential* that they no longer supply *confidential* with Milltech chrome bar under contract. This supply contract supply has changed to *confidential* using Romanian sourced goods except for situations of late supply from overseas. This has resulted in a loss of sales of approximately *confidential* tonnes per annum.

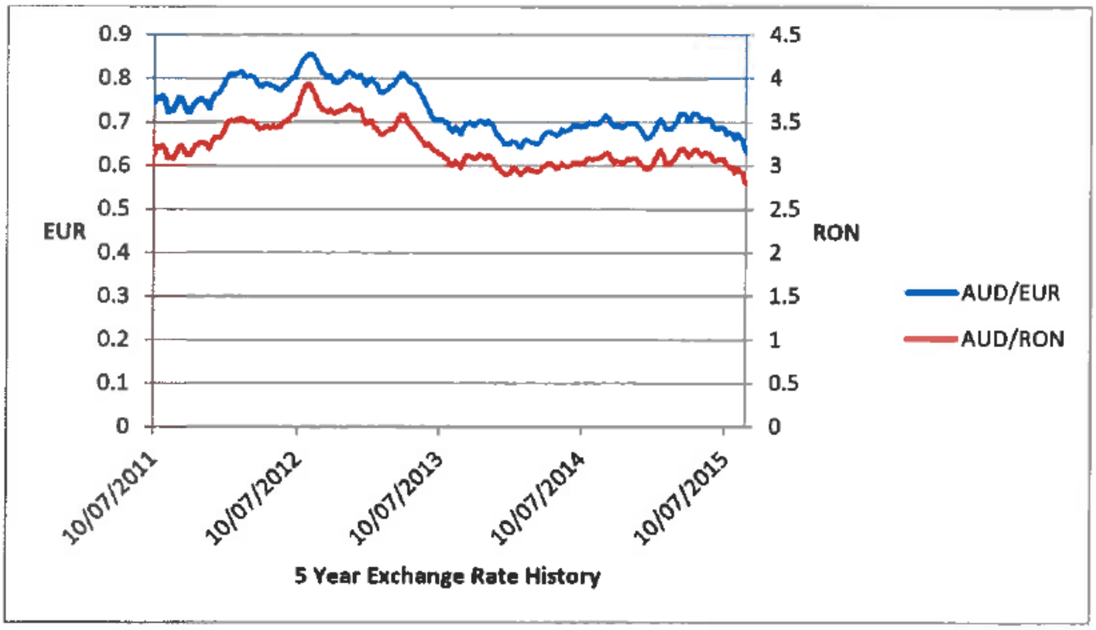
2. Use the data at appendix A2 (Australian market) to show the influence of the price of dumped imports on your quarterly prices, profits and profitability provided at appendix A6.1 (costs to make and sell). If appropriate, refer to any price undercutting and price depression evident in the market.

   The chart provided below shows how Milltech's selling price for chrome plated bar has declined since 2011 due to the influence of dumped imports. Even with this decline in selling price, sales volumes and profit margins have also declined.



Milltech has suffered price depression over the injury due to price undercutting by the dumped imports. Milltech has also price suppression in that it has not been able to increase its prices in line with cost increases due to price undercutting by the dumped imports in the market.

The chart below shows the AUD exchange rate against the currencies of the countries exporting the goods to Australia over the same period as the average sale price. This chart shows that the selling price in Australia has needed to decline to maintain volumes even though the AUD has been depreciating against the Euro and Romanian Lei.

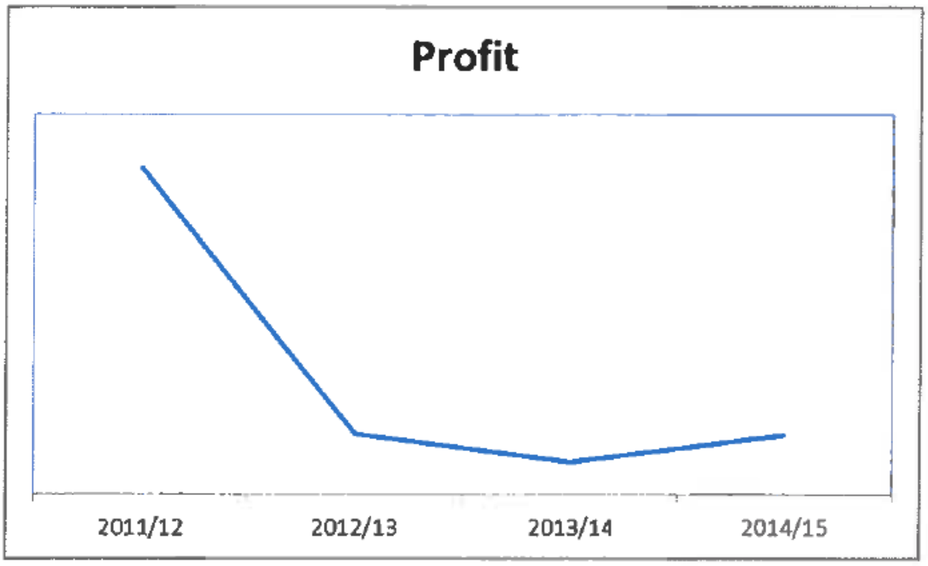


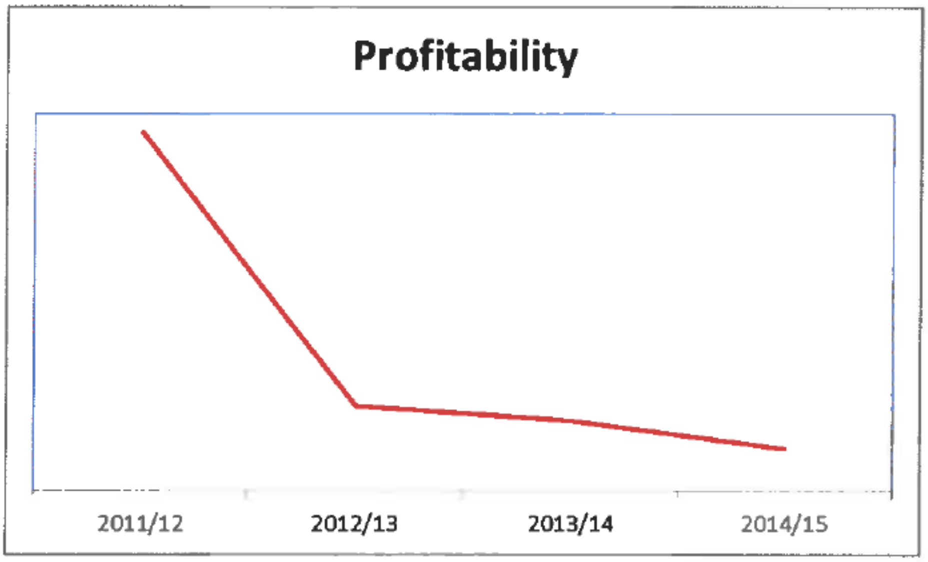
3. Compare the data at appendix A2 (Australian market) to identify the influence of dumped imports on your quarterly costs to make and sell at appendix A6.1 (for example refer to changes in unit fixed costs or the ability to raise prices in response to material cost increases).

The previous charts show the impact of the dumped goods on the ability of Milltech to sustain a profitable selling price. The price charged by Milltech has been reduced over the past four years in response to the price being offered to Australian distributors. This has occurred even though the AUD has depreciated against the importing currencies.

The lower prices and currency depreciation have not allowed Milltech to achieve a profitable level of sales by price or volume.

Milltech has suffered declining profits and profitability over the injury period as shown in the following graphs caused by the dumped imports.





4. The quantity and prices of dumped imported goods may affect various economic factors relevant to an Australian industry. These include, amongst other things, the return on investment in an industry, cash flow, the number of persons employed and their wages, the ability to raise capital, and the level of investment in the industry. Describe, as appropriate, the effect of dumped imports on these factors and where applicable use references to the data you have provided at appendix A7 (other economic factors). If factors other than those listed at appendix A7 (other economic factors) are relevant, include discussion of those in response to this question.

The quantity and price of dumped imports has led to a decrease in the number of Australian producers producing the goods in commercial quantities. In February 2015 Martensite Pty Ltd ceased operation leaving Milltech as the only Australian producer.

Milltech has been investing in new production equipment to increase efficiency and reduce operating costs. In addition, the number of staff employed in the manufacture of chrome bar has decreased by *confidential* % since 2012.

Even with the installation of the continuous chroming technology and employee reductions, Milltech has not been able to compete with the price of the imported product.

Milltech's investment in the new chroming technology has not seen expected returns in line with previous years in addition Milltech's capacity utilisation declined due to the dumped imports.

5. Describe how the injury factors caused by dumping and suffered by the Australian industry are considered to be 'material'.

The injury caused by dumping is considered to be material by Milltech due to the recent closure of the only other Australian manufacturer. This illustrates the impact of very low prices on the ability of Australian businesses to operate profitably in the sector.

The sale price of the chrome bar is now less than the cost of production in Australia. Even with highly efficient automated processes, the sale price and volumes do not support ongoing production in Australia. If dumping continues, Milltech may be forced to cease production of the goods in Australia.

Milltech has calculated dumping margins of 29% to 81%. Milltech considers that the size of the dumping margins have suppressed its selling prices by at least *confidential* %, which has led to lost revenue and lost profits.

Milltech considers that a *confidential* % reduction in revenue due to dumping is material.

In addition Milltech has lost sales to the dumped goods and has been prevented from increasing its sales in the market due to the prices of the dumped goods in the market.

Milltech estimates that the sales it has lost and the sales that it has been prevented from achieving amount to approximately *confidential* tonnes, which is the estimated volume of dumped goods in the market.

The size of this sales volume is material in both sales volumes, lost revenues and lost profits. The loss of volumes also impact on Miltech's cost to make and sell in reducing production throughput and increasing overheads.

6. Discuss factors other than dumped imports that may have caused injury to the industry. This may be relevant to the application in that an industry weakened by other events may be more susceptible to injury from dumping.

The market demand for chrome bar may be influenced by the general level of manufacturing, agricultural and mining activity. The chrome plated bar is used in the manufacture and maintenance of equipment used in these industries and there may be a decline in consumption if activity levels decline.

This impact is not thought to be significant by Milltech as demand will be supported by the widespread the use of the equipment in sectors of the economy that are not necessarily subject the same economic cycles at the same time.

Milltech notes that sales of bright bars and other steel products which it manufactures (as shown in A3) have increased in both volume and dollar terms over the injury period.

7. This question is not mandatory, but may support your application. Where trends are evident in your estimate of the volume and prices of dumped imports, forecast their impact on your industry's economic condition. Use the data at appendix A2 (Australian market), appendix A6 (cost to make and sell), and appendix A7 (other economic factors) to support your analysis.

Australian manufacture of like goods in commercial quantities is likely to cease if imports remain at the current level and sale price. Milltech will not be able to continue to manufacture the goods if they cannot be sold at a profitable price.

PART B

DUMPING

IMPORTANT

All questions in Part B should be answered even if the answer is 'Not applicable' or 'None' (unless the application is for countervailing duty only: refer Part C). If an Australian industry comprises more than one company/entity, Part B need only be completed once.

For advice about completing this part please contact the Commission's client support section on:

Phone: 1300 884 159
Fax: 1300 882 506
Email: clientsupport@adcommission.gov.au

B-1 Source of exports.

1. Identify the country(ies) of export of the dumped goods.

   The countries of origin of chrome plated steel bars that are the subject of this application are:

   Romania; and
   Italy.

   Milltech is also gathering data that may be used for a later submission on possible dumped imports from:

   Taiwan;
   France; and
   Sweden.

2. Identify whether each country is also the country of origin of the imported goods. If not, provide details.

   Milltech understands that the countries shown above are the source of the imported goods.

3. If the source of the exports is a non-market economy, or an 'economy in transition' refer to Part C.4 and Part C.5 of the application.

   Not applicable.

4. Where possible, provide the names, addresses and contact details of:
   - producers of the goods exported to Australia;
   - exporters to Australia; and
   - importers in Australia.

   a. Romania

   Producer

   Cromsteel
   130089 Laminorului St
   Targoviste
   Dambovita
   Romania

Exporter to Australia

Cromsteel
130089 Laminorului St
Targoviste
Dambovita
Romania

Importers into Australia

Interlloy
3 Stonny Batter Rd
Minto NSW 2566

Van Leeuwin
95-113 Lee Holm Rd
St Marys NSW 2760

Producer

Nimet
103 / 137121Targului Street,
Lazuri
Dambovita
Romania

Exporter to Australia

Nimet
103 / 137121Targului Street,
Lazuri
Dambovita
Romania

Importers into Australia

Interlloy
3 Stonny Batter Rd
Minto NSW 2566

Van Leeuwin
95-113 Lee Holm Rd
St Marys NSW 2760

b. Italy

Producer

Stelmi Italia S.p.A.
Via Gandhi, 15
20010 Vittuone
Milan
Italy

Exporter to Australia

Stelmi Italia S.p.A.
Via Gandhi, 15
20010 Vittuone
Milan
Italy

Importers into Australia

Sanwa
Suite 201Second Floor
100 New South Head Rd
Edgecliff
NSW

5. If the import volume from **each** nominated country at Appendix A.2 (Australian Market) does not exceed 3% of all imports of the product into Australia refer to Part C.6 of the application.

   Milltech believes that import volumes from the nominated countries are greater than 3% based on the available data.

6. In the case of an application for countervailing measures against exports from a developing country, if the import volume from **each** nominated country at Appendix A.2 (Australian Market) does not exceed 4% of all imports of the product into Australia refer to Part C.6 of the application

   Not applicable.

B-2 Export price

Possible sources of information on export price include export price lists; estimates from the Australian Bureau of Statistics; a deductive export price calculation from the Australian selling price of the imported goods; export sales quotations or invoices; foreign government export trade clearances.

1. Indicate the FOB export price(s) of the imported goods. Where there are different

grades, levels of trade, models or types involved, an export price should be supplied for each.

For exports from Romania, Milltech has *confidential* grade steel. The *confidential* port.

The FOB price for both 1045 and 4140 cannot be obtained by Milltech from the manufacturer. Prices are usually obtained by quotation and are commercial in confidence.

For exports from Italy, Milltech has *confidential* imports from Stelmi in Italy for the *confidential*.

2. Specify the terms and conditions of the sale, where known.

No other terms are provided other than *confidential* from Romania and *confidential* prices from Italy.

3. If you consider published export prices are inadequate, or do not appropriately reflect actual prices, please calculate a deductive export price for the goods. Appendix B1 (Deductive Export Price) can be used to assist your estimation.

Milltech does not consider that the sale price of the imported goods in Australia reflects the true cost of production, shipping and sale.

Milltech has calculated an export price for Romania for the calendar year 2014 as this is the most recent available information.

A deductive export price has been calculated for Italy based on Milltech's understanding of sale price of the dumped Italian goods in the Australian market.

4. It is important that the application be supported by evidence to show how export price(s) have been calculated or estimated. The evidence should identify the source(s) of data.

The deductive export price is supported by evidence for the *confidential* from Europe.

The deductive export price for Italy is supported by evidence of documents in regards to import costs and shipping costs based on costs that Milltech incurs for its imports from Europe.

As the Deductive Export Prices are based on commercially sensitive pricing in the market the calculations and individual items have been kept confidential.

B-3 Selling price (normal value) in the exporter's domestic market.

Possible sources of information about domestic selling prices in the country of export include: price lists for domestic sales (with information on discounts); actual quotations or invoices relating to domestic sales; published material providing information on the domestic selling prices; or market research undertaken on behalf of the applicant.

1. State the selling price for each grade, model or type of like goods sold by the exporter, or other sellers, on the domestic market of the country of export.

   Milltech has not been able to obtain domestic prices in any of the exporting countries. Prices are usually obtained by quotation and are commercial in confidence.

2. Specify the terms and conditions of the sale, where known.

   Not available.

3. Provide supporting documentary evidence.

   Not available.

4. List the names and contact details of other known sellers of like goods in the domestic market of the exporting country.

   Not available.

B-4 Estimate of normal value using another method.

This section is not mandatory. It need only be completed where there is no reliable information available about selling prices in the exporter's domestic market. Other methods of calculating a normal value include:

- the cost to make the exported goods plus the selling and adminstration costs (as if they were sold in the exporter's domestic market) plus an amount for profit (if applicable);
  OR
- the selling price of like goods from the country of export to a third country.

1. Indicate the normal value of the like goods in the country of export using another method (if applicable, use appendix B2 Constructed Normal Value).

Milltech has provided calculated normal values for Italy and Romania based on the available information. Normal values are based on information for the 2014 calendar year as this is the most recently available information.

Normal values have been constructed using Milltech's cost to make and sell as the basis for the construction. Where costs are known in the country of export these cost have been substituted.

Substituted costs include:

- the price of raw materials, the steel bar cost in Europe;
- labour costs in Romania and Italy;
- Depreciation, based on available company information;
- Finance costs, based on available information;
- Utility costs, where available; and
- Rate of profit from available company information.

As the constructed normal value calculations are based commercial sensitive Milltech information the calculations and individual items have been kept confidential.

Competitive market costs in Romania

Milltech has constructed a normal value for chrome bars in Romania based on available information.

However Milltech is aware of State Aid in Romania that Cromsteel would be eligible for that would distort the finance and wage costs such that those costs would not reasonably reflect competitive market costs associated with the production or manufacture of chrome bar.

The State Aid consists of two programs.

Government Decision 332/2014

This program is for investments with a major impact on the Romanian economy, minimum of 10 million Euros invested, the relevant period is from 2014 to 2020.

The amount of aid is stated as 15% of the investment (Bucharest region, where Cromsteel is located) with a maximum amount of 11.5 million Euros.

Milltech considers that Cromsteel would be eligible for this program based on its acquisition by ASO Siderurgica.

The State Aid available would be approximately 3.75 million Euros (based on an acquisition cost of 25 million Euros) and would have a distorting effect on the finance costs of the acquisition of Cromsteel and a flow through effect to the fully absorbed cost of manufacture of the goods.

Government Decision 807/2014

This program provides wage subsidies for up to 20 employees.

Milltech considers that Cromsteel would be eligible for this program and for the maximum funded 20 fulltime employees.

The State Aid available would be approximately 400,000 Euros. This is based on 20 positions at 4.8 Euros per hour over 2 years.

This wage support would have a distorting effect on the wage costs and a flow through effect to the fully absorbed cost of manufacture of the goods.

Milltech contends that though the Cromsteel records may be in accordance with generally accepted accounting principles (GAAP) of Romania the distorting effect of the State Aid means that the finance and wage costs may not reasonably reflect competitive market costs associated with the production or manufacture of chrome bar.

Milltech requests that the Commission request information on the state aid available in the exporter questionnaires and examine these issues during the course of the investigation and subsequent verifications.

Documents relating to State Aid in Romania are attached.

2. Provide supporting documentary evidence.

Supporting documentation has been provided for the majority of the costs and is attached.

B-5 Adjustments.

A fair comparison must be made between the export price and the normal value. Adjustments should be made for differences in the terms and circumstances of the sales such as the level of trade, physical characteristics, taxes or other factors that affect price comparability.

1. Provide details of any known differences between the export price and the normal value. Include supporting information, including the basis of estimates.

   Transportation charges from factory to port have been included in the Constructed Normal Value.

   The only known difference between export prices and normal values are port charges in the countries of export to bring the normal value to a FOB value.

   Milltech was not aware of any other differences including credit terms and level of trade that would be applicable.

2. State the amount of adjustment required for each and apply the adjustments to the domestic prices to calculate normal values. Include supporting information, including the basis of estimates.

   The only known difference between the export prices and normal values is port charges in the countries of export to bring the Constructed Normal Value to a FOB price.

   Milltech does not have access to information on these charges and has not applied an adjustment for this difference.

B-6 Dumping margin.

1. Subtract the export price from the normal value for each grade, model or type of the goods (after adjusting for any differences affecting price comparability).

   These calculations are shown in the following table. The Constructed Normal Value has been calculated as free alongside ship (FAS) while the Deductive Export Price has been calculated as FOB. Milltech does not have access to information on these charges and has not applied an adjustment for this difference.

   Both are shown on cash terms.

2. Show dumping margins as a percentage of the export price.

   Milltech has determined the dumping margin for Romania for the 2014 year based on the *confidential* and Constructed Normal Value.

	40mm ø AISI 1045 Grade	40mm ø AISI 4140 Grade
Constructed Normal Value	$2231	$2671
Deductive Export Price	$1455	$2443
Dumping Margin	$776	$228
% of Export Price	53%	9%

	Weighted Average margin
Constructed Normal Value	$2399
Deductive Export Price	$1,866
Dumping Margin	$533
% of Export Price	29%

Milltech has determined the dumping margin for Italy for the 2014 year based on the Deductive Export Price and Constructed Normal Value.

	40mm ø AISI 1045 Grade	40mm ø AISI 4140 Grade
Constructed Normal Value	$3099	$3453
Deductive Export Price	$1382	$2432
Dumping Margin	$1716	$1021
% of Export Price	124%	42%

	Average margin
Constructed Normal Value	$3234
Deductive Export Price	$1784
Dumping Margin	$1450
% of Export Price	81%

Dumping calculations are in the appendices NV worksheet.

PART C

SUPPLEMENTARY SECTION

IMPORTANT

Replies to questions in Part C are not mandatory in all instances, but may be essential for certain applications.

For advice about completing this part please contact the Commission's client support section on:

Phone: 1300 884 159
Fax: 1300 882 506
Email: clientsupport@adcommission.gov.au

C-1 Subsidy

This section must be completed where countervailing duties are sought to offset foreign government assistance through subsidies to exporters or producers.

If the application is for countervailing duty alone, the domestic price information required by Part B of the application need not be supplied.

Responses to questions A-9 will need to identify the link between subsidisation and injury.

1. Identify the subsidy paid in the country of export or origin. Provide supporting evidence including details of:
   (i) the nature and title of the subsidy;
   (ii) the government agency responsible for administering the subsidy;
   (iii) the recipients of the subsidy; and
   (iv) the amount of the subsidy.

C-2. Threat of material injury

Address this section if the application relies solely on threat of material injury (ie where material injury to an Australian industry is not yet evident).

1. Identify the change in circumstances that has created a situation where threat of material injury to an Australian industry from dumping/subsidisation is foreseeable and imminent, for example by having regard to:
   1. the rate of increase of dumped/subsidised imports;
   2. changes to the available capacity of the exporter(s);
   3. the prices of imports that will have a significant depressing or suppressing effect on domestic prices and lead to further imports;
   4. inventories of the product to be investigated; or
   5. any other relevant factor(s).

2. If appropriate, include an analysis of trends (or a projection of trends) and market conditions illustrating that the threat is both foreseeable and imminent.

C-3. Close processed agricultural goods

Where it is established that the like (processed) goods are closely related to the locally produced (unprocessed) raw agricultural goods, then – for the purposes of injury assessment – the producers of the raw agricultural goods form part of the Australian industry. This section is to be completed only where processed agricultural goods are the subject of the application. **Applicants are advised to contact the Commission's client support section before completing this section.**

1. Fully describe the locally produced raw agricultural goods.

2. Provide details showing that the raw agricultural goods are devoted substantially or completely to the processed agricultural goods.

3. Provide details showing that the processed agricultural goods are derived substantially or completely from the raw agricultural goods.

4. Provide information to establish **either**:

   - a close relationship between the price of the raw agricultural goods and the processed agricultural goods; **or**

   - that the cost of the raw agricultural goods is a significant part of the production cost of the processed agricultural goods.

C-4. Exports from a non-market economy

Complete this section only if exports from a non-market economy are covered by the application. The domestic price information required by Part B of the application need not be supplied if this question is answered.

Normal values for non-market economies may be established by reference to selling prices or to costs to make and sell the goods in a comparable market economy country.

1. Provide evidence the country of export is a non-market economy. A non-market economy exists where the government has a monopoly, or a substantial monopoly, of trade in the country of export and determines (or substantially influences) the domestic price of like goods in that country.

2. Nominate a comparable market economy to establish selling prices.

3. Explain the basis for selection of the comparable market economy country.

4. Indicate the selling price (or the cost to make and sell) for each grade, model or type of the goods sold in the comparable market economy country. Provide supporting evidence.

C-5 Exports from an 'economy in transition'

An 'economy in transition' exists where the government of the country of export had a monopoly, or substantial monopoly, on the trade of that country (such as per question C-4) and that situation no longer applies.

Complete this section only if exports from an 'economy in transition' are covered by the application. **Applicants are advised to contact the Commission's client support section before completing this section**

1. Provide information establishing that the country of export is an 'economy in transition'.

2. A price control situation exists where the price of the goods is controlled or substantially controlled by a government in the country of export. Provide evidence that a price control situation exists in the country of export in respect of like goods.

3. Provide information (reasonably available to you) that raw material inputs used in manufacturing/producing the exported goods are supplied by an enterprise wholly owned by a government, at any level, of the country of export.

4. Estimate a 'normal value' for the goods in the country of export for comparison with export price. Provide evidence to support your estimate.

C-6 Aggregation of Volumes of dumped goods

Only answer this question if required by question B-1.5 of the application and action is sought against countries that individually account for less than 3% of total imports from all countries (or 4% in the case of subsidised goods from developing countries). To be included in an investigation, they must collectively account for more than 7% of the total (or 9% in the case of subsidised goods from developing countries).

	Quantity	%	Value	%
All imports into Australia		100%		100%
Country A*				
Country B*				
etc*				
Total				

* Only include countries that account for less than 3% of all imports (or 4% in the case of subsidised goods from developing countries). Use the data at Appendix A.2 (Australian Market) to complete the table.

APPENDICES

Appendix A1	Australian Production
Appendix A2	Australian Market
Appendix A3	Sales Turnover
Appendix A4	Domestic Sales
Appendix A5	Sales of Other Production
Appendix A6.1	Cost to Make and Sell (& profit) Domestic Sales
Appendix A6.2	Cost to Make and Sell (& profit) Export Sales
Appendix A7	Other Injury Factors
Appendix A8	Authority to Deal With Representative
Appendix B1	Deductive Export Price
Appendix B2	Constructed Normal Value