

SECTION A COMPANY STRUCTURE AND OPERATIONS

This section requests information relating to company details and financial reports.

A-1 Identity and communication

Please nominate a person within your company who can be contacted for the purposes of this investigation:

Head Office: Nimet Srl

Name: Sabina Oprescu

Position in the company: Sales representative

Address: Targului Street, 103 / 137121, Lazuri, Dambovita / Romania

Telephone: +40 245 607 000/ Mobile: +40 736 600 231

Facsimile number: +40 245 607 001

E-mail address of contact person: sabina.oprescu@nimet.ro

Factory: Nimet Srl

Address: Targului Street, 103 / 137121, Lazuri, Dambovita / Romania

Telephone: +40 245 607 000/ Mobile: +40 736 600 231

Facsimile number: +40 245 607 001

E-mail address of contact person: sabina.oprescu@nimet.ro

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:

Address:

Telephone:

Facsimile/Telex number:

E-mail address of contact person:

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.

Not applicable.

A-3 Company information

- 1. What is the legal name of your business? What kind of entity is it (eg. company, partnership, sole trader)? Please provide details of any other business names that you use to export and/or sell goods.**

Company name (legal name): NIMET SRL

Company type: Limited Company

VAT ID NO. (Value added tax) : RO18048079

The company exports only under the name "Nimet SRL". No other business names are used when exporting and/or selling 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).

Nimet SRL shareholders:

- XXX % owned by Palfinger Tenevo Bulgaria. Palfinger is an Austrian group that produces cranes. Its website is: www.palfinger.com.
- XXX % owned by Mr Samy Numan. Mr Numan is also the Managing Director of Nimet.

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

The parent company, Palfinger Tenevo Bulgaria is XXX% owned by Palfinger Emea GmbH, which has its headquarters in Salzburg, Austria.

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

The parent company, Palfinger Emea GmbH is XXX% held by Palfinger AG, with headquarters in Salzburg, Austria.

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

A diagram showing all associated or affiliated companies is included in the file entitled "Attachment A-3 q5 Legal organisation structure". Nimet's place in the corporate structure is shown in the diagram.

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

No management fees are charged to Nimet by its parent company or any related company.

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

NIMET Srl (**Nimet**), located in Romania, is an European producer of hard chrome plated steel bars and tubes, nickel and chrome plated bars and tubes, linear shafts and customized precision shafts in the market of hydraulic lifting, loading and handling systems.

Mainly, Nimet's production covers two different sectors:

- Hydraulic and pneumatic equipments.
- Linear motion systems.

Nimet's production range includes:

- Hard chrome plated steel bars in the following different steel grades: C45E, C35E, 20MnV6, 38MnVS6, 42CrMo4.
- Induction hardened and hard chrome plated steel bars in the following different steel grades: C45E, C35E, 20MnV6, 38MnVS6, 42CrMo4
- External hard chrome plated steel tubes in the following different steel grades: E355, P460N.
- Induction hardened and external hard chrome plated steel tubes in the following different steel grades: E355, C45E
- Hard chrome plated telescopic steel tubes in the following steel grades: E355.

- Internal hard chrome plated steel tubes in the following steel grade: E355.
- Nickel and hard chrome plated steel bars with utmost corrosion resistance in the following steel grades: C45E, 20MnV6, 38MnVS6.
- External nickel and hard chrome plated steel tubes with utmost corrosion resistance in the following steel grades: E355, P460N.
- Hard chrome plated stainless steel bars for high corrosion resistance: W1.4021 (AISI 420), W1.4057 (AISI 431), W1.4301 (AISI 304), W1.4401 (AISI 316).

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

Not applicable. Nimet performs all of the above functions.

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

Nimet's internal organisation chart is included in the file entitled "A-3 q 9 Diagram Internal organisation chart".

Production – includes all activities that ensure the movement, transformation or processing of raw materials into the final product , as well as their auxiliary activities.
This department includes several other subsectors related either to raw material processing in different stages or particular products.

Cylinders – includes all activities related to machining rods according to customer drawing up to full assembled hydraulic cylinder.

Maintenance – includes all activities of machinery maintenance.

Quality – includes all activities related to product control within all production and sale stages, ensuring the correspondence between the customer requirement and final product. Ensures the implementation and compliance with the current international quality norms.

Purchasing and investments – includes all activities related to raw material purchasing, auxiliary consumables purchasing, investments.

Operations – includes all activities related to production and sales planning, marketing, logistic planning

Financial and accounting – includes accountancy and financial operations

Human resources and IT – activities of recruitment, time and attendance, payroll, learning and development

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

Nimet's most recent accounting information report for the calendar year ending 2014 is included in the file entitled "A-3 q 10a Statement of account

Since the statement of account is for to the Romanian Authorities use, no English version is available.

If the Commission considers necessary a further copy translated in English should be provided.

Nimet's recent catalog of its products is included in the file entitled "A-3 q 10b Nimet Hard chrome plated steel bars and tubes- Nimet Catalog".

A-4 General accounting/administration information

1. Indicate your accounting period.

Nimet's accounting period is the calendar year. For example, it is currently in the accounting period of 01.01.2015 to 31.12.2015.

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

As Nimet has its own accounting department, all the financial records are held at its premises at Targului Street, 103 / 137121, Lazuri, Dambovita / Romania.

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);**
- **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 consideration.**

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.**

Nimet's accounting period is by calendar year. Therefore it has provided its independent auditor's report for the calendar year ending 31 December 2014, which is included in the file entitled "A-4 q3a Opinion OMF - Nimet 31 12 14 signed". An English translation of this document is included in the file entitled "A-4 q3b Opinion OMF - Nimet 31 12 14 EN

Please note the English document contains a typing error.: this should be dated 16 February 2015 as per Romanian Version.

Enclosed, also the financial documents for the calendar year ending 31 December 2013:

- Opinion OMF 31.12.2013 and its' English translation
- Statement of account 2013 – only Romanian version
- Balance sheet 2013 - only Romanian version
-

- 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.**

Nimet's accounts were audited by Pwc for the calendar year ending 31 December 2014 and 31 December 2013.

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

Not applicable

- 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 (eg last in first out –LIFO, first in first out- FIFO, weighted average);**

We use XXX.

- **costing methods, including the method (eg by tonnes, units, revenue, direct costs etc) of allocating costs shared with other goods or processes (such as front office cost, infrastructure cost etc);**
XXX
- **valuation methods for damaged or sub-standard goods generated at the various stages of production;**
XXX
- **valuation methods for scrap, by products, or joint products;**
XXX
- **valuation and revaluation methods for fixed assets;**
XXX
- **average useful life for each class of production equipment and depreciation method and rate used for each;**
XXX
- **treatment of foreign exchange gains and losses arising from transactions;**
- **treatment of foreign exchange gains/losses arising from the translation of balance sheet items;**
- **inclusion of general expenses and/or interest;**
- **provisions for bad or doubtful debts;**
XXX
- **expenses for idle equipment and/or plant shut-downs;**
XXX
- **costs of plant closure;**
XXX
- **restructuring costs;**

According accepted accounting principles.

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

- **effects of inflation on financial statement information.**
XXX

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.

XXX

A-5 Income statement

Please fill in the following table. It requires information concerning all products produced and for the goods under consideration (*'goods under consideration'* (the goods) is defined in the Glossary of Terms in the appendix to this form). You should explain how costs have been allocated.

Note: if your financial information does not permit you to present information in accordance with this table please present the information in a form that closely matches the table.

Prepare this information on a spreadsheet named "Income statement".

This information will be used to verify the completeness of cost data that you provide in Section G. If, because of your company's structure, the allocations would not be helpful in this process, please explain why this is the case.

The table has been completed in the excel file entitled "Nimet Filled - Investigation - Exporter Questionnaire" in the "income statement" sheet.

The data are shown in Romanina currency (RON) at the National Bank currency at a certain date and presents the information both from financial year (2014) and investigation period.

A-6 Sales

State your company's net turnover (after returns and all discounts), and free of duties and taxes. Use the currency in which your accounts are kept, in the following format:

Prepare this information in a spreadsheet named "TURNOVER".

This information will be used to verify the cost allocations to the goods under consideration in Section G.

Also, you should be prepared to demonstrate that sales data shown for the goods is a complete record by linking total sales of these goods to relevant financial statements.

The table has been completed in the excel file enclosed and entitled "Nimet Filled - Investigation - Exporter Questionnaire" in the "turnover" sheet.

The data are shown in Romanina currency (RON) at the National Bank currency at a certain date and presents the information both from financial year (2014) and investigation period.

SECTION B SALES TO AUSTRALIA (EXPORT PRICE)

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This section requests information concerning your export practices and prices to Australia. You should include costs incurred beyond ex-factory. Export prices are usually assessed at FOB point, but the Commission may also compare prices at the ex factory level.

*You should report prices of **all** goods under consideration (the goods) **shipped** to Australia during the investigation period.*

The invoice date will normally be taken to be the date of sale. If you consider:

- the sale date is not the invoice date (see 'date of sale' column in question B4 below) and;*
 - an alternative date should be used when comparing export and domestic prices*
- you **must** provide information in section D on domestic selling prices for a matching period - even if doing so means that such domestic sales data predates the commencement of the investigation period.*

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

During the investigation period Nimet only sold four containers of goods to one single customer. The customer was XXX. The details of this customer are:

Address: XXX

Contact name : XXX

Phone/fax number where known: XXX

Trade level (for example: distributor, wholesaler, retailer, end user, original equipment): wholesaler.

B-2 For each customer identified in B1 please provide the following information.

(a) Describe how the goods are sent to each customer in Australia, including a diagram if required.

The route of Nimet's goods sent to Australia was as follows:

The goods were delivered from Nimet (Romania) to Constanta Port in Romania. From there the goods are shipped to the Australian port, which was in XXX.

(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.

The sale is made directly by Nimet to XXX. Nimet is not aware of the further route of the goods after they are delivered to XXX. No commissions are applied to any of the sales transactions to Australia.

(c) Explain who retains ownership of the goods at each stage of the distribution chain. In the case of DDP sales, explain who retains ownership when the goods enter Australia.

The delivery condition used by Nimet when exporting goods to Australia is CIF XXX port, which means cost, insurance and freight. Nimet retains ownership until the goods reach their destination port, which is XXX. These shipping terms are depicted in the diagram below:

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Where:

- seller= Nimet;
- carrier = a carrier hired by Nimet;
- first port = Constanta Port Romania;
- ship (vessel) = a charge incurred by Nimet;
- second port = XX (in the case of the goods under consideration); and
- buyer = XXX.

(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).

Not applicable.

(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.

Our commercial activity begins with receiving an inquiry from a customer. The inquiry can arise either from a previous contact from Nimet (phone, visit, email) or the customer approaching Nimet through any of the previous mentioned forms of communication or through international trade fairs meetings.

Based on the specifications mentioned in the inquiry (product type, quantity, whether the requirements are inside or outside Nimet's standard) and internal possibilities (raw material availability, cost, production capacity at the time), we establish a quotation price. All prices are calculated based on the specifications in the inquiry and the internal possibilities, which form the basis of the Ex Works value.

Once the Ex Works value has been calculated, depending on the location of the customer and their preference in relation to whether or not they organize the transport, the price either remains at the Ex Works price or has the cost of transport added to it, which is the cost Nimet would have been quoted from a forwarder that provided a transportation quotation.

Nimet's final offer to the customer contains the prices, confirmation of the customer specification and several other details related to packaging and any other costs generating factors.

Nimet also gives the customer the commercial conditions of the transaction, such as the payment condition (which is based on the XX financial report for the respective customer), the delivery terms and the duration of time that the offer is valid for.

Next, Nimet waits for customer feedback. Further negotiations with the customer relating to the quoted prices and specified commercial conditions may occur. Nimet considers and accepts variations within certain limitations that it has internally established.

Once Nimet receives an order, it introduces it into its Enterprise Resourcing Planning (**ERP**) system, which connects the order with all the other departments (purchasing, planning, production, packaging, accounting).

The order confirmation is sent to the customer for acceptance. After confirmation is received from the customer, Nimet proceeds with launching production.

In cases where advance payment is made, the transfer confirmation is required before Nimet approves the truck departure from its factory or the container's loading on the ship. Where payment occurs by credit, the delivery takes place from Nimet's side and the transfer is made at the agreed terms.

Copies of the delivery documents (invoice, packing list, inspection certificate CMR or Bill of lading) are sent by email to the customer as soon as the delivery of the goods (in accordance with the order is finalised.

The above steps apply to our business relationship with XX.

- (f) State whether your firm is related to any of its Australian customers. Give details of any financial or other arrangements (eg free goods, rebates, or promotional subsidies) with the customers in Australia (including parties representing either your firm or the customers).**

There are no relationships nor financial or other arrangements between Nimet and any Australian customer.

- (g) Details of the forward orders of the goods under consideration (include quantities, values and scheduled shipping dates).**

Nimet's forward orders of the goods under consideration are:

- XXXXXXXX
- XXXXXXXX

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.

Nimet's price strategy starts based on a consideration of the raw material and production costs, plus a certain established margin.

Nimet's factory is built in such a way to ensure that production occurs mainly based on a certain volume of orders. Nimet's production does not work for stock production, the production planning is made based on the customers orders. Therefore, each order is separately analysed and produced accordingly. The main factor that influences the production costs and raw material costs is the ordered quantity.

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However, market opportunities are also taken into consideration (niche product, high demand, increased consumption due to special certain events – World Cup..) but not without ensuring a certain margin above the costs
XXXXXX

B-4 Prepare a spreadsheet named “Australian sales” listing all shipments (i.e. transaction by transaction) to Australia of the goods under consideration in the investigation period. You must provide this list in electronic format. Include the following export related information:

Column heading	Explanation
Customer name	names of your customers
Level of trade	the level of trade of your customers in Australia
Model	commercial model name
Product code	code used in your records for the model/grade/type identified. Explain the product codes in your submission.
Length	Specify length
Dimension	Specify diameter
Grade	Specify minimum yield strength grade manufactured to (e.g. 250, 500 MPa etc.)
Production method	Specify the method used to achieve mechanical properties (e.g. Water-quenched & self-tempered OR micro alloyed OR cold-worked)
Chrome thickness	Specify plating thickness
Chrome layer hardness	Specify hardness in HV
Alloy	If the product is made from 'alloy steel', specify this and specify the alloy
Invoice number	invoice number
Invoice date	invoice date
Date of sale	Refer to the explanation at the beginning of this section. If you consider that a date <i>other than</i> the invoice date best establishes the material terms of sale, report that date. For example, order confirmation, contract, or purchase order date.
Order number	if applicable, show order confirmation, contract or purchase order number if you have shown a date other than invoice date as being the date of sale.
Shipping terms	Delivery terms eg. CIF, C&F, FOB, DDP (in accordance with Incoterms)
Payment terms	Agreed payment terms eg. 60 days=60 etc
Invoice weight basis	Show basis on which goods are invoiced (ie. theoretical/nominal weight or actual weight).
Actual weight	Actual weight of (specify units e.g. Tonnes)
Theoretical weight	Theoretical weight, if your business uses theoretical weight (specify units e.g. Tonnes)
Gross invoice	Gross invoice value shown on invoice <i>in the currency of sale</i> ,

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value	<i>excluding taxes.</i>
Discounts on the invoice	If applicable, the amount of any discount deducted on the invoice on each transaction. If a % discount applies show that % discount applying in another column.
Rebates or other allowances	The amount of any deferred rebates or allowances paid to the importer in the currency of sale.
Other charges	Any other charges, or price reductions, that affect the net invoice value. Insert additional columns and provide a description.
Invoice currency	The currency used on the invoice
Exchange rate	Indicate the exchange rate used to convert the currency of the sale to the currency used in your accounting system
Net invoice value in the currency of the exporting country	The net invoice value expressed in your domestic currency as it is entered in your accounting system
Other discounts	The actual amount of other discounts (e.g. quantity discounts) not deducted from the invoice. Show a separate column for each type of quantity discount.
Ocean freight**	The actual amount of ocean freight incurred on each export shipment listed.
Marine insurance	Amount of marine insurance
FOB export price**	The free on board price at the port of shipment.
Packing*	Packing expenses
Inland transportation costs*	Inland transportation costs included in the selling price. For export sales this is the inland freight from factory to port in the country of export.
Handling, loading & ancillary expenses*	Handling, loading & ancillary expenses. For example, terminal handling, export inspection, wharfage & other port charges, container tax, document fees & customs brokers fees, clearance fees, bank charges, letter of credit fees, & other ancillary charges incurred in the exporting country.
Warranty & guarantee expenses*	Warranty & guarantee expenses
Technical assistance & other services*	Expenses for after sale services, such as technical assistance or installation costs.
Commission	Commissions paid. If more than one type is paid insert additional columns of data.
Other Costs	Any other costs, charges or expenses incurred in relation to the exports to Australia (include additional columns as required). See question B.5.

**** FOB export price and Ocean Freight:**

FOB export price: An FOB export price must be calculated for each shipment - regardless of the shipping terms. FOB price includes inland transportation to the port of exportation, inland insurance, handling, and loading charges. It excludes post exportation expenses such as ocean freight and insurance. Use a formula to show the method of the calculation on each line of the export sales spreadsheet.

Ocean freight: as ocean freight is a significant cost it is important that the actual amount of ocean freight incurred on each exportation be reported. If estimates must be made you must explain the reasons and set out the basis - estimates must reflect changes in freight rates over the investigation period.

Freight allocations must be checked for consistency.

*** All of these costs are further explained in section E-1.**

The table has been completed in the excel file enclosed and entitled "Nimet Filled - Investigation - Exporter Questionnaire" in the "Australian sales" sheet. Nimet has added a further column to the sheet that contains the EUR/kg Ex works price for each sale.

Although Nimet only exported four containers of goods (and therefore only had four invoices) there were a number of different goods in each of the four containers and therefore a number of different prices in each invoice.

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 question 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.

There are no other costs, charges or expenses incurred in respect of the "Australian sales".

B-6 For each type of discount, rebate, 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 question B4. If they vary by customer or level provide an explanation.

There were no discounts, rebates, or allowances offered on export sales to Australia during the Investigation Period. The selling prices in the "Australian sales" sheet are the prices indicated in the invoices to XXX.

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 question B4, provide details of each credit note if the credited amount has not been reported as a discount or rebate.

Nimet has not issued any credit note (directly or indirectly) to the customer in Australia (XXX), in relation to the invoices listed in the detailed transaction by transaction listing in response to question B4.

B-8 If the delivery terms make you responsible for arrival of the goods at an agreed point within Australia (eg. delivered duty paid), insert additional columns in the spreadsheet 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)

The delivery terms used by Nimet when exporting to Australia to XXX during the investigation period is CIF XXX. Therefore, Nimet is not responsible for any costs incurred for transporting the goods once they arrive in Australia Nimet's responsibility for the goods ends once they arrive at the Australian port.

SECTION C EXPORTED GOODS & LIKE GOODS

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

Between 1 October 2014 to 30 September 2015 (**Investigation Period**) Nimet exported two models of goods to Australia. These bars had the following features:

- chrome plating with the bars being made from alloy or non-alloy steel;
- a circular cross section;
- a length between 5-7m (with the exception of a specific project that contained bars with lengths of 1985mm and 2135mm); and
- a chrome thickness of 15microns (where the diameter of the bar was less than 20mm) or a thickness of a minimum of 20 microns (where the diameter of the bar was greater than or equal to 20mm).

The goods were comprised of two models. The first model, model C45E, was comprised of three product codes. They were:

- Product code CB38,1, a product that would be a good subject of the application made by Milltech. The product code "CB38,1" means that the bars were hard chrome plated steel bars with a diameter of 38.1mm and a tolerance of f8.
- Product codes CB15 and CB15,875, which are products with a diameter of 15mm and 15.875mm and are therefore not goods subject of the application. These product codes should not be considered further in the investigation. They are not referred to again in this submission.

The majority of the goods that Nimet exported during the Investigation Period were delivered in four containers of model XXX goods. There were a number of different products (and hence product codes) for these goods. The descriptions of each product code are contained in Nimet's response to the exporter questionnaire in the "Australian sales" sheet.

However, most product codes contain the following information in their description:

- Whether or not the good is hard chrome plated (XXX) or induction hardened and hard chrome plated (XXX).
- The diameter of the bar (which varies between bars).
- The model of the bar.

C-2 List each type of goods exported to Australia (these types should cover all types listed in spreadsheet "Australian sales" – see section B of this questionnaire).

The types of goods exported to Australia during the Investigation Period are:

- the goods listed in the "Australian sales" sheet of the exporter questionnaire;
- product code CB15 (which is not a good under consideration);
- product code CB15,875 (which is not a good under consideration).

C-3 If you sell like goods on the domestic market, for each 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 (ie. the like goods – see explanation in glossary) are not identical to goods exported to Australia.

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Enclosed file: Section AU_Matters _SECTION C

Exported type	Domestic type	Identical	Differences
Product code of each model of the goods exported to Australia [This should be the product codes in the "Australian sales" sheet].	Product code of comparable model sold on the domestic market of the country of export. [Please specify where there is no comparable model that is sold domestically, even if that is the case in relation to all or most of the goods exported to Australia.]	[Yes / No]	Describe the specification differences or refer to documents that show the differences.

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.

The enclosed document entitled "C-4 a Nimet Hard chrome plated steel bars and-tubes" contains the technical specifications of Nimet's hard chrome plated steel bars and tubes.

The enclosed document entitled "C-4 b Nimet Induction hardened and hard chrome plated steel bars and-tubes" contains the technical specifications of Nimet's induction hardened and hard chrome plated steel bars and tubes.

We confirm: The documents contain detail regarding the domestic good types identified in response to C-3.

SECTION D DOMESTIC SALES

This section seeks information about the sales arrangements and prices in the domestic market of the country of export.

All domestic sales made during the investigation period must be listed transaction by transaction. If there is an extraordinarily large volume of sales data and you are unable to provide the complete listing electronically you must contact the case officer before completing the questionnaire. If the case officer agrees that it is not possible to obtain a complete listing he or she will consider a method for sampling that meets the Commission requirements. If agreement cannot be reached as to the appropriate method the Commission may not visit your company.

The Commission will normally take the invoice date as being the date of sale in order to determine which sales fall within the investigation period.

If, in response to question B4 (Sales to Australia, Export Price), you have reported that the date of sale is not the invoice date and you consider that this alternative date should be used when comparing domestic and export prices – you must provide information on domestic selling prices for a matching period - even if doing so means that such domestic sales data predates the commencement of the investigation period.

If you do not have any domestic sales of like goods you must contact the case officer who will explain the information the Commission requires for determining a normal value using alternative methods.

D-1 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.

Nimet's distribution channel to its domestic customers is a direct one, meaning Nimet is the seller and the customer is the buyer. The buyer purchases goods directly from Nimet. Therefore, the domestic distribution channel is relatively simple.

Nimet confirms is not party to any agency or distributor agreements or contracts.

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.

The sheet entitled "sales - Romania" in the exporter questionnaire spreadsheet contains details of all domestic sales of like goods to the goods under consideration that were made during the Investigation Period

The customers listed in the "sales-Romania" sheet in the exporter questionnaire spreadsheet are not associated with Nimet business.

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.

Nimet's domestic selling price varies according to whether or not:

- the quantity of the product ordered will be provided in a full container load; and/or
- has a specific diameters.

As all domestic sales occur through a direct distribution channel, there is no price variation based only on the form of the distribution channel.

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; and**

Nimet's price setting strategy starts with similar considerations to the strategy used for its goods exported to Australia. Its price strategy is based on a consideration of the raw material and production costs, plus a certain established margin.

Nimet's factory is built in such way to ensure the production occurs mainly based on a certain volume of orders. Nimet's production process does not work for stock production, the goods are produced based on the customer order (product, diameters and quantities). Therefore, each order is separately analysed and produced accordingly. The main factor that influences the production costs and raw material costs and therefore the price is the ordered quantity.

XXXX

However, market opportunities are also taken into consideration (niche product, high demand, increased consumption due to special certain events – World Cup..) but not without ensuring a certain margin above the costs.

Our commercial activity begins with receiving an inquiry from a customer. The inquiry can arise either from a previous contact from Nimet (phone, visit, email) or the customer approaching Nimet through any of the previous mentioned forms of communication or through international trade fairs meetings.

Based on the specifications mentioned in the inquiry (product type, quantity, whether the requirements are inside or outside Nimet's standard) and internal possibilities (raw material availability, cost, production capacity at the time), we establish a quotation price. All prices are calculated based on the specifications in the inquiry and the internal possibilities, which form the basis of the Ex Works value.

Once the Ex Works value has been calculated, depending on the location of the customer and their preference in relation to whether or not they organize the transport, the price either remains at the Ex Works price or has the cost of transport added to it, which is the cost Nimet would have been quoted from a forwarder that provided a transportation quotation.

Nimet's final offer to the customer contains the prices, confirmation of the customer specification and several other details related to packaging and any other costs generating factors.

Nimet also gives the customer the commercial conditions of the transaction, such as the payment condition (which is based on the XXX financial report for the respective customer), the delivery terms and the duration of time that the offer is valid for.

Next, Nimet waits for customer feedback. Further negotiations with the customer relating to the quoted prices and specified commercial conditions may occur. Nimet considers and accepts variations within certain limitations that it has internally established.

Once Nimet receives an order, it introduces it into its Enterprise Resourcing Planning (**ERP**) system, which connects the order with all the other departments (purchasing, planning, production, packaging, accounting).

The order confirmation is sent to the customer for acceptance. After confirmation is received from the customer, Nimet proceeds with launching production.

In cases where advance payment is made, the transfer confirmation is required before Nimet approves the truck departure from its factory or the container's loading on the ship. Where payment occurs by credit, the delivery takes place from Nimet's side and the transfer is made at the agreed terms.

Copies of the delivery documents (invoice, packing list, inspection certificate CMR or Bill of lading) are sent by email to the customer as soon as the delivery of the goods (in accordance with the order is finalised.

- **whether price includes the cost of delivery to customer.**

Depending on the customer's preference, Nimet may or may not organize the transport. If the customer would like Nimet to organise the transportation of the goods, the transport cost will be included in the final selling prices that appears on the invoice to the customer. Nimet did not iorganize Nimet did not organise transport for any sales listed in the "sales-Romania" sheet.

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

The price of like goods sold domestically during the Investigation Period were not determined in accordance with price lists.

D-4 Prepare a spreadsheet named “domestic sales” listing all sales of like goods made during the investigation period. The listing must be provided on a CD-ROM. Include all of the following information.

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Column heading	Explanation
Customer name	names of your customers
Level of trade	the level of trade of your customers in Australia
Model	commercial model name
Product code	code used in your records for the model/grade/type identified. Explain the product codes in your submission.
Length	Specify length
Dimension	Specify diameter
Grade	Specify minimum yield strength grade manufactured to (e.g. 250, 500 MPa etc.)
Production method	Specify the method used to achieve mechanical properties (e.g. Water-quenched & self-tempered OR micro alloyed OR cold-worked)
Ductility	Specify Ductility class manufactured to (low, normal or seismic)
Alloy	If the product is made from 'alloy steel', specify this and specify the alloy
Invoice number	invoice number
Invoice date	invoice date
Date of sale	Refer to the explanation at the beginning of this section. If you consider that a date <i>other than</i> the invoice date best establishes the material terms of sale, report that date. For example, order confirmation, contract, or purchase order date.
Order number	if applicable, show order confirmation, contract or purchase order number if you have shown a date other than invoice date as being the date of sale.
Shipping terms	Delivery terms eg. CIF, C&F, FOB, DDP (in accordance with Incoterms)
Payment terms	Agreed payment terms eg. 60 days=60 etc
Invoice weight basis	Show basis on which goods are invoiced (ie. theoretical/nominal weight or actual weight).
Actual weight	Actual weight of (specify units e.g. Tonnes)
Theoretical weight	Theoretical weight, if your business uses theoretical weight (specify units e.g. Tonnes)
Gross invoice value	Gross invoice value shown on invoice <i>in the currency of sale, excluding taxes.</i>
Discounts on the invoice	If applicable, the amount of any discount deducted on the invoice on each transaction. If a % discount applies show that % discount applying in another column.
Rebates or other allowances	The amount of any deferred rebates or allowances paid to the importer in the currency of sale.
Other charges	Any other charges, or price reductions, that affect the net invoice value. Insert additional columns and provide a description.
Invoice currency	The currency used on the invoice
Exchange rate	Indicate the exchange rate used to convert the currency of the sale to the currency used in your accounting system
Net invoice value in the currency of the exporting country	The net invoice value expressed in your domestic currency as it is entered in your accounting system
Other discounts	The actual amount of other discounts (e.g. quantity discounts) not

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	deducted from the invoice. Show a separate column for each type of quantity discount.
Ocean freight**	The actual amount of ocean freight incurred on each export shipment listed.
Marine insurance	Amount of marine insurance
FOB export price**	The free on board price at the port of shipment.
Packing*	Packing expenses
Inland transportation costs*	Inland transportation costs included in the selling price. For export sales this is the inland freight from factory to port in the country of export.
Handling, loading & ancillary expenses*	Handling, loading & ancillary expenses. For example, terminal handling, export inspection, wharfage & other port charges, container tax, document fees & customs brokers fees, clearance fees, bank charges, letter of credit fees, & other ancillary charges incurred in the exporting country.
Warranty & guarantee expenses*	Warranty & guarantee expenses
Technical assistance & other services*	Expenses for after sale services, such as technical assistance or installation costs.
Commission	Commissions paid. If more than one type is paid insert additional columns of data.
Other Costs	Any other costs, charges or expenses incurred in relation to the exports to Australia (include additional columns as required). See question B.5.

The sheet entitled "sales - Romania" in the exporter questionnaire spreadsheet contains details of all domestic sales of like goods to the goods under consideration that were made during the Investigation Period.

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

No other costs are involved in respect of the sales listed.

D-6 For each type of commission, discount, rebate, 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.

For domestic sales of like goods in the "sales-Romania" sheet, there were no commissions, discounts, rebates or allowances offered.

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 question D4.

Not applicable.

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.

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All credit notes that were issued to customers that were not reported as a discount or rebate are indicated in the "sales-Romania" sheet questionnaire response with negative values.

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, bank documentation showing proof of payment.)

The files enclosed contains:- DOMESTIC MARKET- invoices

XXX

SECTION E

FAIR COMPARISON

E-1 Costs associated with export sales

(These cost adjustments will relate to your responses made at question 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.

The inland transport cost associated with the export sales has been determined from the forwarder's offer (which ultimately became an invoice), for each Australian shipment. The forwarder's offer details the costs involved starting from picking up the materials from Nimet's factory to the container's arrival at the destination port (which includes inland transport, maritime transport, storage and port handling). The value of "inland transport" in the spreadsheets only includes the cost of transportation on land, but not the maritime transport costs, storage costs or handling costs (consistent with note 29 in the "Australian sales" sheet).

The inland transport cost was extracted from the unitary price (column AH from the spreadsheet] by dividing the quoted inland transport cost of XXX EUR which represents total cost inland Romania per one container by the invoiced weight of each shipment, resulting in an average value of XXX EUR/kg. XXXXX

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 & 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 question B4, 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
- other ancillary charges.

None of the above mentioned expenses are detailed in the forwarder's quotation or in the forwarder's final invoice; therefore Nimet has not been able to list them separately in the column AI of the "Australian sales sheet" entitled "Handling & other" XXXXX

Credit

The cost of extending credit on export sales is not included in the amounts quantified at question B4. 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 eg, 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.

The agreed payment term with XXX is that Nimet receives XXX. For all of the "Australian sales", the payment was provided in time as shown in the enclosed files (XXX Invoices – Investigation period). Therefore, no cost of extending credit on export sales was applied.

4. Packing costs

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'.

The packaging for all Australian sales during the Investigation period was standard individual cardboard tubes with bundles wrapped in aluminium bubble foil. Nimet provides this kind of packaging free of charge to the customer.

In the domestic market, the type of packaging varies between individual cardboard tubes or plastic sleeve, which is also free of charge.

Other chargeable packaging like pallets or wooden boxes are separately specified on a different line in the invoice when they are incurred. They are not included in the unitary price. None of these costs were incurred for the Australian sales and therefore they have not been included in the spreadsheet questionnaire.

3. 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.**

No commissions were paid in relation to the export sales to Australia.

6. Warranties, guarantees, and after sales services

List the costs incurred. Show relevant sales contracts. Show how you calculated the expenses ("Warranty & guarantee expenses" and "Technical assistance & 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.

No costs associated with warranties, guarantees and after sales services were charged.

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.

Nimet does not consider there to be other factors included in the selling price for which an adjustment is required.

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.

Nimet submits that export prices should not be compared with domestic prices for the reasons outlined in the submission accompanying this questionnaire response. Rather, Nimet submits that export prices should be compared with normal values of like goods sold to the European market. The exports to Australia and to Europe all occur in euro and therefore no currency conversions are required.

If a currency conversion is ultimately required in relation to Nimet's domestic sales, Nimet will provide information on the exchange rate at that stage.

E-2 Costs associated with domestic sales

(These cost adjustments will relate to your responses made at question D-4, "domestic sales")

The following items are not separately identified in the amounts quantified at question 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 costs (S G & A) 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.

Differences in the physical characteristics of the goods exported to Australia and the domestic goods are contained in the response to C-3. The physical characteristics of the goods sold in Romania in the "sales - Romania" sheet differ to the exported goods.

However, as outlined in Nimet's submission, the goods that are sold domestically are sold in cut lengths that create scraps, while goods that are exported internationally are mostly sold in commercial lengths (being steel mill lengths with no additional length processing). For this reason and the other reasons outlined in Nimet's submission, Nimet does not consider sales

to the domestic market to be suitable for calculating normal values. Nimet has therefore not indicated how the price of domestic sales should be adjusted as they are unsuitable for comparison with the goods exported to Australia.

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;

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;
- 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;

Substitution drawback systems

There are no taxes paid by Nimet when exporting to Australia. No internal taxes and duties are paid and later remitted upon exportation to Australia. As Nimet does not consider sales in the domestic Romanian market to be suitable for calculating normal values, Nimet has not made adjustments to the price of like goods sold domestically.

For the reasons outlined in its submission, Nimet considers that its sales of like goods to third countries in Europe should be used as a basis for calculating normal values. According to the Cross Border VAT Rule,¹ when selling goods to a customer outside of a business' own country, the VAT is not charged. This also applies for sales to countries in Europe. The same rule specifies that when selling to a customer that has a valid VAT number (which can be checked on VIES), the VAT is not charged if the customer is in another country in Europe. Therefore, Nimet considers the Ex Works price should be considered as a base price for the

¹ See Rule at http://europa.eu/youreurope/business/vat-customs/cross-border/index_en.htm. Visited on 22 December 2015.

Commission's comparison. Taxes should not be added or extracted from the prices as Nimet was exempt from paying taxes on exports to Australia or to Europe.

Annex 3 of the WTO Agreement on Subsidies provides: “Drawback 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.

XXX

3. Level of trade

Question 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.

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.

Nimet's domestic sales are made directly to the customer which, based on the information Nimet has, Nimet considers to be the consumer of the product.

There are no particular trade level differences between domestic sales and exports. Therefore, all sales are treated as being at the same trade level.

XXXXXXX

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:

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- 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;
- 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.

4. Credit

The cost of extending credit on domestic sales is not included in the amounts quantified at question 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.

In some cases, a customer is permitted to pay for an issued invoice on terms other than advance payment. For example, the terms may allow for payment up to XXX days from the invoice date.

XXX

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 system¹, the average credit period may be determined as follows:

1. 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).

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 2, or
- total monthly receivables divided by 12.

2. Calculate the average credit period

The average credit period equals 365 divided by the accounts receivable turnover ratio determined above at 1.

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

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.

When Nimet issues an offer to a customer or provides a price list to a customer, Nimet takes into account the cost of transporting a full truck load of product. The transport cost is received from the forwarder. Nimet divides the transport cost for the products on the basis that a limit quantity of XXXX kg is ordered (approximate full truck load). The average EUR/kg transportation cost is then added to the EXW price resulting in CIP or CIF unitary price .

The "Sales - Romania" sheet does not contain any "inland transport" costs as the Romanian customers (using only small cut pieces) organize the transport by themselves.

Alternatively, in some instances transport costs are separately invoiced on a different line in the invoice so there is no need extract the average transport cost from the total price from the forwarder.

This same process is used for the purpose of calculating transportation costs to third countries.

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.

There are no charges related to handling, loading and ancillary expenses that are included in the domestic price.

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”.

As mentioned in Nimet's response to question 4 in section E-1, Nimet packs its bars for its domestic sales either in:

- individual cardboard tubes or
- plastic sleeves.

For products that are sold in containers, the bars are grouped in bundles and wrapped in aluminium bubble foil. Nimet's domestic sales are not sold in full containers/trucks.

The kinds of packaging described above are free of charge and are therefore not invoiced to the customer.

Other types of packaging like wooden crates or pallets are separately invoiced on a different line in the invoice. None of this kind of packaging was used for domestic sales of like goods during the Investigation Period.

8. Commissions

For any commissions paid in relation to the domestic sales:

- **provide a description;**
- **explain the terms and conditions that must be met.**

Report the amount in the sales listing under the column headed “Commissions”.

Nimet does not pay commission for any domestic sales.

Nimet only pays commission for some of its sales to XXX. The value is XXX or XXX of the invoice value. The agent receives the commission when the related invoices (invoices issued for the customers subject the agent) are fully paid by the customer. The percentage of commission paid is included in the exporter questionnaire spreadsheet in the sheet entitled "domestic sales-UE" in the column entitled “Comm% from invoiced price including the transport”.

9. Warranties, guarantees, and after sales services

List the costs incurred. Show relevant sales contracts. Show how you calculated the expenses (“Warranty & Guarantee expenses” and “Technical assistance & 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.

No warranties, guarantees and after sales services are separately calculated and included in the selling price for domestic sales.

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:

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- ***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.

SECTION F

EXPORT SALES TO COUNTRIES OTHER THAN AUSTRALIA (THIRD COUNTRY SALES)

Your response to this part of the questionnaire may be used by the Commission to select sales to a third country that may be suitable for comparison with exports to Australia. Sales to third countries may be used as the basis for normal value in certain circumstances. The Commission may seek more detailed information on particular third country sales where such sales are likely to be used as the basis for determining normal value.

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

Column heading	Explanation
Country	Name of the country that you exported like goods to over the investigation period.
Number of customers	The number of different customers that your company has sold like goods to in the third country over the investigation period.
Level of trade	The level of trade that you export like goods to in the third country.
Quantity	Indicate quantity, in units, exported to the third country over the investigation period.
Unit of quantity	Show unit of quantity eg kg
Value of sales	Show net sales value to all customers in third country over the investigation period
Currency	Currency in which you have expressed data in column SALES
Payment terms	Typical payment terms with customer(s) in the country eg. 60 days=60 etc
Shipment terms	Typical shipment terms to customers in the third country eg CIF, FOB, ex-factory, DDP etc.

Nimet has included sales to countries other than Australia in the sheets entitled "domestic sales - UE" and "third country" in the questionnaire spreadsheets.

The information that has been provided in the questionnaire spreadsheet in relation to sales to European countries is more extensive than the information requested in the "third country" tab as Nimet submits that its exports to Europe should be used for the purpose of calculating normal values for like goods. The reasons why Nimet considers exports to Europe to be an appropriate comparator are contained in the submission it has separately made to the Commission.

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

The differences in the sales to Europe which may affect their comparison to export sales to Australia arise due to the different physical characteristics of certain goods. These

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differences are identified in a separate document entitled "Attachment D - Comparative table" in the sheet called "Comparative table". These differences are also discussed further in Nimet's submission to the Commission.

SECTION G COSTING INFORMATION AND CONSTRUCTED VALUE

The information that you supply in response to this section of the questionnaire will be used for various purposes including:

- *testing the profitability of sales of like goods on the domestic market;*
- *determining a constructed normal value of the goods under consideration (the goods) - ie of the goods exported to Australia; and*
- *making certain adjustments to the normal value.*

You will need to provide the cost of production of both the exported goods (the goods) and for the like goods sold on the domestic market. You will also need to provide the selling, general, and administration costs relating to goods sold on the domestic market; the finance expenses; and any other expenses (eg. non-operating expenses not included elsewhere) associated with the goods.

The cost of production of both the exported goods, like goods sold on the domestic market and like goods sold to European countries are included in the sheets in the exporter spreadsheet entitled "Australian CTMS", "Romania + domestic sales-CTMS" .

In your response please include a worksheet showing how the selling, general, and administration expenses; the finance expenses; and any other expenses have been calculated.

If, in response to question B4 (Sales to Australia, Export Price) you:

- *reported that the date of sale is not the invoice date and consider that this alternative date should be used when comparing domestic and export prices, and*
- *provided information on domestic selling prices for a matching period as required in the introduction to Section D (Domestic Sales)*

you must provide cost data over the same period as these sales even if doing so means that such cost data predates the commencement of the investigation period.

At any verification meeting you must be prepared to reconcile the costs shown to the accounting records used to prepare the financial statements.

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 main steps involved in the production of the goods are (in the following order):

- Raw materials are bought in a cold drawn or hot rolled condition.
- Material that is bought in a hot rolled condition is peeled and straightened.
- Grinding of the materials then occurs.
- The bars are then polished before the chrome plating process commences.
- Chrome plating occurs using either one of two different ways: horizontal chrome baths (XXX chrome baths) or continuous chrome plating lines (XXX lines).
- Polishing occurs after the chrome plating process.
- Quality Control
- Packing of the bars occurs.

Flowcharts explaining these processes are enclosed and entitled "Attachment A Flowchart - CB series Rev1" and "Attachment B Flowchart - ICB series rev 1".

G-2. Provide information about your company's total production in the following table:

	Previous financial year 2014	Most recent financial year 2015	Investigation period:
Production capacity* (eg. units, kg, tonnes) [A]	23.467.337	28.452.009	28.192.406
Actual production in volume (eg. units, kg, tonnes) [B]	21.529.667	26.596.270	26.119.960
Capacity utilisation (%) (B/A x 100)	92%	93%	93%

Rather than showing a 'name-plate' optimal capacity it is more meaningful to show the maximum level of production that may reasonably be attained under normal operating conditions. For example assuming: normal levels of maintenance and repair; a number of shifts and hours of operation that is not abnormally high; and a typical production mix.

Provide this information on a spreadsheet named "Production".

This information is included in the sheet entitled "Production" in the exporter questionnaire spreadsheet.

G-3. 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.

XXX

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 (ie differences between standard and actual production costs) have been allocated to the goods - and describe how those variances have been allocated.

XXX

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

XXX

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

XXX

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.

XXX

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

XXX

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

XXX

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.

No, our company is not engaged in any starts up operation in relation to the goods under consideration.

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-4 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

1. Please provide (in the format shown in the table below) the actual unit cost to make and sell each model/type* (identified in section C) of the like goods sold on the domestic market. Provide this cost data for each quarter over the investigation period. If your company calculates costs monthly, provide monthly costs.

Nimet has provided the information requested in relation to the cost to make and sell goods on the domestic market, however Nimet does not consider that the costs to make and sell goods on the domestic market are a suitable basis for calculating normal values for comparison with export prices. The reasons are that actual or hypothetical sales in Romania are unsuitable as a comparator to determine whether or not the goods exported to Australia have been dumped. Further detail regarding Nimet's reasons are included in its submission.

Nimet has also provided the costs to make and sell goods exported to Europe as Nimet considers exports to Europe to be more suitable as a basis for calculating normal values than domestic sales in Romania.

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2. Indicate the source of cost information (account numbers etc) and/or methods used to allocate cost to the goods. Provide documentation and worksheets supporting your calculations.

The calculation cost is based on the accounting records in accordance with documents inputs (suppliers invoices, labour)

	Quarter X	Quarter X	Quarter X	Quarter X
Like Domestic Model/Type – from spreadsheet LIKE GOOD (section C-3)				
Material Costs ¹				
Direct Labour				
Manufacturing Overheads				
Other Costs ²				
Total Cost to Make				
Selling Costs				
Administration Costs				
Financial Costs				
Delivery Expenses ³				
Other Costs ³				
Unit Cost to Make and Sell				

Prepare this information in a spreadsheet named "Domestic CTMS".

1 Identify each cost separately. Include indirect material costs as a separate item only if not included in manufacturing overheads.

2 Relating to costs of production only; identify each cost separately.

3 Identify each cost separately. Please ensure non-operating expenses that relate to the goods under consideration are included. Where gains/losses due to foreign currency exchange are incurred, please provide detail of the amounts separately for transaction and translation gains/losses

Provide this information for each quarter (or month if your company calculates costs on a monthly basis) over the period of the investigation.

Provide the information broken down into fixed and variable costs, and indicate the % total cost represented by fixed costs.

If you are unable to supply this information in this format, please contact the case officer for this investigation at the address shown on the cover of this questionnaire.

Please specify unit of currency

G-5 Cost to make and sell goods under consideration (goods exported to Australia)

The information is relevant to calculating the normal values based on costs. It is also relevant to calculating certain adjustments to the normal value.

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	Quarter X	Quarter X	Quarter X	Quarter X
Model/Type exported to Australia – from spreadsheet LIKEGOOD				
Material Costs ¹				
Direct Labour				
Manufacturing Overheads				
Other Costs ²				
Total Cost to Make				
Selling Costs				
Administration Costs				
Financial Costs				
Delivery Expenses ³				
Other Costs ³				
Unit Cost to Make and Sell				

Prepare this information in a spreadsheet named "Australian CTMS".

1 Identify each cost separately. Include indirect material costs as a separate item only if not included in manufacturing overheads.

2 Relating to costs of production only; identify each cost separately.

3 Identify each cost separately. Please ensure non-operating expenses that relate to the goods are included. Where gains/losses due to foreign currency exchange are incurred, please provide detail of the amounts separately for transaction and translation gains/losses.

The information has been provided in a spreadsheet named "Australian CTMS".

Provide this information for each quarter (or month if your company calculates costs on a monthly basis) over the period of the investigation.

The information is provided for each quarter of the Investigation Period. However, for Q4 2014 and Q3 2015, Nimet did not export any goods to Australia and therefore has not included costs for these quarters.

Provide the information broken down into fixed and variable costs, and indicate the % total cost represented by fixed costs.

XXX from total costs it is represented by fixed costs.

If you are unable to supply this information in this format, please contact the case officer for this investigation at the address shown on the cover of this questionnaire.

Please specify unit of currency.

1 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.

In the questionnaire, the spreadsheet CTMS contains an overall costs based both on Romanian and UE sales.

2 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.

3 In calculating the unit cost to make and sell, provide an explanation if the allocation method used (eg number, or weight etc) to determine the unit cost differs from the prior practice of your company.

XXX

G-6 Major raw material costs

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

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 (eg market prices, transfer prices, or actual cost of production).**

Major cost that represent more than XXX% from total production cost is raw material with an incidence of XXX% .

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.

Not applicable.

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).

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

SECTION H GOVERNMENT AID IN ROMANIA

The applicant submits that government aid programs in Romania may affect the costs of producing chrome bar in Romania. The applicant provided examples of Romanian government aid programs for businesses that may influence wage and finance costs for Romanian companies.

The existence of such government aid programs in Romania could affect the Commission's approach to calculating normal value within its dumping assessment if it results in a determination that Romanian chrome bar producers' recorded costs not to reasonably reflect competitive market costs.

This section of the exporter questionnaire provides producers/exporters of the subject goods in Romania the opportunity to supply evidence which will be used towards making an assessment of the effect of Romanian Government state aid programs. In examining the matter, the Commission will also send questionnaires to the Romanian Government and continue to examine information available from third-party sources.

Through this questionnaire, the Commission is providing producers/exporters of the subject goods in Romania the opportunity to supply evidence that the sector under investigation is operating under market conditions.

It may be necessary for the Commission to request additional information following receipt and review of your response.

The information requested in this part will assist in providing a better understanding of the operation and administration of the Romanian Government's aid schemes for encouraging investments and related programs.

In addition to your narrative response to each of the questions, all necessary supporting documentation is requested.

On the basis of your responses to the questions below, please complete the following table:

Date	Summary of benefit	Benefit program	Total value of benefit (Euro)

Wage subsidies

- a) Since 1 January 2014, has your company received, or has been considered eligible to receive, payment of aid under Government Decision (GD) 332/2014?

Nimet has not received nor been considered eligible to receive payment of aid under Government Decision GD 332/2014.

If you have answered yes to the above, please explain the process by which you applied and whether your applications were approved.

b) If your company has been the recipient of aid under GD 332/2014, please explain how these benefits are provided by the Romanian Government, and how the benefit is accounted for within your company accounts.

Please refer to statements of income and/or financial statements in explaining how aid is accounted for.

Not applicable.

c) What is the rate of aid received from the Romanian Government?

Not applicable.

d) If you have received aid under GD 332/2014, is your aid calculated on one region/province? If you have facilities located in other regions/provinces, are the rates of state aid different? Provide details on any regional differences.

Not applicable.

e) If your company received state aid under GD 332/2014, what was the investment your company initiated to receive the aid? In what sector of your business was the investment made? Does this sector of your business contribute to the production of chrome bar?

Not applicable.

f) How many jobs were created by this investment? To what extent are the wages of these jobs covered by the aid received under GS 332/2014? How long will the wages be covered?

Not applicable.

Investment subsidies

g) Since 1 January 2014, has your company received, or has been considered eligible to receive, payment of aid under Government Decision (GD) 807/2014?

Nimet has not received nor been considered eligible to receive payment of aid under Government Decision GD 807/2014.

If you have answered yes to the above, please explain the process by which you applied and whether your applications were approved.

Not applicable.

h) If your company has been the recipient of aid under GD 807/2014, please explain how these benefits are provided by the Romanian Government, and how the benefit is accounted for within your company accounts.

Not applicable.

Please refer to statements of income and/or financial statements in explaining how aid is accounted for.

Not applicable.

i) What is the rate of aid received from the Romanian Government?

Not applicable.

j) If you have received aid under GD 807/2014, is your aid calculated on one region/province? If you have facilities located in other regions/provinces, are the rates of state aid different? Provide details on any regional differences.

Not applicable.

k) If your company received state aid under GD 807/2014, what was the investment your company initiated to receive the aid? In what sector of your business was the investment made? Does this sector of your business contribute to the production of chrome-plated steel bar?

Not applicable.

Other factors and taxation

a) Explain whether your business has been subjected to any direct or indirect price guidance or controls by the Romanian Government or European Union during the investigation period, with respect to raw material inputs or steel products?

Nimet has not been subjected to any direct or indirect price guidance or controls by the Romanian Government or European Union during the Investigation Period with respect to raw material inputs or steel products.

b) Is your company eligible for, or benefitted from, any other tax incentives such as allowances for research and development; reinvestment in non-current assets or tax deferrals?

Not applicable.

c) Is your company eligible for, or benefitted from, value-added tax (VAT) exemptions, postponements or rebates on exports?

Not applicable.

d) Are you aware of any tax changes being planned that would impact the iron and steel sector?

Nimet is not aware of any tax changes being planned that would impact the iron and steel sector.