

**PUBLIC RECORD**



**Australian Government**  
**Department of Industry,  
Innovation and Science**

**Anti-Dumping  
Commission**

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**REVIEW 465**

**ALLEGED DUMPING OF CERTAIN HOT ROLLED  
STRUCTURAL STEEL SECTIONS**

**EXPORTED FROM THE REPUBLIC OF KOREA**

**VERIFICATION VISIT REPORT - IMPORTER**

**MITSUBISHI AUSTRALIA LTD**

**THIS REPORT AND THE VIEWS OR RECOMMENDATIONS CONTAINED THEREIN  
WILL BE REVIEWED BY THE CASE MANAGEMENT TEAM AND MAY NOT REFLECT  
THE FINAL POSITION OF THE ANTI-DUMPING COMMISSION**

**June 2018**

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### **1 BACKGROUND**

On 19 March 2018, the Anti-Dumping Commissioner (the Commissioner) initiated an investigation into the alleged dumping of certain hot rolled structural steel sections (HRS) exported to Australia from the Republic of Korea (Korea). Public notification of the initiation of the investigation was published on the Commission's website. The background relating to the initiation of this investigation is contained in Consideration Report 465.

Following the initiation, the Anti-Dumping Commission (the Commission) wrote to Mitsubishi Australia Ltd (Mitsubishi) and other importers of HRS inviting them to cooperate with the investigation. Mitsubishi cooperated with the investigation and completed the importer questionnaire and relevant attachments.

## 2 AUSTRALIAN SALES

### 2.1 Verification of sales to audited financial statements

The verification team verified the completeness and relevance of Mitsubishi's sales listing by reconciling it to audited financial statements in accordance with ADN. No 2016/30.

Details of this verification process are contained in the verification work program at **Confidential Attachment 1**.

The verification team did not find any issues with the verification of the sales listing to audited financial statements.

### 2.2 Verification of sales to source documents

The verification team verified the accuracy of Mitsubishi's sales listing by reconciling it to source documents in accordance with ADN. No 2016/30.

Details of this verification process are contained in the verification work program at **Confidential Attachment 1**.

The verification team did not find any issues with the verification of the sales listing to source documents.

### 2.3 Related party customers

The verification team did not find any evidence that Mitsubishi is related to any of its customers during the review period (1 January – 31 December 2017).

## 3 IMPORTS

### 3.1 The goods

Mitsubishi confirmed that it imported HRS from Korea during the review period, which matches the description of the goods that are the subject of this review.

Mitsubishi imported a combination of beams, columns and flange channels, with a variety of sizes and thicknesses. All goods imported by Mitsubishi had a hot rolled bare finish.

### 3.2 Verification of importation and selling costs

The verification team verified the accuracy of the importation and selling costs by reconciling selected imports to the source documents in accordance with ADN 2016/30.

Details of the verification are contained within the verification work program as **Confidential Attachment 1**.

#### 3.2.1 Exception 1

Mitsubishi amended its importation and selling costs to reflect a change in the credit insurance premium that occurred partway through the review period. Mitsubishi provided the Commission with source documents that verified the amended credit insurance premiums.

### 3.3 Import listing

Mitsubishi confirmed that the import listing extracted from the ABF import database is a complete list of imports of the goods over the review period.

The verification team calculated the weighted average FOB export price by supplier at **Confidential Appendix 1**.

### 3.4 Forward orders

Mitsubishi submitted its forward orders. The list of forward orders provided by Mitsubishi is at **Confidential Appendix 2**.

### 3.5 The importer

The verification team considers Mitsubishi to be the beneficial owner of the goods at the time of importation and therefore the importer as Mitsubishi is:

- named on the commercial invoice from its supplier;
- named as the consignee on the bill of lading,
- declared as the importer on the importation declaration to ABF;
- pays for all the importation charges; and
- arranges delivery from the port.

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### 3.6 The exporter

Subject to further inquiries, the verification team considers that Hyundai Steel Co (Hyundai) to be the exporter of the HRS.<sup>1</sup>

### 3.7 Profitability of imports

The verification team calculated profit for the 12 selected shipments.

The verification team found that 11 of the 12 shipments were profitable. The assessment is at **Confidential Appendix 3**.

### 3.8 Related party suppliers

The verification team did not find any evidence that Mitsubishi is related to its supplier of HRS exported from Korea during the review period.

### 3.9 Arm's length

In respect of imports of HRS to Australia by Mitsubishi during the review period, the verification team found no evidence that:

- there was any consideration payable for, or in respect of, the goods other than its price; or
- the price was influenced by a commercial or other relationship between the buyer, or an associate of the buyer, and the seller, or an associate of the seller; or
- the buyer, or an associate of the buyer, was directly or indirectly, reimbursed, compensated or otherwise received a benefit for, or in respect of, whole or any part of the price.

Therefore, subject to further inquiries, the verification team is satisfied that import transactions between the importer and the exporter are arm's length transactions.

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<sup>1</sup>The Commission generally identifies the exporter as a principal in the transaction, located in the country of export from where the goods were shipped, that gave up responsibility by knowingly placing the goods in the hands of a carrier, courier, forwarding company, or its own vehicle for delivery to Australia; or a principal in the transaction, located in the country of export, that owns, or previously owned, the goods but need not be the owner at the time the goods were shipped.

## 4 RECOMMENDATIONS

The verification team is of the opinion that for the goods imported by Mitsubishi from Hyundai:

- the goods have been exported to Australia otherwise than by the importer;
- the goods have been purchased by the importer from the exporter; and
- the purchases of the goods by the importer were arm's length transactions.

Subject to further inquiries with this exporter, the verification team recommends that the export price for HRS imported by Mitsubishi from Hyundai can be established under s269TAB(1)(a) of the *Customs Act 1901*, using the invoiced price, less transport and other costs arising after exportation.

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### 5 ATTACHMENTS

<b>Confidential Appendix 1</b>	Export price
<b>Confidential Appendix 2</b>	Forward orders
<b>Confidential Appendix 3</b>	Profitability of sales
<b>Confidential Attachment 1</b>	Verification Work Plan