



Australian Government
Department of Industry,
Innovation and Science

**Anti-Dumping
Commission**

EXPORTER QUESTIONNAIRE

Product: Pineapple fruit - Consumer
From: The Kingdom of Thailand
Period of Investigation: 1 April 2017 to 31 March 2018
Response due by: 25 July 2018

Important note: The timeliness of your response is important. Please refer below for more information.

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Return completed questionnaire to: Preferably by email to:
Investigations3@adcommission.gov.au

OR

Anti-Dumping Commission
GPO Box 2013
Canberra ACT 2601
Australia

Attention: Director, Investigations 3

GOODS UNDER CONSIDERATION

The goods covered by the anti-dumping duty notice are:

Pineapple prepared or preserved in containers not exceeding one litre (consumer pineapple)

Glace and/or dehydrated pineapple are excluded from measures.

The goods are classified under sub-heading 2008.20.00 statistical codes 26 and 28 in Schedule 3 to the *Customs Tariff Act 1995*.

2008.20.00	Pineapples
2008.20.00/26	- <i>Canned, in containers not exceeding one litre</i>
2008.20.00/28	- <i>Other</i>

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INSTRUCTIONS

Background

The Anti-Dumping Commission (the Commission) has initiated a review of the anti-dumping measures (in the form of a dumping duty notice) applying to certain pineapple fruit - consumer (hereafter referred to as 'consumer pineapple' or 'the goods') exported to Australia from the Kingdom of Thailand (Thailand). The review will examine whether the variable factors (export price, normal value and non-injurious price) relevant to the taking of the anti-dumping measures have changed.

The anti-dumping measures were initially imposed by public notice on 28 October 2010 following the publication of Trade Remedies Branch Report No. 148. The current measures were implemented following Continuation inquiry 333.

Anti-Dumping Notice (ADN) No. 2018/101 outlines the details of this review. The procedures to be followed during reviews can be accessed on the Commission's website at www.adcommission.gov.au.

The review of measures will be carried out under the provisions of the Part XVB of the *Customs Act 1901* (the Act).

Why you have been asked to fill out this questionnaire?

The Commission will use the information provided to determine normal values and export prices over the review period. This information will determine whether the variable factors have changed. Interested parties may make separate submissions concerning any other matter, for example injury.

What happens if you do not respond to this questionnaire?

You do not have to complete the questionnaire. However, if you do not respond, do not provide all of the information sought, do not provide information within a reasonable time period, or do not allow the Commission to verify the information, we may deem you uncooperative. In that case the Commission may be required to rely on information supplied by other parties (possibly information supplied by the Australian industry). In that case we may assess a dumping margin for your company based upon normal values that may be the highest determined in your country during the review period.

It is in your interest, therefore, to provide a complete and accurate submission, capable of verification.

Due date for response

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

The Commissioner must consider the direction from the Minister for Industry, Innovation and Science as set out in the *Customs (Extensions of Time and Non-cooperation) Direction 2015* (the Direction). This Direction sets out the particular considerations that the Commissioner must take into account when:

- deciding whether a longer period is reasonably required or practicable under subsection 269TC(6) and 269TC(9) of the *Customs Act 1901* (the Act), or considering whether to allow any interested party a longer period to give any response;
- considering an insufficient response from an interested party;

- determining whether to have regard to a late response;
- determining whether an exporter is an uncooperative exporter;
- determining whether or not an entity is a non-cooperative entity for the purposes of section 269TAACA; and
- determining whether an entity has significantly impeded a case.

The full text of the Direction and the accompanying explanatory statement is available on the Comlaw website at www.comlaw.gov.au. This and other reforms to Australia's anti-dumping system are explained in Anti-Dumping Notice 2015/129, available on the Commission's website at www.adcommission.gov.au.

Confidential and non-confidential submissions

You are required to lodge one confidential version (for official use only) and one non-confidential version (for public record) of your submission by the due date.

Please ensure that each page of information you provide is clearly marked either "FOR OFFICIAL USE ONLY" or "PUBLIC RECORD".

All information provided to the Commission in confidence will be treated accordingly. The non-confidential version of your submission will be placed on the public record.

Please note, Australia's anti-dumping and countervailing legislation requires that to the extent that information given to the Commission is claimed to be confidential or whose publication would adversely affect a business or commercial interest, the person giving the information must ensure that a summary of that information contains sufficient detail to allow a reasonable understanding of the substance of the information, but does not breach confidentiality nor adversely affect those interests.

The legislation allows that a person is not required to provide a summary for the public record if the Commission can be satisfied that no such summary can be given that would allow a reasonable understanding of the substance of the information. However, such a summary would add considerably to an interested party's understanding of information contained in a document.

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

[explanation of cost allocation through the divisions].

If, for some reason, you cannot produce a non-confidential summary, please contact the case manager.

Exporter's declaration

At section H, you are required to make a declaration that the information contained in your submission is complete and correct. Alternatively, if you did not export the goods during the period of investigation, you may make a declaration to that effect.

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

Verification of the information that you supply

The Commission will seek to verify the information provided in your submission. Where there are a large number of exporters, the Commission may have to verify information from selected exporters only. The purpose of the visit is to verify the information submitted in response to this questionnaire. It is not meant to be a chance for you to provide new or additional information. The Commission expects your response to the questionnaire to be complete and accurate.

Verification visits take several days. We will want to examine in detail your company's records in respect of the goods and will ask for copies of documents relating to the manufacture and sale of the goods. We will need to consult with your staff, particularly your financial controller (or accountant) and your domestic and export sales people. We may also need to see your factory, in which case we will need to consult with your operational managers.

After gathering the information we will prepare a report of the visit. We will provide you with a draft of the report and then respond to any questions you have. We will ask you to prepare a non-confidential copy of the report for the public record.

If you do not manufacture the goods

You may export but not produce or manufacture the goods (for example, you are a trading company, broker, or vendor dealing in the goods).

In such cases it is important that you forward a copy of this questionnaire to the relevant manufacturers **immediately**. You should also inform the investigation case officer of the contact details for these manufacturers.

You should complete those sections of the questionnaire that you are reasonably able to complete. If, for example, you are unable to supply details of production costs, you should clearly explain why the section does not apply to your company.

If you do not export the goods

Depending on the arrangements for sales of the goods to Australia through an intermediary, the Commission will have to determine who is the exporter of the goods for the purpose of this investigation.

In any case, information (such as cost of production data) supplied by the manufacturer will be relevant to establishing the normal value of the goods. In the absence of verified information, the Commission may use other available information. This information may result in a decision less favourable to your company.

Outline of information required by this questionnaire

- | | |
|------------------|--|
| Section A | General information relating to your company including financial reports. |
| Section B | A complete list of your company's exports to Australia over the review period. |
| Section C | A list of goods sold on the domestic market of the country of export (like goods) that may be compared to the goods under consideration (the goods). |
| Section D | A detailed list of all of your company's sales of like goods in your domestic market. |
| Section E | Information to allow a fair comparison between export and domestic prices. |

Section F	Information in relation to your company's exports of like goods to countries other than Australia.
Section G	Costs to make and sell, for exports to Australia and for the domestic market.
Section H	Your declaration.
Section I	A checklist.
Appendix 1	A glossary of terms used in this questionnaire

Some general instructions for preparing your response

- When answering the questionnaire please carefully read all instructions. The Commission requires a response to *all* sections of this questionnaire. Please provide an explanation if a question is not relevant to your situation.
- Answer questions in the order presented in the questionnaire. Please ensure that information submitted conforms to the requested format and is clearly labelled. Please repeat the question to which you are responding and place your answer below it.
- Identify source documents and advise where they are kept. During on-site verification you should be prepared to substantiate all the information you have submitted. Every part of the response should be traceable to company documents that are used in the ordinary course of business.
- We recommend that you retain all work sheets used in answering the questionnaire, in particular those linking the information supplied with management and accounting records. This will help us to verify the information.
- Clearly identify all units of measurement and currencies used. Apply the same measurement consistently throughout your response to the questionnaire.

Instructions on providing electronic data

- It is important that information is submitted in electronic format.
- Electronic data should be emailed or submitted on a CD-ROM, in IBM/MS-DOS format, or another operating system whose disk format is compatible with this MS-DOS version.
- The data must be created as spreadsheet files, preferably in Microsoft Excel, or alternatively in an Excel compatible format (for example, Excel can normally access data in Dbase or as an ASCII file). The Excel files must be compatible to the USA version.
- If you cannot present electronic data in the requested format contact the investigation case officer as soon as possible.

Further information

Before you respond to the questionnaire you should read all the documentation enclosed with this application and the Anti-Dumping Notice notifying the initiation of the investigation. We also advise that you read the attached glossary of terms.

If you require further assistance, or you are having difficulties completing your submission, please contact the case manager. The Commission will need to know the reasons.

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:

Name: [Ms Chaunchom Ketkaew](#)
Position in the company: [Regional Manager](#)
Address: [1/19 Nanakarin, Soi. Supaphong 3, Yak 8, Srinakarin Rd.,
Nhongbon, Pravet, Bangkok 10250 Thailand](#)
Telephone: [+662 743 4658 ext. 102](#)
Facsimile number: [+662 743 3739](#)
E-mail address of contact person: chuanchom@primeproducts.co.th

Factory:

Address: [79/1 moo 4, Kasetsuwan, Bo-tong, Chonburi 20270 Thailand](#)
Telephone: [:+662 743 4658 ext. 102](#)
Facsimile number: [:+662 743 3739](#)
E-mail address of contact person: chuanchom@primeproducts.co.th

A-2 Representative of the company for the purpose of investigation

If you wish to appoint a representative to assist you in this investigation, provide the following details:

Name: [Mr John Bracic](#)
Address: [PO Box 3026, Manuka Act 2603](#)
Telephone: [+61 \(0\)499 056 729](#)
Facsimile/Telex number: [N/A](#)
E-mail address of contact person: john@jbracic.com.au

A-3 Company information

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

[Prime Products Industry Co., Ltd. \(Prime Products\)](#) can be represented as "PPI".

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).

Name of Shareholders	% shareholding
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]

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

Not applicable.

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

Not applicable.

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

Not applicable as Prime Products is not a subsidiary and has no associated or affiliated companies.

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

Not applicable.

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

Prime Products performs the functions of a producer and seller of canned pineapple, canned fruits and juice products.

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 other export countries.

During the review period, Prime Products performed the functions of producer and export seller of consumer pineapple.

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

Refer to Confidential Attachment A-3.9.

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

Please refer to Prime Products' website and its product brochure (**confidential attachment A-3.10**) for further information on its manufacturing operations and the range of goods produced.

A-4 General accounting/administration information

1. Indicate your accounting period.

January 1 – December 31

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

Prime Products' financial records are held at:
1/19 Nanakarin, Soi. Supaphong 3, Yak 8, Srinakarin Rd., Nhongbon, Pravet, Bangkok 10250 Thailand.

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; refer to **Confidential Attachment A-4.3.1**;
- audited consolidated and unconsolidated financial statements (including all footnotes and the auditor's opinion); refer to **Confidential Attachment A-4.3.2**;
- 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.
4. If you are not required to have the accounts audited, provide the unaudited financial statements for the two most recently completed financial years, together with your taxation returns. Any subsequent monthly, quarterly or half yearly statements should also be provided.

Not applicable.

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

No. Accounts are kept in accordance with generally accepted accounting principles of Thailand.

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);

Raw Materials, work in process and finished goods, variable and fixed overhead are estimated,

[REDACTED]

- 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);

All cost and required allocations are done by [REDACTED]

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

Dented cans of finished goods or cans opened for quality assurance inspections are scrapped. By-products such as the pineapple skin is sold at market value

[REDACTED]

- valuation and revaluation methods for fixed assets;

[REDACTED]

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

Equipment: [REDACTED] years
Major buildings: [REDACTED] years

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

Net foreign exchange gains or losses from transactions in currencies other than the company's reporting currency (Thai Baht) are [REDACTED]

[REDACTED]

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

Net foreign exchange gains or losses from the translation of assets and liabilities are [REDACTED]

.

- inclusion of general expenses and/or interest;

General expenses and interest income/expenses are recorded and reported as [REDACTED]

- provisions for bad or doubtful debts;

Not applicable.

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

Not applicable.

- costs of plant closure;

Not applicable.

- restructuring costs;

Not applicable.

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

Not applicable.

- effects of inflation on financial statement information.

Not applicable.

7. In the event that any of the accounting methods used by your company have changed over the last two years provide an explanation of the changes, the date of change, and the reasons for it.

Not applicable.

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.

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

Refer to the attachment **A-5 Income Statement**.

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".

Refer to the attachment **A-6 Turnover**.

SECTION B SALES TO AUSTRALIA (EXPORT PRICE)

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:

name;
address;
contact name and phone/fax number where known; and
trade level (for example: distributor, wholesaler, retailer, end user, original equipment).

Name: [REDACTED]
Address: [REDACTED]
Contact name: [REDACTED]
Phone number: [REDACTED]
Fax number: [REDACTED]
Trade level: [REDACTED]

Name: [REDACTED]
Address: [REDACTED]
Contact name: [REDACTED]
Phone number: [REDACTED]
Fax number: [REDACTED]
Trade level: [REDACTED]

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 diagrams if required.

The goods are sold under the incoterm of [REDACTED]

(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.

There is only the outbound export expenses inside Thailand, like cost of B/L, inland transportation from factory to the port.

- (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.

We sell based on FOB basis only and we hold the ownership till the point of port at Thailand and the importer pick up the responsibility at the port along with the shipping company.

- (d) Describe any agency or distributor agreements or other contracts entered into in relation to the respective overseas markets (supply copy of the agreement if possible).

No specific contracts exist between PPI and its customer.

- (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.

First step: PPI will receive a request from its customer based on demand in the Australian market (request of volume and price offer).

Second step: PPI evaluates its cost based on the raw material conditions and provides a counter-offer to its customer.

Third step: Parties agree on the volume and price along with the payment terms for certain period of deliveries and follow the loading plan for deliveries at the port.

Fourth step: Collect payment as per the payment term agreed at the point of sales.

- (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).

Not applicable.

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

Not applicable

- B-3** Do your export selling prices vary according to the distribution channel identified? If so, provide details. Real differences in trade levels are characterised by consistent and distinct differences in functions and prices.

Not applicable

- B-4** Prepare separate spreadsheets listing all respective shipments (i.e. transaction by transaction) to Australia of the goods under consideration in the review period. You must provide this list in electronic format. Include the following export related information:

Refer to **Confidential Attachment B-4 - Australian sales.**

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.

Refer to **Confidential Attachment B-4 - Australian sales**

B-6 For each type of discount, rebate, and 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.

Not applicable.

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.

Not applicable.

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.

Not applicable.

B-9 Select two shipments, in different quarters of the investigation period, and provide a complete set of all of the documentation related to the export sale. For example:

- the importer’s purchase order, order confirmation, and contract of sale;
- commercial invoice;
- bill of lading, export permit;
- freight invoices in relation to movement of the goods from factory to Australia, including inland freight contract;
- marine insurance expenses; and
- letter of credit, and bank documentation, proving payment.

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

Refer to **Confidential Attachment B-9**.

SECTION C EXPORTED GOODS & LIKE GOODS

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

Refer to **Confidential attachment “Like goods”** and sample certificate of analysis for exported goods included in export sales documentation.

- C-2** List each type of goods exported to Australia and other countries (these types should cover all types listed in the B-4 sales listings for Australia and “Third country sales” - see sections B and F of this questionnaire).

Refer to **Confidential attachment “Like goods”**

- 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 (i.e. the like goods – see explanation in glossary) are not identical to goods exported to Australia.

Not applicable.

- 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.

Refer to **Attachment A-3.10**.

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.

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.

Not applicable.

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.

Not applicable.

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
- whether price includes the cost of delivery to customer.

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

Not applicable.

D-4 Prepare a spreadsheet named “**domestic sales**” listing **all** sales of like goods made during the investigation period. Include all of the following information.

Not applicable.

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.

Not applicable.

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.

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.

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.

Not applicable.

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

Not applicable.

SECTION E FAIR COMPARISON

Section B sought information about the export prices to Australia and Section D sought information about prices on your domestic market for like goods (i.e. the normal value).

Where the normal value and the export price are not comparable adjustments may be made. This section informs you of the fair comparison principle and asks you to quantify the amount of any adjustment.

As prices are being compared, the purpose of the adjustments is to eliminate factors that have unequally modified the prices to be compared.

To be able to quantify the level of any adjustment it will usually be necessary to examine cost differences between sales in different markets. The Commission must be satisfied that those costs are likely to have influenced price. In practice, this means that the expense item for which an adjustment is claimed should have a close nexus to the sale. For example, the cost is incurred because of the sale, or because the cost is related to the sale terms and conditions.

Conversely, where there is not a direct relationship between the expense item and the sale a greater burden is placed upon the claimant to demonstrate that prices have been affected, or are likely to have been affected, by the expense item. In the absence of such evidence the Commission may disallow the adjustment.

Where possible, the adjustment should be based upon actual costs incurred when making the relevant sales. However, if such specific expense information is unavailable cost allocations may be considered. In this case, the party making the adjustment claim must demonstrate that the allocation method reasonably estimates costs incurred.

A party seeking an adjustment has the obligation to substantiate the claim by relevant evidence that would allow a full analysis of the circumstances, and the accounting data, relating to the claim.

The investigation must be completed within strict time limits therefore you must supply information concerning claims for adjustments in a timely manner. Where an exporter has knowledge of the material substantiating an adjustment claim that material is to be available at the time of the verification visit. The Commission will not consider new claims made after the verification visit.

E-1 Costs associated with export sales

These cost adjustments will relate to your responses made at question B-4..

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.

Inland transportation expenses incurred by PPI are based on contracted freight rates. Inland transportation costs and ancillary expenses are located in the “Chart of accounts” Ledger details as below

Transportation costs: Account code # [REDACTED]
Terminal handling cost and B/L: Account code # [REDACTED]

Gate expenses: Account code # [REDACTED]

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.

Yes, all the charges are included in the export price and it is divided into two group of charges; inland transportation and sales expenses and refer to “Chart of accounts” as explained above E-1.1

3. 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.

PPI has short term borrowings at the interest rate of █% per annum which is applied on a monthly basis of █%. Please note that this interest charge is applicable for both domestic and export sales products.

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**’.

Not applicable.

5. Commissions

For any commissions paid in relation to the export sales to Australia:

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

Report the amount in the sales listing in question B-4 under the column headed “**Commissions**”. Identify the general ledger account where the expense is located.

Not applicable.

6. Warranties, guarantees, and after sales services

List the costs incurred. Show relevant sales contracts. Show how you calculated the expenses (“**Warranty & 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.

Not applicable.

7. Other factors

There may be other factors for which an adjustment is required if the costs affect price comparability – these are identified in the column headed “**Other factors**”. For example, other variable or fixed selling expenses, including salesmen’s salaries, salesmen’s travel expenses, advertising and promotion, samples and entertainment expenses. Your consideration of questions asked at Section G, concerning domestic and export costs, would have alerted you to such other factors.

Not applicable.

8. Currency conversions

In comparing export and domestic prices a currency conversion is required. Fluctuations in exchange rates can only be taken into account when there has been a ‘sustained’ movement during the period of investigation (see article 2.4.1 of the WTO Agreement). The purpose is to allow exporters 60 days to adjust export prices to reflect ‘sustained’ movements. Such a claim requires detailed information on exchange movements in your country over a long period that includes the investigation period.

Not applicable.

E-2 Costs associated with domestic sales

(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.

Not applicable.

2. Import charges and indirect taxes

If exports to Australia:

- are partially or fully exempt from internal taxes and duties that are borne by the like goods in domestic sales (or on the materials and components physically incorporated in the goods), or
- if such internal taxes and duties have been paid and are later remitted upon exportation to Australia;

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

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.

Not applicable.

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.

A real difference in level of trade (may be adjusted for using either of the following methods:

- (a) *costs arising from different functions*: the amount of the costs, expenses etc incurred by the seller in domestic sales of the like goods resulting from activities that would not be performed were the domestic sales made at the same level as that of the importer.

This requires the following information:

- a detailed description of each sales activity performed in selling to your domestic customers (for example sales personnel, travel, advertising, entertainment etc);
- the cost of carrying out these activities in respect of like goods;
- for each activity, whether your firm carries out the same activity when selling to importers in Australia;
 - an explanation as to why you consider that you are entitled to a level of trade adjustment.

or

- (b) *level discount*: the amount of the discount granted to purchasers who are at the same level of trade as the importer in Australia. This is determined by an examination of price differences between the two levels of trade in the exporter's domestic market, for example sales of like goods by other vendors or sales of the same general category of goods by the exporter. For this method to be used it is important that a clear pattern of pricing be established for the differing trade levels. Such pattern is demonstrated by a general availability of the discounts to the level - isolated instances would not establish a pattern of availability.

Not applicable.

4. Credit

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

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.

Not applicable.

The following items are identified in the amounts quantified at question D-4:

5. Transportation

Explain how you have quantified the amount of inland transportation associated with the domestic sales (“**Inland transportation Costs**”). Identify the general ledger account where the expense is located. If the amount has been determined from contractual arrangements, not from an account item, provide details and evidence of payment.

Not applicable.

¹ Under an open account system, following payment the balance of the amount owing is carried into the next period. Payment amounts may vary from one period to the next, with the result that the amount owing varies.

6. Handling, loading and ancillary expenses

List all charges that are included in the domestic price and explain how they have been quantified (“**Handling, loading and ancillary Expenses**”). Identify the general ledger account where the expense is located. If the amounts have been determined using actual observations, not from a relevant account item, provide details.

Not applicable.

7. Packing

List material and labour costs associated with packing the domestically sold product. Describe how the packing method differs from sales on the domestic market, for each model. Report the amount in the listing in the column headed “**Packing**”.

Not applicable.

8. Commissions

For any commissions paid in relation to the domestic sales:

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

Report the amount in the sales listing under the column headed “**Commissions**”. Identify the general ledger account where the expense is located.

Not applicable.

9. Warranties, guarantees, and after sales services

List the costs incurred. Show relevant sales contracts. Show how you calculated the expenses (“**Warranty & 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.

Not applicable.

10. Other factors

There may be other factors for which an adjustment is required if the costs affect price comparability – these are identified in the column headed “**Other factors**”. List the factors and show how each has been quantified in per unit terms. For example:

- *inventory carrying cost*: describe how the products are stored prior to sale and show data relating to the average length of time in inventory. Indicate the interest rate used;
- *warehousing expense*: an expense incurred at the distribution point;
- *royalty and patent fees*: describe each payment as a result of production or sale, including the key terms of the agreement;
- *advertising*; and
- *bad debt*.

Not applicable.

E-3 Duplication

In calculating the amount of the adjustments you must ensure that there is no duplication.

For example:

- adjustments for level of trade, quantity or other discounts may overlap, or
- calculation of the amount of the difference for level of trade may be based upon selling expenses such as salesperson's salaries, promotion expenses, commissions, and travel expenses.

Separate adjustment items must avoid duplication.

An adjustment for quantities may not be granted unless the effect on prices for quantity differences is identified and separated from the effect on prices for level of trade differences.

[Not applicable.](#)

SECTION F

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

Sales to third countries may be used as the basis for determining export price or 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.

Supply this information in spreadsheet file named "Third country"

[Refer to Confidential Attachment F-1 - Third country.](#)

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

[Differences in third country exports relate to cut, packing medium, commissions, delivery terms, credit terms and level of trade.](#)

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) - i.e. 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 (e.g. non-operating expenses not included elsewhere) associated with the goods.

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.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Refer to [Confidential Attachment G-1.1](#).

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

	PREVIOUS FINANCIAL YEAR	MOST RECENT FINANCIAL YEAR	Investigation Period
A – Production capacity (eg kg, tonnes)*			
B – Actual production in volume (eg kg, tonnes)			
C – Capacity utilisation (%) (B/A x 100)			

* 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**".

Refer to [Confidential Attachment - Production](#).

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.

[Prime Products maintains a computerised accounting system which is used for both cost and financial accounting purposes.](#)

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.

[Costs are recorded and kept on an actual cost basis.](#)

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

[Not applicable as actual costs are used.](#)

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

[Cost centres are defined by the various activity lines within the manufacturing facility.](#)

- 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. Note that for the purpose of this questionnaire the net realisable value method should be used for allocating costs between joint products. Refer to Attachment A of this questionnaire for further information on Net Realisable Value.

[REDACTED]

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

[REDACTED]

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

Not applicable.

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

Not applicable.

- 9 State the total cost of the start-up operation and the way that your company has treated the costs of the start-up operation in its accounting records.

Not applicable.

G-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.

Not applicable.

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.

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

Not applicable.

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

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.

	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				
Production quantity				
Unit Cost to Make				
Selling Costs				
Administration Costs				
Financial Costs				
Delivery Expenses ³				
Other Costs ³				
Sales quantity				
Unit cost to sell				
Unit Cost to Make and Sell				

Prepare this information in separate spreadsheets named Australian CTMS respectively.

Refer to the [Confidential Attachment G-5 – Australia CTMS](#).

- Where there are cost differences between goods sold to the domestic market and those sold for export, give reasons and supporting evidence for these differences.

[Not applicable.](#)

- 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.

[PPI does not record its costs in its accounts on a net realisable value method.](#)

- In calculating the unit cost to make and sell, allocate joint costs by the **net realisable value method** (refer to attachment) and 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.

PPI allocates costs on a standard unit of measure across all products, taking into account the weighted average cost of raw materials and the production volume of each product.

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).

Where the major input is produced by an associate of your company the Commission will compare your purchase price to a normal market price. If the associate provides information on the cost of production for that input such cost data may also be considered.

Normal market price is taken to be the price normally available in the market (having regard to market size, whether the input is normally purchased at 'spot prices' or under long term contracts etc).

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.

The major raw materials used in the production of consumer pineapple is fresh pineapples and tinsplate. Pineapple is sourced from numerous farmers that deliver their crop on truck to PPI's processing factory each day. Likewise, tinsplate is sourced from multiple un-associated entities.

Both raw materials are valued on a weighted average actual cost basis.

SECTION H EXPORTER'S DECLARATION



I hereby declare that PRIME PRODUCTS INDUSTRIES CO LTD did, during the period of investigation export the goods under consideration and have completed the attached questionnaire and, having made due inquiry, certify that the information contained in this submission is complete and correct to the best of my knowledge and belief.



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

Name : CHAUNCHOM KETKAEW

Signature : *Chaanchom K.*

Position in

Company : REGIONAL MANAGER

Date: 24 JULY 2018