



International Trade Remedies Branch

Exporter Questionnaire

Review of anti-dumping measures

Goods subject to measures: FOOD SERVICE AND INDUSTRIAL PINEAPPLE

From: Thailand

Period of review: 1 October 2011 to 30 September 2012

Response due by: 7 March 2013

Contact officer: Pamela Garabed

Phone: + 61 2 6275 5675

Fax: + 61 2 6275 6990

E-mail: itrops1@customs.gov.au

**Return completed
questionnaire by email
(above) or post:**

Attention: Director Operations 1
International Trade Remedies Branch
Australian Customs and Border Protection Service
5 Constitution Avenue
Canberra ACT 2601
AUSTRALIA

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: **Mr. Sudhagar Selvaraj**
Position in the company: **Business Development Director**
Company name: **Kuiburi Fruit Canning Co., Ltd.**
Address: **288, 290 Krung Thon Muang Kaew Bldg.,
Sirindhorn Rd., Bangplad, Bangkok 10700
Thailand**
Telephone number: **(662) 881-0530**
Facsimile number: **(662) 435-0959**
Email address of contact person: **sudhagarse@kuiburifruit.co.th**

factory:

Name of contact person: **Mr. Suchaiporn Nopanuntakul**
Address: **1 Moo 7 Tambol Kuiburi Amphur Kuiburi
Prachub, Kiri Khan 77150 Thailand**
Telephone number: **(66-32) 681-578**
Facsimile number: **(66-32) 681-581**
Email address of contact person: **suchaipornno@kuiburifruit.co.th**

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

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

Name: **Mr. Sudhagar Selvaraj**
Address: **288, 290 Krung Thon Muang Kaew Bldg.,
Sirindhorn Rd., Bangplad, Bangkok 10700
Thailand**
Telephone number: **(662) 881-0530**
Facsimile number: **(662) 435-0959**
Email address of representative: **sudhagarse@kuiburifruit.co.th**

Note that in nominating a representative, Customs and Border Protection will assume that confidential material relating to your company in this investigation may be freely released to, or discussed with, that representative.

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 your company uses to export and/or sell goods.

Kuiburi Fruit Canning Co., Ltd. (KFC)

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
1. Promart International Co., Ltd	
2. Mr. Wichai Plungsrisakul	
3. Mr. Kamjad Kolmsri	
4. Mr. Somkiat Chavalitvorakul	

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

Yes, KFC is the subsidiary of our major shareholder “Promart International Co., Ltd” and the shareholder breakdown details of the “Promart International Co., Ltd as below

Name of Shareholders	% shareholding
1. Mr. Thirayuth Chaisawangwong	
2. Mr. Boonchu Tanchatchawan	
3. Mr. Pornchai Sawadsuksupchai	
4. Mr. Jirasak Chalermisirikul	
5. Mr. Kinzo Zato	

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

As described in A-3-3

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



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

No.

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

We are the manufacturer and exporter of canned pineapple, tropical fruit salad, pineapple juice concentrated and dehydrated fruit.

8. If your company 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.

Yes, we do produce, we do sell the goods in domestic market during this review period and also other we export to other countries apart from Australian market.

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

Refer to attachment A-3.9

There are three functions involved in our business activities, namely

- 1. Manufacturing**
- 2. Marketing and Sales**
- 3. Finance, Accounting & Administration.**

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

**N/A – We have only annual financial reports
refer attachment A-4.3**

A-4 General accounting / Administration information

1. Indicate your accounting period.

January 1 to December 31

2. Indicate the address where the financial records are held.

Head office – address per A-1

3. Please provide the following financial documents for your most recently completed financial year plus all subsequent monthly, quarterly or half yearly statements:

- chart of accounts;

Refer to attachment A-4.3

- audited consolidated and unconsolidated financial statements (including all footnotes and the auditor's opinion); and

Attached are the financial statement of Y – 2011 (A – 4.3) and Y - 2012 Financial statement has not completed, the due date to finish is within April 2013

- 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 investigation.

These documents should relate to:

- the division or section/s of the business responsible for the production and sale of the goods under investigation, and
- The company.

FY 2011 international income statement is at attachment A - 4.5

4. If you are not required to have the accounts audited, please provide the unaudited financial statements for your most recently completed financial/calendar year, together with your company's taxation returns. Any subsequent monthly, quarterly or half yearly statements should also be provided.

N/A

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

No.

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 (e.g. last in first out –LIFO, first in first out- FIFO, weighted average);

Finished goods are valued at the lower of cost (Weighted average Method) and market price.

Raw materials, packing materials, spare parts and factory supplies are Valued at the lower of cost (first-in, first - out and market price)

- costing methods, including the method (e.g. by tonnes, units, revenue, direct costs etc) of allocating costs shared with other goods or processes (such as front office cost, infrastructure cost etc);

Pineapple cost is [REDACTED] [costing method detail]

Direct labour is allocated by pineapple weight.

Variable overhead and fixed overhead allocated by net weight of finished Product.

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

N/A

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

No Cost allocated to by products.

- valuation and revaluation methods for fixed assets;

Refer to note 4.6 to financial statements.

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

Refer to note 4.6 to financial statements.

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

Refer to note 4.10 to financial statements.

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

Refer to note 4.10 to financial statements.

- inclusion of general expenses and/or interest;

Included in income statements

- provisions for bad or doubtful debts;

Refer to note 6 financial statements.

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

N/A

- costs of plant closure;

N/A

- restructuring costs;

N/A

- by-products resulting from your production process; and

By-product of pineapple is peel, which is accounted for as “other income”

- Effects of inflation on financial statement information.

N/A

7. In the event that any of the accounting methods used have changed since your most recent financial year provide an explanation of the change, the date of change, and the reason for it.

N/A

A-5 Income statement

Please fill in the table – **A-5 Income Statement**. It requires information concerning all products produced and for the goods.

Please explain how costs have been allocated.

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.

Note: if your financial information does not permit presentation of the information in accordance with the table, please present the information in a form that closely matches the table.

Refer to attachment A-5

A-6 Sales

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

Prepare this information in the format shown in the table at **A-6 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.

Refer to attachment A-5

SECTION B
SALES TO AUSTRALIA (EXPORT PRICE)

This section requests information concerning your company's export practices and prices to Australia. Costs incurred beyond ex-factory should be included. Export prices are usually assessed at FOB point, but Customs and Border Protection may also compare prices at the ex factory level.

Prices should be reported of **all** of the goods exported by your company to Australia during the period of investigation.

*The invoice date will normally be taken to be the date of sale. If your company considers:
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.*

Your company **must** provide Information in Section D on domestic selling prices for a matching period covering the dates of sale of the exported goods - even if doing so means that such domestic sales data predates the commencement of the investigation period.

B-1 Please provide the following information in relation to the shipments of the goods to Australia during the period of investigation:

[illegible]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[confidential customer information]

B-2 Please provide also the following information:

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

Goods are exported by KFC and shipped direct to Australian ports advised by customers

If it is thru the agents in Thailand, we communicate to the agents and ship the goods directly to the importers within Australia and shipped by KFC to Australian ports

- (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.

**In sales to our customers like: [REDACTED]
[confidential customer information] - there is no other party in the distribution chain, Goods are shipped directly from KFC to them without any commission paid to other parties.**

In Sales to below customers list involves agent fee of [REDACTED]% is paid by KFC post-exportation.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED] *[confidential customer information]*

Note: For customers [REDACTED] and [REDACTED], we sell the products to them and then they're export the product into Australia market.

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

Ownership passed from KFC to each of our customers like: [REDACTED]

[REDACTED]

[confidential customer and sales terms details]

- (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).

There is no short term or long term agency or distribution agreements in relation to export to Australia.

We go by sales by sales agreement, which we do it in the each sales contract

- (e) Explain in detail the process by which your company negotiates price, receives orders, delivers, invoices and receives payment. If export prices are based on price lists supply copies of those lists.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[confidential customer information and details of sales and payment terms]

- (f) State whether your company is related to any Australian customers. Give details of any financial or other arrangements (e.g. free goods, rebates, or

promotional subsidies) with customers in Australia (including parties representing either your company or Australian customers).

KFC does not have any relation with any of Australian customers and has no financial or other arrangements with them.

- B-3 Do your company's 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.

N/A – all customers are [REDACTED]. [confidential customer information]

- B-4 Using the format shown in the table at **B-4 Australian sales**, list all shipments (i.e. transaction by transaction) to Australia of the goods under consideration in the period of investigation. The notes at the bottom of the table provide an explanation of the terms used by Customs and Border Protection.

The following additional definitions should be noted:

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 export be reported. If estimates are made, your company 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 the costs in the table are further explained in Section E-1.

Refer to attachment B-4

- B-5 If there are any other costs, charges or expenses incurred in respect of the exports listed above that 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.

N/A

- 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 the amount has been calculated shown in the response to question B4.

N/A

B-7 If your company has issued credit notes (directly or indirectly) to Australian customers, 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.

N/A

B-8 If the delivery terms make your company responsible for arrival of the goods at an agreed point within Australia (e.g. delivered duty paid), insert the information in the relevant columns in table B-4 Australian Sales.

N/A

B-9 Provide a complete set of all of the documentation relevant to two sample export sales. 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 the port of loading;
- overseas freight invoices;
- marine insurance expenses; and
- Letter of credit, and bank documentation, proving payment.

Refer to attachment B-9

SECTION C

EXPORTED GOODS & LIKE GOODS

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

[REDACTED] *[confidential product information]*
 – details per attachment B-4.

- C-2 List each product type of the good exported to Australia. This should cover all product types listed in the table **B-4 Australian sales** – see section B of this questionnaire.

Product type	Container type	Product code
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]

- C-3 If your company sells like goods on the domestic market, for each product type that your company has exported to Australia during the investigation period, list these like goods 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 the goods exported to Australia.

Yes, KFC does sell similar format packaging ([REDACTED]) of products in the domestic market to one of our local manufacturers and one of our product code on the below tabled are likely goods as we export to the Australian market and they are

Product type	Container type	Product code
[REDACTED]	[REDACTED]	[REDACTED]

- 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.

As above mentioned in 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 your company is unable to provide the complete listing electronically your company **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 Customs and Border Protection requirements. If agreement cannot be reached as to the appropriate method, Customs and Border Protection may not visit your company.*

Customs and Border Protection 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), your company has reported that the date of sale is not the invoice date and your company considers that this alternative date should be used when comparing domestic and export prices –

*Information **must** be provided on domestic selling prices for a matching period covering the dates of sale of the exported goods - even if doing so means that such domestic sales data predates the commencement of the investigation period.*

If your company does not have any domestic sales of like goods, your company must contact the case officer who will explain the information Customs and Border Protection requires for determining a normal value using alternative methods.

D-1 Provide:

- domestic price list (or internal pricing guide) covering the period of investigation;

[redacted] [confidential pricing information] We do not have a standard price list for domestic and export markets

- a detailed description of your company's distribution channels to domestic customers, including a diagram if appropriate;

We sell directly to [redacted], whom they use our product as their raw materials and ingredients

- information concerning the functions/activities performed by each party in the distribution chain; and

We transport the goods domestically to our end customer's third party distribution agent and it has been re distributed to their chain of stores

- A copy of any agency or distributor agreements, or contracts entered into.

Refer to the Attachment D7

If any of the customers listed are associated with your company, provide details of that association. Describe the effect, if any, that association has upon the price.

N/A

- D-2 Do your company's 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.

[REDACTED]

[REDACTED] **[confidential selling price methodology]**

- D-3 Explain in detail the sales process, including:

- the way in which your company sets the price, receives orders, makes delivery, invoices and finally receives payment; and the terms of the sales;

Below are the processes of sales process:

- 1. We receive the enquiry from the customer**
- 2. And discuss the product specification and cutting details and we discuss the mode of supply chain**
- 3. We send the offer and discuss and finalise the sales**
- 4. KFC issue the sales contract and we deliver the goods as per the shipping period agreed on the sales contract**

- Whether price includes the cost of delivery to customer.

Yes,

[confidential sales terms]

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

N/A

- D-4 Prepare a spreadsheet using the format at table **D-4 Domestic Sales** listing **all** sales of like goods made during the investigation period. The listing must be provided on a computer disk. Include all of the following information.

Refer attachment D – 4

Costs marked with * in the table are explained in section E-2.

- D-5 If there are any other costs, charges or expenses incurred in respect of the sales listed that have not been identified in the table in question D-4 above, add a column for each item (see 'other factors').

N/A

- 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.

N/A

Where the amounts of these discounts, rebates etc are not identified on the sales invoice, explain how the amounts shown in the response to question D4 have been calculated.

N/A

If your company has issued credit notes, directly or indirectly to your customers, provide details if the credited amount has **not** been reported as a discount or rebate.

N/A

- D-7 Select two domestic sales in different quarters of the assessment 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).

Refer to the attachment D - 7

Customs and Border Protection may select additional sales for verification at the time of its visit.

SECTION E FAIR COMPARISON

Section B sought information about the export prices to Australia and Section D sought information about prices on your company's 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 your company of the fair comparison principle and asks 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. Customs and Border Protection 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 Customs and Border Protection 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.

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. Customs and Border Protection will not consider new claims made after the verification visit.

E-1 Costs associated with export sales

(These cost adjustments will relate to your company's responses made at question B-4, **'Australian sales'**)

1. Transportation

Explain how your company has 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.

Amount included in attachment B-4 are the actual inland transportation costs incurred in each transaction.

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; and
- other ancillary charges.

Handling & other costs included in attachment B-4 are the actual amounts, other than inland transport, incurred in taking the goods from factory to FOB. They include THC, B/L and CFS fees.

3. Credit

The cost of extending credit on export sales is not included in the amounts quantified at question B4. However, Customs and Border Protection 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 for example, short term borrowing in the currency concerned.

If your company's accounts receivable show 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 average short term borrowing rate over the IP was ■■■% pa.

4. Packing costs

List material and labour costs associated with packing the export product.

If applicable, 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’**.

These costs are very similar for both Domestic and export products
Packing costs are included in the CTMS calculations per attachment G-4.

5. Commissions

Where any commissions have been 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.

Our export sales to Australian customer [REDACTED], KFC pays agent [REDACTED] a selling commission of [REDACTED] % of the [REDACTED] invoice amount. This amount is included in attachment B-4 in the "Commissions" column.

6. Warranties, guarantees, and after sales services

Where these costs occur, show relevant sales contracts. Show how your company 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.

N/A

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.

N/A

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 company's country over a long period that includes the investigation period.

N/A

E-2 Costs associated with domestic sales

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

The following items are not separately identified in the amounts quantified at question D-4. However your company 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 company's data.

The cost adjustment are based on many factors, some of the major factors are give below:

[REDACTED]

[confidential cost information]

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.

Duty drawback

Adjustment for drawback is not made in every situation where drawback has been received. Where an adjustment for drawback is appropriate, information must be provided 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, your company 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 your company 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.



Refer attachment: E -2

3. Level of trade

Question D-4 asks to indicate the level of trade to the domestic customer. To claim an adjustment for level of trade differences, the amount by which level of trade influences price needs to be quantified.

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 difference, 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 company's 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 company carries out the same activity when selling to Australia;
- an explanation as to why your company considers that it is 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 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.

N/A

4. Credit

The cost of extending credit on domestic sales is not included in the amounts quantified at question D-4. However, Customs and Border Protection 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 borrowing's 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 company's accounts receivable show 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).

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.

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.

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

N/A

5. Transportation

Explain how the amount of inland transportation associated with the domestic sales (**'Inland transportation Costs'**) has been quantified. 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.

We use the third party for local transportation for shipping the domestic sales goods and the transportation cost has been quantified by the market price and agreed price between Transportation Company and KFC

Refer to the Attachment "Chart of accounts" A- 4.3

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.

N/A

7. Packing

List material and labour costs associated with packing the domestically sold product. If applicable, 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'**.

Is similar to the export goods**8. Commissions**

Where any commissions have been paid in relation to the domestic sales:

- provide a description; and
- 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.

[redacted] *[confidential pricing information]*

9. Warranties, guarantees, and after sales services

Where applicable, list the costs incurred. Show relevant sales contracts. Show how your company 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.

N/A

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.

N/A

E-3 Duplication

In calculating the amount of the adjustments, your company 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.

N/A

SECTION F

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

Your company's response to this part of the questionnaire may be used by Customs and Border Protection 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. Customs and Border Protection 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 in the table **F-1 Third Country**, provide a summary of your company's export sales to countries other than Australia.

Refer to attachment F-1.

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

Different specifications, quantities and terms of sales.

SECTION G

COSTING INFORMATION AND CONSTRUCTED VALUE

The information that your company supplies 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 – i.e. of the goods exported to Australia; and*
- *Making certain adjustments to the normal value.*

Your company 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. Your company 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 the 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) your company:

- *reported that the date of sale is not the invoice date and considers 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)*

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

At any verification meeting your company 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.

Refer to attachment G-1.

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

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.

	Previous financial year 2011	Investigation period 1 st , Oct 2011 to 30 Sep 2012
A- Production capacity (eg KG, tonnes)*		
B-Actual production in volume (eg kg, tonnes)		
C-Capacity utilisation (%) (B/A x 100)		

G-3. Cost accounting practices

1. Outline the management accounting system that your company maintains and explain how that cost accounting information is reconciled to your company's audited financial statements.

[redacted] *[confidential cost accounting reconciliation process]*

KFC cost accounting system does not differ from the financial accounting system.

2. Is your company's cost accounting system based on standard (budgeted) costs? State whether standard costs were used in the responses to this questionnaire. If they were state whether all variances (i.e. differences between standard and actual production costs) have been allocated to the goods - and describe how those variances have been allocated.

KFC cost accounting system is based on actual costs.

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

N/A

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

Cost centres in KFC accounting system as follows;

[redacted]

[REDACTED]

[details of cost centres]

- 5 For each profit/cost centre describe in detail the methods that your company normally uses to allocate costs to the goods under investigation. 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.

Methods to allocate costs to the goods under investigation as follows;

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[confidential cost allocation methodology]

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

By Model

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

All production costs for cost accounting purposes are not different from those for financial accounting purposes.

- 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.

N/A

- 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.

N/A

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 table **G-4 Domestic CTMS**) 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.
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 the calculations.
3. Provide this information for each quarter (or month if your company calculates costs on a monthly basis) over the period of the investigation.

² Customs applies the tests set out in s.269TAAD 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.

4. Provide the information broken down into fixed and variable costs, and indicate the % total cost represented by fixed costs.
5. If your company is 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.
6. Please specify unit of currency.
7. Also, provide an explanation of the allocation of selling, administration and finance costs to the like goods.

For the Points G -4 -1 to G -4 – 7, refer the attachment G-4

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

Refer to attachment G-5

1. Prepare this information in the table named '**G-5 Australian CTMS**'.
2. Provide this information for each quarter (or month if your company calculates costs on a monthly basis) over the period of the investigation.
3. Provide the information broken down into fixed and variable costs, and indicate the % total cost represented by fixed costs.
4. 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.
5. Please specify unit of currency.

For the points G -5 -1 to G -5 -5, Refer to the attachment G – 5

- G-6** 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.

Reasons for price difference:

[REDACTED]

[REDACTED]

[confidential pricing information]

- G-7 Give details and an explanation of any significant differences between the costs shown, and the costs as normally determined in accordance with your company's general accounting system. Reference should be made to any differences arising from movements in inventory levels and variances arising under standard costing methods.

Refer to the attachment CTMS –G5

- G-8 In calculating the unit cost to make and sell, provide an explanation if the allocation method used (e.g. number, or weight etc) to determine the unit cost differs from the prior practice of your company.

We use the weighted average allocation method as same as our prior method

- G-9 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 that your company has shown for the goods (e.g. market prices, transfer prices, or actual cost of production)

Where an associate of your company produces the major input, Customs and Border Protection will compare the 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.

If the major input is purchased from an integrated production process, detailed information on the full costs of production of that input should be provided.

Material	Supplier	Associated (Yes/No)	COP valuation basis

SECTION H
EXPORTER'S DECLARATION

- ✓ I hereby declare that Kuiburi fruit canning 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.

Name : Mr. Sudhagar Selvaraj

Signature :.....

Position in
Company : Business Development Director

Date :.....

SECTION I CHECKLIST

This section is an aid to ensure that all sections of this questionnaire have been completed.

Section	Please tick if responses to all questions in that section have been provided
Section A – general information	✓
Section B – export price	✓
Section C – like goods	✓
Section D – domestic price	✓
Section E – fair comparison	✓
Section F – exports to third countries	✓
Section G – costing information	✓
Section H – declaration	✓

Electronic Data	Please tick if a spreadsheet has been provided
INCOME STATEMENT	✓
TURNOVER – sales summary	✓
AUSTRALIAN SALES – list of sales to Australia	✓
DOMESTIC SALES – list of all domestic sales of like goods	✓
THIRD COUNTRY – third country sales	✓
PRODUCTION – production figures	✓
DOMESTIC COSTS – costs of goods sold domestically	✓
AUSTRALIAN COSTS – costs of goods sold to Australia	✓