Australian Government
Department of Industry, Innovation and Science

Anti-Dumping Commission

INVESTIGATION 319

ALLEGED DUMPING OF CHROME BAR

EXPORTED FROM ITALY AND ROMANIA

VISIT REPORT - IMPORTER

INTERLLOY

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

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ABBREVIATIONS

ABF	Australian Border Force
the Act	*Customs Act 1901*
AUD	Australian Dollar
the Commission	the Anti-Dumping Commission
Cromsteel	ASO Cromsteel S.A.
FIS	Free into store
FOT	Free onto truck
the goods	the goods the subject of the application (also referred to as the goods under consideration)
Interlloy	Interlloy Pty Ltd
Milltech	Milltech Pty Ltd
the Minister	the Minister for Industry, Innovation and Science
PAD	Preliminary Affirmative Determination
the Parliamentary Secretary	the Assistant Minister for Science and the Parliamentary Secretary to the Minister for Industry, Innovation and Science
SEF	Statement of Essential Facts
SG&A	Selling, general and administrative expenses

1 BACKGROUND AND PURPOSE

1.1 Background

On 16 October 2015, Milltech Pty Ltd (Milltech) lodged an application requesting that the Assistant Minister for Science and the Parliamentary Secretary to the Minister for Industry, Innovation and Science (the Parliamentary Secretary)[1] publish a dumping duty notice in respect of chrome bar exported to Australia from Italy and Romania.

Milltech alleges that the Australian industry has suffered material injury caused by chrome bar exported to Australia from Italy and Romania at dumped prices. Milltech alleges that the industry has been injured through:

- loss of sales volume;
- loss of market share;
- price depression;
- price suppression;
- reduced profits;
- reduced profitability;
- reduced assets employed in production;
- reduced capacity utilisation; and
- reduced employment.

After consideration of the application, an investigation was initiated on 10 November 2015. Anti-Dumping Notice (ADN) No. 2015/130 publicly notified the initiation of the investigation and is available at www.adcommission.gov.au.

1.2 Purpose of visit

The purpose of the visit was to:

- confirm that Interlloy is the importer of chrome bar attributed to it within the commercial database and obtain information to assist in establishing the identity of the exporter(s) of this chrome bar;
- verify information on imports of chrome bar to assist in the determination of export prices;
- establish whether the purchases of chrome bar were arms-length transactions;
- establish post-exportation costs;

[1] On 20 September 2015, the Prime Minister appointed the Parliamentary Secretary to the Minister for Industry, Innovation and Science as the Assistant Minister for Science.

- identify sales and customers and verify sales volume, selling prices and selling costs;
- obtain general information about the Australian market for chrome bar; and
- provide the company with an opportunity to discuss any issues it believed relevant to the investigation.

1.3 Meeting details

Company	Interlloy Pty Ltd
Dates of visit	21 December 2015

The following were present at various stages of the meeting.

Interlloy	Gary Kelly – National Purchasing Manager – Director Cameron Wyse – General Manager, Australia Robert Grant – Procurement Team Leader Brad Howard – National Sales and Marketing Manager
the Commission	Ryan Hemsley – Case Manager Mayuran Jeyarajah – Assistant Director Angela Kidson – Senior Investigator Adam Hourigan – Investigator

1.4 Investigation process and timeframes

The verification team advised the company of the investigation process and timeframes as follows.

- The investigation period is 1 October 2014 to 30 September 2015.
- The injury analysis period is from 1 July 2011 for the purpose of analysing the condition of the Australian industry.
- A preliminary affirmative determination (PAD) may be made no earlier than day 60 of the investigation (9 January 2016) and provisional measures may be imposed at the time of the PAD or at any time after the PAD has been made.

  The Commission will not make a PAD until (and if) it becomes satisfied that there appears to be, or that it appears there will be, sufficient grounds for the publication of a dumping duty notice and/or a countervailing duty notice.

  This was distinguished from the 'reasonable grounds' threshold for initiation of the investigation.

- The Statement of Essential Facts (SEF) for the investigation is due to be placed on the public record by 28 February 2016, or such later date as the Assistant Minister for Science and the Parliamentary Secretary to the Minister for Industry, Innovation and Science (Parliamentary Secretary)[2] allows under s.269ZHI of *the Customs Act 1901* (the Act).

  The SEF will set out the material findings of fact on which the Commission intends to base its recommendations to the Parliamentary Secretary, and will invite interested parties to respond, within 20 days, to the issues raised therein.

- Following receipt and consideration of submissions made in response to the SEF, the Commission will provide its final report and recommendations to the Parliamentary Secretary.

  This final report is due no later than 14 April 2016, unless an extension to the SEF is approved by the Parliamentary Secretary.

1.5 Visit report

The verification team explained to the company that it would prepare a report of the visit (this report) and provide it to the company to review its factual accuracy, and to identify those parts of the report it considers to be confidential.

The verification team explained that, in consultation with the company, it would prepare a non-confidential version of the report, and place this on the investigation's Public Record.

[2] On 20 September 2015, the Prime Minister appointed the Parliamentary Secretary to the Minister for Industry, Innovation and Science as the Assistant Minister for Science.

2 THE GOODS

2.1 Description

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

> *Chromium plated circular solid steel bars (chrome bars) that have <u>all</u> of the following characteristics:*
>
> - *circular cross section;*
> - *made from alloy or non-alloy steel bar;*
> - *chrome plating of any thickness;*
> - *lengths not greater than 8m; and*
> - *diameters in the range from 18mm to 170mm.*

The applicant provided further details as follows:

> *Minimal prior or subsequent processing such as cutting, drilling or painting does not exclude chrome bars in the dimensions described above from coverage of the application.*
>
> *Without limiting the generality of the above description, the goods include:*
>
> - *[chrome bars manufactured using] steel bars that are quenched and tempered, otherwise heat treated or induction hardened;*
> - *chrome bars manufactured using the following grades of steel bars (and any equivalent or materially similar international grades):*
>   - *SAE/AISI 1045; and*
>   - *SAE/AISI 4140.*

Goods excluded from the description are:

- *chromium plated steel bars with oval or flattened circle cross sections; and*
- *hollow or tubular chrome plated bars.*

2.2 Tariff classification

The goods are typically classified to the following tariff subheadings of Schedule 3 to the *Customs Tariff Act 1995*:

Tariff Code	*Statistical code*	*Customs Duty Rate*
7215.90.00	55	5% DCS: Free[3]
7215.50.90	54	5% DCS:4%
7222.30.00	37, 38	5% DCS: 4%
7228.30.10	70	5% DCS:4%
7228.60.10	72	5% DCS: 4%
7228.60.90	55	5% DCS: Free

[3] 'DCS' is a code applied to classes of countries and places in relation to which special rates apply as specified in Part 4 of Schedule 1 of the *Customs Tariff Act 1995.*

3 COMPANY DETAILS

3.1 Company Background

Interlloy Pty Ltd (Interlloy) was founded in 1987 and is a supplier of special steels both nationally and internationally. The company operates across five states in Australia with the corporate headquarters in Melbourne and other locations in Sydney, Brisbane, Perth, Adelaide, Mackay and Albury.

3.2 Commercial Operations

Interlloy considers itself the leader in the industry for special steels. Its primary business consists of stocking and selling a range of special steels with a focus on steels used in the mining, manufacturing, engineering, agricultural, hydraulic, aerospace and marine industries. Interlloy also supplies the toolmaking, oil and gas field, automotive and petrochemical industries.

Interlloy has similar facilities at each of its Australian sites to stock and distribute special steels. The only process undertaken by Interlloy in relation to the steel is cutting, with no finishing or polishing processes carried out. Interlloy's facilities employ advanced and innovative storing and shifting capabilities, and cutting technology. Interlloy competes in the market on price and the quality of its products but distinguishes itself on customer service and its ability to provide next-day delivery on all national orders.

At the time of the Commission's visit, Interlloy employed approximately [redacted] staff.

3.3 Accounting structure and details of accounting systems

Interlloy advised that its financial year is in line with the standard financial year (from 1 July through to 30 June). The company uses the [redacted] for their accounting and reporting requirements.

3.4 Relationship with suppliers

Interlloy advised that it has imported chrome bar since 1992. The company initially imported from France and the US but then switched supply to chrome bar from an Australian source, Martin Bright. In 2008, when Martin Bright was purchased by Milltech, Milltech was unable to immediately supply goods once produced by Martin Bright. Therefore, Interlloy looked at alternative sources which included foreign sources [redacted]. Interlloy stated that it has no relationship, other than a commercial relationship, with its suppliers and that all transactions occur at arm's length. Interlloy stated that it does not receive any rebates or discounts from their suppliers and each purchase order is negotiated. Further, Interlloy stated that that the key difference in pricing between suppliers was the method of manufacture – it was significantly cheaper to import the good rather than purchase from domestic sources.

Over the course of the investigation period Interlloy imported chrome bar [redacted].

3.5 Relationship with customers

In Part C of the importer questionnaire, the verification team was able to identify Interlloy's customers for the investigation period.

For imported chrome bar, Interlloy had [redacted] customers over the investigation period, the majority of which purchased quite small quantities. As a result the largest customer (by invoiced price) was [redacted] which accounted for [redacted] per cent of the total invoiced price. Interlloy confirmed that its sales were made at arm's length prices. Interlloy also explained that on each sale they enter into a negotiation with the customer to determine the price to be invoiced, and that there are no further rebates or discounts applied. The invoiced price is the price that is paid.

3.6 Like goods

Interlloy confirmed that the imported goods under consideration have largely the same physical and functional characteristics as the locally produced goods and that it considered them to be like goods. Interlloy did not consider that any alternative products are suitable substitutes for chrome bar.

4 AUSTRALIAN MARKET

4.1 General

Interlloy claimed that the Australian market for chrome bar (and generally all specialised steel related products) is depressed because of the downturn in the Australian mining industry, and the availability of cheaper finished products from China. Interlloy stated that this depression has resulted in downwards pressure on specialised steel prices.

Interlloy reported revenue for all products of approximately [redacted] during 2014-15. This is based on the financial statements provided by Interlloy to the verification team. The total invoiced value of imported chrome bar sold during the investigation period was approximately [redacted]. The total value of chrome bar sold by Interlloy during the investigation period was [redacted]. This represents approximately [redacted] per cent of Interlloy's total revenue.

4.2 Sales

Interlloy stated that it sells chrome bar to Australian end-users, usually manufacturers of hydraulic cylinders, but some sales are made to resellers. The sales data provided by Interlloy indicated that sales of the goods under consideration were made to [redacted] entities during the investigation period. Interlloy's major customers of imported chrome bar during the investigation period were:

[redacted]

Table 3 summarises Interlloy's total value of sales and volume of imported chrome bar during the investigation period.

Value	Volume (kg)	Weighted Average Unit Price
[redacted]	[redacted]	[redacted]

Table 1 – Interlloy sales data

On the basis of the above, the verification team is satisfied that the data provided and data verified during the visit is accurate.

4.2.1 Ordering and sales process

Interlloy buy chrome bar from the Australian industry and from imported goods. Interlloy carries a large range of goods, including different types of chrome bar, meaning inventory levels are generally high. This allows Interlloy to provide as much product for customers as possible.

Chrome bar is mostly sold with tube for use in hydraulic cylinders. Most customer purchases of chrome bar are in low volumes [redacted].

Interlloy said that the nature of the chrome bar (and tube) business means that there are often long lead times for sales, and [redacted] per cent of sales are from forward orders.

4.2.2 Date of sale

Chrome bar sales are usually stock sales, meaning that the goods will be stocked after importation and sold after customer orders are received. The verification team consider the invoice date to be the date of sale.

4.3 Sales verification

4.3.1 Verification to source documents

Interlloy provided the verification team with a line by line sales list of its sales of chrome bar for the for the investigation period. There were [redacted] returns (out of over [redacted] sales) due to various issues, [redacted].

During the visit, Interlloy provided copies of source documents (commercial invoices and bank transfer statements) for sales related to the eight shipments selected from imported goods. Copies of these documents are at **Confidential Attachment IMP 1**.

The invoice number, customer name, quantity, and amount mostly reconciled with the information in the sales list. However, three invoices provided had different figures to that found in the sales listing. This is because additional processing of the bar, [redacted]. Interlloy provided additional documentation to verify the additional charges for processing.

The verification team also verified proof of payment documents for the selected shipments.

4.3.2 Sales verification to management reports

At the visit, Interlloy provided its Special Purpose Financial Report that contained revenue for all products for the 2014-15 financial year. A copy of this document is at **Confidential Attachment IMP 1**.

During the visit, Interlloy demonstrated through its financial management system to verify two selected transactions of chrome bar sales upwards to its management report by sales amount and quantity. Interlloy printed and supplied to the verification team a spreadsheet detailing sales amount and quantity by customer and by local branch in a particular calendar month specified by the verification team within the investigation period.

The verification team is satisfied with the relevance and completeness of the sales data provided by Interlloy.

4.3.3 Discounts and rebates

Interlloy does provide discounts to some customers. [redacted].

4.4 .Selling, general and administrative expenses (SG&A)

At Part B of its importer questionnaire response, Interlloy included SG&A expenses as [redacted] per cent of total sales revenue.

Following an examination of the 2014-15 financial statements, the verification team was able to verify this percentage allocation as being an accurate reflection of the actual SG&A costs for the 2014-15 financial year.

4.5 Profitability of sales and selling price

The verification team found that Interlloy's selected import transactions except one were sold at a profit, with profit ranging from $[redacted] per kilogram to $[redacted] per kilogram.

5 IMPORTS

5.1 Volume of trade

The ABF import database indicates that Interlloy imported approximately [redacted] of chrome bar from [redacted] during the investigation period, [redacted]. In addition the verification team also notes that Interlloy provided evidence that it had also purchased [redacted] of chrome bar from Milltech during the same period. This indicates imported chrome bar purchases represented 33 per cent of their total purchases for the reporting period, meaning the company purchased 67 per cent locally. Prior to the visit, the verification team forwarded the list of all imports to Interlloy to confirm that the records shown in the ABF import database were correct. Interlloy supplied a spreadsheet subsequent to the visit showing their receipt of chrome bar during the investigation period, confirming these volumes.

5.2 Order process and pricing

Interlloy explained that they periodically engage in stock builds in order to supply a wide range of products to their customers. Interlloy stocks over 200 different product numbers in chrome bar, which are sold from all seven company locations. [redacted]

Interlloy advised that they collate a purchase list [redacted] When considering these quotes, the company has regard to the cost of delivery of the goods from the port to multiple branch locations, as well as to importing full containers for cost efficiency.

The verification team also noted the size range that Interlloy stocks cannot be sourced wholly from Milltech. Therefore, a need exists for certain sizes to be imported 100 per cent of the time. As the demand for these sizes does not warrant a full container load, Interlloy includes orders of cylinder tube (a complimentary product of chrome bar which is also sourced from [redacted]) and other sizes of chrome bar in order to fill containers to meet its customer needs.

[redacted]. Interlloy stated that it receives no rebates or discounts on its orders, nor did the verification team find any evidence of this.

During the investigation, Interlloy purchased imported chrome bar [redacted]. Shipping terms are cost, insurance and freight (CIF) terms with payment in euros at 40 days from the bill of lading. The payment terms allow Interlloy to inspect a sample of the goods before paying the supplier. The goods are packaged and wrapped in plastic, but are easily damaged. If products are discovered to be unfit, Interlloy may put in a claim to the mill. This process often requires an independent assessment of the damaged goods, which may result in a credit applied by the supplier.

5.3 Forward orders

Interlloy provided the volume and value of forward orders in its importer questionnaire response. The verification team noted no unusual trends in relation to forward orders when compared to past trading patterns.

5.4 Verification of imports

Prior to the visit, Interlloy provided the Commission with information on eight selected shipments in its cost to import and sell spreadsheet in its questionnaire Part B response (**Confidential Appendix 1**).

Interlloy provided source documents for two shipments at the verification visit, and for the remaining six shipments subsequent to the visit. These included:

- supplier price list;
- purchase order and order confirmation;
- internal costing sheets;
- packing list and inspection certificate;
- bill of lading;
- tax invoices for purchases and expenses;
- customs entry; and
- bank records and payment remittances.

These documents were provided for each shipment and are contained in **Confidential Attachment IMP 2.**

For each shipment, the verification team used the source documents to check the importing entity, listed quantity, invoice value, ocean freight and insurance, exchange rate, customs duty, importation costs, expenses and average selling prices in the import sales spreadsheet. A sample of these documents was verified for post exportation costs. The verification team was able to reconcile the shipment number, quantity, value, price and delivery terms for the selected shipments with the data in the import list.

Interlloy imported mixed shipments which included chrome bar and also other goods falling outside the goods description. Costs for these shipments were allocated based on a per kilo basis, which the verification team considered to be reasonable.

5.4.1 Supplier invoice details

Using the commercial invoices provided, the verification team confirmed the identity of the supplier [redacted] and the importer (Interlloy). The team also identified the goods description, value, shipping terms (CIF) and payment terms. Payment of the invoice and the exchange rate applied were also verified to source documents. Foreign exchange rates are set at the time of payment. Interlloy provided bank records as evidence of the exchange rate transaction.

5.4.2 Shipment costs

Interlloy purchases chrome bar on CIF terms, meaning that the cost of insurance and ocean freight was included in the invoiced price for the goods. Despite this, the company was able to identify these costs in customs entry documents, which the verification team confirmed. The weighted average ocean freight cost for the selected shipments was [redacted] (refer to table 2).

5.4.3 Importation costs

Importation costs included customs entry and broker fees, duties, quarantine charges, port service charges and bank charges. As noted above, where shipments included goods other than chrome bar, costs were apportioned on a weight basis to the goods. When verifying these costs to source documents, the verification team corrected one data entry and added customs duty to the spreadsheet and the calculation of total importation costs.

Bank charges were incurred on funds transfers to the supplier for payment of the goods. Interlloy supplied bank records evidencing these transactions and the cost incurred.

5.5 Selling, general and administrative (SG&A) costs

In its response to the questionnaire, Interlloy calculated SG&A expenses of [redacted] per cent by taking total operating costs as a proportion of total sales for the last financial year 2014-15 (**Confidential Attachment IMP 2)**. Interlloy considered that the costs incurred in making chrome bar sales were no different to those incurred on other product groups handled by the company.

Interlloy applied this ratio to total importation costs in the part B response to the questionnaire. The verification team amended this calculation to be applied to sales, rather than importation costs. The team considers that the revised SG&A calculation is reasonable and reflects Interlloy's SG&A expenses.

The verification team calculated the weighted average SG&A expense for chrome bar over the investigation period to be [redacted] per tonne (see Table 1).

5.5.1 Local delivery expense

When reviewing the source documents, the verification team found that certain shipments included costs incurred by Interlloy for domestic delivery. Interlloy was unable to show this expense for each shipment, [redacted] The verification team therefore considered it was reasonable to include this expense as a selling cost in the total cost of import and sell. Using information from the documents, the team calculated a unit delivery cost and applied this to the remaining shipments, with consideration for the mix of delivery terms (FIS and FOT).

The following table summarises weighted average shipping and importation costs, SG&A and delivery costs on a per tonne basis:

Cost	Weighted average cost per tonne – (AUD/T)
Ocean freight	[redacted]
Insurance	[redacted]
Customs entry fee	[redacted]
Customs brokers fees	[redacted]
Customs duty	[redacted]
Quarantine charges	[redacted]
Port service charges	[redacted]
Bank charges	[redacted]
Total shipping and importation costs	[redacted]
SG&A	[redacted]
Delivery	[redacted]

Table 1: Weighted average costs per tonne

5.6 Export prices for selected shipments

Based on data obtained from the ABF import data, the verification team calculated the weighted average export price (in AUD) for chrome bar over the investigation period, shown in Table 3 below. These calculations are found in **Confidential Appendix 1**.

Principal Original Country	Supplier Full Name	AUD
[redacted]	[redacted].	[redacted]

Table 2 – Export prices

6 WHO IS THE IMPORTER AND EXPORTER

6.1 Who is the importer?

The verification team reviewed the documents provided in respect of the selected shipments. The team notes that Interlloy:

- is named as the buyer on the invoices;
- is named as the consignee on the bill of lading;
- retains ownership of the goods until they are delivered to its customers; and
- pays for the delivery of goods to the customer.

The team considers Interlloy to be the beneficial owner of the goods at the time of importation, and therefore the importer.

6.2 Who is the exporter?

The Commission will generally identify the exporter as:

- a principal in the transaction, located in the country of export from where the goods were shipped, who gave up responsibility by knowingly placing the goods in the hands of a carrier, courier, forwarding company, or their own vehicle for delivery to Australia; or
- a principal in the transaction, located in the country of export, which owns, or previously owned, the goods but need not be the owner at the time the goods were shipped.

It is common for traders and other intermediaries to play a role in the exportation of the goods. These parties will typically provide services such as arranging transportation, conducting price negotiations, arrange contacts with the producer, etc.

In such cases, the trader typically acts as an intermediary who, although one of the principals, is essentially a facilitator in the sale and shipment of the goods on behalf of the manufacturer. Typically the manufacturer as a principal who knowingly sent the goods for export to any destination will be the exporter.

Therefore, depending on the facts, the Commission considers that only in rare circumstances would an intermediary be found to be the exporter. Typically this will occur where the manufacturer has no knowledge that the goods are destined for export to any country and the essential role of the intermediary is that of a distributor rather than a trader.

After reviewing the shipment documents, the verification team is satisfied that [redacted]l:

- is named as the supplier on the invoice;
- is named as the consignor on the bill of lading;
- arranges and pays for the goods to be delivered to the relevant port in Australia as per CIF terms of trade; and
- receives payment from Interlloy.

Subject to further inquiries, the verification team is satisfied that [redacted] can be considered exporter of chrome bar imported by Interlloy. To our knowledge, [redacted] is a principal in the country of export, which manufactures the goods and delivers them on CIF terms to Interlloy.

7 ARMS LENGTH

In determining export prices under s. 269TAB(1)(a) and normal values under s. 269TAC(1), the Act requires that the relevant sales are arm's length transactions.

S.269TAA outlines the circumstances in which the price paid or payable shall not be treated as arm's length. These are where:

- there is any consideration payable for in respect of the goods other than price;
- the price is influenced by a commercial or other relationship between the buyer, or an associate of the buyer, and the seller, or an associate of the seller; and
- in the opinion of the Parliamentary Secretary, the buyer, or an associate of the buyer, will, directly or indirectly, be reimbursed, be compensated or otherwise receive a benefit for, or in respect of, the whole or any part of the price.

Interlloy stated that it does not receive any reimbursement, rebates or other support from its supplier in respect of the goods. Interlloy advised that the invoiced price was the price paid.

The verification team reviewed the documentation for the selected shipments and did not find any evidence, in respect of the purchase of chrome bar, that:

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

As discussed at section 4.6 of this report, the team found that all of the selected shipments except for one were profitable.

The team is satisfied that import transactions between Interlloy and its suppliers are at arm's length in terms of s. 269TAA.

8 GENERAL COMMENTS

Price setting

Interlloy indicated that it believes the market is driving the price and that there is strong competition globally for the product. As such, Interlloy did not consider that there is a single or select group of countries or companies that are setting the price for chrome bar.

Comment on whether goods are dumped

Interlloy advised that operating costs for chrome bar in Australia are different to that of overseas manufacturers. Interlloy indicated that any lower prices sold by overseas manufacturers, compared to the Australian industry, would largely be due to differences in operating costs, and that lower prices would flow through to both overseas domestic markets and the Australian market. As such, Interlloy does not consider the Italian or Romanian manufacturers to be dumping into the Australian market.

In addition to the points above, Interlloy advised that there are other countries with manufacturers of chrome bar that sell for significantly lower prices than Italy and Romania, such as China and India. However, Interlloy stated it is willing to pay a higher price than prices offered by other countries, such as China and India, in order to receive higher quality chrome bar.

Comment on injury to the Australian industry

Interlloy considers that the Australian industry has been injured through its increased capital investment during a period of market contraction associated with the 2008 global financial crisis and the Australian mining sector's downturn. Interlloy added that cheap imports of finished hydraulic cylinders, which are comprised of chrome bar and tube, are also negatively impacting the Australian industry's chrome bar operations, as well as the operations of Australian importers, distributors and traders of chrome bar.

The Australian industry has a minimum order amount and only stocks chrome bar, not tube. This is less preferable for Interlloy which is able to order with no minimum amount from exporters. Interlloy also seeks to fill entire containers when it is purchasing for cost efficiency. The ability to purchase tube from suppliers that make both chrome bar and tube is therefore advantageous, as Interlloy can more easily fill a container with a mix of products.

Interlloy needs to draw upon a list of suppliers in order to source all the parts that they require.

9 RECOMMENDATIONS

From our investigations, the verification team is of the opinion that, for the goods imported by Interlloy from [redacted]:

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

Subject to further inquiries with the exporter, the verification team recommends that the export price for chrome bar imported by Interlloy from [redacted] can be established under s.269TAB(1)(a) of the Act, using the invoiced price, less deductions to the FOB level as required.

10 APPENDICES AND ATTACHMENTS

Confidential Attachment GEN1	Visit agenda
Confidential Attachment GEN2	Importer questionnaire response
Confidential Appendix 1	Import data spreadsheet
Confidential Appendix 2	Sales spreadsheet and cost to import and sell calculations
Confidential Attachment IMP1	Source documents for sample of chrome bar sales provided by Interlloy
Confidential Attachment IMP2	Source documents for import shipments provided by Interlloy