PUBLIC RECORD

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

Sanwa Pty Ltd

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

December 2015

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ABBREVIATIONS

$	Australian dollars
the Act	*Customs Act 1901*
Bohler	Bohler Uddeholm Pty Ltd
the Commission	Anti-Dumping Commission
the goods	the goods the subject of the application (also referred to as the goods under consideration or GUC)
PAD	Preliminary Affirmative Determination
the Parliamentary Secretary	the Assistant Minister for Science and the Parliamentary Secretary to the Minister for Industry
Sanwa	Sanwa Pty Ltd
SEF	Statement of Essential Facts
Stelmi	Stelmi Italia S.p.A
we, us and our	the verification team of the Anti-Dumping Commission for this visit

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 Sanwa 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 arm's-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	Sanwa Pty Ltd
Dates of visit	8 December 2015

The following were present at various stages of the meetings.

Sanwa	Matthew Gilpin	Trader
	Georgia Kirkham	Trading Assistant
the Commission	Angela Kidson	Senior Investigator, Operations 4
	Chris Kunaratnam	Senior Investigator, Operations 4
	Adam Hourigan	Investigator, Operations 4

1.4 Investigation process and timeframes

We 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) allows under subsection 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

We explained to the company that we would prepare a report of our 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.

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

2 THE GOODS

2.1 Description

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

> *Chromium plated circular solid steel bars (chrome bars) that have all 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[2]

[2] '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*.

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 COMPANY DETAILS

3.1 Commercial Operations

Sanwa Pty Ltd (Sanwa) is an Australian-based international trading company, which specialises in importing metals, plastics and glass into Australia and New Zealand. Sanwa is privately owned and has been operating since 1971. Sanwa Holdings Pty Ltd (SHPL) is the holding company of Sanwa and employs approximately [redacted] employees.

In Australia, the Sanwa metals business operates solely as an indent trader, and there is no stocking or warehousing of products. Goods are purchased from exporters after the orders have been confirmed from customers, and then delivered directly to the customers.

Sanwa advised that for metal trading, including chrome bar, the Edgecliff office in New South Wales is its main office in Australia, with a trader based in Melbourne.

Sanwa advised that it has an association with another company, Halifax Vogel/HGV which is wholly owned by Sanwa's holding company, SHPL. Halifax Vogel is, however, run independently of Sanwa, has no commercial dealings with Sanwa and does not trade in the goods under consideration in this application. On the basis of these discussions and those from previous visits, we are satisfied that this company is not relevant to this investigation.

3.2 Accounting structure and details of accounting systems

Sanwa operates on a 1 July to 30 June financial year. An extract of Sanwa's profit and loss statement for the year ending 30 June 2015 was provided to us. Sanwa confirmed that these accounts are audited on an annual basis (**Confidential Attachment Finance 1**).

3.3 Relationship with suppliers and customers

During the investigation period, Sanwa purchased chrome bar exclusively from Stelmi Italia S.p.A. (Stelmi) in Italy.

Sanwa indicated that it had no relationship with Stelmi other than that of a commercial relationship of buyer and seller. Sanwa considered that the transactions were completed on an arm's length basis. Sanwa stated that it prefers to use Stelmi as a supplier because it offers a superior quality of chrome bar than other suppliers. Sanwa stated that in its product quality tests, chrome bars from Stelmi generated the highest results compared to those sourced from a range of other suppliers, including the Australian industry. Stelmi's products were tested for up to 200 hours usage whereas the [redacted] *[Confidential information regarding product quality test]*.

Sanwa advised that it does not receive any rebates or discounts from Stelmi. Sanwa advised that it has never had any problems with products supplied by Stelmi and that if it did, that Stelmi would provide replacement products as soon as possible. We found no evidence to suggest otherwise.

[redacted]

[redacted]

[Confidential information regarding Sanwa's sales].

Sanwa started selling chrome bars some three years ago.

3.4 Like goods

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

4 AUSTRALIAN MARKET

4.1 General

We noted that based on the financial statements that it provided to us, Sanwa reported revenue for all products of approximately $[redacted] million during the 2015 financial year. The total invoiced value of chrome bars sold during the investigation period was $[redacted] or approximately [redacted] per cent of sales.[3] Given the minimal share of chrome bars in its total sales, Sanwa advised that it does not report sales of chrome bars separately in its group financial statements.

4.2 Distribution and Selling

[redacted] *[Confidential information regarding Sanwa's sales]*.

Table 1 summarises Sanwa's sales volume and total value of sales during the investigation period.

Volume (MT)	Value	Weighted Average Unit Price
[redacted]	$[redacted]	$[redacted]

Table 1 – Sanwa sales data

During the visit, Sanwa explained that certain sales in the original sales listing provided prior to the visit were combined with goods that are not under consideration, for example tubes that were sold together with the chrome bar. There were also significant variations to the Imports listing at **Confidential Attachment IMP 1**.

Subsequent to the visit, Sanwa provided an updated sales listing that isolated the goods under consideration (**Confidential Attachment Sales 1**).

On the basis of the above, we are satisfied that the data provided was verified and found to be accurate.

4.3 Sales

4.3.1 Ordering and sales process

All chrome bar sales made by Sanwa in the investigation period are on a Free into Store (FIS) basis. Sanwa advised that it does not own a warehouse and therefore does not maintain any inventory in Australia. [redacted] *[Confidential information regarding Sanwa's sales]*. Sanwa usually places an order every six weeks for a container of chrome bar.

[3] We acknowledge that Sanwa's total revenue relates to the 2015 financial year, whilst the total invoiced value of chrome bar relates to the investigation period.

There is no minimum quantity for its orders. Sanwa advised that it bought chrome bar on a per metre basis and sold it on a per tonne basis.

Sanwa advised that the global steel market was very volatile and hence it still obtains a quote for each order. Sanwa advised that it has a good knowledge of the local market and hence it is able to price the chrome bar accordingly. The price has been stable over the past few months.

All sales by Sanwa [redacted] were in Australian dollars (AUD) with a credit term of [redacted] after the bill of lading date. Transportation, freight, delivery, marine insurance etc. were factored into the final sale price [redacted].

We considered the invoice date to be the date of sale.

4.3.2 Sale verification

4.3.2.1 Sales verification to source documents

Sanwa provided a line by line list of its sales of chrome bar during the investigation period.

During the visit, Sanwa provided copies of commercial tax invoices related to six selected sales transactions. Copies of these documents are in **Confidential Attachment Sales 2**.

The invoice number, customer name, quantity, and price information in the sample of commercial invoices reconciled with the information in the sales list. The quantity was detailed in a separate purchase order which was provided by Stelmi.

We were able to reconcile these selected sales to the sales listing at Part C of the importer questionnaire response.

We were also able to reconcile a sample of individual invoices against an internally generated bulk payment statement which in turn was reconciled to a bank remittance statement, showing that the customer had paid Sanwa in full for these orders.

4.3.2.2 Sales verification to management reports

As chrome bar represents a small proportion of Sanwa's total revenue, Sanwa advised that it does not report profit and loss figures for chrome bar separately in its annual financial accounts. Therefore, we requested that Sanwa provide a monthly management report by sales person which showed chrome bar sales for the month of May, which is in **Confidential Attachment Sales 3**. We then requested a copy of Sanwa's annual management accounts so that the team could verify that the monthly sales were included in the annual sales amount. As Sanwa was unable to provide this, we were unable to upwardly verify the chrome bar sales to Sanwa's financial statements (**Confidential Attachment Finance 1).**

4.3.2.3 Rebates and discounts

During the verification visit, we established that the invoiced price was the price paid on those transactions tested. Sanwa did not offer rebates or discounts for the sale of chrome bar to its customer during the investigation period.

4.3.3 Profitability of sales

We compared the selling prices in the Australian market with the corresponding full cost to import and sell those shipments for each of the consignments on the import spreadsheet in Part B of Sanwa's importer questionnaire response.

We found that all shipments in Part B of Sanwa's importer questionnaire response were profitable. Profit per shipment ranged from $[redacted] ($[redacted] per tonne) to $[redacted] ($[redacted] per tonne).

5 IMPORTS

5.1 Volume of trade

The ABF import database indicates that Sanwa imported [redacted] tonnes of chrome bar from Italy during the investigation period, all from Stelmi. Prior to the visit, we forwarded the list of chrome bar imports to Sanwa to confirm if the records shown in the ABF import data were correct. There were considerable discrepancies between Sanwa's own records and the ABF import data. At the visit, the team sampled a number of shipments to accurately determine the volume of goods imported. Sanwa clarified that its chrome bar imports had been entered by the broker under two different tariff codes according to their grade (1045 and 4140). Due to errors found in the ABF import data, we sought and received copies of purchase orders from Stelmi for all [redacted] import transactions which we used to correct the import listing. The updated imports listing was relatively similar to Sanwa's sales listing.

Sanwa's imports of chrome bar and the calculation of volumes are in **Confidential Attachment IMP 1**.

5.2 Forward orders

Sanwa provided the quantity and value of forward orders in its importer questionnaire response. We assessed these and noted no unusual trends in relation to forward orders when compared to past trading patterns.

5.3 Ordering process and pricing

Sanwa outlined its ordering process as follows. Sanwa receives orders on a six weekly basis from its customers. Orders are sent to the supplier (Stelmi), which provides Sanwa with quantity and delivery times. Sanwa then calculates the cost of material and ocean freight (pickup and handling costs/export documents included) and converts this to Australian dollars using a spot exchange rate. Sanwa sets a price for the customer (incorporating landed costs, insurance, delivery and margin) and once confirmed, Sanwa will in turn amend or confirm a purchase order with the supplier. Sanwa then books foreign exchange cover to hedge against any currency fluctuations. Ocean freight is also arranged with the shipping line.

Upon receiving confirmation from the supplier, Sanwa raises a sales contract for the customer. Sanwa will receive order updates from the mill biweekly until the goods are sent for shipping. Sanwa receives the invoice and shipping documents up to two weeks after goods leave the mill. Sanwa invoices its customer once it receives the bill of lading and arranges delivery of goods in Australia. Sanwa works with various logistics companies depending on the ports, which are typically in Brisbane and Perth. Goods are sent directly from the port closest to the customer and are not warehoused.

Sanwa advised that it does not have a minimum quota with the mill, and does not receive any rebates or discounts on orders placed.

5.4 Verification of imports

Prior to the visit, Sanwa 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 IMP 2**).

Sanwa provided source documents for two shipments prior to the verification visit. During the visit we requested full documentation including remittance advices for a sample of sales, which Sanwa provided following the visit.

Sanwa provided source documents for selected import shipments at **Confidential Attachment IMP 3**, which included copies of the purchase orders, purchase contracts, commercial invoices, bills of lading, packing lists, proof of payment, and various importation cost documents.

5.4.1 Supplier invoice details

We used the commercial invoices provided to verify the identity of the supplier (Stelmi) and the importer (Sanwa). We also confirmed that the goods description, net weight and value of the goods, invoice amount, delivery terms and payment terms were accurate. We identified some anomalies in the exchange rates and Sanwa amended these in an updated spreadsheet.

5.4.2 Shipment costs

Sanwa purchases chrome bar from Stelmi on an ex works basis. Sanwa's shipment costs therefore comprise delivery from factory to port, overseas freight and insurance. Sanwa explained that it paid a negotiated rate to transport the goods, which included transport to the port, packing, lashing, dunnage, export document clearance and ocean freight.

Some shipments contained chrome bar (the goods) and tube (not relevant to this investigation). At the visit we requested a breakdown of orders to show the relative share of each. Sanwa provided this for a number of transactions. Once shipment costs were allocated to chrome bar, we found that the costs in the freight invoices matched the costs listed in the importer questionnaire response.

Sanwa advised that marine insurance costs were allocated to each of the sampled transactions based on the premium rate specified under an annual insurance policy taken out by Sanwa. A copy of this policy for the 2016 financial year was provided by Sanwa (**Confidential Attachment IMP 4**). Sanwa applied a rate to the invoice price (to the customer) for each shipment. This was calculated based on the rate provided in the insurance policy, with a small component added to cover broker fees and administration costs. We considered this methodology to be reasonable.

5.4.3 Importation costs

Importation costs included customs entry and broker fees, duties, quarantine charges, port service charges, delivery and bank charges.

The source documents reconciled to the figures in the import listing and we cited proof of payment for a sample of these costs, requested at the visit. We noted some minor variations in reconciling the value of customs duty paid to source documents, but are satisfied that these costs are reasonable.

We were satisfied that port service changes and delivery expense were accurately apportioned to chrome bar (as noted previously, shipments included tube as well as chrome bar). Customs entry, broker fees and quarantine charges were not allocated to the goods on a weight basis, however. We were consequently unable to accurately apportion these charges to the goods only. These charges are quite minimal, but overstated in these numbers.

Sanwa explained that bank charges represented an interest expense incurred in offering [redacted] payment terms to their customers. Sanwa estimates this rate in advance of the sale but later enters the actual charge when it has been incurred. We considered charges to be reasonable.

Sanwa takes out debtors insurance for its domestic sales to cover the event of non-payment. During the verification visit, the actual cost of this insurance and the methodology for the allocation of this cost was reviewed. A copy of Sanwa's debtors' insurance policy is contained in **Confidential Attachment IMP 5**. We consider the basis on which this cost was established and the allocation methodology applied to the goods to be reasonable.

We checked the Australian importation costs and calculated the average costs per tonne for the selected shipments. These calculations are included in **Confidential Appendix 1** and summarised in Table 2 below.

Cost	Weighted average cost per average unit (tonne) – (AUD/tonne)
Customs entry fee	$[redacted]
Customs brokers fee[4]	$[redacted]
Quarantine charge	$[redacted]
Port service charge	$[redacted]
Delivery	$[redacted]
Bank charge	$[redacted]
Duty	$[redacted]
Debtors insurance	$[redacted]

Table 2: Average costs per tonne

Sanwa provided invoices from its freight forwarder for each of the selected importations which outlined the importation costs shown in Part B of importer questionnaire. The items shown in these invoices were all listed on, and the values reconciled to, Part B of importer questionnaire (**Confidential Attachment IMP 2**).

We found that the importation costs in the invoices matched the costs listed in Part B of importer questionnaire.

[4] Customs fees, brokerage and quarantine have not been apportioned by share of shipment (includes cost of whole shipment, not just chrome). These costs are therefore a overstated but owing to their low value, deemed not to be material.

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

Following the visit, Sanwa provided SG&A expenses of [redacted] per cent as part of an updated part B of its importer questionnaire response.

Sanwa advised that SG&A expenses were calculated for each shipment by taking the total company expenses as a percentage of the total company sales for the 2015 financial year, then multiplying this percentage by the total revenue for the shipment. Sanwa explained that it has provided a total SG&A figure as it was unable to accurately isolate operating expenses for chrome bar.

We consider that the SG&A calculation is reasonable and reflects Sanwa's SG&A expenses.

We calculated the weighted average SG&A expense for chrome bar to be $[redacted] per tonne. This calculation is shown in Table 3 below. We note that the total allocated SG&A represents financial year 2015, while chrome bar sales amount and quantity represents the investigation period (1 October 2014 – 30 September 2015). However, we consider that despite the time period variation, the calculation reasonably reflects Sanwa's weighted average SG&A expense for chrome bar.

Total allocated SG&A (FY2015)	Chrome bar sales tonnes (Investigation Period)	SG&A allocation per tonne
$[redacted]	[redacted]	$[redacted]

Table 3 – SG&A allocation per tonne (total allocated SG&A costs divided by tonnes)

5.6 Export prices for selected shipments

Based on the updated import data (see section 5.1), we calculated the weighted average export price at ex works terms (in AUD) for chrome bar over the investigation period and this is in Table 4 below. These calculations are in **Confidential Appendix 2**.

Principal Original Country	Supplier Full Name	AUD/tonne
Italy	Stelmi Italia S.p.A.	$[redacted]

Table 4 – Export prices

6 WHO IS THE IMPORTER AND EXPORTER

6.1 Who is the importer?

We reviewed the documents provided in respect of the selected shipments. We note that Sanwa:

- is named as the buyer on the invoices;
- arranges and pays for goods to be transported from the factory to the port;
- is named as the consignee on the bill of lading; and
- pays of the delivery of goods to the customer.

We consider Sanwa 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, who 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 we are satisfied that Stelmi:

- is named as the supplier on the invoice;
- is named as the consignor on the bill of lading; and
- receives payment from Sanwa.

Subject to further inquiries, we are satisfied that Stelmi can be considered exporter of chrome bar imported by Sanwa. To our knowledge, Stelmi is a principal in the country of

export, which manufactures the goods and gave up the goods for shipment directly to Sanwa.

7 ARM'S LENGTH

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

Subsection 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.

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

We 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 Sanwa and Stelmi; and
- Sanwa, or an associate of Sanwa, was directly or indirectly reimbursed, compensated or otherwise received a benefit for or in respect of the whole or any part of the price.

We are satisfied that import transactions between Sanwa and its suppliers are at arm's length in terms of subsection 269TAA.

8 GENERAL COMMENTS

Comments on the Market

Sanwa advised us that the Australian market was a third of the size of the market some three to four years ago due to the contracting of the mining industry. This combined with the imports from Romania and China in particular has led to a reduction in profit margins for chrome bar.

Comments on dumping

[redacted] *[Confidential information regarding comments on dumping].*

Comments on imported products and exporter production methods

[redacted]

[redacted] *[Confidential information regarding comments on imported products and exporter production].*

Comments on the Australian industry

[redacted] *[Confidential information regarding comments on the Australian industry].*

9 RECOMMENDATIONS

From our investigations, we are of the opinion that, for the goods imported by Sanwa from Stelmi:

- 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 these exporters, we recommend that the export price for chrome bar imported by Sanwa from Stelmi can be established under subsection 269TAB(1)(a) of the Act, using the invoiced price, less deductions to the FOB level as required.

10 APPENDICES AND ATTACHMENTS

Confidential Appendix 1	Costs to import and sell calculations
Confidential Appendix 2	Weighted average export price calculations
Confidential Attachment IMP1	ABF import data listing
Confidential Attachment IMP2	Part B of importer questionnaire
Confidential Attachment IMP3	Source documents for import shipments provided by Sanwa
Confidential Attachment IMP4	Marine insurance policy
Confidential Attachment IMP5	Debtors' insurance policy
Confidential Attachment Finance 1	Extract of Sanwa's Profit and Loss statement for year ending 30 June 2015
Confidential Attachment Sales 1	Part C of importer questionnaire
Confidential Attachment Sales 2	Commercial tax invoices
Confidential Attachment Sales 3	Sales invoices for May 2015