

**EXPORTER QUESTIONNAIRE  
RESPONSE**

of

**GUANGDONG JIANGSHENG  
ALUMINIUM CO. LTD.**

in relation to

**ALUMINIUM EXTRUSIONS**

from

**CHINA**

## Outline of information required by this questionnaire

- Section A** General information relating to your company including financial reports.
- Section B** A complete list of your company's exports to Australia over the investigation period.
- Section C** A list of goods sold on the domestic market of the country of export (like goods) that may be compared to the goods under consideration (the goods).
- Section D** A detailed list of all of your company's sales of like goods in your domestic market.
- Section E** Information to allow a fair comparison between export and domestic prices.
- Section F** Information in relation to your company's exports of like goods to countries other than Australia.
- Section G** Costs to make and sell, for exports to Australia and for the domestic market.
- Section H** Information on the alleged market situation that exists in China
- Section I** Your declaration
- Section J** A checklist.
- Appendix 1** A glossary of terms used in this questionnaire

**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: **Alex Chen**  
Position in the company: **Director**  
Address: **Guangdong Jiangsheng Aluminium Co. Ltd.  
No. 11-13 Xihu Ave,  
Xihu Demonstrative Development Zone,  
Taishan, Guang Dong Province,  
P.R. China**

Telephone: **86 750 5586383**  
Facsimile number: **86 750 5586393**  
E-mail address of contact person: **alex@taiaoal.com.cn**

*Factory:* **As above.**

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

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

Name: **Roger Simpson**  
Address: **Roger D Simpson & Associates Pty Ltd  
Level 2, Mercantile Dock  
Port Adelaide, South Australia 5015**

Telephone: **0011 61 8447 3699**  
Facsimile/Telex number: **0011 61 8447 2661**  
E-mail address of contact person: **roger@panpac.biz**

*Note that in nominating a representative, the Commission 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 (eg. company, partnership, sole trader)? Please provide details of any other business names that you use to export and/or sell goods.

**Guangdong Jiangsheng Aluminium CO., LTD. (hereafter referred to as "JS"). Guangdong Jiangsheng Aluminium is a limited liability company (LLC).**

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).

**[Confidential] 100%.**

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

**N/A.**

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

**N/A.**

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

**See Attachment A-3.5.**

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 you are a producer or manufacturer, distributor, trading company, etc.

**JS is a producer or manufacturer.**

8. If your business does not perform all of the following functions in relation to the goods under consideration, then please provide names and addresses of the companies which perform each function:

- produce or manufacture
- sell in the domestic market
- export to Australia, and
- export to countries other than Australia.

**N/A.**

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

**See Attachment A-3.9.**

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

**No annual reports or Company brochures.**

#### **A-4 General accounting/administration information**

1. Indicate your accounting period.

**From 1<sup>st</sup> January to 31<sup>st</sup> December.**

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

**The company's financial records are held inside at the factory address as per A-1.**

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

- chart of accounts;
- audited consolidated and unconsolidated financial statements (including all footnotes and the auditor's opinion);
- internal financial statements, income statements (profit and loss reports), or management accounts, that are prepared and maintained in the normal course of business for the goods under consideration.

These documents should relate to:

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

**Refer to Attachment A-4.3. JS only has financial documents from 2016 as it took over from TaiAo in late 2015.**

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

**N/A.**

5. Do your accounting practices differ in any way from the generally accepted accounting principles in your country? 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 (eg last in first out –LIFO, first in first out- FIFO, weighted average);

**[Confidential].**

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

**[Confidential].**

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

**[Confidential].**

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

**[Confidential].**

- valuation and revaluation methods for fixed assets;

**[Confidential].**

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

**As above.**

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

**Recorded as financial expenses.**

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

**Recorded as financial expenses.**

- inclusion of general expenses and/or interest;

**Reported in P&L Statement.**

- provisions for bad or doubtful debts;

**Prepared according to accounting rules in China.**

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

**N/A.**

- costs of plant closure;

**N/A.**

- restructuring costs;

**N/A.**

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

**No by-products. Scraps are recycled.**

- effects of inflation on financial statement information.

**N/A.**

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

**N/A.**

**A-5 Income statement**

Please fill in the following table. It requires information concerning all products produced and for the goods under consideration ('*goods under consideration*' (the goods) is defined in the Glossary of Terms in the appendix to this form). You should explain how costs have been allocated.

	Most recent completed financial year (specify)		Investigation period	
	All products	Goods Under Consideration	All products	Goods Under Consideration
<b>Gross Sales (1)</b>				
Sales returns, rebates and discounts (2)				
<b>Net Sales (3=1-2)</b>				
Raw materials (4)				

Direct Labour (5)				
Depreciation (6)				
Manufacturing overheads (7)				
Other operating expenses (8)				
<b>Total cost to make (9=4+5+6+7+8)</b>				
<b>OPERATING INCOME (10=3-9)</b>				
Selling expenses (11)				
Administrative & general expenses (12)				
Financial expenses (13)				
<b>SG&amp;A expenses (14)=(11+12=13)</b>				
<b>INCOME FROM NORMAL ACTIVITIES (15)=(10-14)</b>				
Interest income (16)				
Interest expense (enter as negative) (17)				
Extraordinary gains and Losses – enter losses as negative (18)				
Abnormal gains and losses – enter losses as negative (19)				
<b>PROFIT BEFORE TAX (20)=(15+16+17+18+19)</b>				
Tax (21)				
<b>NET PROFIT (22)=(20-21)</b>				

Note: if your financial information does not permit you to present information in accordance with this table please present the information in a form that closely matches the table.

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

*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.*

**Refer to Attachment A-5.**



**A-6 Sales**

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

	Most recent completed financial year (specify)		Investigation period	
	Volume	Value	Volume	Value
Total company turnover <b>(all products)</b>				
Domestic market				
Exports to Australia				
Exports to Other Countries				
Turnover of the nearest business unit, for which financial statements are prepared, which includes the goods under consideration				
Domestic market				
Exports to Australia				
Exports to Other Countries				
Turnover of the <b>goods under consideration</b>				
Domestic market				
Exports to Australia				
Exports to Other Countries				

Prepare this information in a spreadsheet named "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-6.**

**SECTION B**  
**SALES TO AUSTRALIA (EXPORT PRICE)**

*This section requests information concerning your export practices and prices to Australia. You should include costs incurred beyond ex-factory. Export prices are usually assessed at FOB point, but the Commission may also compare prices at the ex factory level.*

*You should report prices of **all** goods under consideration (the goods) **shipped** to Australia during the investigation period.*

*The invoice date will normally be taken to be the date of sale. If you consider:*

*the sale date is not the invoice date (see 'date of sale' column in question B4 below) and;  
an alternative date should be used when comparing export and domestic prices*

*you **must** provide information in section D on domestic selling prices for a matching period - even if doing so means that such domestic sales data predates the commencement of the investigation period.*

**B-1** For each customer in Australia to whom you shipped goods in the investigation period list:

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

**See attachment B – 1.**

**B-2** For each customer identified in B1 please provide the following information.

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

**In container by boats from Gongyi, river harbour near the company, to Hong Kong, and by vessel from Hong Kong to Australian ports near Customers' premises.**

(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.

- **JS produces the goods and arranges shipping to Australia.**
- **JS pays a management fee to JS Aluminium (Australia) Pty., Ltd. (hereafter referred as "JS Aust.") for its services in facilitating JS's imports into Australia and delivery to its customers. It is considered a post exportation expense and therefore reported in Attachment B-4.**

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

**Almost all exports to Australia are DDP sales.**

**Ownership passes from JS to its Australian Customers according to the incoterms of the sale, ie DDP. JS has ownership when the goods enter Australia.**

- (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 agency or distribution agreement other than that between JS and JS Aust for import facilitation services, which is unwritten.**

- (e) Explain in detail the process by which you negotiate price, receive orders, deliver, invoice and receive payment. If export prices are based on price lists supply copies of those lists.

**Price: JS Aust. acting on behalf of JS negotiates with Customers. The price basis is [Confidential].**

**Orders: Customers place orders with JS Aust who remits them to JS.**

**Delivery: According to order.**

**Invoice: Issued within 2- 3 days after shipment.**

**Payment: [Confidential] after shipment.**

- (f) State whether your firm is related to any of its Australian customers. Give details of any financial or other arrangements (eg free goods, rebates, or promotional subsidies) with the customers in Australia (including parties representing either your firm or the customers).

**N/A.**

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

**Refer to Attachment B-2.**

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

**No.**

**B-4** Prepare a spreadsheet named “Australian sales” listing all shipments (i.e. transaction by transaction) to Australia of the goods under consideration in the investigation period. You must provide this list in electronic format. Include the following export related information:

<b>Column heading</b>	<b>Explanation</b>
Customer name	Names of your customers.
Level of trade	The level of trade of your customers in Australia.
Model/grade/type	Commercial model/grade or type.
Product code	Code used in your records for the model/grade/type identified. Explain the product codes in your submission.
Finish	Aluminium extrusion finish (e.g. mill, painted, powder-coated, anodized, other).
Alloy Code	International Alloy Designation System (IADS) alloy code e.g. 6063 for aluminium used in manufacture.
Temper grade	Aluminium heat temper grade (e.g. T5).
Invoice number	Invoice number.
Invoice date	Invoice date.
Date of sale	Refer to the explanation at the beginning of this section. If you consider that a date <i>other than</i> the invoice date best establishes the material terms of sale, report that date. For example, order confirmation, contract, or purchase order date.
Order number	If applicable, show order confirmation, contract or purchase order number if you have shown a date other than invoice date as being the date of sale.
Shipping terms	Delivery terms e.g. CIF, C&F, FOB, DDP (in accordance with Incoterms)
Payment terms	Agreed payment terms e.g. 60 days=60 etc.
Quantity	Quantity in units shown on the invoice. Show basis e.g. kg.
Quantity (kilograms)	Specify weight in Kg.
Quantity (units/pieces)	If counted in units or pieces, specify units or pieces.
Gross invoice value	Gross invoice value shown on invoice <i>in the currency of sale, excluding taxes.</i>
Discounts on the invoice	if applicable, the amount of any discount deducted on the invoice on each transaction. If a % discount applies show that % discount applying in another column.
Rebates	The amount of any deferred rebates or allowances paid to the importer in the currency of sale.
Other charges	Any other charges, or price reductions, that affect the net invoice value. Insert additional columns and provide a description.
Invoice currency	The currency used on the invoice.
Exchange rate	Indicate the exchange rate used to convert the currency of the sale to the currency used in your accounting system.
Net invoice value in the currency of the exporting country	The net invoice value expressed in your domestic currency as it is entered in your accounting system.
Other discounts	The actual amount of discounts not deducted from the invoice. Show a separate column for each type of discount.
Ocean freight**	The actual amount of ocean freight incurred on each export shipment listed.
Marine insurance	Amount of marine insurance.
FOB export price**	The free on board price at the port of shipment.
Packing*	Packing expenses. This should include any costs associated with using container stillages for export sales.
Inland transportation	Inland transportation costs included in the selling price. For export sales this is the inland freight from factory to port in the country of export.

costs*	
Handling, loading & ancillary expenses*	Handling, loading & ancillary expenses. For example, terminal handling, export inspection, wharfage & other port charges, container tax, document fees & customs brokers fees, clearance fees, bank charges, letter of credit fees, & other ancillary charges incurred in the exporting country.
Warranty & guarantee expenses*	Warranty & guarantee expenses.
Technical assistance & other services*	Expenses for after sale services, such as technical assistance or installation costs.
Commissions*	Commissions paid. If more than one type is paid insert additional columns of data. Indicate in your response to question B2 whether the commission is a pre or post exportation expense having regard to the date of sale.
Other costs/factors*	<b>Any other</b> costs, charges or expenses incurred in relation to the exports to Australia (include additional columns as required). See question B5.

\*\* FOB export price and Ocean Freight:

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 exportation be reported. If estimates must be made you 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 these costs 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 which have not been identified in the table above, add a column (see “other factors” in question B-4) for each item, and provide a description of each item. For example, other selling expenses (direct or indirect) incurred in relation to the export sales to Australia.

**Refer to Attachment B-4.**

**B-6** For each type of discount, rebate, allowance offered on export sales to Australia:

- provide a description; and
- explain the terms and conditions that must be met by the importer to obtain the discount.

Where the amounts of these discounts, rebates etc are not identified on the sales invoice, explain how you calculated the amount shown in your response to question B4. If they vary by customer or level provide an explanation.

**Quantity discounts have been provided to customer [Confidential] since [Confidential] as follows:**

[Confidential]mt    \$[Confidential]/kg  
 [Confidential]mt    \$[Confidential]/kg  
 [Confidential]mt    \$[Confidential]//kg  
 [Confidential]mt    \$[Confidential]/kg

**B-7** If you have issued credit notes (directly or indirectly) to the customers in Australia, in relation to the invoices listed in the detailed transaction by transaction listing in response to question B4, provide details of each credit note if the credited amount has **not** been reported as a discount or rebate.

**Refer to Attachment B-4.**

**B-8** If the delivery terms make you responsible for arrival of the goods at an agreed point within Australia (eg. delivered duty paid), insert additional columns in the spreadsheet for all other costs incurred. For example:

Import duties	Amount of import duty paid in Australia
Inland transport	Amount of inland transportation expenses within Australia included in the selling price
Other costs	Customs brokers, port and other costs incurred (itemise)

**Refer to Attachment B-4.**

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

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

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

**Refer to Attachment B-9.**

**SECTION C  
EXPORTED GOODS & LIKE GOODS**

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

**Refer to Attachment C-3.**

**C-2** List each type of goods exported to Australia (these types should cover all types listed in spreadsheet “**Australian sales**” – see section B of this questionnaire).

**Refer to Attachment B-4.**

**C-3** If you sell like goods on the domestic market, for each type that your company has exported to Australia during the investigation period, list the most comparable model(s) sold domestically;

- and provide a detailed explanation of the differences where those goods sold domestically (ie. the like goods – see explanation in glossary) are not identical to goods exported to Australia.

<b>EXPORTED TYPE</b>	<b>DOMESTIC TYPE</b>	<b>IDENTICAL?</b>	<b>DIFFERENCES</b>
Product code of each model of the goods exported to Australia	Product code of comparable model sold on the domestic market of the country of export	If goods are identical indicate “YES”. Otherwise “NO”	Where the good exported to Australia is not identical to the like goods, describe the specification differences. If it is impractical to detail specification differences in this table refer to documents which outline differences

**Refer to Attachment C-3.**

**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.

**No such material available.**

## SECTION D DOMESTIC SALES

*This section seeks information about the sales arrangements and prices in the domestic market of the country of export.*

*All domestic sales made during the investigation period must be listed transaction by transaction. If there is an extraordinarily large volume of sales data and you are unable to provide the complete listing electronically you **must** contact the case officer **before** completing the questionnaire. If the case officer agrees that it is not possible to obtain a complete listing he or she will consider a method for sampling that meets the Commission requirements. If agreement cannot be reached as to the appropriate method the Commission may not visit your company.*

*The Commission will normally take the invoice date as being the date of sale in order to determine which sales fall within the investigation period.*

*If, in response to question B4 (Sales to Australia, Export Price), you have reported that the date of sale is not the invoice date and you consider that this alternative date should be used when comparing domestic and export prices –*

*you **must** provide information on domestic selling prices for a matching period - even if doing so means that such domestic sales data predates the commencement of the investigation period.*

*If you do not have any domestic sales of like goods you must contact the case officer who will explain the information the Commission requires for determining a normal value using alternative methods.*

### **D-1** Provide:

- a detailed description of your distribution channels to domestic customers, including a diagram if appropriate;
- information concerning the functions/activities performed by each party in the distribution chain; and
- a copy of any agency or distributor agreements, or contracts entered into.

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

**Almost all domestic sales were made to factories and end-user on order-by-order and specifications-by-specifications basis. None are associated with JS. There are no agency or distribution agreements.**

### **D-2** Do your domestic selling prices vary according to the distribution channel identified? If so, provide details. Real differences in trade levels are characterised by consistent and distinct differences in functions and prices.

**Please refer to above.**



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

- the way in which you set the price, receive orders, make delivery, invoice and finally receive payment; and the terms of the sales; and
- whether price includes the cost of delivery to customer.

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

**JS negotiates price with customers on case-by-case basis. As D-4 shows, most sales were delivered to customers, and payments were made after various credit terms. There are no price lists.**

**D-4** Prepare a spreadsheet named “**domestic sales**” listing **all** sales of like goods made during the investigation period. The listing must be provided on a CD-ROM. Include all of the following information.

Column heading	Explanation
Customer name	Names of your customers. If an English version of the name is not easily produced from your automated systems show a customer code number and in a separate table list each code and name.
Level of trade	The level of trade of your domestic customer.
Model/grade/type	Commercial model/grade or type.
Product code	Code used in your records for the model/grade/type identified. Explain the product codes in your submission.
Finish	Aluminium extrusion finish (e.g. mill, painted, powder-coated, anodized, other).
Alloy Code	International Alloy Designation System (IADS) alloy code e.g. 6063 for aluminium used in manufacture.
Temper grade	Aluminium heat temper grade (e.g. T5)
Invoice number	Invoice number.
Invoice date	Invoice date.
Date of sale	Refer to the explanation at the beginning of this section. If you consider that a date <i>other than</i> the invoice date best establishes the material terms of sale, report that date. For example, order confirmation, contract, or purchase order date.
Order number	If applicable, show order confirmation, contract or purchase order number if you have shown a date other than invoice date as being the date of sale.
Delivery terms	Delivery terms eg. ex-factory, free on truck, delivered into store.
Payment terms	Agreed payment terms e.g. 60 days=60 etc.
Quantity	Quantity in units shown on the invoice. Show basis e.g. kg.
Quantity (kilograms)	Specify weight in Kg.
Quantity (units/pieces)	If counted in units or pieces, specify units or pieces.
Gross invoice value	Gross invoice value shown on invoice <i>in the currency of sale, net of taxes.</i>
Discounts on the invoice	If applicable, the amount of any discount deducted on the invoice on each transaction. If a % discount applies show that % discount applying in another column.
Rebates	The amount of any deferred rebates or allowances paid to the customer in the currency of sale.
Other charges	Any other charges, or price reductions, that affect the net invoice value. Insert additional columns and provide a description.

Net invoice value	The net invoice value expressed in your domestic currency as it is entered in your accounting system.
Other discounts	The actual amount of discounts not deducted from the invoice. Show a separate column for each type of discount.
Packing*	Packing expenses.
Inland transportation costs*	Amount of inland transportation costs included in the selling price.
Handling, loading & ancillary expenses*	Handling, loading & ancillary expenses.
Warranty & guarantee expenses*	Warranty & guarantee expenses.
Technical assistance & other services*	Expenses for after sale services, such as technical assistance or installation costs.
Commissions*	Commissions paid. If more than one type is paid insert additional columns of data.
Other costs/factors*	<b>Any other</b> costs, charges or expenses incurred in relation to domestic sales (include additional columns as required). See question D5.

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

**Please refer to Attachment D-4.**

**D-5** If there are any other costs, charges or expenses incurred in respect of the sales listed which have not been identified in the table in question D-4 above add a column for each item (see “other factors”). For example, certain other selling expenses incurred.

**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.

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

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

**N/A.**

**D-7** Select two domestic sales, in different quarters of the investigation period, that are at the same level of trade as the export sales. Provide a complete set of

documentation for those two sales. (Include, for example, purchase order, order acceptance, commercial invoice, discounts or rebates applicable, credit/debit notes, long or short term contract of sale, inland freight contract, bank documentation showing proof of payment.)

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

**Refer to Attachment D-7.**

**SECTION E  
FAIR COMPARISON**

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

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

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

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

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

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

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

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

## E-1 Costs associated with export sales

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

### 1. Transportation

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

**Inland transportation costs are actual costs according to invoices charged by transport companies on container-by-container basis. They are all located in the selling expense account in the general ledger. Amount reported in B-4 is allocated to each transaction (export invoice) by weight.**

### 2. Handling, loading and ancillary expenses

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

The various export related ancillary costs are identified in the table at question B4, for example:

- terminal handling;
- wharfage and other port charges;
- container taxes;
- document fees and customs brokers fees;
- clearance fees;
- bank charges, letter of credit fees
- other ancillary charges.

**Located in the general ledger account as selling expenses and finance expenses. Monthly costs are all allocated to transactions on a weight basis.**

### 3. Credit

The cost of extending credit on export sales is not included in the amounts quantified at question B4. However, the Commission will examine whether a credit adjustment is warranted and determine the amount. Provide applicable interest rates over each month of the investigation period. Explain the nature of the interest rates most applicable to these export sales eg, short term borrowing in the currency concerned.

If your accounts receivable shows that the average number of collection days differs from the payment terms shown in the sales listing, *and if* export prices are influenced by this longer or shorter period, calculate the average number of collection days. See also item 4 in section E-2 below.

The cost of credit included in Attachment B-4 is the number of days of credit/365 x the average short-term credit rate x invoice value. The average S/T RMB borrowing interest rate during the IP was [Confidential]% p.a.

**4. Packing costs**

For packing costs, please:

- List material and labour costs associated with packing the export product;
- Describe how the packing method differs from sales on the domestic market, for each model;
- Specify whether container stillages are used;
- If stillages are used, specify if they are returned to the exporter; and ensure that any costs associated with using stillages are reported in packing costs.

Report the amount in the listing in the column headed '**Packing**'.

**Packing costs include average material and labour costs and the cost of stillages.**

**5. Commissions**

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

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

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

**A commission of [Confidential]% is paid to an agent in relation to export sales.**

**6. Warranties, guarantees, and after sales services**

List the costs incurred. Show relevant sales contracts. Show how you calculated the expenses ("**Warranty & guarantee expenses**" and "**Technical assistance & other services**"), including the basis of any allocations. Include a record of expenses incurred. Technical services include costs for the service, repair, or consultation. Where these expenses are closely related to the sales in question, an adjustment will be considered. Identify the ledger account where the expense is located.

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.

**8. Currency conversions**

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

**Refer to Attachment B-4 which includes exchange rates per our accounting system.**

**E-2 Costs associated with domestic sales**

(These cost adjustments will relate to your responses made at question D-4, “**domestic sales**”)

*The following items are not separately identified in the amounts quantified at question D-4. However you should consider whether any are applicable.*

**1. Physical characteristics**

The adjustment recognises that differences such as quality, chemical composition, structure or design, mean that goods are not identical and the differences can be quantified in order to ensure fair comparison.

The amount of the adjustment shall be based upon the market value of the difference, but where this is not possible the adjustment shall be based upon the difference in cost plus the gross profit mark-up (i.e. an amount for selling general and administrative costs (S G & A) plus profit).

The adjustment is based upon actual physical differences in the goods being compared and upon the manufacturing cost data. Identify the physical differences between each model. State the source of your data.

**N/A.**

**2. Import charges and indirect taxes**

If exports to Australia:

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

the price of like goods must be adjusted downwards by the amount of the taxes and duties.

The taxes and duties include sales, excise, turnover, value added, franchise, stamp, transfer, border, and excise taxes. Direct taxes such as corporate income tax are not included as such taxes do not apply to the transactions.

Adjustment for drawback is not made in every situation where drawback has been received. Where an adjustment for drawback is appropriate you must provide information showing the import duty borne by the domestic sales. (That is, it is not sufficient to show the drawback amount and the export sales quantity to Australia. For example, you may calculate the duty borne on domestic sales by quantifying the total amount of import duty paid and subtracting the duty refunded on exports to all countries. The difference, when divided by the domestic sales volume, is the amount of the adjustment).

In substantiating the drawback claim the following information is required:

- a copy of the relevant statutes/regulations authorising duty exemption or remission, translated into English;
- the amount of the duties and taxes refunded upon *exportation* and an explanation how the amounts were calculated and apportioned to the exported goods;
- an explanation as to how you calculated the amount of duty payable on imported materials is borne by the goods sold *domestically* but is not borne by the exports to Australia;

#### Substitution drawback systems

Annex 3 of the WTO Agreement on Subsidies provides: *“Drawback systems can allow for the refund or drawback of import duties on inputs which are consumed in the production process of another product and where the export of this latter product contains domestic inputs having the same quality and characteristics as those substituted for the imported inputs”*

If such a scheme operates in the country of export adjustments can also be made for the drawback payable on the substituted domestic materials, provided the total amount of the drawback does not exceed the total duty paid.

**N/A.**

### **3. Level of trade**



Question D-4 asks you to indicate the level of trade to the domestic customer. To claim an adjustment for level of trade differences you will need to quantify the amount by which level of trade influences price.

Trade level is the level a company occupies in the distribution chain. The trade level to which that company in turn sells the goods and the functions carried out distinguish a level of trade. Examples are producer, national distributor, regional distributor, wholesaler, retailer, end user, and original equipment.

It may not be possible to compare export prices and domestic prices at the same level of trade. Where relevant sales of like goods at the next level of trade must be used to determine normal values an adjustment for the difference in level of trade may be required where it is shown that the difference affects price comparability.

The information needs to establish that there are real trade level differences, not merely nominal differences. Real trade level differences are characterised by a consistent pattern of price differences between the levels and by a difference in functions performed. If there is no real trade level differences all sales are treated as being at the same level of trade.

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

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

This requires the following information:

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

**or**

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

N/A.

#### 4. Credit

The cost of extending credit on domestic sales is not included in the amounts quantified at question D-4. However, the Commission will examine whether a credit adjustment is warranted and determine the amount. An adjustment for credit is to be made even if funds are not borrowed to finance the accounts receivable.

The interest rate on domestic sales in order of preference is:

- the rate, or average of rates, applying on actual short term 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 accounts receivable shows that the average number of collection days differs from the payment terms shown in the sales listing, and if domestic prices are influenced by this longer or shorter period, calculate the average number of collection days.

Where there is no fixed credit period agreed at the time of sale the period of credit is determined on the facts available. For example, where payment is made using an open account system<sup>1</sup>, the average credit period may be determined as follows:

1. *Calculate an accounts receivable turnover ratio*

This ratio equals the total credit sales divided by average accounts receivable. (It is a measure of how many times the average receivables balance is converted into cash during the year).

In calculating the accounts receivable turnover ratio, credit sales should be used in the numerator whenever the amount is available from the financial statements. Otherwise net sales revenue may be used in the numerator.

An average accounts receivable over the year is used in the denominator. This may be calculated by:

- using opening accounts receivable at beginning of period plus closing accounts receivable at end of period divided by 2, or
- total monthly receivables divided by 12.

---

<sup>1</sup> 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.

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:*

**The costs of credit included in Attachment D-4 is calculated the same as reported above in relation to export sales, i.e. in Section E-1.3.**

5. **Transportation**

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

**Inland transportation costs reported in Attachment D-4 are monthly domestic delivery amounts per General Ledger divided by the monthly sales quantity (kgs).**

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. 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**”.

**Packing costs include average material and labour costs. It is the same for domestic and export sales other than the inclusion of stillages in export sales.**

8. **Commissions**

For any commissions paid in relation to the domestic sales:

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

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

**N/A.**

**9. Warranties, guarantees, and after sales services**

List the costs incurred. Show relevant sales contracts. Show how you calculated the expenses (“**Warranty & Guarantee expenses**” and “**Technical assistance & other services**”), including the basis of any allocations. Include a record of expenses incurred. Technical services include costs for the service, repair, or consultation. Where these expenses are closely related to the sales in question, an adjustment will be considered. Identify the ledger account where the expense is located.

**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. For example:

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

**N/A.**

**E-3 Duplication**

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

For example:

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

Separate adjustment items must avoid duplication.

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

**N/A.**

**SECTION F  
EXPORT SALES TO COUNTRIES OTHER THAN AUSTRALIA  
(THIRD COUNTRY SALES)**

*Your response to this part of the questionnaire may be used by the Commission 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. The Commission may seek more detailed information on particular third country sales where such sales are likely to be used as the basis for determining normal value.*

**F-1 Using the column names and column descriptions below provide a summary of your export sales to countries other than Australia.**

<b>Column heading</b>	<b>Explanation</b>
Country	Name of the country that you exported like goods to over the investigation period.
Number of customers	The number of different customers that your company has sold like goods to in the third country over the investigation period.
Level of trade	The level of trade that you export like goods to in the third country.
Quantity	Indicate quantity, in units, exported to the third country over the investigation period.
Unit of quantity	Show unit of quantity eg kg
Value of sales	Show net sales value to all customers in third country over the investigation period
Currency	Currency in which you have expressed data in column SALES
Payment terms	Typical payment terms with customer(s) in the country eg. 60 days=60 etc
Shipment terms	Typical shipment terms to customers in the third country eg CIF, FOB, ex-factory, DDP etc.

Supply this information in spreadsheet file named "Third country"

**Please 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.**

**Types of extrusions, shipping terms, payment terms, market prices.**

## SECTION G COSTING INFORMATION AND CONSTRUCTED VALUE

*The information that you supply in response to this section of the questionnaire will be used for various purposes including:*

- testing the profitability of sales of like goods on the domestic market;*
- determining a constructed normal value of the goods under consideration (the goods) - ie of the goods exported to Australia; and*
- making certain adjustments to the normal value.*

*You will need to provide the cost of production of both the exported goods (the goods) and for the like goods sold on the domestic market. You will also need to provide the selling, general, and administration costs relating to goods sold on the domestic market; the finance expenses; and any other expenses (eg. non-operating expenses not included elsewhere) associated with the goods.*

*In your response please include a worksheet showing how the selling, general, and administration expenses; the finance expenses; and any other expenses have been calculated.*

*If, in response to question B4 (Sales to Australia, Export Price) you:*

- reported that the date of sale is not the invoice date and consider that this alternative date should be used when comparing domestic and export prices, and*
- provided information on domestic selling prices for a matching period as required in the introduction to Section D (Domestic Sales)*

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

*At any verification meeting you must be prepared to reconcile the costs shown to the accounting records used to prepare the financial statements.*

### **G-1. Production process and capacity**

1. Describe the production process for the goods. Provide a flowchart of the process. Include details of all products manufactured using the same production facilities as those used for the goods. Also specify all scrap or by-products that result from producing the goods.

**Please refer to Attachment G-1 .**

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

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

\* rather than showing a 'name-plate' optimal capacity it is more meaningful to show the maximum level of production that may reasonably be attained under normal operating conditions. For example assuming: normal levels of maintenance and repair; a number of shifts and hours of operation that is not abnormally high; and a typical production mix.

Provide this information on a spreadsheet named "**Production**".

**Refer to Attachment G-2.**

**G-3. Cost accounting practices**

1. Outline the management accounting system that you maintain and explain how that cost accounting information is reconciled to your audited financial statements.

**JS uses a computerised accounting system. Accounting software is JS's accounting information system. Cost accounting information and financial statements are from the same data base.**

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

**JS uses actual cost accounting system.**

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.

**[Confidential].**



5 For each profit/cost centre describe in detail the methods that your company normally uses to allocate costs to the goods under consideration. In particular specify how, and over what period, expenses are amortised or depreciated, and how allowances are made for capital expenditures and other development costs.

**[Confidential].**

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

**[Confidential].**

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

**N/A.**

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.<sup>2</sup>*

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

	Quarter X	Quarter X	Quarter X	Quarter X	Investigation Period
<b>Like Domestic Model/Type – from spreadsheet LIKE GOOD (section C-3)</b>					
<b>Product finish<sup>4</sup></b>					
Material Costs <sup>1</sup>					
Direct Labour					
Manufacturing Overheads					
Other Costs <sup>2</sup>					

<sup>2</sup> The Commission 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.

<b>Total Cost to Make</b>					
Production Volume					
<b>Unit Cost to Make</b>					
Selling Costs					
Administration Costs					
Financial Costs					
Delivery Expenses <sup>3</sup>					
Other Costs <sup>3</sup>					
<b>Total SG&amp;A</b>					
Sales Volume					
<b>Unit SG&amp;A</b>					
<b>Unit Cost to Make and Sell</b>					

<sup>1</sup> Identify each cost separately. Include indirect material costs as a separate item only if not included in manufacturing overheads.

<sup>2</sup> Relating to costs of production only; identify each cost separately.

<sup>3</sup> Identify each cost separately. Please ensure non-operating expenses **that relate to the goods under consideration** are included. Where gains/losses due to foreign currency exchange are incurred, please provide detail of the amounts separately for transaction and translation gains/losses.

<sup>4</sup> Aluminium extrusion product finish e.g. mill, painted, powder-coated

*Provide this information for each quarter (or month if your company calculates costs on a monthly basis) and over the period of the investigation.*

*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.*

*Please specify unit of currency.*

**Refer to Attachment G-3.**

- 2 Indicate the source of cost information (account numbers etc) and/or methods used to allocate cost to the goods. Provide documentation and worksheets supporting your calculations.

**The source of cost is from company cost system.**

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

*The information is relevant to calculating the normal values based on costs. It is also relevant to calculating certain adjustments to the normal value.*

- 1 Prepare this information in a spreadsheet named "**Australian CTMS**".

	Quarter X	Quarter X	Quarter X	Quarter X	Investigation Period
<b>Model/Type exported to Australia – from spreadsheet LIKEGOOD</b>					
<b>Product finish<sup>4</sup></b>					
Material Costs <sup>1</sup>					
Direct Labour					
Manufacturing Overheads					
Other Costs <sup>2</sup>					
<b>Total Cost to Make</b>					
Production Volume					
<b>Unit Cost to Make</b>					
Selling Costs					
Administration Costs					
Financial Costs					
Delivery Expenses <sup>3</sup>					
Other Costs <sup>3</sup>					
<b>Total SG&amp;A</b>					
Sales Volume					
<b>Unit SG&amp;A</b>					
<b>Unit Cost to Make and Sell</b>					

<sup>1</sup> Identify each cost separately. Include indirect material costs as a separate item only if not included in manufacturing overheads.

<sup>2</sup> Relating to costs of production only; identify each cost separately.

<sup>3</sup> Identify each cost separately. Please ensure non-operating expenses **that relate to the goods** are included. Where gains/losses due to foreign currency exchange are incurred, please provide detail of the amounts separately for transaction and translation gains/losses.

<sup>4</sup> Aluminium extrusion product finish e.g. mill, painted, powder-coated

*Provide this information for each quarter (or month if your company calculates costs on a monthly basis) and over the period of the investigation.*

*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.*

*Please specify unit of currency.*

**Refer to Attachment G-4.**

- 2 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.

**Costs vary according to product characteristics, whether for domestic or export sale.**

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

**The costs shown in Attachments G-3 and G-4 on a product classification basis are calculated from the costs according to JS's cost accounting system which is on a production process basis.**

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

**Allocation method used does not differ from prior practice.**

## **G-6 Major raw material costs**

List major raw material costs, which individually account for 10% or more of the total production cost.

### **Aluminium ingot.**

For these major inputs:

- identify materials sourced in-house and from associated entities;

**N/A.**

- identify the supplier; and

**Please refer to part H-4.**

- show the basis of valuing the major raw materials in the costs of production you have shown for the goods (eg market prices, transfer prices, or actual cost of production).

**Materials are purchased at market prices.**

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

**N/A.**

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).

**Noted.**

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.

**Noted.**

**Important note: If the major input is sourced as part of an integrated production process you should provide detailed information on the full costs of production of that input.**

**N/A.**

## SECTION H

### Particular Market Situation

*Capral in their application alleges that the market situation identified in prior investigations, reviews and inquiries for aluminium extrusions in relation to China, continues in 2016/2017.*

*This investigation will investigate whether there is a situation within the domestic Chinese aluminium extrusions market that renders sales within that market unsuitable for determining normal values under s.269TAC(1) of the Customs Act (i.e. that a 'particular market situation' exists in that market).*

*Information requested in this section will assist the Commission in its assessment.*

*The existence of a 'market situation' could affect the Commission's approach to calculating normal value within its dumping assessment.*

*In broad terms, it is generally the case that the normal value of the goods is the price paid for like goods sold for home consumption in the country of export. One of the exceptions to using domestic selling prices for this purpose provides that the domestic selling prices are not an appropriate basis for normal value if the Minister is satisfied that a situation in the market has rendered domestic selling prices unsuitable for establishing normal values (i.e. a 'particular market situation' exists).*

*One of these situations may be where the domestic selling prices in the country of export have been materially affected by government influence rendering those prices unsuitable for use in establishing normal values.*

*Through this questionnaire, the Commission is providing producers/exporters of the subject goods in China the opportunity to supply evidence that the sector under investigation is operating under competitive market conditions.*

*It may be necessary for the Commission to request additional information following receipt and review of your response.*

There are three parts to this section:

- PART H-1 - Requests information concerning the organisation of your company and the Government of China's (GOC's) involvement in the business of your company.
- PART H-2 - Requests information concerning the GOC's measures with respect to the aluminium industry in China.
- PART H-3 - Requests information concerning the aluminium extrusions sector in the region where your company is located.
- PART H-4 - Requests information concerning your company's aluminium raw material purchases.

## PART H-1 General information

The information requested in this part will provide an overview of your corporate organisation and the GOC's involvement in your business. In addition to your response to each of the questions, all necessary supporting documentation is requested.

1. Specific questions are asked throughout this questionnaire in relation to the GOC's interaction with your businesses.

However, please generally describe all interaction that your business has with the GOC at all levels, including (but not limited to):

- a) reporting requirements;

**No requirements**

- b) payment of taxes;

**JS has followed the National Tax Rules & Regulations.**

- c) senior management representation within your business;

**No.**

- d) approval/negotiation of business decisions (e.g. investment decisions, management decisions, pricing decisions, production decisions, sales decisions);

**No.**

- e) licensing;

**Business License.**

- f) restrictions on land use;

**Industrial purpose.**

- g) provision of loans; or

**No.**

- h) provision of grants, awards or other funds.

**No.**

2. **Business structure, ownership and management**

- a) Indicate whether your company is an State owned Enterprise (SOE) (refer to the Glossary of Terms for definition).

**No.**

- b) List the Board of Directors and Board of Shareholders of your business and all other entities/businesses your business is related to.

Indicate the names of common directors and officers between yours and related businesses, where applicable.

**N/A.**

- c) Are any members of your business' (and/or all other entities your business is related to) Board of Directors or Board of Shareholders representatives, employees, or otherwise affiliated with the GOC (at any level, from any agency, party, or otherwise associated entity, including State-Owned Assets Supervision and Administration Commission (SASAC))?

**No.**

If so, identify the individuals, their role on that Board and their affiliation with the GOC.

- d) Does your business' (and/or all other entities your business is related to) Board of Directors or Board of Shareholders have a representative from the Chinese Communist Party (CCP)? If so, identify their name and title and indicate their position at the board level.

**No.**

- e) Are any members of your business' (and/or all other entities your business is related to) Board of Directors or Board of Shareholders appointed, managed or recommended by the GOC? If so, identify the government department(s) they represent.

**No.**

- f) Indicate who owns what percentage of all shares in your business and identify whether they are:

**Please refer to Attachment A-3.2.**

- an affiliate, representative, agency or otherwise representative of the GOC; **No**
- employees of your business; **Yes**
- foreign investors; or **No**
- other (please specify). -

- g) Provide the details of any significant changes in the ownership structure of your business during the investigation period.

**None.**



- h) Identify any positions within your business that are appointments or designated to act on behalf of GOC authorities.

**None.**

- i) Explain whether there are requirements in law and in practice to have government representation at any level of your business. If there is such a requirement, explain the role of government representatives appointed to any level of your business.

**No.**

- j) If your business is a publicly-traded company, what are the rules regarding the issuance of shares by your business? Identify any stock exchanges on which your business is listed.

**No.**

- k) Provide the monthly trading volume and average monthly trading price of your listed security between 1 October 2016 to 30 September 2017.

**N/A.**

- l) Who has the ability to reward fire or discipline your business' senior managers?

**The board of Directors.**

- m) Do any of your company's senior managers hold positions in any GOC departments or organisations, associations or Chambers of Commerce? If so describe the nature of these positions.

**No.**

- n) Provide the names and positions of your company's pricing committee.

**[Confidential], General Manager of JS.**

### **3. Licencing**

- a) Provide a copy of your business licence(s).
- b) Identify the GOC departments or offices responsible for issuing the licence(s).
- c) Describe the procedures involved in applying for the licence(s).

**Refer to (d) hereunder.**

- d) Describe any requirements or conditions that must be met in order to obtain the licence(s).

**Please refer to Attachment H-1.3. The license was issued by Taishan Administration for Industry and Commerce. As a Limited Liability Company (Natural Person Investment), JS must present the administration of the identifications of investor(s), the articles of association, certificate of capital investment issued by certified public accountant which must contain bank statement and approval by State Administration for Industry and Commerce.**

- e) Describe and explain any restrictions imposed on your business by the business licence(s).

**Refer to (g) hereunder.**

- f) Describe any sanctions imposed on your business if you act outside the scope of your business licence(s).

**Refer to (g) hereunder.**

- g) Describe and explain any rights or benefits conferred to your business under the licence(s).

**Business license is sole legitimate certificate for a company to engage in business operation. Companies shall run business within the business scope defined by the license. In its operation, JS is often asked to present the license to prove its standing, such as conclusion of agreements with others, payment of taxes and making customs declaration etc. Sanctions are imposed for abusing licenses as described below.**

- h) Describe the circumstances under which your business licence(s) can be revoked, and who has the authority to revoke the licence(s).

**The authorities may also, in light of the circumstances, penalise a registered enterprise by warning, fine, confiscation of illegal earnings, suspension of business, or revoking the Business License, if it is involved in any of the following activities:**

- (1) concealing the true situation and resorting to deception in the course of registration or starting operations before the approval of its registration;**
- (2) altering major items in the registration without permission or engaging in business operations beyond the scope of business as approved in the registration;**
- (3) failing to cancel the registration according to the applicable rules or failing to submit the renewal report or receive the annual renewal;**
- (4) forging, altering, leasing, lending, transferring, selling or reproducing the Business License for Enterprise as a Legal Person or its duplicates without permission;**
- (5) withdrawing or transferring capital, concealing assets or eluding liabilities;**
- (6) engaging in illegal business operations.**

**4. Decision-making, planning and reporting**

- a) Provide a description of your business' decision-making structure in general and in respect of aluminium products. This should identify the persons or bodies primarily responsible for deciding:
- (i) what goods are produced;
  - (ii) how the goods are produced;
  - (iii) how levels of inputs such as raw materials, labour and energy are set and secured;
  - (iv) how the use of your outputs, such as how your product mix is determined; and
  - (v) how your business' profit is distributed

**As a Limited Liability Company wholly owned by [Confidential], the JS board of directors make business decisions. The board of directors which includes [Confidential], General Manager of JS, makes business plan and decision of all aspect of company operation.**

- b) Provide a description of any GOC input into the decision-making process about your manufacture, marketing and sale of aluminium products.

**No government input at all to the decision-making process in JS.**

- c) Provide a list of all government departments/offices that are involved, either directly or indirectly, in your manufacture, sale or purchase of aluminium products.

**Not applicable.**

- d) List and describe all reports that must be submitted to the GOC periodically by your company, and identify the government department/office where each report is filed.

**Like any other companies, JS has to submit financial statements to Taishan tax bureau and Taishan administration for industry and commerce.**

- e) If not previously provided, provide a copy of the last two Provincial/City Five Year Plans (including the appendices) for the province/city in which your business is located, whichever is applicable. The copies should be fully translated including the appendices, along with the original Chinese version.

**JS has no such business Five Year Plans, nor is it aware of the existence of such plans.**

- f) Does your business develop any five-year plans or similar planning documents? If so, provide copies of these plans and advise whether these

plans have been submitted, reviewed or approved by the GOC (including the National Development and Reform Commission).

**JS has no such plan.**

- g) Provide copies of the minutes of your Board of Directors and Board of Shareholders meetings over the investigation period.

**There were no shareholders meetings over the investigation period.**

- h) Provide copies of the notes to company meetings where pricing decisions on aluminium products have been made over the investigation period.

## **PART H-2 GOC measures in the aluminium sector**

The information requested in this part will allow for a better understanding of the GOC's measures in respect of aluminium in China. In addition to your response to each of the questions, all necessary supporting documentation is requested.

1. Were there any GOC opinions, directives, decrees, promulgations, measures, etc. concerning the aluminium industry/sector that were put in place or operating during the investigation period?

**JS is not aware of the above.**

If yes, please provide a copy of that documentation and a translation as well. Also provide documentation concerning the GOC or any association of the GOC's notification of the measures concerning aluminium to your company over the investigation period.

2. Provide information concerning the name of any GOC departments, bureaus or agencies responsible for the administration of all GOC measures concerning the aluminium industry in the regions, provinces or special economic zones where your company is located.

Ensure that your response includes contact information regarding the following areas:

- industrial policy and guidance on the aluminium industry sector;
- market entry criteria for the aluminium industry sector;
- environmental enforcement for the aluminium industry sector;
- management of land utilisation;
- the China Banking Regulatory Commission for the aluminium industry sector;
- investigation and inspection of new aluminium expansion facilities;
- the section in the National Development and Reform Commission that is responsible for the aluminium industry sector; and
- import licensing for aluminium and other aluminium raw materials.

**JS is merely a manufacturing plant, without attention to policy-makers in governmental departments, particularly in the central government. To its best knowledge, JS assumes that Bureau of Development and Reform in Taishan, where JS is located, and Bureau of Economic and Trade of Taishan, as well as their superior counterparts in Provincial Municipality, are responsible for policy concerning aluminium industry. JS has no more idea about specific departments at provincial and central government levels.**

3. **Other government approvals**

The following questions address the approvals that are necessary from various GOC agencies, including the National Development and Reform Commission, in order to continue or initiate aluminium investments.

- a) Explain whether your company has undertaken an approval process through the GOC for any aluminium or aluminium related investments in the last 10 years.
- b) Explain whether any applicable investments received the necessary approval and if so, provide documentation confirming this approval.
- c) If your investment was not approved, provide the reasons given for the refusal.
- d) Describe the process your company has to follow to obtain these approvals.
- e) Provide a translated copy of the application form along with the original Chinese version.
- f) Identify the office that sent communication of these requirements to your company along with the office address, contact names, phone numbers and fax numbers.

**N/A.**

#### **4. The restructure of the aluminium industry in China**

The Commission is aware of the GOC's *Guidelines on tackling severe overcapacity problem*. The following questions relate to these guidelines:

- a) Explain in detail if there were any directives or measures from the GOC that have been communicated to your business since the inception of these guidelines?
- b) Identify the Government department, association or company official that communicated these guidelines or any related measures to your business.
- c) Identify the Government department, association or company and names of officials who are responsible for the administration of these guidelines.
- d) Explain in detail how these guidelines have or might impact on your business. This may include reference to specific measures considered or taken by your business. Such items may include but are not limited to items such as project approval process, credit and loans terms (including any preferential interest rates), the environmental issues, discounted rate of energy and raw materials (aluminium, pre-alloyed product etc).
- e) Explain any on-going mechanism used by the GOC to measure your business compliance with the policy directives and/or guidelines.

**JS has no involvements in such practice.**

### **PART H-3 The aluminium extrusions sector**

The information requested in this part will assist in providing a better understanding of the GOC measures and your business' sales and production of aluminium extrusions.

In addition to your narrative response to each of the questions, all necessary supporting documentation is requested.

**1. Export quotas and licensing**

- a) Are aluminium extrusions sold by your company subject to any export quotas?

If so, explain why aluminium extrusions are subject to quotas and the method by which the quotas are allocated.

**No.**

Does this process involve any GOC participation in determining the selling prices of the goods? If so, explain.

**N/A.**

- b) If Aluminium extrusions are not presently subject to export quotas, indicate if quotas existed during the investigation period and when and why they were removed.

**No.**

- c) Identify the GOC agency which legislates and monitors any such quotas.

**N/A.**

- d) Has the GOC set any targets or limits regarding the quantity of aluminium extrusions that you may sell on the domestic or export markets? If so, provide details.

**No.**

- e) Are there any export licence requirements for aluminium extrusions? If so, provide details.

**No.**

**2. Taxation**

- a) Were there any export taxes on the exports of aluminium extrusions during the investigation period?

**No export tax was paid by JS on its exports to Australia during the investigation period.**

- b) What was the value-added tax (VAT) rebate applicable to Aluminium extrusions exports during the investigation period?

**13%.**

- c) Have there been any changes to the VAT rebate applicable to aluminium exports in the last 5 years? If yes, provide:

- i. a detailed chronological history of the VAT rebate rates;
- ii. products affected;
- iii. the effective dates of the rate changes;
- iv. fully translated copies of any GOC notices regarding these changes, including the relevant appendices.

**No.**

- d) Are you aware of any tax changes being planned that would impact the aluminium extrusions sector?

**No.**

### **3. Sales terms**

- a) Identify the person who authorises the sales terms, prices and other contract provisions for the sale of aluminium extrusions by your business.

**[Confidential], General Manager of JS.**

- b) Explain how the selling prices of aluminium extrusions by your business are determined, including any GOC involvement in your business' pricing decisions, and indicate if the goods are subject to GOC direct or indirect pricing or government guidance pricing.

**JS sets selling price based on cost and commercial considerations. The whole price-setting process has no intervention from government.**

- c) Does your business coordinate the selling prices or supply of aluminium extrusions with other domestic aluminium and aluminium product producers, any GOC departments, or the China Iron and Aluminium Association? If so, provide details.

**No.**

- d) Explain whether your business provides aluminium extrusions price information/data to the GOC, other government officials or commercial/industry organisations, including those outside of China, which report on the aluminium sector.

**No.**



- e) Explain whether your business provides aluminium extrusions price data to any other person at the provincial, regional or special economic zone level of government.

**No.**

**5. Industry associations**

- a) Is your business a member of any industry associations? If so, explain your business' relationship with the association/s and the involvement of the GOC with the association/s.

**No.**

- b) If your business is a member of an industry association, indicate whether this membership is voluntary or compulsory. Explain the functions that the association provides for your business. Explain in detail the role of the association with respect to the directives as provided by the GOC concerning the aluminium industry.

**N/A.**

**6. Statistics submission/recording**

- a) Indicate if your business makes submissions<sup>3</sup> to the Chinese Bureau of Statistics and/or any other government organisation. If yes, explain the purpose of these submissions and the type of information submitted.

**Please refer to response to H-1.4 (d) above.**

- b) Provide a recent example of a submission that has been made to the Chinese Bureau of Statistics and/or any other government organisation. For example, monthly data relating to sales, production and costs.

**N/A. (No Annual Business License Renewal is required now).**

- c) Do the organisations approve or assess your submission? If yes, provide a detailed explanation.

**N/A.**

- d) Do the organisations provide feedback on your submission? If yes, provide a detailed explanation.

**N/A.**

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<sup>3</sup>For example, monthly data relating to sales, production and costs.

**7. Manufacturing inputs**

- a) Is there a price difference in purchase price for raw materials (i.e. aluminium or other raw material) between your suppliers?

**Yes, apart from the spot price which is available publicly, each supplier will quote slightly different premium.**

- b) Is there a price difference between purchase price of raw materials from SOEs and non-SOEs? Provide explanation.

**N/A.**

***Note: Further questions regarding primary aluminium supply and pricing are asked in Section I of this questionnaire. Your responses to these questions are relevant to the assessment of whether a market situation exists. Please ensure responses to these questions are complete.***

- c) If your supplier is based outside China, what import duty rate is applied on the raw materials (i.e. aluminium or other raw material)?

**N/A.**

- d) Does your business benefit from any concession on the purchase of any utility services (e.g. electricity, gas,,etc) ? If so explain the nature and the amount of the concession?

**Yes, there was a direct electricity supply concession applied before Jan, 2017 in the I.P, the flat rate was RMB [Confidential] per kWh. Our current rate is based on market fluctuation which could be lower or higher than the flat rate.**

**8. Regional differences**

- a) If you have production facilities in more than one region/province, are the laws and regulations in each region the same with respect to pricing? Provide details on any regional differences.

**N/A.**

**9. Aluminium extrusions production/output during the investigation period**

- a) Is any part of your production of aluminium extrusions subject to any national/regional industrial policy or guidance? If so, provide details including a background of the policy/guidance and explain any restriction imposed by the policy/guidance.

**No.**

- b) To what extent are any of the policies/guidelines identified in a) applicable to your business?

**N/A.**

- c) Where applicable, how did your business respond to the policies/guidelines?

**N/A.**

- d) Provide details regarding any other restrictions (e.g., geographic/regional, downstream, use, etc.) to the sale of aluminium extrusions that may be imposed by the GOC.

**N/A.**

**10. Sales price during the investigation period**

- a) Explain whether your business has been subjected to any direct or indirect price guidance or controls by the GOC during the investigation period, with respect to domestic aluminium prices.

**No.**

- b) Explain whether your business has been subjected to any direct or indirect price guidance or controls by the GOC during the investigation period, with respect to raw material inputs (i.e. aluminium, etc.).

**No.**

- c) Explain whether your business has encountered any price guidance or controls established by regional, provincial or special economic zone officials and/or organisations.

**No.**

**11. Adding capacity and/or joint ventures**

- a) Provide a detailed explanation with respect to the government approval process for adding capacity and/or joint ventures in relation to your business.

- b) **N/A. JS has not increased its capacity with respect to the government approval process. It is a Limited Liability Company rather than a joint venture.**

- c) Does the government have the right to request modifications in the terms of adding capacity and/or joint ventures? If yes, provide a detailed explanation.

**N/A.**

**PART H-4 Aluminium Raw Material Purchases**

Please provide a line by line of list of all aluminium raw material purchases during the investigation period (1 July 2016 to 30 September 2017). Prepare this information in a spreadsheet named "H-4 Aluminium Purchases"

Please refer to Attachment H-4.

**SECTION I  
EXPORTER'S DECLARATION**

I hereby declare that..Guangdong Jiangsheng Aluminium Co. Ltd. (company) 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 :....Roger Simpson.....

Signature :..........

Position in

Company: .....Consultant.....

Date: .....4 December 2017 .....

## SECTION I CHECKLIST

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

<b>Section</b>	Please tick if you have responded to all questions
Section A – general information	<input checked="" type="checkbox"/>
Section B – export price	<input checked="" type="checkbox"/>
Section C – like goods	<input checked="" type="checkbox"/>
Section D – domestic price	<input checked="" type="checkbox"/>
Section E – fair comparison	<input checked="" type="checkbox"/>
Section F – exports to third countries	<input checked="" type="checkbox"/>
Section G – costing information	<input checked="" type="checkbox"/>
Section H – market Situation	<input checked="" type="checkbox"/>
Section I – declaration	<input checked="" type="checkbox"/>

<b>Electronic Data</b>	Please tick if you have provided spreadsheet
<b>INCOME STATEMENT</b>	<input checked="" type="checkbox"/>
<b>TURNOVER</b> – sales summary	<input checked="" type="checkbox"/>
<b>AUSTRALIAN SALES</b> – list of sales to Australia	<input checked="" type="checkbox"/>
<b>DOMESTIC SALES</b> – list of all domestic sales of like goods	<input checked="" type="checkbox"/>
<b>THIRD COUNTRY</b> – third country sales	<input checked="" type="checkbox"/>
<b>PRODUCTION</b> – production figures	<input checked="" type="checkbox"/>
<b>DOMESTIC COSTS</b> – costs of goods sold domestically	<input checked="" type="checkbox"/>
<b>AUSTRALIAN COSTS</b> – costs of goods sold to Australia	<input checked="" type="checkbox"/>
<b>ALUMINIUM PURCHASES</b> – purchases of aluminium for 1 July 2016 to 30 September 2017	<input checked="" type="checkbox"/>

## APPENDIX GLOSSARY OF TERMS

This glossary is intended to provide you with a basic understanding of technical terms that appear in the questionnaire.

### **Adjustments**

To enable a fair comparison between the export price and the normal value Australian legislation provides for the adjustment of the domestic price paid for like goods. Adjustments are made to account for sales occurring at different times, specification differences, and differences in the terms or circumstances of the sales. The adjustment to the normal value may be upward or downward. Areas where you believe an adjustment is necessary should be identified. Section E of the questionnaire refers.

Examples of adjustments that may be made include: *sales occurring at different times* (it is sometimes necessary to compare domestic and export sales made at different times - in these circumstances an adjustment may be made to reflect price movements during that time); *specification differences; packaging; taxes; level of trade; advertising; servicing/warranty; inland freight; warehousing; export charges; credit terms; duty drawback; commissions.*

Adjustments may also be required where the normal value is based upon costs to make and sell.

### **Arms length**

Sales are not considered to be at "arms length" on your domestic market if there is any consideration payable for the goods other than their price, or there is an association between the buyer and the seller which affects the price, or there will be a reimbursement, compensation or benefit for, or in respect of, the price.

### **Constructed value**

In cases where domestic prices paid for the goods under consideration in the country of export cannot be used for the determination of normal value, ie. when there are no or insufficient sales or where such sales were not made in the ordinary course of trade, normal value may be based on a constructed value. Constructed value is calculated on the basis of the cost of production of the goods under consideration plus a reasonable amount for selling, general and administration costs, and for profits, that are associated with sales on the domestic market of the country of export.

### **Cost of production/manufacturing**

The cost of production or manufacture consists of all manufacturing costs associated with the goods. It is the sum of direct materials, direct labour and factory overheads.

## **Cost to make and sell**

The cost to make and sell is the sum of the cost of production or manufacture, and the selling, general and administration costs associated with the sale of those goods.

## **Country of origin**

The country in which the last significant process in the manufacture or production of the goods was performed.

## **Date of sale**

The Commission will normally use the invoice date as recorded in the exporter or producer's records. Another date may be used if this better reflects the material terms of sale. The questionnaire directs attention to matching data sets of domestic and export sales where some other date is used, as well as matching cost information.

## **Direct labour cost**

Direct labour is categorised as a variable cost, ie. the value varies with the level of production.

## **Dumping**

Dumping occurs when the products of one country are exported to another country at a price less than their normal value.

## **Dumping margin**

Where the export price is less than the normal value the dumping margin is the amount of the difference. It can be expressed as a value or as a percentage of the export price.

## **Export price**

The export price of the goods is usually the price paid or payable to the exporter in arms length transactions, in most instances calculated at the Free on Board (FOB) level.

## **Exporting country**

The country of export is normally the country of origin from which the goods are shipped. The country of export may be an intermediate country, except where the products are merely transhipped through that country, or the products concerned are not produced in that country, and there is no comparable price in that country.

## **Factory overheads**

Factory overheads consist of variable costs eg. power, supplies, indirect labour and fixed costs eg. factory rent, factory insurance, factory depreciation etc.

## Goods under consideration (the goods)

The goods to which the application for anti-dumping action relates. That is, the goods that you have exported to Australia allegedly at dumped prices.

## Incoterms

The following abbreviations are commonly used (comment is provided concerning costs that are normally borne by the seller):

EXW	ex works (the seller's minimum obligation as costs relate to goods being made available at the sellers premises)
FCA	free carrier (main carriage not paid by seller. Pay costs until such time that the goods have been delivered at the named point into custody of a carrier named by the seller. Customs formalities, taxes etc paid if required)
FAS	free alongside ship (main carriage not paid by seller. Deliver the goods alongside the ship)
FOB	free on board (main carriage not paid by seller. Deliver the goods on board, provide export clearance if required, pay loading costs to the point the goods have passed the ship's rail, pay customs formalities, taxes etc payable upon exportation)
CFR	cost and freight (main carriage paid by seller. Pay all costs until delivered as well as freight, loading and unloading, pay customs formalities, taxes etc payable upon exportation)
CIF	cost, insurance and freight (main carriage paid by seller. Pay all costs as under CFR as well as marine insurance) the terms CFR and CIF are only used where goods are carried by sea or waterway transport
CPT	carriage paid to
CIP	carriage and insurance paid to the terms CPT and CIP are used as alternatives to CFR and CIF where the goods are carried by air, road, rail etc
DAF	delivered at frontier (goods carried by rail or road and cleared for export at the named place at the frontier. Pay costs until delivered at the frontier plus any discharge costs incurred to place the goods at the customers disposal)
DES	delivered ex ship (goods made available to the buyer on board the ship uncleared for import at the named port of destination. Pay all costs incurred in placed at the disposal of the buyer, pay customs formalities, taxes etc payable upon exportation, and where necessary for transit through another country)
DDU	delivered duty unpaid (Pay all costs for carriage to the agreed point, pay customs formalities, taxes etc payable upon exportation, and where necessary for transit through another country)
DDP	delivered duty paid (goods made available at the named place in the country of importation – all risks and costs being incurred by the seller including duties, taxes etc incurred upon importation)



## **Investigation period**

A period defined by the Commission over which importations of the goods are examined.

## **Like goods**

Like goods are goods sold on the domestic market of the country of export (or to a third country) that are identical in all respects to the goods under consideration or that, although not alike in all respects have characteristics closely resembling those of the goods under consideration. The term 'like goods' also refers to the goods produced by the Australian industry allegedly being injured by dumped imports.

## **Normal value**

Australian legislation sets out several ways to assess "normal value".

The preferred method is to use the price paid for like goods sold for domestic consumption in the country of export. Usually, these sales are made by you, but there may be circumstances where it is appropriate to use sales made by other sellers on the domestic market.

Sale prices must be at arms length and in the ordinary course of trade. In the absence of relevant or suitable domestic sales, the normal value may be determined by constructing a price based upon all costs to make and sell the goods. Profit may also be included if the sales on the domestic market are profitable. Alternatively the normal value may be ascertained using the price paid for like goods sold in the ordinary course of trade at arms length to customers in a country other than Australia, however this option is rarely used.

Finally, when a normal value cannot be ascertained by any of the above methods, or if no information is provided, the Commission will determine the normal value by considering all the relevant information, including the applicant's information. This allows the applicant's information to be used where sufficient information has not been furnished or is not available.

Where domestic price generally, and the trade of the exporting country are determined or substantially influenced by the government of the exporting country, an alternative/surrogate market economy is selected by the Commission and the normal value is determined as if the surrogate country were the export source.

## **Ordinary course of trade**

Testing for "ordinary course of trade" includes a comparison of the selling price and the unit cost to make and sell for the same period. If sales in respect of a substantial quantity of goods over an extended period of time, usually 12 months, do not recover all costs and these losses are not likely to be recovered within a reasonable period of time, (again usually 12 months) then the sales are regarded as being not in the ordinary course of trade.

There may be circumstances where it is appropriate to use a period other than 12 months in assessing whether sales are in the ordinary course of trade.

Unprofitable sales are to be taken to have occurred in substantial quantities during an extended period where the unprofitable sales amount to 20% or more of the total volume of sales of the goods by the exporter over the period. An extended period of time is usually taken to be a period not less than 12 months. Where unprofitable sales are rejected, normal value is based upon remaining profitable sales provided they occur in sufficient number. Where all sales have been made at a loss, or profitable sales are insufficient, the normal value may be constructed from costs to make and sell.

### **Selling, general and administration expenses (SG&A)**

The selling, general and administration expenses includes all selling, distribution, general and administration expenses including finance costs that would be incurred if the goods were sold for domestic consumption in the country of export. The amounts are determined in each case using all the available information and may include expenses incurred in:

- . domestic sales of like goods;
- . sale of goods of the same general category by the exporter; or
- . sales in the industry in the country of export.

The expenses must, however, reflect the selling, general and administration costs of the goods. Administrative and selling expenses include: director's fees, management salaries and benefits, office salaries and benefits, office supplies, insurance, promotion, entertainment, depreciation and corporate overheads.

**Attachments:**

Attachment	A-3.5	Diagram of Associated Companies (Confidential)
	A-3.9	Internal Organisational Chart (Confidential)
	A-4.3	Financial Statements (Confidential) <ul style="list-style-type: none"><li>• Chart of Accounts</li><li>• Financial Statements</li></ul>
	A-5	Income Statement (Confidential)
	A-6	Sales Summary (Confidential)
	B-1	Australian Customers (Confidential)
	B-2	Forward Orders (Confidential)
	B-4	Export Sales Summary (Confidential)
		B-9 Export documents – 2 shipments (Confidential)
	C-3	Like Goods (Confidential)
	D-4	Domestic Sales Summary (Confidential)
	D-7	Domestic Sales documents – 2 sales (Confidential)
	F-1	Sales to Third Countries (Confidential)
	G-1	Production Process (Confidential)
	G-2	Production Table (Confidential)
	G-3	Domestic CTMS (Confidential)
	G-4	Australian CTMS (Confidential)
	H-1.3	Business Licences (Confidential)
	H-4	Aluminium Raw Material Purchase Prices (Confidential)