



REVIEW 454

**REVIEW OF ANTI-DUMPING MEASURES
APPLYING TO CERTAIN HOT ROLLED COIL
STEEL EXPORTED FROM TAIWAN**

VISIT REPORT - EXPORTER

CHINA STEEL CORPORATION (CSC)

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

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1 BACKGROUND

On 27 November 2017, the Commissioner of the Anti-Dumping Commission gave public notice of his decision to initiate a review of the anti-dumping measures applying to hot rolled coil (HRC) steel (the goods) exported to Australia from Japan, the Republic of Korea (Korea), Malaysia, and Taiwan. The background to initiation of this review is contained in Anti-Dumping Notice (ADN) No. 2017/173.

Following the outcome of a continuation inquiry, the measures now only apply to exports of the goods from Taiwan (ADN No. 2017/166 refers). As a result, the review of measures will only consider whether the variable factors relevant to the taking of the anti-dumping measures, as they affect exporters of the goods from Taiwan, have changed.

A search of the Australian Border Force import database indicated China Steel Corporation (therein referred to as 'CSC') exported HRC to Australia from Taiwan during the period 1 October 2016 to 30 September 2017 (the review period).

The Anti-Dumping Commission (the Commission) sought CSC's cooperation through the completion of an Exporter Questionnaire regarding the goods.

2 THE GOODS AND LIKE GOODS

2.1 The goods exported to Australia

During the review period CSC exported HRC ('the goods') to Australia. The goods CSC exported to Australia during the review period include hot-rolled coils, pickled/oiled coils and hot-rolled sheets. The goods exported to Australia were sold to the importer in Australia via a related trading entity, China Steel Global Trading (CSGT).

2.2 Like goods sold on the domestic market

During the review period, CSC also sold like goods to domestic customers in Taiwan, being goods that, while not identical to the goods under consideration, had characteristics closely resembling those goods.

The verification team considers the goods manufactured for domestic consumption are identical to, or have characteristics closely resembling, the goods exported to Australia, because they:

- are not distinguished from the exported goods during production (the exported goods and goods sold on the domestic market are produced in the same way, subject to individual customer specifications, and the costs of production are the same);
- are produced at the same facilities, using the same raw material inputs (being iron ore and coal) and manufacturing processes; and
- can be considered functionally and commercially alike, as they have similar end uses.

2.3 Model matching

The verification team discussed the product control number (PCN) structure that CSC had devised for the purposes of the review and compared the proposal with the PCN model that BlueScope has presented for previous HRC cases (available on the EPR). The verification team considers the following PCN structure appropriate for model matching:

- **Product type**

This category combines two of the categories proposed by BlueScope, namely surface condition and form.

The product type is relevant in price setting as it relates to the form and finish of the goods under consideration. The category of product types are as follows:

- 1 Hot rolled band ("HB")
- 2 Hot rolled coil (skin pass) ("HC")
- 3 Pickled / oiled coil ("PO")
- 4 Hot rolled sheet ("HS")

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- **Application/Grade**

CSC has grouped the goods by grade. The groups have been based on the pricing extras table (which sets out the costs additional to the base model price for different grades and standards) related primarily to differences to prices within grades. The verification team confirmed grade was a major determinant of price.

The groupings were based on the following price extras:

- No extra (Base Model)
- 1-15 USD/MT extra
- 16 – 35 USD/MT extra
- 36 – 50 USD/MT extra
- >50 USD/MT extra

This is in line with the grade category proposed by BlueScope that proposes five separate categories.

- **Thickness**

CSC has proposed thickness be separated into four categories of size. CSC provided a price extras table demonstrating the effect on pricing for range of thickness and width. The verification team noted CSC's sales were generally of lower thicknesses and its pricing model charged a higher price for these lower thicknesses.

Therefore, the verification team considers it appropriate to construct the PCN for CSC based on the prices achieved by CSC. The verification team considered the classification of thickness into four sizes was appropriate. The size categories are as follows:

- 01 – Less than 1.35mm
- 02 – $1.35 \leq T < 1.75$ mm
- 03 – $1.75 \text{mm} \leq T < 9.0$ mm
- 04 - >9.00 mm

The model PCN structure for thickness proposed by BlueScope included 5 groupings for thickness.

- **Width**

CSC proposed width be separated into three categories of size. A price extras table demonstrating the effect on pricing for ranges of thickness and widths was provided. The verification team considered the width categories proposed appropriate. The team noted CSC's structure was more detailed than the two category proposal proposed by BlueScope. The categories reflected the price differences charged by CSC in their price decision making.

- **Prime and non-prime**

The last digit in CSC's PCN indicated the quality of the goods as either prime or non-prime sales. All goods exported were prime as reported in the export sales listing. In domestic sales non-prime were included, however these were not used

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for Normal Value calculations as the verification team does not consider these to be like goods for the following reasons:

- **Physical Likeness** – non prime goods are not physically like to the goods exported to Australia. They fail to meet the technical specifications stated in the relevant standards and are of a significantly lower quality. They may be of odd sizes or lengths, have damage or be otherwise deformed. The verification team does not consider prime and non-prime goods to be physically alike.
- **Commercial Likeness** – due to the physical differences between the goods they do not complete the same market. They are sold as seconds products for use in other markets. The verification team does not consider non-prime goods to be commercially alike.
- **Functional Likeness** – as non-prime goods do not meet the required standard they cannot be used in the same applications as the goods. The verification team does not consider non-prime goods to be functionally alike.
- **Production Likeness** – non prime goods undertake the same production process as the goods. However, due to errors in production the end result is not the same. Non-prime goods do however have production likeness generally.

As goods that have patterns in relief are excluded from the goods description, this item in the PCN structure proposed by BlueScope is not relevant as CSC has not included patterns in relief as like goods.

2.4 Like goods – preliminary assessment

The verification team considers that the HRC produced by CSC for domestic sale have characteristics closely resembling those of the goods exported to Australia and are therefore 'like goods' in accordance with subsection 269T(1) of the *Customs Act 1901* (the Act).¹

¹ References to any section or subsection in this report relate to provisions of the Act, unless specifically stated otherwise.

3 VERIFICATION OF EXPORT SALES TO AUSTRALIA

3.1 Verification of Australian sales to audited financial statements

The verification team verified the completeness and relevance of CSC's Australian sales listing by reconciling it to audited financial statements in accordance with ADN. No 2016/30.

The verification team did not identify any issues during this process. Details of this verification process are contained in the verification work program, and its relevant attachments, at **Confidential Attachment 1**.

3.2 Verification of Australian sales to source documents

The verification team verified the accuracy of CSC's Australian sales listing by reconciling it to source documents in accordance with ADN No. 2016/30. At the beginning of the visit CSC provided a revised Australian sales listing that included some minor amendments.

These minor amendments were in relation to transactions with CSGT as the sales company (section 3.2.1), trade promotion fee (section 3.2.2), and inland transport (section 3.2.3). Further, it was identified that the packing costs had also been excluded from the listing (section 3.2.4).

The verification team did not identify any further issues during this process.

Details of this verification process are contained in the verification work program, and its relevant attachments, at **Confidential Attachment 1**.

3.2.1 CSGT transactions

It was identified prior to the visit that for transactions where CSGT was the sales company, discounts were incorrectly reported. Inland freight from CSC to CSGT was also not included and some CSGT expenses were inadvertently not reported. CSC amended these in a revised sales listing. The verification team reconciled these revised amounts to source documents.

3.2.2 Trade promotion fee

The trade promotion fee was incorrectly calculated for some transactions. CSC alerted the verification team to this error and provided a revised calculation. The verification team reconciled these revised amounts to source documents.

3.2.3 Inland transport

A slight reporting error resulted in inland transport being incorrectly reported for one transaction. This only resulted in a minor amendment and was reconciled to source documents.

3.2.4 Packing costs

CSC had excluded packing costs from their sales listing. However on further investigation the verification team identified a difference in packing costs for pickled and oiled HRC for export as opposed to that sold domestically. The verification team requested a revised

sales listing that included all packing costs. These costs were reconciled to source documents.

3.3 The exporter

CSC has a wholly-owned subsidiary, Dragon Steel Corporation (DSC) that produces some of the goods for export and domestic sales. The verification team noted that, of the goods exported to Australia during the review period, some of the goods were produced by DSC rather than CSC.

The verification team discussed the roles of the different companies with CSC. DSC has its own production facilities separate to CSC's. Similarly, DSC has a separate organisational structure and board of directors to CSC.

CSC exercises a high degree of control over the activities of DSC. In relation to the goods, while DSC owns the goods it produces and doesn't sell or transfer them to CSC, CSC carries out all pricing and selling activities (with the use of an agent for export sales, as explained below), and CSC purchases raw materials and determines how they will be allocated between the two companies. CSC directs DSC to produce the goods in certain amounts and to particular specifications according to orders it receives.

DSC maintains operation of the electric arc furnace, from which they produce and sell billet and slab (which are not the goods) to their own customers. This is DSC's only independent production activity. DSC have their own marketing and purchasing departments separate from CSC to support this function, but they do not do any marketing or purchasing relating to the goods under consideration.

As noted in the Commission's Dumping and Subsidy Manual (the Manual), the Commission generally identifies the exporter as a principal in the transaction, located in the country of export from where the goods were shipped, that gave up responsibility by knowingly placing the goods in the hands of a carrier, courier, forwarding company, or its own vehicle for delivery to Australia; or a principal in the transaction, located in the country of export, that owns, or previously owned, the goods but need not be the owner at the time the goods were shipped. Typically, the manufacturer of the goods who knowingly exported the goods will be the exporter.

As CSC directed the production of the goods, took carriage of sourcing and allocating raw materials for both CSC and DSC and generally controlled DSC's production activities and customers for the goods, the verification team considers that CSC is the principal in the transaction, even though it did not own all of the goods sold to Australia in the review period prior to export. Although the Commission's typical finding is that the manufacturer of the goods is the exporter, the verification team considers that this finding is not appropriate in these circumstances, noting DSC's lack of autonomy in these transactions.

As CSC had another related party intermediary involved in the export of the goods to Australia, the verification team has considered whether that party may be considered to be the exporter of the goods.

CSC has an agreement with CSGT for CSGT to act as CSC's agent in all export sale transactions. For a fee, CSGT facilitates export sales by locating customers, negotiating prices, and preparing shipping documentation. CSC retains ownership of the goods and CSC invoices the customer.

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For some sales, CSGT purchases the goods from CSC and then carries out minor further processing). In these instances, CSGT issues the invoice to the customer. CSGT is a subsidiary company of CSC (CSC has 99.99% ownership of CSGT).

As noted in the Manual, a vendor may make shipping arrangements, arrange the sale and set prices, but may not be considered the exporter of the goods. As CSC generally retains ownership of the goods and CSGT acts on behalf of CSC rather than in its own right, the verification team does not consider CSGT's role in the export of the goods, or further minor processing of the goods in certain transactions, changes the preliminary finding CSC is the principal in the transaction.

For all Australian export sales during the review period, the verification team considers CSC to be the exporter of the goods.

3.4 The importer

CSC required payment for the goods before export. Accordingly, the verification team considered that the customer listed in the Australian sales spreadsheet was the beneficial owner of the goods at the time of importation and therefore was the importer of the goods.

3.5 Related party customers

The verification team did not identify any information that might suggest that CSC's Australian importer was related to CSC (or to two of CSC's subsidiary companies, DSC or CSGT), based on CSC's response to the Exporter Questionnaire, sales data and audited financial statements.

3.6 Arms length

In respect of Australian sales of the goods made by CSC to its importer during the review period, the verification team found no evidence that:

- there was any consideration payable for, or in respect of, the goods other than its price; or
- the price was influenced by a commercial or other relationship between the buyer, or an associate of the buyer, and the seller, or an associate of the seller; or
- the buyer, or an associate of the buyer, was directly or indirectly reimbursed, compensated or otherwise received a benefit for, or in respect of, the whole or any part of the price.²

The verification team therefore considers all export sales to Australia made by CSC during the review period were arms length transactions.

3.7 Export price – preliminary assessment

The verification team is satisfied the export sales listing is complete, relevant and accurate and recommends the export price be determined under subsection

² Section 269TAA of the Act refers.

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269TAB(1)(a), as the price paid by the importer to the exporter less transport and other costs arising after exportation.

Export prices were calculated at free-on-board (FOB) terms.

The verification team's preliminary export price calculations are at **Confidential Appendix 1**.

4 COST TO MAKE AND SELL

4.1 Verification of costs to audited financial statements

The verification team verified the completeness and relevance of CSC and DSC's cost to make and sell (CTMS) spreadsheet by reconciling each to audited financial statements in accordance with ADN No. 2016/30. The verification team did not identify any issues.

Details of this verification process are contained in the verification work program, and its relevant attachments, at **Confidential Attachment 1**.

4.2 Verification of costs to source documents

The verification team was able to verify the accuracy of CSC and DSC's cost of production spreadsheet to source documents in accordance with ADN No. 2016/30. At the beginning of the visit, CSC provided a revised Australian CTMS and Domestic CTMS spreadsheet as a slight amendment to the overheads calculation (section 4.2.1) for select models was required. This did not alter the total value for costs.

The verification team did not identify any other issues.

Details of the verification process are contained in the verification work program, and relevant attachments, at **Confidential Attachment 1**.

4.2.1 Overheads

When preparing the costs samples CSC identified a slight error in the overheads calculation for some models. This was revised and verified to source documents.

4.2.2 Raw material purchases

CSC provided a revised raw materials purchase list to correct some errors in the reporting of the supplier. This was deemed as minor and did not alter any of the reported data. The raw materials purchase list was verified to source documents.

4.2.3 Selling, General and Administration (SG&A) Costs

It was noted CSC had allocated its SG&A by a percentage of costs. To keep in line with the policy of the Commission, the verification team has amended SG&A to be an allocation of sales revenue specific to each model. Inland freight costs have been removed to keep it comparable with ex-works sales.

4.3 Related party purchases

Based on the company's response to the Exporter Questionnaire and documentation supplied for the purpose of the verification visit, the verification team did not identify any raw material suppliers that might be related to CSC or DSC.

The verification team noted CSC and DSC purchase semi-finished goods from each other. The verification team observed the input prices for these purchases were the fully absorbed cost to make from the relevant party. The verification team considers the input costs for these materials appropriate.

4.4 Cost to make and sell – summary

Having verified CSC and DSC's CTMS spreadsheet to audited financial statements and source documents, the verification team is satisfied the CTMS spreadsheet for each entity is complete, relevant, and accurate.

The revised CTMS spreadsheet is at **Confidential Appendix 2**.

5 VERIFICATION OF DOMESTIC SALES

5.1 Verification of domestic sales to audited financial statements

The verification team verified the completeness and relevance of CSC and DSC's domestic sales listing by reconciling it to audited financial statements in accordance with ADN No. 2016/30.

The verification team did not identify any issues during this process. Details of this verification process are contained in the verification work program, and its relevant attachments, at **Confidential Attachment 1**.

5.2 Verification of domestic sales to source documents

The verification team verified the accuracy of CSC's domestic sales listing by reconciling it to source documents in accordance with ADN No. 2016/30. At the beginning of the visit, CSC provided a revised Australian sales listing that included some minor amendments.

These minor amendments were in relation to transactions where minor price adjustments were applicable (section 5.2.1), and some warranty calculations (section 5.2.2). Further, it was identified the packing costs had also been excluded from the listing (section 5.2.3).

The verification team did not identify any further issues during this process.

Details of the verification process are contained in the verification work program, and relevant attachments, at **Confidential Attachment 1**.

5.2.1 Price adjustments

CSC make positive and negative price adjustments to take into account fluctuating prices during any certain quarter, and to adjust for invoicing errors. CSC alerted the verification team to a slight programming error made when collating the data for a small amount of transactions. This was amended in the revised sales listing and verified to source documents.

5.2.2 Warranty

CSC identified a slight calculation error in their warranty calculations. This was revised in the updated domestic sales listing and verified to source documents.

5.2.3 Packing costs

CSC had excluded packing costs from their sales listing. However on further investigation the verification team identified a difference in packing costs for pickled and oiled HRC for export as opposed to that sold domestically (section 3.2.4 refers). As with export sales the verification team requested a revised domestic sales listing that included all packing costs. These costs were reconciled to source documents.

5.3 Related party customers

According to CSC's response to the Exporter Questionnaire, the company sold some of the goods to four related parties during the review period. The verification team did not identify any additional domestic customers that might be related to CSC or DSC, based

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on the relevant response to the Exporter Questionnaire, sales data, audited financial statements, and discussions throughout the visit.

The verification team compared the selling prices to these related parties to non-related parties on a PCN by PCN level. The verification team considered prices to three of the related parties were comparable to sales to non-related customers purchasing a similar volume of goods. The verification team noted sales to one related party, China Steel Structure Co Ltd were priced significantly lower than sales to other non-related parties purchasing a similar volume. CSC advised these sales were for construction projects and were not on sold in the domestic market. A majority of the sales were also non-prime goods. The verification team does not consider these sales are suitable for normal value purposes as the price appears to have been influenced by a commercial or other relationship between the buyer, or an associate of the buyer, and the seller, or an associate of the seller.

5.4 Arms length

In respect of domestic sales of the goods made by CSC to its related parties, excluding China Steel Structure Co Ltd and unrelated customers during the review period, the verification team found no evidence:

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

In respect of domestic sales of the goods made by CSC to China Steel Structure Co Ltd during the review period, the verification team found evidence the price was influenced by a commercial or other relationship between the buyer, or an associate of the buyer, and the seller, or an associate of the seller.

The verification team therefore considers all domestic sales made by CSC to related parties, excluding China Steel Structure Co Ltd, and all unrelated customers during the review period were arms length transactions.

5.5 Ordinary course of trade

Section 269TAAD of the Act provides that if like goods are sold in the country of export at a price less than the cost of such goods, and are unrecoverable within a reasonable period, then they are taken not to have been sold in the ordinary course of trade.

The verification team compared the revenue (i.e. net sales value) for each domestic sale of like goods to the corresponding quarterly domestic CTMS to test whether those sales were profitable.

Where the volume of unprofitable sales exceeded 20 per cent for a particular model, the verification team tested the recoverability of the unprofitable sales by comparing the revenue for each transaction to the corresponding weighted average CTMS over the investigation period. Those sales found to be unrecoverable were considered not to be in the ordinary course of trade.

5.6 Suitability of domestic sales and profit

Subparagraph 269TAC(2)(a)(i) provides that the normal value of goods exported to Australia cannot be ascertained under subsection 269TAC(1) where there is an absence, or low volume, of sales of like goods in the market of the country of export.

The Commission considers low volume is less than 5% of the total volume of the goods under consideration that are exported to Australia. The verification team found there was a sufficient volume of domestic sales made in the OCOT for all models except one, of HRC exported to Australia during the investigation period.

5.7 Domestic sales – summary

The verification team is satisfied the domestic sales listing is complete, relevant, and accurate, and sales that were arm's length in the OCOT and in sufficient volumes can be used for assessing normal value under subsection 269TAC(1).

The domestic sales listing is at **Confidential Appendix 3**.

6 ADJUSTMENTS

To ensure the normal value is comparable to the export price of goods exported to Australia at free on board (FOB) terms, the verification team has considered the following adjustments.

6.1 Inland transport

The verification team has verified the inland freight costs for domestic and export sales and is satisfied the amounts provided in the sales listing are accurate.

The verification team considers a downwards adjustment for domestic inland freight costs and an upwards adjustment to the normal value for export inland freight costs are necessary to ensure a fair comparison to the FOB export price. The verification team applied the downwards adjustment based on the actual inland freight expenses verified in the domestic sales spreadsheet; and the upwards adjustment based on the weighted average export inland freight expenses verified in the export sales spreadsheet.

6.2 Packing

As discussed in section 3.2.4 and 5.2.3, the verification team identified a difference in packing cost between domestic and export sales of pickled and oiled HRC.

The verification team considers a downwards adjustment for domestic sales packing is required to ensure a fair comparison to the export price - based on the actual packing expenses verified in the domestic sales spreadsheet.

The verification team considers an upward adjustment for export packing is required to ensure a fair comparison to the export price - based on the weighted average packing expenses over the review period verified in the export sales spreadsheet.

6.3 Warranty

The verification team considers a downwards adjustment for domestic warranty expenses to the customer is required to ensure a fair comparison to the export price. The verification team applied these downwards adjustments based on the actual warranty expenses verified in the domestic sales spreadsheet.

CSC did not issue any export warranty claims to its Australian customer during the review period. Thus an upward adjustment for warranty does not apply.

6.4 Export-related charges

A number of other charges were incurred on all the exports of the goods to Australia during the review period:

- Customs brokerage
- Harbour service fee
- Trade promotion fee
- Loading fee
- Survey fee
- Banking and finance fees

The verification team was able to verify the accuracy of these fees in the source documents relating to the Australian export sales, and consider these charges warrant an upwards adjustment to the normal value. The verification team made an upwards adjustment using the weighted average of these fees.

6.5 CSGT service fee

As explained in section 3.3, CSC paid CSGT a fee to arrange and facilitate export sales to CSC's Australian importer.

For transactions where DSC was the manufacturer, DSC paid CSC a commission agency fee for CSC to sell the goods DSC produced.

The verification team considers this fee warrants an upward adjustment to the normal value, and have made the adjustment based on the weighted average fees paid.

6.6 Bank charges

CSC incurred bank charges for export sales. The actual costs were allocated to each individual transaction. The verification team made an upward adjustment to domestic sales using the weighted average bank charges for export sales incurred over the review period.

6.7 Domestic sales commission

DSC pays CSC a commission for sales that are produced by DSC. The verification team made a downwards adjustment based on the actual commission paid between DSC and CSC.

The verification team considers an upward adjustment for export sales commission between DSC and CSC is required to ensure a fair comparison to the export price. This is based on the weighted average commission expenses over the review period verified in the export sales spreadsheet.

6.8 Credit terms

Domestic payment terms varied between customers, and the verification team made a downward adjustment for domestic cost of credit.

In its questionnaire response, CSC provided a list of the monthly short term borrowing rate for the investigation period. The verification team has applied the average of these monthly rates when making the downward adjustment to domestic sales based on the actual credit terms to that customer.

CSC did not offer credit terms to its Australian customer. Thus an upward adjustment for credit does not apply.

6.9 Specification adjustment

For one export model, there was insufficient sales of an identical model on the domestic market in the OCOT. For this export model, a specification adjustment was made to the selling price of the next closest matching domestic model with sufficient sales within OCOT to determine the normal value, accounting for the specification difference between models.

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To carry out the specification adjustment, the verification team determined what the specification price difference was on the domestic market, using a pricing sheet supplied by CSC. To adjust for differences regarding different thicknesses, the team identified a similar model of the same type, grade and width and applied a difference reflective of the different thicknesses.

6.10 Adjustments – conclusion

The verification team is satisfied there is sufficient and reliable information to justify the following adjustments. The verification team considers these adjustments are necessary to ensure a fair comparison of normal values and export prices.

| Adjustment Type | Deduction/addition |
|------------------------------|---|
| Domestic inland transport | Deduct the cost of domestic inland transport |
| Domestic packing | Deduct the cost of domestic packing |
| Domestic warranty | Deduct the cost of domestic warranty |
| Domestic sales commission | Deduct the cost of domestic sales commission (between DSC and CSC) |
| Domestic credit | Deduct the cost of domestic credit |
| Export inland transport | Add the cost of export inland transport |
| Export packing | Add the cost of export packing |
| Export bank charges and fees | Add the cost of export bank charges and fees |
| Export sales commission | Add the cost of export sales commission (between DSC and CSC) |
| CSGT service fee | Add the cost of the CSGT service fee |
| Export related charges | Add the cost of export related charges |
| Specification adjustment | For models with no, or insufficient sales in the OCOT |

The verification team's preliminary adjustment calculations are included in normal value calculations at **Confidential Appendix 4**.

7 NORMAL VALUE

The verification team is satisfied it found sufficient volumes of domestic sales of HRC for all models apart from one, that were exported to Australia, that were arms length transactions and at prices within the OCOT. As discussed in section 6.9, the next closest model with sufficient sales in the OCOT was selected and a specification adjustment applied to it.

The verification team is satisfied the prices paid in respect of domestic sales of HRC are suitable for assessing normal value under subsection 269TAC(1).

In using domestic sales as a basis for normal value, the verification team considers certain adjustments in accordance with subsection 269TAC(8), are necessary to ensure fair comparison of normal values with export prices, as outlined in Section 6.

The verification team's preliminary normal value calculations are at **Confidential Appendix 4**.

8 DUMPING MARGIN

The dumping margin has been assessed by comparing weighted average Australian export prices to the corresponding quarterly weighted average normal value for the review period, in accordance with paragraph 269TACB(2)(a) of the Act.

The dumping margin in respect of the goods exported to Australia by CSC for the review period is 5.2%.

Details of the preliminary dumping margin calculation are at **Confidential Appendix 5**.

9 APPENDICES AND ATTACHMENTS

| | |
|----------------------------------|---|
| Confidential Appendix 1 | Australian export sales |
| Confidential Appendix 2 | Cost to make and Sell |
| Confidential Appendix 3 | Domestic sales and profit |
| Confidential Appendix 4 | Normal Value |
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| Confidential Attachment 1 | Verification work program, with attachments |