



Exporter Questionnaire



Product: Steel Reinforcing Bar

From: The Republic of Korea, Malaysia, Singapore, Spain, Taiwan, the Kingdom of Thailand and the Republic of Turkey

Period of Investigation: 1 July 2013 to 30 June 2014

Response due by: 27 November 2014

Extended to 12 December 2014

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Return completed questionnaire to: Anti-Dumping Commission
1010 La Trobe Street
DOCKLANDS VIC 3008
AUSTRALIA
Attention: Director Operations 3

GOODS UNDER CONSIDERATION

The goods under consideration (the goods) i.e. the goods exported to Australia, allegedly at dumped prices are:

“Hot-rolled deformed steel reinforcing bar whether or not in coil form, commonly identified as rebar or debar, in various diameters up to and including 50 millimetres, containing indentations, ribs, grooves or other deformations produced during the rolling process.

The goods covered by this application include all steel reinforcing bar meeting the above description of the goods regardless of the particular grade or alloy content or coating.

Goods excluded from this application are plain round bar, stainless steel and reinforcing mesh.”

The goods are typically classified to the following Subheadings in Schedule 3 of the *Customs Tariff Act 1995*.

- 7214.20.00 (statistical code 47);
- 7228.30.90 (statistical code 49);
- 7213.10.00 (statistical code 42); and
- 7227.90.90 (statistical code 42).

These goods, if imported from Spain under these tariff subheadings, are subject to a general rate of duty of 5%; and the goods imported from Korea, Malaysia, Singapore, Taiwan, Thailand and Turkey are subject to a “free” rate of duty.

TABLE OF CONTENTS

GOODS UNDER CONSIDERATION	2
TABLE OF CONTENTS.....	3
SECTION A COMPANY STRUCTURE AND OPERATIONS	4
A-1 IDENTITY AND COMMUNICATION	4
A-2 REPRESENTATIVE OF THE COMPANY FOR THE PURPOSE OF INVESTIGATION	4
A-3 COMPANY INFORMATION	5
A-4 GENERAL ACCOUNTING/ADMINISTRATION INFORMATION	7
A-5 INCOME STATEMENT	10
A-6 SALES	11
SECTION B SALES TO AUSTRALIA (EXPORT PRICE).....	13
SECTION C EXPORTED GOODS & LIKE GOODS	20
SECTION D DOMESTIC SALES.....	22
SECTION E FAIR COMPARISON	27
E-1 COSTS ASSOCIATED WITH EXPORT SALES	27
E-2 COSTS ASSOCIATED WITH DOMESTIC SALES	30
E-3 DUPLICATION.....	35
SECTION F EXPORT SALES TO COUNTRIES OTHER THAN AUSTRALIA (THIRD COUNTRY SALES).....	36
SECTION G COSTING INFORMATION AND CONSTRUCTED VALUE.....	38
G-1. PRODUCTION PROCESS AND CAPACITY.....	38
G-2. PROVIDE INFORMATION ABOUT YOUR COMPANY'S TOTAL PRODUCTION IN THE FOLLOWING TABLE:	39
G-3. COST ACCOUNTING PRACTICES	39
G-4 COST TO MAKE AND SELL ON DOMESTIC MARKET	41
G-5 COST TO MAKE AND SELL GOODS UNDER CONSIDERATION (GOODS EXPORTED TO AUSTRALIA).....	42
G-6 MAJOR RAW MATERIAL COSTS	44
SECTION H EXPORTER'S DECLARATION.....	45
SECTION I CHECKLIST	46

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:	[CONFIDENTIAL TEXT DELETED]
Position in the company:	Global Support Director – Public Affairs
Address:	Ferralla, 12, 08755 Castellbisbal, Barcelona, Spain
Telephone:	+34 937 730500
Facsimile number:	+34 937 730508
E-mail address of contact person:	[CONFIDENTIAL TEXT DELETED]

Factory:

Address:	Barrio de Ballonti Valle de Trapaga-Trapagaran 48510, Vizcaya Spain
Telephone:	+34 937 730500
Facsimile number:	+34 937 730508
E-mail address of contact person:	[CONFIDENTIAL TEXT DELETED]

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	Daniel Moulis Principal
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	Moulis Legal
Address	6/2 Brindabella Circuit Brindabella Business Park Canberra International Airport Australian Capital Territory Australia 2609
Telephone	+61 2 6163 1000
Facsimile number	+61 2 6162 0606
Email address of contact person	daniel.moulis@moulislegal.com
All communications in relation to this matter should be directed to Moulis Legal in the first instance.	

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.

**The legal name of the company is Nervacero, S.A. ("Celsa Nervacero").
No other business names are used by Celsa Nervacero in exporting and/or selling the goods.**

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).

**Celsa Nervacero is a Celsa Group company. [CONFIDENTIAL TEXT DELETED – non-public company corporate structure]
Celsa Group is a group of companies with plants located in Spain, Poland, UK, France and the Nordic countries.
The companies in each country are different legal entities. They have their own resources, capabilities, financial accounts and management, [CONFIDENTIAL TEXT DELETED – internal organisation of group]**

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

Celsa Nervacero [CONFIDENTIAL TEXT DELETED – non-public company]

corporate structure]

The Celsa Group [CONFIDENTIAL TEXT DELETED – non-public company corporate structure] who are the shareholders of [CONFIDENTIAL TEXT DELETED – non-public company corporate structure]

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

[CONFIDENTIAL TEXT DELETED – non-public company corporate structure] subsidiary of another company.

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

Please refer to Attachment 1 – Celsa Group organisational structure.
[CONFIDENTIAL ATTACHMENT]

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

[CONFIDENTIAL TEXT DELETED – internal organisation of group]

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

Celsa Nervacero is a steel manufacturer and seller.

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.

Celsa Nervacero performs all of these functions.

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

Please refer to Attachment 2 – internal organisation chart.
[CONFIDENTIAL ATTACHMENT]

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

Celsa Nervacero does not issue an annual report. Concerning the business activities of Celsa Nervacero, please refer to Attachment 3 – Celsa Group brochure.

A-4 General accounting/administration information

1. Indicate your accounting period.

1 January to 31 December.

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

c/ Ferralla, 12, 98755 Castellbisbal, Barcelona, Spain.

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;

Please refer to Attachment 4 – chart of accounts. [CONFIDENTIAL ATTACHMENT]

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

Please refer to Attachment 5 - Celsa Nervacero 2013 audited financial statement [CONFIDENTIAL ATTACHMENT] (includes previous year).

- 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.

Please refer to Attachment 6 – H1 2014 Balance Sheet and P&L. [CONFIDENTIAL ATTACHMENT]

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.

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.

Celsa Nervacero is required have its accounts audited.

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

Celsa Nervacero's accounting practices strictly accord to Spanish GAAP.

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 TEXT DELETED – internal accounting methodologies]

- 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);

Celsa Nervacero's cost accounting system is [CONFIDENTIAL TEXT DELETED – proprietary accounting software] Each main facility is a cost center - [CONFIDENTIAL TEXT DELETED – internal company organisation].

[CONFIDENTIAL TEXT DELETED – internal accounting methodologies]

For further information regarding costing methods please refer to Section G.

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

Valuation is in accordance with Spanish GAAP [CONFIDENTIAL TEXT DELETED – internal accounting methodologies]

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

Valuation is in accordance with Spanish GAAP [CONFIDENTIAL TEXT DELETED – internal accounting methodologies]

- valuation and revaluation methods for fixed assets;

[CONFIDENTIAL TEXT DELETED – internal accounting methodologies]

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

[CONFIDENTIAL TEXT DELETED – internal accounting methodologies]

The estimated useful lives for accounting purposes are as follows:

Property, plant and equipment	[CONFIDENTIAL TEXT DELETED – depreciation periods]
Buildings	
Complex specialized installations, including machinery and vehicles	
Furniture	

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

The corresponding currency translation differences are recognised [CONFIDENTIAL TEXT DELETED – internal accounting methodologies] Differences of each group are recognized in the income statement.

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

Accounts receivable and payables denominated in foreign currency are translated to euros at the exchange rate prevailing at the transaction date and measured at year end at prevailing exchange rate.

- inclusion of general expenses and/or interest;

General expenses and interest are recorded are recorded and detailed in the profit and loss statement.

- provisions for bad or doubtful debts;

Provisions are included in balance sheet accounting, and write-offs are included in the profit and loss statement.

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

[CONFIDENTIAL TEXT DELETED – cost information applicable to POI]

- costs of plant closure;

[CONFIDENTIAL TEXT DELETED – cost information applicable to POI]

- restructuring costs;

[CONFIDENTIAL TEXT DELETED – cost information applicable to POI]

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

Valuation is in accordance with Spanish GAAP [CONFIDENTIAL TEXT DELETED – internal accounting methodologies]

- effects of inflation on financial statement information.

[CONFIDENTIAL TEXT DELETED – cost information applicable to POI]

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.

Celsa Nervacero's accounting methods have not changed over the last two years.

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
Gross Sales (1)				
Sales returns, rebates and discounts (2)				
Net Sales (3=1-2)				
Raw materials (4)				
Direct labour (5)				
Depreciation (6)				
Manufacturing overheads (7)				
Other operating expenses (8)				
Total cost to make (9=4+5+6+7+8)				
OPERATING INCOME (10=3-9)				
Selling expenses (11)				
Administrative & general expenses (12)				
Financial expenses (13)				
SG&A expenses (14)=(11+12+13)				
INCOME FROM NORMAL ACTIVITIES (15)=(10-14)				
Interest income (16)				
Interest expense (enter as negative) (17)				

FOR PUBLIC RECORD

11

Extraordinary gains and Losses – enter losses as negative (18)				
Abnormal gains and losses – enter losses as negative (19)				
PROFIT BEFORE TAX (20)=(15+16+17+18+19)				
Tax (21)				
NET PROFIT (22)=(20-21)				

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 spread sheet 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.

Please refer to Attachment 7 – Celsa Nervacero EQ spreadsheets (Income statement tab). [CONFIDENTIAL ATTACHMENT]

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 (all products)				
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 goods under				

FOR PUBLIC RECORD

FOR PUBLIC RECORD

12

consideration				
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.

**Please refer to Attachment 7 – Celsa Nervacero EQ spreadsheets
(Turnover tab). [CONFIDENTIAL ATTACHMENT]**

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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).

Name	Address	Contact	Trade level
[CONFIDENTIAL TEXT DELETED – customer information]			

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.

[CONFIDENTIAL TEXT DELETED – commercial arrangements]

The parties involved in the process of physical delivery are the freight company and the freight forwarder. [CONFIDENTIAL TEXT DELETED – commercial arrangements]

Shipments to Australia take place monthly. Sales terms to Australian customers are [CONFIDENTIAL TEXT DELETED – trading terms] (Incoterms 2010).

- (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.

- Freight companies – deliver product from factory to port.
- Freight forwarders – arrange for handling at port, customs formalities, booking of ocean transport.
- Australian customers – [CONFIDENTIAL TEXT DELETED – trading terms, commercial arrangements]

- (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.

In contractual terms, ownership of the goods [CONFIDENTIAL TEXT DELETED – commercial arrangements]
Pursuant to the Incoterm [CONFIDENTIAL TEXT DELETED – trading terms]

- (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).

[CONFIDENTIAL TEXT DELETED – commercial arrangements]

- (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.

As part of the Celsa Group of companies, the production of Celsa Nervacero is offered for sale to the Australian and domestic (and other) markets [CONFIDENTIAL TEXT DELETED – internal company arrangements]
Celsa Barcelona also manufactures and exports the goods under consideration to Australia, and is a domestic seller of the goods as well. Celsa Atlantic also produces the goods under consideration but is not an exporter of them to Australia. [CONFIDENTIAL TEXT DELETED – internal company arrangements]
[CONFIDENTIAL TEXT DELETED – internal company arrangements]
[CONFIDENTIAL TEXT DELETED – customer information]
Orders for exports to Australia are solicited by Celsa or by the customers concerned [CONFIDENTIAL TEXT DELETED – commercial negotiation information]
[CONFIDENTIAL TEXT DELETED – commercial information about ordering and shipping]
[CONFIDENTIAL TEXT DELETED – commercial negotiation information]
Negotiations take place by telephone or email. The customers will ask for supply and indicate the quantity, and Celsa Nervacero will make an offer

which the customer may then seek to further negotiate.

[CONFIDENTIAL TEXT DELETED – commercial negotiation information]

[CONFIDENTIAL TEXT DELETED – commercial payment information]

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

[CONFIDENTIAL TEXT DELETED – information about related parties]

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

Please refer to Attachment 8 – Celsa Nervacero forward orders.

[CONFIDENTIAL ATTACHMENT]

- 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.

[CONFIDENTIAL TEXT DELETED – commercial price information]

- 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:

Column heading	Explanation
Customer name	names of your customers
Level of trade	the level of trade of your customers in Australia
Model	commercial model name
Product code	code used in your records for the model/grade/type identified. Explain the product codes in your submission.
Finish	Specify product finish (e.g. black, painted, epoxy coated, galvanised, powder-coated, painted, anodized, other)
Straight or Coil	Specify whether rebar is in a straight length or in a coil
Length	Specify length
Dimension	Specify diameter
Deformation Type	Specify how surface is deformed (e.g. ribbed, indented, etc)

FOR PUBLIC RECORD

16

Grade	Specify strength grade manufactured to (e.g. 250, 500 etc.)
Production method	Specify the method used to achieve mechanical properties (e.g. Water-quenched & self-tempered OR micro alloyed OR cold-worked)
Standard manufactured to	Specify the standard the rebar was manufactured to comply with
ACRS Certification	Specify whether the product has Australasian Certification Authority for Reinforcing and Structural Steels (ACRS) certification
Ductility	Specify Ductility class manufactured to
Alloy	If the product is made from 'alloy steel', specify this and specify the alloy
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 other than 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 eg. CIF, C&F, FOB, DDP (in accordance with Incoterms)
Payment terms	Agreed payment terms eg. 60 days=60 etc
Invoice weight basis	Show basis on which goods are weighted for invoice purposes (e.g. theoretical or actual).
Actual weight	Actual weight of (specify units e.g. Tonnes)
Theoretical weight	Theoretical weight, if your business uses theoretical weight (specify units e.g. Tonnes)
Gross invoice value	Gross invoice value shown on invoice in the currency of sale, excluding taxes.
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 or other allowances	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

FOR PUBLIC RECORD

FOR PUBLIC RECORD

17

Other discounts	The actual amount of other discounts (e.g. quantity discounts) not deducted from the invoice. Show a separate column for each type of quantity 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
Inland transportation costs*	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.
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.
Commission	Commissions paid. If more than one type is paid insert additional columns of data.
Other Costs	Any other costs, charges or expenses incurred in relation to the exports to Australia (include additional columns as required). See question B.5.

** FOB export price and Ocean Freight:

Costs marked with * are explained in section E-1.

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.

**Please refer to Attachment 7 – Celsa Nervacero EQ spreadsheets
[CONFIDENTIAL ATTACHMENT] (Australian sales tab).**

- 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

FOR PUBLIC RECORD

indirect) incurred in relation to the export sales to Australia.

[CONFIDENTIAL TEXT DELETED – commercial cost information]

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.

[CONFIDENTIAL TEXT DELETED – commercial price information]

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.

[CONFIDENTIAL TEXT DELETED – commercial price information]

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)

[CONFIDENTIAL TEXT DELETED – trading terms]

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;
- applicable test certificates and production reports.
- 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.

Please refer to:

- Attachment 9 – Australian sales bundle 1 [CONFIDENTIAL ATTACHMENT]; and
- Attachment 10 – Australian sales bundle 2 [CONFIDENTIAL ATTACHMENT].

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.

The goods falling within the scope of the goods under consideration that were exported to Australia during the POI by Celsa Nervacero were [CONFIDENTIAL TEXT DELETED – commercial product information]

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

[CONFIDENTIAL TEXT DELETED – commercial product information]

- 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
 - 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.

EXPORTED TYPE	DOMESTIC TYPE	IDENTICAL?	DIFFERENCES
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 For instance, differences in production methods (e.g. water-quenched vs micro-alloyed) to achieve mechanical properties for export vs domestic sales must be noted.

Please refer to Celsa Barcelona EQ spreadsheets [CONFIDENTIAL ATTACHMENT] (Like goods tab).

- 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.

Please refer to Attachment 11 – Celsamax product brochure.

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.

As explained in B2(e), the production of Celsa Nervacero is offered for sale to the Australian and domestic (and other) markets [CONFIDENTIAL TEXT DELETED – internal company arrangements]

**The sales are open market sales to customers who can be described as [CONFIDENTIAL TEXT DELETED – customer information]
[CONFIDENTIAL TEXT DELETED – commercial sales information]**

- 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 D1 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;
- whether the invoice price is based on theoretical or actual weight ;and
- whether price includes the cost of delivery to customer.

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

Prices are negotiated with customers [CONFIDENTIAL TEXT DELETED – commercial negotiation information]

[CONFIDENTIAL TEXT DELETED – commercial price information]

- 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	Commercial model
Product code	Code used in your records for the model/grade/type of the goods identified. Explain the product codes in your submission.
Production method	Specify the method used to achieve mechanical properties (eg. Water-quenched & self-tempered OR microalloyed OR cold-worked)
Finish	Specify product finish (e.g. black, painted, epoxy coated, galvanised, powder-coated, painted, anodized, other)
Grade	Specify strength grade manufactured to (eg 250, 500 etc)
Deformation Type	Specify how surface is deformed (eg ribbed, indented, etc)
Straight or Coil	Specify whether rebar is in a straight length or in a coil

FOR PUBLIC RECORD

24

Length	Specify length
Dimension	Specify diameter
Standard manufactured to	Specify the standard the rebar was manufactured to comply with
Ductility	Specify Ductility class manufactured to
Alloy	If the product is made from 'alloy steel', specify this and specify the alloy
Imperial or metric	Specify if the product sold is an imperial or metric-sized measurement
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 other than 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
Payment terms	Agreed payment terms eg. 60 days=60 etc
Invoice weight basis	Specify whether invoicing is done on theoretical or actual weight basis
Actual weight	Actual weight of (specify units e.g. Tonnes)
Theoretical weight	Theoretical weight, if your business uses theoretical weight (specify units e.g. Tonnes)
Gross Invoice value	Gross value shown on invoice in the currency of sale, net of taxes.
Discounts on the Invoice	The amount of any discount deducted on the invoice on each transaction. If a % discount applies show that % discount applying in another column.
Rebates or other Allowances	The actual amount of any deferred rebates or allowances in the currency of sale
Other charges	Any other charges, or price reductions, that affect the net invoice value. Insert additional columns and provide description.
Net invoice value in the currency of the	The net invoice value expressed in your domestic currency as recorded in your accounting system

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FOR PUBLIC RECORD

25

exporting country	
Other discounts	The actual amount of quantity discounts not deducted from the invoice. Show a separate column for each type of quantity discount.
Packing*	Packing expenses
Inland transportation Costs*	Amount of inland transportation costs included in the selling price.
Handling, loading and ancillary expenses*	Handling, loading & ancillary expenses.
Warranty and guarantee expenses*	Warranty & guarantee expenses
Technical assistance and 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 factors*	Any other costs, charges or expenses incurred in relation to the domestic sales (include additional columns as required). See question D5.

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

Please refer to Attachment 7 – Celsa Nervacero EQ spreadsheets [CONFIDENTIAL ATTACHMENT] (Domestic sales tab)

- 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.

Celsa Barcelona has identified the following additional [CONFIDENTIAL TEXT DELETED – cost information]

- 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.

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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.

[CONFIDENTIAL TEXT DELETED – commercial price information]

- 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.

Please refer to:

- Attachment 12- Domestic sales bundle 1 [CONFIDENTIAL ATTACHMENT]; and
- Attachment 13- Domestic sales bundle 2 [CONFIDENTIAL ATTACHMENT].

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 transport costs have been allocated based on [CONFIDENTIAL TEXT DELETED – commercial price information]

This expense is recorded in [CONFIDENTIAL TEXT DELETED – number] – Export Sales Transportation.

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.

Handling and loading expenses, which are mainly comprised of [CONFIDENTIAL TEXT DELETED – cost information]

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.

Payment terms are set out in the relevant column of the Australian sales spread sheet. Celsa Nervacero’s average short term borrowing rate during the POI was [CONFIDENTIAL TEXT DELETED – degree and number] %.

4. Packing costs

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

Packing materials for exported [CONFIDENTIAL TEXT DELETED – cost information]

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.

[CONFIDENTIAL TEXT DELETED – commercial price information]

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.

[CONFIDENTIAL TEXT DELETED – cost information]

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.

Other cost factors identified are as follows:

[CONFIDENTIAL TEXT DELETED – cost information]

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.

[CONFIDENTIAL TEXT DELETED – currency information]

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.

[CONFIDENTIAL TEXT DELETED – commercial product information]

2. Import charges and indirect taxes

If exports to Australia:

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

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

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

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.

A VAT system operates [CONFIDENTIAL TEXT DELETED – VAT details]

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.

[CONFIDENTIAL TEXT DELETED – cost information]

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.

[CONFIDENTIAL TEXT DELETED – customer and commercial price information]

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 borrowings 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 system¹, the average credit period may be determined as follows:

1. *Calculate an accounts receivable turnover ratio*

This ratio equals the total credit sales divided by average accounts receivable.

(It is a measure of how many times the average receivables balance is converted into cash during the year).

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

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

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

2. *Calculate the average credit period*

The average credit period equals 365 divided by the accounts receivable turnover ratio determined above at 1.

The resulting average credit period should be tested against randomly selected transactions to support the approximation.

The contractual payment terms have been reported for both export and domestic sales.

Celsa Barcelona's average short term borrowing rate during the POI was [CONFIDENTIAL TEXT DELETED –degree and number]%.

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

5. Transportation

Explain how you have quantified the amount of inland transportation

¹ Under an open account system, following payment the balance of the amount owing is carried into the next period. Payment amounts may vary from one period to the next, with the result that the amount owing varies.

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.

Celsa Nervacero’s transportation service company issues an invoice in relation to individual carriage. The invoice cost has been allocated
[CONFIDENTIAL TEXT DELETED – cost information]

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.

[CONFIDENTIAL TEXT DELETED – cost information]

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 materials for domestic [CONFIDENTIAL TEXT DELETED – cost information]

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.

[CONFIDENTIAL TEXT DELETED – commercial price information]

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.

[CONFIDENTIAL TEXT DELETED – cost information]

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*.

Generally, please refer to our response to D-5.

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.

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.

Column heading	Explanation
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 & Invoice weight basis	Show unit of quantity (eg kg). Specify whether invoicing is done on theoretical or actual weight basis
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 7 – Celsa Nervacero EQ spreadsheets [CONFIDENTIAL ATTACHMENT] (Third country tab).

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

There are a range of differences that would affect any comparison, including [CONFIDENTIAL TEXT DELETED – pricing considerations]

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.

The EAF mini-mill process involves placing recycled steel (scrap steel) along with other additions into a furnace vessel. The top of the furnace vessel is swung into place, electrodes are lowered into the vessel through holes in the top of the furnace, and electricity is applied to melt the scrap.

Liquid steel is then transported to a continuous casting machine, the output of which is solid slabs known as billets.

The billets are then transported to the rolling mill operations, where reheated billets are progressively reduced in thickness and shaped into

the final product.

Below is a diagrammatic representation of the production process.

[CONFIDENTIAL TEXT DELETED – detailed diagrammatical production process explanation]

Please also refer to Attachment 14 – Production process.

[CONFIDENTIAL ATTACHMENT]

[CONFIDENTIAL TEXT DELETED – commercial product information]

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**".

Please refer to Attachment 7 – Celsa Nervacero EQ spreadsheets
[CONFIDENTIAL ATTACHMENT] (Production tab).

G-3. Cost accounting practices

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

Celsa Nervacero's cost accounting system is based on [CONFIDENTIAL TEXT DELETED – proprietary accounting software]

There are several cost centers, one for each of these facilities:

[CONFIDENTIAL TEXT DELETED internal company information]

Costs are planned for each of the cost centers. Each month the monthly closing assigns all costs incurred in the production of the products.

[CONFIDENTIAL TEXT DELETED – internal accounting methodology]

Production Orders (PO) collect raw material consumption and transformation costs. [CONFIDENTIAL TEXT DELETED – internal

accounting methodology]

Maintenance costs are of a mixed nature, with [CONFIDENTIAL TEXT DELETED – number]% being variable and [CONFIDENTIAL TEXT DELETED – number]% fixed. [CONFIDENTIAL TEXT DELETED – internal accounting methodology]

The cost of monthly production is recorded based on the [CONFIDENTIAL TEXT DELETED – internal accounting methodology]. Each Production Order collects materials used for the type of product for direct cost, such as raw materials. Indirect costs (energy costs, maintenance, etc.) are allocated based [CONFIDENTIAL TEXT DELETED – internal accounting methodology]

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.

Celsa Nervacero's costs [CONFIDENTIAL TEXT DELETED – internal accounting methodology]

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

There were no significant or unusual cost variances during the investigation period.

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

For each installation [CONFIDENTIAL TEXT DELETED – internal accounting methodology]

Please refer to Attachment 15 - Detailed cost sheet for meltshop and rolling mill [CONFIDENTIAL ATTACHMENT].

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.

Costs are mainly allocated based [CONFIDENTIAL TEXT DELETED – internal accounting methodology]. Assets are identified for each installation and amortised in accordance with Spanish GAAP.

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

The company cost accounting system [CONFIDENTIAL TEXT DELETED – internal accounting methodology]

7. List and explain all production costs incurred by your company which are

valued differently for cost accounting purposes than for financial accounting purposes.

No production costs are valued differently for cost accounting purposes than for financial accounting purposes.

8. State whether your company engaged in any start-up operations in relation to the goods under consideration. Describe in detail the start-up operation giving dates (actual or projected) of each stage of the start-up operation.

[CONFIDENTIAL TEXT DELETED – internal company information applicable to POI]

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.

Not applicable.

G-4 Cost to make and sell on domestic market

This information is relevant to testing whether domestic sales are in the ordinary course of trade.²

- Please provide (in the format shown in the table below) the actual unit cost to make and sell each model/type* (identified in section C) of the like goods sold on the domestic market. Provide this cost data for each quarter over the investigation period. If your company calculates costs monthly, provide monthly costs.
- 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.

	Quarter X	Quarter X	Quarter X	Quarter X
Like Domestic Model/Type – from spreadsheet LIKE GOOD (section C-3)				
Material Costs ¹				
Direct Labour				
Manufacturing Overheads				
Other Costs ²				
Total Cost to Make				
Selling Costs				

² 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.

Administration Costs				
Financial Costs				
Delivery Expenses ³				
Other Costs ³				
Unit Cost to Make and Sell				

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

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

² Relating to costs of production only; identify each cost separately.

³ 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.

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

Provide the information broken down into fixed and variable costs, and indicate the % total cost represented by fixed costs.

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.

Please refer to Attachment 7 – Celsa Nervacero EQ spreadsheets [CONFIDENTIAL ATTACHMENT] (Domestic CTMS tab).

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.

	Quarter X	Quarter X	Quarter X	Quarter X
Like Domestic Model/Type – from spreadsheet LIKE GOOD (section C-3)				
Material Costs ¹				
Direct Labour				
Manufacturing Overheads				
Other Costs ²				
Total Cost to Make				
Selling Costs				

FOR PUBLIC RECORD

43

Administration Costs				
Financial Costs				
Delivery Expenses ³				
Other Costs ³				
Unit Cost to Make and Sell				

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

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

² Relating to costs of production only; identify each cost separately.

³ 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.

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

Provide the information broken down into fixed and variable costs, and indicate the % total cost represented by fixed costs.

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.

Please refer to Attachment 7 – Celsa Nervacero EQ spreadsheets [CONFIDENTIAL ATTACHMENT] (Australian CTMS tab).

1. 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.

[CONFIDENTIAL TEXT DELETED –cost information]

2. 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.

There are no differences between the costs shown and the costs as determined within the general accounting system.

3. 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.

The allocation methods used are in accordance with methodologies referenced from Spanish GAAP.

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G-6 Major raw material costs

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

For these major inputs:

- identify materials sourced in-house and from associated entities;
- identify the supplier; and
- show the basis of valuing the major raw materials in the costs of production you have shown for the goods (eg market prices, transfer prices, or actual cost of production).

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.

Normal market price is taken to be the price normally available in the market (having regard to market size, whether the input is normally purchased at 'spot prices' or under long term contracts etc).

The term associate is defined in section 269TAA of the *Customs Act*. Included in that definition are companies controlled by the same parent company (a company that controls 5% or more of the shares of another is taken to be an associated company); companies controlled by the other company; and companies having the same person in the board of directors.

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.

The major inputs for the goods under consideration are scrap steel and electricity. Celsa Nervacero [CONFIDENTIAL TEXT DELETED – supplier information]

The suppliers of these inputs and the volume/value of purchases by Celsa Nervacero during the POI were as follows:

[CONFIDENTIAL TEXT DELETED – supplier and purchases information]

**SECTION H
EXPORTER'S DECLARATION**



I hereby declare that **Compañía Española de Laminación, S.L.** did, during the period of investigation export the goods under consideration and have completed the attached questionnaire and, having made due inquiry, certify that the information contained in this submission is complete and correct to the best of my knowledge and belief.



I hereby declare that.....(company) did not, during the period of investigation, export the goods under consideration and therefore have not completed the attached questionnaire.

Name

[CONFIDENTIAL TEXT DELETED]

Signature

.....**[SIGNED]**.....

Position in Company

Global Support Director – Public Affairs

Date

12 December 2014

SECTION I CHECKLIST

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

Section	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 - declaration	<input checked="" type="checkbox"/>

Electronic Data	Please tick if you have provided spread sheet
INCOME STATEMENT	<input checked="" type="checkbox"/>
TURNOVER – sales summary	<input checked="" type="checkbox"/>
AUSTRALIAN SALES – list of sales to Australia	<input checked="" type="checkbox"/>
DOMESTIC SALES – list of all domestic sales of like goods	<input checked="" type="checkbox"/>
THIRD COUNTRY – third country sales	<input checked="" type="checkbox"/>
PRODUCTION – production figures	<input checked="" type="checkbox"/>
DOMESTIC COSTS – costs of goods sold domestically	<input checked="" type="checkbox"/>
AUSTRALIAN COSTS – costs of goods sold to Australia	<input checked="" type="checkbox"/>