



Exporter Questionnaire



PT Ispat Indo

Product: Rod in Coil

From: Indonesia Taiwan and Turkey

Period of Investigation: 1 January 2013 – 31 December 2013

Response due by: **20 May 2014**

Extended to 3 June 2014

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Attention: Director Operations 1

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GOODS UNDER CONSIDERATION

The goods under consideration (the goods) i.e. the goods exported to Australia, allegedly at dumped prices are **rod in coil**.

The goods are described as:

hot rolled rods in coils of steel, whether or not containing alloys, that have maximum cross sections that are less than 14mm.

The applicant provided further details as follows:

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

Goods excluded from this application include Deformed bar in coils and stainless steel in coils.

The goods are typically classified to subheadings 7213.91.00 (statistical code 44) and 7227.90.90 (statistical code 42) to Schedule 3 of the Customs Tariff Act 1995. The general rate of duty is currently 5%, however, Indonesia and Turkey are designated DCS countries and Taiwan is designated a DCT¹ country. The rate of duty for rod in coils exported to Australia from DCS and DCT designated countries is free.

¹ 'DCT' and 'DCS' are codes applied to classes of countries and places in relation to which special rates apply as specified in Parts 4 and 5 of Schedule 1 of the *Customs Tariff Act 1995*.

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 of PT Ispat Indo and factory	
Name	Mr. Chander Prakash
Position in Company	Marketing Manager
Visiting address	PT Ispat Indo Desa Kedungturi Taman Sidoarjo Indonesia
Telephone	+ 62 31 788 7000
Facsimile Number	+ 62 31 788 7500
Email address	Chander.Gupta@mittalsteel.com

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

Name:	Alistair Bridges
Position	Lawyer, Moulis Legal
Address	6/2 Brindabella Circuit Brindabella Business Park Canberra International Airport Australian Capital Territory Australia 2609
Phone:	+61 2 6163 1000

Facsimile	+ 62 2 6162 0606
Email address	alistair.bridges@moulislegal.com
All communication 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 business is named PT Ispat Indo (“Ispat Indo”).

Ispat Indo is a limited liability company.

Ispat Indo does not use any other business names to export or sell 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).

The major shareholder of Ispat Indo is [CONFIDENTIAL INFORMATION DELETED – information regarding shareholders].

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

[CONFIDENTIAL INFORMATION DELETED – information regarding shareholders].

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

Not applicable. [CONFIDENTIAL INFORMATION DELETED – details of corporate structure].

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

Please refer to [CONFIDENTIAL] Attachment 1 – PT Ispat Indo Corporate Structure.

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

[CONFIDENTIAL INFORMATION DELETED – details of intra-company agreements]

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

Ispat Indo is a manufacturer and seller of products, including of the goods under consideration ("GUC").

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.

Ispat Indo undertakes each of these functions.

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

Please refer to [CONFIDENTIAL] Attachment 2 - PT Ispat Indo Internal Organisation Chart.

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

Please refer to [CONFIDENTIAL] Attachment 3 – PT Ispat Indo Audited Consolidated Report 2012.

A-4 General accounting/administration information

1. Indicate your accounting period.

Ispat Indo's accounting period is January to December.

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

The company's financial records are kept at the offices located in proximity to the factory, the address of which is provided in response to question A-1.

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

- chart of accounts;

Please refer to [CONFIDENTIAL] Attachment 4 – PT Ispat Indo Chart of Accounts.

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

Please refer to:

- **[CONFIDENTIAL] Attachment 3 – PT Ispat Indo Consolidated Audited Report 2012;**
- **[CONFIDENTIAL] Attachment 5 – PT Ispat Indo Financial Report 2012; and**
- **[CONFIDENTIAL] Attachment 6 – PT Ispat Indo Consolidated Audited Report 2011.**

Please note, Ispat Indo does not yet have an audited report for 2013, nor is an unaudited version of the report available at this time. Ispat Indo will provide the Commission with a copy of the 2013 audited reports when it is available.

- internal financial statements, income statements (profit and loss reports), or management accounts, that are prepared and maintained in the normal course of business for the goods under consideration.
- These documents should relate to:
 - the division or section/s of your business responsible for the production and sale of the goods under consideration, and
 - the company.

Please refer to [CONFIDENTIAL] Attachment 7 – PT Ispat Indo Management Report 2013.

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.

Not applicable. Ispat Indo is required to 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.

No, Ispat Indo's accounting practices are in accordance with the generally accepted accounting principles of Indonesia.

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);

Ispat Indo uses the weighted average methodology for raw material and the lower of cost or net realizable value for inventories.

- 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)

Costs are determined using the weighted average method. Depending upon the type of inventory, cost may comprise of purchase, conversion, and other costs necessarily incurred bringing the inventory to its present location and condition.

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

The net realisable valuation method is used to account for damaged or substandard goods generated throughout the production process.

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

Scrap and by-products produced throughout the production process are recyclable. Therefore, they are valued at the raw material price.

- valuation and revaluation methods for fixed assets;

Fixed assets are stated at cost.

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

The relevant useful lives for assets and production equipment are:

- Road construction: 21 – 33 years
- Buildings: 31 – 40 years
- Machinery: 25 – 35 years
- Electrical equipment and installation: 25 – 35 years
- Vehicles: 5 years
- Furniture, fixtures and office equipment: 10 years

Depreciation is computed using the straight line method over the estimated useful life of the asset.

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

Transactions in currencies other than the Indonesian Rupiah (“IDR”) are recorded at the prevailing exchange rate at the date of the transaction.

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

Monetary assets and liabilities denominated in foreign currencies are translated using the latest year end rate published by the Bank of Indonesia, middle rate of exchange. The resulting net foreign exchange gains or losses are recognised in the yearly profit and loss statement.

- inclusion of general expenses and/or interest;

All expenses are recognised as and when they are incurred or accrued, whichever is earlier.

- provisions for bad or doubtful debts;

Not applicable. Ispat Indo incurred no bad debts and did not provision for them during the period of investigation.

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

Expenses related to plant shut down are charged as and when they are incurred.

- costs of plant closure;

Not applicable. Ispat Indo has not has not had to account for any plant closures.

- restructuring costs;

Not applicable. Ispat Indo has not has not had to account for any restructuring costs.

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

As noted above, scrap/by products are recycled.

- effects of inflation on financial statement information.

The effects of inflation are captured in the Ispat Indo's profit and loss account.

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.

The accounting methods adopted by Ispat Indo have not changed in 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)				
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 spreadsheet named **"Income statement"**.

This information will be used to verify the completeness of cost data that you provide in Section G. If, because of your company's structure, the allocations would not be helpful in this process, please explain why this is the case.

Please refer to [CONFIDENTIAL] Attachment 8 – Income Statement.

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 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 [CONFIDENTIAL] Attachment 9 – Turnover.

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.

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:

[CONFIDENTIAL INFORMATION DELETED – details of Ispat Indo's Australian customers]

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.

The rod in coil that [CONFIDENTIAL INFORMATION DELETED – customers] purchase from Ispat Indo is transported by freight companies contracted by Ispat Indo to the warehouse of [CONFIDENTIAL INFORMATION DELETED – identity of service provider], Ispat Indo's clearing agent.

[CONFIDENTIAL INFORMATION DELETED – identity of service provider] loads the coils in shipping containers and transports them to Surabaya port. From the Surabaya port the containers will be loaded on a ship for carriage to Australia.

[CONFIDENTIAL INFORMATION DELETED – details of Australian customers].

- (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.

All sales are made directly to [CONFIDENTIAL INFORMATION DELETED – details of Australian customers].

As mentioned above, Ispat Indo contracts with [CONFIDENTIAL INFORMATION DELETED – details of service provider]. In addition, Ispat Indo employs a number of shipping companies to export the rod in coil to Australia.

[CONFIDENTIAL INFORMATION DELETED – details of relationship with Australian customers].

- (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.

[CONFIDENTIAL INFORMATION DELETED – details of terms of sale] No sales were made subject to DDP sales terms during the period of investigation.

- (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 INFORMATION DELETED – details of agreements with customers]

- (e) Explain in detail the process by which you negotiate price, receive orders, deliver, invoice and receive payment.

[CONFIDENTIAL INFORMATION DELETED – details of pricing considerations, financing and accounting policies]

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

[CONFIDENTIAL INFORMATION DELETED – details of relationship between Ispat Indo and Australian customers]

There are no financial or other arrangements between Ispat Indo and [CONFIDENTIAL INFORMATION DELETED – Australian customers].

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

[CONFIDENTIAL INFORMATION DELETED – details of forward orders]

- 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 INFORMATION DELETED – details of Australian customers].

[CONFIDENTIAL INFORMATION DELETED –details of Australian customers] is a trader, to our understanding it has a customer at the time of ordering from Ispat Indo and arranges for the goods to be delivered direct to its customer.

- 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.

Please refer to [CONFIDENTIAL] Attachment 10 – Australian Sales spreadsheet.

Indicate whether goods exported are sold on an actual or theoretical weight basis.

Ispat Indo only sells on an actual weight basis.

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/grade/type	commercial model/grade or type
Product code	code used in your records for the model/grade/type identified. Explain the product codes in your questionnaire response.
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
Quantity	Quantity in units shown on the invoice. Show basis eg kg.
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.
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
Rebates or other allowances	the amount of any deferred rebates or allowances paid to the importer in the currency of sale
Quantity discounts	the actual amount of 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. If the goods are not yet shipped, provide an estimate of inland freight.
Handling, loading & ancillary expenses*	handling, loading & ancillary expenses. For example, terminal handling, export inspection, wharfage & other port charges, container tax, container hire and stuffing charges, 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.
Commissions*	Commissions paid. If more than one type is paid insert additional columns of data. Indicate in your response to question B2 whether the commission is a pre or post exportation expense having regard to the date of sale.
Other factors*	any other costs, charges or expenses incurred in relation to the exports to Australia (include additional columns as required). See question B5.

** FOB export price and Ocean Freight:

FOB export price: An FOB export price must be calculated for each shipment - regardless of the shipping terms. FOB price includes inland transportation to the port of exportation, inland insurance, handling, and loading charges. It excludes post exportation expenses such as ocean freight and insurance. Use a formula to show the method of the calculation on each line of the export sales spreadsheet.

Ocean freight: as ocean freight is a significant cost it is important that the actual amount of ocean freight incurred on each exportation be reported. If estimates must be made you must explain the reasons and set out the basis - estimates must reflect changes in freight rates over the investigation period.

Freight allocations must be checked for consistency.

* All of these costs are further explained in section E-1.

- B-5** If there are any other costs, charges or expenses incurred in respect of the exports listed above which have not been identified in the table above, add a column (see “other factors” in question B-4) for each item, and provide a description of each item. For example, other selling expenses (direct or indirect) incurred in relation to the export sales to Australia.

[CONFIDENTIAL INFORMATION DELETED – details of export costs].

- 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 INFORMATION DELETED – details of dealings with Australian customers]

- 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 INFORMATION DELETED –details of commercial dealings with Australian customers].

- 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:

Not applicable. The delivery terms do not make Ispat Indo responsible for arrival of the goods at an agreed point within Australia.

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)

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/sales invoice;
- bill of lading, export permit;
- freight invoices in relation to movement of the goods from factory to Australia, including inland freight contract;
- marine insurance expenses; and
- letter of credit, and bank documentation, proving payment.

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

Please refer to:

- **[CONFIDENTIAL] Attachment 11 – Australian Sales Bundle 1; and**
- **[CONFIDENTIAL] Attachment 12 – Australian Sales Bundle 2.**

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.

During the investigation period Ispat Indo exported [CONFIDENTIAL INFORMATION DELETED – product types] rod in coils to Australia. The specific types and grades were:

[CONFIDENTIAL INFORMATION DELETED –
details of models sold to Australia]

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

Please refer to the response to Question C-1 above.

- C-3** If you sell like goods on the domestic market, for each model/type that your company has exported to Australia during the investigation period, list the most comparable model(s) sold domestically and provide a detailed explanation of the differences where those goods sold domestically (that is the like goods – see explanation in glossary) are not identical to the goods exported to Australia (for example):

EXPORTED MODEL	DOMESTIC MODEL	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

Export Model	Domestic Model	Identical?	Differences	Group
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**[CONFIDENTIAL INFORMATION DELETED –
comparison of Australian sold grades and domestic sold grades]**

Please note, a column named “group” has been included in Attachment 10 – Australian Sales and [CONFIDENTIAL] Attachment 13 – Domestic Sales, which indicates whether the products are in group “A”, “B” or “C”.

Any products that are not “like” the exported goods for comparison purposes, have been included in group “D” in Attachment 13.

- 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 14 – Technical 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 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.

The Commission will normally take the invoice date as being the date of sale.

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 the domestic sales covering the same period must be included.

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.

There are two distribution channels employed by Ispat Indo:

- **Ispat Indo sells rod in coil directly to end-users, who use it in their own production of downstream products; or**
- **Ispat Indo sells rod in coil to traders, who then on-sell the rod in coil to their own customers.**

In the first scenario, there may be up to three parties in the supply chain. The primary parties are Ispat Indo and the end-users. Where the delivery terms are delivered – referred to colloquially as “franco”, Ispat Indo will arrange delivery to the customer through a freight company. However, if the delivery terms are ex-factory, referred to as “loco”, either the customer or a representative of the customer will pick up the rod in coil from Ispat Indo.

In the second scenario, there may be up to four parties in the chain, being Ispat Indo, the trader (Ispat Indo’s customer), the trader’s customer, and depending on the delivery terms, freight company/ies.

There are no agency or distribution agreements entered into, nor does Ispat Indo enter into any long-term sales contracts. All domestic sales are “spot

sales”.

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.

Amongst the customers to whom Ispat Indo sold rod in coil during the period of investigation were [CONFIDENTIAL INFORMATION DELETED –details of subsidiaries]

The association between Ispat Indo and these customers had no effect on the price at which Ispat Indo sold these entities rod in coil. As per any other customer, [CONFIDENTIAL INFORMATION DELETED – subsidiaries] will negotiate a price with Ispat Indo’s domestic sales staff. Ispat Indo’s domestic sales staff will not agree to a loss making price.

- 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.

Prices to traders can be expected to be lower than prices to end-users. This is because the trader negotiates from a position where they need to achieve a profit when they on sell the rod in coil.

In either case, Ispat Indo negotiates a profitable price, as the information presented in this EQ demonstrates.

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

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

Price setting and the terms of the sale

Potential customers will contact Ispat Indo’s domestic sales team, seeking to buy rod in coil. Ispat Indo’s sales people will negotiate with those potential customers in order to maximise profit.

**[CONFIDENTIAL INFORMATION DELETED – details of pricing considerations]
At the same point, Ispat Indo’s domestic sales staff will discuss the terms of the sale with the potential customer.**

In all cases where the delivery terms are franco the price includes the cost of delivery to the customer. However, where the delivery terms are loco the customer bears the responsibility for picking up the product from Ispat Indo’s factory, so no cost of delivery will be reflected in the price.

Receiving orders

If Ispat Indo and the potential customer can agree to a price [CONFIDENTIAL

INFORMATION DELETED – details of order receipt and internal operations].**Making delivery**

After production on the order is completed, Ispat Indo's domestic sales team will inform the customer that the rod in coil is ready for delivery or pickup.

In the case the delivery terms were franco, the finished material will be dispatched when it was ready. In either case, Ispat Indo's Dispatch Department will arrange for the transportation of the finished product to the customer, using a trucking company.

Where the agreed delivery terms are loco - i.e. ex-factory – the customer will arrange the collection of the products from Ispat Indo's factory.

Receiving payment**[CONFIDENTIAL INFORMATION DELETED – details of payment terms]**

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

Ispat Indo does not make sales in accordance with price lists.

- D-4 Indicate whether goods sold on the domestic market are sold on an actual or theoretical weight basis.

All goods sold to the domestic market are done so on an actual weight basis.

- D-5 Prepare a spreadsheet named "DOMESTIC SALES" listing all sales of like goods made during the investigation period. The listing must be provided on a computer disk. Include all of the following information:

DOMESTIC SALES

Column heading	Explanation
Customer name	names of your customers. If an English version of the name is not easily produced from your automated systems show a customer code number and in a separate table list each code and name.
Level of trade	the level of trade of your domestic customer
Model/grade/type	commercial model/grade or type
Product code	code used in your records for the model/grade/type identified. Explain the product codes in your questionnaire response.
Invoice number	invoice number
Invoice date	invoice date
Date of sale	refer to the explanation at the beginning of this section. If you consider that a date <i>other than</i> the invoice date best establishes the material terms of sale and should be used, report that date. For example, order confirmation, contract, or purchase order date.
Order number	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	eg ex factory, free on truck, delivered into store
Payment terms	payment terms agreed with the customer eg. 60 days=60 etc
Quantity	quantity in units shown on the invoice eg kg.
Gross Invoice value	gross value shown on invoice <i>in the currency of sale</i> , 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.
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 exporting country	the net invoice value expressed in your domestic currency as recorded in your accounting system
Rebates or other allowances	the actual amount of any deferred rebates or allowances in the currency of sale
Quantity 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 & guarantee expenses*	warranty & guarantee expenses
Technical assistance & other services*	expenses for after sale services such as technical assistance or installation costs.
Commissions*	commissions paid. If more than one type is paid insert additional columns of data.
Other 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 [CONFIDENTIAL] Attachment 13 – Domestic Sales spreadsheet.

- 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.

[CONFIDENTIAL INFORMATION DELETED – details of other domestic costs].

- D-6 For each type of commission, discount, rebate, allowance offered on domestic sales of like goods:

- provide a description; and
- explain the terms and conditions that must be met by the customer to qualify for payment.

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

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

[CONFIDENTIAL INFORMATION DELETED – details of customer relationships]

- 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 find the requested documents at:

- **[CONFIDENTIAL] Attachment 16 – Domestic Sales Bundle 1; and**
- **[CONFIDENTIAL] Attachment 17 – Domestic Sales Bundle 2.**

SECTION E

FAIR COMPARISON

Section B sought information about the export prices to Australia, Section D sought information about prices on your domestic market for like goods (that is 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.

Ispat Indo’s transport service providers charge Ispat Indo a per tonne fee for inland transportation. Ispat Indo records this amount per sale in its accounting system.

[CONFIDENTIAL INFORMATION DELETED – details of inland transport cost quantification].

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 hire and stuffing charges;
- container taxes;
- document fees and customs brokers fees;
- clearance fees;
- bank charges, letter of credit fees
- other ancillary charges.

Ispat Indo contracts with [CONFIDENTIAL INFORMATION DELETED – service provider] to provide “handling and stuffing” services. [CONFIDENTIAL INFORMATION DELETED – service provider] charges Ispat Indo on a per tonne basis, and occasionally on a per container basis. These costs are recorded by Ispat Indo in its accounting system.

[CONFIDENTIAL INFORMATION DELETED – details of inland transport cost quantification]

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 e.g. 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.

[CONFIDENTIAL INFORMATION DELETED – details of payment terms].

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’.

Prior to being transported to the factory, all wire rod coils are tied in 4 places with tie wire. Roughly [CONFIDENTIAL INFORMATION DELETED – number] of wire rod is required to tie one coil.

Tie wire is used irrespective of whether the goods are sold domestically or exported. Therefore, it is a cost that is the same across all grade/type/models, whether sold in Indonesia or exported out into the world.

Coils are exported in containers. However, the loading into containers is undertaken by [CONFIDENTIAL INFORMATION DELETED – service provider], as referred to in Question E-1(4). [CONFIDENTIAL INFORMATION DELETED – details of packing cost quantification].

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.

Not applicable. No commissions have been paid in relation to Australian sales.

6. Warranties, guarantees, and after sales services

List the costs incurred. Show relevant sales contracts. Show how you

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

Not applicable. No expenses were incurred in relation to warranties, guarantees and after sales services with regard to rod in coil sold to Australia.

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.

Ispat Indo reserves the right to make submissions regarding further adjustments after the lodgement of this Exporter Questionnaire response for the purposes of verification.

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.

Not applicable. There were no sustained movements between the IDR and the USD, or the IDR and the AUD, during the period of investigation.

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 (that is an amount for selling general and administrative costs (SG&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 INFORMATION DELETED – details of rod in coil sold exported to Australia and sold domestically]

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.

Exports are fully exempted from VAT. However, as per the instructions to the domestic sales spreadsheet, both the gross price and the net prices recorded therein have been done so net of tax. Costs recorded in Section G are also VAT exclusive.

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

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

In substantiating the drawback claim the following information is required:

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

Substitution drawback systems

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

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

Not applicable. There are no duty drawback or substitution schemes in operation.

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 INFORMATION DELETED – customer details].

Ispat Indo reserves the right to make submissions regarding these matters for the purposes of verification.

4. Credit

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

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

- the rate, or average of rates, applying on actual short term borrowing's by the company; or

- the prime interest rate prevailing for commercial loans in the country for credit terms that most closely approximate the credit terms on which the sales were made; or
- such other rate considered appropriate in the circumstances.

Provide the applicable interest rate over each month of the investigation period.

If your accounts receivable shows that the average number of collection days differs from the payment terms shown in the sales listing, and if domestic prices are influenced by this longer or shorter period, calculate the average number of collection days.

Ispat Indo made a number of domestic sales on credit.

[CONFIDENTIAL INFORMATION DELETED – details of credit terms provided to a number of customers]The applicable interest rate for Ispat Indo ranged from [CONFIDENTIAL INFORMATION DELETED – number]% to [CONFIDENTIAL INFORMATION DELETED – number]% per annum during the POI. Please refer to [CONFIDENTIAL] Attachment 19 – Proof of Interest Rate.

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 system², 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

² 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.

turnover ratio determined above at 1.

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

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

5. Transportation

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

Ispat Indo's transport service providers charge Ispat Indo a per tonne fee for inland transportation. Ispat Indo records this amount per sale in its accounting system.

[CONFIDENTIAL INFORMATION DELETED – details of inland transport cost quantification].

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.

Not applicable. No handling, loading or ancillary expenses are incurred for domestic sales, beyond the cost of loading the coil onto the truck. This is a cost that is borne on both domestic sales and export sales.

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**".

Please refer to the response to Question E-1(4) above for details of the packing used for coils.

Please note that domestically sold rod in coil is not loaded into containers, thus the only packing relevant is the tie wire. This is the same irrespective of whether the rod in coil is sold domestically or internationally.

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 INFORMATION DELETED – details of domestic sales arrangements].

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.

Not applicable. No warranty or guarantee costs were incurred in relation to domestic sales, nor was any technical assistance provided.

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*.

Ispat Indo reserves the right to make submission on further adjustments after the lodgement of this Exporter Questionnaire.

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.

Noted. No duplications are apparent in the adjustments claimed.

SECTION F

EXPORT SALES TO COUNTRIES OTHER THAN AUSTRALIA (THIRD COUNTRY SALES)

Please complete Section F only if you would submit that it is appropriate for the Commission to determine normal values pursuant to section 269TAC(2)(d).

Ispat Indo does not consider it appropriate to use third country sales as a basis for calculating normal values under Section 269TAC(2)(d) of the Customs Act 1901. In accordance with the above direction, Ispat Indo will not complete Section F.

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	names 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 over the investigation period
Quantity	Indicate quantity in units exported to the third country by year and quarter over the investigation period
Unit of quantity	Show unit of quantity e.g. kg
Value of sales	Show total value of sales (at either FOB or ex-works) exported to the third country by year and quarter over the investigation period
Shipment terms	Typical shipment terms to customers in the third country (e.g. CIF, FOB, ex-works)
Currency	Currency in which you have expressed sales data
Payment terms	Typical payment terms with customer(s) in the country (e.g. 60 days)

Supply this information in spreadsheet file named **“THIRD COUNTRY”**

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

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 GUC - 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 (GUC) 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.

Please refer to [CONFIDENTIAL] Attachment 20 – CTMS calculations.

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)

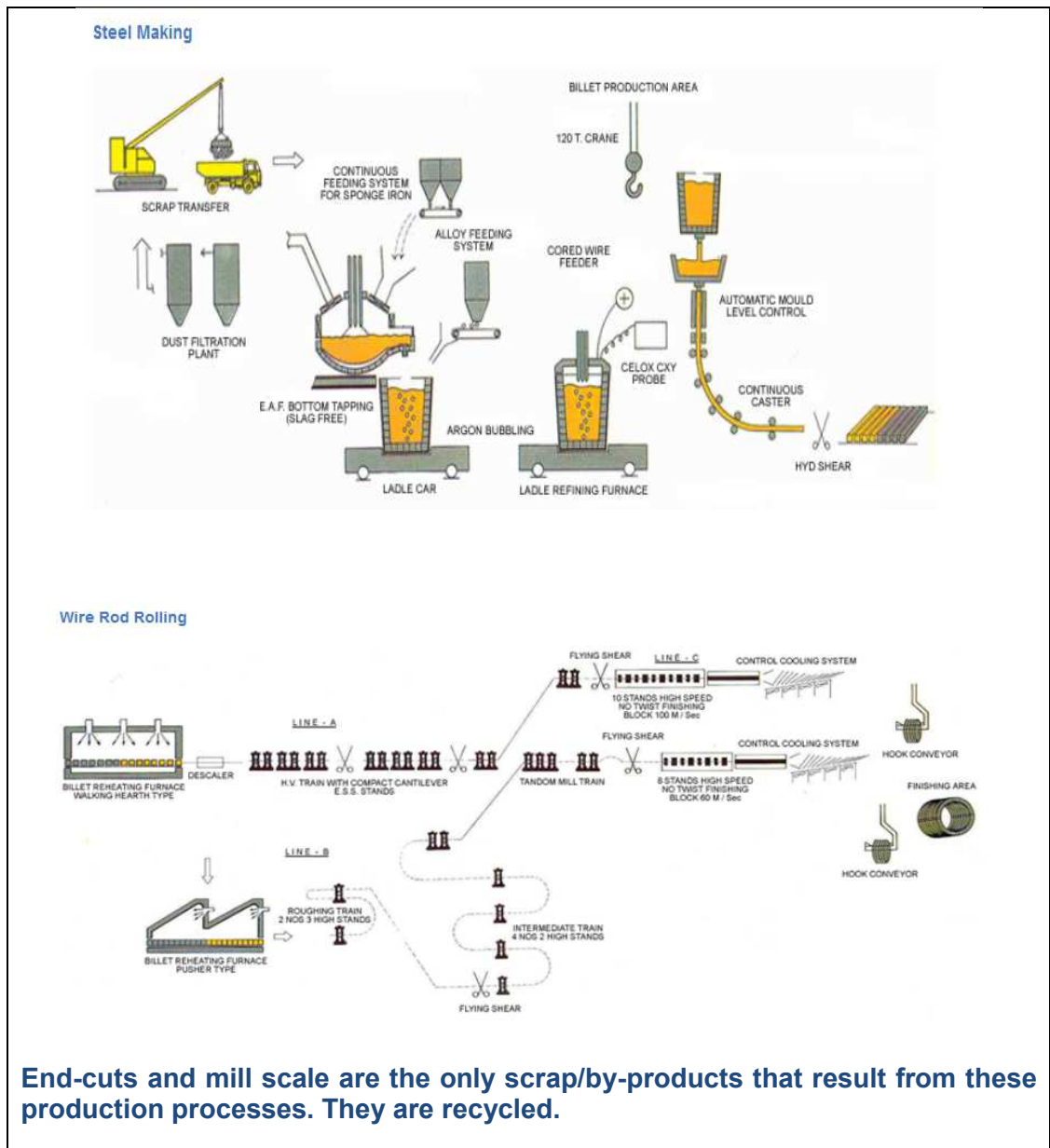
you must provide cost data over the same period as these sales even if doing so means that such cost data predates the commencement of the investigation period.

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

All products are manufactured using the same production facilities. There are essentially two major steps: making the steel and rolling the rod. The production process is depicted in the below diagrams.



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 [CONFIDENTIAL] Attachment 21 – Production capacity.

G-2. Cost accounting practices

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

Ispat Indo uses [CONFIDENTIAL INFORMATION DELETED – accounting system] maintain its accounts.

Ispat Indo's s accounting system operates in accordance with the Indonesian Financial Accounting Standards, which consist of the Statements and Interpretations issued by the Board of Financial Accounting Standards of the Indonesian Institute of Accountants.

Ispat Indo's audited financial statements are based on its [CONFIDENTIAL INFORMATION DELETED – accounting system] system, therefore the information is easily reconcilable.

4. 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.

Ispat Indo's system is based on actual costs as recorded in the system.

5. 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 period of investigation.

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

[CONFIDENTIAL INFORMATION DELETED – details of profit centres]

7. For each profit/cost centre describe in detail the methods that your company normally uses to allocate costs to the goods under investigation. In

particular specify how, and over what period, expenses are amortised or depreciated, and how allowances are made for capital expenditures and other development costs.

[CONFIDENTIAL INFORMATION DELETED – details of allocation of costs to profit centres]

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

[CONFIDENTIAL INFORMATION DELETED – details of production costing]

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

There are no differences between the valuation of costs for cost accounting purposes and for financial purposes.

10. 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.

Ispat Indo did not undertake any start-up operations during the period under investigation.

11. 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, as per the response to the question directly prior to this one.

G-3 Cost to make and sell on domestic market

This information is relevant to testing whether domestic sales are in the ordinary course of trade.³

1. Please provide the actual unit cost to make and sell each model/type (identified in Section C) of the like goods sold on the domestic market.

Ispat Indo has provided a CTMS per unit of coil sold on the domestic market, on a monthly basis, in IDR.

[CONFIDENTIAL INFORMATION DELETED – details of production costing]

3

Customs and Border Protection 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.

Provide this cost data for **each month** corresponding to the relevant sales.

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

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

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

Please ensure non-operating expenses that **relate to the goods under investigation** 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.

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

Provide this information by month.

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.

<p>Please refer to [CONFIDENTIAL] Attachment 23 – Domestic CTMS.</p>

- G-4** 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.

Provide this cost data for **each month** corresponding to the relevant sales.

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

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

Please ensure non-operating expenses that relate to the GUC 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.

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

Provide this information by month.

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 [CONFIDENTIAL]Attachment 24 – Australian CTMS.

- G-5** 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 INFORMATION DELETED – details of cost allocations].

- G-6** 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 normally determined in accordance with Ispat Indo's accounting system.

- G-7** 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.

Ispat Indo calculated a cost to make and sell per tonne of rod in coil sold in a given month in the CTMS. Allocation methods used are either in accordance with company practice or, where allocations are required for the purposes of this EQ, are reasonable.

- G-8** 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.

If the major input is purchased or supplied from an integrated production process you should provide detailed information on the full costs of production of that input.

[CONFIDENTIAL INFORMATION DELETED – details of sources of major raw materials used in the production of rod in coil]

**SECTION H
EXPORTER'S DECLARATION**

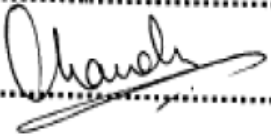


I hereby declare that PT ISPAT INDO (company) did, during the period of investigation export the goods under investigation and have completed the attached questionnaire and, having made due inquiry, certify that the information contained in this questionnaire response is complete and correct to the best of my knowledge and belief.



I hereby declare that.....(company) did not, during the period of investigation export the goods under investigation and have completed the attached questionnaire and, having made due inquiry, certify that the information contained in this questionnaire response is complete and correct to the best of my knowledge and belief.

Name : CHANDER PRAKASH

Signature : 

Position in Company : MANAGER - MARKETING

Date : 03/06/14

SECTION I CHECKLIST

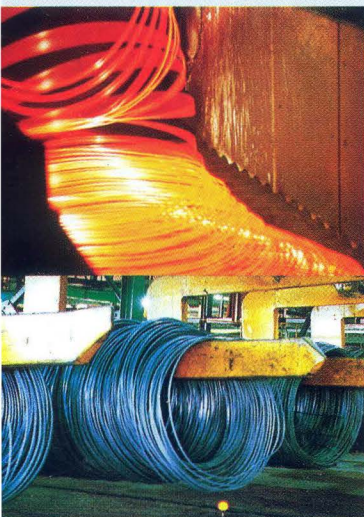
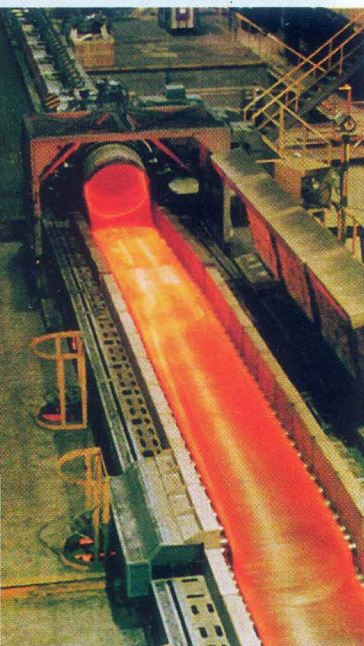
This section is an aid to ensure that you have completed all sections of this questionnaire.

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 type="checkbox"/>
PRODUCTION – production figures	<input checked="" type="checkbox"/>
DOMESTIC CTMS – cost to make and sell domestic goods	<input checked="" type="checkbox"/>
AUSTRALIAN CTMS – cost to make and sell goods sold to Australia	<input checked="" type="checkbox"/>

PT. ISPAT INDO

WIRE RODS AND DEFORMED BARS



PRODUCTS

SIZE RANGE

- Wire rod coils : 4.7 mm to 16 mm dia.
- Deformed bars in coil : 6 mm to 16 mm dia.
- Coil Weight : Approx 1800 Kg or 3 coils of each 550 Kg bundled together to weight approx 1650 Kg.
- Coil Dimension : ID : 850 mm; OD : 1250 mm.

FINAL APPLICATIONS

- Industrial quality wire rods : Fine wire, galvanized wire, nails, mesh, cable armouring tape, telephone wire, concrete reinforcing bars.
- Medium high carbon wire rods : Tire bead wire, wire ropes, upholstery springs, umbrella ribs, spoke wires, concrete nails, ACSR wire, PC wire.
- Low carbon electrode grades : Stick welding electrodes of low carbon - low silicon variety.
- CO2 welding grades : Metal inert gas welding copper coated wires.
- Deformed bars : Concrete reinforcement.
- CHQ : Low tensile fasteners - Nuts, bolts, self tapping screws, Studs, Rivets, etc.

INDUSTRIAL PROCESS

FACILITIES

Electric Arc Furnace / Ladle Metallurgy / Billet Caster with EMS

Wire rod mill A :

- Walking hearth furnace.
- Horizontal vertical ESS stands.
- 100 m/s no twist 10 stand block mill.
- 106 mtr long control cooling conveyor with high capacity air blowers (stelmore type).
- Insulating Hoods for retarded cooling.
- Coil weight : 1.8 MT.

Wire rod mill B :

- Pusher type furnace.
- Cross country mill.
- 8 stand No twist block - 65 m/s.
- Control cooling conveyor.
- Coil weight : 0.550 MT.

STRENGTHS

- Largest wire rod producer in Indonesia with highest market share.
- Shortest delivery period with highly flexible product mix at the most competitive price in South East / Far East Asian markets.
- ISO 9001 : 2008 Certification for Quality Assurance system.
- JIS Certification for products such as low carbon, high carbon and electrode grade wire rods.
- ISO 14001 2004 : certification for environmental management system.
- OHSAS 18001: 2007 Certification and SMK 3 certification for safety and health management system.
- Accredited ISO/IEC 17025:2005 by KAN Indonesia (Komite Akreditasi Nasional).

CERTIFICATION

- JIS - Japan
- SNI - Indonesia
- SIRIM - Malaysia



CONTACT DETAILS

- Plant and Office : Desa Kedungturi, Taman, Sidoarjo 61257
PO. Box 1083, Surabaya, Indonesia - 60010
- Telephone : (62) 31-7887000
- Fax : (62) 31-7887500
- E-mail : ispatindo@mittalsteel.com
- Website : www.ispatindo.com

PRODUCT SPECIFICATIONS

1. LOW CARBON STEEL WIRE RODS

Grade Equivalent	% C	% Mn	% P Max	% S Max	% Si	UTS (Max) N/mm ²	Elong Min %	Typical End Use
JIS G 3505 OR SAE / AISI								
1005	0.06 max	0.35 max	0.040	0.040	0.10 max	400	35	Fine wire drawing
SWRM 6/1006	0.08 max	0.45 max	0.040	0.040	0.15 max	420	30	Binding wire, Annealed wire,
SWRM 8/1008	0.10 max	0.55 max	0.040	0.040	0.15 max	440	25	Telegraph wire ,Nails,
SWRM 10/1010	0.08/0.13	0.30/0.60	0.040	0.040	0.15 max	460	23	Galvanized wire, Barbed wire,
SWRM 12/1012	0.10/0.15	0.30/0.60	0.040	0.040	0.15 max	510	22	Nail wire,Staple Wire,Wire mesh
SWRM 15/1015	0.13/0.18	0.30/0.60	0.040	0.040	0.20 max	520	21	Rivet wire
SWRM 17/1017	0.15/0.20	0.30/0.60	0.040	0.040	0.20 max	530	21	
SWRM 22/1022	0.20/0.25	0.30/0.60	0.040	0.040	0.20 max	600	20	Concrete Reinforcement
Commercial 1020	0.30 max	1.50 max	0.050	0.050	1.00 max			Miscellaneous

2. HIGH CARBON WIRE RODS

Grade	% C	% Mn	% P Max	% S Max	% Si	Typical UTS (5.5 mm dia) N/mm ²	Elong % Approx	Typical end use
SWRH 27	0.24/0.31	0.38/0.60	0.030	0.030	0.15/0.30	565/695	16	Low Carbon PC Wire
SWRH 32	0.29/0.36	0.38/0.60	0.030	0.030	0.15/0.30	600/715	15	
SWRH 37	0.34/0.41	0.38/0.60	0.030	0.030	0.15/0.30	620/745	15	
SWRH 42A	0.39/0.46	0.38/0.60	0.030	0.030	0.15/0.30	665/775	14	Concrete nail Wire for umbrella rib, Cycle spoke, Motor cycle spoke.
SWRH 42B	0.39/0.46	0.60/0.82	0.030	0.030	0.15/0.30	685/815	14	
SWRH 47A	0.44/0.51	0.38/0.60	0.030	0.030	0.15/0.30	735/855	13	
SWRH 47B	0.44/0.51	0.60/0.82	0.030	0.030	0.15/0.30	755/875	13	Crimping wire for bed spring. Spring wire,rope wire, ACSR wire,
SWRH 52A	0.49/0.56	0.38/0.60	0.030	0.030	0.15/0.30	825/945	13	
SWRH 52B	0.49/0.56	0.60/0.82	0.030	0.030	0.15/0.30	845/965	13	
SWRH 57A	0.54/0.61	0.38/0.60	0.030	0.030	0.15/0.30	860/970	12	Tyre-bead wire, spring wire, ropes PC wire PC stand, etc
SWRH 57B	0.54/0.61	0.60/0.82	0.030	0.030	0.15/0.30	880/980	12	
SWRH 62A	0.59/0.66	0.38/0.60	0.030	0.030	0.15/0.30	920/1040	11	
SWRH 62B	0.59/0.66	0.60/0.82	0.030	0.030	0.15/0.30	950/1070	11	
SWRH 67A	0.64/0.71	0.38/0.60	0.030	0.030	0.15/0.30	960/1080	10	
SWRH 67B	0.64/0.71	0.60/0.82	0.030	0.030	0.15/0.30	970/1090	10	
SWRH 72A	0.69/0.76	0.38/0.60	0.030	0.030	0.15/0.30	1030/1150	9	
SWRH 72B	0.69/0.76	0.60/0.82	0.030	0.030	0.15/0.30	1050/1170	9	
SWRH 77A	0.74/0.81	0.38/0.60	0.030	0.030	0.15/0.30	1090/1210	9	
SWRH 77B	0.74/0.81	0.60/0.82	0.030	0.030	0.15/0.30	1120/1250	8	
SWRH 82A	0.79/0.86	0.38/0.60	0.030	0.030	0.15/0.30	1140/1270	8	
SWRH 82B	0.79/0.86	0.60/0.82	0.030	0.030	0.15/0.30	1170/1290	8	

3.WELDING ELECTRODE GRADE 3.1 Core Wire For Mild Steel Electrodes

Grade	% C	% Mn	% P	% S	% Si	% CU	UTS (Max) N/mm ²	RA Min%	Typical End Use
JIS G 3503	Max		Max	Max	Max	Max			
SWRY 11	0.09	0.35/0.65	0.020	0.023	0.03	0.20	430	45	Stick electrodes

3.2 CO2 GAS WELDING ROD FOR MIG/TIG WIRE

Grade Equivalent to	% C	% Mn	% P Max	% S Max	% Si Max	% CU Max	UTS (N/mm 2)	RA Min %	The wire rods are retarded cooled under insulated hoods on a conveyor 106mtr long running at a speed of 0.15m/s. The mechanical and metallurgical properties are amenable to good drawability. The chemical specifications can be adjusted on mutual agreement for special requirements. Other related grades for SAW welding such as EM 12L, EH 14 etc can also be supplied as per customer specifications.
ER-70-S4	0.04/0.10	1.00/1.35	0.025	0.025	0.50/0.70	0.10	520	80	
ER-70-S6 (SG2)	0.07/0.12	1.40/1.60	0.025	0.025	0.80/1.00	0.13	695 max	65	
EM 12K (S2Si)	0.06/0.12	0.80/1.20	0.025	0.025	0.05/0.35	0.15	600	45	

4. WIRE ROD FOR COLD HEADING APPLICATIONS

Grade Equivalent to	% C	% Mn	% P Max	% S Max	% Si Max	% AL Min	Typical End Use
SWRCH 6R	0.08 max	0.60 max		0.040	0.040		Fasteners
SWRCH 8A	0.10 max	0.60 max		0.040	0.10	0.02	
SWRCH 18A	0.15/0.20	0.60/0.90	0.030	0.030	0.10	0.02	

5. DEFORMED BARS IN COIL FOR CONCRETE REINFORCEMENT

Sizes (in mm) : 6, 8, 10, 13, 16

Grade	% C	% Mn	% P Max	% S Max	% Si Max	C+(Mn/6) %	UTS N/mm ²	Yield Strength N/mm ²
JIS G 3112/ASTM/ACRS/SIRIM/BIS								
SD 295 A			0.050	0.050			440/600	295 min
SD 295 B	0.27 max	1.50 max	0.040	0.040	0.55		440 min	295 to 390
SD 345	0.27 max	1.60 max	0.040	0.040	0.55	0.50 max	490 min	345 to 440
SD 390	0.29 max	1.80 max	0.040	0.040	0.55	0.55 max	560 min	390 to 510
SD 490	0.32 max	1.80 max	0.040	0.040	0.55	0.60 max	620 min	490 to 625
Grade 40	0.27/0.34	0.60/0.90	0.050	0.050	0.35	0.37/0.49	470 min	320 min
Grade 60	0.28/0.33	1.15/1.35	0.045	0.045	0.35	0.47/0.55	550 min	390 min

*Customize grades can also be made on request