



REVIEW 419

**REVIEW OF ANTI-DUMPING MEASURES IN
RESPECT OF CERTAIN HOLLOW STRUCTURAL
SECTIONS**

**EXPORTED FROM THE PEOPLE'S REPUBLIC OF
CHINA, THE REPUBLIC OF KOREA, MALAYSIA
AND TAIWAN**

VERIFICATION REPORT - IMPORTER

THYSSENKRUPP MATERIALS AUSTRALIA PTY LTD

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

September 2017

PUBLIC RECORD

CONTENTS

CONTENTS.....	2
1 BACKGROUND.....	3
2 AUSTRALIAN SALES.....	4
2.1 VERIFICATION OF SALES TO AUDITED FINANCIAL STATEMENTS.....	4
2.2 VERIFICATION OF SALES TO SOURCE DOCUMENTS.....	4
2.3 RELATED PARTY CUSTOMERS	4
3 IMPORTS.....	5
3.1 THE GOODS	5
3.2 VERIFICATION OF IMPORTATION AND SELLING COSTS	5
3.3 IMPORT LISTING.....	5
3.4 THE IMPORTER	5
3.5 THE EXPORTER.....	5
3.6 PROFITABILITY OF IMPORTS	6
3.7 RELATED PARTY SUPPLIERS.....	6
3.8 ARMS LENGTH.....	6
4 RECOMMENDATIONS	7
5 ATTACHMENTS.....	8

1 BACKGROUND

On 14 July 2017, the Commissioner of the Anti-Dumping Commission (the Commissioner) have initiated a review of the anti-dumping measures applying to certain hollow structural sections (HSS of the goods) exported to Australia from the People's Republic of China (China), the Republic of Korea (Korea), Malaysia and Taiwan. The anti-dumping measures are in the form of a countervailing duty notice in respect of China and a dumping duty notice in respect of China, Korea, Malaysia and Taiwan. Public notification of the initiation of the review was published on the Commission's website www.adcommission.gov.au, [Anti-Dumping Notice \(ADN\) No. 2017/95](#). The background relating to the initiation of this investigation is contained in Consideration Report 419.

Following the initiation of the continuation inquiry, the Commission wrote to ThyssenKrupp Materials Australia Pty Ltd (TKMT) inviting them to cooperate with the review. TKMT cooperated with the review and completed the importer questionnaire and relevant attachments.

The verification was conducted at the TKMT's Sydney office.

2 AUSTRALIAN SALES

2.1 Verification of sales to audited financial statements

The verification team was able to reconcile TKMT's sales listing submitted in Part C responses of the Importer Questionnaire to its accounting system documents in accordance with ADN. No 2016/30.

The verification team is satisfied that TKMT's sales is a reasonably complete and relevant list of all the sales of the goods over the review period.

Details of this verification process are contained in the verification work program at **Confidential Attachment 1**.

2.2 Verification of sales to source documents

The verification team verified the accuracy of TKMT's sales listing by reconciling it to source documents in accordance with ADN No 2016/30.

Details of this verification process are contained in the verification work program at **Confidential Attachment 1**.

The verification team did not find any issues with the verification of the sales listing to source documents.

2.3 Related party customers

The verification team did not find any evidence that TKMT was related to any of its customers during the review period.

3 IMPORTS

3.1 The goods

The verification team confirmed that TKMT imported HSS during the inquiry period which matches the description of the goods that are the subject of this review.

3.2 Verification of importation and selling costs

The verification team verified the accuracy of the importation and selling costs by reconciling selected imports to the source documents in accordance with ADN 2016/30.

Details of the verification are contained within the verification work program at **Confidential Attachment 1**.

The verification team did not find any material issues with the verification of importation and selling costs to source documents.

3.3 Import listing

The verification team reconciled the import listing extracted from the Australian Border Force import database to TKMT's list of imports of the goods over the review period.

The verification team calculated the weighted average FOB export price by supplier at **Confidential Appendix 1**.

3.4 Forward orders

The verification team is satisfied that TKMT intend to continue to import the goods. The list of forward orders is at **Confidential Appendix 2**.

3.5 The importer

The verification team considers TKMT to be the beneficial owner of the goods at the time of importation and therefore the importer.

3.6 The exporter

Subject to further inquiries, the verification team considers TKMT's suppliers to be the exporters of the goods¹.

¹ The Commission generally identifies the exporter as a principal in the transaction, located in the country of export from where the goods were shipped, that gave up responsibility by knowingly placing the goods in the hands of a carrier, courier, forwarding company, or its own vehicle for delivery to Australia; or a principal in the transaction, located in the country of export, that owns, or previously owned, the goods but need not be the owner at the time the goods were shipped.

3.7 Profitability of imports

The verification team compared the selling prices into the Australian market with the corresponding full cost to import and sell those shipments for each of the consignments on the Part B spreadsheet.

The verification team calculated the total profit for all selected shipments in the importer transaction form. The verification team observed that all sales of the selected shipments were profitable except for one shipment, which was marginally unprofitable. The verification team considers that it is reasonable to consider the overall sales were profitable.

This assessment is at **Confidential Appendix 2**.

3.8 Related party suppliers

The verification team did not find any evidence that TKMT was related to its suppliers of the goods during the review period.

3.9 Arms length

In respect of imports of the goods to Australia by TKMT during the review period, the verification team found no evidence that:

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

The verification team found that selected shipments were profitable overall.

Therefore, the verification team is satisfied that the import transactions between TKMT and its suppliers are arms length transactions.

4 RECOMMENDATIONS

The verification team are of the opinion that for the goods imported by TKMT from its suppliers:

- the goods have been exported to Australia otherwise than by the importer;
- the goods have been purchased by the importer from the exporters; and
- the purchases of the goods by the importer were arms length transactions.

Subject to further inquiries with the exporters, the verification team recommends that the export price for the goods imported by TKMT can be established under s.269TAB(1)(a) of the *Customs Act 1901*, as the price paid by the importer to the exporter less the prescribed deductions.

PUBLIC RECORD

5 ATTACHMENTS

Confidential Appendix 1	Export price
Confidential Appendix 2	Forward orders
Confidential Appendix 3	Profitability of sales
Confidential Attachment 1	Verification Work Plan