SUPPLEMENTARY EXPORTER QUESTIONNAIRE

GRINDING BALLS EXPORTED FROM THE PEOPLE’S REPUBLIC OF CHINA

Period of Investigation: 1 OCTOBER 2014 – 30 SEPTEMBER 2015

Response due by: 27 JANUARY 2015

Important note: The Commissioner will reject all requests for a longer period to provide a response to this exporter questionnaire received after this date. Extensions requested before this date will only be agreed to where necessary and reasonable.

CASE CONTACT

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Anti-Dumping Commission website: www.adcommission.gov.au

RETURN OF QUESTIONNAIRE DETAILS

Preferably by email to: operations3@adcommission.gov.au

Or by mail (CD-ROM or USB):
Attention: Director Operations 3
Anti-Dumping Commission
GPO Box 1632
Melbourne VIC 3001
Australia
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BACKGROUND AND GENERAL INSTRUCTIONS

1. Background

On 17 November 2015, following an application by Commonwealth Steel Company Pty Ltd (Moly-Cop) and Donhad Pty Ltd (Donhad), the Commissioner of the Anti-Dumping Commission (the Commissioner) initiated a dumping and countervailing investigation in respect of grinding balls exported to Australia from the People’s Republic of China (China).

The applicants alleged that the Australian industry has suffered material injury caused by grinding balls exported to Australia from China at dumped and subsidised prices.

The dumping and subsidisation investigation involves allegations that there is a situation within the domestic Chinese grinding balls market that renders sales within this market unsuitable for determining normal values under s.269TAC(1) of the Customs Act 1901 (the Act) (i.e. that a ‘particular market situation’ exists in this market).

Anti-Dumping Notice (ADN) 2015/132 outlining the details of the investigation and the procedures to be followed during the investigation was published on 17 November 2015 on the Commission’s website at www.adcommission.gov.au.

2. Goods under consideration

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

Ferrous grinding balls, whether or not containing alloys, cast or forged, with diameters in the range 22mm to 170mm (inclusive).

The applicants provided the following additional information:

The goods covered by this application include all ferrous grinding balls, typically used for the comminution of metalliferous ores, meeting the above description of the goods regardless of the particular grade or alloy content.

Goods excluded from this application include stainless steel balls, precision balls that have been machined and/or polished and ball bearings.

3. Tariff classification

The goods are typically classified to the following tariff subheadings in Schedule 3 of the Customs Tariff Act 1995:

- Tariff subheading 7325.91.00 with statistical code 26; and
- Tariff subheading 7326.11.90 with statistical code 29.

The goods exported from China prior to 20 December 2015 were subject to a 4 per cent rate of general duty. On 20 December 2015 the China Australia Free Trade Agreement came into force at which time the goods became subject to a reduced 3.3 per cent rate of duty. From 1 January 2016 the rate will reduce to 1.7 per cent, and from 1 January 2017 the goods will be free of duty.

4. Investigation period

The existence and amount of any dumping and subsidisation in relation to grinding balls exported to Australia from China will be determined on the basis of an investigation period of 1 October 2014 to 30 September 2015 (the investigation period).
The Commission will examine details of the Australian market from 1 July 2011 for injury analysis purposes.

5. Why you have been asked to fill out this questionnaire?

New information has been received from the applicants regarding the possible existence and receipt of 16 new countervailable subsidy programs not included in the 31 alleged programs the Commission originally initiated investigations into.

The Commission has reviewed this submission and is satisfied that there appear to be reasonable grounds to further investigate the additional alleged subsidy schemes. These additional schemes are listed at Section A.

The purpose of this questionnaire is to assist the Commission to obtain necessary information to determine whether these additional subsidy programs are countervailable and have been received by exporters of the goods. Further details of the new countervailable subsidy programs can be found in a submission by Moly-Cop available on the Commission’s website as record no. 005 on the electronic public record available at www.adcommission.gov.au.

6. What happens if you do not respond to this questionnaire?

You do not have to complete the questionnaire. However, if you do not respond, do not provide all of the information sought, do not provide information within a reasonable time period, or do not allow the Commission to verify the information, we may deem you uncooperative. In that case, the Commission may be required to rely on information supplied by other parties (possibly information supplied by the Australian industry), and it may assess subsidy margin for your company based upon subsidies that may be the highest determined in your country during the investigation period.

It is in your interest, therefore, to provide a complete and accurate submission, capable of verification.

7. Due date for response

Manufacturers and exporters are requested to respond to this questionnaire and return it to the Commission within the time specified on the cover page.

The Commissioner must consider the Direction from the Minister for Industry, Innovation and Science as set out in the Customs (Extensions of Time and Non-cooperation) Direction 2015 (the Direction). This Direction sets out the particular considerations that the Commissioner must take into account when:

- deciding whether a longer period is reasonably required or practicable under subsections 269TC(6) and 269TC(9) of the Customs Act 1901 (the Act), or considering whether to allow any interested party a longer period to give any response;
- considering an insufficient response from an interested party;
- determining whether to have regard to a late response;
- determining whether an exporter is an uncooperative exporter;
- determining whether or not an entity is a non-cooperative entity for the purposes of section 269TAACA; and
- determining whether an entity has significantly impeded a case.

The full text of the Direction and the accompanying explanatory statement is available on the Comlaw website at www.comlaw.gov.au. This and other reforms to Australia’s anti-
8. Confidential and non-confidential submissions

You are required to lodge one confidential version (for official use only) and one non-confidential version (for public record) of your submission by the due date.

Please ensure that each page of information you provide is clearly marked either “FOR OFFICIAL USE ONLY” or “PUBLIC RECORD”.

All information provided to the Commission in confidence will be treated accordingly. The public record version of your submission will be placed on the public record.

Please note, Australia’s anti-dumping and countervailing legislation requires that to the extent that information given to the Commission is claimed to be confidential or whose publication would adversely affect a business or commercial interest, the person giving the information must ensure that a summary of that information contains sufficient detail to allow a reasonable understanding of the substance of the information, but does not breach confidentiality nor adversely affect those interests.

The legislation allows that a person is not required to provide a summary for the public record if the Commission can be satisfied that no such summary can be given that would allow a reasonable understanding of the substance of the information. However, such a summary would add considerably to an interested party’s understanding of information contained in a document.

As provided for in Australia’s anti-dumping and countervailing legislation, all submissions are required to have a bracketed explanation of deleted or blacked out information for the non-confidential version of the submission. Note that if such an explanation is not provided, the Commission may disregard the information in the submission. An example of a statement to accompany deleted/blacked out text is:

[explanation of cost allocation through the divisions].

If, for some reason, you cannot produce a non-confidential summary, please contact the investigation Case Manager.

9. Exporter’s declaration

You are required to make a declaration that the information contained in your submission is complete and correct. Alternatively, if you did not export the goods during the period of investigation, you may make a declaration to that effect.

You must return a signed declaration with your response to the questionnaire.

10. Lodgement

Lodgement by email is preferred. The email address for lodgement is shown on the front cover of this questionnaire. If you lodge by email, you are still required to provide a “for official use only” and “public record” version of your submission by the due date.
You may also lodge your response by mailing it to the address shown on the front cover of this questionnaire. For questions requiring a response in a Microsoft Excel spreadsheet that cannot be emailed, please provide those spread sheets on a CD-ROM or on a USB device.

11. Further information

Before you respond to the questionnaire you should read all the key documentation related to this application including the applicant’s non-confidential submission and the Anti-Dumping Notice notifying the initiation of the investigation. These documents are available on the Commission’s website, www.adcommission.gov.au

We also advise that you read the attached glossary of terms.

If you require further assistance, or you are having difficulties completing your submission, please contact the investigation Case Manager. The Commission will need to know the reasons.
NEW PROGRAMS BEING INVESTIGATED

The following programs will be further investigated by the Commission:

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Please answer the questions below in relation to the programs listed above.

A-1 Provision of raw materials at less than adequate remuneration

Programs 32 and 33

The applicant claims that public bodies (in the form of state-invested enterprises (SIEs)) are supplying coking coal and coke directly or indirectly, to manufacturers of grinding balls at less than adequate remuneration.

In relation to these programs, provide the following information.

Answer:
The company did not purchase coking coal or coke during the investigation period, therefore the questions in this part are not applicable.

A-2 Grants

Programs 34 to 43

The applicants allege that the Government of China may be providing grants to enterprises in China including the following programs identified above.

Did your business or any company/entity related to your business receive any benefit under the above programs during the period 1 January 2012 to 30 September 2015?

Answer:

The company did not receive any benefit under the above programs during the period, therefore the questions in this part are not applicable.

PART A-3 EQUITY PROGRAMS

The Commission understands that the Government of China may be providing assistance in the form of equity programs that may constitute countervailable subsidies for Chinese suppliers of grinding balls. These programs are:

Program 43: Debt for equity swaps

According to the applicant, the debt for equity swap was a measure used in the financial restructuring of China’s State-owned steelmakers to State-owned commercial banks (SOCBs). Pursuant to the Regulations on Financial Asset Management Companies (promulgated by decree on 20 November 2000), the State Council established four Asset Management Companies (AMCs) that were directed to purchase certain non-performing loans from SOCBs. The four AMCs were supervised and managed by the People's Bank of China, China's Ministry of Finance and the China Securities Regulatory Commission. One of the authorised business activities available for the management of non-performing loans purchased by the AMCs was the debt for equity swap. A debt for equity swap is a transaction in which a creditor, in this case an AMC, forgives some or all of a company’s debt in exchange for equity in the company.

Provide complete replies to the following questions with regard to debt-for-equity transactions concerning your company and any other related company from 1 July 2005 to 30 September 2015.

Answer:

The company was not involved in debt-for-equity transactions during the period, therefore the questions in this part are not applicable.
Program 44: Equity infusions

The applicant alleges that the GOC has provided over the years substantial amounts of cash to steel companies producing/exporting the product under investigation through equity infusions. According to the applicant, the GOC acquired shares in companies in which it was already the main shareholder without acquiring additional shareholder rights.

With regard to equity infusions into your company involving directly or indirectly the GOC and/or SOCBs and/or SOEs, please provide the following information since 2005 until 30 September 2015.

Please provide answers to the following questions in the attachment named “Supplementary Exporter Questionnaire – Grinding Balls” on the tab labelled “Equity infusions”.

Answer:

The company was not involved in equity infusions transactions during the period, therefore the questions in this part are not applicable.

Program 45: Unpaid dividends

The Commission understands that according to GOC policy, state-owned enterprises including the steel companies producing/exporting the goods under consideration do not have to pay dividends to the government as their owner, even when they earn profits. The applicant claims that unpaid dividends should be considered as a disguised grant or as revenue forgone because the GOC does not collect dividends that are normally paid to private investors on their shares.

Answer:

The company was not involved in any program concerning unpaid dividends during the period, therefore the questions in this part are not applicable.
PART A-4  PREFERENTIAL LOANS AND INTEREST RATES

It is our understanding that certain enterprises in China benefit from low (subsidised) interest rates from state owned commercial banks (SOCB) and government banks in accordance with the GOC policy to support and develop the expansion of the Chinese steel industry.

If your business or any company/entity related to your business received benefits under any such program during the period 1 July 2010 to 30 September 2015, please answer the following questions.

1. Provide a general overview of how your company secures necessary financial resources on the financial market (e.g. Loans, issuance of bonds etc.)

   **Answer:**

   Generally the company secures necessary financial resources on the financial market through loans.

   Provide answers to the following questions in "Loans" tab of the “Supplementary Exporter Questionnaire – Grinding Balls” workbook attached.

   **Answer:**

   Please refer to Table SA-4-1 Loans [Confidential*] for responses to the following questions 2-12. Please refer to Exhibit SA-4-7 [Confidential*] for the Loans Agreements.

   [* The above exhibit is related to loans of CPSS, which is highly sensitive commercial information. Disclosure of the information would bring the Company damage, thus this information was provided to the Designated Authority in confidence.]