



**INVESTIGATION 370**

**ALLEGED DUMPING OF ZINC COATED (GALVANISED) STEEL  
EXPORTED FROM THE REPUBLIC OF INDIA (INDIA),  
MALAYSIA AND THE SOCIALIST REPUBLIC OF VIETNAM  
(VIETNAM)**

**AND**

**ALLEGED SUBSIDISATION OF GALVANISED STEEL  
EXPORTED FROM INDIA AND VIETNAM**

**VERIFICATION VISIT REPORT - IMPORTER**

**STEMCOR SEA PTE 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**

**November 2016**

# PUBLIC RECORD

## CONTENTS

<b>CONTENTS</b> .....	<b>2</b>
<b>1 BACKGROUND</b> .....	<b>3</b>
<b>2 AUSTRALIAN SALES</b> .....	<b>4</b>
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
<b>3 IMPORTS</b> .....	<b>5</b>
3.1 THE GOODS .....	5
3.2 VERIFICATION OF INTO-STORE COSTS.....	5
3.3 VERIFICATION OF THE IMPORT LISTING.....	5
3.4 FORWARD ORDERS .....	5
3.5 THE IMPORTER .....	5
3.6 THE EXPORTER.....	5
3.7 PROFITABILITY OF IMPORTS .....	6
3.8 RELATED PARTY SUPPLIERS.....	6
3.9 ARMS LENGTH.....	6
<b>4 RECOMMENDATIONS</b> .....	<b>7</b>
<b>5 GENERAL COMMENTS</b> .....	<b>8</b>
<b>6 ATTACHMENTS</b> .....	<b>9</b>

## **1 BACKGROUND**

On 7 October 2016, the Anti-Dumping Commissioner (the Commissioner) initiated an investigation into the alleged dumping of zinc coated (galvanised) steel exported to Australia from the Republic of India (India), Malaysia and the Socialist Republic of Vietnam (Vietnam) and the alleged subsidisation of galvanised steel exported from India and Vietnam. Public notification of the initiation of the investigation was published on the Commission's website on the same day. The background relating to the initiation of this investigation is contained in Consideration Report 370 which is available on the Commission's website [www.adcommission.gov.au](http://www.adcommission.gov.au).

Following the initiation, the Anti-Dumping Commission (the Commission) wrote to Stemcor SEA Pte Ltd. (Stemcor SEA) and other importers of galvanised steel inviting them to cooperate with the investigation. Stemcor SEA responded to the Commission's invitation and completed the importer questionnaire and relevant attachments.

The verification was conducted at the Stemcor SEA's Australian office (Stemcor Australia).

## **2 AUSTRALIAN SALES**

### **2.1 Verification of sales to audited financial statements**

Stemcor SEA is the contractual party in the purchasing and selling of the goods and all transfers of funds relating to the shipments exported to Australia. Stemcor Australia provided the verification team its Audited financial statements and Stemcor SEA's financial statements. The verification team is satisfied with the verification of the sales listing to audited financial statements.

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 Stemcor SEA'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 Stemcor SEA or Stemcor Australia is related to any of its Australian customers during the investigation period.

## **3 IMPORTS**

### **3.1 The goods**

Stemcor SEA confirmed that it imported zinc coated (galvanised) steel during the investigation period, which matches the description of the goods that are the subject of this application.

### **3.2 Verification of importation and selling costs**

The verification team verified the accuracy of all the importation and selling costs listed by Stemcor SEA in its response to Part B of questionnaire to the source documents in accordance with ADN 2016/30.

Details of the verification are contained within the verification work program as **confidential attachment 1**.

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

### **3.3 Import listing**

Stemcor SEA confirmed that the import listing extracted from the ABF import database is a complete list of imports of the goods over the investigation period.

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

### **3.4 Forward orders**

The verification team verified Stemcor SEA's forward orders by reconciling the listing provided in the importer questionnaire response to the company's records. The verified list of forward orders is at **Confidential Appendix 2**.

### **3.5 The importer**

The visit team considers Stemcor SEA to be the beneficial owner of the goods at the time of importation and is therefore the importer.

### **3.6 The exporter**

Subject to further inquiries, the verification team considers that Stemcor SEA's suppliers to be the exporters of the goods.<sup>1</sup>

---

<sup>1</sup> 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 found that a number of the selected shipments were marginally unprofitable, the unprofitable sales represents less than half percentage by volume of the total selected shipments. However, the whole profitability of Stemcor SEA sales for the selected shipments were profitable. The verification team considers that it is reasonable to consider the overall sales were profitable. The assessment is at **Confidential Appendix 3**.

### **3.8 Related party suppliers**

The verification team did not find any evidence that Stemcor SEA is related to its supplier of galvanised steel exported from Vietnam during the investigation period.

### **3.9 Arms length**

In respect of imports of the goods to Australia by Stemcor SEA during the investigation 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.

Even though a number of the selected shipments were found to be unprofitable, and given that overall the selected shipments were profitable, the verification team does not consider that loss as indicating that the importer, or an associate of the importer, would directly or indirectly, be reimbursed, compensated or otherwise received a benefit for, or in respect of, whole or any part of the price.

Therefore, subject to further inquiries, the verification team is satisfied that import transactions between Stemcor SEA and its suppliers are at arms length transactions.

## **4 RECOMMENDATIONS**

The verification team are of the opinion that for the goods imported by Stemcor SEA 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 Stemcor SEA from the exporters can be established under s.269TAB(1)(a) of the *Customs Act 1901*, using the invoiced price, less deductions, to the FOB level as required.

## **5 GENERAL COMMENTS**

The company representative made the following general comments during the visit:

- Stemcor SEA was not able to source galvanised steel from BlueScope Steel for its customers.



## **PUBLIC RECORD**

### **6 ATTACHMENTS**

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