

**PUBLIC RECORD**



**Australian Government**  
**Anti-Dumping Commission**

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**INVESTIGATION 416  
ROD IN COIL EXPORTED FROM INDONESIA, KOREA AND  
VIETNAM**

**INVESTIGATION 418  
REINFORCING BAR EXPORTED FROM GREECE, INDONESIA,  
SPAIN, TAIWAN AND THAILAND**

**REVIEW 419  
HOLLOW STRUCTURAL SECTIONS EXPORTED FROM CHINA,  
KOREA, MALAYSIA AND TAIWAN**

**VERIFICATION VISIT REPORT - IMPORTER**

**Stemcor SEA 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**

**October 2017**

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## **1 BACKGROUND**

On 7 June 2017, the Anti-Dumping Commissioner (the Commissioner) initiated an investigation into the alleged dumping of rod in coil (RIC) exported to Australia from Indonesia, the Republic of Korea (Korea) and Vietnam. Public notification of the initiation of the investigation was published on the Commission's website. The background relating to the initiation of this investigation is contained in Consideration Report 416. The investigation period for Investigation 416 is 1 April 2016 to 31 March 2017.

On 27 June 2017, the Commissioner initiated an investigation into the alleged dumping of reinforcing bar (rebar) exported to Australia from Greece, Indonesia, Spain, Taiwan and Thailand. Public notification of the initiation of the investigation was published on the Commission's website. The background relating to the initiation of this investigation is contained in Consideration Report 418. The investigation period for Investigation 418 is 1 April 2016 to 31 March 2017.

On 14 July 2017, the Commissioner initiated a review of the anti-dumping measures applying to certain hollow structural sections (HSS) exported to Australia from the People's Republic of China (China), 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. The background relating to the initiation of this investigation is contained in Consideration Report 419. The investigation period for Review 419 is 1 July 2016 to 30 June 2017.

The Anti-Dumping Commission (the Commission) wrote to Stemcor SEA Ltd (Stemcor) and other importers inviting them to cooperate. Stemcor cooperated and completed importer questionnaires and relevant attachments.

The verification was conducted at the office of a related entity, Stemcor Australia Pty Ltd.

## **2 AUSTRALIAN SALES**

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

The verification team verified the completeness and relevance of Stemcor's sales listing by reconciling it to Stemcor's financial statements 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 audited financial statements.

### **2.2 Verification of sales to source documents**

The verification team verified the accuracy of Stemcor'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 found no evidence that Stemcor is related to any of its customers during the relevant investigation periods.

## **3 IMPORTS**

### **3.1 The goods**

The verification team confirmed that Stemcor SEA imported goods during the relevant periods matching the description of the goods, RIC, rebar and HSS respectively.

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

The visit 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 as **Confidential Attachment 1**.

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

### **3.3 The importer**

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

### **3.4 The exporters**

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

### **3.5 Profitability of imports**

The verification team calculated profit for selected shipments.

The verification team found that Stemcor's sales of rebar and HSS were profitable.

Using the SG&A calculated by the verification team, Stemcor's sales of RIC made a small loss during the relevant investigation period; the verification team considers it likely that this small loss would be recovered within a reasonable time. Accordingly the verification team considers that sales of RIC by Stemcor during the relevant investigation period were not at a loss (s269TAA(3)(c)).

The profit assessments are at **Confidential Appendices 1A, 1B and 1C**.

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<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.

### **3.6 Related party suppliers**

The verification team found no evidence that Stemcor is related to its suppliers of the goods during the investigation period.

### **3.7 Arms length**

In respect of imports of the goods to Australia by Stemcor 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; 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, the whole or any part of the price.

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

## **4 RECOMMENDATIONS**

The verification team are of the opinion that for RIC, rebar and HSS imported by Stemcor:

- 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 these exporters, the verification team recommends that the export price for RIC, rebar and HSS imported by Stemcor from the abovementioned exporters can be established under s269TAB(1)(a) of the *Customs Act 1901*, using the invoiced price, less transport and other costs arising after exportation.

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**5 ATTACHMENTS**

<b>Confidential Appendix 1A</b>	Profitability of sales – RIC
<b>Confidential Appendix 1B</b>	Profitability of sales – rebar
<b>Confidential Appendix 1C</b>	Profitability of sales – HSS
<b>Confidential Attachment 1</b>	Verification Work Plan