

PUBLIC RECORD



Australian Government
Anti-Dumping Commission

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 VISIT REPORT – MARUBENI-ITochu STEEL
OCEANIA**

**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 2017

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1 BACKGROUND

On 14 July 2017, the Anti-Dumping Commissioner (the Commissioner) initiated a review of the anti-dumping measures applying to certain hollow structural sections (HSS or the goods) exported to Australia from the People's Republic of China (China), the Republic of Korea (Korea), Malaysia and Taiwan. The antidumping 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 at www.adcommission.gov.au.

Full details regarding the background of the case can be found on the public record for this review, which includes a copy of *Consideration Report 419* (CON 419).

Following initiation of the review, a search of the Australian Border Force (ABF) import database indicated that Marubeni-Itochu Steel Oceania (MISO) had imported HSS from a country subject to the review during the period 1 July 2016 to 30 June 2017 (the review period).

Following the initiation, the Anti-Dumping Commission (the Commission) wrote to MISO and other importers of HSS inviting them to cooperate with the investigation. MISO cooperated with the investigation and completed the importer questionnaire and relevant attachments.

2 AUSTRALIAN SALES

2.1 Verification of sales to audited financial statements

The verification team verified the completeness and relevance of MISO's sales listing by reconciling it to audited 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 MISO'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 identified two issues that required amendment to MISO's Cost to Import and Sell spreadsheet as detailed below.

2.2.1 Invoice dates

Five dates in the MISO's Cost to Import and Sell spreadsheet were incorrectly entered (the wrong year was entered). MISO revised the dates accordingly. The verification team was satisfied that these were due to data entry errors.

2.2.2 Delivery charge

There was one instance where the delivery charge did not correlate with the invoice as a detention fee was not included. MISO revised the entry to reflect the delivery price listed on the invoice. The verification team was satisfied that this was not a systemic error.

2.3 Import listing

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

2.4 Related party customers

MISO informed the verification team of one related customer it sold HSS to during the investigation team. The verification team examined and verified all the sales made to the related party during the investigation period and is satisfied that all sales to the related company were profitable. As a result, subject to further inquiries, the verification team are satisfied that sales transactions between MISO and its related customer are at arms-length.

3 IMPORTS

3.1 The goods

MISO confirmed that it imported the goods from Taiwan during the investigation period, and that these goods match 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 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 issues with the verification of the sales listing to source documents.

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

3.3 Forward orders

At the time of responding to the importer questionnaire, MISO did not have any forward orders. MISO provided the verification team with details of future orders placed after the importer questionnaire was submitted.

3.4 The importer

The verification team considers MISO to be the beneficial owner of the goods at the time of importation and therefore the importer as MISO is:

- named on the commercial invoice from its supplier;
- named as the consignee on the bill of lading,
- declared as the importer on the importation declaration to ABF;
- pays for all the importation charges; and
- arranges delivery from the port.

3.5 The exporter

Subject to further inquiries, the verification team considers Ursine Steel Co., Ltd to be the exporter 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

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3.6 Profitability of imports

The verification team calculated profit for the selected shipments.

The verification team found that overall, the selected shipments were profitable. The assessment is at **Confidential Appendix 2**.

3.7 Related party suppliers

The verification team did not find any evidence indicating that MISO is related to its supplier of the goods exported from Taiwan during the investigation period.

3.8 Arms length

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

Therefore, subject to further inquiries, the verification team are satisfied that import transactions between MISO and its supplier are at arms-length transactions.

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.

4 RECOMMENDATIONS

The verification team are of the opinion that for the goods imported by MISO from Taiwan:

- 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 goods imported by MISO from Taiwan can be established under s.269TAB(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

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