



Australian Government
**Australian Customs and
Border Protection Service**

International Trade Remedies Branch

SUBSIDY INVESTIGATION

Received
15 March 2013



**SUPPLEMENTARY EXPORTER QUESTIONNAIRE -
CHINA**

PRODUCT CONCERNED: ZINC COATED (GALVANISED) STEEL
AND ALUMINIUM ZINC COATED STEEL
FROM THE PEOPLE'S REPUBLIC OF
CHINA

INVESTIGATION PERIOD: 1 JULY 2011 TO 30 JUNE 2012

RESPONSE DUE BY: 14 MARCH 2013

ADDRESS FOR RESPONSE: itrops2@customs.gov.au

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Please note that a non-confidential version of the reply to this questionnaire must also be provided at the same time as submitting the confidential version.

PUBLIC RECORD VERSION

SUPPLEMENTARY EXPORTER QUESTIONNAIRE

In Part C-4 of the countervailing questionnaire sent to you earlier for this investigation Customs and Border Protection requested information in relation to benefits received under Programs 12 to 29 for the period 1 July 2011 to 30 June 2012. During verification and assessment of the questionnaire responses it has come to our attention that grants in the form of cash payments, capital injection and/or in other forms may have been received by your company in prior years that may still confer a benefit to goods produced during the period of investigation, for example a grant in relation to an asset purchase.

It is Customs and Border Protection's view that any benefits from these grants should be apportioned over the life of the asset (or other capital item) that the payment related to. It is possible, therefore, that cash payments and capital contributions received in years prior to the investigation period have provided a benefit to the goods under investigation during the investigation period.

Due to the tight legislative timeframe for these investigations, we request a response to the questions below by **COB 14 March 2013**. *(As per our usual requirement, please provide both a 'For Official Use Only' and a 'Public Record' version of your response, appropriately marked).*

PART A GRANTS (PROGRAMS 12-29)

It is Customs and Border Protection's understanding that the GOC may be providing grants in the form of cash payments and/or capital contributions (such as equity, etc) to enterprises in China including the following identified programs:

Program 12: One-time Awards to Enterprises Whose Products Qualify for 'Well-Known Trademarks of China' and 'Famous Brands of China'

Program 13: Matching Funds for International Market Development for Small and Medium Enterprises

Program 14: Superstar Enterprise Grant

Program 15: Research & Development (R&D) Assistance Grant

Program 16: Patent Award of Guangdong Province

Program 17: Innovative Experimental Enterprise Grant

Program 18: Special Support Fund for Non State-Owned Enterprises

Program 19: Venture Investment Fund of Hi-Tech Industry

Program 20: Grants for Encouraging the Establishment of Headquarters and Regional Headquarters with Foreign Investment.

Program 21: Grant for key enterprises in equipment manufacturing industry of Zhongshan

Program 22: Water Conservancy Fund Deduction

Program 23: Wuxing District Freight Assistance

Program 24: Huzhou City Public Listing Grant

Program 25: Huzhou City Quality Award

Program 26: Huzhou Industry Enterprise Transformation & Upgrade Development Fund

Program 27: Wuxing District Public List Grant

Program 28: Anti-dumping Respondent Assistance

Program 29: Technology Project Assistance

1. Did your business or any company/entity related to your business receive any cash payments and/or capital contributions under the above programs during the period 1 January 2007 to 30 June 2011?

None of the above programs apply to Union Steel China Co., Ltd (hereinafter “USC”) or to Wuxi Changjiang Sheet Metal Co., Ltd (hereinafter “Wuxi Changjiang”). USC and Wuxi Changjiang did not receive any cash payments or capital contribution from any of the above programs.

2. Did your business receive benefits under any other grant (including awards, prizes, funds) program, receipt of cash payments and/or capital contributions during the period 1 January 2007 to 30 June 2011?

USC did not receive any benefits under any other subsidy programs during 1 January 2007 to 30 June 2011. Wuxi Changjiang did not receive any other benefits during 1 January 2007 to 30 June 2011 except the one time environmental prize of RMB[CONFIDENTIAL TEXT DELETED – number] in February 2012. This was verified by Customs.¹

3. Provide copies of management reports showing your business’ non-operating income (or other relevant ledger account) during the period 1 January 2007 to 30 June 2011 and highlight the entry referring to income from the cash payments and/or capital contribution identified above in questions 1 and 2.

For each program identified in your answers above:

- i. Provide complete list involving the amount of the cash payment received, including whether the payment was received in a lump sum or multiple instalments.
- ii. Indicate which goods you produced that benefited from the program (e.g. the program may have benefited all production or only certain products that have undergone research and development).
- iii. Describe the application and approval procedures for obtaining a benefit under the program.
- iv. Where applicable, provide copies of the application form or other documentation used to apply for the program, all attachments and all contractual agreements entered into between your business and the GOC in relation to the program.

¹ See *Exporter Visit Report – Union Steel China Co., Ltd* (January 2013) at Section 12.2.5 and Confidential Attachment SUB 4.

- v. Outline the fees charged to, or expenses incurred by your business for purposes of receiving the program.
- vi. Outline the eligibility criteria your business had to meet in order to receive benefits under this program.
- vii. State whether your eligibility for the program was conditional on one or more of the following criteria:
 - a. whether or not your business exports or has increased its exports;
 - b. the use of domestic rather than imported inputs;
 - c. the industry to which your business belongs; or
 - d. the region in which your business is located.
- viii. If the cash payment was provided in relation to a specific activity or project of your entity, please identify the activity and provide supporting documentation.
- ix. What records does your business keep regarding each of the benefits received under this program? Provide copies of any records kept in relation to the program.
- x. Indicate where benefits under this program can be found in your accounting system (i.e., specify the ledgers or journals) and financial statements.
- xi. To your knowledge, does the program still operate or has it been terminated?
- xii. If the program has been terminated, please provide details (when, why). When is the last date that your business could apply for or claim benefits under the program? When is the last date that your business could receive benefits under the program?
- xiii. If the program terminated has been substituted for by another program, identify the program.
- xiv. Identify the body responsible for administering the cash payment and/or capital contribution.
- xv. Identify the date of approval of the cash payment and the date the payment was received.
- xvi. If the payment was made in the form of a capital contribution, describe in detail the form of the capital injection that was received and how was it treated in your books for accounting purposes (for example capital injection could be cash contribution, equity contribution or cash payment (loan) that was later converted into shares).

Please refer to our response at Question 2 above.

In relation to the RMB[CONFIDENTIAL TEXT DELETED – number] one time environmental prize, the relevant account information has been verified by Customs.² Wuxi Changjiang does not have any further information regarding whether there is any legislative/regulatory criteria regarding the prize.

² *Ibid.*

SECTION B – EXPORTER/PRODUCER'S DECLARATION

I hereby declare that Union Steel China did, during the investigation period export the goods and have completed the attached questionnaire and, having made due inquiry, certify that the information contained in this submission is complete and correct to the best of my knowledge and belief.

Name : Seo, Young-il

Signature :



Position in

Company : General Manager of Trade Department

Date : March 13, 2012