



Australian Government

Anti-Dumping Commission

INVESTIGATION INTO THE

ALLEGED DUMPING OF HOT ROLLED ROD IN COILS

**EXPORTED FROM THE REPUBLIC OF INDONESIA,
TAIWAN AND THE REPUBLIC OF TURKEY**

REMOTE EXPORTER VERIFICATION REPORT

PT. GUNUNG RAJAPAKSI

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

December 2014

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2 BACKGROUND

2.1 Background to the current investigation

On 24 February 2014, OneSteel Manufacturing Pty Ltd (OneSteel) lodged an application with the Anti-Dumping Commission (the Commission) requesting that the Parliamentary Secretary to the Minister for Industry (Parliamentary Secretary) publish a dumping duty notice in respect of rod in coils exported to Australia from the Republic of Indonesia (Indonesia), Taiwan and the Republic of Turkey (Turkey). A full description of the goods under consideration is included in section 3 of this report.

OneSteel, the sole manufacturer of rod in coils in Australia, alleges that the Australian industry has suffered material injury caused by rod in coils exported to Australia from Indonesia, Taiwan and Turkey at dumped prices. The applicant claimed the industry has been injured through:

- loss of sales volumes;
- loss of market share;
- price undercutting;
- price depression;
- price suppression;
- reduced revenues;
- reduced profits;
- reduced profitability;
- reduced return on investment; and
- reduced employment.

The Commission examined the application and prepared a report for the Commissioner of the Anti-Dumping Commission (the Commissioner) recommending the application not be rejected, Consideration Report No 240 refers.

The Commissioner, after having regard to the report, initiated an investigation into the alleged dumping of rod in coils from Indonesia, Taiwan and Turkey. Public notification of the initiation of the investigation was made on 10 April 2014 in The Australian newspaper and Anti-Dumping Notice No. 2014/27.

The Australian Customs and Border Protection Service (ACBPS) import database identified that PT. Gunung Rajapaksi (PT Gunung) exported rod in coils from Indonesia to Australia during the investigation period (1 January 2013 to 31 December 2013). The Commission wrote to PT Gunung advising it of the initiation of the investigation, requesting co-operation with the investigation and providing an exporter questionnaire for it to complete.

PT Gunung completed the exporter questionnaire, providing details regarding the company, exports, domestic sales and cost to make and sell (CTMS) expenses for rod in coils.

2.2 Purpose of remote verification

The exporter questionnaire responses were supported by confidential appendices and attachments, including confidential spread sheets containing sales and cost data requested in the exporter questionnaire. Non-confidential versions of the exporter questionnaire responses were placed on the public record.

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The Commission contacted PT Gunung on 13 August 2014 stating it had decided to conduct a remote verification which would involve the Commission requesting further information and documents from PT Gunung in relation to the information contained in the exporter response.

The Commission used information in the exporter questionnaire response and the additional information requested from, and supplied by PT Gunung to verify the information provided.

2.3 Investigation process and timeframes

The Commission advised the company of the investigation process and timeframes as follows.

- The investigation period is 1 January 2013 to 31 December 2013.
- The injury analysis period is from 1 January 2010 for the purpose of analysing the condition of the Australian industry.
- A preliminary affirmative determination (PAD) may be made no earlier than day 60 of the investigation (9 June 2014) and provisional measures may be imposed at the time of the PAD or at any time after the PAD has been made.

The Commissioner will not make a PAD until (and if) he becomes satisfied that there appears to be, or that it appears there will be, sufficient grounds for the publication of a dumping duty notice.

This was distinguished from the 'reasonable grounds' threshold for initiation of the investigation.

- The Statement of Essential Facts (SEF) for the investigation is due to be placed on the public record by 15 January 2015; or such later date as the Parliamentary Secretary allows under s.269ZHI of the *Customs Act 1901* (the Act)¹.

The SEF will set out the material findings of fact on which the Commissioner intends to base his recommendations to the Parliamentary Secretary, and will invite interested parties to respond, within 20 days, to the issues raised therein.

- Following receipt and consideration of submissions made in response to the SEF, the Commissioner will provide his final report and recommendations to the Parliamentary Secretary.

The final report is due no later than 1 March 2015, unless an extension is approved by the Parliamentary Secretary.

PT Gunung was informed that there are three essential links for the imposition of measures:

1. the Australian industry must be suffering or there must be a threat of material injury; and
2. the goods must be dumped; and

¹ All references in this report to sections of legislation, unless otherwise specified, are to the *Customs Act 1901*.

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3. the dumped goods must be cause of material injury.

Dumping is assessed on goods by comparison of the export price to the normal value.

- The export price is generally ex-works (EW), free on board (FOB) or free alongside ship (FAS) and deductions may be made to get an imported price back to EW, FOB or FAS.
- The normal value is usually assessed on domestic sales in the ordinary course of trade at the same period as the export sales, that is, if export sales are based on the date of contract then normal values are based on the same dates.
- Where no suitable normal values may be done using domestic sales, the Commission may construct normal values based on costs plus, where appropriate, an amount for profit. The Commission may also consider 3rd country sales as a suitable comparison.

Where dumping, injury and a causal link are found duties may be imposed.

- Dumping duty can be as a percentage of the export price, as a fixed amount or a combination of both.
- Duties may be imposed up to the full level of dumping or up to a level required to remove injurious effects (the non-injurious price (NIP)). The NIP is based on the unsuppressed selling price (USP).

Where the Commissioner is satisfied that grounds for duties exist the Commissioner may publish a PAD imposing securities whilst the investigation continues. These securities may be converted to Interim dumping duties (IDD). IDD's may be imposed after an investigation is concluded and the Parliamentary Secretary accepts the Commissioner's recommendation to impose measures. Importers can apply every six months for a final assessment of the IDD that may see none, some or all the duty refunded.

The Commissioner may terminate an investigation before conclusion where the Commissioner is satisfied of any of: no dumping, no material injury or no causal link. An investigation may be terminated against individual exporters and/ or countries.

Decisions by the Commissioner to terminate part or all of an investigation and by the Parliamentary Secretary to impose measures can be appealed to the Anti-Dumping Review Panel (ADRP). In any appeal to the ADRP only information before the Commissioner/Parliamentary Secretary during an investigation may be taken into account.

The Anti-Dumping Commission (ADC) website www.adcommission.gov.au has detailed information on anti-dumping investigation procedures.

The Electronic Public Record (EPR) contains all non-confidential information on the rod in coil investigation.

2.4 Visit report

The Commission explained to PT Gunung that it would prepare a report of the verification and provide it to the company to review its factual accuracy, and to identify those parts of the report it considers to be confidential.

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The Commission explained that, in consultation with the company, it would prepare a non-confidential version of the report, and place this on the investigation's Public Record.

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3 THE GOODS UNDER CONSIDERATION

3.1 The goods

The goods the subject of the investigation (the goods) are:

Hot rolled rods in coils of steel, whether or not containing alloys, that have maximum cross sections that are less than 14 mm.

The goods the subject of the investigation include:

all steel rods meeting the above description of the goods regardless of the particular grade or alloy content.

And exclude:

Deformed Bar in coils and stainless steel in coils.

The goods are referred to as rod in coils in this report.

3.1.1 Tariff classification

The goods are typically classified to subheadings 7213.91.00 (statistical code 44) and 7227.90.90 (statistical code 42) to Schedule 3 of the *Customs Tariff Act 1995*. The general rate of duty is currently 5%, however, Indonesia and Turkey are designated DCS countries and Taiwan is designated a DCT² country. Rod in coils exported to Australia from DCS and DCT designated countries is free of duty.

The ACBPS Trade Branch confirmed that rod in coils of non-alloy steel is classified to 7213.91.00 if the cross section is circular as well as less than 14 mm in diameter. Rod in coils of other alloy steel are classified to heading 7227, but the reference to subheading 7227.90.90 excludes certain alloys such as silico-manganese steel and non-circular sections.

Following discussions with the Commission, the applicant confirmed that the goods under consideration should be entered under the nominated tariff subheadings. However, the Commission notes that the goods under consideration are defined by the description, not the tariff classification.

3.2 Like goods

In its REQ PT Gunung provided details on the goods it exported and what it considered were like goods sold on the domestic market.

During the investigation period PT Gunung exported rod in coils of varying thicknesses from 5.5mm to 13mm specified to **(Confidential INFORMATION DELETED)**

During the investigation period PT Gunung sold rod in coils on its domestic market specified to **(Confidential INFORMATION DELETED)**.

PT Gunung submitted that **(Confidential INFORMATION DELETED)** were identical goods as were the **(Confidential INFORMATION DELETED)** specifications.

² 'DCT' and 'DCS' are codes applied to classes of countries and places in relation to which special rates apply as specified in Parts 4 and 5 of Schedule 1 of the *Customs Tariff Act 1995*.

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The Commission reviewed the export and domestic sales information and notes that for export sales there were no price differences between the different specifications and the different thicknesses.

The Commission reviewed the domestic sales of PT Gunung and notes that there are no clear price differentials between the different specifications and the different thicknesses.

After considering the information on specifications and prices the Commission is of the view that rod in coils sold on the domestic market regardless of specification and thickness are like goods to the exported goods.

4 COMPANY INFORMATION

4.1 Background

PT Gunung was established under the name of PT Gunung Raja Paksi on August 20, 1990. PT Gunung started its commercial operations in January 2000.

PT Gunung's office and factory are located in Jalan Imam Bonjol 4, Warung Bangkok, Suka Danau, Bekasi, Indonesia.

PT Gunung is part of the Gunung Steel Group, the principle shareholder is **(Confidential INFORMATION DELETED)**

GSG is comprised of the following entities.

PT Gunung Steel Construction

PT Gunung Steel Construction main business is construction, design, engineering and galvanising services in Indonesia.

PT Gunung

PT Gunung has four service centres:

- The Coil Service Center covers fabrication for Hot Rolled Coil;
- The Plate Service Center covers fabrication for Hot Rolled Steel Plate;
- The Forming Service Center covers fabrication for Cold Formed Products; and
- The Bar Service Center (BSC) covers fabrication for Round Steel Bar and Rod Bracing services.

PT Gunung manufactures rod in coils from imported and locally sourced billet. The locally sourced billets are supplied by a related company, PT Gunung Garuda.

PT Gunung sells the rod in coils into the domestic market in Indonesia and also manufactures end products, including mesh and nails, from the rod in coils it produces.

PT Gunung advised that there are two business units that produce the rod in coils.

PT Gunung Garuda

PT Gunung Garuda (PT Garuda) has service centres:

- The Steel Service Center (SSC) that provides services for steel manufacturing and fabrication on products including Angles and Beams.

PT Garuda also manufactures slabs and billets and supplies the majority of the billets used by PT Gunung to manufacture rod in coils.

PT Gunung Gahapi Sakti

PT. Gunung Gahapi Sakti (PT Sakti) is a merger company of PT. Gunung Gahapi (established in 1970) and PT. Sakti (established in 1978). Both companies are located in the same compound in Medan, Indonesia.

PT Sakti provides non-iron metal extrusion and steel rolling services. **(Confidential INFORMATION DELETED)**.

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4.1.1 Related party transactions

The audited financial statements and audit report for PT Gunung notes on Page 7 the following:

Transactions with related parties are made based on terms agreed by both parties, which terms may not be the same as those of the transactions between third parties.

Transactions with related parties are detailed on pages 22 and 23 of the accounts. The details show that PT Gunung had transactions relating to purchases and sales with the other three companies in the Gunung Steel Group.

PT Gunung provided a complete listing of all of its sales of all products for the investigation period. The Commission identified sales of products that were not the goods to related parties. The Commission did not identify any sales of wire in rods to related parties.

As noted above PT Gunung sourced the majority of the billet to produce the rod in coils from its related party PT Garuda. Examination of the arms length nature and pricing for the raw material is discussed further in this report in the cost verification.

4.2 Summary of rod in coils production process

PT Gunung provided a production process diagram in its exporter response.

The diagram shows five processes to produce the rod in coils:

- **(Confidential INFORMATION DELETED)**

4.3 Accounts and financial information

4.3.1 Accounting and audit information

PT Gunung's financial year is the calendar year.

PT Gunung's auditor stated in the 2013 independent audit report that:

(Confidential INFORMATION DELETED).

The audit report notes the following.

(Confidential INFORMATION DELETED).

Sales of rod in coils exported to Australia were in United States Dollars (USD).

Sales of rod in coils in the domestic market were in Indonesian Rupiah (Rph).

PT Gunung advised that transaction in currencies other than USD were converted to USD on the date of transaction using the weekly exchange rate issued by the Dept. TAX INDONESIA

PT Gunung advised that it uses **(Confidential INFORMATION DELETED)** for all of its accounting system requirements.

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4.3.2 Financial information provided (this is confidential INFORMATION).

PT Gunung provided spreadsheets detailing export and domestic sales, cost to make and sell (CTMS) information and income and turnover statements as part of its exporter response.

During the course of the investigation PT Gunung provided revised spreadsheets and additional information as detailed below.

2-Attachment A6 – Turnover –REV

Revised turnover spreadsheet. (this is confidential INFORMATION).

Attachment G3 - Domestic – CTMS version 2

Revised domestic CTMS spreadsheet (this is confidential INFORMATION).

Attachment G4 - Australian CTMS version 2

Revised export CTMS spreadsheet (this is confidential INFORMATION).

Attachment A5 – Income Statement REV

Revised Income Statement (this is confidential INFORMATION).

Audited sales 2013

Detailed line by line listing of all domestic and export sales for 2103. (this is confidential INFORMATION).

Billet purchase 2013

Listing of billet purchases from PT Gunung and imported billet for 2013. (this is confidential INFORMATION).

Exchange rate

Listing of rate of exchange used for converting USD to Rph. (this is confidential INFORMATION).

Invoice and payment journal

Journal entries for selected transactions detailing purchases, payments and balances.

Production 2013

Monthly production details for all products produced.

Statements of Income Monthly YE 2013 –CFO USD R

Detailed monthly Statements of Comprehensive Income and Cost of Goods sold for PT Gunung and PT Garuda

Work paper CTMS

Work paper detailing how the information in the Domestic and Australian CTMS work sheets was calculated.

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4.3.3 Summary of information provided and used

The Commission used information from the exporter response, information in the spreadsheets detailed above and other information provided by PT Gunung as part of the verification process as noted further in its report to calculate export prices, normal values and dumping margins (**this is confidential INFORMATION**).

5 VERIFICATION OF SALES TO FINANCIAL STATEMENTS

PT Gunung provided a listing of all sales in 2013 in its Audited sales 2013 spreadsheet. The spreadsheet lists domestic and export sales line by line and includes details on the customer name, product type, invoice date, sales amount and currency.

Domestic sales are in reported in Rph with a conversion to USD, export sales are reported in USD with a conversion to Rph. The audited financial statements report sales information in USD. The amounts shown in the Audited sales 2013 spreadsheet reconciled to the USD amounts shown in the revised Income and Turnover spreadsheets and in turn reconciled to the amounts reported in the audited financial statements.

The Commission identified sales of rod in coils from the code WR shown in the Audited Sales spreadsheet.

The information in the Audited Sales reconciled to the information in the Domestic Sales spreadsheet. The Domestic Sales spreadsheet reported the sales amounts in Rph only. The Commission used exchange rates provided to convert the Rph amounts to USD that were used in the Audited sales 2013 spreadsheet.

The Commission noted differences in the export quantities and values reported in the export sales spreadsheet and that in the Audited Sales 2013 and requested further information on the last report export sales transaction.

PT Gunung had reported export sales by invoice and purchase order number. The last order number for 2013, **(this is confidential INFORMATION)** , covered shipment from December 2013 to January 2014. From the provided documents the Commission was able to identify shipments that had been exported during 2013 and those that had been exported in January 2014.

PT Gunung export sales spreadsheet showed it had exported **(this is confidential INFORMATION)**. tonnes during the investigation period.

The Commission has excluded shipments exported during January 2014, comprising **(this is confidential INFORMATION)**.tonnes and amended the export spreadsheet accordingly to show a total of **(this is confidential INFORMATION)**. tonnes exported during the investigation period.

Taking note of the above the Commission considers the sales data for PT Gunung is complete and relevant.

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6 SALES TO AUSTRALIA

6.1 General

During the investigation period PT Gunung exported rod in coils to **(this is confidential INFORMATION)**, and **(this is confidential INFORMATION)**. **(this is confidential INFORMATION)**, and **(this is confidential INFORMATION)** are part of the **(this is confidential INFORMATION)**. References to **(this is confidential INFORMATION)** throughout this report refer to the two companies noted above.

6.2 Export sales process

(this is confidential INFORMATION).

6.3 Verification to source documents

In its exporter questionnaire response PT Gunung provided documents supporting two of its export sales to Australia during the investigation period.

The Commission requested documents for a further four export sales plus documents relating to the last export sales noted above. Documents provided included:

(this is confidential INFORMATION).

Information from these documents was verified to the export sales spreadsheet.

(this is confidential INFORMATION).

6.4 The exporter

Based on information provided in the exporter questionnaire responses, additional information provided and information gathered during visits to the importer **(this is confidential INFORMATION)**, the Commissioner considers PT Gunung to be the exporters of the rod in coils because it:

(this is confidential INFORMATION).

6.5 The importer

We found that **(this is confidential INFORMATION)**:

(this is confidential INFORMATION).

We consider that **(this is confidential INFORMATION)** is the beneficial owner of the goods at the time of importation and is therefore the importer of rod in coils exported by PT Gunung during the investigation period.

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6.6 Arms' length

In determining export prices and normal values, the legislation requires that the relevant sales are arms' length transactions. Section 269TAA³ outlines the circumstances in which the price paid or payable shall not be treated as arms' length. These are where:

- there is any consideration payable for in respect of the goods other than price;
- the price is 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
- in the opinion of the Minister, the buyer, or an associate of the buyer, will, directly or indirectly, be reimbursed, be compensated or otherwise receive a benefit for, or in respect of, the whole or any part of the price.

The Commission:

- visited (**this is confidential INFORMATION**) and found it was profitable;
- found no evidence that there is any consideration payable for or in respect of the goods other than the price;
- found no evidence that the prices were influenced by a commercial or other relationship between the buyer and the seller; and
- found no evidence that the buyer will be reimbursed in respect of any part of the price.

Based on information provided in the exporter questionnaire responses, additional information provided and information gathered during the visit to (**this is confidential INFORMATION**), the Commission considers that transactions between PT Gunung and (**this is confidential INFORMATION**) are arms' length transactions.

6.7 Export price preliminary assessment

In the case of all export sales to Australia by PT Gunung, the Commission considers:

- that the goods have been exported to Australia otherwise than by the importer;
- that the goods have been purchased by the importer from the exporter; and
- the purchases of the goods were arms' length transactions.

Therefore, we consider that the export price for export sales from PT Gunung can be established under section 269TAB(1)(a) using the invoiced price. FOB export price calculations are at **confidential appendix 1**.

³ All references in this report to sections of legislation, unless otherwise specified, are to the *Customs Act 1901*.

7 COST TO MAKE & SELL

7.1 Introduction

PT Gunung provided domestic and export CTMS and supporting worksheets as noted above. CTMS is presented on a quarterly basis.

Cost to make and sell the rod in coils was sourced from the PT Gunung Costs of Goods Sold (COGS) and Statement of Comprehensive Income spreadsheets.

The spreadsheets provide monthly details in USD.

COGS comprise items including:

- Raw materials, with details of opening and closing inventories and purchases;
- Direct labour;
- Factory overheads, details including repairs and maintenance, depreciation, and utilities;
- Movements in finished goods; and
- production of finished goods.

Items in the Income statement include:

- Selling expenses;
- General and administration expenses; and
- Interest and foreign exchange items.

7.2 Cost of production

PT Gunung advised that the majority of the billet it manufactures the rod in coil from is purchased from its related company PT Garuda. PT Gunung also imports billet to manufacture rod in coils.

PT Gunung provided Costs of Goods Sold (COGS) and Statement of Comprehensive Income spreadsheets for the billet manufactured by PT Garuda. The spreadsheets provide monthly details in USD.

COGS comprise items including:

- Raw materials, with details of opening and closing inventories and purchases;
- Direct labour;
- Factory overheads, details including repairs and maintenance, depreciation, and utilities;
- Movements in finished goods; and
- production of finished goods.

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Items in the Income statement include:

- Selling expenses;
- General and administration expenses; and
- Interest and foreign exchange items.

PT Gunung also provided a detailed purchase listing of billets purchased from PT Garuda and imported billet. The details in the billet purchase listing matched to the details for billets purchased in PT Gunung's COGS worksheet.

The Commission asked PT Gunung to provide documents relating to three of the importations of billet. **(this is confidential INFORMATION)**..

Where a company produces a product that is further processed within another business unit of the company (for example, steel slab used to produce hot rolled coil), the Commission considers that it is acceptable for those products to be transferred at cost, as long as the transfer price recovers all the cost of production.

(this is confidential INFORMATION).

7.2.1 CTMS methodology

Cost to make items on the CTMS spreadsheets comprise raw materials, direct labour, manufacturing overheads and other costs.

Raw materials

(this is confidential INFORMATION).The Commission used this quarterly cost of billet in the CTMS spreadsheets.

Direct labour

(this is confidential INFORMATION).. The Commission consider this reasonable.

Manufacturing overheads

(this is confidential INFORMATION).. The Commission consider this reasonable.

Other costs

(this is confidential INFORMATION).The Commission consider this reasonable.

7.2.2 Verification to audited statements

The Commission noted the following discrepancies between the COGS of PT Gunung and the audited statements.

There were minor variances in direct labour and factory overheads which gave a variance of 0.4% on manufacturing costs which the Commission considers is immaterial.

There were significant variances on the opening and closing finished goods inventory balances. PT Gunung advised that the difference was due to audit adjustments. The Commission notes that the differences do not materially affect the final COGS sold when the audit figures are used.

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The Commission is satisfied that the cost to make figures, amended for the cost of billet noted above, recorded in the domestic and Australian CTMS spreadsheets reasonably reflect the costs to make rod in coils.

7.3 Selling, administration and financial expenses

Selling, administration and financial expenses comprise selling costs, administration costs and financial costs and are sourced from the Statement of Comprehensive Income for PT Gunung.

Selling costs

(this is confidential INFORMATION).. The Commission consider this reasonable.

Administration costs

(this is confidential INFORMATION).. The Commission consider this reasonable.

Financial expenses

(this is confidential INFORMATION)..

The Commission is satisfied that selling, administration and financial expenses, as amended, reasonably reflect those costs in the domestic and Australian CTMS spreadsheets.

7.4 Cost to make and sell – summary

Based on the information in the exporter questionnaire responses, information provided in response to the remote verification request and subsequent inquiries, the Commission is satisfied that the CTMS information provided by PT Gunung (after making the noted amendments) is complete, relevant and reasonably reflects those costs.

The Commission is satisfied that sufficient information was available and verified to substantiate the CTMS data submitted by PT Gunung. The Commission considers this data is suitable for:

- Determining whether domestic sales are in the ordinary course of trade;
- determining constructed normal values; and
- determining a rate of profit for domestic sales;

The revised CTMS spreadsheets are at **confidential appendix 2**.

8 DOMESTIC SALES

8.1 Domestic sales process

(this is confidential INFORMATION)..

8.2 Domestic sales

In its exporter questionnaire response PT Gunung provided documents supporting two of its domestic sales during the investigation period.

The Commission requested documents for a further eight domestic sales. Documents provided included:

(this is confidential INFORMATION).

PT Gunung reports in USD, the domestic sales were in Rph and the Commission has converted these amounts to USD using the information in the Audited Sales 2013 listing.

(this is confidential INFORMATION).

The Commission verified the documents provided to the domestic sales spreadsheet and considers that the supporting documents indicate that the spreadsheet data is relevant and accurate.

8.1 Arms' length

Based on information provided in the exporter questionnaire response and additional information provided the Commission is satisfied that sales from PT Gunung to its domestic customers are arms' length transactions.

8.2 Volume of sales and ordinary course of trade

(this is confidential INFORMATION).

The Commission proposes to establish normal values under s.269TAC(1) using sales of rod in coils by PT Gunung in the ordinary course of trade.

8.3 Sales by other sellers

(this is confidential INFORMATION).

8.4 Third country sales

(this is confidential INFORMATION).

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8.5 Domestic sales – summary

Based on the information provided by PT Gunung, the Commission is of the view that sales of rod in coils in the ordinary course of trade can be used to establish normal values under 269TAC(1).

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PT Gunung's domestic sales listing and the Commission's ordinary course of trade calculations are at **confidential appendix 1**.

9 NORMAL VALUE

9.1 Normal value

The Commission considers that information gathered and detailed in this report and its attachments can be relied upon to establish normal values for comparison with export prices for rod in coils exported to Australia during the investigation period under s. 269TAC(1).

The Commission has established normal values under s.269TAC(1) using domestic sales of rod in coils.

Normal values were established at an ex-factory point.

9.2 Adjustments

The Commission has made adjustments to the normal values under s. 269TAC(8) to make them fairly comparable with export prices by adjusting for export expenses.

9.3 Export transport, handling, loading and ancillary expenses

PT Gunung reported transaction specific expenses incurred to transport the goods to port and load the goods onto the ship at the port of export for each export transaction. These expenses included inland freight charges and export and handling charges. The expenses were verified for each selected export transaction.

The Commission adjusted the normal values up for these expenses.

9.4 Adjustments claimed by PT Gunung

(this is confidential INFORMATION).

9.5 Other adjustments

(this is confidential INFORMATION).

Details of adjustments to the normal values are at **confidential appendix 1**.

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10 NORMAL VALUES AND DUMPING MARGIN

We consider that information gathered and detailed in this report and its attachments can be relied upon to establish normal values (for comparison with export prices for rod in coils exported to Australia during the investigation period) under s. 269TAC(1). We have made adjustments to the normal values under s. 269TAC(8) to make them fairly comparable with export prices by:

- adding costs in respect of export charges to the FOB point.

In calculating the dumping margin we compared quarterly export prices with quarterly normal values. The date of sales order was used for domestic and export sales in comparing prices.

The weighted average product dumping margin is **12.3%**.

Normal value and dumping margin calculations are at **confidential appendix 1**.