



Supplementary Government Questionnaire

The People's Republic of China

Product: Rod in Coils
From: The People's Republic of China
Period of Investigation: 1 July 2014 to 30 June 2015
Response due by: **8 June 2016**
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**Return completed
questionnaire to:**

Anti-Dumping Commission
Level 10 Industry House
10 Binara Street
Canberra ACT2600
Australia

Attention: Director Operations 5

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ABBREVIATIONS

the Act	the Customs Act 1901
the Applicant or OneSteel	OneSteel Manufacturing Pty Ltd
China	the People's Republic of China
CISA	China Iron and Steel Association
CIF	Cost, Insurance & Freight
the Commission	Anti-Dumping Commission
EPZ	Export Processing Zones
FOB	Free On Board
GOC	Government of China
the goods	the goods the subject of the application (rod in coils)
the investigation period	1 July 2014 to 31 December 30 June 2015
Rod in coils	Rod in coils
SAT	State Administration of Taxation
SASAC	the State-owned Assets Supervision and Administration Commission of the State Council
SEZ	Special economic zone
SIE	State-invested enterprise

BACKGROUND AND GENERAL INSTRUCTIONS

1. Purpose of the supplementary questionnaire

The purpose of this supplementary questionnaire is to seek further information regarding additional subsidy programs provided by the Government of China (GOC).

Please note that the subsidy sections of this questionnaire focus on identified programs that the Anti-Dumping Commission is specifically investigating at this stage. However, Commission may also investigate any additional subsidy program(s) that it considers may warrant investigation if additional information comes to light in relation to further programs.

Any additional questions may be posed to the GOC in the form of further supplementary questionnaires.

The GOC does not have to complete this supplementary government questionnaire. However, if the GOC does not respond, the Commission may be required to rely on information supplied by other parties (including information supplied by the Australian industry – the applicant for the countervailing measures).

Therefore, it is considered to be in the GOC's interests and the interests of Chinese exporters of rod in coils, to provide a complete response.

If the GOC chooses to respond to this questionnaire, the response is due by **8 June 2016**.

2. If you decide to respond

Should the GOC choose to provide a response to this supplementary questionnaire, please note the following:

For official use only and public record

If the GOC chooses to respond to this supplementary questionnaire, you are required to lodge a "for official use only" and a "public record" version of your submission by the due date.

In submitting these versions, please ensure that each page of the information you provide is clearly marked either "**FOR OFFICIAL USE ONLY**" or "**PUBLIC RECORD**" in the header and footer.

All information provided to the Commission "for official use only" will be treated confidentially. The public record version of your submission will be placed on the public record, which all interested parties can access.

Your public record submission must contain sufficient detail to allow a reasonable understanding of the substance of the "for official use only" version. If, for some reason, you

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cannot produce a public record summary, contact the case manager (see contact details on Page 1 of this questionnaire).

Declaration

You are required to make a declaration that the information contained in the GOC's response is complete and accurate. You must return the signed declaration of an authorised GOC official at the last section of this questionnaire with the GOC's response.

Provision of documents

When providing documents, please indicate whether the documents:

- are currently in force;
- were in force during the investigation period; or
- have been repealed, revised or superseded.

Where the documents have been repealed, revised or superseded;

- indicate when this revision occurred;
- provide any notice of repeal;
- provide the revised version;
- provide the document that supersedes the requested document; and
- indicate whether the revised version was in force during the investigation period.

Responses to questions should:

- be as accurate and complete as possible, and attach all relevant supporting documents, even where not specifically requested in this questionnaire;
- be in English (with fully translated versions of all requested and other applicable documents submitted);
- list your source(s) of information for each question;
- identify all units of measurement used in any tables, lists and calculations;
- show any amounts in the currency in which they were originally denominated.

Please note that answers such as: "Not Applicable" or an answer that only refers to an exhibit or an attachment may not be considered by the Commission to be adequate. We therefore suggest that in answering the questions you outline the key elements of your response in the primary submission document, rather than merely pointing to supporting documents of varying degrees of relevance and reliability as your answer.

Lodgement

Lodgement by email is preferred. The email address for lodgement is shown on the front cover of this questionnaire. If you lodge by email, you are still required to provide a "for official use only" and "public record" version of your submission by the due date.

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You may also lodge your response by mailing it to the address shown on the front cover of this questionnaire. For questions requiring a response in a Microsoft Excel spreadsheet that cannot be emailed, please provide those spread sheets on a CD-ROM or on a USB device.

3. Future questions

Please note that after receiving the GOC response to this supplementary questionnaire, the Commission may seek additional information from the GOC.

ADDITIONAL SUBSIDIES

The applicant alleges that producers of rod in coils in China have benefited from a number of subsidies granted by the GOC, and that these subsidies are countervailable. During the course of the investigation, additional subsidy programs were either disclosed by the cooperating exporters or identified by the Commission during the recent verification visits.

INVESTIGATED PROGRAMS

Table 1 below lists 211 additional countervailable subsidy programs (from programs 63 to 273) for rod in coils.

Note: the below titles of programs are to the best of the Commission's knowledge and in some cases may simply be descriptions of the program. Consequently, the below titles may not exactly reflect any official titles that the GOC has in place.

The GOC is requested to provide information on each program, regardless of the year the benefit was granted by the GOC or the year that the benefit was received by the recipient company, as well as those further identified by the GOC, where the program benefits impact on the production and sale of rod in coils during the investigation period.

Introductory comments

The GOC has significant concerns regarding the SGQ.

In particular, the GOC is concerned by the Commission's decision to expand the scope of the investigation at this late date, and without any form of prior consultation with the GOC. In particular, the Commission has requested a great deal of information relating to 211 additional subsidy program. This is despite the fact that, as will be discussed, the alleged programs only provided negligible financial contributions. In doing so, the Commission has also disclosed information which has been claimed to be confidential by the cooperating exporters.

Article 13.2 of the Agreement on Subsidies and Countervailing Measures ("SCM Agreement") provides as follows:

- 13.2** *Furthermore, throughout the period of investigation, Members the products of which are the subject of the investigation shall be afforded a reasonable opportunity to continue consultations, with a view to clarifying the factual situation and to arriving at a mutually agreed solution.*

Similarly, Article 7.10 of the China-Australia Free Trade Agreement, provides:

- 6.** *Throughout the investigation, the other Party shall be afforded a reasonable opportunity to continue consultations, with a view to clarifying the factual situation and to arriving at a mutually agreed solution.*

Article 13.4 provides of the SCM Agreement states that:

- 13.4** *The Member which intends to initiate any investigation or is conducting such an investigation shall permit, upon request, the Member or Members the products of*

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which are subject to such investigation access to non confidential evidence, including the non confidential summary of confidential data being used for initiating or conducting the investigation.

Respectfully, such consultation has not taken place with regard to these additional programs. The only form of consultation has been the provision of the SGQ, which requests broad and what would appear to be largely irrelevant information from the GOC. Prior to the provision of the SGQ, the Commission has not approached the GOC with the intention of “clarifying the factual situation and to arriving at a mutually agreed solution” nor has the Commission “provided non-confidential evidence” nor a “non-confidential summary of confidential data” that it is using for the conduct of this investigation. Failure to provide such information has meaningfully impacted the GOC’s ability to answer the Commission’s concerns in a fulsome manner.

The GOC notes that the SGQ refers to these additional programs being based upon disclosures by the GOC, by cooperating exporters or otherwise identified by the Commission. However, the Commission has not identified what evidence has resulted in the Commission’s appreciation of the supposed existence of these programs. This disclosure would allow the GOC to better understand the Commission’s position, and would allow the GOC to clarify the factual situation, in an efficient and timely manner. Such an outcome would be vastly preferable, to the current situation, in which the GOC has been directed to answer incredibly broad questions in a very limited time frame.

The GOC notes that the SGQ refers to the “additional programs” as “countervailable subsidy programs” and requests that the GOC provide information regarding any “benefit” conferred under such programs. This language is lawfully meaningful, and could be taken to indicate that the Commission has, prior to the issuance of the SGQ, formed a view as to whether these programs (a) exist (b) are “countervailable” and (c) that financial contributions provided under such programs, if any, are a “benefit”. This is gravely concerning to the GOC, particularly in light of the lack of consultation and the inability or unwillingness of the Commission to indicate what evidence, if any, such findings are based upon.

Table 1: INVESTIGATED PROGRAMS

The following are the additional subsidy programs:

Category	Additional Programs (number and description)
Part B-7: Additional subsidy programs provided to Jiangsu Shangang Group Co., Ltd (Programs 63 to 228)	[CONFIDENTIAL TEXT DELETED – information disclosed by exporters to the Commission which was disclosed on a confidential basis]
Additional subsidy programs provided to Hunan Valin Iron & Steel Co., Ltd programs (Programs	[CONFIDENTIAL TEXT DELETED – information disclosed by exporters to the Commission which was disclosed on a confidential basis]

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229 to 272)	
Loan Guarantee provided by the GOC	273. Loan Guarantee provided by the Government of China

The GOC notes that the Commission has listed each program reported by each respondent in the SGQ, and has made the SGQ publically available without redaction. The GOC notes that much of this information was provided on a confidential basis to the Commission, and that some of the program names include detailed technical information pertinent only to the respondents.

The GOC is very concerned by the Commission's disclosure of this information.

The GOC is also concerned about the alleged Program 273, "Loan Guarantee provided by the GOC". No source for the Commission's belief as to the existence of this program has been provided, which is appropriate, because no such program exists.

Further, the GOC takes notice of the description of [CONFIDENTIAL TEXT DELETED – alleged subsidy program]. To the extent that such description may be interpreted as some provision of "preferential loan" or "loan with discounted interest rate" by the GOC, the GOC reiterates its advice in relation to the alleged "Program 46 - preferential loans interests rate", that there is no such subsidy program. The GOC understands that the alleged [CONFIDENTIAL TEXT DELETED – alleged subsidy program] in fact relates to certain grants by the local or provincial government, and not loans. The ADC is respectfully requested to clarify the description of such grants to avoid confusion.

In responding to this questionnaire, if the GOC is unfamiliar with the title given to a program, but is aware of the existence of a similar program or one that it appears is being referred to, please identify this program (including providing the official title of any such program) and respond to the questionnaire in relation to that program.

ANY OTHER PROGRAM NOT PREVIOUSLY ADDRESSED

If the GOC, any of its agencies, or any other authorised non-governmental body provides any other assistance programs not previously addressed (including market development assistance programs or any domestic support programs related to the manufacture of the subject goods) to manufacturers of rod in coils in China, identify these program(s). Such assistance programs are those that constitute a subsidy as defined in the attached Glossary of Terms.

The GOC is requested to provide the information requested for each of the programs identified above and any additional programs the GOC has identified. In addition, please respond to the program-specific information requested.

1. For **all programs** provide any amendments to law, regulations or policy that makes a particular program redundant for this investigation. Provide all documentary evidence.

The following questions relate to Programs 63 - 273 identified above.

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The GOC has conferred with each of the cooperative exporters in this investigation. Those exporters have disclosed to the GOC that they have provided information regarding financial contributions that they may have received from any level of the GOC.

The GOC understand that all of the financial contributions reported by the respondents in relation to the period of investigation – both in relation to the “original” and the “additional” programs - were negligible in the meaning of that term as it is defined in Section 269TDA(16) of the *Customs Act 1901* (“the Act”). Furthermore, the GOC understands that these values have been verified by the Commission. Accordingly the Commission now has sufficient information to correctly determine that, even on the assumption that these financial contributions are countervailable subsidies, the subsidy margin for each respondent is negligible, and that the subsidy investigation should be terminated in accordance with Section 269TDA of the Act.

Again, the GOC does not accept that any financial contribution provided pursuant to any of the additional programs is a “benefit”, and disputes the usage of that term within the SGQ. Additionally, given the insignificant nature of the financial contributions reported by the respondents, the GOC does not believe they would have any impact on the production and sale of rod in coil during the period of investigation. Nor does the GOC considers it necessary or efficient to provide the detailed information requested by the Commission in light of the *de minimis* nature of any support the respondents may have received.

2. Provide full details of the programs including the following.
 - (a) policy objective and/or purpose of the program.
 - (b) legislation under which the subsidy is granted.
 - (c) nature or form of the subsidy.
 - (d) when the program was established.
 - (e) duration of the program.
 - (f) how the program is administered and explain how it operates.
 - (g) to whom and how is the program provided.
 - (h) the GOC department or agency administering the program.
 - (i) the eligibility criteria in order to receive benefits under the program.

Please refer to the response directly above.

3. Provide translated copies in English of the decrees, laws and regulations relating to the programs and any reports pertaining to the programs.

Please refer to the GOC’s response above at question 1.

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4. Identify and explain the types of records maintained by the relevant government or governments (e.g. accounting records, company-specific files, databases, budget authorizations, etc.) regarding the program.

Please refer to the GOC's response above at question 1.

5. Identify all companies that accrued or received benefits under the programs during the investigation period. Include the following details in the spreadsheet provided as B-7 (or in a Microsoft Excel compatible format):

- (a) the business' address (including the city, province and region);
- (b) the ownership structure of the business, including indirect ownership through associated companies (i.e. SIE, private, co-operative, FIE or joint venture);
- (c) if the business is not an SIE, whether it is otherwise associated with the GOC;
- (d) whether the entity produces rod in coils.

Provide on an annual basis the value and/or nature of the benefit or concession granted (monetary and/or non-monetary) under the programs.

Please see the GOC's response above at question 1. The Commission is respectfully requested to refer to the information as provided by the respondents.

6. For each entity identified in your response to Question 5 above that is an SIE, answer the following questions regarding their performance and profits.

- (a) How are the operations of the enterprise funded?
- (b) Provide details of any debts or other liabilities the enterprise has with any banks or financial institutions in which the GOC holds an interest.
- (c) How is the performance of the enterprise measured? For example, profitability, employment, output, social wellbeing, etc.
- (d) Provide details and explain how the State-owned Assets Supervision and Administration Commission of the State Council (SASAC) or any other government entity inspects or evaluates enterprise performance, including:
 - output and quality performance;
 - performance of employees/directors/managers; and
 - financial performance.

If any other GOC entity plays such a role, provide a detailed explanation of this entity and the role it plays with regard to SIEs.

- (e) Provide details of any official reporting mechanisms that the enterprise must comply with.

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- (f) Provide an explanation of the systems that exist for assessing the performance of administrators of SIEs. Provide examples of recent appraisals of SIE administrators of the enterprise.
- (g) How are profits of the enterprise distributed and to whom?
- (h) Outline what action, if any, is taken by SASAC or any other government entity if the enterprises makes a loss or under-performs.
- (i) Over the past 10 years, has the GOC provided any payment or made any injection of funds to the enterprise, including but not limited to:
 - grants;
 - prizes;
 - awards;
 - stimulus payments and rescue type payments;
 - injected capital funds;
 - purchasing of shares.
- (j) If so, provide details, indicating the amount, circumstance, and purpose of any such payment or injection of funds, as well as whether they were tied to any past or future performance, direction or action of the enterprise.

The GOC does not understand the relevance of this question to the “additional programs”. In any regard, the GOC has provided significant testimony with regard to the operation of SIEs within China in its response to the same questions in the GQ,¹ which should be sufficient for the Commission to be satisfied that such entities are not public bodies within the meaning of that term as endorsed by relevant WTO authorities.

The GOC once again states that Chinese SIEs cannot be considered to be public bodies. As such, the GOC does not understand the relevance of SIEs to the question of whether the identified programs exist and, if so, whether they are countervailable subsidies which provide a financial contribution to exporters of rod in coil that could legally be considered to be a “benefit”.

7. For each entity identified in Question 5 above, answer the following questions regarding enterprise functions:
- (a) Provide a list of functions the enterprise performs.
 - (b) Provide details of any government policies the enterprise administers or carries out on behalf of the GOC.
 - (c) Indicate whether any of the enterprise’s functions are considered to be governmental in nature.

¹ See the GOC’s response to B.15 and B.16 of the GQ.

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- (d) Indicate whether the enterprise has been trusted, tasked, vested with any government authority. Provide details of this authority including how it is exercised or administered, as well as copies of relevant statutes or other legal instruments that vest this authority.
- (e) Indicate whether the enterprise has the authority or power to entrust or direct a private body to undertake responsibilities or functions.
- (f) Explain whether the enterprise is in pursuit of, or required to support governmental policies or interests.
- (g) Provide examples of any 'social responsibilities' the enterprise undertakes or is involved in (reference is made to Article 17 of the Law on State Owned Assets)?

The GOC does not understand the relevance of this question to the “additional programs”. In any regard, the GOC has provided significant testimony with regard to the operation of SIEs within China in its response to the same questions in the GQ,² which should be sufficient for the Commission to be satisfied that such entities are not public bodies within the meaning of that term as endorsed by relevant WTO authorities.

The GOC once again states that Chinese SIEs cannot be considered to be public bodies. As such, the GOC does not understand the relevance of SIEs to the question of whether the identified programs exist and, if so, whether they are countervailable subsidies which provide a financial contribution to exporters of rod in coil that could legally be considered to be a “benefit”.

8. Describe the application process (including any application fees charged by the government agency or authority) for the program.

After an application is submitted, describe the procedures by which an application is analysed and eventually approved or disapproved.

Please see the GOC’s response above at question 1. The Commission is respectfully requested to refer to the information as provided by the respondents.

9. Answer the following questions regarding eligibility for and actual use of the benefits provided under this program.
- (a) Is eligibility for, or actual use of this program contingent, whether solely or as one of several other conditions, upon export performance? If so, please describe.
 - (b) Is eligibility for this program contingent, whether solely or as one of several other conditions, upon the use of domestic over imported goods? If so, please describe.

² See the GOC’s response to B.15 and B.16 of the GQ.

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- (c) Is eligibility for the subsidy limited to enterprises or industries located within designated regions? If so, specify the enterprises or industries and the designated regions.
- (d) Is eligibility limited, by law, to any enterprise or group of enterprises, or to any industry or group of industries? If so, describe and specify the eligible enterprises or industries.
- (e) Provide any contractual agreements between the GOC and the companies that are receiving the benefits under the program (e.g., loan contracts, grant contracts, etc.).

Please see the GOC's response above at question 1. The Commission is respectfully requested to refer to the information as provided by the respondents.

- 10.** Provide the total amounts of benefits received by each type of industry in each region in the year the provision of benefits was approved and each of the years from 1 January 2010 to 30 June 2015.

Please see the GOC's response above at question 1. The Commission is respectfully requested to refer to the information as provided by the respondents.

- 11.** For all programs listed in Table 1, describe any anticipated changes in the program. Provide documentation substantiating your answer. If the program has been terminated, state the last date that a company could apply for or claim benefits under the program. When is the last date that a company could receive benefits under the program?

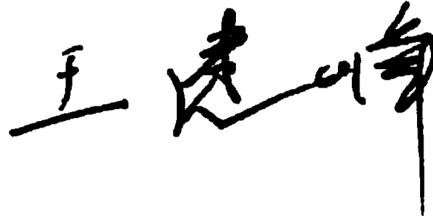
Please see the GOC's response above at question 1. The Commission is respectfully requested to refer to the information as provided by the respondents.

DECLARATION

DECLARATION

The undersigned certifies that all information supplied herein in response to the questionnaire (including any data supplied in an electronic format) is complete and correct to the best of his/~~her~~ knowledge and belief.

8 June 2016



Date

Signature of authorised official

(Mr) Wang Jianfeng

Name of authorised official

Deputy Director
Bureau of Trade Remedy Investigation
Ministry of Commerce
People's Republic of China

Title of authorised official

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GLOSSARY OF TERMS

This glossary is intended to provide you with a basic understanding of technical terms that appear in the questionnaire.

Enterprise

“Enterprise” includes a group of enterprises, an industry and a group of industries.

Government of China (GOC)

For the purposes of this questionnaire, GOC refers to all levels of government, i.e., central, provincial, regional, city, special economic zone, municipal, township, village, local, legislative, administrative or judicial, singular, collective, elected or appointed.

It also includes any person, agency, enterprise, or institution acting for, on behalf of, or under the authority of any law passed by, the government of that country or that provincial, state or municipal or other local or regional government.

Special Economic Zone (SEZ)

Refers to a Special Economic Area, Economic and Technical Development Zone, Bonded Zone, Export Processing Zone, High Technology Industrial Development Zone, or any other designated area where benefits from the GOC (including central, provincial, municipal or county government) accrue to a company because of being located in such an area.

State Invested Enterprises (SIE)

For the purposes of this questionnaire, SIE refers to any company or enterprise that is wholly or partially owned by the GOC as defined above (either through direct ownership or through association) including.

- ‘enterprises with state investment’
- ‘state-owned assets’
- ‘state-invested enterprises’
- ‘enterprises under the supervision of SASAC’

For the purposes of this questionnaire, SIE refers to any and all of the above types of enterprises.