



## **SUPPLEMENTARY GOVERNMENT QUESTIONNAIRE – PEOPLE’S REPUBLIC OF CHINA**

**PRODUCT CONCERNED:** DEEP DRAWN STAINLESS STEEL SINKS  
FROM CHINA

**INVESTIGATION PERIOD:** 1 JANUARY TO 31 DECEMBER 2013

**RESPONSE DUE BY:** **15 SEPTEMBER 2014 (EXTENDED TO 22  
SEPTEMBER 2014)**

**ADDRESS FOR RESPONSE:** *Email (preferred)*  
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Attention: Andrea Stone

*Mail*

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**Please note that a non-confidential version of the reply to this questionnaire must also be provided.**

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## ABBREVIATIONS

the Act	the <i>Customs Act 1901</i>
China	the People's Republic of China
the Commission	the Anti-Dumping Commission
GOC*	Government of China
the goods	the goods under consideration (GUC; deep drawn stainless steel sinks)
the investigation period	1 January 2013 to 31 December 2013

\*Refer to this questionnaire's Glossary of Terms for a definition.

## BACKGROUND AND GENERAL INSTRUCTIONS

### BACKGROUND

The Anti-Dumping Commission (the Commission) has initiated:

- an investigation into allegations that certain deep drawn stainless steel sinks have been exported to Australia from the People's Republic of China (China) at dumped prices, and because of that dumping, material injury has been caused to an Australian industry producing like goods; and
- an investigation into allegations that eight countervailable subsidies have been received in respect of deep drawn stainless steel sinks exported from China to Australia, and because of that subsidisation, material injury has been caused to an Australian industry producing like goods.

The abovementioned dumping investigation involves allegations that there is a situation within the domestic Chinese market for deep drawn stainless steel sinks that renders sales within those markets unsuitable for determining normal values under s.269TAC(1) of the *Customs Act 1901* (the Act) (i.e. that a 'particular market situation' exists in these markets).

Following initiation of this investigation, the Commission forwarded the Government of China (GOC) a Government Questionnaire, requesting information from the GOC to assist the Commission in making determinations as to whether:

- the alleged particular market situation does exist in the Chinese deep drawn stainless steel sinks market; and
- alleged countervailable subsidy programs have been received by Chinese exporters of deep drawn stainless steel sinks.

The GOC provided a response to the Government Questionnaire on 19 May 2014.

### PRODUCT CONCERNED

#### Description

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

*Deep drawn stainless steel sinks with a single deep drawn bowl having a volume of between 7 and 70 litres (inclusive), or multiple drawn bowls having a combined volume of between 12 and 70 litres (inclusive), with or without integrated drain boards, whether finished or unfinished, regardless of type of finish, gauge, or grade of stainless steel and whether or not including accessories.*

#### Additional product information

The application contains the following further information in relation to the goods the subject of the application.

*For the purposes of this definition, the term "deep drawn" refers to a manufacturing process using metal forming technology to produce a smooth basin with seamless, smooth, and rounded corners. Deep drawn stainless steel sinks are available in various shapes and configurations and may be*

*described in a number of ways including flush mount, top mount, or undermount (to indicate the attachment relative to the countertop). Stainless steel sinks with multiple deep drawn bowls that are joined through a welding operation to form one unit are covered by the scope of the investigations. "Finished or unfinished" refers to whether or not the imported goods have been surface treated to their intended final "finish" for sale. Typically, finishes include brushed or polished.*

*Deep drawn stainless steel sinks are covered by the scope of the investigation whether or not they are sold in conjunction with accessories such as mounting clips, fasteners, seals, sound-deadening pads, faucets (whether attached or unattached), strainers, strainer sets, rinsing baskets, bottom grids, or other accessories.*

*Excluded from the definition of the goods the subject of this application are stainless steel sinks with fabricated bowls. Fabricated bowls do not have seamless corners, but rather are made by notching and bending the stainless steel, and then welding and finishing the vertical corners to form the bowls. Stainless steel sinks with fabricated bowls may sometimes be referred to as "fabricated sinks".*

*Deep drawn stainless steel sinks are commonly used in residential and non-residential installations including in kitchens, bathrooms, utility and laundry rooms. When used in the context of bathrooms, deep drawn stainless steel sinks may there be referred to, for marketing purposes, as "wash basins". As noted above, deep drawn stainless steel sinks may have may, or may not, have a single (or multiple) integrated drain board that forms part of the sink structure, designed to direct water into the sink bowl.*

#### Tariff classification

The application states that the goods are classified within tariff subheading 7324.10.00 (statistical code 52), in Schedule 3 of the *Customs Tariff Act 1995*.

The rate of customs duty payable is 5 per cent.

#### **INVESTIGATION PERIOD**

The existence and amount of any subsidy and/or dumping in relation to deep drawn stainless steel sinks exported to Australia from China will be determined on the basis of an investigation period from 1 January to 31 December 2013 (hereinafter referred to as 'the investigation period').

In order to permit the allocation of certain types of subsidy to the investigation period, information relating to earlier periods is also requested in certain sections of this questionnaire.

The Commission will examine details of the Australian market from 1 January 2009 for injury analysis purposes.

#### **PURPOSE OF THIS QUESTIONNAIRE**

New information has been received from cooperating Chinese exporters of deep drawn stainless steel sinks regarding possible existence and receipt of new countervailable subsidy programs not included in the eight alleged programs the Commission originally initiated investigations into.

The Commission considers that the information gathered from these exporters is sufficient to warrant further investigation of the programs and to determine whether they are countervailable.

The purpose of this questionnaire is to assist the Commission to obtain necessary information from the GOC to determine whether these additional subsidy programs are countervailable and have been received by exporters of the goods.

## **RESPONSE TO THIS QUESTIONNAIRE**

The GOC does not have to complete this questionnaire.

However, if the GOC does not respond the Commission may be required to rely on information supplied by other parties in making its determinations in relation to the new programs.

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

If the GOC chooses to respond to this questionnaire, the response is due by **COB 15 September 2014**.

## **IF THE GOC DECIDES TO RESPOND**

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

### Confidential and non-confidential versions

If the GOC chooses to respond to this questionnaire, it is required to lodge a confidential and a non-confidential version of the submission by the due date.

In submitting these versions, please ensure that each page of the information provided is clearly marked either "**FOR OFFICIAL USE ONLY**" or "**NON-CONFIDENTIAL**" in the header and footer.

All information provided to the Commission for official use only will be treated accordingly. The non-confidential version of the submission will be placed on the Public Record, which all interested parties can access.

The GOC's non-confidential submission must contain sufficient detail to allow a reasonable understanding of the substance of the confidential version. If, for some reason, the GOC cannot produce a non-confidential summary, contact the investigation case officer (see contact details on Page 1 of this questionnaire).

### Declaration

The GOC is required to make a declaration that the information contained in the GOC's response is complete and correct. The GOC must return the signed declaration of an authorised GOC official at Section C of this questionnaire with the response.

### Coordination of responses

In completing the questionnaire, if a question requires information from other authorities (e.g. provincial or local governments, state owned entities, etc.) please forward the questions to the correct source.

However, it is the responsibility of the GOC to ensure that a full and complete response to all sections of the questionnaire is submitted, and that responses from all levels of government, agencies and/or other applicable entities are collated and coordinated in the one response.

### Provision of documents

Applicable documents are requested from the GOC throughout this questionnaire.

When providing requested documents, please indicate whether the documents:

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

Where the documents have been repealed, revised or superseded, where applicable:

- 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.

### Lodgement

The GOC may lodge its response by email. The email address for lodgement is shown on the front cover of this questionnaire. If lodged by email, the GOC is still required to provide a confidential and a non-confidential version of your submission by the due date.

Alternatively, the GOC can mail its response to the lodgement address shown on the front cover of this questionnaire.

### General matters

Responses to questions should:

- be as accurate and complete as possible, and attach all relevant supporting documents,<sup>1</sup> even where not specifically requested in this questionnaire;
- be in English (with fully translated versions of all requested and other applicable documents submitted);

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<sup>1</sup> This includes, but is not limited to, any laws, decrees, regulations, statements of policy, or other administrative guidelines. In each case, include any legislative history as well as other descriptive materials and explanations of the criteria underlying the decisions relating to each of the programmes mentioned in this questionnaire. If applicable, a sample of each of the applications that a company must complete to participate in each of the programs should also be included.

- list the source(s) of information for each question; and
- show any amounts in the currency in which they were originally denominated.

Please note that references throughout this questionnaire to companies benefiting from a particular program should be read as including any parent and otherwise associated companies, and, if the company has been subject to merger or acquisition, any former associated companies or former parent companies.

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

### **CLARIFICATION**

If the GOC has any difficulties in completing the questionnaire, or require clarification on any questions asked, contact the case manager as soon as possible (contact details are provided on Page 1 of this questionnaire).



## NEW PROGRAMS AND RELATED QUESTIONS

### NEW PROGRAMS BEING INVESTIGATED

The following programs will be further investigated by the Commission:

Program Number	Program name	Program Type	Additional information
Program 9	Award to top ten tax payer	Grant	Awarded by the local government of Shenwan Town of Zhongshan City/ Ministry of Commerce
Program 10	Assistance to take part on overseas trade fares	Grant	Awarded by the Local government of Shenwan Town of Zhongshan City/ Ministry of Commerce
Program 11	Grant for management certification	Grant	Administered by the Ministry of Commerce (Zhongshan)  To assist companies in training staff in areas such as quality assurance and occupational health and safety
Program 12	Grant for certification of product patents	Grant	Awarded by local government of Shenwan Town of Zhongshan City/ Ministry of Commerce
Program 13	Grant for inventions, utility models, designs	Grant	Awarded by the local government of Shenwan Town of Zhongshan City/ Ministry of Commerce  To assist companies in complying with the Patent Cooperation Treaty
Program 14	Grant for international marketing	Grant	Awarded by the local government of Shenwan Town of Zhongshan City/ Ministry of Commerce  To assist companies in producing publicity materials such as brochures or DVDs

<b>Program Number</b>	<b>Program name</b>	<b>Program Type</b>	<b>Additional information</b>
Program 15	Grant for electronic commerce	Grant	Awarded by the local government of Shenwan Town of Zhongshan City/ Ministry of Commerce.  To assist companies in developing websites, corporate information management systems, and online marketing
Program 16	Grant for overseas advertising and trademark registration	Grant	Awarded by the local government of Shenwan Town of Zhongshan City/ Ministry of Commerce.  Assists companies in advertising on billboards, newspapers, etc.
Program 17	Grant for overseas marketing travel or study	Grant	Awarded by the local government of Shenwan Town of Zhongshan City/ Ministry of Commerce.  Financial assistance for accommodation, dining and other expenses.
Program 18	Gaolan Port Subsidy	Grant	Administered by Zhuhai International Container Port (Gaolan) Co. Ltd.
Program 19	Information development subsidy	Grant	Administered by Zhuhai small to medium enterprise (SME) Service Center
Program 20	Foreign Trade Exhibition Activity Fund	Grant	Administered by Zhuhai Finance Bureau
Program 21	Zhuhai Technology Reform & Renovation Fund	Grant	Administered by Zhuhai Finance Bureau
Program 22	Zhuhai Technology Reform & Renovation Fund	Grant	Administered by Zhuhai Finance Bureau
Program 23	Zhuhai Research & Development Assistance Fund	Grant	Administered by Zhuhai Finance Bureau

**Table 1: new subsidy programs being investigated**

*Note: the above 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 above titles may not exactly reflect any official titles that the GOC has in place.*

*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 (including providing the official title of any such program) and respond to the questionnaire in relation to that program.*

## **QUESTIONS**

For **each of the programs** identified in Table 1 above, answer the following questions.

*Note: In responding to the questions in this part, the GOC is required 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, where the program benefits impact on the production and sale of deep drawn stainless steel sinks during the investigation period.*

1. 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
2. Provide translated copies in English of the decrees, laws and regulations relating to the programs and any reports pertaining to the programs.
3. 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.
4. Identify all Chinese exporters of deep drawn stainless steel sinks that accrued or received benefits under the programs during the period 1 January 2009 – 30 December 2013.

Include details of the value and/or nature of the benefit or concession granted (monetary and/or non-monetary) under the programs.

5. 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.

6. 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.
  - (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.).
7. 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?

### Response to Supplementary Government Questionnaire

The Government of China objects to the Commission's investigation into the new subsidy programs in the course of the investigation and believes that to do so the Commission has violated the WTO Agreement on Subsidy and Countervailing Measures and has unjustifiably shifted the relevant evidentiary burdens from the applicant to the cooperative exporters and the Government of China.

The Government of China has **attached** a separate submission in relation to the above to the response to the supplementary government questionnaire.

With respect to the 16 new subsidy programs, the Government of China notes that the supplementary questionnaire merely identifies the subsidies without providing any other information or evidence to show that the subsidies are countervailable or causing injury to the Australian industry.

Even accepting that the Commission's investigation into the new subsidies is justified, which is not accepted, it is the applicant's or the Commission's obligation to provide sufficient evidence to prove that the subsidies are countervailable, not the

cooperative exporters or the Government of China.

In order to proceed with the investigation into these new subsidies, the Commission must determine whether the subsidies are countervailable, and if they are, the amount of the subsidies, based on the information the Commission has obtained from the exporters during verifications. This has not occurred. If it has, please provide us with details.

## **SECTION C: 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.

\_\_\_\_\_  
**Date**

\_\_\_\_\_  
**Signature of authorised  
official**

\_\_\_\_\_  
**Name of authorised official**

\_\_\_\_\_  
**Title of authorised official**

## **APPENDIX 1: GLOSSARY OF TERMS**

*Throughout this questionnaire, there are certain words and terminology used that require some clarification. The following are their definitions for purposes of this investigation.*

### ***Benefit***

As further defined in relation to the definition of the term 'subsidy' below, 'benefit' may include:

- a direct transfer of funds;
- the acceptance of liabilities (e.g. debts or other liabilities), whether actual or potential, of an enterprise;
- the forgoing, or non-collection, of revenue (other than an allowable exemption or remission) that was otherwise due (e.g. reduced rate of income tax, waiving certain other taxes);
- the provision of goods or services otherwise than in the course of providing normal infrastructure; or
- the purchase of goods

by any the GOC (at any level), a public body of the GOC, or a private body entrusted by the GOC to carry out GOC functions.

### ***Financial Contribution***

There is a "financial contribution" by a government where:

(a) a government practice involves a direct transfer of funds (grants, loans, and equity infusion), potential direct transfer of funds or liabilities (e.g. loan guarantees);

(b) government revenue that is otherwise foregone or not collected (e.g. fiscal incentives such as tax credits);

(c) the government provides goods or services, other than general governmental infrastructure, or purchases goods; or

(d) a government makes payments to a funding mechanism, or entrusts or directs a private body to carry out one or more of the type of functions illustrated in (a) to (c) above which would normally be vested in the government and the practice, in no real sense, differs from practices normally followed by the government.

### ***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.

### ***Program(s)***

The term “program”, as used throughout this questionnaire in reference to alleged subsidies, refers to broad categories of subsidies that Customs and Border Protection has reason to believe may be available to exporters of the goods.

In this regard, the term “program” as used in this questionnaire should not be taken to necessarily refer to formal programs maintained by the GOC, nor should it be taken to refer to one specific subsidy. Rather, “program” as used in this questionnaire can refer to informal subsidies provided by the GOC, and can also refer to multiple individual, albeit similar, subsidies.

### ***Subsidy***

In relation to goods that are exported to Australia, means:

(a) a financial contribution:

(i) by a government of the country of export or country of origin of the goods; or

(ii) by a public body of that country or a public body of which that government is a member; or

(iii) by a private body entrusted or directed by that government or public body to carry out a governmental function;

that involves:

(iv) a direct transfer of funds from that government or body; or

(v) the acceptance of liabilities, whether actual or potential, by that government or body; or

(vi) the forgoing, or non-collection, of revenue (other than an allowable exemption or remission) due to that government or body; or

(vii) the provision by that government or body of goods or services otherwise than in the course of providing normal infrastructure; or



(viii) the purchase by that government or body of goods or services; or

(b) any form of income or price support as referred to in Article XVI of the General Agreement on Tariffs and Trade 1994 that is received from such a government or body;

if that financial contribution or income or price support confers a benefit (whether directly or indirectly) in relation to the goods exported to Australia.

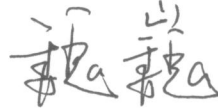
**SECTION C: DECLARATION**

**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.

September 18, 2014

**Date**



**Signature of authorised official**

Wei Wei

**Name of authorised official**

**Third Secretary  
Trade Remedy and Investigation Bureau  
Ministry of Commerce of China**

**Title of authorised official**