



Australian Government
Department of Industry,
Science and Resources

Anti-Dumping
Commission

Importer verification report

Verification and case details

Initiation date	9/06/2023	ADN	2023/031
Case number	626		
The goods under consideration	PVC Flat Electrical Cable		
Case type	Continuation Inquiry		
Importer	World Wire Cables (Aust) Pty Ltd		
Location	61-71 Geddes Street, Mulgrave VIC 3170		
Verification date	26 September 2023		
Inquiry period	1/04/2022	to	31/03/2023

The Anti-Dumping Commission will review this report, including its views and recommendations.

This report may not reflect the Anti-Dumping Commission's final position.

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Introduction

World Wire Cables (Aust) Pty Ltd (WWC) submitted data to the Anti-Dumping Commission (the commission) in response to an importer questionnaire for Continuation Inquiry 626 (case 626) into PVC Flat Electrical Cable from China.

A verification team (the team) has verified whether the data WWC submitted is complete, relevant and accurate for use in case 626. [Anti-Dumping Notice \(ADN\) 2016/30](#) describes the commission's verification procedure.

This report explains the team's key findings, including the evidence considered and material issues identified. Where WWC or the team materially revised the submitted data, this report outlines the nature, extent and outcomes of these revisions.

The commission prepared this report to publish on the electronic public record for case 626.

Verification teams are authorised to conduct verifications under sections 269SMG and 269SMR of the *Customs Act 1901* (Cth) (the Act).¹

¹ All legal citations in this report are to the Act unless otherwise stated.

1 Company background

1.1 Corporate structure and ownership

WWC is a private company that was established in 1997. It is headquartered in Melbourne and has sales offices with full capacity warehouses covering all states in Australia.

WWC imports and distributes a wide variety of electrical cables to all major electrical wholesalers nationwide. These include, but are not limited to, low/medium/high/extra high voltage cables, instrumental, data, rubber and VSD cables.

1.2 Related parties

The team examined the relationships between WWC and parties involved in the supply and sale of the goods.

The team is satisfied that WWC did not have any related parties for the import or sales of the goods during the inquiry period.

2 Goods under consideration

2.1 Like goods assessment

The team considers that the goods were identical to, or had characteristics closely resembling, the like goods manufactured by the Australian industry.²

This is because:

- **Physical likeness:** The goods are physically alike to the like goods manufactured by Australian industry.
- **Production likeness:** The imported goods use the same manufacturing processes and raw materials as the Australian industry.
- **Commercial likeness:** The goods compete in the same market sector, are interchangeable and use similar distribution channels.
- **Functional likeness:** The goods are functionally alike, as they have similar end uses.

² Section 269T(1), the Act

3 Verification of sales completeness and relevance

The commission typically verifies sales as complete and relevant by reconciling the revenue and quantity in sales listings up to management accounts and then audited financial accounts. ADN 2016/30 further describes this verification process.

The team verified whether the sales listing WWC submitted is complete and relevant by reconciling them to the audited financial statements, consistent with ADN 2016/30.

The team verified whether the sales data was complete and relevant by:

1. reconciling total sales revenue in WWC's 2022 financial year audited report to its trial balance and accounting system.
2. reconciling total sales revenue in WWC's inquiry period trial balance to its accounting system.
3. reconciling WWC's total inquiry period sales revenue to the general category of goods and, from that, the goods under consideration in its accounting system.
4. reconciling WWC's inquiry period sales of the goods under consideration in its accounting system to the sales listing.

The team did not identify any issues. The team detailed this process in the verification work program and its relevant attachments in **Confidential Attachment 1**.

3.1 Sales completeness and relevance exceptions

The team is satisfied that the sales data WWC submitted is complete and relevant.

4 Verification of sales accuracy

The commission typically verifies sales as accurate by reconciling a selection of volume, revenue and other key data in the sales listings down to source documents. ADN 2016/30 further describes this verification process.

The team verified whether the sales listing WWC submitted is accurate by reconciling them to source documents, consistent with ADN 2016/30.

The team identified the issue outlined below during this process. The team detailed this process in the verification work program and its relevant attachments in **Confidential Attachment 1**.

Exception 1: Additional sales model information and corrected values

Description: WWC initially provided a sales listing that did not provide detailed model information and included some incorrect quantity and sales values.

Resolution: WWC revised its sales listing to include detailed model information and corrected quantity and sales values.

4.1 Sales accuracy finding

The team is satisfied that the sales data WWC submitted is accurate.

5 Verification of imports and cost to import and sell

5.1 Import listing

WWC confirmed that the import listing extracted from the Australian Border Force (ABF) import database is a complete list of imports of the goods over the investigation period.

5.2 Verification of cost to import and sell

Prior to the verification, the commission selected seven shipments for WWC to complete the cost to import and sell (CTIS) spreadsheet of the importer questionnaire.

For each of the selected shipments, WWC provided the following source documents:

- supplier invoices
- supplier purchase orders
- supplier packing lists
- supplier packing declarations
- certificates of origin
- bills of lading
- freight forwarder tax invoices (including Australian Customs entry details)
- purchase delivery notes.

The commission typically verifies cost to import and sell (CTIS) as complete and relevant by reconciling the total cost to import and the selling, general and administrative (SG&A) expenses in cost listings up to management accounts and then audited financial accounts. ADN 2016/30 further describes this verification process.

The team verified whether the CTIS WWC submitted are complete and relevant by reconciling it to audited financial statements, consistent with ADN 2016/30.

The team identified the issue outlined below during this process. Details of this verification process are contained in the verification work program and its relevant attachments, at **Confidential Attachment 1**.

5.2.1 Exceptions during verification of CTIS

Exception 2: Revised cost to import and sell listing

Description: Some data in WWC’s cost to import and sell listing did not reflect the import source documents provided or import data supplied by Australian Border Force.

Resolution: WWC revised its cost to import and sell listing to reflect the values recorded in source documents and in data reported to Australian Border Force.

5.3 CTIS allocation method

Table 1 outlines how the team allocated each CTIS component.

Cost Area	Method applied
Ocean freight	Actual costs based on freight forwarder invoices. Allocated to the goods under consideration based on the cubic metres attributed to the goods in the packing list.

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Cost Area	Method applied
Marine insurance	Applied as a standard amount to all goods under consideration in each shipment.
Duties	Actual duties paid based on ABF importation data.
Port service charges and customs fees	Actual costs based on freight forwarder invoices. Allocated to the goods under consideration based on the cubic metres attributed to the goods in the packing list.
Foreign exchange rates (for ocean freight and marine insurance)	Actual forex rate provided by the freight forwarder included in its invoices.
Inland freight	The actual costs of inland freight from the port of importation to WWC's warehouse based on freight forwarder invoices.
SG&A	Based on the total indirect selling, general and administrative expenses in WWC's trial balance, as a proportion of total company net sales revenue.

Table 1 CTIS allocation method

5.3.1 Exceptions during verification of CTIS allocation methodology

Exception 3: Revised overseas freight, port handling and warehouse inland transport cost allocations

Description: WWC provided source documents showing the total overseas freight, port handling and inland transport expenses for each shipment.

The verification team could not reconcile the method WWC used to apportion total shipment costs to the goods under consideration.

Resolution: The team revised the allocation method for overseas freight, port handling and inland transport expenses.

The team's method is based on the total actual cost for each shipment, apportioned to the goods under consideration based on the cubic metres allocated to those goods in the packing list.

For one shipment without a packing list provided, the team used the weighted average of the expenses from all other imports.

Exception 4: Revised selling, general and administrative expense listing

Description: WWC provided a selling, general and administrative expense listing that marked certain direct selling expenses as 'indirect'.

Resolution: The team revised WWC's selling, general and administrative expense listing to reclassify certain direct selling expenses as 'direct' instead of 'indirect'.

5.4 CTIS verification finding

The team is satisfied that the CTIS provided by WWC, including any required amendments as outlined in the exception description above, is accurate.

A table detailing the weighted average unit CTIS is at **Confidential Appendix 1**.

6 Export price

6.1 The importer

The team considers WWC to be the beneficial owner of the goods at the time of importation and therefore the importer of the goods, as WWC:

- was named on the commercial invoice from its supplier
- was named as the consignee on the bill of lading
- was declared as the importer on the importation declaration to ABF
- paid for all the importation charges
- arranged delivery from the port.

6.2 The exporter

WWC stated that it imported the goods to Australia. The team considers Jiangsu Etern Electric Co. Ltd (JE) to be the exporter of the goods,³ as JE is:

- named on the commercial invoice and packing lists
- named as consignor on the bill of lading
- named as the exporter on the certificate of origin
- named on the packing declaration
- named as the shipper on the freight forwarder tax invoice.

6.3 Profitability of imports

The team assessed the profitability of each product code contained in the order number for the following selected shipments by comparing the revenue to the CTIS for each shipment. As the team can trace each selected shipment to actual sales transactions, the team used the actual revenue for each shipment to assess its profitability.

The outcome of this assessment is shown in Table 2 below.

Shipment	Profitable (Y/N?)
1	N
2	N
3	N
4	N
5	N
6	N
7	N
Weighted average all shipments	N

Table 2 Profitability of selected imports

³ The Commission generally identifies the exporter as a principal in the transaction, located in the country of export from where the goods were shipped, that gave up responsibility by knowingly placing the goods in the hands of a carrier, courier, forwarding company, or its own vehicle for delivery to Australia; or a principal in the transaction, located in the country of export, that owns, or previously owned, the goods but need not be the owner at the time the goods were shipped.

The team considered and conducted further analysis to assess whether WWC could recover the losses within a reasonable time, being 12 months. After having regard to the price paid by the importer, and other related importation and selling costs, the team found that it is unlikely that WWC will be able to recover these costs within a reasonable period of time from selling the goods under consideration.

The assessment is at **Confidential Appendix 2**.

6.4 Related party suppliers

The team did not find any evidence that WWC is related to its supplier of the goods exported from China during the investigation period.

6.5 Arms length

In respect of imports of the goods to Australia by WWC during the investigation period, the team found no evidence that:

- there was any consideration payable for, or in respect of, the goods other than its price
- the price was influenced by a commercial or other relationship between the buyer, or an associate of the buyer, and the seller, or an associate of the seller
- the buyer, or an associate of the buyer, was directly or indirectly, reimbursed, compensated or otherwise received a benefit for, or in respect of, whole or any part of the price.

The team notes that WWC sold the goods at a loss, but considers that WWC purchased and sold a small amount of the goods relative to the company's total sales. The team does not regard that WWC selling at a loss indicates that the sales were not arms length transactions.

Therefore, subject to further inquiries, the team is satisfied that the imports between WWC and its suppliers are arms length transactions.

6.6 Export price assessment

The team is of the opinion that for the goods imported by WWC from JE:

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

Subject to further inquiries with this exporter, the team recommends that the export price for goods imported by WWC from JE can be established under section 269TAB(1)(a) of the Act, using the invoiced price, less transport and other costs arising after exportation.

7 Attachments

Confidential Appendix 1	Profitability of imports
Confidential Attachment 1	Verification work program