



Australian Government
Department of Industry,
Science and Resources

Anti-Dumping
Commission

Exporter verification report

Verification and case details

Company verified	SSAB EMEA AB		
Case number	638		
Initiation Anti-Dumping Notice (ADN)	2023/084		
The goods under consideration	Quenched and Tempered Steel Plate		
Case type	Continuation Inquiry		
Location	Klarabergsviadukten 70, 111 64 Stockholm, Sweden		
Verification meeting dates	20/03/2024	to	26/03/2024
Inquiry period	1/10/2022	to	30/09/2023

This report details the findings and recommendations of a verification team in the Anti-Dumping Commission.

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

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1 REPORT SUMMARY

1.1 About this report

The commission sent out a questionnaire to collect exporter information for Continuation Inquiry 638 (case 638) into quenched and tempered steel plate exported from Finland, Japan and Sweden during the inquiry period.

SSAB EMEA AB (SSAB EMEA) responded to this questionnaire and provided information relating to sales from Sweden.

A team of staff in the commission verified the information SSAB EMEA submitted to assess if the commission should rely on this information. The commission met with representatives for SSAB EMEA to assist the verification.

This report details the commission's verification findings and recommendations about SSAB EMEA for case 638.

A finding made in this verification report (verification finding) and verification recommendations (verification recommendations) are made in the context of this verification only. These verification findings and verification recommendations may be referred to and relied on in the Statement of Essential Facts and Final Report for case 638.

1.2 Key dumping margin recommendations

The commission calculated a dumping margin of **56.9%**.

1.3 Key verification findings

The commission finds the information SSAB EMEA submitted is complete, relevant and accurate after material revisions.

For more information on the verification process, see **chapter 3**. For the commission's key verification findings, see **chapter 3.9**.

1.4 Abbreviations in this report

In this report, unless otherwise stated:

- all **sections** cited are from the *Customs Act 1901 (Cth)*
- the term **ADN** refers to **Anti-Dumping Notice**.

2 VARIABLE FACTORS

2.1 Major recommendations

The commission recommends using sections 269TAB(1)(b) and 269TAB(1)(c) to set an export price at **chapter 2.3**.

The commission recommends using section 269TAC(1) to set a normal value and using section 269TAC(8) to adjust the price of like goods at **chapter 2.4**.

The commission recommends calculating a dumping margin of **56.9%** at **chapter 2.5**.

2.2 About this chapter

2.2.1 Chapter structure

This chapter details the commission's recommendations about how to set the variable factors used to calculate the rate of dumping for goods exported by SSAB EMEA to Australia from Sweden.

Australian customs law sets out different ways to calculate variable factors based on the facts available.

This chapter briefly describes the meaning of variable factors and its associated terms.

This chapter then summarises the commission's recommendations about how to set:

- an **export price**
- a **normal value**
- a **dumping margin**.

2.2.2 What are variable factors?

Variable factors are numerical values that the commission uses to calculate the levels of dumping or countervailable subsidy. By verifying a company's data, the commission aims to set accurate variable factors and accurately calculate the level of dumping or countervailable subsidy.

The commission has explained some concepts relating to variable factors. These explanations are in simple terms and may not reflect the full, technical definitions.

Goods

The goods exported into Australia are **Australian export goods** or the **goods under consideration**.

Goods that are the same or similar to Australian export goods are **like goods**.

Variable factors

Dumping occurs if the price of Australian export goods (the **export price**) is less than the equivalent price of like goods in an exporter's domestic market (the **normal value**).

The **amount of dumping** is the difference between a normal value and the corresponding export price – that is, the normal value minus the export price.

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A **subsidy** is a financial contribution, income support or price support, from a country of export Government, public body or a private body being directed by the Government or public body that confers a benefit to Australian export goods.

The Australian government can cancel out – that is, **countervail** – the effect of a subsidy, if that subsidy is specific to Australian export goods. In other words, a subsidy specific to Australian export goods is a **countervailable subsidy**.

The minimum export price to prevent material injury to an Australian industry is the **non-injurious price**. The commission typically relies on information from Australian industry and other sources to calculate this price, which is beyond the scope of this verification. The commission has therefore not calculated a non-injurious price in this report.

Margins calculated using variable factors

A **dumping margin** is the rate of dumping compared to the export price.

2.3 Export price

2.3.1 The commission's recommendation

Summary

The commission recommends using sections 269TAB(1)(b) and 269TAB(1)(c) to set an export price.

In more detail

With respect to the Australian sales of the goods by SSAB EMEA, the commission recommends that the export price cannot be determined under section 269TAB(1)(a). The commission considers that the sales of the goods by SSAB EMEA to its only Australian customer, SSAB AU, were not made in arms length transactions.

The commission found that SSAB AU sold the goods in the condition that it purchased the goods from SSAB EMEA. The commission considered calculating export price under section 269TAB(1)(b) being the price at which SSAB AU sold the goods to unrelated customers, less the prescribed deductions.

Where the commission was able to match the relevant models (identified by the relevant Model Control Codes (MCCs)) exported by SSAB EMEA and sold by SSAB AU in Australia in the same quarter in the inquiry period, the commission calculated the export price under section 269TAB(1)(b). Under this section, an export price is the price at which the importer sold the goods to unrelated customers, less the prescribed deductions.

The commission calculated the export price using the prices at which SSAB AU sold the goods to unrelated customers, less the following deductions:

- amounts for SSAB AU's selling, general and administrative (SG&A) costs and profit
- importation costs such as Australian general customs duty, Australian port and handling charges, Australian inland freight, and Australian warehousing
- post exportation costs, such as ocean freight and marine insurance, and
- the cost of credit provided by SSAB AU to its Australian customers.

Where the commission was not able to match the relevant models or MCCs exported by SSAB EMEA and sold by SSAB AU in Australia in the same quarter in the inquiry period, the commission calculated export price under section 269TAB(1)(c) having regard to all circumstances of the exportation. Specifically, the commission used the price at which SSAB AU sold the goods to unrelated customers, less the prescribed deductions (explained above), with timing adjustments using SSAB AU's quarterly weighted average sales prices. The commission also determined the export price for one model exported by SSAB EMEA during the inquiry period that was not sold by SSAB AU in the same period under section 269TAB(1)(c). For this exported model, the commission used the price of the MCC which SSAB AU sold during the inquiry period that was the most similar to the relevant model exported by SSAB EMEA during the inquiry period.

Confidential appendix 1 contains the commission's export price calculations.

2.3.2 General method

Section 269TAB lists different ways to calculate an export price based on the facts available.

The commission considers these questions, among others, before calculating an export price:

- Did the verified company sell goods for Australian export?
- Who is the exporter?
- Who is the importer?
- Did the exporter sell to the importer at arm's length?

In this chapter, the commission summarises its findings about facts that affect how to calculate an export price.

2.3.3 The verified company produced and exported the Australian export goods

The commission finds that SSAB EMEA produced and exported the Australian export goods during the inquiry period.

2.3.4 Who is the exporter?

The commission's finding

The commission considers SSAB EMEA as the exporter of the Australian export goods because this company:

- produced the Australian export goods
- is named as the supplier on commercial invoices
- is named as consignor on bills of lading
- arranged inland transport to the port of export
- arranged port handling charges at the port of export, and
- arranged ocean freight and marine insurance.

General method

The commission generally identifies an **exporter** as a company, located in the country of export, who is a principal company involved in an Australian export goods transaction. At least one of the following generally also applies for a company to be an exporter:

- the company knowingly transferred the goods to its own vehicle, or to a freight company, to deliver the goods to Australia
- at the time the goods were shipped, the company owned the goods.

To identify the exporter, the commission typically relies on information about Australian export transactions from stakeholders and the Australian Border Force (ABF).

2.3.5 Who is the importer?

The commission's finding

For all transactions, the commission considers SSAB Swedish Steel Pty Ltd (SSAB AU) as the importer of the Australian export goods. In other words, SSAB AU beneficially owned the Australian export goods at the time of import into Australia.

For each transaction, SSAB AU:

- is named as the purchaser on the commercial invoices
- is named as the consignee on bills of lading

- is named as the importer on import declarations to the ABF
- arranged delivery from the port of arrival in Australia.

General method

An **importer** is the beneficial owner of goods at the time of import. The beneficial owner may differ from the listed or nominal owner of the goods.

For example, a parent company can have direct control over a subsidiary company's assets and decisions. If that parent company lists its subsidiary company as the owner of goods at the time of import, the commission would find that parent company is the importer because it beneficially owns the goods.

To identify the importer, the commission typically relies on information about Australian export transactions provided by stakeholders and the ABF.

2.3.6 The Australian export sales are not at arm's length

The commission's finding

For the Australian export goods sold during the inquiry period, the commission finds that SSAB EMEA did not sell at arm's length to its related customer SSAB AU, being SSAB EMEA's only Australian customer.

Further details – related customers

For all transactions, the commission finds that SSAB EMEA did not sell the Australian export goods **at arms length** as defined under section 269TAA.

For these transactions, the commission finds that the relationship between SSAB AU and SSAB EMEA appeared to influence the price. The commission also finds that SSAB AU directly received reimbursement relating to the transfer price. SSAB claimed that it made these adjustments to comply with the *OECD Transfer Pricing Guidelines for Multinational Enterprises and Tax Administrations*.

The commission considers that the price between SSAB AU and SSAB EMEA is influenced by a commercial relationship as:

- SSAB AU is wholly owned by SSAB EMEA, and
- prices are established in accordance with the SSAB Group's internal pricing guidelines.

The commission considers the operation of internal transfer prices (which may satisfy arms-length criteria under international transfer pricing rules) is such that SSAB AU effectively serves as the export selling arm of SSAB EMEA, collectively, a single entity that manufactures and exports the goods to Australia. The activities within the SSAB Group are interdependent and coordinated.

The commission also notes that there were reimbursements to SSAB AU from SSAB EMEA which pertained to the sale of the goods from SSAB EMEA to SSAB AU. The commission found that the SSAB Group facilitated off invoice adjustments to the transfer price in relation to certain sales made from 1 January to 31 December 2023. The commission notes that for the sales made within the inquiry period, the adjustments occurred after SSAB EMEA made the sales to SSAB AU and were incorporated into SSAB AU's 2023 profit and loss statement.

2.4 Normal value

2.4.1 The commission's recommendation

Summary

The commission recommends using section 269TAC(1) to set a normal value and using section 269TAC(8) to adjust the price of like goods.

In more detail

The commission finds that there is a sufficient sales volume of domestic like goods, sold at arms length and in the ordinary course of trade to set a normal value under section 269TAC(1).

The commission recommends adjusting the normal value to properly compare this value to the export price when measuring the level of dumping, under section 269TAC(8). The commission has summarised these adjustments in **chapter 2.4.8**.

The commission's normal value calculations are at **confidential appendix 3**.

2.4.2 General method

Section 269TAC lists different ways to calculate a normal value based on the facts available.

The commission considers these questions, among others, before calculating a normal value:

- Did the verified company, or a party related to the verified company, sell like goods domestically?
- Were there any domestic sales of like goods?
- Was there a low volume of domestic like goods sales?
- Were the domestic like goods sales at arm's length?
- Does any component of the exporter's costs, or producer's costs, not reflect competitive market costs?
- Were the domestic like goods sales in the ordinary course of trade?
- Does the normal value require adjustments to properly compare it to the export price?

2.4.3 The verified company produced and sold like goods for the domestic market

The commission finds that, during the inquiry period, SSAB EMEA produced and sold like goods for domestic home consumption.

The commission finds that these goods were 'like goods' because these domestic goods are identical to, or closely resemble, the Australian export goods. The commission has described its reasons below.

The commission also assesses if SSAB EMEA produced or sold the goods for Australian export at **chapter 2.3.3**.

Physical likeness

Production likeness

SSAB EMEA does not distinguish between domestic like goods and the Australian export goods during production. The production process is the same for the exported goods and goods sold in the domestic market, subject to individual customer specifications, and the costs of production for models sold domestically and for export are the same.

Commercial likeness

All goods compete in the same or similar market sectors, are interchangeable and use similar distribution channels.

Functional likeness

All goods are functionally alike, as they have identical or similar end uses.

2.4.4 The domestic sales at arm's length

The commission's overall finding

For the domestic like goods sold during the inquiry period, the commission finds that SSAB EMEA:

- sold at arm's length to unrelated customers
- sold at arm's length to related customers.

Further details – unrelated customers

For all unrelated customer transactions, the commission finds that SSAB EMEA sold the domestic goods **at arm's length** as defined under section 269TAA.

For these transactions, the commission did not find that:

- there was any consideration payable for or in respect of the goods other than their price
- a relationship between a buyer, a seller or their associates appeared to influence the price
- a buyer or buyer's associate directly or indirectly received compensation, reimbursement or another benefit for, or relating to, any part of the price.

Based on the above, the commission considers that SSAB EMEA's sales to unrelated customers were made at arms length.

Further details – related customers

For all related customer transactions, the commission finds that SSAB EMEA sold the domestic goods **at arm's length** as defined under section 269TAA.

For these transactions, the commission does not find that:

- there was any consideration payable for or in respect of the goods other than price
- a relationship between a buyer, a seller or their associates appeared to influence the price
- a buyer or buyer's associate directly or indirectly received compensation, reimbursement or another benefit for, or relating to, any part of the price.

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The commission found that SSAB EMEA sold goods to related customers at similar or comparable prices to unrelated customers. Based on the above, the commission considers that SSAB EMEA's sales to related customers were made at arms length.

2.4.5 The production records reasonably reflect competitive market costs

The commission's finding

The commission finds that SSAB EMEA's production records reasonably reflect competitive market costs.

Why the commission assesses production records

The commission assesses if a company's production cost records reasonably reflect competitive market costs as required by Regulation 43(2) before selecting which method to recommend for setting a normal value under section 269TAC.

The commission assesses production cost records through methods including:

- analysing transactions for materials or services supplied by a related party to see if they reflect other costs in the market
- considering if the domestic country has generally competitive, or non-competitive, costs for certain materials or services.

If the commission finds that the production cost records reasonably reflect competitive market costs, the commission must use the recorded costs to calculate the cost of production. If the commission finds that production cost records do not reasonably reflect competitive market costs in some part, then the commission may use other information if appropriate to adjust that part of the costs before setting a normal value.

Further details

The commission did not identify any evidence of non-competitive market costs.

2.4.6 Were domestic sales in the ordinary course of trade?

General method

The commission assesses if domestic like goods are sold in the ordinary course of trade before selecting which method to recommend for setting a normal value under section 269TAC.

Section 269TAAD sets out which sales are in the ordinary course of trade. Under this section, a domestic like goods sale is **not** in the ordinary course of trade if the conditions below apply to the sale:

- the sale is **unprofitable in substantial quantities** over an extended period
- the sale is **unlikely to be recoverable** within a reasonable period.

The commission typically uses this method to assess each step of identifying a sale not in the ordinary course of trade.

1. A sale is **unprofitable** if its unit price is less than the corresponding unit cost to make and sell in the sales month or sales quarter
2. All sales for a model are unprofitable **in substantial quantities** if the volume of unprofitable sales is 20% or more of the total volume of sales

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3. A sale is **unlikely to be recoverable** if its unit price is less than the corresponding unit cost to make and sell for the entire reasonable period.

The commission's method

The following table summarises the figures the commission used to assess if SSAB EMEA's domestic like goods sales are in the ordinary course of trade.

Component	Details
Extended unprofitability period	The inquiry period
Reasonable recoverability period	The inquiry period
Price	Net invoice price
Cost	Quarterly cost to make and sell the goods, including direct selling expenses for each transaction.
Weighted average cost	Weighted average cost to make and sell the goods over the inquiry period, including direct selling expenses for each transaction.
Date of sale: Australian exports	Invoice date
Date of sale: domestic	Invoice date

Table 1 Ordinary course of trade assessment details

2.4.7 Is there a low volume of relevant domestic sales?

About this chapter

Under section 269TAC(1), the commission must set a normal value using a sufficient volume of domestic like goods.

If the commission uses a low volume of domestic like goods to set a normal value, then the normal value does not properly compare to the export price when measuring the level of dumping and the commission cannot set a normal value under section 269TAC(1).

To assess if there is a large enough volume of domestic sales to set a normal value under section 269TAC(1), the commission must compare the domestic and Australian export sales volumes for an exporter. If the domestic sales volume is less than 5% of the Australian export sales volume, the commission must also assess if the domestic sales volume is still large enough to use in a normal value that properly compares to the export price.

The commission uses this method to compare domestic and Australian export sales volumes both overall and for each model sold as Australian export goods. When comparing sales volumes for an individual model, the commission may use a surrogate domestic sales model to calculate normal value for the Australian export sales model.

Section 269TAC(14) sets this sufficiency test for dumping investigation cases. The commission also uses this sufficiency test when setting a normal value in other case types.

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The figure below summarises the possible outcomes when assessing domestic sales volumes to use in a normal value set under section 269TAC(1).

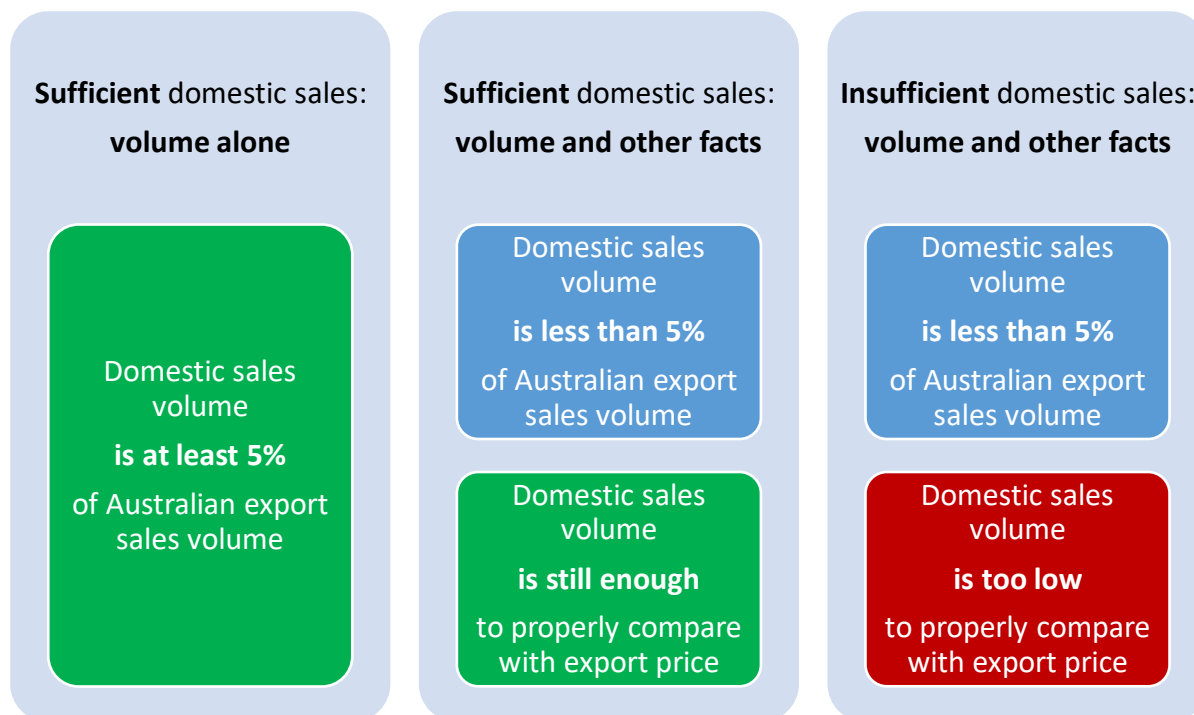


Figure 1 Possible findings about domestic sales volumes for section 269TAC(1) normal value

The commission's finding about total sales volume

The commission finds that SSAB EMEA sold a sufficient volume of domestic like goods for use in a normal value set under section 269TAC(1).

The commission finds that SSAB EMEA's domestic like goods sales volume was at least 5% of its Australian export goods sales volume.

The commission's finding about domestic sales volumes for each model

Table 2 details the commission's findings about domestic sales volumes for each corresponding Australian export sales model.

Export MCC	Is MCC's domestic sales volume 5% or greater the export sales volume?	Treatment of normal value
A--E-1	Yes	The commission considers domestic sales of same MCC permits a proper comparison to exported goods.
A--F-1	Yes	The commission considers domestic sales of same MCC permits a proper comparison to exported goods.
A--F-2	Yes	The commission considers domestic sales of same MCC permits a proper comparison to exported goods.
A--H-1	Yes	The commission considers domestic sales of same MCC permits a proper comparison to exported goods.
A--H-2	Yes	The commission considers domestic sales of same MCC permits a proper comparison to exported goods.

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Export MCC	Is MCC's domestic sales volume 5% or greater the export sales volume?	Treatment of normal value
S-B--1	Yes	The commission considers domestic sales of same MCC permits a proper comparison to exported goods.
S-B--2	Yes	The commission considers domestic sales of same MCC permits a proper comparison to exported goods.
S-B--3	Yes	The commission considers domestic sales of same MCC permits a proper comparison to exported goods.
W--C-2	No	No sales of W--C-2. Surrogate model W--D-2 used, with specification adjustment under section TAC(8).
W--C-3	No	No sales of W--C-3. Surrogate model W--D-2 used, with specification adjustment under section TAC(8).
W--E-3	Yes	The commission considers domestic sales of same MCC permits a proper comparison to exported goods.
W--F-2	Yes	The commission considers domestic sales of same MCC permits a proper comparison to exported goods.
W--F-3	Yes	The commission considers domestic sales of same MCC permits a proper comparison to exported goods.
W--G-2	Yes	The commission considers domestic sales of same MCC permits a proper comparison to exported goods.
W--H-2	Yes	The commission considers domestic sales of same MCC permits a proper comparison to exported goods.

Table 2 Export models compared to domestic model by volume

The commission's volume analysis is at **confidential appendix 3**.

2.4.8 Summary of adjustments to the normal value

The commission recommends the following adjustments to properly compare export price of the Australian export goods to the corresponding normal value.

Adjustment description	How to apply an amount for adjustment
Domestic credit terms	Deduct
Domestic inland transport	Deduct
Export inland transport and port charges	Add
Specification	Either add or deduct
Timing	Either add or deduct

Table 3 Summary of adjustments

The commission details how it assessed normal value adjustments at **chapter 3.10**.

2.5 Dumping margin

The commission calculated a dumping margin of **56.9%**.

The commission calculated SSAB EMEA's dumping margin by comparing weighted average Australian export prices to the corresponding weighted average normal values for the inquiry period.

The dumping margin calculation is at **confidential appendix 4**.

3 VERIFICATION DETAILS

3.1 Major findings

The commission finds the information SSAB EMEA submitted is complete, relevant and accurate after material revisions.

Both the commission and SSAB EMEA made material revisions to the Australian and domestic sales listings, as well as the Australian and domestic cost to make listings.

3.2 About this chapter

This chapter details what the commission found when verifying SSAB EMEA's questionnaire response for case 638.

This chapter first summarises verified key details about SSAB EMEA relating to its:

- corporate operations and structure
- accounting records
- range of goods produced or sold.

This chapter outlines the commission's method to verify and validate SSAB EMEA's submitted information.

This chapter then summarises the commission's assessment of SSAB EMEA's submitted information. This summary includes a list of material revisions made to this information before the commission finalised the verification.

3.3 Corporate information

3.3.1 Company information

SSAB EMEA is a manufacturer, distributor, and exporter of quenched and tempered steel plate and other steel products. SSAB EMEA sells its products to various countries around the world via integrated supply chains.

SSAB EMEA is a wholly owned subsidiary of SSAB AB, the parent entity of the SSAB Group. SSAB EMEA owns in varying percentages, either directly or indirectly, a number of entities situated in Europe, the Middle East, Asia Pacific, India, Africa, South America and the United States of America.

During the inquiry period SSAB EMEA sold the goods to Australian entity SSAB AU. SSAB AU is wholly owned by SSAB EMEA.

3.3.2 Related companies

The commission examined the relationships between SSAB EMEA and the parties involved in producing or selling the goods during the inquiry period.

Related suppliers

SSAB EMEA purchased raw materials from various suppliers including one related supplier.

Related customers

SSAB EMEA sold the Australian exported goods to one customer, SSAB AU. SSAB AU is related to SSAB EMEA.

SSAB EMEA sold like goods to various customers in the domestic market in Sweden, including one related customer, being Tibnor AB.

3.3.3 Production process and cost allocation

SSAB EMEA describes itself as an integrated manufacturer, producing the goods from raw materials, with the first step being steel slab production. The production of steel slab requires raw material inputs such as iron ore and coking coal. The molten steel is subject to a series of processes in the blast furnace, basic oxygen furnace and post treatment metallurgy to achieve the desired physical specifications. The molten steel is then cast into slabs and subsequently rolled, quenched and tempered.

SSAB EMEA’s production of the Australian exported goods and like goods takes place at its mill in Oxelösund, Sweden.

Cost component	Allocation method applied
Raw materials	SSAB EMEA allocated raw material costs based on standard unit consumption costs, and then applied a variance to attain the actual cost.
Scrap offset	SSAB EMEA allocated scrap costs based on standard unit consumption costs, and then applied a variance to attain the actual cost.
Direct labour	SSAB EMEA allocated labour costs based on standard unit consumption costs, and then applied a variance to attain the actual cost.
Manufacturing overheads	SSAB EMEA allocated manufacturing overheads costs based on standard unit consumption costs, and then applied a variance to attain the actual cost.
Depreciation	SSAB EMEA allocated depreciation costs based on standard unit consumption costs, and then applied a variance to attain the actual cost.

Table 4 Cost allocation method

3.4 Do the accounting records comply with generally accepted accounting principles?

The commission finds that SSAB EMEA’s accounting records for the inquiry period comply with the generally accepted accounting principles of Sweden.

Ernst & Young AB audited SSAB EMEA’s financial statement for the year ending 31 December 2022 and included a statement that the financial accounts comply with generally accepted accounting standards in Sweden.

3.5 Types of goods produced or sold in the submitted information

3.5.1 Model control code compliance and amendments

The sales and costs data SSAB EMEA submitted complies with the MCC structure detailed in ADN 2023/084.

SSAB EMEA provided all mandatory and optional MCC data for sales and costs.

After comparing prices of different models of the goods, the commission recommends amending the MCC structure.

The commission assessed prices of the goods in the Australian and domestic market and found that MCC categories “width” and “length” do not influence or affect price. The commission therefore recommends amending the MCC structure by removing these MCC categories for the purposes of calculating the export price, normal value and dumping margin.

3.5.2 Verification of model control codes

The table below details how the commission determined MCC sub-categories.

Category	Sub-category verification method
Grade	Verified to sales invoice and product specification sheets
Tensile strength	Verified to sales invoice and product specification sheets
Brinell hardness	Verified to sales invoice and product specification sheets
Thickness	Verified to sales invoice
Width	Verified to sales invoice
Length	Verified to sales invoice

Table 5 MCC sub-category determination

The Australian sales MCCs are as follows:

Australian sales MCCs			
A--E-1-B-1	A--F-1-B-1	A--F-2-B-1	A--F-2-C-2
A--H-1-B-1	A--H-2-B-1	S-B--1-B-3	S-B--2-B-2
S-B--2-B-3	S-B--2-C-2	S-B--3-A-1	S-B--3-B-1
S-B--3-B-2	W--C-2-B-1	W--C-3-A-1	W--C-3-B-1
W--E-3-B-1	W--F-2-B-2	W--F-2-B-3	W--F-2-C-2
W--F-2-C-3	W--F-3-B-1	W--G-2-B-2	W--H-2-B-1

Table 6 List of MCCs for Australian sales

The domestic sales MCCs are as follows:

Domestic sales MCCs			
A--B-2-B-1	A--C-1-B-1	A--C-2-A-1	A--C-2-B-1
A--C-2-B-2	A--C-3-B-1	A--D-1-A-1	A--D-2-A-1
A--D-2-B-1	A--D-2-B-2	A--E-1-B-1	A--E-2-A-1
A--E-2-B-1	A--E-2-B-2	A--E-3-A-1	A--F-1-A-1
A--F-1-B-1	A--F-2-A-1	A--F-2-B-1	A--H-1-A-1
A--H-1-B-1	A--H-2-B-1	S-B--1-A-1	S-B--1-B-1

PUBLIC RECORD

S-B--2-A-1	S-B--2-B-1	S-B--2-B-2	S-B--2-B-3
S-B--2-B-4	S-B--3-A-1	S-B--3-B-1	S-B--3-B-2
S-D--1-A-1	S-D--1-A-3	S-D--1-B-1	S-D--2-A-1
S-D--2-B-1	S-D--2-B-2	S-D--2-B-3	S-D--2-B-4
S-D--3-A-1	S-D--3-A-4	S-D--3-B-1	S-E--1-B-1
S-E--2-A-1	S-E--2-B-1	S-E--2-B-4	W--D-2-A-1
W--D-2-B-1	W--D-2-B-2	W--E-1-B-1	W--E-1-B-2
W--E-2-A-1	W--E-2-B-1	W--E-2-B-2	W--E-2-B-4
W--E-3-B-1	W--F-1-B-1	W--F-2-A-1	W--F-2-B-1
W--F-2-B-2	W--F-2-B-4	W--F-3-B-1	W--F-3-B-2
W--F-3-B-3	W--G-2-B-1	W--G-3-B-1	W--H-1-A-1
W--H-1-B-1	W--H-2-A-1	W--H-2-B-1	

Table 7 List of MCCs for domestic sales

3.6 Method to validate information

3.6.1 Valid information is complete, relevant and accurate

A valid exporter questionnaire response includes data listings about sales and costs.

Before relying on submitted data listings, the commission first verifies if these listings are:

- **complete**, as in, including all the relevant data
- **relevant**, as in, including only relevant data
- **accurate**, as in, including only correct data.

In practice, the commission typically verifies data listings as complete and relevant at the same time.

3.6.2 Further detail about the commission's typical process

[ADN 2016/30](#) describes the commission's standard procedure to verify and validate stakeholder information.

This report summarises how the commission verified SSAB EMEA's information and data in **chapters 3.7 and 3.8**. Unless otherwise stated, the commission's verification method is consistent with ADN 2016/30.

The commission details its process and findings in the verification work program at **confidential attachment 1**.

3.7 Method to verify information as complete and relevant

3.7.1 The commission’s general method

The commission verifies data listings as complete and relevant by reconciling each listing’s sum total up to audited financial records.

The commission typically reconciles a listing to audited records incrementally. The commission typically links a listing subtotal to management accounts, then links those management accounts to the audited records.

Figure 2 outlines how the commission verifies different topics as complete and relevant.

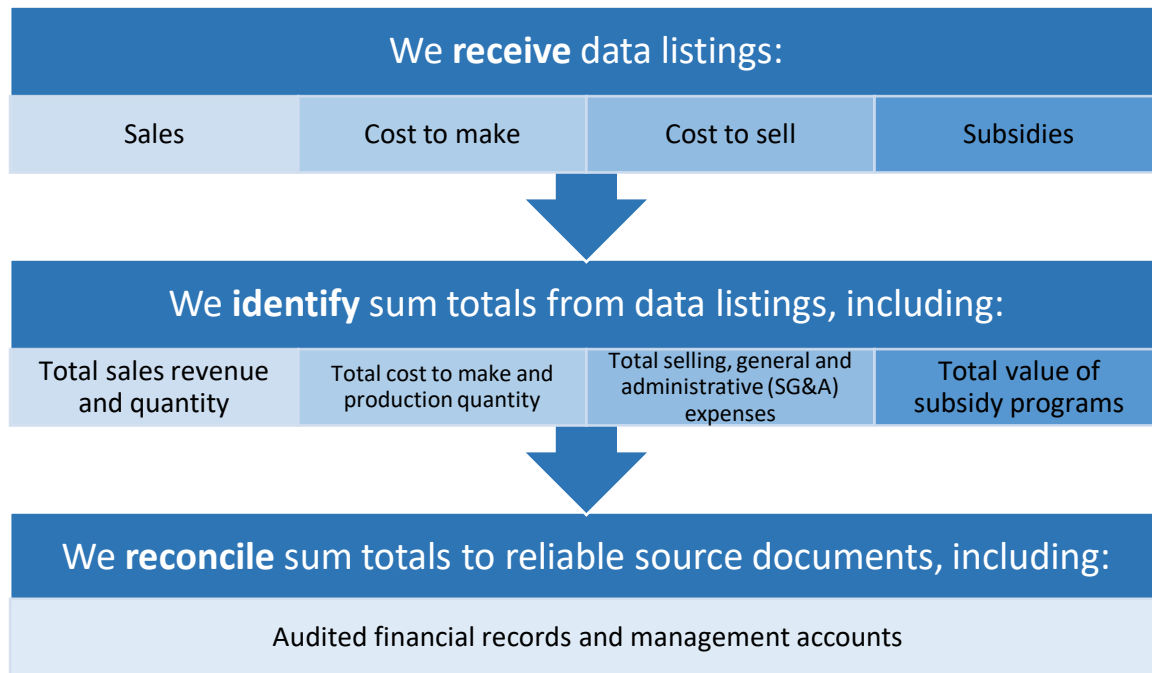


Figure 2 How the commission verifies data as complete and relevant

3.7.2 How the commission applied the commission’s method

The commission followed the commission’s general verification method, described above, to assess if the submitted information is complete and relevant. See below for more details.

Sales

The commission:

1. Verified the year ending 31 December 2022 revenue for all products in the SSAB EMEA audited financial report to the revenue recorded in SSAB EMEA’s accounting system.
2. Verified the inquiry period revenue for all products in the accounting system.
3. Verified the classifications of the goods and non-goods for the inquiry period sales using source documents and the accounting system.
4. Verified the classifications of the destination of the goods for the inquiry period sales using source documents and the accounting system.

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5. Reconciled the accounting system extracts of the Australian, domestic and third country sales, to the worksheets that SSAB EMEA submitted in the exporter questionnaire response.

Cost to make

The commission:

1. Verified the year ending 31 December 2022 cost of goods sold (COGS) for all products in the SSAB EMEA audited financial report the COGS as recorded in SSAB EMEA's accounting system.
2. Verified the inquiry period COGS for all products in the accounting system.
3. Verified the linkage of the inquiry period COGS for all products in the accounting system, to the inquiry period management report's standard consumption costs for all products.
4. Verified the breakdown of management report standard consumption costs to separate the goods and non-goods.
5. Verified the adjustments to the management report standard consumption costs, to ensure that the domestic and Australian cost to make listings of the goods captured actual costs rather than standard costs.

Cost to sell

The commission:

1. Reconciled the year ending 31 December 2022 SG&A from the audited financial statement to the SG&A expenses as recorded in SSAB EMEA's accounting system.
2. Used the accounting system to verify the inquiry period SG&A.
3. Selected various accounts that form part of the inquiry period SG&A and verified the value of these accounts to the accounting system.
4. Examined the accounts that form part of the inquiry period SG&A to ascertain whether they should or should not be included in SG&A.

3.8 Method to verify information as accurate

3.8.1 The commission’s general method

To verify the listings are accurate, the commission typically reconciles key data from a selection of transactions in the listings down to source documents.

Figure 3 outlines how the commission verifies different data listings as accurate.

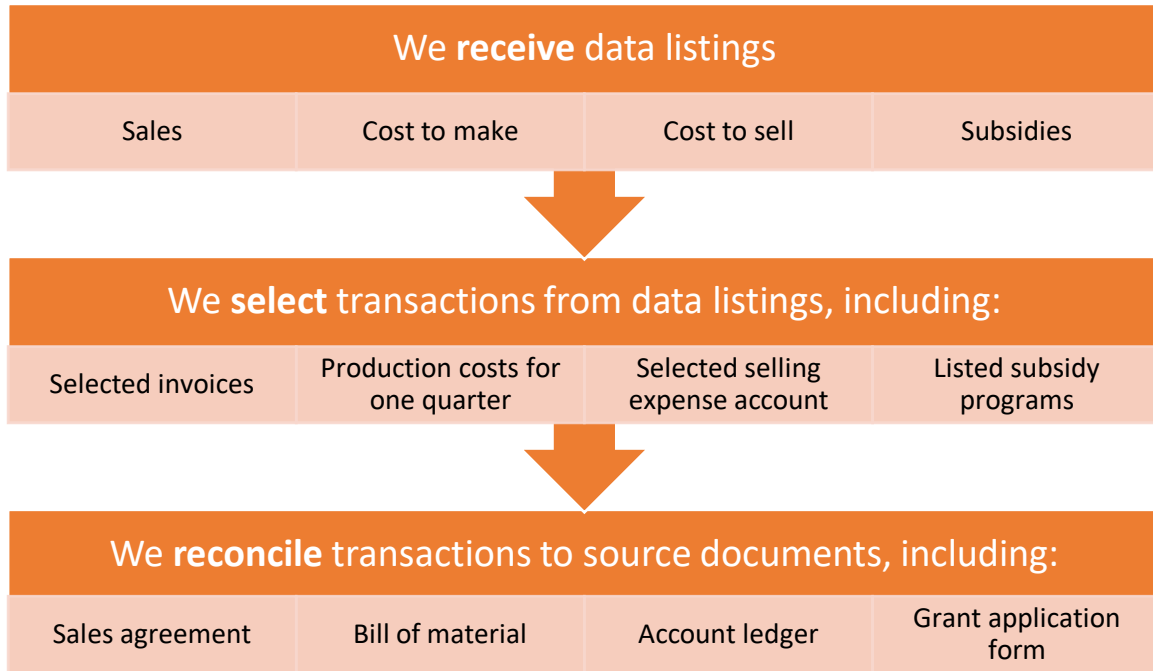


Figure 3 How the commission verifies data as accurate

3.8.2 How the commission applied the commission’s method

Following the commission’s general method, described above, the commission verified the submitted information as accurate by verifying the listings down to source documents.

3.9 Verification findings and material revisions

3.9.1 The submitted information is complete and relevant

Overall

The commission finds that the information SSAB EMEA submitted is complete and relevant after material revisions.

Sales

Exception 1: Revision of Australian sales listing

Description: Prior to verification, the commission found that SSAB EMEA did not provide a full Australian sales listing of all the exports to Australia during the inquiry period.

Resolution: SSAB EMEA revised the Australian sales listing to include all relevant Australian sales.

Cost to make

Exception 2: Adjustments of standard to actual cost to make

Description: In relation to the revised cost to make listings that SSAB EMEA sent to the commission, SSAB EMEA explained that it did not apply the relevant adjustments to the cost to make data to report actual costs.

Resolution: The commission applied the relevant adjustments to the cost to make data to ensure the cost to make listings reported actual costs rather than standard costs.

Cost to sell

Exception 3: Inclusion of realised foreign exchange gains/losses in SG&A

Description: In the inquiry period SG&A listing, the commission found that SSAB EMEA did not include realised foreign exchange gains/losses in SG&A. SSAB EMEA used its accounting system to extract the relevant value for the inquiry period.

Resolution: The commission added the net realised foreign exchange gain/loss to SG&A.

3.9.2 The submitted information is accurate

Overall.

The commission finds that the information SSAB EMEA submitted is accurate after material revisions.

Sales

Exception 4: Revision of port handling and ocean freight

Description: SSAB EMEA reported export inland transport and port handling as one expense in the Australian sales listing. However, the commission found that SSAB EMEA

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included some port handling expenses as part of ocean freight instead of the “export inland transport and port handling” values.

Resolution: SSAB EMEA revised the Australian sales listing to remove the relevant port handling from ocean freight, and added it to the “export inland transport and port handling” values.

Exception 5: Revision of ocean freight values

Description: SSAB EMEA reported ocean freight based on manual calculations. During verification, the commission worked with SSAB EMEA to obtain a linkage from the calculated ocean freight values to either SSAB EMEA’s accounting system, or source documents. However, SSAB EMEA was unable to demonstrate these linkages.

The commission therefore used the Australian sample sales to calculate actual ocean freight based on sample ocean freight invoices. The commission then compared these actual values to the ocean freight values that SSAB EMEA listed in the Australian sales listing for the same samples.

Resolution: The commission adjusted each sales listing unit ocean freight value by the difference between the actual values from the samples and the ocean freight values that SSAB EMEA reported for the same samples.

Exception 6: Removal of certain products from the domestic sales listing

Description: SSAB EMEA explained that it included product Duroxite 100 in the domestic sales listing (representing 0.15% of the total domestic sales quantity of like goods sold during the inquiry period). SSAB EMEA stated that these products should not be in the domestic sales listing as they are not like goods. SSAB EMEA explained that the products have a chromium overlay on the steel plate. The commission assessed the product specification sheet and the goods description from ADN 2023/084. The commission is satisfied that Duroxite 100 products are not the goods.

Resolution: The commission removed all Duroxite 100 products from the domestic sales listing.

Exception 7: Amendment of data for two domestic sales lines

Description: SSAB EMEA advised that in the domestic sales listing, the invoice number, invoice date, and invoice value relating to two sales transactions were incorrect because of system errors. SSAB EMEA detailed the necessary changes and provided the relevant source documents to support the changes.

Resolution: The commission made the relevant changes to the domestic sales listing.

Exception 8: Amendment of invoice value data for two domestic sales lines

Description: SSAB EMEA advised that in the domestic sales listing, invoice value data for two sales lines were incorrect because of clerical errors. SSAB EMEA detailed the necessary changes and provided the relevant source documents to support the changes.

Resolution: The commission corrected the relevant invoice values by amalgamating the invoice value data for the original invoice as well as the corresponding credit notes and re-issued invoice. The commission then deleted the sales lines for the credit notes and re-issued invoice as corrections were already made to the original invoices.

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Exception 9: Removal of third country sales from the domestic sales listing

Description: The commission found that SSAB EMEA included in the domestic sales listing sales to a customer in a country other than Sweden.

Resolution: The commission removed these sales from the domestic sales listing and included them in the third country sales listing.

Exception 10: Addition of domestic sales in the domestic sales listing

Description: SSAB EMEA found that it had not included certain sales of like goods in the domestic sales listing.

Resolution: SSAB EMEA revised the domestic sales listing to include these sales.

Exception 11: Removal of credit and debit notes with zero quantities from domestic sales listing and allocation to net invoice value

Description: The commission found that there were multiple sales lines in the domestic sales listing with positive and negative invoice values, but with no quantities. SSAB EMEA explained that these were credit and debit notes that adjusted the invoice values.

Resolution: The commission found it appropriate to allocate the credit/debit notes to the domestic sales on an individual MCC basis. To do so, the commission aggregated the credit/debit notes relating to each MCC. The commission then apportioned the net value of the debit/credit notes for each MCC to the total domestic sales values for each respective MCC. Using these percentages, the commission adjusted the invoice values for all relevant domestic sales lines on an individual MCC basis.

The commission then deleted all credit/debit notes with no quantity data, from the domestic sales listing.

Exception 12: Recalculation of inland transport for domestic sales

Description: SSAB EMEA used manual allocations to calculate unit inland transport values for domestic sales. During verification, SSAB EMEA was not able to demonstrate how this calculation linked to its accounting system, nor source documents. The commission therefore referred to source documents for the selected domestic sales samples to calculate the unit inland transport.

The commission compared the unit values from the source documents to the values SSAB EMEA reported in the domestic sales listing for the same samples.

Resolution: The commission calculated the weighted average inland transport for all domestic sales based on SSAB EMEA's calculations. The commission then adjusted this unit value based on the difference between the weighted average values from the sample source documents and the weighted average values from the sales listing for the same samples. The commission then applied this unit value to all domestic sales.

3.10 Adjustments to compare export price and normal value

The commission lists the adjustments it recommended in this report at **chapter 2.4.8**.

The commission assessed all potential adjustments to properly compare the export price for Australian export goods to the corresponding normal value.

Adjustment type	Adjustment assessment	Evidence and calculation method	Did the exporter claim the adjustment?	Did the commission apply this adjustment?
Domestic credit terms	The commission found that SSAB EMEA extended credit to various domestic customers. Domestic sales payment terms were different to Australian sales payment terms.	Calculated based on payment days for each domestic sale and the average lending rate from the website of the Swedish Central bank (i.e. Sveriges Riksbank) for the inquiry period.	No	Yes
Domestic inland transport	The commission found that domestic inland transport costs are different to export inland transport costs.	Calculated with reference to source documents and the values provided by SSAB EMEA.	Yes	Yes
Domestic packaging	The commission found no material differences between export packaging and domestic packaging.	Examinations of export and domestic product packaging materials.	No	No
Domestic level of trade	During verification, SSAB EMEA claimed that sales that it made at the "service centre" level of trade reflect higher prices than all other sales. SSAB EMEA stated that either these sales should be removed from domestic sales, or they should be subject to a downwards price adjustment.	Based on an analysis of prices holding MCC and month constant, the commission did not find consistent price differences for any level of trade including the "service centre" level of trade.	Yes	No
Export packaging	The commission found no material differences between export packaging and domestic packaging.	Examinations of export and domestic product packaging materials.	No	No

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Adjustment type	Adjustment assessment	Evidence and calculation method	Did the exporter claim the adjustment?	Did the commission apply this adjustment?
Export inland transport and port charges	The commission found that domestic inland transport costs are different to export inland transport costs.	Calculated with reference to source documents and the values provided by SSAB EMEA.	Yes	Yes
Export credit terms	The commission found that SSAB EMEA extended credit to SSAB AU. Domestic sales payment terms were different to Australian sales payment terms.	The commission did not apply an adjustment for export credit terms because the deductive export price was calculated at cash terms.	No	No
Specification	The commission used surrogate export MCCs with a specification adjustment to calculate the normal value for models/MCCs not sold domestically.	The commission based the specification adjustments for the surrogate MCCs on the difference in the cost to make and sell, and an ordinary course of trade profit, between the export MCCs and their surrogates.	No	Yes
Timing	The commission found that for some MCCs in certain quarters, SSAB EMEA made export sales to Australia but did not sell the same MCCs in the same quarter in the domestic market.	The commission made a timing adjustment for domestic MCCs which were not sold in the same quarter as the corresponding Australian sales MCC. The commission made this adjustment based on the quarterly percentage change in the normal value for the most alike MCC.	No	Yes

Table 8 Assessment of adjustments

4 APPENDICES AND ATTACHMENTS

Confidential appendix 1: Export price

Confidential appendix 1A: Deductive export price

Confidential appendix 2: Cost to make and sell

Confidential appendix 3: Normal value

Confidential appendix 4: Dumping margin

Confidential attachment 1: Verification work program