



Exporter verification report

Verification and case details

Company verified	Baowu Group Echeng Iron and Steel Co., Ltd		
Case number	669 & 676		
Initiation Anti-Dumping Notice (ADN)	2025/039 (669) & 2025/043 (676)		
The goods under consideration	Steel reinforcing bar		
Case type	Continuation Inquiry (669) & Review of Measures (676)		
Location	Virtual verification		
Verification meeting dates	13/08/2025	to	15/08/2025
Relevant period	1/04/2024	to	31/03/2025

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 ABOUT THIS REPORT

The Anti-Dumping Commission (the commission) issued a questionnaire that sought exporter data and information for Continuation Inquiry 669 (case 669) and Review of Measures (case 676) into Steel Reinforcing Bar exported from China during the relevant period.

Baowu Group Echeng Iron and Steel Co., Ltd (Echeng), an exporter of the goods from China, submitted a questionnaire response.

The commission met with Echeng to verify the response and assessed the reliability of the information.

The commission has reviewed the information submitted by Echeng. This report details the commission's verification findings and recommendations about Echeng for case 669 and case 676.

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 669 and case 676.

In this report, unless otherwise stated:

- all **sections** cited are from the ***Customs Act 1901 (Cth)***
- all **regulations** cited are from the ***Customs (International Obligations) Regulation 2015 (Cth)***
- the term **ADN** refers to **Anti-Dumping Notice**.

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

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2 KEY OUTCOMES

Dumping margin	Preliminary finding to be outlined in the Statement of Essential Facts
Export price method	269TAB(3)
Normal value method	269TAC(2)(c)
Adjustment method	Adjustment not required
Domestic sales data complete, relevant and accurate?	Yes, with material revisions
Domestic cost data complete, relevant and accurate?	Yes

3 VARIABLE FACTORS

3.1 About this chapter

This chapter details the commission's recommendations about how to set the variable factors used to calculate the rate of dumping for goods that Echeng produced or sold.

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

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

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

More information on what variable factors are and how the commission determines variable factors is in **Non-Confidential Appendix 1**.

3.2 Export price

The commission recommends calculating at export price for Echeng under section 269TAB(3). Under this section, an export price is the amount determined having regard to all relevant information.

Echeng did not export the goods to Australia or any third country during the relevant period.

The commission considers that the normal value is relevant information to ascertain the export price for the purpose of case 669 and 676. This is because the normal value is:

- contemporary
- specific to Echeng
- representative of an un-dumped export price.

The commission recommends determining the export price to be the same amount as the normal value.

The commission's export price calculation is set out in **Confidential Attachment 2**.

3.3 Normal value

Previous cases involving steel reinforcing bar from China have found that a particular market situation exists such that domestic rebar sales in China are not suitable for determining a normal value under section 269TAC(1).¹

¹ Refer to *Review 563* and *Investigation 300*.

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The commission is considering whether a particular market situation continues to exist as part of case 669 and 676. However, for the purposes of this report, the commission has assessed the normal value for Echeng under section 269TAC(2)(c).² The commission recommends using:

- the cost to make the domestic like goods, based on Echeng's records under regulation 43(2)
- the cost to sell the domestic like goods under regulation 44(2)
- the profit margin for domestic like goods in the ordinary course of trade under regulation 45(2).

As Echeng has not made any export sales, the commission recommends calculating the normal value at EXW terms. Accordingly, there are no adjustments required.

The commission's normal value calculation is set out in **Confidential Attachment 4**.

3.3.1 Did the verified company produce and sell like goods for the domestic market?

The commission finds that, during the relevant period, Echeng 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 goods exported to Australia by other exporters. The commission has described its reasons below.

3.3.1.1 Physical likeness

Echeng's domestic goods are manufactured to a different standard than rebar exported to Australia by other exporters. However, the physical properties of the rebar are the same or similar, including:

- minimum yield strength (depending on grade)
- finished form
- nominal diameter
- length
- deformation pattern.

3.3.1.2 Production likeness

Although Echeng did not produce rebar for export, Echeng confirmed during the verification that it would be able to produce rebar for export using its existing facilities. Accordingly, in the circumstance that Echeng produced goods for export they would be produced in the same facilities as the domestic goods.

3.3.1.3 Commercial likeness

Outside of the differences in country-specific standards, Echeng's domestic goods would likely be sold to the same type of customers as those that purchase the goods exported to Australia by other exporters. Those customers being distributors or end-users.

Note that due to the standards required for each country, it is not likely that exported goods would be sold on the domestic market and vice versa.

² In the circumstance that section 269TAC(2)(a)(ii) applies.

3.3.1.4 Functional likeness

Echeng's domestic goods would have similar end-uses to any rebar produced for export.

3.3.2 Were the domestic sales sold at arm's length?

3.3.2.1 Unrelated customers

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

For these transactions, the commission does not find that:

- there was consideration for 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.

For these transactions, the commission notes that Echeng:

- sold goods at similar prices to all unrelated customers
- referred to a market price index when setting the domestic market price for unrelated customers

3.3.2.2 Related customers

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

For these transactions, the commission does not find that:

- there was consideration for 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.

For these transactions, the commission notes that Echeng:

- sold goods at similar prices to related and unrelated customers
- referred to a market price index when setting the domestic market price for related customers.

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

The commission finds that Echeng's accounting records for the relevant period comply with the generally accepted accounting principles of China.

Zhongshenzhonghuan Certified Public Accountants LLP audited Echeng's financial statement and included a statement that the financial accounts comply with the Chinese Accounting standards (CAS) in the annual report.

3.3.4 Did the production records reasonably reflect competitive market costs?

The commission is assessing whether Echeng’s production records reasonable reflect competitive market costs.

3.3.4.1 Ongoing case assessment of production records

Cases 669 and 676 include consideration whether the raw material prices in China, including those in Echeng’s **Error! Reference source not found.** records, do not reasonably reflect competitive market costs.³ The raw material prices comprise a majority of the cost to make the goods.

The commission found that Echeng consumes iron ore, coal, and scrap steel in the production of its rebar in China. The commission collected information about Echeng’s purchases of these raw materials. The commission will review this information when assessing whether Echeng’s production records reasonably reflect competitive market costs.

3.3.4.2 The commission’s finding about related party suppliers

Echeng purchased iron ore, coal, and scrap steel from related and unrelated raw material suppliers during the relevant period.

The commission found that a number of these related suppliers were also state-owned or invested enterprises. The commission conducted an arm’s length inspection on the related party raw material purchases and found the purchases to be arm’s length.

3.3.5 Were domestic sales in the ordinary course of trade?

Table 1 summarises the figures the commission used to assess if Echeng’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, including direct selling expenses for each transaction.

Table 1: Ordinary course of trade assessment details

3.3.6 The commission has not assessed domestic sales volumes

As Echeng has not made any export sales, the commission cannot compare domestic sales volumes to export sales.

³ The major raw materials are iron ore, coal, and scrap steel.

3.3.7 Calculating a profit margin for the normal value

As noted in section 3.3, the commission has calculated the normal value for Echeng in this report under section 269TAC(2)(c). Where the commission calculates a normal value under section 269TAC(2)(c), an amount of profit must be worked out under regulation 45.

The commission calculated an amount of profit based on the profit achieved on Echeng's domestic sales of like goods in the ordinary course of trade in accordance with regulation 45(2).

The commission's domestic profit calculation is set out in **Confidential Attachment 4**.

3.3.8 Adjustments to compare export price and normal value

The commission recommends calculating Echeng's normal value at the EXW level. Accordingly, there are no adjustments required to ensure the normal value and export price are comparable.

4 VERIFICATION DETAILS

4.1 About this chapter

This chapter details what the commission found when verifying Echeng's questionnaire response.

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

This chapter summarises verified key details about Echeng, relating to:

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

This chapter then outlines the commission's method to verify and validate Echeng's submitted information.

More information on how the commission verifies information is in **Non-Confidential Appendix 1**.

4.2 Verification findings and material revisions

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

4.2.1 Sales

Material revision 1: Change to MCC deformation pattern category

Description: Echeng listed all domestic sales as having deformation pattern 'T – threaded'. After discussion, the team confirmed that the goods have a non-threaded deformation pattern.

Resolution: The team updated the D-2 domestic sales listing to classify all sales as 'N – non-threaded'. The team verified that the products were non-threaded during the virtual plant tour.

Material revision 2: Revision of domestic discount amount

Description: The discount amounts recorded in the domestic sales listing were inclusive of VAT.

Resolution: Echeng provided a revised domestic sales listing with the discount allocation exclusive of VAT.

Material revision 3: Inland freight costs recorded against certain EXW sales

Description: Echeng has certain EXW sales where the customer pays Echeng to organise delivery on the customer's behalf. Echeng then pays the transportation company to deliver the goods. Accordingly, there is no associated inland freight cost borne by Echeng.

Resolution: The inland freight amounts were removed from the relevant EXW sales.

4.2.2 Cost to make and sell

Material revision 4: Updated domestic MCC details for SG&A

Description: The SG&A listing included the domestic MCC's, which originally categorised the MCC's with the 'Threaded' MCC sub-category.

Resolution: The 'Threaded' MCC was updated in the SG&A listing to list 'Non-threaded'.

4.3 Types of goods produced or sold in the submitted information

4.3.1 Model control code compliance and amendments

The sales and costs data Echeng submitted complies with the model control code (MCC) structure detailed in ADN 2025/039.

After comparing prices of different models of the goods, the commission does not recommend amending the MCC structure.

4.3.2 Verification of model control codes

Table 2 details how the commission determined MCC sub-categories and verified them to source documents.

Category	Sub-category verification method
Prime	N/A – only prime products sold. Non-prime goods are either recycled or have the revenue captured under a separate account.
Minimum Yield Strength	Refer to Table 3.
Finished form	The form is recorded on the VAT invoice, settlement statement, shipping details, and in the sales system extract.
Nominal diameter	The nominal diameter is recorded on the VAT invoice, settlement statement, shipping details, sales contract and in the sales system extract.
Length	The length is recorded on the shipping details, sales contract, and in the sales system extract.
Deformation pattern	The team viewed finished rebar during the plant tour and confirmed that it was non-threaded.

Table 2: MCC sub-category determination

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Table 3 summarises the relationship between product grade and the minimum yield strength (MPa) and the MCC grade category. Echeng produced rebar to the Chinese standards GB 1499.2-2018 (prior to September 2024) and GB 1499.2-2024 (after September 2024).

Grade	Minimum yield strength (MPa)	Meaning	MCC grade category
HRB400E	400	Hot rolled ribbed + Earthquake	B
HRB400E-TB	400	Hot rolled ribbed + Earthquake ; "TB" is a mark required by the customer. It will be used for railway purposes.	B
HRB500E	500	Hot rolled ribbed + Earthquake	C
HRB635	600	Hot rolled ribbed	D
HRB635E	600	Hot rolled ribbed + Earthquake	D
HRBF600	600	Fine-grained hot rolled ribbed	D
HRBF600E	600	Fine-grained hot rolled ribbed + Earthquake	D
HTRB600	600	Hot rolled ribbed	D
HTRB600E	600	Fine-grained hot rolled ribbed + Earthquake	D
HTRB630	600	Hot rolled ribbed	D
HTRB630E	600	Fine-grained hot rolled ribbed + Earthquake	D

Table 3: MCC mapping

4.3.3 List of model control codes

Echeng both produced and sold the following MCCs during the relevant period:

Sales MCC	Domestic sales	Costs MCC ⁴
P-B-S-B-2-N	Yes	P-B-S
P-B-C-B-C-N	Yes	P-B-C
P-B-S-C-2-N	Yes	P-B-S
P-C-S-C-2-N	Yes	P-C-S
P-B-C-A-C-N	Yes	P-B-C
P-B-S-D-2-N	Yes	P-B-S
P-C-S-B-2-N	Yes	P-C-S
P-B-S-C-1-N	Yes	P-B-S
P-B-S-B-1-N	Yes	P-B-S
P-B-S-D-1-N	Yes	P-B-S
P-C-S-B-1-N	Yes	P-C-S
P-C-S-C-1-N	Yes	P-C-S
P-C-S-D-1-N	Yes	P-C-S
P-D-S-B-2-N	Yes	P-D-S
P-D-S-C-2-N	Yes	P-D-S
P-D-C-A-C-N	Yes	P-D-C
P-D-S-C-1-N	Yes	P-D-S
P-D-S-B-1-N	Yes	P-D-S
P-C-S-D-2-N	Yes	P-C-S
P-C-C-A-C-N	Yes	P-C-C

Table 4: List of MCCs produced or sold

4.4 Corporate information

4.4.1 Company information

Baowu Group Echeng Iron and Steel Co., Ltd (Echeng) originally traded under the name Echeng Iron and Steel Group Co., Ltd. (Limited Liability Company) up until 26 April 2005. Its name then changed to Wuhan Iron and Steel Group Echeng Iron and Steel Co., Ltd. (Limited Liability Company). This name was later changed to its current name on 20 May 2020.

Echeng is a manufacturer of steel products, manufacturing and selling plate, deformed steel reinforcing bar (in straight and coil), plain round bar and steel wire products on the Chinese domestic market.

Echeng is a private company, which is ultimately a state-owned enterprise.

4.4.2 Related companies

The commission examined the relationships between Echeng and the parties involved in it producing or selling the goods.

⁴ Echeng provided cost information to the minimum yield strength and finished form levels.

4.4.2.1 Related suppliers

The commission found that Echeng purchased raw materials such as coal, iron ore and steel scrap from related suppliers during the relevant period. These related suppliers either share the same ownership or are part of joint ventures. These related suppliers were also identified as being state owned enterprises. The commission examined the nature of the raw material purchases between Echeng and the related suppliers and considers that they are arm's length. This examination included:

- a comparison of the raw materials purchases between related and unrelated suppliers over the relevant period
- an examination of source documents for related and unrelated suppliers
- an examination on the methodology for price negotiation between Echeng and the related and unrelated suppliers over the relevant period, across the main types of raw materials purchased by Echeng (that being coal, iron ore and steel scrap).

The commission's assessment found that Echeng's purchases of raw materials between related and unrelated suppliers were similar over the relevant period. The methodology adopted by Echeng to negotiate on the price of the raw materials did not differ between related and unrelated suppliers.

4.4.2.2 Related customers

The commission found that Echeng made domestic sales to related customers during the relevant period. These customers either share the same ownership or are part of joint ventures.

The commission examined the nature of these sales and considers that they are arm's length. This examination included:

- a comparison Echeng's prices to related and unrelated customers over the relevant period
- an examination of source documents for related and unrelated customers
- an examination of the nature of discounts provided to related and unrelated customers.

The commission's assessment found that Echeng's prices to related and unrelated customers were similar over the relevant period. The source documents provided showed no differences between customer types, and the method for providing discounts was the same regardless of customer type.

4.5 Method used to verify information

4.5.1 Sales completeness and relevance

The commission:

1. Observed the company logging into the accounting system.
2. Reconciled the revenue in the income statement for the 2024 financial year (Jan to Dec) to the audited financial statements.
3. Reconciled the revenue in the income statements for the 2024 financial year to the revenue for the POI.
4. Reconciled the revenue in the income statements for the POI to the revenue in the trial balance.
5. Reconciled the revenue in the master sales listing to the revenue in the trial balance.

6. Reconciled the revenue from the categorisation of the goods in the master sales listing.
7. Reconciled the revenue for the goods in the master sales listing to the D-2 domestic sales listing.

4.5.2 Cost to make completeness and relevance

The commission:

1. Reconciled the cost of goods sold for 2024 financial year to the audited financial statements and trial balance.
2. Reconciled the cost of goods sold for the period (1 April 2024 to 31 March 2025) to the trial balance.
3. Reconciled cost of goods sales to the total company cost to make for the period.
4. Reviewed the categorisation of the cost to make of the goods and non-goods.
5. Reconciled the cost to make of the goods to the domestic cost spreadsheet.

4.5.3 Selling, general and administrative expense completeness and relevance

The commission:

1. Reconciled the SG&A listing for the 2024 financial year to the audited financial statements and trial balance.
2. Reconciled the SG&A listing for the period to the trial balance.
3. Reviewed selected accounts of the SG&A listing to ascertain whether these were relevant for the domestic SG&A calculation.
4. Verified the direct selling expenses and reconciled these to the sales listings.

4.5.4 Cost allocation

Table 5 outlines how the commission allocated each cost component.

Cost component	Allocation method applied
Raw materials	Based on the actual consumption with the cost of the raw materials and allocated to each product type based on production quantity.
Scrap offset	Based on the actual scrap produced and the product type. The production quantity is accounted for and recorded against a unit price for scrap/by-product.
Direct labour	Based on the actual direct labour cost for all production plants and is allocated to each product type on the basis of production quantity.
Manufacturing overheads	Based on the production quantity and proportioned based on each product type.

Table 5: Cost allocation method

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4.5.5 Sales volume unit of measure

Table 6 outlines how the commission verified unit of measure reported for sales volume.

Sales market	Assessment
Domestic	The verification team ascertained that the weight quantities listed in the domestic sales listing reported by the exporter reflects the actual weight of the goods sold.

Table 6: Sale volume unit of measure assessment

5 APPENDICES AND ATTACHMENTS

Confidential attachment 1: Verification work program

Confidential attachment 2: Export price

Confidential attachment 3: CTMS

Confidential attachment 4: Normal value

Confidential attachment 5: Dumping margin

Non-confidential appendix 1: General definitions and verification method

NON-CONFIDENTIAL APPENDIX 1: GENERAL DEFINITIONS AND VERIFICATION METHOD

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.

A **subsidy** is a financial contribution, income support or price support, from a China 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.

A **subsidy margin** is the rate of countervailable subsidy attributable to Australian export goods.

Export price method

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

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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.

Who is the exporter method

The commission generally identifies an **exporter** as a company, located in the China 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 shipped, the company owned or previously owned the goods.

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

Who is the importer 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 Australian Border Force.

Normal value 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?

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 China 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.

Ordinary course of trade method

The commission assesses if domestic like goods 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
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 typically sets both the 'extended period' and 'reasonable period' under section 269TAAD as the inquiry, investigation or review period for a case.

Low volume of relevant domestic sales method

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

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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.

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

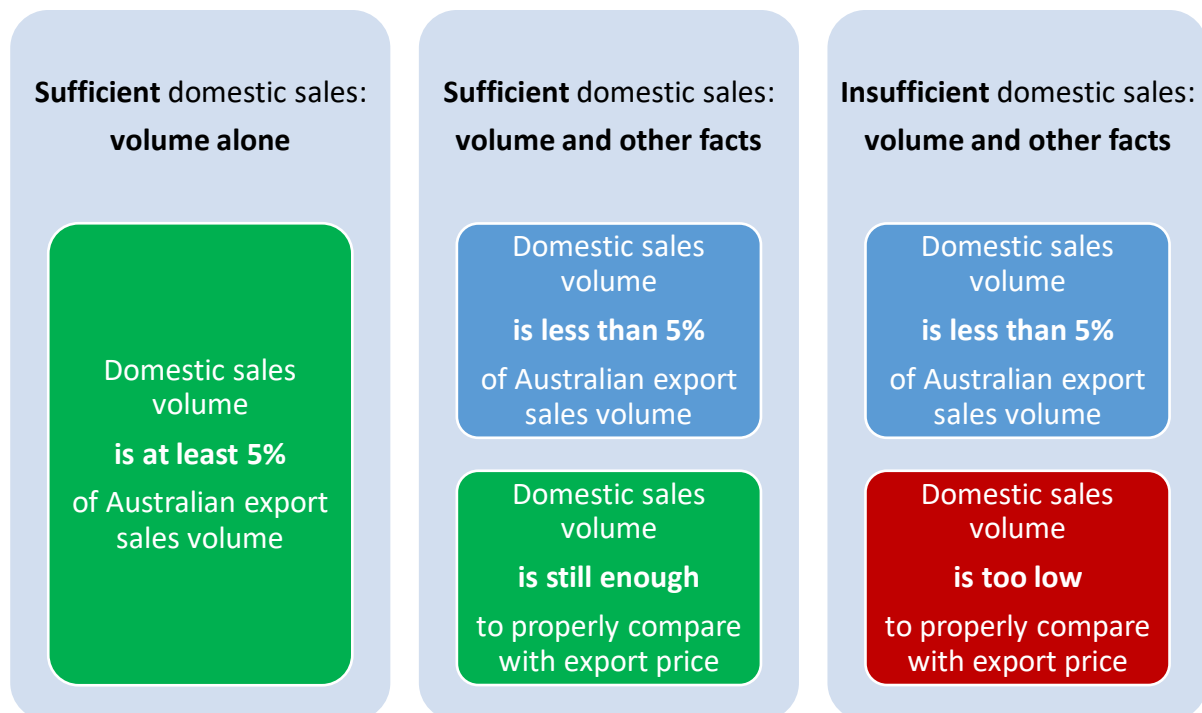


Figure 1 Possible findings about domestic sales volumes for section 269TAC(1) normal value

Method to verify information

A valid exporter questionnaire response includes data listings about sales, costs and subsidy programs (where relevant).

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.

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

General method to verify information as complete and relevant

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.

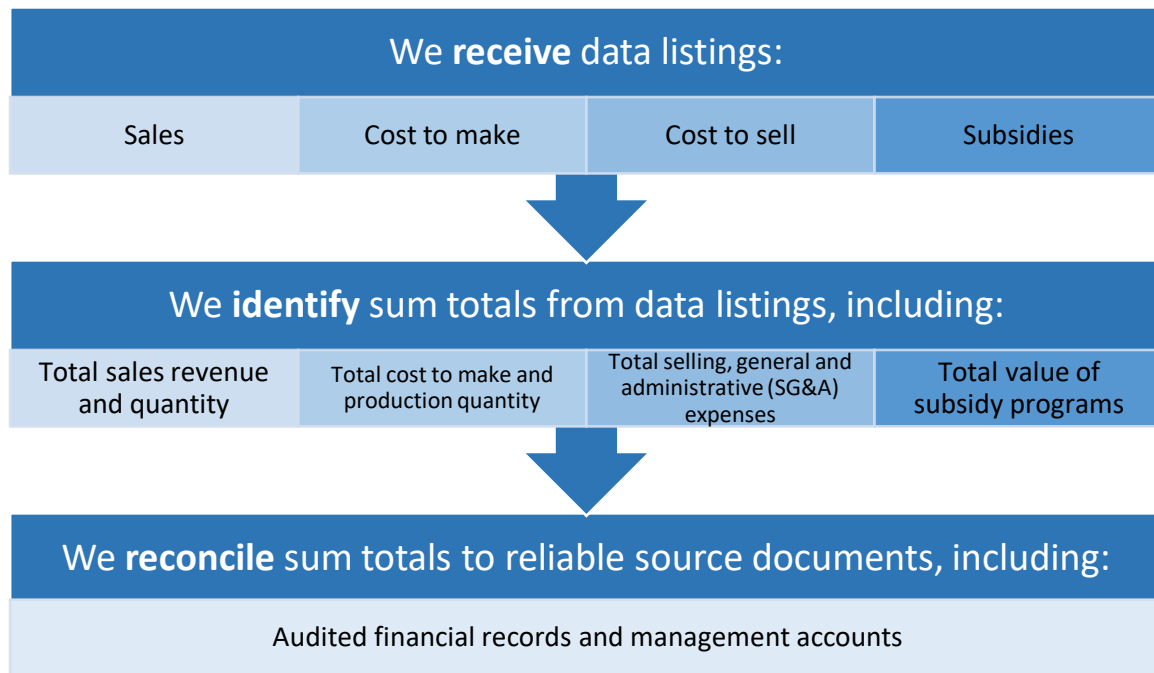


Figure 2 How the commission verifies data as complete and relevant

General method to verify information as accurate

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 topics as accurate.

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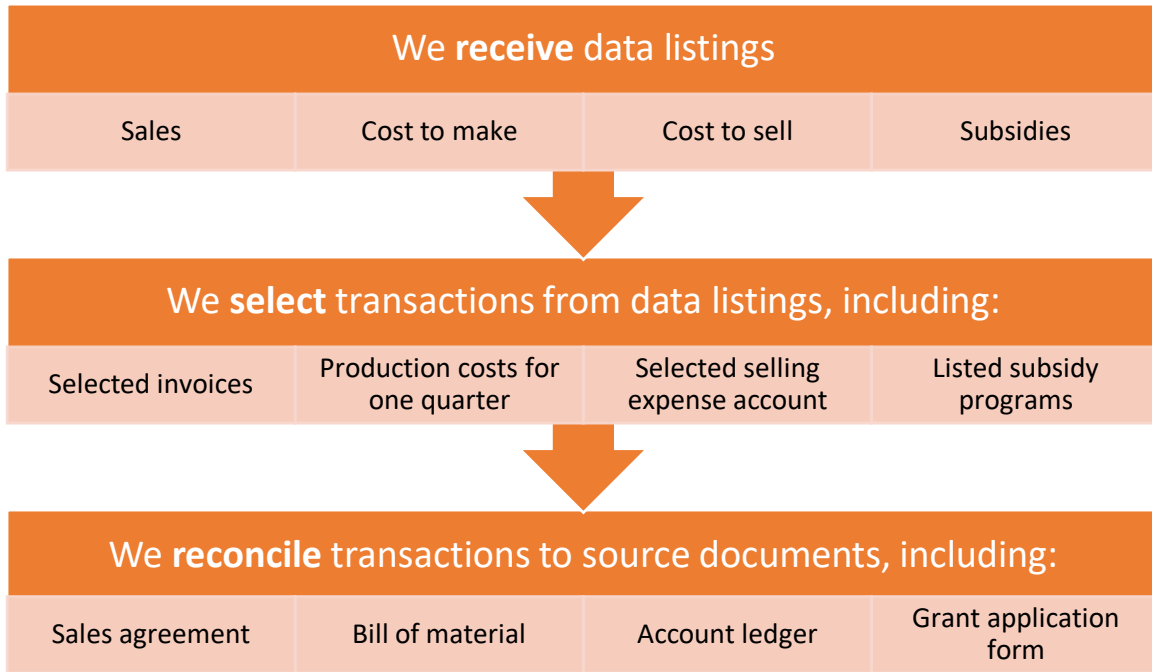


Figure 3 How the commission verifies data as accurate