



Australian Government
Anti-Dumping Commission

Exporter Questionnaire



Guilin International Wire & Cable Group Co., Ltd.

Product: Certain polyvinyl chloride (PVC) flat electric
From: People's Republic of China
Period of investigation: 1 January 2017 to 31 December 2017
Response due by: 11 July 2018

Extended to 23 July 2018

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Attention: Director, Investigations 1

GOODS UNDER CONSIDERATION

The goods under consideration (the goods) i.e. the goods exported to Australia, allegedly at dumped price, are:

Flat, electric cables, comprising two copper conductor cores and an 'earth' (copper) core with a nominal conductor cross sectional area of between, and including, 2.5 mm² and 3 mm², insulated and sheathed with polyvinyl chloride (PVC) materials, and suitable for connection to mains electricity power installations at voltages exceeding 80 volts (V) but not exceeding 1,000 V, and complying with Australian/New Zealand Standard (AS/NZS) AS/NZS 5000.2 (the Australian Standard), and whether or not fitted with connectors.

The following products are excluded from the application:

- single core cables, being cables with a single active core;
- aerial cables as defined by the Australian Standard;
- twin active flat cables, that is, flat cables comprising two active cores but no earth core;
- circular cables as defined by the Australian Standard;
- cables insulated and/or sheathed with non-PVC material, including but not limited to cross-linked
- polyethylene (XLPE) materials, including a combination of PVC and non-PVC material;
- cables comprising cores made of aluminium conductors; and
- flexible cables (cords) as defined by AS/NZS 3191 and/or AS/NZS 60227.

Additional information

- The locally produced goods are 2.5 Twin and Earth (TE) PVC flat cable (2.5 TE cable) that is commonly referred to as 'building wire', because of its use by the building and construction industry in domestic, commercial and industrial mains power supply low-voltage wiring installations.
- The term 'flat cables' mean cables where the conductor and earth cores are laid parallel in the same plane, as defined by the Australian Standard. The reference to "two copper conductor cores" refers to the 'phase core' and the 'neutral core'. The earth core (also comprising copper) is additional to these two active cores.

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**SECTION A
COMPANY STRUCTURE AND OPERATIONS**

This section requests information relating to company details and financial reports.

A-1 Identity and communication

Please nominate a person within your company who can be contacted for the purposes of this investigation:

Head Office and Factory:

Guilin International Wire & Cable Group Co., Ltd (hereinafter "Guilin International")

Name:	Tan Zhong
Position in the company:	Chief Financial Officer of Guilin International
Address:	No.12, Section 1 of Chuangye Road Yingcai Science and Technology Park Guilin China
Telephone:	[CONFIDENTIAL TEXT DELETED]
Facsimile number:	[CONFIDENTIAL TEXT DELETED]
E-mail address of contact person:	[CONFIDENTIAL TEXT DELETED]

A-2 Representative of the company for the purpose of investigation

If you wish to appoint a representative to assist you in this investigation, provide the following details:

Name	Charles Zhan Moulis Legal
Address	6/2 Brindabella Circuit Brindabella Business Park Canberra International Airport Australian Capital Territory Australia 2609
Telephone	+61 2 6163 1000
Facsimile number	+61 2 6162 0606
Email address of contact person	charles.zhan@moulislegal.com

All communications in relation to this matter should be directed to Moulis Legal in the first instance.

Note that in nominating a representative, the Commission will assume that confidential material relating to your company in this investigation may be freely released to, or discussed with, that representative.

A-3 Company information

1. What is the legal name of your business? What kind of entity is it (eg. company, partnership, sole trader)? Please provide details of any other business names that you use to export and/or sell goods.

The legal name of the business concerned is Guilin International Wire & Cable Group Co., Ltd (“Guilin International”)
Guilin International is registered as a limited liability company (joint venture with foreign investment). See Attachment 1 – Business License [CONFIDENTIAL ATTACHMENT].
Guilin International does not use any other business names to export or sell goods. [CONFIDENTIAL TEXT DELETED – corporate sales arrangements].

2. Who are the owners and/or principal shareholders? Provide details of shareholding percentages for joint owners and/or principal shareholders. (List all shareholders able to cast, or control the casting of, 5% or more of the maximum amount of votes that could be cast at a general meeting of your company).

The owners of Guilin International are [CONFIDENTIAL TEXT DELETED – shareholding details].
The respective percentages of shareholding are as follows:
[CONFIDENTIAL TEXT DELETED – shareholding details]
See the corporate structure at Attachment 2 [CONFIDENTIAL ATTACHMENT].

3. If your company is a subsidiary of another company, list the principal shareholders of that company.

[CONFIDENTIAL TEXT DELETED – shareholding details]

4. If your parent company is a subsidiary of another company, list the principal shareholders of that company.

[CONFIDENTIAL TEXT DELETED – shareholding details]

5. Provide a diagram showing all associated or affiliated companies and your company’s place within that corporate structure.

Please refer to Guilin International’s corporate structure at Attachment 2 [CONFIDENTIAL ATTACHMENT].

6. Are any management fees/corporate allocations charged to your company by your parent or related company?

[CONFIDENTIAL TEXT DELETED – internal group arrangements]

7. Describe the nature of your company's business. Explain whether you are a producer or manufacturer, distributor, trading company, etc.

Guilin International is a manufacturer and seller of electric wires and cables.

[CONFIDENTIAL TEXT DELETED – corporate arrangements regarding production and sales concerning the GUC]

8. If your business does not perform all of the following functions in relation to the goods under consideration, then please provide names and addresses of the companies which perform each function:

- produce or manufacture
- sell in the domestic market
- export to Australia, and
- export to countries other than Australia.

Guilin International performs all of the above functions.

9. Provide your company's internal organisation chart. Describe the functions performed by each group within the organisation.

Please see Guilin International's company internal organization chart at Attachment 3. [CONFIDENTIAL ATTACHMENT]

10. Provide a copy of your most recent annual report together with any relevant brochures or pamphlets on your business activities.

Guilin International does not have any "annual report". Please refer to Attachment 4 for Guilin International's company brochure.

A-4 General accounting/administration information

1. Indicate your accounting period.

Guilin International's accounting period is the calendar year, i.e. from 1 January to 31 December.

2. Indicate the address where the company's financial records are held.

Guilin International's financial records are held at the company address, i.e. No.12, Section 1 of Chuangye Road, Yingcai Science and Technology Park, Guilin, China.

3. Please provide the following financial documents for the two most recently completed financial years plus all subsequent monthly, quarterly or half yearly statements:

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- chart of accounts;
- audited consolidated and unconsolidated financial statements (including all footnotes and the auditor's opinion);
- internal financial statements, income statements (profit and loss reports), or management accounts, that are prepared and maintained in the normal course of business for the goods under consideration.

These documents should relate to:

- the division or section/s of your business responsible for the production and sale of the goods under consideration, and
- the company.

Please see Attachment 5 for Guilin International's Chart of Accounts [CONFIDENTIAL ATTACHMENT].

Please see Attachment 6 for 2016 audited financial statements and Attachment 7 for 2017 audited financial statements [CONFIDENTIAL ATTACHMENT].

Please see Attachment 8 for quarterly financial statements covering 1 January 2017 to 31 December 2017 [CONFIDENTIAL ATTACHMENT].

4. If you are not required to have the accounts audited, provide the unaudited financial statements for the two most recently completed financial years, together with your taxation returns. Any subsequent monthly, quarterly or half yearly statements should also be provided.

Not applicable. Guilin International has its accounts audited.

5. Do your accounting practices differ in any way from the generally accepted accounting principles in your country? If so, provide details.

Guilin International's accounting practices are in accordance with Chinese GAAP.

6. Describe:

The significant accounting policies that govern your system of accounting, in particular:

- the method of valuation for raw material, work-in-process, and finished goods inventories (e.g. last in first out –LIFO, first in first out- FIFO, weighted average);

Guilin International uses the weighted average actual costing method to move goods from raw material to finished goods inventory

- costing methods, including the method (e.g. by tonnes, units, revenue, direct costs etc.) of allocating costs shared with other goods or processes (such as front office cost, infrastructure cost etc.);

Costs are allocated based on standard consumption for each specific model. Please refer to Section G for more information.

- valuation methods for damaged or sub-standard goods generated at the various stages of production;

For damaged cables, copper material is melted and re-introduced into production. Damaged insulating material, such as PVC sheath, is sold as scrap.

- valuation methods for scrap, by products, or joint products;

Total cost of production is offset by the sales value of scrap at the end of each month.

- valuation and revaluation methods for fixed assets;

The fixed assets are valued based on actual cost at the time of acquisition.

- average useful life for each class of production equipment and depreciation method and rate used for each;

The depreciation of fixed assets adopts the straight line method. The depreciation rates are determined in accordance with original value of types of fixed assets, estimated useful age with residual rate deducted (10% of original price), the yearly depreciation rate are as follows:

Type of fixed asset	Useful life (years)	Residual rate	Yearly depreciation rate (%)
House and buildings	[CONFIDENTIAL TEXT DELETED – depreciation information]		
Transportation and other equipment			
Machinery			
Electronic equipment			

- treatment of foreign exchange gains and losses arising from transactions;

The booking currency used for accounting is RMB. The foreign currency transactions shall be accounted with the amount incurred converted into RMB based on the market exchange rates published by People’s Bank of China. At the end of each period, the balance of foreign currency account is adjusted according to the average rate issued by People’s Bank of China, and the difference is taken up in current financial expenses.

- treatment of foreign exchange gains/losses arising from the translation of balance sheet items;

Please refer to the response above.

- treatment of intercompany (related party) profits/losses;

The intercompany profit and losses were maintained by the company separately.

- inclusion of general expenses and/or interest;

Such expenses are booked ongoing in selling, administrative or financial expenses each month.

- provisions for bad or doubtful debts;

Guilin International applied allowance method to account bad debts provision.

- expenses for idle equipment and/or plant shut-downs;

Not applicable. There were no expenses for idle equipment and/or plant shut-downs during the investigation period.

- costs of plant closure;

Not applicable to Guilin International during the POI.

- restructuring costs;

Not applicable to Guilin International during the POI.

- by-products and scrap materials resulting from your company's production process; and

For copper scrap, it was valued according to the average copper cost and offset by the fixed amount for cost of production. Plastic scrap is valued at its selling price.

- effects of inflation on financial statement information.

Not applicable to Guilin International during the POI.

7. In the event that any of the accounting methods used by your company have changed over the last two years provide an explanation of the changes, the date of change, and the reasons for it.

There have been no changes to Guilin International's accounting method in the last two years.

A-5 Income statement

Please fill in the following table. It requires information concerning all products produced and for the goods under consideration (*'goods under consideration'* (the goods) is defined in the Glossary of Terms in the appendix to this form). You should explain how costs have been allocated.

Note: if your financial information does not permit you to present information in accordance with this

table please present the information in a form that closely matches the table.

Prepare this information on a spreadsheet named "**Income statement**".

This information will be used to verify the completeness of cost data that you provide in Section G. If, because of your company's structure, the allocations would not be helpful in this process, please explain why this is the case.

Please see Income Statement in Attachment 9 – Guilin International EQ spreadsheets [CONFIDENTIAL ATTACHMENT].

A-6 Sales

State your company's net turnover (after returns and all discounts), and free of duties and taxes. Use the currency in which your accounts are kept, in the following format:

Prepare this information in a spreadsheet named "TURNOVER".

This information will be used to verify the cost allocations to the goods under consideration in Section G.

Also, you should be prepared to demonstrate that sales data shown for the goods is a complete record by linking total sales of these goods to relevant financial statements.

Please see Turnover spreadsheet in Attachment 9 – Guilin International EQ spreadsheets [CONFIDENTIAL ATTACHMENT].

SECTION B
SALES TO AUSTRALIA (EXPORT PRICE)

This section requests information concerning your export practices and prices to Australia. You should include costs incurred beyond ex-factory. Export prices are usually assessed at FOB point, but the Commission may also compare prices at the ex factory level.

You should report prices of all goods under consideration (the goods) shipped to Australia during the investigation period.

The invoice date will normally be taken to be the date of sale. If you consider:

- the sale date is not the invoice date (see 'date of sale' column in question B4 below) and;
- an alternative date should be used when comparing export and domestic prices

you must provide information in section D on domestic selling prices for a matching period - even if doing so means that such domestic sales data predates the commencement of the investigation period.

B-1 For each customer in Australia to whom you shipped goods in the investigation period list:

- name;
- address;
- contact name and phone/fax number where known; and
- trade level (for example: distributor, wholesaler, retailer, end user, original equipment).

Table with 4 columns: Name, Address, Contact, Trade level. Row 1: [CONFIDENTIAL TEXT DELETED - Australian customer details]

B-2 For each customer identified in B1 please provide the following information.

- (a) Describe how the goods are sent to each customer in Australia, including a diagram if required.

All sales to customers identified in B1 are at [CONFIDENTIAL TEXT DELETED - trading term].
As discussed in A-3 above, during the POI all GUC exported to Australia were manufactured by Guilin International.
There are typically four modes of distribution for Australian sales. In physical terms, there are no differences between the four modes. That is, the GUC were manufactured by Guilin International in China and then shipped to Australia directly. The differences are in the company/trader documentation used.
The first of these is where Guilin International manufactures the goods to Australian customer's order and then [CONFIDENTIAL TEXT DELETED - sales arrangement].

The second mode involves Guilin International undertaking all of the activities mentioned above, but with [CONFIDENTIAL TEXT DELETED – sales arrangement].

[CONFIDENTIAL TEXT DELETED – information on commercial exportation arrangements]The third mode follows the same physical route as the first two, however [CONFIDENTIAL TEXT DELETED – sales arrangement].

The fourth mode involves [CONFIDENTIAL TEXT DELETED – sales arrangement].

In addition, Guilin International [CONFIDENTIAL TEXT DELETED – sales arrangement]

- (b) Identify each party in the distribution chain and describe the functions performed by them. Where commissions are paid indicate whether it is a pre or post exportation expense having regard to the date of sale.

Please see responses above at (a) for the parties involved in each mode of exportation. [CONFIDENTIAL TEXT DELETED – comment on commissions].

- (c) Explain who retains ownership of the goods at each stage of the distribution chain. In the case of DDP sales, explain who retains ownership when the goods enter Australia.

In accordance with the [CONFIDENTIAL TEXT DELETED – trading term] Incoterm, ownership of the goods exported by Guilin International (or [CONFIDENTIAL TEXT DELETED – sales arrangement]) to the Australian customer without the interposition of a third-party trading entity transfers [CONFIDENTIAL TEXT DELETED – trading term].

[CONFIDENTIAL TEXT DELETED – sales arrangement and trading term]

- (d) Describe any agency or distributor agreements or other contracts entered into in relation to the Australian market (supply copy of the agreement if possible).

There are no distribution or agency agreements in relation to the Australian market. As will be apparent from the corporate structure diagrams, Guilin International is related to the Australian customer Electra. Nonetheless pricing is approached on a fully commercial basis, taking into account cost of production, cost recovery, profitability, market conditions and compliance with transfer pricing regulations.

[CONFIDENTIAL TEXT DELETED – negotiation of prices and factors involved]

- (e) Explain in detail the process by which you negotiate price, receive orders, deliver, invoice and receive payment. If export prices are based on price lists supply copies of those lists.

1 Price negotiated with Electra

Guilin International [CONFIDENTIAL TEXT DELETED – negotiation of prices and factors involved].

[CONFIDENTIAL TEXT DELETED – commercial factors taken into account in price setting].

[CONFIDENTIAL TEXT DELETED – negotiation information]Guilin International will then [CONFIDENTIAL TEXT DELETED – negotiation of prices and factors involved]

Please refer to Attachment 10 for a spreadsheet containing the export price lists for the GUC during the POI, reflecting the outcomes of the negotiation processes [CONFIDENTIAL ATTACHMENT].

2 Ordering and delivery

[CONFIDENTIAL TEXT DELETED – commercial arrangements regarding ordering and delivery].

3 Payment

[CONFIDENTIAL TEXT DELETED – payment arrangement].

- (f) State whether your firm is related to any of its Australian customers. Give details of any financial or other arrangements (e.g. free goods, rebates, or promotional subsidies) with the customers in Australia (including parties representing either your firm or the customers).

Guilin International is related to Electra as indicated in Section A of this EQ.

Price is discussed and settled between Guilin International and its Australian customers as described above.

There are no financial or other arrangements in relation to the exportation of the GUC with Australian customers other than the price.

- (g) Details of the forward orders of the goods under consideration (include quantities, values and scheduled shipping dates).

See Attachment 11, forward orders [CONFIDENTIAL ATTACHMENT].

- B-3** Do your export selling prices vary according to the distribution channel identified? If so, provide details. Real differences in trade levels are characterised by consistent and distinct differences in functions and prices.

The prices in all of the export sales of the goods agreed between Guilin International and its Australian customer are at the manufacturer to distributor level.

For the occasional indirect exports through sales to other domestic trading companies, prices are typically set on a retail/low volume basis which are typically higher.

- B-4** Prepare a spreadsheet named “Australian sales” listing all shipments (i.e. transaction by transaction) to Australia of the goods under consideration in the investigation period. You must provide this list in electronic format. Include the following export related information:

Column heading	Explanation
Customer name	names of your customers

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Level of trade	the level of trade of your customers in Australia
Model/grade/type	commercial model/grade or type
Product code	code used in your records for the model/grade/type identified. Explain the product codes in your submission.
Invoice number	invoice number
Invoice date	invoice date
Date of sale	refer to the explanation at the beginning of this section. If you consider that a date <i>other than</i> the invoice date best establishes the material terms of sale, report that date. For example, order confirmation, contract, or purchase order date.
Order number	if applicable, show order confirmation, contract or purchase order number if you have shown a date other than invoice date as being the date of sale.
Shipping terms	delivery terms eg. CIF, C&F, FOB, DDP (in accordance with Incoterms)
Payment terms	agreed payment terms eg. 60 days=60 etc
Quantity	quantity in units shown on the invoice. Show basis e.g.metres.
Gross invoice value	gross invoice value shown on invoice <i>in the currency of sale, excluding taxes.</i>
Discounts on the invoice	if applicable, the amount of any discount deducted on the invoice on each transaction. If a % discount applies show that % discount applying in another column.
Other charges	any other charges, or price reductions, that affect the net invoice value. Insert additional columns and provide a description.
Invoice currency	the currency used on the invoice
Exchange rate	Indicate the exchange rate used to convert the currency of the sale to the currency used in your accounting system
Net invoice value in the currency of the exporting country	the net invoice value expressed in your domestic currency as it is entered in your accounting system
Rebates or other allowances	the amount of any deferred rebates or allowances paid to the importer in the currency of sale
Quantity discounts	the actual amount of quantity discounts not deducted from the invoice. Show a separate column for each type of quantity discount.
Ocean freight**	the actual amount of ocean freight incurred on each export shipment listed.
Marine insurance	amount of marine insurance
FOB export price**	the free on board price at the port of shipment.
Packing*	Packing expenses

Inland transportation costs*	inland transportation costs included in the selling price. For export sales this is the inland freight from factory to port in the country of export.
Handling, loading and ancillary expenses*	handling, loading & ancillary expenses. For example, terminal handling, export inspection, wharfage & other port charges, container tax, document fees & customs brokers fees, clearance fees, bank charges, letter of credit fees, & other ancillary charges incurred in the exporting country.
Warranty and guarantee expenses*	warranty & guarantee expenses
Technical assistance and other services*	expenses for after sale services, such as technical assistance or installation costs.
Commissions*	commissions paid. If more than one type is paid insert additional columns of data. Indicate in your response to question B2 whether the commission is a pre or post exportation expense having regard to the date of sale.
Other factors*	any other costs, charges or expenses incurred in relation to the exports to Australia (include additional columns as required). See question B5.

** FOB export price and Ocean Freight:

FOB export price: An FOB export price must be calculated for each shipment - regardless of the shipping terms. FOB price includes inland transportation to the port of exportation, inland insurance, handling, and loading charges. It excludes post exportation expenses such as ocean freight and insurance. Use a formula to show the method of the calculation on each line of the export sales spreadsheet.

Ocean freight: as ocean freight is a significant cost it is important that the actual amount of ocean freight incurred on each exportation be reported. If estimates must be made you must explain the reasons and set out the basis - estimates must reflect changes in freight rates over the investigation period.

Freight allocations must be checked for consistency.

* All of these costs are further explained in section E-1.

Please see Attachment 9 – Guilin International EQ spreadsheet – Australian sales [CONFIDENTIAL ATTACHMENT].

The sales have been classified according to the modes of export as follows:

[CONFIDENTIAL TEXT DELETED – details of various types of sales and reflection in spreadsheet]

B-5 If there are any other costs, charges or expenses incurred in respect of the exports listed above which have not been identified in the table above, add a column (see “other factors” in question B-4) for each item, and provide a description of each item. For example, other selling expenses (direct or indirect) incurred in relation to the export sales to Australia.

A bank service charge is paid by Guilin International for its Australian sales of the goods. Such expenses have been included in the SG&A of the Australian CTMS.

B-6 For each type of discount, rebate, allowance offered on export sales to Australia:

- provide a description; and
- explain the terms and conditions that must be met by the importer to obtain the discount.

Where the amounts of these discounts, rebates etc are not identified on the sales invoice, explain how you calculated the amount shown in your response to question B4. If they vary by customer or level provide an explanation.

[CONFIDENTIAL TEXT DELETED – discount/rebate policy]

B-7 If you have issued credit notes (directly or indirectly) to the customers in Australia, in relation to the invoices listed in the detailed transaction by transaction listing in response to question B4, provide details of each credit note if the credited amount has **not** been reported as a discount or rebate.

[CONFIDENTIAL TEXT DELETED – credit note policy]

B-8 If the delivery terms make you responsible for arrival of the goods at an agreed point within Australia (eg. delivered duty paid), insert additional columns in the spreadsheet for all other costs incurred. For example:

Import duties	Amount of import duty paid in Australia
Inland transport	Amount of inland transportation expenses within Australia included in the selling price
Other costs	Customs brokers, port and other costs incurred (itemise)

[CONFIDENTIAL TEXT DELETED – trading term information]

B-9 Select two shipments, in different quarters of the investigation period, and provide a complete set of all of the documentation related to the export sale. For example:

- the importer's purchase order, order confirmation, and contract of sale;
- commercial invoice;
- bill of lading, export permit;
- freight invoices in relation to movement of the goods from factory to Australia, including inland freight contract;
- marine insurance expenses; and
- letter of credit, and bank documentation, proving payment.

The Commission will select additional shipments for payment verification at the time of the visit.

See Attachment 12 for two samples of Australian sales documentations

[CONFIDENTIAL ATTACHMENTS].

SECTION C EXPORTED GOODS & LIKE GOODS

- C-1** Fully describe all of the goods you have exported to Australia during the investigation period. Include specification details and any technical and illustrative material that may be helpful in identifying, or classifying, the exported goods.

The model types of the goods falling within the definition of the GUC are listed in the Australian sales spreadsheet at Attachment 9 [CONFIDENTIAL ATTACHMENT].

The goods exported to Australia are classified by Guilin International as [CONFIDENTIAL TEXT DELETED – goods exported to Australia]

Please refer to the technical and illustrative material at Attachment 13 [CONFIDENTIAL ATTACHMENT].

- C-2** List each type of goods exported to Australia (these types should cover all types listed in spreadsheet “**Australian sales**” – see section B of this questionnaire).

Please see response at C-1 above.

- C-3** If you sell like goods on the domestic market, for each type that your company has exported to Australia during the investigation period:
- list the most comparable model(s) sold domestically; and
 - provide a detailed explanation of the differences where those goods sold domestically (ie. the like goods – see explanation in glossary) are not identical to goods exported to Australia.

Guilin International does not sell goods which are identical or comparable to the exported goods in the domestic market. The most common flat building wire sold in China is a single core cable.

The same situation as the Commission verified in Investigation 271 applies – that is, there is no domestic sales of like goods by Guilin International.

The only model of goods sold in the domestic market by Guilin International group which matched the description of the GUC during the POI is [CONFIDENTIAL TEXT DELETED – comment domestic sales] Given the Commission’s findings in the previous investigation, the [CONFIDENTIAL TEXT DELETED – model information] is not like goods to the GUC exported to Australia.

The major differences between the goods exported to Australia and [CONFIDENTIAL TEXT DELETED – product information] sold in the domestic market are due to:

- complying with different standards;
- materials used;
- scale of production;

- **commercial and functional differences**

Nonetheless, and for completeness, Guilin International provides the relevant information [CONFIDENTIAL TEXT DELETED – product information] in the “Like goods” table at Attachment 9 [CONFIDENTIAL ATTACHMENT].

- C-4** Please provide any technical and illustrative material that may be helpful in identifying or classifying the goods that your company sells on the domestic market.

Please see comments above at C-1 and C-3. Further illustration can be arranged during the on-site verification visit.

SECTION D DOMESTIC SALES

This section seeks information about the sales arrangements and prices in the domestic market of the country of export.

*All domestic sales made during the investigation period must be listed transaction by transaction. If there is an extraordinarily large volume of sales data and you are unable to provide the complete listing electronically you **must** contact the case officer **before** completing the questionnaire. If the case officer agrees that it is not possible to obtain a complete listing he or she will consider a method for sampling that meets the Commission requirements. If agreement cannot be reached as to the appropriate method the Commission may not visit your company.*

The Commission will normally take the invoice date as being the date of sale in order to determine which sales fall within the investigation period.

If, in response to question B4 (Sales to Australia, Export Price), you have reported that the date of sale is not the invoice date and you consider that this alternative date should be used when comparing domestic and export prices –

*you **must** provide information on domestic selling prices for a matching period - even if doing so means that such domestic sales data predates the commencement of the investigation period.*

If you do not have any domestic sales of like goods you must contact the case officer who will explain the information the Commission requires for determining a normal value using alternative methods.

As indicated in the response to question C-1 above, the [CONFIDENTIAL TEXT DELETED – product information]goods matching the description of the GUC which were sold by Guilin International in the domestic market during the POI was [CONFIDENTIAL TEXT DELETED – comment on model information],

In addition, during the POI, Guilin International had [CONFIDENTIAL TEXT DELETED – number]domestic sale transactions of [CONFIDENTIAL TEXT DELETED – model information] with [CONFIDENTIAL TEXT DELETED – quantity information], which is not comparable to the Australian sales of the goods in commercial terms.

Therefore, consistent with the previous investigation, Guilin International expects that the Commission will again find that Guilin International did not have any domestic sales of like goods in the ordinary course of trade for normal value calculation purpose. Nonetheless, we have endeavoured to provide information under this section to provide the Commission with general understanding of Guilin International's domestic sales practices.

D-1 Provide:

- a detailed description of your distribution channels to domestic customers, including a diagram if appropriate;
- information concerning the functions/activities performed by each party in the distribution chain; and
- a copy of any agency or distributor agreements, or contracts entered

into.

If any of the customers listed are associated with your business, provide details of that association. Describe the effect, if any, that association has upon the price.

Guilin International's domestic customers are generally unrelated distributors, branch distributors and end users. Sales are encouraged by Guilin International's domestic sales team.

When an established business relationship is in place, orders will come direct by telephone to the branch or to the factory sales department. Sales are spot/negotiated basis. There are no agency or distribution contracts.

D-2 Do your domestic selling prices vary according to the distribution channel identified? If so, provide details. Real differences in trade levels are characterised by consistent and distinct differences in functions and prices.

[CONFIDENTIAL TEXT DELETED – sales and pricing policies regarding domestic sales]

Prices for domestic sales are negotiated by the sales force, based on the [CONFIDENTIAL TEXT DELETED – pricing policies].

In Guilin International's price negotiations it would be likely that prices to end users and small volume/retail sales would generally be higher than the large volume sales to distributors.

The price difference between sales to end users and sales to distributor varies depends on the areas.

D-3 Explain in detail the sales process, including:

- the way in which you set the price, receive orders, make delivery, invoice and finally receive payment; and the terms of the sales; and
- whether price includes the cost of delivery to customer.

If sales are in accordance with price lists, provide copies of the price lists.

Price is negotiated on a sale-by-sale basis using [CONFIDENTIAL TEXT DELETED – pricing convention used].

Salespersons market the cables and approach their business contacts to make sales. They relay the orders to Guilin International and the factory dispatches the product to the customer or branch concerned.

Sales to established customers can take place by way of telephone order placed directly with Guilin International.

Guilin International's domestic customers are typically requested to make payment [CONFIDENTIAL TEXT DELETED – payment terms].

D-4 Prepare a spreadsheet named “**domestic sales**” listing **all** sales of like goods made during the investigation period. The listing must be provided on a CD-ROM. Include all of the following information.

Column heading	Explanation
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Customer name	names of your customers. If an English version of the name is not easily produced from your automated systems show a customer code number and in a separate table list each code and name.
Level of trade	the level of trade of your domestic customer
Model/grade/type	commercial model/grade or type of the goods
Product code	code used in your records for the model/grade/type of the goods identified. Explain the product codes in your submission.
Invoice number	invoice number
Invoice date	invoice date
Date of sale	refer to the explanation at the beginning of this section. If you consider that a date <i>other than</i> the invoice date best establishes the material terms of sale and should be used, report that date. For example, order confirmation, contract, or purchase order date.
Order number	show order confirmation, contract or purchase order number if you have shown a date other than invoice date as being the date of sale.
Delivery terms	e.g.ex factory, free on truck, delivered into store
Payment terms	payment terms agreed with the customer eg. 60 days=60 etc.
Quantity	quantity in units shown on the invoice e.g. metres.
Gross invoice value	gross value shown on invoice <i>in the currency of sale</i> , net of taxes.
Discounts on the Invoice	the amount of any discount deducted on the invoice on each transaction. If a % discount applies show that % discount applying in another column.
Other charges	any other charges, or price reductions, that affect the net invoice value. Insert additional columns and provide description.
Net invoice value in the currency of the exporting country	the net invoice value expressed in your domestic currency as recorded in your accounting system
Rebates or other allowances	the actual amount of any deferred rebates or allowances in the currency of sale
Quantity discounts	the actual amount of quantity discounts not deducted from the invoice. Show a separate column for each type of quantity discount.
Packing*	packing expenses
Inland transportation costs*	amount of inland transportation costs included in the selling price.
Handling, loading and ancillary expenses*	handling, loading and ancillary expenses.
Warranty and guarantee expenses*	warranty & guarantee expenses
Technical assistance	expenses for after sale services such as technical assistance or

and other services*	installation costs.
Commissions*	commissions paid. If more than one type is paid insert additional columns of data.
Other factors*	any other costs, charges or expenses incurred in relation to the domestic sales (include additional columns as required). See question D5.

Costs marked with * are explained in section E-2.

As advised above, Guilin International did not have any domestic sales of like goods during the POI.

For completeness, Guilin International reports its only domestic sale of the cable which fall within the description of the GUC. Please see Attachment 9 – Guilin International EQ spreadsheet – domestic sales [CONFIDENTIAL ATTACHMENT].

D-5 If there are any other costs, charges or expenses incurred in respect of the sales listed which have not been identified in the table in question D-4 above add a column for each item (see “other factors”). For example, certain other selling expenses incurred.

Guilin International incurred [CONFIDENTIAL TEXT DELETED – domestic sales expenses].

D-6 For each type of commission, discount, rebate, allowance offered on domestic sales of like goods:

- provide a description; and
- explain the terms and conditions that must be met by the customer to qualify for payment.

Where the amounts of these discounts, rebates etc are not identified on the sales invoice, explain how you calculated the amounts shown in your response to question D4.

If you have issued credit notes, directly or indirectly to the customers, provide details if the credited amount has **not** been reported as a discount or rebate.

[CONFIDENTIAL TEXT DELETED – commission policies]

D-7 Select two domestic sales, in different quarters of the investigation period, that are at the same level of trade as the export sales. Provide a complete set of documentation for those two sales. (Include, for example, purchase order, order acceptance, commercial invoice, discounts or rebates applicable, credit/debit notes, long or short term contract of sale, inland freight contract, bank documentation showing proof of payment.)

The Commission will select additional sales for verification at the time of our visit.

See Attachment 14, for the sales documents relating to of Guilin International’s domestic sales during the POI [CONFIDENTIAL ATTACHMENT].

SECTION E FAIR COMPARISON

Section B sought information about the export prices to Australia and Section D sought information about prices on your domestic market for like goods (ie. the normal value).

Where the normal value and the export price are not comparable adjustments may be made. This section informs you of the fair comparison principle and asks you to quantify the amount of any adjustment.

As prices are being compared, the purpose of the adjustments is to eliminate factors that have unequally modified the prices to be compared.

To be able to quantify the level of any adjustment it will usually be necessary to examine cost differences between sales in different markets. The Commission must be satisfied that those costs are likely to have influenced price. In practice, this means that the expense item for which an adjustment is claimed should have a close nexus to the sale. For example, the cost is incurred because of the sale, or because the cost is related to the sale terms and conditions.

Conversely, where there is not a direct relationship between the expense item and the sale a greater burden is placed upon the claimant to demonstrate that prices have been affected, or are likely to have been affected, by the expense item. In the absence of such evidence the Commission may disallow the adjustment.

Where possible, the adjustment should be based upon actual costs incurred when making the relevant sales. However, if such specific expense information is unavailable cost allocations may be considered. In this case, the party making the adjustment claim must demonstrate that the allocation method reasonably estimates costs incurred.

A party seeking an adjustment has the obligation to substantiate the claim by relevant evidence that would allow a full analysis of the circumstances, and the accounting data, relating to the claim.

The investigation must be completed within strict time limits therefore you must supply information concerning claims for adjustments in a timely manner. Where an exporter has knowledge of the material substantiating an adjustment claim that material is to be available at the time of the verification visit. The Commission will not consider new claims made after the verification visit.

E-1 Costs associated with export sales

(These cost adjustments will relate to your responses made at question B-4, 'Australian sales')

1. Transportation

Explain how you have quantified the amount of inland transportation associated with the export sale ("**Inland transportation costs**"). Identify the general ledger account where the expense is located. If the amount has been determined from contractual arrangements, not from an account item, provide details and evidence of payment.

Exported goods are all delivered to port by Guilin International's own
--

trucking fleet. Certain toll fees or gasoline expenses are separately incurred and are recorded as “freight for export sales” in Guilin International’s selling expenses ledger.

Guilin International is responsible for [CONFIDENTIAL TEXT DELETED – exportation information]. Those transportation expenses are generally [CONFIDENTIAL TEXT DELETED – recording of transportation expenses].

For this purpose, the overall expenses were allocated by the consolidated exported quantity in the POI to derive unit transportation cost.

2. Handling, loading and ancillary expenses

List all charges that are included in the export price and explain how they have been quantified (“**Handling, loading & ancillary expenses**”). Identify the general ledger account where the expenses are located. If the amounts have been determined using actual observations, not from a relevant account item, provide details.

The various export related ancillary costs are identified in the table at question B4, for example:

- terminal handling;
- wharfage and other port charges;
- container taxes;
- document fees and customs brokers fees;
- clearance fees;
- bank charges, letter of credit fees
- other ancillary charges.

Handling and brokerage expenses incurred at the port of export are also recorded in “Freight for export” in the selling expenses ledger.

Guilin International allocated those said expenses in the same manner as explained above for “Transportation”.

3. Credit

The cost of extending credit on export sales is not included in the amounts quantified at question B4. However, the Commission will examine whether a credit adjustment is warranted and determine the amount. Provide applicable interest rates over each month of the investigation period. Explain the nature of the interest rates most applicable to these export sales eg, short term borrowing in the currency concerned.

If your accounts receivable shows that the average number of collection days differs from the payment terms shown in the sales listing, *and if* export prices are influenced by this longer or shorter period, calculate the average number of collection days. See also item 4 in section E-2 below.

[CONFIDENTIAL TEXT DELETED – clarification of credit terms]

4. Packing costs

List material and labour costs associated with packing the export product. Describe how the packing method differs from sales on the domestic market, for each model. Report the amount in the listing in the column headed 'Packing'.

Export cables are generally on large reels. Plastic covers protect and hold the reels on the pallet for export. Packing costs are included in "material cost". There is also a labour component.

Packing costs have been allocated to the cost to make for the goods exported to Australia according to the actual costs incurred.

5. Commissions

For any commissions paid in relation to the export sales to Australia:

- provide a description; and
- explain the terms and conditions that must be met.

Report the amount in the sales listing in question B-4 under the column headed "**Commissions**". Identify the general ledger account where the expense is located.

[CONFIDENTIAL TEXT DELETED – commission policy]

6. Warranties, guarantees, and after sales services

List the costs incurred. Show relevant sales contracts. Show how you calculated the expenses ("**Warranty & guarantee expenses**" and "**Technical assistance & other services**"), including the basis of any allocations. Include a record of expenses incurred. Technical services include costs for the service, repair, or consultation. Where these expenses are closely related to the sales in question, an adjustment will be considered. Identify the ledger account where the expense is located.

[CONFIDENTIAL TEXT DELETED – export sales support]

7. Other factors

There may be other factors for which an adjustment is required if the costs affect price comparability – these are identified in the column headed "**Other factors**". For example, other variable or fixed selling expenses, including salesmen's salaries, salesmen's travel expenses, advertising and promotion, samples and entertainment expenses. Your consideration of questions asked at Section G, concerning domestic and export costs, would have alerted you to such other factors.

Guilin international incurred a bank service charge for its Australian sales of the goods and has included such expenses in the SG&A of its Australian sales.

8. Currency conversions

In comparing export and domestic prices a currency conversion is required. Fluctuations in exchange rates can only be taken into account when there has been a 'sustained' movement during the period of investigation (see

article 2.4.1 of the WTO Agreement). The purpose is to allow exporters 60 days to adjust export prices to reflect 'sustained' movements. Such a claim requires detailed information on exchange movements in your country over a long period that includes the investigation period.

Guilin International has not identified such movement in the POI.

E-2 Costs associated with domestic sales

(These cost adjustments will relate to your responses made at question D-4, “domestic sales”)

The following items are not separately identified in the amounts quantified at question D-4. However you should consider whether any are applicable.

As indicated in above, Guilin International did not have any domestic sales of like goods during the investigation period.

1. Physical characteristics

The adjustment recognises that differences such as quality, chemical composition, structure or design, mean that goods are not identical and the differences can be quantified in order to ensure fair comparison.

The amount of the adjustment shall be based upon the market value of the difference, but where this is not possible the adjustment shall be based upon the difference in cost plus the gross profit mark-up (i.e. an amount for selling general and administrative costs (S G & A) plus profit).

The adjustment is based upon actual physical differences in the goods being compared and upon the manufacturing cost data. Identify the physical differences between each model. State the source of your data.

Please see Section C above for the differences between the goods exported to Australia and the goods sold by Guilin International in its domestic market.

Please refer to Section G for further information regarding the cost differences.

2. Import charges and indirect taxes

If exports to Australia:

- are partially or fully exempt from internal taxes and duties that are borne by the like goods in domestic sales (or on the materials and components physically incorporated in the goods), or
- if such internal taxes and duties have been paid and are later remitted upon exportation to Australia;

the price of like goods must be adjusted downwards by the amount of the taxes and duties.

The taxes and duties include sales, excise, turnover, value added, franchise, stamp, transfer, border, and excise taxes. Direct taxes such as corporate income tax are not included as such taxes do not apply to the transactions.

Adjustment for drawback is not made in every situation where drawback has been received. Where an adjustment for drawback is appropriate you must provide information showing the import duty borne by the domestic sales. (That is, it is not sufficient to show the drawback amount and the export sales quantity to Australia. For example, you may calculate the duty borne on domestic sales by quantifying the total amount of import duty paid and subtracting the duty refunded on exports to all countries. The difference, when divided by the domestic sales volume, is the amount of the adjustment).

In substantiating the drawback claim the following information is required:

- a copy of the relevant statutes/regulations authorising duty exemption or remission, translated into English;
- the amount of the duties and taxes refunded upon exportation and an explanation how the amounts were calculated and apportioned to the exported goods;
- an explanation as to how you calculated the amount of duty payable on imported materials is borne by the goods sold domestically but is not borne by the exports to Australia;

Substitution drawback systems

Annex 3 of the WTO Agreement on Subsidies provides: *“Drawback systems can allow for the refund or drawback of import duties on inputs which are consumed in the production process of another product and where the export of this latter product contains domestic inputs having the same quality and characteristics as those substituted for the imported inputs”*

If such a scheme operates in the country of export adjustments can also be made for the drawback payable on the substituted domestic materials, provided the total amount of the drawback does not exceed the total duty paid.

VAT exclusive prices are recorded in the domestic sales spreadsheet. All VAT is refunded on export. There is no difference requiring adjustment.

3. Level of trade

Question D-4 asks you to indicate the level of trade to the domestic customer. To claim an adjustment for level of trade differences you will need to quantify the amount by which level of trade influences price.

Trade level is the level a company occupies in the distribution chain. The trade level to which that company in turn sells the goods and the functions carried out distinguish a level of trade. Examples are producer, national distributor, regional distributor, wholesaler, retailer, end user, and original equipment.

It may not be possible to compare export prices and domestic prices at the same level of trade. Where relevant sales of like goods at the next level of trade must be used to determine normal values an adjustment for the difference in level of trade may be required where it is shown that the difference affects price comparability.

The information needs to establish that there are real trade level differences, not merely nominal differences. Real trade level differences are characterised by a consistent pattern of price differences between the levels and by a difference in functions performed. If there is no real trade level differences all sales are treated as being at the same level of trade.

A real difference in level of trade may be adjusted for using either of the following methods:

- (a) *costs arising from different functions*: the amount of the costs, expenses etc incurred by the seller in domestic sales of the like goods resulting from activities that would not be performed were the domestic sales made at the same level as that of the importer.

This requires the following information:

- a detailed description of each sales activity performed in selling to your domestic customers (for example sales personnel, travel, advertising, entertainment etc);
- the cost of carrying out these activities in respect of like goods;
- for each activity, whether your firm carries out the same activity when selling to importers in Australia;
- an explanation as to why you consider that you are entitled to a level of trade adjustment.

or

- (b) *level discount*: the amount of the discount granted to purchasers who are at the same level of trade as the importer in Australia. This is determined by an examination of price differences between the two levels of trade in the exporter's domestic market, for example sales of like goods by other vendors or sales of the same general category of goods by the exporter. For this method to be used it is important that a clear pattern of pricing be established for the differing trade levels. Such pattern is demonstrated by a general availability of the discounts to the level - isolated instances would not establish a pattern of availability.

In light of Guilin International's lack of domestic sales of like goods during the POI, no such adjustment is required.

In any case, Guilin International [CONFIDENTIAL TEXT DELETED – comment on level of trade].

4. Credit

The cost of extending credit on domestic sales is not included in the amounts quantified at question D-4. However, the Commission will examine whether a credit adjustment is warranted and determine the amount. An adjustment for credit is to be made even if funds are not borrowed to finance the accounts receivable.

The interest rate on domestic sales in order of preference is:

- the rate, or average of rates, applying on actual short term borrowings by the company; or

- the prime interest rate prevailing for commercial loans in the country for credit terms that most closely approximate the credit terms on which the sales were made; or
- such other rate considered appropriate in the circumstances.

Provide the applicable interest rate over each month of the investigation period.

If your accounts receivable shows that the average number of collection days differs from the payment terms shown in the sales listing, and if domestic prices are influenced by this longer or shorter period, calculate the average number of collection days.

Where there is no fixed credit period agreed at the time of sale the period of credit is determined on the facts available. For example, where payment is made using an open account system¹, the average credit period may be determined as follows:

1. *Calculate an accounts receivable turnover ratio*

This ratio equals the total credit sales divided by average accounts receivable.

(It is a measure of how many times the average receivables balance is converted into cash during the year).

In calculating the accounts receivable turnover ratio, credit sales should be used in the numerator whenever the amount is available from the financial statements. Otherwise net sales revenue may be used in the numerator.

An average accounts receivable over the year is used in the denominator. This may be calculated by:

- using opening accounts receivable at beginning of period plus closing accounts receivable at end of period divided by 2, or
- total monthly receivables divided by 12.

2. *Calculate the average credit period*

The average credit period equals 365 divided by the accounts receivable turnover ratio determined above at 1.

The resulting average credit period should be tested against randomly selected transactions to support the approximation.

Such adjustment is not required in light of Guilin International's lack of domestic sales of like goods for normal value purpose.

Trading terms are generally known and observed by customers in Guilin International's experience.

Domestic distributors, wholesalers as well as end users who buy large volume are required to pay [CONFIDENTIAL TEXT DELETED – payment

¹Under an open account system, following payment the balance of the amount owing is carried into the next period. Payment amounts may vary from one period to the next, with the result that the amount owing varies.

terms].

The following items are identified in the amounts quantified at question D-4:

5. Transportation

Explain how you have quantified the amount of inland transportation associated with the domestic sales (“**Inland transportation Costs**”). Identify the general ledger account where the expense is located. If the amount has been determined from contractual arrangements, not from an account item, provide details and evidence of payment.

Guilin International’s domestic sales are sold on delivered terms. These costs have been allocated by the overall domestic sales quantity in the POI to derive the unit domestic transportation cost.

6. Handling, loading and ancillary expenses

List all charges that are included in the domestic price and explain how they have been quantified (“**Handling, loading and ancillary Expenses**”). Identify the general ledger account where the expense is located. If the amounts have been determined using actual observations, not from a relevant account item, provide details.

No costs separate to transportation are incurred and/or are difficult to quantify.

7. Packing

List material and labour costs associated with packing the domestically sold product. Describe how the packing method differs from sales on the domestic market, for each model. Report the amount in the listing in the column headed “**Packing**”.

Packaging for domestic products is different to export products. Domestic products are packed individually (spool) with fabric bag. The lengths are much shorter on average, meaning that there are more spools. The bags must then be manually tied by hands. Further, some domestic customers also request the packing bags to be painted. These methods require more labour than the packing for export. The cost of packing for domestic products is therefore slightly higher than the packing cost for export products.

8. Commissions

For any commissions paid in relation to the domestic sales:

- provide a description
- explain the terms and conditions that must be met.

Report the amount in the sales listing under the column headed “**Commissions**”. Identify the general ledger account where the expense is located.

[CONFIDENTIAL TEXT DELETED – commission policy]

9. Warranties, guarantees, and after sales services

List the costs incurred. Show relevant sales contracts. Show how you calculated the expenses (“**Warranty & Guarantee expenses**” and “**Technical assistance & other services**”), including the basis of any allocations. Include a record of expenses incurred. Technical services include costs for the service, repair, or consultation. Where these expenses are closely related to the sales in question, an adjustment will be considered. Identify the ledger account where the expense is located.

[CONFIDENTIAL TEXT DELETED – information about warranties]

10. Other factors

There may be other factors for which an adjustment is required if the costs affect price comparability – these are identified in the column headed “**Other factors**”. List the factors and show how each has been quantified in per unit terms. For example:

- *inventory carrying cost*: describe how the products are stored prior to sale and show data relating to the average length of time in inventory. Indicate the interest rate used;
- *warehousing expense*: an expense incurred at the distribution point;
- *royalty and patent fees*: describe each payment as a result of production or sale, including the key terms of the agreement;
- *advertising*; and
- *bad debt*.

Generally, Guilin International incurs a higher cost for storing the goods for domestic sales because domestic sales are made from inventory, whereas export sales are made to order and therefore the export goods stay shorter to nil time in the warehouse. This is not the case for the sales of [CONFIDENTIAL TEXT DELETED – product information] because it was produced to a special order by the customer.

In addition, domestic sales incur fees that not incurred in export sales, [CONFIDENTIAL TEXT DELETED – fees incurred in domestic sales].

E-3 Duplication

In calculating the amount of the adjustments you must ensure that there is no duplication.

For example:

- adjustments for level of trade, quantity or other discounts may overlap, or
- calculation of the amount of the difference for level of trade may be based upon selling expenses such as salesperson’s salaries, promotion expenses, commissions, and travel expenses.

Separate adjustment items must avoid duplication.

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An adjustment for quantities may not be granted unless the effect on prices for quantity differences is identified and separated from the effect on prices for level of trade differences.

No such duplication has been identified.

**SECTION F
EXPORT SALES TO COUNTRIES OTHER THAN
AUSTRALIA (THIRD COUNTRY SALES)**

Your response to this part of the questionnaire may be used by the Commission to select sales to a third country that may be suitable for comparison with exports to Australia.

Sales to third countries may be used as the basis for normal value in certain circumstances. The Commission may seek more detailed information on particular third country sales where such sales are likely to be used as the basis for determining normal value.

F-1 Using the column names and column descriptions below provide a summary of your export sales to countries other than Australia.

Column heading	Explanation
Country	Name of the country that you exported like goods to over the investigation period.
Number of customers	The number of different customers that your company has sold like goods to in the third country over the investigation period.
Level of trade	The level of trade that you export like goods to in the third country.
Quantity	Indicate quantity, in units, exported to the third country over the investigation period.
Unit of quantity	Show unit of quantity e.g. kg
Value of sales	Show net sales value to all customers in third country over the investigation period
Currency	Currency in which you have expressed data in column SALES
Payment terms	Typical payment terms with customer(s) in the country e.g. 60 days=60 etc.
Shipment terms	Typical shipment terms to customers in the third country e.g. CIF, FOB, ex-factory, DDP etc.

Supply this information in spreadsheet file named "Third Country"

Please see Attachment 9 – Guilin International EQ spreadsheet – Third Country [CONFIDENTIAL ATTACHMENT].

F-2 Please identify any differences in sales to third countries which may affect their comparison to export sales to Australia.

Guilin International exported a [CONFIDENTIAL TEXT DELETED –

amount]quantity of GUC to [CONFIDENTIAL TEXT DELETED – destination country/countries] during the investigation period to an unrelated distributor/wholesaler customer. The products exported are [CONFIDENTIAL TEXT DELETED – product information]. The total quantity is [CONFIDENTIAL TEXT DELETED – comparison between Australia and other export market(s)]. Guilin International also [CONFIDENTIAL TEXT DELETED – comment on sales terms].

SECTION G COSTING INFORMATION AND CONSTRUCTED VALUE

The information that you supply in response to this section of the questionnaire will be used for various purposes including:

- testing the profitability of sales of like goods on the domestic market;
- determining a constructed normal value of the goods under consideration (the goods) - ie of the goods exported to Australia; and
- making certain adjustments to the normal value.

You will need to provide the cost of production of both the exported goods (the goods) and for the like goods sold on the domestic market. You will also need to provide the selling, general, and administration costs relating to goods sold on the domestic market; the finance expenses; and any other expenses (eg. non-operating expenses not included elsewhere) associated with the goods.

In your response please include a worksheet showing how the selling, general, and administration expenses; the finance expenses; and any other expenses have been calculated.

If, in response to question B4 (Sales to Australia, Export Price) you:

- reported that the date of sale is not the invoice date and consider that this alternative date should be used when comparing domestic and export prices, and
- provided information on domestic selling prices for a matching period as required in the introduction to Section D (Domestic Sales)

you must provide cost data over the same period as these sales even if doing so means that such cost data predates the commencement of the investigation period.

At any verification meeting you must be prepared to reconcile the costs shown to the accounting records used to prepare the financial statements.

G-1. Production process and capacity

1. Describe the production process for the goods. Provide a flowchart of the process. Include details of all products manufactured using the same production facilities as those used for the goods. Also specify all scrap or by-products that result from producing the goods.

See Attachment 15 – Production flowchart [CONFIDENTIAL ATTACHMENT].

G-2. Provide information about your company's total production in the following table:

	Previous FY	Most recent FY	Investigation Period
A – Production capacity (e.g. kg, metres)*			

B – Actual production in volume (e.g. kg, metres)			
C – Capacity utilisation (%) (B/A x 100)			

* rather than showing a 'name-plate' optimal capacity it is more meaningful to show the maximum level of production that may reasonably be attained under normal operating conditions. For example assuming: normal levels of maintenance and repair; a number of shifts and hours of operation that is not abnormally high; and a typical production mix.

Provide this information on a spreadsheet named "**Production**".

Please see Production table in Attachment 9, Guilin International EQ spreadsheets [CONFIDENTIAL ATTACHMENT].

G-3. Cost accounting practices

1. Outline the management accounting system that you maintain and explain how that cost accounting information is reconciled to your audited financial statements.

Guilin International maintains a computerized accounting system: see Attachment 16 for Guilin International's accounting system flowchart [CONFIDENTIAL ATTACHMENT].

2. Is your company's cost accounting system based on standard (budgeted) costs? State whether standard costs were used in your responses to this questionnaire. If they were state whether all variances (ie differences between standard and actual production costs) have been allocated to the goods - and describe how those variances have been allocated.

Not applicable. Guilin International uses the weighted average actual costing method to move goods from raw material to finished goods.

3. Provide details of any significant or unusual cost variances that occurred during the investigation period.

No significant or unusual cost variances occurred during the investigation period.

4. Describe the profit/cost centres in your company's cost accounting system.

There were no separate profit/cost centres in the company cost accounting system, the company applied its profits/cost centre on the company overall basis.

5. For each profit/cost centre describe in detail the methods that your company normally uses to allocate costs to the goods under consideration. In particular specify how, and over what period, expenses are amortised or depreciated, and how allowances are made for capital expenditures and other development costs.

There were no separate profit/cost centres in the company cost accounting system.

6. Describe the level of product specificity (models, grades etc) that your

company's cost accounting system records production costs.

The overall actual costs as consumed or incurred were calculated and then allocated to each model on a monthly basis, on their standard weight or costs.

- 7 List and explain all production costs incurred by your company which are valued differently for cost accounting purposes than for financial accounting purposes.

There are no such valuation differences.

- 8 State whether your company engaged in any start-up operations in relation to the goods under consideration. Describe in detail the start-up operation giving dates (actual or projected) of each stage of the start-up operation.

Not applicable.

- 9 State the total cost of the start-up operation and the way that your company has treated the costs of the start-up operation in its accounting records.

Not applicable.

G-4 Cost to make and sell on domestic market

This information is relevant to testing whether domestic sales are in the ordinary course of trade.²

- 1 Prepare this information in a spreadsheet named "**Domestic CTMS**".
- ¹ Identify each cost separately. Include indirect material costs as a separate item only if not included in manufacturing overheads.
 - ² Relating to costs of production only; identify each cost separately.
 - ³ Identify each cost separately. Please ensure non-operating expenses **that relate to the goods under consideration** are included. Where gains/losses due to foreign currency exchange are incurred, please provide detail of the amounts separately for transaction and translation gains/losses.

Provide this information for each quarter (or month if your company calculates costs on a monthly basis) and over the period of the investigation.

If you are unable to supply this information in this format, please contact the case officer for this investigation at the address shown on the cover of this questionnaire.

Please specify unit of currency.

- 2 Indicate the source of cost information (account numbers etc.) and/or methods used to allocate cost to the goods. Provide documentation and worksheets supporting your calculations.

Please see Attachment 9 - Guilin International EQ spreadsheet – Domestic CTMS [CONFIDENTIAL ATTACHMENT].

² The Commission applies the tests set out in s.269TAAD of the Customs Act 1901 to determine whether goods are in ordinary course of trade. These provisions reflect the WTO anti-dumping agreement – see Article 2.2.1.

G-5 Cost to make and sell goods under consideration (goods exported to Australia)

The information is relevant to calculating the normal values based on costs. It is also relevant to calculating certain adjustments to the normal value.

- 1 Prepare this information in a spreadsheet named "**Australian CTMS**".
 - ¹ Identify each cost separately. Include indirect material costs as a separate item only if not included in manufacturing overheads.
 - ² Relating to costs of production only; identify each cost separately.
 - ³ Identify each cost separately. Please ensure non-operating expenses **that relate to the goods** are included. Where gains/losses due to foreign currency exchange are incurred, please provide detail of the amounts separately for transaction and translation gains/losses.

Provide this information for each quarter (or month if your company calculates costs on a monthly basis) and over the period of the investigation.

If you are unable to supply this information in this format, please contact the case officer for this investigation at the address shown on the cover of this questionnaire.

Please specify unit of currency.

- 2 Where there are cost differences between goods sold to the domestic market and those sold for export, give reasons and supporting evidence for these differences.
- 3 Give details and an explanation of any significant differences between the costs shown, and the costs as normally determined in accordance with your general accounting system. Reference should be made to any differences arising from movements in inventory levels and variances arising under standard costing methods.
- 4 In calculating the unit cost to make and sell, provide an explanation if the allocation method used (e.g. number, or weight etc.) to determine the unit cost differs from the prior practice of your company.

Please see Australian CTMS at Attachment 9 [CONFIDENTIAL ATTACHMENT].

Guilin International has reported its CTMS based on monthly production calculation worksheets as maintained in the normal course of accounting, and allocated the SG&A expenses for the investigation period.

Please refer to responses at Section B, C, D and E above for differences between the goods sold to Australia and [CONFIDENTIAL TEXT DELETED – domestic product] sold in Guilin International's domestic market.

G-6 Major raw material costs

List major raw material costs, which individually account for 10% or more of the total production cost such as:³

- Polyvinyl chloride (PVC) resin by type/grade; and

³ Except for copper, copper purchases will be dealt with in Section H – Subsidisation

- other.

For these major inputs:

- identify materials sourced in-house and from associated entities;
- identify the supplier; and
- show the basis of valuing the major raw materials in the costs of production you have shown for the goods (e.g. market prices, transfer prices, or actual cost of production).

Please complete worksheets “**PVC Resin Purchases**” for this purpose.⁴

Where the major input is produced by an associate of your company the Commission will compare your purchase price to a normal market price. If the associate provides information on the cost of production for that input such cost data may also be considered.

Normal market price is taken to be the price normally available in the market (having regard to market size, whether the input is normally purchased at ‘spot prices’ or under long term contracts etc.).

The term associate is defined in section 269TAA of the *Customs Act*. Included in that definition are companies controlled by the same parent company (a company that controls 5% or more of the shares of another is taken to be an associated company); companies controlled by the other company; and companies having the same person in the board of directors.

Important note: If the major input is sourced as part of an integrated production process you should provide detailed information on the full costs of production of that input.

Please see Attachment 9 for the purchase of PVC resin [CONFIDENTIAL ATTACHMENT].

⁴ Please note that copper purchases are dealt in Section H-1 of this questionnaire

SECTION H - SUBSIDISATION

The applicant alleges that producers in China of PVC flat electrical cables have benefited from a number of subsidies granted by the Government of China (the GOC)⁵, and that these subsidies are countervailable.

THE FOLLOWING PROGRAMS ARE BEING INVESTIGATED

Category	Program (number and description)
Part H-1: Provision of goods (Programs 1-4)	1. Copper provided by Government at less than adequate remuneration
Part H-2: Preferential tax policies (Programs 5-9)	5. Preferential Tax Policies for High and New Technology Enterprises
	6. Preferential Tax Policies in the Western Regions
	7. Land Use Tax Deduction
	8. Tariff and VAT Exemptions on Imported Materials and Equipment
	9. VAT refund on comprehensive utilisation of resources
Part H-3: Financial grants (Programs 10-42)	10. One-time Awards to Enterprises Whose Products Qualify for “Well-Known Trademarks of China” and “Famous Brands of China”
	11. Matching Funds for International Market Development for small and medium size enterprises (SMEs)
	12. Superstar Enterprise Grant
	13. Research and Development (R&D) Assistance Grant
	14. Patent Award of Guangdong Province
	15. Innovative Experimental Enterprise Grant
	16. Special Support Fund for Non-State-Owned Enterprises
	17. Venture Investment Fund of Hi-Tech Industry
	18. Grants for Encouraging the Establishment of Headquarters and Regional Headquarters with Foreign Investment
	19. Grant for Key Enterprises in Equipment Manufacturing Industry of Zhongshan
	20. Water Conservancy Fund Deduction
	21. Wuxing District Freight Assistance
	22. Huzhou City Public Listing Grant
23. Huzhou City Quality Award	

⁵ Meaning any level of government – refer to the Glossary of Terms for further information

Category	Program (number and description)
	24. Huzhou Industry Enterprise Transformation & Upgrade Development Fund
	25. Wuxing District Public List Grant
	26. Anti-dumping Respondent Assistance
	27. Technology Project Assistance
	28. Transformation technique grant for rolling machine
	29. Grant for Industrial enterprise energy management - centre construction demonstration project Year 2009
	30. Key industry revitalization infrastructure spending in 2010
	31. Provincial emerging industry and key industry development special fund
	32. Environmental protection grant
	33. Environmental protection fund
	34. Intellectual property licensing
	35. Financial resources construction - special fund
	36. Reducing pollution discharging and environment improvement assessment award
	37. Grant for elimination of out dated capacity
	38. Grant from Technology Bureau
	39. High and New technology Enterprise Grant
	40. Independent Innovation and High Tech Industrialization Program
	41. Environmental Prize
	42. Jinzhou District Research and Development Assistance Program

H-1 PROVISION OF INPUTS AT LESS THAN ADEQUATE REMUNERATION

Program 1: Provision of copper at less than adequate remuneration (LTAR)

The applicant claims that public bodies (in the form of state-invested enterprises (SIEs⁶)) are supplying copper, directly or indirectly, to manufacturers of PVC flat electrical cables at less than fair value.

As a general comment, Guilin International notes that China is the largest copper consumer and importer in the world, with most of the copper imported. Guilin International purchases [CONFIDENTIAL TEXT]

⁶ For the purpose of this questionnaire State Owned enterprise (SOE) and State Invested Enterprise (SIE) are together referred to as SIE. The term SIE is defined in the glossary of this questionnaire.

DELETED – raw material] as raw material for the production of the GUC. The prices for copper rods/wires are negotiated by reference to the copper prices traded on the Shanghai Future Exchange (“SHFE”). SHFE is one of the largest and most well-recognised trading platforms for copper internationally. Many suppliers listed on the SHFE copper platform are foreign companies. Most of Guilin International’s copper rod/wire suppliers [CONFIDENTIAL TEXT DELETED – type of entity], and all [CONFIDENTIAL TEXT DELETED – raw material] have been purchased at fair market value.

In relation to this program, provide the following information.

1. Does your business purchase any raw materials in the manufacture of PVC flat electrical cables?

Yes

2. Describe the nature of your production process for PVC flat electrical cables, including an itemised list of all raw materials used by your company in the process.

See Attachment 15 – Production flowchart [CONFIDENTIAL ATTACHMENT].

The key raw materials are [CONFIDENTIAL TEXT DELETED – raw materials].

3. Did your business or any company/entity related to your business receive any benefit under the above program during the period **1 January 2016 to 31 December 2017**? If yes, provide details.

No, Guilin International did not receive any such benefit.

Guilin International purchased copper rods for the production of the GUC from a variety of suppliers. [CONFIDENTIAL TEXT DELETED – type of suppliers]. In any event the prices charged by SIE and non-SIE suppliers are comparable. The differences are driven by the market prices at the time of purchase, price negotiation, payment terms, delivery terms and location of the supplier etc, rather than by the ownership types of supplier.

Provide responses to Question 4 and Questions 5 – 7 in the tables provided on the **“Copper Purchases”** tab on the attached **“Exporter Questionnaire – PVC flat electrical cables”**.

4. Provide data on a transaction-by-transaction basis, for all purchases of copper (cathode, rod and / or wire) during the period 1 January 2016 to 31 December 2017. This data should be provided for all purchases, not only those of Chinese origin (i.e. include imported copper as well). In the list, please be sure provide a contact name and address, of all your suppliers of copper and indicate whether the supplier is a SIE. Please also include all copper rod or cathode purchases of your company’s related entities where these related entities process copper and on-sell to your company for the production of PVC flat electrical cables.

Please add more space for additional suppliers and/or categories of product

as required.

Please see Attachment 9 for Guilin International's copper purchases [CONFIDENTIAL ATTACHMENT].

5. Did your business receive any reduction/reduced price for the purchase of copper during the investigation period? If so, describe the eligibility criteria that your business had to meet in order to qualify for any reduction in the price paid for the copper.

Guilin International did not receive any reduction/reduced price for the purchase of copper during the investigation period outside of normal commercial price negotiations.

As advised above, [CONFIDENTIAL TEXT DELETED – raw material] purchases are generally negotiated by reference to the copper price level on the SHFE with each supplier. Each supplier's price may vary, depending on its own [CONFIDENTIAL TEXT DELETED – market and price factors].

Please refer to the SHFE website for further information regarding its trading terms and the participating manufacturers for copper cathode at: <http://www.shfe.com.cn/en/products/Copper/attach/111152894.html> and <http://www.shfe.com.cn/en/products/Copper/contract/211238434.html>

[CONFIDENTIAL TEXT DELETED – raw material purchase practice], therefore the SHFE copper prices are used as a benchmark for negotiation.

6. Provide copies of all contractual agreements that detail the obligations of the SIE and your business with reference to the granting and receipt of the assistance/benefits.

Not applicable, Guilin International is neither aware of nor in receipt of any such assistance/benefit from SIE. All [CONFIDENTIAL TEXT DELETED – raw material] were purchased at transparent and competitive market prices.

7. If your business purchased imported copper, explain the reason/s for your business' decision to purchase imported over domestic copper, including the key factors affecting the decision such as price, availability etc.

All of the [CONFIDENTIAL TEXT DELETED – raw material] purchased by Guilin International during the POI were purchased from [CONFIDENTIAL TEXT DELETED – supplier information]. Guilin International is not aware of the source of the copper. It may have been imported or domestically produced. China is the largest copper ore/concentrate importer and consumer. There is also a large number of overseas based registered manufacturer for copper cathode on the SHFE's copper trade contract: <http://www.shfe.com.cn/en/products/Copper/attach/111152894.html>.

The London Metal Exchange ("LME") does not have copper warehouses in China. It is therefore not as accessible for Guilin International as the copper price on SHFE, given the additional ocean

freight and trader charges involved.

[CONFIDENTIAL TEXT DELETED – additional raw material purchase information].

H-2 PREFERENTIAL TAX PROGRAMS

Programs 5 – 7: Preferential income tax programs

Please complete questions 1 and 5 – 16 in the “Income Tax Programs” tab on the attached “Exporter Questionnaire – PVC flat electrical cables”.

1. Did your business or any company/entity related to your business receive any benefit⁷ under the following income tax programs identified above during the period 1 January 2015 to 31 December 2017:
 - **Program 5:** Preferential Tax Policies for High and New Technology Enterprises
 - **Program 6:** Preferential Tax Policies in the Western Regions
 - **Program 7:** Land Use Tax Deduction

[CONFIDENTIAL TEXT DELETED – comment on program applicability] Please see Attachment 17 for Guilin International’s income tax returns of 2015-2017 [CONFIDENTIAL ATTACHMENT].

Please see Attachment 19 for Guilin International’s land use tax payment chart, and Attachment 20 for the land use tax regulations [CONFIDENTIAL ATTACHMENT].

2. It is our understanding that the general tax rate for enterprises in China from 1 January 2015 was 25%. Confirm whether this is correct and if not, please identify the general tax rate for enterprises in China from 1 January 2015, indicating any changes in the taxation rate over the period 1 January 2015 to 31 December 2017.

We confirm it is correct.

3. If your business currently pays corporate income tax at a rate less than 25% (or whatever the rate of general tax is as discussed above), or paid at a rate less than that during the investigation period, please indicate whether the reduced rate relates to any of the preferential income tax programs identified above.

[CONFIDENTIAL TEXT DELETED – comment on program eligibility]

4. If the income tax rate of less than the general rate does not relate to any of the programs identified above, please provide an explanation for the reduced income tax rate and answer the questions in Part H-2 (1) above in relation to the income tax rate reduction.

Not applicable.

⁷ Refer to the Glossary of Terms for a definition of benefit in this context.

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For **each program** that you have identified above as conferring benefit on your entity, answer the following.

5. Provide complete details of the amount of the benefit received, including whether it was received in total or in instalments.
6. Indicate which goods you produced that benefited from the program (e.g. the program may have benefited all production or only certain products that have undergone research and development).
7. Describe the application and approval procedures for obtaining a benefit under the program.
8. Where applicable, provide copies of the application form or other documentation used to apply for the program, all attachments and all contractual agreements entered into between your business and the GOC in relation to the program.
9. Outline the fees charged to, or expenses incurred by your business for purposes of receiving the program.
10. Outline the eligibility criteria your business had to meet in order to receive benefits under this program.
11. State whether your eligibility for the program was conditional on one or more of the following criteria:
 - (a) whether or not your business exports or has increased its exports;
 - (b) the use of domestic rather than imported inputs;
 - (c) the industry to which your business belongs; or
 - (d) the region in which your business is located.
12. If the benefit was provided in relation to a specific activity or project of your entity, please identify the activity and provide supporting documentation.
13. What records does your business keep regarding each of the benefits received under this program? Provide copies of any records kept in relation to the program.
14. Indicate where benefits under this program can be found in your accounting system (i.e., specify the ledgers or journals) and financial statements.
15. To your knowledge, does the program still operate or has it been terminated?
16. If the program has been terminated, please provide details (including when and why). When is the last date that your business could apply for or claim benefits under the program? When is the last date that your business could receive benefits under the program?

If the program terminated has been substituted for by another program, identify the program and answer all the questions in Part H-2 in relation to this programme.

<p>Please see Guilin International's response to the above questions in Attachment 9 – Guilin International EQ spreadsheets – Program 5 [CONFIDENTIAL ATTACHMENT].</p>

17. For each taxation year from 2015 to 2017, complete the "**Income Tax**" tab in the "**Exporter Questionnaire – PVC flat electrical cables**" workbook.

Please see Attachment 9 – Guilin International EQ spreadsheets – Income Tax [CONFIDENTIAL ATTACHMENT].

18. Provide a copy, bearing the official stamp of the appropriate level of the GOC of all
- corporate income tax acknowledgement form(s) and the income tax return(s) that your company filed for the 2015, 2016, 2017, and 2018 tax years; and
 - income tax instalment payment receipts, and all applicable income tax forms and schedules for the 2015, 2016, 2017, and 2018 tax years.

Note: If your company did not file an income tax return in any of the tax years indicated, provide an explanation stating the reasons why you were exempt from filing such a return and the applicable section[s] of the Income Tax Act under which you were exempt from doing so.

Please see Attachment 17 for Guilin International’s income tax returns of 2015-2017 and Q1 of 2018 [CONFIDENTIAL ATTACHMENT].

Please see Attachment 18 for Guilin International’s income tax instalment payment receipts for the 2015 to 2017 tax years and 1st quarter of 2018 [CONFIDENTIAL ATTACHMENT].

Programs 8 - 9: Tariff and VAT Exemptions on Imported Materials and Equipment

It is our understanding that certain enterprises in China are eligible for exemption from the payment of import duty and import VAT on imported inputs, technologies and machinery, and VAT refunds on certain resources in the form of the following programs:

Program 8: Tariff and VAT Exemptions on Imported Materials and Equipment

Program 9: VAT refund on comprehensive utilisation of resources

If your business or any company/entity related to your business received benefits under any such program during the period 1 January 2015 to 31 December 2017, please answer the following questions.

For the following questions, please provide responses to questions in the "**VAT and Tariff Programs**" tab in the "**Exporter Questionnaire – PVC flat electrical cables**" workbook.

Not applicable. Guilin International did not receive any benefit under these two programs during the period 1 January 2015 to 31 December 2017.

2. Did your company receive any benefit under the programs listed above or any other program related to Tariff or VAT exemptions or refunds?
3. What type of benefit was received:
- (a) Tariff exemption,
 - (b) Tariff refund,
 - (c) VAT exemption, or

- (d) VAT refund?
4. What was the amount of benefit received?
 5. Was the benefit received as a lump sum payment or in multiple instalments?
 6. Describe the application and approval procedures for obtaining a benefit under the program.
 7. Where applicable, provide copies of the application form or other documentation used to apply for the program, all attachments and all contractual agreements entered into between your business and the GOC in relation to the program.
 8. Outline the fees charged to, or expenses incurred by your business for purposes of receiving the program.
 9. Outline the eligibility criteria your business had to meet in order to receive benefits under this program.
 10. State whether your eligibility for the program was conditional on one or more of the following criteria:
 - (a) whether or not your business exports or has increased its exports;
 - (b) the use of domestic rather than imported inputs;
 - (c) the industry to which your business belongs; or
 - (d) the region in which your business is located.
 11. If the benefit was provided in relation to a specific activity or project of your entity, please identify the activity and provide supporting documentation.
 12. What records does your business keep regarding each of the benefits received under this program? Provide copies of any records kept in relation to the program.
 13. Indicate where benefits under this program can be found in your accounting system (i.e., specify the ledgers or journals) and financial statements.
 14. To your knowledge, does the program still operate or has it been terminated?
 15. If the program has been terminated, please provide details (including when and why). When is the last date that your business could apply for or claim benefits under the program? When is the last date that your business could receive benefits under the program?
 16. If the program terminated has been substituted for by another program, identify the program.

For the following questions, please provide responses to questions in the "**VAT and Tariff Transactions**" tab in the "**Exporter Questionnaire – PVC flat electrical cables**" workbook.

<p>Not applicable. Guilin International did not benefit from VAT and tariff programs during the prescribed period.</p>

17. Were the materials and/or equipment that were entitled to a refund of VAT used in the production of the goods during the investigation period? If yes, provide the following information for each item that received a refund:

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- (a) type of inputs;
 - (b) cost of inputs;
 - (c) quantity of inputs; and
 - (d) amount of VAT refunded.
18. Has your company received exemption from payment of or refunds of import duty and import VAT for imported material inputs at any time that were used in the production of the goods during the investigation period? If yes, provide the following information for each transaction:
- (a) description of imported product;
 - (b) country of origin;
 - (c) quantity of imported product;
 - (d) purchase price;
 - (e) terms of purchase (e.g. FOB, CIF);
 - (f) ocean freight;
 - (g) value for duty of imported product;
 - (h) regular rate of taxes and/or duties;
 - (i) concessionary rate of taxes and/or duties;
 - (j) amount of duties and taxes normally applicable;
 - (k) amount of duties and taxes paid;
 - (l) amount of duties and taxes exempt;
 - (m) date of importation;
 - (n) tariff classification number;
 - (o) customs entry number; and
 - (p) application fee.
19. Provide sample documents for two items from two different quarters in the investigation period included in your response to Question 17. The sample documents should include:
- (a) copies of import entry documents (for example: bill of entry, invoice from supplier, etc.) for each type of importation covering duty-exempt inputs and duty-paid inputs imported for use in the manufacturing of the subject goods,
 - (b) any applications submitted to and/or approval document received from the GOC relating to the exemption from the payment of import duty and import VAT on imported inputs and in relation to the VAT that is refunded on the exportation of the subject goods.
 - (c) copies of reports and audits by the GOC authority responsible for administering the duty rebate or duty drawback scheme with respect to the verification of the importation and use of inputs and the remittance or drawback of the related duty paid or payable.

H-3 GRANTS

The Commission understands that the Government of China may be providing grants to enterprises in China including the following programs:

- Program 10:** One-time Awards to Enterprises Whose Products Qualify for “Well-Known Trademarks of China” and “Famous Brands of China”;
- Program 11:** Matching Funds for International Market Development for small and medium size enterprises (SMEs)
- Program 12:** Superstar Enterprise Grant
- Program 13:** Research and Development (R&D) Assistance Grant
- Program 14:** Patent Award of Guangdong Province
- Program 15:** Innovative Experimental Enterprise Grant
- Program 16:** Special Support Fund for Non-State-Owned Enterprises
- Program 17:** Venture Investment Fund of Hi-Tech Industry
- Program 18:** Grants for Encouraging the Establishment of Headquarters and Regional Headquarters with Foreign Investment
- Program 19:** Grant for Key Enterprises in Equipment Manufacturing Industry of Zhongshan
- Program 20:** Water Conservancy Fund Deduction
- Program 21:** Wuxing District Freight Assistance
- Program 22:** Huzhou City Public Listing Grant
- Program 23:** Huzhou City Quality Award
- Program 24:** Huzhou Industry Enterprise Transformation & Upgrade Development Fund
- Program 25:** Wuxing District Public List Grant
- Program 26:** Anti-dumping Respondent Assistance
- Program 27:** Technology Project Assistance
- Program 28:** Transformation technique grant for rolling machine
- Program 29:** Grant for Industrial enterprise energy management - centre construction demonstration project Year 2009
- Program 30:** Key industry revitalization infrastructure spending in 2010
- Program 31:** Provincial emerging industry and key industry development special fund
- Program 32:** Environmental protection grant
- Program 33:** Environmental protection fund
- Program 34:** Intellectual property licensing
- Program 35:** Financial resources construction - special fund
- Program 36:** Reducing pollution discharging and environment improvement assessment award
- Program 37:** Grant for elimination of out dated capacity
- Program 38:** Grant from Technology Bureau
- Program 39:** High and New technology Enterprise Grant
- Program 40:** Independent Innovation and High Tech Industrialization Program

Program 41: Environmental Prize

Program 42: Jinzhou District Research and Development Assistance Program

For the following questions, please provide responses to questions in the "**Grants**" tab in the "**Exporter Questionnaire – PVC flat electrical cables**" workbook.

1. Did your business or any company/entity related to your business receive any benefit under the above programs during the period **1 January 2015 to 31 December 2017**?
2. Did your business receive benefits under any other grant (including awards, prizes, funds) program during the period **1 January 2015 to 31 December 2017**?

For each program identified in your answer to 1 and 2 above, answer the following questions:

3. Provide complete details involving the amount of the grant received, including whether the grant was received in a lump sum or multiple instalments.
4. Indicate which goods you produced that benefited from the program (e.g. the program may have benefited all production, or only certain products that have undergone research and development).
5. Describe the application and approval procedures for obtaining a benefit under the program.
6. Where applicable, provide copies of the application form or other documentation used to apply for the program, all attachments and all contractual agreements entered into between your business and the Government of China in relation to the program.
7. Outline the fees charged to, or expenses incurred by your business for purposes of receiving the program.
8. Outline the eligibility criteria your business had to meet in order to receive benefits under this program.
9. State whether your eligibility for the program was conditional on one or more of the following criteria:
 - (a) whether or not your business exports or has increased its exports;
 - (b) the use of domestic rather than imported inputs;
 - (c) the industry to which your business belongs; or
 - (d) the region in which your business is located.
10. If the benefit was provided in relation to a specific activity or project of your entity, please identify the activity and provide supporting documentation.
11. What records does your business keep regarding each of the benefits received under this program? Provide copies of any records kept in relation to the program.
12. Indicate where benefits under this program can be found in your accounting system (i.e., specify the ledgers or journals) and financial statements.
13. To your knowledge, does the program still operate or has it been terminated?

14. If the program has been terminated, please provide details (including when and why). When is the last date that your business could apply for or claim benefits under the program? When is the last date that your business could receive benefits under the program?
If the program terminated has been substituted for by another program, identify the program and answer all the questions in Part I-1 in relation to this programme.
15. Identify the body responsible for administering the grant.
16. Identify the date of approval of the grant and the date the grant was received.
17. Indicate where the grant was accounted for on your business' financial statements.

Please see the responses to question 1-17 in Attachment 9 – Guilin International EQ spreadsheets – Grants [CONFIDENTIAL ATTACHMENT].

H – 4 ANY OTHER PROGRAMS

Provide answers to the following questions in the "Other programs" tab of the "Exporter Questionnaire – PVC flat electrical cables" workbook attached.

1. Provide a list of all the provinces in which you have business operations (including locations of factories, sales offices, or other places of business).
2. Are you aware of any programs of the Government of China, any of its agencies or any other authorised body, that benefits⁸ manufacturers of PVC flat electrical cables that have not been accounted for in this questionnaire? Provide the name of those programs you are aware of (even if your company is not eligible to receive benefit under the program.)
3. Indicate the location of the program by region, province or municipal level.
4. Indicate the type of program, for example:
 - (a) the provision of grants, awards or prizes;
 - (b) the provision of goods or services at a reduced price (e.g. electricity, gas, copper, transport);
 - (c) the reduction of tax payable including income tax and VAT;
 - (d) reduction in land use fees;
 - (e) loans from Policy Banks at below-market rates; or
 - (f) any other form of assistance.

For **each program** that you have identified, answer the following.

5. Indicate whether your company benefited from any of the listed programs.
6. Indicate which goods you produced that benefited from the program (e.g. the program may have benefited all production or only certain products that have undergone research and development).
7. Describe the application and approval procedures for obtaining a benefit

⁸ Refer to the Glossary of Terms for a definition of benefit in this context.

under the program.

8. Where applicable, provide copies of the application form or other documentation used to apply for the program, all attachments and all contractual agreements entered into between your business and the Government of China in relation to the program.
9. Outline the fees charged to, or expenses incurred by your business for purposes of receiving the program.
10. Outline the eligibility criteria your business had to meet in order to receive benefits under this program.
11. State whether your eligibility for the program was conditional on one or more of the following criteria:
 - (a) whether or not your business exports or has increased its exports;
 - (b) the use of domestic rather than imported inputs;
 - (c) the industry to which your business belongs; or
 - (d) the region in which your business is located.
12. If the benefit was provided in relation to a specific activity or project of your entity, please identify the activity and provide supporting documentation.
13. What records does your business keep regarding each of the benefits received under this program? Provide copies of any records kept in relation to the program.
14. Indicate where benefits under this program can be found in your accounting system (i.e., specify the ledgers or journals) and financial statements.
15. To your knowledge, does the program still operate or has it been terminated?
16. If the program has been terminated, please provide details (including when and why). When is the last date that your business could apply for or claim benefits under the program? When is the last date that your business could receive benefits under the program?

If the program terminated has been substituted for by another program, identify the program and answer all the questions in Part H-4 in relation to this programme.

**[CONFIDENTIAL TEXT DELETED – comment on the “Other Programs”].
Please see the responses to questions 1-16 in Attachment 9 – Guilin
International EQ spreadsheets – Other Programs [CONFIDENTIAL
ATTACHMENT]**

**SECTION I
EXPORTER'S DECLARATION**



I hereby declare that **Guilin International Wire & Cable Group Co., Ltd.** did, during the period of investigation export the goods under consideration and have completed the attached questionnaire and, having made due inquiry, certify that the information contained in this submission is complete and correct to the best of my knowledge and belief.

Name: Tan Zhong

Signature:



Position in Company: Chief Financial Officer of
Guilin International

Date: 23/07/2018

SECTION J CHECKLIST

This section is an aid to ensure that you have completed all sections of this questionnaire.

Section	Please tick if you have responded to all questions
Section A – general information	<input checked="" type="checkbox"/>
Section B – export price	<input checked="" type="checkbox"/>
Section C – like goods	<input checked="" type="checkbox"/>
Section D – domestic price	<input checked="" type="checkbox"/>
Section E – fair comparison	<input checked="" type="checkbox"/>
Section F – exports to third countries	<input checked="" type="checkbox"/>
Section G – costing information	<input checked="" type="checkbox"/>
Section H – subsidisation	<input checked="" type="checkbox"/>
Section I – declaration	<input checked="" type="checkbox"/>

Electronic Data	Please tick if you have provided spreadsheet
INCOME STATEMENT	<input checked="" type="checkbox"/>
TURNOVER – sales summary	<input checked="" type="checkbox"/>
AUSTRALIAN SALES – list of sales to Australia	<input checked="" type="checkbox"/>
DOMESTIC SALES – list of all domestic sales of like goods	<input checked="" type="checkbox"/>
THIRD COUNTRY – third country sales	<input checked="" type="checkbox"/>
PRODUCTION – production figures	<input checked="" type="checkbox"/>
DOMESTIC COSTS – costs of goods sold domestically	<input checked="" type="checkbox"/>
AUSTRALIAN COSTS – costs of goods sold to Australia	<input checked="" type="checkbox"/>
COPPER PURCHASES	<input checked="" type="checkbox"/>

FOR PUBLIC RECORD

PVC PURCHASES	<input checked="" type="checkbox"/>
INCOME TAX PROGRAMS	<input checked="" type="checkbox"/>
INCOME TAX TRANSACTIONS	<input checked="" type="checkbox"/>
VAT & TARIFF PROGRAMS	N/A
VAT & TARIFF TRANSACTIONS	N/A
GRANTS	<input checked="" type="checkbox"/>
OTHER PROGRAMS	<input checked="" type="checkbox"/>