



## Exporter Verification Report

### Verification & Case Details

<b>Initiation Date</b>	12 July 2018	<b>ADN:</b>	2018/111
<b>Case:</b>	Aluminium Extrusions - Review of Measures - China		
<b>Case Number</b>	482		
<b>Exporter</b>	Gomax Metal Co Ltd Fujian		
<b>Location</b>	CHINA		
<b>Verification from</b>	31 October 2018	<b>to</b>	2 November 2018
<b>Review Period</b>	1 July 2017	<b>to</b>	30 June 2018

THIS REPORT AND THE VIEWS OR RECOMMENDATIONS CONTAINED THEREIN WILL BE REVIEWED BY THE CASE MANAGEMENT TEAM AND MAY NOT REFLECT THE FINAL POSITION OF THE ANTI-DUMPING COMMISSION

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## **1 COMPANY BACKGROUND**

### **1.1 Corporate Structure and Ownership**

Goomax Metal Co Ltd Fujian (Goomax) is a limited liability company with two individual shareholders. There are a number of related entities affiliated with Goomax.

Goomax produces stainless steel tubes, aluminium extrusions, windows, doors and solar frame, in two separate factories. Other companies affiliated with Goomax produce and/or sell similar goods, however service different geographical markets.

Goomax sells aluminium extrusion frames to a related entity that specialises in solar power structures, such as the structures that house solar panels. This related company make purchases from Goomax and other unrelated parties.

There are two related trading companies in the Goomax group of affiliated companies. One is located in a third country and the second is a domestic Chinese trading company. The domestic Chinese trading company subsequently sells all purchased goods from Goomax to third countries, other than Australia.

Goomax has one related Australian company. However Goomax advised that this company did not commence trading in Australia and is in the process of being deregistered.

### **1.2 Related Parties**

The verification team examined the relationships between related parties involved in the manufacture and sale of the goods.

#### **1.2.1 Related Customers**

Goomax does not sell the goods under consideration, or like goods for the Chinese domestic market, to related entities.

Goomax sells products that are non-goods to related parties, such as stainless steel tubes, solar frames, doors and windows.

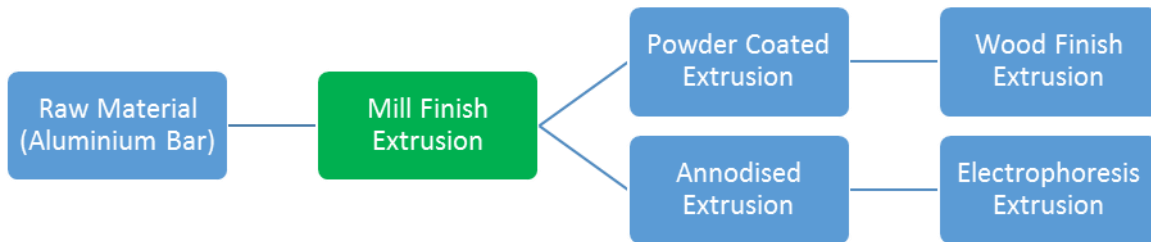
#### **1.2.2 Related Suppliers**

Goomax does not purchase materials from related parties.

## 2 THE GOODS AND LIKE GOODS

### 2.1 Production Process

The verification team toured the aluminium extrusions factory and observed the production processes. The verification team considers the goods follow the following process to transfer raw materials into finished goods of various finishes.



The verification team outline the stages of production stages as follows:

- **Creation of Aluminium Rods:** The factory melts aluminium ingot and scrap aluminium to produce aluminium rods. Alternatively bar can be purchase bar.
- **Extrusions Line:** The aluminium rods are transferred to the extrusions line where they are heated and cut into appropriate lengths before being extruded through the appropriate model. The resultant product from this stage of production is a mill finished product. This is the base product for further processing know as mill finish.
- **Powder Coating Line:** The mill finish product is taken to the powder coating line where it is powder coated to the customer specification. A heating process is completed after the powder coating to dry the product and fix the powder coat to the extrusion.
- **Wood Grain Line:** A wood grain finish is applied to powder coated product. The process involves the application of a stencil to the powder coated extrusion, which is then wrapped in plastic and placed into an oven.
- **Anodised Line:** Mill finished products are taken to the anodising line where oil is removed using acid and alkaline solutions before the goods undergo a wash. The anodising process is conducted, after which the product is washed and aired. The anodising process sets the colour of the product.
- **Electrophoresis Line:** The product is first anodised, then the anodised product undergoes the electrophoresis process. This involves an electric current being placed across the extrusion, and the extrusion being placed in a chemical bath. The product is then washed in pure water and heated to dry the product before airing.
- **Transfer to Warehouse:** The finished goods are transferred to the warehouse for despatch. The verification team noted that domestic and export products had slightly different packaging as follows:
  - the domestic product was packed in small bundles covered in paper with a label on the end of each bundle.

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- The export product had the same base packaging as the domestic product, however it has an additional plastic wrap around each bundle. Otherwise the packaging was identical.
- **Despatch:** The goods are loaded directly from the finished goods warehouse into trucks for delivery, no additional bundling was observed for the domestic shipments being despatched. The company explained that for export packing the goods are loaded directly into shipping containers.

### 2.2 Model Matching

Goomax Metal Co Ltd Fujian provided sales and cost data in its response to the exporter questionnaire in accordance with the model matching structure detailed in Consideration Report No. 482. The verification team noted that models were matched at the finish level only as follows:

- Milled
- Anodised
- Wood Grain
- Powder Coated
- Electrophoresis

### 2.3 The goods exported to Australia

The verification team were satisfied that Goomax Metal Co Ltd Fujian produced and exported the goods to Australia. Goomax Metal Co Ltd Fujian exported the goods to Australia with the following models control codes (MCCs) during the period:

- Milled
- Anodised
- Powder Coated

### 2.4 Like goods sold on the domestic market

The verification team were satisfied that Goomax Metal Co Ltd Fujian sold like goods in the domestic market.

The verification team considers that the goods manufactured for domestic consumption are identical to, or have characteristics closely resembling, the goods exported to Australia, as they:

- are not distinguished from the exported goods during production (the exported goods and goods sold on the domestic market are produced in the same way, subject to individual customer specifications, and the costs of production for models sold domestically and for export are the same);
- are produced at the same facilities, using the same raw material inputs and manufacturing processes;
- the goods compete in the same market sector, are interchangeable and use similar distribution channels; and
- can be considered functionally alike, as they have similar end uses.

Goomax Metal Co Ltd Fujian sold like goods on the domestic market with the following MCCs during the period:

- Milled

- Anodised
- Wood Grain
- Powder Coated
- Electrophoresis

## 2.5 Model matching

The verification team is satisfied that, consistent with previous reviews and the original investigation, that model matching in the event of normal values being established under section 269TAC(1) of the *Customs Act 1901* (the Act)<sup>1</sup>, should be completed on the basis of finish.

The verification team considered the following categories when comparing sales of domestic models and export models.

Category	Characteristics of Category & Rationale for Model Matching	Used in Model Matching
Finish	<p>The following finishes were used for model matching purposes:</p> <ul style="list-style-type: none"><li>• Milled</li><li>• Anodised</li><li>• Wood Grain</li><li>• Powder Coated</li><li>• Electrophoresis</li></ul> <p>These characteristics reflect different price points along the stage of production and are consistent with previous model matching criteria.</p>	Y

## 2.6 Like goods – assessment

The verification team considers that the goods produced by Goomax Metal Co Ltd Fujian for domestic sale have characteristics closely resembling those of the goods exported to Australia and are therefore 'like goods' in accordance with subsection 269T(1) of the *Customs Act 1901* (the Act).<sup>2</sup>

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<sup>1</sup> References to any section or subsection in this report relate to provisions of the Act, unless specifically stated otherwise.

### **3 UPWARDS VERIFICATION OF SALES**

#### **3.1 Verification of Sales Completeness and Relevance**

Verification of relevance and completeness is conducted by reconciling selected data submitted "upwards" through management accounts up to audited financial accounts. The verification team verified the completeness and relevance of the export and domestic sales listings provided in the REQ by reconciling these to audited financial statements in accordance with ADN. No 2016/30.

The verification team notes that Goomax Metal Co Ltd Fujian is not required to have their financial accounts audited, nor does it produce internal management reports at the goods level. As such, the verification team reconciled the domestic and export sales listings provided by Goomax Metal Co Ltd Fujian to tax returns submitted to the local authorities. To confirm accuracy of the tax returns, the verification team sought confirmation that relevant taxes for the period had been paid, which reconciled to the payment amounts required by the tax authorities. The verification team noted in order for Goomax Metal Co Ltd Fujian to complete the sales spreadsheets with sufficient detail, Goomax Metal Co Ltd Fujian used internal sales excel files in conjunction with data collected in the financial accounting system. As outlined in section 3.1.1 below, the verification team significantly expanded the sample of transactions selected for relevance testing due to the manual nature of the data collection.

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

##### **3.1.1 Exceptions during Verification of Sales Completeness and Relevance**

No.	Exception	Resolution	Evidence Relied On
1	The company advised that one line was changed in the revised sales listing provided at the start of verification. This related to one line which was mistakenly reported as USD in the original submission whereas the transaction was found to be in Australian dollars. The company identified the error as the accounting system recognised it as a USD transaction they noted in the source documents that it was the wrong currency.	The company updated currency and the exchange rate applicable for this transaction. The result is a lower export price for this transaction. The company advised that this transaction was one of the selected transactions for downwards. As this transaction affected the total sum of export sales, an adjustment was required when reconciling to the financial statements. The verification team is satisfied that, after completion of this alteration, the export sales listing is complete and relevant.	Downwards source documentation for selected transaction.
2	The verification team identified sales of goods that were excluded from the domestic sales	The verification team requested a detailed sales listing of all good sold in the category of solar modules. The	Invoices and sales contracts for solar modules category of goods.



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	listing provided in the REQ. These sales were listed in the category of 'Solar Modules', however on examination of the sales contract, invoice and photographs the verification team consider that the goods were unassembled components of aluminium extrusions. As such the verification team consider that these goods meet the goods definition and therefore should be included in the domestic sales listing.	verification team is not satisfied that sufficient evidence has been furnished to discount these as like goods. The verification team consider these to be like goods and have amended the domestic sales listing to include all sales classified as 'solar modules' as like goods.	
3	The verification team identified sales of goods that were excluded from the domestic sales listing provided in the REQ. These sales were listed in the category of 'Aluminium Extrusions – Other', however on examination of the sales contract and invoice the verification team consider that some of the goods are aluminium extrusions. As such the verification team consider that these goods meet the goods definition and therefore should be included in the domestic sales listing.	The verification team requested a detailed sales listing of all good sold in the category of aluminium extrusions - other. The verification team is not satisfied that sufficient evidence has been furnished to discount all goods within this category as like goods. The verification team consider goods with the descriptions of 'aluminium single board', 'aluminium tube', aluminium tube tie rod and 'aluminium extrusions' to be like goods and have amended the domestic sales listing to include all sales classified as 'solar modules' as like goods.	Invoices and sales contracts for aluminium extrusions – other category of goods.

### 3.2 Completeness and Relevance Finding

The verification team are satisfied that the sales data provided in the exporter questionnaire response by Goomax Metal Co Ltd Fujian, including any required amendments as outlined as an exception above, is complete and relevant.

## **4 DOWNWARDS VERIFICATION OF SALES**

### **4.1 Verification of Sales Accuracy**

The accuracy of data is verified by reconciling selected data submitted "downwards" to source documents. This part of verification involves the process of agreeing the volume, value and other key information fields within the sales data and cost data down to source documents. This verifies the accuracy of the data (e.g. for sales data, the volume and value of the records for selected transactions are accurate and reflect sales that did occur). The verification team verified accuracy of the export and domestic sales listings submitted in the REQ by reconciling these to source documents statements in accordance with ADN. No 2016/30.

### **4.2 Sales Accuracy Finding**

The verification team are satisfied that the sales data provided in the exporter questionnaire response by Goomax Metal Co Ltd Fujian, including any required amendments as outlined as an exception above, is accurate.

**5 COST TO MAKE AND SELL**

**5.1 Verification of completeness and relevance of CTMS data**

The verification team verified the completeness and relevance the cost to make and sell (CTMS) information provided in the REQ by reconciling it to audited financial statements in accordance with ADN No. 2016/30.

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

**5.1.1 Exceptions during Verification of Completeness and Relevance of CTMS data**

No.	Exception	Resolution	Evidence Relied On
1	The verification team were unable to verify Goomax's cost to make and sell beyond the Aluminium Extrusion Workshop costing level as production costs from this level on are determined by calculated costs and not captured in detail in Goomax's accounting system.	The verification team chose one month of costs from the Aluminium Extrusion Workshop to verify both monthly costs and the allocations used by Goomax to determine their accuracy and reasonableness.	Allocation calculations provided by Goomax and accounting reports for March 2018.

**5.2 Completeness and Relevance Finding of CTMS data**

The verification team are satisfied that the cost to make and sell (CTMS) data provided in the exporter questionnaire response by Goomax is complete and relevant.

**5.3 Verification of CTMS Allocation Methodology**

The verification team verified the reasonableness of the methodology used to allocate the CTMS information provided in the REQ to the relevant models, in accordance with ADN No. 2016/30.

Cost Area	Methodology Applied	Evidence Relied On
Raw Materials	Raw materials only includes base raw materials, such as aluminium. All other raw materials such as paint and chemicals are reported in manufacturing overheads. Raw materials allocation is based on a ratio of total costs, applied to the total raw material costs assigned across the aluminium extrusion workshop.	Inventory ledgers for direct materials, aluminium purchases and allocation

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		calculations provided by Goomax.
Scrap Allocation	Goomax advised that all scrap produced is recycled and no costs are allocated to it. The verification team noted that Goomax do not record quantities of yield loss.	
Manufacturing Overheads	Manufacturing overheads are reported at a whole of company level and are allocated to the steel and aluminium workshops based on the ratio of raw materials to finished goods in WIP for the period. Included in overheads are: electricity; gas, transport staff salary; depreciation, pain, die fees, packaging costs and other expenses.	Ledgers for gas and electricity, invoices and payment records.
Labour	Direct labour cost for the company are allocated according to three categories as follows: <ul style="list-style-type: none"> <li>• Staff in Aluminium Workshop only – all labour costs for these staff are directly allocated to the aluminium workshop.</li> <li>• Staff in Stainless Steel Workshop only – all labour costs for these staff are allocated to the stainless steel workshop.</li> <li>• Staff who work in both workshops – the labour cost for these staff are apportioned based on the production volume ratio of the two workshops.</li> </ul>	Payroll sheet, accounting records and inventory ledger
Depreciation	Depreciation has a general allocation across both the steel and aluminium workshops, regardless of the equipment used in different workshops.	Depreciation ledger and asset register.
Packaging	Included in manufacturing overheads.	

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

### 5.3.1 Verification of CTMS Allocation Methodology Exceptions

No.	Exception	Resolution	Evidence Relied On
1	The verification team consider that while the costing demonstrated in the cost sheet is complete, the allocation methodology applied does not result in a cost to make that reflects the actual cost of production at a model level. As such, the verification team consider that the cost data supplied is unreliable for the purpose of constructing a normal value, determining sales made in the ordinary course of trade or determination of profit.	The verification team consider the cost to make data provided in the REQ unreliable.	Cost allocation data.

## **5.4 Verification of CTMS Methodology Finding**

The verification team are not satisfied that the allocation methodology for the cost to make and sell (CTMS) data provided in the exporter questionnaire response by Goomax Metal Co Ltd Fujian is reasonable. The verification team advised Goomax Metal Co Ltd Fujian during the visit that, due to the allocation methodology used by the company to differentiate costs between workshops and models, that the costs provided do not reasonably reflect the cost of production of each model.

## **5.5 Verification of Accuracy of CTMS data**

The verification team verified the accuracy of the CTMS information provided in the REQ by reconciling it to source documents in accordance with ADN No. 2016/30.

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

### **5.5.1 Exceptions during Verification of Accuracy of CTMS data**

<b>No.</b>	<b>Exception</b>	<b>Resolution</b>	<b>Evidence Relied On</b>
<b>1</b>	Electricity costs are allocated between the aluminium and steel workshops based on total production outputs.	The verification team however did not consider the allocation methodology for electricity was appropriate.	Electricity ledger, invoices and payment details.
<b>2</b>	Depreciation costs are allocated between the aluminium and steel workshops based on total production outputs.	The verification team however did not consider the allocation methodology for depreciation costs was appropriate.	Depreciation ledger

## **5.6 Accuracy Finding of CTMS data**

The verification team are satisfied that the cost to make and sell (CTMS) data provided in the exporter questionnaire response by Goomax Metal Co Ltd Fujian, including any required amendments as outlined as an exception above, is accurate.

## 6 EXPORT PRICE

### 6.1 The importers

Subject to further enquiries with relevant importers, in relation to the goods exported by Goomax Metal Co Ltd Fujian to Australia, the verification team considers that the customers listed for each shipment were the beneficial owners of the goods at the time of importation, and therefore were the importers of the goods.

### 6.2 The exporter

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

The verification team were satisfied that for all Australian export sales during the period the verification team considers Goomax Metal Co Ltd Fujian to be the exporter of the goods.

### 6.3 Arms length

In respect of Goomax Metal Co Ltd Fujian's Australian sales of the goods during the period, the verification team found no evidence that:

- there was any consideration payable for, or in respect of, the goods other than its price; or
- the price was influenced by a commercial or other relationship between the buyer, or an associate of the buyer, and the seller, or an associate of the seller; or
- the buyer, or an associate of the buyer, was directly or indirectly reimbursed, compensated or otherwise receive a benefit for, or in respect of, the whole or any part of the price.<sup>3</sup>

The verification team therefore considers that all export sales to Australia made by Goomax Metal Co Ltd Fujian during the period were arms length transactions.

### 6.4 Export Price – assessment

In respect of Australian sales of the goods by Goomax Metal Co Ltd Fujian, the verification team recommends that the export price be determined under paragraph 269TAB(1)(a), as the price paid by the importer to the exporter less transport and other costs arising after exportation.

The verification team's preliminary export price calculations are at **Confidential Appendix 1**.

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<sup>3</sup> Section 269TAA of the Act refers.

## **7 DOMESTIC SALES SUITABILITY**

The verification team has assessed the domestic sales to determine if the prices paid in respect of domestic sales of like goods are suitable for assessing normal value under subsection 269TAC(1).

### **7.1 Arm's length**

In respect of domestic sales of the goods made by Goomax Metal Co Ltd Fujian to its customers during the review period, the verification team found no evidence that:

- there was any consideration payable for, or in respect of, the goods other than its price; or
- the price was influenced by a commercial or other relationship between the buyer, or an associate of the buyer, and the seller, or an associate of the seller; or
- the buyer, or an associate of the buyer, was not directly or indirectly reimbursed, compensated or otherwise received a benefit for, or in respect of, the whole or any part of the price.

The verification team therefore considers that all domestic sales made by Goomax Metal Co Ltd Fujian to domestic customers during the period were arm's length transactions.

### **7.2 Ordinary course of trade**

Section 269TAAD provides that if like goods are sold in the country of export at a price less than the cost of such goods, and are unrecoverable within a reasonable period, then they are taken not to have been sold in the ordinary course of trade (OCOT).

The verification team attempted to compare the revenue (i.e. net sales value) for each domestic sale of like goods to the corresponding quarterly domestic CTMS to test whether those sales were profitable. As the verification team considers the cost data to be unreliable, the verification team are unable to determine if like goods sold in the country of export have been made in the ordinary course of trade. Therefore, the verification team considers that none of the domestic sales can be deemed to have been made in the ordinary course of trade.

The results of the verification teams testing of the ordinary course of trade are as follows.

<b>Number of Models</b>	<b>Number of Models with Sales in OCOT</b>
5	Nil

### **7.3 Suitability of domestic sales**

Subparagraph 269TAC(2)(a)(i) provides that the normal value of goods exported to Australia cannot be ascertained under subsection 269TAC(1) where there is an absence, or low volume, of sales of like goods in the market of the country of export. Low volume is defined by subsection 269TAC(14) as less than 5 percent of the total volume of the goods under consideration that are exported to Australia.

As there were no sales found to be in the ordinary course of trade, the verification team also find that there are no domestic sales that are suitable for ascertaining a normal value under subsection 269TAC(1).

## **7.4 Profit**

Where the Commission is required to calculate a normal value under section 269TAC(2)(c), an amount of profit must be determined. The verification team has been unable to calculate an amount should a normal value be required under this provision. The verification team has been unable to determine profit due to the cost to make data provided being deemed unreliable.



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**8 ADJUSTMENTS**

To ensure the normal value is comparable to the export price of goods exported to Australia at free-on-board (FOB) terms, the verification team has considered the following adjustments in accordance with subsection 269TAC(8).

**8.1 Rationale and Methodology**

Adjustment Type	Rationale for Adjustment	Calculation Methodology	Evidence	Claimed in REQ?
<b>Credit Terms</b>	<p>Export sales are sold on a payment in advance terms, whereas domestic sales are sold on both payment in advance and for long standing customers on a rolling payment (<b>Refer to Error! Reference source not found.</b>). As export sales are at cash basis while some domestic sales offer credit, it is appropriate to make an adjustment to the normal value to account for the cost of credit that is applied to domestic sales and not export sales.</p> <p>However, the verification team notes that the only domestic customer that has a rolling balance is a related party and that all of those sales are subsequently exported to third countries. Thus, the verification team considers that in this instance, it is not necessary to make a downwards adjustment for credit as the sales to the related party, which are later exported, are not considered by the verification team to be domestic sales.</p>	No calculation conducted due to no relevant domestic sales having credit terms.	<b>Supporting documents for domestic customer with credit sales.</b>	<b>No</b>
<b>Packaging</b>	The verification team noted during the factory tour that export goods had an additional layer of packaging applied which was not applied for domestic sales ( <b>Refer to Error! Reference source not found.</b> ). The verification team consider it may be	Goomax advised that packaging costs are included in the cost of production under manufacturing expenses. However as the company does not cost to the product level they are unable to	<b>N/A</b>	

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	<p>necessary to make an adjustment for the cost of packaging differences between export and domestic goods.</p> <p>During the factory tour the verification team consider the cost difference would likely be immaterial, as the only difference was a gladwrap layer over the existing packaging. As a result, the team consider that it was unlikely to have affected pricing decisions.</p> <p>The verification team noted concerns from Australian Industry that export goods would require wooden frames to be containerised. The verification team found no evidence this occurred during the production tour or cost records. The verification team are satisfied that wooden packaging was not incurred by Goomax and have not therefor made any adjustment for wooden crates.</p>	<p>differentiate the cost of packaging between domestic and export goods.</p> <p>As a result, no adjustment has been able to be calculated.</p>		
<p><b>Inland Transport</b></p>	<p>All export sales are made at an ex-works basis while some domestic sales are delivered to the customer. In order to enable fair comparison, an adjustment for the cost of inland transport for the domestic sales is required to arrive at an EXW selling price.</p>	<p>The company advised that for domestic sales, the inland transportation associated with the domestic sales has been allocated based on the sales quantities and that the inland transportation cost is recorded as part of the selling costs.</p> <p>The inland transport is allocated. The first is the total inland transport for domestic sales of all the goods for the company across the review period. Goomax then allocated this quantity to the subject goods based on the revenue. Goomax consider that revenue was an appropriate basis to allocate the costs, as some goods that are shipped, the unit of measurement is not kg, and thus they were unable to determine a unit weight cost of inland transportation.</p>	<p><b>Source documents for inland costs, including ledgers.</b></p>	<p><b>No</b></p>

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		<p>Once calculated at a whole of company level, Goomax then applied that unit ratio to the production weight.</p> <p>The verification team disagreed and considered that weight was a more appropriate allocation method and requested the Goomax recalculate based on the actual cost for each delivery. Goomax advised that shipment is done using Goomax's own vehicles and staff, thus it is not possible to determine a value for each shipment. Given the lack of available information, the verification concede that this methodology was the only method available to Goomax, given its accounting methodology. The verification team verified the total expense in the accounting system which excluded export expenses. This comes from the expenses for cars and expenses for transportation and then excludes the expenses for export in the detailed ledger .</p>	
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**8.2 Adjustments**

Adjustment Type	Deduction/addition
Domestic Inland Transport	Deduction

The verification team's preliminary adjustment calculations are included in normal value calculations at **Confidential Appendix 4**.

## 9 NORMAL VALUE

The verification found that there were no models with sufficient volumes of domestic sales of the goods, exported to Australia, that were arms length transactions and at prices that were within the OCOT. The verification team is therefore not satisfied that the prices paid in respect of domestic sales of these models of the goods are suitable for assessing normal value under subsection 269TAC(1).

The verification team found that cost data submitted by Goomax Metal Co Ltd Fujian was not reliable. Therefore the verification team were unable to calculate a normal value under subsection 269TAC(2)(c) as the team does not have data that reasonably reflects the cost of production.

The verification team notes that Goomax Metal Co Ltd Fujian was not a selected exporter under subsection 269TACAA however submitted a full exporter questionnaire response and was considered a residual exporter. The Commission considered that the examination of Goomax Metal Co Ltd Fujian's exports to Australia would not prevent the timely completion of the investigation. While the verification team considers that sufficient relevant information has been provided to establish an export price, there is insufficient relevant information available to calculate a normal value.

The verification team therefore recommend that relevant information for the establishment of a normal value for Goomax Metal Co Ltd Fujian may be calculated with reference to subsection 269TACAB(2)(d), being the normal value for residual exporters. The verification team recommends that the case team determine a normal value under subsection 269TAC(6), with reference to the residual normal value.

The verification team are unable to preliminary calculate a normal value.

## **10 DUMPING MARGIN**

The verification team has referred the determination of the normal value to the case management team. Therefore, the verification team has not calculated a preliminary dumping margin.

## **11 SUBSIDIES**

### **11.1 Verification of Completeness and Relevance of Subsidies**

Verification of relevance and completeness is conducted by reconciling selected data submitted "upwards" through management accounts up to audited financial accounts. The verification team verified the completeness and relevance of the subsidy programs provided in the REQ by reconciling these to financial statements in accordance with ADN. No 2016/30.

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

#### **11.1.1 Exceptions during Verification of Sales Completeness and Relevance**

No.	Exception	Resolution	Evidence Relied On
1	Aluminium purchases from SOE's. The verification team noted that there were two purchases made from State Owned Enterprises (SOE's) during the review period. The REQ stated that Goomax did not receive any benefit under this program.	Goomax clarified that the supplier of the aluminium was an SOE but that the manufacturer of the aluminium was not an SOE and that as such no benefit was incurred.	Aluminium Purchases Records

### **11.2 Completeness and Relevance Finding**

The verification team are satisfied that the subsidies data provided in the exporter questionnaire response by Goomax Metal Co Ltd Fujian, including any required amendments as outlined as an exception above, is complete and relevant.

### **11.3 Verification of Subsidies Accuracy**

The accuracy of data is verified by reconciling selected data submitted "downwards" to source documents. This part of verification involves the process of agreeing the value and nature of subsidies within the submitted subsidies down to source documents. This verifies the accuracy of the data. The verification team verified accuracy of the subsidies received details submitted in the REQ by reconciling these to source documents in accordance with ADN. No 2016/30.

#### **11.4 Subsidies Accuracy Finding**

The verification team are satisfied that the subsidies information provided in the exporter questionnaire response by Goomax Metal Co Ltd Fujian, including any required amendments as outlined as an exception above, is accurate.

#### **11.5 Subsidies Preliminary Findings**

The verification team's calculation of a subsidy margin are found in **Confidential Appendix 2..**

The preliminary subsidy margin in respect of aluminium extrusions exported to Australia by Goomax for the investigation period is **1.2 per cent.**

**PUBLIC RECORD**

**12 APPENDICES AND ATTACHMENTS**

<b>Confidential Appendix 1</b>	Export price
<b>Confidential Appendix 2</b>	Subsidy Calculations
<b>Confidential Attachment 1</b>	Verification work program