



Exporter Questionnaire



Anti-Circumvention Inquiry No. 483 Alleged exportation of slightly modified goods to Australia

Product:	Wire rope
From:	The Republic of South Africa
Period of Inquiry:	From 1 January 2016
Response due by:	13 August 2018 Extended to 27 August 2018
Important note: The timeliness of your response is important. Please refer below for more information.	
Investigation case manager:	Carina Oh
Phone:	+61 3 8539 2511
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E-mail:	investigations2@adcommission.gov.au
Return completed questionnaire to:	investigations2@adcommission.gov.au OR Upload to the Commission's file sharing facility (contact case manager if this is required) OR Anti-Dumping Commission GPO Box 2013 Canberra ACT 260 Australia Attention: Director Investigations 2
ADC website:	www.adcommission.gov.au

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THE GOODS SUBJECT TO ANTI-DUMPING MEASURES (THE GOODS)

The goods the subject of the original notice are:

stranded wire rope, alloy or non-alloy steel, whether or not coated or impregnated, having both of the following:

- *Not greater than 8 strands;*
- *Diameter not less than 58mm and not greater than 200mm,*

with or without attachments.

Further information regarding the goods:

- (i) *Stranded steel wire rope is rope and strand made of high carbon wire (whether or not containing alloys);*
- (ii) *The strand or rope can also be sheathed or impregnated and sheathed respectively in plastic or composites;*
- (iii) *The wires can be layered-up in various configurations in order to give the strand or rope the desired physical properties;*
- (iv) *Variances can include:*
 - *strand diameter;*
 - *number of wires;*
 - *wire finish (e.g. typically black but may be galvanised);*
 - *wire tensile grade;*
 - *type of lubricant;*
 - *strand or rope length; and*
 - *whether or not an attachment is included (but not limited to ferrules and/or beackets).*
- (v) *Cores may be made of:*
 - *natural or synthetic fibre; or*
 - *Independent Wire Rope Cores ("IWRC"), which may or may not be sheathed or impregnated in plastic.*

Typical uses include applications such as dragline hoist, drag and dump ropes, and shovel hoist, crowd and retract ropes.

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Goods excluded from the measures are:

- *stranded wire rope that is stainless steel as defined under Note (e) "Stainless steel" to the Tariff;*
- *stranded wire rope with more than 8 strands, regardless of diameter; and*
- *stranded wire rope less than 58mm or greater than 200mm in diameter, regardless of the number of strands.*

**GOOD SUBJECT TO THE INQUIRY
(THE CIRCUMVENTION GOODS)**

The goods subject to the anti-circumvention inquiry (the circumvention goods) are described as wire rope consisting of nine strands.

The circumvention goods are allegedly being imported into Australia from South Africa under tariff subheading 7312.10.00, statistical code 93 of Schedule 3 to the *Customs Tariff Act 1995*.

The following table provides the details regarding goods classified under 7312.

Tariff Subheading	Statistical Code	Unit	Description
7312.10.00	93	kg	<i>Ropes and cables containing more than eight strands, of alloy or non-alloy steel.</i>

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 inquiry:

Head Office: **Scaw South Africa (Pty) Ltd – Steel Wire Rope**

Name	Morgan Pillay
Position in the company	General Manager
Address	PO Box 61721 Marshalltown Gauteng Johannesburg 2107 South Africa
Telephone	+27 11 620 0241
Facsimile number	+27 11 620 0260
Email address of contact person	mpillay@scaw.co.za

Factory: **Scaw South Africa (Pty) Ltd – Steel Wire Rope**

Address	Lower Germiston Road Jupiter Hariotdale, Germiston 1401 South Africa
Telephone	+27 11 620 0241
Facsimile number	+27 11 620 0260
Email address of contact person	mpillay@scaw.co.za

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

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

Name	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	daniel.moulis@moulislegal.com
All communications in relation to this matter should be directed to Daniel Moulis of 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 inquiry 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 relevant business is Scaw South Africa (Pty) Ltd ("Scaw SA"). Scaw SA is a company duly incorporated and registered under the laws of South Africa.

Please note that there was a change in ownership of Scaw South Africa (Pty) Ltd on 1 May 2018. In completing the questionnaire if any of the items changed as a result of the change in ownership the information is supplied for both periods. The information is presented under separate headings to distinguish between the items relating to pre and post 1 May 2018.

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).

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Pre 1 May 2018

By way of background, Anglo American Ltd previously owned 74% of the shares in Scaw SA. Industrial Development Corporation SOE Ltd ("IDC") acquired that shareholding in 2012.

At the commencement of the period of investigation ("POI"), IDC was the majority shareholder (74%) in Scaw SA. Main Street 510 (Pty) Ltd, consisting of a Black Economic Empowerment consortium ("Main Street") held 21%, and an employee share ownership trust held 5%. During the POI the employee share ownership trust was unwound, resulting in IDC holding 76% and Main Street holding 24% of the shares in Scaw SA.

Please refer to Attachment 1 [CONFIDENTIAL ATTACHMENT].

Post 31 April 2018

On 1 May 2018 Barnes Southern Palace Holdings PTY Ltd purchased a controlling interest of 74% in Scaw South Africa PTY Ltd. IDC retained a 26% interest in the company.

Please refer to Attachment 2 [CONFIDENTIAL ATTACHMENT].

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

Pre 1 May 2018

IDC is an industrial development bank fund owned by the South African government .

Post 31 April 2018

Barnes Southern Palace Holdings PTY Ltd is owned [CONFIDENTIAL TEXT DELETED – private company ownership].

Please refer to Attachment 2 [CONFIDENTIAL ATTACHMENT].

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

Pre 1 May 2018

Scaw SA's parent company IDC was not a subsidiary of another company.

Post 31 April 2018

[CONFIDENTIAL TEXT DELETED – private company ownership].

Please refer to Attachment 2 [CONFIDENTIAL ATTACHMENT].

5. Provide a diagram showing all associated or affiliated companies and your

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company's place within that corporate structure.

Please refer to Attachments 1 and 2 [CONFIDENTIAL ATTACHMENTS].

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

No.

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

Pre 1 May 2018

Scaw SA was an integrated producer of specialty steel products for the mining, construction, industrial, power and rail sectors, with established operations, distribution and marketing channels globally. Scaw SA consists of four divisions:

- Grinding Media**
- Rolled Products**
- Cast Products**
- Wire Rope Products**

Post 31 April 2018

As part of the sale of Scaw Metals the Grinding Media and Cast Products were sold off separately therefore the divisions remaining consist of:

- Rolled Products**
- Wire Rod Products**

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.

Scaw SA performs all of these functions.

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

Scaw SA's business units are separately accounted for in Scaw SA's financial records. Shared cost and services incurred at the corporate/treasury level are charged back to the respective business units by way of internal corporate charge.

Please refer to Attachment 3 [CONFIDENTIAL ATTACHMENT] for internal organisation structure pre 1 May 2018.

Please refer to Attachment 4 [CONFIDENTIAL ATTACHMENT] for internal organisation structure post 31 April 2018.

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

Please refer to Scaw SA's Integrated Annual Report FY2016 attached hereto as Attachment 5.

A-4 General accounting/administration information

1. Indicate your accounting period.

Scaw SA's accounting period (FY) is from 1 April to 31 March.

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

Scaw SA's financial records are mostly held at Lower Germiston Rd, Heriotdale, Johannesburg, Gauteng, South Africa.

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

- 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

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- the company.

Please find attached hereto:

- **Scaw SA chart of accounts – Attachment 6 [CONFIDENTIAL ATTACHMENT];**
- **Scaw SA audited Annual Financial Statement for FYs ended 31 March 2017 and 2018 – Attachments 7 and 8 [CONFIDENTIAL ATTACHMENTS]; and**
- **management accounts for the business unit ("SWR") producing the goods - Attachment 9 [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.

Scaw SA is required to have its accounts audited, therefore this question is not applicable.

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

No. Scaw SA's accounting practices are in accordance with GAAP in South Africa.

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 (eg last in first out –LIFO, first in first out- FIFO, weighted average);

The valuation method of raw materials, WIP and finished goods are at standard costs on [CONFIDENTIAL TEXT DELETED – accounting software] adjusted to net realisable value or actual costs if they differ substantially from standard costs.

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

Direct conversion costs are allocated to products based on [CONFIDENTIAL TEXT DELETED – cost allocation]. For actual cost we employed a costing module which allocates [CONFIDENTIAL TEXT DELETED – cost allocation].

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Indirect costs and SG&A are allocated to products according to relevant cost drivers like [CONFIDENTIAL TEXT DELETED – cost allocation]. SG&A expenses are allocated separately from standard cost.

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

Damaged or sub-standard goods are written down to scrap value.

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

Scrap is reported at market value. There are no by-products or joint products.

- valuation and revaluation methods for fixed assets;

All assets are valued at net book value except land and buildings, which are valued at fair value.

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

Depreciation is computed based on the estimated useful lives for each class of production equipment as follows:

[CONFIDENTIAL TEXT DELETED – depreciation rates]

Asset revaluation for land and buildings is conducted annually at year end and any change recorded at end of period.

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

Transaction value is booked in local currency value on date of sale. Foreign exchange gain/loss is booked to foreign exchange account on payment receipt. Gain/loss on actual receipts are allocated to the relevant business unit.

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

Exchange gains/losses on open balances are calculated at month end [CONFIDENTIAL TEXT DELETED – internal accounting policy].

- inclusion of general expenses and/or interest;

Interest is accounted for at corporate level.

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- provisions for bad or doubtful debts;

Receivables remaining unpaid after [CONFIDENTIAL TEXT DELETED – internal accounting policy] bad debt provision. Debt will be fully written off as irrecoverable at time of management decision to that effect.

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

Not applicable during the POI.

- costs of plant closure;

Not applicable during the POI.

- restructuring costs;

Expensed to the applicable cost centre.

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

Scrap is reported at market value.

- effects of inflation on financial statement information.

Not applicable in 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.

Scaw SA's accounting methods have not changed over the last two years.

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A-5 Income statement

Please fill in the following table. It requires information concerning all products produced, for the goods the subject of the original notice (**the goods**) and the **alleged circumvention goods** as defined in the Glossary of Terms in the appendix to this form). You should explain how costs have been allocated.

	1 January 2015 to 31 December 2015			1 January 2016 to 31 December 2016			1 January 2017 to 31 December 2017			1 January 2018 to 30 June 2018		
	All products	The Goods	Circumvention Goods	All products	The Goods	Circumvention Goods	All products	The Goods	Circumvention Goods	All products	The Goods	Circumvention Goods
Gross Sales (1)												
Sales returns, rebates and discounts (2)												
Net Sales (3=1-2)												
Raw materials (4)												
Direct Labour (5)												
Depreciation (6)												
Manufacturing overheads (7)												
Other operating expenses (8)												
Total cost to make (9=4+5+6+7+8)												

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OPERATING INCOME (10=3-9)												
Selling expenses (11)												
Administrative & general expenses (12)												
Financial expenses (13)												
SG&A expenses (14)=(11+12=13)												
INCOME FROM NORMAL ACTIVITIES (15)=(10-14)												
Interest income (16)												
Interest expense (enter as negative) (17)												
Extraordinary gains and losses – enter losses as negative (18)												
Abnormal gains and losses – enter losses as negative (19)												
PROFIT BEFORE TAX (20)=(15+16+17+18+19)												
Tax (21)												

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NET PROFIT (22)=(20-21)												
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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**". The accompanying template file "*ADC 483 Exporter Questionnaire Data.xls*" has been provided for this purpose.

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

Please refer to relevant spreadsheet in Attachment 10, being the workbook "ADC 483 Scaw EQ data" [CONFIDENTIAL ATTACHMENT].

"All products" represents the full income statement for the SWR business unit ("BU") and does not include other Scaw SA BUs.

For "the Goods" and "Circumvention Goods", actual costs are expensed to cost centres which essentially represent a manufacturing process. Service department cost centres are allocated to the direct production cost centres [CONFIDENTIAL TEXT DELETED – cost allocation]. From that a total cost of production and sales for the Goods and Circumvention Goods is then calculated. Actual sales, transport and freight are then added to create the income statement for the Goods and Circumvention Goods.

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:

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	1 January 2015 to 31 December 2015		1 January 2016 to 31 December 2016		1 January 2017 to 31 December 2017		1 January 2018 to 30 June 2018	
	Volume (MT)	Value	Volume (MT)	Value	Volume (MT)	Value	Volume (MT)	Value
Total company turnover (all products)								
Domestic market								
Exports to Australia								
Exports to Other Countries								
Turnover of the nearest business unit, for which financial statements are prepared, which includes the goods under consideration								
Domestic market								
Exports to Australia								
Exports to Other Countries								
Turnover of the goods subject to the original notice (up to 8 strands)								
Domestic market								
Exports to Australia								

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Exports to Other Countries								
Turnover of the circumvention goods								
Domestic market								
Exports to Australia								
Exports to Other Countries								

Prepare this information in a spreadsheet named "TURNOVER". The accompanying template file "ADC 483 Exporter Questionnaire Data.xls" has been provided for this purpose.

Please refer to relevant spreadsheet in Attachment 10, being the workbook "ADC 483 Scaw EQ data" [CONFIDENTIAL ATTACHMENT].

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

**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 currently the subject of the anti-dumping notice (**the goods**) and the goods the subject of this anti-circumvention inquiry (**the circumvention goods**) and **shipped** to Australia during the investigation period (1 January 2016 to present).*

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 both the **goods subject to the original notice** (wire rope with no greater than 8 strands) and the **circumvention goods** (wire rope consisting of 9 or more strands) in the inquiry period list:

Name:	Haggie Reid Pty Ltd ("Haggie Reid")
Address:	96 Forrester Road St. Marys NSW 2760 Australia
Contact name:	Birgitta Busst Financial Manager
Phone/fax	T: +61 29 673 8100 F: +61 29 673 8123
Trade level	Distributor

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,

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including a diagram if required.

Goods are mostly made to order for export sales, post production they will be containerized at the factory and then containerized for transport to the port and then to Australia.

- (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.

Scaw SA sells to Haggie Reid directly. [CONFIDENTIAL TEXT DELETED – information about commissions]. [CONFIDENTIAL TEXT DELETED – service provider] arranges and pays all activities from the delivery of the container to SWR, the transporter, harbour charges and freight. [CONFIDENTIAL TEXT DELETED – service provider] supplies Scaw with a detailed invoice per activity and Scaw pays [CONFIDENTIAL TEXT DELETED – service provider] for all services.

- (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.

All sales to Haggie Reid were made on [CONFIDENTIAL TEXT DELETED – trading terms] basis. Ownership of the goods in transactions between Scaw SA and Haggie Reid is transferred [CONFIDENTIAL TEXT DELETED – trading terms].

- (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).

Haggie Reid is the sole distributor of Scaw SA's products in Australia. [CONFIDENTIAL TEXT DELETED – commercial arrangements].

- (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.

Prices are reviewed and discussed [CONFIDENTIAL TEXT DELETED – commercial arrangements].

Orders are received and confirmed electronically as per agreed price.

Delivery time is based on normal factory lead times. Goods are invoiced at time of despatch.

Payment terms [CONFIDENTIAL TEXT DELETED – trading terms].

- (f) State whether your firm is related to any of its Australian customers.

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Give details of any financial or other arrangements (eg free goods, rebates, or promotional subsidies) with the customers in Australia (including parties representing either your firm or the customers).

Pre 1 May 2018
Scaw and Haggie Reid were related entities [CONFIDENTIAL TEXT DELETED – corporate structure].
Post 31 April 2018
[CONFIDENTIAL TEXT DELETED – corporate structure].

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

Please refer to Attachment 11 for forward order book for Scaw SA sales to Haggie Reid [CONFIDENTIAL ATTACHMENT].

B-3 Do your export selling prices vary according to the distribution channel identified or as a result of the class of goods sold? If so, provide details. Real differences in trade levels are characterised by consistent and distinct differences in functions and prices.

Scaw SA has only one distribution channel to the Australian market. The sales are ex-factory sales by manufacturer to distributor.

B-4 Prepare a spreadsheet named “Australian sales” in the accompanying file “ADC 483 Exporter Questionnaire Data.xls” listing all sales (i.e. transaction by transaction) to Australia of the:

- goods currently the subject of the anti-dumping notice (**the goods**); and,
- goods which are like to the goods the subject of this anti-circumvention inquiry (**the circumvention goods**,

exported to Australia in the period starting **1 January 2016**.

You must provide this list in electronic format. Include the following export related information:

Column heading	Explanation
Customer name – Mine site	Names of your customers and the mine sites
Level of trade	The level of trade of your customers in Australia

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Column heading	Explanation
Rope application	Rope application: drag, hoist, shovel etc.
No of strands	No of strands
Rope grade	Load bearing rating
Sheath (Y or N)	Whether or not the rope has a sheath
Product code	Code used in your records for the model/grade/type identified. Explain the product codes in your submission.
Model diameter	Diameter of rope model
Model length	Length of rope model
Rope end attachment type	Type of end attachment (N/A is no end attachment).
Rope end attachment cost	Cost of rope end attachment.
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.
Quarter	The quarter that the date of sale occurred
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
Consignment Stock (Y/N)	Is this a consignment sale (where payment is received after the importer sells the stock) – Yes or No
If Consignment sale - stock turn rate (days)	If this is a consignment sale, what is the actual (for this particular sale) or average stock turn rate for stock held in Australia.

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Column heading	Explanation
Quantity	Quantity in units shown on the invoice. Show basis eg kg.
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
Other discounts	The actual amount of other discounts not deducted from the invoice. Show a separate column for each type of discount.
Ocean freight**	The actual amount of ocean freight incurred on each export shipment listed.
Marine insurance	Amount of marine insurance
FOB export price**	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 and guarantee expenses. (In a separate sheet, please detail each warranty claim and the specific financial outcome. Confirm what form of compensation is negotiated and explain if the compensation has led to

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Column heading	Explanation
	further sales?
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 costs*	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 refer to relevant spreadsheets in Attachment 10, being the workbook “ADC 483 Scaw EQ data” [CONFIDENTIAL ATTACHMENT].

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.

See columns in relevant Australian sales spreadsheets in Attachment 10 [CONFIDENTIAL ATTACHMENT] for [CONFIDENTIAL TEXT DELETED – cost differences].

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.

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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 – information about discounts, rebates etc].

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.

Please refer to Attachment 12 [CONFIDENTIAL ATTACHMENT] which sets out the Scaw SA credit notes issued to Haggie Reid.

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)

Not applicable.

B-9 Select two shipments each for the goods and the circumvention goods, in different quarters of the period starting 1 January 2016, 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.

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

Please refer to Attachments 13 and 14 [CONFIDENTIAL ATTACHMENTS].

B-10 The following questions relate to identifying various differences between your exports of wire rope up to 8 strands, which is subject to anti-dumping tariffs and 9 strand wire rope.

- a) Are the models of 9-strand wire rope that you exported to Australia during the inquiry period part of your standard product offering to Australia, or are they only available under special circumstances (e.g. through special order)?

The 9-strand models currently being supplied are Scaw's new INNO9 product range. They are not "special" in the sense of requiring special order, instead they are standard products that are "special" in the sense of being a new product release. Enhancements to the product could be considered for mines whose operating regimen and machine condition are receptive to a special change or feature that the mine considers would achieve an improvement in rope performance. If this could be actioned on a cost-effective basis then Scaw could accept special orders to satisfy the specific mine requirement.

- b) Did your Australian customer's specifically request/order your exports of wire rope to be 9-stranded?

Scaw always researches, monitors and investigates rope performance in order to identify solutions to rope longevity and operability, and our customers are always looking for innovations to improve their rope performance. However Scaw does not consider it to be workable or realistic to expect customers to invent their own solutions, rather that is what Scaw R&D is directed towards achieving. Looked at in that context it is not to be expected that Scaw's customers would specifically order a product before it existed.

Since being made commercially available Scaw's 9 strand ropes have commenced both trial and full usage at Scaw contracted mine sites and are gaining acceptance. For example [CONFIDENTIAL TEXT DELETED – information about customer preference].

- c) Do you have any minimum order requirements for:
- Wire rope up to 8 strands;
 - Wire rope of 9 strands or more.

Haggie Reid maintains enough stock for the machines supplied with Scaw ropes to keep them in continuous operation. Trials with a new customer typically require a minimum order [CONFIDENTIAL TEXT DELETED – sales

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details], to achieve cost effective manufacture and to ensure reliable trial results. [CONFIDENTIAL TEXT DELETED – commercial practice]Haggie Reid will request customers to purchase a minimum quantity.

- d) Is there a difference in the selling price between your 9 stranded and up to 8-stranded wire rope, assuming all other factors of the sale were the same (e.g. order quantity, product characteristics such as sheathing, diameter, credit terms). Provide details.

Yes. INNO 9 ropes have higher manufacturing costs and higher selling prices.

- e) If the answer to the above is yes, quantify the price difference for each year of the inquiry period. Provide any documents that support this price difference (e.g. price lists, comparable invoices, etc).

Please refer to the following:

- **Attachment 15 [CONFIDENTIAL ATTACHMENT], which comprises the pre-existing 6 and 8 strand wire rope price list and the 9 strand wire rope price list as introduced in September 2017; and**
- **Attachments 16 and 17 [CONFIDENTIAL ATTACHMENTS], which comprise Scaw SA invoices to Haggie Reid for 95mm 8 and 9 strand wire ropes respectively, and which show unit price differences on both diameter and weight basis.**

Please note that the [CONFIDENTIAL TEXT DELETED – product type] “objective measurement” comparison. It is not intended to indicate similarity of the different wire ropes in design, construction or performance respects.

- f) If your company ‘shifted’ from exporting the goods to the circumvention goods during the inquiry period, answer the following questions:
- i. Which Australian customer(s) were your supplying wire rope of 8 strands and below prior to shifting to export of 9 stranded wire rope?

Existing customers were being supplied 6 and 8 strand wire ropes. INNO 9 is now offered to all customers, and has been taken up by some new customers, [CONFIDENTIAL TEXT DELETED – names of customers].

- ii. What was the reason for this shift in exports?

The reason for the shift in exports was to supply a unique product, not manufactured by Scaw’s competitors, that would give Scaw’s customers an innovative product with overall improved performance [CONFIDENTIAL TEXT DELETED – commercial intention].

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INNO 9 is targeted at improved fatigue endurance, less wear on dragline drums and sheaves and greater ease and safety in socket attachment. Commercially INNO 9 offers end users [CONFIDENTIAL TEXT DELETED – product advantages].

The 9 strand product also suits production equipment better than 8 strand product because [CONFIDENTIAL TEXT DELETED – production aspects]. The machine operation is quite smooth.

Scaw and Haggie Reid anticipate [CONFIDENTIAL TEXT DELETED – commercial intention] on the basis of the greater value provided to mine owners which in turn justifies the higher INNO 9 prices.

iii. What was this shift in response to?

As above, continuous improvement and competitive advantage, utilising Haggie's unique 9 strand closer manufacturing equipment. Scaw seeks the most cost effective solution for customers in terms of rope performance and machine serviceability. Delivering better value justifies increased prices and [CONFIDENTIAL TEXT DELETED – commercial intention].

iv. What alterations to your ordering processes were needed?

Specialist advice, technical assistance and product monitoring has been required as producers change-up to the new technology. Change management procedures have needed to be conducted with the mines, for example [CONFIDENTIAL TEXT DELETED – example of change management]. New product codes and pricing schedules have been implemented. Commercial introduction of INNO 9 has involved an intense program of marketing and promotion, mine presentations, training and product monitoring.

v. When did you first commence exporting 9-stranded wire rope to Australia?

Scaw commenced exporting 9-strand wire rope to Australia [CONFIDENTIAL TEXT DELETED – date].

g) In general, are there any specific purpose(s) and/or end use(s) that 9-stranded wire rope you export is suitable for that 8 strands and below is not suitable for? Provide specific product details and supporting evidence where possible.

The specific purposes and user experiences addressed by INNO 9 include:

- an improved performance product with greater fatigue endurance;**
- less wear on the dragline drum and sheaves [CONFIDENTIAL TEXT DELETED – product performance details];**

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- **more flexibility and easy/safety of socket attachment - [CONFIDENTIAL TEXT DELETED – product performance details];**
- **lower overall cost per BCM to mine operators - [CONFIDENTIAL TEXT DELETED – product performance details].**

INNO 9 is an innovative product that is not able to be manufactured and is not available from Scaw’s competitors.

- h) Are there any purpose(s) and/or end use(s) that 9-stranded and 8 stranded and below can be used interchangeably for?

Wire ropes are employed for a similar broad use given the fact that they are wire ropes and must match the same machine configurations. If there was not some interchangeability the product could not be offered to the market.

There are large differences in construction and features of 9 strand ropes as compared to 6 and 8 strand ropes. INNO 9 offers different rope performance characteristics in comparison to less complex ropes.

- i) What standards/specifications is 9 stranded wire rope manufactured/supplied to when exporting to Australia when compared to 8 stranded and below?

In general, INNO 9 is constructed to meet and exceed AS3569, however this AS does not specifically cover 9-strand rope based on the fact that such products are not produced or catalogued by the Australian industry. INNO 9 strand rope also conforms to the international BS EN 12385 specification.

- j) If you are doing so, why are you exporting a mix of 8 or less strand wire rope and 9 strand wire rope to Australia?

Scaw is not presently exporting a mix of ropes. A mix of ropes may be exported in future [CONFIDENTIAL TEXT DELETED – customer considerations].

- k) If your customer(s) changed their preference from wire rope of 8 strands or less to 9-stranded, please indicate what factors may have contributed, e.g. price, end use, quality, product size (W x L), any other requirements, e.g. pre-processing at the supplier.

There are a range of factors, as has already been mentioned.

Scaw submits that the accusation that 9 strand rope is “slightly modified” 6 or 8 strand rope is entirely baseless. Coming as it does from an interested party that is a wire ropes manufacturer itself, we would go so far as to say that the allegation is disingenuous.

Scaw intends to make further submissions on these points to assist the

Commission in its inquiry.

**SECTION C
EXPORTED GOODS AND LIKE GOODS**

C-1 Fully describe all of the **goods the subject to the original notice** and the **alleged circumvention goods** you have exported to Australia in the period commencing 1 January 2016. Include specification details and any technical and illustrative material that may be helpful in identifying, or classifying, the exported goods.

Please refer to Attachment 18 Scaw SA surface mining brochure and Attachment 19 INNO9 brochure.

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 refer to relevant spreadsheet in Attachment 10, being the workbook “ADC 483 Scaw EQ data” [CONFIDENTIAL ATTACHMENT].

C-3 If you sell **like goods** and goods which are like to the **alleged circumvention goods** on the domestic market, for each type that your company has exported to Australia during in the period commencing 1 January 2016:

- 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.

EXPORTED TYPE	DOMESTIC TYPE	IDENTICAL?	DIFFERENCES
Product code of each model of the goods exported to Australia	Product code of comparable model sold on the domestic market of the country of export	If goods are identical indicate “YES”. Otherwise “NO”	Where the good exported to Australia is not identical to the like goods or circumvention goods sold on the domestic market, describe the specification differences. If it is impractical to detail specification differences in this table refer to documents which outline differences

Please refer to relevant spreadsheet in Attachment 10, being the workbook “ADC 483 Scaw EQ data” [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

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market.

Please refer to answer to C-1 above.

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.

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** and/or **alleged circumvention goods** you must contact the case officer who will explain the information the Commission requires for determining a normal value using alternative methods.*

D-1 Provide:

- a detailed description of your distribution channels to domestic customers, including a diagram if appropriate;

Scaw SA Wire Ropes BU has two domestic sales channels:

- **directly to end users;**
- **indirectly by sales to its distribution centres (13 centres) who then on-sell to end users.**

[CONFIDENTIAL TEXT DELETED – customer information].

- information concerning the functions/activities performed by each party in the distribution chain; and

Scaw carries out all ex-factory and distribution functions with respect to its direct sales. For sales to distribution centres [CONFIDENTIAL TEXT DELETED – differences in functions/activities].

- a copy of any agency or distributor agreements, or contracts entered into.

Invoices with standard conditions issued to end-users and to distribution centres.

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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.

[CONFIDENTIAL TEXT DELETED – information about related parties].
Distribution centres are within Scaw SA.

- 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.

Scaw SA reserves its rights with respect to presenting level of trade difference between its external sales and its BU transfers, and will present as appropriate.

- 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.

[CONFIDENTIAL TEXT DELETED – price and trading terms]..

Orders are received and confirmed electronically. Delivery is based on normal factory lead times and invoiced at time of dispatch.

Payment terms are [CONFIDENTIAL TEXT DELETED – trading terms]..

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

[CONFIDENTIAL TEXT DELETED – price].

- D-4** Prepare a spreadsheet named “**Domestic Sales**” listing **all** sales of

- goods of a kind like to the *goods currently the subject of the anti-dumping notice (the goods)* (8 strands and below); and,
- goods which are like to the *goods the subject of this anti-circumvention inquiry (the circumvention goods)* (9 strands and above)

sold in the period beginning **1 January 2016**.

The listing must be provided in the accompanying template file “*ADC 483 Exporter Questionnaire Data.xls*” at worksheet “Domestic Sales” and include all of the following information.

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Column heading	Explanation
Customer name – Mine site	Names of your customers and the mine sites
Level of trade	The level of trade of your customers in South Africa
Rope application	Rope application: drag, hoist, shovel etc.
No of strands	No of strands
Rope grade	Load bearing rating
Sheath (Y or N)	Whether or not the rope has a sheath
Product code	Code used in your records for the model/grade/type identified. Explain the product codes in your submission.
Model diameter	Diameter of rope model
Model length	Length of rope model
Rope end attachment type	Type of end attachment (N/A is no end attachment).
Rope end attachment cost	Cost of rope end attachment.
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.
Quarter	The quarter that the date of sale occurred
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	Eg 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 eg kg.

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Column heading	Explanation
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 & ancillary expenses.
Warranty and guarantee expenses*	Warranty and 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.
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.

Please refer to relevant spreadsheet in Attachment 10, being the workbook “ADC 483 Scaw EQ data” [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”).

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Please refer to relevant spreadsheet in Attachment 10, being the workbook “ADC 483 Scaw EQ data” [CONFIDENTIAL ATTACHMENT], and explanations of added information in Section E-2.

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.

[CONFIDENTIAL TEXT DELETED – information about commissions].

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.

See credits as shown in Attachment 20 [CONFIDENTIAL ATTACHMENT].

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.

Please refer to Attachments 21 and 22 [CONFIDENTIAL ATTACHMENTS].

SECTION E FAIR COMPARISON

*Section B sought information about the export prices of **the goods and the circumvention goods** exported to Australia and Section D sought information about prices on your domestic market for like goods and goods which are of a kind which are like to the circumvention goods.*

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')

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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.

The relevant column allocates the actual cost per container as invoiced by freight provider.

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.

The relevant column allocates the actual cost as invoiced by freight provider.

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

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of collection days. See also item 4 in section E-2 below.

[CONFIDENTIAL TEXT DELETED – trading 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'.

Packing costs for export and domestic sales are the same apart from [CONFIDENTIAL TEXT DELETED – cost differences].

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 – information about commissions].

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 – product information].

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 F, concerning domestic and export costs, would have alerted you to such other factors.

Scaw SA is not aware of any cost factors other than those identified in this EQ.

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.

Not applicable.

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.

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.

See relevant C-3 spreadsheet in Attachment 10, being the workbook "ADC 483 Scaw EQ data" [CONFIDENTIAL ATTACHMENT].

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

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- 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.

There are no government-provided drawback or rebate systems or payments applicable to exports of the Goods and Circumvention Goods.

- **[CONFIDENTIAL TEXT DELETED – cost differences]**

These steel sales incentives are payments made, by commercial parties, conditional upon export.

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

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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.

As mentioned, domestic sales are sold directly to end customers, or transferred pursuant to internal invoice to Scaw SA's distribution centres for sale to end users. Australian sales are made to Haggie Reid (as the distributor) who then sells to the end customer. Scaw SA reserves its rights with respect to the measurement of any level of trade difference and will present as appropriate.

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 borrowing's 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*

¹ Under 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.

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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.

[CONFIDENTIAL TEXT DELETED – trading 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.

The relevant column uses the fixed rate charges specified in the contract with the freight provider.

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.

[CONFIDENTIAL TEXT DELETED – information about costs].

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**”.

Packing costs for export and domestic sales are the same apart from [CONFIDENTIAL TEXT DELETED – cost differences].

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 – information about commissions].

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 – product information]

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*.

Scaw SA notes these other factors: [CONFIDENTIAL TEXT DELETED – information about costs].

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.

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.

SECTION F 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.

F-1. Production process and capacity

1. Describe the production process for the **goods the subject of the original notice** (wire rope of no more than 8 strands). 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.
2. Describe the production process for the alleged **circumvention goods** (wire rope of 9 strands or more). 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.

Please refer to Attachment 23 for Scaw SA’s wire rope production flowchart [CONFIDENTIAL ATTACHMENT].

Please refer to Attachment 24 for diagrammatical representation of machine and stranding differences for 8 and 9 strand ropes [CONFIDENTIAL ATTACHMENT].

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

	1 Jan 2015 to 31 Dec 2015	1 Jan 2016 to 31 Dec 2016	1 Jan 2017 to 31 Dec 2017	1 January 2018 to 30 June 2018
A – Production capacity (eg kg, tonnes)*				
B – Actual production in volume (eg kg, tonnes)				
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 refer to relevant spreadsheet in Attachment 10, being the workbook “ADC 483 Scaw EQ data” [CONFIDENTIAL ATTACHMENT].

F-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.

Scaw SA uses the [CONFIDENTIAL TEXT DELETED – accounting software] system to record sales and costs in profit and cost centres. The [CONFIDENTIAL TEXT DELETED – accounting software] balances by general ledger account and cost/profit centre are then uploaded [CONFIDENTIAL TEXT DELETED – accounting software] on a monthly basis. The Scaw SA group management accounts and financial statements are then compiled [CONFIDENTIAL TEXT DELETED – accounting software] for each BU and consolidated for Scaw SA.

Data was directly derived from the management accounts compiled from [CONFIDENTIAL TEXT DELETED – accounting software] for the SWR business unit and the cost centre actual balances per general ledger account [CONFIDENTIAL TEXT DELETED – accounting software]to

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calculate the income statement for Goods and the Circumvention Goods, CTMS schedules [CONFIDENTIAL TEXT DELETED – cost allocation].

- 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 - and describe how those variances have been allocated.

Scaw uses standard cost to value our inventory.

Actual cost schedules were used to complete this questionnaire, not standard costs.

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

[CONFIDENTIAL TEXT DELETED – information about unusual costs].

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

SWR BU has [CONFIDENTIAL TEXT DELETED – number] profit centres and [CONFIDENTIAL TEXT DELETED – number] cost centres. Cost centres consist of direct production processes, support services and administrative functions.

- 5 For each profit/cost centre describe in detail the methods that your company normally uses to allocate costs to the ***goods the subject of the original notice*** and the alleged ***circumvention goods*** (9 strands or more). 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.

Scaw SA uses the production cost centres (essentially production processes) [CONFIDENTIAL TEXT DELETED – cost allocation].

- 6 Describe the level of product specificity (models, grades etc) that your company's cost accounting system records production costs.

Costs are maintained per cost centre in the company's cost accounting system.

For the purposes of this exercise we employed a costing module which allocates direct costs of manufacturing [CONFIDENTIAL TEXT DELETED – cost allocation].

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

purposes.

[CONFIDENTIAL TEXT DELETED – information about unusual costs].

- 8 State whether your company engaged in any start-up operations in relation to the ***goods the subject of the original notice*** and the alleged ***circumvention goods***. 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.

F-4.1 Cost to make and sell on domestic market (like goods subject to the original notice)

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

1. Please provide (in the format shown in the table below) the actual unit cost to make and sell each model/type* (identified in section C) of the like goods (like to the goods the subject of the original notice) sold on the domestic market. Provide this cost data for each quarter **for the period 1 April 2017 to 30 June 2018.**

If your company calculates costs monthly, provide monthly costs.

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.

	Quarter X				
Like Domestic Model/Type – from spreadsheet LIKE GOOD (section C-3)					
Production Quantity (tonnes)					
Material Costs ¹					

² The Commission applies the tests set out in s.269TAA 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.

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Direct Labour					
Manufacturing Overheads					
Other Costs ²					
Total Cost to Make					
Sales Quantity (tonnes)					
Selling Costs					
Administration Costs					
Financial Costs					
Delivery Expenses ³					
Other Costs ³					
Total Cost to Sell					
Unit Cost to Make and Sell (per tonne)					

Prepare this information in a worked named "**Domestic CTMS 4.1**". The accompanying template file "*ADC 483 Exporter Questionnaire Data.xls*" has been provided for this purpose.

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 like goods the subject of the original notice** 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) over the period of the investigation.

Provide the information broken down into fixed and variable costs, and indicate the % total cost represented by fixed costs.

Please refer to relevant spreadsheet in Attachment 10, being the workbook "ADC 483 Scaw EQ data" [CONFIDENTIAL ATTACHMENT].

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.

South African Rands (ZAR).

F-4.2 Cost to make and sell on domestic market (circumvention goods – 9 strands or more)

This information is relevant to testing whether domestic sales are in the ordinary course of trade.³

1. Please provide (in the format shown in the table below) the actual unit cost to make and sell each model/type* (identified in section C) which are like to the **alleged circumvention goods** sold on the domestic market. Provide this cost data for each quarter for the period **for the period 1 April 2017 to 30 June 2018.**

If your company calculates costs monthly, provide monthly costs.

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.

	Quarter X				
Like Domestic Model/Type – from spreadsheet LIKE GOOD (section C-3)					
Production Quantity (tonnes)					
Material Costs ¹					
Direct Labour					
Manufacturing Overheads					
Other Costs ²					
Total Cost to Make					
Sales Quantity (tonnes)					
Selling Costs					

³ *The Commission applies the tests set out in s.269TAA 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.*

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Administration Costs					
Financial Costs					
Delivery Expenses ³					
Other Costs ³					
Total Cost to Sell					
Unit Cost to Make and Sell (per tonne)					

Prepare this information in a spreadsheet named "**Domestic CTMS 4.2**". The accompanying template file "ADC 483 Exporter Questionnaire Data.xls" has been provided for this purpose.

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 circumvention 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) over the period of the investigation.

Provide the information broken down into fixed and variable costs, and indicate the % total cost represented by fixed costs.

Refer to the attached spreadsheet marked "ADC 483 Exporter Questionnaire Data" [CONFIDENTIAL ATTACHMENT].

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.

South African Rands (ZAR).

F-5.1 Cost to make and sell goods the subject of the original notice (wire rope of no more than 8 strands)

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

Provide this cost data for each quarter for the period **for the period 1 April 2017 to 30 June 2018**

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	Quarter X				
Model/Type exported to Australia – from spreadsheet LIKE GOOD					
Production Quantity (Tonnes)					
Material Costs ¹					
Direct Labour					
Manufacturing Overheads					
Other Costs ²					
Total Cost to Make					
Sales Quantity (Tonnes)					
Selling Costs					
Administration Costs					
Financial Costs					
Delivery Expenses ³					
Other Costs ³					
Total Cost to Sell					
Unit Cost to Make and Sell (per tonne)					

Prepare this information in a spreadsheet named "**Australian CTMS 5.1**". The accompanying template file "*ADC 483 Exporter Questionnaire Data.xls*" has been provided for this purpose.

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 goods the subject of the original notice** 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

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monthly basis) over the period of the investigation.

Provide the information broken down into fixed and variable costs, and indicate the % total cost represented by fixed costs.

Please refer to relevant spreadsheet in Attachment 10, being the workbook “ADC 483 Scaw EQ data” [CONFIDENTIAL ATTACHMENT].

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.

South African Rands (ZAR).

- 1 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.

[CONFIDENTIAL TEXT DELETED – cost differences]

- 2 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.

Variances are not applicable because actual costs were used in the costing exercise.

- 3 In calculating the unit cost to make and sell, provide an explanation if the allocation method used (eg number, or weight etc) to determine the unit cost differs from the prior practice of your company.

Costing method is consistent with prior practice.

F-5.2 Cost to make and sell goods the alleged circumvention goods

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

Provide this cost data for each quarter for the period **for the period 1 April 2017 to 30 June 2018**

	Quarter X				
Model/Type exported to Australia – from					

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spreadsheet LIKEGOOD				
Production Quantity (Tonnes)				
Material Costs ¹				
Direct Labour				
Manufacturing Overheads				
Other Costs ²				
Total Cost to Make				
Sales Quantity (Tonnes)				
Selling Costs				
Administration Costs				
Financial Costs				
Delivery Expenses ³				
Other Costs ³				
Total Cost to Sell				
Unit Cost to Make and Sell (per tonne)				

Prepare this information in a spreadsheet named "**Australian CTMS 5.2**". The accompanying template file "*ADC 483 Exporter Questionnaire Data.xls*" has been provided for this purpose.

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 alleged circumvention 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) over the period of the investigation.

Provide the information broken down into fixed and variable costs, and indicate the % total cost represented by fixed costs.

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Please refer to relevant spreadsheet in Attachment 10, being the workbook “ADC 483 Scaw EQ data” [CONFIDENTIAL ATTACHMENT].

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.

South African Rands (ZAR).

- 1 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.

[CONFIDENTIAL TEXT DELETED – cost differences]

- 2 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.

Variances are not applicable because actual costs were used in the costing exercise.

- 3 In calculating the unit cost to make and sell, provide an explanation if the allocation method used (eg number, or weight etc) to determine the unit cost differs from the prior practice of your company.

Costing method is consistent with prior practice.

F-6 Major raw material costs

List major raw material costs, which individually account for 10% or more of the total production cost.

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 (eg market prices, transfer prices, or actual cost of production).

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

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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.

Please also complete the Wire Purchases tab of the excel spreadsheet *ADC 483 Exporter Questionnaire*, by providing the details of wire rod purchases from 1 January 2017 to 30 June 2018.

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 refer to relevant spreadsheet in Attachment 10, being the workbook "ADC 483 Scaw EQ data" [CONFIDENTIAL ATTACHMENT].

**SECTION G
EXPORTER'S DECLARATION**

I hereby declare that SCAW SOUTH AFRICA PTY LTD (company) 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.

I hereby declare that.....(company) did not, during the period of investigation, export the goods under consideration and therefore have not completed the attached questionnaire.

Name : MORGAN PILLAY

Signature : *Pillay*

Position in

Company : GENERAL MANAGER - HAGGIE STEEL WIRE ROPE

Date : 23 AUGUST 2018

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**SECTION H
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 – costing information	<input checked="" type="checkbox"/>
Section G – 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 domestic sales like goods	<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 Aust	<input checked="" type="checkbox"/>

APPENDIX GLOSSARY OF TERMS

This glossary is intended to provide you with a basic understanding of technical terms that appear in the questionnaire.

Adjustments

To enable a fair comparison between the export price and the normal value Australian legislation provides for the adjustment of the domestic price paid for like goods. Adjustments are made to account for sales occurring at different times, specification differences, and differences in the terms or circumstances of the sales. The adjustment to the normal value may be upward or downward. Areas where you believe an adjustment is necessary should be identified. Section E of the questionnaire refers.

Examples of adjustments that may be made include: *sales occurring at different times* (it is sometimes necessary to compare domestic and export sales made at different times - in these circumstances an adjustment may be made to reflect price movements during that time); *specification differences*; *packaging*; *taxes*; *level of trade*; *advertising*; *servicing/warranty*; *inland freight*; *warehousing*; *export charges*; *credit terms*; *duty drawback*; *commissions*.

Adjustments may also be required where the normal value is based upon costs to make and sell.

Arms length

Sales are not considered to be at "arms length" on your domestic market if there is any consideration payable for the goods other than their price, or there is an association between the buyer and the seller which affects the price, or there will be a reimbursement, compensation or benefit for, or in respect of, the price.

Circumvention goods

The type of goods the subject of the application for the conduct of a circumvention inquiry. The circumvention goods are allegedly slightly modified clear float glass that in the absence of the slight modification would be classified as the goods the subject of the original notice.

Constructed value

In cases where domestic prices paid for the goods under consideration in the country of export cannot be used for the determination of normal value, ie. when there are no or insufficient sales or where such sales were not made in the ordinary course of trade, normal value may be based on a constructed value. Constructed value is calculated on the basis of the cost of production of the goods under consideration plus a reasonable amount for selling, general and administration costs, and for profits, that are associated with sales on the domestic market of the country of export.

Cost of production/manufacturing

The cost of production or manufacture consists of all manufacturing costs associated with the goods. It is the sum of direct materials, direct labour and factory overheads.

Cost to make and sell

The cost to make and sell is the sum of the cost of production or manufacture, and the selling, general and administration costs associated with the sale of those goods.

Country of origin

The country in which the last significant process in the manufacture or production of the goods was performed.

Date of sale

The Commission will normally use the invoice date as recorded in the exporter or producer's records. Another date may be used if this better reflects the material terms of sale. The questionnaire directs attention to matching data sets of domestic and export sales where some other date is used, as well as matching cost information.

Direct labour cost

Direct labour is categorised as a variable cost, ie. the value varies with the level of production.

Dumping

Dumping occurs when the products of one country are exported to another country at a price less than their normal value.

Dumping margin

Where the export price is less than the normal value the dumping margin is the amount of the difference. It can be expressed as a value or as a percentage of the export price.

Export price

The export price of the goods is usually the price paid or payable to the exporter in arms length transactions, in most instances calculated at the Free on Board (FOB) level.

Exporting country

The country of export is normally the country of origin from which the goods are shipped. The country of export may be an intermediate country, except where the products are merely transhipped through that country, or the products concerned are not produced in that country, and there is no comparable price in that country.

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Factory overheads

Factory overheads consist of variable costs eg. power, supplies, indirect labour and fixed costs eg. factory rent, factory insurance, factory depreciation etc.

Goods the subject of the original notice (the goods)

That is, the goods that you have exported to Australia subject to anti-dumping tariffs.

Incoterms

The following abbreviations are commonly used (comment is provided concerning costs that are normally borne by the seller):

EXW ex works (the seller's minimum obligation as costs relate to goods being made available at the sellers premises)

FCA free carrier (main carriage not paid by seller. Pay costs until such time that the goods have been delivered at the named point into custody of a carrier named by the seller. Customs formalities, taxes etc paid if required)

FAS free alongside ship (main carriage not paid by seller. Deliver the goods alongside the ship)

FOB free on board (main carriage not paid by seller. Deliver the goods on board, provide export clearance if required, pay loading costs to the point the goods have passed the ship's rail, pay customs formalities, taxes etc payable upon exportation)

CFR cost and freight (main carriage paid by seller. Pay all costs until delivered as well as freight, loading and unloading, pay customs formalities, taxes etc payable upon exportation)

CIF cost, insurance and freight (main carriage paid by seller. Pay all costs as under CFR as well as marine insurance)

(the terms CFR and CIF are only used where goods are carried by sea or waterway transport)

CPT carriage paid to

CIP carriage and insurance paid to

(the terms CPT and CIP are used as alternatives to CFR and CIF where the goods are carried by air, road, rail etc)

DAF delivered at frontier (goods carried by rail or road and cleared for export at the named place at the frontier. Pay costs until delivered at the frontier plus any discharge costs incurred to place the goods at the customers disposal)

DES delivered ex ship (goods made available to the buyer on board the ship uncleared for import at the named port of destination. Pay all costs incurred in

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placed at the disposal of the buyer, pay customs formalities, taxes etc payable upon exportation, and where necessary for transit through another country)

DDU delivered duty unpaid (Pay all costs for carriage to the agreed point, pay customs formalities, taxes etc payable upon exportation, and where necessary for transit through another country)

DDP delivered duty paid (goods made available at the named place in the country of importation – all risks and costs being incurred by the seller including duties, taxes etc incurred upon importation)

Investigation period

A period defined by the Commission over which importations of the goods are examined.

Like goods

Like goods are goods sold on the domestic market of the country of export (or to a third country) that are identical in all respects to the goods the subject of the original anti-dumping notice or that, although not alike in all respects have characteristics closely resembling those of the goods under consideration. The term 'like goods' also refers to the goods produced by the Australian industry allegedly being injured by dumped imports.

Normal value

Australian legislation sets out several ways to assess "normal value".

The preferred method is to use the price paid for like goods sold for domestic consumption in the country of export. Usually, these sales are made by you, but there may be circumstances where it is appropriate to use sales made by other sellers on the domestic market.

Sale prices must be at arms length and in the ordinary course of trade. In the absence of relevant or suitable domestic sales, the normal value may be determined by constructing a price based upon all costs to make and sell the goods. Profit may also be included if the sales on the domestic market are profitable. Alternatively the normal value may be ascertained using the price paid for like goods sold in the ordinary course of trade at arms length to customers in a country other than Australia, however this option is rarely used.

Finally, when a normal value cannot be ascertained by any of the above methods, or if no information is provided, the Commission will determine the normal value by considering all the relevant information, including the applicant's information. This allows the applicant's information to be used where sufficient information has not been furnished or is not available.

Where domestic price generally, and the trade of the exporting country are determined or substantially influenced by the government of the exporting country, an alternative/surrogate market economy is selected by the Commission and the normal value is determined as if the surrogate country were the export source.

Ordinary course of trade

Testing for "ordinary course of trade" includes a comparison of the selling price and the unit cost to make and sell for the same period. If sales in respect of a substantial quantity of goods over an extended period of time, usually 12 months, do not recover all costs and these losses are not likely to be recovered within a reasonable period of time, (again usually 12 months) then the sales are regarded as being not in the ordinary course of trade.

There may be circumstances where it is appropriate to use a period other than 12 months in assessing whether sales are in the ordinary course of trade.

Unprofitable sales are to be taken to have occurred in substantial quantities during an extended period where the unprofitable sales amount to 20% or more of the total volume of sales of the goods by the exporter over the period. An extended period of time is usually taken to be a period not less than 12 months. Where unprofitable sales are rejected, normal value is based upon remaining profitable sales provided they occur in sufficient number. Where all sales have been made at a loss, or profitable sales are insufficient, the normal value may be constructed from costs to make and sell.

Selling, general and administration expenses (SG&A)

The selling, general and administration expenses includes all selling, distribution, general and administration expenses including finance costs that would be incurred if the goods were sold for domestic consumption in the country of export. The amounts are determined in each case using all the available information and may include expenses incurred in:

- domestic sales of like goods;
- sale of goods of the same general category by the exporter; or
- sales in the industry in the country of export.

The expenses must, however, reflect the selling, general and administration costs of the goods. Administrative and selling expenses include: director's fees, management salaries and benefits, office salaries and benefits, office supplies, insurance, promotion, entertainment, depreciation and corporate overheads.