



Exporter Questionnaire

Product: Steel Reinforcing Bar (Rebar)

From: Republic of Korea (Korea) and/or Taiwan (with exception of Power Steel Co., Ltd)

Period of Review: 1 July 2017 to 30 June 2018

Response due by: 7 September 2018 **Extended to 16 September 2018**

Important note: The timeliness of your response is important. Please refer below for more information.

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OR

Anti-Dumping Commission
GPO Box 2013
Canberra ACT 2601
AUSTRALIA

Attention: Director Investigations 4

GOODS UNDER CONSIDERATION

The goods subject to anti-dumping measures, in the form of a dumping duty notice are:

- *Hot-rolled deformed steel reinforcing bar whether or not in coil form;*
- *Commonly identified as rebar or debar;*
- *In various diameters up to and including 50 millimetres;*
- *Containing indentations, ribs, grooves or other deformations produced during the rolling process; and*
- *Regardless of the particular grade or alloy content or coating.*

Goods excluded from the measures are:

- *Plain round bar;*
- *Stainless steel; and*
- *Reinforcing mesh.*

The goods are typically classified to the following Subheadings in Schedule 3 of the *Customs Tariff Act 1995*.

- 7213.10.00 statistical code 42;
- 7214.20.00 statistical code 47;
- 7227.90.10 statistical code 69;
- 7227.90.90 statistical codes 01, 02 and 04;
- 7228.30.10 statistical code 70
- 7228.30.90 statistical code 40; and
- 7228.60.10 statistical code 72.

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SECTION A COMPANY STRUCTURE AND OPERATIONS

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

A-1 Identity and communication

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

Head Office:

Name: [REDACTED]
Position in the company: Deputy Chief of Section
Address: NO. 123, Nan Pu Village, Kuan Tien District,
Tainan City, Taiwan R.O.C.
Telephone: + [REDACTED]
Facsimile number: + [REDACTED]
E-mail address of contact person: [REDACTED]

Factory:

Address: NO. 123, Nan Pu Village, Kuan Tien District,
Tainan City, Taiwan R.O.C.
Telephone: + [REDACTED]
Facsimile number: + [REDACTED]
E-mail address of contact person: [REDACTED]

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

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

Name: John Bracic
Address: PO Box 3026, Manuka, ACT 2603
Telephone: +61 499 056 729
Facsimile/Telex number: Not applicable
E-mail address of contact person: john@jbracic.com.au

A-3 Company information

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

Wei Chih Steel Industrial Co., Ltd. ("Wei Chih") is a duly registered, for-profit corporation, in the Republic of China, Taiwan. It is a publicly-traded company on the Taiwan Stock Exchange under the Stock Symbol #2028. Wei Chih is the only entity that owns and operates the steel making business. There are no subsidiaries.

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).

Confidential table removed.

As referenced above, Wei Chih is a publicly-traded company on the Taiwan Stock Exchange.

3. If your company is a subsidiary of another company, list the principal shareholders of that company. **Not applicable.**
4. If your parent company is a subsidiary of another company, list the principal shareholders of that company. **Not applicable.**
5. Provide a diagram showing all associated or affiliated companies and your company's place within that corporate structure. **Not applicable.**
6. Are any management fees/corporate allocations charged to your company by your parent or related company? **Not applicable.**
7. Describe the nature of your company's business. Explain whether you are a producer or manufacturer, distributor, trading company, etc.
Wei Chih is a manufacturer of steel products such as billets (semi-finished), rebar, bar in coil, and round bar (finished).
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.
- Wei Chih undertakes all manufacturing and does not outsource any portion of its manufacturing to others.**
9. Provide your company's internal organisation chart. Describe the functions performed by each group within the organisation. **See below**
- Confidential table removed.**
10. Provide a copy of your most recent annual report together with any relevant brochures or pamphlets on your business activities.
See attached.

A-4 General accounting/administration information

1. Indicate your accounting period. [January 1 - December 31](#)
2. Indicate the address where the company's financial records are held.
[At the address indicated in A-1 above.](#)
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; [See attached.](#)
 - audited consolidated and unconsolidated financial statements (including all footnotes and the auditor's opinion);

[Refer to Exhibit A-4.3 - Financial Statement Q1 to Q4 of 2017.](#)

[Refer to Exhibit A-4.3 - Financial Statement Q3 of 2017.](#)

[Refer to Exhibit A-4.3 - Financial Statement Q1 to Q2 of 2018.](#)

[Refer to Exhibit A-4.3 - Financial Statement Q1 of 2018.](#)

- internal financial statements, income statements (profit and loss reports), or management accounts, that are prepared and maintained in the normal course of business for the goods under consideration.
These documents should relate to:
 - the division or section/s of your business responsible for the production and sale of the goods under consideration, and
 - the company.
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. [N/A](#)
 5. Do your accounting practices differ in any way from the generally accepted accounting principles in your country? If so, provide details.
[Based on IFRS In accordance with provision of the Financial Supervisory Commission\)](#)
 6. Describe:

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

- the method of valuation for raw material, work-in-process, and finished goods inventories (e.g. last in first out –LIFO, first in first out- FIFO, weighted average);
[Wei Chih employs the \[REDACTED\] of valuing raw materials.](#)
- costing methods, including the method (e.g. by tonnes, units, revenue, direct costs etc.) of allocating costs shared with other goods or processes (such as front office cost, infrastructure cost etc.);

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- Costing methods are allocated by [REDACTED].
- valuation methods for damaged or sub-standard goods generated at the various stages of production;
Valuation methods for damaged or sub-standard goods are done under [REDACTED] and allocated accordingly.
- valuation methods for scrap, by products, or joint products;
Valuation method for scrap is based on [REDACTED] at the [REDACTED].
- valuation and revaluation methods for fixed assets; By cost method
- average useful life for each class of production equipment and depreciation method and rate used for each; [REDACTED] method
- treatment of foreign exchange gains and losses arising from transactions;
By [REDACTED].
- treatment of foreign exchange gains/losses arising from the translation of balance sheet items; At the end of each month, Wei Chih will calculate its assets and liabilities on the basis of and referencing the Bank of Taiwan's average exchange rates for buy ins and sell outs of a particular foreign currency and determine which items and how much are to be charged on the Profit and Loss Statement.
- inclusion of general expenses and/or interest;
Yes, general expenses and interest are included
- provisions for bad or doubtful debts;
A majority of the company's accounts receivables is based on letters of credit. A small portion of the accounts receivables is based on T/T or cheques. Wei Chih attempts to minimize potential bad debts by routinely arranging for a salesperson to visit a customer to resolve accounts receivables on the spot.
- expenses for idle equipment and/or plant shut-downs;
No equipment is idle or shut-down.
- costs of plant closure;
Wei Chih has not ever closed its factories or suspended operations. It operates in normal fashion.
- restructuring costs;
The equipment replacement costs is listed under fixed assets items of balance sheet and excluding the cost of equipment damage.
- by-products and scrap materials resulting from your company's production process; and
Any by-products and scrap materials resulting from the production process is show on the Profit and Loss statement as [REDACTED].
- effects of inflation on financial statement information.

Information on the financial statement is prepared on a cost basis. Inventory is based on prevailing market prices. Unrealized losses, if any, are reflected on the assets and liabilities statement. Other than that, there are no effects on inflation.

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. [Accounting method & accounting policy is according IFRS, no accounting method was changed.](#)

A-5 Income statement

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

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

[Refer to Exhibit A-5 – Income Statement.](#)

A-6 Sales

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

Prepare this information in a spreadsheet named "TURNOVER".

[Refer to Exhibit A-6 – Turnover.](#)

SECTION B SALES TO AUSTRALIA (EXPORT PRICE)

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

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

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

the sale date is not the invoice date (see 'date of sale' column in question B4 below) and;

*an alternative date should be used when comparing export and domestic prices you **must** provide information in section D on domestic selling prices for a matching period - even if doing so means that such domestic sales data predates the commencement of the review period.*

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

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

Name	
Address	
Contact name	
Telephone	
Facsimile	
Trade level	Importer
Name	
Address	
Contact name	
Credit enquiry	
Trade level	Importer

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

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

CONFIDENTIAL DIAGRAM REMOVED.

- (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.

Only one importer listed in B-1 above, [REDACTED]. When goods are on board and L/C payment is received, Wei Chih will [REDACTED]. Wei Chih will calculate the export weight [REDACTED].

- (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. N/A

- (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).

[REDACTED]

- (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.

At the beginning of every month, [REDACTED] will contact Wei Chih's General Manager directly to inquire about its sales price of rebar. Upon agreement of the parties, [REDACTED] will submit a "Purchase Order". When Wei Chih receives the Purchase Order, it will prepare a Sales Contract for [REDACTED] to execute as Buyer and Wei Chih as Seller for signature. Following execution of the Sales Contract by both parties, within 3-5 working days, the Buyer ([REDACTED]) would [REDACTED]. Upon confirmation and verification by the Seller (Wei Chih) [REDACTED], the Seller will arrange and coordinate production of the goods purchased and confirm vessel spaces for loading. After loading the manufactured goods onto the vessel, Wei Chih will provide a complete set of exportation documents to the Buyer's designated bank. When the designated bank notifies Buyer about the shipment and payment [REDACTED] is authorized, then transactions is completed.

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

[REDACTED]. There are no promotional subsidies, rebates, or free goods offered by Wei Chih.

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

Presently, there are [REDACTED] forward orders of the goods under consideration.

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

N/A

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

Refer to **Exhibit B-4 – Australian sales**.

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. N/A

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

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

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

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. N/A

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

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

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

Refer to [Exhibit B-9 – Export sales sample](#).

SECTION C EXPORTED GOODS & LIKE GOODS

- C-1** Fully describe all of the goods you have exported to Australia during the review period. Include specification details and any technical and illustrative material that may be helpful in identifying, or classifying, the exported goods. Wei Chih only exported [REDACTED] complying with grade [REDACTED] during the review period.
- 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). Wei Chih only exported [REDACTED] complying with grade [REDACTED] during the review period. Refer to Australian sales listing.
- C-3** If you sell like goods on the domestic market, for each type that your company has exported to Australia during the review period, list the most comparable model(s) sold domestically;
- and provide a detailed explanation of the differences where those goods sold domestically (ie. the like goods – see explanation in glossary) are not identical to goods exported to Australia.

Refer to **Exhibit C-3 – Like Goods**.

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

CONFIDENTIAL TABLE REMOVED

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

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

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

D-1 Provide:

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

If any of the customers listed are associated with your business, provide details of that association. [N/A](#)

Describe the effect, if any, that association has upon the price. [Please refer to the explanation on the point D-3.](#)

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. [N/A](#)

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

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

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



Domestic Sales: By [REDACTED].

[REDACTED]: Buyer will arrange own transportation to retrieve goods. Seller not responsible for inland transportation costs.

[REDACTED]: Seller is responsible for inland transportation costs subject to Buyer's instructions as to destination of transport--Buyer's factory or fabricator's facility.

D-4 Prepare a spreadsheet named "**domestic sales**" listing **all** sales of like goods made during the review period. The listing must be provided electronically. Include all of the following information.

Refer to **Exhibit D-4 – Domestic sales**.

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

D-6 For each type of commission, discount, rebate, allowance offered on domestic sales of like goods: **No commission, discount, rebate, allowance offered paid for domestic sales.**

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

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

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

- D-7** Select two domestic sales, in different quarters of the review 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.)

Refer to **Exhibit D-7 – Domestic sales sample**.

SECTION E FAIR COMPARISON

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

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

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

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

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

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

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

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

E-1 Costs associated with export sales

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

1. Transportation

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

For Steel Reinforcing Bar export sale, Inland transportation cost is NT\$ [REDACTED] per MT. Refer to **Exhibit E-1 - Quotation of inland freight for export sales**

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.

These charges are divided into "Import and export expenses" and commission fees" which are located at "Subsidiary ledger" account. The various export related ancillary costs are identified in the table at question B4, for example:

The Selling expenses (11) of Income statement includes Import and export expenses", Commission fees and other charges as [REDACTED].

The "Import and export expenses are including as below and identified in B-4 Australian sales as Handling & loading & ancillary expenses and inland transportation.

The Financial expenses (13) of Income statement includes bank charges, letter of credit fees.

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 review period. Explain the nature of the interest rates most applicable to these export sales e.g., short term borrowing in the currency concerned.

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

Wei Chih does [REDACTED] credit to its customers. For international sales, we [REDACTED] as a condition of payment.

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'.

[REDACTED].

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.

As indicated above, commission of \$ [REDACTED] per ton is paid to [REDACTED] trader. No other commissions, rebates are paid.

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. N/A

7. Other factors

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

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 review (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 review period. By [REDACTED]

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.

[Refer to table below which shows chemical and mechanical properties of export and domestic goods, which are a function of the input billet characteristics and production process.](#)

CONFIDENTIAL TABLE REMOVED

2. Import charges and indirect taxes

If exports to Australia:

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

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

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

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

In substantiating the drawback claim the following information is required:

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

Substitution drawback systems

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

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

Not applicable.

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.

As for domestic sales, there are [REDACTED] -- [REDACTED] [REDACTED]. In terms of pricing policy, the only difference is that the price to the [REDACTED], whereas, the price quoted to the [REDACTED] do includes those [REDACTED]. During review period, [REDACTED].

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. N/A

This requires the following information:

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

or

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

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. [N/A](#)

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 review period.

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

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

1. *Calculate an accounts receivable turnover ratio*

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

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

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

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

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

2. *Calculate the average credit period*

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.

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.

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 [REDACTED] is responsible for inland transportation costs.

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.

Only bank charges are included in domestic sales prices. See domestic sales listing at Exhibit D-4. These charges are listed on the Subsidiary ledger account.

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**”.

N/A. [REDACTED]

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.

N/A

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. N/A

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*.

N/A . There are no other factors.

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
EXPORT SALES TO COUNTRIES OTHER THAN
AUSTRALIA (THIRD COUNTRY SALES)

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

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

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

Supply this information in spreadsheet file named "Third country"

Refer to **Exhibit F-1 – Third country sales**.

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

1. Differences in [REDACTED] and [REDACTED]. Each country has its own specifications for rebar. e.g. AS/NZS4671 Standard (Grade 500N), American Standard (A615/A706 G60).
2. Australia is the only country that uses [REDACTED] and [REDACTED] prices. All other countries employ the [REDACTED].

SECTION G

COSTING INFORMATION AND CONSTRUCTED VALUE

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

- testing the profitability of sales of like goods on the domestic market;*
- determining a constructed normal value of the goods under consideration (the goods) – i.e. 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 (e.g. 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 review period.

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

G-1. Production process and capacity

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

[Refer to diagram below.](#)

CONFIDENTIAL DIAGRAM REMOVED

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

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

Refer to **Exhibit G-2 – Production.**

G-3. Cost accounting practices

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

See below.

CONFIDENTIAL DIAGRAM REMOVED

- 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 (i.e. differences between standard and actual production costs) have been allocated to the goods - and describe how those variances have been allocated.
[REDACTED], responses to this questionnaire are based on [REDACTED] cost accounting basis.
- 2 Provide details of any significant or unusual cost variances that occurred during the review period. Other than [REDACTED] none.
- 3 Describe the profit/cost centres in your company's cost accounting system.
The company's profit centres are [REDACTED] and [REDACTED].
- 4 For each profit/cost centre describe in detail the methods that your company normally uses to allocate costs to the goods under consideration. In particular specify how, and over what period, expenses are amortised or depreciated, and how allowances are made for capital expenditures and other development costs.
As to the goods under consideration, the production costs are derived from the [REDACTED], [REDACTED] [REDACTED] costs. Expenses are amortized and depreciated based on [REDACTED] method.
- 5 Describe the level of product specificity (models, grades etc.) that your company's cost accounting system records production costs.
Production costs are recorded on the basis of [REDACTED], the [REDACTED], and [REDACTED] and [REDACTED] usage. Costs for each model or grade of the product are allocated by [REDACTED] and [REDACTED] costs.
- 6 List and explain all production costs incurred by your company which are valued differently for cost accounting purposes than for financial accounting purposes.
N/A

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

G-4 Cost to make and sell on domestic market

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

- 1 Prepare this information in a spreadsheet named "**Domestic CTMS**". Please refer to Attachment 1 to this questionnaire for the model criteria and the minimum breakdown of the criteria for which cost to make and sell information must be provided.
- 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.

Refer to **Exhibit G-4 – Domestic CTMS**.

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

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

- 1 Prepare this information in a spreadsheet named "**Australian CTMS**". Please refer to Attachment 1 to this questionnaire for the model criteria and the minimum breakdown of the criteria for which cost to make and sell information must be provided.

Refer to **Exhibit G-5 – Australian CTMS**.

- 2 Where there are cost differences between goods sold to the domestic market and those sold for export, give reasons and supporting evidence for these differences. **Differences in costs are a function of different input billet, production process and chemical composition.**
- 3 Give details and an explanation of any significant differences between the costs shown, and the costs as normally determined in accordance with your general accounting system. Reference should be made to any differences arising from movements in inventory levels and variances arising under standard costing methods. N/A

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.

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

G-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 (e.g. 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 information on the cost of production for that input such cost data may also be considered.

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

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

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

Wei Chih's primary raw material is [REDACTED], which makes up [REDACTED] % of its raw material costs. These raw materials were purchased from [REDACTED] and [REDACTED], with no purchases sourced in-house or from associated entities.

Refer to **Exhibit G-6 – Raw material purchases**.

Attachment 1 - Model matching criteria

Variable	Parameter	Sales data	Cost data
Quality	<ul style="list-style-type: none"> • prime • non-prime (secondary) 	Mandatory	Not applicable
Production method	<ul style="list-style-type: none"> • Specify the method used to achieve mechanical properties (eg. Water-quenched & self-tempered OR microalloyed OR cold-worked) 	Mandatory	Optional
Form	<ul style="list-style-type: none"> • in coil • straight lengths 	Mandatory	Mandatory
Diameter	Nominal cross sectional diameter	Mandatory	Optional
Specification/Standard	<p>Specification/designation/type. e.g. AS/NZS 4671.</p> <p>If products are made to a grade only but not a specification, report the full name of the grade.</p>	Mandatory	Optional
Grade	<p>Grade, e.g. 500N.</p> <p>If products are made to a grade only but not a specification, report the full name of the grade, e.g. "SAE grade 1006", not simply "1006".</p>	Mandatory	Mandatory
Ductility	Specify the ductility class the rod in coil is manufactured to (Low, Normal or Seismic)	Mandatory	Mandatory
Carbon content	Maximum specified carbon equivalent content	Mandatory	Optional
Alloy	<p>Specify any alloys present.</p> <p>Examples include Vanadium, Niobium, Ferrovandium (FeV) and Ferroniobium (FeNb).</p>	Mandatory	Mandatory
Alloy content	Minimum specified alloy content	Mandatory	Mandatory

PUBLIC VERSION

Sales quantity method	<ul style="list-style-type: none">• sold on actual weight basis• sold on theoretical weight basis	Mandatory	Not applicable
Coating	<ul style="list-style-type: none">• painted (Polyvinylidene Fluoride or PVDF)• painted (other than PVDF)• laminated but not painted• galvanised• no coating	Mandatory	Mandatory

**SECTION H
EXPORTER'S DECLARATION**

I hereby declare that. WEI CHIH STEEL INDUSTRIAL CO., LTD. (company) have completed the attached questionnaire and, having made due inquiry, certify that the information contained in this submission is complete and correct to the best of my knowledge and belief.

Name : Joe Chuang

Signature : 

Position in

Company : Deputy General Superintendent

Date : Sept. 06, 2018.

SECTION I 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	V <input type="checkbox"/>
Section B – export price	V <input type="checkbox"/>
Section C – like goods	V <input type="checkbox"/>
Section D – domestic price	V <input type="checkbox"/>
Section E – fair comparison	V <input type="checkbox"/>
Section F – exports to third countries	V <input type="checkbox"/>
Section G – costing information	V <input type="checkbox"/>
Section H – declaration	V <input type="checkbox"/>

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

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, i.e. 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, i.e. 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.

Factory overheads

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

Goods under consideration (the goods)

The goods which are subject to anti-dumping measures and this review. That is, the goods that you have exported to Australia during the review period.

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 customer's 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 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)

Review 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 under consideration 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 that are alike.

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.