

PUBLIC RECORD



Australian Government
**Department of Industry,
Innovation and Science**

**Anti-Dumping
Commission**

INVESTIGATION NO. 495

**ALLEGED DUMPING AND SUBSIDISATION OF
STEEL REINFORCING BAR
EXPORTED TO AUSTRALIA FROM
THE REPUBLIC OF TURKEY**

VERIFICATION VISIT REPORT – IMPORTER

**THYSSENKRUPP MATERIALS AUSTRALIA PTY LTD
T/A THYSSENKRUPP MATERIALS TRADING
AUSTRALIA**

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

February 2019

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1 BACKGROUND

On 16 November 2018, the Commissioner of the Anti-Dumping Commission (the Commissioner) initiated an investigation into the alleged dumping and subsidisation of steel reinforcing bar (rebar or the goods) exported to Australia from the Republic of Turkey (Turkey). Public notification of the initiation of the investigation was published on the Commission's website. The background relating to the initiation of this investigation is contained in *Consideration Report No. 495*.

Following initiation of the investigation, the Anti-Dumping Commission (the Commission) wrote to thyssenkrupp Materials Australia Pty Ltd t/a thyssenkrupp Materials Trading Australia (TKM) and other importers of the goods inviting them to cooperate with the investigation. TKM cooperated with the investigation and completed the importer questionnaire and relevant attachments.

2 UPWARDS VERIFICATION OF SALES

2.1 Verification of Sales Completeness and Relevance

Verification of relevance and completeness is conducted by reconciling data submitted “upwards” through management accounts to audited financial accounts. At the time of publishing this report, the audited financial statements were being prepared and were not available to the verification team.

The verification team verified the completeness and relevance of TKM’s sales listing provided in Part C of the response to the questionnaire (RIQ) by reconciling it to the company’s management reports in accordance with ADN No. 2016/30.

The verification team did not find any issues with the verification of the sales listing to the management reports.

Details of this verification process are contained in the verification work program at **Confidential Attachment 1**.

2.2 Sales Completeness and Relevance Finding

The verification team are satisfied that the sales data provided in Part C of the RIQ by TKM is complete and relevant.

3 DOWNWARDS VERIFICATION OF SALES

3.1 Verification of Sales Accuracy

3.1.1 General

The accuracy of data is verified by reconciling selected data submitted “downwards” to source documents. This part of verification involves the process of agreeing the volume, value and other key information fields within the sales data to source documents. This verifies the accuracy of the data (e.g. for sales data, the volume and value of the records for selected transactions are accurate and reflect sales that did occur).

The verification team verified the accuracy of TKM’s sales listing submitted in Part C of the RIQ by reconciling a selection of sales relating to 12 imports to source documents in accordance with ADN No. 2016/30.

Details of this verification process are contained in the verification work program at **Confidential Attachment 1**.

3.1.2 Exceptions during Verification of Sales Accuracy

No.	Exception	Resolution	Evidence Relied On
1	The verification team observed that the information provided in the sales spreadsheet (Part C of the RIQ) was provided at an aggregate invoice level and did not include individual line items from the invoices.	TKM provided an updated sales spreadsheet which showed the line item details for each invoice. The updated sales spreadsheet provided by TKM clearly differentiated sales of goods and non-goods.	Selected imports sales listing (Part B of the RIQ) Imports sales listing (Part C of the RIQ) Source documentation

3.2 Sales Accuracy Finding

The verification team are satisfied that the sales data provided in Part C of the RIQ by TKM, including any required amendments as outlined as an exception above, is accurate.

3.3 Related Party Customers

The verification team did not find any evidence that TKM is related to any of its customers during the investigation period.

4 IMPORTS

4.1 The Goods

TKM confirmed that it imported steel reinforcing bar from Turkey during the investigation period, which matches the description of the goods that are the subject of this application.

TKM imported both rebar in straight lengths (DBIL) and rebar in coil (DBIC) during the investigation period, however the majority of imports were DBIL.

4.2 Verification of Importation and Selling Costs

4.2.1 General

The verification team verified the accuracy of the importation and selling costs by reconciling selected imports to the source documents in accordance with ADN No. 2016/30.

Details of the verification are contained within the verification work program as **Confidential Attachment 1**.

4.2.2 Exceptions during Verification of Importation and Selling Costs

The verification team found the following minor exceptions during the verification process.

No.	Exception	Resolution	Evidence Relied On
1	During the visit, the verification team observed that the overseas freight charge for one shipment was inadvertently adjusted for foreign currency when it was already reported in Australian dollars.	TKM submitted an updated cost to import and sell spreadsheet with the foreign currency adjustment removed.	Selected imports sales listing (Part B of the RIQ) Source documentation
2	The verification team observed that one shipment contained both the goods and non-goods but the customs entry and broker fees had been applied entirely to the costs relating to the goods. The verification team considers that these fees should be apportioned across the goods and non-goods by weight.	TKM submitted an updated cost to import and sell spreadsheet with the fees apportioned by weight.	Selected imports sales listing (Part B of the RIQ) Source documentation
3	When calculating charges relating to trade financing, the verification team observed that for one shipment TKM inadvertently used the amount it paid for bank charges in its interest charge calculation.	TKM submitted an updated cost to import and sell spreadsheet with the interest charge correctly calculated.	Selected imports sales listing (Part B of the RIQ) Source documentation
4	The verification team observed that a trade financing interest charge for one shipment was not adjusted for foreign currency when it was reported in US dollars.	TKM submitted an updated cost to import and sell spreadsheet with the interest charge correctly calculated.	Selected imports sales listing (Part B of the RIQ) Source documentation

4.3 Import Listing

TKM confirmed that the import listing extracted from the ABF import database is a complete list of imports of the goods over the investigation period.

The verification team calculated a weighted average FOB export price at **Confidential Appendix 1**.

4.4 Forward Orders

A list of forward orders is at **Confidential Appendix 2**.

4.5 The Importer

The verification team considers TKM to be the beneficial owner of the goods at the time of importation and therefore the importer, as TKM is:

- named on the commercial invoice from its supplier; named as the consignee on the bill of lading,
- declared as the importer on the importation declaration to ABF;
- pays for all the importation charges; and
- arranges delivery from the port.

4.6 The Exporter

Subject to further inquiries, the verification team considers the relevant manufacturer to be the exporter of the goods.¹

4.7 Profitability of Imports

The verification team compared the selling prices into the Australian market with the corresponding full cost to import and sell for the 12 selected imports in Part B of the RIQ.

The verification team observed that the majority of sales in relation to the selected shipments were profitable. Despite certain sales being marginally unprofitable, the verification team has calculated that, in total, the selected shipments were profitable.

The profitability assessment is at **Confidential Appendix 3**.

4.8 Related Party Suppliers

The verification team did not find any evidence that TKM is related to its supplier of the goods exported from Turkey during the investigation period.

¹ The Commission generally identifies the exporter as a principal in the transaction, located in the country of export from where the goods were shipped, that gave up responsibility by knowingly placing the goods in the hands of a carrier, courier, forwarding company, or its own vehicle for delivery to Australia; or a principal in the transaction, located in the country of export, that owns, or previously owned, the goods but need not be the owner at the time the goods were shipped.

4.9 Arms Length

In respect of imports of steel reinforcing bar to Australia by TKM during the investigation period, the verification team found no evidence that:

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

Therefore, subject to further inquiries, the verification team are satisfied that import transactions between TKM and its suppliers are at arms length transactions.

5 RECOMMENDATIONS

The verification team are of the opinion that for the goods imported by TKM from the exporter:

- the goods have been exported to Australia otherwise than by the importer;
- the goods have been purchased by the importer from the exporter; and
- the purchases of the goods by the importer were arms length transactions.

Subject to further inquiries with this exporter, the verification team recommends that the export price for the goods imported by TKM from the exporter can be established under subsection 269TAB(1)(a) of the *Customs Act 1901*, using the invoiced price, less transport and other costs arising after exportation.

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6 ATTACHMENTS

Confidential Appendix 1	Export Price
Confidential Appendix 2	Forward Orders
Confidential Appendix 3	Profitability of Sales
Confidential Attachment 1	Verification Work Program