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## Exporter Questionnaire

**Case number:** 499

**Product:** Hot Rolled Structural Steel Sections

**From:** Japan, Republic of Korea (Korea), Taiwan (except for exports by Feng Hsin Steel Co Ltd) and the Kingdom of Thailand (Thailand)

**Review period:** 1 January 2018 to 31 December 2018

**Response due by:** **11 February 2019**

**Case manager:** Jukka Mäntynen

**Phone:** + 61 3 8539 2428

**Return completed questionnaire to:** investigations2@adcommission.gov.au

**Anti-Dumping Commission website:** [www.adcommission.gov.au](http://www.adcommission.gov.au)

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# INSTRUCTIONS

## Why you have been asked to fill out this questionnaire?

The Anti-Dumping Commission (the Commission) is conducting a Review of Anti-dumping measures into hot rolled structural steel sections exported to Australia from the Republic of Korea, the Kingdom of Thailand, Taiwan (except for exports by Feng Hsin Steel Co Ltd) and Japan.

The Commission will use the information you provide to determine normal values and export prices over the Review period (the period). This information will determine whether hot rolled structural steel sections are dumped.

## If you do not manufacture the goods

If you play a role in the export of the goods but do not produce or manufacture the goods (for example, you are a trading company, broker, or vendor dealing in the goods), it is important that you forward a copy of this questionnaire to the relevant manufacturers and inform the case manager of the contact details for these manufacturers **immediately**.

The Commission will still require your company to complete this exporter questionnaire except Section G – Cost to make and sell.

## What happens if you do not respond to this questionnaire?

You do not have to complete the questionnaire. However, if you do not respond, do not provide all of the information sought, do not provide information within a reasonable time period, or do not allow the Commission to verify the information, we may deem your company to be an uncooperative exporter. In that case the Commission must determine a dumping margin having regard to all relevant information.

Therefore, it is in your interest to provide a complete and accurate response to this exporter questionnaire, capable of verification.

## Extension requests

If you require a longer period to complete your response to this exporter questionnaire, you must submit a request to the case manager, in writing, for an extension to the due date for all or part of the questionnaire. This request must be made prior to the due date. A request for extension will be rejected if received after the due date.

When considering the extension request, the Commission will have regard to:

- the Commission's responsibility to conduct the case in a timely and efficient manner;
- the reasons why you could not provide a response within the whole period and not only the period remaining between the request and the due date;
- ordinary business practices or commercial principles;
- the Commission's understanding of the relevant industry;
- previous correspondence and previous dealings with your company; and
- information provided by other interested parties.

More information on extensions can be found in the Customs (Extension of Time and Non-cooperation) Direction 2015 at <https://www.legislation.gov.au/Details/F2015L01736>.

You will be informed of the decision whether your request for an extension has been rejected, granted in full or granted in part. For example, you may be granted an extension to submit all sections except for Section A or you may be granted a shorter extension than you requested.

A summary of any requests and grants of extensions to submit a response to this exporter questionnaire will be published in the public record.

### **Submitting a response to the exporter questionnaire**

Responses to the exporter questionnaire should be lodged by email listed on the cover page. In submitting the response to the exporter questionnaire, you must answer all questions, include all attachments and spreadsheets, and provide a non-confidential version of your response to this exporter questionnaire.

If your response to this exporter questionnaire contains major deficiencies that, in the Commissioner's view, cannot be quickly and easily rectified in a further response, then your company may be deemed as an uncooperative exporter.

### **Verification of the information that you supply**

The Commission may wish to conduct a visit to your company to verify your questionnaire response for completeness, relevance and accuracy of the information to your company's records.

The verification visit is not meant to be a chance for you to provide new or additional information. The Commission expects your response to the questionnaire to be relevant, complete and accurate.

Any verification visit typically commences approximately 2 to 4 weeks after the due date of the response to the exporter questionnaire. To assist with planning of a verification visit, please contact the case manager as soon as possible for a potential verification date to be scheduled.

Verification is usually conducted over 4 days. However, in complex cases, a verification visit may be scheduled over 5 days. A verification visit will include a detailed examination of your company's records and we will collect copies of relevant documents. The verification will require the participation of key staff, including your financial accountant, production manager and sales staff. A tour of the manufacturing facility may also be required during the verification visit.

Note that the Commission may disregard any data or information that is not verified, including new or additional information provided after the verification visit.

A report will be prepared following the verification visit, which details the outcomes of the visit. This report will be placed on the public record and may include the publication of the preliminarily-assessed dumping margin. The Commission considers that the dumping margin is not confidential information, but rather an aggregate figure derived from confidential data.

You will be provided with an opportunity to comment on the accuracy and confidentiality of the verification report prior to its publication on the public record.

The Commission may elect to undertake an alternative verification methodology than an on-site verification to satisfy itself of the completeness, relevance and accuracy of the data.

For information on the Commission's verification procedures, refer to Anti-Dumping Notice No. 2016/30 available on the Commission's website.

### **Important instructions for preparing your response**

- All questions in this exporter questionnaire must be completed. If a question is not applicable to your situation, please answer the question with "Not Applicable" and provide an explanation as to why.
- All questions must be answered in English. An English translation must be provided for documents not originally in English.

- Clearly identify all units of measurement (e.g. KG) and currencies (e.g. AUD) used. Apply the same measurement consistently throughout your response to the questionnaire.
- Label all attachments to your response according to the section of the questionnaire it relates to (e.g. label the chart of accounts as Attachment A-5.6)
- The data must be created as spreadsheet files in Microsoft Excel.
- If you have used formulas to complete spreadsheets, these formulas must be retained and not hard-coded.
- You must retain all worksheets used in answering the questionnaire. Be prepared to provide these worksheets during the Commission's verification of your data.
- If you cannot present electronic data in the requested format contact the case officer as soon as possible.
- Where possible, electronic data should be emailed or shared with the Commission via SIGBOX, a secure online document repository. Please contact the case manager to request access to SIGBOX if required.

## CHECKLIST

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

<b>Section</b>	Please tick if you have responded to all questions
Section A Company information	<input type="checkbox"/>
Section B Export sales to Australia	<input type="checkbox"/>
Section C Exported goods & like goods	<input type="checkbox"/>
Section D Domestic sales	<input type="checkbox"/>
Section E Due allowance	<input type="checkbox"/>
Section F Third country sales	<input type="checkbox"/>
Section G Cost to make and sell	<input type="checkbox"/>
Exporter's declaration	<input type="checkbox"/>
Non-confidential version of this response	<input type="checkbox"/>

<b>Attachments</b>	Please tick if you have provided spreadsheet
B-2 Australian sales	<input type="checkbox"/>
B-4 Upwards sales	<input type="checkbox"/>
B-5 Upwards selling expenses	<input type="checkbox"/>
D-2 Domestic sales	<input type="checkbox"/>
F-2 Third country sales	<input type="checkbox"/>
G-3 Domestic CTM	<input type="checkbox"/>
G-4.1 SG&A listing	<input type="checkbox"/>
G-4.2 Dom SG&A calculation	<input type="checkbox"/>
G-5 Australian CTM	<input type="checkbox"/>
G-7.2 Raw material CTM	<input type="checkbox"/>
G-7.4 Raw material purchases	<input type="checkbox"/>
G-8 Upwards costs	<input type="checkbox"/>

## GOODS UNDER CONSIDERATION / GOODS SUBJECT TO ANTI-DUMPING MEASURES

The goods under consideration (the goods) i.e. the goods exported to Australia, allegedly at dumped prices are hot rolled structural steel sections.

The goods subject to anti-dumping measures (the goods) are

*Hot rolled structural steel sections in the following shapes and sizes, whether or not containing alloys:*

- *universal beams (I sections), of a height greater than 130mm and less than 650mm;*
- *universal columns and universal bearing piles (H sections), of a height greater than 130mm and less than 650mm;*
- *channels (U sections and C sections) of a height greater than 130mm and less than 400mm; and*
- *equal and unequal angles (L sections), with a combined leg length of greater than 200mm.*

*Sections and/or shapes in the dimensions described above, that have minimal processing, such as cutting, drilling or painting do not exclude the goods from coverage of the investigation.*

### Excluded goods

The measures do not apply to the following goods:

- *hot rolled 'T' shaped sections, sheet pile sections and hot rolled merchant bar shaped sections, such as rounds, squares, flats, hexagons, sleepers and rails; and*
- *sections manufactured from welded plate (e.g. welded beams and welded columns).*

### Tariff classification

Goods identified as hot rolled non-alloy steel sections, as per the shapes and sizes described above, are classified to the following tariff subheadings in schedule 3 to the *Customs Tariff Act 1995*:

- 7216.31.00 statistical code 30 (channels — U and C sections);
- 7216.32.00 statistical code 31 (universal beams — I sections);
- 7216.33.00 statistical code 32 (universal column and universal bearing piles — H sections); and
- 7216.40.00 statistical code 33 (equal and unequal angles — L sections).

Goods identified as hot rolled alloy steel sections, as per the shapes and sizes described above, are classified to tariff subheading 7228.70.00 (statistical codes 11 and 12) in schedule 3 of the *Customs Tariff Act 1995*.





## Model Control Code structure

Details of the model control code (MCC) structure for the goods are detailed in the table below. Export sales data (Section B-2), domestic sales data (Section D-2) and cost to make and sell data (Section G-3, G-4 & G-5) submitted in this response must follow this MCC structure. At a minimum, the data must report sales and cost data separately for each of the mandatory MCC categories identified by the Commission.

Category	Sub-category	Identifier	Sales data	Cost data	Key category
Prime	Prime	P	<b>Mandatory</b>	Not applicable	<b>Yes</b>
	Non-prime	N			
Shape	Universal Beams ('I' sections)	I	<b>Mandatory</b>	<b>Mandatory</b>	<b>Yes</b>
	Universal Columns and Universal Bearing Piles ('H' sections)	H			
	Channels ('U' or 'C' sections)	C			
	Angles (Equal and Unequal Angle sections)	A			
Minimum yield strength	Less than 265 MPa	A	<b>Mandatory</b>	<b>Mandatory</b>	<b>Yes</b>
	Greater than or equal to 265 MPa	B			
Tensile strength	Less than 400 MPa	A	Optional	Optional	No
	Greater than or equal to 400 MPa and less than 450 MPa	B			
	Greater than or equal to 450 MPa and less than 500 MPa	C			
	Greater than or equal to 500 MPa	D			
Thickness	Minimum cross-sectional thickness less than 11mm	1	Optional	Optional	No
	Minimum cross-sectional thickness greater than or equal to 11mm	2			
Dimension	Beam or section height less than 230 mm	S	Optional	Optional	No
	Beam or section height equal to or greater than 230 mm	L			
Weldability	Carbon equivalent value specified in relevant standard	Y	Optional	Optional	No
	Carbon equivalent value not specified in relevant standard	N			

*Prime* refers to steel that is of acceptable quality for the application for which it is intended and not of some lower level of quality such as *defective*.

*Shape* refers to section such as beam, column, channel or angle.

*Minimum yield strength* refers to steel made to a standard which explicitly specifies minimum yield strength.

*Tensile strength* refers to minimum tensile strengths.

*Thickness* refers to the minimum thickness of flanges or webs.

*Dimension* refers to beam, column, channel or angle height.

*Weldability* refers to steel made to a standard which explicitly specifies a maximum carbon equivalent value.

As an example of how goods will be classified using only the mandatory categories of this MCC structure: Prime 'I' section Universal Beam with minimum yield strength of 400 MPa would have an MCC of P-I-B.

The MCCs will be used to model match export models to the identical or comparable domestic models. In addition, the MCCs will be used to determine the profitability of domestic sales in the ordinary course of trade test by comparing domestic selling prices to the corresponding cost to make and sell. The MCC may also be used to compare the export price to the cost to make the exported model as part of the constructed normal value.

If there are models manufactured and sold by your company that do not align within the MCC structure above, this should be raised by lodging a submission with the Commission as soon as is practicable, but no later than the time this questionnaire is due, otherwise the response may be deemed deficient.

**EXPORTER QUESTIONNAIRE  
RESPONSE**

*of*

**SIAM YAMATO STEEL CO., LTD.  
(SYS)**

*in relation to*

**HOT ROLLED STRUCTURAL  
SECTIONS**

*from*

**THAILAND**

## SECTION A COMPANY INFORMATION

### A-1 Company representative and location

1. Please nominate a contact person within your company:

**Head office:**

Name:

Position in the company:

Address:

**Marketing Division Manager**

**Siam Yamato Steel Co.,Ltd. 1 Siam**

**Cement Rd. Bangsue Bangkok**

**10800 Thailand**

Telephone:

**(+66 2) 586-4071**

Facsimile number:

**(+66 2) 586-2687,**

**(+66 2) 910-3123**

E-mail address:

2. If you have appointed a representative, provide the their contact details:

Name:

Address:

Telephone:

E-mail address:

3. Please provide the location of the where the company's financial records are held.

**Siam Yamato Steel Co.,Ltd. 1 Siam Cement Rd. Bangsue Bangkok 10800  
Thailand**

4. Please provide the location of the where the company's production records are held.

**Factory:**

**SYS1**

**Address:**

**9, I-7 Road, Map Ta Phut Industrial**

**Estate, Map Ta Phut, Mueang,**

**Rayong 21150, Thailand**

**SYS2**

**ADDRESS:**

**9/9, G-5 ROAD, HEMARAJ EASTERN**

**Industrial Estate, Huay Pong,**

**Mueang, Rayong 21150, Thailand**

### A-2 Company information

1. What is the legal name of your business?

**Siam Yamato Steel Co., Ltd. ("SYS")**

2. Does your company trade under a different name and/or brand? If yes, provide details.

**No, we do not. We trade under brand Siam Yamato Steel Co., Ltd.  
("SYS") only.**

3. Was your company ever known by a different legal and/or trading name? If yes, provide details

**No.**

4. Provide a list of your current board of directors and any changes in the last two years.

Details provided as requested. No changes in last two years.

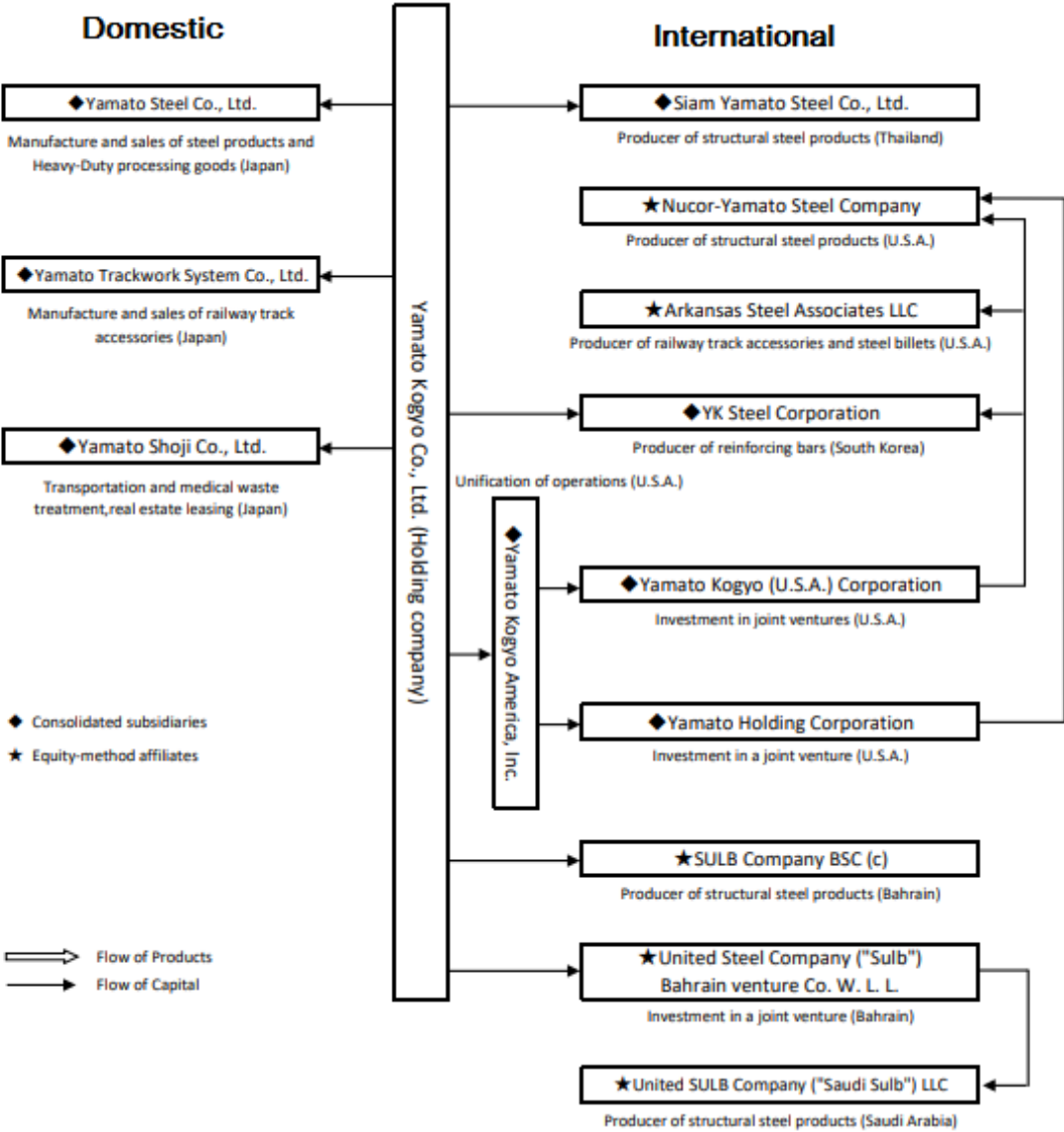
5. Is your company part of a group (e.g. parent company with subsidiaries, common ownership, joint-ventures)? If yes, provide:

(a) A diagram showing the complete ownership structure; and

**SYS is a subsidiary of Yamato Kogyo Co.,Ltd.**

<b>Shareholders</b>	<b>Percentage</b>
<b>1.The Siam Cement Public Company Limited</b>	<b>%</b>
<b>2.Yamato Kogyo Co., Ltd.</b>	<b>%</b>
<b>3.Mitsui &amp; Co., Ltd.</b>	<b>%</b>
<b>4.Sumitomo Corporation</b>	<b>%</b>
<b>5.Mitsui&amp;Co.(Thailand)Ltd.</b>	<b>%</b>

(b) A list of all related companies and its functions



6. Is your company or parent company publically listed?

If yes, please provide:

- (a) The stock exchange where it is listed; and
- (b) Any principle shareholders<sup>1</sup>

If no, please provide:

- (a) A list of all principal shareholders and the shareholding percentages.

**YAMATO KOGYO is listed company in Tokyo stock exchange.**

7. What is the overall nature of your company's business? Include details of the products that your company manufacture and sell and the market your company sells into.

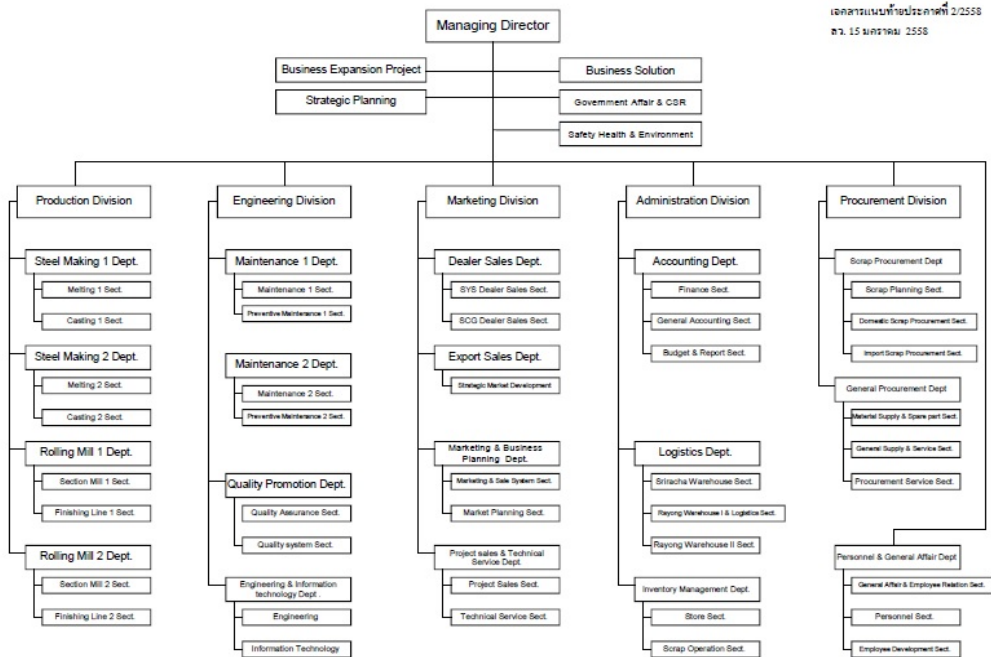
**SYS is a Producer, domestic seller and exporter of various hot rolled structural steel shapes. A company profile is attached.**

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:
- (a) produce or manufacture;
  - (b) sell in the domestic market;
  - (c) export to Australia; and
  - (d) export to countries other than Australia.

**SYS performs all of the above functions.**

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

**Organization Structure**



11. Does your company produce brochures, pamphlets or other promotional material? If yes, please provide them.

**Company product catalogue is attached.**

**A-3 General accounting information**

1. What is your financial accounting period?
- January 1 - December 31, 2018**
2. Are your financial accounts audited? If yes, who is the auditor?
- Yes. [REDACTED] is our auditor.**
3. What currency are your accounts kept in?

**BAHT**

4. What is the name of your financial accounting system?



**SAP**

5. What is the name of your sales system?

**SAP - SD**

6. What is the name of your production system?

**SAP - IM**

7. If your financial accounting, sales and production systems are different, how do the systems interact? Is it electronically or manual? Please provide a detailed explanation and include diagrams.

**SYS use same system for financial accounting, sales and production.**

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

**SYS accounting system is generally accepted accounting principles. Except for work in process and finished goods SYS use a monthly standard cost method which is adjusted to actual cost by auditor at end of each month.**

**SYS produces only to order for both domestic and export sales which mean both production and sales are in relative equilibrium.**

9. Have there been any changes to your accounting practices and/or policies over the last two years? If yes, please provide details.

**No change.**

**A-4 Financial Documents**

1. Please provide the two most recently completed annual reports and/or financial statements for your company and any other related companies involved in the production and sale of the goods.

**The last 2 financial report years available are 2016 and 2017.-attached.  
2018 is interim only, not audited. Confidential Exhibits # 2, # 3, # 4 refer**

2. If the financial statements in A-4.1 are unaudited, provide for each company:  
(a) the tax returns relating to the same period; and  
(b) Reconciliation of the revenue, cost of goods sold, and net profit before tax between the financial statements and tax returns.

**Financial statements have been audited by [REDACTED]**

3. Does your company maintain different profit centres? If yes, provide profit & loss statements for the profit centre that the goods falls into for:  
(a) the most recent financial year; and  
(b) the period.

**No , There are no different profit centres.**

4. If the period is different to your financial period, please provide:  
(a) Income statements directly from your accounting information system covering the most recent financial period and the period; or  
(b) Quarterly or half yearly income statements directly from your accounting system covering the most recent financial period and the period.

**Period is the same.**

5. Please provide a copy of your company's trial balance covering the most recent financial year.

**Unaudited financial report 2018 provided.**

6. Please provide your company's chart of accounts

**Refer Attachment A-4.6 company's chart of accounts. Confidential exhibit # 5 refers.**

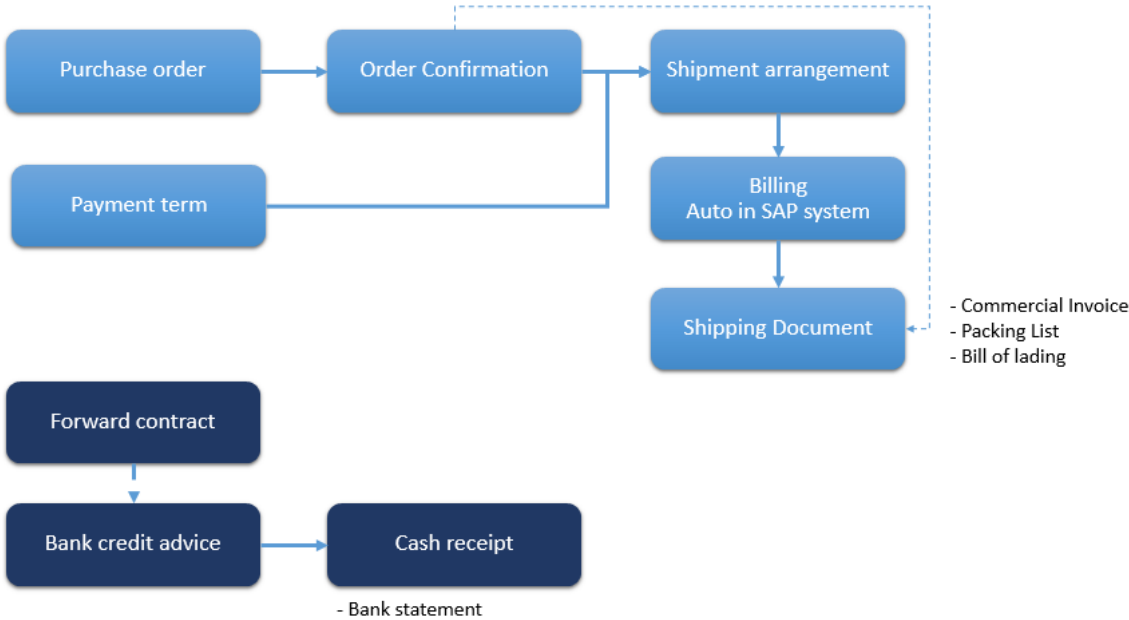
# SECTION B EXPORT SALES TO AUSTRALIA

## B-1 Australian export sales process

1. Provide details (and diagrams if appropriate) of the export sales process of your company and any entities (e.g. agents) including:
  - (a) Marketing and advertising activities  
**No such activities.**
  - (b) Price determination and/or negotiation process  
**Importer [redacted] propose an offer price based on Australian Market environment and SYS Management consider our relative costs to make and sell.**
  - (c) Order placement process  
**When agree on price [redacted] provide purchase order.**
  - (d) Order fulfilment process and lead time  
**SYS provide order confirmations, [redacted] advise of estimated vessel schedule & loading availability. SYS plan for production schedule of confirmed contractual order to co-ordinate with vessel availability.**
  - (e) Delivery terms and process  
**Delivery terms are [redacted] based on confirmation of the vessel availability.**
  - (f) Invoicing process  
**When goods are delivered from the mill to [redacted], SYS generated invoices.**
  - (g) Payment terms and process  
**SYS always requires the payment at the earliest period including by [redacted] [redacted] shipment, [redacted], [redacted], and [redacted] negotiated [redacted] payment terms on a transaction by transaction basis.**

Please find Australian export sales process flow as diagram below.

### SYS Export Order Processing



2. In what currency do you invoice your Australian customers? If it is not in your local currency:

- (a) Do your customers pay you into a foreign currency denominated account? If yes, provide details;

**SYS invoice [redacted] in [redacted] Dollars ([redacted])**

■■■ remitts to our bank ■■■ and our bank credit our account in BAHT

- (b) Do you use forward contracts to lock in the foreign exchange rate relating to the export sales? If yes, provide details;

**Yes, SYS use forward contracts to lock in the foreign exchange rate. The rate will be effective on credit advice on date received from the bank.**

- (c) How is the exchange rate determined and how often is it updated in your accounting system?

**On an Everyday basis we obtain USD and every other foreign exchange rate from Bank of Thailand and on receipt of order confirmation from customer we obtain ■■■ exchange rate from our ■■■ bank.**

3. Are there any Australian customers related to your company? If yes, please provide a list of each related customer and provide details on how the selling price is set.

**No related customers.**

4. If sales are in accordance with price lists or price extras list, provide copies of these lists.

**SYS has no price list and all offers based on price negotiation.**

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

**SYS Export confirmed selling price to ■■■ does not vary .**

6. Did you provide on-invoice discounts and/or off-invoice rebates to any Australian customer or an associate of the customer in relation to the sale of the goods during the period? If yes, provide a description and explain the terms and conditions that must be met by the customer to obtain the discount.

**SYS provided no rebates or discounts to ■■■.**

7. Did you issue any credit or debit notes (directly or indirectly) to the customer or associate of the customer in relation to the sale of the goods during the period? If yes, provide details of the credit/debit notes including the reasons the credit/debit notes were issued.

**The only credit note issued was in relation to a short shipment. (quantity)**

8. The invoice date will normally be taken to be the date of sale. If you are making a claim that a different date should be taken as the date of sale:

- (a) What date are you claiming as the date of sale?

**The date of sales is invoice date.**

- (b) Why does this date best reflect the material terms of sale?

**The invoice value and quantity are confirmation of the two most material terms of the sale transaction including the actual amount of Baht received for the transaction in accordance with the FX determined amount of Baht.**

## B-2 Australian sales listing

1. Complete the worksheet named "B-2 Australian sales"
  - This worksheet lists all export sales (i.e. transaction by transaction) to Australia of the goods invoiced within the period.
  - If you have claimed in B-1.8 that the date of sale is one other than the invoice date, then add the sales within your claimed date of sale.
  - You must provide this list in electronic format using the template provided.
  - If you have used formulas to complete this worksheet, these formulas must be retained.
  - If there are any direct selling expenses incurred in respect of the exports to Australia not listed in the spreadsheet, add a column. For example, 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.
2. Provide a table listing the source of the data for each column in the export sales listing (B-2.1).

**Please refer to attachment B-2 - Australian Sales.**

## B-3 Sample export documents

1. Select the two largest invoices by value and provide the following documentation:
  - Contracts
  - Purchase order and order confirmation
  - Commercial invoice and packing list
  - Proof of payment and accounts receivable ledger
  - Documents showing bank charges
  - Invoices for inland transport
  - Invoices for port handling and other export charges
  - Bill of lading
  - Invoices for ocean freight & marine insurance (if applicable)
  - Country of origin certificates (if applicable).
2. For each document, please annotate the documents or provide a table reconciling the details in the export listing (in B-2) to the source documents (in B-3.1).
- 3.

**Please refer to attachment B-3 Sample export documents. Confidential Exhibit # 6**

## B-4 Reconciliation of sales to financial accounts

1. Please complete the worksheet named "B-4 Upwards sales" to demonstrate that the sales listing in B-2, D-2 and F-2 are complete.
  - You must provide this list in electronic format using the template provided.
  - Please use the currency that your accounts are kept in.
  - If you have used formulas to complete this worksheet, these formulas must be retained.

**Please refer to attachment B-4 Upwards sales.**

2. Please provide all documents (e.g. general ledgers, trial balances), other than those in A-5, B-2 and D-2, required to complete the "Upwards sales" worksheet. If the documents include spreadsheets, all formulas used must be retained.

### **Copy of trial balance of financial report 2018 attached.**

3. For any amount in the "Upwards sales" worksheet that is hard coded (i.e. not a formula), please cross-reference by providing:
  - the name of the source document, including the relevant page number, in column F of the worksheet; and
  - highlight or annotate the amount shown in the source document

## **B-5 Reconciliation of direct selling expenses to financial accounts**

1. Please complete the worksheet named “B-5 Upwards selling expense” to demonstrate that the direct selling expenses (e.g. Inland transport) in B-2 and D-2 are complete.
  - You must provide this list in electronic format using the template provided.
  - Please use the currency that your accounts are kept in.
  - If you have used formulas to complete this worksheet, these formulas must be retained.  
**Please refer to attachment B-5 Upward selling expenses.**
2. Please provide all documents (e.g. general ledgers, trial balances), other than those in A-5, B-2 and D-2, required to complete the “Upwards SG&A” worksheet. If the documents include spreadsheets, all formulas used must be retained.  
**Copy of relevant ledger account – Source B-5 attached.**
3. For any amount in the “Upwards sales” worksheet that is hard coded (i.e. not a formula), please cross-reference by providing:
  - the name of the source document, including the relevant page number, in column F of the worksheet; and
  - highlight or annotate the amount shown in the source document.



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

**Anti-Dumping  
Commission**

## SECTION C EXPORTED GOODS & LIKE GOODS

The Commission considers the MCC structure in and of itself is not likely to be commercially sensitive information. Any claim that disclosing the MCC information is confidential or would adversely affect your business or commercial interests must be raised by lodging a submission as soon as practicable, but no later than the time this questionnaire is due.

### C-1 Models exported to Australia

1. Fully describe all of the goods your company exported to Australia during the period. Include specification details and any technical and illustrative material that may be helpful in identifying, or classifying, the goods exported to Australia.

**The goods exported to Australia during the investigation period are H and C sections of specifications per the table below.**

Specification details provided.

2. Provide a list of MCCs of the goods exported to Australia. This must cover all MCCs listed in the Australian sales listing in B-2.
  - This list must be disclosed in the public record version of the response.

**Based on the Commission's mandatory MCC sub categories for this response, SYS exported models P H B B and P C B B , to Australia ,being to the standard AS/NZS 3679 1. 2016 , which is commonly referred to as being 'grade 300' in terms of specified, theoretical Yield strength of 280-320 MPa.**

**The two MCC's include the optional tensile strength sub category –B.**

### C-2 Models sold in the domestic market

1. Fully describe all like goods your company sold on the domestic market during the period. Include specification details and any technical and illustrative material that may be helpful in identifying, or classifying, the like goods sold on the domestic market.
2. Provide a list of MCCs of like goods sold on the domestic market. This must cover all MCCs listed in the domestic sales listing in D-2.
  - This list must be disclosed in the public record version of the response.-

**SYS produce ; Universal Beams; Universal Columns; Channels; Angles > 200mm. SYS catalogue Exhibit No 1 refers (A.2.11)**

**The goods SYS sold on the domestic market during the investigation period are of various sizes and specifications and based on the SYS proposed sub category for Yield Strength the domestic MCC 'models', including the optional Tensile strength sub category which SYS consider to be equally relevant, are:-**

**P. H. B.B; P. H. B. C; P.H. C.D.;P.C.B.B.; P.C.B.C.; P.C.C.D.; P.I.B.B; P.I.C.D.; P.A.C.D.**



SYS request to Commission for consideration on changing the MCC sub-category for Yield Strength and the reasoning for this request.

### **C-3 Internal product codes**

1. Does your company use product codes or stock keeping unit (SKU) codes?

If yes:

- (a) Provide details of the product or SKU coding system for the goods, such as a legend or key of the meaning for each code within the product or SKU code.
- (b) Provide details on how you mapped the product or SKU codes to the MCC for the purpose of completing this questionnaire.
- (c) Provide a table of showing the product or SKU codes for each MCC.

If no:

- (a) Provide details on the method used to identify the MCC in the sales and cost spreadsheets.

**Please find the internal product code and example as below.**

**(Commercially sensitive information)**

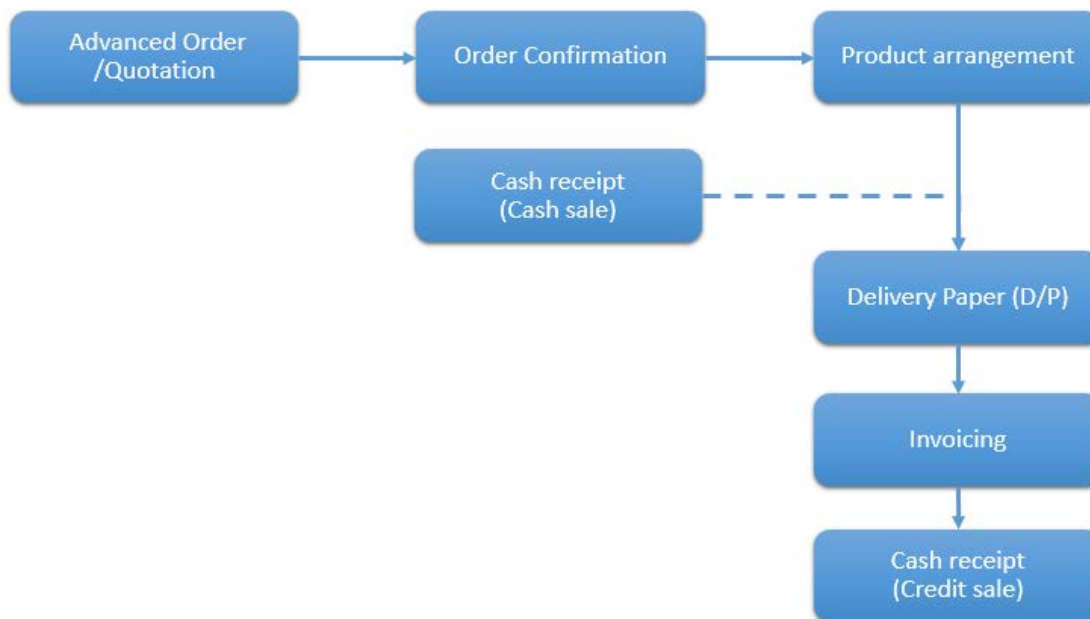


## SECTION D DOMESTIC SALES

### D-1 Domestic sales process

1. Provide details (and diagrams if appropriate) of the domestic sales process of your company and any other related entities including:
  - (a) Marketing and advertising activities  
**Domestic advertising via website, construction journals, promotional offers and industry exhibitions**
  - (b) Price determination and/or negotiation process  
**Domestic sales manager decided domestic price for customers profile based on current cost to make from raw material prices. This is monthly pricing process.**
  - (c) Order placement process  
**Please Refer to diagram below.**
  - (d) Order fulfilment process and lead time  
**Production is order-based and lead time is normally 1 month**
  - (e) Delivery terms and process  
**Ex-work and Delivered, depending on product, customer and market conditions**
  - (f) Invoicing process  
**Generated After daily delivery paper (DP) when SAP system generates invoices automatically**
  - (g) Payment terms and process  
**Some customers pay cash in advance on drafted invoices pre-DP, and some are domestic L/C, other customers have approved credit term payments.**

### SYS Domestic Order Process



2. Are any domestic customers related to your company? If yes, please provide a list of each related customer and provide details on how the selling price is set.

**No.**

3. If sales are in accordance with price lists or price extras list, provide copies of these lists.

**No domestic price list.**

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

**Refer to D-2 Domestic sales, the weighted average selling price to dealers of [REDACTED] baht per tonne compared to end users of [REDACTED] baht per tonne during the period of review. The reason that the price of end user is [REDACTED] than the dealer's price because the intention of end user is to value add for [REDACTED] .**

5. Did you provide on-invoice discounts and/or off-invoice rebates to the customer or an associate of the customer in relation to the sale of the like goods during the period? If yes, provide a description; and explain the terms and conditions that must be met by the importer to obtain the discount.

**Details provided being commercially sensitive information.**

6. Did you issue any credit or debit notes (directly or indirectly) to the customer or associate of the customer in relation to the sale of the like goods during the period? If yes, provide details of the credit/debit notes including the reasons the credit/debit notes were issued.

7.

**Details provided being commercially sensitive information**

8. The invoice date will normally be taken to be the date of sale. If you are making a claim that a different date should be taken as the date of sale:

(a) What date are you claiming as the date of sale?

**The date of sale is invoice date.**

(b) Why does this date best reflects the material terms of sale?

**The invoice date confirms the material terms of sale as per the transaction order.**

## **D-2 Domestic sales listing**

1. Complete the worksheet named "D-2 Domestic sales"
  - This worksheet lists all domestic sales (i.e. transaction by transaction) of like goods invoiced within the period, even if they are models not exported to Australia
  - If you have claimed in D-1.7 that the date of sale is one other than the invoice date, then add the sales within your claimed date of sale.
  - You must provide this list in electronic format using the template provided.
  - If you have used formulas to complete this worksheet, these formulas must be retained.
  - 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-2 above, add a column for each item. For example, certain other selling expenses incurred.
2. Provide a table listing the source of the data for each column in the domestic sales listing (D-2.1).

**Please refer to attachment D-2 – Domestic sales listing.**

## **D-3 Sample domestic sales documents**

1. Select the two largest invoices by value and provide the following documentation:
  - Contracts
  - Purchase order and order confirmation
  - Commercial invoice and packing list
  - Proof of payment and accounts receivable ledger
  - Documents showing bank charges
  - Delivery invoices
2. For each document, please annotate the documents or provide a table reconciling the details in the domestic sales listing (in D-2) to the source documents (in D-3.1).

**Please refer to attachment D-3 Sample export documents.-Exhibit # 7**

**D-4 Reconciliation of sales to financial accounts**

This section is not required if you have completed B-4.

**Please refer to attachment B-4 Reconciliation of sales to financial accounts.**

## SECTION E DUE ALLOWANCE

### E-1 Credit expense

1. Do you provide credit to any domestic customers in relation to sales of like goods (i.e. payment terms that are not on a cash or pre-payment basis)? If yes:
  - (a) Do you provide a rolling credit facility to your domestic customers (i.e. no specific payment terms agreed at the time of sale)? If yes:
    - i. Calculate the accounts receivable turnover for each domestic customer (credit sales divided by the average accounts receivable).
    - ii. Calculate the average credit term for each domestic customer by dividing 365 by the accounts receivable turnover

**The credit cost adjustment included in the Domestic sales spreadsheet is the cost amount included in credit term sales prices which is based on ■ % per annum. That is, the amount included is; no. of days of credit/365 x ■ % x invoice amount.**
  - (b) Do you have short term borrowings or an overdraft facility? If yes, what is the interest rate, or average of interest rates?  
**SYS has No short term borrowings.**
  - (c) Do you have term deposits or other cash product (e.g. bonds)? If yes, what is the interest rate, or average of interest rates?  
**SYS has term deposits; interest rate is ■■■ % per annum.**
2. Do you provide credit to any Australian customers in relation to sales of the goods (i.e. payment terms that are not on a cash or pre-payment basis)? If yes:
  - (a) Do you provide a rolling credit facility to your Australian customers (i.e. no specific payment terms agreed at the time of sale)? If yes:
    - i. Calculate the accounts receivable turnover for each domestic customer (credit sales divided by the average accounts receivable).
    - ii. Calculate the average credit term for each domestic customer by dividing 365 by the accounts receivable turnover

**SYS does not provide any rolling credit facility to Australian customer.**
  - (b) If your Australian customers pay you into a foreign currency denominated account (question B-1.2(a) refers):
    - i. Do you have short term borrowings or an overdraft facility denominated in the same foreign currency? If yes, what is the interest rate, or average of interest rates?
    - ii. What is the interest rate, or average of interest rates, applying to term deposits or other cash product (e.g. bonds) denominated in the same foreign currency? If yes, what is the interest rate, or average of interest rates?

**Remittances are to our nominated operating bank account.**

### E-2 Packaging

1. What is the packaging used for your domestic sales of like goods?  
**No packing is provided.**
2. What is the packaging used for your export sales of the goods to Australia?  
**No packing. Is provided.**
3. If there are distinct differences in packaging between your domestic and export sales:
  - (a) Provide details of the differences
  - (b) Calculate the weighted average packaging cost for each model sold on the domestic market
  - (c) Calculate the weighted average packaging cost for each model exported to Australia

### E-3 Delivery

1. Are any domestic sales of like goods delivered to the customer? If yes, how were the transportation costs calculated in the domestic sales listing in D-2?

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Delivery terms of Domestic sales are Ex-works and CFR. For Ex-works sales there is no transportation cost. For CFR sales the amount reported in the Domestic sales spreadsheet is the cost of transportation from SYS sales depot (Sriracha depot) to customers. It is based on the monthly actual average unit cost of delivery for all Domestic sales and which is based on our contractual rate with service provider.

2. What are the delivery terms of the export sales of the goods to Australia?

Terms are [REDACTED]

3. If the delivery terms of the Australian sales includes delivery to the port, how were the inland transport and port charges calculated in the Australian sales listing in B-2?

**Inland transport charges are based on the actual unit cost (THB/tonne) according to the SYS contract with the transportation company.**

4. If the delivery terms of the Australian sales includes ocean freight, how was the ocean freight cost calculated in the Australian sales listing in B-2?

**No ocean freight cost because SYS sold as [REDACTED] term.**

5. If the delivery terms of the Australian sales includes marine insurance, how was the marine insurance calculated in the Australian sales listing in B-2?

**No marine insurance.**

6. If the delivery terms of the Australian sales includes delivered duty paid, how were the Australian importation and delivery costs calculated in the Australian sales listing in B-2?

Terms are [REDACTED] .

### E-4 Other direct selling expenses

1. Do you provide sales commissions for domestic sales of like goods and/or export sales of the goods? If yes, provide details.

**Sales commissions ([REDACTED] %-[REDACTED]%) are paid to selling agents, [REDACTED] & Co (Thailand) Co., Ltd., [REDACTED] Corporation (Thailand) Co., Ltd., [REDACTED] [REDACTED] Co., Ltd., on certain transactions – refer to the Domestic Sales spreadsheet.**

2. Are there any differences in tax liability between domestic and export sales?

**Yes-on VAT .**

If yes, provide details, for example:

- What is the rate of value-added tax (VAT) on sales of the goods and like goods?  
**Domestic VAT 7%**  
**Export sales VAT 0%**
- How is VAT accounted for in your records in relation to sales of the goods and like goods?  
**VAT on domestic sales is accounted for at time of invoicing and VAT paid on domestic purchases are accounted for on receipt of invoice and on the 15<sup>th</sup> day of every month, SYS remits the payment to government or obtain refunds depending on VAT receipt and payment.**
- Do you receive a VAT refund in relation to sales of the goods and/or like goods?  
**Refer to previous response.**
- Do you receive a remission or drawback of import duties on inputs consumed in the productions of the goods or like goods?  
**No import duty IS payable on imported inputs.**

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3. Are there any other direct selling expenses incurred by your company in relation to domestic sales of like goods?

- These direct selling expenses must be included in the reconciliation of direct selling expenses in B-5

████████████████████ (TYPE of selling expenses).

4. Are there any other direct selling expenses incurred by your company in relation to export sales of the goods to Australia?

- These direct selling expenses must be included in the reconciliation of direct selling expenses in B-5

████████████████████ (Type of selling expenses)

### E-5 Other adjustment claims

1. Are there any other adjustments required to ensure a fair comparison between the export price and the normal value (based on domestic sales, costs and/or third country sales)? If yes, provide details.

- An adjustment will only be made where there is evidence that the difference affects price comparability.
- Refer to Chapter 14 of the Dumping and Subsidy Manual for more information.

SYS considers certain dedicated domestic sales expenses warrant consideration for an adjustment claim. This can be supported by SAP system and details of the expense nature, purpose etc can be provided.

Response to D 2 provides SGA sales listing that includes the dedicated domestic sales expenses in question totalling ██████████ /tonne.

## SECTION F THIRD COUNTRY SALES

### F-1 Third country sales process

1. Are your sales processes to any third country (i.e. exports to countries other than Australia) different to the sales process described in B-1.1? If yes, provide details of the differences.

**Sale process is followed in accordance with diagram B-1.1. Difference in sales to third countries and export sales to Australia are; Grade, Shipment terms, Payment term, Level of trade and currency.**

2. Are there any third country customers related to your company? If yes, please provide a list of each related customer and provide details on how the selling price is set.

**No.**

3. The invoice date will normally be taken to be the date of sale. If you are making a claim that a different date should be taken as the date of sale:

- (a) What date are you claiming as the date of sale?

**The date of sale is invoice date.**

- (b) Why does this date best reflects the material terms of sale?

**The invoice date confirms the relevant material terms of transaction sales.**

### F-2 Third country sales listing

1. Complete the worksheet named "F-2 Third country sales"
  - This worksheet lists all export sales, summarised by country and customer, to third countries of like goods invoiced within the period.
  - If you have claimed in F-1.3 that the date of sale is one other than the invoice date, then add sales with your claimed date of sale.
  - You must provide this list in electronic format using the template provided.
  - If you have used formulas to complete this worksheet, these formulas must be retained.

**Please refer to attachment F-2 - Third country sales listing.**

2. Provide a table listing the source of the data for each column in the export sales listing (F-2.1).

**All source data is from SAP.**

### F-3 Differences in sales to third countries

1. Are there any differences in sales to third countries which may affect their comparison to export sales to Australia? If yes, provide details.

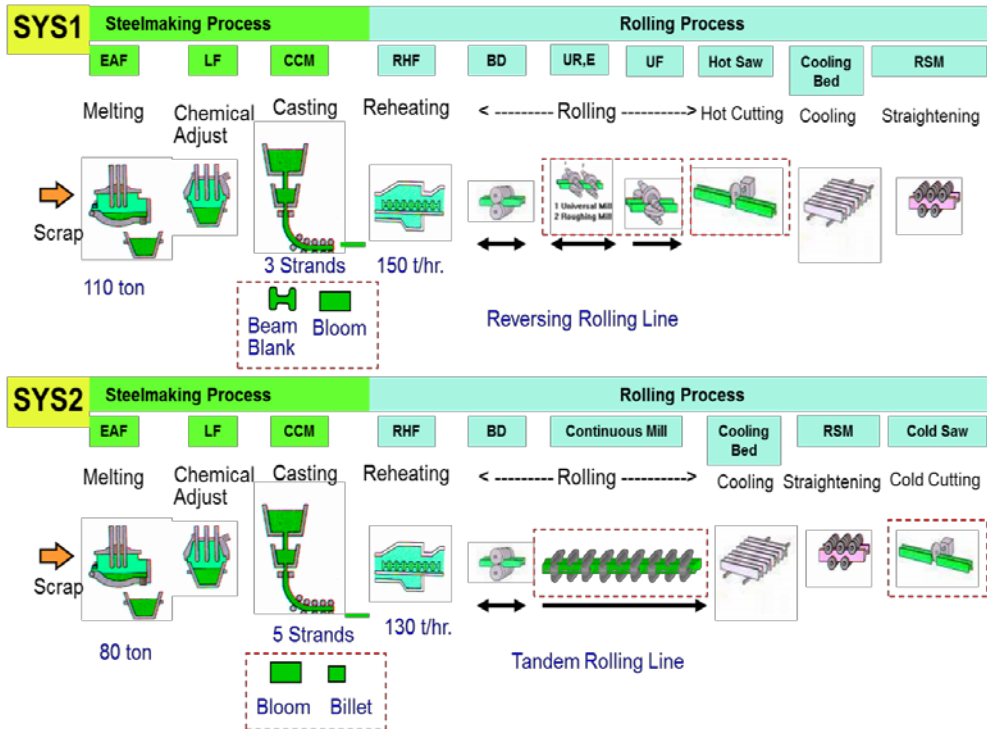
**Difference in sales to third countries and export sales to Australia are Grade, Shipment terms, Payment term, Level of trade and currency.**

## SECTION G COST TO MAKE AND SELL

### G-1. Production process

- Describe the production process for the goods and 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.

Production flow chart hereunder.



- Beam Blank, Bloom and Billet are produced by SYS and are included in the above production flow chart

- Are any of your suppliers related to your company (regardless of whether it is relevant to the manufacture of the goods)? If yes, please provide details including the product or services supplied by the related company.

No suppliers are related to SYS.

### G-2. Cost accounting practices

- Is your company's cost accounting system based on actual or standard costs (budgeted)?  
**Based on monthly standard cost by product and subsequently adjusted by Auditor based on actual cost . Allocated by sales volume, which approximates production volume as production is based on orders.**
- If you company uses standard costs:
  - Were standard costs used as the basis of actual costs in your responses G-3.1 & G-5.1?  
**Yes-SYS prepared standard cost in G-3 & G-5.**
  - Have all variances (i.e. differences between standard and actual production costs) been allocated to the goods?  
**Yes, in tab sheet G-8 Upwards costs.**
  - How were those variances allocated?  
**Variances have been allocated to different products on the basis of production weight and are included in cost of goods sold.**
  - Provide details of any significant or unusual cost variances that occurred during the period.  
**No, Not relevant.**



3. Do you have different cost centres in your company's cost accounting system? If yes, list the cost centres, provide a description of each cost centre and the allocation methodology used in your accounting system.  
**Yes, [REDACTED] (commercially sensitive information)**
4. To what level of product specificity (models, grades etc.) does your company's cost accounting system normally record production costs?  
**Product group (e.g. H-Beam, I-Beam, Channel)**
5. Are there any costs for management accounting purposes valued differently to financial accounting purposes? If yes, provide details of the differences.  
**No, Not relevant.**
6. Has your company engaged in any start-up operations in relation to the goods ? If yes:  
**No, Not relevant.**  
(a) Describe in detail the start-up operation giving dates (actual or projected) of each stage of the start-up operation.  
(b) 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.
7. What is 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)?  
**Raw material used weighted average, work-in process and finished goods used standard cost.**
8. What are the valuation methods for damaged or sub-standard goods generated at the various stages of production?  
**Sub-standard goods such as rusty scrap valuation decrease value x [REDACTED] % down from cost of first grade goods.**
9. What are the valuation methods for scrap, by products, or joint products?  
**Scrap return is the only by product and valuation is based on low grade scrap cost price.**
10. Are any management fees/corporate allocations charged to your company by your parent or related company? If yes, provide details  
**Yes; [REDACTED] % of net sales and [REDACTED] % of net sales (cap of net sales [REDACTED]) (Commercially sensitive information)**

### G-3 Cost to make on domestic market

1. Complete the worksheet named "G-3 Domestic CTM".
- This worksheet lists the quarterly cost to make the domestic models of like goods by MCC manufactured within the period, even if they are models not exported to Australia.
  - The costs must be based on actual cost of production (i.e. not standard costs or cost of goods sold) for each MCC.
  - If any imputation tax (e.g. value-added tax) is payable on the purchase of goods or services to manufacture like goods, report the costs excluding the imputation tax. All other taxes payable (e.g. import duty) must be included as 'other costs' if not already included, for example, under material costs.
  - You must provide this list in electronic format using the template provided.
  - If you have used formulas to complete this worksheet, these formulas must be retained.
  - If you have claimed in D-1.7 that the date of sale is one other than the invoice date, then provide the cost for the quarters that all domestic sales are made within your claimed date of sale, even if doing so means that such cost data predates the commencement of the period.
2. Provide a table listing the source of the data for each column of the "Domestic CTM" listing (G-3.1).  
**Please find attached G-3 Cost to make on Domestic market**

### G-4 Selling, General & Administration expenses

1. Complete the worksheet named "G-4.1 SG&A listing".

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- This worksheet lists all selling, general and administration expenses by account code for the most recent accounting period and the period.
- You must provide this list in electronic format using the template provided.
- If you have used formulas to complete this worksheet, these formulas must be retained.

**Please find attached G-4.1 SG&A listing.**

2. Complete the worksheet named "G-4.2 Domestic SG&A calculation".
  - This worksheet calculates the unit domestic SG&A for each MCC.
  - You must provide this list in electronic format using the template provided.
  - Please use the formulas provided.

**Please find attached G-4.2 Domestic SG&A calculation.**

### G-5 Cost to make the goods exported to Australia

1. Complete the worksheet named "Australian CTM".
  - This worksheet lists the quarterly cost to make the Australian models of the goods under consideration by MCC manufactured within the period.
  - The costs must be based on actual cost of production (i.e. not standard costs or cost of goods sold) for each MCC.
  - If any imputation tax (e.g. value-added tax) is payable on the purchase of goods or services to manufacture the goods, report the costs excluding the imputation tax. All other taxes payable (e.g. import duty) must be included as 'other costs' if not already included, for example, under material costs.
  - You must provide this list in electronic format using the template provided.
  - If you have used formulas to complete this worksheet, these formulas must be retained.
  - If you have claimed in B-1.8 that the date of sale is one other than the invoice date, then provide the cost for the quarters that all Australian sales are made within your claimed date of sale, even if doing so means that such cost data predates the commencement of the period.
2. Provide a table listing the source of the data for each column of the "Australian CTM" listing (G-5.1).

**Please find attached G-5 Cost to make the goods exported to Australia.**

### G-6 Cost allocation methodology

1. What is the allocation methodology used to complete in G-3 domestic CTM and G-5 Australian CTM for:
  - (a) Raw materials -allocated by **volume**.
  - (b) Labour- allocated by **volume**.  
Manufacturing overheads  
-allocated by **volume**.  
-Since SYS only produce to order therefore production tonnes and sales tonnes are nearly similar in quantity.
2. Select the domestic model (export model if you have no domestic production of like goods) with the largest production volume over the period and provide worksheets demonstrating the allocation methodology described in G-6.1 from your normal cost accounting system to the cost for that model reported in G-3.1.

**Financial income statement 2018 attached.**

### G-7 Major raw material costs

1. What are the major raw materials used in the manufacture of the goods?  
**Scrap and alloys**
2. Are any raw materials sourced as part of an integrated production process or from a subsidiary company which your company exercise control? If yes, complete the worksheet named "G-7.2 Raw material CTM" for these raw materials.  
**Yes-used as part of an integrated production process..**
  - This worksheet lists the quarterly cost to make the raw material manufactured within the period.
  - The costs must be based on actual cost of production (i.e. not standard costs or cost of goods sold).
  - If any imputation tax (e.g. value-added tax) is payable on the purchase of goods or services to manufacture the raw material, report the costs excluding the imputation tax. All other taxes payable

## PUBLIC RECORD-SYS

(e.g. import duty) must be included as 'other costs' if not already included, for example, under material costs.

- You must provide this list in electronic format using the template provided.
- If you have used formulas to complete this worksheet, these formulas must be retained.

3. Using the domestic cost data in G-3, calculate the weighted average percentage of each raw material cost (listed in G-7.1) as a proportion of total cost to make.

**Scrap ■ % , other raw material ■ %.**

4. For each raw material identified in G-7.3 which individually account for 10% or more of the total cost to make, complete the worksheet named "G-7.4 Raw material purchases"

- This worksheet lists all raw material purchases (i.e. transaction by transaction) purchased by your company within the period.
- You must provide this list in electronic format using the template provided.
- If you have used formulas to complete this worksheet, these formulas must be retained.

**Please find attachment G 7.4**

5. Provide a table listing the source of the data for each column of the "Raw material purchases" listing (G-7.4).

### SAP

6. For each raw material:
  - (a) Select the two largest invoices by value and provide the commercial invoice and proof of payment.
  - (b) Reconcile the total value listed of the purchases in G-7.4 to relevant purchase ledgers or trial balances in your accounting system. Provide copies of all documents used to demonstrate the reconciliation.

**Please find attachment G 7.4**

7. Are any of the suppliers listed in G-7.4 related to your company? If yes, please provide details on how the price is set.

**No suppliers are related to SYS**

## G-8 Reconciliation of cost to make to audited financial statements

1. Please complete the worksheet named "Upwards costs".
  - You must provide this list in electronic format using the template provided.
  - Please use the currency that your accounts are kept in.
  - If you have used formulas to complete this worksheet, these formulas must be retained.
2. Please provide any documents, other than those in A-5, G-3 and G-5, required to complete the "Upwards costs" worksheet.

**Please find G-8 Upward costs as attached.**

3. For any amount that is hard coded (i.e. not a formula), please cross-reference by providing:
  - the name of the source document, including the relevant page number, in column F of the worksheet; and
  - highlight or annotate the amount shown in the source document.

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## **EXPORTER'S DECLARATION**

I hereby declare that.....(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** :.....

**Signature** :.....

**Position in  
Company** :.....

**Date** :.....

## 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 on costs to make and sell.

### **Arm's length**

Sales are not considered to be at "arm's 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 prices paid for like goods sold 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 to which the application for anti-dumping action relates. That is, the goods that you have exported to Australia allegedly at dumped prices.

**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)

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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)

### **The 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 or that, although not alike in all respects have characteristics closely resembling those of the goods. 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 on all costs to make and sell the goods, and an amount for profit. 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.