



## Exporter Questionnaire



### **ABB Zhongshan Transformer Co., Ltd.**

**Case number:** 507

**Product:** Power Transformers

**From:** The People's Republic of China

**Review period:** 1 January 2016 to 31 December 2018 (the period)

**Response due by:** 24 April 2019

**Extended to 6 May 2019**

**Case manager:** Reuben McGovern

**Phone:** +61 3 8539 2437

**Return completed questionnaire to:** [investigations3@adcommission.gov.au](mailto:investigations3@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 an investigation into power transformers (also referred to as 'the goods') exported to Australia from the People's Republic of China (China).

The Commission will use the information you provide to determine normal values and export prices over the investigation period (the period). This information will determine whether the power transformers 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

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- 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.

### **Confidential and non-confidential responses**

You are required to lodge a confidential version (for official use only) and a non-confidential version (for public record) of your response to this exporter questionnaire by the due date. Please ensure that *each page* of information you provide is clearly marked either "FOR OFFICIAL USE ONLY" or "PUBLIC RECORD".

All information provided to the Commission in confidence will be treated accordingly. The non-confidential version of your submission will be placed on the public record, and must contain sufficient detail to allow a reasonable understanding of the substance of the information, but does not breach confidentiality nor adversely affect those interests.

A person is not required to provide a summary for the public record if the Commission can be satisfied that no such summary can be given that would allow a reasonable understanding of the substance of the information.

All submissions are required to have a bracketed explanation of deleted or blacked out information for the non-confidential version of the submission. An example of a statement to accompany deleted/blacked out text is:

[Explanation of cost allocation through the divisions, by reference to machine hours or weight].

If such an explanation is not provided, the Commission may disregard the information in the submission. Where the public record version of your response to the exporter questionnaire does not contain sufficient detail, your company may be deemed to have significantly impeded the case and be deemed 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.

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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.

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- 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<br>Company information          | <input checked="" type="checkbox"/>                |
| Section B<br>Export sales to Australia    | <input checked="" type="checkbox"/>                |
| Section C<br>Exported goods & like goods  | <input checked="" type="checkbox"/>                |
| Section D<br>Domestic sales               | <input checked="" type="checkbox"/>                |
| Section E<br>Due allowance                | <input checked="" type="checkbox"/>                |
| Section F<br>Third country sales          | <input checked="" type="checkbox"/>                |
| Section G<br>Cost to make and sell        | <input checked="" type="checkbox"/>                |
|   | <input checked="" type="checkbox"/>                |
| Non-confidential version of this response | <input checked="" type="checkbox"/>                |

| <b>Attachments</b>           | Please tick if you have provided spreadsheet |
|------------------------------|--|
| B-2 Australian sales         | <input checked="" type="checkbox"/>          |
| B-4 Upwards sales            | <input checked="" type="checkbox"/>          |
| B-5 Upwards selling expenses | <input checked="" type="checkbox"/>          |
| D-2 Domestic sales           | <input checked="" type="checkbox"/>          |
| F-2 Third country sales      | <input checked="" type="checkbox"/>          |
| G-3 Domestic CTM             | <input checked="" type="checkbox"/>          |
| G-4.1 SG&A listing           | <input checked="" type="checkbox"/>          |
| G-4.2 Dom SG&A calculation   | <input checked="" type="checkbox"/>          |
| G-5 Australian CTM           | <input checked="" type="checkbox"/>          |
| G-7.1 List of raw materials  | <input checked="" type="checkbox"/>          |
| G-7.4 Raw material purchases | <input checked="" type="checkbox"/>          |

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|                          |                                     |
|--------------------------|-------------------------------------|
| G-8 Upwards costs        | <input checked="" type="checkbox"/> |
| G-9 Capacity utilisation | <input checked="" 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:

*Liquid dielectric power transformers with power ratings of equal to or greater than 10 MVA (mega volt amperes) and a voltage rating of less than 500kV (kilo volts) whether assembled or unassembled, complete or incomplete.*

Incomplete transformers are sub-assemblies consisting of the active part and any other parts attached to, imported with or invoiced with the active parts of power transformers. The active part of a power transformer consists of one or more of the following when attached to or otherwise assembled with one another:

- the steel core;
- the windings;
- electrical insulation between the windings; and
- the mechanical frame.

The product definition includes step-up transformers, step-down transformers, autotransformers, interconnection transformers, voltage regulator transformers, rectifier transformers, traction transformers, trackside transformers and power rectifier transformers.

Distribution transformers are not the subject to the measures.

## SECTION A COMPANY INFORMATION

### A-1 Company representative and location

1. Please nominate a contact person within your company:

|                                |   |
|--------------------------------|---|
| <b>Name</b>                    | <b>Guifang Zhong</b>  |
| <b>Position in the company</b> | <b>Area Sales Manager</b>   |
| <b>Address</b>                 | <b>No.1 Haicheng North Road<br/>Hengmen, Nanlang Town<br/>Zhongshan<br/>Guangdong<br/>China</b> |
| <b>Telephone</b>               | <b>+86 189 9878 3171</b>  |
| <b>E-mail address</b>          | <b>morgen-guifang.zhong@cn.abb.com</b>  |

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

|  |   |
|--|---|
| <b>Name</b>  | <b>Charles Zhan</b>   |
| <b>Address</b>   | <b>6/2 Brindabella Circuit<br/>Brindabella Business Park<br/>Canberra International Airport<br/>Australian Capital Territory<br/>Australia 2609</b> |
| <b>Telephone</b>   | <b>+ 61 2 6163 1000</b>   |
| <b>Email address of contact person</b>   | <b>charles.zhan@moulislegal.com</b>   |
| <b>All communications in relation to this matter should be directed to Moulis Legal in the first instance.</b> |   |

*In nominating a representative, you are granting authority to the Commission to discuss matters relating to the case with the nominated representative, including your company's confidential information.*

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

|   |
|---|
| <b>The Company's financial records are kept at No.1 Haicheng North Road, Hengmen, Nanlang, Zhongshan, Guangdong, China.</b> |
|---|

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

**The Company's financial records are kept at No.1 Haicheng North Road, Hengmen, Nanlang, Zhongshan, Guangdong, China.**

## A-2 Company information

1. What is the legal name of your business?

**The legal name of the company is ABB Zhongshan Transformer Co., Ltd. ("ABB ZS").**

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

**ABB ZS does not trade under a different name and/or brand.**

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

**ABB ZS was not ever known by a different legal and/or trading name.**

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

**Please kindly refer to Attachment A-2.4 for the list of current board directors and changes in the last two years. [CONFIDENTIAL ATTACHMENT]**

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

**ABB ZS is a limited liability company and is a subsidiary of ABB (China) Limited.**

**Please kindly refer to Attachment A-2.5.a for the ownership structure diagram and Attachment A-2.5.b for the list of all related companies within ABB (China) Limited. [CONFIDENTIAL ATTACHMENTS]**

6. Is your company or parent company publicly listed?

If yes, please provide:

- (a) The stock exchange where it is listed; and

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(b) Any principal shareholders<sup>1</sup>

If no, please provide:

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

**ABB ZS and its parent company, ABB (China) Limited, are not publicly listed. Please kindly refer to Attachment A-2.5.a for the principal shareholders and the shareholding percentages. [CONFIDENTIAL ATTACHMENT]**

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.

**ABB ZS is a manufacturer and seller of power transformers, furnace transformers, rectifier transformers, traction feeders in the domestic market and export market.**

**[CONFIDENTIAL TEXT DELETED – information about markets].**

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.

**Not applicable, in that ABB ZS performed all of the functions as listed above.**

9. Provide your company's internal organisation chart.

**Please kindly refer to Attachment A-2.9 for ABB ZS's internal organisation chart. [CONFIDENTIAL ATTACHMENT]**

10. Describe the functions performed by each group within the organisation.

**Please kindly refer to Attachment A-2.10 for detailed description of the functions performed by each group within ABB ZS. [CONFIDENTIAL ATTACHMENT]**

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

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<sup>1</sup> Principal shareholders are those who are 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.

Please kindly refer to Attachment A-2.11 for ABB ZS's company and product brochure. [CONFIDENTIAL ATTACHMENT]

### A-3 General accounting information

1. What is your financial accounting period?

**The accounting period of ABB ZS is from 1 January to 31 December.**

2. Are your financial accounts audited? If yes, who is the auditor?

**ABB ZS's financial accounts are audited by Ernst & Young Hua Ming LLP.**

3. What currency are your accounts kept in?

**The currency ABB ZS's accounts are kept in is Chinese Renminbi (CNY).**

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

**The name of ABB ZS's financial accounting system is SAP.**

5. What is the name of your sales system?

**The name of ABB ZS's sales system is SAP.**

6. What is the name of your production system?

**The name of ABB ZS's production system is SAP.**

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.

**Not applicable. ABB ZS uses SAP system for financial accounting, sales and production systems.**

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

**Not applicable, in that ABB ZS's accounting practices follow the generally accepted accounting principles of China.**

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

**No, there was no change of accounting methods and/or policies during the last two years.**

## **A-4 Financial Documents**

1. Please provide the four (4) 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.

**Please see Attachment A-4.1 for ABB ZS's Audit Reports for 2015, 2016 and 2017. Please also see at Attachment A-4.1 the financial statement for 2018. The audited report for 2018 is currently being prepared. [CONFIDENTIAL ATTACHMENTS]**

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.

**As noted above, ABB ZS's financial statements are audited. The 2018 audited report will be provided once finalised.**

3. Does your company maintain different profit centres? If yes, provide profit & loss statements for the profit centre that the goods falls into for the financial years ending 2014 through to 2018. If your financial year does not end on 31 December, then provide data up to 31 December 2018.

**[CONFIDENTIAL TEXT DELETED – comment about maintaining 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.

**The financial period of ABB ZS is from 1 January to 31 December.**

5. Please provide a copy of your company's trial balance covering the 4 most recent financial years. If your financial year does not end on 31 December, then provide data up to 31 December 2018.

**Please kindly refer to Attachment A-4.5 for ABB ZS's trial balance covering the year of 2015, 2016, 2017 and 2018. [CONFIDENTIAL ATTACHMENT]**

6. Please provide your company's chart of accounts.

**Please kindly refer to Attachment A-4.6 for ABB ZS's chart of accounts.**

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## 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
  - (b) Price determination and/or negotiation process
  - (c) Order placement process
  - (d) Order fulfilment process and lead time
  - (e) Delivery terms and process
  - (f) Invoicing process
  - (g) Payment terms and process

**Export sales to Australia are typically made through a tender process. This involves a process of public bidding with the successful tenderer decided through a tender evaluation process.**

**During the initial tender process, the potential customer will consult with suppliers and identify the preliminary information and the basic parameters of the project including the technical requirements and approximate selling prices.**

**Once the project is approved the potential customer will release the official tender specifications and ask the eligible suppliers to submit their technical and commercial tender. [CONFIDENTIAL TEXT DELETED – sales processes]**

**[CONFIDENTIAL TEXT DELETED – sales processes]**

**[CONFIDENTIAL TEXT DELETED – price determinations] Once production is complete, ABB ZS will follow the delivery terms under the contract.**

**[CONFIDENTIAL TEXT DELETED – customer information]**

**[CONFIDENTIAL TEXT DELETED – export processes]**

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

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

**The goods exported by ABB ZS to Australia during the POI were [CONFIDENTIAL TEXT DELETED – customer information]**

**[CONFIDENTIAL TEXT DELETED – information about exchange rates]**

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.

**[CONFIDENTIAL TEXT DELETED – customer information]**

**As shown in the Australian sales spreadsheet, [CONFIDENTIAL TEXT DELETED – customer information]**

**For such contracts [CONFIDENTIAL TEXT DELETED – sales processes], and ABB ZS provided its price quotation taking into account [CONFIDENTIAL TEXT DELETED – factors taken into account] the same factors as the sales to [CONFIDENTIAL TEXT DELETED – sales processes]**

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

**Not applicable. There is no such price lists nor price extras list for ABB ZS, all the goods under consideration were sold with independent quotation.**

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.

**[CONFIDENTIAL TEXT DELETED – comment about distribution channels]**

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.

**[CONFIDENTIAL TEXT DELETED – comment about provision of on invoice discounts and/or off-invoice rebates]**

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.

**[CONFIDENTIAL TEXT DELETED – comment about credit or debit notes]**

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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?

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

**According to ABB ZS's normal business practice, power transformer projects are recognised as a completed sale based on the "sales revenue confirmation" date. For Australian sales, the sales revenue confirmation date is typically closely aligned with the delivery of the product based on the relevant sales terms.**

**For currency conversion purpose, [CONFIDENTIAL TEXT DELETED – information about exchange rate determination].**

## 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 (1 January 2016 to 31 December 2016).
- Where a contract has been won during the investigation period but the goods are not yet shipped, provide details of these goods with any expenses incurred to date and the scheduled delivery date specified in the contract.
- 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.

**Please see Attachment B-2 Australian sales, listing all goods exported to Australia during the POI, as well as all contracts which were won during the POI but not shipped during the POI. [CONFIDENTIAL ATTACHMENT]**

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

**Please kindly refer to Attachment B-2.2 for the source of data for each column in the export sales listing. [CONFIDENTIAL ATTACHMENT]**

## B-3 Sample export documents

1. Select the two largest invoices by value and provide the following documentation:

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- 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)

*If the documents are not in English, please provide a translation of the documents.*

**Please kindly refer to Attachment B-3.1 [CONFIDENTIAL ATTACHMENT] for the sample export documents pertaining to [CONFIDENTIAL TEXT DELETED – information exports to Australia].**

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).

**We have highlighted each piece of data or information that is reported on each invoice in Attachment B-2 including marking the key data and the column number within the sample documents.**

### **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 kindly refer to Attachment B-4 Upwards sales. [CONFIDENTIAL ATTACHMENT]**

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.

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**The data reported in Attachment B-4 is based on the Income Statement which can be found in Attachment A-4.1. [CONFIDENTIAL ATTACHMENT]**

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.

**Not applicable. All amounts in the "Upwards sales" worksheet was extracted from the SAP system or Income statement.**

### **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 Upwards selling expense. [CONFIDENTIAL ATTACHMENT]**

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.

**The data reported in Attachment B-5 is based on the Income statement which can be found in Attachment A-4.1. [CONFIDENTIAL ATTACHMENT]**

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.

**Not applicable. All amounts in the "Upwards sales" worksheet were extracted from the SAP system or Income statement.**

## SECTION C EXPORTED GOODS & LIKE GOODS

### 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.

Each of ABB ZS's power transformers sold to projects domestically or to export markets were unique products with their own design. As the Commission is aware, this is due to the nature of power transformers, being a highly customised electric engineering product. Each is designed and produced to suit the specific requirements and usages of each project.

It is not possible to provide a meaningful simple summary that identifies all relevant technical specifications involved for each power transformer. Accordingly, ABB ZS identifies the power transformers it sold to Australia using the contract number and the relevant MVA/kV ratings as a simplified way of product identification. Please see below.

The power transformers exported to Australia by ABB ZS during the POI were follows:

[CONFIDENTIAL TEXT DELETED – product details]

2. List each unique unit of goods exported to Australia (these types should cover all types listed in spreadsheet "B-2 Australian sales" – see section B of this questionnaire).

Please kindly refer to the explanation above in C-1 for the required information.

### 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.

| DOMESTIC TYPE | Mega volt amperes (MVA) | Kilo volts (kV) |
|---------------|-------------------------|-----------------|
|               |                         |                 |

Please kindly refer to Attachment C-2.1 for the specification details. [CONFIDENTIAL ATTACHMENT]

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**The like goods ABB ZS sold on the domestic market during the period [CONFIDENTIAL TEXT DELETED – product details]. Given the unique nature of most power transformers, the number of differences and their degree, ABB ZS submits there can be no “like goods” for margin calculation purposes. Moreover, specification difference adjustments between domestic and export sales cannot be accomplished. ABB ZS notes that this is consistent with the Commission’s view in Investigation 219.**

2. List each unique unit of power transformer sold on the domestic market during the investigation period.

**Please kindly refer Attachment C-2.1 for the required information. Individual specifications for each unit can only be identified by providing specifications on power rating and voltage ratio.**

3. 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.

**Please refer to Attachment A-2.11 for the company’s product brochure. [CONFIDENTIAL ATTACHMENT]**

## 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
  - (b) Price determination and/or negotiation process
  - (c) Order placement process
  - (d) Order fulfilment process and lead time
  - (e) Delivery terms and process
  - (f) Invoicing process
  - (g) Payment terms and process

**Usually, the domestic sales tender process is the same as the export process to Australia. After receiving the tender, ABB ZS [CONFIDENTIAL TEXT DELETED – information about sales processes].**

**After winning the contract, ABB ZS will [CONFIDENTIAL TEXT DELETED – information about sales processes]**

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.

**[CONFIDENTIAL TEXT DELETED – customer information]**

**All the products under consideration were sold with independent quotation, and the price are mainly based on the detail technical requirement and calculation cost.**

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

**Not applicable. There is no such price lists nor price extras list, all the products under consideration were sold with independent quotation.**

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.

**[CONFIDENTIAL TEXT DELETED – information about distribution channels]**

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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.

**[CONFIDENTIAL TEXT DELETED – information about provision of on-invoice discounts and/or off-invoice rebates]**

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.

**[CONFIDENTIAL TEXT DELETED – information about credit or debit notes]**

7. 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:

**We note the Commission’s view in Investigation 219 that the contract date is taken as the date of sale in relation to the sales of power transformers.**

**In our view this is the suitable approach in relation to ABB ZS’s domestic sales of power transformers. This is because, as shown in the Domestic Sales listing [CONFIDENTIAL TEXT DELETED –information about domestic sales] This is due to the unique nature of the power transformer projects and those particular contracts (all with power companies).**

**[CONFIDENTIAL TEXT DELETED – information about sales processes] Accordingly, ABB ZS submits that for the purpose of normal value determination, the Commission should exclude the domestic sales of power transformers with contract dates prior to the POI because they are not at all temporally comparable to the Australian sales that were contracted and exported in the POI.**

## **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.

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**Please kindly refer to Attachment D-2 Domestic sales. [CONFIDENTIAL ATTACHMENT]**

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

**Please kindly refer to Attachment D-2.2 for the required information. [CONFIDENTIAL ATTACHMENT]**

### **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

*If the documents are not in English, please provide a translation of the documents.*

**Please kindly refer to Attachment D-3.1 for the sample domestic sales documents pertaining to the two largest invoices by value. [CONFIDENTIAL ATTACHMENT]**

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).

**We have highlighted the key data and provided the corresponding column number in the sample documents.**

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

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

1. Please complete the worksheet named "B-4 Upwards sales" to demonstrate that the sales listing in D-2 is 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.

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

**Please refer to Attachment B-4.**

## 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
  - (b) Do you have short term borrowings or an overdraft facility? If yes, what is the interest rate, or average of interest rates?
  - (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?

**Please refer to Attachment D-2, and the “credit cost worksheet” included therein for details of the payment terms applicable under each contract of the domestic sales, and the calculation of credit costs. [CONFIDENTIAL ATTACHMENT]**

**For the short term borrowing rate used for the calculation, please refer to Attachment D-2.2 [CONFIDENTIAL ATTACHMENT]**

**Please refer to the sample domestic sales documents for further examples.**

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
  - (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?

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- 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?

**Please see the “terms of payment” as identified in the purchase order document for the Australian sales. [CONFIDENTIAL TEXT DELETED – credit terms]**

## E-2 Packaging

- 1. What is the packaging used for your domestic sales of like goods?

**The packing used for domestic sales of like goods includes the wooden casing used to protect the switch taps and other accessories of the transformer.**

- 2. What is the packaging used for your export sales of the goods to Australia?

**The packing used for export sales of the goods to Australia includes the wooden casing used to protect the switch taps as well as other accessories of the transformer.**

- 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

**Not applicable. There are no material differences in packaging between domestic and export sales. In addition, packaging cost is directly recorded into the "cost" rather than “SG&A”, so the adjustment is not applicable.**

## 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?

**For domestic sales, ABB ZS [CONFIDENTIAL TEXT DELETED – calculation of transport costs]. The transportation cost is based on the dimension and weight of the transformers.**

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

**The delivery term of the goods exported to Australia during the POI were [CONFIDENTIAL TEXT DELETED – delivery term]**

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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?

**The delivery term of the goods exported to Australia during the POI were [CONFIDENTIAL TEXT DELETED – delivery term]**

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?

**[CONFIDENTIAL TEXT DELETED – comment about ocean freight]**

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?

**The delivery term of the goods exported to Australia during the POI were [CONFIDENTIAL TEXT DELETED – delivery term]**

**ABB ZS [CONFIDENTIAL TEXT DELETED – comment about marine insurance]**

**Please refer to Attachment E-3.5. [CONFIDENTIAL ATTACHMENT]**

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?

**[CONFIDENTIAL TEXT DELETED – information about delivery term]**

### 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.

**[CONFIDENTIAL TEXT DELETED – information about sales commission]**

2. Are there any differences in tax liability between domestic and export sales? If yes, provide details, for example:

- What is the rate of value-added tax (VAT) on sales of the goods and like goods?
- How is VAT accounted for in your records in relation to sales of the goods and like goods?
- Do you receive a VAT refund in relation to sales of the goods and/or like goods?
- Do you receive a remission or drawback of import duties on inputs consumed in the productions of the goods or like goods?

**Not applicable, in that exportation of the goods to Australia during the POI enjoys full VAT refund. [CONFIDENTIAL TEXT DELETED – information about VAT practice]**

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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

**ABB ZS has identified all relevant direct selling expenses in B-5. [CONFIDENTIAL ATTACHMENT]**

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

**ABB ZS has identified all relevant direct selling expenses in B-5. [CONFIDENTIAL ATTACHMENT]**

**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.

**ABB ZS has not identified any other adjustment at this stage.**

## 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.

**Typically there is no difference in the sales processes to third countries.**

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.

**For the list of related customers in third country, please kindly refer to Attachment F-1.2. [CONFIDENTIAL ATTACHMENT] For all goods under consideration, the selling prices are based [CONFIDENTIAL TEXT DELETED – pricing information]**

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

**For the purpose of reporting the “period” of the sales, and for easier reconciliation, ABB ZS reports the sales period of the third country sales based on the sales revenue confirmation date. This is typically closely aligned with the delivery of the product based on the relevant sales terms.**

### 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 kindly refer to Attachment F-2 Third country sales. [CONFIDENTIAL ATTACHMENT]**

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

Please kindly refer to Attachment F-2.2 for the required information. [CONFIDENTIAL ATTACHMENT]

### **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.

**As advised in Section C, each power transformer project has a unique design with highly customised engineering specifications. Markets also reflect different features. Accordingly, ABB ZS's third country sales are not suitable for comparison to the goods it exported to Australia during the POI.**

## SECTION G COST TO MAKE AND SELL

### G-1. Production process

1. 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.

**Please kindly refer to Attachment G-1.1 for the flowchart of the production process. [CONFIDENTIAL ATTACHMENT] The flowchart includes the major equipment used in each stage of production, the main raw materials and the scrap that result from production.**

2. 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.

**[CONFIDENTIAL TEXT DELETED – information about related suppliers]**

### G-2. Cost accounting practices

1. Is your company's cost accounting system based on actual or standard costs (budgeted)?

**The cost of materials is calculated [CONFIDENTIAL TEXT DELETED – cost accounting practices].**

2. If your company uses standard costs:

- (a) Were standard costs used as the basis of actual costs in your responses G-3.1 & G-5.1?
- (b) Have all variances (i.e. differences between standard and actual production costs) been allocated to the goods?
- (c) How were those variances allocated?
- (d) Provide details of any significant or unusual cost variances that occurred during the period.

**[CONFIDENTIAL TEXT DELETED – cost accounting practices]**

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.

**[CONFIDENTIAL TEXT DELETED – comment about cost centres]**

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4. To what level of product specificity (models, grades etc.) does your company's cost accounting system normally record production costs?

**ABB ZS production cost is record by [CONFIDENTIAL TEXT DELETED – cost accounting practices]**

5. Are there any costs for management accounting purposes valued differently to financial accounting purposes? If yes, provide details of the differences.

**[CONFIDENTIAL TEXT DELETED – cost accounting practices]**

6. Has your company engaged in any start-up operations in relation to the goods? If yes:
- (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.

**[CONFIDENTIAL TEXT DELETED – comment about start-up operations]**

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)?

**The cost of inventories of raw materials issued is [CONFIDENTIAL TEXT DELETED – cost accounting practices]**

8. What are the valuation methods for damaged or sub-standard goods generated at the various stages of production?

**Not applicable. The valuation methods for damaged or sub-standard goods are not used for complete equipment such as power transformers.**

9. What are the valuation methods for scrap, by products, or joint products?

**[CONFIDENTIAL TEXT DELETED – comment about scrap products]**

10. Are any management fees/corporate allocations charged to your company by your parent or related company? If yes, provide details

**[CONFIDENTIAL TEXT DELETED – comment about management fees/corporate allocations]**

**G-3 Cost to make and sell on domestic market**

1. Complete the worksheet named "G-3 Domestic CTMS".

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- Please provide the actual cost to make and sell each model/type (as identified in section C) of the like goods sold on the domestic market. Provide this cost data for each unique unit of the goods invoiced during the investigation period.
- 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.
- 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.

**Please kindly refer to Attachment G-3 Domestic CTMS. [CONFIDENTIAL ATTACHMENT]**

2. Provide a table listing the source of the data for each column of the "Domestic CTMS" listing (G-3.1).

**Please kindly refer to Attachment G-3.2 for the source of data for each column of the "Domestic CTMS" listing. [CONFIDENTIAL ATTACHMENT]**

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

1. Complete the worksheet named "G-4.1 SG&A listing".
  - 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 kindly refer to Attachment G-4.1 SG&A listing. [CONFIDENTIAL ATTACHMENT]**

2. Complete the worksheet named "G-4.2 Domestic SG&A calculation".
  - This worksheet calculates SG&A as a percentage of revenue.
  - You must provide this list in electronic format using the template provided.
  - Please use the formulas provided.

**Please kindly refer to Attachment G-4.2 Domestic SG&A calculation. [CONFIDENTIAL ATTACHMENT]**

ATTACHMENT]

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

1. Complete the worksheet named "Australian CTMS".
  - Please provide the actual cost to make and sell each model/type (as identified in section C) exported to Australia.
  - Provide this information for all goods invoiced during the investigation period and for all goods the subject of a contract that was entered into during the investigation period, but invoiced or delivered outside of the investigation period. Where actual costs are not yet incurred, provide an estimate of these costs, such as for example, the estimate of the costs that formed the basis of your winning tender bid.
  - Provide this information for each unique unit of the goods contracted for sale or invoiced during the period of the investigation. For example, if one contract specifies production of two different types of the goods, provide this information for each type of the goods.
  - 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 duration 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.

Please kindly refer to Attachment G-5 Australian CTMS. [CONFIDENTIAL ATTACHMENT]

2. Provide a table listing the source of the data for each column of the "Australian CTMS" listing (G-5.1).

Please kindly refer to Attachment G-5.2 for the source of data for each column of the "Australian CTMS" listing. [CONFIDENTIAL ATTACHMENT]

## G-6 Cost allocation methodology

1. What is the allocation methodology used to complete in G-3 Domestic CTMS and G-5 Australian CTMs for:
  - (a) Raw materials
  - (b) Labour

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(c) Manufacturing overheads

**The cost of raw materials is [CONFIDENTIAL TEXT DELETED – cost allocation methodology]. Labour and overheads are [CONFIDENTIAL TEXT DELETED – cost allocation methodology].**

2. Select the domestic model (export model if you have no domestic production of like goods) with the largest production cost 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.

**Please kindly refer to Attachment G-6.2 for the required allocation methodology sample. [CONFIDENTIAL ATTACHMENT]**

## G-7 Major raw material costs

1. What the major raw materials used in the manufacture of the goods? List the raw materials (or components) and suppliers in the worksheet named G-7.1.

**Please kindly refer to Attachment G-7.1. [CONFIDENTIAL ATTACHMENT]**

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, provide details of these in worksheet G-7.2.

**Not applicable, all raw materials were purchased from unrelated customers.**

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.

**Please kindly refer to Attachment G-3 for the required information. [CONFIDENTIAL ATTACHMENT]**

4. For each raw material identified in G-7.1 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 kindly refer to Attachment G-7.4 Raw material purchases. [CONFIDENTIAL ATTACHMENT]**

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

**Please kindly refer to Attachment G-7.5 for the required information. [CONFIDENTIAL ATTACHMENT]**

6. For each raw material:

- (a) Select the two largest invoices by value and provide the commercial invoice and proof of payment.

**Please kindly refer to Attachment G-7.6.a for the commercial invoices and proof of payment of two invoices. [CONFIDENTIAL ATTACHMENT]**

**[CONFIDENTIAL TEXT DELETED – information about sales systems]**

- (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 kindly refer to Attachment G-7.6.b for the required Reconciliation List. [CONFIDENTIAL ATTACHMENT]**

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, there are no suppliers listed in G-7.4 related to ABB ZS.**

## **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.

**Please kindly refer to Attachment G-8 Upwards costs. [CONFIDENTIAL ATTACHMENT]**

2. Please provide any documents, other than those in A-5, G-3 and G-5, required to complete the “Upwards costs” worksheet.

**The data reported in Attachment G-8 is based on the Income statement which could be kindly find in Attachment A-4.1. [CONFIDENTIAL ATTACHMENT]**

3. For any amount that is hard coded (i.e. not a formula), please cross-reference by providing:

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- 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.

**Not applicable. All amounts in the “Upwards costs” worksheet were extracted from the SAP system or Income statement.**

## **G-9 Capacity Utilisation**

1. Please complete the worksheet named “Capacity Utilisation”.
  - 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 kindly refer to Attachment G-9 Capacity utilisation. [CONFIDENTIAL ATTACHMENT]**



## EXPORTER'S DECLARATION

I hereby declare that ABB Zhongshan Transformer 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 : XU Pingzhou

Signature : *XU Pingzhou*



Position in Company : General Manager

Date : 2019.04.17

ABB Zhongshan Transformer Company Limited  
中山 ABB 变压器有限公司

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## 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.

### **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 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

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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)

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|     |   |
|-----|---|
| 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)<br><br>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<br><br>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)   |

### **The period**

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

### **Like goods**

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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:

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- . 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.