



Exporter Verification Report

Verification & Case Details

Initiation Date	23/08/2019	ADN:	ADN No. 2019/100
Case:	Zinc coated (galvanised) steel – The Socialist Republic of Vietnam		
Case Number	521		
Exporter	China Steel and Nippon Steel Vietnam Joint Stock Company		
Review Period	1/7/2018	to	30/6/2019

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

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1 BACKGROUND

1.1 Corporate Structure and Ownership

China Steel and Nippon Steel Vietnam Joint Stock Company (CSVN) produces and sells steel products in the domestic and global markets. This includes

- Pickled and Oiled Steel Coils;
- As Cold-Rolled Steel Sheets;
- Cold-Rolled Steel Sheets;
- Hot-dipped Galvanized/Galvannealed Coils; and
- Electrical Steel Coils.

CSVN is a subsidiary of China Steel Corporation (CSC). CSVN itself is not publicly listed but CSC is a publicly traded company and listed in the Taiwan Stock Exchange.

1.2 Related Parties

The verification team examined the relationships between CSVN and parties involved in the manufacture and sale of the goods.

1.2.1 Related supplier

CSVN purchased raw materials from related suppliers during the review period.¹ The Commission's assessment to determine whether the purchases of raw materials from its related suppliers were arms length is available at section 3 of this report.

1.2.2 Related customer

CSVN sold the goods under consideration to related and non-related parties during the review period.² The Commission's assessment to determine whether the sales between CSVN and its related customer were arms length transactions is available in section 5 of this report.

1.3 Accounting records

CSVN's financial statement was audited by Deloitte Vietnam and includes a statement that the financial accounts comply with Vietnamese Accounting Standards.³

Therefore, the verification team considers that the accounting records held by the company are in accordance with the generally accepted accounting principles of Vietnam.

¹ Names of the related supplier was provided in CSVN's REQ (confidential version).

² Names of the related customer was provided in CSVN's REQ (confidential version).

³ Refer to Auditor's Financial Statements 2018 (English).

2 THE GOODS AND LIKE GOODS

2.1 Production Process

During the review period, CSVC produced the goods for domestic and third country markets. CSVC has provided a production process flowchart regarding the production of zinc coated (galvanised) steel, which the verification team has summarised as follows:

Hot-dip galvanised steel coils are produced by using cold-rolled steel coil as its base material. The hot-rolled coils (HRC) are passed through the pickling and cold rolling mill and then the continuous hot-dip galvanising line.

2.2 Model Control Codes (MCCs)

CSVC provided sales and cost data in its response to the exporter questionnaire (REQ) in accordance with the model control code (MCC) structure detailed in Consideration Report 521 & 522 and ADN 2019/100.

2.3 Verification of MCCs

Category	Determination of the sub-category
Alloy content	The company was able to identify the alloy content from its internal sales systems.
Prime	The company was able to identify whether the sales are prime from its internal sales systems. This was cross referenced to the invoice.
Steel base	The company was able to identify the steel base from its internal sales and costing systems.
Coating type	All sales were zinc coated. This was cross referenced to the sales contract.
Coating mass	The company was able to identify the coating mass from its internal sales systems. This was cross referenced to the sales contract and invoice.
Steel grade	The company was able to identify the steel grades from its internal sales systems. This was cross referenced to the sales contract and invoice.
Base metal thickness	The company was able to identify the base metal thickness from its internal sales systems. This was cross referenced to the sales contract and invoice.
Width	The company was able to identify the width from its internal sales systems. This was cross referenced to the sales contract and invoice.
Form	All sales were from coils.

Table 1 MCC sub-category determination

2.4 The goods exported to Australia

The verification team has examined the information provided by CSVC in their REQ and relevant Australian Border Force (ABF) data and is satisfied that based on the information available, CSVC did not export the goods to Australia during the review period.

2.5 Like goods sold on the domestic market

The verification team were satisfied that CSVC sold like goods in the domestic market.

The verification team considers that the goods manufactured for domestic consumption are identical to, or have characteristics closely resembling, the goods under consideration, as they:

PUBLIC RECORD

- are produced in the same way, subject to individual customer specifications, and the costs of production for models sold are the same regardless of being sold in the domestic market or being exported;
- are produced at the same facilities, using the same raw material inputs and manufacturing processes;
- the goods compete in the same market sector; and
- can be considered functionally alike, as they have similar end uses.

CSVC sold like goods on the domestic market with the following MCCs during the period:

Domestic like goods MCC				
A-N-C-F-1-G-2-B-C	A-P-C-Z-1-A-6-C-C	A-P-C-Z-3-A-7-C-C	NA-P-C-F-1-A-7-B-C	NA-P-C-Z-2-A-5-C-C
A-N-C-F-1-G-2-C-C	A-P-C-Z-1-A-7-B-C	A-P-C-Z-3-C-5-B-C	NA-P-C-F-1-D-5-B-C	NA-P-C-Z-2-A-6-B-C
A-N-C-F-1-G-3-B-C	A-P-C-Z-1-A-7-C-C	A-P-C-Z-3-C-7-B-C	NA-P-C-F-1-G-3-B-C	NA-P-C-Z-2-A-6-C-C
A-N-C-F-1-G-3-C-C	A-P-C-Z-1-C-4-B-C	A-P-C-Z-3-C-7-C-C	NA-P-C-F-1-G-3-C-C	NA-P-C-Z-2-A-7-B-C
A-N-C-F-1-G-4-B-C	A-P-C-Z-1-C-5-B-C	A-P-C-Z-3-D-5-B-C	NA-P-C-F-1-G-4-B-C	NA-P-C-Z-2-A-7-C-C
A-N-C-F-1-G-4-C-C	A-P-C-Z-1-C-6-B-C	A-P-C-Z-3-D-6-B-C	NA-P-C-F-1-G-4-C-C	NA-P-C-Z-2-C-1-B-C
A-N-C-F-1-G-5-B-C	A-P-C-Z-1-C-6-C-C	A-P-C-Z-3-D-6-C-C	NA-P-C-F-1-G-5-B-C	NA-P-C-Z-2-C-2-B-C
A-N-C-F-1-G-5-C-C	A-P-C-Z-1-D-4-B-C	A-P-C-Z-3-D-7-B-C	NA-P-C-F-1-G-5-C-C	NA-P-C-Z-2-C-5-B-C
A-N-C-F-1-G-6-B-C	A-P-C-Z-1-D-5-B-C	A-P-C-Z-3-D-7-C-C	NA-P-C-F-1-G-6-B-C	NA-P-C-Z-2-D-2-B-C
A-N-C-F-1-G-6-C-C	A-P-C-Z-1-D-6-C-C	A-P-C-Z-3-E-6-B-C	NA-P-C-F-1-G-6-C-C	NA-P-C-Z-2-D-5-B-C
A-N-C-F-1-G-7-B-C	A-P-C-Z-1-E-5-B-C	A-P-C-Z-3-E-6-C-C	NA-P-C-F-1-G-7-B-C	NA-P-C-Z-2-D-5-C-C
A-N-C-Z-1-G-1-B-C	A-P-C-Z-1-E-6-B-C	A-P-C-Z-3-E-7-B-C	NA-P-C-F-2-A-4-B-C	NA-P-C-Z-2-D-6-B-C
A-N-C-Z-1-G-1-C-C	A-P-C-Z-1-E-7-B-C	A-P-C-Z-3-E-7-C-C	NA-P-C-F-2-A-4-C-C	NA-P-C-Z-2-D-6-C-C
A-N-C-Z-1-G-2-B-C	A-P-C-Z-1-G-1-B-C	A-P-C-Z-3-G-2-B-C	NA-P-C-F-2-A-5-B-C	NA-P-C-Z-2-G-1-B-C
A-N-C-Z-1-G-2-C-C	A-P-C-Z-1-G-1-C-C	A-P-C-Z-3-G-3-B-C	NA-P-C-F-2-G-3-B-C	NA-P-C-Z-2-G-2-B-C
A-N-C-Z-1-G-3-B-C	A-P-C-Z-1-G-2-B-C	A-P-C-Z-3-G-3-C-C	NA-P-C-F-2-G-4-B-C	NA-P-C-Z-2-G-2-C-C
A-N-C-Z-1-G-3-C-C	A-P-C-Z-1-G-2-C-C	A-P-C-Z-3-G-4-B-C	NA-P-C-F-2-G-4-C-C	NA-P-C-Z-2-G-3-B-C
A-N-C-Z-1-G-4-B-C	A-P-C-Z-1-G-3-B-C	A-P-C-Z-3-G-4-C-C	NA-P-C-F-2-G-5-B-C	NA-P-C-Z-2-G-3-C-C
A-N-C-Z-1-G-4-C-C	A-P-C-Z-1-G-3-C-C	A-P-C-Z-3-G-5-B-C	NA-P-C-F-2-G-5-C-C	NA-P-C-Z-2-G-4-B-C
A-N-C-Z-1-G-5-B-C	A-P-C-Z-1-G-4-B-C	A-P-C-Z-3-G-5-C-C	NA-P-C-F-2-G-6-B-C	NA-P-C-Z-2-G-4-C-C
A-N-C-Z-1-G-5-C-C	A-P-C-Z-1-G-4-C-C	A-P-C-Z-3-G-6-B-C	NA-P-C-F-2-G-7-B-C	NA-P-C-Z-2-G-5-B-C
A-N-C-Z-1-G-6-B-C	A-P-C-Z-1-G-5-B-C	A-P-C-Z-3-G-6-C-C	NA-P-C-Z-1-A-1-B-C	NA-P-C-Z-2-G-5-C-C
A-N-C-Z-1-G-6-C-C	A-P-C-Z-1-G-5-C-C	A-P-C-Z-3-G-7-B-C	NA-P-C-Z-1-A-2-B-C	NA-P-C-Z-2-G-6-B-C
A-N-C-Z-1-G-7-B-C	A-P-C-Z-1-G-6-B-C	A-P-C-Z-4-E-5-C-C	NA-P-C-Z-1-A-2-C-C	NA-P-C-Z-2-G-6-C-C
A-N-C-Z-1-G-7-C-C	A-P-C-Z-1-G-6-C-C	A-P-C-Z-4-E-6-B-C	NA-P-C-Z-1-A-3-B-C	NA-P-C-Z-2-G-7-B-C
A-N-C-Z-1-G-8-C-C	A-P-C-Z-2-A-1-B-C	A-P-C-Z-4-E-7-C-C	NA-P-C-Z-1-A-3-C-C	NA-P-C-Z-2-G-7-C-C
A-P-C-F-1-A-3-B-C	A-P-C-Z-2-A-2-B-C	A-P-C-Z-4-F-4-C-C	NA-P-C-Z-1-A-4-B-C	NA-P-C-Z-2-A-4-B-C
A-P-C-F-1-A-4-B-C	A-P-C-Z-2-A-3-B-C	NA-N-C-F-1-G-2-B-C	NA-P-C-Z-1-A-4-C-C	NA-P-C-Z-3-A-6-B-C
A-P-C-F-1-A-4-C-C	A-P-C-Z-2-A-3-C-C	NA-N-C-F-1-G-2-C-C	NA-P-C-Z-1-A-5-B-C	NA-P-C-Z-3-A-6-C-C
A-P-C-F-1-A-5-B-C	A-P-C-Z-2-A-4-B-C	NA-N-C-F-1-G-3-B-C	NA-P-C-Z-1-A-5-C-C	NA-P-C-Z-3-A-7-B-C
A-P-C-F-1-A-5-C-C	A-P-C-Z-2-A-4-C-C	NA-N-C-F-1-G-3-C-C	NA-P-C-Z-1-A-6-B-C	NA-P-C-Z-3-A-7-C-C
A-P-C-F-1-A-6-B-C	A-P-C-Z-2-A-5-B-C	NA-N-C-F-1-G-4-B-C	NA-P-C-Z-1-A-6-C-C	NA-P-C-Z-3-C-4-C-C
A-P-C-F-1-A-6-C-C	A-P-C-Z-2-A-5-C-C	NA-N-C-F-1-G-4-C-C	NA-P-C-Z-1-A-7-B-C	NA-P-C-Z-3-D-5-B-C
A-P-C-F-1-A-7-B-C	A-P-C-Z-2-A-6-B-C	NA-N-C-F-1-G-5-B-C	NA-P-C-Z-1-A-7-C-C	NA-P-C-Z-3-D-6-B-C
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A-P-C-F-1-G-3-C-C	A-P-C-Z-2-A-7-B-C	NA-N-C-F-1-G-6-B-C	NA-P-C-Z-1-C-4-B-C	NA-P-C-Z-3-E-6-B-C
A-P-C-F-1-G-5-C-C	A-P-C-Z-2-A-7-C-C	NA-N-C-F-1-G-6-C-C	NA-P-C-Z-1-C-6-C-C	NA-P-C-Z-3-E-6-C-C
A-P-C-F-1-G-6-B-C	A-P-C-Z-2-D-5-B-C	NA-N-C-F-1-G-7-B-C	NA-P-C-Z-1-D-5-B-C	NA-P-C-Z-3-E-7-B-C
A-P-C-F-1-G-6-C-C	A-P-C-Z-2-D-5-C-C	NA-N-C-F-1-G-7-C-C	NA-P-C-Z-1-D-6-B-C	NA-P-C-Z-3-E-7-C-C
A-P-C-F-1-G-7-B-C	A-P-C-Z-2-D-6-B-C	NA-N-C-Z-1-G-1-B-C	NA-P-C-Z-1-D-7-B-C	NA-P-C-Z-3-G-1-B-C
A-P-C-F-2-A-3-B-C	A-P-C-Z-2-D-6-C-C	NA-N-C-Z-1-G-1-C-C	NA-P-C-Z-1-G-1-B-C	NA-P-C-Z-3-G-2-B-C
A-P-C-F-2-A-4-B-C	A-P-C-Z-2-E-7-B-C	NA-N-C-Z-1-G-2-B-C	NA-P-C-Z-1-G-1-C-C	NA-P-C-Z-3-G-2-C-C
A-P-C-F-2-A-4-C-C	A-P-C-Z-2-E-7-C-C	NA-N-C-Z-1-G-2-C-C	NA-P-C-Z-1-G-2-B-C	NA-P-C-Z-3-G-3-B-C
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A-P-C-F-2-A-6-B-C	A-P-C-Z-2-G-1-C-C	NA-N-C-Z-1-G-3-C-C	NA-P-C-Z-1-G-3-B-C	NA-P-C-Z-3-G-4-B-C
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A-P-C-F-2-G-5-B-C	A-P-C-Z-2-G-2-C-C	NA-N-C-Z-1-G-4-C-C	NA-P-C-Z-1-G-4-B-C	NA-P-C-Z-3-G-5-B-C
A-P-C-F-2-G-5-C-C	A-P-C-Z-2-G-3-B-C	NA-N-C-Z-1-G-5-B-C	NA-P-C-Z-1-G-4-C-C	NA-P-C-Z-3-G-5-C-C
A-P-C-F-2-G-6-B-C	A-P-C-Z-2-G-3-C-C	NA-N-C-Z-1-G-5-C-C	NA-P-C-Z-1-G-5-B-C	NA-P-C-Z-3-G-6-B-C
A-P-C-Z-1-A-1-B-C	A-P-C-Z-2-G-4-B-C	NA-N-C-Z-1-G-6-B-C	NA-P-C-Z-1-G-5-C-C	NA-P-C-Z-3-G-6-C-C
A-P-C-Z-1-A-1-C-C	A-P-C-Z-2-G-4-C-C	NA-N-C-Z-1-G-6-C-C	NA-P-C-Z-1-G-6-B-C	NA-P-C-Z-3-G-7-C-C
A-P-C-Z-1-A-2-B-C	A-P-C-Z-2-G-5-B-C	NA-N-C-Z-1-G-7-B-C	NA-P-C-Z-1-G-6-C-C	NA-P-C-Z-4-E-6-B-C
A-P-C-Z-1-A-2-C-C	A-P-C-Z-2-G-5-C-C	NA-N-C-Z-1-G-7-C-C	NA-P-C-Z-2-A-1-B-C	NA-P-C-Z-4-E-6-C-C
A-P-C-Z-1-A-3-B-C	A-P-C-Z-2-G-6-C-C	NA-P-C-F-1-A-3-B-C	NA-P-C-Z-2-A-2-B-C	NA-P-C-Z-4-E-7-C-C
A-P-C-Z-1-A-3-C-C	A-P-C-Z-2-G-7-B-C	NA-P-C-F-1-A-3-C-C	NA-P-C-Z-2-A-2-C-C	NA-P-C-Z-4-F-5-C-C

PUBLIC RECORD

A-P-C-Z-1-A-4-B-C	A-P-C-Z-2-G-7-C-C	NA-P-C-F-1-A-4-B-C	NA-P-C-Z-2-A-3-B-C	NA-P-C-Z-4-G-7-C-C
A-P-C-Z-1-A-4-C-C	A-P-C-Z-3-A-4-B-C	NA-P-C-F-1-A-4-C-C	NA-P-C-Z-2-A-3-C-C	
A-P-C-Z-1-A-5-B-C	A-P-C-Z-3-A-5-B-C	NA-P-C-F-1-A-5-B-C	NA-P-C-Z-2-A-4-B-C	
A-P-C-Z-1-A-5-C-C	A-P-C-Z-3-A-5-C-C	NA-P-C-F-1-A-5-C-C	NA-P-C-Z-2-A-4-C-C	
A-P-C-Z-1-A-6-B-C	A-P-C-Z-3-A-6-B-C	NA-P-C-F-1-A-6-B-C	NA-P-C-Z-2-A-5-B-C	

Table 2 Domestic models

2.6 Like goods – assessment

The verification team considers that the goods produced by CSVC for domestic sale have characteristics closely resembling those of the goods under consideration and are therefore 'like goods' in accordance with section 269T(1) of the Act.

3 VERIFICATION

3.1 Benchmark verification

The verification team verified the reliability of CSVC’s domestic sales and cost data provided in the REQ by benchmarking the data against other verified data.

This involved comparing the data to CSVC’s own data concerning galvanised steel from a previous case that was subject to an onsite verification (Investigation no. 370).⁴

The verification team also verified the reliability of the domestic sales listings submitted in the REQ by reconciling to the source documentation provided as part of CSVC’s REQ.

Where the examination of the data in CSVC’s REQ produced results that were inconsistent with those observed in relation to the previously verified data or other relevant information, the verification team has then escalated the level of verification for those targeted areas.

The verification team identified the issues outlined below during this process. Details of the benchmark verification assessment and its relevant attachments are contained in **Confidential Attachment 1**.

No.	Exception	Resolution	Evidence Relied On
1	CSVC’s domestic sales included products identified as non-prime goods but after further analysis, the verification team considers these goods are actually sales of scrap.	Non-prime products were removed from the domestic sales listing.	Information provided by CSVC in relation to product codes and MCC identification.
2	The company did not provide ocean freight expenses against domestic sales which were identified as having cost, insurance and freight (CFR) delivery terms.	The company provided a revised domestic sale list which included amounts for ocean freight, port handling and survey fee against the relevant sales.	Internal source documents provided by the company
3	The company identified that it had made a clerical error in the calculation of inland freight charges.	The company revised the inland freight charges to amend the error in the domestic sales list.	Internal source documents provided by the company
4	CSVC had excluded finance expenses from its SG&A.	The verification team amended CSVC’s SG&A calculation to include finance expenses.	Internal source documents provided by the company
5	Certain expenses related to exports had not been identified as direct selling expenses.	The verification team amended CSVC’s SG&A calculation with the identified additional direct selling expenses being deducted from the calculation of total SG&A.	Information provided by CSVC in its REQ and information relevant to CSVC’s export sales from INV 370.

Table 3 Exceptions during verification

⁴ EPR 370 Document #76 www.adcommission.gov.au

3.2 Related party suppliers

CSVC purchased raw materials from related party suppliers during the review period. The verification team verified a sample of raw material purchases from these related parties to source documents. The verification team compared CSVC's weighted average of HRC purchase prices to prices from other verified exporters as part of Review no. 521 who also purchased HRC from these suppliers, as well as Platt's steel price data. The price variances over the review period were small. The verification team is therefore satisfied that the raw material purchases represent arms length transactions

3.3 Benchmark verification finding

The verification team is satisfied that the domestic sales and cost data provided by CSVC are reasonable and can be considered reliable for the purpose of ascertaining variable factors for CSVC.

CSVC's cost data is available at **Confidential Appendix 2**.

4 EXPORT PRICE

4.1 Export Price – preliminary assessment

CSVC did not export zinc coated (galvanised) steel to Australia during the review period. As such, the verification team considers that there is insufficient information to ascertain the export price of the goods under section 269TAB(1) due to an absence in volume of exports during the review period.

The verification team has completed an analysis of CSVC's export volumes provided at **Confidential Attachment 2**. The verification team found CSVC did not export the goods to Australia during this review period. CSVC did, however, export zinc coated (galvanised) steel to Australia during the previous investigation period, which was used in the calculation of a dumping margin for Investigation no. 370.

Subject to further enquiries by the case management team, the verification team recommends ascertaining CSVC's export price under section 269TAB(2B)(a) having regard to its previous export price established in accordance with section 269TAB(1) is the most appropriate.

Section 269TAB(2G) allows the Minister to make adjustments to the export price ascertained under section 269TAB(2B) to reflect what the export price would have been had there not been an absence of exports by CSVC. Such adjustments may include:

- adjustments due to exports relating to earlier times (timing adjustment);⁵
- adjustments due to exports relating to not identical goods (specification adjustment);⁶

The verification team notes that global steel prices have moved since the investigation period in INV 370 (i.e. 1 July 2015 to 30 June 2016) and HRC is the primary cost input to the production of like goods. Subject to further enquiries by the case management team, the verification team therefore considers that a timing adjustment is required to reflect what CSVC's export price would have been during the review period of 1 July 2018 to 30 June 2019. The verification team has used published steel pricing data from Platts, specifically the weighted average price of HRC for Southeast Asia for the investigation period in Investigation no. 370 compared to the average price of the same index for the current review period.

The verification team notes the ascertained export price for CSVC's exports of the goods has changed. Details of the export price timing adjustment is **Confidential Attachment 2**.

The verification team's preliminary export price calculations are at **Confidential Appendix 1**.

⁵ Subsection 269TAB(2G)(a)

⁶ Subsection 269TAB(2G)(b)

5 DOMESTIC SALES SUITABILITY

The verification team has assessed the domestic sales to determine if the prices paid in respect of domestic sales of like goods are suitable for assessing normal value under section 269TAC(1).

5.1 Arms length

5.1.1 Related party customers

In respect of CSVC's domestic sales of like goods to its related customer during the period, the verification team found no evidence that:

- there was any consideration payable for, or in respect of, the goods other than its price; or
- the price was influenced by a commercial or other relationship between the buyer, or an associate of the buyer, and the seller, or an associate of the seller; or
- the buyer, or an associate of the buyer, was directly or indirectly reimbursed, compensated or otherwise receive a benefit for, or in respect of, the whole or any part of the price.⁷

The verification team noted that sales to the related customer were minimal. The verification team compared the weighted average sales prices between CSVC's non-related and related customers and found there was only a small variance. The verification team therefore considers that all domestic sales made by CSVC to its related customer during the period were arms length transactions.

5.1.2 Unrelated party customers

In respect of CSVC's domestic sales of like goods to its unrelated customers during the period, the verification team found no evidence that:

- there was any consideration payable for, or in respect of, the goods other than its price; or
- the price was influenced by a commercial or other relationship between the buyer, or an associate of the buyer, and the seller, or an associate of the seller; or
- the buyer, or an associate of the buyer, was not directly or indirectly reimbursed, compensated or otherwise received a benefit for, or in respect of, the whole or any part of the price.

The verification team therefore considers that all domestic sales made by exporter to its unrelated domestic customers during the period were arms length transactions.

5.2 Ordinary course of trade

Section 269TAAD states that domestic transactions are not in the ordinary course of trade (OCOT) if arms length transactions are:

- unprofitable in substantial quantities over the investigation period; and

⁷ Section 269TAA of the Act refers.

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- unlikely to be recoverable within the period.

The verification team tested profitability by comparing the price at ex-works against the relevant cost for each domestic sales transaction.

The verification team then tested whether the unprofitable sales were in substantial quantities (not less than 20%) by comparing the volume of unprofitable sales to the total sales volume, for each MCC over the period.

The team tested recoverability by comparing the price at ex-works against the relevant weighted average cost over the period for each domestic sales transaction.

The following table sets out further detail:

OCOT particulars	Details
Price	Net invoice price, excluding direct selling expenses
Cost	Quarterly cost to make and sell, excluding direct selling expenses
Weighted average cost	Weighted average cost to make and sell, excluding direct selling expenses, over the review period.

Table 4 OCOT details

5.3 Suitability of domestic sales

The verification team is satisfied that the domestic sales listing is reliable, and can be used for assessing normal value under section 269TAC(1). The domestic sales listing is at **Confidential Appendix 3**.

6 ADJUSTMENTS

Adjustments were made where a particular MCC has no cost to make value for a particular quarter or the review period. The details of the adjustments to the CTM are outlined in **Confidential Appendix 2**.

To ensure the normal value is comparable to the export price of goods exported to Australia at free-on-board (FOB) terms, the verification team has considered the following adjustments in accordance with section 269TAC(8).

While CSVC had not exported the goods under consideration to Australia during the review period, these adjustments are considered appropriate to establish a normal value, as if those goods were exported to Australia in the review period.

Noting at section 4.1 that the verification team considers that there is insufficient information to ascertain the export price of the goods due to an absence of export volume during the review period, the verification team therefore consider the verified export adjustments from INV 370 to be appropriate for use to establish a normal value.

6.1 Rationale and Method

Adjustment type	Assessment for adjustment	Calculation method and evidence	Claimed in REQ?	Adjustment required?
Domestic packaging, inland freight, handling, credit insurance.	Different packaging, delivery cost and credit insurance fee incurred for domestic sales.	Actual cost per sales or weighted average cost based the total actual cost incurred and the actual sales quantities listed in the domestic sales listing.	Yes	Yes
Export packaging, inland transport, handling charges and other costs (customs declare fee, credit insurance)	An upwards adjustment was made to account for the difference between goods if exported to Australia at FOB terms and CSVC's domestic sales at EXW.	Weighted average cost based the actual cost incurred by CSVC and the actual sales quantities listed in the export sales listing for INV 370 which was subject to an onsite verification.	No	Yes

Table 5 Assessment of adjustments

6.2 Adjustments

The verification team considers the following adjustments under section 269TAC(8) are necessary to ensure that the normal value so ascertained is properly compared with the export price of those goods.

Adjustment Type	Deduction/addition
Domestic credit insurance fee	Deduct an amount for credit insurance fee
Domestic packaging	Deduct an amount for domestic packaging
Domestic inland transport	Deduct an amount for domestic inland transport
Domestic handling charges	Deduct an amount for handling charges
Export costs	Add an amount for packaging, inland transport, handling charges and other costs

Table 6 Summary of adjustments

7 NORMAL VALUE

The verification team is satisfied it has volumes of domestic sales of the goods, that were arms length transactions and at prices that were within the OCOT. The verification team is therefore satisfied that the prices paid in respect of domestic sales of these models of the goods are suitable for assessing normal value under section 269TAC(1).

In using domestic sales as a basis for normal value, the verification team considers that certain adjustments, in accordance with section 269TAC(8), are necessary to ensure a fair comparison of normal values with export prices, as outlined in section 6 above.

The verification team's preliminary normal value calculations are at **Confidential Appendix 4**.

8 DUMPING MARGIN

The dumping margin was assessed by comparing weighted average (adjusted) Australian export prices to the corresponding quarterly weighted average normal value for the review period under section 269TACB(2)(a).

Subject to further enquires by the case management team, CSVC's preliminary dumping margin for the goods under consideration for the period is **negative 20.8 per cent**.

The preliminary dumping margin calculation is at **Confidential Appendix 5**.

9 APPENDICES AND ATTACHMENTS

Confidential Appendix 1	Export price
Confidential Appendix 2	Cost to make and sell
Confidential Appendix 3	Domestic sales, OCOT and profitability
Confidential Appendix 4	Normal Value
Confidential Appendix 5	Dumping Margin
Confidential Attachment 1	Verification work program
Confidential Attachment 2	Export price consideration