



## Exporter Verification Report

### Verification & Case Details

<b>Initiation Date</b>	18 October 2019	<b>ADN:</b>	2019/128
<b>Case Number</b>	528		
<b>The goods under consideration</b>	Hot Rolled Coil Steel		
<b>Case type</b>	Review		
<b>Exporter</b>	Shang Chen Steel Co., Ltd.		
<b>Location</b>	Taiwan		
<b>Verification from</b>	Desktop verification		
<b>Review Period</b>	1 October 2018 to 30 September 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 COMPANY BACKGROUND**

### **1.1 Corporate Structure and Ownership**

Shang Chen Steel Co., Ltd (SCS) is a privately-held company limited by shares that manufactures steel products. It owns and operates one facility that produces hot rolled steel products including hot rolled band, hot rolled coil and hot rolled sheet.

SCS manufactured hot rolled steel coil (HRC, or the goods) that were exported to Australia and sold on the domestic market in Taiwan during the review period.

### **1.2 Related Parties**

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

#### **1.2.1 Related suppliers**

For SCS's production of the goods, SCS subcontracted some shearing and slitting processes and purchased some packing material during the review period, from one of its related suppliers.

See chapter 6.3 for arms length assessment.

### **1.3 Accounting records**

SCS's financial accounts are audited and the accounting practices are consistent with the generally accepted accounting principles of Taiwan.

The verification team considers that the accounting records held by the company are in accordance with the generally accepted accounting principles of Taiwan.

## **2 THE GOODS AND LIKE GOODS**

### **2.1 Production Process**

Major steps described in the production process include:

- Reheating;
- Descaling;
- Shearing;
- Finishing; and
- Tempering.

### **2.2 Model Control Codes (MCCs)**

SCS provided sales and cost data in its response to the exporter questionnaire in accordance with the model control code (MCC) structure detailed in Anti-Dumping Notice (ADN) No. 2019/128 and File Note (Document No. 5) on the public record.

#### **2.2.1 Amendments to MCCs**

SCS made the following amendments to the MCC structure.

No.	Exception	Resolution
1	SCS introduced thickness category "T5".	Products with this thickness designation exceed 13.0 mm in thickness.

**Table 1 Amendments to the MCCs**

### **2.3 Verification of MCCs**

Table 2 below provides detail on how the MCC sub-categories were determined and verified to source documents.

Category	Determination of the sub-category
Quality	SCS's sales and shipping documents capture information on prime and non-prime sales
Form	SCS's production system captures information on sheet and coil
Surface condition	SCS's production system and sales/shipping documents capture information on 'as rolled' or pickled and/or oiled
Standard/Grade	SCS's production system and sales/shipping documents capture information on standard/grade
Thickness (BMT)	SCS's production system captures information on specification and dimension including thickness
Width	SCS's production system captures information on specification and dimension including width

**Table 2 MCC sub-category determination**

## 2.4 The goods exported to Australia

The verification team was satisfied that SCS produced and exported the goods to Australia. A list of MCCs exported by SCS to Australia during the review period are at **Non-confidential Attachment 1**.

## 2.5 Like goods sold on the domestic market

The verification team was satisfied that SCS 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 exported to Australia, as they:

- are not distinguished from the exported goods during production (the exported goods and goods sold on the domestic market are produced in the same way, subject to individual customer specifications, and the costs of production are the same);
- are produced at the same facilities, using the same raw material inputs and manufacturing processes; and
- can be considered functionally and commercially alike, as they have similar end uses.

A list of MCCs sold by SCS on the domestic market during the review period are at **Non-confidential Attachment 1**.

## 2.6 Like goods – assessment

The verification team considers that the goods produced by SCS for domestic sale have characteristics closely resembling those of the goods exported to Australia and are therefore 'like goods' in accordance with section 269T(1) of the *Customs Act 1901* (the Act).<sup>1</sup>

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<sup>1</sup> References to any section in this report relate to provisions of the Act, unless specifically stated otherwise.

### 3 VERIFICATION OF SALES COMPLETENESS AND RELEVANCE

Verification of relevance and completeness is conducted by reconciling selected data submitted "upwards" through management accounts up to audited financial accounts. The total sales value and quantity is reconciled to management reports with particular attention given to ensuring that all relevant transactions are included and irrelevant transactions are excluded. The total value from the management reports is then reconciled to the total revenue figure reported in the audited income statement.

The verification team verified the completeness and relevance of the export and domestic sales listings provided in the Response to the Exporter Questionnaire (REQ) by reconciling these to the audited financial statements in accordance with ADN No. 2016/30.

The verification team verified the relevance and completeness of the sales data for SCS as follows:

- Reconciling total sales as reported in the general sales ledger to the total of all sales as reported in the Australia, domestic and third country sales spreadsheets provided as part of the REQ;
- Reconciling total sales as reported in the general sales ledger to the ERP sales system to determine volumes of Australia, domestic and third country sales;
- Reconciling volumes of products sold to the extracts of Sales Statements covering the review period; and
- Tracing totals as reported in the Sales Statements to Income Statements covering the review period and then reconciling Income Statements for that part of the review period in 2018 to the 2018 Audited Financial Statement.

The verification team did not identify any issues during this process. Details of this verification process are contained in the verification work program and its relevant attachments, at **Confidential Attachment 1**.

#### 3.1 Sales completeness and relevance finding

The verification team is satisfied that the sales data provided by SCS is complete and relevant. Details of this verification process are contained in the verification work program and its relevant attachments, at **Confidential Attachment 1**.

## 4 VERIFICATION OF SALES ACCURACY

The accuracy of data is verified by reconciling selected data "downwards" to source documents. This part of verification involves the process of agreeing the volume, value and other key information fields within the sales data down to source documents.

The verification team tested the reasonableness, accuracy, and completeness of export sales. The verification team was able to reconcile export sales to SCS's audited financial statements in accordance with ADN No. 2016/30.

Further, the verification team compared the export volumes listed in SCS's REQ to the Australian Border Force import database.

As such, the verification team is satisfied that the information is accurate and reliable for ascertaining the variable factors applicable to its exports of the goods.

Details of this verification process are contained in the verification work program and its relevant attachments, at **Confidential Attachment 1**.

## **5 VERIFICATION OF COST TO MAKE AND SELL (CTMS) COMPLETENESS AND RELEVANCE**

The accuracy of data is verified by reconciling selected data submitted "upwards" through management accounts up to audited financial accounts.

- The total cost to make data is reconciled to the cost of production in the management reports with particular attention given to ensuring that all relevant costs are included and irrelevant costs have been excluded.
- The cost of production data is then reconciled, through relevant account ledgers, to the cost of goods sold figure reported in the audited income statement.
- Additionally, selling, general and administration (SG&A) expenses are reconciled to income statements, with particular attention given to specific expenses that were excluded or should be excluded.

The verification team verified the completeness and relevance the cost to make and sell (CTMS) information provided in the REQ by reconciling it to audited financial statements in accordance with ADN No. 2016/30.

The verification team verified the relevance and completeness of the cost data as follows:

- the total cost of goods sold for calendar year 2018 was traced from the audited 2018 financial statements to the internal income statements;
- using the internal income statements for year-ending September 2018, year-ending September 2019 and calendar year 2018, the cost of goods sold was converted to the review period;
- the cost of goods sold for the review period was converted to cost of production by adjusting for change in finished goods inventory, purchased finished goods and a production and marketing cost deduction;
- based on the classification of product types in the production system, the cost of production for the goods was obtained;
- the cost of production for the goods was aggregated to the domestic market; and
- the cost of production for the Australian market was determined based on relevant MCCs and sales quantities, and these amounts were verified to the cost to make information provided in the REQ and through further correspondence with the company.

The verification team verified the relevance and completeness of the SG&A listing as follows:

- the total SG&A cost for calendar year 2018 was traced from the audited 2018 financial statements to the internal income statements;
- using the internal income statements for year-ending September 2018, year-ending September 2019 and calendar year 2018, the SG&A cost was converted to the review period; and
- the SG&A cost for the review period was reconciled to the SG&A listing.



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The verification team did not identify any issues during this process. Details of this verification process are contained in the verification work program and its relevant attachments, at **Confidential Attachment 1**.

### **5.1 Completeness and relevance finding of CTMS data**

The verification team is satisfied that the CTMS data provided in the exporter questionnaire response by SCS is complete and relevant. Details of this verification process are contained in the verification work program and its relevant attachments, at **Confidential Attachment 1**.

## **6 VERIFICATION OF COST TO MAKE AND SELL (CTMS) ACCURACY**

### **6.1 Cost allocation method**

The verification team verified the reasonableness of the method used to allocate the cost information provided in the REQ to the relevant MCCs, in accordance with ADN No. 2016/30.

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

Variance	SCS tracks and reports aggregate actual costs in its accounts. In order to allocate direct materials, direct labour and manufacturing overheads, the company calculated unit costs for each MCC. The company reconciled the aggregate unit costs to actual costs by applying an overall variance ratio. As such, the cost of production reflects actual costs.
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Table 3 below outlines the allocation method applied to each cost item.

Cost item	Method applied
Raw Materials	Raw material costs are allocated based on production quantity.
Scrap Allocation	Scrap allocation is allocated to the Hot Strip Mill production line based on production quantity.
Manufacturing Overheads	Manufacturing overheads are allocated based on production quantity, except for the Hot Strip Mill line which is based on machine time.
Labour	Labour is allocated based on production quantity, except for the Hot Strip Mill line which is based on machine time.
Depreciation	Depreciation is allocated based on machine time.
Variance	SCS tracks and reports aggregate actual costs in its accounts. In order to allocate direct materials, direct labour and manufacturing overheads, the company calculated unit costs for each MCC. The company reconciled the aggregate unit costs to actual costs by applying an overall variance ratio. As such, the cost of production reflects actual costs.

**Table 3 Cost allocation method**

### **6.2 Exceptions during verification of CTMS allocation method**

No.	Exception	Resolution
1	SCS had excluded some selling, general and administrative (SG&A) expenses.	The verification team has revised the allocation of SG&A by assigning indirect expenses which were originally excluded.
2	The company allocated SG&A based on gross invoice sales values, gross quantities and on a MCC structure based on sales.	The verification team allocated SG&A based on the 'net values' and in accordance with the MCC structure listed in the CTMS.

**Table 4 Exceptions during verification of CTMS allocation method**

### **6.3 Related party suppliers**

During the review period, a negligible quantity of shearing and slitting processes were provided by a related supplier, and the packing materials sourced were non goods.

Based on the REQ and information verified, the verification team did not identify any other purchases from related suppliers that relate to SCS's production of the goods.

### **6.4 Accuracy finding**

The verification team is satisfied that the CTMS data provided in the exporter questionnaire response by SCS, including any required amendments as outlined as an exception above, is accurate and reasonably reflect the costs associated with the production and sale of the goods under consideration.

## 7 EXPORT PRICE

### 7.1 The importers

The verification team considers SCS's Australian customers to be the beneficial owner of the goods at the time of importation and therefore the importer, as SCS's Australian customers:

- are named on the commercial invoice as the customer;
- are named as the consignee on the bill of lading;
- are declared as the importer on the importation declaration to ABF; and
- arrange delivery from the port.

In relation to the goods exported by SCS to Australia, the verification team considers that the customer listed for each shipment was the beneficial owner of the goods at the time of importation, and therefore was the importer of the goods.

### 7.2 The exporter

The verification team considers SCS to be the exporter of the goods<sup>2</sup>, as SCS:

- is the manufacturer of the goods;
- is named on the commercial invoice as the supplier;
- is named as consignor on the bill of lading;
- arranges and pays for the inland transport to the port of export; and
- arranges and pays for the port handling charges at the port of export.

The verification team is satisfied that for all Australian export sales during the period that SCS was the exporter of the goods.

### 7.3 Arms length

#### 7.3.1 Unrelated customers

SCS's Australian sales are to 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

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<sup>2</sup> The Commission generally identifies the exporter as a principal in the transaction, located in the country of export from where the goods were shipped, that gave up responsibility by knowingly placing the goods in the hands of a carrier, courier, forwarding company, or its own vehicle for delivery to Australia; or a principal in the transaction, located in the country of export, that owns, or previously owned, the goods but need not be the owner at the time the goods were shipped.

- 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.<sup>3</sup>

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

#### **7.4 Export Price – assessment**

In respect of Australian sales of the goods by SCS, the verification team recommends that the export price be determined under section 269TAB(1)(a), as the price paid by the importer to the exporter less transport and other costs arising after exportation.

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

«Adjustment»

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<sup>3</sup> Section 269TAA refers.

## 8 DOMESTIC SALES

Section 269TAC(1) provides the general rule for calculating normal value. For sales to be relevant for the purpose of section 269TAC(1), they must be sales of like goods sold in the exporter's domestic market for home consumption that are at arms length and in the ordinary course of trade (OCOT).

### 8.1 Arms length

#### 8.1.1 Unrelated customers

SCS's domestic sales of like goods are to 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 SCS to its unrelated domestic customers during the period were arms length transactions.

### 8.2 Ordinary course of trade

Section 269TAAD states that domestic sales of like goods are not in the OCOT if arms length transactions are:

- unprofitable in substantial quantities over an extended period; and
- unlikely to be recoverable within a reasonable period.<sup>4</sup>

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

The team then tested whether the unprofitable sales were in substantial quantities (not less than 20 per cent) 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.

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<sup>4</sup> In general, the Commission will consider 'extended period' and 'reasonable period' to be the investigation, review or inquiry period.

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The following table sets out further detail:

<b>OCOT particulars</b>	<b>Details</b>
Price	Net invoice price, net of rebates, excluding direct selling expenses (ex-works terms)
Cost	Quarterly CTMS, excluding direct selling expenses (ex-works terms).
Weighted average cost	Weighted average CTMS, excluding direct selling expenses (at ex-works), over the period.

**Table 5 OCOT details**

### 8.3 Volume of relevant sales

Section 269TAC(2)(a)(i) provides that the normal value of goods exported to Australia cannot be ascertained under section 269TAC(1) where there is an absence, or low volume, of sales of like goods in the market of the country of export. Domestic sales of like goods are taken to be in a low volume under section 269TAC(14) where the total volume of like goods is less than five per cent of the total volume of the goods under consideration that are exported to Australia (unless the Minister is satisfied that the volume is still large enough to permit a proper comparison).

As per the *Dumping and Subsidy Manual*, where the total volume of like goods is greater than five per cent of the total volume of the goods under consideration, and where comparable models exist, the Commission also tests the suitability of domestic sales of like goods individually for each model type.

The verification team's assessment of the suitability of domestic models to the models exported to Australia is further detailed below:

<b>Export MCCs</b>	<b>Sufficient domestic sales of identical MCC</b>	<b>Treatment of normal value where there were insufficient domestic sales of identical MCC</b>
P-C-A-1-T1-W1	Yes	
P-C-A-1-T1-W2	Yes	
P-C-A-1-T2-W2	Yes	
P-C-A-1-T3-W1	Yes	
P-C-A-1-T3-W2	Yes	
P-C-A-1-T4-W2	Yes	
P-C-A-2-T3-W1	No	Surrogate model P-C-A-3-T3-W2 with specification adjustment under section 269TAC(8) for the price difference in width and grade based on SCS's domestic CTM data.
P-C-A-3-T3-W1	No	Surrogate model P-C-A-3-T3-W2 with specification adjustment under section 269TAC(8) for the price difference in width based on SCS's domestic CTM data.
P-C-A-3-T3-W2	Yes	
P-S-A-1-T1-W1	No	Surrogate model P-C-A-1-T1-W1 with specification adjustment under section 269TAC(8) for the price difference in form based on SCS's domestic CTM data.

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P-S-A-1-T1-W2	No	Surrogate model P-C-A-1-T2-W2 with specification adjustment under section 269TAC(8) for the price difference in form based on SCS's domestic CTM data.
P-S-A-1-T2-W2	No	Surrogate model P-C-A-1-T2-W2 with specification adjustment under section 269TAC(8) for the price difference in form based on SCS's domestic CTM data.
P-S-A-1-T3-W1	No	Surrogate model P-C-A-1-T3-W1 with specification adjustment under section 269TAC(8) for the price difference in form based on SCS's domestic CTM data.
P-S-A-1-T3-W2	No	Surrogate model P-C-A-1-T3-W2 with specification adjustment under section 269TAC(8) for the price difference in form based on SCS's domestic CTM data.
P-S-A-2-T3-W2	No	Surrogate model P-C-A-2-T3-W2 with specification adjustment under section 269TAC(8) for the price difference in form based on SCS's domestic CTM data.
P-S-A-3-T3-W2	No	Surrogate model P-C-A-3-T3-W2 with specification adjustment under section 269TAC(8) for the price difference in form based on SCS's domestic CTM data.
All sales	Yes	

**Table 6 Domestic volumes**

As outlined in Table 6 above, the verification team found that there was an absence of domestic sales of identical MCC's for nine MCCs exported to Australia. For these MCCs exported to Australia, where there were insufficient domestic sales of the identical MCCs, the verification team found sufficient domestic sales volumes of surrogate models based on the MCCs with the closest physical characteristics under the MCC hierarchy structure. In relying on surrogate models, the verification team considered specification adjustments under section 269TAC(8) are warranted to ensure a fair comparison between the export model and surrogate domestic model.

For one of these MCCs, the surrogate MCC was not found to have had a sufficient volume of domestic sales. However, the verification team has found that the surrogate model provides a high degree of comparability between the domestic and export sales. Further the MCCs are sold to unrelated parties and although the MCC is not sufficiently sold at five per cent, it is still large enough to permit a proper comparison for the purposes of assessing a dumping margin.

The verification team's volume analysis is at **Confidential Appendix 3**.



<b>9 ADJUSTMENTS</b>
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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).

### 9.1 Rationale and Method

Adjustment type	Assessment for adjustment	Calculation method and evidence	Claimed in REQ?	Adjustment required?
Domestic credit terms	A downward adjustment to the normal value for domestic credit terms is required to ensure a fair comparison to the FOB export price.	The verification team has applied this adjustment based on the credit cost listed for each domestic transaction.	No	Yes
Domestic inland transport	A downward adjustment to the normal value for domestic inland transport is required to ensure a fair comparison to the FOB export price.	The verification team has applied this adjustment based on the inland transport cost listed for each domestic transaction.	No	Yes
Domestic packaging	A downward adjustment to the normal value for domestic packaging is required to ensure a fair comparison to the FOB export price.	The verification team has applied this adjustment based on the packaging cost listed for each domestic transaction.	Yes	Yes
Export inland transport	An upward adjustment to the normal value for export inland transport is required to ensure a fair comparison to the FOB export price for export sales to Australia.	This adjustment is based on the weighted average unit cost (per ton) for export inland transport over the review period.	Yes	Yes
Export packing cost	An upward adjustment to the normal value for export packing is required to ensure a fair comparison to the FOB export price for export sales to Australia.	This adjustment is based on the weighted average unit cost (per ton) for export packing cost over the review period.	No	Yes
Export handling costs	An upward adjustment to the normal value for export handling costs is required to ensure a fair comparison to the FOB export price for export sales to Australia.	This adjustment is based on the weighted average unit cost (per ton) for export handling costs over the review period.	Yes	Yes
Export Terminal Handling Cost (THC) costs	An upward adjustment to the normal value for export THC costs is required to ensure a fair comparison to the FOB	This adjustment is based on the weighted average unit cost (per ton) for export THC costs over the review period.	Yes	Yes

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	export price for export sales to Australia.			
Export Container Freight Station (CFS) costs	An upward adjustment to the normal value for export CFS costs is required to ensure a fair comparison to the FOB export price for export sales to Australia.	This adjustment is based on the weighted average unit cost (per ton) for export CFS costs over the review period.	Yes	Yes
Export documentation fees	An upward adjustment to the normal value for export documentation fees is required to ensure a fair comparison to the FOB export price for export sales to Australia.	This adjustment is based on the weighted average unit cost (per ton) for export documentation fees over the review period.	Yes	Yes
Export handling charge and wharf passage fees	An upward adjustment to the normal value for export handling and wharf passage charges is required to ensure a fair comparison to the FOB export price for export sales to Australia.	This adjustment is based on the weighted average unit cost (per ton) for export handling and wharf passage charges over the review period.	Yes	Yes
Export trade promotion fees	An upward adjustment to the normal value for export trade promotion fees is required to ensure a fair comparison to the FOB export price for export sales to Australia.	This adjustment is based on the weighted average unit cost (per ton) for export trade promotion fees over the review period.	Yes	Yes
Export harbour service fee	An upward adjustment to the normal value for export harbour service fee is required to ensure a fair comparison to the FOB export price for export sales to Australia.	This adjustment is based on the weighted average unit cost (per ton) for export harbour service fees over the review period.	Yes	Yes
Export commission	An upward adjustment to the normal value for export commissions is required to ensure a fair comparison to the FOB export price for export sales to Australia.	This adjustment is based on the weighted average unit cost (per ton) for export commission over the review period.	Yes	Yes
Export bank charges	An upward adjustment to the normal value for export bank charges is required to ensure a fair comparison to the FOB export price for export sales to Australia.	This adjustment is based on the weighted average unit cost (per ton) over the review period.	Yes	Yes

**Table 7 Assessment of adjustments**

## 9.2 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 terms	Deduct an amount for domestic credit
Domestic inland transport	Deduct an amount for domestic inland transport
Domestic packaging	Deduct an amount for domestic packaging
Export inland transport	Add an amount for export inland transport costs
Export packing costs	Add an amount for export packing costs
Export handling costs	Add an amount for export handling costs
Export Terminal Handling Cost	Add an amount for export terminal handling costs
Export Container Freight Station fees	Add an amount for export container freight station fees
Export documentation fees	Add an amount for export documentation fees
Export handling charge and wharf passage fees	Add an amount for export handling charge and wharf passage fees
Export trade promotion fees	Add an amount for export trade promotion fees
Export harbour service fees	Add an amount for export harbour service fees
Export commissions	Add an amount for export commissions
Export bank charges	Add an amount for export bank charges
Specification	For several export MCCs specification adjustments under section 269TAC(8) were applied to surrogate MCCs to account for the price difference
Timing adjustment	For certain models, add or deduct the difference in timing

**Table 8 Summary of adjustments**

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

## 10 NORMAL VALUE

The verification team found that there were models with sufficient volumes of domestic sales of the goods, exported to Australia, 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 fair comparison of normal values with export prices, as outlined in chapters 0 above.

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

## 11 DUMPING MARGIN

The dumping margin was assessed by comparing weighted average Australian export prices to the corresponding quarterly weighted average normal value for the review period.

The dumping margin for the goods exported to Australia by SCS for the period is **negative 3.2 per cent.**

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

**12 APPENDICES AND ATTACHMENTS**

<b>Confidential Appendix 1</b>	Export price
<b>Confidential Appendix 2</b>	Cost to make and sell
<b>Confidential Appendix 3</b>	Domestic sales, OCOT and profitability
<b>Confidential Appendix 4</b>	Normal Value
<b>Confidential Appendix 5</b>	Dumping Margin
<b>Confidential Attachment 1</b>	Verification work program
<b>Non-confidential Attachment 1</b>	MCC List

**13 NON-CONFIDENTIAL ATTACHMENT 1 – MCC LIST**

**Goods exported to Australia**

SCS exported the goods to Australia with the following MCCs during the period:

P-C-A-1-T1-W1	P-C-A-2-T3-W1	P-S-A-1-T2-W2
P-C-A-1-T1-W2	P-C-A-3-T3-W1	P-S-A-1-T3-W1
P-C-A-1-T2-W2	P-C-A-3-T3-W2	P-S-A-1-T3-W2
P-C-A-1-T3-W1	P-S-A-1-T1-W1	P-S-A-2-T3-W2
P-C-A-1-T3-W2	P-S-A-1-T1-W2	P-S-A-3-T3-W2
P-C-A-1-T4-W2		

**Like goods sold on the domestic market**

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

N-C-A-1-T1-W1	N-C-A-5-T3-W1	P-C-A-2-T4-W2
N-C-A-1-T1-W2	N-C-A-5-T3-W2	P-C-A-3-T3-W2
N-C-A-1-T2-W1	N-C-A-5-T4-W1	P-C-A-3-T4-W2
N-C-A-1-T2-W2	N-C-A-5-T4-W2	P-C-A-5-T1-W1
N-C-A-1-T3-W1	N-C-A-5-T5-W2	P-C-A-5-T1-W2
N-C-A-1-T3-W2	N-S-A-5-T1-W1	P-C-A-5-T2-W2
N-C-A-1-T4-W1	P-C-A-1-T1-W1	P-C-A-5-T3-W1
N-C-A-1-T4-W2	P-C-A-1-T1-W2	P-C-A-5-T3-W2
N-C-A-2-T4-W2	P-C-A-1-T2-W1	P-C-A-5-T4-W2
N-C-A-3-T3-W2	P-C-A-1-T2-W2	P-C-PI-1-T1-W2
N-C-A-3-T4-W2	P-C-A-1-T3-W1	P-C-PI-1-T2-W2
N-C-A-5-T1-W1	P-C-A-1-T3-W2	P-C-PI-1-T3-W2
N-C-A-5-T1-W2	P-C-A-1-T4-W1	P-C-PI-5-T2-W2
N-C-A-5-T2-W1	P-C-A-1-T4-W2	
N-C-A-5-T2-W2	P-C-A-2-T3-W2	