



Importer Verification Report

Verification & Case Details

Initiation Date	3/03/2020	ADN:	2020/020
Case Number	546		
The goods under consideration	Steel Reinforcing Bar		
Case type	Continuation Inquiry		
Importer	Best Bar Pty Ltd		
Inquiry Period	1/01/2019 to 31/12/2019		

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

CONTENTS

CONTENTS	2
1 COMPANY BACKGROUND.....	3
1.1 CORPORATE STRUCTURE AND OWNERSHIP	3
1.2 RELATED PARTIES	3
2 THE GOODS.....	4
2.1 THE GOODS	4
2.2 MODEL CONTROL CODES (MCCs).....	4
2.3 LIKE GOODS.....	4
3 VERIFICATION OF IMPORTS.....	5
3.1 IMPORT LISTING.....	5
3.2 VERIFICATION OF COST TO IMPORT AND SELL (CTIS).....	5
3.3 CTIS ALLOCATION METHOD	6
3.4 VERIFICATION OF CTIS ACCURACY.....	6
3.5 FORWARD ORDERS.....	7
3.6 CTIS VERIFICATION FINDING	7
4 EXPORT PRICE.....	8
4.1 THE IMPORTER.....	8
4.2 THE EXPORTER	8
4.3 PROFITABILITY OF IMPORTS.....	8
4.4 RELATED PARTY SUPPLIERS.....	9
4.5 ARM'S LENGTH.....	9
4.6 EXPORT PRICE ASSESSMENT.....	9
5 ATTACHMENTS	10

1 COMPANY BACKGROUND

1.1 Corporate structure and ownership

Best Bar Pty Ltd is the parent entity of Best Bar (NSW) Pty Ltd and Best Bar (Vic) Pty Ltd (collectively Best Bar or the Company). Best Bar is a privately owned company headquartered in East Rockingham Western Australia and operating throughout Australia. Each of the three entities comprising Best Bar were identified as importers of steel reinforcing bar (rebar or the goods) during the inquiry period.

Best Bar imports rebar in either straight lengths or coil. It then converts the rebar into finished goods that are sold to end-users in the building and construction industry. The final products include rebar that has been cut and bent, spirals, ligatures, corner bars, complex shapes and cages to suit the specific job requirements.

1.2 Related parties

The verification team examined the relationships between related parties involved in

The verification team found that Best Bar did not have any related party customers or suppliers of the goods during the inquiry period.

2 THE GOODS

2.1 The goods

Best Bar confirmed that it imported rebar from Singapore during the investigation period matching the description of the goods that are the subject of this investigation.

2.2 Model control codes (MCCs)

Best Bar advised that it imports rebar as a raw material that it then manufactures into finished goods according to customer specifications. Therefore the MCC provided by the Commission cannot be applied to Best Bar's sales.

2.3 Like goods

The importer agreed that the Australian Industry produced like goods to the goods that it imported during the inquiry period.

3 VERIFICATION OF IMPORTS

3.1 Import listing

Best Bar confirmed that the import listing extracted from the Australian Border Force (ABF) import database is a complete list of imports of the goods over the investigation period.

The verification team calculated the weighted average free-on-board (FOB) export price by supplier at **Confidential Appendix 1**.

3.2 Verification of cost to import and sell (CTIS)

Prior to the verification, the Commission selected 36 shipments (12 from each Best Bar entity) to complete the cost to import and sell (CTIS) spreadsheet of the importer questionnaire.

For each of the selected shipments, Best Bar provided the following source documents:

- Commercial Invoice - Export
- Bill of Lading
- Import Declaration
- Shipping Invoice
- Arrival Notice
- Shipping line Original Invoice
- Packing List
- Certificate of Declaration-Exporter
- Certificate of Origin
- Packing Declaration
- Certificate of Timber Treatment
- Purchase Order-Importer

3.3 CTIS allocation method

The verification team verified the reasonableness of the method used to allocate the CTIS provided in the questionnaire response.

Cost Area	Method applied
Ocean freight	Based on the actual ocean freight cost, invoice by freight forwarder allocated to goods based on weight pro-rata rate.
Marine insurance	Based on the actual invoice cost, allocated to goods pro-rata based on weight.
Duties	Based on the actual invoice cost allocated to the goods
Customs fees	Based on the actual invoice cost, allocated to goods pro-rata based on weight.
Quarantine charges	Based on the actual invoice cost, allocated to goods pro-rata based on weight.
Port service charges	Based on the actual invoice cost, allocated to goods pro-rata based on weight.
Container unpack and Delivery/Transport	Based on the actual invoice cost, allocated to goods pro-rata based on weight.
Delivery Order, Currency Adjustment Factor and Cargo Manifest Fee	Based on the actual invoice cost, allocated to goods based on weight pro-rata rate.
SG&A	Based on the operating costs, as percentage of sales revenue.

Table 1 Verification of cost calculation method

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**.

3.4 Verification of CTIS accuracy

The accuracy of data is verified by reconciling selected data submitted "downwards" to source documents. This part of the verification involves the process of agreeing key information fields within the CTIS data down to source documents. This verifies the accuracy of the data.

PUBLIC RECORD

The verification team verified the accuracy of the CTIS provided in the questionnaire response by reconciling it to source documents in accordance with Anti-Dumping Notice (ADN) No. 2016/030¹.

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**.

3.4.1 Exceptions during verification of CTIS accuracy

No.	Exception	Resolution
1.	Proof of payment to the exporter was not provided. Without this information the Commission cannot verify the actual amount paid for the imported goods.	Best Bar provided the Commission with payment advice details for the inquiry period to the Commission. Note: Commercial invoices cover a whole shipment of goods, whereas tax invoices are for much smaller amounts as they are only issued when Best Bar draws down stock as required from the Best Bar bonded warehouse.
2.	Credit terms could not be verified with the commercial invoice.	The sales contract prescribes that all rebar exported to be drawn down no later than 120 days. The payment terms on the exporter's formal sales invoices stipulate payment within 30 days from invoice date.
3.	The exchange rates used by Best Bar for each transaction listed in RIQ - Part B, could not be verified by the verification team. Best Bar needed to provide copies of international payment remittances which include the exchange rate at which SGD denominated accounts have been paid.	Best Bar provided remittance advice and exchange rate details for all the payments made to NatSteel.

Table 2 Exceptions during verification of accuracy of CTIS data

¹ [ADN 2016/030](#)

3.5 Forward orders

Best Bar advised the verification team that it does not have any forward orders for the goods.

3.6 CTIS verification finding

The verification team is satisfied that the CTIS provided by Best Bar, including any required amendments as outlined in the exception table above, is accurate.

A table detailing the weighted average unit CTIS is at **Confidential Appendix 2**.

4 EXPORT PRICE

4.1 The importer

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

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

4.2 The exporter

The goods were imported to Australia by Best Bar. The verification team considers NatSteel Holdings Pte Ltd (NatSteel) of Singapore to be the exporter of the goods², as NatSteel is:

- named on the commercial invoice and packing lists; and
- named as consignor on the bill of lading.
- NatSteel is the manufacturer of the goods located in the country of export.
- NatSteel arranged transportation of the goods to the port of export to Australia.
- NatSteel knew that the goods are destined for Australia

4.3 Profitability of imports

The verification team assessed the profitability of the selected shipments by comparing the revenue to the CTIS for each shipment. As each selected shipment cannot be traced to actual sales transactions, the verification team used the yearly weighted average sales revenue of the finished goods to assess profitability. All sales were profitable.

4.4 Related party suppliers

The verification team did not find any evidence that Best Bar is related to its supplier of the rebar exported from Singapore during the investigation period.

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

4.5 Arm's length

In respect of imports of the rebar to Australia by Best Bar during the investigation period, the verification team found no evidence that:

- there was any consideration payable for, or in respect of, the goods other than its price; or
- the price was influenced by a commercial or other relationship between the buyer, or an associate of the buyer, and the seller, or an associate of the seller;

Therefore, subject to further inquiries, the verification team is satisfied that the imports between Best Bar and its suppliers are arm's length transactions.

4.6 Export price assessment

The verification team is of the opinion that for the goods imported by Best Bar from NatSteel:

- the goods have been exported to Australia otherwise than by the importer;
- the goods have been purchased by the importer from the exporter(s); and
- the purchases of the goods by the importer were arm's length transactions.

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

5 ATTACHMENTS

Confidential Appendix 1	Export price
Confidential Appendix 2	Profitability of imports
Confidential Attachment 1	Verification Work Program