



Exporter Verification Report

Verification & Case Details

Initiation Date	13/07/2020	ADN:	2020/71
Case Number	557		
The goods under consideration	Copper tube		
Case type	Dumping and Subsidy Investigation		
Exporter	Nungwon Metal Ind. Co Ltd		
Location	Virtual verification		
Verification from	25/05/2021	to	07/06/2021
Investigation Period	1/07/2019	to	30/06/2020

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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PREFACE

This report details the findings, analysis, evidence relied upon and reasoning on key verification outcomes of data submitted to the Anti-Dumping Commission (Commission) by the verification team for publication on the public record.

It provides interested parties with information regarding all material aspects of the verification, including explanations of any material issues identified during the verification. It outlines the nature, extent and consequences of any changes made to the data submitted, including data corrections made by the company or by the verification team.

Verification teams are authorised to conduct verifications under section 269SMG and 269SMR of the *Customs Act 1901* (the Act).¹

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

1 COMPANY BACKGROUND

1.1 Corporate Structure and Ownership

Nungwon Metal Ind. Co., Ltd (NWM) is a manufacturer and seller of copper tube (the goods) and produces products for sale in both domestic and export markets. It was established in 1986 and is based in Seoul, in the Republic of Korea (ROK).

NWM produces various types of copper tube, including:

- Tube for general use
- Plumbing tube
- Heating, ventilation and air conditioning (HVAC) tube
- Medical/gas tube
- Industrial tube
- Polylagged tube

1.2 Related Parties

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

1.2.1 Related suppliers

NWM purchased a small amount of raw materials used in the manufacture of copper tube from a related party.

1.2.2 Related customers

NWM sold to two related customers in the domestic market. No Australian export customers were related to NWM.

1.3 Accounting records

NWM's calendar year 2019 audited financial statement was audited by Samil PricewaterhouseCoopers, and includes a statement that the financial accounts comply with the Accounting Standards for Non-public entities as adopted by ROK.

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

2 THE GOODS AND LIKE GOODS

2.1 Production Process

The production process for the goods comprises several sub-processes. Although almost all products go through all the production steps, the production time of each sub-process varies according to the specification of the products. The processes are described below:

1. Melting and Casting process

A process of manufacturing billet which contains a certain level of oxygen content, by melting and casting copper cathode in a deoxidization atmosphere.

2. Extruding process

A process of manufacturing deoxidized mother tube by heating billets and extruding it in water.

3. Rolling process

A process of rolling extruded mother tubes or cast hollow billets by the rolling mill to draw them.

4. Drawing process

A process of drawing extruded or rolled mother tube to specifications requested by customers.

5. Annealing and Inspection

An annealing process to remove the internal stress caused by the formation of the new crystal structure from processing. The process has the effect of improving the ductility and surface lustre of the material. Particularly, the super purge annealing furnace produces the clean tube whereby the inner tube residue is removed completely.

2.2 Model Control Codes (MCCs)

NWM provided all the mandatory sales and cost data in its response to the exporter questionnaire (REQ) in accordance with the model control code (MCC) structure proposed by the Commission in its file note of 7 September 2020.²

NWM stated that it generally agrees with the Commission's MCC proposal, and does not propose any changes to the MCC.

² EPR document 6 refers.

2.2.1 Amendments to MCCs

Based on analysis of the price comparability of the goods under consideration, the verification team considers it is unnecessary to make amendments to the MCC structure.

2.3 Verification of MCCs

The verification team was able to verify all MCC categories to source documents and NWM’s accounting system. The team found no issues in this process, aside from the exceptions listed in chapter 4 of this report.

Table 1 displays the relationship between the manufacturing standard of the goods, and the MCC ‘Standard’ category.

Standard	MCC Standard category
AS1432	Plumbing
AS1571	Refrigeration
AS1572	Engineering

Table 1 MCC mapping for manufacturing standard

2.4 The goods exported to Australia

The verification team was satisfied that NWM produced and exported the goods to Australia. NWM exported the goods to Australia with the following MCCs during the period:

Export model control codes sold
E-B-U-U-S-P
E-H-U-U-S-P
E-S-U-U-S-P
P-B-L-U-S-P
P-B-U-C-S-P
P-B-U-U-S-P
P-H-L-U-S-P
P-H-U-C-S-P
P-H-U-U-S-P
P-S-L-U-S-P
P-S-U-U-S-P
R-B-U-C-S-P
R-H-U-C-S-P
R-H-U-U-S-P

Table 2 – Export MCCs sold

2.5 Like goods sold on the domestic market

The verification team was satisfied that NWM sold like goods in the domestic market.

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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 for models sold domestically and for export are the same);
- are produced at the same facilities, using the same raw material inputs and manufacturing processes;
- compete in the same market sector, are interchangeable and use similar distribution channels; and
- can be considered functionally alike, as they have similar end uses.

Accordingly, the verification team is satisfied that the goods sold domestically are physically, commercially and functionally alike, and are also alike with respect to production.

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

Domestic model control codes sold
E-B-U-U-S-P
E-H-U-C-S-P
E-H-U-U-S-P
E-S-U-C-S-P
E-S-U-U-S-P
P-B-U-C-S-P
P-B-U-U-S-P
P-H-U-C-S-P
P-H-U-U-S-P
P-S-U-C-S-P
P-S-U-U-S-P
R-B-U-C-S-P
R-H-U-C-S-P
R-H-U-U-S-P
R-S-U-C-S-P
R-S-U-U-S-P

Table 3 – Domestic MCCs sold

2.6 Like goods – assessment

The verification team considers that the goods produced by NWM 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).

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 REQ by reconciling these to audited financial statements in accordance with ADN No. 2016/30.

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

- The income statements for calendar year 2019 and the investigation period provided as part of NWM's REQ were verified to the relevant audited financial statements and the accounting system. The income statements linked directly to the sales data provided in the upwards sales template completed by NWM as part of the REQ.
- The breakdown of the goods and non-goods for the domestic and Australian sales listings was live demonstrated by NWM using the relevant accounting and information systems. The value and volume of sales were reconciled accordingly.

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 NWM is complete and relevant.

4 VERIFICATION OF SALES ACCURACY

The accuracy of data is verified by reconciling selected data submitted ‘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. This verifies the accuracy of the data.

The verification team verified accuracy of the export and domestic sales listings submitted in the REQ by reconciling these to source documents 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**.

4.1 Exceptions during verification of sales accuracy

Exception	Resolution
NWM explained that it previously did not include values for the export bank charges in the export sales listing.	NWM revised the export sales listing to include the export bank charges.
NWM identified additional export transactions which needed to be reported in the export sales listing.	NWM revised the export sales listing to include the additional export sales.
NWM found errors in the MCC ‘Standard’ classifications for three sales lines in the export sales listing.	NWM reclassified these lines with the correct MCC ‘Standard’ identifier.
The verification team noticed that some sales in the export sales listing had negative payment days. This was a result of pre-payments for some telegraphic transfer (TT) payment term transactions. The Commission’s practice is to make these payment days zero. The team also notes that some letter of credit (L/C) transactions had positive payment days. Similarly, the Commission’s practice is to treat sales with L/C payment terms as having zero payment days.	For all export L/C payment transactions, and all transactions with negative payment days, the verification team changed the payment days to zero (if the payment days were not initially zero).
NWM calculated a credit expense in the export sales listing for each sales line. NWM calculated a credit expense in the domestic sales listing for each sales line.	The verification team calculated credit expenses using a formula generally used by the Commission. This formula uses the payment days for each sales line, and the relevant short term borrowings rate. The formula is included and explained on pages 74 and 75 of the <i>Dumping and Subsidy Manual</i> . ³

³ Available on the Commission’s [website](#).

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NWM found that some domestic sales with an outside diameter of more than 53.98 mm were included in the domestic sales listing.	NWM revised the domestic sales listing to exclude the sales of products with an outside diameter of more than 53.98 mm.
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Table 4 Exceptions during verification of accuracy of sales data

4.2 Sales accuracy finding

The verification team is satisfied that the sales data provided by NWM, including any required amendments as outlined in the exception table above, is accurate. 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 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 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 of 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 income statements for calendar year 2019 and the investigation period provided as part of NWM's REQ were verified to the relevant audited financial statements and the accounting system. The income statements linked directly to the cost data provided in the upwards cost template completed by NWM as part of the REQ.
- The breakdown of the goods and non-goods for the domestic and Australian cost to make listings was demonstrated live by NWM using the relevant accounting and information systems. The value and volume of production were reconciled accordingly.

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

- The SG&A listing for the calendar year 2019 and the investigation period, provided as part of NWM's REQ, were verified to the relevant audited financial statements and trial balances.
- Certain SG&A accounts included in the SG&A listing were further explained by NWM, covering why they should or should not be included in the SG&A listing as an indirect SG&A expense.

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**.

5.1 Exceptions during verification of completeness and relevance of CTMS data

Exception	Resolution
NWM classified its SG&A account in relation to losses on the sale of trade receivables as a direct selling expense.	The team notes that this expense is not in the domestic or export sales listings, and cannot be allocated to a specific sale. Therefore, the team decided to classify this expense as an indirect selling expense, effectively adding it to SG&A.
NWM initially classified its unrealised gains and losses on foreign currency translations as indirect selling expenses (comprising two SG&A accounts).	The verification team excluded the two accounts from SG&A as it is the Commission's practice to exclude foreign currency translations from SG&A, since these values are unrealised.
NWM initially classified its bad debt expense as an indirect selling expense. NWM explained that this expense is unrealised.	The verification team excluded the bad debt expense from SG&A as it generally excludes unrealised expenses from SG&A.

Table 5 Exceptions during verification of completeness and relevance of CTMS data

5.2 Completeness and relevance finding of CTMS data

The verification team is satisfied that the CTMS data provided in the REQ by NWM, including any required amendments as outlined as an exception above, is complete and relevant.

6 VERIFICATION OF COST TO MAKE AND SELL 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 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**.

Table 6 outlines the allocation method applied to each cost item.

Cost item	Method applied
Raw Materials	Allocated based on production quantity
Scrap Allocation	Allocated based on production quantity
Manufacturing Overheads	Allocated based on production quantity and time
Labour	Allocated based on production quantity and time
Depreciation	Allocated based on production quantity

Table 6 Cost allocation method

6.2 Verification of Accuracy of CTMS data

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

The verification team verified the accuracy of the CTMS information provided in the REQ by reconciling it to source documents in accordance with ADN No. 2016/30.

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**.

6.3 Related party suppliers

NWM purchased raw materials from a related party during the investigation period. NWM stated that it considers its purchases of raw materials from the related party as market prices. The verification team analysed the raw material purchases and found that a relatively small quantity of raw materials were sold by the related party to NWM. Additionally, the team did not identify material price differences with respect to NWM's purchases of raw materials from the related party, compared to purchases from unrelated suppliers.

As a result, the verification team does not have sufficient evidence to conclude that the purchases of raw materials from the related party are influenced by NWM's relationship with it.

6.4 Accuracy finding

The verification team is satisfied that the CTMS data provided in the REQ by NWM is accurate and reasonably reflects the costs associated with the production and sale of the goods under consideration.

7 EXPORT PRICE

7.1 The importers

The verification team considers NWM's Australian customers to be the beneficial owners of the goods at the time of importation and therefore the importers as the importers are:

- named on the commercial invoice as the customer
- named as the consignee on the bill of lading
- declared as the importer on the importation declaration to ABF, payed for all the importation charges and arranged delivery from the port.

The verification team is satisfied that for all Australian export sales during the investigation period, NWM's Australian customers as listed in the export sales listing, are the importers of the goods.

7.2 The exporter

The verification team considers NWM to be the exporter of the goods⁴, as NWM:

- 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
- arranges and pays for the port handling charges at the port of export
- arranges and pays for the ocean freight and marine insurance.

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

7.3 Arms length

7.3.1 Related party customers

NWM did not export the goods to related customers during the period. In respect of NWM's export sales of the goods to all customers in Australia 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 appeared to be 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

⁴ 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.

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- 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.⁵

The verification team therefore considers that all export sales to Australia made by NWM to all customers during the investigation period were arms length transactions.

7.4 Export Price – assessment

In respect of Australian sales of the goods by NWM, 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**.

⁵ 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 Related party customers

During the period, NWM sold the goods domestically to two related customers. The prices to related and unrelated customers were compared, and the team finds there were immaterial price differences. The price assessments are seen at **Confidential Appendix 1**.

In respect of NWM's domestic sales of like goods to its related 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 appeared to be 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.⁶

The verification team therefore considers that all domestic sales made by NWM to its related customers during the period were arms length transactions. The team notes that the same finding stands for domestic sales to all unrelated customers as well.

8.2 Ordinary course of trade

Section 269TAA 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.⁷

The verification team tested profitability by comparing the invoice price 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.

⁶ Section 269TAA refers.

⁷ In general, the Commission will consider 'extended period' and 'reasonable period' to be the investigation, review or inquiry period.

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The team tested recoverability by comparing the invoice price 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
Cost	Quarterly cost to make and sell
Weighted average cost	Weighted average cost to make and sell

Table 7 OCOT details

The verification team have collected the necessary data to conduct an OCOT assessment, based on the reported costs and sales at the time of verification.

8.3 Volume of relevant sales

Section 269TAC(2) provides alternative methods for calculating the normal value of goods exported to Australia where there is an absence, or low volume, of relevant sales of like goods in the market of the country of export. An exporter’s domestic sales of like goods are taken to be in a low volume under section 269TAC(14). This is where the total volume of sales of like goods for home consumption in the country of export by the exporter is less than 5 per cent of the total volume of the goods under consideration that are exported to Australia by the exporter (unless the Minister is satisfied that the volume is still large enough to permit a proper comparison for the purposes of assessing a dumping margin).

The verification team assessed the total volume of relevant sales of like goods as a percentage of the goods exported to Australia and found that the volume of domestic sales was 5 per cent or greater and therefore was not a low volume.

When calculating a normal value under section 269TAC(1), in order to ensure a proper comparison between the goods exported to Australia and the goods sold on the domestic market, the Commission considers the volume of sales of each exported MCC on the domestic market. Where the volume of domestic sales of an exported model is less than 5 per cent of the volume exported, the Commission will consider whether a proper comparison can be made at the MCC level. In these situations, the Commission may consider whether a surrogate domestic model should be used to calculate normal value for the exported model.

This analysis is detailed in the table below.

Export MCC	Is volume of domestic sales of same MCC 5% or greater as a proportion of export volume?	Treatment of normal value
E-B-U-U-S-P	Yes	Sufficient quantity, therefore used in normal value.
E-H-U-U-S-P	Yes	Sufficient quantity, therefore used in normal value.

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E-S-U-U-S-P	Yes	Sufficient quantity, therefore used in normal value.
P-B-L-U-S-P	No	No domestic sales of this MCC. Surrogate MCC P-B-U-U-S-P used, with specification adjustments under section 269TAC(8).
P-B-U-C-S-P	Yes	Sufficient quantity, therefore used in normal value.
P-B-U-U-S-P	Yes	Sufficient quantity, therefore used in normal value.
P-H-L-U-S-P	No	No domestic sales of this MCC. Surrogate MCC P-H-U-U-S-P used, with specification adjustments under section 269TAC(8).
P-H-U-C-S-P	Yes	Sufficient quantity, therefore used in normal value.
P-H-U-U-S-P	Yes	Sufficient quantity, therefore used in normal value.
P-S-L-U-S-P	No	No domestic sales of this MCC. Surrogate MCC P-S-U-U-S-P used, with specification adjustments under section 269TAC(8).
P-S-U-U-S-P	Yes	Sufficient quantity, therefore used in normal value.
R-B-U-C-S-P	Yes	Sufficient quantity, therefore used in normal value.
R-H-U-C-S-P	Yes	Sufficient quantity, therefore used in normal value.
R-H-U-U-S-P	Yes	Sufficient quantity, therefore used in normal value.

Table 8 Domestic volumes

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

9 ADJUSTMENTS

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 to ensure a fair comparison to the FOB export price.	Based on the short-term borrowing rate and payment days listed for each transaction.	Yes	Yes
Domestic inland transport	A downward adjustment to the normal value to ensure a fair comparison to the FOB export price.	Based on the domestic inland transport cost for each transaction.	Yes	Yes
Export inland transport	An upward adjustment to the normal value to ensure a fair comparison to the FOB export price.	Based on the export inland transport cost for each transaction.	Yes	Yes
Export port handling charges	An upward adjustment to the normal value to ensure a fair comparison to the FOB export price.	Based on the export port handling charges for each transaction.	Yes	Yes
Export bank fee	An upward adjustment to the normal value to ensure a fair comparison to the FOB export price.	Based on the export bank fee for each transaction.	Yes	Yes
Export credit terms	An upward adjustment to the normal value to ensure a fair comparison to the FOB export price.	Based on the short-term borrowing rate and payment days listed for each transaction.	Yes	Yes
Specification adjustments	There were no domestic sales for three MCCs as outlined in chapter 8.3 of this report. Surrogate export MCCs were therefore used to calculate the normal value for each of the three MCCs not sold domestically.	The specification adjustments to the three surrogate MCCs were based on the difference in the cost to make and sell, and an OCOT profit between each MCC and its surrogate.	No	Yes
Timing adjustment	There were no domestic sales for MCC P-B-U-C-S-P for the September 2019 quarter.	The verification team therefore used MCC P-B-U-U-S-P to perform a quarterly normal value timing adjustment for MCC P-B-U-C-S-P.	No	Yes

Table 9 Assessment of adjustments

9.2 Adjustments

The verification team considers the following adjustments under section 269TAC(8) 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
Export inland transport	Add an amount for export inland transport
Export port handling charges	Add an amount for export port handling charges
Export bank fee	Add an amount for export bank fee
Export credit terms	Add an amount for export credit terms
Specification adjustment	Add a specification adjustment for the surrogate MCCs
Timing adjustment	Add a timing adjustment for the relevant MCC

Table 10 Summary of adjustments

The verification team's preliminary adjustment calculations are included in normal value calculations at **Confidential Appendix 3**.

10 NORMAL VALUE

The verification team found that there were sufficient volumes of sales of like goods sold for home consumption in the country of export that were arms length transactions and at prices that were within the OCOT. The verification team is therefore not satisfied that there is an absence, or low volume, of sales relevant for the purpose of determining a price under section 269TAC(1).

The verification team has determined a preliminary 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 that differences between the normal value of goods exported to Australia and the export price of the exported goods would not affect comparison of domestic prices with export prices, as outlined in chapter 0 above.

The verification team's preliminary normal value calculations are at **Confidential Appendix 3**.

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 investigation period under section 269TACB(2)(a).

The dumping margin for the goods exported to Australia by NWM for the period is **0.9 per cent**.

The preliminary dumping margin calculation is at **Confidential Appendix 4**.

12 APPENDICES AND ATTACHMENTS

Confidential Appendix 1	Export price
Confidential Appendix 2	Cost to make and sell
Confidential Appendix 3	Normal Value
Confidential Appendix 4	Dumping Margin
Confidential Attachment 1	Verification work program