



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	Daejin Copper Pipe & Tube Manufacturing Co., Ltd		
Location	Virtual Verification via videoconference facilities		
Verification from	20/05/2021	to	28/06/2021
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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1 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.

2 COMPANY BACKGROUND

2.1 Corporate Structure and Ownership

Daejin Copper Pipe & Tube Manufacturing Co., Ltd. (Daejin) is a manufacturer and seller of copper tube products. Daejin sells these copper tube products to both domestic customers and export customers. Daejin also operates a separate assembly facility that packages air-conditioning system assembly components.

Daejin advised that it is a single corporate entity and does not form part of a group of companies. Daejin's shareholders are natural persons. The verification team's review of publically available information and other confidential information provided by Daejin has not identified any related corporate entities.

2.2 Related Parties

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

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

2.3 Accounting records

Daejin's audited financial statements for 2019 and 2020 were audited by Nexia Samduk and include statements that specify that the financial accounts comply with the Republic of Korea's (ROK) Generally Accepted Accounting Principles.

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

3 THE GOODS AND LIKE GOODS

3.1 Production Process

The production process for the goods comprises several processes which may vary depending on the specifications of the final products being produced. The processes are generally described below:

1. Melting and Casting process

Relevant raw materials are mixed and melted in a furnace to produce a billet by casting.

2. Extruding process

Billet is extruded to form a basic pipe shaped product, which Daejin classifies as semi-finished copper tube.

3. Drawing process

Either through the pipe drawing or tube drawing facility, semi-finished copper tube is drawn to the specifications requested by customers.

4. Straightening and Cutting

Hard drawn copper tube is straightened and cut to customer specified lengths.

5. Annealing

Soft and half hard pipe is taken through an annealing process and any further processes required to produce the product specified by the customer.

6. Packing

Manufacturing is finalised and the product is packaged for the customer, which may include capping.

3.2 Model Control Codes (MCCs)

Daejin 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.²

Daejin submitted that an additional category for tube outer diameter should be included in the MCC structure. Daejin advised that, depending on the diameter of the copper tube, copper tube was either drawn through its 'pipe drawing' facility or 'tube drawing' facility. Daejin advised that, given that the costs for these facilities differed, the prices for copper tube drawn from either drawing facility differed. Daejin proposed the following subcategories for outer diameter:

² Electronic public record document no. 6

PUBLIC RECORD

Outer Diameter Category	Description
1	Equal or more than 9.52 up to and including 30.00 mm
2	More than 30.00 mm to 53.98 mm

Table 1 Proposed additional MCC subcategories

Analysis of both sales and cost data was completed to assess Daejin’s claims in relation to including an additional MCC category.

3.2.1 Assessment of Daejin’s proposed amendments to MCCs

Based on analysis of the price comparability of the goods under consideration, the verification team considers it is not necessary to make the amendments to the MCC structure proposed by Daejin in regard to outer diameter. The Commission’s consideration of Daejin’s proposed amendment is contained in **Confidential Attachment 2** of this report.

3.3 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
Standard	Based on invoices, standards and specifications listed on the mill certificates. This was verified to source documents in the selected sales.
Temper	Based on the hardness value recorded on the mill certificates for both export and domestic sales. This was verified to source documents in the selected sales.
Lagging	Daejin only sold unlagged products during the period of investigation. No evidence of lagged tube or pipe sales during the period of investigation were identified.
Capping	Based on whether the goods were produced for air conditioning and refrigeration purposes, as these goods require capping. Goods that are not for air conditioning and refrigeration are not-capped. This delineation was based on the standard and specifications listed on the mill certificates. This was verified to source documents in the selected sales.
Form	Form was identified by reference to sale product descriptions and production reports
Finned or internally grooved	Based on whether further processing was listed in the transaction details within the selected sales. This was verified to source documents in the selected sales.

Table 2 MCC sub-category determination

Table 3 below displays the relationship between the manufacturing standard of the goods, and the MCC “Standard” category, noting that Korean standard KS D 5301 certifies copper pipe product for plumbing, refrigeration, gas fitting and drainage applications.

PUBLIC RECORD

Standard	MCC Standard category
AS1432	Plumbing
AS1571	Refrigeration
AS1572	Engineering

Table 3 MCC mapping for manufacturing standard

3.4 The goods exported to Australia

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

- R-H-U-C-S-P
- R-S-U-C-S-P
- R-B-U-C-S-P

3.5 Like goods sold on the domestic market

The verification team was satisfied that Daejin 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 for the same models sold domestically and for export are the same);
- are produced at the same facilities, using the same raw material inputs and manufacturing processes;
- the goods 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.

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

- R-H-U-C-S-P
- R-S-U-C-S-P
- P-H-U-U-S-P
- R-H-U-U-C-P

3.6 Like goods – assessment

The verification team considers that the goods produced by Daejin 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 Act.

4 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 submitted subsequent to 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:

- Daejin’s sales revenue for the relevant period was reconciled to audited financial reports through quarterly income statements and trial balances;
- Daejin’s trial balance for the investigation period was reconciled to a detailed sales ledger; and,
- the detailed sales ledger was reconciled to a sales transaction report;
- Daejin’s sales transaction report was then filtered based on product characteristics to remove non GUC sales;
- the submitted domestic and export sales listings were reconciled to the filtered sales transaction report.

Daejin identified minor errors at the commencement of the verification. The verification team did not identify any other issues 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 relevance

No.	Exception	Resolution
1	Daejin provided a revised domestic and export sales listing at the commencement of the verification to correct minor errors in the listings provided in the REQ	The verification team completed the verification using the revised domestic and export sales listing.

Table 4 Exceptions during verification of completeness and relevance of sales data

4.2 Sales completeness and relevance finding

The verification team is satisfied that the revised sales data submitted by Daejin is complete and relevant.

5 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 subsequent to the REQ by reconciling these to source documents in accordance with ADN No. 2016/30.

Daejin identified minor errors at the commencement of the verification. The verification team did not identify any other 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 Exceptions during verification of sales accuracy

No.	Exception	Resolution
2	Daejin provided a revised domestic and export sales listing at the commencement of the verification to correct minor errors in the listings provided in the REQ	The verification team completed the verification using the revised domestic and export sales listing.

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

5.2 Sales accuracy finding

The verification team is satisfied that the revised sales data submitted by Daejin is accurate. 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) 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 resubmitted cost to make and sell (CTMS) information submitted subsequent to 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:

- Identified the total cost of goods sold (COGS) for the period of investigation based on Daejin's audited 2019 and 2020 financial statements, after adjusting for timing differences by using internal income statements validated against data contained in Daejin's electronic accounting system;
- Adjusted for opening and closing inventories to adjust the COGS to a cost to manufacture during the period of investigation.
- Identified relevant costs by deducting the costs relating to a production facility not relevant to the manufacture of the goods and deducting costs for products recorded in Daejin's electronic accounting system as not having product codes relevant to copper tube.
- Examining production and cost records evidencing the range of copper tube produced by Daejin and deducting the costs of copper tube which were not the goods under consideration.

The verification team verified the relevance and completeness of the SG&A data by examining the accounts for SG&A during the investigation period and reconciling them to Daejin's audited 2019 and 2020 financial statements, after adjusting for timing differences by using internal income statements validated against data contained in Daejin's electronic accounting system.

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

6.1 Exceptions during verification of completeness and relevance of CTMS data

No.	Exception	Resolution
3	Daejin provided a revised CTMS at the commencement of the verification to correct minor errors in the CTMS data provided in the REQ	The verification team completed the verification using the revised CTMS.

Table 6 Exceptions during verification of completeness and relevance of CTMS data

6.2 Completeness and relevance finding of CTMS data

The verification team is satisfied that the revised data submitted in the REQ by exporter is complete and relevant.

7 VERIFICATION OF CTMS ACCURACY

7.1 Cost allocation method

The verification team verified the reasonableness of the method used to allocate the cost information submitted 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 3 below outlines the allocation method applied to each cost item.

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

Table 3 Cost allocation method

7.2 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 resubmitted cost to make and sell (CTMS) information submitted subsequent to the REQ by reconciling it to source documents in accordance with ADN No. 2016/30.

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

7.3 Exceptions during verification of accuracy of CTMS data

No.	Exception	Resolution
4	Daejin provided a revised CTMS at the commencement of the verification to correct minor errors in the CTMS data provided in the REQ	The verification team completed the verification using the revised CTMS.

Table 7 Exceptions during verification of accuracy of CTMS data

7.4 Accuracy finding

The verification team is satisfied that the revised CTMS data submitted by Daejin is accurate and reasonably reflect the costs associated with the production and sale of the goods under consideration.

8 EXPORT PRICE

8.1 The importers

The verification team considers that the Australian customer, being the importer listed in the Australian Border Force (ABF) database, to be the beneficial owner of the goods at the time of importation and the Korean trader) involved in the transaction, to be the intermediary in the transaction as:

- the Australian customer is named on the commercial invoices and the sales listings provided by the Korean trader;
- the Australian customers are named as the consignees on the bills of lading; and
- the Australian customer being named in the ABF database as the importer.

In relation to the goods exported by Daejin to Australia, the verification team considers that the Australian customers are the beneficial owners of the goods at the time of importation, and therefore were the importers of the goods.

8.2 The exporter

The verification team considers Daejin to be the exporter of the goods³, as Daejin:

- is the manufacturer of the goods located in the country of export;
- is named as the seller on the commercial invoice to the intermediary;
- pays for the transport of the goods to the port and the handling & other port costs to the Free on Board term of the sale, then the Korean trader arranges transportation of the goods from the port to Australia; and
- has knowledge that the goods are destined for export to Australia.

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

8.3 Arms length

In respect of Daejin's Australian sales of the goods to its 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.⁴

³ 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 Section 269TAA refers.

The verification team therefore considers that all export sales made by Daejin during the period were arms length transactions.

8.4 Export Price – assessment

In respect of Australian sales of the goods by Daejin, the verification team found that the importer has not purchased the goods from the exporter, therefore, export prices cannot be determined under sections 269TAB(1)(a) or 269TAB(1)(b).

The verification team recommends that the export price be calculated under section 269TAB(1)(c) having regard to all the circumstances of the exportation. Specifically, the verification team recommends that the export price be calculated based on the price received by the exporter when selling to the intermediary, which is a Free on Board price.

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

9 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).

9.1 Arms length

In respect of Daejin's domestic sales of like goods to its 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 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 Daejin to its unrelated domestic customers during the period were arm's length transactions.

9.2 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.⁵

The verification team tested profitability by comparing the net 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.

The team tested recoverability by comparing the net 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, including direct selling expenses for each transaction.

⁵ In general, the Commission will consider 'extended period' and 'reasonable period' to be the investigation, review or inquiry period.

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Weighted average cost	Weighted average cost to make and sell over the period, including direct selling expenses for each transaction.
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Table 4 OCOT details

9.3 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) where the total volume of sales of like goods for home consumption in the country of export by the exporter is less than five 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 five 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 five 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
R-B-U-C-S-P	N	No domestic sales of R-B-U-C-S-P. Surrogate model R-H-U-C-S-P was used with specification adjustment under TAC(8).
R-H-U-C-S-P	Y	Sufficient quantity, therefore used in normal value.
R-S-U-C-S-P	Y	Sufficient quantity, therefore used in normal value.

Table 5 Domestic volumes

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

10 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).

10.1 Rationale and Method

Adjustment type	Assessment for adjustment	Calculation method and evidence	Claimed in REQ?	Adjustment required?
Specification Adjustment	There were no domestic sales of R-B-U-C-S-P which was exported to Australia. Surrogate model R-H-U-C-S-P was used as a surrogate model. A specification adjustment was made.	The specification adjustment to the surrogate model was based on the difference in the cost to manufacture and OCOT profit margin between the models.	No	Yes
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
Domestic packaging	A downward adjustment to the normal value to ensure a fair comparison to the FOB export price.	Based on the domestic packaging cost for each transaction.	Yes	Yes
Export packaging	An upward adjustment to the normal value to ensure a fair comparison to the FOB export price. Daejin provided information both on export packaging costs and a surcharge for export packaging applied to export sales. The verification team has used the surcharge amount to establish the	Based on the weighted average export packaging surcharge.	Yes	Yes

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	adjustment given that this amount is the most relevant information used to determine the net price used to establish the ascertained export price.			
Export inland transport	An upward adjustment to the normal value to ensure a fair comparison to the FOB export price.	Based on the weighted average export inland transport cost.	Yes	Yes
Export port charges	An upward adjustment to the normal value to ensure a fair comparison to the FOB export price.	Based on weighted average export port and handling charges	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 the weighted average export payment days.	Yes	Yes
Duty Drawback	In its REQ, Daejin claimed a duty drawback adjustment when comparing export and domestic sales of the goods. Daejin receives a duty drawback refund from the Korean Customs Service for its export sales, based on imported raw materials used in the production of those exported goods. Daejin demonstrated that the refund of duty paid was only claimable in relation to actual goods exported and, therefore, was only receivable in relation to export sales and not domestic sales.	Based on the weighted average refund amounts allocated across all exports.	Yes	Yes
Bad Debt Adjustment	In its REQ, Daejin claimed an adjustment in relation to a crystallised credit risk relating to domestic sales which was not applicable to export sales. Further information in relation this claim was provided during the verification. The verification team considers that Daejin's demonstration of crystallised bad debts for specified customers, does not demonstrate a different credit risk between domestic and export markets or, if any such different credit risk existed, the evidence does not demonstrate that this credit risk affected price comparability.	No adjustment was made	Yes	No

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	<p>As specified in the Commission’s Manual, bad debts generally relate to the general cost of business and do not, for that reason, normally represent grounds for adjustment.⁶</p> <p>Relevant confidential information considered is listed in Confidential Attachment 2.</p>			
Level of trade Adjustment	<p>Daejin claimed a level of trade adjustment based on differing functions for sales to export traders, domestic distributors and domestic end users.</p> <p>The verification team considers that the cost analysis presented by Daejin, did not adequately differentiate between sales to distributors and end users in the domestic market. Detailed consideration of Daejin’s claim and confidential information provided by Daejin regarding this adjustment is considered in Confidential Attachment 2.</p>	No adjustment was made	Yes	No

Table 6 Assessment of adjustments

⁶ Dumping and Subsidy Manual, Page 74, available at www.adcommission.gov.au.

10.2 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
Specification adjustment	Add a specification adjustment for the surrogate model
Domestic packaging	Deduct an amount for domestic inland transport
Domestic inland transport	Deduct an amount for domestic inland transport
Domestic credit terms	Deduct an amount for domestic credit
Duty Drawback	Deduct an amount for duty drawback
Export packaging	Add an amount for export packaging
Export inland transport	Add an amount for export inland transport
Export port charges	Add an amount for port charges
Export credit terms	Add an amount for export credit terms

Table 7 Summary of adjustments

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

11 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 10 above.

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

12 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 Daejin for the period is **6.0 per cent**.

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

13 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
Confidential Attachment 2	Confidential Analysis