

**To: Anti-Dumping Commission, The Director- Investigations Unit 1**

**From: Leadshiner Certified Public Accountants, Kan Yi Wei CPAs**

**Cc to: T S Steel Co., Ltd.**

**Date: 24 December 2021**

**Case No: 584**

**Subject: Response to the dumping margin calculations and file note of Investigation 584**

Dear Sir/Madam,

After the reading of the preliminary variable factors assessment, T S Steel Co., Ltd. would like to suggest several adjustments on the dumping margin calculation.

In accordance with **No.2.4 of the Article 2: Determination of Dumping** in **AGREEMENT ON IMPLEMENTATION OF ARTICLE VI OF THE GENERAL AGREEMENT ON TARIFFS AND TRADE 1994: A fair comparison shall be made between the export price and the normal value.** *This comparison shall be made at the same level of trade, normally at the ex-factory level, and in respect of sales made at as nearly as possible the same time.*

Due to the above regulation, the dumping margin should be adjusted as below:

**1. The export price and the normal price should be compared at the “ex-factory level”:**

According to the GATT 1994 and the international practice, the calculation for dumping margin is made at the “**ex-factory level**” for a fair comparison. In the Appendix 3 – Normal Value (a) Domestic sales, the direct selling expenses of export sales is applied to all the domestic transactions, but in domestic market, such as the inland freight and commission will not incurred in every transaction. For example, there is no inland freight and commission happened in Transaction No. [ ] which was causing a higher normal value and that is showing an unfair comparison for the transaction. So, we applied the ex-factory price for calculating the export price and the normal price for the dumping margin calculation at the “**ex-factory level**” under the fair comparison rule, please refer to the Dumping Margin Recalculation by T S Steel (c) Dumping margin by CPA for the work sheet.

**2. A consistent calculated below cost test basis of <20% unprofitable test should be applied when calculating the dumping margin:**

The data were calculated by year (whole IP) in Appendix 3 – Normal Value (c) <20% unprofitable test, but the quarterly calculation basis is applied when calculating the dumping margin in Column G of Appendix 4 - Dumping margin (c) Dumping margin 2. According to

the fair comparison and general international practice, we suggest the Commission should calculate the dumping margin by year or the period of investigation (using the same calculation basis) for the section we mentioned above, please refer to the Dumping Margin Recalculation by T S Steel (c)Dumping margin by CPA for the work sheet.

### **3. Dumping margin should be calculating by year (IP)**

In export market, for example, Thyssenkrupp Materials Trading Australia placed the order on 19 January 2021, but the subject merchandise exported on 25 March 2021 in Exhibit B-3 (1) Australian Sample 1. In domestic market, for example, Hsuan Chen Enterprise placed the order on 6 May 2020 and the shipment is delivered on 27 May 2020 in Exhibit D-3 (2) Domestic Sales Sample 2. There is a time gap between order placement and shipment in domestic market is normally within a month but for Australian market, the shipment will be delayed at least 2 to 3 months. The steel price for domestic market and export market is gradually rising (please refer to the Annex I\_Statistics Database Query by Customs Administration for export market trend chart and Annex II\_Domestic Market Price-Feng Hsin for domestic market trend chart), therefore, under the same time of shipment, the export price has been determined 2 to 3 months ago, which is lower compared with the higher domestic spot price. In summary, we suggest that the Commission should calculate the dumping margin by year basis (IP).

We greatly appreciate it if ADC consider adopting our above suggestions and please follow the GATT agreement and international practice. For any inquiries, please do not hesitate to contact us. Thank you!

#### **Contact Email**

**T S Steel Co., Ltd.:**

[sales@tssteel.com.tw](mailto:sales@tssteel.com.tw) ; [Jeffrey@tssteel.com.tw](mailto:Jeffrey@tssteel.com.tw) ; [ting@tssteel.com](mailto:ting@tssteel.com) ; [jacky@tssteel.com.tw](mailto:jacky@tssteel.com.tw)

**Leadshiner Certificated Public Accountant:**

[kan@lscpa.com.tw](mailto:kan@lscpa.com.tw) ; [hslsjelf@lscpa.com.tw](mailto:hslsjelf@lscpa.com.tw)

**Contact Number: +886-2-8667-1331**

**Cell Phone No: +886-937842100**

Respectfully,

**Leadshiner Certificated Public Accountant**

**Kan Yi Wei CPAs**

