



Australian Government  
Department of Industry, Science,  
Energy and Resources

## Anti-Dumping Commission

# Exporter Questionnaire



Case number:	595
Product:	Wire rope
From:	The Republic of South Africa
Review period:	1 January 2021 to 31 December 2021 (the period)
Response due by:	<b>16 March 2022</b>
Email enquiries to:	Investigations1@adcommission.gov.au
Anti-Dumping Commission website:	<a href="http://www.adcommission.gov.au">www.adcommission.gov.au</a>

**Responses to the exporter questionnaire must be submitted via SIGBOX.  
Please contact the commission on the above email address to request  
access to SIGBOX.**

## TABLE OF CONTENTS

<b>TABLE OF CONTENTS .....</b>	<b>2</b>
<b>INSTRUCTIONS .....</b>	<b>4</b>
<b>CHECKLIST .....</b>	<b>7</b>
<b>GOODS UNDER CONSIDERATION / GOODS SUBJECT TO ANTI-DUMPING MEASURES .....</b>	<b>8</b>
<b>SECTION A COMPANY INFORMATION.....</b>	<b>10</b>
A-1    COMPANY REPRESENTATIVE AND LOCATION .....	10
A-2    COMPANY INFORMATION.....	11
A-3    GENERAL ACCOUNTING INFORMATION .....	13
A-4    FINANCIAL DOCUMENTS .....	14
<b>SECTION B EXPORT SALES TO AUSTRALIA.....</b>	<b>16</b>
B-1    AUSTRALIAN EXPORT SALES PROCESS.....	16
B-2    AUSTRALIAN SALES LISTING .....	18
B-3    SAMPLE EXPORT DOCUMENTS.....	18
B-4    RECONCILIATION OF SALES TO FINANCIAL ACCOUNTS .....	19
B-5    RECONCILIATION OF DIRECT SELLING EXPENSES TO FINANCIAL ACCOUNTS .....	20
<b>SECTION C EXPORTED GOODS &amp; LIKE GOODS .....</b>	<b>21</b>
C-1    MODELS EXPORTED TO AUSTRALIA .....	21
C-2    MODELS SOLD IN THE DOMESTIC MARKET .....	22
C-3    INTERNAL PRODUCT CODES .....	22
<b>SECTION D DOMESTIC SALES .....</b>	<b>24</b>
D-1    DOMESTIC SALES PROCESS .....	24
D-2    DOMESTIC SALES LISTING .....	25
D-3    SAMPLE DOMESTIC SALES DOCUMENTS .....	26
D-4    RECONCILIATION OF SALES TO FINANCIAL ACCOUNTS .....	26
<b>SECTION E DUE ALLOWANCE.....</b>	<b>28</b>
E-1    CREDIT EXPENSE .....	28
E-2    PACKAGING .....	28
E-3    DELIVERY .....	29
E-4    OTHER DIRECT SELLING EXPENSES .....	30
E-5    OTHER ADJUSTMENT CLAIMS .....	31
<b>SECTION F THIRD COUNTRY SALES .....</b>	<b>32</b>
F-1    THIRD COUNTRY SALES PROCESS .....	32
F-2    THIRD COUNTRY SALES LISTING .....	32
F-3    DIFFERENCES IN SALES TO THIRD COUNTRIES.....	33
<b>SECTION G COST TO MAKE AND SELL.....</b>	<b>34</b>
G-1.    PRODUCTION PROCESS .....	34
G-2.    COST ACCOUNTING PRACTICES.....	34
G-3    COST TO MAKE ON DOMESTIC MARKET .....	36
G-4    SELLING, GENERAL & ADMINISTRATION EXPENSES .....	36
G-5    COST TO MAKE THE GOODS EXPORTED TO AUSTRALIA .....	37
G-6    COST ALLOCATION METHOD .....	38
G-7    MAJOR RAW MATERIAL COSTS.....	38
G-8    RECONCILIATION OF COST TO MAKE TO AUDITED FINANCIAL STATEMENTS.....	39
G-9    PRODUCTION OF THE GOODS UNDER CONSIDERATION .....	40
G-10   CAPACITY UTILISATION.....	41
<b>SECTION H THE STEEL INDUSTRY IN SOUTH AFRICA – SCRAP AND PRODUCTION OF THE GOODS.....</b>	<b>43</b>
H-1    REPORTING REQUIREMENTS .....	43

## PUBLIC RECORD

H-2	BUSINESS STRUCTURE, OWNERSHIP AND MANAGEMENT .....	44
H-3	GOVERNMENT POLICY ON THE STEEL INDUSTRY .....	45
H-4	TAXATION .....	45
H-4	SALES TERMS .....	46
H-5	INDUSTRY ASSOCIATIONS .....	47
H-6	STATISTICS SUBMISSION/RECORDING .....	48
H-7	PRODUCTION/OUTPUT .....	48
H-8	RAW MATERIALS.....	49
<b>SECTION I DOMESTIC MARKET .....</b>		<b>52</b>
I-1	PREVAILING CONDITIONS OF COMPETITION IN THE DOMESTIC MARKET .....	52
I-2	GOODS IN THE DOMESTIC MARKET .....	54
I-3	RELATIONSHIP BETWEEN PRICE AND COST IN THE DOMESTIC MARKET .....	55
I-4	MARKETING AND SALES SUPPORT IN THE DOMESTIC MARKET .....	59
<b>SECTION J AUSTRALIAN MARKET .....</b>		<b>60</b>
J-1	PREVAILING CONDITIONS OF COMPETITION IN THE AUSTRALIAN MARKET .....	60
J-2	GOODS IN THE AUSTRALIAN MARKET .....	62
J-3	RELATIONSHIP BETWEEN PRICE AND COST IN AUSTRALIA.....	64
J-4	MARKETING AND SALES SUPPORT IN THE AUSTRALIAN MARKET .....	67
<b>EXPORTER'S DECLARATION.....</b>		<b>69</b>
<b>APPENDIX GLOSSARY OF TERMS.....</b>		<b>70</b>

## INSTRUCTIONS

### Why you have been asked to fill out this questionnaire?

The Anti-Dumping commission (the commission) is conducting a continuation inquiry of anti-dumping currently applying to wire rope exported to Australia from The Republic of South Africa (South Africa).

The commission will use the information you provide to determine normal values and export prices over the continuation inquiry period (the period) [1 January 2021 to 31 December 2021].

This information will determine whether wire ropes are dumped.

### If you do not manufacture the goods

If you play a role in the export of the goods but do not produce or manufacture the goods (for example, you are a trading company, broker, or vendor dealing in the goods), it is important that you forward a copy of this questionnaire to the relevant manufacturers and inform the commission of the contact details for these manufacturers **immediately**.

The commission will still require your company to complete this exporter questionnaire except Section G – Cost to make and sell.

### What happens if you do not respond to this questionnaire?

You do not have to complete the questionnaire. However, if you do not respond, do not provide all of the information sought, do not provide information within a reasonable time period, or do not allow the commission to verify the information, we may deem your company to be an uncooperative exporter. In that case the commission must determine a dumping margin having regard to all relevant information.

Therefore, it is in your interest to provide a complete and accurate response to this exporter questionnaire, capable of verification.

### Extension requests

If you require a longer period to complete your response to this exporter questionnaire, you must submit a request to the commission, in writing, for an extension to the due date for all or part of the questionnaire. This request must be made prior to the due date. A request for extension will be rejected if received after the due date.

When considering the extension request, the commission will have regard to:

- the commission's responsibility to conduct the case in a timely and efficient manner;
- the reasons why you could not provide a response within the whole period and not only the period remaining between the request and the due date;
- ordinary business practices or commercial principles;
- the commission's understanding of the relevant industry;
- previous correspondence and previous dealings with your company; and
- information provided by other interested parties.

More information on extensions can be found in the Customs (Extension of Time and Non-cooperation) Direction 2015 at <https://www.legislation.gov.au/Details/F2015L01736>.

You will be informed of the decision whether your request for an extension has been rejected, granted in full or granted in part. For example, you may be granted an extension to submit all sections except for Section A or you may be granted a shorter extension than you requested.

A summary of any requests and grants of extensions to submit a response to this exporter questionnaire will be published in the public record.

### Submitting a response to the exporter questionnaire

Responses to the exporter questionnaire should be lodged via SIGBOX, a secure online document repository. Please contact the commission on the email address listed on the cover page to request access to SIGBOX.

In submitting the response to the exporter questionnaire, you must answer all questions, include all attachments and spreadsheets, and provide a non-confidential version of your response to this exporter questionnaire.

If your response to this exporter questionnaire contains major deficiencies that, in the Commissioner's view, cannot be quickly and easily rectified in a further response, then your company may be considered as an uncooperative exporter.

### Confidential and non-confidential responses

You are required to lodge a confidential version (OFFICIAL: Sensitive) and a non-confidential version (for publishing on the public record) of your response to this exporter questionnaire by the due date. Please ensure that *each page* of information you provide is clearly marked either "**OFFICIAL: Sensitive**" or "**PUBLIC RECORD**".

All information provided to the commission in confidence will be treated accordingly. The public record version of your questionnaire will be placed on the public record, and must contain sufficient detail to allow a reasonable understanding of the substance of the information without breaching confidentiality.

A person is not required to provide a summary for the public record if the commission can be satisfied that no such summary can be given that would allow a reasonable understanding of the substance of the information.

All questionnaires are required to have a bracketed explanation of deleted or blacked out information for the public record version of the questionnaire. An example of a statement to accompany deleted/blacked out text is:

[Explanation of cost allocation through the divisions, by reference to machine hours or weight].

If such an explanation is not provided, the commission may disregard the information in the submission. Where the public record version of your response to the exporter questionnaire does not contain sufficient detail, your company may be requested to resubmit your response with the required level of detail or, if deadlines have passed, the commission may not have regard to it.

### Verification of the information that you supply

The commission may wish to conduct a verification of your questionnaire response for completeness, relevance and accuracy of the information to your company's records.

The verification is not meant to be a chance for you to provide new or additional information. The Commission expects your response to the questionnaire to be relevant, complete and accurate.

The verification may include commission staff visiting your company to conduct on onsite verification<sup>1</sup>. Any onsite verification typically commences approximately 2 to 4 weeks after the due date of the response to the exporter questionnaire. To assist with the planning of a verification, please contact the Commission as soon as possible for a potential verification date to be scheduled.

---

<sup>1</sup> The commission has temporarily suspended onsite verification due to the COVID-19 pandemic (refer to Anti-Dumping Notice No. 2020/29). However, your response to the exporter questionnaire may still be subject to onsite verification should the suspension of onsite verifications be lifted.

The onsite verification is usually conducted over 4 days. However, in complex cases, it may be scheduled over 5 days. A verification will include a detailed examination of your company's records and we will collect copies of relevant documents. The verification will require the participation of key staff, including your financial accountant, production manager and sales staff. A tour of the manufacturing facility may also be required during the verification.

The commission may elect to undertake an alternative verification methodology, rather than an onsite verification, to satisfy itself of the completeness, relevance and accuracy of the data.

Note that the commission may disregard any data or information that is not verified, including new or additional information provided after the verification visit.

A report will be prepared following the verification, which details the outcomes of the verification. This report will be placed on the public record and may include the publication of the preliminarily-assessed dumping margin. The commission considers that the dumping margin is not confidential information, but rather an aggregate figure derived from confidential data.

You will be provided with an opportunity to comment on the accuracy and confidentiality of the verification report prior to its publication on the public record.

For information on the commission's verification procedures, refer to Anti-Dumping Notice No. 2016/30 available on the commission's website.

### **Important instructions for preparing your response**

- All questions in this exporter questionnaire must be completed. If a question is not applicable to your situation, please answer the question with "Not Applicable" and provide an explanation as to why.
- All questions must be answered in English. An English translation must be provided for documents not originally in English. To the extent that the foreign language version differs, the English translation will be given priority as a matter of interpretation in Australia.
- Clearly identify all units of measurement (e.g. KG) and currencies (e.g. AUD) used. Apply the same measurement consistently throughout your response to the questionnaire.
- Label all attachments to your response according to the section of the questionnaire it relates to (e.g. label the chart of accounts as Attachment A-4.6)
- The data must be created as spreadsheet files in Microsoft Excel.
- If you have used formulas to complete spreadsheets, these formulas must be retained and not hard-coded.
- You must retain all worksheets used in answering the questionnaire. Be prepared to provide these worksheets during the commission's verification of your data.
- If you cannot present electronic data in the requested format contact the case officer as soon as possible.
- Where possible, electronic data should be shared with the commission via SIGBOX, a secure online document repository. Please contact the commission to request access to SIGBOX if required.

## CHECKLIST

This section is an aid to ensure that you have completed all sections of this questionnaire.

Section	Please tick if you have responded to all questions
Section A Company information	✓
Section B Export sales to Australia	✓
Section C Exported goods & like goods	✓
Section D Domestic sales	✓
Section E Due allowance	✓
Section F Third country sales	✓
Section G Cost to make and sell	✓
Section H The South African steel industry	✓
Section I Domestic market	✓
Section J Australian market	✓
Exporter's declaration	✓
Non-confidential version of this response	✓

Attachments	Please tick if you have provided spreadsheet
B-2 Australian sales	✓
B-4 Upwards sales	✓
B-5 Upwards selling expenses	✓
D-2 Domestic sales	✓
F-2 Third country sales	✓
G-3 Domestic CTM	✓
G-4.1 SG&A listing	✓
G-4.2 Dom SG&A calculation	✓
G-5 Australian CTM	✓
G-7.2 Raw material CTM	✓
G-7.4 Raw material purchases	✓
G-8 Upwards costs	✓
G-10 Capacity Utilisation	✓

## GOODS UNDER CONSIDERATION / GOODS SUBJECT TO ANTI-DUMPING MEASURES

The goods under consideration (the goods) i.e. the goods exported to Australia, allegedly at dumped prices, are:

Stranded wire rope, alloy or non-alloy steel, whether or not coated or impregnated, having the following:

- not greater than 9 strands
- diameter not less than 58 mm and not greater than 200 mm,

with or without attachments.

Further information regarding the goods:

- i. Stranded steel wire rope is rope and strand made of high carbon wire (whether or not containing alloys).
- ii. The strand or rope can also be sheathed or impregnated and sheathed respectively in plastic or composites.
- iii. The wires can be layered-up in various configurations in order to give the strand or rope the desired physical properties.
- iv. Variances can include:
  - *strand diameter*
  - *number of wires*
  - *wire finish (e.g. typically black but may be galvanised)*
  - *wire tensile grade*
  - *type of lubricant*
  - *strand or rope length and*
  - *whether or not an attachment is included (but not limited to ferrules and/or beackets).*
- v. Cores may be made of:
  - *natural or synthetic fibre or*
  - *Independent Wire Rope Cores ("IWRC"), which may or may not be sheathed or impregnated in plastic.*

Typical uses include applications such as dragline hoist, drag and dump ropes, and shovel hoist, crowd and retract ropes.

Goods excluded from the measures are:

- stranded wire rope that is stainless steel as defined under Note (e) "Stainless steel" to the Tariff
- stranded wire rope with more than 9 strands, regardless of diameter and
- stranded wire rope less than 58 mm or greater than 200 mm in diameter, regardless of number of strands.

### Model Control Code

Details of the model control code (MCC) structure for the goods are detailed in the table below. Export sales data (Section B-2), domestic sales data (Section D-2) and cost to make and sell data (Section G-3, G-4 & G-5) submitted in this response must follow this MCC structure. At a minimum, the data must report sales and cost data separately for each of the mandatory MCC categories identified by the Commission.



**PUBLIC RECORD**

Item	Category	Sub-category		Sales Data	Cost data
1	Form	C	Coil	Mandatory	Mandatory
		R	Reel		
		D	Drum		
2	Number of strands	#	<i>Specify number</i>	Mandatory	Mandatory
3	Nominal diameter (mm)	#	<i>Specify number</i>	Mandatory	Mandatory
4	Compacted	CC	Compacted	Mandatory	Mandatory
		NC	Not Compacted		
5	Impregnated	NP	Not Plasticated	Mandatory	Mandatory
		P	Plasticated		

In constructing a MCC, use a "-" between each category. For example: C-8-100-CC-P would indicate an 8 strand compacted and plasticated coil wire rope with a 100 mm diameter.

The MCCs will be used to match export models to the identical or comparable domestic models. In addition, the MCCs will be used to determine the profitability of domestic sales in the ordinary course of trade by comparing domestic selling prices to the corresponding cost to make and sell. The MCC may also be used to compare the export price to the cost to make the exported model as part of the constructed normal value.

If there are models manufactured and sold by your company that do not align within the MCC structure above, this should be raised by lodging a submission with the Commission as soon as is practicable, but no later than the time this questionnaire is due, otherwise the response may be considered deficient.

## SECTION A COMPANY INFORMATION

### A-1 Company representative and location

1. Please nominate a contact person within your company:

<b>Name:</b>	<b>Keith Taylor</b>
<b>Position in the company:</b>	<b>Wire Rod Products Manager</b> <b>Scaw South Africa (Pty) Ltd ("Scaw")</b>
<b>Telephone:</b>	<b>[CONFIDENTIAL TEXT DELETED – phone number]</b>
<b>E-mail address:</b>	<b>[CONFIDENTIAL TEXT DELETED – email address]</b>

2. If you have appointed a representative, provide their contact details:

<b>Name:</b>	<b>Charles Zhan</b>
<b>Position in the company:</b>	<b>Partner</b>
<b>Telephone:</b>	<b>+ 61 2 6163 1000</b>
<b>E-mail address:</b>	<b>charles.zhan@moulislegal.com</b>
<b>All communications in relation to this matter should be directed to Charles Zhan of Moulis Legal in the first instance.</b>	

*In nominating a representative, you are granting authority to the commission to discuss matters relating to the case with the nominated representative, including your company's confidential information.*

3. Please provide the location of the where your company's financial records are held.

**Scaw's financial records are held at Lower Germiston Rd, Heriotdale, Johannesburg, Gauteng, South Africa.**

4. Please provide the location of the where your company's production records are held.

**Same as A-1.3 above.**

5. Please provide the location of your company's production plant manufacturing the goods under consideration.

Same as A-1.3 above.

## A-2 Company information

1. What is the legal name of your business?

The legal name is Scaw South Africa (Pty) Ltd ("Scaw").

2. Does your company trade under a different name and/or brand? If yes, provide details.

No.

3. Was your company ever known by a different legal and/or trading name? If yes, provide details

Scaw was formerly known as Main Street 473 (Proprietary) Limited prior to 17 October 2006.

4. Provide a list of your current board of directors and any changes in the last two years.

Please refer to Attachment A-2.4 for the CoR39 Company Registration, which details the changes to company board of directors in the last two years. [CONFIDENTIAL ATTACHMENT]

5. Is your company part of a group (e.g. parent company with subsidiaries, common ownership, joint-ventures)? If yes, provide:

(a) A diagram showing the complete ownership structure; and

(b) A list of all related companies and its functions

Scaw is part of a corporate group. Please refer to Attachment A-2.5 for the ownership structure. [CONFIDENTIAL ATTACHMENT]

Scaw advises it is currently [CONFIDENTIAL TEXT DELETED – commercial activity] that will have the effect of [CONFIDENTIAL TEXT DELETED – effect of commercial activity]. This process includes the [CONFIDENTIAL TEXT DELETED – further explanation about commercial activity]. The corporate structure provided at Attachment A-2.5 also reflects [CONFIDENTIAL TEXT DELETED – detail of commercial activity].

6. Is your company or parent company publicly listed?

If yes, please provide:

(a) The stock exchange where it is listed; and

(b) Any principle shareholders<sup>2</sup>

If no, please provide:

(a) A list of all principal shareholders and the shareholding percentages.

**No, neither Scaw nor its parent company is publicly listed. Please refer to Attachment A-2.5 for the principal shareholders information. [CONFIDENTIAL ATTACHMENT]**

7. What is the overall nature of your company's business? Include details of the products that your company manufactures and sells and the market your company sells into.

**Scaw is a producer of speciality steel products for the mining, construction, industrial, power and rail sectors, with established operations, distribution and marketing channels globally.**

8. If your business does not perform all of the following functions in relation to the goods under consideration, then please provide names and addresses of the companies which perform each function:

- (a) produce or manufacture;
- (b) sell in the domestic market;
- (c) export to Australia; and
- (d) export to countries other than Australia.

**Scaw performs all the above functions.**

9. Provide your company's internal organisation chart.

**Please refer to Attachment A-2.9 for internal organisation chart of the Scaw Steel Wire Rope division. [CONFIDENTIAL ATTACHMENT]**

10. Describe the functions performed by each group within the organisation.

**Scaw's [CONFIDENTIAL TEXT DELETED – financial accounting practice] in Scaw's financial records. [CONFIDENTIAL TEXT DELETED – further detail about financial accounting practice].**

11. Does your company produce brochures, pamphlets or other promotional material? If yes, please provide them.

---

<sup>2</sup> Principal shareholders are those who are able to cast, or control the casting of, 5% or more of the maximum amount of votes that could be cast at a general meeting of your company.

Please refer to Attachment A-2.11 for Scaw's surface mining product brochure.

### A-3 General accounting information

1. What is your financial accounting period?

Scaw's accounting period is from [CONFIDENTIAL TEXT DELETED – date].

2. Are your financial accounts audited? If yes, who is the auditor?

Yes. Scaw is required to have its accounts audited.

The auditors are [CONFIDENTIAL TEXT DELETED – auditor details].

3. What currency are your accounts kept in?

South African Rand (ZAR).

4. What is the name of your financial accounting system?

Scaw uses SAP as an integrated financial, operation and transaction system, and use Essbase for the purpose of its management reporting system.

5. What is the name of your sales system?

Scaw uses SAP for its sales system.

As part of the [CONFIDENTIAL TEXT DELETED – commercial activity], Scaw [CONFIDENTIAL TEXT DELETED – sales system practice]. This is expected to be [CONFIDENTIAL TEXT DELETED – sales system implementation].

6. What is the name of your production system?

Scaw currently use SAP CONFIDENTIAL TEXT DELETED – production system implementation].

7. If your financial accounting, sales and production systems are different, how do the systems interact? Is it electronically or manual? Please provide a detailed explanation and include diagrams.

The [CONFIDENTIAL TEXT DELETED – accounting system] is used to [CONFIDENTIAL TEXT DELETED – accounting system implementation].

8. Do your accounting practices differ in any way from the generally accepted accounting principles in your country? If yes, please provide details.

**No. Scaw's accounting practices are primarily aligned to IFRS and IAS and is also in accordance with GAAP in South Africa.**

9. Have there been any changes to your accounting practices and/or policies over the last two years? If yes, please provide details.

**There have been no changes to Scaw's accounting practices and policies over the last two years.**

## **A-4 Financial Documents**

1. Please provide the two most recently completed annual reports and/or financial statements for your company and any other related companies involved in the production and sale of the goods.

**Scaw provides the audited financial statements for the 19/20 and 20/21 financial periods. Please refer to Attachment A-4.1(1) and Attachment A-4.1(2). [CONFIDENTIAL ATTACHMENTS]**

2. If the financial statements in A-4.1 are audited, provide a copy of the audit management letters from your auditor accompanying the audited financial statements.

**The audit management letters are provided at page 8 of the audited financial statements provided at Attachments A-4.1(1) and A-4.1(2). [CONFIDENTIAL ATTACHMENTS]**

3. If the financial statements in A-4.1 are unaudited, provide for each company:
- (a) the tax returns relating to the same period; and
  - (b) reconciliation of the revenue, cost of goods sold, and net profit before tax between the financial statements and tax returns.

**Not applicable. Scaw has provided audited financial statements at A-4.1.**

4. Does your company maintain different profit centres? If yes, provide profit & loss statements for the profit centre that the goods falls into for:

- (a) the most recent financial year; and
- (b) the period.

**Scaw maintains [CONFIDENTIAL TEXT DELETED – financial operational detail]. Please refer to Attachment A-4.4, which provides the income statement for [CONFIDENTIAL TEXT DELETED – company financial structure]. [CONFIDENTIAL ATTACHMENT]**

5. If the period is different to your financial period, please provide:

**PUBLIC RECORD**

- (a) Income statements directly from your accounting information system covering the most recent financial period and the period; or
- (b) Quarterly or half yearly income statements directly from your accounting system covering the most recent financial period and the period.

**The inquiry period is [CONFIDENTIAL TEXT DELETED – financial period detail] to Scaw’s financial period.**

**Please refer to the audited financial statements at Attachments A-4.1(1) and A-4.1(2), and monthly income statements provided at Attachment A-4.5. [CONFIDENTIAL ATTACHMENT]**

6. Please provide a copy of your company’s trial balance (in Excel) covering the period and the most recent financial year.

**Scaw provides a copy of the company’s trial balance at Attachment A-4.6. [CONFIDENTIAL ATTACHMENT]**

7. Please provide your company’s chart of accounts (in Excel).

**Scaw provides the company’s chart of accounts at Attachment A-4.7. [CONFIDENTIAL ATTACHMENT]**

*If any of the documents are not in English, please provide a complete translation of the documents.*

## SECTION B EXPORT SALES TO AUSTRALIA

### B-1 Australian export sales process

1. Provide details (and diagrams if appropriate) of the export sales process of your company and representatives (e.g. agents) including:

- (a) Marketing and advertising activities

[CONFIDENTIAL TEXT DELETED – commercial arrangement]

- (b) Price determination and/or negotiation process

[CONFIDENTIAL TEXT DELETED – commercial arrangement]

- (c) Order placement process

The typical order placement process involves Haggie Reid placing an order with Scaw based on [CONFIDENTIAL TEXT DELETED – order considerations]. Once an order is received and confirmed, the goods will [CONFIDENTIAL TEXT DELETED – production process]. After production, the goods will be containerised at the factory for transport to the port, and then onwards to Australia.

- (d) Order fulfilment process and lead time

The lead time to produce the goods varies depending on [CONFIDENTIAL TEXT DELETED – production behaviours]. Generally, the lead time is [CONFIDENTIAL TEXT DELETED – number] weeks from [CONFIDENTIAL TEXT DELETED – production behaviour]. Where possible, the expected lead time is confirmed [CONFIDENTIAL TEXT DELETED – production behaviour]. [CONFIDENTIAL TEXT DELETED – commercial arrangement]

- (e) Delivery terms and process

All sales [CONFIDENTIAL TEXT DELETED – commercial arrangement] were made on a [CONFIDENTIAL TEXT DELETED – delivery term] basis.

[CONFIDENTIAL TEXT DELETED – shipping arrangement]

- (f) Invoicing process

[CONFIDENTIAL TEXT DELETED – invoicing process]

- (g) Payment terms and process

[CONFIDENTIAL TEXT DELETED – commercial arrangement]



2. In what currency do you invoice your customers for goods exported to Australia? If it is not in your local currency:

[CONFIDENTIAL TEXT DELETED – currency]

- (a) Do your customers pay you into a foreign currency denominated account? If yes, provide details;

[CONFIDENTIAL TEXT DELETED – commercial payment details].

- (b) Do you use forward contracts to lock in the foreign exchange rate relating to the export sales? If yes, provide details;

[CONFIDENTIAL TEXT DELETED – comment on use of forward contracts]

- (c) How is the exchange rate determined in your accounting system and how often is it updated?

[CONFIDENTIAL TEXT DELETED – exchange rate explanation]

3. Are there any customers of the goods exported to Australia related to your company? If yes, please provide a list of each related customer and provide details on how the selling price is set.

[CONFIDENTIAL TEXT DELETED – commercial arrangement]

4. If sales are in accordance with price lists or price extras list, provide copies of these lists.

[CONFIDENTIAL TEXT DELETED – pricing practice]

5. Do your export selling prices vary according to the distribution channel identified? If yes, provide details. Real differences in trade levels are characterised by consistent and distinct differences in functions and prices.

[CONFIDENTIAL TEXT DELETED – distribution channel]

6. Did you provide on-invoice discounts and/or off-invoice rebates to any customer or an associate of the customer in relation to the sale of the goods exported to Australia during the period? If yes, provide a description and explain the terms and conditions that must be met by the customer to obtain the discount and/or rebate.

[CONFIDENTIAL TEXT DELETED – discounts or rebates practice]

7. Did you issue any credit or debit notes (directly or indirectly) to the customer or associate of the customer in relation to the sale of the goods exported to Australia during the period? If

yes, provide details of the credit/debit notes including the reasons the credit/debit notes were issued.

[CONFIDENTIAL TEXT DELETED – credit or debit note practice]

8. In establishing the date of sale, the commission will normally use the date of invoice as it best reflects the material terms of sale. If you are making a claim that a different date should be taken as the date of sale:

- (a) What date are you claiming as the date of sale?
- (b) Why does this date best reflect the material terms of sale?

Scaw has reported the invoice date as the date of sale.

## B-2 Australian sales listing

1. Complete the worksheet named “B-2 Australian sales”
- This worksheet lists all sales (i.e. transaction by transaction) exported to Australia of the goods invoiced within the period. This includes exports to Australia sold through a domestic customer.
  - You must provide this list in electronic format using the template provided.
  - If you have used formulas to complete this worksheet, these formulas must be retained.
  - If there are any direct selling expenses incurred in respect of the exports to Australia not listed in the spreadsheet, add a column. For example, if the delivery terms make you responsible for arrival of the goods at an agreed point within Australia (e.g. delivered duty paid), insert additional columns in the spreadsheet for all other costs incurred.

Please see the B-2 Australian sales worksheet, provided in the Scaw EQ workbook bundle. [CONFIDENTIAL ATTACHMENT]

2. Complete worksheet “B-2.2 Australian sales source” showing the relevant source of the data used for each column of worksheet “B-2 Australian sales”.

Please see the B-2.2 Australian sales source worksheet, provided in the Scaw EQ workbook bundle. [CONFIDENTIAL ATTACHMENT]

The information provided in the B-2 Australian sales worksheet is sourced from Scaw’s SAP system, specifically [CONFIDENTIAL TEXT DELETED – report name]. Scaw provides the SAP extract as a supporting worksheet, please see “Attachment B-2.2(2) & D-2.2(2) – [CONFIDENTIAL TEXT DELETED – report name]. [CONFIDENTIAL ATTACHMENT]

## B-3 Sample export documents

1. Select the two largest invoices by value and provide the following documentation:
- Contracts

- Purchase order and order confirmation
- Commercial invoice and packing list
- Proof of payment and accounts receivable ledger
- Documents showing bank charges
- Invoices for inland transport
- Invoices for port handling and other export charges
- Bill of lading
- Invoices for ocean freight & marine insurance (if applicable)
- Country of origin certificates (if applicable)

**Scaw provides the invoice source documentation at Attachment B-3.1.**  
**[CONFIDENTIAL ATTACHMENT]**

*If the documents are not in English, please provide a translation of the documents.*

2. For each document, please annotate the documents or provide a table reconciling the details in the “B-2 Australian sales” listing to the source documents in B-3.1.

**Please see Attachment B-3.1. [CONFIDENTIAL ATTACHMENT]**

## **B-4 Reconciliation of sales to financial accounts**

1. Please complete the worksheet named “B-4 Upwards sales” to demonstrate that the sales listings in B-2, D-2 and F-2 are complete.
  - You must provide this list in electronic format using the template provided.
  - Please use the currency that your accounts are kept in.
  - If you have used formulas to complete this worksheet, these formulas must be retained.

**Please see the B-4 Upwards sales worksheet, provided in the Scaw EQ workbook bundle. [CONFIDENTIAL ATTACHMENT]**

2. Please provide all documents, other than those in A-4, B-2 and D-2, required to complete the “B-4 Upwards sales” worksheet. If the documents include spreadsheets, all formulas used must be retained.

**Please refer to the detail provided in the B-4 Upwards sales worksheet. Scaw also provides its income statement per business unit at Attachment A-4.4 for further supporting detail. [CONFIDENTIAL ATTACHMENT]**

3. For any amount in the “B-4 Upwards sales” worksheet that is hard coded (i.e. not a formula), please cross-reference by providing:
  - the name of the source document, including the relevant page number, in column D of the worksheet; and
  - highlight or annotate the amount shown in the source document; and
  - provide the account code and sub-account code (if applicable) at column E of the worksheet.

Please refer to the detail provided in the B-4 Upwards sales worksheet.  
[CONFIDENTIAL ATTACHMENT]

## B-5 Reconciliation of direct selling expenses to financial accounts

1. Please complete the worksheet named "B-5 Upwards selling expense" to demonstrate that the direct selling expenses (e.g. Inland transport) in B-2 and D-2 are complete.
  - You must provide this list in electronic format using the template provided.
  - Please use the currency that your accounts are kept in.
  - If you have used formulas to complete this worksheet, these formulas must be retained.

Please see the B-5 Upwards selling expense worksheet, provided in the Scaw EQ workbook bundle. [CONFIDENTIAL ATTACHMENT]

2. Please provide all documents, other than those in A-4, B-2 and D-2, required to complete the "B-5 Upwards selling expense" worksheet. If the documents include spreadsheets, all formulas used must be retained.

Please refer to the detail in the B-5 Upwards selling expense worksheet.  
[CONFIDENTIAL ATTACHMENT]

3. For any amount in the "B-5 Upwards selling expense" worksheet that is hard coded (i.e. not a formula), please cross-reference by providing:
  - the name of the source document, including the relevant page number, in column C of the worksheet; and
  - highlight or annotate the amount shown in the source document; and
  - provide the account code and sub-account code (if applicable) at column D of the worksheet.

Please refer to the detail in the B-5 Upwards selling expense worksheet.  
[CONFIDENTIAL ATTACHMENT]

## SECTION C

### EXPORTED GOODS & LIKE GOODS

The commission considers the MCC structure in and of itself is not likely to be commercially sensitive information. Any claim that disclosing the MCC information is confidential or would adversely affect your business or commercial interests must be raised by lodging a submission as soon as practicable, but no later than the time this questionnaire is due.

Wire rope products that fall within the description of the goods under consideration are primarily used in excavator machines operating at “surface” mines (also known as “open cut” or “strip” mines). At surface mines the top earth layer of the mine is removed, and excavator machines are used to extract the mining material at the surface level. The excavator machines require wire rope to operate.

A surface mine can be contrasted with “shaft” and “offshore” mines. Shaft mines operate underground, with the excavation operating through underground shafts. Offshore mines are similar, operating from the top of the water to the ground. Both shaft and offshore excavator machines also require wire rope, however, these wire rope products have substantially different construction to the wire rope used for surface mining and are at different price levels.

Scaw has considered the description of the goods under consideration and identified that there is small quantities [CONFIDENTIAL TEXT DELETED – mining type ] ropes sold in the [CONFIDENTIAL TEXT DELETED – sales market] that also fall within the diameter and strands based description of the subject goods. These products have different physical characteristics and commercial applications to the [CONFIDENTIAL TEXT DELETED – product type]. In other words, the shaft and offshore wire ropes are not “like” the [CONFIDENTIAL TEXT DELETED – product details]. Nevertheless, for completeness, Scaw has included its [CONFIDENTIAL TEXT DELETED – sales market] sales of the [CONFIDENTIAL TEXT DELETED – mining type] ropes that meet the description of the goods under consideration. On the other hand, to correctly reflect the substantial differences between the wire ropes produced to and used for different mining methods, Scaw advises such differences should be recognised in the MCC, as follows:

Item	Category	Sub-category
1	Form	Coil (C), Reel (R) or Drum (D)
<b>NEW</b>	<b>Mining type</b>	<b>Surface, Shaft or Offshore</b>
2	Number of strands	# <i>Specify number</i>
3	Nominal diameter (mm)	# <i>Specify number</i>
4	Compacted	Compacted (CC) or Not Compacted (NC)
5	Impregnated	Not Plasticated (NP) or Plasticated (P)

Scaw has adopted this modified MCC for the purpose of this response and has reported both the original MCC and the modified MCC through the questionnaire worksheets.

## C-1 Models exported to Australia

1. Fully describe all of the goods your company exported to Australia during the period. Include specification details and any technical and illustrative material that may be helpful in identifying, or classifying, the goods exported to Australia.

**Scaw provides its surface mining products brochure for the Commission's consideration. Please see Attachment A-2.11. This brochure covers a broader scope wire ropes than those exported to Australia. For instance, [CONFIDENTIAL TEXT DELETED – sales practices]**

2. Provide a list of MCCs of the goods exported to Australia. This must cover all MCCs listed in the Australian sales listing in B-2.

- This list must be disclosed in the public record version of the response.

**The goods exported by Scaw fall into the following MCCs**

**[CONFIDENTIAL TEXT DELETED – Scaw considers that the level of detail contained in the MCC coding allows for the identification of commercially confidential information and is not suitable to be published on the public record.]**

## C-2 Models sold in the domestic market

1. Fully describe all like goods your company sold on the domestic market during the period. Include specification details and any technical and illustrative material that may be helpful in identifying, or classifying, the like goods sold on the domestic market.

**Scaw sells a larger variety of different types of steel wire rope in the domestic market in comparison to the GUC exported to Australia. This includes, as mentioned above, steel wire ropes used for offshore and shaft mining.**

2. Provide a list of MCCs of like goods sold on the domestic market. This must cover all MCCs listed in the domestic sales listing in D-2.

- This list must be disclosed in the public record version of the response.

**Scaw sold the following goods in the domestic market under the following MCC:**

**[CONFIDENTIAL TEXT DELETED – Scaw considers that the level of detail contained in the MCC coding allows for the identification of commercially confidential information and is not suitable to be published on the public record.]**

## C-3 Internal product codes

1. Does your company use product codes or stock keeping unit (SKU) codes?

If yes:



- (a) Provide details of the product or SKU coding system for the goods, such as a legend or key of the meaning for each code within the product or SKU code.
- (b) Provide details on how you mapped the product or SKU codes to the MCC for the purpose of completing this questionnaire.
- (c) Provide a table of showing the product or SKU codes for each MCC.

If no:

- (a) Provide details on the method used to identify the MCC in the sales and cost spreadsheets.

**Please see the product code guide provided at Attachment C-3.1. [CONFIDENTIAL ATTACHMENT]**

## SECTION D DOMESTIC SALES

### D-1 Domestic sales process

1. Provide details (and diagrams if appropriate) of the domestic sales process of your company and any other related entities including:

- (a) Marketing and advertising activities

**Scaw issues product brochures as part of its marketing activities. Scaw also [CONFIDENTIAL TEXT DELETED – marketing activity description].**

- (b) Price determination and/or negotiation process

**[CONFIDENTIAL TEXT DELETED – detailed sales process and pricing information]**

- (c) Order placement process

**Orders are generally received and confirmed [CONFIDENTIAL TEXT DELETED – customer contact method]. The orders are then entered into the sales and production system, with an order confirmation sent to the client. The rope is either cut from a stock master reel or made to order as needed.**

- (d) Order fulfilment process and lead time

**Delivery timeframes will be based on quoted factory lead times. [CONFIDENTIAL TEXT DELETED – order fulfilment process]**

- (e) Delivery terms and process

**[CONFIDENTIAL TEXT DELETED –delivery terms and process]**

- (f) Invoicing process

**Once the wire rope has been manufactured, transport is arranged. [CONFIDENTIAL TEXT DELETED – time when invoice is issued].**

- (g) Payment terms and process

**Payment terms are generally [CONFIDENTIAL TEXT DELETED – number] days from the invoice date.**

2. Are any domestic customers related to your company? If yes, please provide a list of each related customer and provide details on how the selling price is set.



**No. There are no domestic customers of the goods related to Scaw.**

3. If sales are in accordance with price lists or price extras list, provide copies of these lists.

**[CONFIDENTIAL TEXT DELETED – customer pricing mechanism].**

4. Do your domestic selling prices vary according to the distribution channel identified? If yes, provide details. Real differences in trade levels are characterised by consistent and distinct differences in functions and prices.

**[CONFIDENTIAL TEXT DELETED – selling price variability]**

5. Did you provide on-invoice discounts and/or off-invoice rebates to the customer or an associate of the customer in relation to the sale of the like goods during the period? If yes, provide a description; and explain the terms and conditions that must be met by the customer to obtain the discount and/or rebate.

**[CONFIDENTIAL TEXT DELETED – discount or rebate details]**

6. Did you issue any credit or debit notes (directly or indirectly) to the customer or associate of the customer in relation to the sale of the like goods during the period? If yes, provide details of the credit/debit notes including the reasons the credit/debit notes were issued.

**[CONFIDENTIAL TEXT DELETED – credit and debit notes]**

7. In establishing the date of sale, the commission will normally use the date of invoice as it best reflects the material terms of sale. If you are making a claim that a different date should be taken as the date of sale:

(a) What date are you claiming as the date of sale?

(b) Why does this date best reflect the material terms of sale?

**Scaw has reported the invoice date in the D-2 sales listing.**

## **D-2 Domestic sales listing**

1. Complete the worksheet named “D-2 Domestic sales”
- This worksheet lists all domestic sales (i.e. transaction by transaction) of like goods invoiced within the period, even if they are models not exported to Australia
  - If you have claimed in B-1.8 and/or D-1.7 that the date of sale is one other than the invoice date, then add the sales within your claimed date of sale.
  - You must provide this list in electronic format using the template provided.
  - If you have used formulas to complete this worksheet, these formulas must be retained.

- If there are any other costs, charges or expenses incurred in respect of the sales listed which have not been identified in the table in question D-2 above, add a column for each item. For example, certain other selling expenses incurred.

**Please see the D-2 Domestic sales worksheet, provided in the Scaw EQ workbook bundle. [CONFIDENTIAL ATTACHMENT]**

2. Complete worksheet "D-2.2 domestic sales source" listing the source of the data used for each column in worksheet "D-2 domestic sales".

**Please see the D-2.2 Domestic sales source worksheet, provided in the Scaw EQ workbook bundle. [CONFIDENTIAL ATTACHMENT]**

**The information provided in the D-2 Domestic sales worksheet is sourced from Scaw's SAP system, specifically [CONFIDENTIAL TEXT DELETED – report name]. Scaw provides the SAP extract as a supporting worksheet, please see "Attachment B-2.2(2) & D-2.2(2) – YS23 sales data". [CONFIDENTIAL ATTACHMENT]**

### D-3 Sample domestic sales documents

1. Select the two largest invoices by value and provide the following documentation:

- Contracts
- Purchase order and order confirmation
- Commercial invoice and packing list
- Proof of payment and accounts receivable ledger
- Documents showing bank charges
- Delivery invoices

**Scaw provides the invoice source documentation at Attachment D-3.1. [CONFIDENTIAL ATTACHMENT]**

*If the documents are not in English, please provide a translation of the documents.*

2. For each document, please annotate the documents or provide a table reconciling the details in the "D-2 Domestic sales" listing to the source documents in D-3.1.

**Please see Attachment D-3.1. [CONFIDENTIAL ATTACHMENT]**

### D-4 Reconciliation of sales to financial accounts

This section is not required if you have completed B-4.

1. Please complete the worksheet named "B-4 Upwards sales" to demonstrate that the sales listings in D-2 and F-2 are complete.
  - You must provide this list in electronic format using the template provided.
  - Please use the currency that your accounts are kept in.
  - If you have used formulas to complete this worksheet, these formulas must be retained.

**Not applicable. Please see the completed B-4 worksheet.**

2. Please provide all documents, other than those in A-4, D-2 and F-2, required to complete the “B-4 Upwards sales” worksheet. If the documents include spreadsheets, all formulas used must be retained.

**Not applicable. Please see the completed B-4 worksheet.**

3. For any amount in the “B-4 Upwards sales” worksheet that is hard coded (i.e. not a formula), please cross-reference by providing:
- the name of the source document, including the relevant page number, in column D of the worksheet; and
  - highlight or annotate the amount shown in the source document; and
  - provide the account code and sub-account code (if applicable) at column E of the worksheet.

**Not applicable. Please see the completed B-4 worksheet.**

## SECTION E DUE ALLOWANCE

### E-1 Credit expense

1. Do you provide credit to any domestic customers in relation to sales of like goods (i.e. payment terms that are not on a cash or pre-payment basis)? If yes:
  - (a) Do you provide a rolling credit facility to your domestic customers (i.e. no specific payment terms agreed at the time of sale)? If yes:
    - i. Calculate the accounts receivable turnover for each domestic customer (credit sales divided by the average accounts receivable).
    - ii. Calculate the average credit term for each domestic customer by dividing 365 by the accounts receivable turnover
  - (b) Do you have short term borrowings or an overdraft facility? If yes, what is the interest rate, or average of interest rates?
  - (c) Do you have term deposits or other cash product (e.g. bonds)? If yes, what is the interest rate, or average of interest rates?

**Credit terms are generally [CONFIDENTIAL TEXT DELETED – payment terms and price impact]**

2. Do you provide credit to any Australian customers in relation to sales of the goods (i.e. payment terms that are not on a cash or pre-payment basis)? If yes:
  - (a) Do you provide a rolling credit facility to your Australian customers (i.e. no specific payment terms agreed at the time of sale)? If yes:
    - i. Calculate the accounts receivable turnover for each Australian customer (credit sales divided by the average accounts receivable).
    - ii. Calculate the average credit term for each Australian customer by dividing 365 by the accounts receivable turnover
  - (b) If your Australian customers pay you into a foreign currency denominated account (question B-1.2(a) refers):
    - i. Do you have short term borrowings or an overdraft facility denominated in the same foreign currency? If yes, what is the interest rate, or average of interest rates?
    - ii. Do you have term deposits or other cash product (e.g. bonds) denominated in the same foreign currency? If yes, what is the interest rate, or average of interest rates?

**[CONFIDENTIAL TEXT DELETED – payment terms and price impact]**

### E-2 Packaging

1. What is the packaging used for your domestic sales of like goods?

**Wire ropes are “packed” using reels.**

2. What is the packaging used for your export sales of the goods to Australia?

**As for domestic sales, wire ropes are “packed” using reels.**

3. If there are distinct differences in packaging between your domestic and export sales:

- (a) Provide details of the differences
- (b) Calculate the weighted average packaging cost for each model sold on the domestic market
- (c) Calculate the weighted average packaging cost for each model exported to Australia

**There are no distinct or material differences in the packaging for domestic and export sales. Export sales also use plastic sheet laggings for additional packaging however the associated costs are immaterial.**

### E-3 Delivery

1. Are any domestic sales of like goods delivered to the customer? If yes, how were the transportation costs calculated in the domestic sales listing in D-2?

**The actual transportation costs are listed in the D-2 Domestic sales listing.  
[CONFIDENTIAL ATTACHMENT]**

2. What are the delivery terms of the export sales of the goods to Australia?

**Sales to Australia are made on a [CONFIDENTIAL TEXT DELETED – delivery term] basis.**

3. If the delivery terms of the Australian sales includes delivery to the port, how was the inland transport calculated in the Australian sales listing in B-2?

**The transportation costs reported in the B-2 Australian sales listing are based on actual cost as invoiced by the freight provider. Please refer to the breakdown document provided in the B-3.1 Australian sales samples documentation.  
[CONFIDENTIAL ATTACHMENT]**

4. If the delivery terms of the Australian sales includes port handling and other export charges, how were these expenses calculated in the Australian sales listing in B-2?

**The port handling and other export charges reported in the B-2 Australian sales listing are based on actual cost as invoiced by the freight provider. Please refer to**

**the breakdown document provided in the B-3.1 Australian sales samples documentation. [CONFIDENTIAL ATTACHMENT]**

5. If the delivery terms of the Australian sales includes ocean freight, how was the ocean freight cost calculated in the Australian sales listing in B-2?

**The ocean freight reported in the B-2 Australian sales listing are based on actual cost as invoiced by the freight provider. Please refer to the breakdown document provided in the B-3.1 Australian sales samples documentation. [CONFIDENTIAL ATTACHMENT]**

6. If the delivery terms of the Australian sales includes marine insurance, how was the marine insurance calculated in the Australian sales listing in B-2?

**The marine insurance reported in the B-2 Australian sales listing is calculated by reference to the logistical services invoice that covers the sale.**

7. If the delivery terms of the Australian sales includes delivered duty paid, how were the Australian importation and delivery costs calculated in the Australian sales listing in B-2?

**Not Applicable. The Australian sales are made on [CONFIDENTIAL TEXT DELETED – delivery term] basis.**

#### **E-4 Other direct selling expenses**

1. Do you provide sales commissions for domestic sales of like goods and/or export sales of the goods? If yes, provide details.

**[CONFIDENTIAL TEXT DELETED – sales commission usage]**

2. Are there any differences in tax liability between domestic and export sales? If yes, provide details, for example:

- What is the rate of value-added tax (VAT) on sales of the goods and like goods?
- How is VAT accounted for in your records in relation to sales of the goods and like goods?
- Do you receive a VAT refund in relation to sales of the goods and/or like goods?
- Do you receive a remission or drawback of import duties on inputs consumed in the productions of the goods or like goods?

**There is no difference in tax liability between domestic and Australian sales of the goods, except that Australian sales are subject to import duty and interim dumping duties.**

3. Are there any other direct selling expenses incurred by your company in relation to domestic sales of like goods?

- These direct selling expenses must be included in the reconciliation of direct selling expenses in B-5

**[CONFIDENTIAL TEXT DELETED – service arrangement]. The costs associated with this service are reported as [CONFIDENTIAL TEXT DELETED – service detail] in the D-2 Domestic sales listing. [CONFIDENTIAL ATTACHMENT]**

4. Are there any other direct selling expenses incurred by your company in relation to export sales of the goods to Australia?

- These direct selling expenses must be included in the reconciliation of direct selling expenses in B-5

**There are no other direct selling expenses in relation to Scaw's exports to Australia for the goods.**

## **E-5 Other adjustment claims**

1. Are there any other adjustments required to ensure a fair comparison between the export price and the normal value (based on domestic sales, costs and/or third country sales)? If yes, provide details.

- An adjustment will only be made where there is evidence that the difference affects price comparability.
- Refer to Chapter 15 of the *Dumping and Subsidy Manual (November 2018)* for more information.

**Scaw notes these other factors:**

- **[CONFIDENTIAL TEXT DELETED – comparability of prices regarding level of trade].**
- **[CONFIDENTIAL TEXT DELETED – comparability of prices regarding cutting costs].**
- **[CONFIDENTIAL TEXT DELETED – comparability of prices regarding inventory period].**

## SECTION F THIRD COUNTRY SALES

### F-1 Third country sales process

1. Are your sales processes to any third country (i.e. exports to countries other than Australia) different to the sales process described in B-1.1? If yes, provide details of the differences.

**Sales to third countries are not made to related parties, which is different to the sales to Australia.**

2. Are there any third country customers related to your company? If yes, please provide a list of each related customer and provide details on how the selling price is set.

**No. Third country customers are no related to Scaw.**

3. In establishing the date of sale, the commission will normally use the date of invoice as it best reflects the material terms of sale. If you are making a claim that a different date should be taken as the date of sale:

(a) What date are you claiming as the date of sale?

(b) Why does this date best reflect the material terms of sale?

**Scaw has prepared the third country sales listing based on the invoice date of those sales.**

### F-2 Third country sales listing

1. Complete the worksheet named "F-2 Third country sales"
  - This worksheet lists all export sales, summarised by country, customer and MCC, to third countries of like goods invoiced within the period.
  - While sales may be made in different currencies and on different shipping terms the sales listing also seeks to record an Ex-works value of these sales in your local currency.
  - If you have claimed in F-1.3 that the date of sale is one other than the invoice date, then add sales with your claimed date of sale.
  - You must provide this list in electronic format using the template provided.
  - If you have used formulas to complete this worksheet, these formulas must be retained.

**Please see the F-2 Third country sales worksheet, provided in the Scaw EQ workbook bundle. [CONFIDENTIAL ATTACHMENT]**

2. Complete worksheet "F-2.2 third country sales source" listing the source of the data for each column in the worksheet "F-2 third country sales".

**Please see the F-2.2 Domestic sales source worksheet, provided in the Scaw EQ workbook bundle. The information provided in the F-2 Domestic sales worksheet is**



sourced from Scaw's SAP system, specifically [CONFIDENTIAL TEXT DELETED – report name]. [CONFIDENTIAL TEXT ATTACHMENT]

### **F-3 Differences in sales to third countries**

1. Are there any differences in sales to third countries which may affect their comparison to export sales to Australia? If yes, provide details.

[CONFIDENTIAL TEXT DELETED – market and commercial considerations affecting comparison].

## SECTION G COST TO MAKE AND SELL

### G-1. Production process

1. Describe the production process for the goods and provide a flowchart of the process. Include details of all products manufactured using the same production facilities as those used for the goods. Also specify all scrap or by-products that result from producing the goods.

**Scaw provides a product flowchart for wire rope products at Attachment G-1.1. The wire rope production line produces the goods under consideration and non-GUC wire rope products. [CONFIDENTIAL ATTACHMENT]**

**[CONFIDENTIAL TEXT DELETED – scrap or by product practice]**

2. Are any of your suppliers related to your company (regardless of whether it is relevant to the manufacture of the goods)? If yes, please provide details including the product or services supplied by the related company.

**[CONFIDENTIAL TEXT DELETED – explanation of sources of supply].**

### G-2. Cost accounting

1. Is your company's cost accounting system based on actual or standard costs (budgeted)?

**Scaw uses standard cost to value inventory and actual cost spreadsheets for costing purposes. Actual cost schedules were used for this questionnaire response, not standard costs.**

2. If your company uses standard costs:
  - (a) Were standard costs used as the basis of actual costs in your responses G-3.1 & G-5.1?
  - (b) Have all variances (i.e. differences between standard and actual production costs) been allocated to the goods?
  - (c) How were those variances allocated?
  - (d) Provide details of any significant or unusual cost variances that occurred during the period.

**Not applicable, actual cost schedules were used to complete this questionnaire response.**

3. Do you have different cost centres in your company's cost accounting system? If yes, list the cost centres, provide a description of each cost centre and the allocation methodology used in your accounting system.

The Scaw business unit has [CONFIDENTIAL TEXT DELETED – number] cost centres. Cost centres consist of direct [CONFIDENTIAL TEXT DELETED – cost centre specifications].

[CONFIDENTIAL TEXT DELETED – detailed explanation of cost accounting system]

Please see Attachment G-2.3 for the list of cost centres. [CONFIDENTIAL ATTACHMENT]

4. To what level of product specificity (models, grades etc.) does your company's cost accounting system normally record production costs?

The system records to the [CONFIDENTIAL TEXT DELETED – accounting system level of detail]

5. Are there any costs for management accounting purposes valued differently to financial accounting purposes? If yes, provide details of the differences.

No.

6. Has your company engaged in any start-up operations in relation to the goods? If yes:

- (a) Describe in detail the start-up operation giving dates (actual or projected) of each stage of the start-up operation.
- (b) State the total cost of the start-up operation and the way that your company has treated the costs of the start-up operation in its accounting records.

No. Scaw has not engaged in any start-up operations in relation to the goods.

7. What is the method of valuation for raw material, work-in-progress, and finished goods inventories (e.g. last in first out –LIFO, first in first out- FIFO, weighted average)?

The valuation method of raw materials, WIP and finished goods are at standard costs on SAP and adjusted to net realisable value or actual costs if they differ substantially from standard costs.

8. What are the valuation methods for damaged or sub-standard goods generated at the various stages of production?

Damaged or sub-standard goods are [CONFIDENTIAL TEXT DELETED – valuation method].

9. What are the valuation methods for scrap, by products, or joint products?

[CONFIDENTIAL TEXT DELETED – scrap or by product] is reported at [CONFIDENTIAL TEXT DELETED – value]

10. Are any management fees/corporate allocations charged to your company by your parent or related company? If yes, provide details

[CONFIDENTIAL TEXT DELETED – management fee or corporate allocation]

### G-3 Cost to make on domestic market

1. Complete the worksheet named "G-3 Domestic CTM".
- This worksheet lists the quarterly cost to make the domestic models of like goods by MCC manufactured within the period, even if they are models not exported to Australia.
  - The costs must be based on actual cost of production (i.e. not standard costs or cost of goods sold) for each MCC.
  - If any imputation tax (e.g. value-added tax) is payable on the purchase of goods or services to manufacture like goods, report the costs excluding the imputation tax. All other taxes payable (e.g. import duty) must be included as 'other costs' if not already included, for example, under material costs.
  - You must provide this list in electronic format using the template provided.
  - If you have used formulas to complete this worksheet, these formulas must be retained.
  - If you have claimed in B-1.8 and/or D-1.7 that the date of sale is one other than the invoice date, then provide the cost for the quarters that all domestic sales are made within your claimed date of sale, even if doing so means that such cost data predates the commencement of the period.

Please see the G-3 Domestic CTM worksheet, provided in the Scaw EQ workbook bundle. [CONFIDENTIAL ATTACHMENT]

2. Complete worksheet titled "G-3.2 domestic CTM source" listing the source of the data for each column of the worksheet "G-3 domestic CTM".

Please see the G-3.2 Domestic CTM source worksheet, provided in the Scaw EQ workbook bundle. [CONFIDENTIAL ATTACHMENT]

The information provided in the G-3 Domestic CTM worksheet is sourced from Scaw's SAP system. Scaw provides SAP based supporting worksheets, please see Attachments G-3.2(2) & G-5.2(2)" and G-3.2(3) & G-5.2(3). [CONFIDENTIAL ATTACHMENT]

### G-4 Selling, General & Administration expenses

1. Complete the worksheet named "G-4.1 SG&A listing".
- This worksheet lists all selling, general and administration expenses, including finance expenses, by account code for the most recent accounting period and the period.
  - Exclude any SG&A amount in respect of:
    - unrealised foreign exchange gains/loss
    - provision for doubtful debt
    - any other income/expense not directly/indirectly related to the manufacture or sale of the goods or like goods

- The SG&A listing should reconcile to the trial balance and/or income statement.
- You must provide this list in electronic format using the template provided.
- If you have used formulas to complete this worksheet, these formulas must be retained.

**Please see the G-4.1 SG&A listing worksheet, provided in the Scaw EQ workbook bundle. [CONFIDENTIAL ATTACHMENT]**

2. Complete the worksheet named "G-4.2 Domestic SG&A calculation".

- This worksheet calculates the unit domestic SG&A for each MCC.
- You must provide this list in electronic format using the template provided.
- Please use the formulas provided.

**Please see the G-4.2 Domestic SG&A worksheet, provided in the Scaw EQ workbook bundle. [CONFIDENTIAL ATTACHMENT]**

## **G-5 Cost to make the goods exported to Australia**

1. Complete the worksheet named "G-5 Australian CTM".

- This worksheet lists the quarterly cost to make the Australian models of the goods under consideration by MCC manufactured within the period.
- The costs must be based on actual cost of production (i.e. not standard costs or cost of goods sold) for each MCC.
- If any imputation tax (e.g. value-added tax) is payable on the purchase of goods or services to manufacture the goods, report the costs excluding the imputation tax. All other taxes payable (e.g. import duty) must be included as 'other costs' if not already included, for example, under material costs.
- You must provide this list in electronic format using the template provided.
- If you have used formulas to complete this worksheet, these formulas must be retained.
- If you have claimed in B-1.8 that the date of sale is one other than the invoice date, then provide the cost for the quarters that all Australian sales are made within your claimed date of sale, even if doing so means that such cost data predates the commencement of the period.

**Please see the G-5 Australian CTM worksheet, provided in the Scaw EQ workbook bundle. [CONFIDENTIAL ATTACHMENT]**

2. Complete worksheet titled "G-5.2 Australian CTM source" listing the source of the data for each column of worksheet "G-5 Australian CTM".

**Please see the G-5.2 Australian CTM source worksheet, provided in the Scaw EQ workbook bundle. [CONFIDENTIAL ATTACHMENT]**

**The information provided in the G-5 Domestic CTM worksheet is sourced from Scaw's SAP system. Scaw provides SAP based supporting worksheets, please see Attachments G-3.2(2) & G-5.2(2)" and G-3.2(3) & G-5.2(3). [CONFIDENTIAL ATTACHMENT]**

## G-6 Cost allocation method

1. What is the allocation method used to complete in G-3 domestic CTM and G-5 Australian CTM for:

- (a) Raw materials
- (b) Labour
- (c) Manufacturing overheads

**Actual costs are expensed to cost centres which essentially represent a manufacturing process. Service department cost centres are allocated to the direct production cost centres by means of cost drivers like production tons or number of employees etc. A cost per meter by cost centre/production process is then calculated. From that a total cost of production is calculated per product.**

2. Select the domestic model (export model if you have no domestic production of like goods) with the largest production volume over the period and provide worksheets demonstrating the allocation method described in G-6.1 from your normal cost accounting system to the cost for that model reported in G-3.1.

**Scaw provides its allocation method for the domestic and Australian models over the period at Attachments G-6.2(1) and (2). [CONFIDENTIAL ATTACHMENT]**

## G-7 Major raw material costs

1. What are the major raw materials used in the manufacture of the goods?

**The major raw material input for the manufacture of the goods is steel rod.**

2. Are any raw materials sourced as part of an integrated production process or from a subsidiary company which your company exercise control? If yes, complete the worksheet named "G-7.2 Raw material CTM" for these raw materials.

- This worksheet lists the quarterly cost to make the raw material manufactured within the period.
- The costs must be based on actual cost of production (i.e. not standard costs or cost of goods sold).
- If any imputation tax (e.g. value-added tax) is payable on the purchase of goods or services to manufacture the raw material, report the costs excluding the imputation tax. All other taxes payable (e.g. import duty) must be included as 'other costs' if not already included, for example, under material costs.
- You must provide this list in electronic format using the template provided.
- If you have used formulas to complete this worksheet, these formulas must be retained.

**[CONFIDENTIAL TEXT DELETED – procurement practices concerning major raw material]**

3. Using the domestic cost data in “G-3 Domestic CTM” (use “G-5 Australian CTM” if you have no domestic production of like goods), calculate the weighted average percentage of each raw material cost (listed in G-7.1) as a proportion of total cost to make.

**Please see the detail provided in the G-3 Domestic CTM worksheet, provided in the Scaw EQ workbook bundle. [CONFIDENTIAL ATTACHMENT]**

4. For each raw material identified in G-7.3 which individually account for 10% or more of the total cost to make, complete the worksheet named “G-7.4 Raw material purchases”
- This worksheet lists all raw material purchases (i.e. transaction by transaction) purchased by your company within the period.
  - You must provide this list in electronic format using the template provided.
  - If you have used formulas to complete this worksheet, these formulas must be retained.

**As explained, the major raw material input for steel wire rope is steel rod. Please see the G-7.4 Raw material purchase worksheet, provided in the Scaw EQ workbook bundle. [CONFIDENTIAL ATTACHMENT]**

5. Provide a table listing the source of the data for each column of the “G-7.4 Raw material purchases” listing.

**This information is from reports in Scaw’s SAP system.**

6. For each raw material:
- (a) Select the two largest invoices by value and provide the commercial invoice and proof of payment.
  - (b) Reconcile the total value listed in “G-7.4 Raw material purchases” listing to relevant purchase ledgers or trial balances in your accounting system. Provide copies of all documents used to demonstrate the reconciliation.

**Scaw provides two invoices each for its purchases of steel rod. Please see Attachments G-7.6(a)(1) and (2). [CONFIDENTIAL ATTACHMENT]**

**Please see Attachment G-7.6(b) for Scaw’s reconciliation of the raw material purchases listing. [CONFIDENTIAL ATTACHMENT]**

7. Are any of the suppliers in “G-7.4 Raw material purchases” listing related to your company? If yes, please provide details on how the price is set.

**[CONFIDENTIAL TEXT DELETED – detailed explanation of raw material purchases and pricing information]**

## **G-8 Reconciliation of cost to make to audited financial statements**

1. Please complete the worksheet named “G-8 Upwards costs” to demonstrate that the cost listings in G-3 and G-5 are complete.

- You must provide this list in electronic format using the template provided.
- Please use the currency that your accounts are kept in.
- If you have used formulas to complete this worksheet, these formulas must be retained.

**Please see the G-8 Upwards costs worksheet, provided in the Scaw EQ workbook bundle. [CONFIDENTIAL ATTACHMENT]**

2. Please provide any documents, other than those in A-4, G-3 and G-5, required to complete the “G-8 Upwards costs” worksheet.

**Please refer to the detail provided in the G-8 Upwards costs worksheet. Scaw also provides its operating costs per business unit at Attachment G-8.2 for further supporting detail. [CONFIDENTIAL ATTACHMENT]**

3. For any amount that is hard coded (i.e. not a formula), please cross-reference by providing:

- the name of the source document, including the relevant page number, in column D of the worksheet; and
- highlight or annotate the amount shown in the source document; and
- provide the account number and sub-account number (if applicable) at column E of the worksheet.

**Please refer to the detail in the G-8 Upwards costs worksheet. [CONFIDENTIAL ATTACHMENT]**

## **G-9 Production of the goods under consideration**

1. Describe your company’s practices for capturing the production quantities reported at worksheets “G-3 domestic CTM” and “G-5 Australian CTM”. Consider using a flowchart in answering this question.

**[CONFIDENTIAL TEXT DELETED – detailed production operation practices]**

2. Outline the types of source documents kept by the company in relation to production quantities and how the production quantities are entered into the accounting system. Consider using a flowchart in answering this question.

**[CONFIDENTIAL TEXT DELETED – detailed production operation practices]**

3. Briefly explain the reasons for any differences between:
- (a) the production quantities reported at worksheet “G-3 domestic CTM” and the sales volumes reported at worksheet “D-2 domestic sales”; and
  - (b) the production quantities reported at worksheet “G-5 Australian CTM” and the sales volumes reported at worksheet “B-2 Australian sales”.



[CONFIDENTIAL TEXT DELETED – comment on differences between sales and production quantity levels]

4. Describe how your company determines its volume of production for the goods, product mix of production and the factors that contribute to these decisions. How frequently are production volumes determined for the goods? How frequently is the product mix determined for the goods?

For domestic sales, the production volume is based [CONFIDENTIAL TEXT DELETED – manufacturing production methodology]. The production volumes are determined [CONFIDENTIAL TEXT DELETED – timeframe] and confirmed [CONFIDENTIAL TEXT DELETED – timeframe] before production is to start. At this stage the production plan [CONFIDENTIAL TEXT DELETED – pre-production practice]. The product mix is based on [CONFIDENTIAL TEXT DELETED – considerations taken into account for determining product mix].

For its sales to Australia, the production volumes and product mix are based on the orders received [CONFIDENTIAL TEXT DELETED – manufacturing production methodology]. Similarly, the production plan is [CONFIDENTIAL TEXT DELETED – pre-production practice].

5. What lead times are typically needed to adjust volumes of production for the goods?

As noted above, production is booked in and raw materials ordered [CONFIDENTIAL TEXT DELETED – timeframe].

## G-10 Capacity Utilisation

1. Please complete the worksheet named “G-10 Capacity Utilisation”.
- You must provide this list in electronic format using the template provided.
  - If you have used formulas to complete this worksheet, these formulas must be retained.

Please see the G-10 Capacity Utilisation worksheet, provided in the Scaw EQ workbook bundle. [CONFIDENTIAL ATTACHMENT]

2. Explain how the production capacity and capacity utilisation has been calculated.

Scaw has determined the production capacity based on the capacity level of the [CONFIDENTIAL TEXT DELETED – manufacturing machine], which is the principal bottleneck in the production process. Rather than taking an “optimal” capacity, Scaw has applied a realistic actual capacity level, as requested by the Commission.

3. Do you have warehousing facilities for the goods? If no, what do you do with excess inventory? If yes:
- What is the capacity of these facilities?
  - What was the monthly amount of inventory maintained during the investigation period?

- (c) What is the average period of time that inventory is retained (describe how this is calculated)?

Scaw [CONFIDENTIAL TEXT DELETED – warehousing of the goods]. After final cutting ropes are despatched [CONFIDENTIAL TEXT DELETED – timeframe] to the client whether local or export.

Ropes are made in master reels to ensure economical production runs and to reduce scrap rates. Master reels are kept in storage for the period of time between when the rope is made to when it is cut to its final length. This period varies from [CONFIDENTIAL TEXT DELETED – timeframe] to [CONFIDENTIAL TEXT DELETED – timeframe] depending on the demand for that specific product type.

The volume of pre-cut rope in storage ranges between [CONFIDENTIAL TEXT DELETED – number] and [CONFIDENTIAL TEXT DELETED – number] tons. Inventory in the pre-cut state can take the form of full reels or partially cut reels and the storage period ranges between a [CONFIDENTIAL TEXT DELETED – timeframe] to [CONFIDENTIAL TEXT DELETED – timeframe]. Most of the pre-cut stock is [CONFIDENTIAL TEXT DELETED – destination market(s)]. Master reels for the [CONFIDENTIAL TEXT DELETED – destination market(s)] market are usually cut within a few weeks for despatch.

4. Have there been any changes to the type of capital or technology utilised by your company in the manufacturing of the goods in the last five years? If yes, provide details.

Over the past five years there has been technological change with respect to the goods in the form of [CONFIDENTIAL TEXT DELETED – details about technical improvements to Scaw's rope]. This has been achieved [CONFIDENTIAL TEXT DELETED – comment on capital expenditure].

5. For each plant capable of producing inputs that could be utilised to make the goods, provide the date that production facility came into operation and the production capacity of the plant over the past five years. The production capacity should be based on an actual production capacity, not a budgeted production capacity.

The goods are produced only by the [CONFIDENTIAL TEXT DELETED – business unit] plants, which are not used to produce inputs.

6. List any significant investments in the past five years to either upgrade, refurbish or build any of the plants used in the production of the goods.

[CONFIDENTIAL TEXT DELETED – comment on investments for production of the goods]

## SECTION H

# THE STEEL INDUSTRY IN SOUTH AFRICA – SCRAP AND PRODUCTION OF THE GOODS

### H-1 Reporting requirements

1. Describe generally all interaction that your business has with the Government of South Africa at all levels, including (but not limited to):

(a) reporting requirements;

**Scaw is not required to report to the Government of South Africa ("GSA") in relation to its normal business operations.**

(b) payment of taxes;

**Scaw is required to pay the usual company taxes in accordance with the laws of South Africa. This includes employee tax, company income tax and VAT. VAT is paid twice per year, with the others paid monthly.**

(c) senior management representation within your business, if any;

**There is no representation of the Government of South Africa in the senior management at Scaw. [CONFIDENTIAL TEXT DELETED – shareholder representation].**

(d) approval/negotiation of business decisions (e.g. investment decisions, management decisions, pricing decisions, production decisions, sales decisions);

**The GSA is not involved in any of Scaw's business decisions.**

(e) licensing;

**A standard business licence is required for operation in South Africa. No other licensing is required for Scaw's operational activities.**

(f) restrictions on land use;

**There are no restrictions to Scaw's land use other than the normal environmental and land zoning restrictions that apply under South African law.**

(g) provision of loans; or

**Scaw's loans are provided by [CONFIDENTIAL TEXT DELETED – loan providers].**

(h) provision of grants, awards or other funds.

Scaw did not receive any grants, awards or other funds during the inquiry period.

## H-2 Business structure, ownership and management

1. Indicate whether your company is a state-owned or state-invested enterprise (SIE)

- A state owned enterprise refers to any company or enterprise that is wholly or partially owned by the Government of South Africa (either through direct ownership or through association).

Scaw's minor shareholder [CONFIDENTIAL TEXT DELETED – shareholder] holds [CONFIDENTIAL TEXT DELETED – percentage] shares in Scaw. [CONFIDENTIAL TEXT DELETED – shareholder details and operational activities]

2. List the Board of Directors and Board of Shareholders of your business and all other entities/businesses your business is related to.

Please refer to Attachment A-2.4 and H-2.2 for the board of directors for Scaw and [CONFIDENTIAL TEXT DELETED – company name]. [CONFIDENTIAL ATTACHMENT]

3. Indicate the names of common directors and officers between your business and related businesses, where applicable.

[CONFIDENTIAL TEXT DELETED – comment about Scaw directors]

4. Are any members of your business' (and/or all other entities your business is related to) Board of Directors or Board of Shareholders representatives, employees, or otherwise affiliated with the Government of South Africa (at any level, from any agency, or otherwise associated entity)? If yes, identify the individuals, their role on that Board and their affiliation with the Government of South Africa.

The Government does not have any representative on the Scaw Board of Directors.

5. Indicate who owns what percentage of all shares in your business and identify whether they are:
- an affiliate, representative, agency or otherwise representative of the Government of South Africa;
  - employees of your business;
  - foreign investors; or
  - other (please specify).

Please refer to information provided above and at Attachment A-2.5. [CONFIDENTIAL ATTACHMENT]

6. Provide the details of any significant changes in the ownership structure of your business during the period.

**There have been no significant changes in the ownership structure during the inquiry period.**

7. Explain whether there are requirements in law and in practice to have government representation at any level of your business. If there is such a requirement, explain the role of government representatives appointed to any level of your business.

**Scaw is not aware of such requirements.**

8. If your business is a publicly-traded company, what are the rules regarding the issuance of shares by your business? Identify any stock exchanges on which your business is listed.

**Scaw is not a publicly traded company.**

9. Provide the monthly trading volume and average monthly trading price of your listed security over the period.

**Not applicable.**

### H-3 Government policy on the steel industry

1. Are there any Government of South Africa opinions, directives, decrees, promulgations, measures, etc. concerning the steel industry that were put in place or operating during the period? If yes, please describe and provide relevant documents.

**As part of the normal business Scaw was not aware of such opinions, directives, decrees, promulgations, measures, etc. concerning the steel industry that were put in place or operating during the period.**

**Based on the file note published by the Commission dated 8 March 2022, Scaw made inquiries about the "Steel Master Plan". This appears to be a common macro-economic policy focused on infrastructure development through the building of bridges, dams, etc. [CONFIDENTIAL TEXT DELETED – impact of plan on Scaw business activities]**

2. Does your company provide information or reports to the Government of South Africa relating to assessments of the implementation of any Government of South Africa plan, policy or measure?

**No.**

### H-4 Taxation

1. Were there any export taxes on the exports of the goods during the period?

**No, there were no export taxes on the exports of the goods during the inquiry period.**

## PUBLIC RECORD

2. Was there any value-added tax (or other) rebates applicable to exports of the goods during the period?

**No, there were no value-added tax (or other) rebates applicable to exports of the goods during the inquiry period.**

3. If the answer to either of the above questions is "Yes", please provide:
- a. a detailed chronological history of the relevant rates over the last 5 years;
  - b. details of the products affected;
  - c. the effective dates of any rate changes;
  - d. copies of any Government of South Africa notices regarding these arrangements, including any relevant appendices or other supporting information.

**Not applicable.**

4. Are you aware of any tax changes being planned that would impact the industry?

**Scaw is not aware of any tax changes being planned that would impact the steel wire rope industry.**

## H-4 Sales Terms

1. Explain how the selling prices of the goods under consideration by your business are determined, including any Government of South Africa involvement in your business' pricing decisions, and indicate if the goods are subject to Government of South Africa direct or indirect pricing or government guidance pricing.

**Scaw has explained the selling price determination considerations at B-1.1 and D-1.1 above. There is no GSA involvement in Scaw's business pricing decisions. Scaw is also not aware of any direct or indirect pricing or government pricing guidance.**

2. Does your business coordinate the selling prices or supply of the goods with other domestic producers or any Government of South Africa departments? If yes, provide details.

**Scaw does not coordinate its selling prices or supply of the goods with other domestic producers or any Government departments.**

3. Explain whether your business provides information or data to the Government of South Africa, other government officials or commercial/industry organisations, including those outside of South Africa, which report on the industry.

## PUBLIC RECORD

**Scaw provides a minimal level of indexed data concerning non-GUC product to industry body [CONFIDENTIAL TEXT DELETED – industry body name]. The data is for the purpose of CPI calculations.**

**No other information or data is provided to government officials, commercial or industry organisations.**

4. Explain whether your business provides price data to any other person at the provincial, regional or special economic zone level of government.

**Scaw does not provide price data to any other person at the provincial, regional or special economic zone level of government.**

5. Explain whether your business has encountered any price guidance or controls established by regional, provincial or special economic zone officials and/or organisations.

**Scaw has not encountered any price guidance or controls established by regional, provincial or special economic zone officials and/or organisation.**

6. Explain whether your business has encountered any other restrictions, limitations, or other considerations imposed on your business.

**Scaw has not encountered any other restrictions, limitations, or other considerations imposed on its business.**

7. Which organisation/business entity do you consider as the price leader of the goods?

**[CONFIDENTIAL TEXT DELETED – company] holds the majority market share for the subject goods in the South African domestic market.**

8. If you have production facilities of the goods in more than one region and/or province, are the laws and regulations in each region the same with respect to pricing of the goods? If no, provide details on the differences.

**Scaw production facilities are located in the Johannesburg area, Gauteng Province. The laws and regulations do not differ between regions in South Africa.**

## H-5 Industry associations

1. Is your business a member of any business or industry associations? If yes, explain your business' relationship with the association and the involvement of the Government of South Africa with the associations.

**Scaw is a voluntary member of a number of non-government, privately operated business and industry associations, The Government of South Africa has no involvement in the associations.**

2. If your business is a member of an industry association, indicate whether this membership is voluntary or compulsory. Explain the functions that the association provides for your business. Explain in detail the role of the association with respect to any directives as provided by the Government of South Africa concerning the industry.

**Membership in the associations is voluntary. The associations represent and lobby for the interests of its membership group.**

## H-6 Statistics submission/recording

1. Indicate if your business makes submissions to the South African Bureau of Statistics and/or any other government organisation or industry association. If yes, explain the purpose of these submissions and the type of information submitted.

**Scaw provides indexed statistical information to [CONFIDENTIAL TEXT DELETED – industry body name] for the purpose of the CPI calculations.**

2. Provide a recent example of a submission that has been made to the Bureau of Statistics and/or any other government organisation or industry association. For example, monthly data relating to sales, production and costs.

**Scaw provides [CONFIDENTIAL TEXT DELETED – commercial practices]**

3. Do the organisations approve or assess your submission? If yes, provide a detailed explanation.

**No. There is no approval or assessment of the information provided.**

4. Do the organisations provide feedback on your submission? If yes, provide a detailed explanation.

**No. Feedback is not provided.**

## H-7 Production/output

1. Is any part of your production subject to any national/regional industrial policy or guidance? If yes, provide details including a background of the policy/guidance and explain any restriction imposed by the policy/guidance. To what extent are any of the policies/guidelines applicable to your business?

**Scaw's production of the goods is not subject to any national or regional industrial policy or guidance.**

2. Where applicable, how did your business respond to the policies/guidelines?



## PUBLIC RECORD

**Not applicable, as Scaw's production of the goods is not subject to any national or regional industrial policy or guidance.**

3. Provide details regarding any other restrictions (e.g. geographic/regional, downstream, end use, etc.) to the sale of the goods and/or like goods that has been placed upon, or may be imposed, by the Government of South Africa on your business.

**There are no restrictions placed on the sale of wire rope by the Government of South Africa.**

4. Are there any restrictions and/or conditions in relation to the quality or quantity of the production of the goods placed upon your business? If yes, provide details.

**There are no restrictions or conditions in relation to the quantity of the production of the goods. Scaw adheres to strict industry quality standards, however these are not mandated by the Government of South Africa.**

5. Does your business require an export licence? If yes, provide details.

**Yes, all companies that export goods in SA require an export license from the South African Revenue Service.**

6. Are the goods sold by your business subject to any export restrictions and/or limits during the previous 5 years? If yes, provide details.

**No. Wire rope has not been subject to any government export restrictions and/or limits during the previous five years.**

7. Have there been any changes to your production capacity over the last 5 years? If yes, provide details.

**No. There have been no changes to the production capacity for the goods under consideration over the past five years.**

8. Does your business benefit from any concession on the purchase of any utility services (e.g. electricity, gas, etc.)? If yes, explain the nature and the amount of the concession?

**No. All services are purchased at ruling market prices.**

## H-8 Raw materials

1. Are any of the suppliers related or affiliated with you? If yes, provide details.

**Please see explanations regarding related suppliers provided above in Section G.**

2. Do you purchase from State Invested Enterprises? If yes, provide details.

## PUBLIC RECORD

**No. Scaw does not purchase raw materials from any State-Invested Enterprises.**

3. If your supplier is based outside South Africa, what import duty rate is applied on the raw materials?

**During the inquiry period Scaw purchased steel rod from [CONFIDENTIAL TEXT DELETED – suppliers information].**

4. Is there a price difference in purchase price for raw materials between your suppliers? If yes, provide a detailed explanation.

**Scaw sources its raw materials from a variety of suppliers. Any price differences are the result of independent commercial negotiations, and prices will naturally vary based on the market circumstances at the time of negotiation.**

5. Describe in detail your business' purchase procedures of the raw materials, the considerations in selecting a supplier and how the price of the raw materials is determined between you and your suppliers. If it is by tenders, provide details of the criterions/conditions.

**[CONFIDENTIAL TEXT DELETED – supplier information]**

6. Explain whether your business has been subjected to any direct or indirect price guidance or controls by the Government of South Africa during the period, with respect to raw material inputs.

**Scaw does not consider it to be subject to any direct or indirect price guidance or controls by the GSA.**

**Scaw is aware of the allegations made by the Applicant for this inquiry concerning the South Africa price preference system ("PPS") for steel scrap. As explained above at Section G, the major raw material used for the production of the goods are steel rod. [CONFIDENTIAL TEXT DELETED – steel rod pricing mechanism]. Steel wire rope is a highly processed steel engineering product that is many levels downstream from steel scrap. Both the production and the market prices of wire rope are basically removed and unrelated to steel scrap prices. As such, Scaw does not consider the PPS scheme to have any material impact on its domestic and export sales of steel wire rope. In any case, [CONFIDENTIAL TEXT DELETED – observation regarding domestic prices for like goods].**

7. If any of your raw materials for the goods and/or like goods are imported by your business, or related businesses:
- Provide details including a description of the raw material imported, the supplier and country of origin.
  - Explain the process required to import the raw materials (e.g. obtaining an import licence, import declarations).

- c. Provide details of any conditions to importing the raw materials (e.g. customs and/or quarantine).
- d. Are you eligible for a duty drawback? If yes, provide details.

**[CONFIDENTIAL TEXT DELETED – supplier information]**

**A standard import process is followed, with normal documentation and SARS import declarations for duty and statistical purposes.**

**Import duties apply to the import of the raw material products.**

**Scaw is not eligible for duty drawback.**

- 8. Do you, or a business associated with you, sell any of the raw materials used to manufacture the goods and/or like goods, or sell the semi-processed goods?
  - a. Please provide a description of the raw material or semi-processed goods which are sold, including whether they are domestic or export transactions, to related or unrelated parties, and how the selling price is determined.
  - b. If there is a difference in selling prices between related and unrelated parties, please provide reasons as to why.

**[CONFIDENTIAL TEXT DELETED – comment on the sale of raw materials or semi-finished goods]**

## SECTION I DOMESTIC MARKET

### I-1 Prevailing conditions of competition in the domestic market

1. Describe the domestic market for the goods and the prevailing conditions of competition within the market, including:

- (a) Provide an overall description of the domestic market which explains its main characteristics and trends over the past five years;

**The domestic market for surface mining steel wire ropes is mainly driven by the demand for coal and to a lesser extent, iron ore. Over the past five years, there has been some substantial fluctuations in demand.**

- (b) Provide the sources of demand for the goods in the domestic market, including the categories of customers, users or consumers of the product;

**Coal consumption is the main source of demand for the goods.**

- (c) Provide an estimated proportion (%) of sales revenue from each of those sources of demand listed in (b);

**[CONFIDENTIAL TEXT DELETED – sales information]**

- (d) Describe the factors that influence consumption/demand variability in the domestic market, such as seasonal fluctuations, factors contributing to overall market growth or decline, government regulation, and developments in technology affecting either demand or production;

**[CONFIDENTIAL TEXT DELETED – market intelligence regarding South African market for like goods]**

- (e) Describe any market segmentations in the domestic market; such as geographic or product segmentations;

**The key segmentation in the market is between surface, shaft and offshore mining.**

- (f) Provide an estimated proportion of sales revenue from each of the market segments listed in (e);

**[CONFIDENTIAL TEXT DELETED – market segment ratios]**

- (g) Describe the way in which domestically produced goods and imported goods compete in the domestic market;

**Scaw faces import competition from Usha Martin (India) and BBRG (Germany). Scaw is the only manufacturer of the goods in South Africa. The goods generally compete based on price and performance.**

- (h) Describe the ways that the goods are marketed and distributed in the domestic market; and

**[CONFIDENTIAL TEXT DELETED – market intelligence]**

- (i) Describe any other factors that are relevant to characteristics or influences on the domestic market for the goods.

**Scaw has not identified any additional factors at this time.**

*Provide documentary evidence to support the responses made to questions 1(a) to (i).*

2. Provide a diagram which describes the domestic market structure for the goods, ensuring that all categories of participants are included. In this diagram use linkages to illustrate the different levels of trade and distribution channels within the domestic market.

**Scaw sells directly to the end user customers.**

**[CONFIDENTIAL TEXT DELETED – marketing structure information]**

3. Describe the commercially significant market participants in the domestic market for the goods at each level of trade over the investigation period. Include in your description:

- names of the participants;
- the level of trade for each market participant (e.g., manufacturer, reseller, original equipment manufacturer (EOM), retailer, corporate stationer, importer, etc.);
- a description of the degree of integration (either vertical or horizontal) for each market participant; and
- an estimation of the market share of each participant.

**Apart from Scaw, the commercially significant market participants are Usha Martin and BBRG. [CONFIDENTIAL TEXT DELETED – market information]**

4. Identify the names of commercially significant importers in the domestic market for the goods over the investigation period and estimate their market share. Specify the country each importer imports from and their level of trade in the domestic market, if known.

**Imports are from Usha Martin (India) and BBRG (Germany). [CONFIDENTIAL TEXT DELETED – market information]**

5. Describe the regulatory framework of the domestic market for the goods as it relates to competition policy, taxation, product standards and the range of the goods. Provide a copy of any regulation described, if available.

**Scaw is subject to the usual laws concerning competition, taxation and contracts for its production and sale of the goods. Scaw uses an internal production standard that ensures compliance with a number of international standards, including, BS EN 12385, ISO 2408 (General Engineering ropes), ISO 3154 (Stranded wire ropes for mine hoisting) and API Specification 9A- 27th Edition August 2020 (Petroleum and Gas industries).**

6. Describe any entry restrictions for new participants into the domestic market for the goods. Your response could include information on:

- resource ownership;
- patents and copyrights;
- licenses;
- barriers to entry;
- import restrictions; and
- government regulations(including the effect of those government regulations).

*In responding to question 6 ensure that relevant regulations are referenced.*

**There are no entry restrictions outside of the upfront costs associated with setting up production for the goods.**

## I-2 Goods in the domestic market

1. Generally describe the range of goods offered for sale in the domestic market. The description should include all like goods, including those produced by your company. Your description could include information about:

- quality differences;
- price differences;
- supply/availability differences;
- technical support differences;
- the prevalence of private labels/customer brands;
- the prevalence of generic or plain labels;
- the prevalence of premium labels; and
- product segmentation.

**Scaw services the full domestic market for like goods. The key difference between sources of supply is that Scaw offers the most comprehensive technical support service in the market. This level of service is not offered by importers, as they do not have the same level of service personnel located in South Africa.**

2. Describe the end uses of the goods in the domestic market from all sources.

**The primary end use is for excavators operating at surface mines.**

3. Describe the key product attributes that influence purchasing decisions or purchaser preferences in the domestic market. Rank these preferences or purchasing influencers in order of importance.

**Purchasing decisions typically focus on the reliability of supply, quality, price and level of service.**

4. Identify if there are any commercially significant market substitutes in the domestic market for the goods.

**There are no commercially significant market substitutes.**

5. Have there been any changes in market or consumer preferences in the domestic market for the goods in the last five years? If yes, provide details including any relevant research or commentary on the industry/sector that supports your response.

**There have been no material changes in market or consumer preferences over the past five years.**

### **I-3 Relationship between price and cost in the domestic market**

1. Describe the importance of the domestic market to your company's operations. In your response describe:
- (a) The proportion of your company's sales revenue derived from sales of the goods in the domestic market; and
  - (b) The proportion of your company's profit derived from sales of the goods in the domestic market.

**Scaw has calculated the respective proportions as follows.**

**[CONFIDENTIAL TEXT DELETED – sales and profit details]**

*In responding to question 1 please provide evidence supporting calculations.*

2. Is your organisation/business entity the price leader for the goods in the domestic market? If no, please explain the reasons behind your response and specify the name(s) of the price leaders.

**[CONFIDENTIAL TEXT DELETED – market intelligence]**

3. Describe the nature of your product pricing (e.g., market penetration, inventory clearance, product positioning, price taker, price maker, etc.) and your price strategies (e.g., competition-based pricing, cost-plus pricing, dynamic pricing, price skimming, value pricing, penetration pricing, bundle pricing, etc.) in the domestic market. If there are multiple strategies applied, please rank these by importance. If there are different strategies for different products, please specify these. Provide copies of internal documents which support the nature of your product pricing.

**[CONFIDENTIAL TEXT DELETED – pricing practices]**

4. Explain the process for how the selling prices of the goods for the domestic market by your business are determined. Provide copies of internal documents which support how pricing is determined.

**Scaw engages in negotiations with its customers to settle on an agreeable price. Please see Attachment I-3.4 for an example of the price discussion. [CONFIDENTIAL ATTACHMENT] As shown in the example, Scaw and customers engage in price negotiation by reference to [CONFIDENTIAL TEXT DELETED – pricing parameters].**

5. How frequently are your domestic selling prices reviewed? Describe the process of price review and the factors that initiate and contribute to a review. Provide the names and positions of all persons involved.

**[CONFIDENTIAL TEXT DELETED – detailed pricing mechanism]**

6. Rank the following factors in terms of their influence on your pricing decisions in the domestic market, with the most important factor ranked first and the least important factor ranked last:

- Competitors' prices
- Purchase price of raw materials
- Cost to make and sell the goods
- Level of inventory
- Value of the order
- Volume of the order
- Value of forward orders
- Volume of forward orders
- Customer relationship management
- Supplier relationship management
- Desired profit
- Brand attributes
- Other [please define what this factor is in your response]

**[CONFIDENTIAL TEXT DELETED – pricing factors]**

7. Describe the relationship between selling price and costs to make and sell in the domestic market. Does your company maintain a desired profit margin for the goods?

**[CONFIDENTIAL TEXT DELETED – pricing factors]. Please refer to D-1.1 for the explanation of Scaw's pricing.**

8. Do you offer price reductions (e.g., commissions, discounts, rebates, allowances or credit notes) in the domestic market? If yes, provide a description and explain the terms and conditions that must be met by the customer to qualify. Explain how the cost to make and sell are considered in establishing these price reductions. Provide copies of internal documents which support your claims in response to this question.

**No. Please see the response in D-1.5.**



9. Do you offer bundled pricing in the domestic market? If yes, explain how the pricing for bundled sales is determined. Explain how the costs to make and sell are considered in establishing these bundled prices for the goods. Provide copies of internal documents which support your claims in response to this question.

**No. Scaw does not offer bundled pricing.**

10. Does the volume of sales to a customer or the size of an order influence your selling price in the domestic market? If yes, advise how volume is used to determine selling prices. Explain how the costs to make and sell are considered in establishing volume based prices for the goods. Provide copies of internal documents which support your claims in response to this question.

**No.**

11. Does your organisation/business entity use sales contracts in the domestic market? If yes:

- (a) What proportion of your sales revenue would come from contracted sales versus uncontracted sales?

**[CONFIDENTIAL TEXT DELETED – explanation on the split between contract and non-contract sales]**

- (b) Do you offer exclusivity contracts? If yes, what proportion of your sales revenue would come from exclusivity contracts?

**[CONFIDENTIAL TEXT DELETED – comment on contract exclusivity]**

- (c) How frequently are sales contracts renegotiated?

**This varies from [CONFIDENTIAL TEXT DELETED – timeframe] to [CONFIDENTIAL TEXT DELETED – timeframe] depending on the customer's requirements.**

- (d) How frequently are price reviews conducted between contracts?

**Price reviews are conducted [CONFIDENTIAL TEXT DELETED – period], depending on the contract.**

- (e) Do you provide opportunities for price reviews for customers within contracts? If yes, provide a description of the process and an explanation of the circumstances that might lead to a price review.

**Please refer to the response at D-1.(b) explaining the review mechanism.**

- (f) Do changes in your costs to make and sell enable you to review prices for customers within contracts?

[CONFIDENTIAL TEXT DELETED – contractual pricing mechanism explanation]

- (g) Provide a list of the customers under contract during the investigation period and copies of the two largest contracts in terms of sales revenue. Provide a complete translation of the documents.

[CONFIDENTIAL TEXT DELETED – customer details]

12. Provide copies of any price lists for the goods used in the domestic market during the investigation period. If you do not use price lists, describe the transparency of your prices in the domestic market.

[CONFIDENTIAL TEXT DELETED – explanation about use of price lists]

13. How do you differentiate pricing for different products/models of the goods in the domestic market? Describe how your products are grouped for price differentiation and the methodology used. Describe any cost to make or selling cost differences between differentiated products. Describe how these cost differences (if any) influence pricing decisions. Provide copies of internal documents which support your claims in response to this question.

[CONFIDENTIAL TEXT DELETED – price adjustment mechanism]

14. Do you tier or segment your domestic customers for the goods in terms of pricing? If yes, provide:
- (a) a general description of how this is done;
  - (b) list the factors that influence pricing differentiation in different tiers or segments; and
  - (c) explain how cost to make and selling costs are considered in making pricing decisions for different tiers or segments.

[CONFIDENTIAL TEXT DELETED – domestic sales practices]

*Provide copies of internal documents which support your claims in response to this question.*

15. Do you sell the goods to related entities in the domestic market? If yes, describe how prices are set for related party transactions and specify what proportion of your sales in terms of sales revenue are to related party entities. If available, provide a copy of any internal document relevant to establishing pricing to related parties.

[CONFIDENTIAL TEXT DELETED – pricing mechanism]

## I-4 Marketing and sales support in the domestic market

1. How does your company market the goods in the domestic market? Include in your response the value proposition used (e.g., competitive price, superior quality, reliability, availability, etc.).

**Scaw focuses on the availability and quality of product, its competitive pricing, as well as the provision of technical support and local manufacturing.**

2. Does your company conduct brand segmentation in the domestic market for the goods? If yes, describe the brand segmentation used and provide the proportion of sales revenue derived from each brand segment.

**No. Scaw does not conduct brand segmentation.**

3. Provide examples of your domestic advertising of the goods over the past five years. If you have not used advertising provide examples of any other promotion campaigns for the goods you have conducted over the investigation period.

**Scaw provides customers with product brochures. Please see Attachment A-2.11.**

4. How many people are in your domestic market sales team and where are they located? In general terms, how are they remunerated? If they are offered performance pay based on sales, describe the performance indicators used to establish the performance pay. Provide copies of internal documents which support your claims in response to this question.

**There are [CONFIDENTIAL TEXT DELETED – staffing detail], which makes up the domestic sales team. These staff members [CONFIDENTIAL TEXT DELETED – salary basis].**

5. Describe what parameters are provided to sales staff to assist in establishing pricing for the goods when negotiating sales with customers. Provide copies of internal documents which support your claims in response to this question.

**The key consideration for pricing of the goods is [CONFIDENTIAL TEXT DELETED – pricing methodology]. Scaw provides an example of full product standing costing for the subject goods at attachment I-4.5. [CONFIDENTIAL ATTACHMENT]**

## SECTION J AUSTRALIAN MARKET

### J-1 Prevailing conditions of competition in the Australian market

1. Describe the Australian market for the goods and the prevailing conditions of competition within the market, including:

- (a) Provide an overall description of the Australian market for the goods which explains its main characteristics and trends over the past five years;

**The Australian market for the goods is heavily reliant on the demand of the Australian coal mines. It is Scaw and Haggie Reid's experience that coal production in Australia has been generally steady over the last five years. [CONFIDENTIAL TEXT DELETED – customer behaviour]]**

- (b) Provide the sources of demand for the goods in Australia, including the categories of customers, users or consumers of the product;

**As explained, coal mine customers are the primary source of demand for the goods in the Australian market. Scaw estimates that close to [CONFIDENTIAL TEXT DELETED – percentage] of the Australian customer base for the goods are coal mines, with the remainder being gold mines. Please see attachment J-1.1 for Scaw and Haggie Reid's understanding of the Australian market conditions. [CONFIDENTIAL ATTACHMENT]**

- (c) Provide an estimated proportion (%) of sales revenue from each of those sources of demand listed in (b);

**[CONFIDENTIAL TEXT DELETED – percentage] of sales of Scaw's products were supplied [CONFIDENTIAL TEXT DELETED – sales information]. Please see attachment J-1.1 for Australian market detail. [CONFIDENTIAL ATTACHMENT]**

- (d) Describe the factors that influence consumption/demand variability in Australia, such as seasonal fluctuations, factors contributing to overall market growth or decline, government regulation, and developments in technology affecting either demand or production;

**In Australia there is limited seasonal fluctuation as Australian coal mines operate all year round due to the propensity for exportation of the product.**

- (e) Describe any market segmentations in Australia; such as geographic or product segmentations;

**The coal mines are located in Queensland and New South Wales. The gold mine is located in Western Australia.**

- (f) Provide an estimated proportion of sales revenue from each of the market segments listed in (e);

**Please see Scaw and Haggie Reid's estimation in Attachment J-1.1. [CONFIDENTIAL ATTACHMENT]**

- (g) Describe the way in which Australian manufactured and other imported goods compete in the Australian market;

**Most customers request quotes or put out to tender for the required products. There are four suppliers in the Australian market, being BBRG, Haggie Reid, Usha and CAT. Scaw expects that all suppliers respond to customer quote requests, with competition based on stock availability, rope performance, site support and price. Since the imposition of anti-dumping measures, [CONFIDENTIAL TEXT DELETED – market share commentary]. Based on Haggie Reid's understanding, [CONFIDENTIAL TEXT DELETED – company name] is generally the lowest priced in the market.**

- (h) Describe the ways that the goods are marketed and distributed in the Australian market; and

**Marketing is made [CONFIDENTIAL TEXT DELETED – marketing activities]. The mine will then decide on direct individual order purchases or a contract supply.**

- (i) Describe any other factors that are relevant to characteristics or influences on the market for the goods in Australia.

**Scaw has not identified any additional factors at this time.**

*Provide documentary evidence to support the responses made to questions 1(a) to (i).*

2. Provide a diagram which describes the Australian market structure for the goods, ensuring that all the categories of participants are included. In this diagram use linkages to illustrate the different levels of trade and distribution channels within the Australian market.

**Scaw understands the Australian market suppliers are as follows.**

- **Scaw manufacture the goods from South Africa, and supply the goods via Haggie Reid directly to the end user customers.**
- **Usha manufacture the goods in India, the goods are imported by Usha Martin Australia Pty Ltd who then distribute directly to the end user customers.**
- **BBRG manufacture and distribute directly to the end user customers.**
- **CAT import from Bridon America and distribute to end user customers.**

3. Describe the commercially significant market participants in the Australian market for the goods at each level of trade over the investigation period. Include in your description:

## PUBLIC RECORD

- names of the participants;
- the level of trade for each market participant (e.g., manufacturer, reseller, original equipment manufacturer (EOM), retailer, corporate stationer, importer, etc.);
- a description of the degree of integration (either vertical or horizontal) for each market participant; and
- an estimation of the market share of each participant.

**The commercially significant market participants are BBRG, Scaw and Haggie Reid, Usha and CAT. Please see Attachment J-1.1 [CONFIDENTIAL ATTACHMENT] for further information.**

4. Identify the names of commercially significant importers in the Australian market for the goods over the investigation period and estimate their market share. Specify the country each importer imports from and their level of trade in the Australian market, if known.

**Scaw understands that Usha and CAT are the commercially significant importers in the Australian market. Please see Attachment J-1.1 for further details.**

5. Describe the regulatory framework of the Australian market for the goods as it relates to competition policy, taxation, product standards and the range of the goods. Provide a copy of any regulation described, if available.

**As far as Scaw is aware, the GUC are not subject to any special regulatory framework. The generally applicable laws concerning competition, taxation and sales contracts apply to the GUC.**

6. Describe any entry restrictions for new participants into the Australian market for the goods. Your response could include information on:

- resource ownership;
- patents and copyrights;
- licenses;
- barriers to entry;
- import restrictions; and
- government regulations(including the effect of those government regulations).

**The current anti-dumping duties are notable import restrictions affecting only Scaw.**

**Scaw and Haggie Reid understands that [CONFIDENTIAL TEXT DELETED – company name] [CONFIDENTIAL TEXT DELETED – technological barrier to entry].**

**It is also Scaw and Haggie Reid's experience that Australian customers require and prioritise suppliers with [CONFIDENTIAL TEXT DELETED – customer preferences].**

## J-2 Goods in the Australian market

1. Generally describe the range of the goods offered for sale in the Australian market. The description should include all goods under consideration including those produced by your company. Your description could include information about:

## PUBLIC RECORD

- quality differences;
- price differences;
- supply/availability differences;
- technical support differences;
- the prevalence of private labels/customer brands;
- the prevalence of generic or plain labels;
- the prevalence of premium labels; and
- product segmentation.

**Scaw understands that all current supplier participants in the Australian market supply full range of surface mining ropes. Performances and stock availabilities differs between suppliers and is dependent on customer's requirements. Ability to provide sales and service support, as well as diversity of supply chain are also key factors differentiating each suppliers and customers' demands.**

2. Describe the end uses of the goods in the Australian market from all sources.

**The end users of these products are predominantly coal mines. As explained previously, coals mines use the wire rope in excavator machines.**

3. Describe the key product attributes that influence purchasing decisions or purchaser preferences in the Australian market. Rank these preferences or purchasing influencers in order of importance.

**Generally, purchasing decisions are based on stock availability, rope performance, site support and price. [CONFIDENTIAL TEXT DELETED – customer preferences].**

4. Identify if there are any commercially significant market substitutes in the Australian market for the goods.

**There are no commercially significant market substitutes for the goods.**

5. Identify if there are any commercially significant market complements in the Australian market for the goods.

**When customers request a quote or put out to tender it will list the rope products that it requires (both goods and non-GUC). Often this will include [CONFIDENTIAL TEXT DELETED – product description]. Scaw [CONFIDENTIAL TEXT DELETED – production of product]. On the other hand, [CONFIDENTIAL TEXT DELETED – competitor production of product]**

6. Have there been any changes in market or consumer preferences in the Australian market for the goods in the last five years? If yes, provide details including any relevant research or commentary on the industry/sector that supports your response.

**There has been an ongoing move towards the use of [CONFIDENTIAL TEXT DELETED – product type].**

Scaw understand that Haggie Reid has been advised verbally by several customers that [CONFIDENTIAL TEXT DELETED – customer supply preference and requirements]

### J-3 Relationship between price and cost in Australia

1. Describe the importance of the Australian market to your company's operations. In your response describe:
  - (a) The proportion of your company's sales revenue derived from sales of the goods in Australia; and
  - (b) The proportion of your company's profit derived from sales of the goods in Australia.

Scaw has calculated the respective proportions as follows.

- a) [CONFIDENTIAL TEXT DELETED –percentage[
- b) [CONFIDENTIAL TEXT DELETED – percentage]

Please see the supporting calculation in the B-4 Upwards sales worksheet.  
[CONFIDENTIAL ATTACHMENT]

*In responding to question 1 please provide evidence supporting calculations.*

2. Is your organisation/business entity the price leader for the goods in the Australian market? If no, please explain the reasons behind your response and specify the name(s) of the price leaders.

BBRG has the largest market share and is the price leader in Australia.  
[CONFIDENTIAL TEXT DELETED – Scaw and Haggie Reid negotiation and pricing behaviour].

3. Describe the nature of your product pricing (e.g., market penetration, inventory clearance, product positioning, price taker, price maker, etc.) and your price strategies (e.g., competition-based pricing, cost-plus pricing, dynamic pricing, price skimming, value pricing, penetration pricing, bundle pricing, etc.) in Australia. If there are multiple strategies applied, please rank these by importance. If there are different strategies for different products, please specify these. Provide copies of internal documents which support the nature of your product pricing.

As explained above at B-1, Scaw and Haggie Reid [CONFIDENTIAL TEXT DELETED – pricing methodology explanation]

4. Explain the process for how the selling prices of the goods for the Australian market by your business are determined. Provide copies of internal documents which support how pricing is determined.

Please refer to the explanation at B-1 and J-3.3 above.



Haggie Reid will try to implement price variations by [CONFIDENTIAL TEXT DELETED – price adjustment factors]

5. How frequently are your Australian selling prices reviewed? Describe the process of price review and the factors that initiate and contribute to a review. Provide the names and positions of all persons involved.

[CONFIDENTIAL TEXT DELETED – pricing review mechanism]

6. Rank the following factors in terms of their influence on your pricing decisions in the Australian market, with the most important factor ranked first and the least important factor ranked last:

- Competitors' prices
- Purchase price of raw materials
- Cost to make and sell the goods
- Level of inventory
- Value of the order
- Volume of the order
- Value of forward orders
- Volume of forward orders
- Customer relationship management
- Supplier relationship management
- Desired profit
- Brand attributes
- Other [please define what this factor is in your response]

[CONFIDENTIAL TEXT DELETED – pricing factors]

7. Describe the relationship between selling price and costs to make and sell in the Australian market. Does your company maintain a desired profit margin for the goods? If not, does your company seek to maintain a desired profit margin for the goods? Provide copies of internal documents which support your response to this question.

[CONFIDENTIAL TEXT DELETED – explanation of pricing methodology]

8. Do you offer price reductions (e.g., commissions, discounts, rebates, allowances or credit notes) in the Australian market? If yes, provide a description and explain the terms and conditions that must be met by the customer to qualify. Explain how the cost to make and sell are considered in establishing these price reductions. Provide copies of internal documents which support your claims in response to this question.

[CONFIDENTIAL TEXT DELETED – explanation of pricing methodology]

9. Do you offer bundled pricing in the Australian market? If yes, explain how the pricing for bundled sales is determined. Explain how the costs to make and sell are considered in

establishing these bundled prices for the goods. Provide copies of internal documents which support your claims in response to this question.

[CONFIDENTIAL TEXT DELETED – explanation of pricing methodology]

10. Does the volume of sales to a customer or the size of an order influence the selling price? If yes, advise how volume is used to determine selling prices. Explain how the costs to make and sell are considered in establishing volume based prices for the goods. Provide copies of internal documents which support your claims in response to this question.

[CONFIDENTIAL TEXT DELETED – explanation of pricing methodology]

11. Does your organisation/business entity use sales contracts in the Australian market? If yes:
- (a) What proportion of your sales revenue would come from contracted sales versus uncontracted sales?
  - (b) Do you offer exclusivity contracts? If yes, what proportion of your sales revenue would come from exclusivity contracts?
  - (c) How frequently are sales contracts renegotiated?
  - (d) How frequently are price reviews conducted between contracts?
  - (e) Do you provide opportunities for price reviews for customers within contracts? If yes, provide a description of the process and an explanation of the circumstances that might lead to a price review.
  - (f) Do changes in your costs to make and sell enable you to review prices for customers within contracts?
  - (g) Provide a list of the customers under contract during the investigation period and copies of the two largest contracts in terms of sales revenue.

[CONFIDENTIAL TEXT DELETED – sales practices]

12. Provide copies of any price lists for the goods used in the Australian market during the investigation period. If you do not use price lists, describe the transparency of your prices in the Australian market.

Please see the response to B-1.4.

13. How do you differentiate pricing for different products/models of the goods in the Australian market? Describe how your products are grouped for price differentiation and the methodology used. Describe any cost to make or selling cost differences between differentiated products. Describe how these cost differences (if any) influence pricing

decisions. Provide copies of internal documents which support your claims in response to this question.

**Prices differ due to the different underlying costs bases and the different market circumstances for the products.**

14. Do you tier or segment your Australian customers for the goods in terms of pricing? If yes, provide:
- (a) a general description of how this is done;
  - (b) list the factors that influence pricing differentiation in different tiers or segments; and
  - (c) explain how cost to make and selling costs are considered in making pricing decisions for different tiers or segments.

**No.**

*Provide copies of internal documents which support your claims in response to this question.*

15. Do you sell the goods to related entities in Australia? If yes, describe how prices are set for related party transactions and specify what proportion of your sales in terms of sales revenue are to related party entities. If available, provide copies of any internal documents relevant to establishing pricing to related parties.

**Yes, Haggie Reid [CONFIDENTIAL TEXT DELETED – commercial arrangement].  
Please refer to the response in D-1.3.**

**There are no related end user customers in the Australian market.**

## **J-4 Marketing and sales support in the Australian market**

1. How does your company market the goods in the Australian market? Include in your response the value proposition used (e.g., competitive price, superior quality, reliability, availability, etc.).

**Please refer to our responses to similar questions at B-1 above.**

**[CONFIDENTIAL TEXT DELETED – marketing factors].**

2. Does your company conduct brand segmentation in the Australian market for the goods? If yes, describe the brand segmentation used and provide the proportion of sales revenue derived from each brand segment.

**No.**

3. Provide examples of your Australian advertising of the goods over the past five years. If you have not used advertising in Australia, provide examples of any other promotion campaigns you have conducted over the investigation period.

**[CONFIDENTIAL TEXT DELETED – advertising behaviour]**

4. How many people are in your Australian sales team and where are they located? In general terms, how are they remunerated? If they are offered performance pay based on sales, describe the performance indicators used to establish the performance pay. Provide copies of internal documents which support your claims in response to this question.

**[CONFIDENTIAL TEXT DELETED – sales practice]**

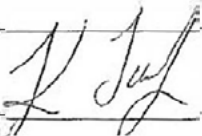
5. Describe what parameters are provided to sales staff to assist in establishing pricing for the goods when negotiating sales with customers. Provide copies of internal documents which support your claims in response to this question.

**Please refer to the responses provided at B-1.1(b) and J-3.7.**

## EXPORTER'S DECLARATION

I hereby declare that Scaw Metals (Pty) Ltd

have completed the attached questionnaire and, having made due inquiry, certify that the information contained in this submission is complete and correct to the best of my knowledge and belief.

<b>Name:</b>	Keith Taylor
<b>Signature:</b>	
<b>Position in company:</b>	Wire Rod Products Executive
<b>Date:</b>	15 March 2022

## APPENDIX

# GLOSSARY OF TERMS

This glossary is intended to provide you with a basic understanding of technical terms that appear in the questionnaire.

### Adjustments

To enable a fair comparison between the export price and the normal value Australian legislation provides for the adjustment of the domestic price paid for like goods. Adjustments are made to account for sales occurring at different times, specification differences, and differences in the terms or circumstances of the sales. The adjustment to the normal value may be upward or downward. Areas where you believe an adjustment is necessary should be identified. Section E of the questionnaire refers.

Examples of adjustments that may be made include: *sales occurring at different times*

(it is sometimes necessary to compare domestic and export sales made at different times - in these circumstances an adjustment may be made to reflect price movements during that time); *specification differences; packaging; taxes; level of trade; advertising; after sales services; inland freight; warehousing; export charges; credit terms; duty drawback; commissions.*

Adjustments may also be required where the normal value is based on costs to make and sell.

### Arms length

Sales are not considered to be at "arms length" on your domestic market if there is any consideration payable for the goods other than their price, or there is an association between the buyer and the seller which affects the price, or there will be a reimbursement, compensation or benefit for, or in respect of, the price.

### Constructed value

In cases where prices paid for like goods sold in the country of export cannot be used for the determination of normal value, i.e. when there are no or insufficient sales or where such sales were not made in the ordinary course of trade, normal value may be based on a constructed value. Constructed value is calculated on the basis of the cost of production of the goods under consideration plus a reasonable amount for selling, general and administration costs, and for profits, that are associated with sales on the domestic market of the country of export.

### Cost of production/manufacturing

The cost of production or manufacture consists of all manufacturing costs associated with the goods. It is the sum of direct materials, direct labour and factory overheads.

### Cost to make and sell

The cost to make and sell is the sum of the cost of production or manufacture, and the selling, general and administration costs associated with the sale of those goods.

### Country of origin

The country in which the last significant process in the manufacture or production of the goods was performed.

### Date of sale

The commission will normally use the invoice date as recorded in the exporter or producer's records. Another date may be used if this better reflects the material terms of sale. The questionnaire directs attention to matching data sets of domestic and export sales where some other date is used, as well as matching cost information.

### Direct labour cost

Direct labour is categorised as a variable cost, i.e. the value varies with the level of production.

### **Dumping**

Dumping occurs when the products of one country are exported to another country at a price less than their normal value.

### **Dumping margin**

Where the export price is less than the normal value the dumping margin is the amount of the difference. It can be expressed as a value or as a percentage of the export price.

### **Export price**

The export price of the goods is usually the price paid or payable to the exporter in arms length transactions, in most instances calculated at the Free on Board (FOB) level.

### **Exporting country**

The country of export is normally the country of origin from which the goods are shipped. The country of export may be an intermediate country, except where the products are merely transhipped through that country, or the products concerned are not produced in that country, and there is no comparable price in that country.

### **Factory overheads**

Factory overheads consist of variable costs e.g. power, supplies, indirect labour and fixed costs e.g. factory rent, factory insurance, factory depreciation etc.

### **Goods under consideration (the goods)**

The goods to which the application for anti-dumping action relates. That is, the goods that you have exported to Australia allegedly at dumped prices.

### **Incoterms**

The following abbreviations are commonly used (comment is provided concerning costs that are normally borne by the seller):

EXW	ex works (the seller's minimum obligation as costs relate to goods being made available at the sellers premises)
FCA	free carrier (main carriage not paid by seller. Pay costs until such time that the goods have been delivered at the named point into custody of a carrier named by the seller. Customs formalities, taxes etc. paid if required)
FAS	free alongside ship (main carriage not paid by seller. Deliver the goods alongside the ship)
FOB	free on board (main carriage not paid by seller. Deliver the goods on board, provide export clearance if required, pay loading costs to the point the goods have passed the ship's rail, pay customs formalities, taxes etc. payable upon exportation)
CFR	cost and freight (main carriage paid by seller. Pay all costs until delivered as well as freight, loading and unloading, pay customs formalities, taxes etc. payable upon exportation)
CIF	cost, insurance and freight (main carriage paid by seller. Pay all costs as under CFR as well as marine insurance)

	the terms CFR and CIF are only used where goods are carried by sea or waterway transport
CPT	carriage paid to
CIP	carriage and insurance paid to
	the terms CPT and CIP are used as alternatives to CFR and CIF where the goods are carried by air, road, rail etc.
DAF	delivered at frontier (goods carried by rail or road and cleared for export at the named place at the frontier. Pay costs until delivered at the frontier plus any discharge costs incurred to place the goods at the customer's disposal)
DES	delivered ex ship (goods made available to the buyer on board the ship uncleared for import at the named port of destination. Pay all costs incurred in placed at the disposal of the buyer, pay customs formalities, taxes etc. payable upon exportation, and where necessary for transit through another country)
DDU	delivered duty unpaid (Pay all costs for carriage to the agreed point, pay customs formalities, taxes etc. payable upon exportation, and where necessary for transit through another country)
DDP	delivered duty paid (goods made available at the named place in the country of importation – all risks and costs being incurred by the seller including duties, taxes etc. incurred upon importation)

### **The period**

A period defined by the commission over which importations of the goods are examined.

### **Like goods**

Like goods are goods sold on the domestic market of the country of export (or to a third country) that are identical in all respects to the goods or that, although not alike in all respects have characteristics closely resembling those of the goods. The term 'like goods' also refers to the goods produced by the Australian industry allegedly being injured by dumped imports.

### **Normal value**

Australian legislation sets out several ways to assess "normal value".

The preferred method is to use the price paid for like goods sold for domestic consumption in the country of export. Usually, these sales are made by you, but there may be circumstances where it is appropriate to use sales made by other sellers on the domestic market.

Sale prices must be at arms length and in the ordinary course of trade. In the absence of relevant or suitable domestic sales, the normal value may be determined by constructing a price based on all costs to make and sell the goods, and an amount for profit. Alternatively the normal value may be ascertained using the price paid for like goods sold in the ordinary course of trade at arms length to customers in a country other than Australia, however this option is rarely used.

Finally, when a normal value cannot be ascertained by any of the above methods, or if no information is provided, the commission will determine the normal value by considering all the relevant information, including the applicant's information. This allows the applicant's information to be used where sufficient information has not been furnished or is not available.

Where domestic price generally, and the trade of the exporting country are determined or substantially influenced by the government of the exporting country, an alternative/surrogate market economy is selected by the commission and the normal value is determined as if the surrogate country were the export source.



### **Ordinary course of trade**

Testing for "ordinary course of trade" includes a comparison of the selling price and the unit cost to make and sell for the same period. If sales in respect of a substantial quantity of goods over an extended period of time, usually 12 months, do not recover all costs and these losses are not likely to be recovered within a reasonable period of time, (again usually 12 months) then the sales are regarded as being not in the ordinary course of trade.

There may be circumstances where it is appropriate to use a period other than 12 months in assessing whether sales are in the ordinary course of trade.

Unprofitable sales are to be taken to have occurred in substantial quantities during an extended period where the unprofitable sales amount to 20% or more of the total volume of sales of the goods by the exporter over the period. An extended period of time is usually taken to be a period not less than 12 months. Where unprofitable sales are rejected, normal value is based upon remaining profitable sales provided they occur in sufficient number. Where all sales have been made at a loss, or profitable sales are insufficient, the normal value may be constructed from costs to make and sell.

### **Selling, general and administration expenses (SG&A)**

The selling, general and administration expenses includes all selling, distribution, general and administration expenses including finance costs that would be incurred if the goods were sold for domestic consumption in the country of export. The amounts are determined in each case using all the available information and may include expenses incurred in:

- . domestic sales of like goods;
- . sale of goods of the same general category by the exporter; or
- . sales in the industry in the country of export.

The expenses must, however, reflect the selling, general and administration costs of the goods. Administrative and selling expenses include: director's fees, management salaries and benefits, office salaries and benefits, office supplies, insurance, promotion, entertainment, depreciation and corporate overheads.