



## Continuation Inquiry 601

### Steel Reinforcing Bar exported to Australia from Greece, Indonesia, Spain, Taiwan and Thailand

#### Commission's Assessment of Importer Questionnaire Responses

The Anti-Dumping Commission (the commission) sought information from importers through an importer questionnaire to inform the Commissioner of the Anti-Dumping Commission's recommendations to the Minister for Continuation Inquiry 601 (CON 601).

The commission received importer questionnaire responses from the following entities:

- Macsteel International Australia Pty Ltd (Macsteel)
- DSI Underground Australia Pty Limited (Part A only)
- International Drilling Equipment Pty Ltd (IDE)
- GP Marketing International Pty Ltd (GPMI).

This document outlines the commission's assessment of the importer questionnaire responses.

The commission had regard to the level of detail provided by the importers in the importer questionnaire responses and assessed the information in accordance with Anti-Dumping Notice No. 2016/30.

The commission is satisfied that the information provided by Macsteel and IDE is relevant and reliable information (further information of that assessment is below).

The commission is satisfied that DSI Underground is an end user that purchases goods from other importers. Given that DSI Underground is not an importer, the commission did not request further information from DSI Underground or undertake a verification of its importer questionnaire response.

GPMI responded to certain parts of the importer questionnaire. GPMI offered to provide further information to the commission. The commission has elected not to request further information from GPMI in this instance because the commission has sufficient information in relation to source of those imports.

## MACSTEEL

### Background

Macsteel answered all questions in the importer questionnaire and completed the relevant spreadsheets. The commission selected 8 consignments of the goods during the inquiry period and Macsteel provided source documents relevant to those 8 consignments (including the sales contract, commercial invoice with the supplier, packing list, certificate of origin and commercial documents relating to the cost to import and sell (CTIS) the goods). Macsteel also provided invoices relevant to its sale of the goods to customers and copies of its financial statements.

The commission reviewed Macsteel's importer questionnaire response in conjunction with the information it provided and the commission's findings from a recently conducted verification visit to Macsteel's premises for Continuation Inquiry 594 (CON 594), hot rolled coil from Taiwan.<sup>1</sup> CON 594 shares the same inquiry period (1 January 2021 to 31 December 2021) as CON 601. Accordingly, the commission relied on aspects of the verification for CON 594 to satisfy itself that Macsteel's importer questionnaire response for CON 601 is relevant and reliable.

### Verification

The commission examined the information available and notes the following:

- Of the four exceptions from CON 594, one of those applied to CON 601 and was resolved (refer to exception 1 below)
- The commercial documents confirmed that Macsteel imports the goods from Thailand and that all imports were of the model control code (MCC) P-C-S-B-1-N
- Using the approach adopted for CON 594, the commission verified Macsteel's sales of the goods to its customers upwards to its financial statements
- The commission verified the accuracy of Macsteel's sales of the goods to its customers to source documents
- The commission verified details of the 8 selected consignments to information in the Australian Border Force (ABF) import database
- The commission verified the accuracy of all CTIS amounts to source documents
- The commission verified Macsteel's selling, general and administrative (SG&A) expenses to its financial statements (noting exception 2 below)

The commission raised the following 2 exceptions:

---

<sup>1</sup> The commission's verification report for this visit is available on its website, EPR 594 item 12.

Number	Exception	Resolution
1	Macsteel excluded indirect expenses related to depreciation and finance costs in the SG&A cost calculation.	The commission revised the SG&A costs to include these accounts, consistent with CON 594.
2	A column relating to net invoice value exclusive of GST in Macsteel's sales listing contained an incorrect calculation.	The commission corrected the calculation.

Based on the above, the commission is satisfied that Macsteel's importer questionnaire response is relevant and reliable.

The commission's assessment is at **Confidential Attachment 1**.

### The importer

The commission considers Macsteel to be the beneficial owner of the goods at the time of importation and therefore the importer of the goods, as Macsteel is:

- named on the sales contract, packing list and commercial invoice from its supplier
- named as the consignee on the bill of lading and certificate of origin
- declared as the importer on the importation declaration to ABF
- pays for all the importation charges
- arranges delivery from the port.

### The exporter

The commission considers Millcon Steel Public Company Limited (Millcon) to be the exporter of the goods<sup>2</sup>, as Millcon:

- is named on the sales contract, commercial invoice and packing lists
- is named as consignor on the bill of lading and certificate of origin
- arranges for the transport of the goods from the mill to the port of export in Thailand.

### Profitability of imports

The commission assessed the profitability for the 8 selected consignments by comparing the revenue to the CTIS for each consignment. As each selected consignment can be traced to actual sales transactions, the commission used the actual revenue for each consignment revenue to assess its profitability.

The outcome of this assessment is in the table below.

---

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

Consignment	Profitable (Y/N?)
1	Y
2	Y
3	Y
4	Y
5	Y
6	Y
7	Y
8	Y
<b>Weighted average all consignments</b>	<b>Y</b>

The commission's analysis is at **Confidential Attachment 2**.

### **Related party suppliers**

The commission did not find any evidence that Macsteel is related to Millcon.

### **Arms length**

In respect of imports of the goods to Australia by Macsteel during the inquiry period, the commission found no evidence that:

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

Therefore, subject to further inquiries, the commission is satisfied that the transactions between Macsteel and Millcon are arms length transactions.

### **Export price assessment**

The commission is of the opinion that for the goods imported by Macsteel from Thailand:

- the goods have been exported to Australia otherwise than by the importer;
- the goods have been purchased by the importer from the exporter; and
- the purchases of the goods by the importer were arms length transactions.

Subject to further inquiries, the commission recommends that the export price for the goods imported by Macsteel from Millcon be established under section 269TAB(1)(a) of the *Customs Act 1901* (the Act), using the invoiced price, less transport and other costs arising after exportation.

## IDE

### Background

IDE's business is the supply and repair of drilling and piling machinery as well as the supply of ground support systems such as soil nails, ground anchors and micro-piles using thread bar, hollow bar anchors and corrosion encapsulation plastics.

IDE answered all questions in the importer questionnaire and completed the relevant spreadsheets. The commission selected 9 consignments of the goods during the inquiry period and IDE provided source documents relevant to those consignments (including the sales contract, commercial invoice with the supplier, packing list, certificate of origin and commercial documents relating to the CTIS the goods).

IDE also provided invoices relevant to 2 sales of the goods to its customers as requested by the commission as well as tax returns, trial balances and profit and loss statements.

### Verification

The commission conducted a risk based examination of IDE's data and undertook targeted verification remotely. The commission examined the information available and notes the following:

- The commercial documents confirmed that IDE imports the goods from Thailand
- IDE imported sold some goods to its customers with the following MCCs, P-C-S-C-1-T, P-C-S-C-2-T, P-C-S-D-1-T and P-C-S-D-2-T
- IDE also further processed some goods before selling them to its customers
- The commission verified the details of the 9 selected consignments to information in the ABF import database (noting the exceptions below)
- The commission verified the accuracy of all CTIS amounts to source documents
- The commission verified the accuracy of IDE's sales of the goods to its customers to source documents

The commission raised the following 3 exceptions:

Number	Exception	Resolution
1	IDE populated the CTIS spreadsheet with the wrong interim dumping duty paid for 3 selected consignments.	The commission revised the CTIS spreadsheet to include the correct amounts.
2	IDE's sales listing incorrectly specified the MCC subcategory for length.	The commission corrected the sales listing to specify the correct MCC subcategory for length.
3	IDE's sales listing did not include a unit of measure for weight.	IDE provided an updated sales listing with the weight of each sale.

Based on the above, the commission is satisfied that IDE’s importer questionnaire response is relevant and reliable.

The commission’s assessment is at **Confidential Attachment 3**.

**The importer**

The commission considers IDE to be the beneficial owner of the goods at the time of importation and therefore the importer of the goods, as IDE is:

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

**The exporter**

The commission notes that IDE purchased the goods from BBV Systems Co., Ltd (BBV Systems), however the goods were manufactured by Millcon. The commission will make further inquiries with BBV and Millcon to determine which entity is the exporter of the goods.

**Profitability of imports**

The commission assessed the profitability for the 9 selected consignments by comparing the revenue to the CTIS for each consignment. The 9 selected consignments could not be directly traced to IDE’s sales to its customers. The commission estimated the revenue for each consignment to assess its profitability based on sales of equivalent MCCs in the same quarter.

The outcome of this assessment is in the table below.

Consignment	Profitable (Y/N?)
1	Y
2	Y
3	Y
4	Y
5	Y
6	Y
7	Y
8	Y
9	Y
<b>Weighted average all consignments</b>	<b>Y</b>

The commission’s analysis is at **Confidential Attachment 4**.

### **Related party suppliers**

The commission did not find any evidence that IDE is related to BBV or Millcon.

### **Arms length**

The commission will make further inquiries with BBV and Millcon before assessing the arms length nature of the goods imported by IDE.

### **Export price assessment**

The commission will make further inquiries with BBV and Millcon before assessing the export price of the goods imported by IDE.

## CONFIDENTIAL ATTACHMENTS

<b>Confidential Attachment 1</b>	Macsteel Assessment
<b>Confidential Attachment 2</b>	Macsteel Analysis
<b>Confidential Attachment 3</b>	IDE Assessment
<b>Confidential Attachment 4</b>	IDE Analysis
<b>Confidential Attachment 5</b>	DSI Underground and GPMI Assessment