

Exporter's Response

Case number: 605

Product: Ammonium nitrate

From: Chile, Lithuania and the Socialist Republic of Vietnam

Investigation period: 1 April 2021 to 31 March 2022 (the period)

TABLE OF CONTENTS

TABLE OF CONTENTS.....	2
CHECKLIST	3
SECTION A COMPANY INFORMATION	4
A-1 COMPANY REPRESENTATIVE AND LOCATION.....	4
A-2 COMPANY INFORMATION	4
A-3 GENERAL ACCOUNTING INFORMATION	8
A-4 FINANCIAL DOCUMENTS	9
EXPORTER'S DECLARATION.....	32

CHECKLIST

Section	Please tick if you have responded to all questions
Section A Company information	✓
Error! Not a valid result for table.	✓
Section C Exported goods & like goods	✓
Section D Domestic sales	✓
Section E Due allowance	✓
Section F Third country sales	✓
Error! Reference source not found.	✓
Section J Domestic market	✓
Section K 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 (*) (*) <i>MICCO do not have integrated production process, or source raw materials from a subsidiary.</i>	N/A
G-7.4 Raw material purchases	✓
G-8 Upwards costs	✓
G-10 Capacity Utilisation	✓

SECTION A COMPANY INFORMATION

A-1 Company representative and location

1. Please nominate a contact person within your company:

Name: **Nguyen Thuy Trang (Ms)**

Position in the company: **Sales executives of Commercial Department**

Telephone: **+84 24 38642851**

E-mail address: **thuongmai@micco.com.vn**

2. If you have appointed a representative, provide the their contact details: **None**

Name:

Address:

Telephone:

E-mail address:

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.

The financial records are held in Vinacomin-Mining Chemical Industry Holding Corporation Limited located at Phan Dinh Giot street, Phuong Liet ward, Thanh Xuan district, Hanoi city, Vietnam.

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

The production records are held in MICCO-ThaiBinh Mining Chemical Company.

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

Ammonium Nitrate Plant of MICCO-ThaiBinh Mining Chemical Company located in the Industrial zone of ThaiTho commune, Thai Thuy district, Thai Binh province, Vietnam.

A-2 Company information

1. What is the legal name of your business?

In Vietnamese: Tổng công ty Công nghiệp Hoá chất mỏ-Vinacomin (Limited company).

In English: Vinacomin-Mining Chemical Industry Holding Corporation Limited.

Abbreviation: MICCO

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

None

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

2003-2007: Industrial Explosion Material Limited Company. (IEMCO)

2007-2010: Vinacomin – Mining Chemical Industry Company Limited. (MICCO)

2010 till now: Vinacomin-Mining Chemical Industry Holding Corporation Limited (MICCO).

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

- General Director: Mr. Nguyen Van Sang (till December, 2021)

- General Director: Mr. Bui Hong Quang (from December, 2021)

- Vice General Director: Mr. Trinh Hai Cuong

- Vice General Director: Mr. Tran Van Dung

- Vice General Director: Mr. Nguyen Quoc Huy

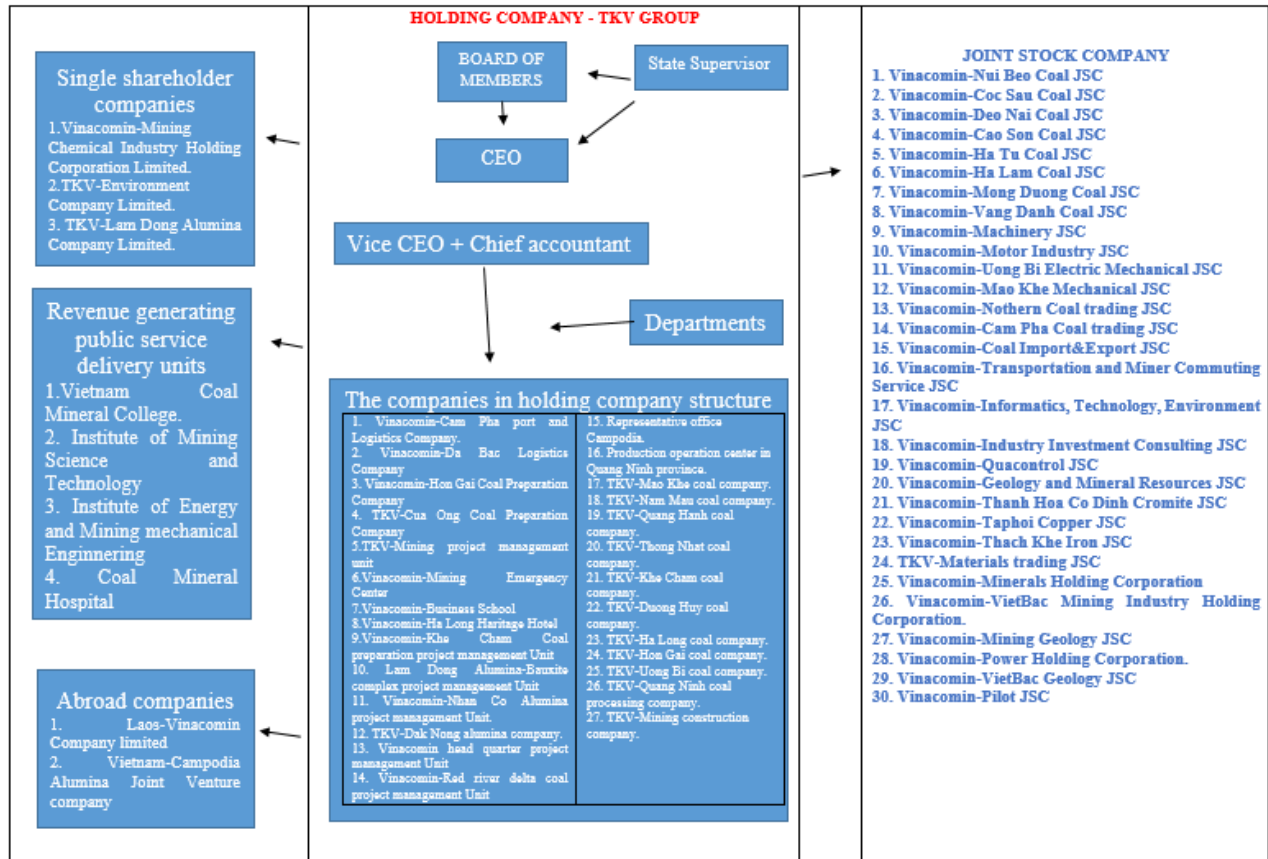
- Vice General Director: Mr. Nguyen Trung Hieu (from October, 2021)

- Vice General Director: Mr. Pham Hong Thanh (from October, 2021)

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



Business areas of VINACOMIN are:

- Coal industry: Exploration and survey, exploitation, processing, sale of coal products at domestic market, and export-import of coal products. -Mineral-metallurgical industry: Exploration and survey, exploitation, processing, and metallurgy of solid minerals: bauxite (alumina -aluminum); iron ore (producing steel ingots), copper, lead, zinc, tin, titanium, manganese, gemstones, gold, and other minerals.

- Power industry: development, operation of power plants (mainly coal-fired thermal power).

- Mining chemical industry: production, supply, export-import of various kinds of industrial explosive materials.

- Construction materials: cement, float glass, stone, and other construction materials.

- Investment construction, real estate business.

- Machinery: manufacturing of mining equipment, building and assembling of truck (up to 40 ton payload), shipbuilding.

- Services: geological exploration, survey and mapping; seaport, marine, transport; trading, tourism; scientific research and technological study; training; healthcare.

6. Is your company or parent company publically listed? **None** (MICCO is a 100% state-owned enterprise, not JSC)

OFFICIAL: Non-confidential

If yes, please provide:

- (a) The stock exchange where it is listed and
- (b) Any principle shareholders¹

If no, please provide:

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

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.

Main business:

- Producing, trading (import and export), storing/preserving, transporting, using industrial explosive materials and precursor substance of explosive, chemicals, raw material to produce industrial explosive material;
- Researching, application of science and technology breakthroughs, developing technology in production, fabrication, testing, utilizing explosive precursor substance and industrial explosive material;
- Drilling and blasting service;
- Consulting, supervising the impact of blasting;
- Investing in construction, production, purchase, sale, reserve, import and export of chemical products.
- Testing quality of industrial explosive materials, materials for producing industrial explosive materials from importing sources and domestic production
- Information, consultant, speciality profession, technical transfer from research result, production of industrial explosive materials and chemical

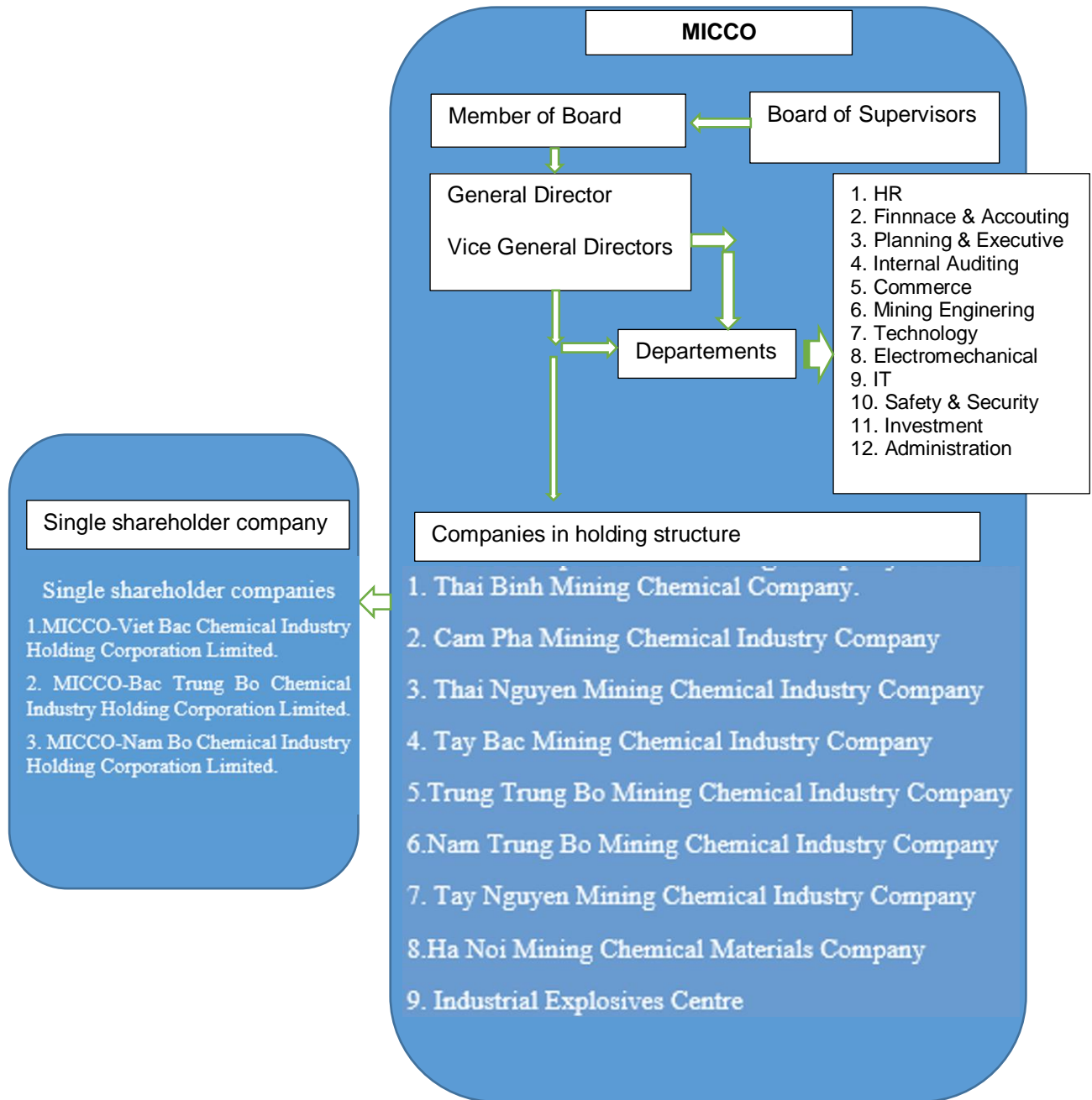
8. If your business does not perform all of the following functions in relation to the goods under consideration, then please provide names and addresses of the companies which perform each function:

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

We perform all of above functions in relation to the goods under consideration

9. Provide your company's internal organisation chart.

¹ 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.



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

- Holding company - MICCO with an executive body consisting of the Members' Council, Supervisory Board, Deputy General Directors, Chief Accountant and 12 advisory rooms with the function of advising and assisting the Members' Council. and the Corporation's Board of Directors in managing the coordination between units in the organization of production, general production and business activities of the Corporation, from the production of ammonium nitrate raw materials; manufacture of explosives; transportation and trading, supplying industrial explosives and explosive precursors to drilling and blasting services and other production and business services.

- MICCO-Thai Binh Mining Chemical Company is a unit under the parent company of the Corporation with the main business line is the production of explosive precursors Ammonium nitrate, all Ammonium Nitrate products are produced by the Company by the Corporation. company sells in the market.

- MICCO-Viet Bac Mining Chemical Industrial Company is a unit specializing in the production of explosives, importing the main raw material is Ammonium Nitrate from the Parent Company - the Corporation and producing explosives for sale to the Parent Company - Corporations supply in the market.

- MICCO Industrial Explosives Centre is a unit specializing in the research and development of explosive products, testing for explosives and producing explosive precursors sodium nitrate to be used as raw materials for Explosives Production at MICCO - Viet Bac Mining Chemical Industrial Company and export to other countries' markets.

- Cam Pha Mining Chemical Industry Company specializes in drilling and blasting services in Vietnam Coal - Mineral industry in Quang Ninh area.

- The remaining units include two subsidiaries (MICCO-Bac Trung Bo Mining Chemical Industry Company, MICCO-Nam Bo Mining Chemical Industry Company) and the remaining affiliated units are in charge of supplying and transporting explosives and precursors explosives, drilling and blasting services and other business.

11. Does your company produce brochures, pamphlets or other promotional material? If yes, please provide them. **None**

A-3 General accounting information

1. What is your financial accounting period?
From 1st January to 31st December.
2. Are your financial accounts audited? If yes, who is the auditor?
Yes. Annual financial reports are audited by a independent auditing company.
3. What currency are your accounts kept in?
Vietnam Dong (VND)
4. What is the name of your financial accounting system?
Enterprise financial accounting system
5. What is the name of your sales system?
Direct sales system
6. What is the name of your production system?
Closed production system
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 Corporation's financial accounting, sales and production systems are different and are interacted both electronically and manually.
8. Do your accounting practices differ in any way from the generally accepted accounting principles in your country? If yes, please provide details.
Accounting practice according to specific provisions of Vietnamese accounting standards and Vietnamese accounting regime, there is no difference

9. Have there been any changes to your accounting practices and/or policies over the last two years? If yes, please provide details.
Nothing changes

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.
As per attached document
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.
As per attached document

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.

Does not arise due to meeting the conditions of section 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.

None

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

As per attached documents dated from 1st January 2021 to 31st December 2021, and 1st January 2022 to 31st March 2022

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

7. Please provide your company's chart of accounts (in Excel).
As per attached document

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
 - (b) Price determination and/or negotiation process
 - (c) Order placement process
 - (d) Order fulfilment process and lead time
 - (e) Delivery terms and process
 - (f) Invoicing process
 - (g) Payment terms and process

Step 1 – Marketing activity (Survey market, seeking customer, planning, and implementation)
MICCO apply Direct Marketing strategy by using email marketing. Our employees send email to potential customers for introducing our company, our products.

MICCO has not implemented a advertising activity in respect to export to Australia.

Step 2 - Offer (goods, relevant conditions, price, payment), negotiation;
MICCO send offer for goods with delivery condition, payment condition, at a given price. Then, negotiation starts. Customer replies with price, conditions, payment as wish; After that, MICCO check and revert.

Step 3– Price determination
Selling price (Final price) is determined by Member of Board of MICCO. MICCO will inform customer with final offer.

Step 4 – Order placement, making contract
In case Customer accepts the final offer, (Purchase) Order will be issued. Then, contract will be made.

Step 5 – Export procedure fulfilment (following request from authority)
After contract is made, MICCO follow export procedures of authorities (including export permit, transport permit, and customs procedure).

Step 6 – Order fulfilment (preparation, production,& delivery)
After Order is issued, MICCO prepare for the shipment (including making packaging-bags, manufacturing goods, arranging transport and delivery). MICCO order packaging-bags from supplier; Ammonium Nitrate is manufactured in MICCO's Plant in Thai Binh province, Vietnam, and stored in Plant's magazine; Then, Goods is delivered to requested place.

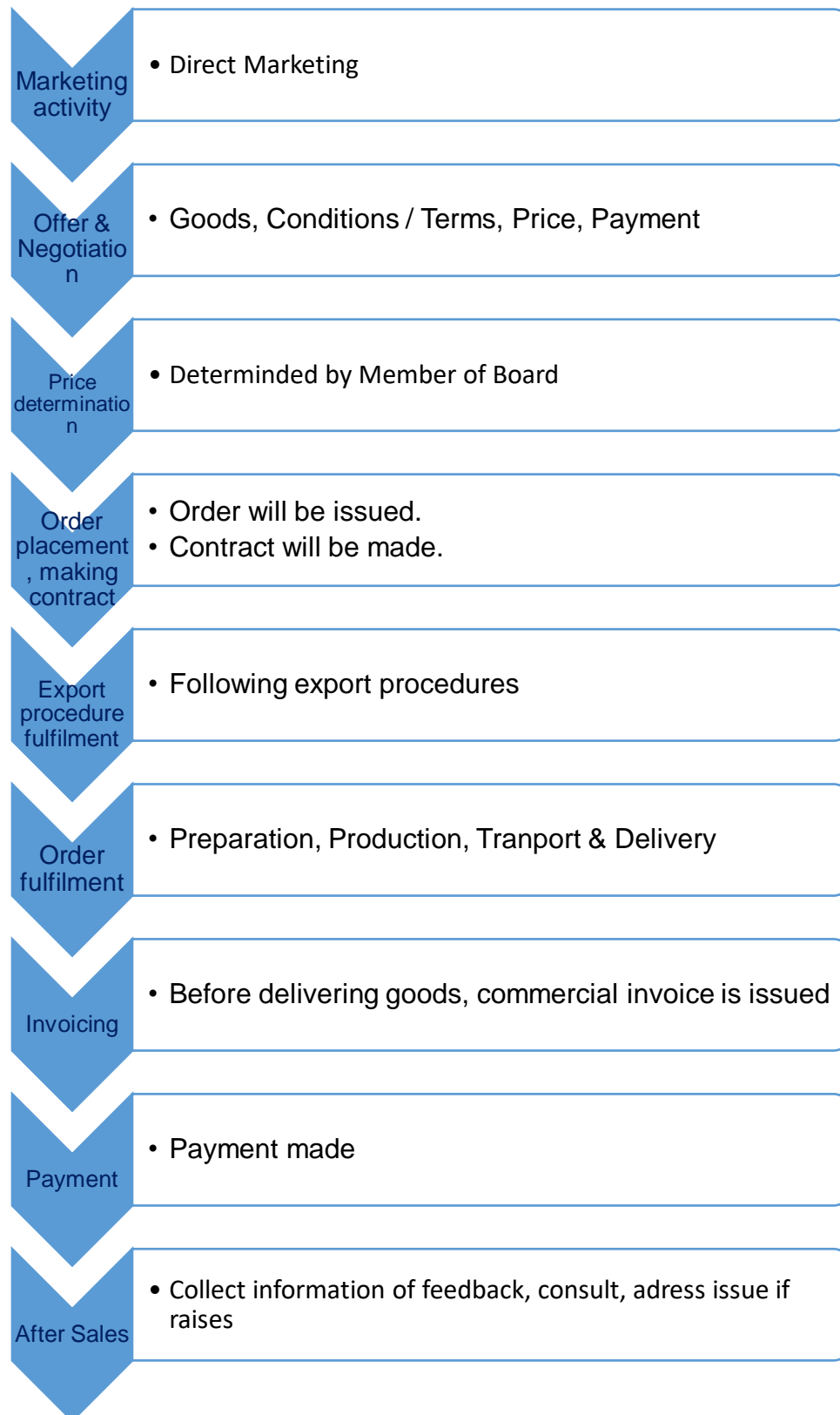
Step 7 – Invoicing
Before delivering goods, MICCO issue commercial invoice. This invoice shall be provided to customer for customs clearance and payment. MICCO's accounting system also records this.

Step 8 – Payment
As terms Parties agreed.

OFFICIAL: Non-confidential

Step 9 – After sales service

Collect information or feedback from customer, consult and address issue if raise.



EXPORT SALES DIAGRAM

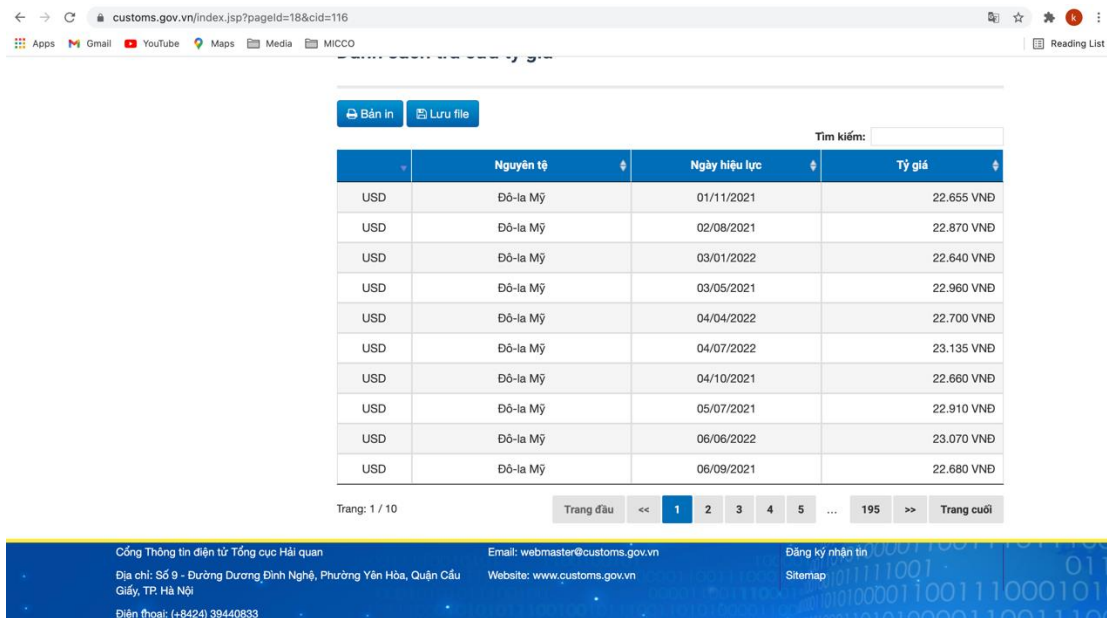
EXPORT SALES DIAGRAM

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

MICCO invoice our customer in US Dollar (USD).

- (a) Do your customers pay you into a foreign currency denominated account? If yes, provide details. **Customer pay MICCO in USD in MICCO's foreign currency dominated account.**
- (b) Do you use forward contracts to lock in the foreign exchange rate relating to the export sales? If yes, provide details. **MICCO do not use forward contract to lock in the foreign exchange rate.**
- (c) How is the exchange rate determined in your accounting system and how often is it updated?

Exchange rate is determined by General Department of Vietnam Customs; They update and announce officially the rate on their website (that can be accessed at <https://www.customs.gov.vn/>). This rate also applied automatically when exporter declares exporting goods on the customs system. The sales, revenue in local currency (VND) shall be calculated at this exchange rate.



The screenshot shows a web browser window with the URL [customs.gov.vn/index.jsp?pageld=18&cid=116](https://www.customs.gov.vn/index.jsp?pageld=18&cid=116). The page displays a table of exchange rates for USD to VND. The table has four columns: 'Nguyên tệ' (Currency), 'Ngày hiệu lực' (Effective Date), and 'Tỷ giá' (Exchange Rate). The data is as follows:

Nguyên tệ	Ngày hiệu lực	Tỷ giá
USD	01/11/2021	22.655 VND
USD	02/08/2021	22.870 VND
USD	03/01/2022	22.640 VND
USD	03/05/2021	22.960 VND
USD	04/04/2022	22.700 VND
USD	04/07/2022	23.135 VND
USD	04/10/2021	22.660 VND
USD	05/07/2021	22.910 VND
USD	06/06/2022	23.070 VND
USD	06/09/2021	22.680 VND

At the bottom of the page, there is a footer with contact information for the General Department of Vietnam Customs, including the address, phone number, email, and website.

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.

MICCO do not have customer of the goods exported to Australia related to us.

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.
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 check the worksheet B-2 and B-2.2

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)

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 the attached documents.

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.
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.
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 see the sheets attached.

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.
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.
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 see the spread-sheets attached.

SECTION C

EXPORTED GOODS & LIKE GOODS

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.

Name of goods: Porous Prill Ammonium Nitrate

Other commercial name: LDAN; Ammonium Nitrate ANFO grade

Use: for manufacturing industrial explosive

Description

- White in grain, impurities are invisible
- Chemical Formula: NH_4NO_3

Technical properties

Specification	PPAN (Porous Prill Ammonium Nitrate)
NH_4NO_3 concentration	$\geq 99.5\%$
Bulk Density (g /cm³)	$0.73 \div 0.83$
Oil Absorption (wt%)	$\geq 8\%$
Size Distribution (wt%)	$(1.0 - 2.0 \text{ mm}) \geq 95\%$
Moisture	$\leq 0.3\%$
Residue indissoluble in H_2O	$\leq 0.15\%$ (% mass)
PH (10% solution)	$4.5 \div 5.5$
Crushing strength	$96 \div 153 \text{ g/mm}^2$
Anti-caking Additive	
Nitrogen Content N (%)	

Packaging

- Bagged Production: Available in 25 kgs, 50 kgs two-ply bags (PE ply inside, PP ply outside;
- FIBC Production: Available in 850 kgs, 900 kgs, 1,000 kgs to 2,000 kgs capacities (For PPAN).
- Marking: Product name, Lot/ batch production, Date of Manufacture, Weight, Hazard Symbols.

Product Information

- Authorized Name : **Ammonium Nitrate**
- Classification : **5.1**

- UN No : 1942
- Packaging Group : III

Shelf life

- 06 months

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.

No.	MCC	Name of goods
1	L-P	Porous Prill Ammonium Nitrate
2	H-P	Coated Crystalline Prill Ammonium Nitrate

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.

a. Porous Prill Ammonium Nitrate

Other commercial name: LDAN; Ammonium Nitrate ANFO grade

Use: for manufacturing industrial explosive

Description

- White in grain, impurities are invisible
- Chemical Formula: NH_4NO_3

Technical properties

Packaging

Specification	Porous Prill Ammonium Nitrate
NH_4NO_3 concentration	$\geq 99.5\%$
Bulk Density (g /cm ³)	$0.73 \div 0.83$
Oil Absorption (wt%)	$\geq 8\%$
Size Distribution (wt%)	$(1.0 - 2.0 \text{ mm}) \geq 95\%$
Moisture	$\leq 0.3\%$
Residue indissoluble in H ₂ O	$\leq 0.15\%$ (% mass)
PH (10% solution)	$4.5 \div 5.5$
Crushing strength	$96 \div 153 \text{ g/mm}^2$

- Bagged Production: Available in 25 kgs, 50 kgs two-ply bags (PE ply inside, PP ply outside);

OFFICIAL: Non-confidential

- FIBC Production: Available in 850 kgs, 900 kgs, 1,000 kgs to 2,000 kgs capacities (For PPAN).
- Marking: Product name, Lot/ batch production, Date of Manufacture, Weight, Hazard Symbols.

Product Information

- Authorized Name : ***Ammonium Nitrate***
- Classification : ***5.1***
- UN No : ***1942***
- Packaging Group : ***III***

Shelf life

- 06 months

b. Crystalline Prill Ammonium Nitrate

Other commercial name: CPAN, Ammonium Nitrate Emulsion grade

Use: for manufacturing industrial explosive

Description

- White in grain, impurities are invisible
- Chemical Formula: NH_4NO_3

Technical properties

Specification	Crystalline Prill Ammonium Nitrate
NH_4NO_3 concentration	$\geq 99.5\%$
Bulk Density (g /cm³)	$0.8 \div 0.9$
Moisture	$\leq 0.5\%$
Residue indissoluble in H₂O	$\leq 0.15\%$ (% mass)
PH (10% solution)	$4.5 \div 5.5$

Packaging

- Bagged Production: Available in 25 kgs, 50 kgs two-ply bags (PE ply inside, PP ply outside;
- Marking: Product name, Lot/ batch production, Date of Manufacture, Weight, Hazard Symbols.

Product Information

- Authorized Name : ***Ammonium Nitrate***
- Classification : ***5.1***
- UN No : ***1942***

- Packaging Group : III

Shelf life

- 06 months

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.

No.	MCC	Name of goods
1	L-P	Porous Prill Ammonium Nitrate
2	L-P	Crystalline Prill Ammonium Nitrate

C-3 Internal product codes

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

MICCO use product codes which are generated, control, and used by a software named FAST 3.6

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.

There are four parts in each code.

- 1st part: Type of goods, materials i.e.: Explosive, Detonator...
- 2nd part: Materials for manufacturing, Fuel, Spare Parts, Groups of product...
- 3rd part: Name of equipments, name of goods. i.e.: Porous Prill Ammonium Nitrate (its key is "01"; Crystalline Prill Ammonium Nitrate (its key is "02")...
- 4th part: this key is auto-generated by the system.

- (b) Provide details on how you mapped the product or SKU codes to the MCC for the purpose of completing this questionnaire.

MICCO map each keys to the name or characteristics of MCC.

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. **Because Ammonium Nitrate is considered as precursor-explosive in Vietnam, thus, it is strictly controlled by the Government. Only customers who are license-holder have business related to AN. Therefore, we do not implement given marketing and advertising activities for this product.**
 - (b) Price determination and/or negotiation process **Unit-price of AN we are now selling to domestic clients was fixed from 2011. MICCO barter Ammonium Nitrate for finished explosive product manufactured by customers.**
 - (c) Order placement process **We sign one year contract with each customer annually.**
 - (d) Order fulfilment process and lead time **As usual (same as others).**
 - (e) Delivery terms and process. **EXW or DAP (upon negotiation). We deliver the goods to the Buyer's magazines by trucks or combination of means of transport.**
 - (f) Invoicing process **After transactions were confirmed by MICCO and customers, MICCO invoice to customer.**
 - (g) Payment terms and process. **Clearing debts**

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.

Domestic customers are NOT related to MICCO.

3. If sales are in accordance with price lists or price extras list, provide copies of these lists. **No**
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. **No**
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. **No**
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. **No**
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?

We use date of invoice as date of sale.

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.
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 check the worksheet D-2 and D-2.2

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

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 check the enclosed documents

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.
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.
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.

We completed the Worksheet B-4

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: **No**.
 - (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: **No**
 - 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? **No**.
 - (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? **No**
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: **No**.
 - (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: **No**
 - 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): **No**
 - 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?

E-2 Packaging

1. What is the packaging used for your domestic sales of like goods? **We use small bags at 25kg, 50kg and jumbo bag at 1 MT, packed in 02 layers, inner layer of polythene, and then in polypropylene woven bag.**
2. What is the packaging used for your export sales of the goods to Australia? **The packaging used for goods to Australia is Jumbo bag at 1.2 MT with 02 layers, inner layer of polythene, and then in polypropylene woven bag.**
3. If there are distinct differences in packaging between your domestic and export sales:
 - (a) Provide details of the differences
We only use AN bags at 25kg, 50kg and Jumbo bag at 1 MT for domestic. The packaging used for export to Australia is better quality.

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 products exported to Australia are packed in different sizes from the domestic goods. We do not use domestic goods to deliver to Australia.

OFFICIAL: Non-confidential

2. What are the delivery terms of the export sales of the goods to Australia?
The delivery term is FOB.
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 Inland transport was calculated by collecting all cost elements, including trucking fee (if delivered by road; badge fee (if delivered by waterway); handling fee; Port fee...
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?
Please see the worksheet B-2
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 delivery terms of the Australian sales does not include ocean freight. Delivery term of the sales was FOB Hai Phong Port, Vietnam (Incoterms 2010).
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 delivery terms of the Australian sales does not include marine insurance.
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?
The delivery terms of the Australian sales does not include delivered duty paid.

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.
We do not provide sales commissions for domestic sales of like goods and/or export sales of the goods.
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?
Rate of value-added tax (VAT) for domestic sales of the goods and like goods was 10% (Now is 8%) while VAT on export sales of goods and like goods is 0%
 - How is VAT accounted for in your records in relation to sales of the goods and like goods?
When selling goods and like goods, MICCO shall work out the VAT using the correct VAT rate as Vietnam VAT regulation; state the VAT information on invoice, invoices must include MICCO's VAT number and display the VAT separately; show the transaction in VAT account; record the amount on VAT return
 - Do you receive a VAT refund in relation to sales of the goods and/or like goods?
Yes, in given circumstance as Vietnam VAT regulation.
 - Do you receive a remission or drawback of import duties on inputs consumed in the productions of the goods or like goods?
We do not receive a remission or drawback of import duties on inputs consumed in the productions of the goods or like goods.
3. Are there any other direct selling expenses incurred by your company in relation to domestic sales of like goods? **No.**
 - These direct selling expenses must be included in the reconciliation of direct selling expenses in B-5
4. Are there any other direct selling expenses incurred by your company in relation to export sales of the goods to Australia? **No.**

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

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.

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.
Our Sales processes to any third country are not different to the sales process described in B-1.1.
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.
There is no third country customers related to our company.
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?
We use shipment date in establishing the date of sale.
 - (b) Why does this date best reflect the material terms of sale?
On that day, ownership, control of the goods is delivered to the buyer; and buyer makes payment accordingly. We also record this in our Accounting system (its name is FAST) accordingly.

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.
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 refer to worksheet F-2 AND F2.2

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.
No

SECTION G

COST TO MAKE AND SELL

G-1. Production process

Describe the production process for the goods. 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.

1.1. Process Description Nitric Acid Plant

The two main steps of the Nitric Acid production from Ammonia are performed under the different pressure, including Ammonia Combustion, Oxidation and Absorption of Nitrous Gases.

1.2. Process description Ammonium Nitrate Plant

a. AN Neutralisation

Ammonium Nitrate solution is formed by reaction of nitric acid and ammonia gas.

b. AN concentration

Before being sent to Prilling Tower, the Ammonium nitrate solution has to be concentrated.

c. AN prilling

In the prilling process the Ammonium nitrate solution is sprayed at the top of a tower; prills are formed, then can be added additives if given cases.

d. AN drying

AN prill will dried by Pre-dryer and Dryer.

e. AN cooling

Before coating and storage the product should be cooler.

f. Product coating

g. Bagging and storage

The Ammonium Nitrate from AN Plant is sent to product conveyor, then fed to bagging machines.

The Ammonium Nitrate product will be moved to storage.

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.

There is one supplier (its name is Mining Chemical Materials Hanoi company) related to our company. It is our subsidiary company. It manufactures and supplies packaging bags at 25 KG and 50 KG (these kinds of bags are not used for export to Australia). The price of these kind of bags is set by accumulation of input cost including raw materials, labour cost, and other costs.

In respect to Jumbo bag, MICCO open tender to select supplier.

G-2. Cost accounting practices

1. Is your company's cost accounting system based on actual or standard costs (budgeted)?
Our company's cost accounting based on actual 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.
No applicable
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.
We do not have different cost centres in our company's cost accounting system.
4. To what level of product specificity (models, grades etc.) does your company's cost accounting system normally record production costs?
Our company's cost accounting system normally record production costs at a specific level for each object
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
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 method of valuation for raw material, work-in-progress, and finished goods inventories is weighted average
8. What are the valuation methods for damaged or sub-standard goods generated at the various stages of production?
Valuation method for damaged or sub-standard goods generated at the various stages of production is established in the manufacturing process and determined by the percentage of damage.
9. What are the valuation methods for scrap, by products, or joint products?
Valuation methods for scrap, by products, or joint products according to market price or production cost.
10. Are any management fees/corporate allocations charged to your company by your parent or related company? If yes, provide details
No

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 review worksheet G5

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**
Direct aggregation or distribution by output
- (b) **Labour**
Distribution by output
- (c) **Manufacturing overheads**
Distribution by output

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.

There are no other models. MICCO is the only company producing Ammonium Nitrate in Vietnam

G-7 Major raw material costs

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

- **Ammonia (NH₃).**
- **Anti caking agent (External agents)**
- **Porous agent (Internal agents)**

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.

No, we do not used raw materials sourced as part of an integrated production process or from a subsidiary company.

- 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.

3. 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.

No, all suppliers in "G-7.4 Raw material purchases" listing are NOT related to MICCO.

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.
2. 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 review worksheet G-8 Upward costs.

G-9 Production of the goods under consideration

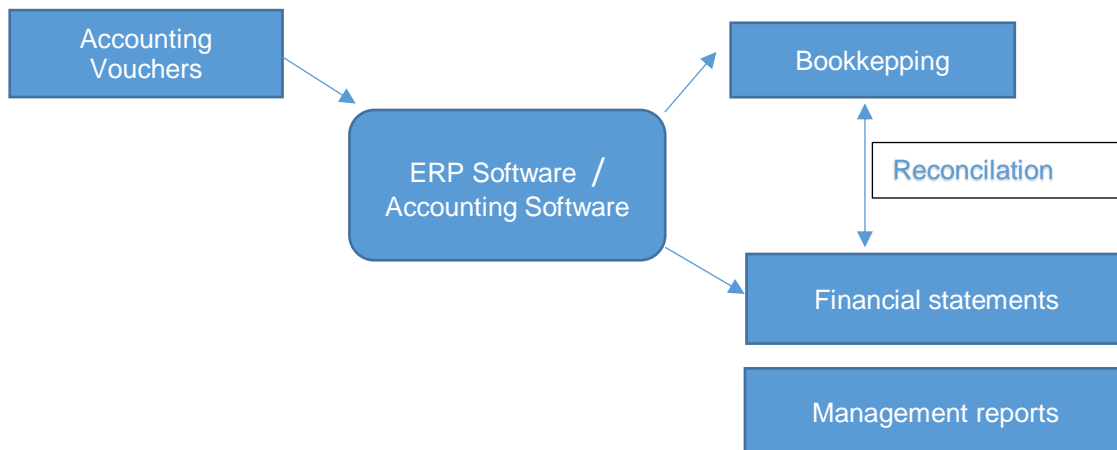
1. Describe your company’s practices for capturing the production quantities reported at worksheets “G-3 domestic CTM” and “G-5 Australian CTM”. Consider using a flowchart in answering this question. MICCO

All relevant vouchers shall be entering into ERP system. The system shall accumulate and allocate costs for defined methods.

MICCO use datas from the system (by searching for criteria) to add value to neccessary cells and calculate worksheets “G-3 domestic CTM” and “G-5 Australian CTM” as request.

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.

All transactions are recorded in our ERP system. After entering to the system, vouchers, Bookeppings are kept in either format soft-copy / data in the ERP system and hard-copy / paper as Vietnam accounting regulations.



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".
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?
Based on effective demand
5. What lead times are typically needed to adjust volumes of production for the goods?
Quarterly

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.
2. Explain how the production capacity and capacity utilisation has been calculated.
Production capacity and capacity utilisation are calculated based on Uhde's copyrighted design and effective output and market demand. MICCO's facility has a yearly output capacity of 200,000 tons.
3. Do you have warehousing facilities for the goods? If no, what do you do with excess inventory? If yes:
Yes
 - (a) What is the capacity of these facilities? **9040 tons**
 - (b) What was the monthly amount of inventory maintained during the investigation period? **5000 tons**
 - (c) What is the average period of time that inventory is retained (describe how this is calculated)?
Inventory is calculated monthly.
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.
No
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 plant starts trial operation in November, 2014 and start producing commercially in May, 2015.

Year	2017	2018	2019	2020	2021
Actual production (MT)	92,600	143,000	155,000	172,800	171,000

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.
In past five years, MICCO have not had significant investment.

OFFICIAL: Non-confidential

- resource ownership
- 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.

EXPORTER'S DECLARATION

I hereby declare that VINACOMIN MINING CHEMICAL INDUSTRY HOLDING CORPORATION LIMITED 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.

Name : Nguyễn Trung Hiếu

Signature : *Signed and stamped*

Position in

Company : Vice Managing Director

Date : 14th July, 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)
CPT	the terms CFR and CIF are only used where goods are carried by sea or waterway transport
CIP	carriage paid to carriage and insurance paid to
DAF	the terms CPT and CIP are used as alternatives to CFR and CIF where the goods are carried by air, road, rail etc. 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.