**PRODUCER / EXPORTERS QUESTIONNAIRE**

**CHINA**

**INVESTIGATION FOR DUMPING IN**

**STEEL BARS FOR PRODUCTION OF CONVENTIONAL GRINDING BALLS LESS THAN 4 INCHES IN DIAMETER, CLASSIFIED UNDER TARIFF CODE 7228.3000** **OF THE CHILEAN CUSTOM TARIFFS**

**RESPONSE DUE DATE: January 22th, 2024**

Further information: If you have any questions concerning the attached questionnaire or other issues regarding this investigation, please contact:

Claudio Sepúlveda B., Technical Secretary of the Commission

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Send the answer to:

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**INSTRUCTIONS**

1. Identify the name, address, telephone and email of the contact person who shall be responsible for the information submitted to the Technical Secretariat of the Commission.
2. This questionnaire has been sent to give you the opportunity to defend your interests within this investigation. To do that you may submit any information that you consider important for this process.
3. The answer to this questionnaire shall include all the information requested and as much details as possible. Any doubt regarding this questionnaire, please contact the Technical Secretariat of the Commission.
4. If you consider a question does not apply or if the information requested is not available, please provide a brief explanation with the reasons for that, rather than just indicating "not applicable", "no reply" or “not available”.
5. Any information provided on a confidential basis must be labeled with the word "CONFIDENTIAL" in the pages containing it. To guarantee the transparency of the investigation and to make available to all interested parties a public version of the confidential information, a public summary of the confidential information must be submitted. If the public summary is not provided the Commission may disregard such information.
6. This investigation is subject to specific deadlines, which are determined by the Chilean legislation. Consequently, it is important to receive the information required on time. To provide the requested information within the deadlines is voluntary, but it is in your own interest to comply with them because in that way the Commission can be better informed to make their recommendations.
7. The information may be presented in English. However, if it is submitted in a different language, it must be accompanied by a translation into Spanish.
8. The reply must be presented in a word processing software file (MS Word or similar) and the annexes in a spreadsheet file (MS Excel or similar). The answer to the questionnaire must be sent via email to sectec@bcentral.cl.
9. Indicate in your reply, whenever appropriate, the source of the information supplied.
10. The information submitted in this questionnaire may be verified by the Commission. In order to make easier a possible verification of the data delivered, please keep on record all support documents used in the preparation of the questionnaire response.
11. If the information requested is incompatible with your accounting system regarding the fiscal year, please make the appropriate adjustments and provide an explanation of them.
12. When the submitted data contains estimated figures rather than actual amounts, please indicate how these estimated figures were made, showing the sources used.
13. If you consider that relevant information for this investigation is not specifically requested herein, please provide such information in an annex.

**PreLIMINARY considerationS**

Investigated product:Steel bars for production of conventional grinding balls less than 4 inches in diameter, classified under tariff code 7228.3000 of the Chilean Customs Tariffs.

The period of investigation **(POI)** was set for imports made during the period August2022-October2023. Thus, considering it takes time for a product to arrive in Chile, we ask you to answer for the period **June 2022 – October 2023**, so we can be able to make fair comparisons with imports arrived in Chile during the period August2022-October 2023.

This questionnaire is organized in the following sections:

1. General information of the exporter
2. Normal value of the investigated product
3. Price of exports to Chile
4. Adjustments

Tables attached

**I. GENERAL INFORMATION OF THE EXPORTER**

 The objectives of this section are:

a) To become aware of the corporate structure of the investigated firm, its product distribution system and its accounting practices;

b) To determine the specifications of the investigated product;

c) To establish the size of the various markets where your firm sells the investigated product.

 In connection with these objectives, the following information is requested:

**I.1. Corporate structure**

i) Indicate whether your firm is a manufacturer and/or a trader of the investigated product.

ii) Provide a description of the corporate structure and the affiliations of your firm (holding, parent company, subsidiary, etc.). If the structure has changed during the POI, please describe in detail the changes undergone.

iii) Indicate whether the company or companies that sell(s) the investigated product in Chile has (have) any relationship[[1]](#footnote-1) with your firm.

**I.2. Marketing system**

i) Explain in detail the distribution channels of the investigated product in your domestic market and in Chile. If possible, include a flow chart.

ii) Indicate whether the prices and/or terms of sale are different for each category of customers (wholesaler, retailer, manufacturer, producer, etc.). If that is the case, indicate the terms of sale and prices for each of them and explain the reasons for such differentiation.

iii) Indicate the category assigned and the terms of sale granted to the company or companies which sell(s) the investigated product in Chile.

iv) In case your firm distributes the investigated product in an indirect manner, that is, through affiliated or associated companies, indicate their names and addresses and explain the kind of relationship with these companies. Also indicate whether the prices and commercial terms for these companies are different than those for non-related customers.

**I.3. Description of the investigated product**

List the technical specifications of the investigated product. Indicate if there are differences between these specifications and those related to product sold in the domestic market of the exporting country.

**I.4. Total sales by market**

Provide the amount (US dollars) and the volume (physical units) of sales to the domestic market, to third markets (by country) and to the Chilean market, of the investigated product for the period June2022-October2023. Use the table included in Annex 1.

**II. NORMAL VALUE OF THE INVESTIGATED PRODUCT**

To determine the existence of an eventual margin of dumping, a comparison is made between the normal value of the investigated product and its export price to Chile.

The normal value corresponds to the sale price of the product under investigation in the domestic market of the exporting country.

However, when such sales do not permit a proper comparison, in accordance with the provisions of Article 2.1 of the WTO Antidumping Agreement[[2]](#footnote-2), normal value may be established upon the following criterion:

Reconstruction of the normal value of the investigated product based on the cost of production in the country of origin plus a reasonable amount for administrative, selling and general costs and for profits.

 In order to implement this criterion, the following data is requested:

**II.1. Sales to domestic market.**

Provide a list of the sales of the investigated product to the domestic market for the period June2022-October2023, indicating:

i) Number and date of the corresponding invoice,

ii) Product code,

iii) Terms of payment by transaction,

iv) Value of each transaction (in US dollars), expressed at ex-factory level and according to the terms of sale[[3]](#footnote-3),

v) Volume of the transaction in physical units, and

vi) Price per physical unit (in US dollars), expressed at ex-factory level and according to the terms of sale.

 Indicate for each transaction if there is a relationship with the buyer. If the relationship exists, please inform the resale price to a first independent purchaser.

 Use the table included in Annex 2.A.

**II.1.1. Adjustments to the sales price to the domestic market**

Provide details of the adjustments made to the sales price of the product under investigation in the domestic market during the period June2022-October2023, according to the guidelines set out in section IV. Indicate, when appropriate, the delivery and selling costs in order to obtain the adjusted sales price expressed at ex-factory level.

Use the table included in Annex 2.B.

**II.2. Constructed value based on production cost in the country of origin.**

1. Provide a list with the raw materials and materials used in the manufacture of the investigated product. Please indicate the amount of inputs used per unit of the product and the average price of each input used for the product sold during the period June2022-October2023. Use the table included in Annex 2.C.
2. Break down sales price per unit of the investigated product in the domestic market into manufacturing costs, administrative, selling and general expenses and profits for the product sold during the period June2022-October2023. If you prefer it, you can break the sale prices down in a basis of shorter periods that jointly covers the whole period June2022-October2023. Use the table included in Annex 2.D. If there are no sales of the investigated product in the domestic market, break down the average export price to third markets.

**III. EXPORT PRICE TO CHILE**

Provide a list with the exports to Chile of the investigated product during the period June2022-October2023, indicating:

i) the number and date of the corresponding invoice,

ii) Date of shipment,

iii) Product code,

iv) Terms of payment by transaction,

v) the volume of the transaction in physical units, and

vi) Price per physical unit (in US dollars), expressed at ex-factory level and according to the terms of sale.

 Use the table included in Annex 3.A.

Indicate for each transaction if there is a relationship with the buyer. If the relationship exists, please complete the Annex 3.B and the Annex 3.C for each one of those transactions.

**III.1 Adjustment to the export price to Chile**

Provide details of the adjustments made to the export price to Chile of the product under investigation during the period June2022-October2023, according to the guidelines set out in section IV. Indicate, when appropriate, the delivery and selling costs in order to obtain the adjusted export price expressed at ex-factory level.

Use the table included in Annex 3.A.

**IV. ADJUSTMENTS**

 To make an accurate comparison between the normal value of the product under investigation and its export price to Chile, it may be necessary to make some adjustments in order to do such comparison at the same commercial level and with comparable prices. Usually the comparison is made at the ex-factory price level, thus selling costs must be subtracted from both the sales to the domestic market and the exports to Chile. Furthermore, to make an accurate comparison of prices it may be required to correct for physical differences as well as for specific expenses incurred by transactions in different markets.

 For each of the adjustments set out in your answer, you must provide an explanation of the concept and a justification of the adjustment made.

 Please describe in detail the method used to calculate each adjustment, specifically indicating the units of measure and conversion factors used in the period June2022-October2023. When the amount of the adjustment is obtained by any method of apportionment, explain thoroughly the method used. Provide the sources of information where you got the adjustments and its date when appropriate.

**IV.1. Selling expenses**

 Selling expenses may be deductible from the price if they have a direct relationship with the sales made to each specific market. The expenses related to fixed production costs are not deductible. Furthermore, selling expenses may be deductible just if they can be shown as accounts receivable (which excludes inventory expenses and any other financial expenses related to maintain production stocks).

 The points (i) to (viii) present a detailed explanation of the concepts to be considered:

*i) Remunerations paid to the sales staff*

 Remunerations may be deducted if they have a direct relationship with sales made to just one of the specific markets detailed above (i.e. not to the other markets). The deduction criterion applied and the reasons underlying such decision must be clearly explained.

*ii) Credit expenses*

If loans have been taken in order to finance customer purchases, specify the interest rate actually paid. On the other hand, if the company finances directly the purchases of customers, it implies a non-received income, therefore the method to quantify credit expenses must be explained as thoroughly as possible.

*iii) Expenses on guarantees granted, maintenance and technical services*

 These expenses may be deducted if repair services or consultation expenses that the company provides to the customer are included in the price of sale.

 Research and development expenses are considered as production expenses, therefore they are excluded from the adjustments.

*iv) Sales commissions*

 Sales commissions may be deducted if they are included in the price of sale. Please indicate the conditions required to grant commissions and indicate whether the commissions paid are dependent on the type of customer or the type of product.

*v) Advertising expenses*

 Only Promotion and advertising expenses specific to the product and one market are adjustable. Conversely, institutional promotion expenses (global to the firm) are not deductible.

*vi) Packing expenses.*

 If the packing regulations in the domestic market or in third countries are different from those applicable in Chile, and this affects the price of sale, indicate the applicable adjustment criteria.

*vii) Cost of credit sales*

 In case of sales made with credit facilities from the exporter, is required to know the amount of these sales, the terms of payment granted and the interest rate applied. Explain in particular the criteria used to choose the interest rate applied.

*viii) Other sales expenses.*

 Indicate any other sale expenses not included in items (*i*) to (*vii*). Do not add such expenses, but report them item by item, for each transaction.

**IV.2. Delivery expenses.**

 Indicate all delivery expenses related with the sales to the domestic market and to the Chilean market. For each of these markets inform about:

i) Cost of handling the product,

ii) Value of internal and/or external freights,

iii) Value of domestic and/or foreign insurance, and

iv) Other costs for freight of the product to the place of delivery (describe them in detail).

 Explain thoroughly the methodology to value each of the costs indicated.

**IV.3 Other adjustments**

1. *Physical differences:*

The price of sale to the domestic market shall be adjusted if the specifications of the product exported to Chile are different from the specifications of the product sold domestically. The value of the adjustment to be made shall be equal to the differences between the production costs of both products

1. *Export taxes*

An adjustment to the sales to the domestic market shall be made if sales to Chile are subject to export taxes. The value of the adjustment has to be added to the price of sale in the domestic market. Use the table included in Annex 2B.

1. *Drawback*

The remission or drawback of import charges paid on imported inputs that are consumed in the production of the exported product to Chile shall be deducted from the price of sale to the domestic market (Annex 2B).

1. *Quantity discounts:*

If a difference between the price of sale to the domestic market and Chile and the price of export to Chile is the result of a comparison in different commercial levels (wholesale / retail sales, quantity discounts, etc.), an adjustment equal to the amount of that difference shall be made to the price of sale in the domestic market.

1. *Refunds:*

Any reimbursement paid to sales made in any market shall be deducted from the price of sale in that market in order to show the definitive value of the sale.

1. *Other adjustments:*

Report and explain the reasons to make any adjustments for matters that affect the comparability of domestic and export prices, but that are not mentioned in the previous list.

1. Producers shall be deemed to be related to exporters or importers in the following cases: a) if one of them directly or indirectly controls the other; b) if both of them are directly or indirectly controlled by a third party; or c) if together they control a third party, directly or indirectly, provided that there are grounds for believing or suspecting that the effect of the relationship is such as to cause the producer concerned to behave differently from non-related producers. For the purpose of this paragraph, a person shall be deemed to control another when the former is legally or operationally in a position to exercise restrains or direction over the latter. [↑](#footnote-ref-1)
2. <https://www.wto.org/english/docs_e/legal_e/19-adp_01_e.htm>. [↑](#footnote-ref-2)
3. Report the Incoterm corresponding to the term in which the sale was made: EXW, FAS, FOB, CIF, etc. [↑](#footnote-ref-3)