

Location: Trade Remedies > Dumping > Non-Market Economy Questionnaire

QUESTIONNAIRE I

MINISTRY OF FOREIGN TRADE AND INDUSTRY ANTI-DUMPING, SUBSIDIES, & SAFEGUARD DEPARTMENT INTERNATIONAL TRADE POLICIES DEPARTMENT

REQUEST FOR INFORMATION

(INSERT: *COUNTRY NAME*)

(INSERT: *PRODUCT DESCRIPTION*)

**PERIOD OF INVESTIGATION: (INSERT: FROM *DAY/MONTH/YEAR* TO
DAY/MONTH/YEAR)**

RESPONSE DUE DATES: NME Questions (cover letter): **15** days from receipt date.
Sections A, B, C, and D: **37** days from dispatch date.

**OFFICIAL IN CHARGE: (INSERT: *NAME OF OFFICIAL IN CHARGE AND
TITLE*)**

PHONE NOS: (INSERT: *TELEPHONE NUMBER / S*)

FAX NOS: (INSERT: *FAX NUMBER / S*)

Return Questionnaire Responses to the Following Address:

Ministry of Foreign Trade and Industry
International Trade Policies Department
Extension of Ramsis Street, Nasr City
Behind Ministry of Finance Tower
Tower 6, 7th Floor. EGYPT

All replies should be submitted to the Department in *one original and 2 copies* as confidential versions accompanied by *one original and 2 copies* as non-confidential versions.

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GENERAL INSTRUCTIONS

All parties are requested to respond to section A (General Information), all exporters are required to respond to section B (Sales to Egypt), and all manufacturers are required to respond to section C (Factors of Production).

Companies are not currently required to respond to section D (Cost of Further Manufacture or Assembly Performed in Egypt). However, the Investigating Authority may request a response to this section if it determines, based on responses received to section A, that it requires the information requested in section D to account for further processing expenses incurred in Egypt.

This Non-Market Economy Questionnaire requests information for the International Trade Policies Department (“the Department” or the “Investigating Authority”) to determine whether your company has dumped the subject goods in Egypt. Dumping is the sale of goods to Egypt at prices below their normal values. If you have any questions, you can contact the official in charge named on the cover page. If, for any reason, you believe that you are unable to complete the response to the Questionnaire by the date specified on the cover page, or in the format requested, you should contact the official in charge immediately.

Your response to the Questionnaire should include all the information requested. It is essential and in your interest that the Investigating Authority receives a complete response early in the proceeding to ensure the completeness of the information provided and to analyze it before it provides all parties with a full opportunity to comment on its initial findings.

This investigation will be conducted on a schedule dictated by the WTO Anti-Dumping Agreement and the Egyptian Anti-Dumping law and its Regulation. If your company fails to provide accurate information requested within the time provided, the Investigating Authority shall base its findings on the facts available. If your company fails to cooperate with the Investigating Authority by not acting to the best of its ability to comply with the request for information, the Investigating Authority may use information that is adverse to its interest in conducting the analysis.

This Questionnaire consists of the following sections:

Section A requests information about your company’s organization and accounting practices, and general information regarding sales of the goods under investigation.

Section B requests information about the sales to the Egyptian market, including a sales list and other data necessary to calculate the price in or to the Egyptian market.

Section C requests information about the factors of production of the goods sold to Egypt.

Section D requests information about further processing in Egypt prior to delivery to unaffiliated Egyptian customers.

1. Instructions for Filing the Response

1. File your response in Cairo, Egypt at the address listed on the cover page of this Questionnaire.
2. Confidential versions of the response should be submitted on the day specified on the cover page of the Questionnaire. The non-confidential version of the response may be filed one business day after the confidential version.
3. File the original and two copies of the confidential versions of the response. Only one copy of sample printouts and electronic media containing sales files and cost files need be submitted.
4. File the original and two copies of the non-confidential version of your narrative response and attachments, including sample printouts.
5. Request confidential treatment for confidential information that you do not wish to be made publicly available. As a general rule, the Investigating Authority places all correspondence and submissions received in the course of anti-dumping proceedings in a public reading file. However, information deemed to be confidential information will not be made available to the public. If you wish to make a request for proprietary treatment for particular information, submit the request for confidential treatment no later than one business day following the submission of the confidential version of the Questionnaire response accompanied by:
 - (1) A non-confidential (public) version of your response that is in sufficient detail to permit a reasonable understanding of the information submitted on a confidential basis, and/or
 - (2) An itemization of particular information that you believe that you are unable to summarize, accompanied by a statement of the reasons why you believe this information cannot be summarized.
6. Place brackets (“[]”) around the information for which you request confidential treatment.

2. Instructions for Preparing the Response

Please strictly follow the following instructions when preparing your response:

7. Prepare your response in typed form and in English. Include an original and translated version of all pertinent portions of non-English language documents that accompany the response.
8. Repeat the question to which you are responding in your narrative submission and place your answer directly below it.
9. Include all worksheets, financial reports, and other requested documents, as appendices to your response.
10. Identify any source documents maintained in the normal course of business you have relied on in preparing your response, and specify the locations where such documents are maintained. Please include this information in an Appendix to your response. This information is used by the Department to prepare for verification, if there is to be a visit.
11. Provide a table of contents and a table of attachments. Assign a number to each attachment and include a descriptive name for each attachment and its number in the table.

SECTION A

Organization, Accounting Practices, Markets, and Goods

1. Quantity and Value of Sales

- a. State the total quantity and value of the goods under investigation that you sold during the period of investigation (“POI”) in Egypt. A chart for reporting the sales quantity and value can be found at the end of this section. Complete the chart for all subject goods produced and sold by your company.
- b. Exclude your Egyptian sales to affiliated resellers. Report instead the resales to the first unaffiliated customer.
- c. If you export goods for entry into a foreign trade zone (“FTZ”) or into a bonded warehouse in Egypt, this may affect the way we treat these sales. Please contact the official in charge to discuss the reporting requirements.

2. Separate Rates

The Department presumes that a single weighted-average dumping margin is appropriate for all exporters in an NME country. The Department may however, consider requests for separate rates from individual exporters. Individual exporters requesting a separate rate must respond to the following questions in order for the Department to consider fully the issue of separate rates.

This section requests economic, industry, and company-specific information. All companies requesting a separate rate must respond to the following questions.

Please describe and explain:

- A) Who owns your company;
- B) Who controls your company;
- C) Your company's relationship with the national, provincial, and local governments, including ministries or offices of those governments;
- D) Your company's relationship with other producers or exporters of the subject goods. Do you share any managers or owners?
 - a. Does the entity that owns or controls your company also own or control other exporters of the subject goods?
 - b. If your company is owned or controlled by a provincial or local government, please identify other producers/exporters of the subject goods in your province or locality.
 - c. Provide any legislative enactments or other formal measures by the government that centralize or decentralize control of the export activities of your company. Provide English translations of each document.
 - d. Provide copies of any business licenses held by your company and English translations of those licenses.
- E) What governmental agency or office is responsible for issuing the licenses?
- F) Describe the purpose of the licenses.
- G) Do the licenses impose any limitations on the operations of your company? Do the licenses create any entitlement for your company? Describe and explain these limitations and entitlements.
- H) Under what circumstances could the licenses be revoked, and by whom?
- I) Will these licenses need to be renewed? What actions must your company take to obtain renewal?
- J) Describe any controls on exports of the subject goods to Egypt.
- K) Do the subject goods appear on any government list regarding export provisions or export licensing? If so, why was the product included in that list?
- L) Do export quotas apply to the subject goods? If so, describe the process by which your company received its quota.

- M) Does the quota allocation process involve any government participation in the setting of export prices? Explain the quota allocation process.
- N) Are export licenses required for exports of the subject goods to Egypt? If so, explain the licensing process and describe how your company obtained its export license(s).
- O) Does the export licensing process involve any government participation in the setting of export prices?
- P) Describe how your company sets the prices of the goods it exports to Egypt. Does your company negotiate prices directly with your customers? Are these prices subject to investigation by or guidance from any governmental organization? Provide evidence of any price negotiations.
- Q) Does your company co-ordinate with other exporters in setting prices or in determining which companies will sell to which markets? What role does the Chamber of Commerce play in coordinating the export activities of your company?
- R) Describe how your company negotiates sales to Egypt of the subject goods. Who in your company has the authority to contractually bind the company to sell goods? Does any organization outside your company investigate or approve any aspect of the sales transaction (*e.g.*, the price, the product to be sold, the customer)? If so, identify the organization and explain the organization's role.
- S) Is your company, or any manager of your company, expected to achieve foreign exchange targets set by any governmental authority? If so, how are these targets determined?
- T) Describe how the management of your company is selected. If your company is required to notify any governmental authorities of who the managers are, please explain which authorities are notified and the purpose of the notification.
- U) Please identify the people who currently manage your company and explain how they were selected for these positions. Also identify the position that each held prior to assuming their current management role in your company.
- V) Are there any restrictions on the use of your company's export revenues? If so, explain when export earnings are deposited into a bank account: In whose name(s) is the account held?
- W) Who has control of the account?
- X) Who has access to the account?
- a. Explain how your company's export profits are calculated. What is the disposition of these profits and who decides how the profits will be used?
 - b. Has your company suffered a loss on export sales in the past two years? If yes, how was that loss financed? If your company obtained loans from a

bank, or attempted to obtain loans from a bank, describe the loan application process.

- c. What does your company do with the foreign currency it earns on sales of the subject goods to Egypt?
- Y) If the foreign currency earned (or some portion of it) must be sold to the government, what exchange rate is applied?
- Z) If the foreign currency earned (or some portion of it) is retained by your company, describe any restrictions on the use of that foreign currency.

The remaining questions must be answered by all companies (exporters and manufacturers), whether or not the company is requesting a separate rate.

3. Corporate Structure and Affiliations

The purpose of the questions concerning operational and legal structures and affiliations is to provide the Department with an understanding of your company and its role in the manufacture and/or sale of these goods.

- i. Provide an organization chart and description of your company's operating structure. Describe the general organization of the company and each of its operating units. For example, if product or families of products structure your operations, provide a description of each product group; if your operations are structured by function, provide a list of functional groups and the activities performed by each.

Although you may provide a general description of the structure of the company as a whole, it is particularly important that the description of those units involved in the development, manufacture, sale, and distribution of the goods being investigated be sufficiently detailed to provide the Department with a good working understanding of how these units function within the company.

- ii. Provide a list of all the manufacturing plants, sales office locations, research and development facilities, and administrative offices involved in the manufacture and sale of the subject goods operated by your company. Briefly describe the purpose of each.
- iii. Provide an organization chart and description of your company's legal structure. In addition to the chart, provide a list of all companies affiliated with your company through stock ownership. Describe also the activities of each affiliated company, with particular attention to those involved with the goods under investigation. Specify the percentage of ownership and cross-ownership among the companies listed.

4. Sales Process

The date of sale for your sales to Egypt is important to the Department's analysis. It will determine which sales and production factors are reported in response to sections B and C of this Questionnaire. Note, however, that the Department's criteria for determining date of sale may differ from those that you apply in the normal course of business. A description of the Department's criteria is included in the Glossary of Terms at Appendix I; please use these criteria in preparing your Questionnaire response. If you have difficulty deciding which date to use as the date of sale, please contact the official in charge immediately.

- a) Describe the date (*e.g.*, order date, shipment or invoice date) you have selected as the date of sale for sales to Egypt during the (POI), and explain why the date(s) selected best satisfies the Department's date of sale criteria. If you use different methods to identify the date of sale for different transactions, explain why you have done so.
- b) Explain how you determined the ultimate customer or market for the products sold through resellers. For these sales, explain whether you restrict the reseller's volume or geographic area for distribution. In addition, explain whether you provide customer lists, or make joint sales calls with the reseller, or provide post-sales support or purchase incentives to the reseller's customers. Provide written sales contracts or sales terms with these resellers.
- c) Describe your agreement(s) for sales in Egypt (*e.g.*, long-term purchase contract, short-term purchase contract, purchase order, order confirmation). Provide a copy of each type of agreement and all sales-related documentation generated in the sales process (including the purchase order, internal and external order confirmation, invoice, and shipping and export documentation) for a sample sale in the Egyptian market during the (POI).
- d) Describe the types of changes that occur after the initial agreement that affect the terms of the sale other than delivery dates. Explain how these types of changes affected your determination of date of sale.
- e) Provide the approximate percentage of sales of the goods under investigation in the Egyptian market made pursuant to each type of agreement listed in response to question 4(c) above.
- f) Provide copies of all price lists used in sales of the goods under investigation to Egypt and identify the types of sales to which these price lists pertain. Include any discount or rebate schedules used with each price list.

5. Accounting/Financial Practices

A detailed understanding of your accounting and financial practices will help the Department to ensure an accurate verification, and is necessary to analyze your reporting and allocation of costs.

- a) Describe your company's accounting and financial reporting practices, including your normal corporate accounting period.
- b) Please provide the following financial documents for the two most recently completed fiscal years plus all subsequent monthly or quarterly statements: (1) chart of accounts; (2) audited, consolidated and unconsolidated financial statements (including any footnotes and auditor's opinion); (3) internal financial statements or profit and loss reports of any kind that are prepared and maintained in the normal course of business for the goods under investigation; or, in the absence of such reports, for the product line that corresponds most closely to the definition of the goods, including those for the next largest and smallest categories of goods and for the next largest and smallest internal business unit producing or selling the goods; (4) financial statements or other relevant documents (*i.e.*, profit and loss reports) of all affiliates involved in the production or sale of the subject goods to the Egyptian market, of all affiliated suppliers to these affiliates, and of the parent(s) of these affiliates; (5) any financial statement or other financial report filed with the local or national government of the country in which your company is located.

6. Goods

The questions, which are follow, relate to the goods under investigation sold to Egypt.

- a) Provide a description of the types of goods produced and/or sold by your company. Include in the description a list (and brief description) of any products with a similar production process to the goods under investigation.
- b) Provide a key to your product codes assigned to the goods in the normal course of business, including an explanation of the full range of prefixes, suffixes, or other notations that identify special features. Explain whether identical products are listed under different codes depending on whether the product is destined for the Egyptian market or another market. If so, provide a list showing how identical products are identified by product codes.
- c) Provide all catalogs and brochures issued by your company and affiliates that include the goods under investigation sold by your company to Egypt.

7. Further Manufacturing in Egypt

This section of the Questionnaire concerns subject goods exported to Egypt and changed in value or physical condition ("further manufactured") prior to delivery to the first unaffiliated customer in Egypt.

Provide the following information with respect of the goods that are further manufactured in Egypt.

- i. Provide a list and description of the products sold to unaffiliated customers during the (POI) that were produced from or contain subject goods. For each such product sold, identify the particular subject goods used to produce that final product.
- ii. Provide the weighted-average net price for the (POI) charged to the affiliated importer for each product included in the investigation that has been further manufactured and the weighted-average net price for the (POI) charged the unaffiliated Egyptian customers for each further manufactured final product. Report this data in a format that will permit the Department to compare the transfer prices of the imported goods to the price of the final product sold in the Egyptian market. The Department suggests that for each further manufactured product sold during the (POI), you list the product code and name of the subject goods included in that product, the net unit transfer price charged the affiliated importer, the amount of the subject goods consumed in the production of the further manufactured product, and the total value of the consumed subject goods (unit transfer price multiplied by the number of units consumed in production).

8. Exports Through Intermediate Countries

If you are aware that any of the goods you sold to third countries were ultimately shipped to Egypt, please contact the official in charge within two weeks of the receipt of this Questionnaire.

9. Sales of Goods Supplied by an Unaffiliated Producer

Please respond to this section of the Questionnaire if neither your company nor an affiliate produced the goods being investigated which you sold to Egypt.

- a) Provide the names, addresses, and facsimile numbers of those companies that supplied you with the goods under investigation that your company or an affiliate sold to Egypt.
- b) State whether the supplier of the goods being investigated knew or had reason to know the ultimate destination of any goods purchased by your company at the time of sale. For example, did you request that the supplier ship the goods directly to Egypt; was the destination apparent from the product codes or other markings, were there product characteristics or features typical of the Egyptian market? Was there an explicit or implicit understanding giving permission to or responsibility for exporting to Egypt, or restricting, discouraging, or prohibiting sales in the home market or elsewhere? Does the supplier have the right to investigate your sales records? Does the supplier provide after-sales service in Egypt, participate in Egyptian sales calls or activities, or provide sales incentives to your customers?

- c) State the currency in which your purchases from the supplier were transacted and paid.

10. Exports Through Trading Companies in Your Country

If you are aware that any of the goods that you sold to another company in your country were ultimately shipped to Egypt, or at the time of sale were intended to be shipped to Egypt, please contact the official in charge within two weeks of receipt of this Questionnaire.

FORMAT FOR REPORTING QUANTITY AND VALUE OF SALES

Market	Unit of Measure	Total Quantity	Terms of Sale	Total Value
Egypt				
1.Export Price				
2. Constructed Export Price				
3. Further Manufactured				
Total				

Values should be expressed in U.S. dollars. Indicate any exchange rates used and their respective dates and sources.

To the extent possible, sales values should be reported based on the same terms (*e.g.*, *CIF*, *FOB*).

List the unit of measure (*e.g.*, metric ton) of the quantity reported.

SECTION B

Sales to Egypt

I. General Explanation of Section B

This section of the Questionnaire provides instructions for reporting your sales of the subject goods in or to Egypt. The Department will compare the prices at which these goods were sold in or to Egypt with a constructed value using the factors of production to determine whether the subject goods were sold at less than normal value in your domestic market during the (POI).

If your company did not produce these subject goods, you must send section C to the company that produces the subject goods and supplies them to you or to your customers.

II. Market Economy Inputs

List the movement expenses (ocean freight, marine insurance, trucking, etc.) that your company purchased from a market-economy supplier and paid for in a market-economy currency during the (POI). For each movement expense, please report the price you actually paid for a specified quantity of inputs. For these prices, please provide the following information:

- i. From which market-economy country did you purchase the goods and in what currency did you pay?
- ii. If you purchased a service from a market-economy supplier, is the price you paid based on the weight or on the value of your product (*e.g.*, the charge for marine insurance is usually based on the value of your shipment, while the charge for ocean freight is usually based on the weight of your shipment).
- iii. Provide all details of the transaction, including the name of the supplier, the source country, terms of payment and any other arrangements you have made.
- iv. Detail the percentage you purchased from a market-economy country and the percentage you purchased from a nonmarket-economy supplier.

Instructions for the Narrative Response and the Computer File of Sales to Egypt

Complete Product Code

DESCRIPTION: Report the commercial product code assigned by your company in the normal course of business to the specific product sold to Egypt.

If the product sold is further manufactured in Egypt, report the product code of the product sold, not the product imported.

NARRATIVE: The product code should be described in response to question 6ii in section A of this Questionnaire.

Matching Control Number (CONNUM)

DESCRIPTION: Assign a CONNUM to each unique product reported in the section B sales data file. Identical products should be assigned the same CONNUM in each record in every file in which the product is referenced.

If the product sold is further manufactured in Egypt, report the CONNUM of the product imported, not the product sold.

Sale Type

DESCRIPTION: Identify the sale as either “EP” (export price) or “CEP” (constructed export price).

Customer Code

DESCRIPTION: Report the name of the customer or the internal accounting code designating the customer.

NARRATIVE: Provide a list of customer names and codes as an attachment to your narrative response.

Date of Sale

DESCRIPTION: Report the calendar “date of sale” as defined in the Glossary of Terms at Appendix I and described in your response to section A question 4 (Sales Process). If the event used to establish the date of sale varies by transaction (*e.g.*, order date for some transactions and invoice date for other transactions), create a separate field to identify the event used to establish the date of sale for each transaction in the file. If you are reporting sales using Lotus, please use a Lotus-compatible date. If you are reporting sales using a sales tape, use a numeric code or abbreviation to designate the event (*e.g.*, 1 or ORD=order date) and include a key to the code in your narrative response.

Positions 1 – 4 = Year
Positions 5&6 = Month
Positions 7&8 = Day

Sale Invoice Number

DESCRIPTION: Report the reference number assigned to the invoice in your accounting system.

NARRATIVE: Describe the invoice numbering system used by each sales entity that originated a sale reported in this data file. Is it simply a sequential number or is additional information included in the code, such as point of sale? If additional information is contained in the code, provide a key describing each component of the code.

Sale Invoice Date

DESCRIPTION: See Date of Sale for directions on reporting dates.

Date of Shipment

DESCRIPTION: Report the date of shipment from the factory or distribution warehouse to the customer.

Terms of Delivery

DESCRIPTION: 1 = Delivered
2 = FOB
3 = n Specify other delivery terms as required.

NARRATIVE: Describe the terms of delivery offered and indicate the code used for each. The codes for delivery terms listed above are examples only. You may not use them.

Quantity

DESCRIPTION: Report the sale quantity for this transaction. In general, this quantity will be the quantity of the specific shipment or invoice line, net of returns where possible. For sales that have not been fully shipped/invoiced at the time the data for this section is prepared, report the quantity of the sale not yet shipped (total quantity sold less the quantity shipped and invoiced to date and reported in this file in separate records).

For example, assume the date of sale is the date of the customer's order. In the last month of the (POI) a customer orders 100 tons to be shipped in 5 lots of 20 tons each one every 30 days. At the time of preparation of your Questionnaire response, 3 of the 5 shipments have been made and an invoice sent for each shipment to the customer.

The file you submit to the Department should contain 4 records: one record for each shipment and invoice of the 3 shipments and a fourth record for the unshipped amount of 40 tons. For the record containing the unshipped 40 tons, complete the adjustment fields based on estimates.

NARRATIVE: Explain how returns, if you permit them, affect your sales reported in the general ledger and sales ledger.

Quantity Unit of Measure

DESCRIPTION: Report all sales in this file in the same unit of measure. Use an abbreviation or code to indicate the unit of measure.

1 or MT = metric tons.
2 or KG = kilograms
3-n Specify as needed

NARRATIVE: Provide a table of the units of measure and abbreviations or codes used.

Gross Unit Price

DESCRIPTION: Report the unit price recorded on the invoice for sales shipped and invoiced in whole or in part. To report portions of sales not yet shipped, provide the agreed unit sale price for the quantity that will be shipped to complete the order. This value should be the gross price for a single unit of measure. Discounts and rebates should be reported separately.

Discounts

DESCRIPTION: Report the unit value of discounts granted to the customer. Create a separate field for reporting each discount granted.

NARRATIVE: Explain your policy and practice for granting each discount. Describe each type of discount granted and the basis for eligibility for such discount. If discounts vary, explain why. Explain how you calculated each additional per-unit discount. Where available, provide sample documentation, including sample agreements, for each type of discounts.

Rebates

DESCRIPTION: Report the unit value of each rebate given to the customer. Create a separate field for reporting each rebate granted. Rebates should be reported with the sales to which they apply.

NARRATIVE: Explain your policy and practice for granting rebates and describe each type of rebates granted. If rebates vary, explain why. For rebates that have not yet been paid, describe how you computed the amount to be rebated. Include your worksheets as an attachment to your response. Where available, provide documentation, including sample agreements, for each type of rebates.

Transport Activities

Report the information requested concerning activities undertaken to bring the goods from the place of manufacture to the customer's place of delivery (if F.O.B., *e.g.*, from factory to port in country of manufacture or if C.I.F., from factory to delivery port in Egypt). You may add fields, if needed. For goods which were sold during the (POI) but which have not been shipped at the time of preparation of the response, report estimated amounts and your basis for these estimates.

The fields listed below anticipate the types of transport activities commonly incurred on international shipments. However, it is not uncommon for certain of these transport expenses to be combined in a single fee paid a transport company (*e.g.*, combined ocean transport and Egyptian internal transport to the customer's place of delivery). If amounts are combined, do not attempt to separate them but report them in a single field and explain in your narrative response.

Inland Freight – Plant to Distribution Warehouse

DESCRIPTION: Report the distance in kilometers from the factory to the distribution warehouse (or other intermediate location).

NARRATIVE: Describe the transport you used to deliver the goods to your distribution warehouse(s) or other intermediate location. Also describe your distribution warehousing for all markets.

Inland Freight – Plant/Warehouse to Port of Exit

DESCRIPTION: Report the distance in kilometers from the plant or distribution warehouse (or other intermediate location) to the port of exit.

NARRATIVE: Describe the transport you used to deliver the goods to port of exit in the country of manufacture.

Domestic Inland Insurance

DESCRIPTION: Report "Yes" if you incurred any inland insurance on shipments from the factory or distribution warehouse (or other intermediate location) to the domestic port of exit in the country of manufacture. Otherwise, report "No."

Brokerage and Handling

DESCRIPTION: Report "Yes" if you incurred any brokerage or handling charges for each sale to Egypt. Otherwise, report "No."

International Freight

DESCRIPTION: Report "Yes" if you incurred international freight expenses on shipments to Egypt by a nonmarket-economy carrier. If so, for each sale report the port of exportation and the Egyptian port of importation. If market-economy companies shipped goods and charges were incurred in a market-economy

currency, report the unit cost of ocean freight or airfreight incurred on shipments from the port of exit in the country of manufacture to the Egyptian port of entry, as appropriate. If you did not incur international freight expenses, report “No.”

NARRATIVE: If goods were shipped by market-economy companies and charges were incurred in a market-economy currency, describe how you calculated the unit cost of ocean freight and include your worksheets as attachments to the narrative response.

Marine Insurance

DESCRIPTION: Report “Yes” if marine insurance was provided by a nonmarket-economy insurer for your shipments to Egypt. If the insurance was purchased from a market-economy supplier and paid for in market-economy currency, report the unit cost of marine insurance incurred on shipments from the port of exit in the country of manufacture to the Egyptian port of entry.

NARRATIVE: If the insurance was purchased from a market-economy supplier and paid for in market-economy currency, describe how you calculated the unit cost of marine insurance and include your worksheets as attachments to the narrative response.

Egyptian Freight from Port to Warehouse

DESCRIPTION: For CEP sales, report the unit cost of any freight incurred on shipments from the Egyptian port of entry to the affiliated reseller’s Egyptian warehouse or other intermediate location. For EP sales, report the unit cost of freight from the port of entry to an intermediate location.

NARRATIVE: Describe how you calculated the unit cost of inland freight in Egypt and include your worksheets as attachments to the narrative response.

Egyptian Inland Freight from Warehouse to the Unaffiliated Customer

DESCRIPTION: For CEP sales, report the unit cost of freight incurred on shipments from the affiliated Egyptian reseller to the Egyptian unaffiliated customer. For EP sales, report the unit cost of freight to the customer from the port of entry or an intermediate location.

NARRATIVE: Describe how you calculated the unit cost of freight from the warehouse or other intermediate location and include your worksheets as attachments to the narrative response.

Egyptian Inland Insurance

DESCRIPTION: Report the unit cost of inland insurance incurred on shipments within Egypt.

NARRATIVE: Describe how you calculated the unit cost of Egyptian inland insurance and include your worksheets as attachments to the narrative response.

Other Egyptian Transportation Expense

DESCRIPTION: Report the unit cost of any additional transportation expense incurred in Egypt.

NARRATIVE: Describe the expense and how you calculated the unit cost. Include your worksheets as attachments to the narrative response.

Egyptian Customs Duty

DESCRIPTION: If terms of sale included this charge, report the unit amount of any customs duty paid on the subject goods. Include in the unit cost the Egyptian customs processing fee and the Egyptian harbor maintenance fee.

NARRATIVE: Describe how you calculated the unit cost of Egyptian customs duties and customs fees, and include your worksheets as attachments to the narrative response.

Destination

DESCRIPTION: Report the Egyptian postal ZIP code of the customer's place of delivery.

Packing Materials

DESCRIPTION: Report in separate fields each type of packing material and the quantity used to pack a unit of the subject goods for export to Egypt.

NARRATIVE: Describe the method used to pack the subject goods for shipment to Egypt. Provide any worksheets showing how packing materials are allocated.

Unskilled Packing Labor

DESCRIPTION: Report the unskilled labor hours necessary for packing a unit of the subject goods for export to Egypt.

NARRATIVE: Describe the allocation of packing labor hours to the shipments of subject goods. Also, describe how you determined that the reported labor was unskilled.

Skilled Packing Labor

DESCRIPTION: Report the skilled labor hours necessary for packing a unit of the subject goods for export to Egypt.

NARRATIVE: Describe the allocation of packing labor hours to the shipments of subject goods. Also, describe how you determined that the reported labor was skilled.

Egyptian Repacking Cost

DESCRIPTION: If the product is repacked in Egypt, report the unit cost of any repacking in Egypt. Include the cost of labor, materials, and overhead.

NARRATIVE: Describe any repacking that occurred in Egypt. For each type of packing, provide a worksheet that demonstrates the calculation of packing material, labor, and overhead for a single unit.

The worksheets should include a list of packing materials, the average cost of each material, and how much of each material was used. In addition, report the average labor hours by packing type and the average labor cost per hour including benefits. Include also a list of overhead expenses incurred in packing and demonstrate how these expenses were allocated to each packing type.

Further Manufacturing

DESCRIPTION: If you are required to report the cost of further manufacturing performed in Egypt, record the unit cost in this field. This value is the total unit cost reported in the data file prepared in response to Questionnaire Section D – Cost of Further Manufacturing Performed in Egypt.

If you have incurred further manufacturing costs in Egypt but are not required to report the cost, record the code “FM” in this field for each sale of a further manufactured product. Leave the field blank for sales of products that have not been further manufactured.

NARRATIVE: If you further manufacture subject goods in Egypt, please contact the official in charge immediately. You may be required to respond to Section E of this Questionnaire. No additional narrative description is required for this field. Refer to Section A question 7.

Foreign Trade Zone

DESCRIPTION: Identify all sales of goods shipped into foreign trade zones in Egypt by recording the code “FTZ” in this field. If you shipped the subject goods

to an affiliate in an FTZ that further processed the goods into products not within the description of covered goods in Appendix III prior to entry into Egyptian customs territory, separately identify these transactions with the code “FTZA.”

For goods that were not shipped into FTZs or were entered for consumption prior to admission to an FTZ, leave this field blank.

NARRATIVE: Explain the circumstances that pertained to FTZ transactions. State whether you, your Egyptian affiliate, or an unaffiliated firm entered (or may have entered) the goods into the Customs territory of Egypt.

Manufacturer

DESCRIPTION: If you have sold the subject goods produced by more than one manufacturer, identify the manufacturer in each record by the use of a code. If the manufacturer is unknown, identify your supplier.

NARRATIVE: If you are not the manufacturer, report the manufacturer of the goods in your narrative response and provide a key to the code.

Other Revenues and Expenses

If there are additional revenues or expenses that are not reported above, create a field for each in the computer file, describe the revenue or expense in your narrative response, and include all calculation worksheets as attachments to your narrative response.

SECTION C

Factors of Production Questionnaire

I. General Explanation of Section C

This section of the anti-dumping Questionnaire instructs you on how to report the factors of production (“factors”) of the subject goods. Please refer to the cover letter to determine your reporting requirements.

A. Factors of Production

Factors of production are used to construct the value of the product sold by your company in Egypt. The Department will use the input amounts you report, along with the appropriate price from the chosen surrogate country, to construct the normal value of the subject goods sold by your company to the Egyptian market. Surrogate values for overhead, selling, general and administrative (“SG&A”) expenses and profit will also be added. Unless otherwise instructed by the Department, you should report factors information for all models or product types in the Egyptian market sales listing submitted by you (or the

exporter) in response to Section C of this Questionnaire. The reported amounts should reflect the factors of production used to produce one unit of the subject goods.

If you have any questions regarding how to compute the factors of the subject goods, please contact the official in charge before preparing your response to this section of the Questionnaire.

B. Reporting Period for Factors of Production

Calculate the per-unit factor amounts based on the actual inputs used by your company during the POR as recorded in your normal accounting system. If your company's fiscal year ended within three months of the end of the (POI), however, you may contact the official in charge to determine whether you can report factors based on your company's last two quarters. If you have any questions regarding the appropriate calculation period, please contact the official in charge before preparing your response to this section of the Questionnaire.

C. Calculating Weighted-Average Factors of Production

If you produce the subject goods at more than one facility, you must report the factor use at each location. You must also report the output of the subject goods at the various facilities during the (POI).

D. Reporting Requirements

If your company did not produce the subject goods, we request that this section be immediately forwarded to the company that produced the subject goods and supplied it to you or to your customers.

II. **Production Process and Products**

The information requested below is necessary for the Department to understand your products and production processes. We therefore ask that you provide complete and detailed narrative responses to each of the items listed below.

A. Production Process

The following questions will provide information on your company's production process.

1. Please specify whether you produce all of the subject goods on site. List the plants where the subject goods are produced.
2. Provide a detailed description of the production process utilized for the production of the subject goods. The description of the process should include, but not be limited to:

- a. A diagram of the process.
- b. A technical description of each stage of the process.

For each stage of the process you must indicate the material inputs, the processing time, the types of equipment used, the number of people involved in the process, and any subsidiary products generated as a result of the production of the subject goods.

B. Products

1. Report the total quantity of the subject goods produced in each factory during the (POI).
2. List the products your company produces. Identify all products manufactured using the same production facilities as the subject goods.

III. Market-Economy Inputs

List the inputs that your company purchased from a market-economy supplier and paid for in a market-economy currency during the (POI). For raw material inputs and packing materials, please report the price you actually paid for a specified quantity of inputs. If you used a service (*e.g.*, trucking) from a market-economy supplier, and paid market-economy currency, please report the price you actually paid for the service. For these prices, please provide the following information:

- i. From which market-economy country did you purchase the good and in what currency did you pay?
- ii. Provide all details of the transaction, including the name of the supplier, your relationship with that supplier, the source country, terms of payment, and any other arrangements you have made.
- iii. Detail the percentage you purchased from a market-economy country and the percentage you purchased from a nonmarket-economy supplier.

Matching Control Number

DESCRIPTION: Report the unique control number assigned to the model in the Egyptian sales file in Section B of this Questionnaire. Unless otherwise instructed by the Department, you should ensure that your factors computer file contains a separate record for each unique product control number contained in your Egyptian sales file.

The following should contain information regarding the specific factors used to produce the subject goods. Before calculating, choose a unit of measure for which you will calculate the factors (*e.g.*, calculate factors based on the production of one metric ton of the subject goods or based on the production of one item of the

subject goods). If you receive any of the inputs used in your production process for free, you must include the amount of that input used. If your company manufactured the subject goods at more than one facility, separately report the amount produced in each facility. In addition, you must provide a narrative description detailing how you computed the weighted-average factors figures.

Raw Materials Amounts

DESCRIPTION: Report the raw materials used to produce a unit of the subject goods. These amounts should be reported on a per-unit basis (*e.g.*, per metric ton, per unit of goods, etc.).

NARRATIVE: Describe the method used to calculate the reported amounts. If any raw material amounts are reduced because of recycled scrap, provide the names of those inputs and the reduction made. Also, on a separate sheet, please detail the means of transport and the distance each material traveled from the supplier to your factory. If you have multiple suppliers, please provide the distance from each supplier to your factory, and the percentage amount purchased from each supplier. Describe each type and grade of material used in the production process.

Unskilled Labor Hours

DESCRIPTION: Report the unskilled labor hours required to produce a unit of the subject goods. Note that these should be the actual labor hours worked, not standard labor times. Unskilled labor should include all unskilled production workers, inspection/testing workers, relief workers, and any other unskilled workers directly involved in producing the goods. In addition, your reported unskilled labor hours should include the hours worked by any contract labor hired by your company to assist in the production of the goods.

NARRATIVE: Describe the allocation of actual labor hours to the production of subject goods. Also, describe the labor you classified as unskilled.

Skilled Labor Hours

DESCRIPTION: Report the skilled labor hours required to produce a unit of the subject goods. Skilled labor includes supervisors, senior engineers, technicians, quality control, etc. Skilled labor should include all skilled production workers, inspection/testing workers, relief workers, and any skilled other workers directly involved in producing the goods and not reported as unskilled labor. In addition, your reported skilled labor hours should include the hours worked by any contract labor hired by your company to assist in the production of the goods.

NARRATIVE: Describe the allocation of actual labor hours to the production of subject goods. Also, describe how you determined that labor was skilled.

Indirect Labor Hours

DESCRIPTION: Report the indirect labor hours required to produce a unit of the subject goods. Indirect labor includes all workers not previously reported who are indirectly involved in the production of the subject goods.

NARRATIVE: Describe the allocation of indirect labor hours to the production of subject goods. Also, describe how you determined that labor was indirect. Report any other labor that you have not included.

Energy

DESCRIPTION: Report the energy used to produce one unit of the subject goods. If you used a fuel to generate electricity, please report the fuel actually used.

NARRATIVE: Discuss how you calculated the reported energy usage and provide supporting worksheets. Also, please discuss your use of energy. How important is energy in your production process? Also, if the energy is transported to your factory, please report the distance it travels. Please report any additional expenses (besides its transportation) you incur in acquiring any energy input.

Byproducts or Co-Products

DESCRIPTION: Please report the amount of byproducts or co-products produced per unit of subject goods. Please report each co- or by-product in separate columns. Identify only those co- or by-products that do not re-enter the production process.

Packing Materials

DESCRIPTION: Report in separate columns each type of packing material and the quantity used to pack a unit of the subject goods for export to Egypt.

NARRATIVE: Describe the method used to pack the subject goods for shipment to Egypt.

Unskilled Packing Labor

DESCRIPTION: Report in separate columns the unskilled labor hours necessary for packing a unit of the subject goods for export to Egypt.

NARRATIVE: Describe the allocation of packing labor hours to the production of subject goods. Also, describe how you determined that the reported labor was unskilled.

Skilled Packing Labor

DESCRIPTION: Report in separate columns the skilled labor hours necessary for packing a unit of the subject goods for export to Egypt.

NARRATIVE: Describe the allocation of packing labor hours to the production of subject goods. Also, describe how you determined that the reported labor was skilled.

SECTION D

Cost of Further Manufacture or Assembly Performed in Egypt

1. General Explanation of Section D Questionnaire

This section of the Questionnaire provides instructions for reporting the costs incurred for further manufacture or assembly of the subject goods in Egypt.

A. Cost of Further Manufacture or Assembly

Further manufacture or assembly (“further manufacturing”) costs include amounts incurred for direct materials, labor and overhead, plus amounts for general and administrative expenses, interest expenses, additional Egyptian packing expenses, and any costs involved in moving the product from the Egyptian port of entry to the further manufacturer. The Egyptian further manufacturing costs that you report in detail in this section must be reported in total in your company’s Egyptian sales listing submitted in response to Section B of this Questionnaire.

B. Reporting Period for Further Manufacturing Costs

The further manufacturing costs that you report in response to this section should be calculated based on the actual costs incurred by your Egyptian affiliate (the “company”) during the (POI), as recorded in its normal accounting system. If the company’s fiscal year ends within three months of the (POI), however, you may contact the official in charge to determine whether you can report further manufacturing costs based on the company’s fiscal year. If you have any questions regarding the appropriate cost calculation period for the goods under investigation, please contact the official in charge before preparing your response to this section.

C. Weighted-Average Further Manufacturing Costs

The further manufacturing costs that you report in response to this section of the Questionnaire should be calculated on a weighted-average basis using

production quantity as the weighting factor. If you further manufactured the subject goods at more than one Egyptian facility, you must report the weighted-average of the further manufacturing costs from all such facilities. If you have any questions regarding how to compute the weighted-average further manufacturing costs for the subject goods, please contact the official in charge before preparing your response to this section.

II. General Information

The general information requested below is necessary in order for the Department to better understand the company's operations, its products and production processes, and its financial and cost accounting practices. We therefore ask that you provide complete and detailed narrative responses to each item listed below.

A. Products and Production Process

Provide a narrative description of the further manufacturing process for the subject goods shipped to Egypt. Your description should address each of the items 1 through 4 listed below.

1. Identify and describe the Egyptian production facilities used to further manufacture the subject goods. If further manufacturing operations take place at more than one facility, identify each facility and describe the production activities that take place there. Identify all products manufactured using the same production facilities used to further manufacture the subject goods.
2. Provide a flowchart that details the complete Egyptian production cycle for the subject goods. This should include descriptions of each stage of production and the locations of primary cost centers.
3. Provide a description of how the company keeps account of processing yields or losses throughout the further manufacturing production cycle. Indicate all stages in the production cycle for which processing yields are measured.
4. List the inputs used to further manufacture the subject goods, including specific types of raw materials, labor, electricity or other power supply, machinery and equipment, and subcontractor services. Indicate whether any of these materials or services were purchased from an affiliated party (*i.e.*, affiliated person). If so, specify the basis used by the company to value the input for further manufacturing costs (*e.g.*, cost of producing the input or the transfer price from the affiliated party).

B. Financial Accounting

Provide narrative responses to the following questions as they relate to the company that performs further manufacturing of the subject goods. This

information will help us to understand the company's accounting practices and the system it uses to accumulate and summarize accounting data.

1. State whether the company's financial accounting practices are in accordance with generally accepted accounting principles ("GAAP") in Egypt.
2. Provide a flowchart illustrating the company's basic financial accounting books and record keeping system. Indicate in your flowchart all subsidiary ledgers, including raw materials, inventory, and sales and accounts receivable ledgers. Show in your flowchart how data from the company's financial accounting system are summarized in its financial statements.

C. Cost Accounting

Provide narrative responses to the following questions as they relate to the company that performs further manufacturing of the subject goods. This information will provide us with an understanding of the cost accounting system used by the company in its normal course of business.

1. Describe the company's cost accounting system and how it is used to classify, allocate, aggregate, and record the costs incurred to further manufacture the subject goods. Your description should be provided in narrative form and should include a flowchart that 1) illustrates how the system records and reports costs for the goods throughout the production process, and 2) shows the various subsidiary cost ledgers maintained under the system and how they reconcile to the company's normal financial statement data.
2. Provide a list of all direct, indirect, and common cost centers. Briefly describe the operations that take place at each of these cost centers. For direct centers, describe how the production costs are accumulated and charged to the goods produced. For indirect and common cost centers, describe how the costs incurred are accumulated and allocated to the direct cost centers.
3. Describe the level of product specificity over which the company's cost accounting system normally captures production costs. Explain how the product-specific costs as recorded in the company's normal accounting system compare to the model-specific costs reported for further manufacturing.
4. State whether the company's cost accounting system accumulates costs for the subject goods based on the actual production costs incurred or on standard or budgeted costs. If the company's cost accounting system is based on standard or budgeted costs, then provide the following information:

- i. the types of variances recorded under the company's cost accounting system and how they are used by management in the normal course of business (for each type of variance, identify the level of product specificity for which the variance is measured);
 - ii. the period for which the company computes and records each type of variance;
 - iii. the methods used to develop each type of variance used in the company's cost accounting system;
 - iv. the frequency with which the company revises its standard or budgeted costs, including the date on which the latest revision was made; and
 - v. The disposition of favorable or unfavorable variances (including under- or over-applied overhead) resulting from production operations during each accounting period (*e.g.*, charge to cost of sales, prorate between cost of sales and inventory balances).
5. List and describe any production costs incurred by the company that are valued differently for cost accounting purposes than for financial accounting purposes.

III. Response Methodology

The per-unit further manufacturing cost figures that you provide in response to this section must reconcile to the actual costs reported in the company's cost accounting system and to accounting records used by the company to prepare its financial statements. If the company normally uses a cost accounting system based on actual costs, you should use that system for purposes of computing your submitted further manufacturing cost amounts. Similarly, if the company uses a standard cost accounting system, you should use that system for purposes of computing further manufacturing costs. In such a case, however, you must also ensure that you have allocated to the further manufacturing costs all variances resulting from differences between standard and actual production costs. If you do not intend to use the company's normal accounting system and cost allocation methods to compute further manufacturing cost for the subject goods, you must contact the official in charge before preparing your response to this section of the Questionnaire.

A. Description of Response Methodology

Provide a narrative description of the methodology that you used to compute the company's submitted further manufacturing costs. Your description should address items 1 through 2 listed below.

1. Describe how you used the company's normal cost and financial accounting records to compute the per-unit further manufacturing cost figures reported in response to this section of the Questionnaire. Include in your description a discussion of how you used the company's accounting system and actual cost and financial accounting data to compute each of the following cost elements relating to the submitted further manufacturing cost figures:

- i. direct materials;
 - ii. direct labor;
 - iii. factory overhead;
 - iv. research and development (“R&D”) costs;
 - v. general and administrative expenses (including all miscellaneous income and expense items); and
 - vi. net interest expense.
2. List and describe in detail any differences between costs computed under the company’s normal cost and financial accounting systems and the costs submitted in response to this section of the Questionnaire. Include in your description the reasons why it was necessary for you to depart from the company’s normal accounting practices in order to compute the submitted further manufacturing costs.

IV. Instructions for Submitting Further Manufacturing Cost Data File

In accordance with the instructions provided below, prepare a file reporting the costs incurred to further manufacture the subject goods in Egypt. Instructions regarding the specific information required to complete each data field for the further manufacturing cost file are provided below. These instructions combine the Questionnaire with the data file format.

Complete Product Code

DESCRIPTION: Report the commercial product code assigned by the company in the normal course of business to the specific further manufactured product sold in Egypt.

Matching Control Number

DESCRIPTION: Report the unique control number assigned to the model (as imported) from the Egyptian sales files in Section B of the Questionnaire. Unless otherwise instructed by the Department, you should ensure that your further manufacturing cost computer file contains a record for each unique product control number contained in the Egyptian sales file which required further manufacturing in Egypt.

Material Costs

DESCRIPTION: Report the costs incurred for direct materials used to further manufacture the subject goods. This should include transportation charges and other expenses normally associated with obtaining the materials that become an integral part of the finished product sold in Egypt. Direct material costs include only the costs incurred for materials added in Egypt and not the cost of the imported subject goods. However, in addition to the cost of any Egyptian direct materials, you should include in this field the costs incurred for 1) any movement charges incurred to transport the subject goods from the port of entry to the

company's Egyptian further manufacturing facilities, and 2) the actual costs incurred for any yield loss in connection with the further manufacture of the subject goods in Egypt. (Note that you should compute the amount of any yield loss taking into account both the cost of the imported subject goods and the costs incurred for Egyptian further manufacturing.)

Direct Labor Costs

DESCRIPTION: Report the direct labor costs incurred to further manufacture the subject goods. Direct labor should include the costs incurred for all production workers, inspection/testing workers, relief workers, and any other workers directly involved in further manufacturing the subject goods in Egypt. Direct labor should consist of the workers' base pay, overtime pay, incentive wages, shift differentials, bonuses, and any other form of wages or benefits paid to them by the company (e.g., vacation, holidays, sick pay, insurance, government-mandated social programs). In addition, your reported direct labor costs should include the full amount incurred for any contract labor hired by the company to further manufacture the goods.

Factory Overhead Costs

DESCRIPTION: Report the factory overhead costs incurred to further manufacture the subject goods. Overhead costs may include costs incurred for indirect materials, indirect labor, and manufacturing utilities, as well as costs incurred for building or equipment rental, depreciation, supervisory labor, plant property taxes, factory administrative costs, and any other variable or fixed costs associated with packing the further manufactured goods. In addition, R&D costs that relate specifically to the further manufacturing operations should normally be included in overhead.

NARRATIVE: If you have not already done so in response to question III.A.1, provide a list showing each category of costs included in your reported overhead cost figures for the subject goods.

Total Production Cost

DESCRIPTION: Report the total production costs incurred to further manufacture the subject goods.

General and Administrative Expenses

DESCRIPTION: Report the per-unit G&A expenses incurred by the company in connection with the Egyptian further manufacture of the subject goods. G&A expenses are those period expenses that relate to the activities of the company as a whole and are not identified with a particular operation. G&A expenses include amounts incurred for general R&D activities, executive salaries and bonuses, and other operations relating to the company's Egyptian corporate headquarters. You should also include in your reported G&A expenses an amount for administrative

services performed on the company's behalf by its parent company or other affiliated party.

You should compute G&A expenses on an annual basis as a ratio of the company's total G&A expenses divided by its cost of sales (less the cost of the imported subject goods). In calculating the company's G&A ratio, you should rely on full-year G&A expense and cost of sales figures reported in the company's audited financial statements for the year the most closely relates to the (POI). To compute the amount of per-unit G&A expense, you should multiply the G&A expense ratio by the per-unit further manufacturing cost for the subject goods.

NARRATIVE: Provide a worksheet reconciling amounts reported in the company's audited financial statements to the G&A expenses submitted in your further manufacturing cost computer file. In addition to reporting G&A expenses, the worksheet reconciliation should identify in detail all non-operating and extraordinary items of income and expenses reported in the company's financial statement and should show how these amounts were treated for purposes of computing G&A expenses for further manufacturing costs.

Net Interest Expense

DESCRIPTION: Report the per-unit net interest expense incurred by the company in connection with the further manufacture of the subject goods. You should compute net interest expense on an annual basis as a ratio of the company's total net interest expense divided by its cost of sales (net of the cost of the imported subject goods). In calculating the company's net interest ratio, you should rely on full-year net interest expense and cost of sales figures reported in the company's audited financial statements for the year that most closely relates to the (POI). If the company is a member of a consolidated group of companies, then you should base your interest expense calculation on the consolidated financial statements of the group. To compute the amount of per-unit net interest expense, you should multiply the net interest expense ratio by the per-unit further manufacturing cost of the subject goods.

NARRATIVE: Provide a worksheet illustrating how you used amounts reported in the company's or group's audited financial statements to compute the net interest expense reported in your further manufacturing cost computer file. If you based your net interest expense computation on the financial statements of the consolidated group of companies of which the company is a member, and you have not provided those statements in response to Section A of this Questionnaire, please submit a translated copy of the statements with your response to this section of the Questionnaire.

APPENDIX I

GLOSSARY OF TERMS

This glossary is intended to provide parties with a basic understanding of many technical terms that appear in the anti-dumping Questionnaire. These explanations are not regulations or rules with the force of law. As difficult or detailed questions arise, parties should seek clarification from the statute, regulations, and the Department, rather than attempting to derive precise guidance from these general explanations.

Affiliated Persons

Under the anti-dumping law, transactions between affiliated persons are subject to particular scrutiny. Affiliated persons (affiliates) include (1) members of a family, (2) an officer or director of an organization and that organization, (3) partners, (4) employers and their employees, and (5) any person or organization directly or indirectly owning, controlling, or holding with power to vote, 5 percent or more of the outstanding voting stock or shares of any organization and the organization. In addition, affiliates include (6) any person who controls any other person and the other person, and (7) any two or more persons who directly control, are controlled by, or are under common control with, any person. "Control" exists where one person or organization is legally or operationally in a position to exercise restraint or direction over the other person or organization.

Constructed Export Price

(See **Export Price and Constructed Export Price.**)

Date of Sale

Establishing the date of sale is an important part of any dumping analysis. Generally, the date of sale is the date on which the basic terms of the sale, particularly price and quantity, are agreed upon by the buyer and the seller. Typically, the date of sale is the invoice date. For long-term or requirements contracts, the date of sale is the date of contract.

If basic terms of sale have changed up to, or even subsequent to, the date of shipment, then the date of shipment is the date of sale. However, the date of sale cannot occur after the date of shipment. Thus, the Department treats post-shipment price modifications as price adjustments.

Discounts

A discount is a reduction to the gross price that a buyer is charged for goods. Although the discount need not be stated on the invoice, the buyer remits to the seller only the face amount of the invoice, less discounts. Common types of discounts include early payment discounts, quantity discounts, and loyalty discounts.

Dumping

Dumping occurs when imported goods are sold in, or for export to, Egypt at less than the normal value of the goods. The dumping margin is the amount by which the normal value exceeds the export price or constructed export price of the subject goods. The weighted-average dumping margin is the sum of the dumping margins divided by the sum of the export prices and constructed export prices.

Export Price and Constructed Export Price

Export price and constructed export price refer to the two types of calculated prices for goods imported into Egypt. The Department compares these prices to normal values to determine whether goods are dumped. Both export price and constructed export price are calculated from the price at which the subject goods are first sold to a person not affiliated with the foreign producer or exporter.

Generally, an Egyptian sale is classified as an export price sale when the first sale to an unaffiliated person occurs before the goods are imported into Egypt. Generally, an Egyptian sale is classified as a constructed export price sale when the first sale to an unaffiliated person occurs after importation. However, if the first sale to the unaffiliated person is made by a person in Egypt affiliated with the foreign exporter, constructed export price applies even if the sale occurs prior to importation, unless the Egyptian affiliate performs only clerical functions in connection with the sale.

Factors of Production

For nonmarket-economy countries, the usual basis for calculating normal value is not appropriate. Instead, the Department constructs a normal value using the nonmarket-economy producer's factors of production. The factors of production include, but are not limited to, (1) the hours of labor required to produce the goods, (2) the quantities of raw materials employed, (3) the amounts of energy and other utilities consumed, and (4) representative capital costs, including depreciation. These factors of production are then usually valued in a market-economy country that have similar conditions that of the nonmarket-economy country and is also a producer of the subject goods or of comparable goods.

Facts Available

The Department seeks to make its anti-dumping determinations on the basis of responses to its anti-dumping Questionnaires. However, for a variety of reasons, the data needed to make such determinations may be unavailable or unusable. In such instances, the law requires the Department to make its determinations on the basis of "the facts otherwise available" (more commonly referred to as "the facts available"). More specifically, the Department must use the facts available if necessary information is not available on the record of an anti-dumping proceeding. In addition, the Department must use the facts available where an interested party or any other person: (1) withholds information requested by the Department, (2) fails to provide requested information by the requested

date or in the form and manner requested, (3) significantly impedes an anti-dumping proceeding, or (4) provides information that cannot be verified.

In selecting the information to use as the facts available, the law authorizes the Department to make an inference that is adverse to an interested party if the Department finds that party failed to cooperate by not acting to the best of its ability to comply with a request for information. However, when the Department relies on secondary information rather than on information obtained in the course of an anti-dumping proceeding, the Department will, to the extent practicable, corroborate that information from independent sources that are reasonably at the Department's disposal.

The Department will consider using submitted information that does not meet all of the Department's requirements if: (1) the information is submitted within applicable deadlines; (2) the information can be verified; (3) the information is not so incomplete that it cannot serve as a reliable basis for a determination; (4) the party establishes that it acted to the best of its ability; and (5) the Department can use the information without undue difficulties. Finally, if an interested party promptly informs the Department of difficulties it is having in responding to a request for information, the Department will consider modifying its request to the extent necessary to avoid imposing an unreasonable burden on the party.

Further Manufacturing Adjustment

In calculating constructed export price, the Department normally deducts from the price of the goods sold in Egypt the cost of any further manufacture or assembly performed in Egypt by, or for, the exporter or an affiliate. However, if the value of the further processing is likely to exceed substantially the value of the subject goods as imported, the Department may instead use an alternative basis for the constructed export price. If possible, the Department would use the price of subject goods sold to an unaffiliated customer by the producer, exporter, or affiliated seller. If there is an insufficient quantity of such sales, the Department may rely on any other reasonable basis.

Market-Oriented Industry

The Department may find a market-oriented industry exists when it finds that in an entire industry: (1) there is virtually no government involvement in setting prices or amounts produced; (2) it is a privately or collectively owned industry; and (3) market-determined prices are paid for all significant inputs.

Such a decision is based on information provided by the nonmarket-economy exporters and producers. If an industry is found to be a market-oriented industry, the normal value will be calculated on the basis of home market or third-country prices or costs.

Non-market Economy

A nonmarket-economy country is any country that the Department determines does not operate on market principles. The Department considers the following factors about a foreign country in making these decisions: (1) the extent to which the currency is

convertible; (2) the extent to which wage rates are determined by free bargaining between labor and management; (3) the extent to which joint ventures or foreign investment are permitted; (4) the extent of government ownership or control of means of production; (5) the extent of government control over allocation of resources and over the price and output decisions of enterprises; and (6) other factors the Department considers appropriate.

Normal Value

In a case involving goods produced in a nonmarket-economy country, normal value is constructed using the factors-of-production methodology (see also **Factors of Production** and **Surrogate Country**.) The Department compares the normal value to the export price or constructed export price to determine the margin of dumping, if any.

Proprietary Information

Proprietary information is sensitive business data that would cause substantial harm to the submitter if disclosed publicly. Examples of information that the Department normally treats as proprietary, if requested and not already in the public domain, include trade secrets concerning the production process, production and distribution costs, terms of sale, individual prices, and the names of customers and suppliers.

Proprietary Treatment

If a party requests proprietary treatment of information, and if the Department agrees that the information is proprietary, the Department will protect the information from public disclosure. If the Department does not agree that the information is proprietary, it will return the information and not rely on it in the proceeding, unless the submitter agrees that it may be made public.

Rebates

Similar to discounts, rebates are reductions in the gross price that a buyer is charged for goods. Unlike discounts, rebates do not result in a reduction in the remittance from the buyer to the seller for the particular goods with which the rebate is associated. Rather, a rebate is a refund of monies paid, a credit against monies due on future purchases, or the conveyance of some other item of value by the seller to the buyer after the buyer has paid for the goods. When the seller establishes the terms and conditions under which the rebate will be granted at or before the time of sale, the Department reduces the gross selling price by the amount of the rebate. (See also **Discounts**.)

Separate Rates

The Department calculates one rate for all companies in a nonmarket-economy country. However, if an exporter demonstrates that it is independent of government control, it can receive an individually calculated anti-dumping duty rate. This separate rate is calculated using the Egyptian price the exporter set and the inputs of the manufacturer that supplied the goods to the exporter valued in a surrogate country. All companies that do not submit

a response to the Questionnaire or do not adequately establish that they are independent of government control are subject to the single economy-wide rate.

Subject Goods

Subject goods are the goods under investigation, *i.e.*, the goods described in Appendix II to the Questionnaire, and sold in, or to, Egypt.

Surrogate Country

The Department values factors of production in a surrogate country (or countries). The surrogate usually is a market-economy country that has a similar conditions to that of the non-market-economy country and is also a producer of the subject or comparable goods.

Verification

To establish the adequacy and accuracy of information submitted in response to Questionnaires and other requests for information, the Department may conduct an examination of the records of the party that provided the information and interviews company personnel who prepared the Questionnaire response and are familiar with the sources of the data in the response. This process is called verification.

APPENDIX II

DESCRIPTION OF PRODUCTS

The product covered by this investigation is *primary dry cell batteries 1.5 volts "AA" size (R6)*. It is currently classifiable under H.S. item number 85 06 10 10. These item numbers are provided for convenience and customs purposes. The written description remains dispositive.