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Australian Government
Anti-Dumping Commission



EXPORTER QUESTIONNAIRE

HOT ROLLED STRUCTURAL STEEL SECTIONS (HRS)

PRODUCT CONCERNED: HRS FROM JAPAN, THE REPUBLIC OF KOREA (KOREA), TAIWAN AND THAILAND

INVESTIGATION PERIOD: 1 OCTOBER 2012 TO 30 SEPTEMBER 2013

RESPONSE DUE BY: **2 DECEMBER 2013**

EXTENDED TO 23 DECEMBER 2013

ADDRESS FOR RESPONSE: Director, Operations 3
Anti-Dumping Commission
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Please note that a non-confidential version of the reply to this questionnaire must also be provided.

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TABLE OF CONTENTS

Table of contents.....2

Abbreviations3

Glossary of Terms.....4

Background and General Instructions9

Section A - Company structure and operations 17

 A-1 IDENTITY AND COMMUNICATION 17

 A-2 REPRESENTATIVE OF THE COMPANY FOR THE PURPOSE OF INVESTIGATION..... 18

 A-3 COMPANY INFORMATION 18

 A-4 GENERAL ACCOUNTING/ADMINISTRATION INFORMATION.....21

 A-5 INCOME STATEMENT25

 A-6 SALES.....25

Section B - Sales to Australia (export price).....26

Section C – Exported Goods & Like goods 33

Section D - Domestic sales 35

Section E - Fair comparison 40

 E-1 COSTS ASSOCIATED WITH EXPORT SALES.....40

 E-2 COSTS ASSOCIATED WITH DOMESTIC SALES43

 E-3 DUPLICATION48

Section F - Export sales to countries other than Australia.....49

Section G - Costing information and constructed value.....51

 G-1 PRODUCTION PROCESS AND CAPACITY51

 G-2. COST ACCOUNTING PRACTICES.....52

 G-3 COST TO MAKE AND SELL ON DOMESTIC MARKET53

 G-4 COST TO MAKE AND SELL GOODS UNDER CONSIDERATION (GOODS EXPORTED TO AUSTRALIA)54

Section H – Exporter/Producer’s declaration.....57

Section I - Checklist.....58



ABBREVIATIONS

the Act	the <i>Customs Act 1901</i>
CTMS	cost to make and sell
the Commission	the Anti-Dumping Commission
the Commissioner	the Anti-Dumping Commissioner
ACBPS	the Australian Customs and Border Protection Service
the goods	the goods the subject of the application (HRS)
HRS	Hot rolled structural steel sections
the investigation period	1 October 2012 to 30 September 2013
Korea	the Republic of Korea
OneSteel	OneSteel Manufacturing Pty Ltd
Thailand	the Kingdom of Thailand

GLOSSARY OF TERMS

Throughout this questionnaire, there are certain words and terminology used that require some clarification. The following are their definitions for purposes of this investigation.

Adjustments

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

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

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

Arms length

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

Associated Companies

Persons shall be deemed to be associates of each other if, and only if:

- (a) both being natural persons:
 - (i) they are connected by a blood relationship or by marriage or by adoption;
or
 - (ii) one of them is an officer or director of a body corporate controlled, directly or indirectly, by the other;
- (b) both being bodies corporate:
 - (i) both of them are controlled, directly or indirectly, by a third person (whether or not a body corporate); or
 - (ii) both of them together control, directly or indirectly, a third body corporate;
or
 - (iii) the same person (whether or not a body corporate) is in a position to cast, or control the casting of, 5% or more of the maximum number of votes that might be cast at a general meeting of each of them; or

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- (c) one of them, being a body corporate, is, directly or indirectly, controlled by the other (whether or not a body corporate); or
- (d) one of them, being a natural person, is an employee, officer or director of the other (whether or not a body corporate); or
- (e) they are members of the same partnership.

Constructed value

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

Cost of production/manufacturing

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

Cost to make and sell (CTMS)

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

Country of origin

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

Date of sale

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

Direct labour cost

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

Dumping

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

Dumping margin

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

Enterprise

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“Enterprise” includes a group of enterprises, an industry and/or a group of industries.

Export price

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

Exporting country

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

Factory overheads

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

Goods under consideration (the goods)

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

Incoterms

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

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

the terms CFR and CIF are only used where goods are carried by sea or waterway transport

- CPT carriage paid to

NON-CONFIDENTIAL

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

Investigation period

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

Like goods

Like goods are goods sold on the domestic market of the country of export (or to a third country) that are identical in all respects to the goods or that, although not alike in all respects have characteristics closely resembling those of the goods.

The term 'like goods' also refers to the goods produced by the Australian industry allegedly being injured by dumped imports.

Normal value

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

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

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

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

Ordinary course of trade

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

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

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

Selling, general and administration expenses (SG&A)

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

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

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



BACKGROUND AND GENERAL INSTRUCTIONS

1. BACKGROUND

Following an application by OneSteel Manufacturing Pty Ltd (OneSteel), an Australian industry member, the Anti-Dumping Commission (the Commission) has initiated an investigation into allegations that certain hot rolled structural steel sections (HRS) from Japan, Korea, Taiwan and Thailand have been exported to Australia at dumped prices, and because of that dumping, material injury has been caused to an Australian industry producing like goods.

A notice advising initiation of the investigation and review was published in the *Australian* on 24 October 2013. Anti-Dumping Notice (ADN) 2013/75 outlining the details of the investigation, and the procedures to be followed during the investigation can be accessed on the Commission's website at www.adcommission.gov.au.

2. THE GOODS UNDER CONSIDERATION (THE GOODS)

Description

The goods that are the subject of this application (the goods) are Hot Rolled Structural (HRS) steel sections in the following shapes and sizes, whether or not containing alloys.

- *universal beams (I sections), of a height greater than 130mm and less than 650mm;*
- *universal columns and universal bearing piles (H sections), of a height greater than 130mm and less than 650mm;*
- *channels (U sections and C sections) of a height greater than 130mm and less than 400mm; and*
- *equal and unequal angles (L sections), with a combined leg length of greater than 200mm.*

Sections and/or shapes in the dimensions described above, that have minimal processing, such as cutting, drilling or painting do not exclude the goods from coverage of the application.

Goods excluded from this application are:

- *hot rolled 'T' shaped sections, sheet pile sections and hot rolled merchant bar shaped sections, such as rounds, squares, flats, hexagons, sleepers and rails; and*
- *sections manufactured from welded plate (e.g. welded beams and welded columns).*

Additional product information

In support of the goods description, the application states:

In Australia the goods are commonly known as universal beams, universal columns, universal bearing piles, parallel flange channels and both equal and unequal angles. Universal columns typically have their web lengths similar to their flange lengths, whereas universal beams typically have longer webs than flanges. In some other

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countries the term “H beams” applies to both universal beams and universal columns and the term “I beams” denotes tapered flange beams. The application nominates different heights for I and H beams to align with the products that are manufactured at Whyalla.

The common grades of steel that the goods subject to this application are sold to are grade 300 and grade 350. The minimal yield stress of grade 300 is 300 Mega Pascals (MPa) and the minimal yield stress for grade 350 is 350 MPa.

The type of alloys that may be incorporated into the HRS steel sections include, but are not limited to boron and Chromium (typically with a boron amount above 0.0008 per cent or chromium above 0.3%). For clarity, the inclusion of alloy(s) is limited to the shapes and sizes identified above.





The majority of the goods that are subject to this application are manufactured to comply with or exceed the requirements set out in AS/NZS 3679.1:2010 Structural steel Part 1: Hot-rolled bars and sections.

Imported goods are mostly quoted to AS/NZS 3679.1, but if not will generally be quoted to an international standard that stipulates nominal yield strength of 300MPa or greater.

The sections that OneSteel markets as part of its standard range are listed in the table below.

These products come in a range of standard lengths from 9m to 20m.

With the exception of the channels, the other sections are commonly available in multiple thicknesses that are expressed as metre weights for each size. It should be noted that a channel may have the shape of either a U or a C depending on its orientation, for clarity both shapes are included in this application.

Universal Beams (I sections)	Universal Columns (H sections)	Channels (C or U sections)	Equal and Unequal Angles (L Sections)
			
Height (mm)	Height (mm)	Height (mm)	Height (mm)
150	150	150	<u>125x125</u>
180	200	180	150 x 90
200	250	200	<u>150x100</u>
250	310	230	<u>150x150</u>
310		250	<u>200x 200</u>
360		300	
410		380	
460			
530			
610			

Tariff classification

Hot rolled non-alloy steel sections

Goods identified as hot rolled non-alloy steel sections as set out in section 2.2.1 are classified to the following tariff subheadings in Schedule 3 to the *Customs Tariff Act 1995*:

- 7216.31.00 statistical code 30 (channels – U and C sections);
- 7216.32.00 statistical code 31 (universal beams – I sections);
- 7216.33.00 statistical code 32 (universal column and universal bearing piles – H sections); and
- 7216.40.00 statistical code 33 (equal and unequal angles – L sections).

For the tariff subheadings outlined above, the general rate of duty is 5% for goods imported from Japan and free for imports from Korea, Taiwan and Thailand.

The Commission received advice from the Tariff Policy section of the Australian Customs and Border Protection Service (ACBPS), indicating tariff subheading 7216.50.00 may be applicable to C sections, only in circumstances whereby these goods are differentiated by industry members and consumers from U sections. The Commission notes that OneSteel considers these products to be interchangeable and the Commission will seek further clarification on this matter during the course of the investigation.

Hot rolled other alloy steel sections

Goods identified as hot rolled other alloy steel sections, as per the specified shapes and sizes as set out in section 2.2.1, are classified to tariff subheading 7228.70.00 in Schedule 3 of the *Customs Tariff Act 1995*. The applicable duty rate for imports from Japan, Korea and Taiwan is 5%, and Thailand is free.

Tariff Concession Orders

Tariff Concession Orders (TCO) 0513491 and 0513492 may apply to such goods that are classified to tariff subheading 7216.32.00 and 7228.70.00, respectively.

Tariff Ref: 7216.32.00 - Description of Goods

I BEAMS, hot rolled, having EITHER of the following:

- a) *depth NOT less than 356 mm (14 in) and a flange width NOT less than 368 mm (14.5 in);*
- b) *depth NOT less than 762 mm (30 in) and a flange width NOT less than 267 mm (10.5 in)*

Tariff Ref: 7228.70.00 - Description of Goods

I BEAMS, hot rolled, having EITHER of the following:

- a) *depth NOT less than 356 mm (14 in) and a flange width NOT less than 368 mm (14.5 in);*

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- b) *depth NOT less than 762 mm (30 in) and a flange width NOT less than 267 mm (10.5 in)*

3. INVESTIGATION PERIOD

The existence and amount of any dumping in relation to HRS exported to Australia from Japan, Korea, Taiwan and Thailand will be determined on the basis of an investigation period from **1 October 2012 to 30 September 2013** (hereinafter referred to as 'the investigation period').

The Commission will examine details of the Australian market from 1 July 2009 for injury analysis purposes.

4. WHY YOU HAVE BEEN ASKED TO FILL OUT THIS QUESTIONNAIRE?

Either; the application, an importer of HRS, or data contained within the Australian Customs and Border Protection Service's (ACBPS) commercial database has identified you as a potential exporter of HRS to Australia during the investigation period.

Consequently, the Commission has forwarded you this questionnaire and the associated spreadsheet '*HRS Exporter Questionnaire – accompanying spreadsheet*' to provide you with the opportunity to participate and cooperate with its investigation.

The Commission may use information provided by exporters to determine the normal values and export prices of the goods over the investigation period and whether the goods exported by your company were dumped.

You may make separate submissions concerning any other matter relevant to the Commission's inquiries.

The Commission's investigation will be carried out under the provisions of Part XVB of the Act. These provisions reflect the World Trade Organisation (WTO) *Anti-Dumping Agreement*.

Any additional questions deemed necessary will be posed to participating exporters in the form of supplementary questionnaires.

5. WHAT HAPPENS IF YOU DO NOT RESPOND TO THIS QUESTIONNAIRE?

You do not have to complete the questionnaire. However, if you do not respond the Commission may be required to rely on information supplied by other parties in making its assessments as to whether HRS exported to Australia was dumped (this may include information supplied by the Australian industry).

If you do not provide all of the information sought, or if you do not allow the Commission to verify the information you provide (see below), we may deem that you did not cooperate with the investigation.

It is the Commission's objective to arrive at a recommendation to the Minister for Industry (the Minister) based on a full knowledge of all relevant facts. This can only be achieved if exporters cooperate.

The Commission considers that your interests would be best served by fully completing the questionnaire.

6. IF YOU DECIDE TO RESPOND

Should you choose provide a response to this questionnaire, please note the following.

Confidential and non-confidential versions

If you choose to respond to this questionnaire, you are required to lodge a confidential and a non-confidential version of your submission by the due date (due date is specified on front cover).

In submitting these versions, please ensure that each page of the information you provide is clearly marked either “**FOR OFFICIAL USE ONLY**” (confidential) or “**NON-CONFIDENTIAL**” in the header and footer.

All information provided to the Commission in confidence will be treated accordingly. The non-confidential version of your submission will be placed on the public record, which all interested parties can access.

Your non-confidential submission must contain sufficient detail to allow a reasonable understanding of the substance of the confidential version. If, for some reason, you cannot produce a non-confidential summary, contact the investigation Case Manager (see contact details on page 1 of this questionnaire).

The non-confidential version of your submission will be placed on the public record.

The public record is available to all interested parties who may comment on the material on the public record. Other interested parties have the opportunity to comment on issues you have raised.

It is not expected that the non-confidential version of your submission would include commercially sensitive information. However it must contain sufficient detail to allow a reasonable understanding of the substance of the confidential version. If, for some reason, you cannot produce a non-confidential version, please contact the investigation Case Manager.

You can access the public record electronically online at www.adcommission.gov.au.

Declaration

You are required to make a declaration that the information contained in your submitted questionnaire is complete and correct. You must return the signed declaration of an authorised official at Section J of this questionnaire with your response.

Consultants/parties acting on your behalf

If you intend to have another party acting on your behalf please advise the Commission of the relevant details.

The Commission will generally require written authorisation from exporters and manufacturers for any party acting on its behalf.

7. DUE DATE FOR RESPONSE

Manufacturers and exporters are requested to respond to this questionnaire and return it to the Commission within the time specified on the cover.

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There is a statutory time limit imposed for the investigation. The Commission may not be able to consider submissions received after the due date if to do so would prevent meeting the statutory reporting requirements.

The Commission would encourage you to make contact with the Case Manager (see contact details on front cover) if you need any assistance in completing the questionnaire.

If you intend to lodge a submission but cannot do so by the due date please advise the Case Manger as soon as possible.

In considering whether or not to grant an extension of time, regard is had to the following:

- a) difficulties in translation of documentation, including the exporter questionnaire;
- b) availability of key staff;
- c) public holidays; or
- d) any circumstance outside the company's control.

The Commission may consider granting a small extension of time for lodgement of your submission if you provide a sufficient reason as outlined above.

You may lodge your response by mailing it to the address for lodgement shown on the front cover of this questionnaire, with data requested in electronic format on an included CD-ROM or USB (see point 11. below).

Alternatively you are welcome to lodge your response by email. The email address for lodgement is shown on the front cover of this questionnaire. If you lodge by email you are still required to provide a confidential and a non-confidential version of your submission by the due date.

8. VERIFICATION OF THE INFORMATION THAT YOU SUPPLY

After you have submitted the questionnaire and the Commission is satisfied that the information you have provided is sufficiently complete and warrants verification, the Commission may seek to visit your company to verify the information provided.

Once the information you have provided is verified, the Commission can rely on that information in forming its conclusions in relation to the inquiry.

Verification visits may take several days.

During this verification, we will seek to examine in detail your company's records in respect of the goods and will ask for copies of documents relating to the manufacture and sale of the goods. You will need to ensure that any supplementary material such as spreadsheets, calculations etc that you used to prepare or compile your response are available. We will need to consult with your staff, particularly your financial controller (or accountant) and your domestic and export sales people. We may also need to see your factory, in which case we will need to consult with your operational managers.

After gathering the information we will prepare a report of the visit.

We will provide you with a draft of the report and then respond to any questions that you may want to ask. We will also ask you to assist in the preparation of a non-confidential

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copy of the report for the public record.

9. OUTLINE OF INFORMATION REQUIRED BY THIS QUESTIONNAIRE

- Section A** General information relating to your company including financial reports.
- Section B** A complete list of your company's exports to Australia over the investigation period.
- Section C** A list of goods sold on the domestic market of the country of export (like goods) that may be compared to the goods.
- Section D** A detailed list of all of your company's sales of like goods in your domestic market.
- Section E** Information to allow a fair comparison between export and domestic prices.
- Section F** Information in relation to your company's exports of like goods to countries other than Australia. This may be particularly relevant if you have not exported to Australia in significant volumes in more recent times.
- Section G** Costs to make and sell, for exports to Australia and for the domestic market.
- Section H** Your declaration
- Section I** Submission checklist

10. GENERAL INSTRUCTIONS FOR PREPARING YOUR RESPONSE

- When answering the questionnaire please carefully read all instructions. The Commission requires a response to *all* sections of this questionnaire. Please provide an explanation if a question is not relevant to your situation.
- All documents and source material submitted in response to this questionnaire, including financial statements, must be translated into English.
- Answer questions in the order presented in the questionnaire. Please ensure that information submitted conforms to the requested format and is clearly labelled. Please repeat the question to which you are responding and place your answer below it.
- Identify source documents and advise where they are kept. During on-site verification you should be prepared to substantiate all the information you have submitted. Every part of the response should be traceable to company documents that are used in the ordinary course of business.
- You should retain all work sheets used in answering the questionnaire, in particular those linking the information supplied with management and accounting records. This will help to verify the information.
- Clearly identify all units of measurement and currencies used. Apply the same measurement consistently throughout your response to the questionnaire.

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11. INSTRUCTIONS ON PROVIDING ELECTRONIC DATA

- It is important that, where requested, information is submitted in electronic format on a CD-ROM or USB.
- Alternatively electronic data can be submitted directly by email to the email address shown on the front cover of this questionnaire.
- The data must be created as spreadsheet files, preferably in Microsoft Excel, or alternatively in an Excel compatible format (for example, Excel can normally access data in Dbase or as an ASCII file).
- The Excel files must be compatible to the USA version.
- If you cannot present electronic data in the requested format contact the investigation Case Manager as soon as possible.
- Responses to questions should be as accurate and complete as possible, and attach all relevant supporting documents, even where not specifically requested in this questionnaire.

Please note that answers such as: "Not Applicable" or an answer that only refers to an exhibit or an attachment may not be considered by the Commission to be adequate. We therefore suggest that in answering the questions you outline the key elements of your response in the primary submission document, rather than merely pointing to supporting documents of varying degrees of relevance and reliability as your answer.

12. FURTHER INFORMATION

Before you respond to the questionnaire you should read all the documentation that included with this questionnaire. In addition, the Commission recommends you read:

- Anti Dumping Notice 2013/75 notifying the initiation of the investigation (available on www.adcommission.gov.au under 'Notices and reports'); and
- the Glossary of Terms within this questionnaire.

It is also recommended that you access and read the non-confidential version of OneSteel's application, which is available online on the Electronic Public Record (<http://www.adcommission.gov.au/cases/default.asp>).

If you require further assistance, or you are having difficulties completing your submission, please contact the investigation Case Manager.

Please note that the Commission may send you a supplementary questionnaire if it needs to clarify matters provided by you in response to this questionnaire or to seek new information.



SECTION A - COMPANY STRUCTURE AND OPERATIONS

This section requests information relating to company details and financial reports.

A-1 IDENTITY AND COMMUNICATION

Please nominate a person within your company who can be contacted for the purposes of this investigation:

Head Office:

Hyundai Steel Company

Name	S.J. Moon
Position in the company	Manager
Address	231 Yangjae-Dong Secho-Gu Seoul Republic of Korea
Telephone	+82 2 3464 6464
Facsimile number	+82 2 3464 6460
Email address of contact person	moon7300@hyundai-steel.com

Factory:

Inchon Plant

Address	1st Songhyun Dong Dong Gu Inchon Si Republic of Korea
Telephone	+82 32 760 2114
Facsimile number	+82 32 763 5046
Email address of contact person	swchang@hyundai-steel.com

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Factory:

Pohang Plant

Address	444st Songnae Dong Pohang Si Kyungsangbuk Do Republic of Korea
Telephone	+82 54 271 1114
Facsimile number	+82 54 271 1241
Email address of contact person	swchang@hyundai-steel.com

A-2 REPRESENTATIVE OF THE COMPANY FOR THE PURPOSE OF INVESTIGATION

If you wish to appoint a representative to assist you in this investigation, provide the following details:

Name (Position) and Organization	Daniel Moulis Principal Moulis Legal
Address	6/2 Brindabella Circuit Brindabella Business Park Canberra International Airport Australian Capital Territory Australia 2609
Telephone	+61 2 6163 1000
Facsimile number	+61 2 6162 0606
Email address of contact person	daniel.moulis@moulislegal.com
All communications in relation to this matter should be directed to Moulis Legal in the first instance.	

Note that in nominating a representative, the Commission will assume that confidential material relating to your company in this investigation may be freely released to, or discussed with, that representative.

A-3 COMPANY INFORMATION

1. What is the legal name of your business? What kind of entity is it (eg. company, partnership, sole trader)? Please provide details of any other business names that you use to export and/or sell goods.

Hyundai Steel Company (hereinafter "Hyundai Steel") was established in

NON-CONFIDENTIAL

September 1964 in accordance with the Commercial Laws of the Republic of Korea. Hyundai Steel was listed on the Korean Stock Exchange in May 1987.

Hyundai Steel produces various kinds of steel products at three manufacturing facilities, in Dangjin, Incheon, and Pohang in Korea.

The goods under consideration, referred to as H-Beam, Channel and Angle (hereinafter “the GUC” or “the goods”), are produced at the Incheon and Pohang plants.

Hyundai Steel uses the name and style “Hyundai Steel Company” when it exports and/or sells the GUC.

- 2. Who are the owners and/or principal shareholders? Provide details of shareholding percentages for joint owners and/or principal shareholders. (List all shareholders able to cast, or control the casting of, 5% or more of the maximum amount of votes that could be cast at a general meeting of your company).

As of 31 December 2012 the principal shareholders of Hyundai Steel (those having 5% or more of the maximum amount of votes) were as follows:

Name	Percentage	Activity
[CONFIDENTIAL TEXT DELETED – shareholder details]		

- 3. If your company is a subsidiary of another company list the principal shareholders of that company.

As mentioned above, the largest shareholder of Hyundai Steel is Kia Motors. The principal shareholders of Kia Motors having 5% or more of the maximum amount of votes of that company as of 31 December 2012 were as follows:

Name	Percentage	Activity
[CONFIDENTIAL TEXT DELETED – shareholder details]		

- 4. If your parent company is a subsidiary of another company, list the principal shareholders of that company.

As mentioned above, the largest shareholder of Kia Motors is Hyundai Motor. The principal shareholders of Hyundai Motor having 5% or more of the maximum amount of votes as of 31 December 2012 were as follows:

Name	Percentage	Activity
[CONFIDENTIAL TEXT DELETED – shareholder details]		

- 5. Provide a diagram showing all associated or affiliated companies and your company’s place within that corporate structure.

Hyundai Steel is a member company of the [CONFIDENTIAL TEXT DELETED – corporate group entity] through cross-ownership. [CONFIDENTIAL TEXT]

NON-CONFIDENTIAL

DELETED – corporate group entity] is composed of [CONFIDENTIAL TEXT DELETED – details of membership of corporate group entity] pursuant to the laws of the Republic of Korea.

A diagram of ownership among the companies of [CONFIDENTIAL TEXT DELETED – corporate group entity] is provided in Attachment 1 [CONFIDENTIAL ATTACHMENT].

6. Are any management fees/corporate allocations charged to your company by your parent or related company.

No

7. Describe the nature of your company’s business. Explain whether you are a producer or manufacturer, distributor, trading company, etc.

Hyundai Steel is a producer of a wide variety of steel products, such as reinforcing bar, H section, angle, channel, HRC, heavy plate, stainless steel and other steel products. It sells the products on the domestic market in Korea, and into export markets.

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

- produce or manufacture
- sell in the domestic market
- export to Australia, and
- export to countries other than Australia.

Hyundai Steel undertakes each of these activities.

9. Provide your company’s internal organisation chart. Describe the functions performed by each group within the organisation.

An internal organization chart of Hyundai Steel as at 31 December 2012 is provided in Attachment 2 [CONFIDENTIAL ATTACHMENT].

“H Beam” and “Angle” are produced at the [CONFIDENTIAL TEXT DELETED – factory information]. “Channel” is produced [CONFIDENTIAL TEXT DELETED – factory information].

Sales of the goods are performed by Hyundai Steel’s sales departments, located in Seoul. A domestic sales team manages the sales of the goods on the domestic market, and an export sales team is responsible for export sales of the goods.

10. Provide a list of your business’ Board of Directors, Managing Director (or CEO) and Senior Executives.

A list of Hyundai Steel’s Board of Directors, Managing Director and Senior Executives is provided in Attachment 3 [CONFIDENTIAL ATTACHMENT].

11. Provide a copy of your most recent annual report together with any relevant brochures or pamphlets on your business activities.

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Hyundai Steel issues the English version of its annual report in May or June of each year for the previous year. Hyundai Steel's 2012 annual report (Korean version with English translation) is provided in Attachment 4 [CONFIDENTIAL ATTACHMENT].

12. Are any of your company's operations in a Special Economic Area, Economic and Technical Development Zone, Bonded Zone, Export Processing Zone, High Technology Industrial Development Zone, the Western Regions, or any other similarly designated area?

We must assume that this question is a typographical error.

13. If your answer to question A-3.12 above is 'yes':
- advise if any benefits (e.g. grants, reduced liabilities on commercial interest rates, etc) from the GOC (including central, provincial, municipal, county or any other level of government) accrue to your company because of being located in such an area;
 - please explain the nature of the operations, identify the specific zone(s) [or other area(s)] and provide a brief overview of all of the benefits of operating within the specified zone(s) or area(s).

We must assume that this question is a typographical error.

14. Provide details of all transactions between your company and all related parties. For example:
- Supplying/selling completed or partially completed products.
 - Supplying/selling raw materials.
 - Performing management functions (including any financial functions).
 - Processing (including toll processing) of any raw materials, intermediary or completed products.
 - Trading in products/materials supplied by related parties.

Details of related party transactions are provided in Attachment 5 [CONFIDENTIAL ATTACHMENT].

A-4 GENERAL ACCOUNTING/ADMINISTRATION INFORMATION

1. Indicate your accounting period.

The accounting period of Hyundai Steel is a calendar year basis. That is, the accounting period of Hyundai Steel starts on January 1 and ends on December 31.

2. Indicate the address where the financial records are held.

At the time of the preparation of this EQ response, the accounting records of Hyundai Steel are primarily held at its offices in Seoul, 231, Yangjae-Dong, Seocho-Gu, Seoul 137-938, Korea.

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3. Provide the following financial documents for the two most recently completed financial years plus all subsequent monthly, quarterly or half yearly statements:
- chart of accounts;
 - audited consolidated and unconsolidated financial statements (including all footnotes and the auditor’s opinion);
 - internal financial statements, income statements (profit and loss reports), or management accounts, that are prepared and maintained in the normal course of business for the goods under investigation.

These documents should relate to:

- the division or section/s of your business responsible for the production and sale of the goods under investigation, and
- the company overall.

Hyundai Steel’s chart of accounts is provided in Attachment 6 [CONFIDENTIAL ATTACHMENT].

Hyundai Steel’s audited consolidated and unconsolidated financial statements for the two most recently completed financial years are provided in Attachment 7 [CONFIDENTIAL ATTACHMENT] and Attachment 8 [CONFIDENTIAL ATTACHMENT] respectively.

The management accounts for the 9 months from 1 January 2013 to 30 September 2013 are provided in Attachment 9 [CONFIDENTIAL ATTACHMENT].

4. If you are not required to have the accounts audited, provide the unaudited financial statements for the two most recently completed financial years, together with your relevant taxation returns. Any subsequent monthly, quarterly or half yearly statements should also be provided.

Hyundai Steel is required to have its accounts audited.

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

No

6. Describe:

The significant accounting policies that govern your system of accounting, in particular:

- the method of valuation for raw material, work-in-process, and finished goods inventories (eg last in first out –LIFO, first in first out- FIFO, weighted average);

The methods of valuation used by Hyundai Steel are as follows:

(a) for finished goods and work-in-progress - [CONFIDENTIAL TEXT DELETED – company accounting policy];

(b) for raw materials and supplies - [CONFIDENTIAL TEXT DELETED –

NON-CONFIDENTIAL

company accounting policy]; and
(c) for material-in-transit - [CONFIDENTIAL TEXT DELETED – company accounting policy].

- costing methods, including the method (eg by tonnes, units, revenue, direct costs etc) of allocating costs shared with other goods or processes (such as front office cost, infrastructure cost etc);

Shared costs including material, labor and overhead costs for indirect cost centers are allocated to direct cost centers based on [CONFIDENTIAL TEXT DELETED – company accounting policy] in accordance with Korean GAAP and considered to be most appropriate ([CONFIDENTIAL TEXT DELETED – company accounting policy]).

- valuation methods for damaged or sub-standard goods generated at the various stages of production;

Damaged or sub-standard goods written down to [CONFIDENTIAL TEXT DELETED – company accounting policy] due to losses occurring in the normal course of business are recognized as [CONFIDENTIAL TEXT DELETED – company accounting policy].

- valuation methods for scrap, by products, or joint products;

There are no by-products arising from the manufacturing process. Steel scrap generated by [CONFIDENTIAL TEXT DELETED – company production policy]. The value of scrap revenue is based on [CONFIDENTIAL TEXT DELETED – company accounting policy].

- valuation and revaluation methods for fixed assets;

Fixed assets are valued at cost, less subsequent accumulated depreciation and accumulated impairment losses.
[CONFIDENTIAL TEXT DELETED – company accounting policy]

- average useful life for each class of production equipment and depreciation method and rate used for each;

Depreciation is computed using [CONFIDENTIAL TEXT DELETED – company accounting policy] for each class of production equipment as follows:

Production asset	Useful life
[CONFIDENTIAL TEXT DELETED – company accounting policy]	

Hyundai Steel reviews [CONFIDENTIAL TEXT DELETED – company accounting policy].

- treatment of foreign exchange gains and losses arising from transactions;

The amount of any transaction occurring in a currency other than its functional currency will be translated to the functional currency using the exchange rate of the transaction.

- treatment of foreign exchange gains/losses arising from the translation of

NON-CONFIDENTIAL

balance sheet items;

At the end of the reporting period, all monetary assets and liabilities will be translated using the exchange rate.

Non-monetary assets and liabilities measured at fair value will be retranslated using the exchange rate of the day of the fair value evaluation. Non-monetary assets and liabilities measured at historical cost will not be translated.

- inclusion of general expenses and/or interest;

General expenses and/or interest are recognized as occurred expenses, rather than being included in the cost of inventories. Interest is measured on [CONFIDENTIAL TEXT DELETED – company accounting policy].

- provisions for bad or doubtful debts, and treatment thereof in your accounts;

Allowance for doubtful accounts is estimated based on [CONFIDENTIAL TEXT DELETED – company accounting policy] as a deduction from trade receivables.

- expenses for idle equipment and/or plant shut-downs;

Not applicable, in that Hyundai Steel did not have any idle equipment or plant shutdowns during the POI.

- costs of plant closure;

Not applicable, in that Hyundai Steel did not have any plant closures during the POI.

- restructuring costs;

Not applicable, in that Hyundai Steel did not have any restructuring costs during the POI.

- by-products and scrap materials resulting from your company’s production process; and

Scrap generated during the production process in the current year is [CONFIDENTIAL TEXT DELETED – company accounting policy]. The resultant value is [CONFIDENTIAL TEXT DELETED – company accounting policy].

- effects of inflation on financial statement information.

Not applicable, in that inflationary trends have been low for a considerable period of time and no effects need to be recognised.

7. In the event that any of the accounting methods used by your company have changed over the last two years provide an explanation of the changes, the date of change, and the reasons for it.

The Korean International Financial Reporting Standards (“K-IFRS”) currently represents generally accepted accounting principles in Korea. Hyundai Steel adopted K-IFRS for the annual period beginning on 1 January 2011.

In accordance with K-IFRS 1101, [CONFIDENTIAL TEXT DELETED – company accounting policy]. The reconciliations of the effect of the transition to K-IFRS are

described in detail in Note 3 of the consolidated financial statements provided in Attachment 8 [CONFIDENTIAL ATTACHMENT].

A-5 INCOME STATEMENT

Complete the spreadsheet entitled ‘**Income statement**’ within the *HRS Exporter Questionnaire – accompanying spreadsheet* provided alongside this questionnaire.

Provide the completed spreadsheet in electronic format on CD-ROM or USB (or via email) with your response. If formulas are used to calculate the field within this sheet, please ensure they remain included in the submitted version.

Explain how costs have been allocated between all products and the goods within these calculations.

This information will be used to verify the completeness of cost data that you provide in Section G. If, because of your company’s structure, the allocations would not be helpful in this process, please explain why this is the case.

Note: if your financial information does not permit you to present information in accordance with this table please present the information in a form that closely matches the table.

Hyundai Steel provides its Income Statement in the format requested in Attachment 10 [CONFIDENTIAL ATTACHMENT].

[CONFIDENTIAL TEXT DELETED – explanation of confidential data]

A-6 SALES

Complete the spreadsheet entitled ‘**Turnover**’ within the *HRS Exporter Questionnaire – accompanying spreadsheet* provided alongside this questionnaire.

Provide the completed spreadsheet in electronic format on CD-ROM or USB (or via email) with your response. If formulas are used to calculate the field within this sheet, please ensure they remain included in the submitted version.

In completing the sheet, use the currency in which your accounts are kept.

This information will be used to verify the cost allocations to the goods in Section G.

Also, you should be prepared to demonstrate that sales data shown for the goods is a complete record by linking total sales of these goods to relevant financial statements.

Hyundai Steel provides its “Turnover” in the format requested in Attachment 11 [CONFIDENTIAL ATTACHMENT].

[CONFIDENTIAL TEXT DELETED – explanation of confidential data]



SECTION B - SALES TO AUSTRALIA (EXPORT PRICE)

This section requests information concerning your export practices and prices to Australia. You should include costs incurred beyond ex-factory.

Export prices are usually assessed at FOB point, but the Commission may also compare prices at another level (e.g. ex factory).

*You should report prices of **all goods shipped to Australia during the investigation period.***

The invoice date will normally be taken to be the date of sale. If you consider:

- the sale date is not the invoice date (see 'date of sale' column explanation in question B4 below) and;*
- an alternative date should be used when comparing export and domestic prices*

*you **must** provide information in section D on domestic selling prices for a matching period - even if doing so means that such domestic sales data predates the commencement of the investigation period.*

B-1 For each customer in Australia to whom you shipped goods in the investigation period list:

- name;
- address;
- contact name and phone/fax number where known; and
- trade level (for example: distributor, wholesaler, retailer, end user, original equipment).

Hyundai Steel provides its list of Australian customers in sales of the GUC during the POI in Attachment 12 [CONFIDENTIAL ATTACHMENT].

As shown in that Attachment, the customers are [CONFIDENTIAL TEXT DELETED – identification of customer types].

B-2 For each customer identified in B1 please provide the following information.

- (a) Describe how the goods are sent to each customer in Australia, including a diagram if required.

During the POI, the export sales to Australia were made on [CONFIDENTIAL TEXT DELETED – sales terms]. [CONFIDENTIAL TEXT DELETED – explanation of sales terms]

- (b) Identify each party in the distribution chain and describe the functions performed by them. Where commissions are paid indicate whether it is a pre or post exportation expense having regard to the date of sale.

During the investigation period, export sales of the GUC to Australia took place

NON-CONFIDENTIAL

[CONFIDENTIAL TEXT DELETED – commercial sales channel information]

- (c) Explain who retains ownership of the goods at each stage of the distribution chain. In the case of delivered duty paid (DDP) sales, explain who retains ownership when the goods enter Australia.

Ownership of the goods is determined by the negotiated delivery terms.

[CONFIDENTIAL TEXT DELETED – sales terms]

[CONFIDENTIAL TEXT DELETED – explanation of sales terms]

- (d) Describe any agency or distributor agreements or other contracts entered into in relation to the Australian market (supply copy of the agreement if possible).

Apart from the contracts for the sale of the goods, there were [CONFIDENTIAL TEXT DELETED – details of agency and distributorship agreements] in relation to the export sales of the goods.

- (e) Explain in detail the process by which you negotiate price, receive orders, deliver, invoice and receive payment. If export prices are based on price lists supply copies of those lists.

The sales process for export sales generally proceeds as follows:

- (a) Hyundai Steel periodically issues a price guideline for sales of the goods to the Australian market, an example of which is provided in Attachment 13 [CONFIDENTIAL ATTACHMENT]. [CONFIDENTIAL TEXT DELETED – price negotiation].
- (b) Hyundai Steel negotiates with [CONFIDENTIAL TEXT DELETED – price negotiation].
- (c) Once terms are agreed, Hyundai Steel will [CONFIDENTIAL TEXT DELETED – production and sales procedures].
- (d) [CONFIDENTIAL TEXT DELETED – production and sales procedures].
- (e) [CONFIDENTIAL TEXT DELETED – shipment and invoicing procedures].
- (f) [CONFIDENTIAL TEXT DELETED – invoicing and payment procedures].
- (g) The procedures for making sales for the Australian market are [CONFIDENTIAL TEXT DELETED –sales procedures].

- (f) State whether your firm is related to any of its Australian customers. Give details of any financial or other arrangements (eg free goods, rebates, or promotional subsidies) with the customers in Australia (including parties representing either your firm or the customers).

Hyundai Steel is not related to any of its Australian customers. [CONFIDENTIAL TEXT DELETED – details of financial and other arrangements]

- (g) Details of the forward orders of the goods (include quantities, values and scheduled shipping dates).

NON-CONFIDENTIAL

[CONFIDENTIAL TEXT DELETED – information about forward orders]

B-3 Do your export selling prices vary according to the distribution channel identified? If so, provide details. Real differences in trade levels are characterised by consistent and distinct differences in functions and prices.

[CONFIDENTIAL TEXT DELETED – pricing policy]

B-4 Complete the spreadsheet entitled ‘Australian sales’ within the HRS Exporter Questionnaire – accompanying spreadsheet provided alongside this questionnaire.

This spreadsheet is to list **all** shipments (i.e. transaction by transaction) to Australia **of the goods** (do not include non-goods items) in the investigation period.

Provide the completed spreadsheet in electronic format on CD-ROM or USB (or via email) with your response. If formulas are used to calculate the field within this sheet, please ensure they remain included in the submitted version.

The below table provides information as to what is meant by each column heading within the spreadsheet.

Column heading	Explanation
Customer name	names of your customers
Level of trade	the level of trade of your customers in Australia
Model	commercial model identification
Grade	steel grade e.g. 300, 350
Shape	e.g. I, H, C, U sections
Dimension	dimensions of the good 130mm
Alloy	if the product is an alloy steel, specify the alloy
Product code	code used in your records for the model/grade/type identified. Explain the product codes in your submission.
Finish	identify the finish of the HRS sold
Imperial or metric	specify whether the product is manufactured to imperial or metric size
Invoice number	invoice number
Invoice date	invoice date
Date of sale	refer to the explanation at the beginning of this section. If you consider that a date <i>other than</i> the invoice date best establishes the material terms of sale, report that date. For example, order confirmation, contract, or purchase order date.

NON-CONFIDENTIAL

Order number	if applicable, show order confirmation, contract or purchase order number if you have shown a date other than invoice date as being the date of sale.
Shipping terms	delivery terms eg. CIF, C&F, FOB, DDP (in accordance with Incoterms)
Payment terms	agreed payment terms eg. 60 days = 60 etc
Quantity	quantity in units shown on the invoice. Show basis eg kg.
Actual weight	actual weight of (specify units e.g. Tonnes)
Theoretical weight	theoretical weight, if your business uses theoretical weight (specify units e.g. Tonnes)
Gross invoice value	gross invoice value shown on invoice in the currency of sale, excluding taxes.
Discounts	if applicable, the amount of any discount deducted on the invoice on each transaction. If a % discount applies show that % discount applying in another column.
Rebates	the amount of any deferred rebates or allowances paid to the importer in the currency of sale.
Other charges	any other charges, or price reductions, that affect the net invoice value. Insert additional columns and provide a description.
Invoice currency	the currency used on the invoice
Exchange rate	indicate the exchange rate used to convert the currency of the sale to the currency used in your accounting system
Net invoice value	the net invoice value expressed in your domestic currency as it is entered in your accounting system
Other discounts	the actual amount of discounts not deducted from the invoice. Show a separate column for each type of discount.
Ocean freight**	the actual amount of ocean freight incurred on each export shipment listed.
Marine insurance	amount of marine insurance
FOB export price**	the free on board price at the port of shipment.
Packing*	packing expenses
Inland transportation costs*	inland transportation costs included in the selling price. For export sales this is the inland freight from factory to port in the country of export.

NON-CONFIDENTIAL

Handling, loading & ancillary expenses*	handling, loading & ancillary expenses. For example, terminal handling, export inspection, wharfage & other port charges, container tax, document fees & customs brokers fees, clearance fees, bank charges, letter of credit fees, & other ancillary charges incurred in the exporting country.
Warranty & guarantee expenses*	warranty & guarantee expenses
Technical assistance & other services*	expenses for after sale services, such as technical assistance or installation costs.
Commissions*	commissions paid. If more than one type is paid insert additional columns of data. Indicate in your response to question B2 whether the commission is a pre or post exportation expense having regard to the date of sale.
Other factors*	any other costs, charges or expenses incurred in relation to the exports to Australia (include additional columns as required). See question B5.

Notes

** FOB export price and Ocean Freight:

FOB export price: An FOB export price must be calculated for each shipment - regardless of the shipping terms. FOB price includes inland transportation to the port of exportation, inland insurance, handling, and loading charges. It excludes post exportation expenses such as ocean freight and insurance. Use a formula to show the method of the calculation on each line of the export sales spreadsheet.

Ocean freight: as ocean freight is a significant cost it is important that the actual amount of ocean freight incurred on each exportation be reported. If estimates must be made you must explain the reasons and set out the basis - estimates must reflect changes in freight rates over the investigation period.

Freight allocations must be checked for consistency.

All of these costs are further explained in section E-1.

Hyundai Steel provides its “Australian Sales” listing in accordance with the abovementioned instructions in Attachment 14 [CONFIDENTIAL ATTACHMENT].

Hyundai Steel offers the following additional explanations and clarifications in respect of the information in the columns in the “Australian Sales” listing:

[CONFIDENTIAL TEXT DELETED – explanations of confidential commercial data]

B-5 If there are any other costs, charges or expenses incurred in respect of the exports listed above which have not been identified in the table above, add a column within the ‘Australian sales’ spreadsheet (see “other factors” in question B-4) for each item, and provide a description of each item. For example, other selling expenses (direct or indirect) incurred in relation to the export sales to Australia.

(1) As described above, in addition to the kinds of expenses already identified in the table in question B-4, a “credit expenses” column has been added. This is for the purpose of a fair comparison with domestic sales.

NON-CONFIDENTIAL

[CONFIDENTIAL TEXT DELETED – explanation of credit costs]
(2) [CONFIDENTIAL TEXT DELETED – sales procedures]

- B-6** For each type of discount, rebate, or allowance offered on export sales to Australia:
- provide a description; and
 - explain the terms and conditions that must be met by the importer to obtain the discount.

Where the amounts of these discounts, rebates etc are not identified on the sales invoice, explain how you calculated the amount shown in your response to question B4. If they vary by customer or level provide an explanation.

[CONFIDENTIAL TEXT DELETED – information about discounts, rebates and allowances]

- B-7** If you have issued credit notes (directly or indirectly) to the customers in Australia, in relation to the invoices listed in the detailed transaction by transaction listing in response to question B4, provide details of each credit note if the credited amount has **not** been reported as a discount or rebate.

[CONFIDENTIAL TEXT DELETED – information about credit notes]

- B-8** If the delivery terms make you responsible for arrival of the goods at an agreed point within Australia (eg. delivered duty paid), insert additional columns in the spreadsheet for all other costs incurred. For example:

Import duties	Amount of import duty paid in Australia
Inland transport	Amount of inland transportation expenses within Australia included in the selling price
Other costs	The Commission brokers, port and other costs incurred (itemise)

[CONFIDENTIAL TEXT DELETED – sales terms]

- B-9** Select two shipments, in different quarters of the investigation period, and provide a complete set of all of the documentation related to the export sale. For example:
- the importer’s purchase order, order confirmation, and contract of sale;
 - commercial invoice;
 - bill of lading, export permit;
 - freight invoices in relation to movement of the goods from factory to Australia, including inland freight contract;
 - marine insurance expenses; and

NON-CONFIDENTIAL

- letter of credit, and bank documentation, proving payment.

The Commission will select additional shipments for payment verification at the time of the visit.

Hyundai Steel provides documentation related to the export sales of the GUC to Australia for two samples in different quarters of the investigation period in Attachment 15 [CONFIDENTIAL ATTACHMENT].

- B-10** Are your export sales of imperial or metric product (or both)? Does your selling price differ based on whether the product sold is imperial or metric product?

Hyundai Steel designates all of its export sales in metric dimensions.

SECTION C – EXPORTED GOODS & LIKE GOODS

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

Details of physical characteristics [CONFIDENTIAL TEXT DELETED – product characteristics] of the goods exported to Australia during the investigation period are provided in Attachment 16 [CONFIDENTIAL ATTACHMENT].

C-2 List each model/type of the good exported to Australia (these models should cover all models listed in spreadsheet “**Australian Sales**” – See section B of this questionnaire).

Product coding for the goods exported to Australia during the investigation period is provided in Attachment 17 [CONFIDENTIAL ATTACHMENT].

C-3 If you sell like goods (see explanation in glossary) on the domestic market, for each model/type that your company has exported to Australia during the investigation period, list the most comparable model(s) sold domestically and provide a detailed explanation of the differences where those goods sold domestically (ie. the like goods) are not identical to the goods exported to Australia.

This should be done by completing the spreadsheet entitled ‘**Like goods**’ within the *HRS Exporter Questionnaire – accompanying spreadsheet* provided alongside this questionnaire, detailing as follows:

EXPORTED MODEL	DOMESTIC MODEL	IDENTICAL?	DIFFERENCES
Product code of each model of the goods exported to Australia	Product code of comparable model sold on the domestic market of the country of export	If goods are identical indicate “YES”. Otherwise “NO”	Where the good exported to Australia is not identical to the like goods, describe the specification differences. If it is impractical to detail specification differences in this table refer to documents which outline differences

Hyundai Steel provides a “Like Goods” spreadsheet in Attachment 18 [CONFIDENTIAL ATTACHMENT]. The “Product Codes” reported in the “Exported Model” and “Domestic Model” columns are as reported in the “Australian Sales” and “Domestic Sales” listings.

C-4 Please provide any technical and illustrative material that may be helpful in identifying or classifying the goods that your company sells on the domestic market.

Hyundai Steel provides relevant extracts from its product catalogue - describing specification details, applications, technical characteristics, and chemical

components – in Attachment 19 [CONFIDENTIAL ATTACHMENT].

SECTION D - DOMESTIC SALES

This section seeks information about the sales arrangements and prices in the domestic market of the country of export.

*All domestic sales **of like goods to the goods** made during the investigation period must be listed transaction by transaction. If there is an extraordinarily large volume of sales data and you are unable to provide the complete listing electronically you **must** contact the Case Manager **before** completing the questionnaire.*

If the Case Manager agrees that it is not possible to obtain a complete listing he or she will consider a method for sampling that meets the Commission requirements. If agreement cannot be reached as to the appropriate method the Commission may not visit your company.

The Commission will normally take the invoice date as being the date of sale in order to determine which sales fall within the investigation period.

*If, in response to question B4 (Sales to Australia, Export Price), you have reported that the date of sale is not the invoice date and you consider that this alternative date should be used when comparing domestic and export prices you **must** provide information on domestic selling prices for a matching period - even if doing so means that such domestic sales data predates the commencement of the investigation period.*

If you do not have any domestic sales of like goods you must contact the Case Manager who will explain the information the Commission requires for determining a normal value using alternative methods.

D-1 Provide:

- a detailed description of your distribution channels to domestic customers, including a diagram if appropriate;

During the investigation period, [CONFIDENTIAL TEXT DELETED – commercial sales channel information] for domestic sales of the goods.
[CONFIDENTIAL TEXT DELETED – explanation of sales channels]

- information concerning the functions/activities performed by each party in the distribution chain; and

Hyundai Steel undertakes [CONFIDENTIAL TEXT DELETED – customer, sales and pricing information].

- a copy of any agency or distributor agreements, or contracts entered into.

[CONFIDENTIAL TEXT DELETED – information about agency and distributor agreements]

If any of the customers listed are associated with your business, provide details of that association. Describe the effect, if any, that association has upon the price.

During the investigation period, Hyundai Steel made sales of the goods on the domestic market to some customers with which it is associated. A list of those

NON-CONFIDENTIAL

customers is as follows:

[CONFIDENTIAL TEXT DELETED – customer names]

[CONFIDENTIAL TEXT DELETED – sales and pricing information]

D-2 Do your domestic selling prices vary according to the distribution channel identified? If so, provide details. Real differences in trade levels are characterised by consistent and distinct differences in functions and prices.

[CONFIDENTIAL TEXT DELETED – pricing information]

D-3 Explain in detail the sales process, including:

- the way in which you set the price, receive orders, make delivery, invoice and finally receive payment; and the terms of the sales; and
- whether price includes the cost of delivery to customer.

If sales are in accordance with price lists, provide copies of the price lists.

As stated above, [CONFIDENTIAL TEXT DELETED – identification of customer types]. [CONFIDENTIAL TEXT DELETED – sales and pricing information]

In most cases, Hyundai Steel is responsible for [CONFIDENTIAL TEXT DELETED – sales and pricing information].

Shipments are made [CONFIDENTIAL TEXT DELETED – sales and delivery information]. Payment is normally made [CONFIDENTIAL TEXT DELETED – invoicing and payment information].

An internal price guideline for domestic sales exists, for the purposes of negotiation with customers. [CONFIDENTIAL TEXT DELETED – pricing policy].

An example of an internal price guideline is provided in Attachment 20 [CONFIDENTIAL ATTACHMENT].

D-4 Complete the spreadsheet entitled ‘**Domestic sales**’ within the *HRS Exporter Questionnaire – accompanying spreadsheet* provided alongside this questionnaire.

This spreadsheet is to list **all domestic sales of like goods** (i.e. transaction by transaction) in the investigation period (do not include non-goods items).

Provide the completed spreadsheet in electronic format on CD-ROM or USB (or via email) with your response. If formulas are used to calculate the field within this sheet, please ensure they remain included in the submitted version.

The below table provides information as to what is meant by each column heading within the spreadsheet.

Column Heading	Explanation
Customer name	names of your customers. If an English version of the name is not easily produced from your automated systems show a customer code number and in a separate table list each code and name.

NON-CONFIDENTIAL

Level of trade	the level of trade of your domestic customer
Model	commercial model identification
Grade	Steel grade e.g. 300, 350
Shape	e.g. I, H, C, U sections
Dimension	Dimensions of the good 130mm
Alloy	If the product is an alloy steel, specify the alloy
Product code	code used in your records for the model/grade/type identified. Explain the product codes in your submission.
Finish	The finish of the HRS
Imperial or metric	Specify whether the product is manufactured to imperial or metric size
Invoice number	invoice number
Invoice date	invoice date
Date of sale	refer to the explanation at the beginning of this section. If you consider that a date <i>other than</i> the invoice date best establishes the material terms of sale and should be used, report that date. For example, order confirmation, contract, or purchase order date.
Order number	show order confirmation, contract or purchase order number if you have shown a date other than invoice date as being the date of sale.
Delivery terms	eg ex factory, free on truck, delivered into store
Payment terms	payment terms agreed with the customer eg. 60 days=60 etc
Quantity	quantity in units shown on the invoice eg kg.
Actual weight	Actual weight of (specify units e.g. Tonnes)
Theoretical weight	Theoretical weight, if your business uses theoretical weight (specify units e.g. Tonnes)
Gross Invoice value	gross value shown on invoice <i>in the currency of sale</i> , net of taxes.
Discounts	the amount of any discount deducted on the invoice on each transaction. If a % discount applies show that % discount applying in another column.
Rebates	The amount of any deferred rebates or allowances paid to the importer in the currency of sale.
Net invoice value	the net invoice value expressed in your domestic currency as recorded in your accounting system

NON-CONFIDENTIAL

Other discounts	The actual amount of discounts not deducted from the invoice. Show a separate column for each type of discount.
Packing*	packing expenses
Inland transportation costs*	amount of inland transportation costs included in the selling price.
Handling, loading and ancillary expenses*	handling, loading & ancillary expenses.
Warranty & Guarantee expenses*	warranty & guarantee expenses
Technical assistance & other services*	expenses for after sale services such as technical assistance or installation costs.
Commissions*	commissions paid. If more than one type is paid insert additional columns of data.
Other factors*	any other costs, charges or expenses incurred in relation to the domestic sales (include additional columns as required). See question D5.

Notes

Costs marked with * are explained in section E-2.

Hyundai Steel provides its “Domestic Sales” listing in accordance with these instructions in Attachment 21 [CONFIDENTIAL ATTACHMENT].

With respect to explanations of the information contained in the columns in the “Domestic Sales” listing, please refer to the explanations described in Section B with the following adjustments in the case of the domestic sales:

[CONFIDENTIAL TEXT DELETED – explanations of confidential commercial data]

D-5 If there are any other costs, charges or expenses incurred in respect of the sales listed which have not been identified in the table in question D-4 above add a column for each item (see “other factors”). For example, certain other selling expenses incurred.

In addition to the expenses identified in the table in question D-4, the following columns are newly added in the “Domestic Sales” listing, for the purpose of a fair comparison:

(1) **Credit Cost - [CONFIDENTIAL TEXT DELETED – explanation of credit costs]**

(2) **[CONFIDENTIAL TEXT DELETED – sales procedures]**

D-6 For each type of commission, discount, rebate, allowance offered on domestic sales of like goods:

- provide a description; and
- explain the terms and conditions that must be met by the customer to qualify

NON-CONFIDENTIAL

for payment.

Where the amounts of these discounts, rebates etc are not identified on the sales invoice, explain how you calculated the amounts shown in your response to question D4.

If you have issued credit notes, directly or indirectly to the customers, provide details if the credited amount has **not** been reported as a discount or rebate.

[CONFIDENTIAL TEXT DELETED – information about commissions, discounts, rebates and allowances]

[CONFIDENTIAL TEXT DELETED – information about credit notes]

D-7 Select two domestic sales, in different quarters of the investigation period, that are at the same level of trade as the export sales.

Provide a complete set of documentation for those two sales. Include, for example:

- purchase order
- order acceptance
- commercial invoice
- discounts or rebates applicable
- credit/debit notes
- long or short term contract of sale
- inland freight contract
- bank documentation showing proof of payment

The Commission will select additional sales for verification at the time of our visit.

Documentation for two sample domestic sales of the goods on the domestic markets in different quarters of the POI is provided in Attachment 22 [CONFIDENTIAL ATTACHMENT].

D-8 Are your domestic sales of imperial or metric product (or both)? Does your selling price differ based on whether the product sold is imperial or metric product?

Hyundai Steel designates [CONFIDENTIAL TEXT DELETED – technical and pricing information].

SECTION E - FAIR COMPARISON

Section B sought information about the export prices to Australia and Section D sought information about prices on your domestic market for like goods (ie. The normal value).

Where the normal value and the export price are not comparable adjustments may be made. This section informs you of the fair comparison principle and asks you to quantify the amount of any adjustment.

As prices are being compared, the purpose of the adjustments is to eliminate factors that have unequally modified the prices to be compared.

To be able to quantify the level of any adjustment it will usually be necessary to examine cost differences between sales in different markets. The Commission must be satisfied that those costs are likely to have influenced price. In practice, this means that the expense item for which an adjustment is claimed should have a close nexus to the sale. For example, the cost is incurred because of the sale, or because the cost is related to the sale terms and conditions.

Conversely, where there is not a direct relationship between the expense item and the sale a greater burden is placed upon the claimant to demonstrate that prices have been affected, or are likely to have been affected, by the expense item. In the absence of such evidence the Commission may disallow the adjustment.

Where possible, the adjustment should be based upon actual costs incurred when making the relevant sales. However, if such specific expense information is unavailable cost allocations may be considered. In this case, the party making the adjustment claim must demonstrate that the allocation method reasonably estimates costs incurred.

A party seeking an adjustment has the obligation to substantiate the claim by relevant evidence that would allow a full analysis of the circumstances, and the accounting data, relating to the claim.

The investigation must be completed within strict time limits therefore you must supply information concerning claims for adjustments in a timely manner. Where an exporter has knowledge of the material substantiating an adjustment claim that material is to be available at the time of the verification visit. The Commission will not consider new claims made after the verification visit.

E-1 COSTS ASSOCIATED WITH EXPORT SALES

(These cost adjustments will relate to your responses made at question B-4, 'Australian Sales')

1. Transportation

Explain how you have quantified the amount of inland transportation associated with the export sale ("**Inland transportation costs**"). Identify the general ledger account where the expense is located. If the amount has been determined from contractual arrangements, not from an account item, provide details and evidence of payment.

Actual export inland freight cost is reported in the "Inland Transportation Costs" column in the "Australian Sales" listing. A transportation expense calculation worksheet is provided in the Australian sales sample documents in Attachment

15.

2. Handling, loading and ancillary expenses

List all charges that are included in the export price and explain how they have been quantified (“**Handling, loading & ancillary expenses**”). Identify the general ledger account where the expenses are located. If the amounts have been determined using actual observations, not from a relevant account item, provide details.

The various export related ancillary costs are identified in the table at question B4, for example:

- terminal handling;
- wharfage and other port charges;
- container taxes;
- document fees and customs brokers fees;
- clearance fees;
- bank charges, letter of credit fees
- other ancillary charges.

The sum of the actual wharfage, loading and unloading charges, and bank charges is reported in the “Handling, Loading & Ancillary Expenses” column in the “Australian Sales” listing. Supporting documentation for these expenses has been provided in the Australian sales sample documents in Attachment 15 [CONFIDENTIAL ATTACHMENT].

3. Credit

The cost of extending credit on export sales is not included in the amounts quantified at question B4. However, the Commission will examine whether a credit adjustment is warranted and determine the amount. Provide applicable interest rates over each month of the investigation period. Explain the nature of the interest rates most applicable to these export sales eg, short term borrowing in the currency concerned.

If your accounts receivable shows that the average number of collection days differs from the payment terms shown in the sales listing, *and if* export prices are influenced by this longer or shorter period, calculate the average number of collection days. See also item 4 in section E-2 below.

[CONFIDENTIAL TEXT DELETED – information about credit costs]. Supporting documentation for this credit expense for the sampled transactions has been provided in the Australian sales sample documents in Attachment 15 [CONFIDENTIAL ATTACHMENT].

4. Packing costs

List material and labour costs associated with packing the export product. Describe how the packing method differs from sales on the domestic market, for each model. Report the amount in the listing in the column headed ‘**Packing**’.

Packing costs are not incurred in relation to the production and sale of the GUC.

5. **Commissions**

For any commissions paid in relation to the export sales to Australia:

- provide a description; and
- explain the terms and conditions that must be met.

Report the amount in the sales listing in question B-4 under the column headed “**Commissions**”. Identify the general ledger account where the expense is located.

[CONFIDENTIAL TEXT DELETED – information about commissions]

6. **Warranties, guarantees, and after sales services**

List the costs incurred. Show relevant sales contracts. Show how you calculated the expenses (“**Warranty & guarantee expenses**” and “**Technical assistance & other services**”), including the basis of any allocations. Include a record of expenses incurred. Technical services include costs for the service, repair, or consultation. Where these expenses are closely related to the sales in question, an adjustment will be considered. Identify the ledger account where the expense is located.

[CONFIDENTIAL TEXT DELETED – information about warranties, guarantees and after sales service]

7. **Other factors**

There may be other factors for which an adjustment is required if the costs affect price comparability – these are identified in the column headed “**Other factors**”. For example, other variable or fixed selling expenses, including salesmen’s salaries, salesmen’s travel expenses, advertising and promotion, samples and entertainment expenses. Your consideration of questions asked at Section G, concerning domestic and export costs, would have alerted you to such other factors.

Hyundai Steel refers to the information relating to [CONFIDENTIAL TEXT DELETED – sales procedures] in B-5(2) above. A worksheet showing the calculation of the [CONFIDENTIAL TEXT DELETED – sales procedures] is provided in Attachment 23.

Otherwise, Hyundai Steel believes that it has reported all costs applicable to export sales of the goods.

8. **Currency conversions**

In comparing export and domestic prices a currency conversion is required. Fluctuations in exchange rates can only be taken into account when there has been a ‘sustained’ movement during the investigation period (see article 2.4.1 of the WTO Agreement). The purpose is to allow exporters 60 days to adjust export prices to reflect ‘sustained’ movements. Such a claim requires detailed information on exchange movements in your country over a long period that includes the investigation period.

Hyundai Steel does not believe there was any currency fluctuation such as described in Article 2.4.1 of the ADA.

E-2 COSTS ASSOCIATED WITH DOMESTIC SALES

(These cost adjustments will relate to your responses made at question D-4, “**domestic sales**”)

The following items are not separately identified in the amounts quantified at question D-4. However you should consider whether any are applicable.

1. Physical characteristics

The adjustment recognises that differences such as quality, chemical composition, structure or design, mean that goods are not identical and the differences can be quantified in order to ensure fair comparison.

The amount of the adjustment shall be based upon the market value of the difference, but where this is not possible the adjustment shall be based upon the difference in cost plus the gross profit mark-up (ie. an amount for selling general and administrative costs (S G & A) plus profit).

The adjustment is based upon actual physical differences in the goods being compared and upon the manufacturing cost data. Identify the physical differences between each model. State the source of your data.

[CONFIDENTIAL TEXT DELETED – product comparisons and specification differences]

The methodology and technical assumptions are the same as those adopted by Australian Customs/ADC in the hot-rolled plate steel investigation.

2. Import charges and indirect taxes

If exports to Australia:

- are partially or fully exempt from internal taxes and duties that are borne by the like goods in domestic sales (or on the materials and components physically incorporated in the goods), or
- if such internal taxes and duties have been paid and are later remitted upon exportation to Australia,

the price of like goods must be adjusted downwards by the amount of the taxes and duties.

The taxes and duties include sales, excise, turnover, value added, franchise, stamp, transfer, border, and excise taxes. Direct taxes such as corporate income tax are not included as such taxes do not apply to the transactions.

Adjustment for drawback is not made in every situation where drawback has been received. Where an adjustment for drawback is appropriate you must provide information showing the import duty borne by the domestic sales. (That is, it is not sufficient to show the drawback amount and the export sales quantity to Australia. For example, you may calculate the duty borne on domestic sales by quantifying the total amount of import duty paid and subtracting the duty refunded on exports to all countries. The difference, when divided by the domestic sales volume, is the amount of the adjustment).

In substantiating the drawback claim the following information is required:

NON-CONFIDENTIAL

- a copy of the relevant statutes/regulations authorising duty exemption or remission, translated into English;
- the amount of the duties and taxes refunded upon exportation and an explanation how the amounts were calculated and apportioned to the exported goods;
- an explanation as to how you calculated the amount of duty payable on imported materials is borne by the goods sold domestically but is not borne by the exports to Australia;

Substitution drawback systems

Annex 3 of the WTO Agreement on Subsidies provides: *“Drawback systems can allow for the refund or drawback of import duties on inputs which are consumed in the production process of another product and where the export of this latter product contains domestic inputs having the same quality and characteristics as those substituted for the imported inputs”*

If such a scheme operates in the country of export please provide **full** details about the operation of the scheme as well as providing the information requested above.

The invoice value reported in the “Domestic Sales” listing is reported net of Value Added Tax.

There are no import duties on the major raw material for the GUC, which is scrap steel. [CONFIDENTIAL TEXT DELETED – information about duty paid and duty drawback]

3. Level of trade

Question D-4 asks you to indicate the level of trade to the domestic customer. To claim an adjustment for level of trade differences you will need to quantify the amount by which level of trade influences price.

Trade level is the level a company occupies in the distribution chain. The trade level to which that company in turn sells the goods and the functions carried out distinguish a level of trade. Examples are producer, national distributor, regional distributor, wholesaler, retailer, end user, and original equipment manufacturer.

It may not be possible to compare export prices and domestic prices at the same level of trade. Where relevant sales of like goods at the next level of trade must be used to determine normal values an adjustment for the difference in level of trade may be required where it is shown that the difference affects price comparability.

The information needs to establish that there are real trade level differences, not merely nominal differences. Real trade level differences are characterised by a consistent pattern of price differences between the levels and by a difference in functions performed. If there is no real trade level differences all sales are treated as being at the same level of trade.

A real difference in level of trade (may be adjusted for using either of the following methods:

- (a) *costs arising from different functions*: the amount of the costs, expenses etc incurred by the seller in domestic sales of the like goods resulting from activities that would not be performed were the domestic sales made at the same level as

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that of the importer.

This requires the following information:

- a detailed description of each sales activity performed in selling to your domestic customers (for example sales personnel, travel, advertising, entertainment etc);
- the cost of carrying out these activities in respect of like goods;
- for each activity, whether your firm carries out the same activity when selling to importers in Australia;
- an explanation as to why you consider that you are entitled to a level of trade adjustment.

or

- (b) *level discount*: the amount of the discount granted to purchasers who are at the same level of trade as the importer in Australia. This is determined by an examination of price differences between the two levels of trade in the exporter's domestic market, for example sales of like goods by other vendors or sales of the same general category of goods by the exporter. For this method to be used it is important that a clear pattern of pricing be established for the differing trade levels. Such pattern is demonstrated by a general availability of the discounts to the level - isolated instances would not establish a pattern of availability.

Domestic sales [CONFIDENTIAL TEXT DELETED – customer type and pricing information]. Export sales [CONFIDENTIAL TEXT DELETED – customer type and pricing information].
[CONFIDENTIAL TEXT DELETED – customer type and pricing information]

4. Credit

The cost of extending credit on domestic sales is not included in the amounts quantified at question D-4. However, the Commission will examine whether a credit adjustment is warranted and determine the amount. An adjustment for credit is to be made even if funds are not borrowed to finance the accounts receivable.

The interest rate on domestic sales in order of preference is:

- the rate, or average of rates, applying on actual short term borrowing's by the company; or
- the prime interest rate prevailing for commercial loans in the country for credit terms that most closely approximate the credit terms on which the sales were made; or
- such other rate considered appropriate in the circumstances.

Provide the applicable interest rate over each month of the investigation period.

If your accounts receivable shows that the average number of collection days differs from the payment terms shown in the sales listing, and if domestic prices are influenced by this longer or shorter period, calculate the average number of collection days.

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Where there is no fixed credit period agreed at the time of sale the period of credit is determined on the facts available. For example, where payment is made using an open account system,¹ the average credit period may be determined as follows:

1 Calculate an accounts receivable turnover ratio

This ratio equals the total credit sales divided by average accounts receivable.

(It is a measure of how many times the average receivables balance is converted into cash during the year).

In calculating the accounts receivable turnover ratio, credit sales should be used in the numerator whenever the amount is available from the financial statements. Otherwise net sales revenue may be used in the numerator.

An average accounts receivable over the year is used in the denominator. This may be calculated by:

- using opening accounts receivable at beginning of period plus closing accounts receivable at end of period divided by 2, or
- total monthly receivables divided by 12.

2 Calculate the average credit period

The average credit period equals 365 divided by the accounts receivable turnover ratio determined above at 1.

The resulting average credit period should be tested against randomly selected transactions to support the approximation.

The following items are identified in the amounts quantified at question D-4:

In reporting credit costs in the “Domestic Sales” listing, agreed payment terms have been used. The average interest rate for short-term borrowings denominated in KRW is used for calculating the credit cost. Please refer to Hyundai Steel’s response to D-5 for more details. A worksheet showing the calculation of the short-term interest rate is provided in Attachment 25 [CONFIDENTIAL ATTACHMENT].

5. Transportation

Explain how you have quantified the amount of inland transportation associated with the domestic sales (“**Inland transportation Costs**”). Identify the general ledger account where the expense is located. If the amount has been determined from contractual arrangements, not from an account item, provide details and evidence of payment.

Inland freight based on the actual transportation fee is reported in the “Inland Transportation Costs” column in the “Domestic Sales” listing. Such actual transportation fee calculation worksheet is provided in Attachment 21 [CONFIDENTIAL ATTACHMENT]. A sample calculation worksheet is provided in Attachment 24 [CONFIDENTIAL ATTACHMENT].

¹ Under an open account system, following payment the balance of the amount owing is carried into the next period. Payment amounts may vary from one period to the next, with the result that the amount owing varies.

6. Handling, loading and ancillary expenses

List all charges that are included in the domestic price and explain how they have been quantified (“**Handling, loading and ancillary Expenses**”). Identify the general ledger account where the expense is located. If the amounts have been determined using actual observations, not from a relevant account item, provide details.

[CONFIDENTIAL TEXT DELETED – information about handling, loading and ancillary expenses]

7. Packing

List material and labour costs associated with packing the domestically sold product. Describe how the packing method differs from sales on the domestic market, for each model. Report the amount in the listing in the column headed “**Packing**”.

Packing costs are not incurred in relation to the production and sale of the goods.

8. Commissions

For any commissions paid in relation to the domestic sales:

- provide a description
- explain the terms and conditions that must be met.

Report the amount in the sales listing under the column headed “**Commissions**”. Identify the general ledger account where the expense is located.

[CONFIDENTIAL TEXT DELETED – information about commissions]

9. Warranties, guarantees, and after sales services

List the costs incurred. Show relevant sales contracts. Show how you calculated the expenses (“**Warranty & Guarantee expenses**” and “**Technical assistance & other services**”), including the basis of any allocations. Include a record of expenses incurred. Technical services include costs for the service, repair, or consultation. Where these expenses are closely related to the sales in question, an adjustment will be considered. Identify the ledger account where the expense is located.

[CONFIDENTIAL TEXT DELETED – information about warranties, guarantees and after sales service]

10. Other factors

There may be other factors for which an adjustment is required if the costs affect price comparability – these are identified in the column headed “**Other factors**”. List the factors and show how each has been quantified in per unit terms. For example:

- inventory carrying cost: describe how the products are stored prior to sale and show data relating to the average length of time in inventory. Indicate the interest rate used;
- warehousing expense: an expense incurred at the distribution point;
- royalty and patent fees: describe each payment as a result of production or

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sale, including the key terms of the agreement;

- advertising; and
- bad debt.

As previously mentioned, [CONFIDENTIAL TEXT DELETED – sales procedures]. A worksheet showing the calculation of [CONFIDENTIAL TEXT DELETED – sales procedures] is provided in Attachment 23 [CONFIDENTIAL ATTACHMENT].

E-3 DUPLICATION

In calculating the amount of the adjustments you must ensure that there is no duplication.

For example:

- adjustments for level of trade, quantity or other discounts may overlap, or
- calculation of the amount of the difference for level of trade may be based upon selling expenses such as salesperson’s salaries, promotion expenses, commissions, and travel expenses.

Separate adjustment items must avoid duplication.

An adjustment for quantities may not be granted unless the effect on prices for quantity differences is identified and separated from the effect on prices for level of trade differences.

No duplication is apparent.



SECTION F - EXPORT SALES TO COUNTRIES OTHER THAN AUSTRALIA

Your response to this part of the questionnaire may be used by the Commission to select sales to a third country that may be suitable for comparison with exports to Australia.

Sales to third countries may be used as the basis for normal value in certain circumstances. The Commission may seek more detailed information on particular third country sales where such sales are likely to be used as the basis for determining normal value.

F-1 Complete the spreadsheet entitled '**Third country sales**' within the *HRS Exporter Questionnaire – accompanying spreadsheet* provided alongside this questionnaire.

This spreadsheet is to list **all export sales of like goods** (i.e. transaction by transaction) to countries other than Australia in the investigation period (do not include non-goods items).

Provide the completed spreadsheet in electronic format on CD-ROM or USB (or via email) with your response. If formulas are used to calculate the field within this sheet, please ensure they remain included in the submitted version.

The below table provides information as to what is meant by each column heading within the spreadsheet.

Column heading	Explanation
Country	Name of the country that you exported like goods to over the investigation period.
Number of customers	The number of different customers that your company has sold like goods to in the third country over the investigation period.
Level of trade	The level of trade that you export like goods to in the third country.
Quantity	Indicate quantity, in units, exported to the third country over the investigation period.
Unit of quantity	Show unit of quantity eg kg
Value of sales	Show net sales value to all customers in third country over the investigation period
Currency	Currency in which you have expressed data in column SALES
Payment terms	Typical payment terms with customer(s) in the country eg. 60 days=60 etc
Shipment terms	Typical shipment terms to customers in the third country eg CIF, FOB, ex-factory, DDP etc.

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Hyundai Steel has provided a “Third Country” spread sheet in Attachment 26 [CONFIDENTIAL ATTACHMENT].

F-2 Please identify any differences in sales to third countries which may affect their comparison to export sales to Australia.

Prices in sales to different markets and to different customers in those markets vary depending on market circumstances, terms of trade (including freight terms), mix of customers, volume, etc. It is not possible to identify and account for all differences in sales to third countries which would affect their comparison with export sales to Australia.

In any case Hyundai Steel believes that it has been fully cooperative with this investigation, and will remain so. Therefore the Commission will be able to undertake normal value determination for comparison with export prices to Australia without reference to third country export sales.

SECTION G - COSTING INFORMATION AND CONSTRUCTED VALUE

The information that you supply in response to this section of the questionnaire will be used for various purposes including:

- testing the profitability of sales of like goods on the domestic market;
- determining a constructed normal value of the goods - ie of the goods exported to Australia; and
- making certain adjustments to the normal value.

You will need to provide the cost of production of both the exported goods (goods) and for the like goods sold on the domestic market. You will also need to provide the selling, general, and administration costs relating to goods sold on the domestic market; the finance expenses; and any other expenses (eg. non-operating expenses not included elsewhere) associated with the goods.

In your response please include a worksheet showing how the selling, general, and administration expenses; the finance expenses; and any other expenses have been calculated.

If, in response to question B4 (Sales to Australia, Export Price) you:

- reported that the date of sale is not the invoice date and consider that this alternative date should be used when comparing domestic and export prices, and
- provided information on domestic selling prices for a matching period as required in the introduction to Section D (Domestic Sales)

you must provide cost data over the same period as these sales even if doing so means that such cost data predates the commencement of the investigation period.

At any verification meeting you must be prepared to reconcile the costs shown to the accounting records used to prepare the financial statements.

G-1 PRODUCTION PROCESS AND CAPACITY

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

If your company manufactures/produces the steel raw material used to manufacture the goods, describe this process and provide a flowchart of this production process.

Hyundai Steel produces the goods in its Incheon and Pohang plants. The production processes in each plant is the same.

The production process is as follows.

- (a) **Steel making process - [CONFIDENTIAL TEXT DELETED – details of factory production process].**

NON-CONFIDENTIAL

(b) **Rolling process - [CONFIDENTIAL TEXT DELETED – details of factory production process].**

A detailed product flow chart is provided in Attachment 27 [CONFIDENTIAL ATTACHMENT].

[CONFIDENTIAL TEXT DELETED – details of factory production process]

2. Complete the spreadsheet entitled **'Production'** within the *HRS Exporter Questionnaire – accompanying spreadsheet* provided alongside this questionnaire.

Provide the completed spreadsheet in electronic format on CD-ROM or USB (or via email) with your response. If formulas are used to calculate the field within this sheet, please ensure they remain included in the submitted version.

Hyundai Steel provides its “Production” spread sheet in Attachment 28 [CONFIDENTIAL ATTACHMENT].

3. Explain whether you produce the goods and like goods (for domestic sale and export to third countries) to imperial and/or metric measurements.

Hyundai Steel can produce the goods [CONFIDENTIAL TEXT DELETED – technical product details].

4. If your company manufactures/produces steel materials that are used in the production of HRS, does your company also make sales of these steel materials?

Hyundai Steel produces the goods from steel scrap. [CONFIDENTIAL TEXT DELETED – details of factory production process]

G-2. COST ACCOUNTING PRACTICES

1. Outline the management accounting system that you maintain and explain how that cost accounting information is reconciled to your audited financial statements.

A flowchart of Hyundai Steel’s cost accounting system is provided in Attachment 29 [CONFIDENTIAL ATTACHMENT].

[CONFIDENTIAL TEXT DELETED – company accounting policy]

2. Is your company’s cost accounting system based on standard (budgeted) costs? State whether standard costs were used in your responses to this questionnaire. If they were state whether all variances (ie differences between standard and actual production costs) have been allocated to the goods - and describe how those variances have been allocated.

Hyundai Steel’s cost accounting system is based on [CONFIDENTIAL TEXT DELETED – company accounting policy].

3. Provide details of any significant or unusual cost variances that occurred during the investigation period.

No significant or unusual cost variances occurred during the POI.

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4. Describe the profit/cost centres in your company's cost accounting system.

The cost centres are constituted by [CONFIDENTIAL TEXT DELETED – company accounting policy] in Hyundai Steel's cost accounting system.

5. For each profit/cost centre describe in detail the methods that your company normally uses to allocate costs to the goods. In particular specify how, and over what period, expenses are amortised or depreciated, and how allowances are made for capital expenditures and other development costs.

[CONFIDENTIAL TEXT DELETED – company accounting policy]

6. Describe the level of product specificity (models, grades etc) that your company's cost accounting system records production costs.

[CONFIDENTIAL TEXT DELETED – company accounting policy]

7. List and explain all production costs incurred by your company which are valued differently for cost accounting purposes than for financial accounting purposes.

Hyundai Steel's production costs are [CONFIDENTIAL TEXT DELETED – company accounting policy]. There is no difference between production costs in the cost accounting system and the financial accounting system.

8. State whether your company engaged in any start-up operations in relation to the goods. Describe in detail the start-up operation giving dates (actual or projected) of each stage of the start-up operation.

Both factories are long established, and start-up operation costs were not incurred during the POI.

9. State the total cost of the start-up operation and the way that your company has treated the costs of the start-up operation in its accounting records.

Not applicable, please refer to G-2.8 above.

G-3 COST TO MAKE AND SELL ON DOMESTIC MARKET

This information is relevant to testing whether domestic sales are in the ordinary course of trade.²

Complete the spreadsheet entitled '**Domestic CTMS**' within the *HRS Exporter Questionnaire – accompanying spreadsheet* provided alongside this questionnaire.

Provide the completed spreadsheet in electronic format on CD-ROM or USB (or via email) with your response. If formulas are used to calculate the field within this sheet, please ensure they remain included in the submitted version.

In doing so, provide the actual unit cost to make and sell each model/type (identified in Section C) of the like goods sold on the domestic market.

² The Commission applies the tests set out in s.269TAAD of the *Customs Act 1901* to determine whether goods are in ordinary course of trade. These provisions reflect the WTO Anti-Dumping Agreement – see Article 2.2.1.

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Provide this cost data for each quarter over the investigation period. If your company calculates costs monthly, provide monthly costs.

Indicate the source of cost information (account numbers etc) and/or methods used to allocate cost to the goods. Provide documentation and worksheets supporting your calculations.

If you are unable to supply this information in this format, please contact the Case Manager for this investigation at the address shown on the cover of this questionnaire.

Please specify unit of currency.

Hyundai Steel provides “Domestic CTMS QUARTER” for each quarter in respect of each “Product Code” (identified in Section C) of the like goods sold on the domestic market in Attachment 30 [CONFIDENTIAL ATTACHMENT].

Hyundai Steel provides a sample product code cost calculation worksheet in Attachment 31 [CONFIDENTIAL ATTACHMENT].

Hyundai Steel also provides a calculation worksheet for the selling, general, administration, financial, delivery and other costs rates in Attachment 32 [CONFIDENTIAL ATTACHMENT].

G-4 COST TO MAKE AND SELL GOODS UNDER CONSIDERATION (GOODS EXPORTED TO AUSTRALIA)

Complete the spreadsheet entitled ‘**Australian CTMS**’ within the *HRS Exporter Questionnaire – accompanying spreadsheet* provided alongside this questionnaire.

Provide the completed spreadsheet in electronic format on CD-ROM or USB (or via email) with your response. If formulas are used to calculate the field within this sheet, please ensure they remain included in the submitted version.

In doing so, provide the actual unit cost to make and sell each model/type (identified in Section C) of the like goods sold on the domestic market.

Provide this cost data for each quarter over the investigation period. If your company calculates costs monthly, provide monthly costs.

Indicate the source of cost information (account numbers etc) and/or methods used to allocate cost to the goods. Provide documentation and worksheets supporting your calculations.

If you are unable to supply this information in this format, please contact the Case Manager for this investigation at the address shown on the cover of this questionnaire.

Please specify unit of currency.

Hyundai Steel provides “Australian CTMS” for each quarter in respect of each “Product Code” (identified in Section C) of the like goods sold to the Australian market at Attachment 33 [CONFIDENTIAL ATTACHMENT].

Hyundai Steel provides a sample product code cost calculation worksheet in Attachment 31 [CONFIDENTIAL ATTACHMENT].

NON-CONFIDENTIAL

Hyundai Steel also provides a calculation worksheet for the selling, general, administration, financial, delivery and other costs rates in Attachment 32 [CONFIDENTIAL ATTACHMENT].

The information is relevant to calculating the normal values based on costs. It is also relevant to calculating certain adjustments to the normal value.

- G-5** Where there are cost differences between goods sold to the domestic market and those sold for export, give reasons and supporting evidence for these differences.

The product codes identify that there are no differences between the subject goods sold to the domestic market and the goods sold for export to Australia. The costs of production of the product codes are not different as between the goods sold into the respective markets.

- G-6** Give details and an explanation of any significant differences between the costs shown, and the costs as normally determined in accordance with your general accounting system. Reference should be made to any differences arising from movements in inventory levels and variances arising under standard costing methods.

[CONFIDENTIAL TEXT DELETED – company accounting policy]. Hyundai Steel's cost accounting system is based on [CONFIDENTIAL TEXT DELETED – company accounting policy].

- G-7** In calculating the unit cost to make and sell, provide an explanation if the allocation method used (eg number, or weight etc) to determine the unit cost differs from the prior practice of your company.

Hyundai Steel provides sample product code cost allocation information in Attachments 31 and 32 [CONFIDENTIAL ATTACHMENT].

- G-8** List major raw material costs, which individually account for 10% or more of the total production cost.

For these major inputs:

- identify materials sourced in-house and from associated entities;
- identify the supplier; and
- show the basis of valuing the major raw materials in the costs of production you have shown for the goods (eg market prices, transfer prices, or actual cost of production).

Where the major input is produced by an associate of your company the Commission will compare your purchase price to a normal market price. If the associate provides information on the cost of production for that input such cost data may also be considered.

Normal market price is taken to be the price normally available in the market (having regard to market size, whether the input is normally purchased at 'spot prices' or under long term contracts etc).

The term associate is defined in section 269TAA of the Act. Included in that definition are companies controlled by the same parent company (a company that

NON-CONFIDENTIAL

controls 5% or more of the shares of another is taken to be an associated company); companies controlled by the other company; and companies having the same person in the board of directors.

If the major input is purchased or supplied from an integrated production process you should provide detailed information on the full costs of production of that input.

During the POI, Hyundai Steel purchased [CONFIDENTIAL TEXT DELETED – details of related party transactions] (hereinafter “Related Suppliers”). Hyundai Steel and Related Suppliers are member companies of the [CONFIDENTIAL TEXT DELETED – corporate group entity] through cross-ownership.

The rate of steel scrap amount purchased from Related Suppliers was about [CONFIDENTIAL TEXT DELETED – number]% of total scrap material costs of Hyundai Steel.

SECTION H – EXPORTER/PRODUCER’S DECLARATION

I hereby declare that **Hyundai Steel Company** (company) did, during the investigation period, export the goods and have completed the attached questionnaire and, having made due inquiry, certify that the information contained in this submission is complete and correct to the best of my knowledge and belief.

or

I hereby declare that.....(company) did, during the investigation period, produce the goods which were exported to Australia by another company and have completed the attached questionnaire and, having made due inquiry, certify that the information contained in this submission is complete and correct to the best of my knowledge and belief.

Name

S B Her

Signature



Position in Company

**General Manager,
Trade Affairs & Planning Team**

Date

December 20, 2013



SECTION I - CHECKLIST

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

Section	Please tick if you have responded to all questions
Section A – general information	<input checked="" type="checkbox"/>
Section B – export price	<input checked="" type="checkbox"/>
Section C – like goods	<input checked="" type="checkbox"/>
Section D – domestic price	<input checked="" type="checkbox"/>
Section E – fair comparison	<input checked="" type="checkbox"/>
Section F – exports to third countries	<input checked="" type="checkbox"/>
Section G – costing information	<input checked="" type="checkbox"/>
Section H - declaration	<input checked="" type="checkbox"/>

Electronic Data	Please tick if you have provided spread sheet
INCOME STATEMENT	<input checked="" type="checkbox"/>
TURNOVER – sales summary	<input checked="" type="checkbox"/>
AUSTRALIAN SALES – list of sales to Australia	<input checked="" type="checkbox"/>
DOMESTIC SALES – list of all domestic sales of like goods	<input checked="" type="checkbox"/>
THIRD COUNTRY – third country sales	<input checked="" type="checkbox"/>
PRODUCTION – production figures	<input checked="" type="checkbox"/>
DOMESTIC CTMS – cost to make and sell domestic goods	<input checked="" type="checkbox"/>
AUSTRALIAN CTMS – cost to make and sell goods sold to Australia	<input checked="" type="checkbox"/>