FOR PUBLIC RECORD

REVIEW OF MEASURES 642

Hot-Rolled Structural Steel Sections exported from Japan, Korea, Taiwan and Thailand

Exporter Visit Briefing: Hyundai Steel Company

27 June 2024

LIBERTY

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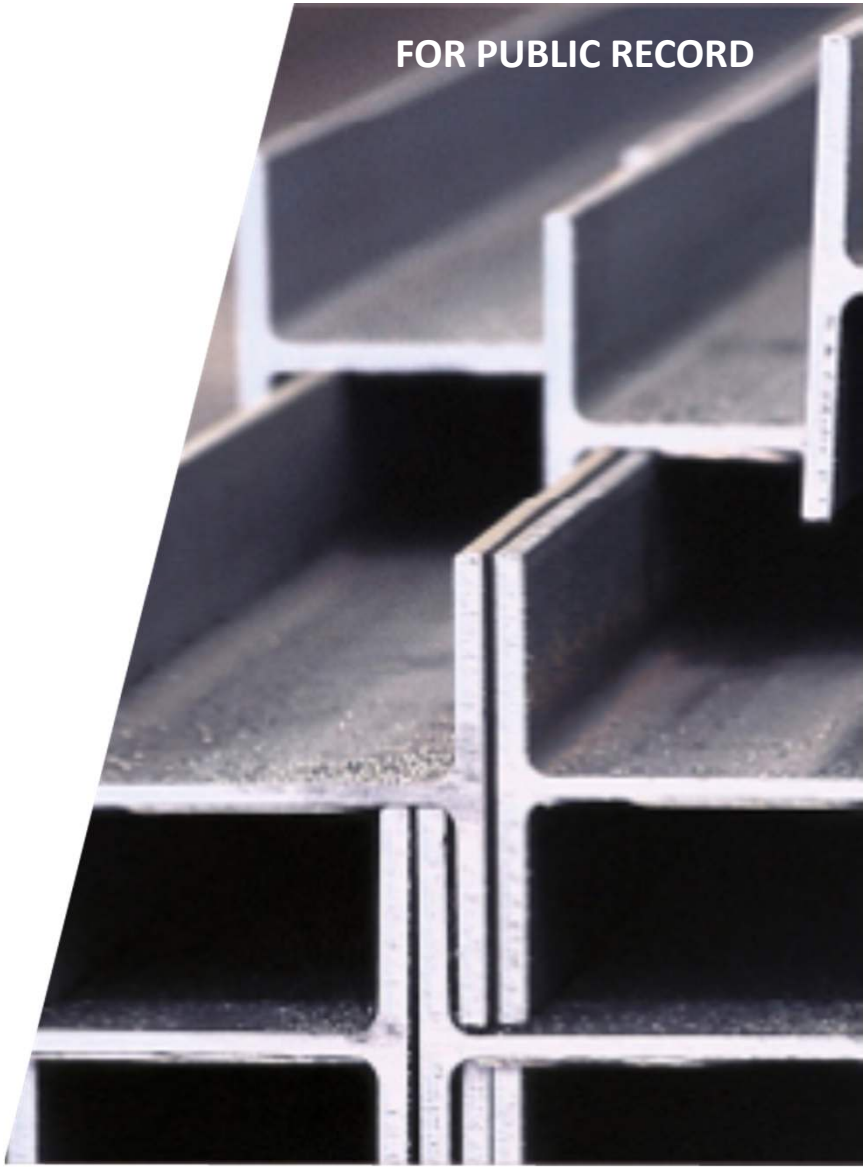
- The Exporters
- The Goods
- Model Control Codes
- Date of Sale
- Other matters



THE EXPORTERS

EPR 642/004: File note – exporter questionnaires status and extensions of time granted

Two extensions granted:

Entity	Extension Requested	Extension Granted	Revised due date
Dragon Steel Corporation	14 days	14 days	24 May 2024
Hyundai Steel Company	28 days	28 days	7 June 2024

Hyundai Steel Company – Exporter Questionnaire Response published on EPR 13 June.

Is Dragon Steel Corporation being treated as an uncooperative exporter in this Review of Measures?

THE GOODS

Goods description

Hot rolled structural 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.

Goods excluded 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)

THE GOODS

Goods description

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

Questions in testing completeness of sales listing:

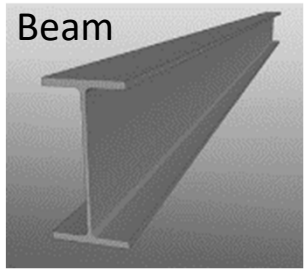
- Do Hyundai apply further minimal processing to the goods ie. cutting, drilling, punching, painting?
- Have the sales of the goods subject to these minimal further processing steps been included in the domestic and export sales listings? (they remain the goods and should be included)

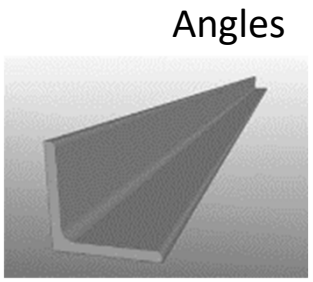
Note: these goods may have been exported under a tariff code that does not appear on the Dumping Commodity Register for Hot Rolled Structural Steel Sections (e.g. 7308 rather than 7216)

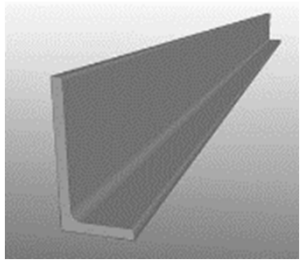
THE GOODS

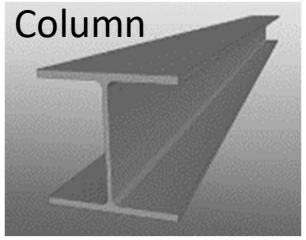
Applications

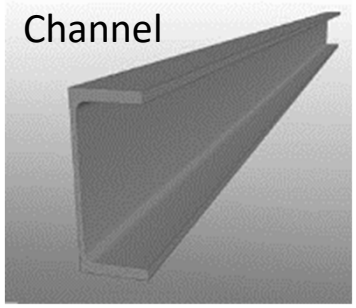
- **universal beams (I sections), of a height greater than 130mm and less than 650mm;**









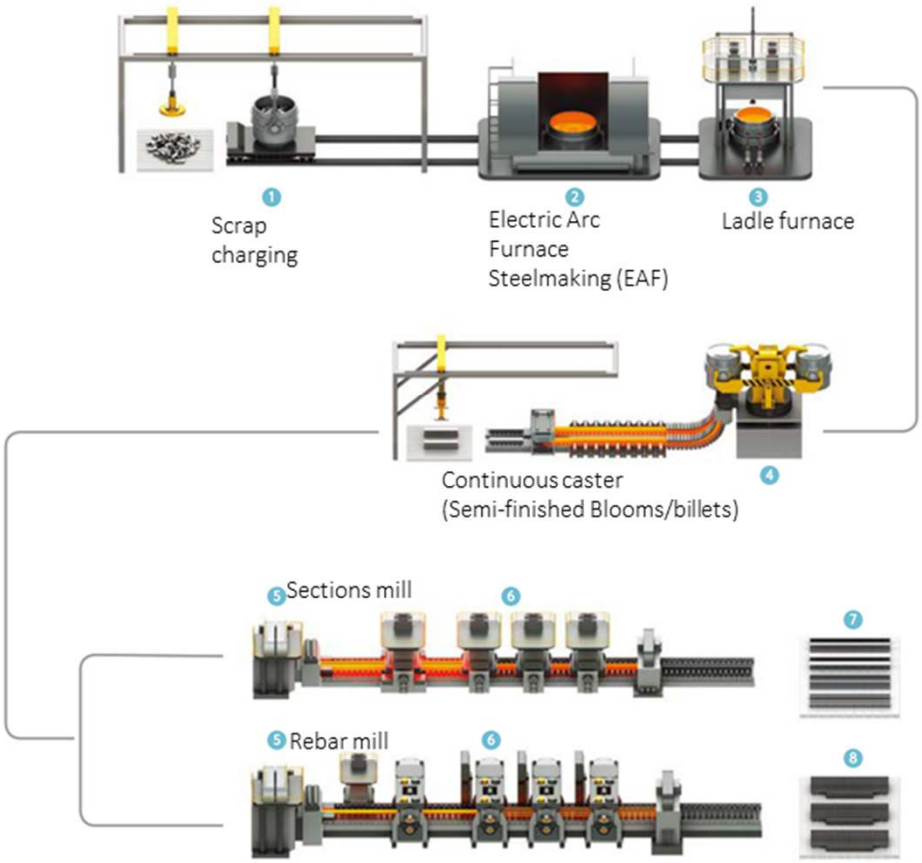


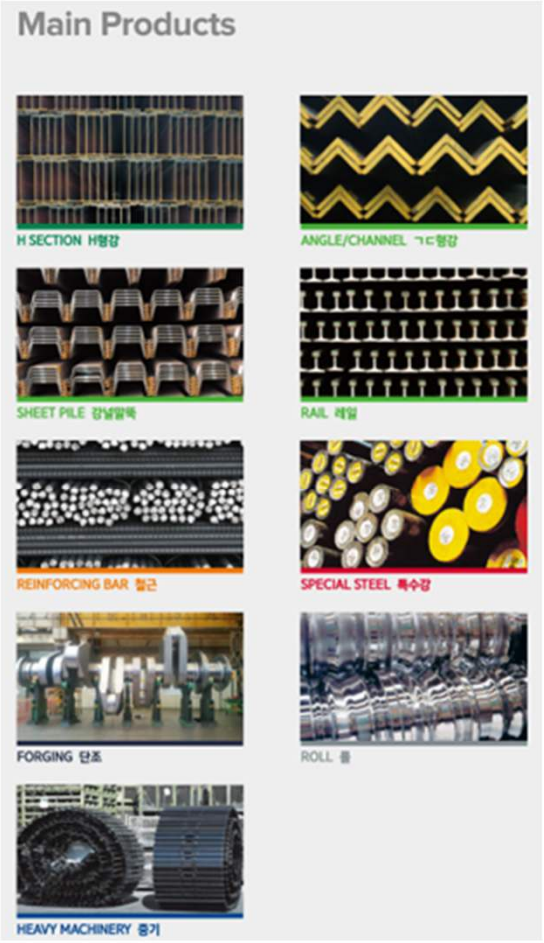
- **universal columns and universal bearing piles (H sections), of a height greater than 130mm and less than 650mm;**

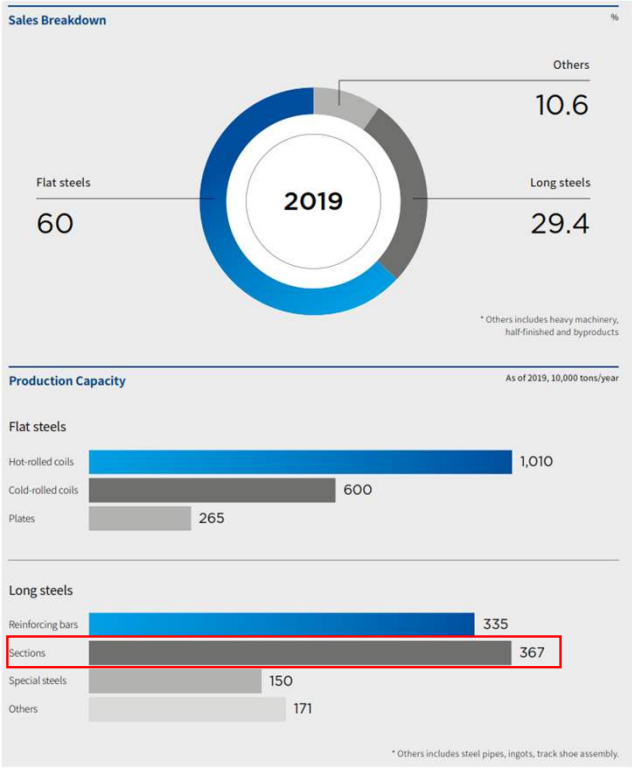
- Structural steel is generally used to form the ‘skeleton’ or framework of a building or structure, typically with sections welded, riveted or bolted together.

THE GOODS

Hyundai Steel Production







LIBERTY

MODEL CONTROL CODES (Hyundai)

Category	Sub-category	Identifier	Sales data	Cost data
Prime	Prime	P	Mandatory	Not applicable
	Non-prime	N		
Shape	Universal Beams ('I' sections)	I	Mandatory	Mandatory
	Universal Columns and Universal Bearing Piles ('H' sections)	H		
	Channels ('U' or 'C' sections)	C		
	Angles (Equal and Unequal Angle sections)	A		
Minimum yield strength	Less than 265 MPa	A	Mandatory	Mandatory
	Greater than or equal to 265 MPa	B		
Tensile strength	Less than 400 MPa	A	Optional	Optional
	Greater than or equal to 400 MPa and less than 450 MPa	B		
	Greater than or equal to 450 MPa and less than 500 MPa	C		
	Greater than or equal to 500 MPa	D		
Thickness	Minimum cross-sectional thickness less than 11 mm	1	Optional	Optional
	Minimum cross-sectional thickness greater than or equal to 11 mm	2		
Dimension	Beam or section height less than 230 mm	S	Optional	Optional
	Beam or section height equal to or greater than 230 mm	L		
Weldability	Carbon equivalent value specified in relevant standard	Y	Optional	Optional
	Carbon equivalent value not specified in relevant standard	N		

Export MCCs

- P-C-B-B-S
- P-C-B-B-L

Channels

- P-H-B-B-S
- P-H-B-B-L

Columns "H-beams"

Verification 637 p19:
The commission recommends amending the MCC structure by including both universal beams and columns in MCC shape category 'H", and I-beams in MCC shape category 'I'.

Domestic MCCs

- P-A-A-B-L
- P-A-B-B-L
- P-A-B-C-L
- P-A-B-D-L

Angles

- P-C-B-B-L
- P-C-B-B-S
- P-C-B-C-L
- P-C-B-C-S

Channels

- P-H-A-B-L
- P-H-B-B-L
- P-H-B-B-S
- P-H-B-C-L
- P-H-B-C-S
- P-H-B-D-L

Columns "H-beams"

- P-I-B-B-L
- P-I-B-B-S

Beams "I-Beams"

FOR PUBLIC RECORD

MODEL CONTROL CODES

Hyundai shapes per production facility

Third party (ACRS) certification indicates different range of beams and columns produced by the 2 operations producing 'H-sections'

Q: Which goods were exported (and produced for domestic sale) from each of the production facilities? (important for any inland freight adjustments)

Incheon Works

Products	H-sections, reinforcing bars, section steels and stainless steel
Size	920,000 m²

Pohang Works

Products	H sections, reinforcing bars, rails, round-shaped sections, rolls and track shoe assemblies
Size	660,000 m²

2024
VALID TO 31 Dec
Australasian Certification Authority for Reinforcing and Structural Steels Ltd

ACRS PRODUCT CERTIFICATION
www.steelcertification.com

CERTIFICATE OF APPROVAL

Product Conformity Certification

Certificate Number: 150501
Hyundai Steel Incheon Works
at
63 Jungbong-daero
Dong-gu, Incheon 22525 Korea, Republic of

HYUNDAI STEEL

Products assessed by ACRS to the following Standards:

Structural steel Hot-rolled bars and sections to AS/NZS 3679.1:2016
Note: 300S0 and 350S0 Grade Material with Thickness > 12mm require Impact Testing

Universal Beams: Range 150 UB to 610 UB - Grades 300, 300S0, 350, 350S0
Range 760UB 133.9 to 185kg/m - Grades 300, 300S0
Universal Columns: Range 150 UC to 310 UC - Grades 300, 300S0, 350, 350S0
Range 400UC172 - Grades 300, 300S0
Parallel Flange Channels: Range 150 PFC to 300 PFC - Grades 300, 300S0, 350, 350S0

2024
VALID TO 31 Dec
Australasian Certification Authority for Reinforcing and Structural Steels Ltd

ACRS PRODUCT CERTIFICATION
www.steelcertification.com

CERTIFICATE OF APPROVAL

Product Conformity Certification

Certificate Number: 150502
Hyundai Steel Pohang Works
at
6363, Donghaean-ro,
Nam-gu, Pohang-si, Gyeonsangbuk-do, 378964 Korea, Republic of

HYUNDAI STEEL

Products assessed by ACRS to the following Standards:

Structural steel Hot-rolled bars and sections to AS/NZS 3679.1:2016
Universal Beams: Grades 300, 300S0
- 150 UB to 310 UB
- 760 UB 133.9 to 185.0 kg/m
- 840 UB 175.6 to 226.2 kg/m
- 910 UB 200.9 to 270.8 kg/m

Universal Columns: Grades 300, 300S0
- 100 UC and 400UC 172 to 314kg/m

FOR PUBLIC RECORD

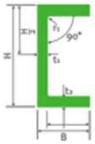
MODEL CONTROL CODES

Hyundai range of channels, columns and beams (product catalogue)

Dimension	Beam or section height less than 230 mm	S
	Beam or section height equal to or greater than 230 mm	L

12. Parallel Flange Channel 평행채널

Dimensions and Sectional Properties 치수 및 단면성능



호칭치수 Designation		단위무게 Unit Weight (kg/m)	표준단면치수 Standard Sectional Dimension (mm)						단면적 Sectional Area (cm²)
		W	H	B	t_1	t_2	r_1	r_2	A
KS (KS D3502)	150 x 75	18.2	150	75	6	10	10	-	23.2
	200 x 80	24.0	200	80	6.5	11.5	12	-	30.5
BS (BS 4-1)	150 x 75	17.9	150	75	5.5	10	12	-	22.77
	200 x 75	23.4	200	75	6	12.5	12	-	29.87
AS/NZS (AS/NZS 3679)	150 x 75	17.7	150	75	6	9.5	10	-	22.5
	200 x 75	22.9	200	75	6	12	12	-	29.2
	230 x 75	25.1	230	75	6.5	12	12	-	32
	250 x 90	35.5	250	90	8	15	12	-	45.2
	300 x 90	40.1	300	90	8	16	14	-	51.1

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01. H Section H형강

Dimensions and Sectional Properties 치수 및 단면성

(10) Australian/New Zealand Universal Columns (AS/NZS) – UC

호칭치수 Designation		단위무게 Unit Weight (kg/m)	표준단면치수 Standard Sectional Dimension (mm)				
		W	H	B	t_1	t_2	r
100UC	15	14.8	97.0	99.0	5.0	7.0	10.0
150UC	23	23.4	152.4	152	6.1	6.8	8.9
	30	30.0	157.6	153	6.6	9.4	8.9
	37	37.2	161.8	154	8.1	11.5	8.9
200UC	46	46.2	203.4	203.0	7.3	11.0	11.4
	52	52.2	206.4	204.0	8.0	12.5	11.4
	59	59.5	209.8	205.0	9.3	14.2	11.4
250UC	73	72.9	253.8	254.0	8.6	14.2	14
	89	89.5	260.0	256.0	10.5	17.3	14
310UC	97	96.8	308.0	305.0	9.9	15.4	16.5
	118	118	314.6	307.0	11.9	18.7	16.5
	137	137	320.6	309.0	13.8	21.7	16.5
	158	158	327.2	311.0	15.7	25.0	16.5

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(10) Australian/New Zealand Universal Beams (AS/NZS) – UB

호칭치수 Designation		단위무게 Unit Weight (kg/m)	표준단면치수 Standard Sectional Dimension (mm)				
		W	H	B	t1	t2	r
150UB	14	14.0	150	75	5	7	8.0
	18	18.0	155.0	75.0	6.0	9.5	8.0
200UB	18	18.2	198.0	99.0	4.5	7.0	11.0
	23	22.3	201.6	133.0	5.0	7.0	8.9
	25	25.4	203.2	133.0	5.8	7.8	8.9
	30	29.8	207.0	134.0	6.3	9.6	8.9
250UB	26	25.7	248.0	124.0	5.0	8.0	12.0
	31	31.4	251.5	146.0	6.1	8.6	8.9
	37	37.3	256.2	146.0	6.4	10.9	8.9
310UB	32	32.0	298.0	149	5.5	8	13.0
	41	40.4	304.0	165	6.1	10.2	11.4
	47	46.2	307.2	166	6.7	11.8	11.4
360UB	45	44.7	352.0	171.0	6.9	9.7	11.4
	51	50.7	355.6	171.0	7.3	11.5	11.4
	57	56.7	358.6	172.0	8.0	13.0	11.4
410UB	54	53.7	402.6	178.0	7.6	10.9	11.4
	60	59.7	406.4	178.0	7.8	12.8	11.4
460UB	67	67.1	453.8	190.0	8.5	12.7	11.4
	75	74.6	457.4	190.0	9.1	14.5	11.4
	82	82.1	460.4	191.0	9.9	16.0	11.4
530UB	82	82.0	528.2	209.0	9.6	13.2	14.0
	93	92.4	533.0	209.0	10.2	15.6	14.0
610UB	102	101	602	228	10.6	14.8	14.0
	114	113	607	228	11.2	17.3	14.0
	125	125	611.6	229	11.9	19.6	14.0
690UB	125	125	677.9	253	11.7	16.2	15.2
	140	140	683.5	253.7	12.4	19	15.2
760UB	147	147	754	265.2	12.8	17.5	16.5
	173	173	762.2	266.7	14.3	21.6	16.5
	197	197	769.8	268	15.6	25.4	16.5
	220	220	775.5	269.8	17.4	28.3	16.5
	244	244	781.3	271.6	19.3	31.3	16.5

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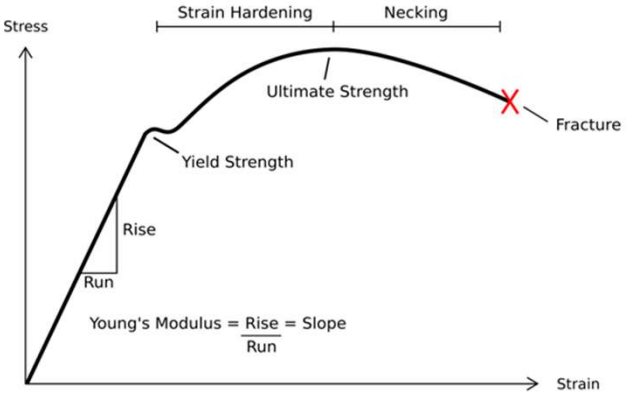
MODEL CONTROL CODES

Grade defining Mechanical Properties

Minimum yield strength	Less than 265 MPa	A
	Greater than or equal to 265 MPa	B
Tensile strength	Less than 400 MPa	A
	Greater than or equal to 400 MPa and less than 450 MPa	B
	Greater than or equal to 450 MPa and less than 500 MPa	C
	Greater than or equal to 500 MPa	D

- Standards specify the minimum mechanical properties for a given grade to be certified to meet the Standard.
- Batch test certificates must necessarily exceed the values required by the Standard.



SteelConstruction.info
The free encyclopedia for UK steel construction information

"Product standards define the limits for composition, quality and performance and these limits are used or presumed by structural designers."

"Yield strength is the most common property that the designer will need as it is the basis used for most of the rules given in design codes. In European Standards for structural carbon steels, the primary designation relates to the yield strength, e.g. S355 steel is a structural steel with a specified minimum yield strength of 355 N/mm².

The product standards also specify the permitted range of values for the ultimate tensile strength (UTS). The minimum UTS is relevant to some aspects of design."

MODEL CONTROL CODES

Test certificates comparison to Standards

[Confidential test certificate]

8) AS/NZS 3679.1:2010 강재

종류의 기호 Grade	인장시험 Tensile Test			
	두께 Thickness (mm)	항복점 또는 내력 Yield Point or Yield Strength (N/mm²)	인장강도 Tensile Strength (N/mm²)	연신율 Elongation Min. (%)
300	t < 11 11 ≤ t ≤ 17 17 < t < 40	320 Min. 300 Min. 280 Min.	440 Min.	22
300 S0	t < 11 11 ≤ t ≤ 17 17 < t < 40	320~426(상항복점) 300~399(상항복점) 280~372(상항복점)	440 Min.	25

- Batch test certificates must necessarily exceed the minimum values required by the Standard.
- Test certificate values for Minimum Yield Strength and Tensile strength can NOT be used to justify goods classification to a given MCC category.

Minimum yield strength	Less than 265 MPa	A
	Greater than or equal to 265 MPa	B
Tensile strength	Less than 400 MPa	A
	Greater than or equal to 400 MPa and less than 450 MPa	B
	Greater than or equal to 450 MPa and less than 500 MPa	C
	Greater than or equal to 500 MPa	D

Despite a mill test certificate providing confirmation that the steel has satisfied the requirements of a particular grade, prices of steel and other terms of sales are not negotiated on the basis of those certificates. As such, the Commission considers that the evidence found in this review indicates that ***it is not appropriate to classify like goods on the basis of mill test certificates.*** **[REP 499 – pg 15]**

MODEL CONTROL CODES

Minimum yield strength	Less than 265 MPa	A
	Greater than or equal to 265 MPa	B
Tensile strength	Less than 400 MPa	A
	Greater than or equal to 400 MPa and less than 450 MPa	B
	Greater than or equal to 450 MPa and less than 500 MPa	C
	Greater than or equal to 500 MPa	D

Export MCCs

- P-C-B-B-S
- P-C-B-B-L
- P-H-B-B-S
- P-H-B-B-L

Domestic MCCs

- P-A-A-B-L
- P-A-B-B-L
- P-A-B-C-L
- P-A-B-D-L
- P-C-B-B-L
- P-C-B-B-S
- P-C-B-C-L
- P-C-B-C-S
- P-H-A-B-L
- P-H-B-B-L
- P-H-B-B-S
- P-H-B-C-L
- P-H-B-C-S
- P-H-B-D-L
- P-I-B-B-L
- P-I-B-B-S

규격 Standard	종류의 기호 Symbol of Grade	인장시험 Tensile Test: 항복점 또는 내력 (Min.) Yield Point or Yield Strength (N/mm²) 두께 Thickness (mm) t ≤ 16	16 < t ≤ 40	40 < t	인장강도 Tensile Strength (N/mm²)
KS D 3503	SS275 (구SS400)	275	265	245	410~550
	SS315 (구SS490)	315	305	295	490~630
	SS410 (구SS540)	410	400	–	540 이상
	SS450	450	440	–	590 이상

규격 Standard	종류의 기호 Symbol of Grade	인장시험 Tensile Test: 항복점 또는 내력 (Min.) Yield Point or Yield Strength (N/mm²) 두께 Thickness (mm) t ≤ 16	16 < t ≤ 40	40 < t ≤ 75	75 < t	인장강도 Tensile Strength (N/mm²) 두께 Thickness (mm) t ≤ 100
KS D 3515	SM 275A SM 275B SM 275C SM 275D (구SM 400)	275	265	255	245	400~510
	SM 355A SM 355B SM 355C SM 355D (구SM 490)	355	345	335	325	490~610
	SM 420A SM 420B SM 420C SM 420D (구SM 520)	420	410	400	390	490~610
	SM 460B SM 460C (구SM 570)	460	450	430	420	520~720

종류의 기호 Grade	인장시험 Tensile Test: 항복점 또는 내력 Yield Point or Yield Strength (N/mm²)	인장강도 Tensile Strength (N/mm²)
ASTM A36	250 Min.	400~550
G50 (G345) G60	345 Min. 415 Min.	450 Min. 520 Min.
ASTM A992	345~450	450 Min.
ASTM A572 G50/A992 /CSA345WM (TRIPLE)	345~450	450~650

규격 Standard	종류의 기호 Grade	인장시험 Tensile Test: 항복점 또는 내력 (Min.) Yield Point or Yield Strength (N/mm²) 두께 Thickness (mm) 6 ≤ t < 12	12 ≤ t < 16	16	16 < t ≤ 40	인장강도 Tensile Strength (N/mm²) 두께 Thickness (mm) t ≤ 100
KS D 3861 JIS G 3136	SN400A	235	235	235	235	400~510
	SN400B	235	235~355	235~355	235~355	400~510
	SN400C	–	–	235~355	235~355	400~510
	SN490B	325	325~445	325~445	325~445	490~610
	SN490C	–	–	325~445	325~445	490~610

Hyundai EQR at p23:
For further technical information please refer to the product brochure provided at Attachment A-2.11.

Q: non-confidential attachment that can be placed on public record?

MODEL CONTROL CODES

Exporter domestic and export grade disclosure

Minimum yield strength	Less than 265 MPa	A
	Greater than or equal to 265 MPa	B
Tensile strength	Less than 400 MPa	A
	Greater than or equal to 400 MPa and less than 450 MPa	B
	Greater than or equal to 450 MPa and less than 500 MPa	C
	Greater than or equal to 500 MPa	D

EQR at p25:

Hyundai Steel's [CONFIDENTIAL TEXT DELETED – proprietary production system] assigns a [CONFIDENTIAL TEXT DELETED – number]-digit product code and the code is comprised of the following elements:

- [CONFIDENTIAL TEXT DELETED – elements of product code]

For the purpose of this response, Hyundai Steel manually matched the item description from the Hyundai sales report database and inventory ledger to the MCC.

Hyundai Steel provides the mapping table between the product code and MCC at CONFIDENTIAL EQR Worksheet C-3.1.

For transparency and industry confidence on normal value:

Public disclosure is needed of the Commission's view of grades included in Hyundai's sales grouped by mechanical property sub-categories for Minimum Yield Strength and Tensile Strength.

For example, Hyundai's export sales have all been designated B-B but domestic sales include:

A-B
B-B
B-C
B-D

Which grades are in each of those categories? (e.g. where have grades SS275, SN400A etc. been allocated?). Which other grades (made to Standards other than KS and appearing in the Hyundai product catalogue) have been sold domestically and which category designations have they been given?

MODEL CONTROL CODES

Weldability (not included by Hyundai in MCCs)

Weldability	Carbon equivalent value specified in relevant standard	Y	Optional	Optional
	Carbon equivalent value not specified in relevant standard	N		

We submit that there is a price difference between the welded and general structures Standard grades in the Korean domestic market
E.g. SM275 (higher price for weldability) compared to SS275

Extract: AS/NZS 3679.1:2016

[Proprietary information]

[Mill test certificate]

- AS/NZS 3679.1 requires all grades to be readily weldable and specifies a Maximum Carbon Equivalent value (CE = 0.44%Max for Grade 300)

Extract:
AS/NZS 3679.1:2016

[Proprietary information]

- One Korean Standard KS D 3515 (2018) designates grades of "Rolled Steel for Welded Structures" ie. intended for welding. It specifies a Maximum Carbon Equivalent value (CE = 0.44%Max for Grades SM275A,B,C and D for sections with thickness between 50-100mm).

Extract:
KS D 3515:2018

[Proprietary information]

- Grades SM275 and SM355 made to KS D3515 are the grades that Liberty considers are most alike to the export Grade 300, both in terms of yield and tensile strength requirements and chemistry (CE) requirements.

- Another Korean Standard KS D 3503 (2018) designates grades of "Rolled Steel for General Structural Purposes" ie. not readily weldable, more suited to bolted/rivetted connections. There is no CE value specified for this Standard.
  - While grades SS275 and SS315 made to KS D 3503 meet the mechanical property requirements (B-B) for comparison to export Grade 300, Liberty do not consider them a good match to export Grade 300 due to the lack of chemistry control required for these grades.

MODEL CONTROL CODES

Exporter domestic and export grade disclosure

Hyundai visit report (637)

3.5.2 Verification of model control codes

Shape	The team reconciled the product shape to Hyundai Steel's accounting system and sales source documents.
Minimum yield strength	Minimum yield strength is determined by the standard that the goods are produced to. The team reconciled the standard for each product to Hyundai Steel's accounting system and sales source documents.
Tensile strength	Tensile strength is determined by the standard that the goods are produced to. The team reconciled the standard for each product to Hyundai Steel's accounting system and sales source documents.
Dimension	The team reconciled the product dimensions to Hyundai Steel's accounting system and sales source documents.

Hyundai Steel provided a document which mapped the specified minimum yield strength and tensile strength for each standard it produced to. Using this document, the team was able to verify the MCC sub-categories for minimum yield strength and tensile strength

Questions:

- Have only domestic sales classified as having the exact MCC as the 4 export sales been used in the dumping margin calculation?
- If so, which domestic grades were determined by the commission to meet the "B-B" mechanical property designation (for comparison with the export sales) and which were excluded?
- Was chemistry/weldability considered?

Complete lack of transparency on grades (637) = zero confidence for industry in technical accuracy of dumping margin calculation
= denial of procedural fairness (no right to challenge)

Note: Grades produced by Hyundai are publicly available.

DATE OF SALE

Hyundai Steel – Continuation Inquiry 637

8. In establishing the date of sale, the commission will normally use the date of invoice as it best reflects the material terms of sale. If you are making a claim that a different date should be taken as the date of sale:

   (a) What date are you claiming as the date of sale?

   (b) Why does this date best reflect the material terms of sale? Any claim for an adjustment would need to substantively address:

   - whether, why, and to what degree, the considerations in determining price differed between export and domestic sales
   - whether the materials cost differs at the time of subsequent invoicing of that export sale (compared to domestic sale invoices in the same invoice month of that export sale) having regard to factors such as the production schedules for domestic and export; and lead times for purchasing main input materials
   - whether contracts were entered into for the materials purchases, and materials inventory valuation.

Hyundai Steel claims and reports the sales order date as the date of sale, being the date of the Australian sales transactions that best establishes the material terms of the sale of the exported goods, under Section 269TAF(1) of the *Customs Act 1901*.

For Australian sales during the period, Hyundai Steel considers the sales order date is the most appropriate date of sale as it best reflects the time at which the material terms of the contract (being the contract terms relating to the price and quantity of the sale) are established. Hyundai Steel refers the Commission to the detailed explanation regarding the process for sales negotiation, price build up and the implementation of contracts as provided in B-1.1 above.

Hyundai visit report (637) p5-6:

<u>Date of sale</u>

Hyundai Steel claimed the sales for the goods exported to Australia should use the sales order date instead of the invoice date as the date of sale.

the commission considers that the commercial invoice date best represents the material terms of the sales for the goods exported to Australia.

DATE OF SALE

Hyundai Steel – Review of Measures 642

8. In establishing the date of sale, the commission will normally use the date of invoice as it best reflects the material terms of sale. If you are making a claim that a different date should be taken as the date of sale:

   (a) What date are you claiming as the date of sale?

   (b) Why does this date best reflect the material terms of sale? Any claim for an adjustment would need to substantively address:

   - whether, why, and to what degree, the considerations in determining price differed between export and domestic sales
   - whether the materials cost differs at the time of subsequent invoicing of that export sale (compared to domestic sale invoices in the same invoice month of that export sale) having regard to factors such as the production schedules for domestic and export; and lead times for purchasing main input materials
   - whether contracts were entered into for the materials purchases, and materials inventory valuation.

Noted.

Questions:

- What does "Noted" mean?
- Are Hyundai claiming date of sale as invoice date for the period of the Review (642)?
  OR
- Are Hyundai choosing to not disclose on public record which date of sale they claim in relation to Australian export sales (or domestic or third party sales)?

Request:

If during verification it is established that Hyundai are claiming sales order date as date of sale, that an updated EQR be provided by Hyundai for the public record stating their claim and the reasons why a date other than date of invoice is claimed (as per clear requirements of the questionnaire).

DATE OF SALE

Hyundai's domestic sales (EQR p27)

7. In establishing the date of sale, the commission will normally use the date of invoice as it best reflects the material terms of sale. If you are making a claim that a different date should be taken as the date of sale:

   (a) What date are you claiming as the date of sale?

   (b) Why does this date best reflect the material terms of sale? You would need to substantively address:

   - whether, why, and to what degree, the considerations in determining price differed between export and domestic sales
   - whether the materials cost differs at the time of subsequent invoicing of that export sale (compared to domestic sale invoices in the same invoice month of that export sale) having regard to factors such as the production schedules for domestic and export; and lead times for purchasing main input materials
   - whether contracts were entered into for the materials purchases, and materials inventory valuation.

Noted.

Hyundai's domestic sales (EQR p28)

Hyundai Steel provides its "Domestic Sales" listing in accordance with these instructions in CONFIDENTIAL Attachment D-2 Domestic Sales.

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

[CONFIDENTIAL TEXT DELETED – explanation of confidential domestic sales listing].

Q:
What is the nature of the "*adjustments in the case of the domestic sales*" made here? Are they inland freight adjustments or something else?

OTHER MATTERS

Hyundai Raw material supply

EQR at p41:

Are any raw materials sourced as part of an integrated production process or from a subsidiary company which your company exercise control? If yes, complete the worksheet named "G-7.2 Raw material CTM" for these raw materials.

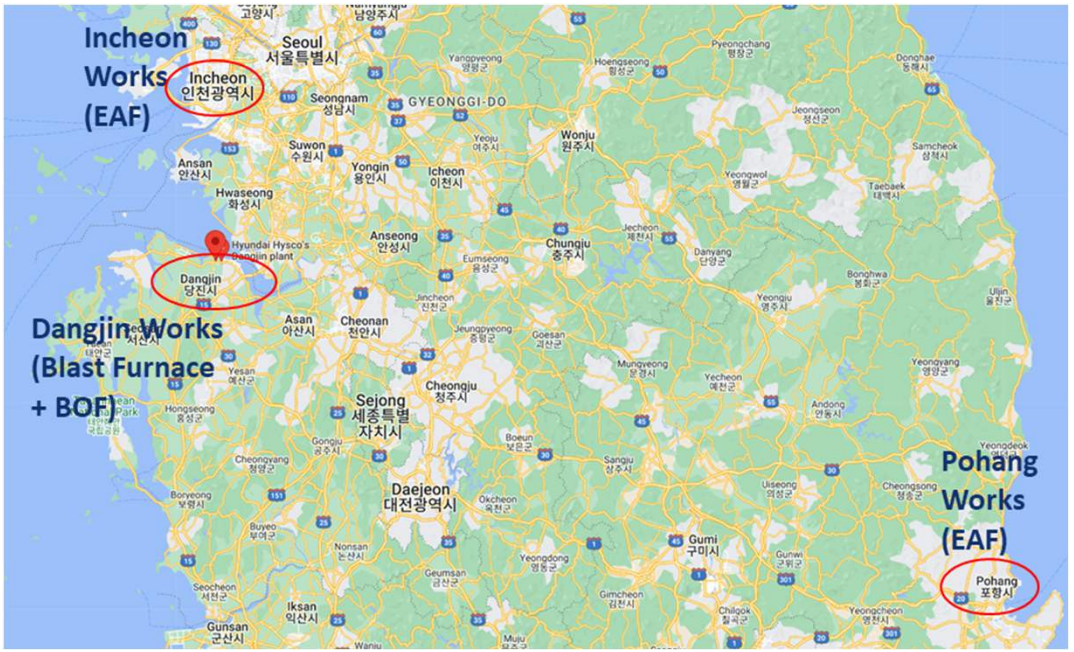
Hyundai Steel purchased [CONFIDENTIAL TEXT DELETED – raw materials and purchase arrangements, explanation regarding cost record for raw materials].

https://www.primetals.com/press-media/news/continuous-bloom-caster-and-long-product-rolling-mills-from-primetals-technologies-started-up-at-hyundai

In October 2015, a continuous bloom casting machine, a large bar rolling mill and a small bar and wire rod mill supplied by Primetals Technologies were started up at the new special steel mill of Korean steel maker Hyundai Steel in Dangjin. ***The caster is designed to produce 1.1 million metric tons of blooms per year****.*

Q: Does Dangjin Steelworks supply semi-finished blooms (raw material) to Incheon?

Fully-absorbed costs or transfer priced?



LIBERTY

OTHER MATTERS

'Other direct selling expenses' (Hyundai)

EQR at p36: (what is the nature of these "other direct selling expenses"?)

4. Are there any other direct selling expenses incurred by your company in relation to export sales of the goods to Australia?

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

> **Hyundai Steel also incurs:**
>
> **[CONFIDENTIAL TEXT DELETED – other direct selling expenses].**
>
> **The above expenses were reported in [CONFIDENTIAL TEXT DELETED – detailed information regarding confidential attachment and reporting method] the CONFIDENTIAL B-2 Australian Sales listing and also included in CONFIDENTIAL EQR Worksheets – B-5.1.**

OTHER MATTERS

Adjustment: Australasian Certification Authority for Reinforcing and Structural Steels (ACRS)

THE ACRS PRODUCT CERTIFICATION SCHEME

SCHEME COSTS

SCHEDULE OF EVALUATION FEES

Certification Type	Initial Evaluation Excl. GST	Initial Evaluation Incl. GST[1] ($AUS)	Surveillance Evaluation Excl. GST	Surveillance Evaluation Incl. GST[1] ($AUS)
Steelmaking and rolling (Certification Stage 1)				
Bar (DBIL)/Coil (DBIC)[2]	$18,000	$19,800	$10,300	$11,330
Wire	$14,700	$16,170	$8,800	$9,680
Prestress	$18,000	$19,800	$10,300	$11,330
Plate/Slab/Strip[3]	$18,000	$19,800	$10,300	$11,330
Bars/Sections	$18,000	$19,800	$10,300	$11,330

- ACRS Accreditation costs apply only to the export goods made to AS/NZS 3679.1
- If no similar costs are incurred for the domestically sold grades, an adjustment is needed.

https://www.steelcertification.com/product-certification#nav-8-1-primary-hor-center--3/

OTHER MATTERS

Adjustment: Australasian Certification Authority for Reinforcing and Structural Steels (ACRS)

Adjustment type	Adjustment assessment	Evidence and calculation method	Who claimed this adjustment?	Did the commission apply this adjustment?
Domestic credit terms	Hyundai Steel offered credit terms for domestic customers.	The domestic credit rate based on the weighted average short-term borrowing rate.	The verified company	Yes
Domestic inland transport	A downward adjustment to the normal value to ensure a fair comparison to the FOB export price.	Actual domestic inland transport cost.	The verified company	Yes
Packaging	There is no difference between domestic and export packaging.	Not applicable.	Not applicable.	No
Export inland transport	An upward adjustment to the normal value to ensure a fair comparison to the FOB export price.	Actual export inland transport cost.	The verified company	Yes
Export port handling	An upward adjustment to the normal value to ensure a fair comparison to the FOB export price.	Actual export port handling cost.	The verified company	Yes
Export credit terms	All sales made with a L/C (letter of credit) so no credit terms applied.	Not applicable.	Not applicable.	No

Table 7 – Assessment of adjustments

Continuation Inquiry 637 (p 28):

Visit report shows no ACRS adjustment made/considered?

FOR PUBLIC RECORD

THANK YOU

www.gfgalliancewhyalla.com

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