



Exporter verification report

Verification and case details

Company verified	Hyundai Steel Company
Case number	642
Initiation Anti-Dumping Notice (ADN)	2024/021
The goods under consideration	Hot rolled structural steel sections
Case type	Review of Measures
Location	9th floor, GREITS PANGYO, 117 Bundangnaegok-ro, Bundang-gu, Seongnam-si, Gyeonggi-do, Korea
Verification meeting dates	3/07/2024 to 8/07/2024
Review period	1/04/2023 to 31/03/2024

This report details the findings and recommendations of a verification team in the Anti-Dumping Commission.

This report may not reflect the Anti-Dumping Commission's final position.

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1 REPORT SUMMARY

1.1 About this report

The commission sent out a questionnaire to collect exporter information for *Review of Measures 642* (case 642) into Hot rolled structural steel sections exported from Japan, the Republic of Korea (ROK), Taiwan and the Kingdom of Thailand (the subject countries) during the review period.

Hyundai Steel Company (Hyundai Steel) responded to this questionnaire relating to sales from ROK.

A team of staff in the commission verified the information Hyundai Steel submitted to assess if the commission should rely on this information. The team met with representatives for Hyundai Steel who assisted with the verification.

The commission has reviewed the information submitted by Hyundai Steel and the findings of the team. This report details the commission's verification findings and recommendations about Hyundai Steel for case 642.

A finding made in this verification report (verification finding) and verification recommendations (verification recommendations) are made in the context of this verification only. These verification findings and verification recommendations may be referred to and relied on in the Statement of Essential Facts and Final Report for case 642.

1.2 Key dumping margin recommendations

The commission recommends calculating a dumping margin of **7.0%**

For more information on the variable factors used to calculate the rate of dumping, see **chapter 2**.

1.3 Key verification findings

The commission finds the information Hyundai Steel submitted is complete, relevant and accurate after material revisions.

For more information on the verification process, see **chapter 3**. For the commission's key verification findings, see **chapter 3.9**.

1.4 Abbreviations in this report

In this report, unless otherwise stated:

- all **sections** cited are from the ***Customs Act 1901 (Cth)***
- all **regulations** cited are from the ***Customs (International Obligations) Regulation 2015 (Cth)***
- the term **ADN** refers to **Anti-Dumping Notice**.

2 VARIABLE FACTORS

2.1 Major recommendations

The commission recommends using sections 269TAB(1)(a) and 269TAB(1)(c) to set an export price at **chapter 2.3**.

The commission recommends using section 269TAC(1) to set a normal value and using section 269TAC(8) to adjust the price of like goods at **chapter 2.4**.

The commission recommends calculating a dumping margin of 7.0% at **chapter 2.5**.

2.2 About this chapter

2.2.1 Chapter structure

This chapter details the commission's recommendations about how to set the variable factors used to calculate the rate of dumping for goods that Hyundai Steel produced or sold.

Australian customs law sets out different ways to calculate variable factors based on the facts available.

This chapter briefly describes the meaning of variable factors and its associated terms.

This chapter then summarises the commission's recommendations about how to set:

- an **export price**
- a **normal value**
- a **dumping margin**

2.2.2 What are variable factors?

Variable factors are numerical values that the commission uses to calculate the levels of dumping or countervailable subsidy. By verifying a company's data, the commission aims to set accurate variable factors and accurately calculate the level of dumping or countervailable subsidy.

The commission has explained some concepts relating to variable factors. These explanations are in simple terms and may not reflect the full, technical definitions.

Goods

The goods exported into Australia are **Australian export goods** or the **goods under consideration**.

Goods that are the same or similar to Australian export goods are **like goods**.

Variable factors

Dumping occurs if the price of Australian export goods (the **export price**) is less than the equivalent price of like goods in an exporter's domestic market (the **normal value**).

The **amount of dumping** is the difference between a normal value and the corresponding export price – that is, the normal value minus the export price.

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The minimum export price to prevent material injury to an Australian industry is the **non-injurious price**. The commission typically relies on information from Australian industry and other sources to calculate this price, which is beyond the scope of this verification. The commission has therefore not calculated a non-injurious price in this report.

Margins calculated using variable factors

A **dumping margin** is the rate of dumping compared to the export price.

2.3 Export price

2.3.1 The commission's recommendation

Summary

The commission recommends using sections 269TAB(1)(a) and 269TAB(1)(c) to set an export price.

In more detail

The commission recommends setting an export price for Hyundai Steel under:

- section 269TAB(1)(a) in relation to sales on free on board (FOB) terms
- section 269TAB(1)(c) in relation to sales on delivered duty paid (DDP) terms.

Under section 269TAB(1)(a), an export price is the price paid by the importer to the exporter less transport and other costs arising after exportation.

Under section 269TAB(1)(c), the export price is set having regard to all the circumstances of the exportation. Specifically, the commission recommends calculating an FOB export price using the DDP invoice price, less:

- ocean freight
- marine insurance (where applicable)
- Australian Customs brokerage charges
- interim dumping duty (IDD) or final duty payable.¹

Confidential appendix 1 contains the commission's export price calculations.

2.3.2 General method

Section 269TAB lists different ways to calculate an export price based on the facts available.

The commission considers these questions, among others, before calculating an export price:

- Did the verified company sell goods for Australian export?
- Who is the exporter?
- Who is the importer?
- Did the exporter sell to the importer at arm's length?

In this chapter, the commission summarises its findings about facts that affect how to calculate an export price.

2.3.3 The verified company produced and exported the Australian export goods

The commission finds that Hyundai Steel produced and exported the Australian export goods during the review period.

The commission also assesses if Hyundai Steel produced or sold the goods for its domestic market at **chapter 2.4.3**.

¹ If a duty assessment has been finalised then the final duty payable is deducted.

2.3.4 Who is the exporter?

The commission's finding

The commission considers Hyundai Steel is the exporter of the Australian export goods because this company:

- produced the Australian export goods to the relevant Australian/New Zealand Standard
- is named as the supplier on commercial invoices
- is named as consignor on bills of lading
- arranged and paid for inland transport to the port of export
- arranged and paid for port handling charges at the port of export
- arranged and paid for ocean freight and marine insurance

General method

The commission generally identifies an **exporter** as a company, located in the country of export, who is a principal company involved in an Australian export goods transaction. At least one of the following generally also applies for a company to be an exporter:

- the company knowingly transferred the goods to its own vehicle, or to a freight company, to deliver the goods to Australia
- at the time the goods shipped, the company owned or previously owned the goods.

To identify the exporter, the commission typically relies on information about Australian export transactions from stakeholders and Australian Border Force.

2.3.5 Who is the importer?

The commission's finding

Hyundai Steel made Australian sales on DDP and FOB terms during the review period.

For all export sales on DDP terms, the commission considers Hyundai Steel is the importer of the Australian export goods. In other words, Hyundai Steel beneficially owned the Australian export goods at the time of import into Australia. Most export sales are on DDP terms.

For these export sales:

- the Australian customer is named as the buyer on the sales order contract and commercial invoice
- Hyundai Steel is named as the shipper on the bill of lading
- the consignee on the bill of lading is listed as 'to the order of shipper' (as export sales are arranged on letter of credit)
- the Australian customer is named as the notify party on the bill of lading
- the letter of credit is payable on sight of the bill of lading (payable when the goods are exported)
- Hyundai Steel pays for all post-exportation charges (excluding marine insurance where applicable) up to and including Australian customs clearance fees
- Hyundai Steel pays for the IDD.

Based on the above findings, the commission considers that Hyundai Steel is the beneficial owner of the goods when the goods arrive in Australia. Although the Australian customer pays for the goods under the letter of credit on sight (at the time of export), it cannot benefit

from the goods until they are released from Australian customs which is the responsibility of Hyundai Steel.

The commission considers that for minor volume of sales on FOB terms, Hyundai Steel's Australian customer is the importer of the goods.

General method

An **importer** is the beneficial owner of goods at the time of import. The beneficial owner may differ from the listed or nominal owner of the goods.

For example, a parent company can have direct control over a subsidiary company's assets and decisions. If that parent company lists its subsidiary company as the owner of goods at the time of import, the commission would find that parent company is the importer because it beneficially owns the goods.

To identify the importer, the commission typically relies on information about Australian export transactions provided by stakeholders and Australian Border Force.

2.3.6 The Australian export sales are all at arm's length

The commission's finding

For the Australian export goods sold during the review period, the commission finds that Hyundai Steel sold at arm's length to unrelated customers.

Hyundai Steel did not make any Australian sales to related customers during the review period.

Further details – unrelated customers

For all unrelated customer transactions, the commission finds that Hyundai Steel sold the Australian export goods **at arm's length** as defined under section 269TAA.

For these transactions, the commission does not find that:

- there was consideration for the goods other than price
- a relationship between a buyer, a seller or their associates appeared to influence the price
- a buyer or buyer's associate directly or indirectly received compensation, reimbursement or another benefit for, or relating to, any part of the price.

For these transactions, the commission notes that Hyundai Steel:

- sold goods at similar prices to all unrelated customers
- referred to a market price index when setting the Australian market price for unrelated customers.
- appeared to genuinely negotiate the price with unrelated customers

2.4 Normal value

2.4.1 The commission's recommendation

Summary

The commission recommends using section 269TAC(1) to set a normal value and using section 269TAC(8) to adjust the price of like goods.

In more detail

The commission finds that there is a sufficient sales volume of domestic like goods, sold at arm's length and in the ordinary course of trade to set a normal value under section 269TAC(1).

The commission recommends adjusting the normal value to properly compare this value to the export price when measuring the level of dumping, under section 269TAC(8). The commission has summarised these adjustments in **chapter 2.4.8**.

The commission's normal value calculations are at **confidential appendix 3**.

2.4.2 General method

Section 269TAC lists different ways to calculate a normal value based on the facts available.

The commission considers these questions, among others, before calculating a normal value:

- Did the verified company, or a party related to the verified company, sell like goods domestically?
- Were there any domestic sales of like goods?
- Was there a low volume of domestic like goods sales?
- Were the domestic like goods sales at arm's length?
- Does any component of the exporter's costs, or producer's costs, not reflect competitive market costs?
- Were the domestic like goods sales in the ordinary course of trade?
- Does the normal value require adjustments to properly compare it to the export price?

2.4.3 The verified company produced and sold like goods for the domestic market

The commission finds that, during the review period, Hyundai Steel produced and sold like goods for domestic home consumption.

The commission finds that these goods were 'like goods' because these domestic goods are identical to, or closely resemble, the Australian export goods. The commission has described its reasons below.

The commission also assesses if Hyundai Steel produced or sold the goods for Australian export at **chapter 2.3.3**.

Physical likeness

The exported goods and domestic like goods share similar physical characteristics. While they are made to different standards, they share similar sizing and strength requirements and are made to the same shapes.

Production likeness

The exported goods and domestic like goods are manufactured in the same way, using the same facility and production line.

Commercial likeness

Outside of the standards required by the country of use, the exported goods and domestic like goods are sold to the same type of customers, being distributors or end users. Note due to the standards required for each country, it is not likely that exported goods would be sold on the domestic market and vice versa.

Functional likeness

Outside of the standards required by the country of use, the exported goods and domestic like goods are considered functionally alike, as they have similar end uses.

2.4.4 The domestic sales are all at arm's length

The commission's overall finding

For the domestic like goods sold during the review period, the commission finds that Hyundai Steel:

- sold at arm's length to unrelated customers
- sold at arm's length to related customers.

Further details – unrelated customers

For all unrelated customer transactions, the commission finds that Hyundai Steel sold the domestic goods **at arm's length** as defined under section 269TAA.

For these transactions, the commission does not find that:

- there was consideration for the goods other than price
- a relationship between a buyer, a seller or their associates appeared to influence the price
- a buyer or buyer's associate directly or indirectly received compensation, reimbursement or another benefit for, or relating to, any part of the price.

For these transactions, the commission notes that Hyundai Steel:

- sold goods at similar prices to all unrelated customers
- referred to a market price index when setting the domestic market price for unrelated customers.
- appeared to genuinely negotiate the price with unrelated customers.

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Further details – related customers

For all related customer transactions, the commission finds that Hyundai Steel sold the domestic goods **at arm's length** as defined under section 269TAA.

For these transactions, the commission does not find that:

- there was consideration for the goods other than price
- a relationship between a buyer, a seller or their associates appeared to influence the price
- a buyer or buyer's associate directly or indirectly received compensation, reimbursement or another benefit for, or relating to, any part of the price.

For these transactions, the commission notes that Hyundai Steel:

- sold goods at similar prices to related and unrelated customers
- referred to a market price index when setting the domestic market price for related customers.
- appeared to genuinely negotiate the price with related customers.

2.4.5 The production records reasonably reflect competitive market costs

The commission's finding

The commission finds that Hyundai Steel's production records reasonably reflect competitive market costs.

Why the commission assesses production records

The commission assesses if a company's production cost records reasonably reflect competitive market costs as required by Regulation 43(2) before selecting which method to recommend for setting a normal value under section 269TAC.

The commission assesses production cost records through methods including:

- analysing transactions for materials or services supplied by a related party to see if they reflect other costs in the market
- considering if the domestic country has generally competitive, or non-competitive, costs for certain materials or services.

If the commission finds that the production cost records reasonably reflect competitive market costs, the commission must use the recorded costs to calculate the cost of production. If the commission finds that production cost records do not reasonably reflect competitive market costs in some part, then the commission may use other information if appropriate to adjust that part of the costs before setting a normal value.

Further details

The commission did not identify any evidence of non-competitive market costs.

2.4.6 Were domestic sales in the ordinary course of trade?

General method

The commission assesses if domestic like goods sold in the ordinary course of trade before selecting which method to recommend for setting a normal value under section 269TAC.

Section 269TAAD sets out which sales are in the ordinary course of trade. Under this section, a domestic like goods sale is **not** in the ordinary course of trade if the conditions below apply to the sale:

- the sale is **unprofitable in substantial quantities** over an extended period
- the sale is **unlikely to be recoverable** within a reasonable period.

The commission typically uses this method to assess each step of identifying a sale not in the ordinary course of trade.

1. A sale is **unprofitable** if its unit price is less than the corresponding unit cost to make and sell in the sales month or sales quarter
2. All sales for a model are unprofitable **in substantial quantities** if the volume of unprofitable sales is 20% or more of the total volume of sales
3. A sale is **unlikely to be recoverable** if its unit price is less than the corresponding unit cost to make and sell for the entire reasonable period.

The commission typically sets both the ‘extended period’ and ‘reasonable period’ under section 269TAAD as the inquiry, investigation or review period for a case – whichever applies to that case.

The commission’s method

The following table summarises the figures the commission used to assess if Hyundai Steel’s domestic like goods sales are in the ordinary course of trade.

Component	Details
Extended unprofitability period	The review period
Reasonable recoverability period	The review period
Price	Net invoice price
Cost	Quarterly cost to make and sell the goods, including direct selling expenses for each transaction.
Weighted average cost	Weighted average cost to make and sell the goods over the review period, including direct selling expenses for each transaction.
Date of sale: Australian exports	Invoice date
Date of sale: domestic	Invoice date

Table 1 - Ordinary course of trade assessment details

2.4.7 Is there a low volume of relevant domestic sales?

About this chapter

Under section 269TAC(1), the commission must set a normal value using a sufficient volume of domestic like goods.

If the commission uses a low volume of domestic like goods to set a normal value, then the normal value does not properly compare to the export price when measuring the level of dumping and the commission cannot set a normal value under section 269TAC(1).

To assess if there is a large enough volume of domestic sales to set a normal value under section 269TAC(1), the commission must compare the domestic and Australian export sales volumes for an exporter. If the domestic sales volume is less than 5% of the Australian export sales volume, the commission must also assess if the domestic sales volume is still large enough to use in a normal value that properly compares to the export price.

The commission uses this method to compare domestic and Australian export sales volumes both overall and for each model sold as Australian export goods. When comparing sales volumes for an individual model, the commission may use a surrogate domestic sales model to calculate normal value for the Australian export sales model.

Section 269TAC(14) sets this sufficiency test for dumping investigation cases. The commission also uses this sufficiency test when setting a normal value in other case types.

The figure below summarises the possible outcomes when assessing domestic sales volumes to use in a normal value set under section 269TAC(1).

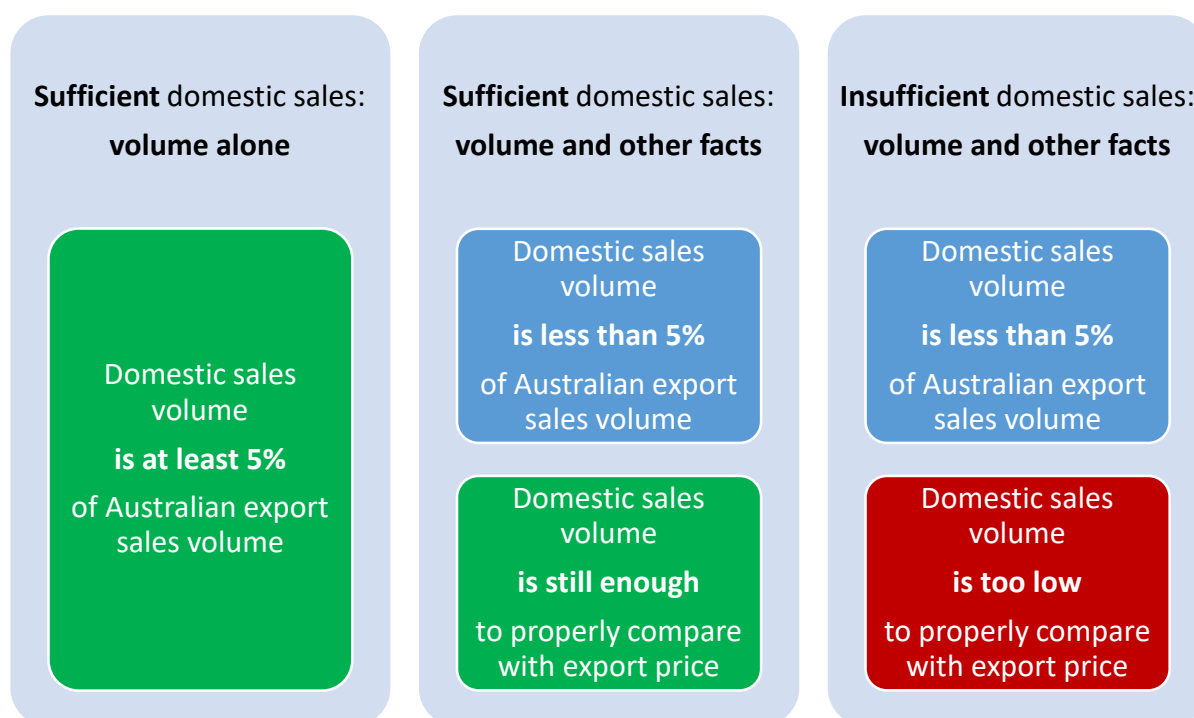


Figure 1 - Possible findings about domestic sales volumes for section 269TAC(1) normal value

The commission’s finding about total sales volume

The commission finds that Hyundai Steel sold a sufficient volume of domestic like goods for use in a normal value set under section 269TAC(1).

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The commission finds that Hyundai Steel’s domestic like goods sales volume was at least 5% of its Australian export goods sales volume.

The commission’s finding about domestic sales volumes for each model

Table 2 details the commission’s findings about domestic sales volumes for each corresponding Australian export sales model.

Export MCC	Is MCC’s domestic sales volume 5% or greater the export sales volume?	Treatment of normal value
P-C-B-B-L	Yes	The commission considers domestic sales of same MCC permits a proper comparison to exported goods.
P-C-B-B-S	Yes	The commission considers domestic sales of same MCC permits a proper comparison to exported goods.
P-H-B-B-L	Yes	The commission considers domestic sales of same MCC permits a proper comparison to exported goods.
P-H-B-B-S	Yes	The commission considers domestic sales of same MCC permits a proper comparison to exported goods.

Table 2 - Export models compared to domestic model by volume

The commission’s volume analysis is at **confidential appendix 3**.

2.4.8 Summary of adjustments to the normal value

The commission recommends the following adjustments to properly compare export price of the Australian export goods to the corresponding normal value.

Adjustment description	How to apply an amount for adjustment
Domestic credit terms	Deduct
Domestic inland transport	Deduct
Export inland transport	Add
Export port handling	Add

Table 3 - Summary of adjustments

The commission details how it assessed normal value adjustments at **chapter 3.10**.

The commission calculated and applied adjustments in the normal value calculations at **confidential appendix 3**.

2.5 Dumping margin

The commission recommends calculating a dumping margin of **7.0%**.

The commission calculated Hyundai Steel's dumping margin by comparing weighted average Australian export prices to the corresponding weighted average normal values for the review period.

The dumping margin calculation is at **confidential appendix 4**.

3 VERIFICATION DETAILS

3.1 Major findings

The commission finds the information Hyundai Steel submitted is complete, relevant and accurate after material revisions.

3.2 About this chapter

This chapter details what the commission found when verifying Hyundai Steel's questionnaire response for case 642.

This chapter first summarises verified key details about Hyundai Steel, relating to:

- corporate operations and structure
- accounting records
- the range of goods produced or sold.

This chapter outlines the commission's method to verify and validate Hyundai Steel's submitted information.

This chapter then summarises the commission's assessment of Hyundai Steel's submitted information. This summary includes a list of material revisions made to this information before the commission finalised the verification.

3.3 Corporate information

3.3.1 Company information

Hyundai Steel Company (Hyundai Steel) is a public company established in September 1964. Hyundai Steel was listed on the Korean Stock Exchange (now Korea Exchange) in May 1987.

Hyundai Steel's main operations are the production of steel products. Hyundai Steel produces its own steel for the manufacture of other steel products. It performs the functions of production/manufacture and sales into the domestic, Australian, and third country markets.

Hyundai Steel is a member of the Hyundai Motor Group through cross-ownership.

The Hyundai Motor Group consists of several companies, some of which were involved in the sale or production of the goods.

3.3.2 Related companies

The commission examined the relationships between Hyundai Steel and the parties involved in it producing or selling the goods.

Related suppliers

Hyundai Steel purchased steel scrap from related party entities during the review period. The commission compared these transactions to Hyundai Steel's purchases from unrelated

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parties during the period and is satisfied that the price was similar. The commission therefore considered all costs were at arm's length.

Related customers

Hyundai Steel made domestic sales to related parties during the review period. The commission is satisfied that these sales are arms length.

The commission found that Hyundai Steel's domestic sale process to related and non-related customers was the same.

The commission did not find that for Hyundai Steel's domestic sales to related customers:

- there was any consideration payable other than price
- a commercial or other relationship influences the price
- Hyundai Steel or its associate reimburses its related party customer/customer's associates.

3.3.3 Production process and cost allocation

Hyundai Steel produced the goods through the following process:

1. The primary raw materials used for manufacturing the goods are purchased steel scrap and ferroalloy.
2. The steelmaking production process (electric arc furnace) incorporates the inputted steel scrap and ferroalloy transformed into articles for further working called 'blooms' and 'beam-blanks'.
3. The blooms and beam-blanks are transferred to the rolling process to adjust the shape, thickness, and web/flange size to finished product as per customer requirements.
4. Following the rolling process the finished goods are cooled with water, moved to storage area and a sticker is added for identification.
5. Scrap exits production when the blooms and beam blanks are cut into the final measurements.
6. There was no difference between export and domestic packaging. The final goods are bundled together with steel wire and the steel wire forms part of the cost of sale.
7. The goods are dispatched onto trucks.

Table 4 outlines how the commission allocated each cost component.

Cost component	Allocation method applied
Raw materials	Actual consumption
Scrap offset	Actual scrap produced and valued based on an external benchmark
Direct labour	Operating hours
Manufacturing overheads	Operating hours, usage and production quantity
Depreciation	Operating hours

Table 4 - Cost allocation method

3.4 Do the accounting records comply with generally accepted accounting principles?

The commission finds that Hyundai Steel's accounting records for the review period comply with the generally accepted accounting principles of ROK.

The team reviewed Hyundai Steel's audited financial statement and confirmed it included a statement that the financial accounts comply with International Financial Reporting Standards.

3.5 Types of goods produced or sold in the submitted information

3.5.1 Model control code compliance and amendments

The sales and costs data Hyundai Steel submitted complies with the model control code (MCC) structure detailed in ADN 2024/021.

Consistent with the Hyundai Steel's verification report in case 637, it categorised universal beams, universal columns, and universal bearing piles as H Sections. It then categorised a distinct 'I-Beam' product as I Sections.

In addition, the Commission compared the prices of grades SS275 and SM275 and found that, when all the other factors are the same (such as customer, timing and dimensions), there is no price difference between grades SS275 and SM275.

After comparing prices of different models of the goods, the commission does not recommend amending the MCC structure.

3.5.2 Verification of model control codes

Table 5 details how the commission determined MCC sub-categories and verified them to source documents.

Category	Sub-category verification method
Prime	All products sold during the review period were of prime quality
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 and grade that the goods are produced to. The team reconciled the standard and grade for each product to Hyundai Steel's accounting system and sales source documents.
Tensile strength	Tensile strength is determined by the standard and grade that the goods are produced to. The team reconciled the standard and grade 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.

Table 5 - MCC sub-category determination

The relationship between the standard and grade to the minimum yield and tensile strengths of the Australian standard exported to Australia and the Korean Standards sold on the domestic market is outlined in Table 6 below.

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Standard	Grade	Minimum Yield Strength	Tensile Strength	Minimum Yield Strength MCC	Tensile Strength MCC
Korean Standard (KS)	SS275	245	410	A	B
Australian/ New Zealand Standard (AS/NZS)	AS-300	320	440	B	B
Korean Standard (KS)	SHN275	275	410	B	B
Korean Standard (KS)	SHP275	275	410	B	B
Korean Standard (KS)	SM275	275	400	B	B
Korean Standard (KS)	SS275	275	410	B	B
Korean Standard (KS)	SHN355	355	490	B	C
Korean Standard (KS)	SM355	325-355	490	B	C
Korean Standard (KS)	SM420	420	490	B	C
Korean Standard (KS)	SHN460	460	570	B	D
Korean Standard (KS)	SHP450	450	550	B	D
Korean Standard (KS)	SM420	420	520	B	D
Korean Standard (KS)	SS410	410	540	B	D

Table 6 - Standard & grade to minimum yield & tensile strength mapping

The mechanical properties and physical characteristics of HRSS offered by Hyundai Steel are available in its product brochure at **non-confidential attachment 2**.

3.5.3 List of model control codes

Hyundai Steel both produced and sold the following MCCs during the review period:

Sales MCC	Costs MCC	Australian sales	Domestic sales
P-A-A-B-L	A-A-B-L		Yes
P-A-B-B-L	A-B-B-L		Yes
P-A-B-C-L	A-B-C-L		Yes
P-A-B-D-L	A-B-D-L		Yes
P-C-B-B-L	C-B-B-L	Yes	Yes
P-C-B-B-S	C-B-B-S	Yes	Yes
P-C-B-C-L	C-B-C-L		Yes
P-C-B-C-S	C-B-C-S		Yes
P-H-A-B-L	H-A-B-L		Yes
P-H-A-B-S	H-A-B-S		Yes
P-H-B-B-L	H-B-B-L	Yes	Yes
P-H-B-B-S	H-B-B-S	Yes	Yes
P-H-B-C-L	H-B-C-L		Yes
P-H-B-C-S	H-B-C-S		Yes
P-H-B-D-L	H-B-D-L		Yes
P-I-B-B-L	I-B-B-L		Yes
P-I-B-B-S	I-B-B-S		Yes

Table 7 - List of MCCs produced or sold

3.6 Method to validate information

3.6.1 Valid information is complete, relevant and accurate

A valid exporter questionnaire response includes data listings about sales and costs.

Before relying on submitted data listings, the commission first verifies if these listings are:

- **complete**, as in, including all the relevant data
- **relevant**, as in, including only relevant data
- **accurate**, as in, including only correct data.

In practice, the commission typically verifies data listings as complete and relevant at the same time.

3.6.2 Further detail about the commission's typical process

[ADN 2016/30](#) describes the commission's standard procedure to verify and validate stakeholder information.

This report summarises how the commission verified Hyundai Steel in **chapters 3.7 and 1**. Unless otherwise stated, the commission's verification method is consistent with ADN 2016/30.

The commission details its process and findings in the verification work program at **confidential attachment 1**.

3.7 Method to verify information as complete and relevant

3.7.1 The commission’s general method

The commission verifies data listings as complete and relevant by reconciling each listing’s sum total up to audited financial records.

The commission typically reconciles a listing to audited records incrementally. The commission typically links a listing subtotal to management accounts, then links those management accounts to the audited records.

Figure 2 outlines how the commission verifies different topics as complete and relevant.

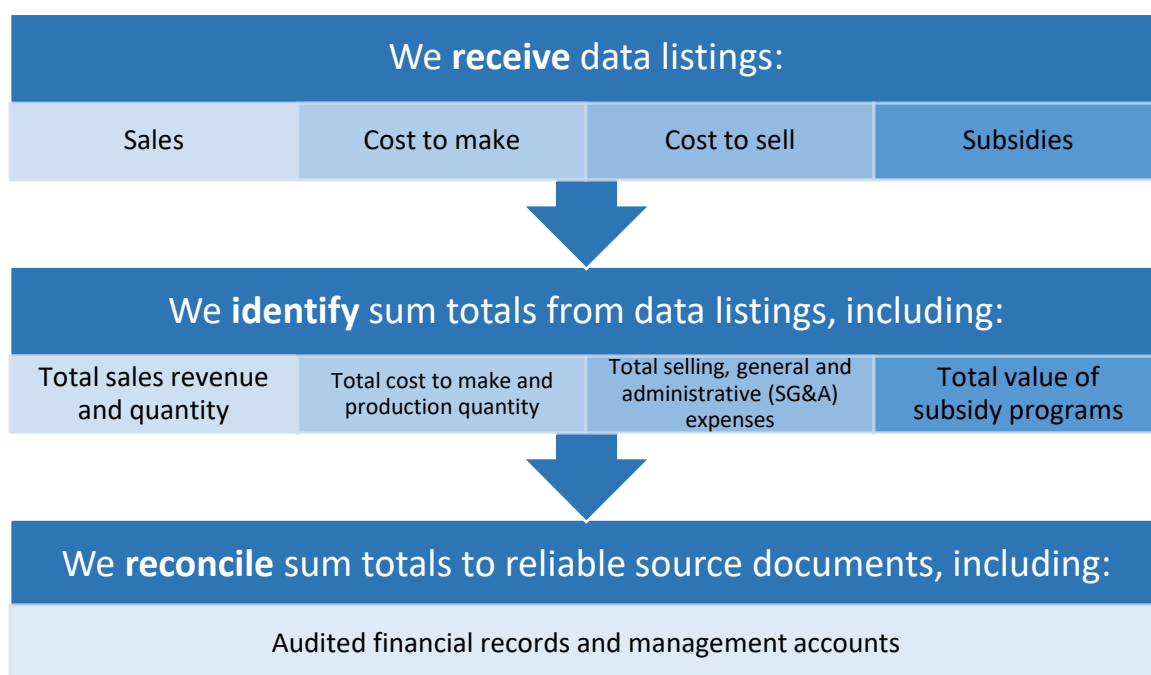


Figure 2 - How the commission verifies data as complete and relevant

3.7.2 How the commission applied the commission’s method

The commission followed the commission’s general verification method, described above, to assess if the submitted information is complete and relevant. See below for more details.

Sales

The commission:

1. Reconcile the revenue in the financial period to the audited financial report
2. Reconcile the revenue for Q2 to Q4 2023 audited financial report and Q1 unaudited financial report for 2024.
3. Reconcile the amounts above to the trial balance in SAP
4. Reconcile the revenue for the review period for the Incheon and Pohang plants (the plants that produce the GUC) to the trial balance in SAP
5. Reconcile the revenue for the Incheon and Pohang plants for finished goods merchandise, and other for the inquiry period to the trail balance in SAP
6. Reconciled the sales revenue for domestic, Australian and third country export sales to the extracts from SAP

Cost to make

The commission:

1. Verified the total company 2023 cost of goods sold (COGS) to the 2023 audited income statement.
2. Reconciled the total company 2023 COGS to the 2023 COGS for Incheon plant and the Pohang plant.
3. Reconciled the 2023 COGS to the 2023 CTM for the Incheon and Pohang plants.
4. Added the March 2024 quarter's CTM for the Incheon and Pohang plants.
5. Verified the categorisation of the CTM between the goods and non-goods based on the categorisation of the product codes.
6. Verified the domestic G-3 and Australian G-5 cost spreadsheets by reviewing and reconciling the categorisation of the CTM by product codes to the respective markets.

Cost to sell

The commission:

1. The team reconciled the SG&A listing for calendar year 2022 to Hyundai's audited financial statements and trial balance to ensure that all relevant items had been included.
2. The team reconciled the SG&A listing for the review period to trial balance and to Hyundai's accounting system.
3. The team reviewed selected items of the SG&A listing to ascertain whether these were relevant to be included in the domestic SG&A calculation.
4. The team verified the direct selling expenses and reconciled these to the sales listings.
5. The team verified selected expense items for accuracy.

3.8 Method to verify information as accurate

3.8.1 The commission's general method

To verify the listings are accurate, the commission typically reconciles key data from a selection of transactions in the listings down to source documents.

Figure 3 outlines how the commission verifies different topics as accurate.

PUBLIC RECORD

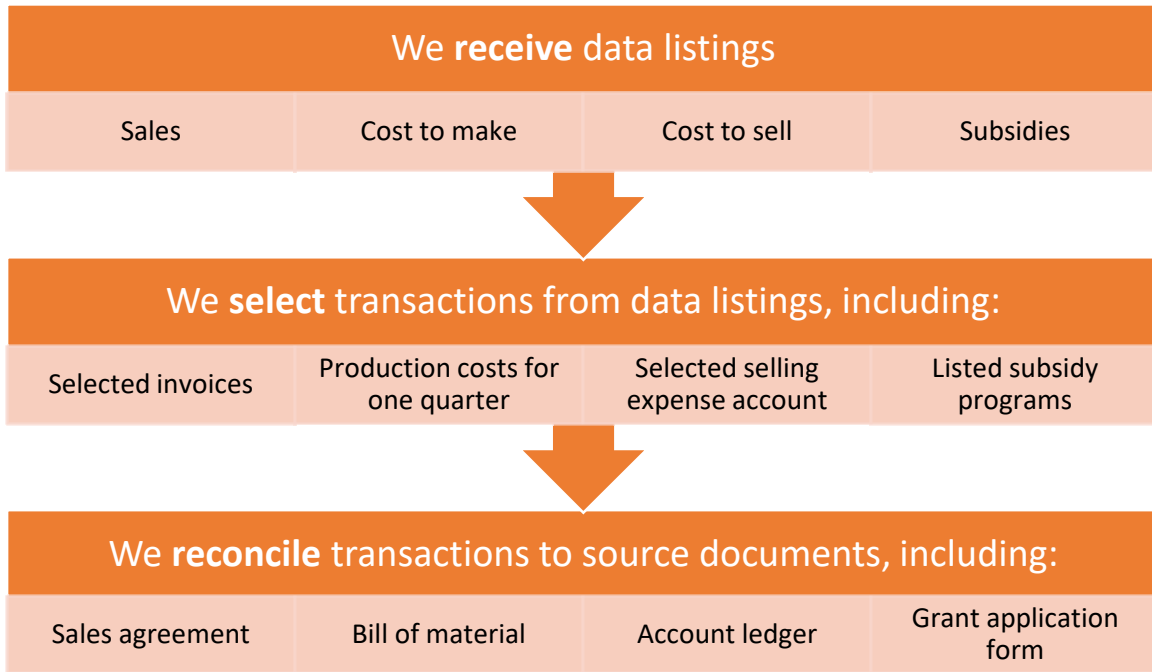


Figure 3 - How the commission verifies data as accurate

3.8.2 How the commission applied the commission's method

Following the commission's general method, described above, the commission verified the submitted information as accurate by verifying the listings down to source documents.

3.9 Verification findings and material revisions

3.9.1 The submitted information is complete and relevant

Overall

The commission finds that the information Hyundai Steel submitted is complete and relevant after material revisions.

Cost to make

Material revision 1: Non-GUC product codes included in the CTM spreadsheets

Description: Hyundai advised that they have inadvertently included the cost of certain H sections that are not the goods having heights either less than 130mm or greater than 650mm.

Resolution: Hyundai provided updated cost spreadsheets, removing the cost of H sections with heights less than 130mm or greater than 650mm.

Material revision 2: CTM based on market specific product codes

Description: The quarterly CTM in the domestic CTM G-3 and Australian CTM G-5 were calculated for each MCC using the cost from the accounting system by product codes, without regard to whether the product code was sold domestically or exported to Australia. The verification team suggested that G-3 and G-5 could be more accurate if only the product codes sold in the domestic market and exported to Australia respectively were used to calculate the respective CTM.

Resolution: Hyundai agreed that this would result in a more accurate domestic and Australian CTM and updated G-3 and G-5 accordingly.

Cost to sell

Material revision 3: Excluding certain SG&A accounts

Description: In the SG&A listing, Hyundai included all SG&A accounts and identified accounts that were related to direct selling expense, namely transportation expenses. However, the verification team also identified a number of accounts that recorded unrealised gains or losses and provisional incomes or expenses.

Resolution: Excluded unrealised gains or losses and provisional incomes or expenses from the SG&A calculation.

3.9.2 The submitted information is accurate

Overall

The commission finds that the information Hyundai Steel submitted is accurate after material revisions.

PUBLIC RECORD

Sales

Material revision 4: Negative value & volume transaction

Description: In the D-2 domestic sales spreadsheet, there was one transaction with a negative value and volume. Hyundai explained that this was a reversal transaction due to an input error.

Resolution: The transaction with the negative value and volume was removed from the domestic sales spreadsheet

3.10 Adjustments to compare export price and normal value

The commission lists the adjustments it recommended in this report at **chapter 2.4.8**.

The commission assessed all potential adjustments to properly compare the export price for Australian export goods to the corresponding normal value.

Adjustment type	Adjustment assessment	Evidence and calculation method	Who claimed this adjustment?	Did the commission apply this adjustment?
Domestic credit terms	Domestic sales have payment terms with customers.	Adjustment is calculated using the customer-specific payment terms and the applicable interest rate.	The verified company	Yes
Domestic inland transport	Hyundai Steel incurred inland transports costs related to domestic sales.	Actual inland transport cost incurred for domestic sales.	The verified company	Yes
Export inland transport	Hyundai Steel incurred inland transport costs related to export sales.	Actual inland transport cost incurred for export sales.	The verified company	Yes
Export port handling	Hyundai Steel pays for the related port charges in the domestic port of export.	Actual port charges incurred for export sales.	The verified company	Yes

Table 8 - Assessment of adjustments

4 APPENDICES AND ATTACHMENTS

Confidential appendix 1: Export price

Confidential appendix 2: Cost to make and sell

Confidential appendix 3: Normal value

Confidential appendix 4: Dumping margin

Confidential attachment 1: Verification work program

Non-confidential attachment 2: Hyundai Steel product brochure