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BlueScope

Australian Continuation Inquiry Aluminium Zinc Coated Steel

Continuation No. 698 – BSL Exporter Briefing

**KG Dongbu Steel Co., Ltd (Korea); and
Hoa Sen Group (Vietnam)**

Public File

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1. INTRODUCTION

Exporter Questionnaire Response Assessment – KG Dongbu Steel Co., Ltd and Hoa Sen Group

BlueScope Steel Limited (**BlueScope**) refers to the Exporter Questionnaire Responses (**EQR**) made by KG Dongbu Steel Co., Ltd (**KG Dongbu**) and Hoa Sen Group (**HSG**) in Continuation Inquiry #698 on Aluminium Zinc Coated Steel imports from Korea and Vietnam, and provides this briefing pack to outline observations and comments on each EQR.

BlueScope has identified substantive deficiencies in the EQRs of KG Dongbu and HSG that the Commission should have regard to in assessing the adequacy and reliability of these responses. The issues identified by BlueScope include internal contradictions between answers at different EQR sections, redaction of material information without bracketed explanations, inconsistent data disclosures, and non-disclosure on matters that, in BlueScope's view, are within the exporter's knowledge and control.

1. EXPORTER QUESTIONNAIRE RESPONSE ASSESSMENT

KG Dongbu Steel Co., Ltd

Section A – Company Information

A-2.5: New KG Group membership not substantiated

Finding – KG Dongbu states it became a member of the KG Group in December 2025 (during the inquiry period) and refers to Attachment A(2) for the ownership structure.

Issue – The public record provides no non-confidential summary of the KG Group structure, the nature of KG’s ownership interest, or whether any KG Group entities are involved in production, sale, or supply of inputs for the GUC. With Attachment A(2) withheld, this cannot be assessed from the public record.

Action – Given the recency of the change, the Commission should verify whether related-party relationships now exist that were absent in prior reviews.

A-3.2 / A-4.1: Only unconsolidated financials provided

Finding – KG Dongbu provides unconsolidated financial statements for FY2024 and FY2025.

Issue – Given that KG Dongbu became part of the KG Group in December 2025, unconsolidated accounts may not capture intra-group transactions or transfer pricing. The questionnaire instructions require financial statements for “any other related companies involved in the production and sale of the goods”.

Action – The Commission should consider whether consolidated accounts are now required to properly assess profitability and related-party flows.

A-2.10: Organisational function descriptions fully redacted

Finding – All four business unit function descriptions are redacted with the bracketed explanation “[Details of internal structure]”.

Issue – This does not provide a reasonable understanding of the substance as required by the questionnaire instructions.

Action – The Commission should request a non-confidential summary describing the functions of each unit at least in general terms.

1. EXPORTER QUESTIONNAIRE RESPONSE ASSESSMENT

KG Dongbu Steel Co., Ltd

Sections B & D – Export and Domestic Sales

B-1.1: Distribution channel detail fully redacted

Finding – The description of the export sales process redacts the distribution channel entirely (“[Distribution channel]”), along with payment terms (“[Payment terms]”), and shipping terms, with no non-confidential summary provided.

Issue – On the unredacted information it is not possible to assess the completeness of the sales process description or identify whether intermediary entities (e.g. related traders) were involved. The questionnaire instructions require bracket explanations that allow a reasonable understanding of the substance.

Action – The Commission should require a non-confidential summary of the export distribution channel, payment terms, and shipping terms.

B-1.8 / D-1.7: Date of sale inconsistency between export and domestic sales

Finding – For export sales, the exporter claims the B/L date as the date of sale on the basis that terms are not fixed until loading. For domestic sales, it states the date of shipment is the same as the invoice date.

Issue – The response does not substantively address the statutory criteria for a non-invoice date-of-sale claim for export sales, including: (a) whether and how price considerations differed between export and domestic channels at the time of ordering vs shipment; (b) whether materials cost differed at invoicing; and (c) the role of forward materials contracts. The response does not satisfy the requirements in B-1.8.

Action – The Commission should require KG Dongbu to address each B-1.8 criterion or revert to the invoice date for export sales.

D-1.2: Related-party domestic sales – inconsistency between sections

Finding – At D-1.2, the exporter identifies two related domestic customers; at H-3.15 it refers to “the list of three related parties”. All names and percentages are redacted in both sections with no non-confidential summary.

Issue – The actual number of related domestic customers is unclear, and whether all related-party sales are captured in the D-2 listing cannot be confirmed. This bears directly on whether domestic sales are in the ordinary course of trade.

Action – The Commission should require clarification of the number of related domestic customers and confirmation that all related-party sales are identified in the D-2 listing.

D-1.5 / E-4.3: Domestic discounts provided but terms not disclosed

Finding – KG Dongbu confirms it provided discounts to certain domestic customers during the period (D-1.5) and refers to E-4 for further details. Section E-4.3 then reports an unnamed direct selling expense item with all details redacted.

Issue – The nature of the discount, the qualifying conditions, and how it is included in the D-2 sales listing cannot be assessed. This is relevant to whether domestic sales are above cost and in the ordinary course of trade.

Action – The Commission should require a non-confidential description of the discount type and the conditions on which it was provided.

1. EXPORTER QUESTIONNAIRE RESPONSE ASSESSMENT

KG Dongbu Steel Co., Ltd

Section C – Goods and MCCs / Section E – Due Allowances

C-1 / C-2: Asymmetric MCC coverage between export and domestic markets

Finding – The export MCC list (C-1.2) contains 7 codes, all Prime (P) and coating mass category 2. The domestic MCC list (C-2.2) contains approximately 60 codes spanning Non-Prime (N) and Prime (P), all three coating mass categories, and a wide range of grades and thicknesses.

Issue – The asymmetry raises a question over whether all relevant Australian export transactions have been captured, and over the basis for no Non-Prime exports to Australia despite Non-Prime domestic production.

Action – The Commission should verify whether KG Dongbu exported only coating mass category 2 (AZ>100 to ≤165 g/m²) products to Australia and confirm the basis for no Non-Prime exports.

E-1: Different credit cost methodologies applied to export vs domestic sales

Finding – KG Dongbu applies the Commission’s standard open-account methodology to domestic credit costs but uses a bespoke methodology for export sales (payment date minus B/L date).

Issue – The asymmetric treatment may affect the due-allowance comparison between normal value and export price.

Action – The Commission should assess the impact on the due-allowance comparison and require documentation showing that actual payment records support the bespoke export methodology.

E-2: Packaging

Finding – The exporter provides what appears to be the same response for domestic and export packaging. Any distinct differences are then redacted (E-2.3). E-2.3(b) states actual pack costs have been reported for both, followed by a statement that the same calculation methodology applies to both.

Issue – These statements are inconsistent and obscure whether costs in fact differ. BlueScope considers it likely that domestic and export pack costs differ and warrant a normal value adjustment. In REP 558, the Commission made s269TAC(8) adjustments for KG Dongbu domestic and export packaging (see p. 46).

Action – The Commission should clarify the conflicting statements, determine what has actually been reported, and consider repeating the REP 558 packaging adjustment.

1. EXPORTER QUESTIONNAIRE RESPONSE ASSESSMENT

KG Dongbu Steel Co., Ltd

Section G – Cost to Make and Sell

G-3.2 / G-5.2: CTM source relies on “constituent ratio” – not verifiable from public record

Finding – Both the domestic and Australian CTM source worksheets reference a “constituent ratio” methodology in Attachment G(9), the details of which are redacted.

Issue – No non-confidential summary of how material, labour, and overhead costs are allocated to individual MCCs is provided. This is an important verification issue.

Action – The Commission should ensure the constituent ratio methodology is traceable to the ERP system records and confirm how it was assessed in prior inquiries.

G-6.1: Cost allocation method redacted in its entirety

Finding – The cost allocation description for raw materials, labour, and manufacturing overheads is fully redacted, with only a reference to prior verified approaches.

Issue – No non-confidential description of the methodology is provided to allow the Commission or interested parties to assess whether the allocation is appropriate. The response does not satisfy the requirement of the question.

Action – The Commission should require a non-confidential description of the allocation methodology for each major cost element.

G-7.3: Raw material cost proportions not provided

Finding – G-7.3 requires calculation of the weighted-average percentage of each major raw material as a proportion of total CTM. KG Dongbu states it reported manufacturing costs on the constituent ratio basis but does not provide the required percentage table. Hot-rolled coil and zinc are identified at G-7.1 as the two major inputs; neither percentage is stated.

Issue – Without these proportions, the reasonableness of the reported CTM cannot be cross-checked against expected input intensity.

Action – The Commission should verify at G-8 that the G-7.4 raw material purchases reconcile to the proportions expected for the relevant product group.

G-10.3 / G-10.5: Capacity history claim

Finding – G-10.5 states there have been no changes to production capacity over the past 20 years and that the company was established in 1982.

Issue – Given the name change and KG Group acquisition in December 2025, capacity-related assets may have been transferred, disposed of, or added in ways inconsistent with this claim.

Action – The Commission should verify whether any production assets were transferred, disposed of, or added as part of the acquisition that may affect capacity claims.

1. EXPORTER QUESTIONNAIRE RESPONSE ASSESSMENT

KG Dongbu Steel Co., Ltd

Sections H & I – Domestic Market and Australian Market

H-1.1: Reference to “KG Steel”

Finding – In the discussion of domestic market share at H-1.1, KG Dongbu refers to “sales made by KG Steel during the investigation period”. The company’s legal name is KG Dongbu Steel Co., Ltd; “KG Steel” is not its trading name nor a prior name.

Issue – This raises a question whether the sales data referenced was drawn from a different entity within the KG Group.

Action – The Commission should seek clarification and confirm the data source for the revenue proportions cited in H-1.1(c).

H-1.5: Regulatory framework response

Finding – KG Dongbu states it is “uncertain about the purpose of this question” and provides no description of Korean competition policy, taxation (beyond the VAT explanation already given), or product standards applicable to the GUC.

Issue – In a continuation inquiry, the Commission is assessing whether the underlying market conditions that supported the original dumping finding persist. A description of regulatory conditions is directly relevant.

Action – The Commission should require KG Dongbu to provide a substantive description of the applicable regulatory framework.

I-1.4: Identification of Vietnamese ‘importers’ is inconsistent with claimed lack of market knowledge

Finding – At I-1.4, KG Dongbu states precise market share information for individual importers is not publicly available, yet identifies by name Vietnamese producers (Namkim Steel, Hoasen, Hoaphat). It also refers to “KG Dogbu” (sic).

Issue – Naming Vietnamese but not Korean competitors is inconsistent, and the named entities are unlikely to be Australian importers. The “KG Dogbu” reference appears to be a typographical error.

Action – The Commission should require KG Dongbu to identify the major importers/distributors of GUC into Australia from Korea to the extent known, and confirm whether “KG Dogbu” refers to itself.

2. EXPORTER QUESTIONNAIRE RESPONSE ASSESSMENT

Hoa Sen Group

Section A – Company Information

A-2.8: Related-party supply arrangements not fully disclosed in public record

Finding – HSG confirms it performs all functions (production, domestic sale, export to Australia, export to third countries). However, G-1.2 states that cold-rolled steel raw materials are supplied by a named subsidiary (redacted), a separate subsidiary performs slitting services, and two further subsidiaries produce goods for HSG under subcontracting arrangements.

Issue – None of these related entities are identified or described in the public record version of A-2.8 or A-2.5.2.

Action – The Commission should verify that the costs associated with all related-party supply and subcontracting arrangements are properly reflected in HSG's CTM and whether arm's length pricing applies.

2. EXPORTER QUESTIONNAIRE RESPONSE ASSESSMENT

Hoa Sen Group

Sections B & D – Export and Domestic Sales

B-1.8 / D-1.7: Date of sale

Finding – HSG confirms the invoice date as the date of sale for both Australian export and domestic sales. No alternative date-of-sale claim is made.

Issue – This is consistent across both sales channels for HSG, but differs from the KG Dongbu claim noted above.

Action – The Commission should verify at B-3 that the sample document invoice dates align with the B-2 data entries.

D-1.2: Related domestic customers

Finding – HSG confirms it sold the GUC to related domestic customers and refers to Exhibit D-1.2 for the list. HSG states it applies a consistent sales process across all customer classes without distinction between related and unrelated parties.

Issue – No non-confidential description of the related customer names, their relationship to HSG, or the basis on which prices are set for related-party domestic sales is provided. This bears on whether such sales are in the ordinary course of trade.

Action – The Commission should verify at D-2 that related-party domestic sales are identified and assess whether they are in the ordinary course of trade.

2. EXPORTER QUESTIONNAIRE RESPONSE ASSESSMENT

Hoa Sen Group

Section C – Goods and MCCs / Section E – Due Allowances

C-1.2: MCCs

Finding – HSG exported to Australia only four MCCs during the inquiry period: P-1-F-1-2-C, P-2-D-4-2-C, P-2-E-5-2-C, and P-2-F-2-2-C (all prime). Coating mass categories 1, 2 and 3 are represented, but only steel grades D (G300/G350), E (G450/G500) and F (G550) are sold; no general commercial grades (A or B) were exported. The domestic MCC list (C-2.2) covers over 68 codes including non-prime steel across all grades.

Issue – The narrow export MCC set relative to a broad domestic set, combined with the “vlookup formula” mapping methodology described at C-3, creates a risk of mis-assignment of export transactions.

Action – The Commission should verify at B-2 that the four MCCs are complete and that no additional export transactions have been assigned to incorrect MCCs.

E-2: Packaging

Finding – HSG describes domestic packaging and states that “the export packaging follows the same standard procedures as our domestic packaging.” E-2.3 then states there are no packing cost differences between domestic and export sales.

Issue – The response is unclear as to whether “same standard procedures” means the same cost. BlueScope considers it likely that pack costs differ between domestic and export sales. In REP 558, the Commission made s269TAC(8) adjustments for HSG at p. 57.

Action – The Commission should clarify whether actual pack costs differ and consider repeating the REP 558 packaging adjustment.

E-4: Direct selling expenses

Finding – HSG identifies two categories of direct selling expenses for domestic sales (redacted) and two for Australian export sales (one described as “other costs” including port-related charges, also partially redacted). Domestic expenses are allocated in Exhibit D-2.2.1; export expenses are reported in Exhibit B-2.

Issue – No non-confidential description of the nature of the domestic direct selling expense categories is provided.

Action – The Commission should ensure the expense categories in Exhibits D-2.2.1 and B-2 are clearly labelled and reconcile to the SG&A listing at G-4.1.

2. EXPORTER QUESTIONNAIRE RESPONSE ASSESSMENT

Hoa Sen Group

Section G – Cost to Make and Sell

G-1.2: Multiple related parties

Finding – HSG identifies four categories of related-party involvement in production: (1) cold-rolled steel coil sourced from a subsidiary; (2) slitting services performed by a separate subsidiary; (3) and (4) subcontracting manufacturing by two further subsidiaries. All details are redacted.

Issue – Inter-group pricing and the inclusion of subcontracting costs in CTM cannot be assessed from the public record.

Action – The Commission should verify whether intra-group raw material supply is at arm's length, and that subcontracting costs for the slitting and toll-manufacturing subsidiaries are included in the CTM worksheets.

G-6.1: Cost allocations

Finding – The cost allocation methodology for raw materials, other materials, direct labour, and manufacturing overheads at G-6.1 is redacted. The public summary states only that HSG's ERP system tracks costs by product code.

Issue – No non-confidential description of allocation bases (e.g., weight, machine hours, production volume) is provided for any cost category.

Action – The Commission should require a non-confidential description of the allocation basis used for each major cost element, consistent with the questionnaire.

G-10: Capacity utilisation exceeds 100%

Finding – HSG acknowledges that its reported capacity utilisation rate exceeds 100% because capacity is measured only against the NOF (coating) lines, while reported production volumes include post-processing (slitting, chemical coating) and toll-manufactured volumes.

Issue – This is a structural limitation of how HSG defines capacity and may affect the comparability of capacity utilisation as a market indicator.

Action – The Commission should verify: (a) that the NOF line capacity figures are consistent with technical/asset documentation; (b) that toll-manufactured volumes are properly accounted for; and (c) that subcontracting costs for toll manufacturing are fully captured.

2. EXPORTER QUESTIONNAIRE RESPONSE ASSESSMENT

Hoa Sen Group

Declaration

Declaration: Signed and dated 23 April 2026 (after the due date)

Finding – The Exporter’s Declaration is signed by Vu Van Thanh as General Director and dated 23 April 2026. The questionnaire response was due on 19 March 2026; the ADC stamp indicates receipt on 9 April 2026.

Issue – ADN 2026/069 (regarding the Statement of Essential Facts extension) did not disclose any extension covering the questionnaire response.

Action – The Commission should confirm whether an extension was granted and, if so, ensure the extension is recorded on the public file.

Thank You