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Public File

Continuation No. 698 – Aluminium Zinc Coated Steel (AlZn) from Korea and Vietnam

I. Introduction

BlueScope Steel Limited (**BlueScope**) makes this submission in response to the Anti-Dumping Commission's (**the Commission**) initiation of continuation inquiry no 698 (CON 698) in respect of aluminium zinc coated (**AlZn**) steel exported to Australia from the Republic of Korea (**Korea**), and from the Socialist Republic of Vietnam (**Vietnam**).

BlueScope makes this first submission to advance arguments concerning the existence of a particular market situation in the Korean hot rolled coil market that affects the determination of normal values for AlZn exported from Korea.

This submission should be read in light of the Commission's recent findings in related steel inquiries, particularly Final Report No. 658 (**REP 658**) concerning hot rolled coil (**HRC**) from China and the Statement of Essential Facts in continuation inquiry 689 (**SEF 689**) concerning precision pipe and tube steel (**PPT**). Those findings are relevant to this inquiry because they concern the same upstream input, hot rolled coil, and the Commission's assessment of whether Korean HRC prices can be treated as competitive market prices for trade remedy purposes.

BlueScope submits that the same reasoning should inform the Commission's assessment of whether Korean HRC costs can be used to determine normal values for AlZn exported from Korea in this inquiry.

II. Particular market situation in the Korean HRC market

BlueScope submits that a particular market situation (**PMS**) exists in the Korean domestic market for hot rolled coil, the principal raw material input into AlZn, with the consequence that the recorded HRC costs of Korean producers do not reflect, or are unlikely to reflect, competitive market costs and cannot be used to determine a competitive normal value for AlZn under section 269TAC(1).¹

Commission findings concerning Chinese and Korean HRC markets

In REP 658, the Commission first determined that a PMS existed in the Chinese HRC market. In particular, the Commission found that Chinese HRC prices were affected by Government of China (**GOC**) influence and were substantially below prices

¹All legislative references are to the Customs Act 1901 (Cth) unless otherwise stated.

that would prevail in a competitive market. That finding is the starting point for the analysis in this inquiry. It establishes that Chinese HRC exports are not priced by reference to ordinary competitive market conditions.

The Commission then considered the implications of those findings for Korean HRC prices in SEF 689 concerning PPT, published on 22 May 2026. In section 6.3.5 of SEF 689, the Commission discarded the domestic price of steel coil in Korea as the benchmark for the cost of HRC absent GOC distortion. The Commissioner's reasons were that:

- information obtained in REP 658 demonstrated that Korea was the largest importer of HRC from the cooperating Chinese exporters in the REP 658 investigation period; and
- the Commission's MEPS price analysis at Figure 6 of SEF 689 indicated that Korean steel coil prices were likely more influenced by Chinese exports of steel coils than Japanese prices were.

These findings are significant for the present inquiry because they show that the Commission has already accepted the relevant causal link: distorted Chinese HRC exports can affect price formation in the Korean steel market.² On that basis, Korean domestic HRC prices should not be assumed to reflect competitive market cost conditions for AlZn producers and exporters.

Relevance of an externally caused PMS

The fact that the distortion originates in China does not prevent it from constituting a factor affecting the Korean steel market for the purposes of section 269TAC(2)(a)(ii).

Section 269TAC(2)(a)(ii) and the Commission's Dumping and Subsidy Manual (**the Manual**) provide that a PMS may arise where "a factor or factors" affect the relevant market in the country of export. The inquiry is directed to the effect of those factors on prices in that market, not solely to the place where the distortion originated. Neither the Act nor the Manual requires the relevant factor to be governmental intervention by the country of export. Instead, the relevant question is the effect on the market and its prices.³

The Commission's findings in SEF 689 outline the way in which the Chinese HRC PMS affects the Korean market:

- the Chinese HRC market is subject to a PMS, with prices substantially below those that would prevail in a market unaffected by GOC influence (SEF 689, section Appendix B4 referencing REP 658, Appendix A);
- Korea was the largest single destination for HRC exported by the cooperating Chinese exporters in the REP 658 investigation period (SEF 689, section 6.3.5, citing information obtained in REP 658); and
- Korean domestic HRC prices are likely influenced by the (distorted) prices of Chinese HRC imports (SEF 689, section 6.3.5 and Figure 6).

The Korean HRC market is therefore not formed under conditions of ordinary competition. A substantial portion of HRC supply into Korea is priced by reference to, and competes against, Chinese HRC imports that the Commission has found to be the product of a PMS. The relevant distortion does not need to originate within Korea if, as the Commission has found, it materially affects prices in the Korean HRC market.

In SEF 689 this was sufficient for the Commissioner to render Korean HRC prices unsuitable for use as a competitive benchmark. BlueScope submits that the same reasoning should apply where Korean HRC prices are relied upon to determine a competitive normal value in Korean steel trade remedy inquiries.

² As recently as 17 June 2026, in *Statement of Essential Facts No. 679 (SEF 679)* concerning light gauge steel stud and track from China, the Commission has further cemented its position on the use of Japan as an appropriate cost benchmark (see SEF 679, at p. 39). BSL will look to make further representations on this further precedent if and when appropriate.

³ Section 269TAC(2)(a)(ii); Anti-Dumping Commission, Dumping and Subsidy Manual (December 2021).

Application to AlZn

Those findings have direct consequences for AlZn because HRC is the principal steel input used in its production. Korean producers of AlZn obtain their HRC input either from domestic manufacturers or from imports. Either way, their HRC input cost is formed in the Korean HRC market, which the Commission has accepted in SEF 689 is influenced by distorted Chinese HRC exports.

The Commission has consistently found that distortion in the cost of HRC, the principal raw material input, supports a PMS finding for HRC-derived products. Recent Commission findings applying that approach include REP 550 concerning PPT, REP 590 concerning hollow structural sections, REP 610 concerning aluminium zinc coated steel, REP 611 concerning zinc coated steel and SEF 689 concerning PPT. BlueScope submits that the same reasoning applies to AlZn exported from Korea: the recorded HRC costs of Korean AlZn producers do not reflect competitive market costs. AlZn normal values do not therefore reflect competitive market prices.

Applied here, BlueScope submits that the Commission should:

- find that a PMS exists in the Korean domestic market for AlZn because of distorted raw material HRC costs;
- determine normal values for Korean AlZn exporters under section 269TAC(2)(c), using a constructed cost of production with a competitive market HRC cost adjustment; and
- apply an external HRC benchmark as the competitive market cost for the purposes of that adjustment.

For these reasons, BlueScope submits that the Commission should not rely on unadjusted Korean HRC costs in determining normal values for AlZn exported from Korea. Those costs should be adjusted to reflect the cost of HRC in a competitive market, consistent with the approach adopted in SEF 689.

For and on behalf of BlueScope.