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Investigation No. 688 – Certain flat rolled steel products (plate steel) exported from China and Korea

I. Introduction

BlueScope Steel Limited (**BlueScope**) makes this submission in response to Statement of Essential Facts No. 688 (**SEF 688**).[1]

Having reviewed SEF 688 and the evidentiary record, BlueScope considers the Commissioner's preliminary findings on dumping, subsidisation and material injury to be consistent with the material before the Anti-Dumping Commission (**the Commission**). BlueScope supports the Commissioner's proposal to recommend that the Minister publish a dumping duty notice in respect of the goods exported to Australia from China and Korea, and a countervailing duty notice in respect of the goods exported to Australia from China.

BlueScope supports that proposal because SEF 688 identifies a coherent evidentiary basis for each element required to support the proposed measures. In particular, SEF 688 identifies non-negligible dumping margins for relevant exporters, countervailable subsidisation in respect of exporters from China, material injury to the Australian industry, and a causal connection between the dumped and subsidised goods and that injury.

In this submission, BlueScope makes observations on the Commissioner's preliminary findings. BlueScope then raises matters in relation to POSCO, Korean domestic plate steel pricing, and the normal values determined for uncooperative exporters.

II. Observations on SEF 688

BlueScope supports the conclusions reached in SEF 688 and the Commissioner's proposal to recommend the publication of dumping and countervailing duty notices.

BlueScope supports those conclusions because SEF 688 identifies the principal factors affecting the Australian industry's performance and explains why those factors do not displace the causal role of dumped and subsidised imports. The Commission has assessed the Australian industry's economic condition, the volume and pricing behaviour of the subject goods, the price sensitivity of Australian plate steel customers, and the presence of other possible causes of injury. That analysis provides a sound basis for the Commissioner's preliminary conclusion that dumped and

[1] EPR 688, folio no. 20.

subsidised goods have caused material injury to the Australian industry producing like goods, notwithstanding the presence of other market factors examined in SEF 688.

Australian supply and demand conditions

SEF 688 identifies a number of characteristics relevant to supply and demand for plate steel in Australia. BlueScope considers these observations consistent with the material before the Commission, including the following:[2]

- plate steel is a commodity product in which imported and domestically produced like goods compete directly, and price is a key purchasing consideration and is frequently the determining factor in customers' purchasing decisions;

- plate steel is supplied in Australia through two key channels: BlueScope, as the sole domestic producer; and overseas steel mills via Australian based importers, distributors and traders sourcing plate steel from China, Korea and other countries;

- Korea was the main source of Australian plate steel imports during the investigation period, and China the second largest, with imports from the subject countries together representing the majority of imports; and

- Australian apparent consumption contracted by approximately 20 percent over the four years commencing FY2022, with the largest movement occurring in the investigation period (a contraction of approximately 14 percent on the prior year, and approximately 17 percent over the investigation period on a quarterly basis). This was a material deviation from the change of approximately 4 percent across the three preceding years.

These characteristics indicate a highly price-sensitive trading environment in which relatively modest movements in import pricing can materially affect domestic sales volumes, prices and returns. They are directly relevant to the assessment of injury, causation and the appropriate form of measures.

Importantly, the contraction in apparent consumption does not, of itself, explain the injury identified in SEF 688. In a contracting market, the volume and pricing behaviour of dumped and subsidised imports assume greater significance because the domestic industry has fewer options to offset lost sales, recover fixed costs or restore margins through increased demand. SEF 688 identifies that dumped and subsidised goods undercut Australian industry prices and increased their share of total imports during the investigation period, notwithstanding the broader contraction in market demand. That evidence supports the Commissioner's preliminary conclusion that factors other than demand contraction contributed materially to the injury experienced by the Australian industry, including the pricing and volume effects of dumped and subsidised imports.

BlueScope therefore considers that the supply and demand conditions identified in SEF 688 strengthen, rather than weaken, the causal analysis. Those conditions explain why dumped and subsidised pricing was capable of exerting, and on the Commissioner's preliminary findings did exert, a material effect on domestic sales volumes, prices, profitability, production volumes and capacity utilisation. In particular, where demand is contracting and price is a key purchasing consideration, sustained price undercutting by dumped and subsidised imports is capable of contributing to market share foregone, price depression, price suppression and the broader deterioration in economic indicators identified in SEF 688.

The dumping investigation

SEF 688 preliminarily finds that the goods exported from China by all exporters, and from Korea by all exporters other than POSCO, were dumped at margins that are not negligible. BlueScope supports the methodology applied by the Commission for China, in particular:[3]

- the preliminary finding, under section 269TAC(2)(a)(ii), that a particular market situation exists in the Chinese domestic market for plate steel such that domestic sales are not suitable for determining normal values under section 269TAC(1). BlueScope advanced this position in its application by reference to Investigation 198 (hot rolled plate

[2] SEF 688, chapter 5, beginning p. 30.
[3] Ibid, chapter 6, beginning p. 35.

steel) and Continuation Inquiry 611 (zinc coated steel), which is reinforced by the Commission's findings in Investigation 658 (hot rolled coil from China – **INV 658**) and its preliminary findings in SEF 690 (freight railway wheels from China);[4]

- the construction of normal values for the cooperating Chinese exporters under section 269TAC(2)(c), with the steel slab cost input adjusted to a competitive Brazilian benchmark so as to remove the effect of the distortion identified in the Chinese market; and[5]

- the treatment of the Government of China's (**GOC**) failure to respond to the government questionnaire.

BlueScope considers that this methodology is supported by the evidentiary record because it addresses the specific distortion identified in the Chinese domestic market rather than assuming that observed Chinese domestic prices provide a reliable basis for normal value. Where the Commission has preliminarily found that a particular market situation affects domestic sales, the construction of normal values using adjusted input costs provides a more reliable basis for assessing whether the export prices of the goods were dumped.

BlueScope also considers that the Commission's reliance on prior findings concerning comparable steel products and overlapping market conditions is appropriate. Those findings do not replace the Commission's assessment in this investigation. Rather, they provide relevant contextual support for the preliminary conclusion that Chinese domestic plate steel prices are affected by market conditions that make them unsuitable for determining normal values under section 269TAC(1).

BlueScope notes the Commissioner's preliminary finding that POSCO's exports were not dumped during the investigation period, and the consequent proposal to terminate the dumping investigation in so far as it relates to POSCO. On this, BlueScope makes further representations below.

The subsidy investigation

SEF 688 preliminarily finds that the relevant Chinese exporters received countervailable subsidies in respect of the goods exported from China, with non-negligible subsidy margins for Baoshan (3.2 percent) and non-cooperating entities (4.5 percent). BlueScope supports the Commission's findings, including:[6]

- the determination of countervailable subsidisation on the basis of all relevant facts available, in light of the Government of China's failure to respond to the government questionnaire;[7]

- the Commission's reliance on the findings of INV 658, which examined the same cooperating exporters (Baoshan, Baosteel Zhanjiang and Hunan Valin) over an overlapping inquiry period; and

- the identification of countervailable programs across the less-than-adequate-remuneration (including steel slab and other inputs), preferential tax, grant and preferential loan categories examined during the investigation.[8]

BlueScope considers that the Commission's approach is justified because the GOC's failure to respond to the government questionnaire necessarily limited the Commission's ability to verify the nature, operation and benefit conferred by the relevant subsidy programs. In those circumstances, the use of all relevant facts available is an appropriate mechanism for ensuring that the investigation is not frustrated by the absence of information that was within the capacity of the GOC to provide.

BlueScope also considers that the Commission's reliance on INV 658 is appropriate because that investigation examined the same cooperating exporters over an overlapping inquiry period and considered subsidy programs of the same general character. That reliance provides a reasoned basis for the Commission's preliminary findings in this investigation,

[4] Ibid, chapter 6.4, and Appendices A and B, beginning p. 38.
[5] Ibid, chapter 6.5, and Appendix C, pp. 42–43.
[6] Ibid, chapter 7 (Table 18), beginning p. 56.
[7] Ibid, chapter 7.3, beginning p. 56.
[8] Ibid, chapter 7.4, beginning p. 57.

particularly when considered together with the information obtained from the cooperating exporters and the absence of a response from the GOC.

BlueScope notes the proposed termination of the subsidy investigation in so far as it relates to Baosteel Zhanjiang (0.9 per cent) and Hunan Valin (1.8 per cent), on the basis that their subsidy margins are negligible, and that the volume of subsidised goods from China is not negligible.[9]

Economic condition of the Australian industry

SEF 688 finds that BlueScope AIS has experienced injury across a broad range of economic factors, including lost sales volume, market share foregone, price depression, price suppression, loss of profits and profitability, decline in asset values, reduced revenue, reduced return on investment, lower production volumes, reduced capacity utilisation and reduced productivity. BlueScope considers these findings consistent with its application; in particular:[10]

- declining sales volume in each year of the injury analysis period, with the most pronounced declines in FY24 and FY25;[11]
- market share foregone, with BlueScope's FY2025 share approximately 2 percent below FY2022, the loss of share in FY2024 coinciding with a more than doubling of import volumes from China and increased exports from Korea;
- price depression and price suppression, with the margin of unit price over unit cost highest in FY2023 and on a continuous downward trend thereafter, and BlueScope AIS's pricing observed to be correlated with competitor pricing rather than with movements in cost;[12]
- declining profit and profitability, with a sharp decline in FY2024 and FY2025, and an inability to recapture the levels of profit and profitability achieved in FY22 and FY23; and[13]
- deterioration across asset values, revenue, return on investment, production volume, capacity utilisation and productivity.[14]

BlueScope notes that the Commission has characterised the relevant injury as market share foregone rather than lost market share.[15] That characterisation is important. In a market experiencing a significant contraction in apparent consumption, some decline in sales volumes, production volumes and capacity utilisation may be expected. However, where the domestic industry also experiences market share foregone, the deterioration in those indicators is greater than it would otherwise have been. Share foregone is therefore not a merely theoretical injury indicator. It reflects sales opportunities that the Commission found were not realised during the injury analysis period.

The injury indicators identified in SEF 688 are also mutually reinforcing rather than isolated. Lower sales volumes and share foregone reduced production volumes and capacity utilisation. Price depression and price suppression reduced the margin between unit price and unit cost. Those effects contributed to lower profits, reduced profitability, lower return on investment and deterioration in asset values. BlueScope therefore considers that SEF 688 identifies a coherent and internally consistent injury narrative supported by the economic indicators before the Commission.

[9] Ibid, chapters 7.1.1 and 7.11, pp. 56 and 63.
[10] Ibid, chapter 8, beginning p. 64.
[11] Ibid, chapter 8.4, beginning p. 65.
[12] Ibid, chapter 8.5, beginning p. 70.
[13] Ibid, chapter 8.6, p. 72.
[14] Ibid, chapter 8.7 (Table 24), p. 73.
[15] Ibid, chapter 8.8, p. 74.

Material injury from dumping and subsidisation

SEF 688 preliminarily finds that dumped and subsidised exports of the goods from China, and dumped exports by uncooperative exporters from Korea, have caused material injury to the Australian industry. BlueScope supports the Commissioner's causation analysis, in particular:[16]

- the finding that the Australian industry's prices were undercut by dumped and subsidised goods within the range of 6 to 9 percent at the aggregate level, and across each of the five largest selling models by volume in every quarter of the investigation period;[17]

- the finding that dumped and subsidised goods were consistently the lowest priced goods and increased in share from approximately 50 percent in FY2023 to approximately 70 percent during the investigation period (and up to approximately 80 percent in certain quarters);[18] and

- the conclusion that it is appropriate to assess the cumulative effect of exports from the subject countries.[19]

BlueScope considers that each of these findings supports the Commissioner's preliminary causation conclusion. The price undercutting findings demonstrate that dumped and subsidised goods were not merely present in the Australian market, but were priced in a manner capable of affecting domestic price formation. The finding that those goods were consistently the lowest priced goods further supports the conclusion that they exerted downward pressure on prices in a market where price is a key purchasing consideration and is frequently the determining factor in purchasing decisions. The increase in the share of dumped and subsidised goods during the relevant period also supports the conclusion that the price effects of those goods were accompanied by volume effects.

BlueScope notes the Commissioner's conclusion that, notwithstanding the presence of other subject goods that were not dumped or subsidised and which also undercut the Australian industry's prices, the dumped and subsidised goods were the primary cause of the material injury experienced by the Australian industry.

BlueScope considers this conclusion to be supported by the Commission's volume and pricing analysis, including its daily price analysis,[20] because that analysis distinguishes the injurious effects of dumped and subsidised goods from the broader competitive conditions in the market. The presence of other low-priced imports does not break the causal link where the dumped and subsidised goods were consistently the lowest priced goods, increased their market presence and undercut Australian industry prices across the relevant models and quarters.

Given the importance of price in customer purchasing decisions, BlueScope considers it reasonable to conclude that those goods exerted a material influence on market pricing and contributed significantly to the injury experienced by the Australian industry. On that basis, SEF 688 does more than identify temporal correlation between imports and injury. It identifies price effects, volume effects and market conditions that together support the Commissioner's preliminary causation finding.

Whether dumping and subsidisation may continue

SEF 688 concludes that dumping may continue in relation to all exporters from China and Korea (except POSCO), and that subsidisation may continue in relation to exports from China (except Baosteel Zhanjiang and Hunan Valin). BlueScope supports that conclusion, having regard to the magnitude of the dumping and subsidy margins found, the continuation of imports from the subject exporters after the investigation period (to 30 March 2026) at a material share of total import volumes, and the price sensitivity of Australian plate steel demand.[21]

[16] Ibid, chapter 9, beginning p. 75.
[17] Ibid, chapters 9.1 and 9.6.2, pp. 75 and 80–81.
[18] Ibid, chapters 9.6.1 and 9.6.2, pp. 79 and 82.
[19] Ibid, chapter 9.5, p. 77.
[20] Ibid, chapters 9.1 and 9.9, pp. 75 and 86–87.
[21] Ibid, chapter 10, beginning p. 90.

Those factors provide a reasonable basis for the Commissioner's preliminary view that injurious dumping and subsidisation may continue if measures are not imposed. The continuation of imports after the investigation period indicates that exporters remain active in the Australian market. The magnitude of the preliminary dumping and subsidy margins indicates that the impact of the relevant pricing behaviour was not immaterial. The price-sensitive nature of Australian plate steel demand increases the likelihood that dumped or subsidised pricing would continue to affect domestic prices, volumes and returns.

BlueScope therefore considers that the Commission's analysis of whether dumping and/or subsidisation may continue in SEF 688 is supported by both exporter behaviour and Australian market conditions. In combination, those matters support the conclusion that final measures are necessary to prevent the continuation of injury caused by dumped and subsidised goods.

Proposed measures

BlueScope supports the Commissioner's preliminary recommendation that interim dumping duty be calculated using the combination duty method for all exporters from China and Korea subject to measures, and that interim countervailing duty be calculated as a proportion of the export price.[22]

BlueScope agrees that the combination duty method is the most appropriate form of dumping duty in this case, having regard to the low degree of price variation among models, with five of the thirteen models exported by cooperating exporters accounting for approximately 80 percent of volume at broadly comparable prices, and the complex related-party company structures of the subject exporters, including state-owned steel groups and trading intermediaries.

For a highly price-sensitive commodity product such as plate steel, the combination duty method preserves the remedial effect of the measures by maintaining duty effectiveness when export prices decline, whereas an ad valorem duty will diminish in absolute terms as export prices fall.[23] That distinction is important in this investigation because SEF 688 identifies that relatively modest movements in import pricing can materially affect domestic sales volumes, prices and returns.

Accordingly, the combination duty method is better suited to preserving the effectiveness of the measures and supporting the objective of remedying the injury caused by dumped goods while restoring fair trading conditions in the Australian market.

Preliminary affirmative determination

BlueScope welcomes the Commissioner's decision to make a preliminary affirmative determination, and to take securities, in respect of the goods entering Australia on or after 24 June 2026. BlueScope considers the taking of securities to be appropriate and necessary to prevent material injury to the Australian industry occurring while the investigation continues.[24]

BlueScope supports the preliminary affirmative determination because SEF 688 identifies a sufficient preliminary evidentiary basis for the imposition of securities pending the completion of the investigation. The taking of securities is appropriate where the preliminary findings indicate that dumped and subsidised goods have caused material injury and where the continuation of imports during the balance of the investigation could further undermine the effectiveness of any final measures.

The taking of securities also assists in preserving the effectiveness of any final measures that may ultimately be imposed by preventing a further accumulation of injurious imports during the remainder of the investigation period.

[22] Ibid, chapter 12, beginning p. 95.
[23] Ibid, chapter 12.2.5, p. 96.
[24] Ibid, chapter 13.3 (Table 26); Anti-Dumping Notice 2026/083.

III. POSCO

Overview

SEF 688 preliminarily finds that POSCO's exports were not dumped during the investigation period, with a preliminary dumping margin of negative 5.0 percent. The Commissioner now proposes to terminate the dumping investigation as it relates to POSCO.[25]

BlueScope does not contest the broader methodology by which the Commission has assessed the cooperating exporters generally.

BlueScope's observations in this section are directed to discrete aspects of the Commission's assessment of POSCO and should not be taken as challenging the broader analytical framework applied by the Commission in SEF 688.

BlueScope is concerned, however, that the following aspects of the POSCO assessment may have the effect of understating POSCO's dumping margin, and respectfully requests that the Commission re-examine each matter before finalising its report. These matters are:

- the determination of POSCO's export price;
- the assessment of whether POSCO's related-party export sales were at arm's length; and
- the downward level of trade adjustment made to POSCO's normal value.

Each bears directly on the negative 5.0 percent margin and the proposed termination. Given that the preliminary dumping margin is materially lower than the margins identified for other exporters examined in the investigation, BlueScope submits that the resolution of these matters could be determinative of whether POSCO's exports were dumped, and that the proposed termination should not be finalised until they are addressed.

Export price

Chapter 6.8.1 of the SEF sets out how the Commission proposes to calculate POSCO's export price:[26]

> *Specifically, the commission recommends calculating an export price by adding an amount for port handling costs to the price of the goods exported to Australia by POSCO. This is because POSCO's related party intermediaries paid the port handling costs incurred at the port of export in Korea. The resulting value reflects an export price at the Free on Board (FOB) level.*

The amount added in respect of port handling costs was incurred and paid by POSCO's *related-party* intermediaries. Because that amount is added to the price of the goods to derive the FOB-level export price, any overstatement of the port handling amount has the effect of inflating the export price and, in turn, understating the dumping margin.

Where a cost relevant to the export price is incurred and reported by a related party, BlueScope submits that it warrants the same scrutiny the Commission applies to related-party amounts elsewhere in the investigation, as any overstatement will directly inflate the export price and therefore reduce the dumping margin. To the extent not already undertaken, the amount should be tested for reasonableness, including through verification or benchmarking against the cost of equivalent port-handling services supplied at arm's length by an unrelated provider.

The basis upon which the Commission satisfied itself that the related-party port handling amount reflected an arm's length amount is not apparent from the SEF. To the extent that the amount exceeds an arm's-length benchmark, the export price would be overstated and the dumping margin correspondingly understated.

[25] Ibid, chapter 6.8.4, p. 52 (preliminary dumping margin of negative 5.0 percent); the proposed termination is at chapters 6.1.1 and 6.10, pp. 50 and 54.
[26] Ibid, chapter 6.8.1, p. 50.

Related-party export sales

The Commission finds that POSCO sold its Australian export goods to related customers at arm's length, on the basis that POSCO *…sold goods to related and unrelated customers at similar prices…* and *…at similar prices to other sellers in the Australian market.*[27] That disclosure mirrors the Commission's exporter verification report for POSCO.[28]

BlueScope observes that the basis upon which the Commission assessed POSCO's related-party export sales is not apparent from the SEF and does not disclose the same level of analysis applied to certain Chinese exporters. One point of comparison is the Commission's assessment of Baosteel Zhanjiang in the SEF 688[29], where the Commission undertook a detailed, multi-factor analysis and concluded that the related-party export sales were not at arm's length. The matters the Commission considered relevant in that analysis included:[30]

- the sale of the goods through a related intermediary to a related importer, rather than a direct sale to an unrelated buyer;
- common ownership across the exporter, the intermediary and the importer (each being a member of the same corporate group);
- the related importer purchasing the goods exclusively from the exporter and other related entities;
- related entities within the group covering particular costs of the exportation (including, in that case, ocean freight and marine insurance, and inland transport and port-of-export handling); and
- the absence of evidence that the prices were the result of genuine bargaining.

Certain of these same features also appear to be present in POSCO's exportation, yet do not appear to have been examined in the same way:

- the Commission's verification report refers to POSCO International Corporation as POSCO's "related party reseller", an ownership and relationship arrangement similar to the related-intermediary chains the Commission scrutinised for Baosteel Zhanjiang;[31] and
- POSCO's related-party intermediaries incur and pay costs in connection with the exportation, including port handling costs that are added to the export price. That is the same cost-covering feature the Commission treated as indicative of the absence of arm's-length dealing for Baosteel Zhanjiang.

BlueScope respectfully questions whether the Commission has undertaken an equivalent assessment of POSCO's related-party export sales, as the basis for any such assessment is not apparent from the SEF. The SEF's discussion of the similar prices test does not explain how the structural, ownership and cost-coverage matters that the Commission considered determinative for Baosteel Zhanjiang were considered in relation to POSCO.

BlueScope requests, in the interests of consistency and equal treatment of cooperating exporters, that the Commission apply the same analytical framework to POSCO (including any sales through its related-party reseller, POSCO International Corporation, and the related-party coverage of port handling costs) and disclose the basis on which it is satisfied those sales and costs are at arm's length. Where those sales are not demonstrated to be at arm's length applying that framework, the export price would be overstated with a corresponding effect on the dumping margin.

[27] Ibid, chapter 6.8.1, pp. 51–52.
[28] Commission's exporter verification report for POSCO, EPR 688, folio no. 16, p. 6.
[29] At chapter 6.6.1
[30] SEF 688, chapter 6.6.1 (Baosteel Zhanjiang – export price), pp. 44–45.
[31] Commission's exporter verification report for POSCO, EPR 688, folio no. 16, p. 6; see also SEF 688, chapter 6.8.1, p. 50.

Where POSCO's related-party export sales are found not to be at arm's length, the export price should be constructed on a deductive basis.

The domestic level of trade adjustment to normal value

The Commission has made a downward level of trade adjustment to POSCO's normal value, deducting an amount for differences in level of trade pricing in the domestic market.[32] The rationale for the adjustment is that POSCO provided evidence of distinct and consistent pricing differences between the distributor and end-user levels of trade. Specifically:

- POSCO's Australian sales were made at the distributor level whereas its domestic sales were predominantly made at the end-user level;
- end-user prices were higher; and
- POSCO informed the Commission it does not necessarily incur additional costs in servicing customers at different levels of trade.

On that basis, the Commission accepted the claim and quantified the adjustment by comparing weighted-average quarterly prices for each model at each level of trade.[33]

The adjustment therefore rests on the premise that POSCO's domestic plate sales are predominantly at the end-user level of trade, while its Australian sales are at the distributor level. BlueScope submits that this premise should be examined because the available public evidence indicates that POSCO operates a substantial domestic distributor and processing channel for plate that does not wholly align with the end-user characterisation.

In particular, BlueScope understands that:

- Korean plate sales are characterised by both direct mill sales and distributor or processing-centre sales;
- POSCO publicly states that it operates an order-based production and sales system, and that approximately 60 to 61 percent of its domestic steel sales are made directly to actual users.[34] This indicates that a substantial proportion of POSCO's domestic sales are not made directly to actual users. However, the proportion attributable specifically to plate products is not apparent from available public information. In the Korean plate sector, the direct-sales channel is particularly evident for shipbuilding plate, which may indicate that the headline direct-sales proportion is influenced by shipbuilding plate rather than the commodity plate of the kind exported to Australia;

POSCO operates a distinct plate distribution and processing channel through *POSCO Mobility Solution*, whose Plate Division processes and distributes POSCO thick-plate products to small and medium-sized customers in Korea, including through a dedicated thick-plate processing and distribution plant at Pohang and a shipbuilding and steel-construction plate operation at Gwangyang.[35] This is evidence of an intermediary or distributor channel within POSCO's domestic plate sales, which is similar in character to the distributor-level channel through which POSCO's goods reach Australian customers.

Given this, BlueScope submits that the Commission should not accept, without further examination, POSCO's characterisation that its domestic plate sales are predominantly at the end-user level, and its export sales at the distributor level, without testing that characterisation against POSCO's actual domestic distribution arrangements.

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[32] SEF 688, chapter 6.8.3 (Table 15 – "Domestic Level of trade adjustment"), p. 52.
[33] Commission's exporter verification report for POSCO, EPR 688, folio no. 16, section 3.3.8, pp. 15–16.
[34] POSCO Holdings Inc., Business Report for the year ended 31 December 2024 (Form 6-K, Exhibit 99.1), Part II (Business), heading "Market share", filed with the United States Securities and Exchange Commission, available at https://www.sec.gov/Archives/edgar/data/889132/000119312525068701/d924682dex991.htm.
[35] POSCO Mobility Solution, "Plate Division – Heavy construction equipment and machines [Pohang 3 Plant]", available at https://www.poscomobility.com/front_en/processing/machines.do (accessed June 2026).

If a material share of POSCO's domestic plate sales is made at the distributor level, then the premise underpinning the downward level of trade adjustment is not established. In those circumstances, the magnitude of any adjustment is liable to be overstated, with the effect of reducing the normal value and understating the dumping margin. The evidentiary basis for the level of trade adjustment is not fully apparent from the non-confidential record and the SEF.

BlueScope requests that the Commission re-examine the level of trade adjustment, including the actual proportions of POSCO's domestic plate sales made at the distributor and end-user levels, whether the comparison properly matches like models and excludes shipbuilding plate, and whether any adjustment accurately reflects genuine, consistent level of trade differences rather than a product or channel mix effect.

More broadly, while the SEF applies adjustments to both normal value and export price, the adjustments to normal value are predominantly in the nature of downward deductions and depend on assumptions regarding level of trade and cost allocation, the evidentiary basis for which is not fully apparent from the non-confidential record and the SEF, whereas the adjustments to export price are more limited in their effect. In these circumstances, the comparison may have the effect of compressing the dumping margin, particularly where those adjustments are not symmetrically evidenced and are material to the margin outcome.

IV. Korean domestic plate pricing

Overview

In calculating the normal value for the cooperating Korean exporter POSCO, the Commission relied on POSCO's domestic sales of like goods under section 269TAC(1), being satisfied that there was a sufficient volume of domestic like goods sold at arm's length and in the ordinary course of trade. The Commission did not expressly address whether Korean domestic plate pricing could be such that those domestic sales may not be suitable for determining normal values under section 269TAC(1). This is the alternative normal value pathway provided by section 269TAC(2)(a)(ii), which the Commission applied to the Chinese exporters in this inquiry.[36]

BlueScope submits that this is a relevant consideration that warrants examination before the Commission finalises its report and recommendation, notwithstanding the Commission's recent consideration of a related issue in comparable circumstances. That issue arises because the available evidence, and the Commission's own recent findings, indicate that Korean domestic plate prices may be affected by the transmission of distorted Chinese steel pricing into Korean domestic pricing, such that Korean plate steel prices may not fully reflect prices formed under ordinary competitive conditions. This bears directly on the normal values determined for all Korean exporters of the goods, including POSCO, and is therefore material to the dumping margins found for Korea. This issue is particularly material in respect of POSCO because the commission's preliminary dumping margin is negative 5.0 per cent and the proposed termination rests directly upon the normal value determined from Korean domestic sales.

The Commission's view – distorted Chinese steel prices affect Korean price formation

The Commission has already recognised, in recent inquiries, that distortions originating in the Chinese steel sector are capable of influencing price formation outside China where Chinese exports materially participate in pricing outcomes. Those findings provide a relevant analytical framework within which the Korean plate sector should be considered.

First, in the Final Report for INV 658, the Commission determined that a particular market situation existed in the Chinese market for hot rolled coil (**HRC**). The Commission found that Chinese HRC prices were affected by GOC influence and were substantially below the prices that would prevail in a competitive market.

[36] SEF 688, chapter 6.8.2, p. 51 (POSCO normal value determined under section 269TAC(1)). Chapter 6.4, pp. 38–39 (section 269TAC(2)(a)(ii) applied to the Chinese exporters).

Second, the Commission considered the implications of those findings for Korean prices in SEF 689 (precision pipe and tube – **PPT**). At 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 Chinese HRC (as the raw material for PPT) absent GOC distortion. The Commissioner's reasons were that:[37]

- the information obtained in INV 658 demonstrated that Korea was the largest importer of HRC from the cooperating Chinese exporters in the inquiry 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 coil than Japanese prices were, supporting the Commission's conclusion that distortions originating in China may affect price formation in Korea.

Third, in SEF 679 (light gauge steel stud and track), the Commission further considered whether steel prices in third-country jurisdictions were affected by distortions originating in China. In doing so, the Commission considered and differentiated between Chinese, Taiwanese, Korean and Japanese pricing environments, concluding that some jurisdictions were more exposed to the effects of Chinese steel pricing than others and therefore provided a more reliable basis for assessing undistorted pricing conditions.[38]

BlueScope submits that these findings are significant because they demonstrate that the Commission has already recognised that distortions originating in the Chinese steel sector are capable of affecting price formation outside China. The significance of SEF 689 is not merely that the Commission recognised the possibility of transmission effects. Rather, the Commission considered available evidence and concluded that Korean HRC prices were likely influenced by Chinese-origin HRC imports and, on that basis, the Commission concluded that Korean prices were not an appropriate undistorted benchmark in that investigation. The relevant issue in Investigation 688 is therefore whether equivalent transmission effects may also be relevant to Korean domestic plate pricing.

BlueScope does not submit that the Commission should assume that Korean domestic plate sales are unsuitable for determining normal values under section 269TAC(1). Rather, BlueScope submits that the Commission's findings in INV 658, SEF 689 and SEF 679 establish that distortions originating in the Chinese steel sector may affect price formation beyond China in circumstances where Chinese-origin steel products materially influence pricing outcomes. Those findings provide a reasonable basis for examining whether Korean domestic plate prices continue to reflect prices formed under ordinary competitive conditions. The issue for consideration in this investigation is therefore whether the evidence concerning Korean plate imports and pricing warrants application of the same analytical framework.

Application to the Korean domestic plate pricing

BlueScope submits that the same reasoning is relevant to the formation of Korean domestic plate prices. The Commission's findings in REP 658 and SEF 689 establish a relevant analytical framework for this assessment. The remaining question is whether that same transmission mechanism is observable in the Korean plate sector. To assist the Commission in considering that question, BlueScope has undertaken a comprehensive analysis of the Korean plate sector, provided at Confidential Attachment 1. That analysis examines whether Chinese-origin plate has become sufficiently significant within Korean import supply, and whether Korean domestic plate prices exhibit the pricing characteristics expected where the price effects associated with the Chinese HRC PMS are transmitted into Korean plate pricing. The key matters arising from that analysis are as follows:[39]

- the particular market situation identified in REP 658 arises from structural distortions affecting the Chinese steel sector more broadly. This includes persistent overcapacity, government intervention and resulting departures from ordinary competitive conditions. In SEF 689 the Commission recognised that those distortions were capable of influencing price formation outside China, finding that Korean HRC prices were likely affected by imports of Chinese HRC and consequently unsuitable as a benchmark cost to establish undistorted pricing;

[37] Statement of Essential Facts, Continuation Inquiry 689 (PPT exported from China and Korea), 22 May 2026, section 6.3.5 (and Figure 6).
[38] Statement of Essential Facts, Investigation 679 (light gauge steel stud and track), 17 June 2026, Appendix A, section A7, p. 95.
[39] BlueScope analysis of the Korean plate steel market, Confidential Attachment 1.

- HRC and plate are both flat steel products produced from the same upstream steelmaking and slab-production chain, and are exposed to the same underlying Chinese steel-sector conditions identified in REP 658. Accordingly, distortions affecting Chinese flat steel pricing may be relevant to both HRC and plate pricing, and warrant examination where the evidence indicates that Chinese-origin imports materially influence domestic price outcomes;

- Chinese-origin pricing has become an increasingly significant influence on Korean plate pricing outcomes. Chinese plate imports into Korea increased by [*XX*] percent over the inquiry period, and China's share of Korean plate imports rose from [*XX*] percent to [*XX*] percent, establishing China as the dominant source of imported plate into Korea;

- [***confidential text deleted:*** *Chinese imports as a percentage of Korean steel consumption*] , Korean domestic plate prices exhibited strong import parity pricing characteristics, moving closely in line with import prices and [***confidential text deleted:*** *Korean end-customer pricing assessment*] This indicates that changes in import prices are substantially transmitted into Korean domestic prices and that import prices play a significant role in price formation. While import parity pricing does not, of itself, establish the existence of a particular market situation, it provides evidence of the mechanism by which pricing distortions identified elsewhere may be transmitted into domestic pricing outcomes, particularly where Chinese-origin imports are materially present and price competitive;

- available evidence further indicates that Korean domestic plate prices are materially constrained by the pricing and volume of Chinese imports. Korean producers have, in recent periods, delayed or moderated domestic price increases in response to lower-priced Chinese imports, notwithstanding rising input costs, consistent with a price formation dynamic in which domestic pricing is disciplined by import price levels; and

- Korean plate steel prices closely tracked Korean HRC prices throughout the analysis period, both declining materially (Korean plate falling from US$[*XX*]/t in FY2022 to US$[*XX*]/t in FY2025, and Korean HRC falling from US$[*XX*]/t to US$[*XX*]/t over the same period), demonstrating that plate prices remain closely linked to the broader Korean flat steel pricing environment. Given the Commission's finding in PPT SEF 689 that Korean HRC prices were influenced by distorted Chinese HRC imports, that relationship provides further evidence that the price effects associated with the Chinese HRC particular market situation may be capable of influencing the broader Korean flat steel pricing environment, including Korean plate pricing.

Taken together, the analysis identifies a number of factors relevant to whether Korean domestic plate prices reflect prices formed under ordinary competitive conditions, including China's growing importance within Korean imports, its position as the dominant import supplier, the relationship between import and domestic prices, the evidence of domestic pricing being constrained by Chinese imports, and the close alignment between Korean HRC and Korean plate pricing.

These dynamics are further supported by observed pricing outcomes in Korea following the imposition of anti-dumping measures on Chinese flat steel products. Available evidence indicates that, following the imposition of such measures, both domestic and import prices increased. This is consistent with prior domestic price levels having been constrained by competition from lower-priced imports, although BlueScope acknowledges that the observed price movement should be considered together with other market evidence rather than treated as determinative on its own.

Korea's investigations into carbon and alloy-steel hot-rolled products and heavy plate from China resulted in the imposition of anti-dumping duties at material levels, with margins generally in the range of approximately 28 to 34 percent.[40, 41]

The existence and scale of these measures indicate that Korean investigating authorities found Chinese steel products to have been dumped at material margins. The observed increase in prices following the imposition of measures is consistent with domestic pricing outcomes in Korea having been constrained by import competition. This provides further support for the need to examine whether Chinese-origin pricing has materially influenced Korean domestic plate prices.

[40] Korea Trade Commission, anti-dumping investigation into carbon and alloy-steel hot-rolled products (HRC) from China and Japan; final measures effective 23 June 2026. See https://www.law.go.kr/LSW/lsInfoP.do?lsiSeq=287461.

[41] Korea Trade Commission, anti-dumping investigation into carbon and alloy-steel hot-rolled heavy plate from China; final measures effective 24 November 2025. See https://www.law.go.kr/LSW/lsInfoP.do?lsiSeq=279931.

SEF 688 silent on the matter

SEF 688 determines Korean normal values by reference to Korean domestic prices without expressly addressing whether those prices may be affected by the transmission of distorted Chinese pricing, notwithstanding the demonstrated and growing influence of Chinese plate imports on Korean domestic plate pricing.

BlueScope notes that this gives rise to a potential inconsistency with the Commission's own recent reasoning. In INV 658, SEF 689 and SEF 679, the Commission recognised that distortions originating in the Chinese steel sector may affect price formation outside China, including in Korea, where Chinese-origin steel exports materially influence pricing outcomes; yet SEF 688 does not test whether the same transmission affects Korean domestic plate prices.

BlueScope submits that, in light of that reasoning in INV 658, SEF 689 and SEF 679, this represents a relevant issue that should be expressly considered in this investigation, to ensure consistency with the Commission's approach in comparable recent inquiries. In particular, the Commission should examine whether sales of like goods in Korea are not suitable for determining normal values under section 269TAC(1), and whether they should instead be determined under an alternative pathway that addresses any distortion found to affect price formation. This would then be consistent with the approach the Commission has adopted for Chinese exporters in this investigation, and with its treatment of the same issue in the other recent inquiries noted.

Where Korean domestic plate prices are affected by the transmission of distorted Chinese pricing, and that influence causes domestic prices to depart from prices formed under ordinary competitive conditions, the normal values determined from those prices would be understated. This would directly affect the dumping margins determined for all Korean exporters, including the preliminary negative margin determined for POSCO, and is therefore directly material to the proposed termination of the investigation in respect of POSCO. BlueScope requests that the Commission examine this matter and address it expressly in the final report and explain whether it considers Korean domestic plate sales remain suitable for determining normal values under section 269TAC(1) having regard to the evidence concerning Chinese-origin imports and Korean price formation.

V. Uncooperative exporter normal values

Overview

For the uncooperative and all other exporters from China and Korea, the Commission has determined dumping margins of 52.4 percent and 21.6 percent respectively. The normal values underlying those margins were determined, under section 269TAC(6), by reference to the normal values of the cooperating exporters, in accordance with the method set out in Table 17 of SEF 688:[42]

Country	Method
China	The highest normal value ascertained for cooperating exporters less downward adjustments applied under section 269TAC(9).
Korea	Cooperating exporters' normal value less downward adjustments applied under section 269TAC(8).

Non-Confidential Table 1: Table 17 SEF 688 excerpt.

BlueScope has assessed this methodology as meaning that, in each case, downward adjustments have been applied to the normal value ascertained for the cooperating exporters. For China, this appears to involve downward adjustments to the highest normal value ascertained for cooperating exporters. For Korea, the SEF refers to the cooperating exporter's normal value less downward adjustments under section 269TAC(8). BlueScope submits that the application of those downward

[42] SEF 688, chapter 6.9, p. 53 (Table 16 – uncooperative and all other exporters' dumping margins of 52.4 percent for China and 21.6 percent for Korea).

adjustments may understate the normal value, and therefore the dumping margin, for the uncooperative exporters, and may confer an advantage that is not supported by the record.

Chinese exporters – no downward adjustments

Chinese cooperating exporter normal values were not adjusted downwards in the SEF. The normal value adjustments for Baoshan, Baosteel Zhanjiang and Hunan Valin were additions for export inland transport, export port handling charges and export credit terms.[43]

Accordingly, there is no apparent basis for the normal value of the uncooperative Chinese exporters to be reduced by downward adjustments under section 269TAC(9). The method in Table 17 applies to the uncooperative Chinese exporters a downward adjustment that was not applied to any cooperating exporter, with the effect of producing a lower normal value, and a lower dumping margin. BlueScope therefore requests that the Commission confirm whether it did in fact make downwards adjustments, and if so, on what basis.

Uncooperative exporters should not benefit from non-cooperation

Where an exporter does not cooperate, the Commission determines the normal value on the basis of the facts available. The established purpose of the residual rate applied to uncooperative exporters is to ensure that an exporter does not obtain a more favourable outcome by withholding information than it would obtain by cooperating, and that exporters are not given an incentive to decline to participate in the investigation.[44]

Downward adjustments to the normal value are, by their nature, exporter-specific: they reflect the costs, terms, level of trade and circumstances of the cooperating exporter from whose data they are derived. There is no basis on the record to assume that the uncooperative exporters incur those same deductible amounts, and the Commission cannot know whether they do, as those exporters provided no information. In those circumstances, BlueScope submits that the uncertainty should weigh against the uncooperative exporters by not applying downward adjustments that would reduce normal values and their dumping margins unless the Commission can identify a reliable basis for those adjustments on the facts available. This approach is also consistent with the need for a disciplined and transparent application of adjustments to normal value across all exporters, including cooperating exporters such as POSCO, and ensures that non-cooperating exporters do not obtain a more favourable outcome than cooperating exporters.

Accordingly, BlueScope considers that neither Chinese nor Korean uncooperative exporters should receive the benefit of downward adjustments in the calculation of their dumping margins unless those adjustments are supported by reliable facts available and are necessary to ensure a proper comparison. BlueScope submits that the Commission should determine the normal value for the uncooperative and all other exporters of each subject country as the highest normal value ascertained for the cooperating exporters of that country, with no downward adjustments applied unless the Commission identifies and discloses a reliable evidentiary basis for applying such adjustments.

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[43] Ibid, chapters 6.5.3 (Table 12), 6.6.3 (Table 13) and 6.7.3 (Table 14), pp. 43, 44 and 47. In each case the only adjustments applied under section 269TAC(9) were additions for export inland transport, export port handling charges and export credit terms.

[44] Sections 269TAC(6) and 269TACAB of the *Customs Act 1901*; and the *Customs (Extensions of Time and Non-cooperation) Direction 2015.* Further, Annex II of the ADA states, in relation to uncooperative exporters, that authorities should, where practicable, have regard to information from other independent sources at their disposal such as published price lists, official import statistics, customs returns, and information obtained from other interested parties during the investigation. It also states that if a party does not cooperate this could lead to a less favourable result for that party (See the Commission's Dumping and Subsidy Manual, chapter 13.2, p. 47).

Conclusion

For the reasons set out above, BlueScope supports the preliminary findings in SEF 688 and the Commissioner's proposal to recommend the publication of dumping and countervailing duty notices. BlueScope requests that, in finalising its report, the Commission:

- re-examine the determination of POSCO's export price, the assessment of whether POSCO's related-party export sales were at arm's length, and the downward level of trade adjustment to POSCO's normal value, as each bears directly on the preliminary negative dumping margin and the proposed termination in respect of POSCO, and should be resolved before any decision to terminate;

- examine whether Korean domestic sales of like goods are suitable, or otherwise, for determining normal value under section 269TAC(1), including whether distorted Chinese imports may influence Korean price formation, to ensure consistency with the Commission's approach in comparable recent inquiries, and if the Commission finds that Korean domestic prices are affected by distortions that render them unsuitable under section 269TAC(1), determine Korean normal values on a basis that removes the effect of those distortions; and

- determine the normal value for the uncooperative and all other exporters of each subject country as the highest normal value ascertained for the cooperating exporters of that country, absent downward adjustments unless the Commission identifies a reliable evidentiary basis for applying them.

In each case, these matters bear directly on the determination of normal value and the resulting dumping margins, and therefore on the appropriate outcome of the investigation.

For and on behalf of BlueScope.