

# **BLUESCOPE EXPORTER BRIEFING**

## **KG Dongbu Steel – Republic of Korea**

**Zinc Coated (Galvanised) Steel – Continuation Inquiry #611**

### **Public File**

International Trade Affairs

December 2022

# KG DONGBU STEEL – EXPORTER BRIEFING

## General Comments

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- In advance of the Anti-Dumping Commission's (**the Commission**) preliminary determination with respect to continuation inquiry no. 611 into Zinc Coated (galvanised) steel from China, Korea, and Taiwan, BlueScope makes the following comments and representations on the Commission's Electronic Public Record (**EPR**) as it presently stands.
- The Statement of Essential Facts is currently due for publication on 10 December 2022.
- These comments and representations are made to assist the Commission in its verification and review of the data for the purposes of preliminary determination, and to provide BlueScope's preliminary views on the record to-date.
- References to page numbers in the following slides are references to page numbers in KG Dongbu's exporter questionnaire responses (**EQR**)
- BlueScope will continue to review EPR submissions and exhibits as-and-when published and may update its position and comments prior to the final determination.

# KG DONGBU – EXPORTER BRIEFING

## Company Background

- Review 521 (galvanised steel) verification report:

### 1 COMPANY BACKGROUND

#### 1.1 Corporate Structure and Ownership

Dongbu Steel Co., Ltd. (Dongbu) was established on 27 October 1982 and was listed on the Korean Stock Exchange in February 1986. During the review period, Dongbu was subject to an arrangement with its creditors.

Dongbu is involved in the manufacture and processing of steel products and produced zinc coated (galvanised) steel (the goods subject to this review or 'the goods'), and sold it direct to Australian customers, during the period 1 July 2018 to 30 June 2019 (the review period).

In its response to the exporter questionnaire (REQ), and confirmed during the onsite visit, Dongbu advised that its legal name would change in March 2020.

Dongbu listed 13 affiliated entities in its REQ. One affiliated entity is both a supplier of raw material and a domestic customer.

#### 1.2 Related Parties

The verification team examined the relationships between Dongbu and parties involved in the manufacture and sale of the goods.

##### 1.2.1 Related suppliers

The verification team found that Dongbu purchased raw materials from one related supplier during the review period.

##### 1.2.2 Related customers

The verification team found that, during the review period, Dongbu made domestic sales of the goods to a related party.

- Name change per EQR (p.14) in aluminium zinc coated steel investigation #558

### A-2 Company information

- What is the legal name of your business?

The company's legal name was Dongbu Steel Co., Ltd (hereinafter "Dongbu"). Dongbu is a listed company (joint-stock corporation) in the Republic of Korea. Dongbu does not use any other business names when it sells the goods under consideration ("GUC") during the investigation period.


Please note that Dongbu changed its name to "KG Dongbu Steel Co., Ltd" as of 27 March 2020 and exported under the new name since April 2020. The cause of the name change is due to corporate acquisition by KG Group in September 2019 and as a result Dongbu become the member of KG Group. Dongbu has filed the relevant information regarding the name change under Review 521. However, if further information is required, Dongbu is stand ready to provide it.

For the purposes of this response, we refer to the company as Dongbu since this was its name during the investigation period.

# KG DONGBU – EXPORTER BRIEFING

## Company Background (cont.)

- Further name change in 2022, with a renewed focus on steel exports ([KG Steel \(kg-steel.co.kr\)](http://kg-steel.co.kr)):



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[NEWS ROOM](#)
[E-SALES](#)

## NEWS ROOM

KG Dongbu Steel changes its name to 'KG Steel'..."2022, the first year of re-leaping"

Added2022-02-24 16:38

Attachments

[Press Release] KG Dongbu Steel changes name to KG Steel... 2022 First Year of Re-Leap-220224.pdf

content

KG Dongbu Steel will change its name to 'KG Steel' and start 2022 He said he would make it the first year of his re-leap.

KG Dongbu Steel held a board meeting and decided to change its name. It was announced on the 23rd that it had approved the amendment to the articles of incorporation as originally drafted. If the proposal to change the name to KG Steel is approved at the 40th Annual General Shareholders' Meeting scheduled for 24 next month, the name will be changed through registration.


On the occasion of the name change, KG Dongbu Steel While uniting, it is an ambition to make a new start by using 2022 as the first year of re-leaping. **Expand our business territory on the world stage through export,** and develop the technology of our main products It is expected to establish itself as a customer-friendly company.

KG Dongbu Steel is the only company in the industry with all cold-rolled sheet materials. With the portfolio diversity that can be produced as a weapon, **it has rolled up its sleeves to secure export routes. In January, the proportion of exports in terms of sales increased by 17 percentage points compared to the same month last year to 63 percent, showing a significant increase in the proportion of exports.**

During the same period, not only cold-rolled, galvanized, and stone steel plates, but also color steel plates became a filial portfolio. Last January, KG Dongbu Steel The proportion of color steel plate sales rose to 30% of the total, driving the increase in performance.

Since the launch of the color steel plate brand X-TONE, KG Dongbu Steel has strengthened its competitiveness in color steel plates for construction materials and home appliances. It has been empowering. Last year, Exton was adopted as an interior material throughout the history of the Bangkok Underground Railway in Thailand, and its technology was recognized overseas. In recent years, Introducing eco-friendly color steel sheet (ECO PCM) products for home appliances made of biomass solvents, the market is buzzing once again Did.

After joining the KG Group in 2019, KG Dongbu Steel began using the name KG Dongbu Steel the following year. Since then, 2 years and 6 months After organic harmony with the Dongan KG Group, it was reborn as KG Steel. Ahead of me. Park Sung-hee, CEO of Dongbu Steel KG, said, "We are preparing for a second leap forward with a new mission," adding, "We will expand our business into areas where we can create synergy with our main business and the future We will continue to discover food." (End)


E-SALES

# KG DONGBU – EXPORTER BRIEFING

## EQR Assessment

- Models exported to Australia (p. 21 EQR):
  - KG Dongbu disclose that:

KG Dongbu follows the MCC structure as instructed. Please note a small portion of “MgCot” steel has been included in both the domestic sales and export sales information. This steel is coated with a mixture of zinc, aluminium, and magnesium and for MCC purposes the “coating type” has been listed as a “D”. However, in reviewing their records, KG Dongbu has now identified that the Commission determined that **MgCot is not the goods under consideration**, as illustrated by the discussion at page 4 of Dongbu Steel’s verification report in Review 521.

- KG Dongbu has erroneously excluded the **MgCot** product from its questionnaire response on the basis that they are not the goods under consideration. BSL submits that MgCot products are the goods under consideration, and that the Commission should take full account of these in the current inquiry.
- The MgCot product:
  - The MgCot product is KG Dongbu’s updated variant of a majority zinc coated steel product that has a coating composition of zinc (92%), aluminium (6%), and magnesium (2%). According to KG Dongbu here <https://www.kg-steel.co.kr/app/download.php?tb=catalogue&no=16&ano=3> at p. 37:

**MgCOT®**

MgCOT® results from KG Dongbu Steel Corporation’s project for more advanced coated product featuring a zinc - 6% aluminum - 2% magnesium alloy coated steel. MgCOT® provides super-improved durability, chemical resistance, excellent corrosion resistance at deformed zone when compared to existing GI. It is future-oriented and environmentally friendly.

# KG DONGBU – EXPORTER BRIEFING

## EQR Assessment (cont.)

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- MgCot like goods assessment:
  - The Commission is required to examine with the Australian industry manufactures “like goods” to the imported goods.
  - In examining whether the locally produced goods are alike to the imported goods, the Commission has regard to the essential characteristics of the locally produced and imported goods.
  - The Commission (in the Australian industry verification report at Section 2.3) examined the essential characteristics of whether the goods are alike:
    - ✓ physical likeness – the primary physical characteristics of the goods exported to Australia and locally produced goods are similar, notwithstanding that there are variations in technical specifications.
    - ✓ commercial likeness – the goods exported to Australia and locally produced goods are commercially alike. They are sold to common users and directly compete in the same market.
    - ✓ functional likeness – the goods exported to Australia and locally produced goods are functionally alike. They have a similar range of end-uses and the goods exported to Australia and locally produced goods are manufactured in a similar manner.
    - ✓ production likeness – the goods exported to Australia and locally produced goods are manufactured in a similar manner.
- “Like” relates to whether the goods produced by Australian industry are *like* the goods under investigation (to which BlueScope submits MgCot should be). They need to have identical, or characteristics closely resembling, the goods under investigation.
- Locally produced goods are therefore alike in all respects to MgCot.
- The goods are used interchangeably in the same end-use applications and compete directly for supply with the same customers.

# KG DONGBU – EXPORTER BRIEFING

## EQR Assessment (cont.)

- MgCot complies with the relevant zinc coated (galvanised) steel standards:
  - The following table sets out the basic concordance of the relevant applicable standards to produce galvanised steel:

Product Standard	Country	Standard No.
AS/NZS	Australia/New Zealand	AS/NZS 1397
ASTM	United States	A653M
JIS	Japan	G3302
KIS	Korea	D3506
EN	Europe	EN 10346

- The AS/NZS, ASTM, JIS, and EN standards were all referenced in the original investigation as forming the particulars of the goods description.
- KG Dongbu's product specifications for its 100% zinc coated product at p. 20 of <https://www.kg-steel.co.kr/app/download.php?tb=catalogue&no=16&ano=3> shows that these goods are manufactured to the above standards:

# KG DONGBU – EXPORTER BRIEFING

## EQR Assessment (cont.)

Specification	Designation	KS D 3506		JIS G 3302		ASTM A653	EN 10346
	Type	CR	HR	CR	HR		
	Commercial Quality	SGCC	SGHC	SGCC	SGHC	CS Type A&B	DX51D
	Lock Forming Quality	SGCC-F	-	SGCC-F	-	CS Type C	
	Commercial Soft Quality	SGCC-L	-	SGCC-L	-	FS Type A&B	DX52D
	Commercial Hard Quality	SGCH	-	SGCH	-		DX53D
	Drawing Quality	SGCD1		SGCD1		DDS EDDS	DX54D
		SGCD2	-	SGCD2	-		DX56D
		SGCD3		SGCD3			DX57D
	Structural Quality						S220GD
							S250GD
		SGC245Y	SGH245Y	SGC340	SGH340	Grade 230	S280GD
		SGC295Y	SGH295Y	SGC400	SGH400	Grade 255	S320GD
		SGC335Y	SGH335Y	SGC440	SGH440	Grade 275	S350GD
		SGC365Y	SGH365Y	SGC490	SGH490	Grade 340 class 1,2,3	S390GD
		SGC560Y	SGH400Y	SGC570	SGH540	Grade 550	S420GD
							S450GD
							S550GD

- For the MgCot product, KG Dongbu does not disclosure the product specifications (beginning p. 36 of the product brochure).
- In the absence of other zinc-coated-related production standards in KG Dongbu's literature, MgCot's dominant zinc coating product is likely manufactured to the same 100% zinc coated standards noted above.



# KG DONGBU – EXPORTER BRIEFING

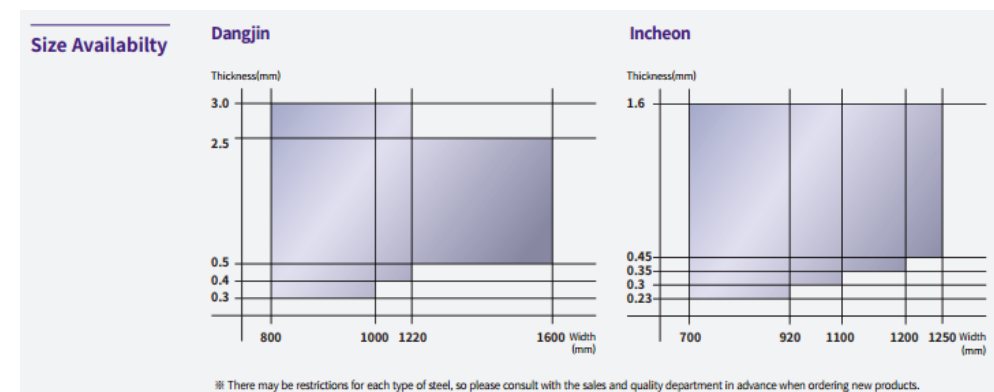
## EQR Assessment (cont.)

- MgCot's coating composition is fundamentally the same as a 100% zinc coated product:
  - The coating composition determines the category of product.
  - The aluminum and magnesium inclusions in the coating composition, totaling only 8%, are immaterial compared to the dominant zinc composition of 92%.
- MgCot's available production range falls within the same production range of the equivalent 100% zinc coated product:
  - Per the KG Dongbu product brochure:

MgCot thick/width range (p. 40)



100% zinc coated thick/width range (p. 19)



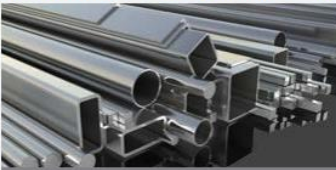
- MgCot's product thick/with combinations fall within the same parameters as its 100% zinc coated product.
- The above indicates that MgCot is likely manufactured at KG Dongbu's Incheon plant, given the close similarities on thick/width product combinations.

## EQR Assessment (cont.)


- MgCot's end use applications are noted as:

**Applications**

Structural building material with exterior exposed shear surface




Pipes




Photovoltaic supports

Structures requiring alkaline or anti-ammonia environment




Cattle shed




Building structure

Structural products requiring anti-scratch




Structural guardrail




Safe guard

Home appliances and auto parts



Automotive parts



Outdoor Equipment of air conditioner

- In the Australian industry verification report, the Commission noted the same end-use applications:

### 3.2 Market structure and end use

The two key industries that consume galvanised steel in Australia are:

- the building and construction industry, consisting of residential construction, and industrial/commercial construction and
- the general manufacturing industry, mainly consisting of supplies to appliance manufacturers.

The building and construction industry is BlueScope's largest consumer of its like goods by volume, with the remainder of BlueScope's volume sold to the general manufacturing industry.

In the building and construction industry, examples of end-use applications for galvanised steel include commercial and industrial buildings; light structural sections (purlins and girts); structural sections for carports, sheds and garages; plastering and ceiling accessories; garage door tracks; structural nail-plates; post stirrups; frame connectors; and bracing for timber frames.

In the general manufacturing industry, examples of end use applications for galvanised steel include feedstock as input for pipe and tube manufacture; air-conditioning ducting; cable trays; components in domestic appliances; hot water system components; electrical meter cabinets; tool-boxes; meter boxes; grain silo components and general manufactured articles.

Locally produced and imported galvanised steel are used interchangeably across the two key market segments in Australia.

# KG DONGBU – EXPORTER BRIEFING

## EQR Assessment (cont.)

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- MgCot-related [*commercial-in-confidence product and market assessments*].

# KG DONGBU – EXPORTER BRIEFING

## EQR Assessment (cont.)

- MCC's exported to Australia; CON 611 v's REV 521:

### CON 611 MCC's – FY22

#### The List of MCCs of the Goods Exported to Australia

MCC
NA-P-H-D-2-F-4-B-C
NA-P-H-D-2-F-5-B-C
NA-P-H-F-1-A-3-B-C
NA-P-H-F-1-A-4-B-C
NA-P-H-F-1-A-4-C-C
NA-P-H-F-1-A-5-B-C
NA-P-H-F-1-A-5-B-S
NA-P-H-F-1-A-5-C-C
NA-P-H-F-1-A-6-B-C
NA-P-H-F-1-A-6-B-S
NA-P-H-F-1-A-6-C-C
NA-P-H-F-1-A-6-C-S
NA-P-H-Z-2-C-4-A-C
NA-P-H-Z-4-E-6-B-C
NA-P-H-Z-4-E-7-B-C
NA-P-H-Z-5-C-6-B-C
NA-P-H-Z-5-C-7-B-C
NA-P-H-Z-5-C-8-B-C

During REV 521 KG Dongbu primarily exported MCC's with the zinc iron coating type (MCC category #4), during which time it was subject to an **2.4%** IDD (from REV 456).

KG Dongbu is now exporting 11 more MCC's, the majority zinc coated (MCC Category #4) under a nil IDD finding from REV 521.

[Commercial-in-confidence market assessment]

- = Consistent MCC's between CON 611 and REV 521
- = New MCC's sold during FY2022 (9 new MCC's)
- = Only sold in REV 521
- = MgCot product (as above)

### REV 521 MCC's – FY19 (KG Dongbu EVR, p. 5)

#### 2.4 The goods exported to Australia

The verification team were satisfied that Dongbu produced and exported the goods to Australia. Dongbu exported the goods to Australia with the following MCCs during the period:

NA-P-H-F-1-A-3-B-C	NA-P-H-F-1-A-5-B-C	NA-P-H-F-1-A-6-C-C
NA-P-H-F-1-A-4-B-C	NA-P-H-F-1-A-5-C-C	NA-P-H-Z-3-A-3-B-C
NA-P-H-F-1-A-4-C-C	NA-P-H-F-1-A-6-B-C	NA-P-H-Z-3-A-4-B-C

Table 2 - MCCs exported to Australia

# KG DONGBU – EXPORTER BRIEFING

## EQR Assessment (cont.)

- Date of export sale (p. 17-18 EQR):
  - KG Dongbu disclose that:

The GUC is produced to order, and the contracted terms such as the quantity are subject to variation between order and shipment. Consequently, the terms are not fixed until the goods are actually loaded onto the vessel for shipment to the Australian customers. In this regard, KG Dongbu is reporting the bill-of-loading date (that is, the date the merchandise was loaded onto the vessel for shipment from Korea) as the date of sale.

- In REV 521, the Commission reported in its sales accuracy verification exceptions (p. 9 EVR) that:

### 4.1 Exceptions during verification of sales accuracy

No.	Exception	Resolution
3	For export sales, Dongbu recoded the date of sale as being the date of the bill of lading. The verification team considers that the date of the invoice should be used to establish the date of sale. No evidence was presented by Dongbu to establish that the material terms of sale were established on the bill of lading date or that the terms of the sale could be materially be altered after the issuing of the commercial invoice.	The verification recorded the invoice date as being the date of sale.

Table 5 - Exceptions during verification of accuracy of sales data

- The Commission should determine the same in the current inquiry, and assess the export date of sale as the invoice date.

# KG DONGBU – EXPORTER BRIEFING

## EQR Assessment (cont.)

- D-1 Domestic sales process (p. 23 EQR):
  - At D-1-1 KG Dongbu disclose that:

When the ordered goods are shipped, KG Dongbu issues a shipping invoice. The goods will either be transported to the customer, or the customer will pick up the goods, depending on the terms of the sale.

In addition, to settle the payment, KG Dongbu normally issues a tax invoice and commercial invoice to its customer at the end of each month.

- It is unclear at what point the sale is recorded in KG Dongbu's books. With the issue of three separate invoices, is KG Dongbu recording the sale in the accounts three times? The risk of duplication may exist, and consequently the Commission's assessment of sufficiency of domestic sales.
- In REV 521, the Commission identified that KG Dongbu had erroneously double and triple counted sales and CTMS data. At Section 5.1 of the exporter verification report (EPR Folio No. 23, p. 10):

### 5.1 Exceptions during verification of completeness and relevance of CTMS data

No.	Exception	Resolution
4	As mentioned in section 2, Dongbu included costs associated with manufacture and sales of goods not under consideration.	All costs that included this product were removed from cost data.
5	Dongbu was not able to separate the cost to make (CTM) based on the market the GUC were sold in. The company prepared the Commission's CTM spreadsheets based on the sales data of each MCC model. This resulted in double and triple counting of the CTM for some MCC models.	The verification team confirmed that the unit CTM for MCC models is the same regardless of the market in which the model is sold. The verification team is satisfied that the unit CTM calculated is appropriate for the calculation of a dumping margin.



# KG DONGBU – EXPORTER BRIEFING

## EQR Assessment (cont.)

- E-2 Packaging (p. 28 EQR):
  - At E-2(1) and (2) KG Dongbu disclose that the packaging materials used for domestic and export sales are the same, but then state there are distinct differences:

<b>E-2 Packaging</b>
1. What is the packaging used for your domestic sales of like goods?
Coils and sheets are generally packed in waterproof paper, which is held together with steel bands and seals. Edge protectors are attached to protect the edges of the steel during transport.
2. What is the packaging used for your export sales of the goods to Australia?
Coils and sheets are generally packed in waterproof paper, which is held together with steel bands and seals. Edge protectors are attached to protect the edges of the steel during transport.
3. If there are distinct differences in packaging between your domestic and export sales:
(a) Provide details of the differences
[CONFIDENTIAL INFORMATION DELETED – details of different packaging requirements between markets]

- In each of REV521, CON450, and INV190, the Commission made normal value adjustments for packing. Query why the exporter discloses no differences, but then redacts content as to apparent differences? Query also as to why this level of detail is permitted as redactable?

# KG DONGBU – EXPORTER BRIEFING

## EQR Assessment (cont.)

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- E-4 Other direct selling expenses (p. 30 EQR):
  - At E-4(3) KG Dongbu disclose:

KG Dongbu received claims for defective merchandise during the review period.

[CONFIDENTIAL INFORMATION DELETED – details of claims and quantification for purposes of this response]

Additionally, as explained in response to question D-1.5, Dongbu provided an [CONFIDENTIAL INFORMATION DELETED – discount]. In this regard, please refer

- BlueScope submits that warranty claims are addressed within the steel industry via credits issued for product defects, goods incorrectly supplied and/or invoiced, damaged in transit, and the like. Their occurrence is therefore not limited to a domestic market but apply universally. BlueScope's view however is that such an adjustment would be, in Dongbu's case, difficult to substantiate. This was addressed in Dongbu's Exporter Verification Report in Continuation Inquiry 449 where the Commission concluded that:

*Dongbu submitted that, occasionally, credit is provided to customers in certain circumstances whereby a claim is made for defective merchandise. Dongbu explained that there were no formal documents regarding warranties for the goods. For this reason, a downwards adjustment to the normal value for warranty expenses was not made. The verification team notes that the amounts in relation to warranties is not material.*

Whilst the Commission made an adjustment for warranties in REV 521, it should fully determine (and disclose as such) whether KG Dongbu can substantiate an adjustment claim with formal documentation in the current inquiry.



# KG DONGBU – EXPORTER BRIEFING

## EQR Assessment (cont.)

- G-7 Major raw material costs (p. 38 EQR):
  - At G-7(1) KG Dongbu disclose:

### G-7 Major raw material costs

1. What are the major raw materials used in the manufacture of the goods?

Hot-rolled coil and zinc are the major input raw materials used in the manufacture of the goods.

- G-7(2) requires the exporter to disclose whether raw materials are sourced as part of an integrated production process, or from a subsidiary company that the exporter controls. KG Dongbu's response:

KG Dongbu used purchased raw materials, so these questions are not applicable.

→ The response G-7(7) (p. 39) is then:

- At A-2(7) (p. 12) the exporter states:

7. What is the overall nature of your company's business? Include details of the products that your company manufactures and sells and the market your company sells into.

KG Dongbu is an **integrated steel manufacturer** that produces a full range of steel products which are sold in Korea and to various export markets, including Australia. The biggest export market is [CONFIDENTIAL INFORMATION DELETED - identity of market].

7. Are any of the suppliers in "G-7.4 Raw material purchases" listing related to your company? If yes, please provide details on how the price is set.

This question is not applicable. KG Dongbu did not purchase raw materials from related supplier.

# KG DONGBU – EXPORTER BRIEFING

## EQR Assessment (cont.)

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- G-7 Major raw material costs (cont.)
  - KG Dongbu's Korean factory locations are noted on p. 10 of the EQR as being in the city of Dangjin, and the city of Incheon, and that the goods under consideration are manufactured at both facilities (by virtue of the comment at p. 11 that *The address of the head office and the factories where the GUC is produced are provided in response to Question A-1.*).
  - An integrated steel producer manufactures steel products from molten steel, via blast furnace or electric arc furnace methods.
  - BlueScope queries whether KG Dongbu's statement that it does not source raw materials as part of an integrated production process is accurate.
  - The Commission will recall from the industry verification that BlueScope, as an integrated steel producer, manufactures hot-rolled coil (**HRC**) from molten steel, which is then further manufactured into galvanised steel.
  - The Commission will also recall that [*commercial-in-confidence industry verification details*].
  - KG Dongbu's Dangjin facility reportedly has an installed liquid steel capacity of 3 million metric tonnes (**mt**)/year and a finished steel products capacity of 2.85 million mt/year. The plant comprises two modern 1.60 mt electric arc furnaces, two single strand, vertically-curved thin slab continuous casters, and a hot strip mill.
  - Liberty Steel has announced recent (November 2022) plans to purchase the Dangjin plant:

# KG DONGBU – EXPORTER BRIEFING

## EQR Assessment (cont.)

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- G-7 Major raw material costs (cont.) [*commercial-in-confidence subscription-based article*]



Source: [*commercial-in-confidence*]

- With integrated production facilities, KG Dongbu may acquire its HRC raw material from its upstream hot strip mill operations, either directly, or indirectly between incorporated entities within the same corporate group.
- BlueScope requests that the Commission assess the exporters HRC purchasing arrangements in light of the above, how HRC purchases prices are determined, and whether the purchase prices are at arms-length.

# KG DONGBU – EXPORTER BRIEFING

## EQR Assessment (cont.)

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- K-1 Prevailing conditions of competition in the Australian market (p. 52)
  - At K-1(1) (p. 53) KG Dongbu state:

The Australian market for the goods is dominated by its domestic producer which holds approx. 70% market share. The balance of market share is represented by imports from multiple sources, which, according to the Commission's Trade Remedy Index ("TRINDEX"), include China, Germany, Indonesia, Japan, Pakistan, Taiwan, Turkey, and Vietnam, in addition to Korea. In recent years, inflow of the goods from Vietnam has escalated competition in the market. Please refer to Attachment K(1), which shows a strong growth in export from Vietnam to Australia, especially in the steel sector. KG Dongbu sees **these two factors, domestic producer with a monopoly position and increased imports from Vietnam as fundamental drivers of pricing behaviour in the Australian market.**

- The reference to export growth from Vietnam in the steel sector is not a specific reference to galvanized steel. Indeed, in SEF 592 to CON 592 (zinc coated (galvanized) steel from India, Malaysia and Vietnam) the Commission concluded (p. 30):

*Since October 2016, exporters from China, Korea and Taiwan (which are subject to antidumping measures) have maintained the second largest share of the Australian galvanised steel market. The commission notes that goods imported from Korea and Taiwan were mostly exported from exempt exporters. Exports from all other countries and Vietnam (in particular, from Vietnamese exporters that are exempt from the anti-dumping measures) continued...*
- Vietnam, while present in the Australian market, is not the sole fundamental driver of price.
- BlueScope also [commercial-in-confidence Australian market assessment].

# KG DONGBU – EXPORTER BRIEFING

## Other items (cont.)

- Normal value adjustments history:

### CON 449 / REV 456 (galv)

Adjustment Type	Deduction/addition
Domestic packing	<b>Deduct</b> the cost of domestic inland transport
Domestic inland freight	<b>Deduct</b> the cost of domestic inland freight
Domestic credit costs	<b>Deduct</b> the cost of domestic credit
Export inland freight	<b>Add</b> the cost of export inland freight
Export handling	<b>Add</b> the cost of the export handling
Export packing	<b>Add</b> the cost of export packing
Export bank charges	<b>Add</b> the cost of export bank charges
Export credit costs	<b>Add</b> the cost of export credit

Table 9 – Adjustments to Dongbu normal value

### REV 521

Adjustment Type	Deduction/addition
Domestic credit terms	Deduct an amount for domestic credit
Domestic packaging	Deduct an amount for domestic packaging
Domestic inland transport	Deduct an amount for domestic inland transport
Domestic Warranty expense	Deduct an amount for warranty expense
Export packaging	Add an amount for export packaging
Export inland transport	Add an amount for export inland transport
Export port handling charges	Add an amount for port charges
Export brokerage charge	Add an amount for export brokerage charge
Export bank charge	Add an amount for export bank charge
Export letter of credit (LC) notification charge	Add an amount for LC notification charge
Specification adjustment	Add or deduct an amount for specification differences

Table 18: Summary of adjustment – Dongbu - zinc coated (galvanised) steel

### CON 450 / REV 457 (AlZn)

#### 6.8 Adjustments – conclusion

Adjustment Type	Deduction/addition
Domestic packing	<b>Deduct</b> the cost of domestic inland transport
Domestic inland freight	<b>Deduct</b> the cost of domestic inland freight
Domestic credit costs	<b>Deduct</b> the cost of domestic credit
Export inland freight	<b>Add</b> the cost of export inland freight
Export handling	<b>Add</b> the cost of the export handling
Export packing	<b>Add</b> the cost of export packing
Export bank charges	<b>Add</b> the cost of export bank charges
Export credit costs	<b>Add</b> the cost of export credit

### INV 190b (AlZn)

*Negative*  
domestic packing;  
domestic inland freight;  
domestic warranty costs;  
domestic warehousing; and  
domestic credit terms.

*Positive*  
export packing;  
export inland freight;  
export handling, loading and ancillary costs; and  
bank charges.



# Questions?