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Continuation Inquiry No 611

Zinc coated (galvanised) steel

Exported from the People's Republic of China, the Republic of Korea and Taiwan

File note – POSCO corporate restructure

The Anti-Dumping Commission (the commission) is currently conducting an inquiry into whether the continuation of the measures applying to zinc coated (galvanised) steel from the People's Republic of China (China), the Republic of Korea (Korea) and Taiwan is justified.

POSCO is an exporter of zinc coated (galvanised) steel in Korea. POSCO is not currently subject to dumping duties for these goods, as a result of the findings in continuation inquiry 449.¹

During the inquiry period (1 July 2021 to 30 June 2022) for the present continuation, POSCO proposed a restructure of its business as follows:

Classification	Company name	Business segment
Surviving Company	POSCO HOLDINGS INC.	Development of future business portfolios and management of group's businesses
New Company	POSCO	Production and sale of steel

The restructure was finalised on 2 March 2022. POSCO wrote to the commission advising of the restructure and outlining its view that the "new POSCO" should be subject to the same treatment as the "old POSCO". In other words, that the new POSCO remain not subject to the dumping duties payable on imports of zinc coated (galvanised) from Korea.

The commission's preliminary assessment

The commission has examined the information POSCO provided. Details of the information relied upon is contained in **Non-confidential Attachment 1**.²

¹ Refer to ADN 2018/96, document 17 on EPR 449.

² The information contained within non-confidential attachment 1 is from section A of POSCO's non-confidential questionnaire response.

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The commission is satisfied that new POSCO is, in effect, the same exporter as old POSCO.

In making this preliminary assessment, the commission considered the following:

- The creation of new POSCO involved all of the crucial business units which formerly comprised the old POSCO.
- The resultant structure of new POSCO is essentially identical to old POSCO.
- The new POSCO is 100% wholly owned by the old POSCO and there is therefore effectively no change in major shareholders.
- Old POSCO no longer performs any functions relating to the manufacturing and/or exporting of the goods.
- New POSCO operates the same steel production facilities as old POSCO.
- The production and distribution of the goods do not appear to have been altered as a result of the restructure.
- The restructure does not appear to have altered or divided the customer base for new POSCO from that of old POSCO.

Therefore, the commission considers that new POSCO is not subject to the measures applying to zinc coated (galvanised) steel from Korea.

Interested parties are invited to make submissions in relation to this issue. Submissions are requested by **11 January 2023**.

Enquiries in relation to this file note may be directed to the case manager at investigations4@adcommission.gov.au.

22 December 2022