



# ADRP Conference Summary

## Review Nos. 120 and 121 – Hot Rolled Structural Steel Sections exported from Japan, the Republic of Korea, Taiwan (except for exports by Feng Hsin Steel Co Ltd, and the Kingdom of Thailand.

Panel Member	Jaclyne Fisher
Review type	Review of Minister's decisions under sections 269ZDB(1) and 269ZHG(1) of the <i>Customs Act 1901</i>
Date	22 January 2021
Participants	Rhys Piper and Roman Maevsky, Anti-Dumping Commission (ADC) representatives
Time opened	10:30 am AEDT
Time closed	11:10 am AEDT

### Purpose

The purpose of this conference was to obtain further information in relation to the reviews before the Anti-Dumping Review Panel (Review Panel) in relation to Hot Rolled Structural Steel Sections (HRSS) exported from Japan, the Republic of Korea (Korea), Taiwan (except for Feng Hsin Steel Co Ltd) and the Kingdom of Thailand (Thailand).

The conference was held pursuant to section 269ZZHA of the *Customs Act 1901* (the Act).

In the course of the conference, I was able to ask parties to clarify any argument, claim or specific detail contained in their application or submission. The conference was not a formal hearing of the review, and was not an opportunity for parties to argue their case before me.

I have only had regard to information provided at this conference to the extent that it relates to relevant information within the meaning of section 269ZZK(6) of the Act. Any conclusions reached at this conference are based on that relevant information. Information that relates to some new argument not previously put in an application or submission is not something that the Review Panel may have regard to and, therefore, is not reflected in this conference summary.

At the time of the conference, I advised the participants:

- That the conference was being recorded and transcribed by Express Virtual Meetings Pty Ltd, and that the recording would capture everything said during the conference.



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- That the conference was being recorded for the Review Panel to have regard to when preparing a conference summary. The conference summary would then be published on the Review Panel's website.
- Any confidential information discussed during the conference would be redacted from the conference summary prior to publication.

Prior to the conference, participants were provided with a copy of the Review Panel's Privacy Statement. The Privacy Statement outlines who the conference recording and transcript may be disclosed to. The Privacy Statement is available on the Review Panel's website [here](#). The participants indicated that they understood the Privacy Statement and consented to:

- The recording of the conference; and
- The recording being dealt with as set out in the Privacy Statement.

## Discussion

The specific information that the Review Panel sought in this conference was relating to the findings in the Reinvestigation Report provided by the ADC on 15 January 2021 as follows:

### 1. Question One

In Confidential Attachment 3, the calculations of the Non Injurious Price (NIP) for each export source does not appear to deduct overseas freight and insurance. Could the ADC provide information on the calculations?

*The ADC advised that it confirmed that it had inadvertently omitted to deduct certain expenses from the Unsuppressed Selling Price (USP). Accordingly, the NIPs for the relevant exporters and certain references in the Reinvestigation Report are incorrect.*

*A revised spreadsheet was provided to the Review Panel and the ADC advised of the changes made in the calculations.*

*In each case the NIP, is now lower than what had been provided in the original Confidential Attachment 3 to the Reinvestigation report. In the cases of Korean and Taiwanese exporters, while the NIP was lower, the normal value remained the operative measure. In the case of Siam Yamato Steel Co. Ltd (Siam), the NIP as required by section 8(5B) of the Customs Tariff (Anti-Dumping) Act 1975 the so-called 'lesser duty*



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rule', provides that the NIP would be the operative measure to determine the dumping margin.

#### 2. Question Two

In relation to (Siam) normal value determination, could the ADC clarify the exclusion of the export credit adjustment.

*The ADC referred the Review Panel to section 2.1.5 Adjustments – credit terms of the Reinvestigation Report. It states that it had '... adjusted the credit terms to reflect a [REDACTED] [REDACTED] for all transactions with credit terms [REDACTED]'. (confidential selling price information). On this basis there was no adjustment for export credit terms required under s.269TAC(8) of the Act to establish the normal value.*

#### 3. Question Three

Could the ADC clarify the comments in section 2.1.6 of the Reinvestigation Report regarding Siam's submission on the use of a weighted average annual export price and weighted average annual normal value to determine the dumping margin.

*The ADC advised that Siam had made a submission following the preliminary Reinvestigation Report proposing that the dumping margin be considered by comparing an annual normal value with an annual export price. The ADC referred the Review Panel to its comments in the Reinvestigation Report that explains that it normally uses a quarterly weighted average normal value and export price as it considers shorter periods achieve a more accurate dumping margin, particularly if there are variations in prices and/or costs for goods.*

#### 4. Question Four

In Confidential Attachment 1, there is analysis undertaken of price and cost analysis for certain exporters (Tung Ho Steel Enterprise Corporation (Tung Ho), TS Steel Co. Ltd (TS Steel) and Hyundai Steel Co., Ltd (Hyundai)) relating to s.269TAC(8) adjustments. Could the ADC provide an explanation of this analysis?

*The ADC explained the methodology used in Confidential Attachment 1 in relation to the price/cost correlation analysis as well as the conclusions drawn from this analysis. In relation to Tung Ho and TS Steel there was direct correlation shown, which meant that movements in costs were reflected in movements in prices. In regard to Hyundai the analysis did not show a clear correlation, this is revealed by the gaps between the trend*



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*line and the cost points. This suggests that prices are not necessarily moving with movements in costs.*

5. Question Five

In the Reinvestigation Report on page 14 there is reference to a comparison undertaken between Hyundai's domestic and export models in relation to specification differences in the Review of Measures (REP 465) with the one undertaken in REP 499. It indicates that eight consecutive quarters were examined. This revealed that four quarters had a positive difference, and the other four quarters had a negative difference. The ADC said it concluded that a specification difference adjustment was not justified. Could the ADC indicate the quantum of the differences for additional quarters from REP 465 and the rationale for its conclusion.

*The ADC advised that the differences identified in the review of measures in REP 465 between the CTM and prices for the exported models and the comparative domestic models were similar to those calculated in REP 499. These percentage differences were outlined to the Review Panel. The ADC considered these were immaterial and inconsistent throughout this period.*

*In relation to REP 499, the ADC did not consider that the technical differences between the export model and domestic models led to an issue with price comparability. Rather the minor differences in costings related more to changes in the CTM between quarters possibly reflecting differences in the economic conditions or costs of the raw materials as well as manufacturing costs. The ADC considered the cost differences were immaterial and inconsistent during 2018 and thus did not justify a specification adjustment to the domestic selling prices to enable comparison with the export prices.*

6. Question Six

Could the ADC provide the calculations of ordinary course of trade (OCOT) for Hyundai as these are referred to in the Reinvestigation Report in relation to the normal value determination but did not appear to be attached.

*The ADC advised that the OCOT calculations had been inadvertently excluded in the material forwarded to the ADRP Secretariat. It would be provided immediately. The ADC advised the approach that had been adopted in the OCOT calculations is explained fully in the Reinvestigation Report.*



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I requested that the ADC provide the following information:

- Hyundai Confidential Spreadsheet of OCOT calculations
- Revised NIP recalculations in Confidential Attachment 3