



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	1 February 2021
Participants	Charles Zhan and Macky Markar, Moulis Legal, representatives of Hyundai Steel Co., Ltd (Hyundai), Roman Maevsky, Anti-Dumping Commission (ADC) representative
Time opened	9.30 am AEDT
Time closed	10.00 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.



Australian Government
Anti-Dumping Review Panel

- 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 dated 15 January 2021 relating to Hyundai's claim for a specification adjustment and the further information sought from the ADC by conference on 22 January 2021.

The ADC's Reinvestigation Report referred to a submission by Hyundai to the Preliminary Reinvestigation Report regarding a comparison of cost to make (CTM) differences between the exported models and 'like' domestic models in the previous Review of Measures report (REP 465) and the most recent report (REP 499). The ADC stated the eight consecutive quarters were examined and four had a positive difference and four a negative difference. The Review Panel was advised as follows:

'... 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



Australian Government

Anti-Dumping Review Panel

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.

Question One

The Review Panel said given the ADC had undertaken the analysis proposed by Hyundai and found that similar trends regarding the CTM existed in REP 465 to that in REP 499 the Review Panel wished to give Hyundai the opportunity to comment on that information provided to the Review Panel at conference. It was noted that the CTM information considered by the ADC related to that submitted in Hyundai's review application to the Review Panel.

Hyundai indicated that the relevant information related to the CTM differences apparent in REP 499. The CTM information provided in relation to 465 was for comparative purposes only to demonstrate the approach that should have been adopted in REP 499. In relation to CTM differences between the exported model and the group 'BB' in REP 499, 3 of the 4 quarters revealed that the CTM the exported model was [REDACTED] than the CTM the domestic models, whereas the same analysis for REP 465 showed the 3 of the 4 quarters the CTM the exported model was [REDACTED] that the CTM the domestic model. Hyundai does not consider it relevant to compare the 8 quarters together. The review period is 2018 and this is the relevant information that should be considered.

Hyundai does not consider the differences shown in the analysis for the review period to be inconsistent and immaterial. It was emphasised that the difference exists between the domestic and export models and thus an adjustment is required.

Hyundai also indicated that it did not consider the ADC's opinion of the reasons why the CTM differences in 2018 existed were based on evidence. Furthermore, it did not agree with the ADC's conclusion that these CTM differences were immaterial and inconsistent. It considered the change of cost differences from "positive difference" to "negative difference" irrelevant in terms of the decision on whether an adjustment was required.

Hyundai stated that the specification difference relates to the models being produced to different standards. It stated that the Australian model 300 could not be sold on the Korean domestic market and likewise the Korean domestic models (grouped as BB) could not be sold on the export market to Australia. They are different models.



Australian Government
Anti-Dumping Review Panel

The Review Panel sought clarification regarding the changed models between 2017 and 2018, noting the model number changes associated with the new models meeting the revised Korean standard, and the exact nature of the differences. Reference was drawn to the information supplied by Hyundai and the ADC and Hyundai at conference on 19 February 2020 (the relevant conference summary was read to the participants).

Hyundai confirmed that 2017 was a period of transition/grace and both goods produced under the old standard and revised standard could be sold during this period in Korea.

Hyundai advised there were changes to the specifications made to the domestic models to meet the revised Korean standard, they require different physical specification and chemical composition and production arrangements. Any goods sold in 2018 had to meet the new standard and notwithstanding that some model numbers on sales in 2018 referred to the 'old' model number they were required to meet the revised Korean standard and as such sales met this standard regardless of model number shown. There were also a range of variances within the model grouping reflecting different composition or customer requirements. Hyundai restated that as the export models were different to the domestic models due to the different standards applicable, a specification difference was required to the domestic selling prices to reflect this difference.

I advised the participants that a draft conference summary would be provided within one working day to enable participants to provide comments on accuracy and if any confidential information required redaction.