



**ALUMINIUM ZINC COATED STEEL
INVESTIGATIONS 558/559
EXPORTER BRIEFING**

18 February 2021



1. General Comments
2. Exporter Questionnaire Assessments – Korea
 - KG Dongbu Steel; and
 - Dongkuk.
3. Exporter Questionnaire Assessments – Taiwan
 - Yieh Phui; and
 - Sheng Yu.
4. Exporter Questionnaire Assessments – Vietnam
 - Hoa Sen; and
 - Nam Kim.
5. Economic Outlook
 - Asia Pacific;
 - Korea;
 - Taiwan;
 - Vietnam; and
 - China.

1. GENERAL COMMENTS

- In advance of the Anti-Dumping Commission's ("the Commission") preliminary determinations with respect to the dumping and countervailing investigations into Aluminium Zinc Coated Steel ("AlZn") (Inquiry No.'s 558 and 559), 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 **7 March 2021**.
- Due to the sheer volume of data placed on the record, these comments cannot necessarily address all aspects of the Exporter Questionnaire Responses ("EQR's"). 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 exporter questionnaire responses ("EQR's")
- 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.

2. KOREA – EXPORTER QUESTIONNAIRE RESPONSES

KG Dongbu Steel

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.

...and legal entity name change during the current Period of Investigation ("POI") (EQR, p.14):

A-2 Company information

1. 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.

2. KOREA – EXPORTER QUESTIONNAIRE RESPONSES

KG Dongbu Steel (cont.)

- Legal entity name change (p.14):
 - During calendar year 2019, Dongbu was subject to an arrangement with its creditors. In June 2019, it was reported that the South Korean corporate 'KG Group' had emerged as the new owner, establishing a new entity 'KG Steel' to facilitate the acquisition and ongoing operations.
 - BlueScope requests that the Commission review the relationship between Dongbu and the KG Group for commercial arrangements that may impact the subject goods. For example, the KG Group, as a large multinational with interests in chemicals, fertilizers, consulting, and media, will likely have export channels to market. Any services provided to Dongbu for the export of galvanised steel (including those to Australia) should be profitable to the KG Group at a fully absorbed cost to make and sell, and the prices charged and payment terms to Dongbu should be equivalent to the prices charged and payment terms to external customers.
 - There is also no mention of finance costs in the EQR. By their very nature, creditor arrangements and organisational restructures incur costs. It is understood that Dongbu's creditors had been attempting to divest the steel business for the six years prior to the current POI. BlueScope therefore considers it likely that Dongbu incurred finance costs, and respectfully requests that the Commission review these vis-à-vis the subject goods.
- Date of sale:
 - Aust exports = BOL date (p.20).
 - Domestic sales = date of shipment (p.27).
 - Third country sales = date of shipment (p.33).

Different dates of sale affect which domestic sales are compared to export sales, and can result in differing outcomes depending on movements in feed hot-rolled coil prices, and currencies. These differences can be significant for exporting mills that have a history of variable export dispatch performance. BlueScope requests that the Commission confirm that its date of sale determination will align with its earlier verification conclusions for zinc coated (galvanised) steel in variable factors review 521. At page 9 of the Commission's verification report to this review, the Commission concluded as follows regarding verification of sales accuracy and date of sale:

No.	Exception	Resolution
3	For export sales, Dongbu recorded 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.

2. KOREA – EXPORTER QUESTIONNAIRE RESPONSES

KG Dongbu Steel (cont.)

- Due Allowance (p.29):
 - Packaging – BlueScope would expect a cost difference between domestic and export packaging, as evidenced in earlier subject goods and related product enquiries (see below).
 - Warranties – 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 galv. steel 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."

BlueScope submits that a warranty claim is likely unsubstantiated in the current investigation, and that a downwards normal value adjustment is not required.

- Cost to make and sell (p.34): Dongbu states that for the greater part of the POI, the subject goods was produced at both the Incheon and Dangjin works, and that *"Until the end of February 2020, Dongbu Incheon was a different corporate entity, so only March 2020 (merged to KG Dongbu Steel) cost data of Incheon works is included in the response."* BlueScope is unsure what this statement means. Is there missing cost data?
- Major raw material costs (p.38): Dongbu's EQR states that purchased hot-rolled coil ("HRC") and zinc are the major raw materials used in the manufacture of the subject goods. Review 521, at p.13 of Dongbu's verification report, found that:

"Dongbu purchased raw material (i.e. hot rolled steel) from a related party during the review period. The verification team tested the purchase price for these purchases and found that the unit price was lower, on average, than most other suppliers."

BlueScope requests that the Commission fully assess Dongbu's raw material related-party purchasing relationships to determine whether they are arms-length in nature.

2. KOREA – EXPORTER QUESTIONNAIRE RESPONSES

KG Dongbu Steel (cont.)

- Earlier subject goods and related product inquiries; normal value adjustments:

Review Inquiry 521: verification report (galv. steel)

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 12 - Summary of adjustments

Continuation Inquiry 450: verification report (AlZn)*

6.8 Adjustments – conclusion

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

Investigation 190b (AlZn) Final Determination

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.

*The same normal value adjustments were made in concurrent Review Inquiry 456.

2. KOREA – EXPORTER QUESTIONNAIRE RESPONSES

Dongkuk

Background

- Relevant verification report details from Investigation 198 (Hot Rolled Plate Steel):

2 COMPANY INFORMATION

General

The Dongkuk Steel Group was established in 1954 and is a Korean based public company. The group operates in steel, logistics, IT and machinery. The Dongkuk Steel Group operates in the steel industry through DSM and Union Steel Co.Ltd (which operates in China, Mexico, United States, Japan, Thailand and India). The Dongkuk Steel Group operates in several countries including Korea, China and Brazil. A list of major shareholders is detailed at **confidential attachment GEN 2**.

DSM's operations are divided across seven divisions including, strategic management, research and development, overseas, planning administration, raw material purchases, sales and production.

DSM explained it operates four production facilities across Korea, in Pohang, Pusan, Incheon and Dangjin. The major products produced by DSM include Plate steel, Sections (ie. H-Beam) and Reinforcing bars. Plate steel is used for the construction of buildings, bridges and ships.

The products produced at these facilities are for both the domestic and international markets. DSM explained the goods under consideration are only produced at its Pohang and Dangjin works.

Related Parties

At the verification visit DSM explained that it formed part of the Dongkuk Steel Group which encompassed operations in steel, logistics, IT and machinery. DSM explained that the Dongkuk Steel Group also included Union Steel.

DSM provided details of the company structure. A corporate structure diagram is at **confidential attachment GEN 5**.

2. KOREA – EXPORTER QUESTIONNAIRE RESPONSES

Dongkuk (cont.)

■ The Dongkuk Steel Group:

- p.12 of the EQR notes that Dongkuk is a member of the Dongkuk Steel Group, a collection of manufacturing and transport companies under common ownership. Confidential Exhibit A-2.5(b) provided a list of subsidiaries and affiliates with functions related to the subject goods.
- p.26 of the EQR notes that 'Intergis' is the contracted freight provider for domestic sales of the subject goods. Intergis appears to be wholly owned by Dongkuk:

INTERGIS Business Company Investor Relations Support

International Logistics No.1 INTERGIS

International Logistics No.1 INTERGIS is opening a new path to fulfill the responsibility for logistics that customers need.

Thank you for visiting our website.

Based on exceptional know-how of bulk stevedoring for the last 60 years since establishment, we have been expanding business throughout the entire area of logistics required by customers including stevedoring, inland transportation, shipping, global logistics service, etc. and giving the spur to global business in China, Brazil, Vietnam, etc.

INTERGIS will be a company that improves the standard of living of customers by improving service and reducing logistics costs and a company that contributes to cultural development.

INTERGIS will be the best logistics partner for you, dreaming of a better future, advancing into global markets.

Thank you!

CEO
Park, Dong-ho

DONGKUK STEEL
DONGKUK SYSTEMS
BNCT
FAMILY SITE

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2. KOREA – EXPORTER QUESTIONNAIRE RESPONSES

Dongkuk (cont.)

- Intergis not only operates as a domestic Korean freight provider, but also provides stevedoring and shipping services:

Overview

INTERGIS operates bulk piers and container piers at major ports nationwide including Busan, Pohang, Dangjin, Incheon, and Jeju.

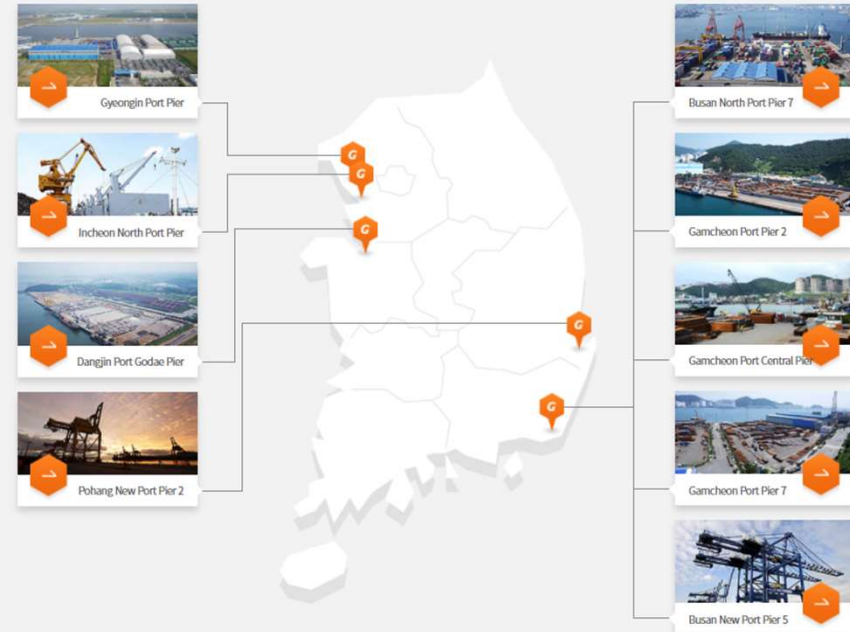
We take responsibility for the best stevedoring services with specialized knowledge in the characteristics of cargos such as steel, general cargos, special cargos, etc.



- BlueScope requests that the Commission review the information regarding Dongkuk's related party freight providers to ensure that transactions related to Australian export and Korean domestic sales of the subject goods are at market prices.
- Such services provided by Intergis and other related parties should be profitable at a fully absorbed cost to make and sell level, and the prices charged and payment terms for the services provided should be equivalent to prices charged and payment terms to external customers.
- BlueScope also requests that in reviewing whether there are price differences between related and unrelated customers for freight services, that such a comparison is conducted on the prices of identical models on identical terms, accounting for factors such as level of trade, timing, payment terms, and volumes.

Infrastructure

INTERGIS provides stable stevedoring services from its 27 berths in six ports nationwide.



2. KOREA – EXPORTER QUESTIONNAIRE RESPONSES

Dongkuk (cont.)

- Date of sale:
 - Aust exports = billing document date (p.17).
 - Domestic sales = billing document date (p.23).
 - Third country sales = billing document data (p.29).

In establishing the date of sale, the Commission will normally use the date of invoice as it best reflects the material terms of trade. BlueScope requests that the Commission confirm that the 'billing document date' noted in Dongkuk's EQR response is the invoice date.

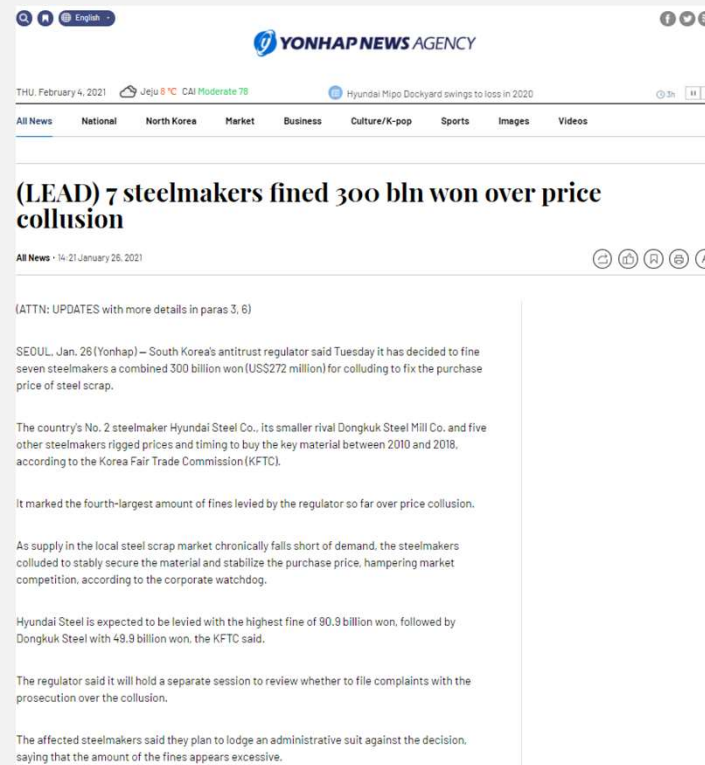
- Delivery – Dongkuk have stated that they are responsible for the inland transportation from plant to port of exportation and the port charges. However, no DDP sales or sales with marine insurance were made to Australia (p. 27).
- Packaging – BlueScope would expect a cost difference between domestic and export packing, as evidenced in earlier subject goods and related product enquiries:
 - As detailed in the verification report for Union Steel (Dongkuk) prepared as part of investigation 190b, Union Steel submitted that the main difference between domestic and export sales packaging was the bag used to cover the coil in transit. Export sales are wrapped in plastic bags whereas domestic sales are wrapped in paper bags. Union Steel also stated that it provided the steel strapping (p. 32). Union Steel further submitted that plastic packaging had a higher cost compared to paper (p. 36).
- Cost allocation methodologies (G-6, p.32-33) – a high level of content redactions makes it difficult for BlueScope to comment.

2. KOREA – EXPORTER QUESTIONNAIRE RESPONSES

12

Dongkuk (cont.)

- Cost to make – Dongkuk, along with Hyundai and five other steelmakers, were found by South Korea's antitrust regulator, the Korea Fair Trade Commission (KFTC), to have rigged prices and timing to buy steel scrap materials between 2010 and 2018. It was found that the steelmakers colluded to stably secure material and stabilise the purchase prices, hampering market competition.
- BlueScope requests that the Commission take this into account when assessing Dongkuk's CTMS, specifically the scrap cost, an integral material used in the manufacture of steel. A scrap benchmark cost assessment could be undertaken with reference to other cooperating Korean exporters not allegedly convicted of collusion, to ascertain any cost differences.
- The Commission can also appreciate that this issue has Ordinary Course of Trade (OCOT) assessment implications.



The screenshot shows a news article from Yonhap News Agency. The headline is "(LEAD) 7 steelmakers fined 300 bln won over price collusion". The article text includes: "SEOUL, Jan. 26 (Yonhap) — South Korea's antitrust regulator said Tuesday it has decided to fine seven steelmakers a combined 300 billion won (US\$272 million) for colluding to fix the purchase price of steel scrap. The country's No. 2 steelmaker Hyundai Steel Co., its smaller rival Dongkuk Steel Mill Co. and five other steelmakers rigged prices and timing to buy the key material between 2010 and 2018, according to the Korea Fair Trade Commission (KFTC). It marked the fourth-largest amount of fines levied by the regulator so far over price collusion. As supply in the local steel scrap market chronically falls short of demand, the steelmakers colluded to stably secure the material and stabilize the purchase price, hampering market competition, according to the corporate watchdog. Hyundai Steel is expected to be levied with the highest fine of 90.9 billion won, followed by Dongkuk Steel with 49.9 billion won, the KFTC said. The regulator said it will hold a separate session to review whether to file complaints with the prosecution over the collusion. The affected steelmakers said they plan to lodge an administrative suit against the decision, saying that the amount of the fines appears excessive."

Source:

<https://en.yna.co.kr/view/AEN20210126003551320>

2. KOREA – EXPORTER QUESTIONNAIRE RESPONSES

Dongkuk (cont.)

- Earlier subject goods and related product inquiries; normal value adjustments.

Investigation 198 Hot Rolled Plate Steel:

The following adjustments were made in accordance with s.269TAC(8):

- inland freight – a downwards adjustment was made for the actual cost of domestic inland freight as normal values and export prices were compared at the EXW level;
- SG&A – a downwards adjustment was made for SG&A expenses relevant to domestic sales and an upwards adjustment made for SG&A expenses relevant to export sales;
- credit terms – credit terms are provided for domestic sales but not for export sales and a downwards adjustment to the normal value was made accordingly;
- bank charges – an upwards adjustment was made to the normal value for the bank costs incurred by DSM in selling the goods to the intermediary for the export market;
- handling charges - an upwards adjustment was made for the handling charges incurred by DSM for export sales. This adjustment has been made on the basis of the actual handling charges incurred for each sale.

3. TAIWAN – EXPORTER QUESTIONNAIRE RESPONSES

Yieh Phui

- The E-United Group:
 - Page 12 of the EQR notes that Yieh Phui is a member of the “E-United Group” in Taiwan; a group of companies under common control of Yieh Phui’s chairman. In addition to steel, this group is involved in the health care, education, and real estate development industries.
 - As relating particularly to Yieh Phui’s real estate and construction business (see opposite), BlueScope requests that the Commission review any related party arrangements and transactions to ensure they are undertaken at arms-length.
 - Transactions between E-United Group entities should be profitable at a fully absorbed cost to make and sell level, and the prices charged and payment terms for the services provided should be equivalent to prices charged and payment terms to external customers.
 - Page 13 of the EQR notes that Yieh Phui has two business divisions; one for coated steel manufacture and sale, and the other for the production and sale of steel structures and cranes. And at pages 16 and 36-37, affiliated customer and supplier relationships are highlighted. The above related-party comments also apply to these relationship.

Manufacturing

Steel industry is the core business of E United Group. We were devoted to develop new products and view carbon emissions reduction as our mission. By improving the technical innovation capability, the value of products can be strengthened. For the purpose of sustainable development, we provide better customer service and play a role in corporate social responsibility.



1978	Yieh Hsing Enterprise Co., Ltd	Stainless Steel Wire Rod, Carbon Steel Wire Rod, Free Cutting Steel Wire Rod, Alloy Steel Wire Rod, Deformed Bars
1986	Yieh Phui Enterprise Co., Ltd	Pickled Steel Coils, Cold Rolled Steel Coils, Hot-Dip Galvanized/5%/55% Al-Zn Coated Steel Coils, Pre-painted Hot-Dip Metallic Coated Steel Coils, Steel Structures, and Crane Equipment
1988	Yieh Mau Corp.	Surface finishing, trading and selling for stainless steel. Houses and offices construction and sales.
1988	Yieh United Steel Corp.	Stainless Black HRC, Stainless No.1 HRC, Stainless CRC
2001	Lian Zhong Stainless Steel Corp.	Stainless slab, Stainless plate, Stainless black HRC, Stainless No.1 HRC, Stainless CRC
2002	YiehPhui (China) Technomaterial Co., Ltd	Pickled Steel Coils, Cold Rolled Steel Coils, Hot-Dip Galvanized/5%/55% Al-Zn Coated Steel Coils, Pre-painted Hot-Dip Metallic Coated Steel Coils
2011	FUJIAN LIAN DE ENTERPRISE CO., LTD	Nickel Pig Iron
2011	FUJIAN LIAN WEI LOGISTICS CO., LTD.	Providing metallurgical raw material logistics the raw materials for ferronickel production.

Source: www.e-united.com.tw

Real Estate and Leisure Business

E-DA World, currently the largest and new vacation destination in Taiwan, integrates education, healthcare, hotel, sports, leisure, shopping and real estate. It not only satisfies the leisure needs of customers of all ages but also provides versatile functions with new concept of lifestyle. You can slow down and make time for rest and relaxation from fast-paced life. Furthermore, themed exhibition areas will be served as an international exchange platform for commerce, trade, investment, business, and academic research. This township project will narrow down the urban-rural gap and enhance the quality of life in Southern Taiwan as well.



1993	E-DA Development Corp.	Devoted to commercial real estate development and create joyful relaxation space of life. <ul style="list-style-type: none"> E-DA Theme Park E-DA OUTLET MALL
1998	Eliter International Corp.	New Towns & New Communities Development, Residential and Commercial Real Estate Development, Tourism and Leisure Real Estate Investments.
2007	E-DA Skylark Hotel	E-DA Skylark Hotel is located in E-DA World. The European-style building shows British neo-classical and elegant appearance. There are 358 guest rooms, including superior rooms, deluxe rooms, and skylark family rooms. All rooms have viewing windows with great vision for travelers to slow down the steps, relax and enjoy leisure time.
2010	E-DA Royal Hotel	E-DA Royal Hotel consists of 650 luxurious guest rooms, 5 restaurants, 20 multi-function rooms for meetings and events, kid' s club, and trendy SPA facility. The hotel also presents video and audio lighting show in the Dream Lake, which is one and only in Asia. The two Grand Ballrooms accommodate up to 60 tables each making them perfect for grand weddings.
2011	Zhen Hua International CO.,LTD.	Striving to build up a large-scale and multi-purpose shopping mall in Taiwan, our shopping mall has 280 boutiques with a total floor area of 25,000 pings. The shopping mall is in the design of complex theme, in which visitors can enjoy shopping, family entertainment, dining and accommodation. It also invites world' s popular brands, sells home appliance & accessories, and uses the latest interactive kiosk to establish a unique green shopping centre. Aiming to become a new landmark in the south of Taiwan, we invite world-class luxury boutiques to create a new community, then you can live like royalty and truly enjoy all the luxuries!

3. TAIWAN – EXPORTER QUESTIONNAIRE RESPONSES

Yieh Phui (cont.)

■ Product Exemption Request – PhuizerFan:

- Yieh Phui disclose at p.21 of the EQR that it exported two coating types of the GUC to Australia during the investigation period; one having a coating composition of 55% aluminium, and the other a coating composition of 5% aluminium.
- Yieh Phui subsequently made a product exemption request for this 5% aluminium product (refer EPR folio no. 10), referred to as 'PhuizerFan'.
- BlueScope notes Yieh Phui 's claim that its aluminium-zinc alloy coated steel equivalent product PhuizerFan should not have been included within the goods under consideration in this investigation. This claim is misplaced and does not accord with the facts. PhuizerFan is just one of the many aluminium zinc alloy coated steel products manufactured and sold around the world. These aluminium zinc alloy coated steel products are variants of the generic aluminium-zinc coated steel made either with or without the addition of magnesium.
- PhuizerFan is Yieh Phui 's brand name for its aluminium zinc alloy coated steel product, and is the same product as the generically named GALFAN® product made and sold by a number of other steelmakers. It is these combined coating elements of aluminium and zinc that comprise the essential character of the product, in that its corrosion performance as an aluminium zinc alloy coated steel product is superior to that of zinc coated (i.e. galvanised or GI) steel.
- Yieh Phui has asserted that its PhuizerFan product is both "not identical" to BlueScope's ZINCALUME® aluminium zinc alloy coated steel product and that it is "different" to the goods the subject of BlueScope's application. Whether the goods are identical or "different" is not the issue. The Commission is required to examine whether 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 Consideration Report No. 558 at Section 2.5.3) examined the essential characteristics of whether the goods are alike, including:
 - physical likeness – the locally produced and the imported goods appear to be traded in a similar range of steel grades, coating types, lengths, widths and thicknesses (i.e. the same physical characteristics);
 - commercial likeness – the locally produced goods and the imported goods compete directly in the Australian market – there exists a commercial likeness;
 - functional likeness – the locally produced and imported goods are used interchangeably in the same end-use and compete for sales to the same customers – there exists a commercial likeness; and
 - production likeness – the production process and the raw material inputs are substantially identical for the locally produced and imported goods. Both goods are manufactured using similar processes.

3. TAIWAN – EXPORTER QUESTIONNAIRE RESPONSES

Yieh Phui (cont.)

- Product Exemption Request – PhuizerFan (cont.):
 - Having examined the key requirements of physical, commercial, functional and production likeness it is reasonable to conclude that the locally produced goods are alike in all respects to the imported goods. The goods are used interchangeably in the same end-use applications and compete directly for supply with the same customers.
 - PhuizerFan is made and sold by Yieh Phui as its own variant of the more commonly known GALFAN® aluminium zinc alloy coated steel product, that is marketed and sold into the Australian market and as such is one of the products specifically identified to be within the goods under consideration in this inquiry.
 - BlueScope affirms the Commission’s assessment in Consideration Report 558 that the locally produced goods are alike to Yieh Phui ‘s PhuizerFan product – that is, whilst perhaps not identical in composition, it contains the same essential characteristics as the imported goods and are therefore “alike.
 - BlueScope welcomes the opportunity to cooperate fully in a future exemption inquiry in relation to these goods, following conclusion of this investigation.
- Due Allowance (p.30-34):
 - Credit expense – Yieh Phui’s standard payment terms for both Taiwanese domestic and Australian export sales require payment prior to shipment. BlueScope would therefore not expect a credit expense normal value adjustment to be made.
 - Packaging – Does not vary based on geographic market, but rather the customer’s request. BlueScope would expect a cost difference between domestic and export packaging.
- Cost allocations (p.39-41):
 - Scrap offsets/credits – Yieh Phui’s EQR at p.40 states that:

*“For reporting purposes, Yieh Phui has reported the scrap offsets as part of the direct material costs based on the **actual sales value** of these scraps during the investigation period [**emphasis added**]. In calculating the **steel scrap** offset for each model, Yieh Phui has allocated the total steel scrap sales revenue of each quarter to each model based on the respective production quantity of each model [**emphasis added**]. On the other hand, in calculating the **zinc scrap offset and aluminium-zin** [sic] **scrap** for each model, Yieh Phui has allocated the total zinc scrap sales revenue and aluminium zinc scrap of each quarter to each model based on the respective theoretical coating weight of each model.” [**emphasis added**].*
 - BlueScope assumes that Yieh Phui’s reference to the actual sales value for steel, zinc, and aluminium zinc scrap is to the market price for the material. BlueScope acknowledges that this is a commonly used methodology by steel producers in calculating scrap cost credits/offsets. Scrap credits/offsets are then adjusted (i.e. reduced) by the steel producers scrap processing costs – costs incurred to ensure the scrap is suitable for re-inclusion in the steelmaking process. Yieh Phui does not appear to have factored this in.
 - Omitting this would lead to a misrepresentation of costs by quarter used for OCOT purposes. BlueScope requests that the Commission ensure such costs are correctly accounted for in the scrap offsets.

3. TAIWAN – EXPORTER QUESTIONNAIRE RESPONSES

Yieh Phui (cont.)

- Major Raw Material Costs (p.41):
 - During the POI there were two related companies that supplied Yieh Phui with hot rolled steel and/or cold rolled steel to produce the GUC (p.16) (name of suppliers redacted).
 - The Verification Report prepared for Yieh Phui as part of Aluminium Zinc Coated Steel Review 521, stated “...the weighted average unit price for one related entity, Shin Phui Steel, was slightly lower while for another related entity, Yieh Phui United Steel, was slightly higher compared to unrelated customers” (p.20). BlueScope requests that the Commission pay particular attention to the weighted average unit price for Yieh Phui’s purchase of feed stock from its related companies as part of this investigation.
- Previous investigations - normal value adjustments:

Review Inquiry 521: verification report (galv. steel)

Adjustment Type	Deduction/addition
Domestic credit terms	Deduct an amount for domestic credit
Domestic inland transport	Deduct an amount for domestic inland transport
Domestic packaging	Deduct an amount for domestic packaging
Domestic Warranty	Deduct an amount for domestic warranty
Export packaging	Add an amount for export packaging
Export inland transport	Add an amount for export inland transport
Export port charges	Add an amount for port charges
Export other selling charges	Add an amount for other selling charges
Export credit terms	Add an amount for export credit terms
Specification adjustment	Add or deduct an amount for a difference in specification
Timing adjustment	Add or deduct timing difference

Table 12 Summary of adjustments

Review Inquiry 456: verification report (AlZn)

Adjustment Type	Deduction/addition
Domestic packaging	Deduct the cost of domestic packaging
Domestic inland freight	Deduct the cost of domestic inland freight
Domestic credit	Deduct the cost of domestic credit
Export packaging	Add the cost of export packaging
Export inland freight	Add the cost of export inland freight
Export handling	Add the cost of export handling
Export port charges	Add the cost of export port charges, including trade promotion fee, harbour construction fee, cargo certification fee, warehousing expense and cargo loading fees
Export credit	Add the cost of export credit

Table 11 – Adjustments to YPE normal value

Investigation 190b (AlZn) Final Determination

Positive export packing; export inland freight and insurance; export handling and brokerage charges; bank fees; and VAT charges.

3. TAIWAN – EXPORTER QUESTIONNAIRE RESPONSES

Sheng Yu (“SYSCO”)

- Background:

ADC Review 190b (aluminium zinc coated steel) verification report

3 COMPANY INFORMATION

3.1 Company information

SYSCO is a limited liability company registered in Taiwan and is owned by two main shareholders, Yodogawa Steel Works Ltd (Yodogawa) (XXXX per cent) and Toyota Tsusho Corp. (XXXX per cent). SYSCO is primarily owned by Yodogawa which is a public listed Japanese company producing steel sheet, building materials, exterior products, rollers and gratings. SYSCO provided a list of the 10 largest shareholders of Yodogawa in Attachment Exhibit - 3 to its response to the exporter questionnaire. SYSCO had six subsidiaries in Taiwan and China during the investigation period.

SYSCO states no management fees are charged by its parent company or any other related company.

SYSCO commenced operations in 1973 and is one of the main manufacturers of galvanised steel and aluminium zinc coated steel in Taiwan, with annual capacities of galvanised steel of XXXXX MT and aluminium zinc coated steel of XXXXX MT. Its core business is the manufacture and sale of galvanised steel coils, aluminium zinc coated steel coils and pre-painted steel coils. SYSCO's production plant is located in Kaohsiung, where XXX staff are employed. SYSCO holds capital of New Taiwan Dollar (NTD) XXXXXXXXX and its sales revenue is approximate XXXXXX per annum.

During the investigation period about XXX per cent of SYSCO's total sales were exported to Australia, of which galvanised steel sales and aluminium zinc coated steel represented XXX percent and XXX per cent respectively. Of SYSCO's total sales, XXX per cent were export sales, which comprised XXX per cent of galvanised steel sales and XXX per cent of aluminium zinc coated steel sales.

Company profile at www.shengyusteel.com

The screenshot shows the SYSCO website with the following elements:

- Header: SYSCO logo and Chinese characters '盛餘集團'. Navigation menu: About Us, CSR, Business Info, Investor.
- Left sidebar: 'About Us' menu with sub-items: Sheng Yu Steel, News, Yodoko Int'l.
- Main content: 'Sheng Yu Steel' header, a red dot next to 'Company', and a 'Synopsis' section.
- Synopsis table:

◆ Foundation :	May 19, 1973
◆ Area of Company :	142,630 square meters.
◆ Capital :	NT\$ 3.2118 billion.
◆ Annual Revenue :	NT\$ 98.78 billion. (Year 2019)
◆ Chairman of the board :	Mr. Soichi Kitamura
◆ President :	Mr. Colin Hsu
◆ Numbers of staff :	About 570
◆ Major shareholders :	Yodogawa Steel Works, Japan. (52.13%) Toyota Tsusho Corp., Japan. (11.44%) Others (36.43%)
◆ Company of listing :	Public listing in Taiwan Stock Exchange

3. TAIWAN – EXPORTER QUESTIONNAIRE RESPONSES

Sheng Yu (cont.)

- Export sales to Australia (p.19-23):
 - SYSCO states that all Australian export sales were made through a trading company (Section B-1(1) at p.19). SYSCO does not elaborate further on this trading company, and only disclosed the export sales process between itself and the Australian customer.
 - SYSCO's 2019 annual report (attached at Non-Confidential Exhibit 1) provides the following details on related party subsidiaries, noting 'Sheng-Yu Trading (Dongguan) Corp.' as engaged in import/export trading:

11. SUBSIDIARIES

Subsidiaries included in the consolidated financial statements

The consolidated entities were as follows:

Investor Company	Investee Company	Main Businesses	Percentage of Ownership	
			December 31, 2019	December 31, 2018
Sheng Yu Steel Co., Ltd.	Yodoko International Ltd. (YI)	Manufactures and sells rolled steel for construction of buildings	78	78
	Sheng-Shing Corp. (SS)	Manufactures and sells galvanized steel coils	54	54
YI	Yodoko International (HK) Ltd.	General investment	100	100
SS	Sheng-Shing (Dongguan) Corp.	Manufactures and sells galvanized steel coils	100	100
	Sheng-Yu Trading (Dongguan) Corp.	Selling hardware, steels and import and export trading	100	100

- BlueScope requests that the Commission provide further detail of the trading company used by SYSCO for its Australian exports, and whether this company is a related party.



3. TAIWAN – EXPORTER QUESTIONNAIRE RESPONSES

Sheng Yu (cont.)

- Due Allowance (p.30-34)
 - Credit expense – SYSCO disclose that credit is not extended to either Taiwanese domestic or Australian export customers. BlueScope would therefore not expect normal value adjustments in relation to this.
 - Packaging – As noted elsewhere in this briefing, BlueScope would expect a cost difference between domestic and export packaging.
- Cost to make and sell (p.36-42)
 - At G-1 question 2, SYSCO state that the following related companies/shareholders supply raw material or spare parts. SYSCO’s 2019 annual report discloses further detail (p.47).

G-1 question 2:

Company Name	Relationship	Supplied materials
Yodogawa Steel Works Ltd.	Parent Company	[XXXXXXXXXXXXX]
Toyota Tsusho Corp.	Major Shareholder	[XXXXXXXXXXXXX]
[XXXXXXXXXXXXX - Entity]	Institutional director	[XXXXXXXXXXXXX]
[XXXXXXXXXXXXX - Entity]	Institutional director	[XXXXXXXXXXXXX]
[XXXXXXXXXXXXX - Entity]	Followed subsidiary	[XXXXXXXXXXXXX]

SYSCO 2019 Annual Report:

28. TRANSACTIONS WITH RELATED PARTIES

a. Related parties

Related Party Name	Related Party Category
Yodogawa Steel Works Ltd.(YSW)	The Company’s parent
Tovota Tsusho Corporation	The Company’s institutional director
Yung Chi Paint & Varnish Mfg Co., Ltd. (YCP)	The Company’s institutional director
Fujiden International Corporation (Fujiden)	The Company’s institutional director
Yodogawa-Shengyu (Hefei) High-Tech Steel Co., Ltd. (YSS)	Associate
Yodok Building Material (Hangzhou) Co., Ltd.	Associate
Yodoko Shoji Co., Ltd.	Fellow subsidiary
Dogguan Mingxin Electronics Co., Ltd.	Other related party

- Page 48 of the 2019 annual report then indicated that “Sales and purchase of goods to related parties were made at arm’s length **except for some prices of sales and purchases of goods from the Company’s institutional director – YCP were not comparable to third parties**” [emphasis added]. BlueScope requests that the Commission fully assess the Yung Chi Paint & Varnish Mfg Co., Ltd (and all other) related party arrangements.



4. VIETNAM – EXPORTER QUESTIONNAIRE RESPONSES

Hoa Sen Group (“HSG”)

- Hoa Sen Group Joint Stock Company was first established in August 2001 under the name "Hoa Sen Joint Stock Company". In 2007, the name of the company was changed to "Hoa Sen Group Joint Stock Company". HSG manufactures and sells iron and steel products in both domestic and international markets (Hoa Sen's Exporter Questionnaire response – INV 558 P. 16).
- HSG is listed on the Ho Chi Minh City Stock Exchange.
- The issues and points raised below are made with reference to HSG's EQR response to investigation #558 (on the basis that HSG's EQR response to investigation #559 is substantially the same, with the exception of references to subject goods width).
- Aust. export and domestic sales; on-invoice discounts and/or off-invoice rebates(p.22/30):
 - HSG provide the same following response to the question of on-invoice discounts and off-invoice rebates:

*“No, HSG does not have any discount or discount policy for **foreign customers**, but during the price negotiation, the two sides will negotiate until the best price is reached and the invoice price final price of the order.” [emphasis added].*
 - BlueScope is hence unsure whether HSG provide *domestic* on-invoice discounts or off-invoice rebates as this response appears to have been omitted at Section D of the EQR.
- Due Allowance (p.33-36):
 - Packaging – HSG provides the following response:

E-2 Packaging

1. What is the packaging used for your domestic sales of like goods?

Answer: HSG doesn't use packaging for our domestic sales of like goods. There are no packaging expense for domestic sale

2. What is the packaging used for your export sales of the goods to Australia?

Answer: HSG doesn't use packaging for our export sales of the goods to Australia. There is no packaging expense for for Australia sale.
 - BlueScope considers it highly unlikely HSG did not incur packaging costs, especially as relating to export sales – steel strapping or plastic packaging would be expected to ensure safe carriage of the goods to their intended destination. In Investigation #370, the Commission made an upwards normal value adjustment for such costs; BlueScope would expect a similar adjustment in this inquiry (and inquiry #559).

4. VIETNAM – EXPORTER QUESTIONNAIRE RESPONSES

Hoa Sen Group (cont.)

- Other direct selling expenses (p.35-36):
 - BlueScope requests that the Commission determine whether the domestic selling expenses also apply to exports. For example, sample and storage/warehouse expenses may apply to subject goods for Australian export sales, and would warrant upwards normal value adjustments.
- Cost to make and sell (p.40):
 - HSG purchased cold-rolled coil (the main raw material used in the production of the subject goods) from three of its subsidiaries. BlueScope requests that the Commission ensure that these transactions were conducted at arm's length.
- Cost allocations (p.43-44):
 - HSG disclose the following regarding labour and overhead cost allocations =>
 - With reference only to the “077 – cost of production” report, BlueScope is unable to comment on how direct labour, raw materials, overheads, and other costs of production have been allocated. BlueScope requests the Commission clarify this during its verification.

G-6 Cost allocation method

1. What is the allocation method used to complete in G-3 domestic CTM and G-5

Australian CTM for:

- (a) Raw materials
- (b) Labour
- (c) Manufacturing overheads

Answer:

Cost of Production is calculate for each item, each inventory, each line and report in OPM077

(a). Raw material

RM = raw material cost – scrap value

(b). Labour

All direct labour costs at factory are recorded at account [622] in the accounting system. For each product, there is a report named [“077 – cost of production]” describe in detail how direct labour, raw material, overhead and other cost of production are allocated to each product of the company.

(c). Manufacturing overheads

All factory overhead costs at factory are recorded at account [627] in the accounting system. For each product, there is a report named [“077 – cost of production]” describe in detail how direct labour, raw material, overhead and other cost of production are allocated to each product of the company.

4. VIETNAM – EXPORTER QUESTIONNAIRE RESPONSES

Hoa Sen Group (cont.)

- Earlier subject goods and related product inquiries; normal value adjustments:

Investigation 370: verification report (zinc coated galvanised steel)

Adjustment Type	Deduction/addition
Domestic credit	Deduct the cost of domestic credit
Domestic inland freight	Deduct the cost of domestic inland freight
Export inland freight	Add the cost of export inland freight
Export handling	Add the cost of export handling
Export packaging	Add the cost of export packaging
Export bank charges	Add the cost of export bank charges

4. VIETNAM – EXPORTER QUESTIONNAIRE RESPONSES

Nam Kim

■ Background:

- The issues and points raised below are made with reference to Nam Kim's EQR response to investigation #559 (on the basis that Nam Kim's EQR response to investigation #558 is substantially the same).
- Nam Kim Steel Joint Stock Company was publicly listed on the Ho Chi Minh City Stock Exchange in 2011.
- The principal steel-related activities of the company include the manufacture of metal, iron and steel products ranging from coated products, pipe and tape.
- Nam Kim's products have been sold in the domestic market and have also been exported around the world.
- The company is not part of any group (p.15) and did not make any sales of the GUC to related parties during the POI (p.30).
- Nam Kim purchased feed stock in the form of HRC to manufacture the GUC. All HRC was purchased from unrelated suppliers (p. 47/48).

■ Exported goods and like goods (p.27-31):

- At C-1(2) and C-2(2) Nam Kim notes the following in relation to the list of Model Control Codes exported to Australia, and on the Vietnamese domestic market:

Nam Kim Steel does not distinguish price for [], it means the pricing will be the same even []. For different thicknesses, widths and coating mass, the pricing offer will be different. Therefore, Nam Kim Steel would like to claim to drop [] when making fair comparison.

- BlueScope is unable to comment on what appears to be a normal value adjustment claim. BlueScope request the Commission clarify this fair comparison comment.

■ Due Allowance (p.37-42):

- Packaging – Nam Kim provide redacted tables for the number of packing materials used for domestic and Australian export sales (p.38-39), and state that packaging costs are the same for both sales channels. As noted elsewhere in this briefing, BlueScope would expect export sales to attract a higher packaging expense to ensure safe carriage of the goods to the Australia. In galvanised steel anti-dumping inquiry No. 370 ("Investigation #370"), the Commission made normal value adjustments to reflect these differences (slide 26 refers).
- Delivery – Nam Kim state at D-1 (p.32) of their EQR that "*The [] will be released to its customer once material is picked up in Nam Kim Steel factory yard...*", highlighting that Nam Kim does not deliver the goods on the domestic market. This is then potentially contradicted at p.39 of the EQR where trucking transportation costs are mentioned. In any case, BlueScope submits that a downwards normal value adjustment would not be required for domestic freight as it is likely immaterial in nature. The absence of an adjustment in Investigation #370 also supports this.

4. VIETNAM – EXPORTER QUESTIONNAIRE RESPONSES

Nam Kim (cont.)

■ Cost allocation method (p.49-50):

- Raw materials / labour / overheads – at G-2 (Cost accounting practices) and G-6 (Cost allocation methodology) Nam Kim furnished the same response:

G-2: Cost accounting practices

7. What is the method of valuation for raw material, work-in-process, and finished goods inventories (e.g. last in first out –LIFO, first in first out- FIFO, weighted average)?

Response:

Nam Kim evaluates raw material, work-in-process and finished goods inventory by using the weighted average method.

- Nam Kim's response at G-6 does not describe the methodologies it employed to allocate raw material, labour, and overheads to its cost data submitted to the Commission.
- BlueScope is unable to comment based on this response, and requests clarity on how Nam Kim allocated these expenses.

■ Raw materials (H-14, p.72):

- Nam Kim states that it does not pay import duties on its import purchases of hot-rolled coil raw material, and that *"The duty rate is upon whether or not Nam Kim Steel join in partnership with its export country for any multilateral/bilateral agreement for specific duty rate"*.
- Hoa Sen, on the other hand, in its H-14 EQR response at p.59, state that its imported purchases are subject to an ■% import duty rate, but then disclose at H-14(6) that a 0% import duty rate applies.
- BlueScope requests that the Commission investigate the H-14 EQR statements made by both Nam Kim and Hoa Sen, and examine for any inconsistencies over what appears to be the same supply channel for subject goods feed material.

G-6: Cost allocation method

G-6 Cost allocation method

1. What is the allocation method used to complete in G-3 domestic CTM and G-5 Australian CTM for:
- (a) Raw materials
 - (b) Labour
 - (c) Manufacturing overheads

Response:

- (a) Nam Kim Steel evaluates raw materials by using the weighted average method.
- (b) Nam Kim Steel evaluates labour by using the weighted average method.
- (c) Nam Kim Steel evaluates manufacturing overheads by using the weighted average method.

4. VIETNAM – EXPORTER QUESTIONNAIRE RESPONSES

Nam Kim (cont.)

- Earlier subject goods and related product inquiries; normal value adjustments:

Investigation 370: dumping margin calculation (zinc coated galvanised steel)

Adjustments

To ensure the comparability of normal values to export prices, the Commission considers that following adjustments are required for maintaining price comparability pursuant to subsection 269TAC(9):

Adjustment type	Description
Domestic credit costs	Deduct actual domestic credit costs
Domestic Packaging	Deduct Actual domestic packaging costs
Export inland transport and handling	Add weighted average actual export

Investigation 370 – Galvanised Steel exported from India, Malaysia and Vietnam 5

	inland transport and handling costs
Export Packaging	Add weighted average export packaging

BlueScope provides the following economic outlook summary for China, Korea, Taiwan, and Vietnam to highlight each countries' economic fundamentals that have lead to (and will continue to lead to, in the absence of appropriate measures) dumping and material from subject goods exports to Australia.

Asia Pacific Summary

- Within two years, global GDP has rebounded above the levels envisaged prior to the coronavirus outbreak, reflecting in part the release of pent-up demand.
- Asian countries remain generally well-positioned to withstand global financial stress.
- Total regional goods exports improved further in August, with shipment rising 3.3% y/y versus 1.1% y/y in July. However, the diverging pace of recovery remains stark, with China leading the way while momentum in other places still show sizeable falls with export momentum in South Korea and Vietnam deteriorating in August.

Source: *Oxford Economics, 2020, 'Asia Pacific Chartbook (September 2020)', Oxford, United Kingdom.*

South Korea

- Improving Chinese industrial activity will help lend support to goods exports with the decline in export volumes expected to be less severe in H2.
- Though Chinese growth will not be as rapid as in the past, Korea's strong trading relations with China should help to maintain a relatively healthy outlook for exports in the future.
- Korea has strengths in a wide range of manufacturing products and a presence in many key growth markets, a high share of R&D expenditure should ensure Korea stays one step ahead.

Source: *Chan, L, 2020, 'Country Economic Forecast South Korea (September 2020)', Oxford Economics, Oxford, United Kingdom.*

Taiwan

- Exports and new orders were robust in August with investments and industrial production holding up well.
- Goods exports grew by 8.3% y/y in USD terms in August driven by electronics demand.
- Industrial production has been holding up with the three-month trend growing at 4.2% y/y in August.
- The Government's three major investment programmes will continue to incentivise reshoring by Taiwanese multinationals and boost investments by small and medium enterprises (SMEs). This will help to bolster tech-related investment growth, increase high-end production and create more employment opportunities for local workers.

Source: *Chan, L, 2020, 'Country Economic Forecast Taiwan (September 2020)', Oxford Economics, Oxford, United Kingdom.*

Vietnam

- GDP improved in Q3 rising 2.6% y/y with the easing of restrictions since late April.
- Recovery in manufacturing output gained momentum in September 2020 with the easing of localised restrictions.
- Industrial production rose by 3.8% y/y in September 2020 up from -0.6% in August 2020; Manufacturing also rose 4.6% y/y underpinned by a strong rebound in computers and electronics.
- Goods exported in USD terms surged 18% y/y in September 2020.
- Foreign Direct Investment ("FDI") and investment are projected to improve in 2021, with renewed focus on US-China tensions likely to further support Vietnam's attractiveness as a destination for manufacturing FDI inflows.
- A moderate weakening in the currency is projected in the authorities' latest development plan, to allow the country to maintain its export competitiveness.

Source: Fenner, S, 2020, 'Country Economic Forecast Vietnam (September 2020)', Oxford Economics, Oxford, United Kingdom.

■ **Steel industry expects consumption recovery by year-end, Vietnam+**

- The market has shown signs of recovery for steel pipe and galvanised steel products from the beginning of May 2020 and this trend has persisted for many months.
- VDSC (Viet Dragon Securities Corporation) reported that the consumption volume for all groups of steel products reduced in the first eight months of the year, excluding galvanised steel sheets, mainly due to COVID-19.
- Galvanised steel output increased slightly year-on-year.

Source: <https://en.vietnamplus.vn/steel-industry-expects-consumption-recovery-by-year-end/187967.vnp>

■ **Steel producer enjoy profit growth despite virus crisis, Viet Nam News**

- Nam Kim Steel has continuously strengthened its co-operation with industry partner SMC. The continuous increase of SMC's ownership ratio in Nam Kim as well as the use of SMC's personnel in Nam Kim shows the close co-operation between these two units.
- Recently, the two funds, Vietnam Enterprise Investments Limited and Amersham Industries Limited, sold a total of more than nine million shares of Nam Kim (NKG), reducing their ownership to less than nine million shares. The two funds are now no longer the majority shareholders of the group.

■ Source: <https://vietnamnews.vn/economy/716785/steel-producer-enjoy-profit-growth-despite-virus-crisis.html>

4. VIETNAM – EXPORTER QUESTIONNAIRE RESPONSES

Vietnam (cont.)

▪ ***Hoa Phat's September steel exports double, Nhan Dan***

- Hoa Phat Steel said it shipped 62,700 tonnes of finished steel abroad in September 2020, doubling the figure from a year ago.
- During the month of September 2020 the group posted record sales of 522,000 tonnes, including 352,000 tonnes of finished steel and 170,000 tonnes of steel billet.
- 27% year-on-year increase in finished steel sales.
- Hoa Phat continue to take the lead in the market with a 32% share.
- Hoa Phat exported more than 370,000 tonnes of construction steel in the first nine months of the year representing 95% year-on-year rise. Its major import markets include Japan, the Republic of Korea, Malaysia, **Australia**, Canada, Thailand, Cambodia and Laos.

Source: <https://en.nhandan.org.vn/business/item/9155502-hoa-phat%E2%80%99s-september-steel-exports-double.html>

▪ ***Steelmaker Hoa Phat increases market share to 32 pct, Vietnam+***

- Steelmaker Hoa Phat Group posted strong growth in the first eight months of the year, raising its market share to 32% as of late August 2020.
- In 2017, a year after the completion of Phase 3 of the Hoa Phat Hai Duong steel and iron production complex, the steelmaker's market share rose to 22.2%, becoming Vietnam's largest steel supplier for the first time.
- Vietnam Steel Association (VSA) sales, of which Hoa Phat is a member, have reached 6.6 million tonnes since the beginning of the year... of this 906,000 tonnes were export steel sales.

Source: <https://en.vietnamplus.vn/steelmaker-hoa-phat-increases-market-share-to-32-pct/183108.vnp>

China

- China's economy continued to gather pace in August underpinned by real estate and infrastructure with continued growth expected in H2.
- Investment and industrial production continue to lead economic recovery while export growth has increased. Investment growth is expected to remain robust but will moderate somewhat towards year-end as credit decelerates.

Source: Oxford Economics, 2020, 'Asia Pacific Chartbook (September 2020)', Oxford, United Kingdom



THANK YOU

