CUT-TO-LENGTH CARBON-QUALITY STEEL PLATE FROM INDIA, INDONESIA, ITALY, JAPAN, AND KOREA

(INVESTIGATION NOS. 701-TA-388-391 and 731-TA-817-821)

PRESENTATION OF DONGKUK STEEL MILL CO., LTD.

October 19, 2011

The Industry in Korea

1. Three Korean producers of cut-to-length plate:

   - Dongkuk Steel Mill ("DSM")
   - Hyundai Steel
   - Pohang Iron and Steel Co. ("POSCO")

2. Other Producers?

   The U.S. Producer's response to the notice of initiation identified Korea Iron & Steel Co., Ltd. ("KISCO") as another Korean producer.[1] But …

   - The original investigation staff report noted that "Korea Iron and Steel Co., Ltd., ceased production of CTL plate in 1998."[2]
   - KISCO's web-site (www.kisco.co.kr) states that KISCO is "manufacturing bar, forging, steel pipe, gas, billet, and ingot" — not plate.[3]

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[1] *See* Domestic Producers' Response To Notice Of Institution, Dec. 1, 2010, at Exhibit 4.

[2] *See* Original Investigation Staff Report at VII 13, n.14.

[3] *See* Attachment 1.

The Industry in Korea
(continued)

3. Capacity Changes:

- In 2008 and 2009, Korea faced a "severe shortage" of steel plate.[4]
- Press reports indicate that total demand for plate in Korea in 2011 is expected to be about 12.5 million metric tons (13.8 million short tons), an increase of almost 1.5 million metric tons (1.6 million short tons) over 2010 figures.[5]
- Capacity has expanded in response to this demand.
- DSM's utilization remains high and increased from 2009 to 2010 and again from 2010 to 2011.[6]
- Press reports indicate that new capacity is intended to replace imports from China, and meet demand in Korea and Japan.[7]

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[4] *See, e.g.,* "Posco Plans to Add 2m tpy Plate Mill," MetalBulletin, July 28, 2008 (provided in Exhibit 9 of ArcelorMittal Pre-Hearing Brief). *See also* "Hyundai Hysco to Produce 1m tonnes of Plate in 2010," MetalBulletin, May 5, 2009 (provided in Exhibit 9 of ArcelorMittal Pre-Hearing Brief) ("South Korea is the world's largest shipbuilder and domestic plate supply has struggled to keep up.").

[5] *See* "Plate Demand from Korean Shipbuilders To Fall in H2," Steel Business Briefing, Aug. 29, 2011 (provided in Exhibit 9 of Arcelor Mittal Pre-Hearing Brief).

[6] *See, e.g.,* DSM's Response to Foreign Producer Questionnaire at 17 (Response to Question II 14e).

[7] *See, e.g.,* "Hyundai Expanding Ship Plate Sales, Capacity," Steel Business Briefing, July 22, 2011 (provided in Exhibit 9 of ArcelorMittal Pre-Hearing Brief); "Hyundai Heavy May Reduce China Steel-Plate Imports," Bloomberg, Mar. 18, 2010 (provided in Exhibit 2E of Nucor Pre-Hearing Brief).

Effect of the Orders on Exports from Korea

1. The Claims

"If Korean producers could more readily export to the United States at least some of them very likely would do so."[8]

"POSCO's capacity increase and growing exports to the U.S. market are indicative of how subject producers would behave absent the orders."[9]

2. The Facts

- POSCO is not subject to the antidumping or countervailing duty orders. It has been free to export without restraint from those orders since the beginning.

  Nevertheless …

- *DSM's* exports accounted for almost all of the imports of CTL plate from Korea during the period from 2005-2011 — peaking at close to 200,000 short tons in 2006.

- Imports from all Korean sources have largely disappeared from the U.S. market in recent years as Korean mills, like the Japanese, have focused on the booming demand in Asia for plate for ship-building, oil rigs, and marine structures.[10]

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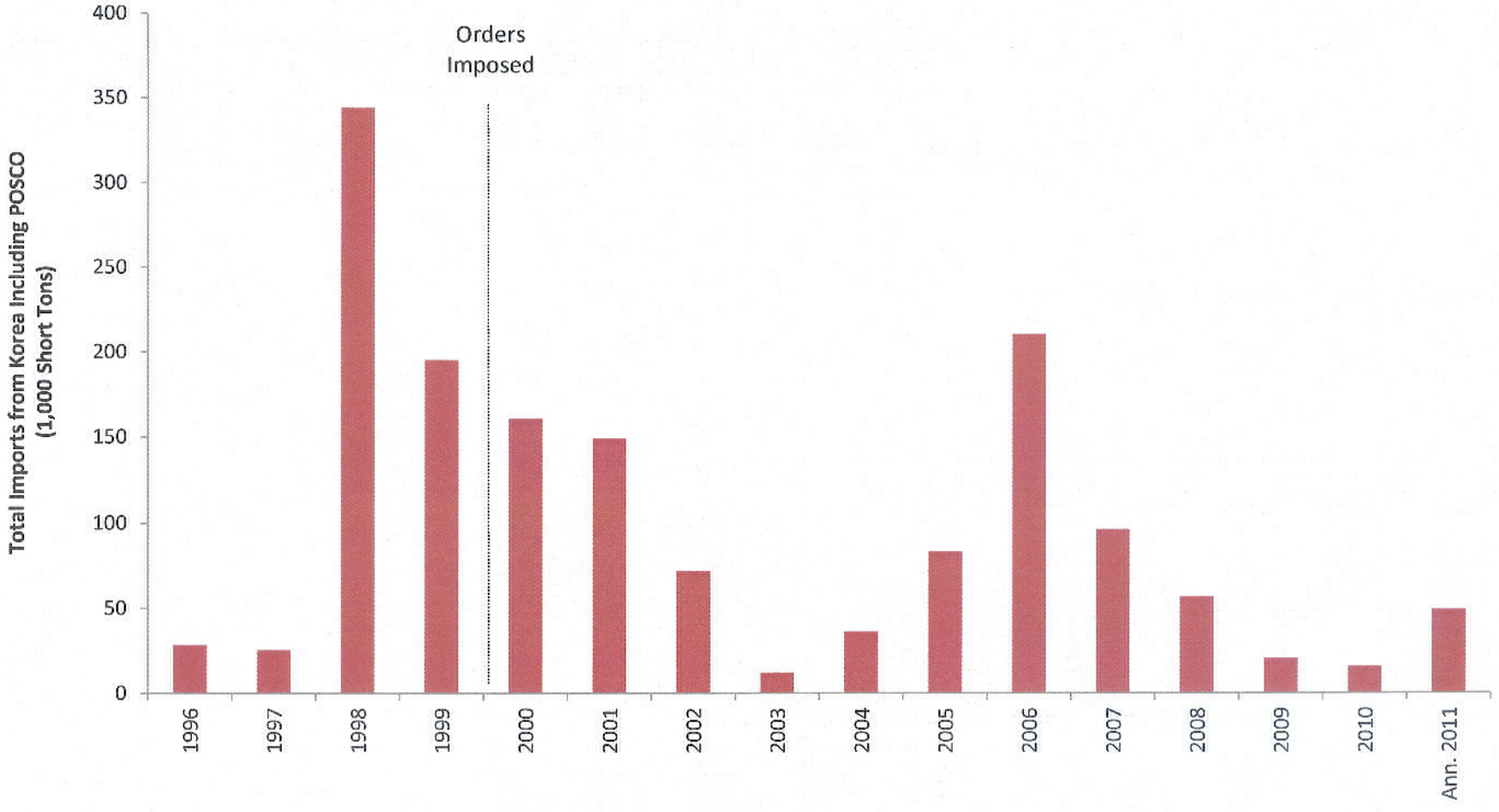
[8] *See* Pre-Hearing Brief of SSAB NAD, Evraz NA Oregon Steel Mills, and Evraz NA Claymont, at 15.

[9] *See* Nucor pre-Hearing Brief at 60.

[10] *See, e.g.,* DSM's Response to Foreign Producer Questionnaire at 17 (Response to Question II 14e).

Total Imports of CTL Plate from Korea Including Non-Subject Imports from POSCO



Source: ITC Data-Web for HTS Codes 7208.40.3030, 7208.40.3060, 7208.51.0030, 7208.51.0045, 7208.51.0060, 7208.52.0000, 7208.53.0000, 7208.90.0000, 7210.70.3000, 7210.90.9000, 7211.13.0000, 7211.14.0045, 7211.90.0000, 7212.40.1000, 7212.40.5000, 7212.50.0000. Figures for 2011 are based on the January-to-June year-to-date figures, and have been "annualized" (by multiplying the six-month figures by two) to provide a consistent scale.

No Discernible Adverse Effect on the U.S. Industry from Subject Korean Imports

A. Unique Facts Permit Unique Analysis

- This case presents a natural laboratory for testing whether subject imports affected U.S. industry performance.

B. No Price Effect

- Compare price trends for products that were sold by both U.S. producers and subject imports with price trends for products that were sold only by U.S. producers (*i.e.,* for which there was no competition with subject imports).[11]

- Compare U.S. producers' price trends with subject import sales quantities for the products that were sold by both the U.S. producers and subject importers.[12]

C. No Effect on Profitability

- Compare trends in subject import quantities with U.S. industry profitability.[13]

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[11] *See* DSM's Pre-Hearing Brief at 12.

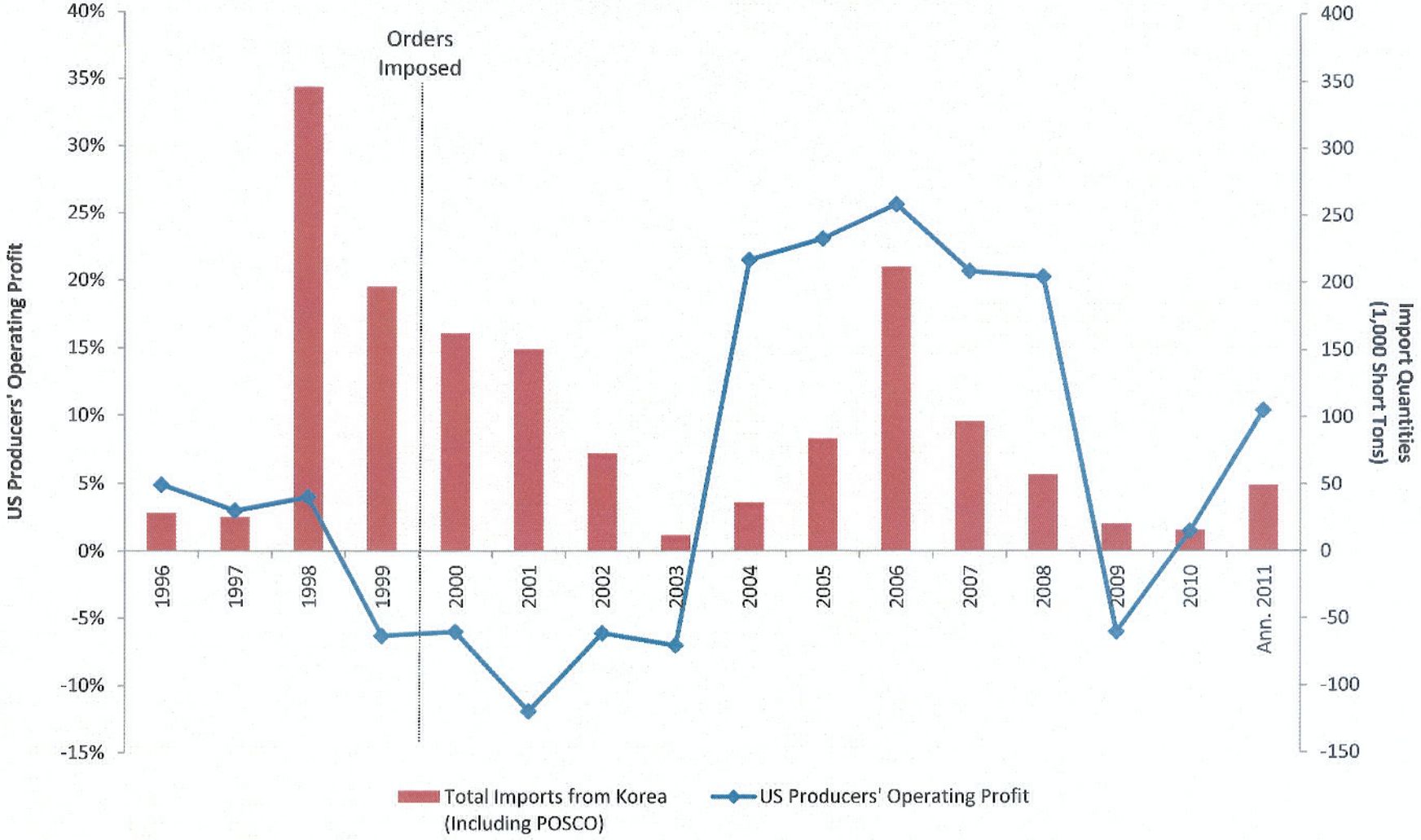
[12] *See* DSM's Pre-Hearing Brief at 11-15.

[13] *See* DSM's Pre-Hearing Brief at 9.

U.S. Industry Operating Profit as a Percentage of Net Sales (2000 to First Half 2011)

Source: Pre-Hearing Report at III-15; Memorandum from Catherine DeFilippo to the Commission, Oct. 6, 2011, at Attachment.

Comparison of U.S. Industry Operating Profit to Total Imports (Including Non-Subject Imports) from Korea



Attachment 1

Materials from KISCO Web-Site

reinforcing bar - Mozilla Firefox

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reinforcing bar

www.kisco.co.kr/spc_solution/spc_module/spc_html/ncm_html.aspx?config_id=498&menu_id=388&load_mdl=ksc_pro001_eng_list

korea iron steel co

KISCO

PRODUCT INTRODUCTION

- Product Information
  - Reinforcing bar
  - Forging
  - Steel pipe
  - GAS
  - BILLET
  - INGOT
- Manufacturing Process
- Quality Assurance

Home > product introduction > product information > reinforcing bar

PRODUCT INFORMATION

Reinforcing bar

We will reward our customers for their love with best quality.

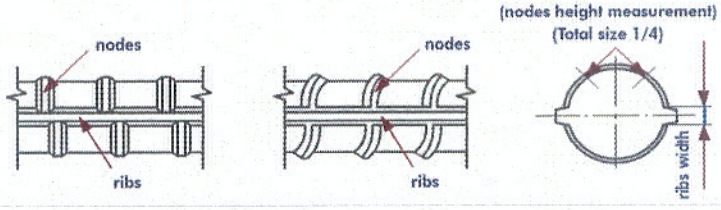
e-catalogue view | manufacturing process

Reinforcing bar is defined as bar steel which is used to reinforce concrete on KS D 3504.
It is widely used at building construction and civil engineering sites now that it has the advantages of serving as key building materials for a bridge, building, nuclear power plant etc. today, plus reducing the width of concrete cracks when they occur.

Reinforcing bar is manufactured by hot rolling, and divided into steel round and steel deformed according to the cross-section type. KISCO produces steel deformed.

DEFORMED BAR Type

1) Steel round: rarely used for the structure because it has good processing properties, but poor bonding properties. **Notation: 10(10mm)**
2)Steel deformed: reinforcing bar with projections shaped around the round cross section in order to enhance bond strength, which has longitudinal projections called ribs, and cross-sectional projections called nodes. **Notation: D10(10mm)**



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steel division - Mozilla Firefox

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steel division

www.kisco.co.kr/spc_solution/spc_module/spc_html/ncm_html.aspx?config_id=4958menu_id=3838load_mdl=ksc_inf008_eng_list

KISCO

ENTERPRISE INFORMATION

- Company Introduction
- History
- Moral Management
- Division Introduction
  - Steel division
  - Energy division
- Affiliate Status

Home > enterprise information > division introduction > steel division

DIVISION INTRODUCTION

Steel Division

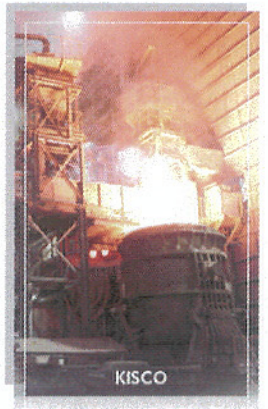
A company doing its best, a company having a dream which will be with you forever, It is KISCO

"KISCO has been very enthusiastic about strengthening the basis of key industries as a nation's basic industry as adapting to the rapidly changing global business environment for about 50 years."

We all executives and staff members have worked together as one to overcome the economic recession under the severe business circumstances such as poor demand for construction-related items and the rising cost of raw materials resulting from a sustained economic depression in construction business. We paved the way for jumping up to the world's leading steel company , buildup of high quality steel, and introduction of BPR and a new computerization system to reform an existing computerized management system. After disaffiliating from Dongkuk Steel Group in 2001, we relocated our headquarters from Masan-si to Sinchon-dong, Changwon-si in April 2004 in order to reestablish the company's status not like what it used to be.

Since then, we have been exerting our utmost efforts to develop new technologies and bring about management innovation as well as produce high-quality goods; so we are now successfully manufacturing reinforcing bar, forging, steel pipe, gas, billet, and ingot.

We opened a new forging plant equipped with the latest 70-ton electric furnace and 10,000-ton press, and the first domestic TFPV cell plant in 2008. It helped us sustain a new driving force for growth to make a new leap forward.



Having followed the road not taken, which is rough but right and honest, we have made our best endeavors for a long journey for the past 50 years.

Customers have always been on the road with us. We do sincerely appreciate the customers' supporting us at all times. We are willing to make ceaseless efforts to repaying the customers for putting their trust and faith in us. We will continue to grow into a much sounder and more reliable company.

Thank you.

Office Location

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