

## ANNEX F

### TIMELINE OF EVENTS; SUMMARY OF THE PANEL'S CONCLUSIONS ON SUBSIDIES AND INJURY

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## ANNEX F-1

### TIMELINE OF FINANCIAL PROGRAMMES AND SALIENT EVENTS IN 2000 AND 2001

1997	Korean financial crisis
June 1998	Corporate Restructuring Agreement ( <b>CRA</b> )
7 July 1999	HEI acquired LGS
13 October 1999	LGS renamed HME and merged with HEI
September 2000	Citibank/SSB retained by Hynix as financial advisor for restructuring
28 November 2000	Economic Ministers' Meeting
	Letter from Minister of Finance & Economy to Presidents of KEIC and KEB
30 November 2000	Letter from Minister of Commerce, Industry & Energy to CEO KEIC
December 2000	Citibank/SSB held meetings with banks to outline plans
	<b>Syndicated Loan of KRW 800 billion</b>
	KEB filed request for extended credit limit
	FSC approves extended credit limit
	KDB Debenture Programme announced
January 2001	BBB- (Korean rating agencies)
	Speculative B (Standard & Poor's)
	<b>KEIC Guarantee for Export Credits USD 600 million increase</b>
4 January 2001	<b>KDB Debenture Programme</b> (Hynix admitted)
9 January 2001	Economic Ministers' Meeting
10 January 2001	Letter from Minister of Finance & Economy to Presidents of KEIC and KEB
22 January 2001	Speculative BB+ (Korean rating agencies)
March 2001	B- (Standard & Poor's)
10 March 2001	Meeting with officials from creditor banks, FSC, Hynix and Gov't of Korea
29 March 2001	HEI officially renamed 'Hynix'
April 2001	Creditors Financial Institution Council ( <b>CFIC</b> ) established
10 April 2001	Economic Ministers' Meeting
23 April 2001	Meeting of creditor banks
May 2001	<b>May Restructuring Programme</b>
7 May 2001	CFIC recognition that Hynix in default of Syndicated Loan
June 2001	Purchase of CBs by banks
June-August 2001	Hynix stock price collapsed, DRAMs prices continued to fall
August 2001	CCC+ (Standard & Poor's)
	Hynix stopped participating in KDB Debenture Programme
3 August 2001	SSB revised its earlier more optimistic projections
September 2001	CRA replaced by Corporate Restructuring Promotion Act ( <b>CRPA</b> )
9 September 2001	CC (Standard & Poor's)
October 2001	'Selective Default' (SD) (Standard & Poor's)
31 October 2001	<b>October Restructuring Programme</b>
25 July 2002	EC investigation initiated
23 April 2003	Preliminary Determination (Regulation 708/2003)
11 August 2003	Final Determination (Regulation 1480/2003)

## ANNEX F-2

### SUMMARY TABLE REGARDING KOREA'S CLAIMS AND ARGUMENTS CONCERNING THE EC SUBSIDY DETERMINATIONS<sup>\*</sup>

PROGRAMME	EC'S FINAL DETERMINATION OF		Benefit Existence	Calculation of Benefit	Specificity
	Financial Contribution by:				
	Public Body	Entrusting or Directing a Private Body			
SYNDICATED LOAN			<i>Inconsistent</i>	<i>Inconsistent</i>	<i>Not reviewed</i>
KDB	<i>Consistent</i>				
KEB		<i>Consistent</i>			
KFB	<i>Not countervailed</i>				
KEIC GUARANTEE	<i>Consistent</i>		<i>Consistent</i>	<i>Inconsistent</i>	<i>Not reviewed</i>
KDB DEBENTURE PROGRAMME	<i>Consistent</i>		<i>Consistent</i>	<i>Inconsistent</i>	<i>Consistent</i>
MAY 2001 RESTRUCTURING PROGRAMME	<i>Inconsistent</i>		<i>Consistent</i> <sup>**</sup>	<i>Inconsistent</i>	<i>Consistent</i>
OCT 2001 RESTRUCTURING PROGRAMME			<i>Consistent</i>	<i>Inconsistent</i>	<i>Consistent</i>
Six Option 1 Banks:					
Woori Bank		<i>Consistent</i>			
Chohung Bank		<i>Consistent</i>			
KEB		<i>Consistent</i>			
NACF		<i>Consistent</i>			
Citibank		<i>Consistent</i>			
KDB	<i>Consistent</i>				

\* Our determination of "consistency" has to be read in light of the claims and arguments as made before us and as explained in our findings.

\*\* This is assuming *arguendo* that the EC's determination of the existence of a financial contribution by the government was consistent with Article 1.1(a) of the *SCM Agreement*.

### ANNEX F-3

#### PANEL'S CONCLUSIONS AS TO THE WTO CONSISTENCY OF THE EC DETERMINATION ON INJURY

<b>Article 15.2: Volume Effects</b>	
Treatment of unsubsidized imports	<i>Consistent</i>
Treatment of LGS imports	<i>Consistent</i>
Significance of the import increase	<i>Consistent</i>
<b>Article 15.2: Price Effects</b>	
Market dynamics	<i>Consistent</i>
Hynix not a market leader	<i>Consistent</i>
Alternative methodologies for evaluating price undercutting	<i>Consistent</i>
Injury POI period	<i>Consistent</i>
<b>Article 15.4: Injury</b>	
Evaluation of factors: <ul style="list-style-type: none"> <li>• Wages</li> <li>• Other factors</li> </ul>	<i>Inconsistent</i> <i>Consistent</i>
Infineon statements	<i>Consistent</i>
Overall assessment of domestic industry	<i>Consistent</i>
<b>Article 15.5: Causation</b>	
Causal relationship between subsidized imports and injury to the domestic industry	<i>Consistent</i>
Non-attribution requirement: <ul style="list-style-type: none"> <li>• Economic downturn</li> <li>• Inventory burn</li> <li>• Overcapacity</li> <li>• Other (non-subsidized) imports</li> </ul>	<i>Inconsistent</i> <i>Consistent</i> <i>Inconsistent</i> <i>Inconsistent</i>

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