



29 June 2021

(21-5219)

Page: 1/3

Committee on Safeguards

Original: English

**NOTIFICATION PURSUANT TO ARTICLE 12.1(C)  
OF THE AGREEMENT ON SAFEGUARDS (EXTENSION)**

SOUTH AFRICA

*Other screws fully threaded  
with hexagon heads made of steel*

*Supplement*

The following notification, dated 24 May 2021, and received on 28 June 2021, is being circulated at the request of the delegation of South Africa.

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Pursuant to Article 12.1(c) of the WTO Agreement on Safeguards (Safeguards Agreement), the SACU is notifying its decision to extend a safeguard measure on imports of other screws fully threaded with hexagon heads made of steel.

**1. The date when the investigation was initiated**

The investigation was initiated on 21 May 2021. The notice of initiation by the investigating authority was published through Notice No. 304 of 2021 in *Government Gazette* No.44593.<sup>1</sup>

**2. The product subject to the investigation**

The subject product is described as other screws fully threaded with hexagon heads made of steel imported under tariff subheading 7318.15.39.

**3. The reasons for the initiation of investigation**

- i. The application was lodged by the South African Iron and Steel Institute (SAISI) (the Applicant) on behalf of on behalf South African Fasteners Manufacturers' Association ("SAFMA") and its members CBC Fasteners (Pty) Ltd ("CBC") and Transvaal Pressed Nuts Bolts and Rivets (Pty) Ltd ("TPN").

The claim is that the SACU Industry is experiencing serious injury and that the expiry of the current duties will likely lead to recurrence of serious injury.

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<sup>1</sup> A copy of Notice No. 304 of 2021 in *Government Gazette* N. 44593 has been submitted electronically. To consult this document, please contact Ms Richards ([anne.richards@wto.org](mailto:anne.richards@wto.org)) or Ms Naville ([delphine.naville@wto.org](mailto:delphine.naville@wto.org)) of the Rules Division.

- ii. *Prima facie* information on which the investigation was initiated:

The Commission found that the applicant has submitted *prima facie* information to indicate that SACU Industry is suffering serious injury and that the expiry of the current duties will likely lead to recurrence of serious injury.

#### 4. The proposed date of introduction

The measure is proposed to take effect for three years from 3 August 2021 until 2 August 2024.

#### 5. The expected duration and timetable for progressive liberalization of the proposed safeguard measure

The proposed liberalisation of the safeguard measure is as follows:

##### Liberalisation of the safeguard measure

Period	Rate of safeguard measure
03 Aug 2021 – 02 Aug 2022	35.6%
03 Aug 2022 – 02 Aug 2023	30.6%
03 Aug 2023 – 02 Aug 2024	25.61%

#### 6. Serious injury and the likely recurrence of serious injury

The period of investigation for data evaluation for the purposes of determining the allegation of serious injury is 1 January 2018 to 31 December 2020.

The injury analysis relates to information submitted by the South African Iron and Steel Institute (SAISI) (the Applicant) on behalf of on behalf South African Fasteners Manufacturers' Association ("SAFMA") and its members CBC Fasteners (Pty) Ltd ("CBC") and Transvaal Pressed Nuts Bolts and Rivets (Pty) Ltd ("TPN") for the period 1 January 2018 to 31 December 2020 representing 70% of the domestic industry by production volume.

The Applicant alleged and submitted *prima facie* evidence indicating that it is still experiencing serious injury in the form of increased of imports volume and a decline in sales volumes, output, market share, utilisation of capacity and employment for the period 1 January 2018 to 31 December 2020. The Applicant experienced increase of profit during the period of investigation and it was as a result of the Applicant that is currently busy restructuring under Section 189 of the South African Labour Relations Act, 1995 and retrenchments.

Should the duties expire, the Applicant will experience the recurrence of serious injury in the following indicators:

##### Serious Injury Indicators (Jan 2018–Dec 2020)

Sales volumes (Tonnes)	Decrease
Net Profit (R)	Decrease
Output (Tonnes)	Decrease
Market share (Applicant)	Decrease
Utilisation of capacity (%)	Decrease
Employment (Number of employees)	Decrease

#### 7. The evidence that SACU Industry is adjusting

In accordance with the SGR, the Applicant provided a development plan that it indicated it will implement to be competitive and efficient. The plan is meant to allow the applicant time to adjust,

while the safeguard measures are in place, and therefore be able to compete with imports when safeguards measures expire.

The development plan that was submitted by the domestic industry highlighted the following measures it will put in place to improve the competitiveness of the industry:

- Increase in total production volume;
- Investment in new equipment and technology;
- Product development to rationalize the input material range to assist ArcelorMittal Newcastle with the consolidation of their production volumes and to optimise the product offering to the domestic market;
- Support the introduction of a prior import surveillance system, similar to that of Europe and the USA to deal with the influx of final products;
- Continuous training of SARS to improve customs control;
- Establishment of an industry forum; and
- Support higher level designation/localization.

#### **8. Further information**

Interested parties must make themselves known within a period of 20 days after the initiation of the investigation.

Any information which the interested parties may wish to submit in writing and any request for a hearing before the Commission that they may wish to put forward should be submitted within 20 days following the initiation of this investigation to the Directorate: Trade Remedies I for attention of the Senior Manager: Trade Remedies I at the email addresses below:

[STakacs@itac.org.za](mailto:STakacs@itac.org.za) or [TTshikomba@itac.org.za](mailto:TTshikomba@itac.org.za)

If part of the information provided is of a confidential nature, the party concerned should give the grounds justifying confidentiality and furnish public summaries of such information, which should be as detailed as possible. In instances that a public summary cannot be provided a sworn statement must be provided stating the reasons why the information cannot be summarized. This requirement is designed to secure transparency and due access by all the parties to the information relating to this investigation. If the summaries are not duly provided and in the absence of just cause, ITAC may disregard the information deemed to be confidential.

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