

## 中華民國常駐世界貿易組織代表團 函

受文者：經濟部國際貿易局

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密等及解密條件或保密期限：

附件：Notification-Safeguard-南非-Thread fasteners 1件

(1687363198\_Notification-Safeguard-南非-Thread、fasteners.pdf)

主旨：檢送南非通知延長對鋼鐵製螺帽、螺釘及螺栓（不含不鏽鋼製及用於航空器者）之防衛措施（如附件，WTO秘書處2023年6月20日公布，文件代號G/SG/N/8/ZAF/6/Suppl. 2），敬請查照。

說明：

一、相關文號：本團本（112）年4月4日世貿字第1124340381號函。

二、根據說明一本團前函，南非「國際貿易執行委員會」（International Trade Administration Commission，ITAC）自本年3月24日起就是否延長旨揭措施展開調查；南非並以第G/SG/N/6/ZAF/7/Suppl.1號文件，於同年4月3日透過WTO秘書處通知其它會員。

三、南非本次通知之內容是旨揭延長調查之結果。其ITAC認定，倘終止本措施，將有再次導致「南部非洲關稅同盟」（SACU）相關產業嚴重損害之虞；且該等產業正在調整



中，因此決定自2023年7月24日起，延長本措施3年至2026年7月23日止。延長期間內分3期調整對受限產品課徵之從價稅，自第1期之48.04%，每期調降2%，至第3期之44.04%。有關受限產品之類別及其所屬稅則代號，請參見通知之第1段。

正本：經濟部國際貿易局

副本：行政院經貿談判辦公室、外交部、駐南非代表處經濟組(均含附件)



**NOTIFICATION UNDER ARTICLE 12.1(B) OF THE AGREEMENT ON  
SAFEGUARDS ON FINDING A SERIOUS INJURY OR THREAT  
THEREOF CAUSED BY INCREASED IMPORTS**

**NOTIFICATION UNDER ARTICLE 12.1(C) OF THE AGREEMENT ON SAFEGUARDS  
ON TAKING A DECISION TO APPLY A SAFEGUARD MEASURE**

**NOTIFICATION PURSUANT TO ARTICLE 9, FOOTNOTE 2  
OF THE AGREEMENT ON SAFEGUARDS**

SOUTH AFRICA

*Threaded fasteners of iron or steel: bolt ends & screw studs, screw studding and other  
hexagon nuts (excluding those of stainless steel and those identifiable for aircraft)*

*Supplement*

The following communication, dated and received on 19 June 2023, is being circulated at the request of the delegation of South Africa.

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Pursuant to Article 12.1(c) of the Agreement on Safeguards, the Government of South Africa hereby gives notification upon taking a decision to extend a safeguard measure on imports of threaded fasteners of iron or steel: bolt ends & screw studs, screw studding and other hexagon nuts (excluding those of stainless steel and those identifiable for aircraft).

**1 THE PRODUCT SUBJECT TO THE INVESTIGATION**

The subject product is described as bolt ends & screw studs (classifiable under tariff subheading 7318.15.41), screw studding (classifiable under tariff subheading 7318.15.42) and other hexagon nuts (classifiable under tariff subheading 7318.16.30) of iron and steel (excluding those of stainless steel and those identifiable for aircraft).

**2 PROVIDE THE BASIS FOR TAKING A DECISION TO EXTEND A SAFEGUARD MEASURE, AS PROVIDED FOR IN ARTICLE 12.1(C)**

The International Trade Administration Commission of South Africa ("the Commission") initiated an investigation pursuant to an application by the South African Fasteners Manufacturers' Association (SAFMA) on behalf of its members in order to determine whether the expiry of the safeguard measure will likely lead to the recurrence or continuation of serious injury to the Southern African Customs Union (SACU) industry, and whether the SACU industry is adjusting, within the meaning of the Agreement on Safeguards, in connection with threaded fasteners of iron or steel: bolt ends & screw studs, screw studding and other hexagon nuts (excluding those of stainless steel and those identifiable for aircraft).

## i. Recurrence of Serious Injury

The Commission considered the following injury indicators:

**Table 1: Injury indicators**

| <b>Injury indicators</b> | <b>Change from 2020 to 2023</b> | <b>Change should the duty expire</b> |
|--------------------------|---------------------------------|--------------------------------------|
| Imports volumes          | Decreased                       | Increased                            |
| Sales volumes            | Increased                       | Decreased                            |
| Profits                  | Decreased                       | Decreased                            |
| Output                   | Increased                       | Decreased                            |
| Applicant's market share | Decreased                       | Decreased                            |
| Capacity utilization     | Increased                       | Decreased                            |
| Employment               | Increased                       | Decreased                            |

The data evaluation for the purposes of determining the likelihood of recurrence or continuation of serious injury covered the period from 01 August 2020 to 31 July 2023, plus estimates from 01 August 2023 to 31 July 2024 should the safeguard measure expire.

The injury analysis of the subject product relates to information submitted by CBC Fasteners (Pty) Ltd, SA Bolts Manufacturers and T&I Chalmers Engineering, who are members of SAFMA, representing a major proportion of more than 50 percent of the SACU industry by production volumes.

The information Table 1 shows that the SACU industry's performance improved during the period for which a safeguard duty has been in place. This is evident from the increase in sales volumes, production volumes, productivity, employment and capacity utilisation during the period when the duty was in place, although that improvement did not generate more profits and/or market share. The Commission considered this improvement as an indication of an industry that is adjusting while the safeguard duty is in place.

The assessment of the recurrence of serious injury in Table 1 shows that there is likelihood of recurrence of serious injury to the SACU industry, should the safeguard measure expire. The assessment shows that all the industry's performance indicators, i.e. sales volumes, production volumes, profits, market share, capacity utilisation, productivity, and employment numbers will all decline in the succeeding period, should the safeguard duty expire. The shrinking profits will decline further and change to losses and the current market share will decline further in favour of imports that are likely to increase in the same period. These estimated declines and increase in import volumes are an indication that should the safeguard measure not be extended, the serious injury experienced by the SACU industry during 2015-2018 period (period of investigation in the original investigation) will recur.

The assessment shows that the safeguard measure continues to be necessary to prevent or remedy the recurrence of serious injury.

## ii. SACU industry adjustment

The SACU industry has submitted the following efforts and/or measures taken to demonstrate as a matter of fact that the SACU industry is adjusting in line with its the Adjustment Plan in the original safeguard investigation of the subject product.

- The SACU industry has made considerable investments of more than R6 million over the last 3 years, to improve on their technological and human abilities to increase efficiencies and thereby be able to compete more equally with the imported product;
- The industry players have increased their employment force considerably, which in turn led to investment in skills development and higher overall production;
- The industry, together with Arcelor Mittal SA ("AMSA") have rationalised raw material qualities thereby allowing AMSA higher production volumes on a narrower product range;
- The industry have volunteered to pilot the Prior Surveillance Initiative to contribute to the Steel Master Plan;
- The industry is working closely with SARS to deal with duty circumvention and import monitoring; and
- The industry supports designation and localisation.

The assessment shows that there is sufficient evidence that the SACU industry is still adjusting.

### 3 PROVIDE A PRECISE DESCRIPTION OF THE PROPOSED MEASURE

The Commission initiated an extension investigation on 24 March 2023 through Notice No. 1695 in *Government Gazette* and the interested parties were given 20 days until 17 April 2023 to comment on the Commission's initiation notice.

On 27 March 2023 the Government of South Africa sent the WTO notice to the Committee on Safeguards to notify on initiation of investigation regarding the extension of a safeguard measure G/SG/N/6/ZAF/7/Suppl.1.

Comments on the initiation notice were received from interested parties. Based on the comments received on initiation of the investigation, the Commission, on 23 May 2023, made a final determination before "essential facts" that the expiry of the safeguard measure is likely to lead to the recurrence of serious injury; and that there is evidence that the SACU industry is adjusting.

On 29 May 2023 essential facts letters were sent to interested parties, informing them of the essential facts which were being considered by the Commission and invited comments from interested parties on those "essential facts" for the Commission's consideration prior to making a final determination.

Comments on the essential facts letter were received from interested parties. After considering all interested parties' comments received, the Commission made a final determination that:

- the expiry of the safeguard measure is likely to lead to the recurrence of serious injury; and
- there is evidence that the SACU industry is adjusting.

Based on those findings, the current safeguard measure of 50.04% *ad valorem* is proposed to be extended for a period of another three years, phasing down at regular intervals by 2% over the next three years.

### 4 PROVIDE THE PROPOSED DATE OF EXTENSION OF THE MEASURE

The proposed date for the extension of the measure is 24 July 2023.

### 5 PROVIDE THE EXPECTED DURATION OF THE MEASURE

The measure is expected to be in place until 23 July 2026.

### 6 FOR A MEASURE WITH A DURATION OF MORE THAN THREE YEARS, PROVIDE THE PROPOSED DATE FOR THE REVIEW (UNDER ARTICLE 7.4) TO BE HELD NOT LATER THAN THE MID-TERM OF THE MEASURE, IF SUCH DATE FOR THE REVIEW HAS ALREADY BEEN SCHEDULED

Not applicable.

### 7 IF THE EXPECTED DURATION IS OVER ONE YEAR, PROVIDE THE EXPECTED TIMETABLE FOR PROGRESSIVE LIBERALIZATION OF THE MEASURE

The expected duration is three years, and the following timetable is proposed for progressive liberalization of the measure.

**Table 2: Proposed duties and liberalization schedule**

| Period                    | Rate of safeguard measure |
|---------------------------|---------------------------|
| 24 July 2023–23 July 2024 | 48.04% <i>ad valorem</i>  |
| 24 July 2024–23 July 2025 | 46.04% <i>ad valorem</i>  |
| 24 July 2025–23 July 2026 | 44.04% <i>ad valorem</i>  |

The current liberalisation rate of the safeguard was set at an annual rate of 2%. The Commission assessed in this extension investigation whether this level of liberalisation continued to be

appropriate. In order to allow the industry sufficient protection while fully implementing its adjustment plan, the Commission considered that an increase in the level of liberalisation beyond its current rate was not justified. Therefore, the safeguard duty will continue to phase down by 2% as of 24 July 2023.

## 8 EXCLUSION OF CERTAIN COUNTRIES FROM THE SCOPE OF THE DEFINITIVE MEASURE

The extension investigation shows that imports of the subject product originating in several developing countries listed in Table 3, based on latest official import data, meet the requirements of Article 9 of the WTO Agreement on Safeguards and should therefore be excluded.

**Table 3: Developing WTO member countries**

| Name                     | Name                 | Name                  | Name                             |
|--------------------------|----------------------|-----------------------|----------------------------------|
| Afghanistan              | Madagascar           | Dominica              | Saint Vincent and the Grenadines |
| Albania                  | Malawi               | Dominican Republic    | Sao Tome & Principe              |
| Algeria                  | Latvia               | Ecuador               | Samoa                            |
| American Samoa           | Lebanon              | Egypt, Arab Rep.      | Senegal                          |
| Angola                   | Maldives             | El Salvador           | Seychelles                       |
| Antigua and Barbuda      | Mali                 | Eritrea               | Sierra Leone                     |
| Argentina                | Marshall Islands     | Eswatini              | Singapore                        |
| Armenia                  | Mauritania           | Equatorial Guinea     | Solomon Islands                  |
| Azerbaijan               | Mauritius            | Ethiopia              | Serbia                           |
| Bangladesh               | Mexico               | Fiji                  | Somalia                          |
| Bahrain                  | Micronesia           | Gabon                 | South Sudan                      |
| Belarus                  | Moldova, Republic of | The Gambia            | Sri Lanka                        |
| Belize                   | Mongolia             | Georgia               | Sudan                            |
| Benin                    | Montenegro           | Ghana                 | Suriname                         |
| Bhutan                   | Morocco              | Grenada               | Syrian Arab Republic             |
| Brunei Darussalam        | Mozambique           | Guatemala             | Tajikistan                       |
| Bolivia                  | Myanmar              | Guinea                | Tanzania                         |
| Bosnia & Herzegovina     | Namibia              | Guinea-Bissau         | Timor-Leste                      |
| Botswana                 | Nepal                | Guyana                | Togo                             |
| Brazil                   | Nicaragua            | Haiti                 | Thailand                         |
| Bulgaria                 | Niger                | Honduras              | Tonga                            |
| Burkina Faso             | Nigeria              | St. Lucia             | Trinidad and Tobago              |
| Burundi                  | North Macedonia      | Iran, Islamic Rep. of | Tunisia                          |
| Cabo Verde               | Oman                 | Iraq                  | Indonesia                        |
| Cambodia                 | Pakistan             | Jamaica               | Turkmenistan                     |
| Cameroon                 | Palestine            | Jordan                | Tuvalu                           |
| Central African Republic | Palau                | Kazakhstan            | Uganda                           |
| Chad                     | Panama               | Kenya                 | Ukraine                          |
| Chile                    | Papua New Guinea     | Kiribati              | United Arab Emirates             |
| Colombia                 | Paraguay             | Korea                 | Uruguay                          |
| Comoros                  | Peru                 | Kyrgyz Republic       | Uzbekistan                       |

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| Name                                | Name                | Name                          | Name               |
|-------------------------------------|---------------------|-------------------------------|--------------------|
| Costa Rica                          | Philippines         | Kosovo                        | Viet Nam           |
| Côte d'Ivoire                       | Qatar               | Kuwait, the State of          | Vanuatu            |
| Cuba                                | Romania             | Lao People's Dem.<br>Republic | Venezuela          |
| Democratic Republic of<br>the Congo | Russian Federation  | Lebanon                       | West Bank and Gaza |
| Congo                               | Rwanda              | Lesotho                       | Yemen              |
| Djibouti                            | Saudi Arabia        | Liberia                       | Zambia             |
| Lithuania                           | St. Kitts and Nevis | Libya                         | Zimbabwe           |

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