
Mr Wei-Chung Chou
Taiwan Liaison Office
259 Baines Street
Hatfield
Pretoria

Dear Mr. Chou,

INVESTIGATION INTO THE ALLEGED DUMPING OF CERTAIN FLAT-ROLLED PRODUCTS OF IRON, NON-ALLOY OR OTHER ALLOY STEEL OF A WIDTH OF 600MM OR MORE, WHETHER OR NOT IN COILS (INCLUDING PRODUCTS CUT-TO-LENGTH), NOT FURTHER WORKED THAN HOT-ROLLED, INCLUDING PICKLED AND OILED, HOT ROLLED, NOT CLAD, PLATED OR COATED, (EXCLUDING STAINLESS AND GRAIN-ORIENTED SILICON ELECTRICAL STEEL) ORIGINATING IN OR IMPORTED FROM THE PEOPLE'S REPUBLIC OF CHINA, CHINESE TAIPEI, AND JAPAN.

As you are aware, the International Trade Administration Commission of South Africa (the Commission) through General Notice 2730 of 2024, published in Government Gazette Number 51271 on 20 September 2024, initiated an investigation into the alleged dumping of certain flat-rolled products of iron, non-alloy or other alloy steel of a width of 600mm or more, whether or not in coils (including products cut-to-length), not further worked than hot-rolled, including pickled and oiled, hot rolled, not clad, plated or coated, (excluding stainless and grain-oriented silicon electrical steel) originating in or imported from the People's Republic of China (PRC), Taiwan, and Japan.

Following the initiation of the investigation the Commission received numerous responses comprising of 8 importers, 1 foreign producer response (inclusive of related traders and exporters) from Japan and 32 responses (inclusive of foreign producers, traders and exporters) from the PRC. There were no responses received from Taiwan. It should be noted that in the correspondence of 5 November 2024, the number of importers was said to be 14. However, this was erroneous, as only 8 importers responded, instead of the 14 that merely made enquiries.

Due to the large number of exporters from the PRC, the Commission at its meeting of 02 December 2024, made a determination to limit its examination to a reasonable number of exporters (a process commonly referred to as "sampling") from the PRC in accordance with South Africa's Anti-Dumping Regulation (ADR) 8.6. The Commission further determined that the reasonable number of exporters will be determined on volume terms in accordance with ADR8.6(a), "the largest percentage of exports [from the PRC] which can be reasonably be investigated". All exporters that responded to the Cor
prior to the deadline date for responses form the basis of the sample.

The Commission wishes to emphasise that the use of the words “reasonable number of exporters”, refers to foreign producers, thereby excluding “all non-producing exporters”. Also, the interchangeable use of the words foreign producers/exporters excludes “all non-producing exporters” as the focus of the investigation into the existence of dumping, is based on the pricing behaviour of producers, notwithstanding the existence of known exporters responsible for making the export sales under investigation.

On 05 December 2024, interested parties were invited to make submissions/comments regarding the Commission’s determination to limit its examination. The due date for submitting comments on the Commission’s decision to sample was 12 December 2024. Exporters and other interested parties made submissions and based on these submissions, the Commission’s decision to sample and in accordance with ADR8.6(a), the following exporters have been selected:

1. Bao Steel - Baoshan Iron & Steel Co., Ltd., Baosteel Zhanjiang Iron & Steel Co., Ltd., Shanghai Meishan Iron & Steel Co., Ltd., Wuhan Iron & Steel Co., Ltd., Baosteel Europe GmbH (exporter)
2. Shougang Group - Shougang Jingtang United Iron & Steel Co., Ltd., Shougang Qian’an Iron and Steel Company and Shougang Holding Trade (Hong Kong) Ltd. (exporter)
3. Rizhao Steel Yingkou Medium Plate Co., Ltd.

The foreign producers that are part of the 32 responses from the PRC represent approximately 70% of total export volumes of the subject product to SACU during the period of investigation for dumping. The volume of exports by the foreign producers selected for sampling accounts for approximately 50% of the volume of exports to SACU of all foreign producers that responded to the Commission’s exporter questionnaire by the specified deadline for responses. The Commission is of the view that the exporters to be sampled are representative of the flat-rolled steel industry in the PRC, as they constitute small, medium and large producers, based on their production and sales volumes. The sample of exporters either manufacture flat-rolled steel products that are either plates, or coils, or a combination of both plates and coils.

Based on the above information, in accordance with ADR 8.7, the Commission is consulting with foreign producers/exporters in its selection of “the relevant exporters”.

As indicated in the correspondence of 05 December 2024, and noting comments received, the Commission requests the selected companies to reveal in writing to all interested parties the following information that may have been indicated to be confidential in their questionnaire responses:

- (a) Actual export volumes to SACU
- (b) Whether the flat-rolled products exported were plates, coils or both.
- (c) The estimated annual production volumes and capacity (tonnages), either 0 – 7 500 000, or 7 500 001 – 15 000 000, or 15 000 000 – 25 000 000, or above 25 000 0001.

The Commission has also sent out deficiency letters to all foreign producers/exporters on 13 December 2024. All exporters/foreign producers were given seven days to address their deficiencies in accordance with ADR 31.2. Exporters that have been selected for sampling are required to address the identified deficiencies within the specified deadline and may be subject to an individual margin of dumping. Exporters that are not selected for sampling but require the Commission to determine individual dumping margins in line with ADR 8.8, may submit such a request to the Commission for its consideration and should ensure that all deficiencies identified are addressed within the specified deadline. Exporters that do not form part of the sample and do not request an individual dumping margin will be subject to a weighted average margin of dumping established with respect to the selected exporters and need not address their deficiencies as they will be considered cooperating interested parties.

The Commission will not consider any deficient responses for the purposes of its preliminary determination in accordance with ADR31.3.

In terms of ADR 8.7, the exporters that submitted responses within the specified deadline for questionnaire responses are invited to make submissions as part of the consultation process with the Commission. These submissions, including non-confidential copies, should be submitted not later than 7 days from the date of this correspondence. All other participating interested parties are also welcome to submit comments on the matter. The submissions should be done electronically (via email) to the investigation officers, for the attention of the Senior Manager: Trade Remedies II. Late submissions will not be accepted except with the prior written consent of the Commission.

Should you have any queries, please do not hesitate to contact the investigating officers: Mr. Siphumelele Edwin Mkwanzazi at email address emkwanzazi@itac.org.za, Ms. Portia Chuma at email address pchuma@itac.org.za, Ms. Phindile Mabona at email address pmabona@itac.org.za, or Ms. Azwitamisi Mathada at email address amathada@itac.org.za.

Yours Sincerely



MR AYABONGA CAWE
CHIEF COMMISIONER
Date: 13/12/2024