

Report No. 743

INVESTIGATION INTO THE ALLEGED DUMPING OF CERTAIN FLAT-ROLLED PRODUCTS OF IRON, NON-ALLOY OR OTHER ALLOY STEEL OF A WIDTH OF 600 MM 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), (CLASSIFIABLE UNDER TARIFF SUB-HEADINGS 7208.10, 7208.25, 7208.26, 7208.27, 7208.36, 7208.37, 7208.38, 7208.39, 7208.51, 7208.52, 7225.30 AND 7225.40) ORIGINATING IN OR IMPORTED FROM THE PEOPLE'S REPUBLIC OF CHINA, JAPAN AND TAIWAN: PRELIMINARY DETERMINATION.

The International Trade Administration Commission of South Africa herewith presents its Report No.743: 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), (CLASSIFIABLE UNDER TARIFF SUB-HEADINGS 7208.10, 7208.25, 7208.26, 7208.27, 7208.36, 7208.37, 7208.38, 7208.39, 7208.51, 7208.52, 7225.30 AND 7225.40) ORIGINATING IN OR IMPORTED FROM THE PEOPLE'S REPUBLIC OF CHINA, JAPAN AND TAIWAN: PRELIMINARY DETERMINATION.



AYABONGA CAWE
CHIEF COMMISSIONER

PRETORIA
13/02/2025

INTERNATIONAL TRADE ADMINISTRATION COMMISSION OF SOUTH AFRICA
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, 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), (CLASSIFIABLE UNDER TARIFF SUB-HEADINGS 7208.10,
7208.25, 7208.26, 7208.27, 7208.36, 7208.37, 7208.38, 7208.39, 7208.51, 7208.52,
7225.30 AND 7225.40) ORIGINATING IN OR IMPORTED FROM THE PEOPLE'S
REPUBLIC OF CHINA, JAPAN AND TAIWAN: PRELIMINARY DETERMINATION.

SYNOPSIS

On 20 September 2024, the International Trade Administration Commission of South Africa (the Commission) 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, 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), (Classifiable under tariff sub-headings 7208.10, 7208.25, 7208.26, 7208.27, 7208.36, 7208.37, 7208.38, 7208.39, 7208.51, 7208.52, 7225.30 and 7225.40) originating in or imported from the People's Republic of China (PRC), Japan and Taiwan through Notice No. 2730 of 2024 of *Government Gazette* No. 51271.

The application was lodged by ArcelorMittal South Africa (AMSA or the Applicant), a major producer of the subject product in the Southern African Customs Union (SACU). Columbus Stainless Steel (Pty) Ltd. (Columbus) supported the application, and together, they constitute 100% of the domestic production of the subject product in SACU.

The investigation was initiated after the Commission considered that there was *prima facie* evidence to show that certain flat-rolled products of iron, non-alloy or other alloy steel of a width of 600mm or more, whether or not in coils, 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) were being imported into the Southern African Customs Union (SACU) at dumped prices, thereby causing material injury to the SACU industry.

Upon initiating the investigation, the diplomatic representatives and all known foreign producers/exporters of the subject products in the PRC, Japan and Taiwan were sent non-confidential copies of the application, initiation notice and the foreign producers/exporters questionnaires to complete. Known importers of the subject product in SACU were also sent a non-confidential copy of the application, initiation notice and the importer's questionnaires to complete.

Responses to the Commission's exporter and importer questionnaires were received from 32 foreign producers/exporters from the PRC, one from Japan (A total of 33 foreign producers/exporters) and 8 importers, respectively. Comments were also received from interested parties, and such comments are available in the public file. Due to the large number of responses received from the PRC, and after considering available resources, the Commission, at its meeting of 02 December 2024, decided to limit its investigation (commonly referred to as sampling) to a reasonable number of parties by using the largest percentage of exports from the PRC which can be reasonably investigated and to commence a consultation process with all producers/exporters. All interested parties were notified of this determination, and comments were received from interested parties.

After consultations with producers/exporters and considering responses from producers/exporters and other comments received from interested parties, the Commission, based on the best available information, made a preliminary determination that certain flat-rolled products of iron, non-alloy or other alloy steel of a width of 600mm or more, whether or not in coils, 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), (Classifiable under tariff sub-headings 7208.10, 7208.25, 7208.26, 7208.27, 7208.36, 7208.37, 7208.38, 7208.39, 7208.51, 7208.52, 7225.30 and 7225.40) originating in or imported from the PRC, Japan and Taiwan were being dumped into the SACU market, causing material injury to the SACU industry.

Notwithstanding the above-stated findings, the Commission made a preliminary determination not to impose provisional measures pending the finalisation of the investigation on 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, 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 PRC, Japan, and Taiwan. The Commission further decided to publish its decision in the Government Gazette in line with the requirements of ADR34.1.

1. APPLICATION AND PROCEDURE

1.1 LEGAL FRAMEWORK

This investigation is conducted in accordance with the International Trade Administration Act, 2002, (Act 71 of 2002) (ITA Act) and the International Trade Administration Commission of South Africa Anti-Dumping Regulations (ADR) and giving due regard to the World Trade Organisation (WTO) Agreement on Implementation of Article VI of the General Agreement on Tariffs and Trade, 1994 (the Anti-Dumping Agreement).

1.2 APPLICANT

The application was lodged by ArcelorMittal South Africa (AMSA or the Applicant), a major producer of the subject product in SACU. Columbus Stainless Steel (Pty) Ltd. (Columbus) supported the application, and together they constitute 100% of SACU's domestic production of the subject product.

1.3 DATE OF ACCEPTANCE OF APPLICATION

The application was accepted by the Commission as being properly documented in accordance with Regulation 21 of the ADR on 06 September 2024. The trade representatives of the PRC, Japan and Taiwan were advised accordingly.

1.4 ALLEGATIONS BY THE APPLICANT

The Applicant alleged that imports of the subject product originating in or imported from the PRC, Japan and Taiwan are being dumped into the SACU market, thereby causing material injury to the SACU industry. The basis for the alleged dumping is that the subject products are exported to SACU at prices lower than the normal value in the country of origin. The Applicant alleged that as a result of the dumping of the subject products from the PRC, Japan and Taiwan, the SACU industry is experiencing material injury in the form of:

- Price Suppression;
- Price Depression;
- Price Undercutting;
- Declining sales volume;
- Declining production volume;

- Declining productivity;
- Declining market share;
- Declining employment;
- Declining capacity utilisation;
- Declining profits; and
- Declining return on investments.

1.5 INVESTIGATION PROCESS

The application was first submitted on 05 February 2024. A total of five deficiency letters were sent to the Applicant. An updated application that addressed deficiencies was received on 26 August 2024. The material injury information submitted by the Applicant was verified from 22 to 23 July 2024.

The diplomatic representatives of the PRC, Japan and Taiwan were notified of the Commission's receipt of a properly documented application in terms of Regulation 27.1 of the ADR.

The Commission 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, 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 PRC, Japan, and Taiwan, through Notice No. 2730 of 2024 which was published in the Government Gazette No. 51271 on 20 September 2024.

On 20 September 2024, subsequent to the initiation, all known interested parties were notified and sent the non-confidential version of the application and requested to respond to the relevant questionnaires.

1.6 INVESTIGATION PERIODS

The investigation period for dumping was from 01 April 2023 to 31 March 2024. The investigation period for material injury was 01 April 2021 to 31 March 2024. The Applicant also provided information alleging that there is a threat of material injury to the SACU industry.

1.7 PARTIES CONCERNED

1.7.1 SACU industry

The SACU industry consists of AMSA and Columbus Stainless Steel, together constituting 100% of the domestic production of the subject products in SACU.

1.7.2 Foreign Producers/Exporters

Responses to the Commission's exporter questionnaire were received from the following producers/exporters:

Table 1

| No | Name | Country |
|----|--|---------|
| 1 | Nippon Steel Corporation | Japan |
| 2 | Han Steel Group Hanbao Iron and Steel Co., Ltd | PRC |
| 3 | HBIS Laoting Iron and Steel Co.,Ltd | PRC |
| 4 | Sino Dragon Trading Limited | PRC |
| 5 | Rizhao Steel Yingkou Medium Plate Co., Ltd | PRC |
| 6 | Xinyu Iron and Steel Co., Ltd | PRC |
| 7 | Bengang Steel Plates Co.,Ltd | PRC |
| 8 | China Shougang International Trade & Engineering Corporation | PRC |
| 9 | Baoshan Iron & Steel Co., Ltd | PRC |
| 10 | Baosteel Zhanjiang Iron & Steel Co., Ltd | PRC |
| 11 | Shanghai Meishan Iron & Steel Co., Ltd | PRC |
| 12 | Cumic Steel Limited | PRC |
| 13 | Baosteel Europe GmbH | Germany |
| 14 | Angang Group International Trade Corp Ltd | PRC |
| 15 | Angang Steel Co., Ltd., | PRC |
| 16 | Angang Group Hong Kong Co., Limited | PRC |
| 17 | Wuhan Iron & Steel Co.,Ltd | PRC |
| 18 | Jiangyin Xingcheng Special Steel Works Co., Ltd | PRC |
| 19 | Shougang Holding Trade (Hong Kong) Limited | PRC |
| 20 | Shougang Qian'an Iron and Steel Company | PRC |
| 21 | Shougang Jingtang United Iron & Steel Co., Ltd | PRC |
| 22 | Citic Pacific Steel Trading Co Ltd | PRC |

| No | Name | Country |
|----|---|---------|
| 23 | Nanjing Iron and Steel Co., Ltd | PRC |
| 24 | Nanjing Iron and Steel Group International Trade Co., L | PRC |
| 25 | Singapore Jinteng International Pte.Ltd | PRC |
| 26 | Jiangsu Nangang Xianhuo Trading Co., Ltd | PRC |
| 27 | Fusheng Nanjing Steel Trade Co., Ltd | PRC |
| 28 | JM Digital Steel Inc | PRC |
| 29 | Jiangsu NanGang Xinyang Supply Chain Co., Ltd | PRC |
| 30 | Shanghai Nangang Materials Sales Co., Ltd | PRC |
| 31 | Beijing Nangang Steel Product Sales Co., Ltd | PRC |
| 32 | Jiangsu Baoheng Supply Chain Co., Ltd | PRC |
| 33 | Jiangsu Nangang Plate Sales Co., Ltd | PRC |

1.7.3 Due to the large number of responses received from the PRC, and after considering available resources, the Commission at its meeting of 02 December 2024 made a determination to limit its investigation (commonly referred to as sampling) to a reasonable number of parties by using the largest percentage of exports from the PRC which can be reasonably investigated and to commence a consultation process with all exporters. This determination was made in accordance with ADR 8.6 read together with ADR 8.7 and ADR8.8 and the selection of exporters was done based on ADR 8.6 (a).

Interested parties were notified and invited to make submissions/comments regarding the Commissions determination. Submissions were received and considered by the Commission.

Initial responses received from all foreign producers/exporters were found to be deficient. On 13 December 2024, deficiency letters were sent out to all foreign producers/exporters and were given 7 days to address deficiencies. On the same day, the Commission further consulted with exporters in accordance with the ADR. Other interested parties were also notified of the consultation process and were all afforded 7 days to provide their submissions and comments. The consultation process included information on the foreign producers/exporters selected to form part of its sample. The selected

producers/exporters are as follows:

- Rizhao Steel Holding Group;
- Baoshan Iron & Steel Co., Ltd;
- Baosteel Zhanjing Iron & Steel Co., Ltd;
- Shanghai Meishan Iron & Steel Co., Ltd;
- BAOSTEEL Europe GmbH (Exporter);
- Wuhan Iron & Steel Co.,Ltd;
- Shougang Holding Trade (Hong Kong) Limited (Exporter);
- Shougang Qian'an Iron and Steel Company; and
- Shougang Jingtang United Iron & Steel Co., Ltd.

Interested parties were further notified that only the sampled foreign producers/exporters and those that wished to request individual dumping margins in accordance with ADR 8.8 needed to address their deficiencies. Interested parties were advised that foreign producers/exporters that do not form part of the sample and do not request an individual dumping margin will be considered cooperating interested parties and will be subject to the weighted average margin of dumping established with respect to the sample of foreign producers/exporters.

The following foreign producers/exporters requested individual dumping margins in accordance with ADR8.8:

- Angang Steel Co., Ltd;
- Angang Group International Trade Corp Ltd;
- Angang Group Hong Kong Co., Limited; and
- Bengang Steel Plates Co., Ltd.

The following foreign producers/exporters did not request an individual dumping margin in the stipulated timeline; however, submitted questionnaire responses:

- Nanjing Iron and Steel Co., Ltd; and
- Jiangyin Xingcheng Special Steel Works Co., Ltd.

Nanjing Iron and Steel Co., Ltd only requested an individual dumping margin more than a month after the deadline date for comments on the Commission's sampling decision.

The updated responses from the sampled exporters, those that requested individual dumping margins in accordance with ADR 8.8 and those that did not request individual treatment (within the stipulated deadline date), were still considered deficient in accordance with ADR 31.1. The parties were informed of their deficiencies and that their information may not be taken into account for the Commission's preliminary determination.

The Commission made a preliminary determination not to consider the deficient information submitted by producers/exporters for the purposes of its preliminary determination. The producers/exporters whose information was deficient were advised that should their responses be rectified within the deadline date for comments on the preliminary determination, their information would be considered for the Commission's final determination.

1.7.4 Importers

Responses to the Commission's importer questionnaire were received from the following importers:

- Safal Steel (Pty) Ltd;
- Duferco Steel Processing;
- Steel Import International;
- Traxys Africa Trading (Pty) Ltd;
- Metpar (Pty) Ltd;
- Gammid Group (Pty) Ltd;
- NJR Steel; and
- Pro Roof Steel and Tube (Pty) Ltd.

Initial responses received from all importers were found to be deficient. On 07 January 2024 deficiency letters were sent out to all importers, and they were given 7 days to address deficiencies. All updated importer questionnaire responses were still deficient.

The Commission made a preliminary determination not to consider the deficient information submitted by importers for the purposes of its preliminary determination. Importers were advised that should their responses be rectified within the deadline date for comments on the preliminary determination, their information would be considered for the Commission's final determination.

1.7.5 Other interested parties

Comments were received from Unique Ventilation and Support Systems (UVSS), Duferco, Safal Steel, Steel Import International, Embassy of Japan, Toyota Tsusho, Nippon Steel Corporation, JFE Steel Corporation, Kobe Steel Limited, China Iron and Steel Association (CISA) and the National Employers Association of South Africa (NEASA).

1.8 PRELIMINARY DETERMINATION

The Commission at its meeting of 28 January 2024, after considering all responses and comments from interested parties and based on best available information made a preliminary determination that certain flat-rolled products of iron, non-alloy or other alloy steel of a width of 600mm or more, whether or not in coils, 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), (Classifiable under tariff sub-headings 7208.10, 7208.25, 7208.26, 7208.27, 7208.36, 7208.37, 7208.38, 7208.39, 7208.51, 7208.52, 7225.30 and 7225.40) originating in or imported from the PRC, Japan and Taiwan were being dumped into the SACU market, causing material injury and a threat of material injury to the SACU industry.

The Commission did not take into account deficient information for the purpose of its preliminary determination in accordance with ADR31.3.

The Commission further made a preliminary determination to not consider individual dumping margins for exporters that were not part of the sample but requested such in accordance with ADR8.8 and those that did not request individual treatment within the deadline but submitted responses, as it would be unduly burdensome.

Notwithstanding the above-stated findings, the Commission made a preliminary determination not to impose provisional measures pending the finalisation of the investigation on 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, 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 PRC, Japan, and Taiwan.

The Commission further decided to publish its decision in the Government Gazette in line with the requirements of ADR34.1.

1.9 All submissions made by interested parties are contained in the Commission's public file for this investigation and are available for perusal. It should be noted that this report does not purport to present all comments received and considered by the Commission. However, some of the salient and pivotal comments received from interested parties and the Commission's consideration of these comments are specifically included in this report.

1.10 Comments from interested parties:

- Interested parties' requests the Government of South Africa to conduct the investigation consistently with the relevant WTO rules.
- The Applicant is using its monopoly to manipulate government into assisting it, and since it cannot be bailed out with state funds, it is using Anti-Dumping to seek protection.
- The Commission is over protecting AMSA by considering both safeguard investigations and Anti-Dumping investigations. It is requested that the Commission in its dumping margin and duties, it considers safeguard duties when imposed, to avoid double counting.

Commission's Consideration:

- The investigation is conducted in accordance with the ADR giving due regard to the WTO ADA, and there is no evidence of inconsistency or a violation of the WTO ADA. The areas of concern or comments cited by interested parties are addressed by the Commission using the ADR, ADA and WTO jurisprudence where applicable, to ensure no violation of WTO rules. In the event that interested parties believe such a violation exists, they may provide evidence.
- Investigations are initiated following an involved and rigorous process whereby the accuracy and adequacy of information provided by the SACU industry is evaluated in line with not only South Africa's ADR, but also the WTO ADA. It is also the right of every manufacturer to seek protection from injurious dumping should it have a *prima facie* case, and for ITAC to

investigate such a case in line with ADR and ADA to determine whether the case is justifiable. Therefore, the current investigation will determine eventually whether the Applicant is indeed affected by injurious dumping.

- The two investigations are WTO compliant, and they address different situations, the safeguard dealing with the alleged surge, while the Anti-Dumping deals with injurious dumping. It is common for investigation authorities to initiate more than one investigation, which sometimes include anti-subsidy investigation, which all depend on the information provided and determined to be meeting the requirement for those investigations. Furthermore, launching this investigation does not amount to protection of AMSA, as the allegations of dumping still need to be tested in this investigation, and if found to have occurred, the Commission will determine the appropriate steps and measures to address the injurious dumping. If dumping is found and a margin or duty is calculated, the Commission will ensure that there is no double counting. Its decision will take into account whatever measures (customs duties and/or safeguard duties) are in place in its determination, and where applicable, will ensure compliance with WTO rules. In the past the Commission also implemented one measure, while suspending another, which may also be considered in the current investigation.

2. PRODUCT, TARIFF CLASSIFICATION AND DUTIES

2.1 IMPORTED PRODUCTS

2.1.1 Description

The Applicant described the imported product as certain flat-rolled products of iron, non-alloy steel or other alloy steel (not including stainless steel), whether or not in coils (including products cut-to-length), excluding products with a width of less than 600mm (“narrow strip”), not further worked than hot-rolled (hot-rolled flat), including pickled and oiled, not clad, plated or coated, and excluding grain-oriented silicon electrical steel.

2.1.2 Country of Origin

The subject product originates or is imported from the PRC, Japan and Taiwan.

2.1.3 Possible tariff loopholes

The Applicant stated that the subject product includes products from 600mm wide, hence importers might now move to selling slit coils (“narrow strip”) for the tubing industry.

The Applicant also indicated that an analysis of the import statistics showed that the following tariff sub-headings are used to import Hot-Rolled products into the SACU:

Flat-rolled products of iron or non-alloy steel, of a width of less than 600 mm, not clad, plated or coated:

- **7211.13** - Not further worked than hot-rolled, rolled on four faces or in a closed box pass, of a width exceeding 150 mm and a thickness of not less than 4 mm, not in coils and without patterns in relief;
- **7211.14** - Not further worked than hot-rolled, Other, of a thickness of 4,75 mm or more; and
- **7211.19** - Not further worked than hot-rolled, other.

Flat-rolled products of other alloy steel, of a width of less than 600 mm:

- **7226.91** - Other, not further worked than hot-rolled; and
- **7226.99** - Other.

2.1.4 Tariff Classification

The subject product is classifiable under the following tariff-subheadings:

Table 2.1.4 Tariff classification

| Heading / Subheading | Description | Unit | General | EU/UK | EFTA | SADC | MERCOS UR | AfCFTA |
|----------------------|---|------|---------|-------|------|------|-----------|--------|
| 72.08 | Flat-rolled products of iron or non-alloy steel, of a width of 600 mm or more, hot-rolled, not clad, plated or coated: | | | | | | | |
| 7208.10 | In coils, not further worked than hot-rolled, with patterns in relief | Kg | 10% | free | free | free | 10% | 6% |
| 7208.2 | - Other, in coils, not further worked than hot-rolled, pickled: | | | | | | | |
| 7208.25 | Of a thickness of 4,75 mm or more | Kg | 10% | free | free | free | 10% | 6% |
| 7208.26 | Of a thickness of 3 mm or more but less than 4,75 mm | Kg | 10% | free | free | free | 10% | 6% |
| 7208.27 | Of a thickness of less than 3 mm | Kg | 10% | free | free | free | 10% | 6% |
| 7208.3 | Other, in coils, not further worked than hot-rolled: | | | | | | | |
| 7208.36 | Of a thickness exceeding 10 mm | Kg | 10% | free | free | free | 10% | 6% |
| 7208.37 | Of a thickness of 4,75 mm or more but not exceeding 10 mm | Kg | 10% | free | free | free | 10% | 6% |
| 7208.38 | Of a thickness of 3 mm or more but less than 4,75 mm | Kg | 10% | free | free | free | 10% | 6% |
| 7208.39 | Of a thickness of less than 3 mm | Kg | 10% | free | free | free | 10% | 6% |
| 7208.5 | Other, not in coils, not further worked than hot-rolled: | | | | | | | |
| 7208.51 | Of a thickness exceeding 10 mm | Kg | 10% | free | free | free | 10% | 6% |
| 7208.52 | Of a thickness of 4,75 mm or more but not exceeding 10 mm | Kg | 10% | free | free | free | 10% | 6% |
| 72.25 | Flat-rolled products of other alloy steel of a width of 600 mm or more: | | | | | | | |
| 7225.30 | Other, not further worked than hot-rolled, in coils | Kg | 10% | free | free | free | 10% | 6% |
| 7225.40 | Other, not further worked than hot-rolled, not in coils | Kg | 10% | free | free | free | 10% | 6% |

2.1.5 Other applicable duties and rebates

There is currently a safeguard investigation underway, with provisional payments having been imposed until January 2024. There are various rebates on the subject product. These are found in Schedule 4, which was published by the South African Revenue Service.

2.1.6 Negligibility test

The Commission considers the volume of imports to be negligible if the alleged dumped imports account for less than 3 percent of total imports of the subject product during the period of investigation for dumping. The following table shows the percentage of alleged dumped imports from the PRC, Japan and Taiwan as a percentage of total imports:

Table 2.1.6: Negligibility test

| Import volumes in tons | Import volumes: 0 April 2023 to 31 March 2024 | Volumes as a % of total Imports |
|-----------------------------------|--|--|
| HS Code: 7208.10* | | |
| Alleged dumped imports: PRC | 412 | 72% |
| Other imports | 156 | 28% |
| Total imports | 567 | 100% |
| HS Code: 7208.25* | | |
| Alleged dumped imports: PRC | 1 671 | 59% |
| Alleged dumped imports: Japan | 628 | 22% |
| Subject countries (PRC and Japan) | 2 299 | 81% |
| Other imports | 548 | 19% |
| Total imports | 2 847 | 100% |
| HS Code: 7208.26* | | |
| Alleged dumped imports: PRC | 6 343 | 41% |
| Subject countries (PRC) | 6 343 | 41% |
| Other imports | 9 059 | 59% |
| Total imports | 15 402 | 100% |
| HS Code: 7208.27* | | |
| Alleged dumped imports: PRC | 9 549 | 15% |
| Alleged dumped imports: Japan | 21 532 | 36% |
| Subject countries (PRC and Japan) | 31 081 | 52% |

| Import volumes in tons | Import volumes: 0 April 2023 to 31 March 2024 | Volumes as a % of total Imports |
|-------------------------------|--|--|
| Other imports | 28 174 | 48% |
| Total imports | 59 255 | 100% |

| | | |
|---|---------|------|
| HS Code: 7208.36* | | |
| Alleged dumped imports: PRC | 3 110 | 92% |
| Alleged dumped imports: Japan | 267 | 8% |
| Subject countries (PRC and Japan) | 3 377 | 100% |
| Other imports | 0 | 0 |
| Total imports | 3 377 | 100% |
| HS Code: 7208.37* | | |
| Alleged dumped imports: PRC | 14 195 | 84% |
| Alleged dumped imports: Japan | 2 221 | 13% |
| Subject countries (PRC and Japan) | 16 416 | 97% |
| Other imports | 442 | 3% |
| Total imports | 16 858 | 100% |
| HS Code: 7208.38 | | |
| Alleged dumped imports: PRC | 13 306 | 52% |
| Alleged dumped imports: Japan | 3 037 | 12% |
| Alleged dumped imports: Taiwan | 7 869 | 31% |
| Subject countries (PRC, Japan and Taiwan) | 24 212 | 95% |
| Other imports | 1 451 | 5% |
| Total imports | 25 663 | 100% |
| HS Code: 7208.39 | | |
| Alleged dumped imports: PRC | 61 245 | 47% |
| Alleged dumped imports: Japan | 34 053 | 26% |
| Alleged dumped imports: Taiwan | 35 434 | 27% |
| Subject countries (PRC, Japan and Taiwan) | 130 732 | 99% |
| Other imports | 903 | 1% |
| Total imports | 131 635 | 100% |
| HS Code: 7208.51* | | |
| Alleged dumped imports: PRC | 81 532 | 92% |
| Other imports | 7 208 | 8% |
| Total imports | 88 740 | 100% |
| HS Code: 7208.52* | | |
| Alleged dumped imports: PRC | 14 401 | 93% |

| | | |
|-----------------------------|--------|------|
| Other imports | 1 111 | 7% |
| Total imports | 15 512 | 100% |
| HS Code: 7225.30* | | |
| Alleged dumped imports: PRC | 8 371 | 44% |
| Other imports | 10 620 | 56% |
| Total imports | 18 991 | 100% |
| HS Code: 7225.40* | | |
| Alleged dumped imports: PRC | 35 677 | 41% |
| Other imports | 50 900 | 59% |
| Total imports | 86 577 | 100% |

| Flat hot-rolled products | | |
|---------------------------------|---------|-----|
| Alleged dumped imports PRC | 249 813 | 52% |
| Alleged dumped imports Japan | 61 738 | 13% |
| Alleged dumped imports Taiwan | 43 303 | 9% |
| Alleged dumped import cumulated | 354 854 | 74% |
| Other imports | 122 320 | 26% |
| Total imports | 477 174 | 100 |

*Where a country (PRC, Japan, or Taiwan) is not listed under a tariff sub-heading, there were no imports from that country.

Based on the information in table 2.1.6, the alleged dumped imports from the PRC, Japan and Taiwan account for more than 3 percent of total imports of the subject product.

The Commission considered that other countries may not have imported under some tariff sub-headings that make up the subject product during the POI for dumping. Irrespective of some tariff sub-headings that make up the subject product having no imports, the subject product was imported, and imports of the subject product are above the negligibility level.

Comments from interested parties:

- The Commission initiated the investigation on all the tariff sub-headings identified irrespective of whether there were imports of the subject product in that tariff sub-heading. It is the Commission’s practice to only initiate investigations on a subject product classifiable under a particular tariff sub-heading, and in this instance the Commission has deviated from its policy.
- Interested parties further state that the reasons for initiating investigations falling under a particular tariff sub-heading are to (i): determine the negligibility test falling under a particular tariff subheading in accordance with ADR16.2 which states that “the volume of exports from a country shall normally be regarded as negligible if the volume of imports for the like product from that country is found to account for less than 3% of the total imports of the like product into the SACU market, unless countries which individually account for less than 3% of the total

imports of the like product into the SACU market for the like product collectively account for more than 7% of the total imports of the like product into the SACU market” (own emphasis). Interested parties refer to the poultry anti-dumping investigation, where in Report 678, the Commission decided to do a negligibility test per tariff sub-heading, and where other sub-headings did not meet the negligibility level, were therefore excluded from the investigation. Another reason (ii): If there are no imports under a particular tariff subheading, as it’s the case with Japan and Taiwan, it cannot be argued that these imports are being dumped and causing injury to the SACU industry. An anti-dumping duty cannot be imposed on products classifiable under a particular tariff subheading where there were no dumped imports causing material injury.

- Interested parties cite the investigation on frozen portions to drive their point on the Commission’s inconsistency in the issue.

Commission’s consideration

- Indeed, the Commission determined the negligibility test for each tariff sub-heading. The Commission is unable to meaningfully comment on the case cited by interested parties as it is still subject to judicial review, therefore any comments on the cited case may be prejudicial to the court case.
- The Commission notes that in the past it mainly has dealt with products under one or few tariff sub-headings. However, recently cases have been initiated involving multiple tariff sub-headings. It should be noted that an investigation is initiated upon receipt of a properly documented application, in which the Applicant identifies the “like product” which based on its definition is the domestic product, which is identical to the product under consideration (subject product), which in this instance is the imported product. The Commission further makes a determination on the like product. The imported product may be imported under different tariff sub-headings. These tariff sub-headings play a critical role in defining the imported product, identifying and categorising the product under consideration, but they do not therefore limit the investigation to 2-3 tariff sub-headings, when the investigation involves

a like product that is imported under 12 tariff subheadings. These tariff subheadings again play an important role to administer duties on the imports of the product under consideration. However, the tariff subheadings alone, do not define the subject product.

- There is no evidence in law or in jurisprudence that supports interested parties' arguments that because Japan and Taiwan imported under few tariff sub-headings, in comparison to the tariff sub-headings covering the product under consideration, the investigation for those nations should be limited to those few tariff sub-headings, and not all tariff sub-headings covering the scope of the investigation. The imported products may be broad, having various product types and or multiple tariff sub-headings, and as such should not be limited to the few of those subheadings as that may also lead to circumvention should there be duties. The Commission has in previous cases investigated a product classifiable under specific tariff sub-headings, imposed duties on those specific tariff sub-headings, plus other tariff sub-headings to avoid circumvention. In this case the investigation does include those tariff sub-headings, the only difference is that imports from Japan and Taiwan occur under 2-3 tariff sub-headings, not the 12 tariff sub-headings subject to this investigation. The Commission wishes to not respond directly with regards to Report 678 as it is currently under judicial review.
- The negligibility test in ADR16.2, cited correctly by interested parties, is done on total imports of the like product, and not on specific tariff sub-headings covering imports of the like product. The investigation has been initiated on imports of the like product covering 12 tariff sub-headings and the negligibility test is done for the 12 tariff sub-headings in aggregate as all 12 tariff sub-headings make up the imported like product. In the case of Japan and Taiwan, the negligibility test covered all 12 tariff sub-headings, however there were no imports in some of the tariff sub-headings. The decision on negligibility was therefore done on the imported like product as a whole, irrespective whether some tariff sub-headings had no imports. To provide an illustration, an investigation comprises 3 countries subject to this investigation, the imported like product comprises 4 tariff sub-headings and total imports are 1 000 tonnes (TH 1- 100 tonnes. TH 2 – 300 tonnes, TH 3 - 350 tonnes and

TH 4 – 250 tonnes). However, Japan imported the subject product only under TH 3, and their imports were found to be 14 tonnes. These 14 tonnes amounting to 4% of TH 3 and 1.4% of the subject product (1 000 tonnes). It cannot be said that imports of the subject product meet the negligibility test as the subject product comprises of 1 000 tonnes, not 350 tonnes of TH 3. Therefore, Japan as a country would not meet the negligibility test, the Commission would not initiate on an investigation on the 1 tariff sub-heading for Japan, as this would not meet the negligibility test.

On the second point, dumping is determined on imports of the subject product, and for dumping margin calculations, the product types are considered and, in this instance, also the tariff sub-headings will be considered. However, the Commission may impose the duty for the subject product, all tariff sub-headings to avoid circumvention. Material injury is assessed on the domestic industry being the producer of the like product. Therefore, the domestic industry is the one suffering injury as a result of the imported like product as a whole, and it is only where such analysis is not possible, whereby the Commission may analyse the narrowest group of products. In this investigation therefore, the analysis is done for the subject product as a whole as it is possible to do such an analysis irrespective of the fact that Japan and Taiwan imports are under a few tariff sub-headings. It should be noted that it is also not possible for the Commission to do the analysis for injury per tariff sub-heading, irrespective of the fact that the Applicant may have provided some (not all) of the information per tariff sub-heading.

In conclusion on this point, dumping of the subject product in total, not specific tariff subheadings, may cause material injury to the domestic producers of the like product (not specific tariff sub-headings or product types), unless such analysis is not possible.

The Commission made a preliminary determination that the volume of imports from the PRC, Japan and Taiwan are above the negligibility level in terms of ADR16.2.

2.1.7 Raw materials used.

The Applicant stated that virgin iron ore, coal or coke, steel scrap, direct reduced iron (DRI), ferroalloys, fluxes, natural gas, and electricity are the raw materials used to manufacture the imported.

2.1.8 Production process

The Applicant indicated that the manufacturing process of the subject product flows from the steel-making process where iron ore and metallurgical coal are turned into liquid iron, either in a blast furnace or using the direct reduced iron process. These are transformed into steel in basic oxygen furnaces ('BOFs'). Oxygen is blown into the molten iron for this process, reducing its carbon content from 4% to <0.5%. Scrap is added to control the temperature. The steel produced is then 'tapped' from the furnace vessel into a steel ladle ready for casting, and slag is removed.

Depending on the required steel grade, the melt is further treated, and ferroalloys are added to adjust its chemical composition. Liquid steel is brought to the continuous caster in a ladle. In the caster, the still liquid steel is poured into a mould and then through a sequence of 'segments', during which its vertical path out of the ladle and the mould gradually becomes horizontal, as it cools. It then emerges as a continuous steel slab, solid but still red hot. The continuous slab is then cut to length into semi-finished products known as slabs.

The semi-finished products are re-heated for the hot rolling process to 1,200°C. Before rolling, the scale is removed by blowing high-pressure water on the surface of the hot slab. During the flat steel hot rolling process, the steel thickness can be reduced from as high as 400mm to any required thickness, which can be as small as 1 mm.

In summary, the manufacturing process for Hot-Rolled products consists of several stages:

- Melting and refining to set the steel's chemical and metallurgical properties;
- Casting the steel into a semi-finished shape (slab); and

- Hot rolling the input material into a coil on a multi-stand, high speed rolling mill and controlled cooling of the run-out table prior to coiling.

For chequered plate hot rolled products the only difference is that the work rolls in the last stand of the hot rolled process are replaced by work rolls with a pattern to ensure the imprint on the coil surface in the hot condition. It is patterned to render a non-slip surface. The geometry of the layout facilitates cleaning and draining of the working surfaces while retaining the required non-slip characteristics. Similarly, oiling and pickling are done at the end in a continuous mill after removing the scale in a pickling plant.

2.1.9 Technical characteristics and appearance

The Applicant provided the technical characteristics and appearance of the SACU product to be as follows:

Hot-rolled products can be supplied in the following dimensions:

- Coil - From a minimum thickness of 1 mm up to 25 mm and a minimum width of 600 mm up to 2000 mm; and
- Plate - From a minimum thickness of 5 mm up to 100 mm and a minimum width of 600 mm up to 3200 mm.
- Width and thickness combination depends on the customer requirements.

Hot-rolled and hot-rolled pickled and oiled material is delivered according to mechanical properties for the following grades/categories: Low carbon qualities (commercial grades), tube and line pipe steel, carbon and or alloyed grades, drawing and forming grades, automotive parts (chassis and wheel steel) structural grades, pressure vessel grade, chequered pattern plate and re-rolling grades requirements. The Applicant also indicated that, both the alloy and non-alloy subject product looks the same - smooth or with pattern.

2.1.10 Application or end use

The Applicant stated that the subject product is used for manufacturing of general engineering products such as containers, mining equipment, drawing and forming applications like wheel rims, small and large bore pipes, agricultural implements, earth moving equipment, gas cylinders,

truck trailers, water tanks, and railway rolling stock, racking & shelving or as input material to re-rollers for metallic coating processes. When patterned or checkered, the subject product is also used in transportation, construction, decoration, equipment, floor, machinery, shipbuilding, and other fields.

2.1.11 Substitutability

The Applicant stated that imported product from the PRC, Japan, and Taiwan is fully substitutable with the SACU like product.

2.2 SACU PRODUCT

2.2.1 Description

The Applicant described the SACU product as certain flat-rolled products of iron, non-alloy steel or other alloy steel (not including stainless steel), whether or not in coils (including products cut-to-length), excluding products with a width of less than 600mm (“narrow strip”), not further worked than hot-rolled (hot-rolled flat), including pickled and oiled, not clad, plated or coated, and excluding grain-oriented silicon electrical steel.

2.2.2 Raw materials

The Applicant stated that virgin iron ore, coal or coke, steel scrap, direct reduced iron (DRI), ferroalloys, fluxes, natural gas, and electricity are the raw materials used to manufacture the imported product.

2.2.3 Production process

The Applicant indicated that the manufacturing process of the subject product flows from the steel-making process where iron ore and metallurgical coal are turned into liquid iron, either in a blast furnace or using the direct reduced iron process. These are transformed into steel in basic oxygen furnaces ('BOFs').

Oxygen is blown into the molten iron for this process, reducing its carbon content. Scrap is added to control the temperature. The steel produced is then 'tapped' from the furnace vessel into a steel ladle ready for casting, and slag is removed.

Depending on the required steel grade, the melt is further treated, and Ferroalloys are added to adjust its chemical composition. Liquid steel is brought to the continuous caster in a ladle. In the caster, the still liquid steel is poured into a mould and then through a sequence of 'segments', during which its vertical path out of the ladle and the mould gradually becomes horizontal, as it cools. It then emerges as a continuous steel slab, solid but still red hot. The continuous slab is then cut to length into semi-finished products known as slabs.

The semi-finished products are re-heated for the hot rolling process to 1,200°C. Before rolling, the scale is removed by blowing high-pressure water on the surface of the hot slab. During the flat steel hot rolling process, the steel thickness can be reduced from as high as 400mm to any required thickness, which can be as small as 1 mm.

In summary, the manufacturing process for hot-rolled products consists of several stages:

- Melting and refining to set the steel's chemical and metallurgical properties;
- Casting the steel into a semi-finished shape (slab); and
- Hot rolling the input material into a coil on a multi-stand, high speed rolling mill and controlled cooling of the run-out table prior to coiling.

For chequered plate hot-rolled products the only difference is that the work rolls in the last stand of the hot rolled process are replaced by work rolls with a pattern to ensure the imprint on the coil surface in the hot condition. It is patterned to render a non-slip surface. The geometry of the layout facilitates cleaning and draining of the working surfaces while retaining the required non-slip characteristics. Similarly, oiling and pickling are done at the end in a continuous mill after removing the scale in a pickling plant.

2.2.4 Technical characteristics and appearance

The Applicant provided the technical characteristics and appearance of the SACU product to be as follows:

Hot-rolled products can be supplied in the following dimensions:

- Coil - From a minimum thickness of 1 mm up to 25 mm and a minimum width of 600 mm up to 2000 mm; and
- Plate - From a minimum thickness of 5 mm up to 100 mm and a minimum width of 600 mm up to 3200 mm.
- Width and thickness combination depends on the customer requirements.

Hot-rolled and hot-rolled pickled and oiled material is delivered according to mechanical properties for the following grades/categories: Low carbon qualities (commercial grades), tube and line pipe steel, carbon and or alloyed grades, drawing and forming grades, automotive parts (chassis and wheel steel) structural grades, pressure vessel grade, chequered pattern plate and re-rolling grades requirements. The Applicant also indicated that, both the alloy and non-alloy subject product looks the same - smooth or with pattern.

2.2.5 Application or end use

The Applicant stated that the subject product is used for manufacturing of general engineering products such as containers, mining equipment, drawing and forming applications like wheel rims, small- and large bore pipes, agricultural implements, earth moving equipment, gas cylinders, truck trailers, water tanks, and railway rolling stock, racking & shelving or as input material to re-rollers for metallic coating processes. When patterned or checkered, the subject product is also used in transportation, construction, decoration, equipment, floor, machinery, shipbuilding and other fields.

2.2.6 Substitutability

The Applicant stated that the SACU like product is fully substitutable with the imported product from the PRC, Japan, and Taiwan.

Comments from interested parties.

- Interested parties indicate that the Commission has incorrectly for the purposes of this investigation defined the product under investigation

as one product, flat rolled steel, whereas it is comprised of at least two main categories of separate products namely, hot rolled coil and hot rolled steel plates. These are not like products and should be treated separately. The only reason to treat these two products as one product, with respect, is to inflate the dumping margin.

- The quality of the Applicants products is inferior compared to the products of exporters due to the Applicant not investing to upgrade its plant to be in the same level with those of exporters.
- The Applicant is opportunistic and wants blanket protection on all subject product, this is done by confusing like product determination and directly competitive products determination. Interested parties indicate that the directly competitive products determination is used in safeguard investigation, while Anti-Dumping investigations make a determination on like products considering certain factors.

Commission's consideration

- The Commission considers this as one product, as it per its merit determination, which is also similar to how various investigation authorities investigating this product have done as well, with two categories, plates and coils. Within those categories there are 1000s of subcategories which can be distinguished through tariff subheadings, application, production process, etc. The dumping margin was not inflated, individual tariff sub-headings were considered based on exports to third countries, which was provided in the application and also indicated in the initiation notice to be the basis for dumping margin determination which led to the initiation of the investigation. Upon initiating the investigation, the Commission like in all its investigation compares normal value and export prices with respect to models when foreign producers have supplied such information and are verified. Therefore, the Commission will never do a dumping margin calculation for the subject product without considering the models should such information be available and is verified.
- The Applicant has been investing in its plant, although not at the level which may make its plant comparable with the newly built plants of Chinese producers, and other plants in Japan and Taiwan. The quality

of AMSA's products have been subject of various investigations conducted by ITAC, and in all those investigations complaints with regards to quality of the Applicants product have been found to be significantly below its tolerance levels, or less than 3%. Therefore, the quality issue objection cannot be sustained.

- The like product determination by the Commission considered all factors it normally considers in its investigations. The suggestion by interested parties indicating that the subject products are not "like products", but are directly competitive products, is misplaced, and their basis for suggesting such are not clear. However, it may be deemed to be a reference to the tariff sub-headings that make up the subject product. Interested parties should be aware that flat hot-rolled steel products include more than 20 tariff sub-headings, and the tariff sub-headings that form the basis of the safeguard investigation are more than the tariff sub-headings subject to this investigation, due to primarily considering like products (tariff sub-headings) produced by AMSA, and therefore not taking into account products that are directly competitive products and not produced by AMSA. It should be noted that in the pre-initiation stages of the investigation, the Applicant had to exclude some products that are classifiable on tariff sub-headings it does not produce, as they were not like products, but could have been considered directly competitive products.

The Applicant therefore requires protection on injurious dumping on the like product it manufactures. The products subject to this investigation are considered "like products", and it should be noted that various investigation authorities have investigated the subject product with similar tariff sub-headings.

Furthermore, the issue of like product determination is dealt with extensively in WTO jurisprudence. The Panel in EC – Salmon (Norway) considered Norway's claim that the "product under consideration" must consist of a single, internally homogeneous product or, alternatively, categories that are each individually "like" each other so as to constitute a single homogenous product. The Panel found that "[t]here is simply

nothing in the text of Article 2.1 that provides any guidance whatsoever as to what the parameters of that product should be. The mere fact that a dumping determination is ultimately made with respect to 'a product' says nothing about the scope of the relevant product. There is certainly nothing in the text of Article 2.1 that can be understood to require the type of internal consistency posited by Norway."

The Panel in EC – Salmon (Norway) concluded that Articles 2.1 and 2.6 did not have to be interpreted to require an investigating authority (in this case, the European Communities) to have defined the product under consideration to include only products that are "like".

In EC – Fasteners (China), the Panel also concluded that Articles 2.1 and 2.6 did not require the investigating authority to define the product under consideration to include only products that are "like". The Panel remarked that "[t]he mere fact that a dumping determination is ultimately made with respect to "a product" says nothing about the scope of that product. There is certainly nothing in the text of Article 2.1 that can be understood to require any consideration of 'likeness' in the scope of the exported product investigated." The Panel concluded that "while Article 2.1 establishes that a dumping determination is to be made for a single 'product under consideration', there is no guidance for determining the parameters of that product, and certainly no requirement of internal homogeneity of that product, in that Article".

Therefore, taking the above WTO jurisprudence into account, it should be noted that the definition of the subject product is clearly defined, and no product which falls outside of the definition is included. The Commission went further by ensuring that products not produced by the SACU industry in terms of tariff sub-headings are excluded from this investigation.

The Commission made a preliminary determination that the SACU product and the imported product are "like products", for purposes of comparison, in terms of the definition of "like product" in ADR1.

3. INDUSTRY STANDING

The application was lodged by AMSA, and Columbus supported it. Together, they constitute 100% of SACU's domestic production of the subject product.

The Commission made a preliminary determination that the application can be regarded as being made by or on behalf of the domestic industry in terms of ADR7.2.

4. DUMPING

The margin of dumping is calculated by subtracting the export price from the normal value of the product (after all the adjustments have been made). The margin is then expressed as a percentage of the free on-board (FOB) export price. If the margin is less than two per cent, it is regarded as de minimis in terms of the ADR 12.3, and no anti-dumping duty will be imposed.

4.1 METHODOLOGY IN THIS INVESTIGATION FOR THE PRC

4.1.1 Limiting the investigation (sampling) for PRC exporters

The Commission at its meeting of 02 December 2024 considered that it received 32 exporters/foreign producers' responses from the PRC, 1 foreign producer response from Japan and 8 importers responses. Taking into consideration the number of exporters/foreign producers, importers, and resources available to conduct the investigation, it was established that the investigation could not be completed within the 18-month limit to conduct an anti-dumping investigation in terms of the ADR and WTO ADA. The Commission made a determination to limit its examination to a reasonable number of exporters (a process commonly referred to as "sampling") from the PRC. Sampling is provided for in Article 6.10, 6.10.1, 6.10.2 and 9.4 of the ADA and Regulation 8.6, 8.7 and 8.8 of the ADR.

The sampling was done in accordance with ADR8.6(a), which states that, "in cases where the number of producers, exporters, importers or types of products is large, the investigation may be limited to a reasonable number of parties or types of products by using:

- (a) the largest percentage of exports from the country in question which can be reasonably be investigated."

The Commission notified all interested parties of its decision to sample on 5 December 2024, and parties had 7 days to provide comments on the Commission's decision.

There were no foreign producers or exporters that were against the Commission's decision to use sampling as its method of evaluation for the PRC,

with some indicating that they should be part of the sample. However, only one importer responded and was opposed to the Commission's decision to sample, indicating that it is unfair and will result in foreign producers being given a dumping margin that is not theirs.

On 13 December 2024, The Commission consulted exporters regarding the selected companies in accordance with ADR8.7, which states that, "if the Commission decides to limit its investigation as contemplated in subsection 6, any selection may be made after consultation with the relevant exporters." Although the consultation is done with exporters, all interested parties were notified. As part of the consultation, exporters were notified that 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 Commission considered that 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 also considered that these companies can be said to be the top 3 exporters of the subject products to SACU by volume and therefore meet ADR8.6(a) sampling requirement.

The Commission further considered that the foreign producers/exporters 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. They also either manufacture flat-rolled steel products that are either plates, or coils, or a combination of both plates and coils.

All interested parties were afforded 7 days in the consultation process to comment on the selected companies and the entire process. In the consultation process, the steps to be followed in the event exporters/foreign producers that are not part of the sample requested an individual dumping was outlined. It was communicated that exporters/foreign producers that have been selected for sampling are required to address the identified deficiencies within the specified deadline. The deficiency letters were also sent out to all foreign producers and exporters on 13 December 2024, the sampled exporters responded, and they were still found to be deficient. The list of deficiencies is contained in the Commission's public file.

The Commission also informed parties that exporters that were not selected for sampling and 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 also should ensure that all deficiencies identified are addressed within the specified deadline. ADR 8.8 states that, "in cases where the Commission has limited its investigation as contemplated in subsection 6, the Commission will nevertheless determine an individual margin of dumping for an exporter or foreign producer not initially selected who submits the necessary information in time for that information to be considered along with the information of exporters or producers selected, except where the number of exporters or producers is so large that individual examinations would be unduly burdensome to the Commission".

The Commission conducted the assessment of deficiencies to ensure compliance with ADR 8.8, should individual dumping margins be requested by interested parties and decided upon by the Commission. The Commission made a preliminary determination that it will not consider any deficient response (from sampled exporters and those requesting individual dumping margins) for its preliminary determination in accordance with ADR31.3.

The Commission also determined that foreign producers/exporters not selected for sampling and that did not request an individual dumping margin

will be subject to a weighted average margin of dumping established with respect to the selected sampled foreign producers/exporters and need not address identified deficiencies.

The Commission considered that following the 7 days of consultation and addressing deficiencies, Angang Steel Co., Ltd and its two related companies, Angang Group International Trade Corp., Ltd., and Angang Group Hong Kong Co., Limited and Bengang Steel Plates Co., Ltd, who were not part of the sample (selected companies), requested to have individual margins in accordance with ADR8.8. They also submitted their deficiency response within the deadline time for addressing deficiencies.

Jiangyin Xingcheng Special Steel Works Co., Ltd did not request an individual dumping margin. However, it also submitted its deficiency response within the deadline time for addressing deficiencies.

Following the deadline date for consultation there was an enquiry from Nanjing Iron and Steel Group International Trade Co., Ltd. (NJ Steel), on whether it could still request the Commission to consider applying an individual dumping margin in accordance with ADR8.8. NJ Steel was informed that the deadline date for such a request had lapsed, however their request will be considered by Commission. The Commission noted that from its original communication, NJ Steel requested an extension to submit its original response, which was granted. However, when NJ Steel submitted its response, it consisted of 9 other responses of related firms that had never requested extensions but submitted their responses after the original deadline date for responses, together with NJ Steel. The related firms are as follows:

- Singapore Jinteng International Pte. Ltd.
- Jiangsu Nangang Xianhuo Trading Co., Ltd.;
- Fusheng Nanjing Steel Trade Co., Ltd.;
- JM Digital Steel Inc.
- Jiangsu NanGang Xinyang Supply Chain Co., Ltd.
- Shanghai Nangang Materials Sales Co., Ltd.
- Beijing Nangang Steel Product Sales Co., Ltd.
- Jiangsu Baoheng Supply Chain Co., Ltd.; and

- Jiangsu Nangang Plate Sales Co., Ltd.

The Commission considered that responses from the exporters that requested an individual dumping margin, together with the exporter that made a late request (NJ Steel and its related companies) and which did not request individual treatment were also assessed for deficiencies and found to be deficient. The list of deficiencies is contained in the Commission's public file.

The Commission made a preliminary determination, in accordance with ADR8.8, not to determine individual dumping margins for Angang Steel Co., Ltd., and its related companies and Bengang Steel Plates Co., Ltd., as it would be unduly burdensome for the Commission. It would increase the selected number of exporters to a number that would put the investigation at risk in terms of timelines and ultimately the 18-month deadline for finalising the investigation.

The Commission further made a preliminary determination in accordance with ADR8.8, not to determine individual dumping margins for NJ Steel and its related companies and Jiangyin Xingcheng Special Steel as they did not make the request within the stipulated deadline.

In the case of NJ Steel, the Commission considered that even if it condones the late receipt of the request for individual treatment, individually examining NJ Steel and its related companies would be unduly burdensome to the Commission, and it will increase the selected number of exporters to a number that would put the investigation at risk in terms of timelines and ultimately the 18-month deadline for finalising the investigation.

While Jiangyin Xingcheng Special Steel did not make a request, it merely rectified its deficiencies and submitted its response. Nevertheless, considering the foreign producer for individual margins would be unduly burdensome to the Commission.

The Commission noted that it emphasised to all interested parties 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.

4.1.2 Normal Value

The Commission noted that all exporters’ responses from the PRC were found to be deficient and in accordance with ADR 31.3, no deficient submissions will be considered for the Commission’s preliminary determination. The Commission made a preliminary determination to use the best available information for dumping with regards to the PRC, which is the information provided by the Applicant.

The Applicant provided two methods of determining the normal values for the PRC. These two methods are **(a)** domestic selling prices in the PRC as well as **(b)** exports to third countries. The Commission in its merit determination and for purposes of initiation determined the normal value based on exports to third countries since the domestic selling prices were applicable to the subject product broken into two product types, hot rolled coil and plate and not to the various product subcategories under the subject product. Additionally, it was determined that the subject product in the PRC are sold at prices which are not in the ordinary course of trade.

Normal value based on exports to third countries

The export prices to third countries were obtained from the International Trade Centre (“ITC Trade Map”), an online international trade statistics database. The subject product is exported from the PRC on a FOB basis. The average prices were converted from US Dollar to Rand using monthly average exchange rates published by Nedbank for the period 01 April 2023 to 31 March 2024.

Based on the information, the normal values for the PRC for the period 01 April 2023 to 31 March 2024 were determined to be:

Table 4.1.2: Normal Value – PRC: (R/Ton)

| Third countries and tariff sub-headings | Normal Value before Adjustment | Inland freight and Port handling costs | Normal Value After Adjustment |
|--|---------------------------------------|---|--------------------------------------|
| 7208.10 - Spain | 18 143 | 281 | 17 862 |
| 7208.25 – Canada | 37 192 | 281 | 36 911 |
| 7208.26 - Russia | 20 383 | 281 | 20 102 |
| 7208.27 - Russia | 18 029 | 281 | 17 748 |
| 7208.36 - Argentina | 15 421 | 281 | 15 140 |
| 7208.37 - New-Zealand | 16 909 | 281 | 16 628 |
| 7208.38 - New-Zealand | 14 523 | 281 | 14 242 |
| 720839 - New-Zealand | 16 674 | 281 | 16 393 |
| 7208.51 - Russia | 17 702 | 281 | 17 421 |
| 7208.52 - Russia | 18 924 | 281 | 18 643 |
| 7225.30 - Russia | 27 354 | 281 | 27 074 |
| 7225.40 - Germany | 44 601 | 281 | 44 320 |

4.1.3: Export prices

The export prices were determined based on the average FOB prices obtained from SARS import statistics for the period 01 April 2023 to 31 March 2024.

The ex-factory export prices for the PRC were determined as follows:

Table 4.1.3 (a): Export price - PRC: R/Ton

| Tariff sub-headings | Export Price before Adjustment | Inland freight and Port handling costs | Export Price after Adjustment |
|----------------------------|---------------------------------------|---|--------------------------------------|
| 7208.10 | 10 506 | 281 | 10 225 |
| 7208.25 | 13 386 | 281 | 13 105 |
| 7208.26 | 13 852 | 281 | 13 571 |
| 7208.27 | 13 911 | 281 | 13 630 |
| 7208.36 | 11 713 | 281 | 11 432 |
| 7208.37 - | 11 574 | 281 | 11 293 |
| 7208.38 | 12 388 | 281 | 12 107 |
| 7208.39 | 13 007 | 281 | 12 726 |
| 7208.51 | 13 026 | 281 | 12 745 |
| 7208.52 | 12 914 | 281 | 12 633 |

| | | | |
|---------|--------|-----|--------|
| 7225.30 | 8 212 | 281 | 7 931 |
| 7225.40 | 20 042 | 281 | 19 761 |

4.1.4 Margin of dumping

The dumping margin for the PRC was determined as follows:

Table 4.3 (b): margin of dumping - PRC: R/Ton

| Third countries and tariff sub-headings | Ex-factory NV | Ex-factory EP | DM | DM as % of ex-factory EP | Margin for factoring | Import Volumes (Tonnes) | Dumping factor |
|---|---------------|---------------|--------|--------------------------|----------------------|-------------------------|-----------------|
| 7208.10 - Spain | 17 862 | 10 225 | 7 637 | 75% | 74,69 | 411 | 0,121810 |
| 7208.25 - Canada | 36 911 | 13 105 | 23 806 | 182% | 181,66 | 1 671 | 1,201783 |
| 7208.26 - Russia | 20 102 | 13 571 | 6 531 | 48% | 48,12 | 6 343 | 1,203134 |
| 7208.27 - Russia | 17 748 | 13 630 | 4 118 | 30% | 30,21 | 9 549 | 1,132028 |
| 7208.36 - Argentina | 15 140 | 11 432 | 3 708 | 32% | 32,44 | 3 110 | 0,393268 |
| 7208.37 - New-Zealand | 16 628 | 11 293 | 5 335 | 47% | 47,24 | 16 195 | 3,007856 |
| 7208.38 - New-Zealand | 14 242 | 12 107 | 2 135 | 18% | 17,63 | 13 306 | 0,946451 |
| 7208.39 - New-Zealand | 16 393 | 12 726 | 3 667 | 29% | 28,82 | 62 491 | 7,161330 |
| 7208.51 - Russia | 17 421 | 12 745 | 4 676 | 37% | 36,69 | 81 532 | 11,92087 |
| 7208.52 - Russia | 18 643 | 12 633 | 6 010 | 48% | 47,57 | 14 403 | 2,731948 |
| 7225.30 - Russia | 27 074 | 7 931 | 19 143 | 241% | 241,37 | 8 371 | 7,972097 |
| 7225.40 - Germany | 44 320 | 19 761 | 24 559 | 124% | 124,28 | 35 677 | 17,48188 |
| | | | | | | 253 059 | 55,16598 |

4.2 METHODOLOGY IN THIS INVESTIGATION FOR JAPAN

The Commission considered that the decision to sample was only with regards to the PRC, not Japan or Taiwan.

4.2.1 Normal Value

The Commission noted that there was one exporter's response from Japan, and it was found to be deficient, and in accordance with ADR 31.3, no deficient submissions will be considered for the Commission's preliminary determination. The Commission made a preliminary determination to use the best available information for dumping with regards to Japan, which is the information provided by the Applicant.

The Applicant provided two methods of determining the normal values for Japan. These two methods are (a) domestic selling prices in Japan as well as (b) exports to third countries. The Commission in its merit determination and for purposes of initiation determined the normal value based on exports to third countries since the domestic selling prices were applicable to the subject product broken into two product types, hot rolled coil and plate and not to the various product subcategories under the subject product.

Normal value based on exports to third countries.

The export prices to third countries were obtained from the International Trade Centre (“ITC Trade Map”), an online international trade statistics database. The subject product is exported from Japan on a FOB basis. The average prices were converted from US Dollar to Rand using monthly average exchange rates published by Nedbank for the period 01 April 2023 to 31 March 2024.

Based on the information, the normal values for Japan for the period 01 April 2023 to 31 March 2024 were determined to be:

Table 4.2.1: Normal value - Japan: (R/Ton)

| Third countries and tariff sub-headings | Normal Value before adjustment | Inland freight and Port handling costs | Normal Value After Adjustment |
|---|--------------------------------|--|-------------------------------|
| 7208.25 - India | 24 525 | 281 | 24 244 |
| 7208.27 - China | 19 046 | 281 | 18 765 |
| 7208.36 - UK | 14 548 | 281 | 14 267 |
| 7208.37 - UK | 14 433 | 281 | 14 152 |
| 7208.38 - Indonesia | 19 755 | 281 | 19 474 |
| 7208.39 - UK | 14 245 | 281 | 13 964 |

4.2.2: Export prices

The export prices were determined based on the average FOB prices obtained from SARS import statistics for the period 01 April 2023 to 31 March 2024. The ex-factory export prices for Japan were determined as follows:

Table 4.2.2 (a): Export price - Japan: R/Ton

| Third countries and tariff sub-headings | Export Price before Adjustment | Inland freight and Port handling costs | Export Price after Adjustment |
|---|--------------------------------|--|-------------------------------|
| 7208.25 | 22 279 | 281 | 21 998 |
| 7208.27 | 14 564 | 281 | 14 283 |
| 7208.36 | 11 275 | 281 | 10 994 |
| 7208.37 | 11 856 | 281 | 11 575 |
| 7208.38 | 12 709 | 281 | 12 428 |
| 7208.39 | 12 970 | 281 | 12 689 |

4.2.3 Margin of dumping

The dumping margin for Japan was determined as follows:

Table 4.2.3: Margin of dumping - Japan: R/Ton

| Third countries and tariff sub-headings | Ex-facto NV | Ex-factor EP | DM | DM as % of ex-factory EP | Margin for factoring | Import Volumes (Tonnes) | Dumping factor |
|---|-------------|--------------|-------|--------------------------|----------------------|-------------------------|-----------------|
| 7208.25 - India | 24 244 | 21 998 | 2 246 | 10% | 10,00 | 628 | 0,101720 |
| 7208.27 - China | 18 765 | 14 283 | 4 482 | 31% | 31,00 | 21 532 | 10,811688 |
| 7208.36 - UK | 14 267 | 10 994 | 3 273 | 30% | 30,00 | 267 | 0,129742 |
| 7208.37 - UK | 14 152 | 11 575 | 2 577 | 22% | 22,00 | 2 221 | 0,791441 |
| 7208.38 - Indonesia | 19 474 | 12 428 | 7 046 | 57% | 57,00 | 3 037 | 2,803930 |
| 7208.39 - UK | 13 964 | 12 689 | 1 275 | 10% | 10,00 | 34 053 | 5,515728 |
| | | | | | | 61 738 | 20,15425 |

4.3 METHODOLOGY IN THIS INVESTIGATION FOR TAIWAN

The Commission considered that the decision to sample was only with regards to the PRC, not Japan or Taiwan.

4.3.1 Normal Value

There were no responses received from exporters from Taiwan. The Commission made a preliminary determination to use the best available information for dumping with regards to Taiwan, which is the information provided by the Applicant.

The Applicant provided two methods of determining the normal values for Taiwan. These two methods are (a) domestic selling prices in Japan as well as (b) exports to third countries. The Commission in its merit determination and for purposes of initiation determined the normal value based on exports to third countries since the domestic selling prices were applicable to the subject product broken into two product types, hot rolled coil and plate and not to the various product subcategories under the subject product.

Normal value based on exports to third countries.

The export prices to third countries were obtained from the International Trade Centre (“ITC Trade Map”), an online international trade statistics database. The subject product is exported from Taiwan on a FOB basis.

The average prices were converted from US Dollar to Rand using monthly average exchange rates published by Nedbank for the period 01 April 2023 to 31 March 2024.

Based on the information, the normal values for Taiwan for the period 01 April 2023 to 31 March 2024 were determined to be:

Table 4.3.1: Normal Value - Taiwan: (R/Ton)

| Third countries and tariff sub-headings | Normal Value before adjustment | Inland freight and Port handling costs | Normal Value After Adjustment |
|---|--------------------------------|--|-------------------------------|
| 7208.38 - Canada | 15 498 | 281 | 15 217 |
| 7208.39 - Belgium | 14 030 | 281 | 13 749 |

4.3.2 Export prices

The export prices were determined based on the average FOB prices obtained from SARS import statistics for the period 01 April 2023 to 31 March 2024. The ex-factory export prices for Taiwan were determined as follows:

Table 4.3.2: Export price - Taiwan: R/Ton

| Third countries and tariff sub-headings | Export price before adjustment | Inland freight and Port handling costs | Export price After Adjustment |
|---|--------------------------------|--|-------------------------------|
| 7208.38 | 11 450 | 281 | 11 169 |
| 7208.39 | 11 247 | 281 | 10 966 |

4.3.3 Margin of dumping

The dumping margin for the Taiwan was determined as follows:

Table 4.3.3: Margin of dumping - Taiwan: R/Ton

| Third countries and tariff sub-headings | Ex-factory NV | Ex-factory EP | DM | DM as % of ex-factory EP | DM for factoring | SACU imp Volumes (Tonnes) | DM factor |
|---|---------------|---------------|-------|--------------------------|------------------|---------------------------|--------------------|
| 7208.38 - Cai | 15 217 | 11 169 | 4 048 | 36% | 36 | 7 869 | 6,541902409 |
| 7208.39 - Bel | 13 749 | 10 966 | 2 783 | 25% | 25 | 35 434 | 20,45701222 |
| | | | | | | 43 303 | 26,99891462 |

Comments from interested parties.

- The Applicant wants a single dumping margin for all tariff sub-headings, without understanding that the Commission calculates individual margins for each tariff sub-heading and if there is merit, such are weighted to arrive at a single dumping margin for all the tariff sub-headings. This does not mean that one normal value and one export price can be used, which is what the Applicant did, instead of providing normal values, export prices for each tariff sub-heading, and therefore the application is deficient.
- The Applicant did not provide reasons for using exports to a 3rd country as a basis for normal value determination, and on this basis the application is deficient and should be terminated.
- The Applicant should have used the MEPS domestic prices which comprises only of prices for one price for plates and prices for one price for coils when calculating the dumping margin, and the Commission should have made its determination based on these prices for initiation as they are more accurate, compared to prices based on third country selection.

Commission's consideration

- The Commission is in agreement with interested parties on how to arrive at a single dumping margin in a case like the current one. However, the interested parties are incorrect by indicating that the Applicant only provided one normal value, export price and dumping margin for all tariff sub-headings. The Applicant provided the Commission with various options, with the first being what interested parties suggest, and a second one where exports to third countries for all 12 tariff sub-headings are used for normal value determination, compared with export prices of each applicable tariff sub-heading, resulting in dumping margins for each tariff subheading making up the subject product. The Commission, therefore initiated its investigation based on exports to third countries with information on normal values, export prices and dumping margins that considered all tariff sub-headings. Therefore, the fact that the Applicant provided all these possible methods of calculating a dumping margin does not make the application deficient. The information is clearly demonstrated in section D6.2 of the application.
- This assertion by interested parties is without merit as the Applicant indicated that the best normal value determination based on domestic prices which it could obtain and use was with regards to domestic sales obtained from MEPS, which identifies the products as coils or plates, and not per tariff sub-heading, and as a result were not able to obtain information on a per tariff subheading, and this is clearly stipulated in section D6.1(a) of the application as the reason to use third country exports should the Commission wish to determine the dumping margin per tariff sub-heading for initiation purposes.
- The Applicant provided the Commission with both sets of prices, and to ensure a fair comparison, the Commission made a determination to initiate the investigation based on exports to third countries as they were more representative and considered best information available to the applicant, compared to using the domestic prices suggested by interested parties the domestic selling prices were applicable to the subject product broken into two product types, hot rolled coil and plate and not to the various product subcategories under the subject product.

Additionally, it was determined that the subject product in the PRC is sold at prices which are not in the ordinary course of trade.

- The same interested party also indicates that these can be more representative when it selects its own third countries, which it says are more representative. It is clear that interested parties differ on the determination and to serve their interests come up with various reasons to dismiss the Commission's normal value determination for initiation purposes. The various assertions by interested parties regarding this matter are not supported by any law. This is not to state that using one normal value for plates and one for coils would have been an incorrect determination. However, considering the facts in the application and representativity, the Commission decided on the normal value it would base its decision to initiate the investigation.

The Commission made a preliminary determination that certain flat-rolled products of iron, non-alloy, or other alloy steel of a width of 600mm or more, whether or not in coils, 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) are being dumped into the SACU market.

5. MATERIAL INJURY

5.1 DOMESTIC INDUSTRY – MAJOR PROPORTION OF PRODUCTION

The material injury is based on information provided by AMSA, constituting more than 80 per cent of SACU's domestic production of the subject product from 01 April 2023 to 31 March 2024.

The Commission made a preliminary determination that this constitutes “a major proportion” of the total domestic production, in terms of ADR7.

5.2 CUMULATIVE ASSESSMENT

Three countries are involved in this investigation. Therefore, the Commission considered whether the effects of the imports from the three countries should be cumulatively assessed. In considering whether cumulation is appropriate with regard to the imports from the PRC, Japan and Taiwan, in terms of Regulation 16.3 of the ADR, the following were be considered:

Table 5.2: Consideration for cumulation

| | |
|---|--|
| The imports from the countries are not negligible. | The imports from all countries are not negligible, as contained in table 2.1.6 above. They each account for more than 3 percent of total imports. |
| The margin of dumping is above the <i>de minimis</i> level. | The dumping margins calculated are above 2 percent, evident in tables 4.3(b), 4.3 (c) and 4.3(d). |
| Competition between imports from the different countries. | <ul style="list-style-type: none">• They are all like products for purposes of comparison; their end use and substitutability are similar.• They are all transacted in the SACU market, and therefore, the fluctuations in the market shares between the three countries throughout the POI, as contained in Table 5.5.3, are evidence of competition.• The price undercutting of the imports from all three countries is evidence of competition as they are all undercutting the applicant’s prices at different levels. |

| | |
|---|--|
| <p>Competition between imported product and SACU like product</p> | <ul style="list-style-type: none"> • The imported products and the SACU products are like products for purposes of comparisons; they are fully substitutable and have similar end use. • They are transacted in the SACU market, and therefore the fluctuations in the market shares between the three countries and SACU during the POI as contained in table 5.5.3 is evident of competition. • The imported product from all three countries are undercutting the SACU prices. |
|---|--|

The Commission considered that imports from the PRC, Japan, and Taiwan may be cumulatively assessed for injury determination, irrespective of the fact that there is no price undercutting or that price undercutting should not be considered an injury indicator due to incomplete information provided by the Applicant.

The Commission noted that the WTO in a panel decision outline the conditions for cumulation, whereby the Panel in EC – Tube or Pipe Fittings came to the conclusion, on the basis of the text in Article 3.3, and citing contextual support in Articles 3.4 and 3.5, that the conditions identified in Article 3.3 are the sole conditions that must be satisfied by an investigating authority in order to undertake a cumulative assessment of the effects of dumped imports. In particular, the Panel rejected Brazil's allegation that an investigating authority must first consider whether country specific import volumes have significantly increased before cumulating them. The Appellate Body agreed with the Panel and reached the following conclusion: "The text of Article 3.3 expressly identifies three conditions that must be satisfied before an investigating authority is permitted under the Anti-Dumping Agreement to assess cumulatively the effects of imports from several countries. These conditions are:

- (a) the dumping margin from each individual country must be more than de *minimis*.
- (b) the volume of imports from each individual country must not be negligible; and
- (c) cumulation must be appropriate in the light of the conditions of competition
 - (i) between the imported products; and
 - (ii) between the imported products and the like domestic product.

By the terms of Article 3.3, it is 'only if' the above conditions are established that an investigating authority 'may' make a cumulative assessment of the effects of dumped imports from several countries. In support of its finding, the Appellate Body in EC – Tube or Pipe Fittings further elaborated on the rationale behind the practice of cumulation: "The apparent rationale behind the practice of cumulation confirms our interpretation that both volume and prices qualify as 'effects' that may be cumulatively assessed under Article 3.3.

A cumulative analysis logically is premised on a recognition that the domestic industry faces the impact of the 'dumped imports' as a whole and that it may be injured by the total impact of the dumped imports, even though those imports originate from various countries. If, for example, the dumped imports from some countries are low in volume or are declining, an exclusively country-specific analysis may not identify the causal relationship between the dumped imports from those countries and the injury suffered by the domestic industry.

"The outcome may then be that, because imports from such countries could not individually be identified as causing injury, the dumped imports from these countries would not be subject to anti-dumping duties, even though they are in fact causing injury. In our view, therefore, by expressly providing for cumulation in Article 3.3 of the Anti-Dumping Agreement, the negotiators appear to have recognized that a domestic industry confronted with dumped imports originating from several countries may be injured by the cumulated effects of those imports, and that those effects may not be adequately taken into account in a country-specific analysis of the injurious effects of dumped imports. Consistent with the rationale behind cumulation, we consider that changes in import volumes from individual countries, and the effect of those country-specific volumes on prices in the importing country's market, are of little significance in determining whether injury is being caused to the domestic industry by the dumped imports as a whole".

Comments from interested parties:

AMSA has incorrectly applied the principle of cumulation in this investigation as it does not demonstrate how the conditions of cumulation are met. Interested parties indicate that there are plates coils, and imported under different tariff sub-headings, various product sub-categories, characteristics and applications, and therefore these cannot be cumulated.

Commission's consideration

The Commission took the decision to cumulate imports after considering all information at its disposal, including the fact that such imports meet the requirements for cumulation. The Commission considered that the imports from the three countries compete with each other as they either compete with regards to pricing, or quality and/or application.

SACU importers indicate that they import the subject product from a specific country for example due to it meeting right quality requirements for its application, while others would prefer one export country over another because they are priced competitively. Another consideration was that the imports from those three countries compete directly with AMSA, either in terms of price which is demonstrated from the FOB prices from SARS or in terms of volumes as the volumes from the three countries are increasing year on year, thereby threatening to take over the SACU market and be dominant players in the market. Furthermore, some importers have said that the quality of AMSA products do not compare with those of foreign producers, which is the reason they import. The other two conditions have been met as demonstrated in the negligibility determination and dumping margin determination. On these bases, the Commission may cumulatively assess the impact of the dumped imports from the three countries. Nowhere in the ADR or WTO are the other factors cited by interested parties a requirement for cumulation.

The Commission made a preliminary determination that the impact of the imports from the PRC, Japan, and Taiwan be cumulatively assessed for purposes of injury determination.

The following injury analysis will be cumulatively assessed for the PRC, Japan, and Taiwan. The country-specific information is presented for purposes of transparency and completeness.

5.3 MATERIAL INJURY ANALYSIS

The injury information presented below relates to the evaluation of data for the period 01 April 2021 to March 2024, period of investigation.

5.4 IMPORT VOLUMES AND EFFECT ON PRICES

5.4.1 Import volumes

The following tables show the volume of the dumped imports of the subject products as sourced from SARS for the period 01 April 2021 to 31 March 2024.

Table 5.4.1 (a): Import volumes – Hot-Rolled Products

| Tonnes | 2021/22 | 2022/23 | 2023/24 |
|--|----------------|----------------|----------------|
| Alleged dumped imports (Cumulatively assessed) | <u>159 865</u> | <u>351 473</u> | <u>354 854</u> |
| PRC | 123 883 | 214 738 | 249 990 |
| Japan | 28 395 | 90 393 | 61 738 |
| Taiwan | 7 587 | 46 342 | 43 303 |
| Other imports | 156 242 | 168 241 | 109 715 |
| Total | 316 107 | 519 714 | 464 569 |
| Alleged dumped imports as a % of total imports | <u>51%</u> | <u>68%</u> | <u>76%</u> |
| PRC | 39% | 41% | 54% |
| Japan | 9% | 17% | 13% |
| Taiwan | 2% | 9% | 9% |
| Other imports as a % of total imports | 49% | 32% | 24% |
| Total | 100% | 100% | 100% |

Table 5.4.1(b): Import volumes 7208.10*

| Tonnes | 2021/22 | 2022/23 | 2023/24 |
|--|----------------|----------------|----------------|
| Alleged dumped imports (Cumulatively assessed) | <u>357</u> | <u>7 740</u> | <u>411</u> |
| PRC | 357 | 867 | 411 |
| Taiwan | - | 6 873 | - |
| Other countries | - | 57 | 156 |
| Total | 357 | 7 797 | 567 |
| Alleged dumped imports as a % of total imports | <u>100%</u> | <u>99%</u> | <u>72%</u> |
| PRC | 100% | 11% | 72% |
| Taiwan | 0 | 88% | 0 |
| Other imports as a % of total imports | 0 | 1% | 28% |
| Total | 100% | 100% | 100% |

*Where a country (PRC, Japan, or Taiwan) is not listed under a tariff sub-heading, there were no imports from that country.

Table 5.4.1(c): Import volumes 7208.25*

| Tonnes | 2021/22 | 2022/23 | 2023/24 |
|--|----------------|----------------|----------------|
| Alleged dumped imports (Cumulatively assessed) | <u>1 845</u> | <u>12 496</u> | <u>2 299</u> |
| PRC | 810 | 11 726 | 1 671 |
| Japan | 1 035 | 770 | 628 |
| Other countries | 314 | 373 | 548 |
| Total | 2 159 | 12 869 | 2 847 |
| Alleged dumped imports as a % of total imports | <u>85%</u> | <u>97%</u> | <u>81%</u> |
| PRC | 38% | 91% | 59% |
| Japan | 48% | 6% | 22% |
| Other imports as a % of total imports | 15% | 3% | 19% |
| Total | 100% | 100% | 100% |

*Where a country (PRC, Japan, or Taiwan) is not listed under a tariff sub-heading, there were no imports from that country.

Table 5.4.1(d): import volumes 7208.26*

| Tonnes | 2021/22 | 2022/23 | 2023/24 |
|--|----------------|----------------|----------------|
| Alleged dumped imports (Cumulatively assessed) | <u>1 302</u> | <u>4 597</u> | <u>6 343</u> |
| PRC | 179 | 4 597 | 6 343 |
| Japan | 1 123 | - | - |
| Other countries | 399 | 6 156 | 9 059 |
| Total | 1 701 | 10 753 | 15 402 |
| Alleged dumped imports as a % of total imports | <u>77%</u> | <u>43%</u> | <u>41%</u> |
| PRC | 11% | 43% | 41% |
| Japan | 66% | 0% | 0% |
| Other imports as a % of total imports | 23% | 57% | 59% |
| Total | 100% | 100% | 100% |

*Where a country (PRC, Japan, or Taiwan) is not listed under a tariff sub-heading, there were no imports from that country.

table 5.4.(e): import volumes 7208.27*

| Tonnes | 2021/22 | 2022/23 | 2023/24 |
|--|----------------|----------------|----------------|
| Alleged dumped imports (Cumulatively assessed) | <u>20 508</u> | <u>46 708</u> | <u>31 081</u> |
| PRC | 2 672 | 6 864 | 9 549 |
| Japan | 17 836 | 39 844 | 21 532 |
| Other countries | 1 198 | 17 853 | 28 174 |
| Total | 21 706 | 64 561 | 59 255 |
| Alleged dumped imports as a % of total imports | <u>94%</u> | <u>72%</u> | <u>52%</u> |
| PRC | 12% | 11% | 16% |
| Japan | 82% | 62% | 36% |
| Other imports as a % of total imports | 6% | 28% | 48% |
| Total | 100% | 100% | 100% |

*Where a country (PRC, Japan, or Taiwan) is not listed under a tariff sub-heading, there were no imports from that country.

Table 5.4.1(f): Import volumes 7208.36

| Tonnes | 2021/22 | 2022/23 | 2023/24 |
|--|----------------|----------------|----------------|
| Alleged dumped imports (Cumulatively assessed) | <u>59</u> | <u>2 734</u> | <u>3 377</u> |
| PRC | 59 | 2 434 | 3 110 |
| Japan | - | 114 | 267 |
| Taiwan | - | 186 | - |
| Other countries | 6 207 | 2 006 | - |
| Total | 6 266 | 4 740 | 3 377 |
| Alleged dumped imports as a % of total imports | <u>1%</u> | <u>58%</u> | <u>100%</u> |
| PRC | 1% | 51% | 92% |
| Japan | 0% | 2% | 8% |
| Taiwan | 0% | 4% | 0% |
| Other imports as a % of total imports | 99% | 42% | 0% |
| Total | 100% | 100% | 100% |

Table 5.4.1(g): Import volumes 7208.37

| Tonnes | 2021/22 | 2022/23 | 2023/24 |
|--|----------------|----------------|----------------|
| Alleged dumped imports (Cumulatively assessed) | <u>535</u> | <u>22 795</u> | <u>18 416</u> |
| PRC | 279 | 17 176 | 16 195 |
| Japan | 255 | 4 168 | 2 221 |
| Taiwan | 1 | 1 451 | - |
| Other countries | 9 502 | 12 375 | 442 |
| Total | 10 037 | 35 170 | 18 858 |
| Alleged dumped imports as a % of total imports | <u>5%</u> | <u>65%</u> | <u>98%</u> |
| PRC | 3% | 49% | 86% |
| Japan | 3% | 12% | 12% |
| Taiwan | 0% | 4% | 0% |
| Other imports as a % of total imports | 95% | 35% | 2% |
| Total | 100% | 100% | 100% |

Table 5.4.1(h): Import volumes 7208.38

| Tonnes | 2021/22 | 2022/23 | 2023/24 |
|--|----------------|----------------|----------------|
| Alleged dumped imports (Cumulatively assessed) | <u>3 097</u> | <u>30 511</u> | <u>24 212</u> |
| PRC | 3 031 | 10 902 | 13 306 |
| Japan | 65 | 10 857 | 3 037 |
| Taiwan | 1 | 8 752 | 7 869 |
| Other countries | 8 979 | 8 490 | 1 451 |
| Total | 12 076 | 39 001 | 25 663 |
| Alleged dumped imports as a % of total imports | <u>26%</u> | <u>78%</u> | <u>94%</u> |
| PRC | 25% | 28% | 52% |
| Japan | 1% | 28% | 12% |
| Taiwan | 0% | 22% | 0% |
| Other imports as a % of total imports | 74% | 22% | 6% |
| Total | 100% | 100% | 100% |

Table 5.4.1(i): Import volumes 7208.39

| Tonnes | 2021/22 | 2022/23 | 2023/24 |
|--|----------------|----------------|----------------|
| Alleged dumped imports (Cumulatively assessed) | <u>41 612</u> | <u>108 969</u> | <u>131 978</u> |
| PRC | 32 381 | 50 066 | 62 491 |
| Japan | 1 644 | 34 639 | 34 053 |
| Taiwan | 7 587 | 24 264 | 35 434 |
| Other countries | 58 975 | 31 358 | 903 |
| Total | 100 587 | 140 327 | 132.881 |
| Alleged dumped imports as a % of total imports | <u>41%</u> | <u>78%</u> | <u>99%</u> |
| PRC | 32% | 36% | 47% |
| Japan | 2% | 25% | 26% |
| Taiwan | 8% | 17% | 27% |
| Other imports as a % of total imports | 59% | 22% | 1% |
| Total | 100% | 100% | 100% |

Table 5.4.1(j): Import volumes 7208.51

| Tonnes | 2021/22 | 2022/23 | 2023/24 |
|--|----------------|----------------|----------------|
| Alleged dumped imports (Cumulatively assessed) | <u>19 741</u> | <u>55 341</u> | <u>81 532</u> |
| PRC | 19 628 | 55 341 | 81 532 |
| Japan | 113 | - | - |
| Other countries | 10 491 | 9 382 | 7 208 |
| Total | 30 232 | 64 723 | 88 740 |
| Alleged dumped imports as a % of total imports | <u>65%</u> | <u>86%</u> | <u>92%</u> |
| PRC | 65% | 86% | 92% |
| Japan | 0% | 0% | 0% |
| Other imports as a % of total imports | 35% | 14% | 8% |
| Total | 100% | 100% | 100% |

*Where a country (PRC, Japan, or Taiwan) is not listed under a tariff sub-heading, there were no imports from that country.

Table 5.4.1(k): Import volumes 7208.52*

| Tonnes | 2021/22 | 2022/23 | 2023/24 |
|--|----------------|----------------|----------------|
| Alleged dumped imports (Cumulatively assessed) | <u>4 764</u> | <u>17 303</u> | <u>14 403</u> |
| PRC | 4 764 | 17 303 | 14 403 |
| Other countries | 2 340 | 1 647 | 1 111 |
| Total | 7 104 | 18 950 | 15 514 |
| Alleged dumped imports as a % of total imports | <u>67%</u> | <u>91%</u> | <u>93%</u> |
| PRC | 67% | 91% | 93% |
| Other imports as a % of total imports | 33% | 9% | 7% |
| Total | 100% | 100% | 100% |

*Where a country (PRC, Japan, or Taiwan) is not listed under a tariff sub-heading, there were no imports from that country

Table 5.4.1(l): Import volumes 7225.30

| Tonnes | 2021/22 | 2022/23 | 2023/24 |
|--|----------------|----------------|----------------|
| Alleged dumped imports (Cumulatively assessed) | <u>39 841</u> | <u>14 979</u> | <u>8 371</u> |
| PRC | 33 906 | 10 163 | 8 371 |
| Japan | 5 935 | - | - |
| Taiwan | - | 4 816 | - |
| Other countries | 7 508 | 22 394 | 10 620 |
| Total | 47 349 | 37 373 | 18 991 |
| Alleged dumped imports as a % of total imports | <u>84%</u> | <u>40%</u> | <u>44%</u> |
| PRC | 72% | 27% | 44% |
| Japan | 13% | 0% | 0% |
| Taiwan | 0% | 13% | 0% |
| Other imports as a % of total imports | 16% | 60% | 56% |
| Total | 100% | 100% | 100% |

Table 5.4.1 (m): Import volumes 7225.40*

| Tonnes | 2021/22 | 2022/23 | 2023/24 |
|--|----------------|----------------|----------------|
| Alleged dumped imports (Cumulatively assessed) | <u>26 156</u> | <u>27 478</u> | <u>35 677</u> |
| PRC | 25 816 | 27 478 | 35 677 |
| Japan | 340 | - | - |
| Other countries | 50 267 | 56 149 | 50 900 |
| Total | 76 423 | 83 627 | 86 577 |
| Alleged dumped imports as a % of total imports | <u>34%</u> | <u>33%</u> | <u>41%</u> |
| PRC | 34% | 33% | 41% |
| Japan | 0% | 0% | 0% |
| Other imports as a % of total imports | 66% | 67% | 59% |
| Total | 100% | 100% | 100% |

*Where a country (PRC, Japan, or Taiwan) is not listed under a tariff sub-heading, there were no imports from that country.

The Commission noted that the information in Table 5.4.1(a) above indicates that the alleged dumped imports, when cumulatively assessed, increased by 120% from 2021/22 to 2022/23, further increased by 1% from 2022/23 to 2023/24, with an overall increase of 122% over the POI. Imports from other countries increased by 8% from 2021/22 to 2022/23 and decreased further by 35% from 2022/23 to 2023/24, with an overall decline of 30% over the POI. The alleged dumped imports increased substantially while imports from other countries decreased over the POI, with the alleged dumped imports accounting for a significant percentage of total imports into the SACU market over the same period.

Comments from interested parties.

- Imports from Japan declined from 84 000 tonnes in 2022 to 56 000 tonnes in 2023, a decrease of 32%, and from January 2024 to July 2024, they further declined by 35%. Therefore, if the allegation of dumping was true the price competitiveness would have led to an increase in imports from Japan, Therefore, imports from Japan that are declining are highly unlikely to be causing injury.
- The PRC only exports about 100 million tonnes of steel annually, while producing more than 1.2 billion tonnes and the rest is used internally to support their growth and economy. Their export stats to Africa are a mere 4% of their production, with South America and Asian countries receiving most of their exports.
- Interested parties indicated that the application is deficient as the information on volume of imports is not brought per tariff sub-heading.

Commission's consideration

- The 2022 – 2023 period cited by interested parties does not coincide with the months of the investigation period, as interested parties seem to be merely analysing such decline using January to December months, instead of the April – March months considered in the POI. These months analysed by interested parties are clearly selected to depict a narrative that favours interested parties. This narrative is pushed further when interested parties compare and analyse a decline in imports of a full 12 months with 7 months. Notwithstanding the fact that the period of comparison is not in line with POI, this comparison is done to achieve the conclusion of a decline in imports from Japan. During the POI

imports from Japan increased in Year 1 (April 2021 – March 2022) - Year 2 (April 2022 – March 2023) by more than 200 %, even though they declined by almost 50% from Year 2 -Year 3, the huge increase from Year 1 to Year 2 was so large that over the POI the increase was 117%. It is therefore clear that there is no decline in imports from Japan, and therefore the imports from Japan may be causing the SACU industry injury.

- The interested party's figures appear to be incorrect, rendering the argument invalid. If 4% of 1.2 billion tonnes equals 48 million tonnes and it is claimed that 4% of Chinese production is exported to Africa, this implies that nearly 50% of the exports from the People's Republic of China are intended for the African market. This would also make the point that most of Chinese exports are for the South American and Asian markets contradictory if the figures cited are correct. Irrespective of the errors in the figures provided, the SACU market is one of the biggest markets in Africa, if not the biggest, for PRC producers of the subject product, and therefore imports from PRC may be the cause of the material injury suffered by the Applicant.
- The assertion that information on volumes of information was not brought per tariff sub-heading is incorrect. The Applicant provided the information per tariff sub-heading, and the Commission considered such information including a total for all tariff sub-headings in its determination.

5.4.2 EFFECT ON DOMESTIC PRICES

5.4.2.1 Price undercutting

Price undercutting is the extent to which the price of the imported product is lower than the price of the like product produced by the SACU industry. The price of the imported product is determined based on the landed cost. Landed cost is calculated based on the FOB export price plus cost of freight and clearing costs, plus 10% ordinary customs duties.

Commission's consideration

The Commission considered the substantiation document touted as proof of inland freight, port handling, and clearing fees related to screws and bolts. Furthermore, the email correspondence with the substantiation documents indicated that costs relating to CIF are excluded. The original source and countries it relate to are also not indicated. The Applicant indicated that the information provided to the Commission was the best information available.

The Commission made a preliminary determination not to rely on price undercutting as an injury indicator.

5.2.1.2 Price depression

Price depression takes place where the SACU industry's ex-factory selling price decreases during the investigation period.

Table 5.4.2.2: Price depression

| R/ton | | 2021/22 | 2022/23 | 2023/24 |
|-----------------------|------|---------|---------|---------|
| HS | CODE | 100 | 96 | 86 |
| 7208.10 | | | | |
| HS | CODE | 100 | 145 | 137 |
| 7208.25 | | | | |
| HS | CODE | 100 | 143 | 141 |
| 7208.26 | | | | |
| HS | CODE | 100 | 104 | 101 |
| 7208.27 | | | | |
| HS | CODE | 100 | 93 | 84 |
| 7208.36 | | | | |
| HS | CODE | 100 | 102 | 92 |
| 7208.37 | | | | |
| HS | CODE | 100 | 95 | 85 |
| 7208.38 | | | | |
| HS | CODE | 100 | 97 | 88 |
| 7208.39 | | | | |
| HS | CODE | 100 | 100 | 98 |
| 7208.51 | | | | |
| HS | CODE | 100 | 101 | 99 |
| 7208.52 | | | | |
| HS | CODE | 100 | 89 | 82 |
| 7208.30 | | | | |
| HS | CODE | 100 | 90 | 89 |
| 7208.40 | | | | |
| Hot – Rolled products | | 100 | 101 | 93 |

The figures were indexed due to confidentiality using 2021/22 as a base year.

The Commission considered that the information in Table 5.4.2.2 above indicates that the Applicant experienced price depression in all tariff subheadings except HS codes 7208.25, 7208.26 and 7208.27 during the POI. The information indicates that the Applicant's ex-factory selling prices for all hot-rolled products increased by 1 index point from 2021/2022 to 2022/23, then decreased by 8 index points from 2022/23 to 2023/24, with an overall decline of 7 index points over the POI.

The Commission considered the Applicant's assertion that the SACU industry experienced price depression on hot-rolled products, with selling prices significantly decreasing 7 index points over the POI. The Commission also considered the Applicant's assertion that it struggled to compete with lower dumped imports at the end of the POI due to a simultaneous increase in the cost of production since logistics and energy, amongst other factors, also increased over the POI.

5.4.2.3 Price suppression

Price suppression is the extent to which increases in the cost of production of the product concerned cannot be recovered in selling prices.

Table 5.4.2.3: Price suppression

| R/ton | 2021/22 | 2022/23 | 2023/24 |
|-------------------------------------|---------|---------|---------|
| Applicant's Ex-factory price | | | |
| HS CODE 7208.10 | 100 | 96 | 86 |
| HS CODE 7208.25 | 100 | 145 | 137 |
| HS CODE 7208.26 | 100 | 143 | 141 |
| HS CODE 7208.27 | 100 | 104 | 101 |
| HS CODE 7208.36 | 100 | 93 | 84 |
| HS CODE 7208.37 | 100 | 102 | 92 |
| HS CODE 7208.38 | 100 | 95 | 89 |
| HS CODE 7208.39 | 100 | 99 | 88 |
| HS CODE 7208.51 | 100 | 100 | 98 |
| HS CODE 7208.52 | 100 | 101 | 99 |
| HS CODE 7208.30 | 100 | 89 | 82 |
| HS CODE 7208.40 | 100 | 90 | 89 |

| R/ton | 2021/22 | 2022/23 | 2023/24 |
|--|------------|------------|------------|
| Total Hot-Rolled products | 100 | 101 | 93 |
| Cost of production | | | |
| HS CODE 7208.10 | 100 | 136 | 134 |
| HS CODE 7208.25 | 100 | 138 | 139 |
| HS CODE 7208.26 | 100 | 135 | 135 |
| HS CODE 7208.27 | 100 | 136 | 136 |
| HS CODE 7208.36 | 100 | 135 | 137 |
| HS CODE 7208.37 | 100 | 136 | 137 |
| HS CODE 7208.38 | 100 | 134 | 135 |
| HS CODE 7208.39 | 100 | 137 | 137 |
| HS CODE 7208.51 | 100 | 136 | 136 |
| HS CODE 7208.52 | 100 | 136 | 140 |
| HS CODE 7208.30 | 100 | 148 | 131 |
| HS CODE 7208.40 | 100 | 134 | 135 |
| Total Hot-Rolled products | 100 | 137 | 136 |
| Cost of production as a % of the Applicant's ex-factory price | | | |
| HS CODE 7208.10 | 100 | 142 | 156 |
| HS CODE 7208.25 | 100 | 95 | 101 |
| HS CODE 7208.26 | 100 | 95 | 95 |
| HS CODE 7208.27 | 100 | 132 | 136 |
| HS CODE 7208.36 | 100 | 146 | 162 |
| HS CODE 7208.37 | 100 | 134 | 149 |
| HS CODE 7208.38 | 100 | 142 | 160 |
| HS CODE 7208.39 | 100 | 142 | 156 |
| HS CODE 7208.51 | 100 | 136 | 139 |
| HS CODE 7208.52 | 100 | 135 | 142 |
| HS CODE 7208.30 | 100 | 166 | 160 |
| HS CODE 7208.40 | 100 | 146 | 151 |
| Total Hot-Rolled Products | 100 | 135 | 135 |

The figures were indexed due to confidentiality using 2021/22 as a base year.

Table 5.4.2.3 above indicates that the Applicant experienced price suppression in all tariff sub-headings and overall hot-rolled products or subject product, except on HS code 7208.26 over the POI.

The information indicates that the Applicant's cost as a percentage of ex-factory selling prices for all hot-rolled products increased by 35 index points from 2021/2022 to 2022/23, remained constant from 2022/23 to 2023/24 with an overall decline of 35 index points over the POI.

The Commission considered the Applicant's assertion that production cost as a percentage of the selling price for all tariff sub-headings combined increased significantly, and therefore, the decrease in selling prices and increased production costs made it impossible for it to realize reasonable and sustained profits.

5.5 CONSEQUENT IMPACT OF THE DUMPED IMPORTS ON SACU THE INDUSTRY

5.5.1 Actual and potential decline in sales volumes and values

The following table shows SACU sales volumes and values of the subject product for the period of investigation:

Table 5.5.1: Sales volume and values

| Rm | 2021/22 | 2022/23 | 2023/24 |
|---------------------------------|----------------|----------------|----------------|
| Applicant's sales volumes (ton) | 100 | 82 | 93 |
| Applicant's sales values | 100 | 83 | 86 |

The figures were indexed due to confidentiality using 2021/22 as a base year.

Table 5.5.1 above indicates that the Applicant's sales volumes decreased by 18 index points from 2021/22 to 2022/23 and increased by 11 index points from 2022/23 to 2023/24, with an overall decline over the POI.

Table 5.5.1 above further indicates that the Applicant's sales values decreased by 17 basis points from 2021/22 to 2022/23, increased by 3 index points from 2022/23 to 2023/24 and decreased further over the POI by 14 index points.

5.5.2 Profit

The following table shows the Applicant's profit situation:

Table 5.5.2: Profit

| Rm | 2021/22 | 2022/23 | 2023/24 |
|----------------------------------|------------|-----------|-----------|
| Gross profit | | | |
| HS CODE 7208.10 | 100 | 39 | 20 |
| HS CODE 7208.25 | 100 | 164 | 103 |
| HS CODE 7208.26 | 100 | 129 | 129 |
| HS CODE 7208.27 | 100 | 2 | (10) |
| HS CODE 7208.36 | 100 | 32 | 2 |
| HS CODE 7208.37 | 100 | 33 | 0 |
| HS CODE 7208.38 | 100 | 25 | 2 |
| HS CODE 7208.39 | 100 | 22 | 5 |
| HS CODE 7208.51 | 100 | (23) | (30) |
| HS CODE 7208.52 | 100 | (15) | (25) |
| HS CODE 7208.30 | 100 | 28 | 34 |
| HS CODE 7208.40 | 100 | 3991 | (883) |
| Total Hot-Rolled products | 100 | 20 | 22 |
| Net profit | | | |
| HS CODE 7208.10 | 100 | 36 | 14 |
| HS CODE 7208.25 | 100 | 180 | 104 |
| HS CODE 7208.26 | 100 | 143 | 140 |
| HS CODE 7208.27 | 100 | (10) | (R26) |
| HS CODE 7208.36 | 100 | 26 | (9) |
| HS CODE 7208.37 | 100 | 26 | (12) |
| HS CODE 7208.38 | 100 | 20 | 5 |
| HS CODE 7208.39 | 100 | 18 | (2) |
| HS CODE 7208.51 | 100 | (38) | (47) |
| HS CODE 7208.52 | 100 | (27) | (36) |
| HS CODE 7208.30 | 100 | 24 | 28 |
| HS CODE 7208.40 | 100 | (1628) | (3777) |
| Total Hot-Rolled products | 100 | 14 | 14 |

The figures were indexed due to confidentiality using 2021/22 as a base year.

Table 5.5.2 above indicates that the Applicant experienced gross losses on four HS codes (7208.27, 7208.51, 7208.52, and 7225.40) of the twelve tariff subheadings, and net losses on seven (7208.27, 7208.36, 7208.37, 7208.39, 7208.51, 7208.52, and 7225.40) of the twelve subheadings. On those tariff subheadings with no losses, the Applicant experienced decreases in net profits. The information related to hot rolled products in Table 5.5.2 above indicates that the Applicant's net profit decreased by 8 index points from 2021/22 to 2022/23, remained constant from 2022/23 to 2023/24, with an overall decline of 86 index points over the POI. The Applicant's gross profit declined by 80 index points from 2021/22 to 2022/23, increased by 2 index points from 2022/23 to 2023/24 with an overall decline of 78 index points over the POI.

The Commission considered the Applicant's assertion that the significant decrease in profits is indicative of a market where domestic selling prices are not only depressed but also suppressed to compete with the unfair price levels of the alleged dumped imports. The downward trend will continue and will significantly impair the Applicant.

5.5.3 Market share

The following table shows the market share for the subject product based on sales and import volumes expressed as a percentage of total SACU market:

Table 5.5.3: Market share

| Tons | 2021/22 | 2022/23 | 2023/24 |
|--|----------------|----------------|----------------|
| Applicant's sales volumes | 100 | 82 | 93 |
| Other SACU producers' sales volumes | 100 | 82 | 93 |
| Alleged dumped imports volumes | 100 | 220 | 222 |
| -PRC | 100 | 173 | 202 |
| -Japan | 100 | 319 | 217 |
| -Taiwan | 100 | 611 | 571 |
| Other imports volumes | 100 | 108 | 70 |
| Market share % | | | |
| Applicant's market share as a % of total market | 100 | 81 | 87 |
| Other SACU producers' market share as a % of total market | 100 | 86 | 86 |
| Alleged dumped imports by country market share as a % of total market | | | |
| -PRC | 100 | 178 | 200 |
| -Japan | 100 | 350 | 200 |
| -Taiwan | 100 | 300 | 300 |
| Total market share of alleged dumped imports (%) | 100 | 217 | 217 |
| Market share of other imports (%) | 100 | 100 | 67 |
| Total | 100 | 100 | 100 |

The figures were indexed due to confidentiality using 2021/22 as a base year.

*Market share of other SACU producers is estimated based on production volumes of 2023/2024.

Table 5.5.3 above indicates that the Applicant's market share for hot-rolled products combined decreased by 19 index points from 2021/22 to 2022/23, then increased by 6 index points from 2022/23 to 2023/24, resulting in an overall decline of 13 index points over the POI. Alleged dumped imports' market share increased by 117 index points from 2021/22 to 2022/23 and remained constant from 2022/23 to 2023/24, resulting in an overall increase of 117 index points over the POI. The market share of other imports remained constant from 2021/22 to 2022/23, decreased by 33 index points from 2022/23 to 2023/24, and ultimately declined by 33 index points over the POI.

The Commission considered the Applicant's assertion that alleged dumped imports gained market share at its expense despite the overall increase in domestic demand and that other imports also lost market share over the POI.

5.5.4 Output

The following table shows the Applicant's domestic production volumes of the subject product:

Table 5.5.4: Production Volumes

| | 2021/22 | 2022/23 | 2023/24 |
|--|---------|---------|---------|
| Total production of the product concerned (tonnes) | 100 | 74 | 91 |

The figures were indexed due to confidentiality using 2021/22 as a base year.

Table 5.5.4 above indicates that the Applicant's output decreased by 26 index points from 2021/22 to in 2022/23, and then increased by 23 index points 2022/23 to 2023/24, resulting in an overall decline of 9 index points over the POI.

Commission's consideration

The Commission considered that the production volume indicated in Table 5.5.4 relates to the production of all hot rolled products, with some of these being further processed into other final products which are not subject to this Application. The Applicant did provide a split of only final hot rolled product; however, this is based on sales, and it relates to products only sold in the domestic market, excluding exports.

5.5.5 Employment

The following table provides the Applicant's number of employees in production:

Table 5.5.5: Employment

| | 2021/22 | 2022/23 | 2023/24 |
|---------------------------------------|------------|-----------|-----------|
| Direct labour units: production | 100 | 97 | 93 |
| Indirect labour units: production | 100 | 95 | 96 |
| Total labour units: production | 100 | 96 | 94 |

Table 5.5.5 above indicates that the Applicant's total labour production units decreased by 4 index points from 2021/22 to 2022/23 and further decreased by 2 index points from 2022/23 to 2023/2, with an overall decline of 6 index points over the POI.

The Commission considered the Applicant's assertion that the employment numbers decreased over the POI and will continue when the Applicant is forced to rationalize to remain profitable.

5.5.6 Productivity

The table below shows the Applicant's productivity determined based on output the number of employees in production:

Table 5.5.6: Productivity

| Ton | 2021/2022 | 2022/23 | 2023/24 |
|--|------------------|----------------|----------------|
| Total production volume (ton | 100 | 74 | 91 |
| Number of employees (manufacturing only) | 100 | 96 | 94 |
| Units per employee (tonnes) | 100 | 76 | 97 |

Table 5.5.4 above indicates that the Applicant's manufactured units per employee decreased by 24 index points from 2021/22 to in 2022/23 and increased by 21 index points from 2022/23 to 2023/24, with an overall decrease of 3 index points over the POI.

The Commission considered the Applicant's assertion that the decline in output meant that fewer employees were needed in the plant and therefore employees were laid off. However, the productivity achieved in table 5.5.6 shows that its current employment numbers are not sufficient to achieve efficiency in the plant.

5.5.7 Utilisation of production capacity

The following table provides the Applicant's capacity and production for the subject product:

Table 5.5.7: Utilisation of production capacity

| Tons | 2021/22 | 2022/23 | 2023/24 |
|-------------------------------|----------------|----------------|----------------|
| Applicant's capacity (tonnes) | 100 | 100 | 100 |
| Applicant's Output | 100 | 74 | 91 |
| Capacity utilisation % | 100 | 74 | 91 |

Table 5.5.7 above indicates that the Applicant capacity utilisation decreased by 16 index points from 2021/22 to 2022/23, increased by 17 index points from 2022/23 to 2023/24 and over the POI, it decreased by 9 index points.

The Commission considered the Applicant's assertion that it is operating significantly below full capacity; however, considering the volume of imports, there is significant room for improvement in capacity utilisation should Anti-Dumping measures be imposed. This will, in turn, influence efficiencies and increase the demand for labour.

Commission's consideration

The Commission considered that the Applicant determined capacity based on the installed capacity of its machine to produce all hot-rolled coils regardless of whether they were to be further processed into other products.

5.5.8 Return on investment.

The following table shows the Applicant's return on investment:

Table 5.5.8: Return on investment.

| R/m | 2021/22 | 2022/23 | 2023/24 |
|---------------------------------------|----------------|----------------|----------------|
| Net profit (subject product) | 100 | 14 | 14 |
| Net assets (subject product) | 100 | 109 | 114 |
| Return on net assets (product) | 100 | 13 | 12 |

Table 5.5.8 above indicates that the Applicant's return on net assets for the subject product decreased by 87 index points from 2021/22 to 2022/23 and further decreased by 1 index points from 2022/23 to 2023/24, for an overall decrease of 88 index points for the POI.

The Commission considered the Applicant's assertion that the return on investments dropped significantly and has declined throughout the POI, mainly affected by shrinking profits.

5.5.9 Factors Affecting Domestic Prices

The Applicant experienced depression and suppression over the POI.

5.5.10 The magnitude of the margin of dumping

The weighted average dumping margin for the subject product was determined as follows:

- The PRC – 55.17%.
- Japan – 20.15%; and
- Taiwan – 27%

5.5.11 Actual and potential negative effects on cash flow

The following table reflects the Applicant's cash flow situation.

Table 5.5.11: Cash flow

| R/m | 2021/22 | 2022/23 | 2023/24 |
|-------------------------|---------|---------|---------|
| Cash flow: incoming HRP | 100 | 91 | 94 |
| Cash flow: outgoing | 100 | 101 | 108 |
| Net cash flow | 100 | 31 | 5 |
| HS 720810 | | | |
| Cash flow: incoming | 100 | 103 | 93 |
| Cash flow: outgoing | 100 | 114 | 107 |
| Net cash flow | 100 | 34 | 3 |
| HS 720825 | | | |
| Cash flow: incoming | 100 | 102 | 81 |
| Cash flow: outgoing | 100 | 112 | 93 |
| Net cash flow | 100 | 33 | 0 |
| HS 720826 | | | |
| Cash flow: incoming | 100 | 77 | 75 |
| Cash flow: outgoing | 100 | 86 | 87 |
| Net cash flow | 100 | 26 | 4 |

| R/m | 2021/22 | 2022/23 | 2023/24 |
|---------------------|---------|---------|---------|
| HS 720827 | | | |
| Cash flow: incoming | 100 | 93 | 83 |
| Cash flow: outgoing | 100 | 92 | 107 |
| Net cash flow | 100 | 28 | 5 |
| HS 720836 | | | |
| Cash flow: incoming | 100 | 129 | 148 |
| Cash flow: outgoing | 100 | 144 | 171 |
| Net cash flow | 100 | 44 | 7 |
| HS 720837 | | | |
| Cash flow: incoming | 100 | 114 | 123 |
| Cash flow: outgoing | 100 | 127 | 142 |
| Net cash flow | 100 | 39 | 6 |
| HS 720838 | | | |
| Cash flow: incoming | 100 | 88 | 91 |
| Cash flow: outgoing | 100 | 98 | 105 |
| Net cash flow | 100 | 30 | 5 |
| HS 720839 | | | |
| Cash flow: incoming | 100 | 77 | 83 |
| Cash flow: outgoing | 100 | 85 | 96 |
| Net cash flow | 100 | 26 | 4 |
| HS 720851 | | | |
| Cash flow: incoming | 100 | 110 | 101 |
| Cash flow: outgoing | 100 | 122 | 117 |
| Net cash flow | 100 | 37 | 5 |
| HS 720852 | | | |
| Cash flow: incoming | 100 | 102 | 66 |
| Cash flow: outgoing | 100 | 113 | 76 |
| Net cash flow | 100 | 34 | 3 |
| HS 722530 | | | |
| Cash flow: incoming | 100 | 137 | 132 |
| Cash flow: outgoing | 100 | 147 | 147 |
| Net cash flow | 100 | 33 | 0 |
| HS 722540 | | | |

| R/m | 2021/22 | 2022/23 | 2023/24 |
|---------------------|---------|---------|---------|
| Cash flow: incoming | 5 | 5 | 2 |
| Cash flow: outgoing | 100 | 100 | 40 |
| Net cash flow | 100 | 0 | 0 |

Table 5.5.11 above indicates that the Applicant's net cash flow decreased by 69 index points from 2021/22 to 2022/23, further decreased by 64 index points from 2022/23 to 2023/24, with an overall decline of 95 index points over the POI.

The Commission considered the Applicant's assertion that its net cash flow declined consistently during the POI in the next 12 months, that this will continue and could have crippling effects, as it would no longer be able to sustain the positive cash flow due to further streamlining.

5.5.12 Inventories

The following table provides the Applicant's inventories for the subject product:

Table 5.5.12: Inventories

| | 2021/22 | 2022/23 | 2023/24 |
|--------------------------|---------|---------|---------|
| Inventories Volume - Ton | 100 | 45 | 71 |
| Inventories Value Rm | 100 | 51 | 88 |

Table 5.5.12 above indicates that the Applicant's inventory volume decreased by 55 index points from 2021/22 to 2022/23 and then increased by 26 index points from 2022/23 to 2023/24, with an overall decline of 29 index points over the POI.

Table 5.5.12 above further indicates that the Applicant's inventory value decreased by 49 index points from 2021/22 to 2022/23 and then increased by 37 index points from 2022/23 to 2023/24, with an overall decline of 12 index points over the POI.

The Commission considered the Applicant's assertion that it manufactures to order; therefore, fluctuations in inventory levels are not necessarily indicative of injury but rather of the available stock for clients who have already placed orders.

5.5.13 Wages and Salaries

The following table shows the Applicant's wages and salaries:

Table 5.5.13: Wages and Salaries

| R/m | 2021/22 | 2022/23 | 2023/24 |
|------------------------------------|---------|---------|---------|
| Total wages: Production Rm/year | 100 | 102 | 109 |
| Wages per Employee | 100 | 107 | 117 |

Table 5.5.13 above indicates that the Applicant's wages per employee increased by 7 index points from 2021/22 to 2022/23 and further increased by 10 index points from 2022/23 to 2023/24, for an overall increase of 17 index points over the POI.

The Commission considered the Applicant's assertion that it concluded a 3-year wage agreement with unions to give itself the platform to plan for operational stability, penetration in the markets and nurturing of growth in the Africa Over Land ('AOL') and domestic market. The Commission also considered the assertion that despite the decrease in sales and profitability, the Applicant undertook to pay its employees a favourable rate, hence the increase seen in Table 5.5.13 above. However, should duties not be imposed, it will be forced to reduce employees, which has already happened at its Newcastle Mill.

5.5.14 Ability to raise capital or investments.

The following table provides the Applicant's ability to raise capital or investments:

Table 5.5.14: Ability to raise capital or investments.

| R/m | 2021/22 | 2022/23 | 2023/24 |
|--|---------|---------|---------|
| Total capital/investment in subject product -Rand million | 100 | 109 | 114 |
| Capital expenditure during year on the subject product -Rand million | 100 | 168 | 105 |

Table 5.5.14 above indicates that the Applicant's capital investment in the subject product increased by 9 index points from 2021/22 to 2022/23 and further increased by 5 index points from 2022/23 to 2023/24, for an overall increase of 1 index points over the POI.

Table 5.5.14 above indicates that the Applicant's capital expenditure on the subject product increased by 68 index points from 2021/22 to 2022/23 and then decreased by 63 index points from 2022/23 to 2023/24, with an overall increase of 5 index points over the POI.

The Commission considered the Applicant's assertion that it can still raise capital investment and expenditure to remain competitive; however, this will not be sustainable if the industry remains unprotected from the alleged dumped imports. As it is a publicly traded entity, investment is highly dependent on the overall profitability of the entity, which is not just under threat from cheap imports.

5.5.15 Growth

The following table shows the growth of the SACU market:

Table 5.5.15: Growth

| Ton | 2021/2022 | 2022/23 | 2023/24 |
|---|------------------|----------------|----------------|
| Size of the SACU market | 100 | 102 | 106 |
| % growth from the previous year | | 100 | 200 |
| Applicant's sales volume (tonnes) | 100 | 82 | 93 |
| Applicant's growth % | | 100 | 167 |
| *The rest of SACU producers' volume | 100 | 82 | 93 |
| Rest of SACU growth % | | 100 | 167 |
| Alleged dumped imports volume (Cumulated) | 159 866 | 351 473 | 355 031 |
| Alleged dumped imports growth % | | 120% | 1% |
| Other imports volume | 156 242 | 168 241 | 110 573 |
| Other imports growth % | | 8% | (35%) |

*The 2021/22 and 2022/23 sales volumes are estimated based on Columbus production volume in 2022/2024.

The information in Table 5.5.15 above indicates that the size of the SACU market grew by 2 index points from 2021/22 to 2022/23, by 4 index points from 2022/23 to 2023/24, and by 6 index points overall over the POI. The Applicant did not experience any growth from 2021/22 to 2022/23 as its sales volumes declined by 18 index points, however from 2022/23 to 2023/24, sales recovered by 11 index points compared to previous year, overall, the Applicant's sales declined by 7 index points during the POI.

The alleged dumped imports experienced growth every year. Its significant growth was experienced from 2021/22 to 2022/23, amounting to 120%, and a further 1% growth from 2022/23 to 2023/24, resulting in an overall growth of 121% during the POI.

The Commission considered the Applicant's assertion that the SACU market has grown due to the local economy recovering from COVID-19; however, the bulk of this increase was captured by allegedly dumped imports.

SUMMARY - MATERIAL INJURY

Based on the information above, the Applicant experienced material injury with regard to the following:

- Price Suppression;
- Price depression;
- Declining sales volume;
- Declining production volume
- Declining productivity;
- Declining market share
- Declining employment
- Declining capacity utilisation
- Declining profits; and
- Declining return on investments.

Comments from interested parties.

Interested parties indicate that the tariff sub-headings covered in this investigation overlap those covered in the safeguard investigation which is conducted by ITAC and where provisional measures have been imposed in July 2024. The result of the provisional measures will lead to a decline in imports which should be considered by the Commission in its injury determination together with the injury within the POI. The determination of whether injury exists should be based on data that provide indications of the situation prevailing when the investigation takes place (Appellate Body Report, Mexico - Anti-Dumping Measures on Rice, para. 165). Therefore, according to Article 3.1 of the Anti-Dumping Agreement, the historical data covering only the POI (April 2021 to March 2024) are too remote to "provide indications" of the existence of injury "when the investigation takes place.

Commission's consideration

The Commission noted that the tariff sub-headings in this investigation overlap with those that form part of the mentioned safeguard investigation and the fact that the provisional safeguard duties lapsed in January 2025, and the provisional duties will be refunded to importers. Although the provisional measures are most likely to result in a decline in imports, the impact of these measures cannot be meaningfully evaluated as data that is available to the Commission will not cover the full 6 months and cannot be meaningfully compared with import volumes of the POI.

Interested parties cite the Appellate Body Report on Rice, to indicate that the Commission should consider information prevailing after the imposition of provisional measures in July 2024, which would reveal current and prevailing data. However, this assertion would mean that all investigations should consider additional periods (days, months, years) that are post the period for data collection for injury information provided, which would be post-initiation of an investigation.

Noting that the investigation was initiated within 5 months after ending of the period for data collection for injury, and within the legally required 6 months for dumping information. The WTO Committee on Anti-Dumping practices in its meeting of 4-5 May 2020 adopted recommendations concerning the period of data collection, which summarily state that "the period of data collection for material injury determination should include an entirety of the period of data collection for dumping determination. Also, the period of data collection for dumping determination should be ending as close as possible to the date of initiation". Since on investigations conducted by ITAC, the POI for dumping is the last year of the POI for injury, it would therefore suffice that the POI for injury should also be as close as possible, similar to the period for dumping determination. The ADR therefore determined the date which is considered as close as possible to the initiation date as "6 months", meaning information cannot be older than 6 months.

The assertion of needing to provide additional information which considers what they say are "current conditions" is not supported by the Panel in Mexico – Steel Pipes and Tubes, which noted that, the selection of the period of investigation by an investigating authority was a critical element in the Anti-Dumping investigative process. The Panel noted further that there were clear textual indications that anti-dumping measures

could only be imposed to offset dumping currently causing injury. The data on which such a determination was made could be based on a past period, although given that “historical” data was being used to draw conclusions about the current situation it was likely that more recent data would be ‘inherently more relevant and thus especially important to the investigation.’

The Panel considered that “the investigating authority should rely upon information pertaining to a period approaching, as close as practicable, the date of initiation of the investigation”.

In this case, the Panel needed to consider whether a gap of eight months between the end of the period of investigation and the initiation of the investigation, and another gap of just over two years between the end of the period of investigation and the imposition of the final Anti-Dumping duties raised doubts about the existence of a sufficiently relevant nexus between the date relating to the period of investigation and current injury and causal link as to result in a violation of Article 3.1. While the Panel had concerns regarding the selection of the injury period of investigation and would have preferred the investigating authority in Mexico to have collected updated data, it did not consider Guatemala to have established that the information used did not reflect a sufficiently relevant nexus between the data relating to the period of investigation and current injury and causal link.

Taking into account that 8 months between the last year in the POI and initiation of the investigation was concerning to the panel in the above matter, it was not a violation of Article 3.1, and in this case the information is less than 6 months, and the Commission will impose final measures within the 18 months prescribed in the ADA and ADR, not over two years as in the above matter.

This is further supported by the case cited by interested parties, in Mexico – Anti-Dumping Duties on Rice, Mexico argued that the Panel should have found that Mexico’s interpretation concerning the “integration” of the data collection period was permissible under Article 17.6(ii) of the Anti-Dumping Agreement. Considering this argument, the Appellate Body noted that the issue before the Panel was the manner in which Economía conducted the injury analysis, not the interpretation of a specific provision of the Anti-Dumping Agreement. The Appellate Body supported the view

expressed by the Panel that the data on the basis of which a determination of injury caused by dumping is made may relate to a past period, to the extent this information is relevant with regard to the current situation. It thus concluded that the Panel's view as such was compatible with Mexico's own reading of the Anti-Dumping Agreement, according to which using data relating to a past period does not, per se, entail a violation of that Agreement. Thus, Mexico's argument regarding Article was without merit.

The Commission further considered the merits of the Mexico Appellate Body Report on Rice cited by interested parties. It determined to dismiss its relevance in the current case as in that case when they required the collection of recent data prevailing when the investigation was taking place was because there was a more than 15-month gap between the end of the POI and initiation of the investigation, and a further three years between the end of the POI and imposition of final duties. Therefore, the Appellate Body in that case upheld the Panel's finding that a *prima facie* case was established that the information used by Economía did not provide reliable indications of current injury and, therefore, did not meet the criterion of positive evidence in Article 3.1. Noting its agreement with Mexico that using a remote investigation period is not per se a violation of Article 3.1, the Appellate Body concluded that the Panel did not set out such a principle, because its findings related to the specific circumstances of the dispute and were based on several factors.

Having agreed with the Panel that more recent data was likely to provide better indications about current injury, the Appellate Body stated: "[A] gap of 15 months between the end of the period of investigation and the initiation of the investigation, and another gap of almost three years between the end of the period of investigation and the imposition of the final Anti-Dumping duties, may raise real doubts about the existence of a sufficiently relevant nexus between the data relating to the period of investigation and current injury."

Summary of material injury

The Commission, in making its preliminary determination on material injury, considered that an industry can experience material injury based on "price" or "volume" indicators. Whilst each material injury indicator is analysed, the determination of material injury is based on an overall assessment of the industry's situation. Therefore, there is no price

effect, volume effect, or injury indicator that is more important than another, thus leading to a conclusion of whether material injury exists as a result of such.

The Commission made a preliminary determination that the SACU industry is experiencing material injury.

6. THREAT OF MATERIAL INJURY

The Applicant provided the following information to substantiate the threat of material injury.

6.1 Freely disposable capacity of the exporter

- The Applicant stated that according to two OECD reports, titled “Latest Developments in Steelmaking Capacity 2023” and “Steel Market Developments – Q2 2023”, global excess capacity is one of the global steel sector's main challenges. These reports indicate that the global steel industry's capacity has more than doubled since the early 2000s, and several economies' investment projects continue to increase.
- According to these statistics, the Southeast Asia Iron and Steel Institute ('SEAISI'), which represents a region with considerable inward investment in its steel sectors, estimates that 90.8 million MT of additional capacity will increase the area's capacity to 162.6 million MT by 2030. According to SEAISI, the significant capacity growth results from fast capacity expansion in Indonesia, Vietnam, and Malaysia.
- Japan is the only country with over 100m MT² capacity and high export shares at around 28%. China, India, and Japan are indicated as net exporters of steel with large steelmaking capacity.
- The 2022 World Steel in Figures Report indicates Taiwan as the 12th largest steel producer in 2021 and the 11th largest producer in 2020. In 2021, it produced 23.2 million tons and exported 10.8 million tons of what it produced. A little over 46% of the total steel produced in Taiwan was, therefore, exported. The World Steel Association reported in 2023 that Taiwan ranked 13th in the world for global steel production, producing 18.9 million tons in total. The Applicant states that this is indicative of Taiwan's excess production capacity.
- 11 out of the top 20 steel companies in the world are from China, showing the monopoly China has over the world. Any freely disposable capacity and/or imminent increase in capacity in China has an impact worldwide. In terms of Japan and Taiwan, Japan is home to two of the top producers and Taiwan's 'China Steel Corporation' was in 26th place in 2021.
- According to the GMK Centre Article, exports of steel from China could reach 90 million tonnes in 2023, a 30% increase from the previous year. This aggressive approach from China to increase exports as the Yuan devalues

against the dollar makes a point of freely disposable capacity that is now used to penetrate other foreign markets, particularly unprotected markets like the SACU market.

- According to a Chinese Iron and Steel Association article, dated 17 August 2023, daily crude steel production in China reached 2.1527 million tonnes, an increase of 0.8% month on month.
- The Applicant also stated that it used its best efforts to obtain a forecast of Japanese and Taiwanese hot-rolled steel exports. But it was unable to find any reliable resources. However, it was able to ascertain from a Steel Orbis article that the Japanese Ministry of Trade ('METI') has forecasted that the country's total crude steel output in the January- March 2024 will increase by 1.7% year on year to 21.98 million mt. Regarding a GMK article, Japan's Nippon Steel Company increased its consolidated steel production by 2.2% y/y to 10.26 million tons in October 2023.
- Steel News indicates that Taiwanese exports increased by 18.1% in January 2024. Taiwan's biggest steel producer, China Steel Corporation ('CSC'), is also set to upgrade its production plant and increase its production capacity in 2024, indicating a potential increase in Taiwan's overall steel capacity.
- The results of the 2023 OECD publications indicate that global steelmaking capacity will continue to expand substantially. The implications include over-supply in the countries of origin and the increased need to export the produced steel to markets at a reduced price, such as the SACU industry, due to lack of protection presently in place. As evidenced above, the situation in China, Japan, and Taiwan also tells a story of a freely disposable capacity used to penetrate foreign markets. China is shown to have an aggressive export approach with exports expected to increase by 30%.
- The official import statistics indicate that imports of hot-rolled steel (subject product), from China in particular to SACU, have risen since April 2021. The data shows a significant increase of 102% in absolute terms between April 2021- March 2022 and April 2023- March 2024. Imports from Japan increased by 117%, and imports from Taiwan increased by 471% in absolute terms over the same period. This is in direct contrast to imports from other countries not alleged to be dumping, where total imports of the subject product decreased by 29% over the POI.

- The evidence also indicates a significant increase in capacity to produce hot-rolled products in particular, which, combined with a decrease in demand for the subject product, has led to massive increases in unsold inventories of 80% yearly.
- The information above makes it clear that there is a freely disposable hot-rolled steel capacity in China, Japan and Taiwan that can further lead to penetration of the subject countries' exports to SACU, as is already the case from April 2021 till March 2024. China is the major producer and exporter of the subject product, and their exports constitute 54% of the total world imports into SACU for the period April 2023-March 2024. Japan constitutes 13% in the same period and Taiwan 9%. Combined China, Japan and Taiwan combined constituted 76% of total imports in the period mentioned above whereas imports from all other countries only constituted 24%.
- There is a current and expected imminent substantial increase in the production capacity of the subject product worldwide, particularly in the Southern Asia region, as investment projects continue to increase.

Commission's consideration

The Commission considered that the information provided above was not for the subject product, and the Applicant did not attempt to link it to the subject product. Thus, it was found that with regard to the freely disposable capacity of the exporters, no evidence of threat was provided.

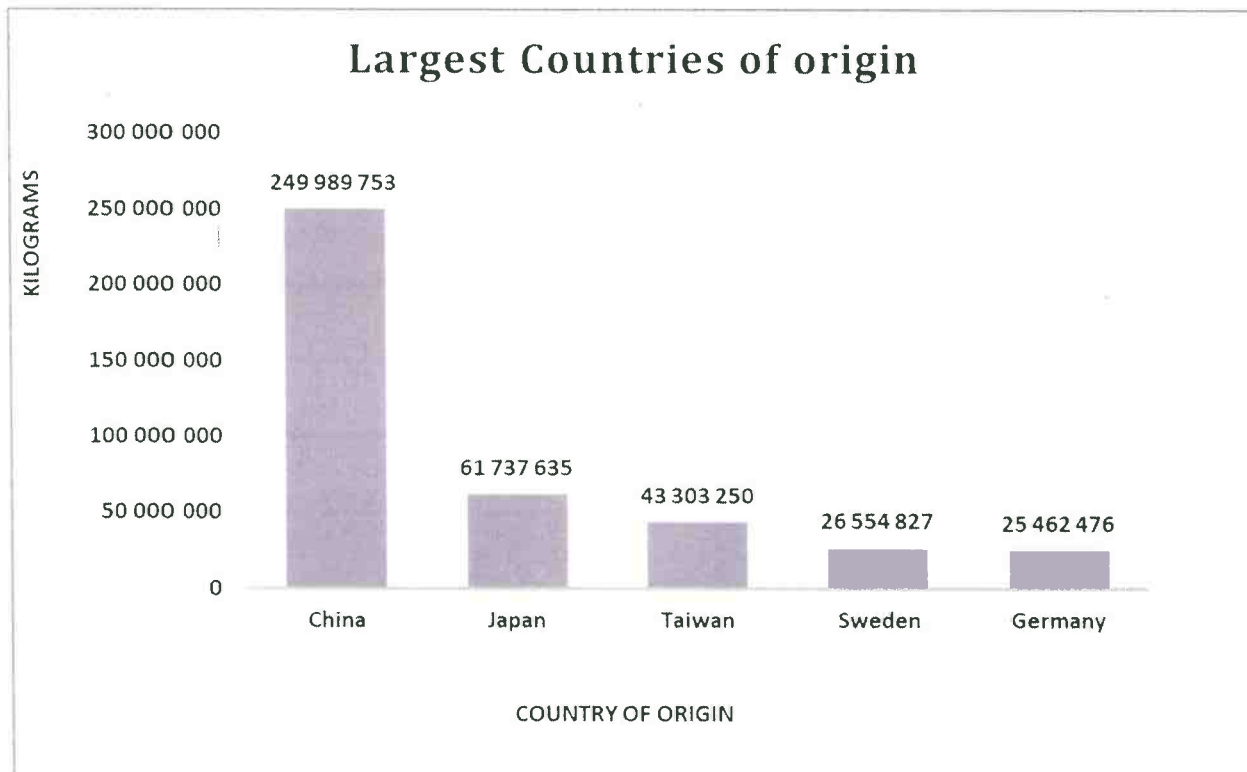
6.2 Significant increase of allegedly dumped imports into the SACU market

The Applicant stated that:

- The import statistics show a significant increase in imports of 122% of the subject product into the SACU market between April 2021 – March 2022 and April 2023 - March 2024 from China, Japan & Taiwan.
- In terms of the likelihood, the significant increase recorded in the last year of the POI will likely continue to rise in the coming 12 months from March 2024. This likelihood is based, amongst other aspects, on the fact that the steel industry globally is returning towards full recovery from COVID-19 restrictions. These yearly increases are expected to follow the recovery journey and increase beyond the 2023 financial year.

- China is the major exporter of the subject product in the SACU market. According to diagram 1 below, imports from China constitute 54% of the total imports into the SACU market in 2023/2024. Evidence suggests that China employs an aggressive export approach, with an expected increase of 30% in Chinese exports of the subject product.
- Global steelmaking capacity will continue to expand substantially.
- The increase in global steelmaking capacity, particularly in China, Japan, and Taiwan, is likely to lead to increased exportation to other unprotected markets, such as the SACU market, same as it was from April 2021 to March 2024 (the POI).
- The information above makes it clear that there is a significant increase of imports of the subject product into the SACU market and this increase happened over the entire POI. The information also makes it clear that the increasing trend on a month-to-month basis during the period 2023/2024 indicates the likelihood of further substantially increased importation of hot-rolled products into the SACU market. The information further indicates that the increase of both global steel capacity, as well as the subject product, particularly in the subject countries, presents the case of a likelihood that further substantial increased importation of hot-rolled products into the SACU market will take place if the SACU market is not protected.

Graph: Largest Countries of Origin



6.3 Prices that will have a substantial depressing and suppressing effect on SACU prices.

The Applicant stated that:

- The demand for hot rolled steel imports in SACU will likely increase further beyond the 2023/24 period. Imports already have a significant price depressing and suppressing effect on SACU prices, which will continue. This likelihood is based on the current situation in the SACU industry, and that can be explained as follows:
- The SACU market grew by 6% between April 2021 – March 2022 and April 2023 - March 2024. This growth was mainly driven by total allegedly dumped imports that increased by 102% for China, 117% for Japan and 471% for Taiwan during the same period. The total domestic SACU sales decreased by 7% during the same period. This shows that the increased demand in SACU was captured by the imports, not the SACU sales. The market share for dumped imports increased by 14%, while the Applicant's market share decreased by 9% between April 2021 – March 2022 and April 2023 - March 2024.
- SARS imports statistics show that the fob export price of the alleged dumped imports from, China decreased by 1% (from R13,923/ton to R13,777/ton

between the first and last years of the POI). For Japan the decrease was 8% (from R14,773/ton to R13,560/ton) between the first and last year of the POI. From Taiwan the decrease is 37% (from R18,140 /ton to R11,284 /ton) between the first and last year of the POI. This is notwithstanding the fact that the price in the first year of the POI is already very low. The fob export price of all other countries has increased by 71% (from R14,522 /ton to R24,847/ton) between the first and last year of the POI. This declining trend of fob prices from China, Japan and Taiwan will syphon the demand for imports even further beyond the 2023/24 period, as imports from the alleged dumping countries continue to become cheaper.

- Declining domestic selling prices, such as in the last year of the POI, will continue beyond the 2023/24 period because of the declining fob prices by China, Japan, and Taiwan and increasing demand for imports by SACU customers.
- The increased demand argued above will be exacerbated by the fact that the SACU steel industry is currently without any trade remedies protection (only 10% of customs duties are in place) compared to other markets whose industries are heavily protected. The closure of big markets like the United States, the European Union, Vietnam, Brazil, and many other emerging markets is resulting in a shifting in export patterns, as China, Japan, and Taiwan need to move their excess production to other unrestrictive markets, such as the SACU market.
- The likelihood of a further increase in demand for imports is supported by the growth of the SACU market, the increased import's market share, the declining fob export prices, and the closure of other markets such as those mentioned above, leaving SACU markets as the targeted market unprotected by trade remedy instruments.

6.4 Exporters Inventories

The Applicant stated that:

- The Southeast Asian Iron and Steel Institute stated that” As of Oct. 9 in eastern China, hot-rolled coil inventories in Shanghai were almost 80% higher than the same time last year, while rebar inventories in Hangzhou were about 35% higher on the year, according to market sources.”

- This has been weighing on Chinese steel prices, leading to decreased selling prices. This is seen in the imports into the SACU, as imports are coming in at ever-lower prices to compensate for the oversupply of hot-rolled steel in the Chinese market.
- In Japan, the JISF released inventory estimates for December 2023, which show total Plate and Sheet inventory levels at 541 million tons and total hot-rolled strips more than 600mm in width, having inventory levels of 1,588 million tons. In January 2024, inventories increased to 613 million tons for Plate and Sheet and 1 633 million tons for hot-rolled strips 600 mm or more in width. The JISF reported an increase for both.
- The Applicant indicated that it could not find information on Taiwanese steel inventories, but steel production is rising, indicating that inventories will likely increase.

6.5 The state of the economies of the countries of origin/export and its influence on the operations of manufacturers and exporters.

The Applicant stated that:

- China heavily invested in its economic growth since 1979, growing its industrial base; however, the growth was not sustainable in the long term, as the country went from a developing economy into a fully-fledged developed economy, albeit with a great deal of government oversight and intervention.
- From the graph below, we can see that the Chinese annual growth rate has been on a steady decline since 2006/2007 (with the notable exception of 2021, when the economy opened after extreme COVID-19 restrictions). As economic growth slows down, domestic demand for certain commodities, especially those used in infrastructure development, will slow down in response.
- An article published for S&P Global Commodity Insights indicated: "China's property sector has entered a long-term downward trend, and the country has been trying to promote its manufacturing as a new economic growth engine.
- According to market sources, China's manufacturing sectors, especially cars, ships, and new energy facilities, have played a larger role in offsetting most of the property's adverse impact on steel demand for 2023. "The quick rising HRC capacity in a way has supported such improvement in manufacturing with ample and cheap steel supply. But of course, to steel mills, the HRC capacity has been increasing too quickly, undermining steel profit margins," one Shanghai-based source said.

- As the domestic demand in China slowed down, manufacturers kept increasing their capacities and overall production to keep reducing the cost for these steel commodities, leading to an inherent need to find alternative markets for this oversupply of steel. South Africa, which has one of the lowest barriers to entry (because of being considered a developed country at the time of the Uruguay negotiations), became a lucrative avenue for imports from China that could no longer be sold domestically, as there was no demand.
- Japan is one of the world's largest and most developed economies. However, the rapid ageing of Japan's population is set to reduce the size of the workforce and tax revenues while placing increasing demands on health and welfare expenditures. Labour-market reforms to increase participation are among the measures being used to counter this trend. In 2024, it is said that Japan's economy unexpectedly fell into a recession, indicating mounting pressure on industries to increase growth.
- OECD reports indicate that Japan's steel demand increased by 9.1% in 2021 and is expected to stagnate with a meagre 0.2% growth rate in 2022 before increasing by 1.7% in 2023 (World Steel, 2022[29]). The Institute of Energy Economics Japan (IEEJ) forecasted the demand reduction by automotive and construction sectors and revamping for two Blast Furnaces (BF) led to a reduction of crude steel production in FY2022. For FY2023, crude steel production will be rebound by the recovery of automotive production globally. At the same time, JFE Steel plans to suspend operations at one of its BF in the Keihin District of Kawasaki cities (The Institute of Energy Economics, 2022[52]).
- Japan's economy has remained relatively stable.
- Taiwan faced severe poverty after World War II, which was later turned around by three major steps: farm rent reduction in 1949, sale of public farmlands in 1951, and land to the tiller in 1953. During the period 1951-1965, the U.S. economic assistance amounting to \$1.4 billion played an instrumental role in helping Taiwan achieve self-sustaining economic growth.
- Manufacturing has been the backbone of Taiwan's economy, with small and medium-sized enterprises (SMEs) playing a pivotal role. Taiwan became the 144th WTO Member on January 1, 2002. China is Taiwan's largest trading partner, accounting for 25.2% of total trade, followed by the U.S. at 12.6%. Other major Taiwan trading partners include Japan (10.3%), Hong Kong (7.8%),

and the Republic of Korea (6.1%). The above information can be confirmed a Nasdaq article.

- Taiwan's economy has also remained relatively stable. However, from 2020 to 2023, the country is experiencing an overall decline. This is most likely attributable to COVID-19, among other factors.
- As indicated above, domestic demand in China has slowed down, and manufacturers keep increasing their capacities and overall production to keep reducing the cost for these steel commodities, leading to an inherent need to find alternative markets for this oversupply of steel. Prices of the hot rolled coil are expected to continue to decline; in an SG&P article, Chinese manufacturers have indicated that they had to lower their factory gate prices to attract customers in an environment of weaker domestic demand. SG&P has predicted that prices will continue downward well into 2024. This downward trend has also been showcased above when considering the prices of steel entering the SACU market.
- In terms of Taiwan's Quarterly Economic Report of 2023 compiled by SG&P, steel prices overall are also predicted to continue to trend downward, and Taiwan's domestic demand is unlikely to grow materially over the next few quarters. Taiwan already exports almost half of the steel it produces. If Taiwan's domestic demand remains stagnant, but its production capacity is increasing, then Taiwanese manufacturers will have to increase exports.
- The above holds for Japan as well. Although Japan's domestic demand has increased, the increase is not significant enough and is predicted to stagnate. The JISF stated that although Japan's domestic demand is expected to recover in 2024, the global economic slowdown is putting pressure on demand, investment, and exports. For the next year, Japan's crude steel production will move sideways compared to 2023, and steel demand coming from the construction section is expected to see a decline.

Commission's consideration

The Commission noted that the above information is predominately not for the subject product, also those related to hot rolled seem to include other hot-rolled products that are not subject to this investigation. The Commission considered that the Applicant did not provide sufficient information to prove a threat of material injury exists. It is also

noted that information in some areas focusses on China, with limited information on Japan or Taiwan.

The Commission made a preliminary determination that the information provided by the Applicant does not indicate that a threat of material injury exists.

7. CAUSAL LINK

7.1 GENERAL

In order to justify action against the alleged dumping, the Commission must be satisfied that the material injury and/or threat thereof experienced by the SACU industry resulted from the dumping of the subject product.

The following factors are evaluated to establish whether there is a causal link between the alleged dumped imports and material injury.

7.2 VOLUME OF IMPORTS AND MARKET SHARE

An indication of causality is the extent to which the volume of imports has increased and the extent to which the domestic industry's market share has decreased since the commencement of injury, with a corresponding increase in the market share of the alleged dumped product.

7.2.1 Import volumes

The following table shows the volume of imports:

Table 7.2.1 (a): Import volumes – Hot-Rolled Products

| Tonnes | 2021/22 | 2022/23 | 2023/24 |
|--|----------------|----------------|----------------|
| Alleged dumped imports (Cumulatively assessed) | <u>159 865</u> | <u>351 473</u> | <u>354 854</u> |
| PRC | 123 883 | 214 738 | 249 990 |
| Japan | 28 395 | 90 393 | 61 738 |
| Taiwan | 7 587 | 46 342 | 43 303 |
| Other imports | 156 242 | 168 241 | 109 715 |
| Total | 316 107 | 519 714 | 464 569 |
| Alleged dumped imports as a % of total imports | <u>51%</u> | <u>68%</u> | <u>76%</u> |
| PRC | 39% | 41% | 54% |
| Japan | 9% | 17% | 13% |
| Taiwan | 2% | 9% | 9% |
| Other imports as a % of total imports | 49% | 32% | 24% |
| Total | 100% | 100% | 100% |

Table 7.2.1(b): Import volumes 7208.10*

| Tonnes | 2021/22 | 2022/23 | 2023/24 |
|--|----------------|----------------|----------------|
| Alleged dumped imports (Cumulatively assessed) | <u>357</u> | <u>7 740</u> | <u>411</u> |
| PRC | 357 | 867 | 411 |
| Taiwan | - | 6 873 | - |
| Other countries | - | 57 | 156 |
| Total | 357 | 7 797 | 567 |
| Alleged dumped imports as a % of total imports | <u>100%</u> | <u>99%</u> | <u>72%</u> |
| PRC | 100% | 11% | 72% |
| Taiwan | 0 | 88% | 0 |
| Other imports as a % of total imports | 0 | 1% | 28% |
| Total | 100% | 100% | 100% |

**Where a country (PRC, Japan, or Taiwan) is not listed under a tariff sub-heading, there were no imports from that country.*

Table 7.2.1 (c): Import volumes 7208.25*

| Tonnes | 2021/22 | 2022/23 | 2023/24 |
|--|----------------|----------------|----------------|
| Alleged dumped imports (Cumulatively assessed) | <u>1 845</u> | <u>12 496</u> | <u>2 299</u> |
| PRC | 810 | 11 726 | 1 671 |
| Japan | 1 035 | 770 | 628 |
| Other countries | 314 | 373 | 548 |
| Total | 2 159 | 12 869 | 2 847 |
| Alleged dumped imports as a % of total imports | <u>85%</u> | <u>97%</u> | <u>81%</u> |
| PRC | 38% | 91% | 59% |
| Japan | 48% | 6% | 22% |
| Other imports as a % of total imports | 15% | 3% | 19% |
| Total | 100% | 100% | 100% |

***Where a country (PRC, Japan, or Taiwan) is not listed under a tariff sub-heading, there were no imports from that country.**

Table 7.2.1 (d): Import volumes 7208.26*

| Tonnes | 2021/22 | 2022/23 | 2023/24 |
|--|----------------|----------------|----------------|
| Alleged dumped imports (Cumulatively assessed) | <u>1 302</u> | <u>4 597</u> | <u>6 343</u> |
| PRC | 179 | 4 597 | 6 343 |
| Japan | 1 123 | - | - |
| Other countries | 399 | 6 156 | 9 059 |
| Total | 1 701 | 10 753 | 15 402 |
| Alleged dumped imports as a % of total imports | <u>77%</u> | <u>43%</u> | <u>41%</u> |
| PRC | 11% | 43% | 41% |
| Japan | 66% | 0% | 0% |
| Other imports as a % of total imports | 23% | 57% | 59% |
| Total | 100% | 100% | 100% |

*Where a country (PRC, Japan, or Taiwan) is not listed under a tariff sub-heading, there were no imports from that country.

Table 7.2.1(e): Import volumes 7208.27*

| Tonnes | 2021/22 | 2022/23 | 2023/24 |
|--|----------------|----------------|----------------|
| Alleged dumped imports (Cumulatively assessed) | <u>20 508</u> | <u>46 708</u> | <u>31 081</u> |
| PRC | 2 672 | 6 864 | 9 549 |
| Japan | 17 836 | 39 844 | 21 532 |
| Other countries | 1 198 | 17 853 | 28 174 |
| Total | 21 706 | 64 561 | 59 255 |
| Alleged dumped imports as a % of total imports | <u>94%</u> | <u>72%</u> | <u>52%</u> |
| PRC | 12% | 11% | 16% |
| Japan | 82% | 62% | 36% |
| Other imports as a % of total imports | 6% | 28% | 48% |
| Total | 100% | 100% | 100% |

*Where a country (PRC, Japan, or Taiwan) is not listed under a tariff sub-heading, there were no imports from that country.

Table 7.2.1 (f): Import volumes 7208.36

| Tonnes | 2021/22 | 2022/23 | 2023/24 |
|--|----------------|----------------|----------------|
| Alleged dumped imports (Cumulatively assessed) | <u>59</u> | <u>2 734</u> | <u>3 377</u> |
| PRC | 59 | 2 434 | 3 110 |
| Japan | - | 114 | 267 |
| Taiwan | - | 186 | - |
| Other countries | 6 207 | 2 006 | - |
| Total | 6 266 | 4 740 | 3 377 |
| Alleged dumped imports as a % of total imports | <u>1%</u> | <u>58%</u> | <u>100%</u> |
| PRC | 1% | 51% | 92% |
| Japan | 0% | 2% | 8% |
| Taiwan | 0% | 4% | 0% |
| Other imports as a % of total imports | 99% | 42% | 0% |
| Total | 100% | 100% | 100% |

Table 7.2.1 (g): Import volumes 7208.37

| Tonnes | 2021/22 | 2022/23 | 2023/24 |
|--|----------------|----------------|----------------|
| Alleged dumped imports (Cumulatively assessed) | <u>535</u> | <u>22 795</u> | <u>18 416</u> |
| PRC | 279 | 17 176 | 16 195 |
| Japan | 255 | 4 168 | 2 221 |
| Taiwan | 1 | 1 451 | - |
| Other countries | 9 502 | 12 375 | 442 |
| Total | 10 037 | 35 170 | 18 858 |
| Alleged dumped imports as a % of total imports | <u>5%</u> | <u>65%</u> | <u>98%</u> |
| PRC | 3% | 49% | 86% |
| Japan | 3% | 12% | 12% |
| Taiwan | 0% | 4% | 0% |
| Other imports as a % of total imports | 95% | 35% | 2% |
| Total | 100% | 100% | 100% |

Table 7.2.1 (h): Import volumes 7208.38

| Tonnes | 2021/22 | 2022/23 | 2023/24 |
|--|----------------|----------------|----------------|
| Alleged dumped imports (Cumulatively assessed) | <u>3 097</u> | <u>30 511</u> | <u>24 212</u> |
| PRC | 3 031 | 10 902 | 13 306 |
| Japan | 65 | 10 857 | 3 037 |
| Taiwan | 1 | 8 752 | 7 869 |
| Other countries | 8 979 | 8 490 | 1 451 |
| Total | 12 076 | 39 001 | 25 663 |
| Alleged dumped imports as a % of total imports | <u>26%</u> | <u>78%</u> | <u>94%</u> |
| PRC | 25% | 28% | 52% |
| Japan | 1% | 28% | 12% |
| Taiwan | 0% | 22% | 0% |
| Other imports as a % of total imports | 74% | 22% | 6% |
| Total | 100% | 100% | 100% |

Table 7.2.1 (i): Import volumes 7208.39

| Tonnes | 2021/22 | 2022/23 | 2023/24 |
|--|----------------|----------------|----------------|
| Alleged dumped imports (Cumulatively assessed) | <u>41 612</u> | <u>108 969</u> | <u>131 978</u> |
| PRC | 32 381 | 50 066 | 62 491 |
| Japan | 1 644 | 34 639 | 34 053 |
| Taiwan | 7 587 | 24 264 | 35 434 |
| Other countries | 58 975 | 31 358 | 903 |
| Total | 100 587 | 140 327 | 132.881 |
| Alleged dumped imports as a % of total imports | <u>41%</u> | <u>78%</u> | <u>99%</u> |
| PRC | 32% | 36% | 47% |
| Japan | 2% | 25% | 26% |
| Taiwan | 8% | 17% | 27% |
| Other imports as a % of total imports | 59% | 22% | 1% |
| Total | 100% | 100% | 100% |

Table 7.2.1 (j): Import volumes 7208.51*

| Tonnes | 2021/22 | 2022/23 | 2023/24 |
|--|----------------|----------------|----------------|
| Alleged dumped imports (Cumulatively assessed) | <u>19 741</u> | <u>55 341</u> | <u>81 532</u> |
| PRC | 19 628 | 55 341 | 81 532 |
| Japan | 113 | - | - |
| Other countries | 10 491 | 9 382 | 7 208 |
| Total | 30 232 | 64 723 | 88 740 |
| Alleged dumped imports as a % of total imports | <u>65%</u> | <u>86%</u> | <u>92%</u> |
| PRC | 65% | 86% | 92% |
| Japan | 0% | 0% | 0% |
| Other imports as a % of total imports | 35% | 14% | 8% |
| Total | 100% | 100% | 100% |

*Where a country (PRC, Japan, or Taiwan) is not listed under a tariff sub-heading, there were no imports from that country.

Table 7.2.1 (k): Import volumes 7208.52*

| Tonnes | 2021/22 | 2022/23 | 2023/24 |
|--|----------------|----------------|----------------|
| Alleged dumped imports (Cumulatively assessed) | <u>4 764</u> | <u>17 303</u> | <u>14 403</u> |
| PRC | 4 764 | 17 303 | 14 403 |
| Other countries | 2 340 | 1 647 | 1 111 |
| Total | 7 104 | 18 950 | 15 514 |
| Alleged dumped imports as a % of total imports | 67% | 91% | 93% |
| PRC | 67% | 91% | 93% |
| Other imports as a % of total imports | 33% | 9% | 7% |
| Total | 100% | 100% | 100% |

*Where a country (PRC, Japan, or Taiwan) is not listed under a tariff sub-heading, there were no imports from that country.

Table 7.2.1 (l): Import volumes 7225.30

| Tonnes | 2021/22 | 2022/23 | 2023/24 |
|--|----------------|----------------|----------------|
| Alleged dumped imports (Cumulatively assessed) | <u>39 841</u> | <u>14 979</u> | <u>8 371</u> |
| PRC | 33 906 | 10 163 | 8 371 |
| Japan | 5 935 | - | - |
| Taiwan | - | 4 816 | - |
| Other countries | 7 508 | 22 394 | 10 620 |
| Total | 47 349 | 37 373 | 18 991 |
| Alleged dumped imports as a % of total imports | <u>84%</u> | <u>40%</u> | <u>44%</u> |
| PRC | 72% | 27% | 44% |
| Japan | 13% | 0% | 0% |
| Taiwan | 0% | 13% | 0% |
| Other imports as a % of total imports | 16% | 60% | 56% |
| Total | 100% | 100% | 100% |

Table 7.2.1(m): Import volumes 7225.40

| Tonnes | 2021/22 | 2022/23 | 2023/24 |
|--|----------------|----------------|----------------|
| Alleged dumped imports (Cumulatively assessed) | <u>26 156</u> | <u>27 478</u> | <u>35 677</u> |
| PRC | 25 816 | 27 478 | 35 677 |
| Japan | 340 | - | - |
| Other countries | 50 267 | 56 149 | 50 900 |
| Total | 76 423 | 83 627 | 86 577 |
| Alleged dumped imports as a % of total imports | <u>34%</u> | <u>33%</u> | <u>41%</u> |
| PRC | 34% | 33% | 41% |
| Japan | 0% | 0% | 0% |
| Other imports as a % of total imports | 66% | 67% | 59% |
| Total | 100% | 100% | 100% |

*Where a country (PRC, Japan, or Taiwan) is not listed under a tariff sub-heading, there were no imports from that country.

Table 7.2.1 (a) above indicates that the alleged dumped imports, when cumulatively assessed, increased by 120% from 2021/22 to 2022/23, further increased by 1% from 2022/23 to 2023/24, with an overall increase of 122% over the POI. Imports from other countries increased by 8% from 2021/22 to 2022/23 and decreased by 35% from 2022/23 to 2023/24, with an overall decline of 30% over the POI. The alleged dumped imports increased substantially while imports from other countries decreased over the POI, with the alleged dumped imports accounting for a significant percentage of total imports into the SACU market over the same period.

7.2.2 Market share

The following table shows the market share based on sales and import volumes:

Table 7.2.2: Market share

| Tons | 2021/22 | 2022/23 | 2023/24 |
|--|----------------|----------------|----------------|
| Applicant's sales volumes | 100 | 82 | 93 |
| Other SACU producers' sales volumes | 100 | 82 | 93 |
| Alleged dumped imports volumes | 100 | 220 | 222 |
| -PRC | 100 | 173 | 202 |
| -Japan | 100 | 319 | 217 |
| -Taiwan | 100 | 611 | 571 |
| Other imports volumes | 100 | 108 | 70 |
| Market share % | | | |
| Applicant's market share as a % of total market | 100 | 81 | 87 |
| Other SACU producers' market share as a % of total market | 100 | 86 | 86 |
| Alleged dumped imports by country market share as a % of total market | | | |
| -PRC | 100 | 178 | 200 |
| -Japan | 100 | 350 | 200 |
| -Taiwan | 100 | 300 | 300 |
| Total market share of alleged dumped imports (%) | 100 | 217 | 217 |
| Market share of other imports (%) | 100 | 100 | 67 |
| Total | 100 | 100 | 100 |

Table 7.2. 2above indicates that the Applicant’s market share for hot-rolled products combined decreased by 19 index points from 2021/22 to 2022/23, then increased by 6 index points from 2022/23 to 2023/24, resulting in an overall decline of 13 index points over the POI.

Alleged dumped imports’ market share increased by 117 index points from 2021/22 to 2022/23, then remained constant from 2022/23 to 2023/24, resulting in an overall increase of 117 index over the POI. Other imports' market share remained constant from 2021/22 to 2022/23, decreased by 33 index points from 2022/23 to 2023/24, resulting in an overall decline of 33 index points over the POI.

Commission’s consideration

The information in Table 7.2.2 above shows that the market share of the alleged dumped imports increased over the POI, whilst the Applicant's market shares decreased year on year and over the POI. Thus, when cumulatively assessed, the alleged dumped imports are taking the Applicant's market share.

7.3 EFFECT OF DUMPED IMPORTS ON PRICES

The following table shows the price effects:

Table 7.3: Price undercutting, price suppression and depression

| R/ton | | 2021/22 | 2022/23 | 2023/24 |
|------------------------------|------|---------|---------|---------|
| Applicant’s Ex-factory price | | | | |
| HS | CODE | 100 | 96 | 86 |
| 7208.10 | | | | |
| HS | CODE | 100 | 145 | 137 |
| 7208.25 | | | | |
| HS | CODE | 100 | 143 | 141 |
| 7208.26 | | | | |
| HS | CODE | 100 | 104 | 101 |
| 7208.27 | | | | |
| HS | CODE | 100 | 93 | 84 |
| 7208.36 | | | | |

| R/ton | | 2021/22 | 2022/23 | 2023/24 |
|--|------------|-----------|---------|---------|
| HS 7208.37 | CODE | 100 | 102 | 92 |
| HS 7208.38 | CODE | 100 | 95 | 85 |
| HS 7208.39 | CODE | 100 | 97 | 88 |
| HS 7208.51 | CODE | 100 | 100 | 98 |
| HS 7208.52 | CODE | 100 | 101 | 99 |
| HS 7208.30 | CODE | 100 | 89 | 82 |
| HS 7208.40 | CODE | 100 | 90 | 89 |
| Total products | Hot-rolled | 100 | 101 | 93 |
| Alleged dumped FOB import price (Cumulated) | | | | |
| HS 7208.10 | CODE | 15 175 | 19 455 | 10 506 |
| HS 7208.25 | CODE | 14 628 | 23 699 | 23 851 |
| HS 7208.26 | CODE | 15 567 | 13 638 | 13 852 |
| HS 7208.27 | CODE | 14 056 | 20 315 | 21 193 |
| HS 7208.36 | CODE | 6 278 039 | 31 618 | 17 350 |
| HS 7208.37 | CODE | 4 190 737 | 31 357 | 17 502 |
| HS 7208.38 | CODE | 4 189 731 | 30 240 | 28 325 |
| HS 7208.39 | CODE | 14 990 | 29 339 | 37 169 |

| R/ton | 2021/22 | 2022/23 | 2023/24 |
|--|----------------|----------------|----------------|
| HS CODE 7208.51 | 15 250 | 349 254 | 13 026 |
| HS CODE 7208.52 | 12 955 | 13 694 | 12 883 |
| HS CODE 7208.30 | 14 065 | 19 680 | 8 212 |
| HS CODE 72084.0 | 16 898 | 20 303 | 20 042 |
| Total Hot-rolled products | 15 612 | 13 047 | 12 852 |
| Cost of production as a % of the Applicant's ex-factory price | | | |
| HS CODE 720810 | 100 | 142 | 156 |
| HS CODE 720825 | 100 | 95 | 101 |
| HS CODE 720826 | 100 | 95 | 95 |
| HS CODE 720827 | 100 | 132 | 136 |
| HS CODE 720836 | 100 | 146 | 162 |
| HS CODE 720837 | 100 | 134 | 149 |
| HS CODE 720838 | 100 | 142 | 160 |
| HS CODE 720839 | 100 | 142 | 156 |
| HS CODE 720851 | 100 | 136 | 139 |
| HS CODE 720852 | 100 | 135 | 142 |
| HS CODE 720830 | 100 | 166 | 160 |
| HS CODE 720840 | 100 | 146 | 151 |
| Total Hot-rolled product | 100 | 142 | 156 |
| Price undercutting | | | |
| HS CODE 720810 | | | 14% |
| HS CODE 720825 | | | (36%) |
| HS CODE 720826 | | | 9% |
| HS CODE 720827 | | | (20.5%) |
| HS CODE 720836 | | | 4.5% |
| HS CODE 720837 | | | 2% |
| HS CODE 720838 | | | (1.33%) |

| R/ton | 2021/22 | 2022/23 | 2023/24 |
|--------------------------|---------|---------|---------|
| HS CODE 720839 | | | (3.67%) |
| HS CODE 720851 | | | 9% |
| HS CODE 720852 | | | 13% |
| HS CODE 720830 | | | 37% |
| HS CODE 720840 | | | (24%) |
| Total Hot-Rolled product | | | (4%) |

Commission's consideration

The Commission considered that the substantiation document touted as proof of inland freight, port handling, and clearing fees relates to screws and bolts. Furthermore, the email correspondence with the substantiation documents indicates that costs relating to CIF are excluded. The original source and countries it relate to are also not indicated. The Applicant indicated that this is the best information available.

The Commission made a preliminary determination not to rely on price undercutting as an injury indicator, notwithstanding this, the Applicant did not suffer injury in the form of price undercutting during the POI.

7.4 CONSEQUENT IMPACT OF DUMPED IMPORTS

Table 7.4: Material Injury Indicators

| | Analysis (2021/22– 2023/24) |
|-------------------------|-----------------------------|
| Price depression (R) | Yes. |
| Price suppression | Yes. |
| Sales volume (t) | Decreased |
| Profits (R) | Decreased |
| Output (t) | Decreased |
| Market share | Decreased |
| Productivity (T) | Decreased |
| Employment | Decreased |
| Return on investment | Negative |
| Capital Investment | Increased |
| Utilisation of capacity | Decreased |
| Applicant's Growth | Decreased |

7.5 FACTORS OTHER THAN THE DUMPING CAUSING INJURY

Table 7.5: Examination of causality under Article 3.5 of the Anti-dumping Agreement

| | 2021/22 | 2022/23 | 2023/24 | % change between Year 1&3 |
|--|--|---------|---------|---------------------------|
| FOB prices of imports not sold at dumped prices (R/t) | 14 517 | 18 792 | 24 988 | 72% |
| The volume of imports not sold at dumping prices (t) | 156 123 | 168 219 | 109 715 | (30%) |
| Changes in demand or patterns of consumption | The Applicant stated that its markets share, as well as that of undumped imports, declined for the POI, whilst that of the alleged dumped imports increased over the same period. The Applicant also stated that had it not been for the alleged dumped imports, it would have not experienced this contraction. The Applicant further stated that demand remained relatively stable over the POI and has shown signs of recovery but is under increasing pressure due to the SACU economic downturn. The Applicant notes the clear shift away from the local product in favour of the alleged dumped product. | | | |
| Trade-restrictive practices of foreign and domestic producers | The Applicant stated that there were no trade restrictive practices. | | | |
| Developments in technology | The Applicant stated that it is not aware of any recent developments in technology. | | | |
| Export performance of the domestic industry | The Applicant only stated that the domestic industry does export some volumes into Africa overland and did not comment on its export performance. | | | |
| Productivity of the domestic industry | The Applicant stated that to its knowledge, the productivity of the South African producers are on par with their overseas counterparts. | | | |
| Any strikes, go-slows or lockouts in the last 12 months | The Applicant stated that there were no strikes, go slows or lockouts in the last 12 months. The Applicant also stated that despite the continued economic slump in the steel industry, it is in a very favourable position with regard to the relations that it shares with organised labour. | | | |

| | 2021/22 | 2022/23 | 2023/24 | % change between Year 1&3 |
|--|--|---------|---------|---------------------------------|
| The effects of exchange rates on production cost, selling price, and the price of the imported product. | The Applicant stated that the exchange rate has had no impact on these costs and that it is unaware of any changes to the selling price of the imported product. | | | |
| Indicate any other factors affecting the SACU prices | The Applicant indicated that it is not aware of any other factors affecting the SACU sales and prices. | | | |

Summary of Causal link

The Commission considered that alleged dumped imports increased and captured the Applicant's market share and sales volumes. Prices of the alleged dumped imports and SACU of hot-rolled products combined decreased by 18% and 7%, respectively over the POI. The price decrease of the alleged dumped imports is steep, while SACU only decreased 7 index points. The prices and volumes of the undumped imports decreased by 72% and 30%, respectively, over the POI. The PRC, Japan, and Taiwan dominate the market, with over 76% of import volumes in 2023/24.

Comments from interested parties.

Interested parties state that the Applicant indicates in this application that it is not aware of other factors causing it injury, however they provide other factors which they cited in this safeguard investigation.

Commission's consideration

The Commission notes all the other factors listed by interested parties as the cause of injury, which include the closure of Saldanha plant, lower steel demand coupled with lack of infrastructure investment, foreign exchange exposure, input costs, many imports not being manufactured in SACU, etc. The Commission wishes to indicate that those factors were considered as other factors injuring the applicant, however, they do not compare to the negative impact of the alleged dumping, and therefore those factors do not sufficiently detract from the causal link caused by dumped imports.

The Commission made a preliminary determination that there is a causal link between the alleged dumping of the subject product and material injury experienced by the SACU industry.

8. PROVISIONAL PAYMENTS

The Commission made a preliminary determination not to impose provisional antidumping measures based on the following:

- The subject product includes various product categories that the SACU industry does not produce. In the original safeguard investigation, some duties had to be rebated since the Applicant did not produce some product categories that SACU importers required. Provisional anti-dumping measures cannot be rebated; therefore, imposing such measures will seriously affect SACU importers who import product categories not produced locally.
- There is currently a safeguard investigation involving the subject product, amongst other products, that is being finalised with proposed final safeguard measures. The final proposed final safeguard duties will include imports from the PRC, Japan and Taiwan.
- Past practice involving a safeguard measure and anti-dumping measure resulting in final determinations resulted in one final determination measure being suspended, and one being implemented. Noting that in this instance the current investigation is not at its final determination stage and there is currently no final safeguard measures imposed at the time of making this preliminary determination.
- The language in ADR33 does not make the imposition of provisional measures mandatory.

The Commission noted that this is a deviation from past practice, whereby provisional measures follow a positive preliminary determination. However, this deviation is essential to ensure the reliability of supply while the investigation is ongoing. Considering there are soon-to-be final safeguard measures, the non-imposition of provisional measures is unlikely to adversely affect the SACU industry.

Comments from interested parties.

- The Commission is requested to impose quotas or quantitative restrictions to ensure that the subject product is available to SACU customers when there are shortages or challenges in production.

- Interested parties state that the Commission should reject the Applicant's 15% profit margin for unsuppressed selling price, as steel mills are not making those profits under current market conditions.
- Interested parties indicate that they have been exempted from paying duties (customs and safeguard) through rebates on product types or models within the applicable tariff sub-headings that form part of the subject product of this investigation, which cannot be manufactured by AMSA. The Commission should evaluate the impact of levying duties on such models and extend rebates to this investigation.

Commission's consideration

- The ADR has no provisions for quotas or quantitative restrictions as a measure to be imposed in anti-dumping investigations. The Commission therefore cannot apply quotas on this investigation. The Commission will be proactive when there are supply shortages and, where practicable, consider rebates when such shortages are experienced over extended periods, thus affecting downstream producers.
- The Commission notes the points raised by interested parties and will consider the merits of the Applicant's 15% profit margin, in line with the comments from interested parties and other prevailing factors.
- The Commission is aware that there are models that form part of the subject product which cannot be manufactured by the Applicant and SACU industry. Importers have been importing such products without paying duties through rebate certificates issued by ITAC. The Commission will extend such rebates to the current investigation to ensure that products not produced by the SACU industry are imported free of anti-dumping duties.

9. PRELIMINARY DETERMINATION

The Commission made a preliminary determination that:

- 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, 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), (Classifiable under tariff sub-headings **7208.10, 7208.25, 7208.26, 7208.27, 7208.36, 7208.37, 7208.38, 7208.39, 7208.51, 7208.52, 7225.30 and 7225.40**) originating in or imported from the People's Republic of China (PRC), Japan and Taiwan is taking place;
- There is material injury to the SACU industry, but no threat of material injury exists; and
- There is a causal link between the alleged dumped imports and the material injury suffered by the SACU industry.

The Commission further made a preliminary determination that irrespective of the above findings, provisional measures be not imposed on 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, 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 PRC, Japan, and Taiwan.

GENERAL NOTICES • ALGEMENE KENNISGEWINGS

DEPARTMENT OF TRADE, INDUSTRY AND COMPETITION**NOTICE 3008 OF 2025****INTERNATIONAL TRADE ADMINISTRATION COMMISSION****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, 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, JAPAN AND TAIWAN**

On 20 September 2024, the International Trade Administration Commission of South Africa (the Commission) formally initiated an investigation into 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, 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"), Japan and Taiwan. Notice of the initiation of the investigation was published in Notice No. 2730 of 2024 in Government Gazette No.51271.

The subject product is classifiable under tariff sub-headings 7208.10, 7208.25, 7208.26, 7208.27, 7208.36, 7208.37, 7208.38, 7208.39, 7208.51, 7208.52, 7225.30 and 7225.40.

The investigation was initiated after the Commission considered an application by Arcelor Mittal South Africa ("AMSA" or "the Applicant") and supported by Columbus Stainless (Pty) Ltd, alleging that imports of the subject product originating in or imported from the PRC, Japan and Taiwan are being dumped into the SACU market, thereby causing material injury or threatening to cause material injury to the SACU industry. The Commission was satisfied that there was a prima facie case of dumping, material injury and causal link.

Subsequent to the initiation, all known interested parties were notified and sent the non-confidential version of the application and requested to respond to the relevant questionnaires.

On 28 January 2025, the Commission considered all the information and submissions before it and made a preliminary determination that 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, 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), classifiable under tariff sub-headings 7208.10, 7208.25, 7208.26, 7208.27, 7208.36, 7208.37, 7208.38, 7208.39, 7208.51, 7208.52, 7225.30 and 7225.40, originating in or imported from the PRC, Japan, and Taiwan is taking place, the SACU industry is suffering material injury and that there is a causal link between dumping and the material injury suffered by the SACU industry.

The Commission made a preliminary determination that irrespective of the above findings, provisional measures would not be imposed on the alleged dumping of certain flat-rolled products of iron, non-alloy, or other alloy steel with a width of 600mm or more, whether or not in coils, and not further worked than hot-rolled, including pickled and oiled, hot-rolled, and not clad, plated, or coated (excluding stainless and grain-oriented silicon electrical steel) originating from or imported from the PRC, Japan, and Taiwan.

The basis and reasons for the Commission's findings are set out in its Preliminary Report No 743, wherein the decisions regarding its determination are detailed.

PROCEDURAL FRAMEWORK

This investigation is conducted in accordance with the International Trade Administration Act, 2002 (the ITA Act) and International Trade Administration Anti-Dumping Regulations (ADR). Both the ITA Act and the ADR are available on the Commission's website (www.itac.org.za) or from the Trade Remedies section, on request.

Interested parties are invited to comment in writing to the Commission's preliminary determination within 14 days from the date the preliminary report is made available.

ADDRESS

Any information regarding this matter must be submitted in writing to the following address:

| Physical address | Postal address |
|---|--|
| The Senior Manager: Trade Remedies II International Trade Administration Commission Trade Remedies II Block E – The DTI Campus 77 Meintjies Street SUNNYSIDE PRETORIA SOUTH AFRICA | The Senior Manager: Trade Remedies II International Trade Administration Commission Private Bag X753 PRETORIA 0001 |

Enquiries may be directed to 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.

Investigation into the alleged dumping of certain flat rolled products of iron, alloy and non alloy steel imported from the PRC, Japan and Taiwan

封郵件

Phindile Mabona <pmabona@itac.org.za>

2025年2月19日 下午4:00

發件者: Taipei Liaison Office Economic Division <ecdivisiontlo@gmail.com>, "taipei.dha@dirco.gov.za" <taipei.dha@dirco.gov.za>

副本: Edwin Mkwanazi <emkwanazi@itac.org.za>, Azwitamisi Mathada <amathada@itac.org.za>, Portia Chuma

pochuma@itac.org.za

Dear Mr Wei-Chung Chou ,

We wish to advise you that the International Trade Administration Commission of South Africa (the Commission) made a preliminary determination regarding the above-mentioned investigation.

Attached, please find a letter, a copy of the Commission's Report No.743, containing its preliminary determination, as well as a copy of the Notice, which was published in the Government Gazette on 19 February 2025.

Kind regards,

Phindile

Disclaimer

The information contained in this communication from the sender is confidential. It is intended solely for use by the recipient and others authorized to receive it. If you are not the recipient, you are hereby notified that any disclosure, copying, distribution or taking action in relation of the contents of this information is strictly prohibited and may be unlawful.

This email has been scanned for viruses and malware, and may have been automatically archived by Mimecast, a leader in email security and cyber resilience. Mimecast integrates email defenses with brand protection, security awareness training, web security, compliance and other essential capabilities. Mimecast helps protect large and small organizations from malicious activity, human error and technology failure; and to lead the movement toward building a more resilient world. To find out more, visit our website.

3 個附件

 **Certain Hot-rolled products Report No.743.pdf**
5676K **Notice preliminary determination notice of certain flat rolled products 19 February 2025.pdf**
636K **HRP prelim letter - Taiwan Liaison Office .pdf**
187K



The DTIC Campus
Block E
77 Meintjies St
Sunnyside, Pretoria, 0002
Private Bag X 753
Tel: +27 12 394 3688
<http://www.itac.org.za>

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 600 MM 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), (CLASSIFIABLE UNDER TARIFF SUBHEADINGS 7208.10, 7208.25, 7208.26, 7208.27, 7208.36, 7208.37, 7208.38, 7208.39, 7208.51, 7208.52, 7225.30 AND 7225.40) ORIGINATING IN OR IMPORTED FROM THE PEOPLE'S REPUBLIC OF CHINA, JAPAN AND TAIWAN: - PRELIMINARY DETERMINATION

We wish to inform you that the International Trade Administration Commission of South Africa (the Commission) has made a preliminary determination that certain flat-rolled products of iron, non-alloy or other alloy steel of a width of 600mm or more, whether or not in coils, 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), (Classifiable under tariff subheadings 7208.10, 7208.25, 7208.26, 7208.27, 7208.36, 7208.37, 7208.38, 7208.39, 7208.51, 7208.52, 7225.30 and 7225.40) originating in or imported from the People's Republic of China (PRC), Japan and Taiwan were being imported into SACU market at dumped prices, thereby causing material injury to the SACU industry.

The Commission invites comments on its preliminary determination from interested parties in the investigation prior to making its final determination and recommendation to the Minister of Trade, Industry and Competition.

Attached is a copy of the Commission's report No.743 and a copy of the notice, which was published in *Government Gazette* No. 52143 on 19 February 2025 for your information. All parties have 14 days from the date of this letter to comment on the Commission's preliminary determination.

However, parties that have not responded timeously and in full in the initial phases of the investigation will have to indicate and motivate to the Commission why their responses should be considered. If your comments include confidential information, you will have to submit a non-confidential summary thereof as well, in accordance with the International Trade Administration Commission Act (ITA Act) and the International Trade Administration Commission's Anti-Dumping Regulations (ADR).

Importers and exporters selected for limiting the investigation that submitted deficient responses in terms of ADR31 should take note of ADR35.5.

If you require any clarification or further information pertaining to anything in the report, you should request the information at an early stage, well before the period for comments has lapsed, in order to ensure that you receive the additional information and still have time to comment thereon within the time frame referred to above.

Any comments on the Commission's preliminary determination should be submitted in writing to the investigating officers, Mr Siphumelele Edwin Mkwazi at Email: emkwazi@itac.org.za or Ms Portia Chuma at Email: pchuma@itac.org.za or Ms Phindile Mabona at Email: pmabona@itac.org.za or Ms Azwitamisi Mathada at Email: amathada@itac.org.za on or before 15h00 on 05 March 2025.

Yours Sincerely



MR SANDILE MANTOLO

ACTING SENIOR MANAGER: TRADE REMEDIES II

DATE: 19 / 02 / 2025