

Dear Sir/Madam

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

As you are aware, the International Trade Administration Commission of South Africa ("the Commission") published its preliminary determination in this matter in Notice Number 3008 of *Government Gazette* Number 52143, dated 19 February 2025. Subsequently, the Commission issued its preliminary determination contained in Report No.743 ("Preliminary Report") explaining in detail the basis in fact and law of its findings. Subsequently, the Commission invited comments from all known interested parties on its preliminary determination.

You are hereby informed in terms of Regulation 37 of the Anti-Dumping Regulations ("ADR") that the following "essential facts" as set out below, are being considered by the Commission for the purposes of its final determination.

General

The Commission considered all information submitted by all the interested parties in reaching the final before essential facts determination. Non-confidential versions of all information submitted are available in the public file. Where an issue is not specifically addressed, the Commission is considering confirming its preliminary determination as set out in its Preliminary Report.

The final determination by the Commission will be based on all information submitted during the course of this investigation, together with all the comments received from interested parties.

1. Industry Standing

The application was lodged by ArcelorMittal South Africa (AMSA) and supported by Columbus Stainless Steel (Pty) Ltd. Together, they constitute 100% of SACU's domestic production of the subject product in the Southern African Customs Union ("SACU").

The Commission is considering making a final determination that the application is made "by or on behalf of the SACU industry" in accordance with ADR7.

2. Negligibility

2.1 The Commission determined that the volume of imports originating in or imported from the People's Republic of China ("PRC"), Japan, and Taiwan was 52%, 13% and 9% respectively.

2.2 The Commission is considering making a final determination that import volumes of the subject product from the PRC, Japan, and Taiwan classifiable under tariff subheadings HS 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 are above the negligibility level in accordance with of the ADR16.2.

3. Interested Parties

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

- Safal Steel (Pty) Ltd ("Safal");
- Duferco Steel Processing (Pty) Ltd ("Duferco");
- Steel Import International (Pty) Ltd ("Steel Import");
- Traxys Africa Trading (Pty) Ltd ("Traxys");

- Metpar (Pty) Ltd (“Metpar”);
- Gammid Group (Pty) Ltd (“Gammid”);
- NJR Steel (Pty) Ltd (“NJR”); and
- Pro Roof Steel and Tube (Pty) Ltd (“Pro Roof”).

All eight importers’ responses were initially found to be deficient and were not considered for the Commission’s preliminary determination in accordance with ADR31.3.

Duferco and Metpar addressed their deficiencies prior to the deadline date for comments on the Commission’s Preliminary Report. The Commission is considering taking their information into account for the purposes of its final determination.

The responses from Safal, Steel Import, Traxys, Gammid, Pro Roof and NJR were found to be deficient, and the deficiencies were not addressed by the deadline date for comments on the Commission’ Preliminary Report. The Commission is considering not taking into account the information from these six importers for the purposes of its final determination.

3.2 Responses to the Commission's exporter questionnaire were received from the following manufacturers/exporters of the subject products from the PRC and Japan:

- Baoshan Iron & Seel Co., Ltd.;
- Baosteel Zhanjiang 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;
- Shougang Jingtang United Iron & Steel Co., Ltd;

- Jingye Yingkou Medium Plate Co., Ltd. (Formerly known as Rizhao Steel Yingkou Medium Plate Co., Ltd.);
- Angang Steel Co., Ltd;
- Angang Group International Trade Corp., Ltd;
- Angang Group Hong Kong Co., Ltd;
- Nanjing Iron and Steel Co., Ltd;
- Nanjing Iron and Steel Group International Trade Co., Ltd;
- 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.;
- Jiangsu Nangang Plate Sales Co., Ltd;
- Han Steel Group Hanbao Iron and Steel Co., Ltd;
- HBIS Laoting Iron and Steel Co., Ltd;
- Xinyu Iron and Steel Co., Ltd;
- Bengang Steel Plates Co., Ltd;
- Jiangyin Xingcheng Special Steel Works Co., Ltd;
- Nanjing Iron and Steel Co., Ltd.;
- Nippon Steel Corporation (Nippon Steel) (Japan);
- Sino Dragon Trading Limited;
- Cunic Steel Limited; and
- Citic Pacific Steel Trading Co., Ltd.

No responses were received from the manufacturers/exporters from Taiwan. In the case of Taiwan, the Commission is considering using the information supplied by the Applicant for initiation purposes, which was also used for the preliminary determination as the best information available, for its final determination.

The following exporters/traders submitted their exporter responses after the deadline date for submissions:

- 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 is considering making a final determination not to take into account information received after the deadline date for responses.

All responses received from the manufacturers and exporters were found to be deficient at the time of the preliminary determination. Jingye Yingkou Medium Plate Co., Ltd. (Formerly known as Rizhao Steel Yingkou Medium Plate Co., Ltd.), from the PRC and Nippon Steel from Japan were the only foreign manufacturers that addressed their deficiencies by the deadline date for comments on the Commission's Preliminary Report, and their information was subsequently verified.

4. Like product and product scope

- 4.1** The Commission is considering making a final determination that the scope of the investigation is 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.

- 4.2** The Commission is further considering making a final determination that the SACU product and the imported product are “like products” for purposes of comparison in accordance with ADR1.

5. Limiting the investigation

Due to a large number of responses from foreign manufacturers/exporters from the PRC and after considering available resources, and the timeframe within which this investigation must be concluded, the Commission decided to limit its investigation (“sampling”) to a selected number of foreign manufacturers from the PRC and the selection was done in accordance with ADR 8.6(a). The foreign manufacturers/exporters were consulted in accordance with ADR 8.7. The following foreign manufacturers/exporters from the PRC were selected for sampling:

(i) The Baoshan Steel Group:

- Baoshan Iron & Steel Co., Ltd. (“Baoshan”);
- Baosteel Zhanjiang Iron & Steel Co., Ltd. (“Zhanjiang”);
- Shanghai Meishan Iron & Steel Co., Ltd. (“Meishan”);
- Baosteel Europe GmbH (Exporter) (“Baosteel”); and
- Wuhan Iron & Steel Co., Ltd (“Wuhan Iron and Steel”).

(ii) The Shougang Group:

- Shougang Holding Trade (Hong Kong) Limited (Exporter);
- Shougang Qian’an Iron and Steel Company (“Qian’an”); and
- Shougang Jingtang United Iron & Steel Co., Ltd (“Jingtang”).

(iii) Jingye Yingkou Medium Plate Co., Ltd.

The Commission is considering confirming its decision to sample manufacturers/exporters from the PRC and the above-selected sample of companies for the purposes of its final determination.

The Commission is also considering making a final determination to determine individual dumping margins for all companies that are part of the sample, including those found to be deficient.

In its consultations with the foreign manufacturers/exporters and when selecting the companies that formed part of the sample, the Commission communicated that foreign manufacturers/exporters are considered participating if they submitted their exporter questionnaire responses before the deadline date for submission after initiation. These exporters were subsequently informed of their deficiencies and notified that they do not need to rectify their deficiencies.

The Commission also communicated that all participating foreign manufacturers not part of the sample would receive a weighted average dumping margin of the sampled foreign manufacturers/exporters. It was indicated that those foreign manufacturers/exporters wishing to receive an individual dumping margin request such before the deadline for comments on the Commission's sampling letter.

The following foreign manufacturers requested individual dumping margins in accordance with ADR8.8:

- (i) Angang Steel Group:
 - Angang Steel Co., Ltd;
 - Angang Group International Trade Corp., Ltd; and
 - Angang Group Hong Kong Co., Ltd.

The request for individual examination by Angang was received before the deadline date for comment. The Commission is considering making a final determination not to calculate individual dumping margins for these companies, as doing so may delay the finalisation of the investigation.

- (ii) Nanjing Iron and Steel Group

- Nanjing Iron and Steel Co., Ltd (“Nanjing Iron and Steel”);
- Nanjing Iron and Steel Group International Trade Co., Ltd;
- 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.

A request for an individual dumping margin was received from Nanjing Iron and Steel. However, the request was received after the deadline date for comment. The Commission is considering making a final determination that even if the late submission were to be condoned, individually examining Nanjing Iron and Steel Co., Ltd., and its related companies would place an undue burden on the Commission and increase the number of companies selected to a level that may delay the finalisation of the investigation. Furthermore, the related companies of Nanjing Iron and Steel Co., Ltd., submitted their information after the deadline date for initiation and the Commission is considering not taking into account their information for the purposes of its final determination. Thus, the Commission is considering making a final determination not to calculate individual dumping margins for these companies.

- (iii) Bengang Steel Plates Co., Ltd. and Jiangyin Xingcheng Special Steel Works Co., Ltd., did not request to be individually examined; however, they nevertheless submitted responses to the deficiency letter prior to the deadline for comments on the Commission’s Preliminary Report. The Commission is considering making a final determination not to calculate individual dumping margins for these two companies, as no such requests were made, and it may also delay the finalisation of the investigation.

Of the sampled manufacturer/exporters, Jingye Yingkou Medium Plate Co., Ltd., (“Yingkou”) addressed its deficiencies by the deadline date for comments to the Commission’s Preliminary Report, and its information was subsequently verified for the final stage of the investigation. The Commission is considering taking into account Yingkou’s information for the purposes of its final determination.

The responses from Baoshan, Zhanjiang, Meishan, Wuhan Iron and Steel, Qian’an, and Jingtang were found to be deficient, and the deficiencies were not addressed by the deadline for comments on the Commission’s Preliminary Report. The Commission is considering taking their information into account for the purposes of its final determination, as best information available, even though their information is deficient and not ideal in all respects.

6. Dumping

METHODOLOGY IN THIS INVESTIGATION APPLICABLE TO THE SEVEN SAMPLED MANUFACTURERS FROM THE PRC

The normal values, export prices, and dumping margins for the foreign manufacturers were determined as follows:

6.1 Methodology in this investigation for Jingye Yingkou Medium Plate Co., Ltd

6.1.1 Normal value

Yingkou manufactured various models of the subject product but only exported 7 of the models to SACU during the period of investigation. The Commission is considering making a final determination to determine the normal value based on the comparable models to those exported to SACU.

All comparable models exported to SACU were also sold in the domestic market.

However, the Commission determined that, in accordance with ADR8.3, four of the models sold in the domestic market did not constitute sufficient volumes to determine a normal value as they were less than 5% of the export sales volumes

to SACU. In addition, one model was not made in the ordinary course of trade in accordance with ADR 8.2, as all sales were made below cost.

The Commission is considering making a final determination to construct the normal values for the above five models using the production costs of those models, plus SG&A expenses and a reasonable profit in Yingkou's CBU.

For the rest of the models (two), more than 20% of the sales were found to be sold below the cost of production, and in accordance with ADR 8.2, the Commission is considering making a final determination to use only the remaining above cost sales for normal value determination in line with ADR8.3.

6.1.2 Adjustments to normal value

Yingkou claimed an adjustment for delivery charges. The delivery terms were specified in the sales contracts for each sampled transaction. Yingkou delivers to domestic customers by ship, truck, or train and bears the freight costs. The Commission is considering making a final determination to allow this adjustment to the normal value, as it directly related to the sales under consideration and demonstrated to have affected price comparability at the time of setting prices.

6.1.3 SACU export price

The Commission is considering making a final determination to determine the export price based on actual verified export sales to the SACU market of the comparable model.

6.1.4 Adjustments to SACU export price

Yingkou claimed adjustments for bank charges, inland freight charges and port handling charges. The adjustments were substantiated, and the Commission is considering making a final determination to allow these adjustments to the SACU export price as they directly related to the sales

under consideration and demonstrated to have affected price comparability at the time of setting prices.

6.1.5 Dumping margin

The weighted average margin of dumping for Yingkou was determined to be 7.11 percent.

6.2 Methodology in this investigation for Baoshan Steel Group of Companies (Baoshan, Meishan, Zhanjiang, and Wuhan Iron and Steel)

The information submitted by the Baoshan Steel Group of companies was found to be deficient and subsequently could not be verified. The following issues of particular concern were noted: the allocation of costs between the product under investigation (PUI) and other products in the Cost and Price Build-Up (CBU) for Baoshan could not be validated for the following reasons:

- Information relating specifically to the PUI could not be reconciled with or validated against the company's management accounts;
- The required monthly or management accounts for the dumping POI were not provided but only quarterly management accounts for the 1st quarter of 2024;
- The financial statements provided are not aligned with the POI, and therefore cannot be used appropriately;
- No product models were reflected in the CBU and when referring to the product under investigation, it was not explained how such costs were allocated, and due to some information missing in the CBU, this cannot be determined as well.
- The CBU did not include production and sales volumes for the subject products;
- For Baoshan, the company also claimed that during the dumping period, its production was 37 percentage points higher than capacity;
- For Meishan, it was stated that the production volumes are 44 percentage points above capacity;

- These assertions cannot be substantiated in the absence of verifiable production and sales data.

The Commission considered that these deficiencies make it impossible to accurately isolate and verify the cost of production attributable to the PUI. The Commission is thus considering making a final determination that the unit cost to sell and manufacture the subject product be determined based on the total company information in the CBU, and the relevant production volumes submitted in the application. The reasonable profit being considered is the overall profit of the company, with a profit per ton be based on sales volumes.

The Commission is considering making a final determination that even though the information submitted by the Baoshan Group of companies is deficient and not ideal in all respects, it is the best information available to the Commission and should be considered for the purpose of its final determination.

6.2.1 Methodology in this investigation for Baoshan

6.2.1.1 Normal value

It was found that Baoshan manufactured and sold the subject product in the domestic and export markets, including SACU, during the POI.

It was found that Baoshan's domestic sales were made through its affiliated trading companies operating across various regions. Even when transactions were reported as direct sales to independent customers, the transactions appear to have been made through related traders. There were also no sales to independent buyers in the domestic market. Information relating to sales from the related traders to the final customers in China are either incomplete or not provided at all in the sales schedule. The Commission considered that their actual sales channels remain unconfirmed.

Based on the above, the Commission is considering making a final determination that the normal value for Baoshan be constructed based on the company's overall

cost of production, and a reasonable profit be applied based on the overall profit of the company in the CBU.

6.2.1.2 Adjustments to normal value

The normal value was constructed based on the CBU of Baoshan and therefore, adjustments are not applicable.

6.2.1.3 SACU export price

The Commission is considering making a final determination to determine the export price based on actual SACU export sales of the subject products provided in Baoshan's SACU sales schedule. All SACU sales were made on Free on Board (FOB) terms.

6.2.1.4 Adjustments to SACU export price

The Commission is considering making a final determination to allow the following adjustments claimed:

- Delivery Charges; and
- Other adjustments.

Sample SACU export documents provided in Baoshan's response substantiated the above adjustments as being directly related to the sales under consideration and demonstrated to have affected price comparability at the time of setting prices.

6.2.1.5 Dumping margin

The weighted average margin of dumping was determined to be 54.25 percent.

6.2.2 Methodology in this investigation for Meishan

6.2.2.1 Normal Value

The Commission is considering making a final determination that the normal value for Meishan be constructed based on the company's overall cost of production and a reasonable profit be applied based on the overall profit of the company in the CBU.

It was found that Meishan's domestic sales were made through its affiliated trading companies operating across various regions. Even when transactions were reported as direct sales to independent customers, the transactions appear to have been made through related traders. The Commission considered that since their information could not be verified, the actual sales channels remain unconfirmed.

Thus, the Commission is considering making a final determination that the normal value for Meishan be constructed based on the company's overall cost of production, and a reasonable profit be applied based on the overall profit of the company in the CBU.

6.2.2.2 Adjustments to normal value

The normal value was constructed based on the CBU of Meishan, and therefore, adjustments are not applicable.

6.2.2.3 SACU export price

The Commission is considering making a final determination to determine the export price based on actual SACU sales of the subject products provided in Meishan's sales schedule.

6.2.2.4 Adjustments to SACU export price

For SACU sales, the exporter did not claim any adjustments. However, sales were on FOB terms, and the exporter also incurred a commission for sales to SACU. The details are as follows:

Commission

It was found that the sampled sales invoices to SACU showed a commission, however, this was not claimed in the exporter's response. The Commission is considering making a final determination to allow this adjustment.

Delivery

It was found that the exporter sold the subject product to SACU on FOB basis, however this was not claimed in the exporter's response. Distribution costs were also not contained on the exporter's CBU, and the delivery charges were not indicated in the provided invoices and other sampled documents, thus the amount for this adjustment cannot be substantiated.

The Commission is considering making a final determination not to allow this adjustment as it cannot be substantiated.

6.2.2.5 Dumping margin

The weighted average margin of dumping for Meishan was determined to be -19.14 percent.

6.2.3 Methodology in this investigation for Wuhan Iron & Steel

6.2.3.1 Normal Value

Wuhan Iron manufactured and sold the subject product in the domestic and export markets, including SACU, during the POI.

It was found that Wuhan Iron & Steel's domestic sales were made through its affiliated trading companies operating across various regions. Even when transactions were reported as direct sales to independent customers, the transactions appear to have been made through related traders. There were also no sales to independent buyers in the domestic market. Information relating to sales from the related traders to the final customers in China are either incomplete or not provided at all in the sales schedule. The Commission considered that the actual sales channels remain unconfirmed.

The Commission is therefore considering making a final determination that normal value for Wuhan Iron & Steel be constructed, using the overall company's total production costs in the CBU and the total production volumes supplied in the

response. The reasonable profit being considered is the overall profit of the company, with a profit per ton be based on sales volumes.

The Commission is considering even though the information submitted is not ideal in all respects, it is the best information available to the Commission.

6.2.3.2 Adjustments to normal value

Since the normal value is constructed, there are no adjustments.

6.2.3.3 SACU export price

The Commission is considering making a final determination to determine the export price based on actual SACU sales of the subject product.

6.2.3.4 Adjustments to SACU export price

Wuhan claimed adjustments for delivery charges and other adjustments. The Commission is considering making a final determination to allow both these adjustments as they were substantiated by the sampled export documents submitted as being directly related to the sales under consideration and demonstrated to have affected price comparability at the time of setting prices.

6.2.3.5 Dumping margin

The weighted average margin of dumping for Wuhan was determined to be 25.6 percent.

6.2.4 Methodology in this investigation for Zhanjiang

It was found that the company did not export the subject product to SACU and therefore no dumping margin was determined for Zhanjiang.

However, since the company forms part of the Baoshan Steel Group, the Commission is considering making a final determination that a single dumping

margin will be determined for the group of companies, which will also include Zhanjiang.

6.2.5 SINGLE DUMPING MARGIN: BAOSHAN STEEL GROUP COMPANIES

The Commission is considering making a final determination that the Baoshan Group of Companies are related in terms of Regulation 1 of the ADR and should be treated as a single entity in terms Article 6.10 of the WTO Anti-Dumping Agreement (“ADA”). This consideration is based on: (i) common ownership by Baoshan Iron & Steel Co., Ltd, (ii) shared shareholdings and management, and (iii) the fact that both domestic and export sales are conducted through the same companies.

Therefore, the Commission is considering making a final determination that a single dumping margin for the Baoshan Group of Companies be determined.

The weighted average margin of dumping for Baoshan Group of Companies was determined to be 40.86 percent.

6.3 Methodology in this Investigation for the Shougang Group of Companies

The Commission is considering making a final determination that even though the information submitted by the Shougang Group of companies is deficient and not ideal in all respects, it is the best information available to the Commission and should be considered for the purpose of its final determination.

6.3.1 Methodology for Shougang Jingtang

6.3.1.1 Normal Value

The information submitted by the Shougang Jingtang could not be verified, as the responses remained deficient. In particular, the allocation of costs between the product under investigation (PUI) and other products in the CBU for Shougang Jingtang could not be validated for the following reasons:

- The CBU includes an “Other Products” column, which mostly has negative values, appearing to function as balancing figures.

- Such inconsistencies are observed across multiple items in the CBU.
- Consequently, the allocation of costs between the subject products and other products could not be determined and cannot be verified.
- In addition, it was found that the models of the subject product reflected in the CBU are not consistent with those reported in the sales schedules.
- The models in the CBU are different to the models in the sales schedules.

The Commission is considering making a final determination that for Shougang Jingtang, the per-ton cost of production of the subject product be determined based on total company cost of production, plus SG&A and the total company production volumes.

In addition, it was found that the exporter sold the subject product both to related and unrelated customers in the domestic market. There are various irregularities identified in the sales information:

- Sales transactions were found with no dates or invoice numbers, making it impossible to confirm whether they fell within the POI.
- Many sales reported to related trading companies contained major deficiencies and unverifiable allocations.
- Related party sales data showed the following irregularities:
 - Sales data excluded SG&A expenses of the reseller, included zero-value transactions to independent customers, and showed negative SG&A amounts not related to credit notes.
 - Sales lacked order and invoice dates, included transactions without independent customer names but with SG&A costs of related parties, and showed blank prices for independent customers.
 - Reported unexplained movement costs, excluded SG&A expenses for related-party sales to independent customers, and omitted names and prices for independent customers.
 - There is a model that is sold in the domestic market, and that model is not in the CBU.

The Commission is considering making a final determination to determine the normal value for Shougang Jingtang based on sales to independent customers in the domestic market.

The Commission is also considering making a final determination to determine the models of the subject product for Shougang Jingtang to be Hot-Rolled Coil, Pickled Coil, and Plate.

Shougang Jingtang manufactured and sold Hot-Rolled Coil, Pickled Coil, and Plate in the domestic market and exported two models, Hot-Rolled Coil and Pickled Coil, to SACU during the POI.

For Hot-Rolled Coil and Pickled Coil, more than 20% of the sales were found to be sold below the cost of production in line with ADR 8.2. The Commission is considering making a final determination to use the remaining sales for normal value determination in line with ADR8.3.

6.3.1.2 Adjustments to normal value

Shougang Jingtang claimed adjustments for inland freight and the cost of payment terms. The Commission is considering making a final determination not to allow these adjustments on domestic sales, as no substantiating documents were provided.

6.3.1.3 SACU Export price

The Commission is considering making a final determination to determine the export price based on actual sales.

6.3.1.4 Adjustments to SACU export price

Shougang Jingtang claimed adjustments for delivery charges, port handling fees, and other adjustments. The Commission is considering making a final determination to allow these adjustments as they were substantiated by the sampled export documents submitted as being directly related to the sales under

consideration and demonstrated to have affected price comparability at the time of setting prices.

6.3.1.5 Dumping margin

The weighted average margin of dumping was determined to be 17.57 percent.

6.3.2 Methodology used for Shougang Qian'an

6.3.2.1 Normal Value

For the purposes of the Commission's final determination, the information submitted by Shougang Qian'an could not be verified, as the responses remained deficient. Shougang Qian'an manufactured three models of the subject product, Hot-Rolled Coil, Pickled Coil, and Plane rolling line, and exported two models, Hot-Rolled Coil and Pickled Coil, to SACU during the POI.

The Commission is considering making a final determination to determine the normal value based on the comparable models to those exported to SACU.

It was found that the exporter sold the subject products to related customers in the domestic market. The Commission is considering a final determination to use sales made to independent buyers in the domestic market, through related customers, for establishing the normal value.

For Hot-Rolled Coil and pickled Coil, more than 20% of the sales were found to be sold below the cost of production in line with ADR 8.2. The Commission is considering making a final determination to use the remaining sales for normal value determination in line with ADR8.3.

6.3.2.2 Adjustments to normal value

Shougang Qian'an claimed adjustments for inland freight, water transportation, cost of payment terms and port handling charges. The Commission is considering making a final determination not to allow these adjustments as no substantiating documents were provided.

6.3.2.3 SACU export price

The Commission is considering making a final determination to determine the export price based on actual sales.

6.3.2.4 Adjustments to SACU export price

Shougang Qian'an claimed adjustments for inland freight costs, port and handling fees, and export agency fees. The Commission is considering making a final determination to allow the inland freight costs and port and handling fees adjustments as they were substantiated by the sampled export documents submitted as being directly related to the sales under consideration and demonstrated to have affected price comparability at the time of setting prices.

The Commission is considering making a final determination not to allow the export agency fees adjustment, as no substantiating documents were provided.

6.3.2.5 Dumping margin

The weighted average margin of dumping for Shougang Qian'an was determined to be 26.54 percent.

6.3.3 Single dumping margin: Shougang Group Companies

The Commission is considering making a final determination that the Shougang Group of Companies are related in terms of Regulation 1 of the ADR and should be treated as a single entity in terms Article 6.10 of the WTO Anti-Dumping Agreement ("ADA"). This consideration is based on: (i) common ownership, (ii) shared shareholdings and management, (iii) both domestic and export sales are conducted through the same companies. Therefore, the Commission is considering making a final determination that a single dumping margin for the Shougang Group of Companies be determined.

The weighted average margin of dumping for the Shougang Group of Companies, was determined to be 19.67 percent.

6.4 Participating foreign manufacturers/exporters that were not part of the sample

The Commission is considering making a final determination that the weighted average dumping margin of those participating manufacturers/exporters not selected to be part of the sample be 26.04%. The manufacturers/exporters that are receiving the weighted average dumping margin are as follows:

- Han Steel Group Hanbao Iron and Steel Co., Ltd;
- HBIS Laoting Iron and Steel Co., Ltd;
- Xinyu Iron and Steel Co., Ltd;
- Bengang Steel Plates Co.,Ltd;
- Jiangyin Xingcheng Special Steel Works Co., Ltd., and
- Nanjing Iron and Steel Co., Ltd.

6.5 Residual margin of dumping for non-participating manufacturers/exporters in this investigation (PRC)

For the purposes of determining the residual dumping margin for the PRC, the Commission is considering making a final determination to use the weighted average dumping information of Shougang Qian'an Iron & Steel Company and Baoshan Iron & Steel. The basis of this approach is that these companies manufactured the subject product covering all, product types exported to SACU and were included in the sample.

6.5.1 Dumping

The weighted average dumping margin for all other manufacturers/exporters was thus found to be 47.95 percent.

7. METHODOLOGY IN THIS INVESTIGATION APPLICABLE FOR JAPAN

The normal values, export prices, and dumping margin for the manufacturers/exporters were determined as follows:

7.1 Methodology for Nippon Steel Corporation

7.1.1 Normal value

During the POI, Nippon Steel manufactured various models of the subject products and exported 7 models to SACU. The Commission is considering making a final determination to determine the normal value based on the comparable models to those sold SACU.

It was found that in the domestic market, Nippon Steel made sales to both related and unrelated traders. It was also found that some of the related parties sold to were not indicated as such in the exporter's response. The Commission is considering making a final determination to determine the normal value based on sales to unrelated parties only.

7.1.2 Adjustments to Normal value

Nippon Steel claimed adjustments for cost of payment terms, other costs adjustments, delivery charges, packaging costs, and discounts and rebates. The Commission is considering making a final determination to allow these adjustments on domestic sales as they were substantiated, verifiable, directly related to the sale under consideration and demonstrated to have affected price comparability at the time of setting prices.

7.1.3 SACU export price

Nippon Steel sold the subject products to SACU through one related and two unrelated international traders. The Commission is considering making a final determination to determine the export price based on actual verified sales to SACU.

7.1.4 Adjustments to SACU export price

Nippon Steel claimed adjustments for cost of payment terms, delivery terms and packaging costs. The Commission is considering making a final determination to allow these adjustments as they were substantiated, verifiable, directly related to the sale under consideration and demonstrated to have affected price comparability at the time of setting prices.

7.1.5 Dumping margin

The weighted average margin of dumping for Nippon Steel was determined to be 45.10 percent.

7.2 Residual margin of dumping for non-participating manufacturers/exporters from Japan

For the purposes of determining the residual dumping margin for Japan, the Commission is considering making a final determination to use the verified manufacturer's (Nippon Steel) normal value without adjustment and its export price with adjustments. The basis for this determination is that Nippon was the only manufacturer in Japan that responded to the Commission's exporter questionnaire.

7.2.1 Dumping

The weighted average dumping margin for all other manufacturers/exporters in Japan was thus found to be 57.32 percent.

8. METHODOLOGY IN THIS INVESTIGATION APPLICABLE TO TAIWAN

There were no responses nor comments received from manufacturers and exporters of the subject products in Taiwan. The Commission is considering making a final determination that the normal value and export price for all manufacturers and exporters in Taiwan be determined based on facts available.

The facts available for normal value comprise of information considered by the Commission for its merit and preliminary determinations, being information supplied by the Applicant. The facts available for the export price are the official import statistics from SARS for the investigation period for dumping.

8.1 Normal Value

The Commission determined the 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 FOB export prices were adjusted by inland freight and port handling fees to arrive at an ex-factory export price.

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

Table 8.1: 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

8.2 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 8.2: Export price - 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	11 450	281	11 169
7208.39	11 247	281	10 966

8.3 Margin of dumping

The dumping margin for the Taiwan was determined as follows:

Table 8.3: Margin of dumping - Taiwan: R/Ton

Third countries and tariff sub-headings	Ex-factory NV	Ex-factory EP	DM	Dumping Margin %	SACU import Volumes (MT)	DM factor
7208.38 - Canada	15 217	11 169	4 048	36.00%	7 869	6,541902409
7208.39 - Belgium	13 749	10 966	2 783	25.00%	35 434	20,45701222
					43 303	27.00%

The weighted average dumping margin determined for the subject product 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 was determined to be 27 percent for Taiwan.

9. Material injury

9.1 The injury information on the subject products was provided by AMSA, constituting more than 50% of SACU's domestic production of the subject product.

The Commission is considering making a final determination that the Applicant's production constitutes "a major proportion" of the total domestic production in accordance with ADR7.

9.2 The Commission is considering making a final determination to cumulatively assess the effects of the alleged dumped imports of the subject product originating in or imported from the PRC, Japan and Taiwan.

9.3 The Commission is considering making a final determination that the SACU industry suffered material injury based on volume-related and price indicators, in the form of, and as set out in the Commission's Preliminary Report and supplemented by additional information considered for the final determination:

- 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.

In the preliminary determination, the Commission found that there was no evidence of price undercutting. However, for the purpose of the final determination, the Commission is considering making a final determination that the SACU industry experienced price undercutting, based on the verified information submitted by foreign manufacturers, the other exporters that were part of the sample but not verified, and for Taiwan information from the SARS statistics, as well as the information obtained from the two importers that subsequently rectified their deficiencies.

Based on the above, the Commission is considering making a final determination that the SACU industry experienced material injury.

10. Threat of material injury

The Commission considered the following information on threat of material injury:

- Freely disposable capacity of the exporters in the PRC;
- The significant increase of allegedly dumped imports into the SACU market;
- Prices that have a significant depressing and suppressing effect on SACU prices;
- Inventories of the exporters; and
- State of the economy of the country of origin/export and its influence on the operations of the manufacturers/exporters.

The Commission determined that the information on threat of material injury was not specific to the subject product, but overall steel products, with no attempt to link this to the subject product.

The Commission is considering making a final determination that there is no threat of material injury to the SACU industry.

11. Causal link

The Commission is considering the following causality factors as stipulated in Article 3.5 of the Anti-Dumping Agreement:

- Year-on-year increase in the volumes of the alleged dumped imports;
- Year-on-year increase in the market share of the alleged dumped imports;
- Alleged dumped imports substantially undercut SACU prices;
- The effect of safeguard duties on SACU industry performance;
- The condition and performance of the SACU industry; and
- Trends in imports from other countries and their relative market share.

The Commission considered all other factors submitted by interested parties, with the salient factors considered as follows:

- 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, and the alleged dumped products undercut the Applicant's prices.
- The imports from the PRC, Japan, and Taiwan are undercutting, depressing and suppressing the SACU industry's prices.
- The prices and volumes of the undumped imports decreased by 72% and 30%, respectively, over the POI. However, the PRC, Japan, and Taiwan dominate the market, with over 76% of import volumes in 2023/24.

Based on the above, the Commission is considering making a final determination that there is a causal link between the alleged dumped imports and material injury only as there is no threat of material injury experienced by the SACU industry, and that the other known factors do not sufficiently detract from the causal link.

12. Lesser Duty

Regulation 17 of the ADR provides that the Commission shall consider applying the lesser duty rule if both the corresponding importer and exporter have cooperated fully.

Initially, eight importers responded to the investigation. However, at the final stage, only six submitted updated responses after their initial submissions, with four being deficient, and only Metpar and Duferco provided responses and rectified their deficiencies.

Furthermore, the participating importers imported goods from traders that may either be related or unrelated to foreign manufacturers. Some of these traders sourced their goods from various manufacturers, not only the foreign manufacturers verified.

The Commission also considered that since the Commission has applied sampling, should it consider applying a lesser duty, the lesser duty will also benefit the foreign manufacturers that are not part of the sample irrespective of whether their importers have participated or are deficient, due to the duty of the non-sampled foreign manufacturers being the weighted average of the sampled manufacturers that are dumping.

In light of these findings, the Commission is considering making a final determination not to apply the lesser duty in this investigation.

13. Conclusion

The Commission is considering making a final 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 (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 PRC, Japan and Taiwan is taking place;
- The SACU industry is experiencing material injury, and no threat of material injury exists; and
- There is a causal link between the dumped imports of the subject products and material injury suffered by the SACU industry.

The Commission is therefore considering making a final determination, to recommend to the Minister of Trade, Industry and Competition to impose definitive anti-dumping duties on imports of the subject products originating in or imported from the PRC, Japan and Taiwan.

It should be emphasised that the Commission has not yet made its final determination and nothing in this letter should be construed as such. The final determination will only be made once the Commission has considered all parties' comments on this "essential facts" letter.

Any comments on the above "essential facts" should be submitted not later than 7 days from the date of this letter as indicated below, in order for the Commission to be in a position to take such comments into consideration before making its final determination and recommendation to the Minister of Trade, Industry and Competition.

Comments to the essential facts letters should be submitted to the investigating officers, Mr Siphumelele Edwin Mkwanazi at email address: emkwanazi@itac.org.za or Ms Portia Chuma at email address: pchuma@itac.org.za or Ms Phindile Mabona at email address: pmabona@itac.org.za or Ms Azwitamisi Mathada at email address: amathada@itac.org.za.

Yours sincerely



Ayabonga Cawe
Chief Commissioner

Date: 28 /10/2025