

DEPARTMENT OF TRADE, INDUSTRY AND COMPETITION

NOTICE 392 OF 2020

INTERNATIONAL TRADE ADMINISTRATION COMMISSION

NOTICE OF INITIATION OF THE INVESTIGATION INTO THE EXTENSION OF SAFEGUARD MEASURES ON IMPORTS OF 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 AND 'NARROW STRIP'), NOT FURTHER WORKED THAN HOT-ROLLED (HOT-ROLLED FLAT), NOT CLAD, PLATED OR COATED, EXCLUDING GRAIN-ORIENTED SILICON ELECTRICAL STEEL

In accordance with the provisions in Section 21.7 of the Amended Safeguard Regulations (SGR), any definitive safeguard measure may be extended by a period of up to six years where the Commission finds that the lapse of the safeguard measure imposed in terms of Section 21.6 of the SGR is likely to lead to the recurrence of serious injury, and there is evidence that the Southern African Customs Union (SACU) industry is adjusting.

The SACU industry indicating that the expiry of the safeguard duties on imports of 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 and 'narrow strip'), not further worked than hot-rolled (hot-rolled flat), not clad, plated or coated, excluding grain-oriented silicon electrical steel will likely lead to the recurrence of serious injury, submitted a properly documented application to the Commission on 06 July 2020.

The International Trade Administration Commission of South Africa (the Commission) decided to proceed with the process to the extension of safeguard measures on imports of 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 and 'narrow strip'), not further worked than hot-rolled (hot-rolled flat), not clad, plated or coated, excluding grain-oriented silicon electrical steel in its meeting of 08 July 2020.

Based on the information submitted, the Commission decided that the applicant submitted prima facie information to indicate:

- SACU industry is suffering serious injury and the expiry of the current duties will likely lead to the recurrence of serious injury; and
- To keep the existing safeguard duties in place pending the finalisation of the investigation.

THE APPLICANT

The application was lodged by South African Iron & Steel Institute (SAISI) an industry body, on behalf of ArcelorMittal South Africa Limited (AMSA) the only producer of the subject product in the SACU.

DESCRIPTION OF THE SUBJECT PRODUCT UNDER INVESTIGATION

The subject product is described 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 and 'narrow strip'), not further worked than hot-rolled (hot-rolled flat), not clad, plated or coated, excluding grain-oriented silicon electrical steel, imported under tariff subheading 7208.10, 7208.25, 7208.26, 7208.27, 7208.36, 7208.37, 7208.38, 7208.39, 7208.40, 7208.51, 7208.52, 7208.53, 7208.54, 7208.90, 7211.14, 7211.19, 7225.30, 7225.40, 7225.99, 7226.91 and 7226.99.

DESCRIPTION OF THE LIKE OR DIRECTLY COMPETITIVE SACU PRODUCT

The SACU product is described 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 and 'narrow strip'), not further worked than hot-rolled (hot-rolled flat), not clad, plated or coated, excluding grain-oriented silicon electrical steel.

ALLEGATION OF SERIOUS INJURY AND THE LIKELY RECURRENCE OF SERIOUS INJURY

The period of investigation for data evaluation for the purposes of determining the allegation of serious injury is 01 September 2017 to 31 May 2020, plus estimates for 1 June 2020 to 31 August 202, should the safeguard duties be removed.

The injury analysis relates to information submitted by ArcelorMittal South Africa Limited (AMSA's), a member of SAISI with a collective output of the like or directly competitive products constituting a major proportion (100%) of the total domestic production of those products.

The Applicant alleged and submitted *prima facie* information indicating that it is experiencing serious injury in the form of a decline in sales volumes, output, profits, market share, utilisation of capacity, productivity and employment for the period 01 September 2017 to 31 May 2020. The applicant further provided estimates for the period 1 June 2020 to 31 August 2021, to show that should the duties expire, it is likely lead to the recurrence of serious injury in the form of a decline in sales volumes, productivity, profits, output, market share, employment and utilisation of capacity.

On this basis the Commission found that *prima facie* information was submitted to indicate that the SACU industry was suffering serious injury and the expiry of the current safeguard measures will likely lead to the recurrence of serious injury.

LEGAL FRAMEWORK

This investigation will be conducted in accordance with the International Trade Administration Act, 2002 (ITA Act) and the International Trade Administration Commission Safeguard Regulations (SGR) read with the World Trade Organization Agreement on Safeguards (the Safeguard Agreement).

Please note that if any information is considered to be confidential, a non-confidential version of the information must be submitted for the public file, simultaneously with the confidential version. In submitting a non-confidential version, the following rules are strictly applicable and parties must indicate:

- where confidential information has been omitted and the nature of such information;
- reasons for such confidentiality;

- a summary of the confidential information which permits a reasonable understanding of the substance of the confidential information; and
- in exceptional cases, where information is not susceptible to summary, reasons must be submitted to this effect.

This rule applies to all parties and to all correspondence with and submissions to the Commission, which unless indicated to be confidential and filed together with a non-confidential version, will be placed on the public file and be made available to other interested parties.

If a party considers that any document of another party, on which that party is submitting representations, does not comply with the above rules and that such deficiency affects that party's ability to make meaningful representations, the details of the deficiency and the reasons why that party's rights are so affected must be submitted to the Commission in writing forthwith (and at the latest 14 days prior to the date on which that party's submission is due). Failure to do so timeously will seriously hamper the proper administration of the investigation, and such party will not be able to subsequently claim an inability to make meaningful representations on the basis of the failure of such other party to meet the requirements.

Subsection 33(1) of the ITA Act provides that any person claiming confidentiality of information should identify whether such information is *confidential by nature* or is *otherwise confidential* and any such claims must be supported by a written statement, in each case, setting out how the information satisfies the requirements of the claim to confidentiality. In the alternative, a sworn statement should be made, setting out reasons why it is impossible to comply with these requirements.

PROCEDURES AND TIME LIMITS

All information submitted, including non-confidential copies thereof, should be received by the Senior Manager: Trade Remedies II by no later than 20 days from the date

hereof. Late submissions will not be accepted.

Interested parties are invited to submit comments on the initiation of the investigation or any information regarding this matter to the following address:

Physical address

Senior Manager: Trade Remedies II
International Trade Administration Commission
Block E – The DTI Campus
77 Meintjies Street
SUNNYSIDE
PRETORIA
SOUTH AFRICA

Postal address

Senior Manager: Trade Remedies II
Private Bag X753
PRETORIA
0001
SOUTH AFRICA

Any interested party may request an oral hearing provided that reasons are given for not relying on written submissions only. No request for an oral hearing will be considered more than 60 days from the date of this publication. The Commission may refuse an oral hearing if granting such hearing will unduly delay the finalisation of the investigation.

Parties requesting an oral hearing shall provide the Commission with a detailed agenda for, and a detailed version, including a non-confidential version, of the information to be discussed at the oral hearing at the time of the request.

Should you have any queries, please do not hesitate to contact the investigating officers, Mr Edwin Mkwana at +27 12 394 3742 or emkwana@itac.org.za