

DEPARTMENT OF TRADE, INDUSTRY AND COMPETITION

NOTICE 304 OF 2021

INTERNATIONAL TRADE ADMINISTRATION COMMISSION

**NOTICE OF AN INITIATION OF THE INVESTIGATION FOR THE EXTENSION OF
SAFEGUARD DUTY ON OTHER SCREWS FULLY THREADED WITH HEXAGON
HEADS MADE OF STEEL**

In accordance provisions in section 21.7 of Amended Safeguard Regulation provides that any definitive measure may be extended by 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 submitted a properly documented application to the International Trade Administration Commission of South Africa (the Commission) on 09 April 2021 indicating that it is still experiencing serious injury and that the expiry of the safeguards duties on imports of other screws fully threaded with hexagon heads made of steel will likely lead to the continuation and/or recurrence of serious injury.

The Commission decided to proceed with the investigation into the extension of safeguards measures on imports of other screws fully threaded with hexagon heads made of steel imported under tariff subheading 7318.15.39 in its meeting of 11 May 2021.

THE APPLICANT

The application was lodged by the South African Iron and Steel Institute (SAISI) (the Applicant) on behalf of on behalf South African Fasteners Manufacturers' Association ("SAFMA") and its members CBC Fasteners (Pty) Ltd ("CBC") and Transvaal Pressed Nuts Bolts and Rivets (Pty) Ltd ("TPN").

A non-confidential version of the application is available for inspection at request.

DESCRIPTION OF THE SUBJECT PRODUCT UNDER INVESTIGATION

The subject product is described as other screws fully threaded with hexagon heads made of steel imported under tariff subheading 7318.15.39.

DESCRIPTION OF THE LIKE OR DIRECTLY COMPETITIVE SACU PRODUCT

The SACU product is described as other screws fully threaded with hexagon heads made of steel.

ALLEGATION OF SERIOUS INJURY AND THE LIKELY CONTINUATION AND/OR RECURRENCE OF SERIOUS INJURY

The period of investigation for data evaluation for the purposes of determining the allegation of serious injury is 1 January 2018 to 31 December 2020, plus estimates for 1 January 2021 to December 2022, should the safeguard duties be removed.

The injury analysis relates to information submitted by the South African Iron and Steel Institute (SAISI) (the Applicant) on behalf of on behalf South African Fasteners Manufacturers' Association ("SAFMA") and its members CBC Fasteners (Pty) Ltd ("CBC") and Transvaal Pressed Nuts Bolts and Rivets (Pty) Ltd ("TPN") for the period 1 January 2018 to 31 December 2020 representing 70 percent of the domestic industry by production volume.

The Applicant alleged and submitted *prima facie* evidence indicating that it is still experiencing serious injury in the form of increased of imports volume and a decline in sales volumes, output, market share, utilisation of capacity and employment for the period 1 January 2018 to 31 December 2020.

The Applicant experienced increase of profit during the period of investigation and it was as a result of the Applicant that is currently busy restructuring under Section 189 of the South African Labour Relations Act, 1995 and retrenchments.

On this basis the Commission found that *prima facie* evidence was submitted to indicate that the SACU industry was experiencing serious injury and that the expiry of the safeguard measures will likely lead to a continuation and/or 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) and giving due regard to the Safeguard Agreement as well as the guidelines and conditions relating to the extension of safeguard measures provides procedures and process to be followed for the extension of safeguard measures. The guidelines and conditions relating to extension of safeguard measures were published in the *Government Gazette* No. 43636 on 21 August 2020.

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
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- 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 I 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 or on the emails below:

Physical address

Postal address

Senior Manager: Trade Remedies I International Trade Administration Commission Block E – The DTI Campus 77 Meintjies Street SUNNYSIDE PRETORIA SOUTH AFRICA	Senior Manager: Trade Remedies I Private Bag X753 PRETORIA 0001 SOUTH AFRICA
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Due to Covid-19 pandemic, these responses can be e-mailed to the following addresses:
STakacs@itac.org.za and TTshikomba@itac.org.za.

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 us at the following e-mail addresses; Ms Selma Takacs at STakacs@itac.org.za or Mr Thabelo Tshikomba at TTshikomba@itac.org.za.