

DEPARTMENT OF TRADE AND INDUSTRY
NOTICE 769 OF 2017

**INTERNATIONAL TRADE ADMINISTRATION COMMISSION OF
SOUTH AFRICA**

**INVESTIGATION INTO REMEDIAL ACTION IN THE FORM OF A SAFEGUARD
AGAINST THE INCREASED IMPORTS OF COLD-ROLLED STEEL PRODUCTS:
FINAL DETERMINATION**

On 29 July 2016, the International Trade Administration Commission of South Africa (the Commission) initiated an investigation for remedial action in the form of a safeguard against the increased imports of cold-rolled steel products through Notice No. 469 of *Government Gazette* No. 40171 dated 29 July 2016.

The application was lodged by the South African Iron and Steel Institute (SAISI), a non-governmental representative organization serving the collective interests of the primary steel industry in South Africa (the Applicant) on behalf of ArcelorMittal South Africa (AMSA) the major producer of cold-rolled steel products (the subject product), representing the Southern African Customs Union (SACU) industry.

The investigation was initiated after the Commission considered that there was *prima facie* evidence to show that events cited by the Applicant can be regarded as unforeseen developments, which resulted in a surge in imports of the subject product, causing serious injury to the SACU industry.

On initiation of the investigation, the World Trade Organisation (WTO), and the countries with a significant interest in the exports of the subject product were notified of the initiation of the investigation.

The Commission made a preliminary determination that there were unforeseen developments which resulted in the increased imports. The Commission further made a preliminary determination that there was a surge in imports of the subject product, causing serious injury to the SACU industry.

The Commission however made a preliminary determination not to request the Commissioner for South African Revenue Service (SARS) to impose a provisional payment since it was considered that the initiation of the safeguard investigation may already have had an effect of deterring imports to a certain extent and that the increase in the ordinary customs duty may also have had a positive effect on the industry's situation. The Commission further took into consideration the magnitude of the duty on the question of preventing the worsening of the state of the industry during the period it would take to finalise the investigation.

The Commission issued Report No. 537 containing its preliminary determination and invited interested parties to comment on its preliminary determination.

On 29 November 2016 a public hearing was held where interested parties could address the Commission on whether a safeguard measure would be in the public interest.

Taking all the information available to it into account, including all comments received during the investigation, the Commission made a final determination that there was a surge in the volume of imports of the subject product into the SACU market as a result of unforeseen circumstances and that the increase in imports was causing serious injury to the SACU industry. However, in calculating the possible measure to be imposed, it was determined that the Applicant was not experiencing a price disadvantage when comparing its unsuppressed selling price with the landed price of the imports.

Based on this, the Commission made a final determination to recommended to the Minister of Trade and Industry that this investigation be terminated. The Minister approved the Commission's recommendations. The Commission's detailed reasons for its final determination are set out in Commission Report No. 555 (final determination report).

Enquiries may be directed to the investigating officers, Mr Zuko Ntsangani at telephone number +27 12 394 3662 or Mr Busman Makakola at telephone number +27 12 394 3380 or at fax +27 12 394 0518.