

## DEPARTMENT OF TRADE, INDUSTRY AND COMPETITION

## GENERAL NOTICE 2732 OF 2024

## INTERNATIONAL TRADE ADMINISTRATION COMMISSION

**NOTICE OF INITIATION OF AN INVESTIGATION INTO THE ALLEGED DUMPING OF U-SECTIONS, I-SECTIONS, AND H-SECTIONS OF IRON OR NON-ALLOY STEEL, NOT FURTHER WORKED THAN HOT-ROLLED, HOT-DRAWN, OR EXTRUDED, OF A HEIGHT OF 80 MM OR MORE (EXCLUDING H-SECTIONS OF A HEIGHT GREATER THAN 200MM) AND EQUAL ANGLES OF IRON OR NON-ALLOY STEEL, NOT FURTHER WORKED THAN HOT-ROLLED, HOT-DRAWN, OR EXTRUDED ORIGINATING IN OR IMPORTED FROM THE PEOPLES' REPUBLIC OF CHINA AND THE KINGDOM OF THAILAND**

The International Trade Administration Commission of South Africa (the Commission) received and accepted an application alleging that U-sections, I-sections, and H-sections of iron or non-alloy steel (excluding H-sections of a height greater than 200mm) and equal angles of iron or non-alloy steel, originating in or imported from the People's Republic of China (PRC) and Kingdom of Thailand (Thailand) are being dumped into the Southern African Customs Union (SACU), causing material injury to the SACU industry concerned.

The Applicant submitted sufficient evidence and established a *prima facie* case of dumping, material injury and causality to enable the Commission to decide that an investigation should be initiated.

**THE APPLICANT**

The application was lodged by ArcelorMittal Rails and Structures Ltd Pty (AMRAS), the only producer of the aforementioned angles, shapes and sections of iron or non-alloy steel (excluding H-sections of a height greater than 200mm). AMRAS' domestic production constitutes 100 percent of the total domestic production of the subject products in SACU.

### THE SUBJECT PRODUCT

The imported products allegedly being dumped are U-sections, I-sections, and H-sections of iron or non-alloy steel, not further worked than hot-rolled, hot-drawn, or extruded, of a height of 80 mm or more (excluding H-Sections of a height greater than 200mm) and equal angles of iron or non-alloy steel, not further worked than hot-rolled, hot-drawn, or extruded. The applicable tariff sub-headings are as follows: 7216.31 – U Sections; 7216.32 – I Sections; 7216.33 – H Sections; and 7216.50 – Other angles, shapes, and sections.

For the purposes of this investigation, the product types explained above are described as a single subject product called certain structural steel products.

### THE ALLEGATION OF DUMPING

The dumping allegation is based on comparing the normal values and the export prices.

The normal values were determined based on the third country methodology, using exports to the United States of America for Chinese normal values, and exports to New Zealand for Thai normal values. The Applicant used the International Trade Centre (“ITC Trade Map”), an online database on international trade statistics, as proof of export prices from the PRC to the United States of America and from Thailand to New Zealand.

The export prices were determined based on official import statistics obtained from the South African Revenue Service.

Both normal values and export prices for the PRC and Thailand were adjusted accordingly to get to an ex-factory level where the comparison is made.

The comparison between normal values and the export prices resulted in a 55.04% dumping margin for the PRC and a 9.66% dumping margin for Thailand.

On this basis, the Commission found that there was *prima facie* proof of dumping.

## THE ALLEGATION OF MATERIAL INJURY

### Cumulative assessment:

Two countries are involved in this investigation. The information shows that the imported products from the PRC and Thailand satisfy the criteria to be cumulatively assessed as the margins of dumping for each country are more than two percent, the volume of imports from each country are above negligibility levels, and the imported products compete with each other and also compete with the SACU like product.

On this basis the Commission decided to cumulatively assess the effect and/or impact of the alleged dumped imports on the issue of material injury to the SACU industry.

### Material injury:

The Applicant submitted *prima facie* evidence to show that there is price suppression and price undercutting. Over the investigation period of three years, the information also indicates a significant increase in import volumes of the subject product from the PRC and Thailand, a decline in the Applicant's profits, employment, returns on investment, net cash flows, ability to raise capital investments; increases in the Applicant's inventory levels and total wages; and low levels of capacity utilisation.

On this basis, the Commission found that there was *prima facie* proof of material injury.

## CAUSAL LINK

The Commission considered all relevant factors, including all other known factors other than dumping. Based on the information considered in the application, the Commission found that there was *prima facie* proof of a causal link between the alleged dumped imports of the subject products and the material injury experienced by the SACU industry.

## PERIOD OF INVESTIGATION

The period of investigation for purpose of determining dumping is from 01 April 2022 to 30 March 2024. The period of investigation for purposes of determining material injury is from 01 April 2021 to 30 March 2024.

## LEGAL PROCEDURAL FRAMEWORK

Having decided that there is sufficient evidence and a *prima facie* case to justify the initiation of an investigation, the Commission has begun an investigation in terms of section 16 of the International Trade Administration Act, 2002 (the ITA Act). The Commission will conduct its investigation in accordance with the relevant sections of the ITA Act, the Commission's Anti-Dumping Regulations (ADR) and giving due regard to the World Trade Organisation Anti-dumping Agreement.

Both the ITA Act and the ADR are available on the Commission's website ([www.itac.org.za](http://www.itac.org.za)) or from the Trade Remedies section, on request.

## RESPONSE PROCEDURES AND TIME FRAMES

In order to obtain the information it deems necessary for its investigation, the Commission will send non-confidential versions of the application and questionnaires to all known importers and exporters and known representative associations. The trade representative of the PRC and Thailand have also been notified. Importers and other interested parties are invited to contact the Commission as soon as possible in order to determine whether they have been listed and were furnished with the relevant documentation. If not, they should immediately contact ITAC to ensure that they are sent copies. The questionnaire has to be completed and any other representations must be made within the time limit set out below.

The Senior Manager: Trade Remedies II, should receive all responses, including non - confidential copies of the responses, not later than 30 days from the date hereof. The said letter shall be deemed to have been received seven days after the day of its dispatch.

Late submissions will not be accepted except with the prior written consent of the Commission. The Commission will give due consideration to written requests for an extension of not more than 14 days on good cause shown (properly motivated and substantiated), if received prior to the expiry of the original 30-days period. Merely citing insufficient time is not an acceptable reason for an extension. Please note that the

Commission will not consider requests for extension by the Embassy of the respective country on behalf of exporters.

The information submitted by any party may need to be verified by the Investigating officers in order for the Commission to take such information into consideration. The Commission may verify the information at the premises of the party submitting the information, within a short period after the submission of the information to the Commission. Parties should therefore ensure that the information submitted would subsequently be available for verification. It is planned to do the verification of the information submitted by the exporters within three to five weeks subsequent to submission of the information.

This period will only be extended if it is not feasible for the Commission to do a verification within this time period or upon good cause shown, and with the prior written consent of the Commission, which should be requested at the time of the submission. It should be noted that unavailability of, or inconvenience to consultants will not be considered to be good cause.

Parties should also ensure when they engage consultants that they will be available at the requisite times, to ensure compliance with the above time frames. Parties should also ensure that all the information requested in the applicable questionnaire is provided in the specified detail and format. The questionnaires are designed to ensure that the Commission is provided with all the information required to make a determination in accordance with the requirements of the ITA Act and the ADR (and giving due regard to the WTO Anti-Dumping Agreement). The Commission may therefore refuse to verify information that is incomplete or does not comply with the format in the questionnaire, unless the Commission has agreed in writing to a deviation from the required format. A failure to submit an adequate non-confidential version of the response that complies with the rules set out under the heading **CONFIDENTIAL INFORMATION** will be regarded as an incomplete submission.

Parties who experience difficulty in furnishing the information required, or submitting in the format required, are therefore urged to make written applications to the Commission at an early stage for permission to deviate from the questionnaire or provide the information in an alternative format that can satisfy the Commission's requirements. The Commission will give due consideration to such a request on good cause shown.

Any interested party may request an oral hearing in accordance with Section 5 of the ADR, provided that the party indicates reasons for not relying on written submissions only.

The Commission may refuse an oral hearing if granting such hearing will unduly delay the finalisation of a determination. 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.

If the required information and arguments are not received in a satisfactory form within the time limit specified above, or if verification of the information cannot take place, the Commission may disregard the information submitted and make a finding on the basis of the facts available to it.

### **CONFIDENTIAL INFORMATION**

Please note that if any information is considered to be confidential then 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.

**Section 2.3 of the ADR provides as follows:**

*"The following list indicates "information that is by nature confidential" as per section 33(1)(a) of the Main Act, read with section 36 of the Promotion of Access to Information Act (Act 2 of 2000):*

- (a) management accounts;*
- (b) financial accounts of a private company;*

- (c) *actual and individual sales prices;*
- (d) *actual costs, including cost of production and importation cost;*
- (e) *actual sales volumes;*
- (f) *individual sales prices;*
- (g) *information, the release of which could have serious consequences for the person that provided such information; and*
- (h) *information that would be of significant competitive advantage to a competitor;*  
*Provided that a party submitting such information indicates it to be confidential."*

## ADDRESS

The response to the questionnaire and any information regarding this matter and any arguments concerning the allegation of dumping and the resulting material injury must be submitted in writing to the following address:

### Physical address

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

### Postal address

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

Enquiries may be directed to the investigating officers, Mr Sandile Mantolo at email address: [smantolo@itac.org.za](mailto:smantolo@itac.org.za), Ms Millicent Baloyi at email address: [mbaloyi@itac.org.za](mailto:mbaloyi@itac.org.za) and Ms Phindile Mabona at email address: [pmabona@itac.org.za](mailto:pmabona@itac.org.za).