



3 August 2020

(20-5387)

Page: 1/2

Committee on Safeguards

Original: English

**NOTIFICATION UNDER ARTICLE 12.1(A) OF THE AGREEMENT ON SAFEGUARDS
ON INITIATION OF AN INVESTIGATION AND THE REASONS FOR IT**

SOUTH AFRICA

*Certain flat-rolled products of iron, non-alloy steel or
other alloy steel (not including stainless steel)*

Supplement

The following communication, dated 31 July 2020, is being circulated at the request of the delegation of South Africa.

Pursuant to Article 12.1(a) of the Agreement on Safeguards, South Africa hereby gives notification of the initiation of an investigation into the extension of safeguard measures on the 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.

1. The date when the investigation was initiated

The investigation was initiated on 24 July 2020. The notice of initiation by the investigating authority was published through notice 392 in Government Gazette No. 43542 on 24 July 2020.¹

2. The product subject to the 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.

3. The reasons for the initiation of investigation

- i. 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 products in the Southern African Customs Union (SACU).

The claim is that the SACU industry is suffering serious injury and the expiry of the safeguard measures will likely lead to a recurrence of serious injury to the SACU industry.

¹ An electronic version of the document has also been submitted by South Africa. To consult this document please contact Ms Richards (Anne.Richards@wto.org) or Ms Naville (Delphine.naville@wto.org) of the Rules Division.

ii. *Prima facie* information on which the investigation was initiated:

The Commission found that the applicant submitted *prima facie* information to indicate that the expiry of the safeguard measures on the 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 a recurrence of serious to the SACU industry.

4. Serious Injury and Causal Link

The period of investigation for data evaluation for the purposes of determining the allegation of serious injury is 1 September 2017 to 31 May 2020. Plus an estimate from June 2020 – August 2021.

The injury analysis relates to information submitted by AMSA, a member of SAISI the only producer of the subject product in the SACU with a major proportion 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, profits, output, productivity, market share, utilisation of capacity and employment for the period 1 September 2017 to 31 May 2020. The applicant further alleged and submitted *prima facie* information based on estimates that should the duties expire, serious injury will recur in the form a decline in sales volumes, profits, output, productivity, market share, utilisation of capacity and employment for the period estimate from June 2020 – August 2021.

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

5. Further information

Interested parties must make themselves known within a period of 20 days after the initiation of the investigation.

Any information which the interested parties may wish to submit in writing and any request for a hearing before the Commission that they may wish to put forward should be submitted within 20 days following the initiation of this investigation to the Directorate: Trade Remedies II at the following address:

The DTI Campus
77 Meintjies Street
Block Uuzaji, Ground Floor
Sunnyside Pretoria 0002, South Africa
tel: +27 12 394 3600
email: emkwanazi@itac.org.za

If part of the information provided is of a confidential nature, the party concerned should give the grounds justifying confidentiality and furnish public summaries of such information, which should be as detailed as possible. In instances that a public summary cannot be provided a sworn statement must be provided stating the reasons why the information cannot be summarized. This requirement is designed to secure transparency and due access by all the parties to the information relating to this investigation. If the summaries are not duly provided and in the absence of just cause, ITAC may disregard the information deemed to be confidential.
