

Mr Ebrahim Patel, MP
Minister of Trade and Industry
Private Bag X84
PRETORIA
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Dear Minister Patel

MINUTE M09/2021: AMENDMENT OF REPORT NO. 620: EXTENSION OF EXISTING SAFEGUARD DUTY ON THREADED FASTENERS OF IRON OR STEEL: BOLT ENDS & SCREW STUDS, SCREW STUDDING AND OTHER HEXAGON NUTS (EXCLUDING THOSE OF STAINLESS STEEL AND THOSE IDENTIFIABLE FOR AIRCRAFT) TO INCLUDE IMPORTS ORIGINATING IN OR IMPORTED FROM BELARUS, INDONESIA AND TURKEY.

On 01 March 2019, the Commission initiated an investigation for remedial action in the form of a safeguard against increased imports of threaded fasteners of iron and steel: bolt ends & screw studs, screw studding and other hexagon nuts (excluding those of stainless steel and those identifiable for aircraft) through Notice Number 109 which was published in the Government Gazette number 42258.

In that investigation, the Commission made a final determination to recommend to the Minister of Trade, Industry and Competition that it will be in the public interest to impose definitive safeguard measures of 54.04 percent *ad valorem* on imports of bolt ends & screw studs, screw studding and other hexagon nuts of iron and steel (excluding those of stainless steel and those identifiable for aircraft). These safeguard duties excluded imports originating in or imported from developing country members that were below 3 percent of total imports to SACU.

The Commission further recommended that the duty be imposed for a period of three years, to be liberalised as at regular intervals as follows: Year 1- 54.04%; Year 2- 52.04%; Year 3- 50.04%. The Minister approved the Commission's recommendation contained in Report Number 620.

On 24 July 2020, final safeguard measures were imposed on imports of threaded fasteners of iron and steel: bolt ends & screw studs, screw studding and other hexagon nuts (excluding those of stainless steel and those identifiable for aircraft) originating from all countries, excluding imports originating from developing country members that were below 3 percent of total imports into SACU.

The Amended Safeguard Regulations (SGR) provide for the exclusion from safeguard measures of imports from developing countries, whose volumes are less than 3 percent of total imports to SACU in the original investigation period. As result of this, Belarus, Indonesia and Turkey were among the list of developing countries excluded from the safeguard measures.

"Section 21.20 of the Amended Safeguard Regulations states that "a developing country exempted from the application of a safeguard measure in terms of subsection 18 may become subject to such safeguard measure without a new investigation being conducted if, subsequent to the imposition of the safeguard measure, its share of the imports increases to a level that exceeds three percent of the total import volume in the original investigation period".

Taking the above into consideration with regard to Belarus, Indonesia and Turkey total imports of threaded fasteners of iron and steel: bolt ends & screw studs, screw studding and other hexagon nuts (excluding those of stainless steel and those identifiable for aircraft) in the original investigation period (01 July 2014 to 30 June 2018) were used to determine whether imports from Belarus, Indonesia and Turkey for 25 July 2020 to 30 June 2021 increased to a level higher than 3 percent of total imports in the original investigation period.

Import volumes

The following table shows all import volumes of the subject products as sourced from the South African Revenue Service (SARS).

Table 1: Import volumes in tons

Original period of Investigation(POI)	01 July 2014 to 30 June 2015	01 July 2015 to 30 June 2016	01 July 2016 to 30 June 2017	01 July 2017 to 30 June 2018
Total import volumes	6 069	5 546	8 697	6 418
Period after the imposition of safeguard measures	25 July 2020 to 30 June 2021	25 July 2020 to 30 June 2021	25 July 2020 to 30 June 2021	25 July 2020 to 30 June 2021
Imports from Belarus	189	189	189	189
Imports from Belarus as % of total imports for the original POI	3.11%	3.40%	2.17%	2.94%
Imports from Indonesia	265	265	265	265
Imports from Indonesia as % of total imports for the original POI	4.36%	4.77%	3.04%	4.13%
Imports from Turkey	648	648	648	648
Imports from Turkey as % of total imports for the original POI	10.67%	11.68%	7.45%	10.09%

Information in table 1 above indicates that import volumes from Belarus, Indonesia and Turkey for the period (25 July 2020 to 30 June 2021) now account for more than 3% of total imports into SACU as percentage of total imports in the original investigation.

The Commission considered that import volumes from Belarus are more than 3% of total imports into SACU for the first two years of the original investigation period. The Commission further considered that there is no statute stipulating that more than 3% has to occur under each year of the original investigation period. The 3% threshold can be regarded as having been exceeded at any point after imposition of the final measure, which in this case is applicable in 2014/15 and 2015/16.

The Commission therefore decided to recommend to the Minister of Trade, Industry and Competition to make imports of the subject products originating in or imported from Belarus, Indonesia and Turkey be subject to the safeguard measures for the remainder of the period which safeguard duties are in place(until 23 July 2023) in terms of Section 21.20 of the Amended Safeguard Regulations. Furthermore, a list of developing countries excluded from safeguard measures as contained in Report No. 620 be amended by removing Belarus, Indonesia and Turkey.


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Meluleki Nzimande
Chief Commissioner

Date: 10/01/2021