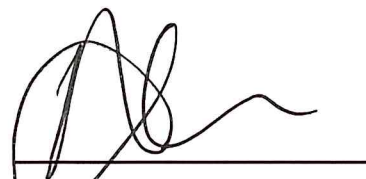


REPORT No: 758

INVESTIGATION INTO THE ALLEGED DUMPING OF FLAT-ROLLED PRODUCTS OF IRON OR NON-ALLOY STEEL, OF A WIDTH OF 600 MM OR MORE, CLAD, PLATED OR COATED, WITH ALUMINIUM-ZINC ALLOYS, OF A THICKNESS OF LESS THAN 0.45MM, CLASSIFIABLE UNDER TARIFF SUBHEADINGS 7210.61.20 AND 7210.61.30 AND FLAT-ROLLED PRODUCTS OF OTHER ALLOY STEEL, OF A WIDTH OF 600 MM OR MORE, OTHERWISE PLATED OR COATED WITH ZINC, OF A THICKNESS OF LESS THAN 0,45MM, CLASSIFIABLE UNDER TARIFF SUBHEADINGS 7225.92.25 AND 7225.92.35 ("CORROSION RESISTANT STEEL COIL") ORIGINATING IN OR IMPORTED FROM THE PEOPLE'S REPUBLIC OF CHINA ("CHINA"): PRELIMINARY DETERMINATION

The International Trade Administration Commission of South Africa herewith presents its **Report No. 758: INVESTIGATION INTO THE ALLEGED DUMPING OF FLAT-ROLLED PRODUCTS OF IRON OR NON-ALLOY STEEL, OF A WIDTH OF 600 MM OR MORE, CLAD, PLATED OR COATED, WITH ALUMINIUM-ZINC ALLOYS, OF A THICKNESS OF LESS THAN 0.45MM, CLASSIFIABLE UNDER TARIFF SUBHEADINGS 7210.61.20 AND 7210.61.30 AND FLAT-ROLLED PRODUCTS OF OTHER ALLOY STEEL, OF A WIDTH OF 600 MM OR MORE, OTHERWISE PLATED OR COATED WITH ZINC, OF A THICKNESS OF LESS THAN 0,45MM, CLASSIFIABLE UNDER TARIFF SUBHEADINGS 7225.92.25 AND 7225.92.35 ("CORROSION RESISTANT STEEL COIL") ORIGINATING IN OR IMPORTED FROM THE PEOPLE'S REPUBLIC OF CHINA ("CHINA"): PRELIMINARY DETERMINATION**


AYABONGA CAWE
CHIEF COMMISSIONER

PRETORIA

30/09 / 2025

INVESTIGATION INTO THE ALLEGED DUMPING OF FLAT-ROLLED PRODUCTS OF IRON OR NON-ALLOY STEEL, OF A WIDTH OF 600 MM OR MORE, CLAD, PLATED OR COATED, WITH ALUMINIUM-ZINC ALLOYS, OF A THICKNESS OF LESS THAN 0.45MM, CLASSIFIABLE UNDER TARIFF SUBHEADINGS 7210.61.20 AND 7210.61.30 AND FLAT-ROLLED PRODUCTS OF OTHER ALLOY STEEL, OF A WIDTH OF 600 MM OR MORE, OTHERWISE PLATED OR COATED WITH ZINC, OF A THICKNESS OF LESS THAN 0,45MM, CLASSIFIABLE UNDER TARIFF SUBHEADINGS 7225.92.25 AND 7225.92.35 (“CORROSION RESISTANT STEEL COIL”) ORIGINATING IN OR IMPORTED FROM THE PEOPLE’S REPUBLIC OF CHINA (“CHINA”): PRELIMINARY DETERMINATION

SYNOPSIS

The application was lodged by ArcelorMittal South Africa Ltd (“AMSA”) and SAFAL Steel (Pty) Ltd (“SAFAL”) (“the Applicant”), two manufacturers of the subject product in the SACU industry, whose production volume accounts for more than 50% of the total SACU production. The initiation notice for the investigation was published through Notice No. 3071 of 2025 which was published in *Government Gazette* No. 52348 on 20 March 2025.

The investigation was initiated after the Commission considered that the Applicant submitted *prima facie* information to indicate that the subject product was being imported at dumped prices, causing material injury to the SACU industry.

Upon initiation of the investigation, the known producers/exporters of the subject product in China were sent foreign manufacturers/exporters questionnaires to complete. Importers of the subject product were also sent questionnaires to complete.

The Commission took all properly documented submissions and comments received from interested parties into account in making its preliminary determination. All non-confidential submissions and comments made by interested parties are contained in the Commission’s public file for this investigation and are available for perusal. It should be noted that this report does not purport to deal with each and every comment

received and considered by the Commission. However, some of the more salient comments received from interested parties and the Commission's consideration of these comments are included in this report.

After considering all interested parties' submissions and comments, the Commission made a preliminary determination that the subject product originating in or imported from China is being dumped onto the SACU market, causing material injury to the SACU industry. The Commission made a preliminary determination that corrosion resistant steel coil originating in or imported from China was being dumped at the following rates:

Tariff subheadings	Producer	Dumping Margin
HS 7210.61.20, HS 7210.61.30, HS 7225.92.25 and HS7225.92.35 	Shandong Guanxian Foryune Composite Materials Co., Ltd	8,81%
	All other producers (excluding Shandong Guanxian Foryune Composite Materials Co., Ltd)	61,72%

Notwithstanding the above-stated findings, the Commission made a preliminary determination not to impose provisional anti-dumping duties at this stage. This recommendation is based on the fact that provisional safeguard duties were already imposed on 27 June 2025 on imports of the subject product. These safeguard duties may have already contributed to deterring imports and may have had a positive impact on the domestic industry's situation. Moreover, not imposing provisional duties could minimise the cost-raising effect on the downstream users of the subject product. Therefore, additional provisional measures may be unnecessary at this point.

1. APPLICATION AND PROCEDURE

1.1 LEGAL FRAMEWORK

This investigation is conducted in accordance with the International Trade Administration Act, 2002 (Act 71 of 2002) (“ITA Act”) and the International Trade Administration Commission of South Africa Anti-Dumping Regulations (“ADR”), read with the WTO Agreement on Implementation of Article VI of the General Agreement on Tariffs and Trade 1994 (“the Anti-Dumping Agreement”).

1.2 APPLICANT

The application was lodged by ArcelorMittal South Africa Ltd (“AMSA”) and SAFAL Steel (Pty) Ltd (“SAFAL”) (“the Applicant”), two manufacturers of the subject product in the SACU industry, whose production volumes accounts for more than 50% of the total SACU production.

1.3 ACCEPTANCE OF APPLICATION

The application was accepted by the Commission as being properly documented in accordance with Regulation 21 of the ADR on 06 March 2025. The trade representative of China was advised accordingly.

1.4 ALLEGATIONS BY THE APPLICANT

The Applicant alleged that imports of the subject product, originating in or imported from China was being dumped on the SACU market, thereby causing material injury to the SACU industry. The basis of the alleged dumping is that the subject products are being exported to the SACU at prices lower than the normal value in the country of origin.

The Applicant further alleged that as a result of the dumping of the subject product from China, the SACU industry is experiencing material injury in the form of:

- (i) Price suppression;
- (ii) Price depression;

- (iii) Declining sales volume;
- (iv) Declining market share;
- (v) Declining profits and losses;
- (vi) Production decline;
- (vii) Declining productivity;
- (viii) Declining return on investment;
- (ix) Declining utilisation of production capacity;
- (x) Impact on cash flow;
- (xi) Impact on inventory levels; and
- (xii) Slowdown in growth.

1.5 INVESTIGATION PROCESS

The application was first submitted on 17 October 2024. A deficiency letter was sent to the Applicant. An updated application that addressed deficiencies was submitted on 13 December 2024. A request to make changes to the hardcopy files was made on 18 January 2025. The material injury information submitted by the Applicant was verified for AMSA on 28 January 2025 and for SAFAL on 30 January 2025.

The diplomatic representative of China was notified of the Commission's receipt of a properly documented application in terms of Regulation 27.1 of the ADR.

The Commission initiated an investigation into the alleged dumping of flat-rolled products of iron or non-alloy steel, of a width of 600 mm or more, clad, plated or coated, with aluminum-zinc alloys, of a thickness of less than 0.45mm, classifiable under tariff subheadings 7210.61.20 and 7210.61.30 and flat-rolled products of other alloy steel, of a width of 600 mm or more, otherwise plated or coated with zinc, of a thickness of less than 0,45mm, classifiable under tariff subheadings 7225.92.25 and 7225.92.35 ("corrosion resistant steel coil" or "the subject product") originating in or imported from China through Notice No. 3071 of 2025 which was published in the *Government Gazette* No. 52348 on 20 March 2025.

On 20 March 2025, subsequent to the initiation, all known interested parties were notified and sent the non-confidential version of the application and requested to respond to the relevant questionnaires.

1.6 INVESTIGATION PROCESS

The investigation period for dumping was from 01 September 2023 to 31 August 2024. The investigation period for material injury was 01 September 2021 to 31 August 2024.

1.7 PARTIES CONCERNED

1.7.1 SACU Industry

The application was lodged by ArcelorMittal South Africa Ltd (“AMSA”) and SAFAL Steel (Pty) Ltd (“SAFAL”) (“the Applicant”), two manufacturers of the subject product in the SACU industry, whose production volume accounts for more than 50% of the total SACU production. The other manufacturer of the product is Duferco steel processing (Pty) Ltd whose production volumes accounts for more than 40% of the SACU volume.

1.7.2 Foreign Producers

A response to the Commission’s exporter questionnaire was received on 14 May 2025 from Shandong Guanxian Foryune Composite Materials Co., Ltd (“Foryune”), a manufacturer of the subject product.

Initial response received from Foryune was found to be deficient. On 09 June 2025, deficiency letter was sent to Foryune and it was given 7 days to address deficiencies. Foryune resubmitted its updated exporter questionnaire to the Commission on 17 June 2025, and this response was found to be properly documented. Foryune’s information was verified at Foryune’s premises from 23 to 25 July 2025.

The Commission made a preliminary determination to take the information submitted by Foryune into account for purposes of its preliminary determination.

1.7.3 Importers

A response was received from Steel Import International on 17 April 2025 requesting an extension.

The initial response received from Steel Import International ('SII') was found to be deficient. On 09 June 2025, a deficiency letter was sent to SII and it was given 7 days to address deficiencies. A request for an extension to submit the importer questionnaire on 19 June 2025 was denied as the ADR do not provide for extension on deficient responses from interested parties. SII submitted its updated response after the deadline for submission.

The Commission made a preliminary determination not to take the information submitted by SII into account for purposes of its preliminary determination as their response was still deficient.

1.7.4 Other Interested Parties

Comments were received from Duferco Steel Processing (Pty) Ltd ("Duferco"), a re-roller of the subject in the SACU. Duferco's comments and the Commission's consideration thereof are discussed in the section on standing.

1.8 PRELIMINARY DETERMINATION

The Commission, after considering all responses and comments from interested parties and based on best information available, made a preliminary determination that flat-rolled products of iron or non-alloy steel, of a width of 600 mm or more, clad, plated or coated, with aluminum-zinc alloys, of a thickness of less than 0.45mm, classifiable under tariff subheadings 7210.61.20 and 7210.61.30 and flat-rolled products of other alloy steel, of a width of 600 mm or more, otherwise plated or coated with zinc, of a thickness of less than 0,45mm, classifiable under tariff subheadings 7225.92.25 and 7225.92.35 originating in or imported from China are being dumped onto the SACU market, causing material injury to the SACU industry.

The Commission made a preliminary determination that corrosion resistant steel coil originating in or imported from China was being dumped at the following rates:

Tariff subheadings	Producer	Dumping Margin
HS 7210.61.20, HS 7210.61.30, HS 7225.92.25 and HS 7225.92.35	Shandong Guanxian Foryune Composite Materials Co., Ltd	8,81%
	All other producers (excluding Shandong Guanxian Foryune Composite Materials Co., Ltd)	61,72%

Notwithstanding the above-stated findings, the Commission made a preliminary determination not to impose provisional anti-dumping duties at this stage. This recommendation is based on the fact that provisional safeguard duties were imposed on 27 June 2025 on imports of the subject product. These safeguard duties may have already contributed to deterring imports and may have had a positive impact on the domestic industry's situation. Moreover, not imposing provisional duties could minimise the cost-raising effect on the downstream users of the subject product. Therefore, additional provisional measures may be unnecessary at this point.

2. PRODUCTS, TARIFF CLASSIFICATION AND DUTIES

2.1 IMPORTED PRODUCTS

2.1.1 Description

The subject products in this investigation is flat-rolled products of iron or non-alloy steel, of a width of 600 mm or more, clad, plated or coated, with aluminium-zinc alloys, of a thickness of less than 0.45mm, classifiable under tariff subheadings 7210.61.20 and 7210.61.30 and flat-rolled products of other alloy steel, of a width of 600 mm or more, otherwise plated or coated with zinc, of a thickness of less than 0.45mm, classifiable under tariff subheadings 7225.92.25 and 7225.92.35 ("corrosion resistant steel coil" or the "subject product").

2.1.2 Country of origin/export

The subject product originates in and is exported from China.

2.1.3 Possible tariff loopholes

The Applicant stated that it is not aware of any tariff loopholes

2.1.4 Tariff classification

The subject product is currently classifiable as follows:

Table 2.1.4

HS Tariff subheading	Description	Statistical unit	Rate of duty					
			General	EU/UK1	EFTA2	SADC3	MERCOSUR4	AfCFTA5
7210	Flat-rolled products of iron or non-alloy steel, of a width of less than 600 mm, not clad, plated or coated:							
7210.61	Plated or coated with aluminium-zinc alloys:							
7210.61.20	Of a thickness not exceeding 0,20 mm	kg	10%	Free	Free	Free	10%	10%
7210.61.30	Of a thickness exceeding 0,20 mm but not exceeding 0,45 mm	kg	10%	Free	Free	Free	10%	10%
72.25	Flat-rolled products of other alloy steel, of a width of 600 mm or more							
7225.92	Otherwise plated or coated with zinc							
7225.92.25	Of a thickness not exceeding 0,20 mm	kg	10%	Free	Free	Free	10%	free
7225.92.35	Of a thickness exceeding 0,20 mm but not exceeding 0,45 mm	kg	10%	Free	Free	Free	10%	free

1 European Union/United Kingdom

2 European Free Trade Association

3 Southern Africa Development Community

4 Southern Common Market

5 African Continental Free Trade Area

2.1.5 Other applicable duties and rebates

There is currently a safeguard investigation underway, with provisional payments having been imposed up until 13 January 2026.

2.1.6 Negligibility test

The following table shows the alleged dumped imports as a percentage of the total imports.

Table 2.1.6: Import Volumes

Corrosion resistant steel coil						
Import Volume (Tonnes)	Volumes	%	Volumes	%	Volumes	%
	2021	2021	2022	2022	2023	2023
Alleged dumped imports	82 452	98%	82 753	99.624%	107 388	99%
Other imports	1 458	2%	311	0.004%	699	1%
Galvanized steel	802		48		107	
Alu-Zinc steel coil	656		263		592	
Total	83 910	100%	83 065	100%	108 087	100%

The Commission made a preliminary determination that the imports from China are above the negligibility level.

LIKE PRODUCT ANALYSIS

In determining the likeness of products, the Commission uses the following criteria:

Table 2.3 like product determination

	Imported product	SACU product
Tariff Headings	7210.61.20, 7210.61.30, 7225.92.25 and 7225.92.35.	7210.61.20, 7210.61.30, 7225.92.25 and 7225.92.35.
Raw materials	The main raw material used is carbon/alloy steel, hot-rolled coil.	The main raw material used is carbon/alloy steel, hot-rolled coil.
Production process	The production process of the imported product is outlined in detail above.	The SACU product production process is outlined in detail above.

Physical appearance	 	
Categories of users	The imported product is mainly used by re-rollers and fabricators in the manufacture of corrugated roof cladding.	The SACU product is mainly used by re-rollers and fabricators in the manufacture of corrugated roof cladding.
Application or end-use	The imported subject product is predominantly used as an intermediary input in the production of corrugated metal roof cladding, classifiable under HS Code 7210.49.10. Although the thinner gauges from 0,45mm down to 0.3mm are used in building projects such as low-cost housing, the less than 0,3mm coating thickness will also be sold to the informal (self-help) segment, mainly for the erection of informal settlements. The overall trend in the coated steel market is for lighter gauge material especially in the self-help and informal roofing and cladding markets.	The SACU product is predominantly used as an intermediary input in the production of corrugated metal roof cladding, classifiable under HS Code 7210.41.10. Although the thinner gauges from 0,45 mm down to 0.3mm are used in building projects such as RDP housing, the less than 0,3mm coating thickness will go to the informal (self-help) segment, mainly for the erection of informal settlements.
Substitutability	The imported products are fully substitutable with the SACU products.	The SACU products are fully substitutable with imported products.

The below table is an analysis of the zinc coated product, and the Aluminium-zinc(alu-zinc) coated product

	Zinc coated product: AMSA	Alu-zinc coated product: SAFAL
Tariff Headings	7225.92.25 and 7225.92.35.	7210.61.20 and 7210.61.30
Raw materials	The main raw material used is carbon/alloy steel, hot-rolled coil.	The main raw material used is carbon/alloy steel, hot-rolled coil.
Production process	The production process of the zinc coated product is outlined in detail above.	The product production process of the alu-zinc product is outlined in detail above.
Physical appearance		
Categories of users	The zinc coated product is mainly used by re-rollers and fabricators in the manufacture of corrugated roof cladding.	The alu-zinc coated product is mainly used by re-rollers and fabricators in the manufacture of corrugated roof cladding.
Application or end-use	The zinc coated product is predominantly used as an intermediary input in the production of corrugated metal roof cladding, classifiable under HS Code 7210.41.10. Although the thinner gauges from 0,45 mm down to 0.3mm are used in building projects such as RDP housing, the less than 0,3mm coating thickness will go to the informal (self-help) segment, mainly for the erection of informal settlements.	The alu-zinc coated is predominantly used as an intermediary input in the production of corrugated metal roof cladding, classifiable under HS Code 7210.41.10. Although the thinner gauges from 0,45 mm down to 0.3mm are used in building projects such as RDP housing, the less than 0,3mm coating thickness will go to the informal (self-help) segment, mainly for the erection of informal settlements.
Substitutability	The zinc coated product is fully substitutable with the alu-zinc coated products.	The alu-zinc coated product is fully substitutable with the zinc coated products.

Commission's consideration

Although the products subject to this investigation are classified under different tariff subheadings, they are essentially alike in all aspects with exception that one is dipped in zinc and the other in zinc and aluminium. The raw materials, production process, category of users and application or end use are the same.

After considering all the above factors, the Commission made a preliminary determination that the SACU products and the imported products are "like products", for purposes of comparison in this investigation, in terms of the relevant provisions of the ADR.

3 SACU INDUSTRY

3.1 INDUSTRY STANDING

The following table details the production of the subject product:

Table 3.1: Industry standing

Industry Standing			
(Total domestic production of like goods for the 12 months preceding the lodging of the application)			
Producer	Production volume- Support Application (Tonnes)	Production volume- Oppose application (Tonnes)	Production volume- Neutral (Tonnes)
AMSA SAFAL	More than 50%	0 tonnes	0 tonnes
Other producers - Duferco	0	More than 40%	
Total SACU	More than 50%	More than 40%	None

The application was lodged by ArcelorMittal South Africa Ltd (“AMSA”) and SAFAL Steel (Pty) Ltd (“SAFAL”) (“the Applicant”), the two manufacturers of the subject product in the SACU industry, whose production volumes accounts for more than 50% of the total SACU production. The Investigation was opposed by Duferco whose production volumes accounts for more than 40% of the SACU production volume.

On 03 February 2025, the Commission received a letter from Duferco in response to the Safeguard investigation initiated for the same product subject to this investigation. In its letter Duferco stated that it is a South African manufacturer of corrosion resistant steel coils and wishes to advise the Commission that it does not support the application that was submitted by AMSA with the support of SAFAL. On the same date, the investigating team requested that Duferco supply its production volumes. On 31 March Duferco submitted its production volumes.

On 12¹ April 2025, Duferco, submitted its comments expressing significant concern regarding its perceived exclusion from an investigation led by the

Commission. It highlighted that in the most recent publication from Trade & Industrial Policy Strategies on the *“Industry Study, Steel and Related Products, February 2025”* which listed (page 8) all three Cold Re-roller manufacturers in SA, included Duferco but has been excluded from the Steel Industry meeting with the Minister of the Department of Trade, Industry and Competition (“**DTIC**”) and all key steel players which occurred on 20 November 2024 and 01 March 2025.

Duferco argues that its omission from recent reports and meetings about the steel industry, raises questions about the accuracy of the investigation, which lists only ArcelorMittal and SAFAL Steel as the Applicant(s) with combined production volumes representing 100% of SACU production” (own emphasis).

Duferco also stated that it has been a manufacturer since 1998 and criticises the reliance on inaccurate information that excludes them.

Duferco further clarified its neutral stance on protectionist measures and raised concerns regarding the potential adverse impact of trade remedies on the downstream steel sector. Specifically, Duferco highlighted its reliance on imported Hot Rolled Coil (HRC), which is subject to a 10% customs duty and may soon attract an additional 13% safeguard duty. Duferco also referenced the ongoing anti-dumping investigation, noting the likelihood of significant duties being imposed on imports from Japan, Taiwan, and China. Duferco argued that without duty-free access to HRC, its competitiveness would be negatively affected, and any protection measures would not be beneficial to its operations.

Commission’s consideration

The Commission noted Duferco’s concern over its omission from recent reports and stakeholder engagements related to the ongoing trade remedies investigations and the accuracy of the investigation, particularly the representation of SACU production volumes, which reflected only AMSA and SAFAL Steel as the Applicant(s), with a combined production volume representing 100% of SACU production of the subject product.

The Commission also noted Duferco's assertion that it has been a manufacturer since 1998. On 31 March 2025, Duferco provided the Commission with its production volumes. Verification of the submitted data was conducted on 28 August 2025.

The Commission considered that the information contained in the Commission's initiation notice was that provided by the Applicant. The SACU producers were identified based on the information available at the time of initiation. The production volumes submitted by Duferco were not available during the initiation phase and therefore were not included in the calculation of industry standing. Duferco's production volumes has now been taken into account for purposes of the Commission's preliminary determination in determining the SACU Industry.

Regarding the issue raised by Duferco on products not manufactured domestically, this relates to the hot-rolled products and not the corrosion resistant steel coils. In the hot-rolled steel investigation referred to, the Commission recalled that rebate provisions already exist, created during the original safeguard investigation. These rebate provisions may be utilised once Report No. 740 is amended to clarify that the existing Schedule 4 rebate provisions remain applicable and are excluded from the safeguard duty. A Minute proposing the amendment to Report No. 740 was submitted to the DTIC in June¹ 2025.

The Commission noted that Duferco opposes the investigation; however, Duferco's production volume and sales in the SACU market are not sufficient to outweigh the Commission's decision on standing and to proceed with the investigation.

The Commission made a preliminary determination to take the information submitted by Duferco into account for purposes of its preliminary determination. The Commission also made a preliminary determination that the Application can be regarded as made by or on behalf of the SACU industry.

4. DUMPING

4.1 METHODOLOGY IN THIS INVESTIGATION FOR CHINA

4.2 METHODOLOGY IN THIS INVESTIGATION FOR FORYUNE

The ADA establishes in Article 2.4.2, two general methods for calculating the dumping margin:

- (i) by comparison of a weighted average normal value with a weighted average export price; and
- (ii) and by comparison of individual transactions.

Specifically, the provision provides the following:

2.4.2 Subject to the provisions governing fair comparison in paragraph 4, the existence of margins of dumping during the investigation phase shall normally be established on the basis of a comparison of a weighted average normal value with a weighted average of prices of all comparable export transactions or by a comparison of normal value and export prices on a transaction-to-transaction basis. A normal value established on a weighted average basis may be compared to prices of individual export transactions if the authorities find a pattern of export prices which differ significantly among different purchasers, regions or time periods, and if an explanation is provided as to why such differences cannot be taken into account appropriately by the use of a weighted average-to-weighted average or transaction-to-transaction comparison.

Given that there were only two export transactions to the SACU during the POI, the Commission is of the view that the best method for calculating Foryune's dumping margin – which is fair and accurate – is by a comparison of the normal value and export price on a transaction-to-transaction basis.

There were only two transactions made to SACU during the POI and these transactions were made during February 2024 and June 2024. These

transactions only relate to sales of alu-zinc coated corrosion resistant steel coil. The thicknesses sold to SACU in this period were 0.28mm, 0.33mm and 0.38mm. As such, only domestic sales of less than 0.45mm sold in February and June were taken into consideration.

4.2.1 Calculation of the normal value

Sales in the ordinary course of trade

If more than 20% (by volume) of all sales of a particular product type or model took place at less than cost, such sales must be excluded in the determination of the normal value, and the normal value should be based on the weighted average price of all remaining sales.

During April 2024 Foryune sold alu-zinc corrosion resistant steel coil of a thickness of less than 0.45mm in its domestic market. Less than 20 percent of these sales were made below cost and more than 80 percent of these domestic sales were made above cost. Accordingly, no sales need to be excluded.

Volumes on the domestic market

Section 8.3 of the ADR provides that:

“Domestic sales of the like product shall normally be considered to a sufficient volume to determine a normal value if such sales constitute five per cent or more of the sales volume of the product to the SACU. Sales representing less than 5 per cent of export sales to the SACU may nevertheless be deemed sufficient where such sales are of sufficient magnitude to provide a proper comparison.” Foryune’s domestic sales were more than 5% of the sales to the SACU.

Foryune claimed adjustments on normal value for delivery charges. The delivery charge adjustment was taken into consideration as sufficient explanations and supporting documentation was provided to substantiate this adjustment.

4.2.2 Calculation of the export price

During the period of investigation, Foryune only sold alu-zinc coated corrosion resistant steel coil to the SACU market.

Foryune claimed adjustments on the export price for delivery charges and ocean freight. The delivery charge and ocean freight adjustments were taken into consideration for the export price calculation for alu-zinc coated corrosion resistant coil, as sufficient explanations and supporting documentation was provided to substantiate this adjustment.

4.2.3 Dumping Margin

The dumping margin for Foryune was calculated to be 8.81%

4.3 METHODOLOGY IN THIS INVESTIGATION FOR ALL OTHER PRODUCERS (RESIDUAL DUMPING MARGIN)

It is the general policy of the Commission to impose separate anti-dumping duties on specific producers that responded to the questionnaire, and in addition, a residual duty against the country in question, to cater for other possible manufacturers of the subject product who might also have exported the subject product to SACU but did not participate in the investigation.

It is the practice of the Commission to use the highest, unadjusted, verified normal value and the lowest, adjusted, verified export price to determine the residual dumping margin. This information is usually obtained from the information submitted by participating exporters. In this investigation only one exporter, i.e. Foryune, submitted an exporter response. On analysis of Foryune's export volumes in comparison to the total import statistics, it was found that Foryune's exports are less than 2% of the total imports to the SACU. The Commission noted that this is not representative of the total imports.

Commission's consideration

The Commission noted that as Foryune's exports are less than 2% of total imports, the Commission made a preliminary decision to use the information submitted by the Applicant as this is the best information available. The Commission noted that Paragraph seven of Annexure II of the ADA states that, "If the authorities have to base their findings, including those with respect to normal value, on information from a secondary source, including the information supplied in the application for the initiation of the investigation, they should do so with special circumspection. In such cases, the authorities should, where practicable, check the information from other independent sources at their disposal, such as published price lists, official import statistics and customs returns, and from the information obtained from other interested parties during the investigation. It is clear, however, that if an interested party does not cooperate and thus relevant information is being withheld from the authorities, this situation could lead to a result which is less favorable to the party than if the party did cooperate".

As no other parties cooperated, and in line with Annexure II, the Commission made a preliminary decision to use the information submitted by the Applicant in calculating the residual duty as this is the best information available.

Based on the above, the dumping margin for all other exporters was calculated using the information provided by the Applicant for the purposes of initiation. As there were no adequate responses to provide the Commission with sufficient information, the same information was used to calculate dumping for all other exporters as follows:

Normal value calculation

In determining normal value for initiation purposes, ADR23.4 provides that, "if the domestic selling price is not reasonably available to the Applicant, the Applicant shall state its efforts to obtain such price. If the Applicant is unsuccessful after having undertaken reasonable efforts to obtain a domestic price, the applicant may submit information in respect of normal

value by constructing such value; or with reference to the export price from the exporting country or country of origin to any third country.”

Based on the information available, the normal values were determined based on a third country methodology, i.e., ADR23.4(b), using export prices charged by Chinese exporters to the United Kingdom for Thin Gauge Alloy-Zinc and Germany for Thin Gauge Alu-Zinc.

In determining normal value for initiation purposes, ADR23.4 provides that, “if the domestic selling price is not reasonably available to the Applicant, the Applicant shall state its efforts to obtain such price. If the Applicant is unsuccessful after having undertaken reasonable efforts to obtain a domestic price, the applicant may submit information in respect of normal value-

- by constructing such value; or
- with reference to the export price from the exporting country or country of origin to any third country.”

The normal value was calculated as follows:

Corrosion resistant steel coil	R/ton
FOB export price per tonne: Coated Alloy-Zinc	R23 146
FOB export price per tonne: Coated Alu-Zinc	R28 160
FOB export price per tonne: Thin Corrosion resistant steel coil	R23 707

Adjustment to the normal value

In calculating the normal value, the Adjustment for Inland freight, port handling and clearance cost in China was provided. This was converted using an average USD/ZAR exchange rate over the period of dumping.

The adjusted normal value is as follows:

Corrosion resistant steel coil	R/ton	Adjustment	Normal Value after adjustments
Normal value: Coated Alloy-Zinc	R23 607	(R461)	R23 146
Normal value: Coated Alu-Zinc	R28 160	(R461)	R28 160
Average normal value Coated thin corrosion resistant steel coil			R 23 707

4.4 Calculation of export price

The average fob import price was obtained from the South African Revenue Service ("SARS") import statistics for the dumping period 01 September 2023 to 31 August 2024 of corrosion resistant steel coil. The Commission made a decision to use five percent of the ex-factory price to adjust the export price since reliance cannot be placed on the verified shipping costs provided by Foryune in its response. As stated above, Foryune's response does not represent total imports as its exports are less than 2% of total imports.

The export price was calculated as follows:

Corrosion resistant steel coil	R/ton
FOB export price per tonne: Coated Alloy-Zinc	R11 803
FOB export price per tonne: Coated Alu-Zinc	R16,692
FOB export price per tonne: thin corrosion resistant coil	R12 511

The following ex-factory export price after using the 5% adjustment was calculated:

Corrosion resistant steel coil	R/ton	Adjustment	Export price after adjustments
Export price: Coated Alloy-Zinc	R11 803	(R590)	R 11 213
Export price: Coated Alu-Zinc	R16 692	(R834)	R15 857
Average export price Coated thin corrosion resistant steel coil			R 11 724

Margin of dumping

The following dumping margin was calculated:

Corrosion resistant steel coil	R/ton
Average ex-factory normal value	18 960
Average ex-factory export price	11 724
Dumping margin	7 236
As a % of ex-factory export price	61,72%

4.5 SUMMARY - DUMPING

After considering all the information available, the Commission made a preliminary determination that the subject product originating in or imported from China is being dumped onto the SACU market and the following dumping margins were calculated:

Tariff subheading	Country	Producers	Margin of dumping as a % of export price
	China	Shandong Foryune	8.81%
	China	All other Producers	61,72%

The Commission made a preliminary determination that the subject product is being dumped into the SACU market.

5. MATERIAL INJURY

5.1 DOMESTIC INDUSTRY – MAJOR PROPORTION OF PRODUCTION

The following injury analysis is based on information provided by AMSA and SAFAL who constitute more than 50 percent of the total domestic production of the subject product for the period 01 September 2023 to 31 August 2024.

The Commission made a preliminary determination that this constitutes “a major proportion” of the total domestic production, in terms of the ADR7.

5.2 MATERIAL INJURY ANALYSIS

The injury information presented below relates to the evaluation of data for the period 01 September 2021 to 31 August 2024.

IMPORT VOLUMES AND EFFECT ON PRICES

5.2.1 Import volumes

The following table shows the volume of allegedly dumped imports in tonnes for the subject product:

Table 5.2.1: Import volumes

Corrosion resistant steel coil						
Import Volume (Tonnes)	Volumes	%	Volumes	%	Volumes	%
	2021	2021	2022	2022	2023	2023
Alleged dumped imports	82 452	98%	82 753	99.624%	107 388	99%
Other imports	1 458	2%	311	0.004%	699	1%
Total	83 910	100%	83 065	100%	108 087	100%

The information in the above table indicates that imports from China for the subject product increased over the period 2021 to 2023, with the Chinese imports holding an average share of 99 percent of all imports over the POI.

5.2.2 Effect on Domestic Prices

5.2.2.1 Price depression

Price depression takes place where the SACU industry's ex-factory selling price decreases during the investigation period.

Table 5.2.2.1: Price depression

Corrosion resistant steel coil	2021	2022	2023
Consolidated ex-factory selling price (R/tonne)	100	89	91

The above table has been indexed due to confidentiality using 2021 as a base year.

The Applicant stated that the price depression is apparent. Prices decreased from 100 basis points to 91 basis points over the last three years of the POI. The Applicant stated that this decrease in prices is attributable to the proliferation of alleged dumped imports in the SACU market. The Applicant also stated that as it battles to compete with alleged dumped imports it is forced to lower prices in order to retain market share.

5.2.2.2 Price undercutting

The following table compares the SACU industry's ex-factory prices with the landed cost of the imported product.

Table 5.2.2.2(a): Price undercutting

Corrosion resistant steel coil: Consolidated	Suppressed selling price	Unsuppressed selling price
Applicant's ex-factory selling price (R)	100	139
Other SACU producers (R)	0	0
Landed cost- China (R)	14 787	14 787
Undercutting (R)	[Confidential]	[Confidential]
Undercutting %	[Greater than 10%]	Greater than 30%

The information in the above table shows that the Applicant was experiencing price undercutting during the POI as a result of suppressed selling prices.

The Applicant stated that the level of price undercutting reflects the injury margin and consequently the basis for the material injury being suffered by it. Price undercutting has a direct bearing on all the injury indicators submitted under the injury section. The Applicant also stated that it should be noted that the domestic selling prices are suppressed and depressed and the cost to import the product is lower than the cost to produce the product locally (and in China), resulting in significantly warped price comparisons.

5.2.2.3 Price suppression

Price suppression is the extent to which increase in the cost of production of the product concerned, cannot be recovered in selling prices.

Table 5.2.2.3 (a): Price Suppression

Corrosion resistant steel coil	2021	2022	2023
Ex-factory selling price (R/Ton)	100	89	91
Cost of production (R/ton)	100	116	118
Gross Profit (Rand/ton)	100	-R22	-R23
Gross Profit %	100	-25	-25
Cost of production % selling price (%)	100	130	130

The above table has been indexed due to confidentiality using 2021 as a base year.

The Applicant stated that its efforts to reduce prices in order to maintain market share has resulted in price suppression. Production costs have steadily increased, while it has been unable to increase its prices in line with this due to the extremely low prices of alleged dumped imports.

The Applicant stated that production cost as a percentage of its selling price increased from 100 index points to 130 index points in the last year of the POI. This resulted in massive price suppression. The Applicant stated that it is now making losses when it was making profits in year 1 of the POI. Consolidated gross profits went from 100 percentage points to -25 percentage points. The above-mentioned gross losses are untenable and unsustainable for its highly capital-intensive business and remedial action is urgently necessary to remedy the price suppression evident.

5.3 Consequent Impact of the dumped imports on the SACU Industry

5.3.1 Actual and potential decline in sales

The following table shows the Applicant's SACU sales volume of the subject product:

Table 5.3.1: Sales volume

Corrosion resistant steel coil	2021	2022	2021
Applicant 'sales volume (Tonne)	100	103	88

The above table has been indexed due to confidentiality using 2021 as a base year.

The Applicant stated that after showing growth of 3 index points consolidated in the second year, sales decreased by 15 index points in the final year of the investigation period, for a decline in sales volumes of 12 percentage points over the full investigation period.

5.3.2 Profit

The following table shows the Applicants' profit margins for the subject products:

Table 5.3.2(a): Profit

Corrosion resistant steel coil	2021	2022	2023
Tonnes sold	100	103	88
Total gross profit (R)	100	-23	-20
Total net profit (R)	100	-42	-38

The above table has been indexed due to confidentiality using 2021 as a base year.

The Applicant indicated that its profit declined drastically for both companies and consolidated from a net profit of 100 index points to a net loss of -38 index points. A decrease of 138 index points. At the same time, gross profit decreased by 120 index points. The effects of the price depression, price suppression and loss in market share are reflected in the Applicant's declining year-on-year profit margins.

The Applicant stated that this is indicative of material injury being suffered by it and unless remedial measures are implemented this downward trend

will continue, which will lead to the overall impairment of the domestic industry and the possible decimation of domestic manufacture of the subject product.

5.3.3 Output

The following table outlines the Applicant's domestic production volume of the subject product:

Table 5.3.3: Output

Corrosion resistant steel coil (Tonne)	2021	2022	2023
Consolidated production volume	100	110	88

The above table has been indexed due to confidentiality using 2021 as a base year.

The Applicant stated that its production decreased by 12 index points over the POI whilst alleged dumped imports have increased by 30%. The SACU market has increased throughout the POI, by a total of 6 index points over the investigation period, however, all this growth has been usurped by the alleged dumped imports, as both the Applicant's sales and imports from countries other than China have decreased.

5.3.4 Market share

The following table shows the SACU market share for the subject product in tons.

Table 5.3.4: Market share

Corrosion resistant steel coil (Tonne)	2021	2022	2023
Applicant:			
AMSA	100	102	85
SAFAL	100	166	260
Other SACU Producers	0	0	0
Total SACU producers	100	103	88
Alleged dumped imports			
China	82 452	82 753	107 388
Other imports	1 458	311	699
Total SACU market	100	101	106

Percentage held by:			
AMSA	100	101	80
SAFAL	100	163	244
Applicant (Total)	100	102	83
Alleged dumped imports	100	99	122
Other imports	100	21	45
Total	100	99	98

The above table has been indexed due to confidentiality using 2021 as a base year.

The Applicant indicated that it lost market share in both volumes and values. Looking at the above table, the Applicant lost 12 index points of total sales volumes whilst alleged dumped imports increased by 30%.

This resulted in the alleged dumped imports gaining significant market share and comprising 122 index points of the market in the last year of the POI, from only 100 index points in the first year of the POI. The Applicant's market share in comparison declined significantly from 100 index points to 88 index points over the POI. Whilst the Applicant's market share declined, alleged dumped imports gained 22 index points thereby usurping the Applicant's market share and monopolising the growth in the market.

5.3.5 Productivity

Using the production and employment figures sourced from the Applicant, its productivity in respect of the subject product is as follows:

Table 5.3.5(a): Productivity

Corrosion resistant steel coil	2021	2022	2023
Total production volume (Ton)	100	110	88
Number of employees (Production) (units)	100	104	102
Tonne per employee	100	106	87

The above table has been indexed due to confidentiality using 2021 as a base year.

The Applicant stated that consolidated employment increased throughout the POI. While AMSA's employment in particular declined. This decrease in AMSA's employment productivity, measured as tonnes produced per employee, decreased, as increased imports from China led to a significant decrease in the volume the Applicant produced.

The Applicant also stated that should the alleged dumped imports be allowed to continue to increase unabatedly, the industry may face further declines in productivity and employment as its operations become unsustainable.

5.3.6 Return on investment

Return on investment is normally regarded by the Commission as being the profit before interest and tax as a percentage of the net value of assets.

The following table provides the Applicant's profit after interest and tax expressed as a percentage of its net value of assets:

Table 5.3.6 (a): Return on investment.

Corrosion resistant steel coil	2021	2022	2023
Net profit (product concerned)	100	-42	-38
Total net profit (all products)	100	-6	-14
Net assets (product concerned)	100	119	127
Total net assets	100	113	116
Return on net assets	100	-35	-30
Return on net assets (total)	100	-5	-12

The above table has been indexed due to confidentiality using 2021 as a base year.

The Applicant stated that its return on net assets declined throughout the POI with the worst period being year 2-year 3 of the POI. AMSA, in particular, with its current losses, is unable to cover its costs and maintain current operations. With a negative ROA, and AMSA losing money, there are no funds for reinvestment, thus threatening AMSA's long-term survival, especially as regards to the production of the like product.

In an attempt to retain market share and capacity utilisation and due to the unreasonably low import prices of alleged dumped imports, The Applicant has been forced to reduce prices to the extent that they are unable to make profits and remedy the situation. If this trend is allowed to continue AMSA and SAFAL (the sole manufacturer of Aluminum-Zinc coated steel coils in Southern Africa) will no longer be able to sustain operations and will be forced to close their coated products facilities.

The consequences of losing these two industrial resources will be devastating on employment and the economy.

5.3.7 Utilisation of production capacity

The following table provides the Applicant's capacity and production for the subject product.

Table 5.3.7 (a): Utilisation of production capacity

	2021	2022	2023
Total Installed Capacity (tonnes)	100	99	91
Actual Production (ton)	100	110	88
Capacity utilisation %	100	111	98

The above table has been indexed due to confidentiality using 2021 as a base year.

The Applicant stated that its capacity utilization declined slightly throughout the POI and AMSA's total capacity decreased throughout the POI. Capacity utilization rates sit below 50% in the final year of the POI, which is significantly lower than the minimum 80% needed to remain profitable. In addition, in the final year of the POI, capacity utilization decreased despite capacity decreasing by 9 basis points.

The Applicant stated that it has more than enough capacity to supply the market, which is laying idle and unused owing to the infiltration of alleged dumped imports in the SACU market.

5.3.8 Factors affecting domestic prices

The Applicant stated that there are no other known factors, which could affect the domestic prices negatively.

5.3.9 Actual and potential negative effects on cash flow

The following table reflects the Applicant's cash flow situation with regard to the product under investigation.

Table 5.3.9 (a): Cash flow situation

Corrosion resistant steel coil: Consolidated	2021	2022	2023
Cash flow: incoming (Rm)	100	97	79
Cash flow: outgoing (Rm)	100	105	79
Net cash flow (Rm)	100	54	79

The above table has been indexed due to confidentiality using 2021 as a base year.

The Applicant stated that both total income and net cash flows declined throughout the POI which has impacted significantly on the Applicant's financial health and its inability to cover its expenses. This is a direct result of alleged dumped imports as they penetrate the market and usurp domestic sales from AMSA and SAFAL.

The Applicant also stated that if it continues to lose market share and sales, it will impact negatively on South Africa's balance of payments as more money leaves the country than what is used and circulating within the economy. Ultimately, this will result not only in serious injury to the industry but a decline in GDP economic growth for the country.

5.3.10 Inventories

Table 5.3.10(a): Inventories

Corrosion resistant steel coil: Consolidated	2021	2022	2023
Vblume (Ton)	100	202	109
Value (Rm)	100	216	120

The above table has been indexed due to confidentiality using 2021 as a base year.

The Applicant stated that its inventories increased, indicating that it is struggling to sell stock and this trend coincides with the alleged dumping. In year 2 of the POI, inventories more than doubled. Even though inventories decreased in year 3 of the POI, following a significant cut in production, inventories at the end of the POI were still more about 9 index points higher than in the first year of the POI.

5.3.11 Employment

The following table provides the Applicant's employment figures for the subject product.

Table 5.3.11(a): Employment

Corrosion resistant steel coil: Consolidated	2021	2022	2023
Direct labour (units): production	100	106	94
Indirect labour (units): production	100	132	128
Total labour (units): Maintenance	100	97	84
Total labour (units): production	100	116	109

The above table has been indexed due to confidentiality using 2021 as a base year.

The Applicant stated that the consolidated total employment increased but decreased when looking at AMSA. AMSA is operating at a loss and needs to cut costs in order to maintain operations.

The Applicant stated that this has resulted in a decline in employment. If alleged dumped imports are allowed to continue to flood the market, this will most likely result in further decline in employment and SAFAL will follow and the eventual closure of AMSA and SAFAL's galvanization production facilities.

5.3.12 Wages and salaries

The following table provides the Applicant's wages paid:

Table 5.3.12(a): Wages & Salaries

Corrosion resistant steel coil: Consolidated	2021	2022	2023
Total wages: Production (Rm/year)	100	216	228
Wage per employee	100	125	125

The above table has been indexed due to confidentiality using 2021 as a base year.

The Applicant stated that the consolidated total wages increased throughout the POI but AMSA's total wages decreased. Wages per employee increased in line with yearly increases, however, because there are fewer employees the total wage payments declined for AMSA.

5.3.13 Growth

The following table indicates the growth of the SACU market as provided by the Applicant.

Table 5.3.13: Growth (Ton)

Corrosion resistant steel coil:	2021	2022	2023
Applicant sales	100	103	88
Alleged dumped imports	82 452	82 753	107 388
Other imports	1 458	311	699
Total imports	83 910	83 065	108 087
Total SACU Market	100	101	106

The above table has been indexed due to confidentiality using 2021 as a base year.

The Applicant stated that the SACU market grew marginally by only 6 index points in total over the POI. This indicates that demand for the subject product is suppressed due to, inter alia, the low level of GDP growth. Despite the increase in the SACU market (albeit small) the Applicant sales volume declined by 12 index points consolidated between the second and last years of the POI. This drastic decrease coincides with the flood of alleged dumped imports from China, which increased by 30% in the same period.

The Applicant also stated that the alleged dumped imports not only usurped the little growth the SACU market experienced but also expropriated the domestic industry's market share in an environment where demand is suppressed. This has resulted in material injury being suffered by AMSA and SAFAL.

5.3.14 Ability to raise capital or investments

The Applicant provided the following information with regard to the SACU industry's ability to raise capital or investments:

Table 5.3.14(a): Ability to raise capital or investments

Corrosion resistant steel coil: Consolidated	2021	2022	2023
Total capital/investment in the subject product (Rm)	100	132	133
Capital expenditure during year on subject product (Rm)	165	130	36

The above table has been indexed due to confidentiality using 2021 as a base year.

The Applicant indicated that its ability to raise capital investment will be severely impacted by the alleged dumped imports if remedial action is not taken. Its annual investment in the final year of the POI was already severely restricted, decreasing by 64 basis points from year 1 of the POI.

5.3.15 SUMMARY – MATERIAL INJURY

Based on the above information, the evaluation of the injury information of the Applicant for the period 01 September 2021 to 31 August 2024 is shown below.

Table 5.3.15: Material Injury Indicators

	Unit of measurement	2022 - 2023	2021-2023
Sales volume	Ton	Decreased	Decreased
Inventories (quantities)	Ton	Decreased	Increased
Output (quantities)	Ton	Decreased	Decreased
Market share of Applicant	%	Decreased	Decreased
Market share of alleged dumped imports	%	Increased	Increased
Market share of other imports	%	Unchanged	Decreased
Capacity utilisation	%	Decreased	Decreased
Employment	Units	Decreased	Decreased
Wages	R/employee	Increased	Increased
Productivity	Ton/employee	Decreased	Decreased
Net Profit	R	Loss decreased	Decreased
Cash flow	Rm	Increased	Decreased
Return on investment	%	decreased	Decreased
Total capital investment (subject product)	Rm	Increased	Increased
Growth of the SACU market	Ton	Increased	Increased

The Commission made a preliminary determination that there is sufficient information to indicate that the Applicant is experiencing material injury with regard to the subject product.

6. CAUSAL LINK

6.1 GENERAL

In order for the Commission to make a preliminary determination, it must be satisfied that there is sufficient evidence to indicate that the material injury experienced by the SACU industry is as a result of the dumping of the subject product originating in or imported from China.

6.2 VOLUME OF IMPORTS AND MARKET SHARE

An indication of causality is the extent of the increase in the volume of subject imports from China and the extent to which the market share of the domestic industry has decreased, since the commencement of injury, with a corresponding increase in the market share of the imported subject product.

The following table compares the market share of the SACU industry with that of the imports:

Table 6.2.1: Market Share

Tons	2021	2022	2023
Consolidated Applicant market share	100	102	83
Other SACU producers	-	-	-
Total SACU market Share	100	102	83
Market share of alleged dumped imports – China	100	99	122
Total Market share of alleged dumped imports	100	99	122
Market share of other import	100	21	45

The above table has been indexed due to confidentiality using 2021 as a base year.

The table above shows that the alleged dumped imports are making considerable inroads into the market and their influence in volume and price is significant. The share of imports of the subject products originating from China has been on an upward trajectory over the three-year period. The increase is significant from an already high 100 index points to 122 index points. In comparison, the industry's market share has declined from 100 index points to 83 index points.

Unless the industry is protected against alleged dumped imports the effect (material injury) that the flood of low-priced imports will continue to have on the industry will be exacerbated and more severe in future. This could result in the end of domestic manufacturing of the subject product.

The following table shows the volume of imports:

Table 6.2.2: Import volumes

Corrosion resistant steel coil						
Import Volume (Tonnes)	Volumes	%	Volumes	%	Volumes	%
	2021	2021	2022	2022	2023	2023
Alleged dumped imports	82 452	98%	82 753	99.624%	107 388	99%
Other imports	1 458	2%	311	0.004%	699	1%
Total	83 910	100%	83 065	100%	108 087	100%

The table above indicates that the alleged dumped imports increased over the period 2021 to 2023. The alleged dumped imports accounted for 99 percent of total imports throughout the dumping period.

6.3 EFFECT OF DUMPED IMPORTS ON PRICES

The following table shows the price effects of the Applicant:

Table 6.3.1: Price depression, price suppression and Price undercutting

Corrosion resistant steel coil	2021	2022	2023
Ex-factory consolidated weighted selling price in SACU (Price depression) (Rand per ton)	100	89	91
Cost of production % selling price(suppression)	100	130	130
Price Undercutting			[Greater than 10%]

The prices of un-dumped imports are higher than the SACU industry prices. The prices of un-dumped imports have little to no effect on the SACU prices.

6.4 THE MAGNITUDE OF THE MARGIN OF DUMPING

The Applicant alleges that the subject product was imported at dumped prices. The dumping margin was calculated as follows:

Table 6.4.1: Dumping margin

Country	Producers	Tariff subheading	Dumping Margin
China	Shandong Guanxian Foryune Composite Materials Co., Ltd	7210.61.20, 7210.61.30, 7225.92.25 & 7225.92.35	8,81%
	All other producer (excluding Shandong Guanxian Foryune Composite Materials Co., Ltd)	7210.61.20, 7210.61.30, 7225.92.25 & 7225.92.35	61,72%

6.5 CONSEQUENT IMPACT OF ALLEGED INCREASE IN IMPORTS

Table 6.5.1: Material Injury Indicators

	2021 – 2023
Alleged dumped imports volumes	Increased
Price depression (R)	Increased
Price Suppression (%)	Increased
Price Undercutting	Experienced
Sales volumes (tonnes)	Decreased
Net Profit (R)	Decreased
Output (tonnes)	Decreased
Market share (Applicant)	Decreased
Productivity (units per employee)	Decreased
Utilisation of capacity (%)	Decreased
Net Cash Flows	Decreased
Employment (Number of employees)	Increased
Salaries and Wages	Increased
Net investments	Decreased
Inventory	Increased
Return on net assets	Decreased
Growth	Decreased

6.6 FACTORS OTHER THAN THE DUMPING CAUSING INJURY

6.6.1 Examination of under Article 3.5

Variable	Year			Change (%)
	2021	2022	2023	2021/2023
Prices of imports sold at alleged dumped prices (fob price) (R/tonne)	16 297	14 380	12 511	-23.23%
Prices of imports not sold at dumped prices (fob price) (R/tonne)	16 747	26 324	19 495	16.41%
Volume of imports not sold at dumped prices (tonne)	1 458	311	699	-52.06%
Contraction in demand: Growth rate for the subject product industry (tonne)	186 450	189 004	198 449	6.44%

Changes in the patterns of consumption	The Applicant stated that international demand for the subject product has been sluggish over the POI and will remain this way for the foreseeable future. This is especially apparent in the Chinese construction sector which are large consumers of the subject product. These international developments have a major impact on exports to SACU, as Chinese exporters are desperate to sell their product at any price, especially as the SACU market is growing, albeit at a slow pace. However, what is notable is the clear shift away from the local product in favour of the imported product, purely based on price. This is despite the SACU market increasing in volumes over the last three years.
Trade-restrictive practices of foreign and domestic producers	The Applicant stated that in response to the challenges global markets are implementing protective measures and the incentive for China to divert excess exports to unprotected countries such as the SACU is evident. This is evident from the mounting remedies being applied to date. The Applicant provided the Commission with following list of trade remedies already implemented on the subject product.

	• In 2020, the UK imposed anti-dumping duties on “Certain corrosion resistant steel” from China until 2025 (exact date not indicated in the UK’s semi-annual report); • In 2020, the UK imposed anti-dumping and countervailing duties on “Organic coated steel products” from China until 2025 (exact date not indicated in the UK’s semi-annual report); • On 15 June 2024, Viet Nam launched an anti-dumping investigation against certain coated flat-rolled carbon steel products from China and Korea; • On 17 August 2022, the US extended its anti-dumping duties on “Certain corrosion-resistant steel products” from China, India, Italy, Korea and Chinese Taipei until August 2027; • On 5 August 2023, Australia extended anti-dumping duties on “Zinc coated (galvanised) steel” from China, Chinese Taipei and Korea until August 2028; it also extended the countervailing duties against China on the same date; • On 11 March 2024, the EU extended anti-dumping duties on “Certain corrosion resistant steel” from China until March 2029;
Developments in technology	The Applicant stated that it is not aware of any recent developments in technology.
Export performance of the domestic industry	The Applicant stated that it’s main focus is domestic supply of the product and has on occasion exported the product
Productivity of the domestic industry	The Applicant stated that its productivity is on par with its overseas counterparts.

From the above it is clear that the prices of imports not sold at dumped prices increased over the investigation period while the prices of the alleged dumped imports decreased over the same period. It is evident that the prices of the alleged dumped imports were significantly lower than those of the imports not sold at dumped prices.

From the information in Section 5.2.2 of this submission, it is clear that the alleged dumped imports had a negative impact on the Applicant’s prices and this included amongst others, price undercutting and price suppression. Also, it should be taken into account that the consequent impact of the dumped imports resulted amongst others, in a decline in

gross profit as a percentage of the Applicant's selling price and return on net assets over the investigation period.

6.6 SUMMARY – CAUSAL LINK

The Commission made a preliminary determination that there is a causal link between the dumping of the subject product and the material injury experienced by the SACU industry.

7. SUMMARY OF FINDINGS

7.1 DUMPING

It is evident that the subject product originating in or imported from China is being dumped in the SACU market.

The following dumping margins were calculated:

Country	Producer	Tariff subheading	Dumping Margin
China	Shandong Guanxian Foryune Composite Materials Co., Ltd	7210.61.20, 7210.61.30, 7225.92.25 & 7225.92.35	8,81%
	All other producers (excluding Shandong Guanxian Foryune Composite Materials Co., Ltd)	7210.61.20, 7210.61.30, 7225.92.25 & 7225.92.35	61,72%

The Commission made a preliminary determination that dumping of the subject product originating in or imported from China is taking place.

7.2 MATERIAL INJURY

Based on the verified information of the Applicant, it is evident that the Applicant is experiencing material injury in the form of:

Material injury indicators	2021 – 2023
Alleged dumped imports volumes	Increased
Price depression (R)	Increased
Price Suppression (%)	Increased
Price Undercutting	Experienced
Sales volumes (tonnes)	Decreased
Net Profit (R)	Decreased
Output (tonnes)	Decreased
Market share (Applicant)	Decreased
Productivity (units per employee)	Decreased

Utilisation of capacity (%)	Decreased
Net Cash Flows	Decreased
Employment (Number of employees)	Increased
Salaries and Wages	Increased
Net investments	Decreased
Inventory	Increased
Return on net assets	Decreased
Growth	Decreased

The Commission made a preliminary determination that the SACU industry is experiencing material injury with regards to the subject product.

7.3 CAUSAL LINK

It was established that the subject product is exported at dumped prices by exporters/manufactures from China.

Taking into consideration the information submitted by the Applicant and all other comments received during the investigation the Commission made a preliminary determination that there is a causal link between the alleged dumping of the subject product and the material injury experienced by the SACU industry.

8. PROVISIONAL PAYMENTS

8.1 Lesser duty rule

In every investigation, the Commission considers the application of the lesser duty rule, in terms of which the duty is imposed at the lower of (i) the margin of dumping or (ii) the margin of injury, and which is sufficient to remove the injury caused by the dumped imports. The Commission, however, applies the lesser duty rule only in circumstances where both the exporter and the related importer have fully cooperated in the investigation.

8.2 Price disadvantage

Where the lesser duty rule is applied, the Commission calculates the price disadvantage, which reflects the extent to which the landed cost of the imported product is lower than the unsuppressed and undepressed ex-factory selling price of the SACU product. The Commission then compares the price disadvantage with the margin of dumping, and where the price disadvantage is lower, it is applied as the level of duty.

Given the deficiencies in the importer's response in this investigation, the Commission did not calculate or apply the price disadvantage for the preliminary determination.

The rates of duty to be imposed were concluded to be the following:

Table 8.2.1 Provisional payments

Country	Company	Tariff subheading	Dumping Margin
China	Shandong Guanxian Foryune Composite Materials Co., Ltd	7210.61.20, 7210.61.30, 7225.92.25 & 7225.92.35	8,81%
	All other producers (excluding Shandong Guanxian Foryune Composite Materials Co., Ltd)	7210.61.20, 7210.61.30, 7225.92.25 & 7225.92.35	61,72%

9. PRELIMINARY DETERMINATION

The Commission made a preliminary determination that there is sufficient information to indicate that:

- dumping of the subject product originating in or imported from China is taking place;
- the SACU industry is experiencing material injury as a result of the dumped imports of the subject product from China; and
- the injury experienced by the SACU industry is causally linked to the dumping of the subject product.

The dumping margins for corrosion resistant steel coil originating in or imported from China were calculated as follows:

Country	Producers	Tariff subheading	Dumping Margin
China	Shandong Guanxian Foryune Composite Materials Co., Ltd	7210.61.20, 7210.61.30, 7225.92.25 & 7225.92.35	8,81%
	All other producers (excluding Shandong Guanxian Foryune Composite Materials Co., Ltd)	7210.61.20, 7210.61.30, 7225.92.25 & 7225.92.35	61,72%

Notwithstanding the above-stated findings, the Commission made a preliminary determination not to impose provisional anti-dumping duties at this stage. This recommendation is based on the fact that provisional safeguard duties were already imposed on 27 June 2025 on imports of the subject product. These safeguard duties may have already contributed to deterring imports and may have had a positive impact on the domestic industry's situation. Moreover, not imposing provisional duties could minimise the cost-raising effect on the downstream users of the subject product. Therefore, additional provisional measures may be unnecessary at this point.