REPORT No: 778

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 ORIGINATING IN OR IMPORTED FROM THE PEOPLE'S REPUBLIC OF CHINA: FINAL DETERMINATION

The International Trade Administration Commission of South Africa herewith presents its **Report No. 778: 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 ORIGINATING IN OR IMPORTED FROM THE PEOPLE'S REPUBLIC OF CHINA: FINAL DETERMINATION**

AYABONGA CAWE
CHIEF COMMISSIONER

PRETORIA
06 JULY 2026

INTERNATIONAL TRADE ADMINISTRATION COMMISSION OF SOUTH AFRICA

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 ORIGINATING IN OR IMPORTED FROM THE PEOPLE'S REPUBLIC OF CHINA: FINAL 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 whose production volumes account for more than 50% of the total SACU production. On 20 March 2025, the initiation notice for the investigation was published through Notice No. 3071 of 2025 in *Government Gazette* No. 52348.

The investigation was initiated after the Commission considered that there was *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. In addition, 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.

The Commission made a final determination that the subject product originating in or imported from China is being dumped into the SACU market, causing material injury to the SACU industry.

The Commission made a final 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	8,21%
	All other producers (excluding Shandong Guanxian Foryune Composite Materials Co., Ltd)	57,84%

Considering the recent implementation of definitive safeguard duties in the form of *ad valorem duties* of 52.34% (Year 1), 37.74% (Year 2) and 22.34% (Year 3), the Commission made a final determination that, in line with the European Union's practice, only the difference between the safeguard measures and the anti-dumping measures should be imposed. As the safeguard measure would be phased down annually, the anti-dumping measures should be increased in line with the decrease in the safeguard measure.

Considering the foregoing, the Commission determined that the anti-dumping duties be imposed as follows:

Country	**Manufacturer**	**Tariff subheading**	**Dumping Margin**		**(Excess dumping duty over safeguard duty)**
China	Shandong Guanxian Foryune Composite Materials Co., Ltd	7210.61.20, 7210.61.30, 7225.92.25 & 7225.92.35	Year 1	0%	(8.21%-52.34%)
			Year 2	0%	(8.21%-37.34%)
			Year 3	0%	(8.21%-22.34%)
			Year 4 &5	8.21%	(8.21% – 0%)
	All other manufacturers (excluding Shandong Guanxian Foryune Composite Materials Co., Ltd)	7210.61.20, 7210.61.30, 7225.92.25 & 7225.92.35	Year 1	5.50%	(57.84%-52.34%)
			Year 2	20.50%	57.84%-37.34%)
			Year 3	35.50%	(57.84%-22.34%)
			Year 4 & 5	57.84%	(57.84% - 0%)

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:

- Price suppression;
- Price depression;
- Declining sales volume;
- Declining market share;

- Declining profits and losses;
- Production decline;
- Declining productivity;
- Declining return on investment;
- Declining utilisation of production capacity;
- Impact on cash flow;
- Impact on inventory levels; and
- Slowdown in growth.

1.5 INVESTIGATION PROCESS

The application was first submitted on 17 October 2024. A deficiency letter was sent to the Applicant on 22 November 2024. An updated application that addressed the was received on 13 December 2024. A request to make changes to the hardcopy files was made on 18 January 2025. A pre-verification letter was forwarded to the Applicant (AMSA and SAFAL) on 20 January 2025, and verification was conducted at AMSA's premises on 28 January 2025 and virtually for SAFAL on 30 January 2025. An updated pre-verification report was sent to SAFAL on 31 January 2025. Verification was conducted at SAFAL's premises on 05 February 2025, and the verification report was forwarded on 07 February 2025. A properly documented letter was forwarded to the Applicant on 06 March 2025.

On 20 March 2025, 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 0.45 mm, 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 0.45 mm, 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, published in Government Gazette No. 52348.

Subsequent to the initiation of the investigation, all known interested parties were notified, provided with the non-confidential version of the application, and requested to respond to the relevant questionnaires. The due date for responses by all interested parties was 30 April 2025.

1.6 INVESTIGATION PERIODS

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 AMSA and SAFAL, 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 Guinian Foryune Composite Materials Co., Ltd ("Foryune"), a manufacturer of the subject product in China.

The initial response received from Foryune was found to be deficient. On 09 June 2025, a 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.

1.7.3 Importers

Responses were received from the following importers:

- **Steel Import International**:

  On 17 April 2025, Steel Import International (Pty) Ltd submitted its response and requested an extension. A deficiency letter was sent on 09 June 2025. A request for an extension to submit the importer questionnaire on 19 June 2025 was denied as the ADR's do not provide for extension on deficient responses from interested parties.

- **Duferco**

  On 12 April 2025, Duferco, a re-roller, 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 Trade, Industry and Competition (the "Minister") and all key steel players which took place 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". It states that it has been a manufacturer since 1998 and criticises the reliance on inaccurate information that excludes them

  Commission's consideration

  Duferco submitted comments expressing concern over its omission from recent reports and stakeholder engagements related to the ongoing trade remedies investigations. As Duferco also questioned 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 noted Duferco's assertion that it has been a manufacturer since 1998. On 31 March 2025, Duferco provided their production volumes. A verification of the submitted data was conducted on 28 August 2025. The verification confirmed that Duferco is a manufacturer of the subject product and its production volume for the dumping period was more than 40% of the total SACU by production volume.

The information contained in the Commission's initiation notice was provided by the Applicant. The Applicants 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 SACU production volumes. The Commission acknowledged Duferco's production volumes in the industry and has now incorporated its verified data into the final submission.

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.

Regarding the products not manufactured domestically, this relates to the creation of rebate provisions for hot-rolled products. It should be noted that rebate provisions already exist, created during the original safeguard investigation. These can 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 to amend Report No. 740 was implemented on 07 November 2025

- **Shandong Foryune Composite Materials Co., Ltd**

Shandong Foryune Composite Materials Co., Ltd submitted its response to the Commission's exporters questionnaire on 14 May 2025. A deficiency letter was sent on 09 June 2025. Foryune resubmitted its response to the Commission on 17 June 2025, and this response was found to be properly documented. A pre-verification letter was sent on 30 June 2025, and the verification took place at Foryune's premises from 23 to 25 July 2025. A verification report was sent 06 August 2025.

Commission's consideration

The Commission decided to consider Shandong Foryune Composite Materials Co., Ltd.'s information for purposes of its final determination because the exporter provided sufficient information requested during verification.

1.8 PRELIMINARY DETERMINATION

1.8.1 On 09 September 2025, 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 into the SACU market, causing material injury to the SACU market. The SACU industry is experiencing material injury; and there is a causal link between the dumped imports of the subject product originating in or imported from China and the material injury experienced by the SACU industry.

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

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%

1.8.2 Notwithstanding the above-stated findings, the Commission made a preliminary determination not to impose provisional anti-dumping duties at that stage. This recommendation was based on the fact that provisional safeguard duties were imposed on 27 June 2025 on imports of the subject product. The Commission considered that 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 have been unnecessary at that point.

1.8.3 On 17 October 2025, the Commission's preliminary determination was published in the *Government Gazette*. The preliminary notice and the Report no. 758 were sent to all known interested parties on 20 October 2025. The closing date for comments to the Commission's preliminary determination was 03 November 2025.

1.8.4 On 28 October 2025, comments were received from Steelbank group and Duferco.

1.8.5 On 03 November 2025, comments to the Commission's preliminary determination were received from the Applicant and Shandong Guanxian Foryune Composite Materials Co., Ltd.

1.8.6 The following are a summary of the comments received with regard to the Commission's preliminary determination:

Comments by Duferco on the Commission's preliminary determination

Duferco acknowledged the Commission's decision not to impose provisional anti-dumping duties, noting that existing safeguard duties of 52.34% *ad valorem* already provide relief to domestic producers and that overlapping measures may not serve the public interest.

Duferco argued that applying both safeguard and anti-dumping duties on the same product would constitute a double remedy, potentially over-correct the injury and harm downstream industries. They expressed concern that such measures could enable South African primary steel producers to inflate prices, impacting the Hot deep Galvanised steel ("HDG") market. Duferco emphasized that trade remedies are extraordinary and should not be applied concurrently, and urged the Commission to consider the effect of safeguard duties when determining any final anti-dumping duties. They proposed either refraining from imposing anti-dumping duties during the safeguard period or incorporating safeguard duties into landed cost calculations under the lesser duty rule. Duferco cited precedent in similar cases and stressed that this approach would prevent double counting and ensure proportionality.

Comments from Steelbank Group on the Commission's preliminary determination

Steelbank Group agreed with the Commission's preliminary view that cumulative trade remedies should be avoided, noting that the existing provisional safeguard duty of 52.34% *ad valorem* implemented under Section 57A of the Customs and Excise Act has already deterred imports and improved the domestic industry's position. They argued that adding anti-dumping duties on top of this safeguard would amount to double relief, over-correcting the injury and harming downstream users. Steelbank stated that the Commission itself acknowledged that provisional anti-dumping duties were unnecessary given the safeguard's effectiveness in reducing imports and supporting local producers. Steelbank stressed that trade remedies are extraordinary measures and that international best practice discourages concurrent application, as this risks trade distortion and violates the principle of proportionality. They proposed that if any anti-dumping duty is imposed, it should only cover the residual margin beyond the safeguard (approximately 9.38%) rather than applying both measures fully. Steelbank also highlighted that some imported specifications are not produced locally, meaning additional duties would only raise costs for downstream firms without benefiting domestic producers. They pointed out that rebate mechanisms exist for non-available grades, but these do not apply to safeguard duties, making cumulative remedies particularly harmful. In conclusion, Steelbank urged the Commission to avoid overlapping measures, apply duties only to the extent necessary to remove injury, and ensure that trade remedies do not penalize legitimate imports or disrupt supply chains.

Comments by the Applicant on the Commission's preliminary determination

The Applicant acknowledged the imposition of provisional safeguard duties but argued that the Commission's reasons for not imposing preliminary anti-dumping duties assume that safeguards alone are sufficient and that further duties would harm downstream users. They cautioned that safeguards have historically lapsed before definitive measures, creating opportunities for exporters to stockpile at lower prices, which worsens unfair trade. Therefore, they urged the Commission to impose provisional anti-dumping duties if safeguards expire, ensuring continuous protection during the investigation.

The Applicant disputed the notion that safeguards and anti-dumping duties should not be applied concurrently, noting that WTO rules only prohibit simultaneous anti-dumping and countervailing duties but not safeguard duties. They emphasized that safeguards address surges in "fair" trade, while anti-dumping duties target "unfair" trade, and both serve distinct purposes. Citing EU practice, they argued that concurrent application is justified, provided adjustments prevent excessive burden. The Applicant proposed following the EU approach: if anti-dumping duties exceed safeguard duties, only the difference should apply (e.g., 9% beyond the current 52% safeguard). They also noted that safeguards will phase down over time, reinforcing the need for both remedies to operate together. In conclusion, they stressed that imposing one measure alone cannot achieve the objectives of both, and simultaneous application carefully calibrated is necessary to address injury and global steel overcapacity.

Response by Duferco on the comments made by the Applicant

Duferco rejected the Applicant's view that safeguards and anti-dumping duties serve entirely distinct functions, emphasizing that the real issue is the effect of applying both remedies simultaneously to the same product. Duferco reiterated its agreement with *the Commission's position that provisional safeguard duties have already provided relief and that overlapping measures may not be in the public interest. They argued that imposing both duties would amount to a double remedy, over-correcting the injury and harming downstream industries, while potentially enabling the Applicant to inflate prices.*

Duferco stressed that trade remedies are extraordinary measures and that international best practice discourages concurrent application to avoid trade distortion. If both remedies are imposed, Duferco proposed that the safeguard duty be factored into anti-dumping calculations either by suspending anti-dumping duties during the safeguard period or by applying the lesser duty rules and including safeguard duties in landed cost calculations. They cited precedents where anti-dumping duties were withheld during a safeguard period and urged the Commission to avoid double counting when determining final duties.

Commission's consideration

Taking the comments above from Duferco, Steelbank Group, and the Applicant, as well as Duferco's response to the Applicant's position, it is evident that the Commission's preliminary determination not to impose provisional anti-dumping duties is both reasonable and aligned with international best practice. The Commission is of the opinion that the existing provisional safeguard duty of 52.34% ad valorem, implemented under Section 57A of the Customs and Excise Act, had already provided significant relief to the domestic industry and contributed to a decline in imports. This demonstrated that the safeguard measure is effective as intended.

The Commission is of the view that imposing an additional anti-dumping duty risk creating a "double remedy" for the same set of market circumstances, potentially leading to over-protection and trade distortion. Such cumulative measures could negatively impact downstream industries, increase costs, and disrupt supply chains concerns acknowledged by both Duferco and Steelbank. International trade principles and WTO guidance emphasize proportionality, requiring that remedies be applied only to the extent necessary to address injury. The safeguard measure already meets this requirement.

While the Applicant argued for simultaneous application of safeguards and anti-dumping duties, citing EU practice, it is important to note that even in such cases, adjustments are made to avoid excessive burden. The EU's practice is as follows:

The EU recognizes that applying both anti-dumping or countervailing duties and safeguard measures on the same product could create an excessive burden on exporters and go beyond the intended trade defence objectives. To address this, Regulation (EU) 2015/477 allows the Commission to adjust measures when such overlap occurs.

For steel products under Regulation (EU) 2019/159, if tariff-rate quotas are exhausted, imports may face both duties. To ensure fairness and legal certainty, the EU Commission considered the following:

- *If the anti-dumping/countervailing duty is less than or equal to the safeguard duty, no anti-dumping or countervailing duty will apply.*
- *If the anti-dumping/countervailing duty is greater than the safeguard duty, only the excess amount over the safeguard duty will be charged.*

The Commission also looked into the Canadian practice:
In Canada, anti-dumping and safeguard duties cannot be implemented simultaneously on the same product for the same reason. The Canadian International Trade Tribunal (CITT), which handles these cases, will refer an anti-dumping investigation to the Canada Border Services Agency (CBSA) and suspend a safeguard inquiry if it determines the injury is caused by dumped imports.

The Australian practice:
Australian authorities would handle simultaneous anti-dumping and safeguard measures by conducting separate investigations and applying the remedies according to WTO rules. An anti-dumping measure addresses injury from dumped imports (sold below home market price), while a safeguard measure addresses injury from a sudden surge in imports due to unforeseen circumstances. In a situation with both, the authorities would likely conduct a separate inquiry for each, culminating in either

different types of duties or a combined measure, depending on the investigation findings and specific WTO rules.

Handling simultaneous measures

- *Anti-dumping investigations - An anti-dumping investigation is initiated to determine if a specific product is being dumped and is causing material injury to the Australian industry. The remedy is a duty to offset the dumping margin.*
- *Safeguard investigations - A safeguard investigation is initiated in response to a sudden surge of imports that is causing or threatening to cause serious injury. The remedy is a temporary measure to allow the domestic industry time to adjust.*
- *Separate inquiries - The relevant authorities, such as the Productivity Commission for safeguards and the Anti-Dumping Commission for anti-dumping, would conduct separate, formal investigations into the two distinct issues.*
- *Combined application - If the investigations determine that both dumping and a surge in imports are causing injury, the government could potentially implement both measures simultaneously. This would mean that specific goods would be subject to both an anti-dumping duty (if dumped) and a safeguard duty (if part of the overall surge in imports).*
- *WTO compliance: Australian authorities must adhere to World Trade Organization (WTO) rules for both types of measures. This includes ensuring injury is a result of the specific actions being investigated and that safeguard measures are temporary and properly justified.*

Although no WTO agreement expressly prohibits the simultaneous application of anti-dumping and safeguard duties on the same product, the WTO legal framework strongly discourages and effectively limits such overlap. This is achieved through provisions designed to prevent double remedies, overprotection, and remedies that exceed what is necessary to address the injury suffered by the domestic industry. The most relevant provisions are outlined below:

1. Article 2.2 of the Anti-Dumping Agreement – "Necessary to Remove the Injury"
An anti-dumping duty must not exceed the level necessary to remove the injury caused by dumping. If the material injury is already remedied by an anti-dumping duty, the imposition of an additional safeguard duty would exceed what is "necessary" under the ADA.

The Commission applies the lesser-duty rule when both the relevant importer and exporter have fully cooperated in the investigation. This approach recognises the structure of the South African economy, particularly in highly concentrated sectors such as steel, where many products serve as key inputs to downstream industries. Over-remedying injury through cumulative duties would raise costs for downstream manufacturers and distort industrial policy objectives.

2. Article XIX of GATT 1994 and Article 4.2(b) of the Safeguards Agreement – Causation and Non-Attribution
Safeguard measures require proof that serious injury is caused by increased imports arising from unforeseen developments. Investigating authorities must also demonstrate non-attribution - that injury caused by other factors, including dumping, is not incorrectly attributed to the import surge.

Where AD duties are already in force, the authority must show that the injury justifying the safeguard is separate, distinct, and attributable solely to the surge in imports—not to dumped imports or market distortions previously addressed through AD duties.

3. Article 5.1 of the Safeguards Agreement – "Only to the Extent Necessary"
Safeguard measures must be applied only to the extent necessary to prevent or remedy serious injury and to facilitate industry adjustment.

This mirrors the AD "lesser duty" principle. If AD duties are already addressing material injury from dumping, any additional SG duty risks exceeding what is necessary to address serious injury, leading to over-protection.

In reviewing the overlap between the AD and SG duties and practices of other *authorities, the Commission is more aligned to EU's practice that if the anti-dumping duty is greater than the safeguard duty, only the excess amount over the safeguard duty should be imposed.*

This ensures that the total protection effect never exceeds the injury margin and avoid the risk of double counting.

1. 9 Essential Facts

On 11 February 2026, the Commission, after considering all written comments received on the preliminary determination, made a final determination before "essential facts". The Commission decided to issue essential facts letters to interested parties and invited them to submit comments for the Commission's consideration before making a final determination and recommendation to the Minister. The essential facts letters were sent to interested parties, informing them of the "essential facts" being considered by the Commission and inviting comments thereon.

The following comments were received from interested parties subsequent to the Essential facts letter:

Comments by Steelbank Group ("Steelbank") and Duferco

Steelbank and Duferco expressed concern over the proposed concurrent use of safeguard duties and anti-dumping duties, arguing that the cumulative protective effect must be justified as necessary and not excessive in terms of WTO rules. They emphasised that safeguard measures may only be applied to the extent required to prevent or remedy serious injury and question the legality and practicality of imposing an anti-dumping "difference duty" that automatically increases as safeguards decrease particularly since definitive safeguard duties have not yet been finalised.

Regarding the residual dumping margin, Steelbank argued that the Commission has not provided sufficient disclosure to allow meaningful comment, and that relying on the applicant's selective six-month data and outdated freight adjustments is methodologically flawed. They submitted that the Commission must instead use complete import statistics for the full period of investigation and rely on verified information from the cooperating exporter, which represents the best data available.

Commission's consideration

The Commission noted Steelbank and Duferco's concerns regarding the potential concurrent application of safeguard duties and anti-dumping duties and the need to ensure that any combined effect is not excessive or inconsistent with WTO obligations. The Commission confirm that the preliminary proposal to apply a "difference-duty" approach is intended precisely to avoid double-remedy outcomes and to ensure proportionality while both instruments may overlap. The Commission considered that both South African regulations and WTO rules allow safeguard and anti-dumping measures to coexist where justified, provided the total level of protection does not exceed what is necessary to remedy the respective forms of injury.

Regarding Steelbank's comments on the residual dumping margin, the Commission acknowledged the request for additional disclosure but reiterates that the residual duty must be calculated based on the best information available, as required under the ADR. In this investigation, only one exporter cooperated, and the Commission determined that this exporter's limited export volumes were not representative of total imports as the imports were less than 2%. Consequently, the use of applicant-provided market-wide import data is permissible, provided it is available on the record and subject to reasonableness assessments.

Comments by the Applicant

The Applicant agreed with the Commission's overall assessment of the case and stressed that the lapse of provisional safeguard duties and the absence of provisional anti-dumping duties have exposed the domestic industry to continued injury from predatory pricing. The Commission noted the Applicant's request that the Commission should finalise the investigation without delay and focussed their comments on the treatment of the only cooperating exporter, Foryune. The Applicant argued that granting Foryune a significantly lower individual duty creates a channel for other Chinese exporters to route their products through Foryune-linked tariff headings, thereby undermining the protection intended for the industry. The Commission also noted the Applicant's requested that if Foryune retains its individual margin, it should apply only to the specific HS codes under which Foryune historically exported, with all other tariff lines subject to the residual anti-dumping duty to prevent abuse.

The Applicant further disputed Foryune's submissions on normal value and export price, agreeing with the Commission that the actual sale dates not internal invoicing dates should be used, and argued that Foryune selectively attempted to manipulate the comparison period to reduce its dumping margin. The Applicant maintained that any ocean-freight adjustment must be based on verified information, which the unrelated distributor did not provide. The Applicant emphasised a strong risk of circumvention, noting evidence of exporters shifting to thicker products to avoid duties when safeguards lapsed, and warned that offering Foryune a lower duty invites similar diversion. Accordingly, the Applicant requested that either Foryune be subject to the same final duty as all other exporters, or alternatively that its lower duty be confined to its historical tariff headings, with the residual duty applying elsewhere to ensure complete and effective protection for the domestic industry.

Commission's consideration

The Commission noted the Applicant's concern regarding the lapse of provisional safeguard measures and acknowledged that this has created a period during which the domestic industry remains exposed to potentially injurious pricing behaviour.

With respect to Foryune's individual dumping margin, the Commission acknowledged the Applicant's concern that a lower duty for a single cooperating exporter may create an avenue for circumvention by other exporters. However, the assignment of individual margins is a mandatory requirement where adequate cooperation and verifiable information are submitted by an exporter. The Commission did not find evidence that Foryune's verified exports were used as a channel for third-party routing, nor was there information on record demonstrating that Foryune's behaviour across other tariff headings materially differs from its verified transactions. The Commission considered that allegations of potential future circumvention relate to enforcement and monitoring considerations rather than to the calculation of the dumping margin itself. The Commission is of the view that should circumvention concerns arise post-imposition, the Anti-Circumvention provisions of the ADR provide *mechanisms for addressing such conduct.*

On the issues of normal value and export price, the Commission confirms that the verified dates of actual sales not internal invoicing dates constitute the correct basis for comparison under Article 2.4 of the WTO Anti-Dumping Agreement.

2. PRODUCTS, TARIFF CLASSIFICATION AND DUTIES

2.1 IMPORTED PRODUCTS

2.1.1 Description

The subject product 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/UK[1]	EFTA[2]	SADC[3]	MERCOSUR[4]	AfCFTA[5]
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%

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

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

Source: https://www.sars.gov.za

2.1.5 Negligibility test

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

Table 2.1.5: 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	99.62%	107 388	99%
Galvanized steel (produced by AMSA)	69 193		71 785		91 839	
Alu-Zinc steel coil (produced by SAFAL)	13 259		10 969		15549	
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%**

Source: https://www.sars.gov.za

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

2.2 SACU PRODUCT

The Applicant described the SACU product as 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 in 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, classifiable in tariff subheadings 7225.92.25 and 7225.92.35.

2.3 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 used is as follows: 1. Hot Rolled Coil ('HRC') goes through a pickling process, which refers to a treatment that is used to remove impurities, rust, and scale from the surface of a material, after which the coil goes to the rolling mill for thickness deformation where HRC becomes Full Hard Cold Rolled Coil ('CRC'). 2. The CRC then goes through hot dip galvanizing. This is the process of coating steel with a layer of zinc by immersing the metal in a bath of molten zinc or aluminium-zinc. 3. Skin passing is then done to reduce strain marks and ensure a uniform surface. The coil then goes through tension leveller which reduces any shape defects and ensures flatness through elongation of steel. 4. A thin coat of chromate – a rust inhibitor, is then applied to the hot dip galvanized product. The coil is then packed for despatch to customers.	The manufacturing process for zinc coated coil consists of the following steps: 1. Hot Rolled Coil ('HRC') goes through a pickling process, which refers to a treatment that is used to remove impurities, rust, and scale from the surface of a material, after which the coil goes to the rolling mill for thickness deformation where HRC becomes Full Hard Cold Rolled Coil ('CRC'). 2. The CRC then goes through hot dip galvanizing. This is the process of coating steel with a layer of zinc by immersing the metal in a bath of molten zinc or aluminium-zinc. 3. Skin passing is then done to reduce strain marks and ensure a uniform surface. The coil then goes through tension leveller which reduces any shape defects and ensures flatness through elongation of steel. 4. A thin coat of chromate – a rust inhibitor, is then applied to the hot dip galvanized product. The coil is then packed for despatch to customers.

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:

The Commission considered that 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 is the same.

The commission made a final determination that the zinc coated, and alu-zinc products be treated as a single product subject to this investigation, being, corrosion resistant steel coil.

Taking the above into consideration, the Commission made a final 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. INDUSTRY STANDING

3.1 SACU Industry

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 AMSA and SAFAL the Applicant, the two manufacturers of the subject product in the SACU, whose production volumes account for more than 50% of the total SACU production. Duferco whose production volumes account for more than 40% of the SACU volumes opposes the investigation.

Duferco's comments on the Commission's initiation notice

On 12 April 2025, Duferco, a South African manufacturer of corrosion-resistant steel coils, 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 and all key steel players which occurred on 20 November 2024 and 01 March 2025.

Duferco argued 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). It stated that it has been a manufacturer since 1998 and criticised the reliance on inaccurate information that excludes them.

Commission's consideration

The Commission considered that Duferco submitted comments expressing concern over its omission from recent reports and stakeholder engagements related to the ongoing trade remedies investigations. As Duferco also questioned 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 noted Duferco's assertion that it has been a manufacturer since 1998. On 31 March 2025, Duferco provided the Commission with its production volumes. A verification of the submitted data was conducted on 28 August 2025. It was confirmed that during the period of investigation, Duferco manufactured the subject product.

The Commission is of the view that the information contained in the Commission's initiation notice was that provided by the Applicant. The industry standing was determined 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 SACU production volumes. The Commission considered Duferco's production volumes in the industry and has incorporated its verified data in making its final determination.

Comments by Duferco to the Commission's preliminary determination

The Commission noted Duferco's comments that it maintains its position regarding the industry standing and referenced relevant legislation to support its arguments. It referred the Commission to Article 4.1 of the WTO Agreement on Implementation of Article VI of GATT ("Anti-Dumping Agreement") as having a similar provision regarding the "Definition of domestic industry". It further referred the Commission to the Panel in *EC — Salmon (Norway)* which concluded that the European Communities had erred in excluding certain enterprises from the domestic industry and thus the European Communities assessment of whether the producers it included accounted for a "major proportion" of domestic production of the like product was based on incorrect information. The Commission is further referred to the Appellate Body in *EC — Fasteners (China)* which made the following finding regarding the definition of the domestic industry and major proportion: *"'A major proportion' … should be understood as a* proportion defined by reference to the total production of domestic producers as a whole*. 'A major proportion' of such total production will standardly serve as a substantial reflection of the total domestic production…"*

The Commission further noted Duferco's reference to its letter dated 03 February 2025, in which it indicated that, as a SACU manufacturer of corrosion-resistant steel coils, it does not support the application submitted by AMSA, which was supported by Safal, nor the Commission's subsequent investigation. It indicated that, any protection measures do not, and will not level the playing field for Duferco, the only other Manufacturer of HDG product in SACU. Therefore, to ensure a sustainable future for the re-rollers the only solution is to allow the re-rollers to become competitive and sustainable by allowing the import of hot rolled coil ("**HRC**") without any duties.

Duferco also pointed out that it wishes to place on record that the Commission requested information from it on its production volumes only after the initiation of the investigation only after it has pointed it out to the Commission that it is a local manufacturer and that the Commission was aware of this fact as a result of its's ongoing dealing with the Commission. It expressed its shock noting that the Commission opportunistically stated in the Report that it did not have this information at the time of the initiation of the investigation, which is not true. The verification of the information provided by Duferco and the Commission's re-calculation of the SACU market after initiation, does not solve the concerns raised regarding the determination of industry standing for purposes of the Commission's investigation initiation.

It expressed that it still maintains its view that the application was not properly documented and that the investigation was erroneously initiated as the Commission did not at first investigate the industry standing, although it was aware of Duferco being a local producer of the subject products. Therefore, as a result of not determining industry standing prior to initiating the investigation based on false information as supplied by the Applicant, the Commission should therefore terminate the investigation.

Commission's consideration

The Commission noted Duferco's assertion that it maintains its view that the application was not properly documented and that the investigation was erroneously initiated as the Commission did not at first investigate the industry standing, although it was aware of Duferco being a local producer of the subject products

The Commission maintains that the information contained in the Commission's initiation notice was that provided by the Applicant. The industry standing was calculated 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 SACU production volumes. The Commission acknowledged Duferco's production volumes in the industry and has now incorporated its verified data into the final submission.

The Commission is committed to maintaining transparency and procedural fairness throughout the investigation. In accordance with its established practice, the Commission invited submissions from all interested parties and provided opportunities for comment at each stage of the investigative process. All representations received were duly considered and form part of the Commission's overall assessment prior to making a final determination. The Commission values the participation of interested parties and incorporates their input where relevant and consistent with the governing legal framework. The Commission has duly considered Duferco's submissions in the context of its assessment. In this regard, the Commission updated the industry standing information to reflect on the additional information submitted by Duferco and undertook a verification of Duferco's information in accordance with its standard verification procedures. This ensured that the information relied upon in the determination is accurate and consistent with the requirements of the Commission's investigations framework.

The Commission made a final determination that the Application can be regarded as being made “by or on behalf” of the domestic 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:

Article 2.4.2, subject to the provisions governing fair comparison in paragraph 4, states that 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 period of investigation (“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 the 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.

Comments by Shandong Guanxian Foryune Composite Materials Co., Ltd ("Foryune") to the Commission's preliminary determination

Foryune stated that the normal value should be determined based on the month of Foryune's invoices, not those of the unrelated distributor.

Foryune also stated that according to the preliminary report, the Commission chose the invoice dates (February and June 2024) of the unrelated distributor to determine the normal value, while using the invoice dates (April and September 2024) of Foryune (the producer) to determine the export price. Such a practice is inconsistent with Article 2.4 of the WTO ADA.

Article 2.4 of ADA

Article 2.4 of ADA provides that *"(a) fair comparison shall be made between the export price and the normal value. This comparison shall be made at the same level of trade, normally at the ex-factory level, and in respect of sales made at as nearly as possible the same time. (emphasis added)"*. Article 2.4 requires a "fair comparison" between export price and normal value, done "at as nearly as possible the same time" in all anti-dumping investigations. In Dominican Republic – AD on Steel Bars (Costa Rica), the Panel ruled that different criterion- like invoice dates for normal value but contract dates for export price, violate Art. 2.4, as they create unequal time periods.

The Panel stressed: "the authority must ensure that the comparison is fair by making the comparison in respect of sales made at as nearly as possible the same time."

The Commission's practice

On page 19, par 4.2.1 (Calculation of the normal value), the Commission correctly indicated that the domestic sales price of April 2024 should be used to determine the normal value for Foryune. However, the domestic sales prices in April were not used. Instead, the Commission chose the invoice dates (February and June 2024) of the unrelated distributor to determine the normal value, while using the invoice dates (April and September 2024) of Foryune (the producer) to determine the export price.

In the ongoing investigation, April 2024 should be used as the common period for comparing the normal value and the export price, for the following reasons. Firstly, Foryune reported its sales of the product under investigation based on its own invoice dates. Secondly, the company sold a sufficient quantity of the product in its domestic market during April 2024, enabling the authority to use that period to establish a reliable normal value. Thirdly, there is no evidence indicating that the distributor's invoice dates in February and June provide a more appropriate basis for comparison than the producer's April sales data. Fourthly, domestic sales prices in February and June 2024 were significantly higher than other months during the period of investigation (POI), leading to an unfair comparison. Therefore, excluding April 2024 would be inconsistent with the fair comparison requirement set out in Article 2.4 of the WTO ADA.

Calculation of normal value and dumping margin

Option A. If the domestic sales price for April 2024 (i.e. the same month as Foryune's sales invoice for export to SACU) is used to determine the normal value, the normal value would be CNY [Confidential]/MT (i.e., unit sales invoice price of CNY [Confidential] minus delivery charge of CNY [Confidential]). Under this calculation, the dumping margin would be 4.92%, i.e., [Confidential] = 4.93%, not 8.81%.

Option B. If ITAC wishes to take into account February and June 2024 to determine normal value for Foryune, the domestic sales prices in April 2024 (i.e. the same month as Foryune's export invoice) cannot be excluded in any case. In that case, the domestic sales prices of 12 months during the POI should be used to determine the normal value for Foryune, which will be CNY [Confidential]/MT (i.e., unit sales invoice price of CNY [Confidential] -

delivery charge of CNY [Confidential]). Under this calculation, the dumping margin would be 5.01%, i.e., [Confidential] = 5.01%, not 8.81%.

Commission's consideration

The Commission noted the comments made by Foryune that in terms of Article 2.4 of the ADA fair comparison shall be made between the normal value and the export price. The Commission also noted that this comparison shall be made at the same level of trade, normally at the ex-factory level, and in respect of sales made at as nearly as possible the same time.

Further to that, the Commission noted that Foryune is correct in stating that the investigating team used the sales invoice dates of the distributor being February and June 2024. The Commission considered that during verification the investigating team verified both invoices, the first being the invoices from Foryune to its distributor and the second being from the distributor to the SACU market. The actual sales to SACU took place in February and June 2024. Foryune only recorded the sales transactions in April and September 2024. The Commission is of the view that when considering the substance over form of the sales, these sales took place in February and June 2024. It seems impractical to state that the invoice date from the distributor to the SACU is February and June 2024, however the date of the sales from Foryune to the distributor is April and September 2024.

The Commission decided to use domestic sales made in February and June to determine normal value as per its preliminary determination.

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. The delivery charge adjustment was 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. The Commission further made an adjustment for Ocean freight in order to bring the selling price to the fob level.

Comments by Foryune to the Commission's preliminary determination
Foryune stated that ocean freight of USD [Confidential] should not be deducted from Foryune's export price, since Foryune only delivered the goods to Tianjin Port, and its sales price does not cover any ocean freight.

On page 20 par 4.2.2 of the preliminary report,
"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."

Foryune stated the above statement is incorrect, because Foryune never claimed adjustments for ocean freight. On the contrary, Foryune has indicated in its comment submitted on 13 August 2025 concerning the Commission's verification report that:
"The ocean freight expense of USD [Confidential] was incurred and borne by the unrelated distributor in connection with its own CIF-basis sales to unrelated customers in SACU.

The sale from Foryune to the unrelated distributor only included inland freight and did not encompass any ocean freight. Therefore, this amount should not be deducted from the export price charged by Foryune."

The above facts are supported by the following documents, which have been submitted by Foryune and verified by ITAC:

- *Sales contract between Foryune and the unrelated distributor: Article 5 of the contract provides that "the goods are to be delivered to Tianjin* *port". That is to say, the price charged by Foryune does not include any ocean freight.*

- *Commercial invoice issued by the unrelated distributor to the importer in SACU: the term of trade is CFR; Port of loading is Tianjin Port; Port of discharge is Durban Port, South Africa. This means the distributor's export price include the ocean freight.*
- *Sales contract between the unrelated distributor and the importer in SACU: the term of trade is CFR, and the port of discharge is Durban.*

According to Foryune, the above facts demonstrate that Foryune's sales price for the exports to SACU does not cover any ocean freight, so adjustment should not be made to the export price. Thus, the net ex-factory price per unit (CNY/MT) of Foryune should be CNY [Confidential], i.e. sales price [Confidential] – delivery charge [Confidential] = [Confidential], and the dumping margin of Foryune should be 4.93%, i.e. (Normal value [Confidential] – Net export price [Confidential])/Net export price [Confidential] = 3.12%.

Commission's consideration

The Commission considered that the ocean freight is not a cost incurred by Foryune. The Commission also considered that the exporter questionnaire requires that if an exporter makes use of an indent or other agent to facilitate its exports to SACU, it should supply the name, physical and postal address, telephone, fax and E-mail address of the agent and the contact person's name and provide details of the payments effected and submit substantiating documentation. Foryune provided this information with regard to its distributor.

The Commission considered that when determining the export price, it is the Commission's practice to consider all adjustments relating to the sale, in order to bring the subject product into the SACU market. This is in line with Article 2.4 of the ADA which states that a fair comparison shall be made between the normal value and the export price. This comparison shall be *made at the same level of trade……. Although Foryune didn't claim the adjustment itself, the ocean freight relates to sales of its products to the SACU through the independent distributor and for purpose of a fair comparison of the export price and the normal value the adjustment should be taken into account.*

The Commission decided to make the ocean freight adjustment to the selling price in order to bring the selling price to the fob level.

4.2.3 Dumping Margin

The dumping margin for Foryune was calculated to be 8.21%

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 final 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 final 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 607
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 622	(R461)	R28 160
Average normal value Coated thin corrosion resistant steel coil			R23 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
Dumping margin as a % of ex-factory fob price	57.84%

Comments by the Applicant on the Commission's preliminary determination

The Applicant stated that it has noted the Commission's preliminary dumping margin of 8.81% for Guaxian Foryune Composite Material Co. Ltd ('Foryune') relative to preliminary dumping margin of 61.72% for all other exporters. Despite Foryune's small export share (2%), such a lower duty risks trade diversion. Practical experience shows that this often triggers volume surges that undermine protection.

The Applicant also stated that the Commission's findings in ITAC Report No. 720 (Notice R.4370, February 2024) demonstrates that the lower duty has been systematically exploited on galvanised steel coil. Between March 2024 and August 2025, 85% of imports entered SACU under the 6% lesser duty, 8% of importers paid the general duty, and only 7% were subject to the full anti-dumping duty. This clearly indicates trade diversion toward low-duty exporters, substantially weakening the protection intended for domestic producers.

According to the Applicant granting Foryune a margin of 8.81% would replicate this pattern, undermining both the effectiveness and credibility of South Africa's trade remedy framework.

The Applicant maintains that Foryune's domestic sales are not made in the ordinary course of trade (OCT) and therefore cannot be used to determine normal value. The Applicant stated that evidence indicates that:

China's steel and composite material sectors are heavily subsidised, with industrial subsidies rising from RMB 145 billion in 2013 to RMB 433 billion in 2022 (OECD, Industrial Subsidies Database, 2024.

Domestic selling prices for comparable products are approximately 37% below international prices, and often below production cost, rendering them commercially unviable without state support.

Such conditions distort both cost structures and pricing behavior, meaning domestic sales do not reflect market forces or fair value.

The Applicant further stated that Foryune operates in the Guanxian Economic Development Zone, one of several state-supported industrial clusters offering inter alia:

- *Preferential financing and tax treatment;*
- *Below-market electricity and land costs; and*
- *Export incentives tied to output volume.*

These factors establish a Particular Market Situation under Article 2.2 of the WTO Anti-Dumping Agreement, which precludes the use of domestic prices or costs for normal value calculation.

The Applicant further stated that in addition, the European Union has recognised similar risks in cases involving raw material distortions and state-supported industries, and has accordingly suspended the Lesser Duty Rule ("LDR") in similar circumstances:
"While the LDR still applies in such cases, in certain special circumstances (i.e. presence of significant raw material distortions) the Commission may impose measures at the level of the full dumping margin and not at the level of the potentially lower underselling margin, because it is deemed necessary to remove the additional injury suffered by the industry stemming from the raw materials distortions". This approach ensures that measures reflect the full dumping margin necessary to eliminate injury and restore fair competition.

The Applicant indicated that the Commission should note that Foryune fount it challenging to provide the commission with accurate information and frequently had to update the information during the verification.

The Applicant submitted that this is highly irregular and the 'updated' information should be disregarded.

These are among many discrepancies and/or factors of concern which were addressed in our response to Foryune's verification report.

The Applicant concluded that Foryune's information should be disregarded in the calculation of normal value.

Response by Duferco to the Applicant's comments

Duferco stated that there is no exception to the requirement in the AD Agreement for not determining an individual margin of dumping for an exporter because of "low volumes of imports" or "low duties" provided the party fully cooperated.

Duferco also stated that the Commission is therefore requested to disregard the Applicant's arguments for this effect.

According to the Duferco it is unclear on what legal basis the Applicant argues that the Commission should use information, other than the verified information of Foryune, to determine that Foryune's domestic sales were not in the ordinary course of trade – unless Foryune response was deficient.

Furthermore, the investigation pertains to "dumping" and not for countervailing measures nor is it a case for treatment as a "particular market situation" made by the Applicant.

In addition, Duferco indicated that the reason for the Applicant's argument against the non-application of the lesser duty rule at this stage, is unclear. It appears that the Applicant is putting forward additional arguments support its case.

Commission's consideration

The Commission has considered the Applicant's arguments regarding the inclusion of Foryune's data, and the concerns raised about potential trade diversion and the validity of domestic sales. While the Commission acknowledges the Applicant's position, it maintains that the methodology used in the preliminary determination that Foryune's verified information should be taken into account when calculating its individual dumping margin should remain. This approach is consistent with the principles of fairness and accuracy under the ADA and the ADR, which require that verified information from cooperating exporters be used in the calculation of the dumping margin.

The Commission further noted the Applicant's argument that Foryune's small export share should justify disregarding its data. After reviewing the relevant provisions, the Commission confirm that neither the ADA nor the ADR contains any provision that allows exports to be disregarded solely because they represent less than 2% (or any other percentage) of total imports. The determination of dumping margins is based on verified information for each cooperating exporter, irrespective of export volume, provided that the data meets verification standards.

Regarding the Applicant's claims about domestic sales not being in the ordinary course of trade and the existence of a particular market situation, these issues are dealt with in countervailing investigations. The Commission is of the view that the verified data provided by Foryune remains the most reliable basis for calculating its individual margin.

Comments on the Commission's essential facts letter

Comments by Shandong Guanxian Foryune Composite Materials Co., Ltd ("Foryune")

Foryune argued that the Commission's proposed deduction of ocean freight from its export price is legally and factually unsound because the company's sales were made on an FOB basis and the Commission has already verified that Foryune did not incur these freight costs. According to Foryune, deducting a cost borne entirely by an independent distributor creates an artificial “sub-FOB” value, contradicts the “actual price paid or payable” standard under the ADR, and improperly treats an arm’s-length transaction as if it were a related-party scenario. Foryune stated that such an adjustment is irrational under PAJA, inconsistent with Sections 10.1, 10.2, and 10.4 of the ADR, and contrary to WTO jurisprudence, which prohibits adjustments for costs not reflected in the exporter’s pricing.

Foryune further contended that the Commission selected the wrong domestic sales months by relying on the trader’s export dates rather than the manufacturer’s invoice dates, undermining proper transaction-to-transaction comparability. Foryune recalculated the dumping margins using April domestic sales and by removing the improper freight adjustment, resulting in corrected margins of 5.32% and 3.12% respectively. Foryune requests that the Commission revise the dumping margin accordingly and warns that if the erroneous ocean-freight deduction is retained, it will be compelled to seek judicial review to protect its rights.

Commission’s consideration

The Commission maintains that the methodology used in making an ocean freight adjustment is consistent with the ADR and the WTO ADA, and that Foryune’s submissions do not demonstrate any factual or legal error in the Commission’s findings. Although Foryune argued that ocean‑freight deductions are inappropriate because it did not incur these costs, the Commission is of the view that the adjustment is not made to imply exporter‑incurred costs. Instead, it ensures that export prices are adjusted to the same level as normal value, in line with ADR requirements for fair comparison. Because the sales into SACU occurred via an independent distributor at a delivered‑price level, the adjustment is necessary to eliminate delivery‑term differences and to establish a fair and comparable FOB‑level export price.

With regard to normal value, the Commission noted that using actual sale dates as verified during the investigation is the only method consistent with Article 2.4 of the WTO ADA, which requires comparison between sales made under similar commercial conditions and within comparable time periods. Foryune’s attempt to rely on internal *invoicing dates would distort the transaction-to-transaction comparison and is therefore rejected. The Commission is of the view that the distributor's costs does not amount to constructing an export price under ADR Section 9; rather, it is a permitted adjustment for differences in delivery terms under ADR Section 10. Foryune did not provide alternative verifiable data that would allow these adjustments to be made differently.*

The Commission rejects Foryune's claim that the adjustment creates an artificial or "sub-FOB" value, affirming that the approach used is standard and internationally recognised to ensure neutrality across different delivery terms. The Commission is of the view that Foryune's reliance on WTO case law does not change the outcome because the circumstances differ materially and the Commission's adjustments are grounded in verifiable evidence. Overall, the Commission is of the opinion that the methodology outlined in the Essential Facts Letter remains factually supported, legally justified, and aligned with Commission practice, and that Foryune's arguments do not warrant changes to the Commission's preliminary determinations.

4.5 SUMMARY - DUMPING

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

Country	Manufacturer	Tariff subheading	Dumping Margin
China	Shandong Guanxian Foryune Composite Materials Co., Ltd	7210.61.20, 7210.61.30, 7225.92.25 & 7225.92.35	8.21%
	All other manufacturers (excluding Shandong Guanxian Foryune Composite Materials Co., Ltd)	7210.61.20, 7210.61.30, 7225.92.25 & 7225.92.35	57.84%

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 final determination that this constitutes “a major proportion” of the total domestic production, in terms of the ADR7.

5.2 IMPORT VOLUMES AND EFFECT ON PRICES

5.2.1 Import volumes

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

Table 5.2.1: Import volumes

Corrosion resistant steel coil						
Import Volume (Tons)	**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 of 99 percent import share over the POI.

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.

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.

Commission's consideration

The Commission considered that the Applicant experienced a price depression over the period of investigation for injury, being 2021 to 2023.

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 distorted price comparisons.

Commission's consideration

The Commission considered that the Applicant has experienced price undercutting during the period of investigation.

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.

Commission's consideration

The Commission considered that the price suppression experienced by the Applicant increased over the period of investigation. The Commission also considered that the Applicant experienced injury over the period of investigation in the form of price suppression.

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.

Commission's consideration

The Commission considered that between 2021 and 2023, the Applicant's sales volumes in the SACU market showed a generally flat to slightly declining trend over the period. While there was a modest improvement in *the middle year, this was followed by a decrease in the final year.*

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.

Commission's consideration

The Commission considered that between 2021 and 2023, the Applicant's profitability showed a clear downward trend. The operation was profitable in the initial year, generating both positive gross and net profits. However, in the following year, performance deteriorated significantly, with both gross and net results turning negative, indicating a loss-making position. Although the losses improved slightly in the final year, profitability remained negative overall.

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 utilization, due to the unreasonably low import prices of alleged dumped imports, The Applicant was forced to reduce prices to the extent that they were 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 standing 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: Inventories

Corrosion resistant steel coil: Consolidated	2021	2022	2023
Volume (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: 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 significant 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

Commission's consideration

From the information above, it is evident that the Applicant is experiencing material injury in the form of price depression, price suppression, price undercutting, a decline in sales volumes, a decline in profit turning into losses, a decline in output volumes, a decline in market share, a decline in productivity, a decline in return on investment, a decline in capacity utilisation, a decline in cashflows, a decline in growth and an increase in inventories.

The Commission made a final 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 final 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%]

Taking into account the pricing, cost, and profitability indicators together, the overall trend between 2021 and 2023 reflects increasing pressure on the Applicant's financial performance. While the Applicant was able to maintain a positive margin in the initial year, this position weakened thereafter as selling prices declined and did not keep pace with rising production costs. This resulted in margins turning negative from 2022 onwards and remaining at similar levels in 2023. The Applicant's production costs exceeded selling prices in the later years, pointing to sustained cost-price pressure.

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	8,21%
	All other producer (excluding Shandong Guanxian Foryune Composite Materials Co., Ltd)	7210.61.20, 7210.61.30, 7225.92.25 & 7225.92.35	57,84%

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 favor of the imported product, purely based on price. This is despite the SACU market increasing in volume 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 report, it is clear that the alleged dumped imports had a negative impact on the Applicant’ 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 final determination that there is a causal link between the dumping of the subject product and the material injury experienced by the SACU industry.

8. SUMMARY OF FINDINGS

8.1 DUMPING

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

The following dumping margins were calculated:

Country	**Manufacturer**	**Tariff subheading**	**Dumping Margin**
China	Shandong Guanxian Foryune Composite Materials Co., Ltd	7210.61.20, 7210.61.30, 7225.92.25 & 7225.92.35	8.21%
	All other manufacturers (excluding Shandong Guanxian Foryune Composite Materials Co., Ltd)	7210.61.20, 7210.61.30, 7225.92.25 & 7225.92.35	57.84%

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

8.2 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 final determination that the SACU industry is experiencing material injury with regard to the subject product.

8.3 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, the Commission made a final determination that there is a causal link between the alleged dumping of the subject product and the material injury suffered by the SACU industry.

9. PRICE UNDERTAKING

9.1 Price undertaking

In terms of Regulation 39.1 of the ADR 39.1 "*Proceedings may be suspended or terminated following the receipt of a satisfactory price undertaking from any exporter to revise its prices or to cease exports to the SACU at dumped prices so that the Commission is satisfied that dumping or the injurious effect thereof is eliminated, provided it has made at least a preliminary determination in the matter".*

Price undertaking offer made by Foryune

The following is an extract from Foryune's offer:

Export options

The Manufacturer can choose freely whether exports are made:

- Under the Price Undertaking (no anti-dumping duties apply), or
- Outside the Price Undertaking (full anti-dumping duties apply).
    - Exports under the Undertaking must meet the minimum export price and are exempt from anti-dumping duties.
- Exports outside the Undertaking:
    - Are not subject to any price restrictions, and
    - Will incur full anti-dumping duties.

Approved sales channel

To qualify under the Undertaking:

- The Manufacturer must sell only to the Trading Company; and
- The Trading Company must export to SACU and sell to the first independent customer.
- Any deviation from this structure places the transaction outside the Undertaking.

Specifically excluded transactions include:

- Direct exports by the Manufacturer to South Africa or SACU; or
- Exports via intermediaries other than the Trading Company.

- Such excluded transactions are subject to anti-dumping duties.

Minimum Export Price

- The "Export Price" is defined as the price charged by the Trading Company to the first independent buyer in SACU.
- The Export Price must not be lower than (RMB 3,900 and RMB 4,500) per metric tonne.
- This minimum price is based mainly on raw material costs, especially hot rolled steel:
  - Average hot rolled steel price during the investigation period: USD 533/MT.
  - Average price in the most recent 12 months: USD 458.82/MT, a 16% decrease.
  - These cost trends were considered when setting the Minimum Export Price.

Comments by the Applicant to the price undertaking offer made by Foryune

The Applicant argued that, under Regulation 39.1 of the ADR, a price undertaking may only be accepted if the Commission is satisfied that it will eliminate dumping or the injurious effects of dumped imports, as the undertaking effectively replaces the imposition of anti-dumping duties. By way of comparison, the Applicant referred to the Zimbabwe Active Yeast investigation (Report 741), where a price undertaking was accepted because the circumstances made it workable and effective: there was a single exporter and a single major importer, import volumes were relatively small and imposed a low administrative burden, and the minimum export price was aligned with an unsuppressed domestic selling price and indexed annually to the Producer Price Index to ensure injury was removed over time. The Applicant stated that by contrast, the present undertaking fails to meet these basic requirements and does not demonstrate that injury will be eliminated.

The Applicant stated that Foryune is a relatively small exporter, having made only two shipments to the SACU during the period of investigation, yet the proposed arrangement allows it to decide on a shipment by shipment basis whether to export under the Price Undertaking (with no duties) or as taxed exports (paying full anti-dumping duties). This flexibility allows the exporter to undercut SACU market prices whenever it suits prevailing conditions by simply opting to pay duties, thereby undermining the fundamental purpose of a price undertaking. A price undertaking is intended to be a voluntary and binding commitment to eliminate dumping by raising prices or ceasing dumped exports, and an arrangement where duties may or may not apply does not constitute such a commitment and deviates from undertakings accepted in past practice.

The Applicant also stated that the selective nature of the undertaking would also require ITAC and SARS to continuously monitor whether the exporter is complying or electing to trade outside the arrangement, raising doubts about the necessity of granting an individual undertaking at all. Furthermore, the undertaking only applies to exports routed through a specific trading company, an arrangement that is easily circumvented through alternative intermediaries, third country trading, mis declaration, or similar practices. Given the complex specifications of coated steel products and the fact that verification would rely on entities outside South Africa, the undertaking would be difficult to verify, impractical for SARS to administer, and inconsistent with broader policy considerations applicable to high volume, strategically important steel products originating from China, resulting in a failure to meet the ADR 39.3 evaluation criteria.
According to the Applicant, the proposed price undertaking will not remove the injurious effects of dumped imports because the minimum export price is fundamentally flawed and set too low. The proposed range of RMB 3,800–4,500 per metric tonne is derived from the exporter’s own historical prices and mechanically adjusted downward by 16% to reflect declines in hot rolled steel prices, resulting in an approximate landed price of R9,000–R10,000 per tonne. A price undertaking should be based on the pricing of the subject product itself, not on movements in upstream inputs that are already distorted by global dumping, including dumping into SACU as confirmed by ITAC. Since raw material costs have declined for both Chinese exporters and SACU producers, a proportional reduction does not remove injury, nor does a simple pass through of raw material changes accurately reflect cost structures for thin coated products further down the value chain. The exporter’s approach ignores the fact that many Chinese producers were already selling below cost or with state support, does not account for exchange rate movements, freight, insurance, landed

costs, or transformation costs, and proposes a price that remains well below the applicant’s selling price, even at suppressed levels. This will result in continued undercutting, price depression, and price suppression, exacerbated by the exporter’s admission that the minimum price has been “conservatively set,” meaning deliberately low.

The undertaking also raises serious credibility and compliance concerns. The proposed minimum price is lower than Foryune’s own average export price to SACU during the investigation period, which calls into question the accuracy of the provisional individual dumping margin of 8% calculated by ITAC and suggests that Foryune was in fact pricing well below the average Chinese export prices used in the investigation. In addition, Foryune incorrectly defines the export price as the price charged by the trading company to the first independent SACU customer, whereas under the ITA Act the export price is the price at which the product is sold for export, namely the price from Foryune to the trading company. The price undertaking is already outdated, as hot rolled steel prices have increased since the period selected by Foryune, and the fixed RMB price contains no indexation for raw material volatility, inflation, exchange rate movements, or changes in SACU market conditions, making effective monitoring impractical. Verification mechanisms are extremely weak, relying solely on a self-generated accompanying document presented at customs, with no provision for ITAC audits, price verification, third party inspections, or ongoing monitoring, and breaches only trigger duties on the individual shipment rather than termination or escalation, rendering the undertaking ineffective and unenforceable.

Commission’s consideration

The Commission considered that the price undertaking offer submitted by Foryune presents several challenges, both in terms of its administration and its ability to remedy the material injury suffered by the SACU industry. The structure of the offer raises concerns regarding its effectiveness and enforceability, as well as its alignment with the requirements set out in the ADR.

The Commission also considered that the proposed offer allows Foryune to choose, at its discretion and on a shipment-by-shipment basis, whether to export the subject product under the price undertaking or outside of it. This optionality enables Foryune to assess prevailing market conditions and strategically decide whether it is more commercially advantageous to export under the undertaking or to export while paying anti-dumping duties, thereby undermining the remedial purpose of the undertaking.

The Commission further considered that the proposed minimum export ranging from RMB 3,900 to RMB 4,500 (approximately R9,368) is significantly below the current landed cost of R14,787, Applicant's unsuppressed selling price of and Applicant's ex-factory selling price per ton. This substantial price differential demonstrates that Foryune retains the ample scope to further reduce its prices in order to absorb the anti-dumping duties expected to be imposed in the near future. As a result, the Commission is of the view that the price undertaking offer, as currently proposed, does not satisfy the requirements of ADR 39.1, as it fails to eliminate the material injury experienced by the SACU industry.

The Commission made a final determination to reject the price undertaking offer made by Foryune.

10 AMOUNT OF DEFINITIVE DUTY

The “lesser duty” is the final payment to be imposed at the lesser of the margin of injury which is deemed to be sufficient to remove the injury caused by the dumped imports.

The Commission always considers the lesser duty rule but only applies it in instances where both the exporter and importer responded fully. However, as the importer's response was found to be deficient, the Commission will not apply the lesser duty rule.

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

Table 10.1 Definitive anti-dumping duties

Country	Manufacturer	Tariff subheading	Dumping Margin
China	Shandong Guanxian Foryune Composite Materials Co., Ltd	7210.61.20, 7210.61.30, 7225.92.25 & 7225.92.35	8.21%
	All other manufacturers (excluding Shandong Guanxian Foryune Composite Materials Co., Ltd)	7210.61.20, 7210.61.30, 7225.92.25 & 7225.92.35	57.84%

Considering the recent implementation of definitive safeguard duties in the form of *ad valorem duties* of 52.34% (Year 1), 37.74% (Year 2) and 22.34% (Year 3), the Commission made a final determination that, in line with the European Union’s practice, only the difference between the safeguard measures and the anti-dumping measures should be imposed. As the safeguard measure would be phased down annually, the anti-dumping measures should be increased in line with the decrease in the safeguard measure.

Therefore, the Commission determined that the anti-dumping duties be imposed as follows:

Country	Manufacturer	Tariff subheading	Dumping Margin		(Excess dumping duty over safeguard duty)
China	Shandong Guanxian Foryune Composite Materials Co., Ltd	7210.61.20, 7210.61.30, 7225.92.25 & 7225.92.35	Year 1	0%	(8.21%-52.34%)
			Year 2	0%	(8.21%-37.34%)
			Year 3	0%	(8.21%-22.34%)
			Year 4 &5	8.21%	(8.21% – 0%)
	All other manufacturers (excluding Shandong Guanxian Foryune Composite Materials Co., Ltd)	7210.61.20, 7210.61.30, 7225.92.25 & 7225.92.35	Year 1	5.50%	(57.84%-52.34%)
			Year 2	20.50%	57.84%-37.34%)
			Year 3	35.50%	(57.84%-22.34%)
			Year 4 & 5	57.84%	(57.84% - 0%)

11. FINAL DETERMINATION

The Commission made a final determination 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 alleged dumped imports of the subject product.

The Commission made a final determination to recommend to the Minister that the following anti-dumping duties be imposed on imports of corrosion resistant steel coil – thin gauge:

Tariff subheading	**Manufacturer**	**Dumping margin as a percentage of fob price**
7210.61.20 7210.61.30 7225.92.25 7225.92.35	Shandong Guanxian Foryune Composite Materials Co., Ltd	8,21%
	All other manufacturers (excluding Shandong Guanxian Foryune Composite Materials Co., Ltd)	57.84%

Considering the recent implementation of definitive safeguard duties in the form of *ad valorem duties* of 52.34% (Year 1), 37.74% (Year 2) and 22.34% (Year 3), the Commission made a final determination that, in line with the European Union's practice, only the difference between the safeguard measures and the anti-dumping measures should be imposed. As the safeguard measure would be phased down annually, the anti-dumping measures should be increased in line with the decrease in the safeguard measure.

Therefore, the Commission made a final determination that the anti-dumping duties be imposed as follows:

Country	**Manufacturer**	**Tariff subheading**	**Dumping Margin**		**(Excess dumping duty over safeguard duty)**
China	Shandong Guanxian Foryune Composite Materials Co., Ltd	7210.61.20, 7210.61.30, 7225.92.25 & 7225.92.35	Year 1	0%	(8.21%-52.34%)
			Year 2	0%	(8.21%-37.34%)
			Year 3	0%	(8.21%-22.34%)
			Year 4 &5	8.21%	(8.21% – 0%)
	All other manufacturers (excluding Shandong Guanxian Foryune Composite Materials Co., Ltd)	7210.61.20, 7210.61.30, 7225.92.25 & 7225.92.35	Year 1	5.50%	(57.84%-52.34%)
			Year 2	20.50%	57.84%-37.34%)
			Year 3	35.50%	(57.84%-22.34%)
			Year 4 & 5	57.84%	(57.84% - 0%)

The Commission made a final determination that rebate item 460.15/7210.61/01.06 that allows for the duty-free importation of certain grades 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, including those classifiable under tariff subheadings 7210.61.20 and 7210.61.30 be extended to also allow for the rebating of the anti-dumping duties in this investigation.