

Report No.767

INVESTIGATION INTO THE ALLEGED DUMPING OF CERTAIN FLAT-ROLLED PRODUCTS OF IRON, NON-ALLOY OR OTHER ALLOY STEEL OF A WIDTH OF 600 MM OR MORE, WHETHER OR NOT IN COILS (INCLUDING PRODUCTS CUT-TO-LENGTH), NOT FURTHER WORKED THAN HOT-ROLLED, INCLUDING PICKLED AND OILED, HOT-ROLLED, NOT CLAD, PLATED OR COATED, (EXCLUDING STAINLESS AND GRAIN-ORIENTED SILICON ELECTRICAL STEEL), (CLASSIFIABLE UNDER TARIFF SUB-HEADINGS 7208.10, 7208.25, 7208.26, 7208.27, 7208.36, 7208.37, 7208.38, 7208.39, 7208.51, 7208.52, 7225.30 AND 7225.40) ORIGINATING IN OR IMPORTED FROM THE PEOPLE'S REPUBLIC OF CHINA, JAPAN AND TAIWAN: FINAL DETERMINATION

The International Trade Administration Commission of South Africa herewith presents **its Report No.767: INVESTIGATION INTO THE ALLEGED DUMPING OF CERTAIN FLAT-ROLLED PRODUCTS OF IRON, NON-ALLOY OR OTHER ALLOY STEEL OF A WIDTH OF 600MM OR MORE, WHETHER OR NOT IN COILS (INCLUDING PRODUCTS CUT-TO-LENGTH), NOT FURTHER WORKED THAN HOT-ROLLED, INCLUDING PICKLED AND OILED, HOT-ROLLED, NOT CLAD, PLATED OR COATED, (EXCLUDING STAINLESS AND GRAIN-ORIENTED SILICON ELECTRICAL STEEL), (CLASSIFIABLE UNDER TARIFF SUB-HEADINGS 7208.10, 7208.25, 7208.26, 7208.27, 7208.36, 7208.37, 7208.38, 7208.39, 7208.51, 7208.52, 7225.30 AND 7225.40) ORIGINATING IN OR IMPORTED FROM THE PEOPLE'S REPUBLIC OF CHINA, JAPAN AND TAIWAN: FINAL DETERMINATION**



**AYABONGA CAWE
CHIEF COMMISSIONER
13 JANUARY 2026**

**INTERNATIONAL TRADE ADMINISTRATION COMMISSION OF SOUTH AFRICA
INVESTIGATION INTO THE ALLEGED DUMPING OF CERTAIN FLAT-ROLLED
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600MM OR MORE, WHETHER OR NOT IN COILS, NOT FURTHER WORKED THAN
HOT-ROLLED, INCLUDING PICKLED AND OILED, HOT-ROLLED, NOT CLAD,
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7208.25, 7208.26, 7208.27, 7208.36, 7208.37, 7208.38, 7208.39, 7208.51, 7208.52,
7225.30 AND 7225.40) ORIGINATING IN OR IMPORTED FROM THE PEOPLE'S
REPUBLIC OF CHINA, JAPAN AND TAIWAN: FINAL DETERMINATION**

SYNOPSIS

On 20 September 2024, the International Trade Administration Commission of South Africa (the Commission) initiated an investigation into the alleged dumping of certain flat-rolled products of iron, non-alloy or other alloy steel of a width of 600mm or more, whether or not in coils, not further worked than hot-rolled, including pickled and oiled, hot-rolled, not clad, plated or coated, (excluding stainless and grain-oriented silicon electrical steel), (Classifiable under tariff sub-headings 7208.10, 7208.25, 7208.26, 7208.27, 7208.36, 7208.37, 7208.38, 7208.39, 7208.51, 7208.52, 7225.30 and 7225.40) originating in or imported from the People's Republic of China (PRC), Japan and Taiwan through Notice No. 2730 of 2024 of Government Gazette No. 51271.

The application was lodged by ArcelorMittal South Africa (AMSA or the Applicant), a major producer of the subject product in the Southern African Customs Union (SACU). Columbus Stainless Steel (Pty) Ltd. (Columbus) supported the application and together they constitute 100% of the domestic production of the subject product in SACU.

The investigation was initiated after the Commission considered that there was *prima facie* evidence to show that certain flat-rolled products of iron, non-alloy or other alloy steel of a width of 600mm or more, whether or not in coils, not further worked than hot-rolled, including pickled and oiled, hot-rolled, not clad, plated or coated, (excluding stainless and grain-oriented silicon electrical steel) were being imported into SACU at dumped prices, thereby causing material injury to the SACU industry.

Upon initiating the investigation, the diplomatic representatives and all known foreign producers/exporters of the subject products in the PRC, Japan and Taiwan were sent non-confidential copies of the application, the initiation notice and the foreign producers/exporters questionnaires to complete. Known importers of the subject product in SACU were also sent a non-confidential copy of the application, the initiation notice and the importer 's questionnaires to complete.

Responses to the Commission's exporter and importer questionnaires were received from 32 foreign producers/exporters from the PRC, one from Japan (A total of 33 foreign producers/exporters) and 8 importers, respectively. Comments were also received from interested parties, and such comments are available in the public file. Due to the large number of responses received from the PRC, and after considering available resources, the Commission, at its meeting of 02 December 2024, decided to limit its investigation (commonly referred to as sampling) to a reasonable number of parties by using the largest percentage of exports from the PRC which could be reasonably investigated and to commence a consultation process with all producers/exporters. All interested parties were notified of this determination, and comments were received from interested parties.

After consultations with producers/exporters and considering responses from producers/exporters and other comments received from interested parties, the Commission, based on the best available information, made a preliminary determination that certain flat-rolled products of iron, non-alloy or other alloy steel of a width of 600mm or more, whether or not in coils, not further worked than hot-rolled, including pickled and oiled, hot-rolled, not clad, plated or coated, (excluding stainless and grain-oriented silicon electrical steel), (Classifiable under tariff sub-headings 7208.10, 7208.25, 7208.26, 7208.27, 7208.36, 7208.37, 7208.38, 7208.39, 7208.51, 7208.52, 7225.30 and 7225.40) originating in or imported from the PRC, Japan and Taiwan were being dumped onto the SACU market, causing material injury to the SACU industry.

The Commission's reasons for its preliminary determination are contained in the Preliminary Report No.743. The report was issued to the interested parties for comments.

In line with the above-stated findings, the Commission made a final determination to

impose definitive anti-dumping duties on certain flat-rolled products of iron, non-alloy, or other alloy steel of a width of 600mm or more, whether or not in coils, not further worked than hot-rolled, including pickled and oiled, hot-rolled, not clad, plated or coated, (excluding stainless and grain-oriented silicon electrical steel) originating in or imported from the PRC, Japan, and Taiwan. The Commission further decided to publish its decision in the Government Gazette in line with the requirements of ADR34.1.

Based on the details as contained in the Commission's preliminary report, comments received, oral presentations, the verified producer's/exporters' information, importers' information and responses received thereto, the Commission made a final determination based on essential facts that it was considering that certain flat-rolled products of iron, non-alloy or other alloy steel of a width of 600mm or more, whether or not in coils (including products cut-to-length), not further worked than hot-rolled, including pickled and oiled, hot-rolled, not clad, plated or coated, (excluding stainless and grain-oriented silicon electrical steel) (Classifiable under tariff sub-headings 7208.10, 7208.25, 7208.26, 7208.27, 7208.36, 7208.37, 7208.38, 7208.39, 7208.51, 7208.52, 7225.30 and 7225.40) originating in or imported from the PRC, Japan and Taiwan were being dumped onto the SACU market, causing material injury to the SACU industry.

Essential facts letters were sent to all interested parties, informing them of the essential facts which were being considered by the Commission for purposes of its final determination and inviting comments on those essential facts.

After considering all interested parties' submissions, oral presentations and comments received, the Commission made a final determination that certain flat-rolled products of iron, non-alloy or other alloy steel of a width of 600mm or more, whether or not in coils (including products cut-to-length), not further worked than hot-rolled, including pickled and oiled, hot-rolled, not clad, plated or coated, (excluding stainless and grain-oriented silicon electrical steel) (Classifiable under tariff sub-headings 7208.10, 7208.25, 7208.26, 7208.27, 7208.36, 7208.37, 7208.38, 7208.39, 7208.51, 7208.52, 7225.30 and 7225.40) originating in or imported from the PRC, Japan and Taiwan were being dumped onto the SACU market, causing material injury to the SACU industry.

The Commission therefore decided to recommend to the Minister of Trade, Industry and

Competition that definitive anti-dumping duties on imports of the subject products originating in or imported from the PRC, Japan and Taiwan be imposed as follows:

Table 1 (a): Definitive anti-dumping duties - PRC

The duties listed below are applicable on all the following tariff sub-headings: certain flat-rolled products of iron, non-alloy or other alloy steel of a width of 600mm or more, whether or not in coils (including products cut-to-length), not further worked than hot-rolled, including pickled and oiled, hot-rolled, not clad, plated or coated, (excluding stainless and grain-oriented silicon electrical steel) (Classifiable under tariff sub-headings 7208.10, 7208.25, 7208.26, 7208.27, 7208.36, 7208.37, 7208.38, 7208.39, 7208.51, 7208.52, 7225.30 and 7225.40)	
Producer/exporter	Definitive anti-dumping duties
Baoshan iron and steel Co., Ltd.	40,77% ad valorem
Shanghai Meishan Iron & Steel Co., Ltd.	
Baosteel Zhanjiang Iron & Steel Co., Ltd.	
Wuhan Iron and Steel Co., Ltd.	
Shougang Jingtang United Iron & Steel Co., Ltd.	19,18% ad valorem
Shougang Qian 'an Iron and Steel Company	
Jingye Yingkou Medium Plate Co., Ltd. (Formerly known as Rizhao Steel Yingkou Medium Plate Co., Ltd)	6.99% ad valorem
Han Steel Group Hanbao Iron and Steel Co., Ltd	25,80% ad valorem
HBIS Laoting Iron and Steel Co., Ltd	
Xinyu Iron and Steel Co., Ltd	
Bengang Steel Plates Co.,Ltd	
Jiangyin Xingcheng Special Steel Works Co., Ltd	
Nanjing Iron and Steel Co., Ltd	
All other producers in the People's Republic of China (residual duty)	47.92% ad valorem

Table 1 (b): Definitive anti-dumping duties - Japan

Producer/exporter	Definitive anti-dumping duties
Nippon Steel Corporation	44,95% ad valorem
All other producers in Japan	57,23% ad valorem

Table 1 (c): Definitive anti-dumping duties - Taiwan

All other producers in Taiwan	24,20% ad valorem
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1. APPLICATION AND PROCEDURE

1.1 LEGAL FRAMEWORK

This investigation is conducted in accordance with the International Trade Administration Act, 2002, (Act No. 71 of 2002) (“ITA Act”) and the International Trade Administration Commission of South Africa Anti-Dumping Regulations (“ADR”) and giving due regard to the World Trade Organisation (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 (AMSA or the Applicant), a major producer of the subject product in SACU. Columbus Stainless Steel (Pty) Ltd. (Columbus) supported the application, and together they constitute 100% of SACU's domestic production of the subject product.

1.3 DATE OF ACCEPTANCE OF APPLICATION

The application was accepted by the Commission as being properly documented in accordance with Regulation 21 of the ADR on 06 September 2024. The trade representatives of the PRC, Japan and Taiwan were advised accordingly.

1.4 ALLEGATIONS BY THE APPLICANT

The Applicant alleged that imports of the subject product originating in or imported from the PRC, Japan and Taiwan are being dumped into the SACU market, thereby causing material injury to the SACU industry. The basis for the alleged dumping is that the subject products are exported to SACU at prices lower than the normal value in the country of origin. The Applicant alleged that as a result of the dumping of the subject products from the PRC, Japan and Taiwan, the SACU industry is experiencing material injury in the form of:

- Price Suppression;
- Price Depression;
- Price Undercutting;
- Declining sales volume;
- Declining production volume;
- Declining productivity;

- Declining market share;
- Declining employment;
- Declining capacity utilisation;
- Declining profits; and
- Declining return on investments.

1.5 INVESTIGATION PROCESS

The application was first submitted on 05 February 2024. Five deficiency letters were sent to the Applicant. An updated application that addressed deficiencies was received on 26 August 2024. The material injury information submitted by the Applicant was verified on 22 to 23 July 2024.

The diplomatic representatives of the PRC, Japan and Taiwan were notified of the Commission's receipt of a properly documented application in terms of Regulation 27.1 of the ADR.

The Commission initiated an investigation into the alleged dumping of certain flat-rolled products of iron, non-alloy, or other alloy steel of a width of 600mm or more, whether or not in coils, not further worked than hot-rolled, including pickled and oiled, hot-rolled, not clad, plated or coated, (excluding stainless and grain-oriented silicon electrical steel) originating in or imported from the PRC, Japan, and Taiwan, through Notice No. 2730 of 2024 which was published in the Government Gazette No. 51271 on 20 September 2024.

On 20 September 2024, subsequent to the initiation, all known interested parties were notified and sent the non-confidential version of the application and were requested to respond to the relevant questionnaires.

1.6 INVESTIGATION PERIODS

The investigation period for dumping was from 01 April 2023 to 31 March 2024. The investigation period for material injury was 01 April 2021 to 31 March 2024. The Applicant also provided information alleging that there is a threat of material injury to the SACU industry.

1.7 PARTIES CONCERNED

1.7.1 SACU industry

The SACU industry consists of AMSA and Columbus Stainless Steel, together constituting 100% of the domestic production of the subject products in SACU.

1.7.2 Foreign Producers/Exporters

Responses to the Commission's exporter questionnaire were received from the following producers/exporters:

Table 1.7.2: Names and countries of foreign producers and exporters that responded

No.	Producer/exporter	Country
1	Nippon Steel Corporation	Japan
2	Han Steel Group Hanbao Iron and Steel Co., Ltd.	PRC
3	HBIS Laoting Iron and Steel Co., Ltd.	PRC
4	Sino Dragon Trading Limited	PRC
5	Rizhao Steel Yingkou Medium Plate Co., Ltd.	PRC
6	Xinyu Iron and Steel Co., Ltd.	PRC
7	Bengang Steel Plates Co., Ltd.	PRC
8	China Shougang International Trade & Engineering Corporation	PRC
9	Baoshan Iron & Steel Co., Ltd.	PRC
10	Baosteel Zhanjiang Iron & Steel Co., Ltd.	PRC
11	Shanghai Meishan Iron & Steel Co., Ltd.	PRC
12	Cumic Steel Limited	PRC
13	Baosteel Europe GmbH	Germany
14	Angang Group International Trade Corp Ltd.	PRC
15	Angang Steel Co., Ltd.	PRC
16	Angang Group Hong Kong Co., Limited	PRC
17	Wuhan Iron & Steel Co., Ltd.	PRC
18	Jiangyin Xingcheng Special Steel Works Co., Ltd.	PRC
19	Shougang Holding Trade (Hong Kong) Limited	PRC
20	Shougang Qian'an Iron and Steel Company	PRC
21	Shougang Jingtang United Iron & Steel Co., Ltd.	PRC
22	Citic Pacific Steel Trading Co Ltd.	PRC
23	Nanjing Iron and Steel Co., Ltd.	PRC
24	Nanjing Iron and Steel Group International Trade Co., Ltd.	PRC
25	Singapore Jinteng International Pte., Ltd.	PRC
26	Jiangsu Nangang Xianhuo Trading Co., Ltd.	PRC
27	Fusheng Nanjing Steel Trade Co., Ltd.	PRC
28	JM Digital Steel Inc.	PRC

No.	Producer/exporter	Country
29	Jiangsu NanGang Xinyang Supply Chain Co., Ltd.	PRC
30	Shanghai Nangang Materials Sales Co., Ltd.	PRC
31	Beijing Nangang Steel Product Sales Co., Ltd.	PRC
32	Jiangsu Baoheng Supply Chain Co., Ltd.	PRC
33	Jiangsu Nangang Plate Sales Co., Ltd.	PRC

1.7.3 Due to the large number of responses received from the PRC, and after considering available resources, the Commission at its meeting of 02 December 2024 made a determination to limit its investigation (commonly referred to as sampling) to a reasonable number of parties by using the largest percentage of exports from the PRC which could be reasonably investigated and to commence a consultation process with all exporters. This determination was made in accordance with ADR 8.6 read together with ADR 8.7 and ADR8.8, and the selection of exporters was done based on ADR 8.6 (a).

Interested parties were notified and invited to make submissions/comments regarding the Commission's determination. Submissions were received and considered by the Commission.

Initial responses received from all foreign producers/exporters were found to be deficient. On 13 December 2024, deficiency letters were sent out to all foreign producers/exporters and were given 7 days to address deficiencies. On the same day, the Commission further consulted with exporters in accordance with the ADR, other interested parties were also notified of the consultation process and were all afforded 7 days to provide their submissions and comments. The consultation process included information about the foreign producers/exporters selected to form part of its sample. The selected producers/exporters are as follows:

- Rizhao Steel Holding Group;
- Baoshan Iron & Steel Co., Ltd.;
- Baosteel Zhanjiang Iron & Steel Co., Ltd.;
- Shanghai Meishan Iron & Steel Co., Ltd.;
- BAOSTEEL Europe GmbH (Exporter);
- Wuhan Iron & Steel Co., Ltd.;

- Shougang Holding Trade (Hong Kong) Limited (Exporter);
- Shougang Qian'an Iron and Steel Company; and
- Shougang Jingtang United Iron & Steel Co., Ltd.

Interested parties were further notified that only the sampled foreign producers/exporters and those that wished to request individual dumping margins in accordance with ADR 8.8 needed to address their deficiencies. Interested parties were advised that foreign producers/exporters that do not form part of the sample and do not request an individual dumping margin will be considered cooperating interested parties and will be subject to the weighted average margin of dumping established with respect to the sample of foreign producers/exporters.

The following foreign producers/exporters requested individual dumping margins in accordance with ADR 8.8:

- Angang Steel Co., Ltd.;
- Angang Group International Trade Corp Ltd.;
- Angang Group Hong Kong Co., Limited; and
- Bengang Steel Plates Co., Ltd.

The following foreign producers/exporters submitted questionnaire responses but did not request an individual dumping margin within the stipulated timeline:

- Nanjing Iron and Steel Co., Ltd.; and
- Jiangyin Xingcheng Special Steel Works Co., Ltd.

Nanjing Iron and Steel Co., Ltd., only requested an individual dumping margin more than a month after the deadline date for comments on the Commission's sampling decision.

The updated responses from the sampled exporters, those that requested individual dumping margins in accordance with ADR 8.8 and those that did not request individual treatment (within the stipulated deadline date), were still considered deficient in accordance with ADR 31.1. The parties were informed of their deficiencies and that their information may not be taken into account for the Commission's preliminary determination.

The Commission made a preliminary determination not to consider the deficient information submitted by producers/exporters for the purposes of its preliminary determination. The producers/exporters whose information was deficient were advised that should their responses be rectified within the deadline for comments on the preliminary determination, their information would be considered for the Commission's final determination.

1.7.4 Importers

Responses to the Commission's importer questionnaire were received from the following importers:

- Safal Steel (Pty) Ltd.;
- Duferco Steel Processing;
- Steel Import International;
- Traxys Africa Trading (Pty) Ltd.;
- Metpar (Pty) Ltd.;
- Gammid Group (Pty) Ltd.;
- NJR Steel; and
- Pro Roof Steel and Tube (Pty) Ltd.

Initial responses received from all importers were found to be deficient. On 07 January 2025 deficiency letters were sent out to all importers and were given 7 days to address deficiencies. All updated importer questionnaire responses were still deficient.

The Commission made a preliminary determination not to consider the deficient information submitted by importers for the purposes of its preliminary determination. Importers were advised that should their responses be rectified within the deadline for comments on the preliminary determination, their information would be considered for the Commission's final determination.

1.7.5 Other interested parties

Comments were received from Unique Ventilation and Support Systems (UVSS), Duferco, Safal Steel, Steel Import International, Embassy of Japan, Toyota Tsusho, Nippon Steel Corporation, JFE Steel Corporation, Kobe Steel Limited, China Iron and Steel Association (CISA) and the National Employers Association of South Africa (NEASA).

1.8 PRELIMINARY DETERMINATION

The Commission at its meeting of 28 January 2025, after considering all responses and comments from interested parties and based on best available information made a preliminary determination that certain flat-rolled products of iron, non-alloy or other alloy steel of a width of 600mm or more, whether or not in coils, not further worked than hot-rolled, including pickled and oiled, hot-rolled, not clad, plated or coated, (excluding stainless and grain-oriented silicon electrical steel), (Classifiable under tariff sub-headings 7208.10, 7208.25, 7208.26, 7208.27, 7208.36, 7208.37, 7208.38, 7208.39, 7208.51, 7208.52, 7225.30 and 7225.40) originating in or imported from the PRC, Japan and Taiwan were being dumped onto the SACU market, causing material injury and a threat of material injury to the SACU industry.

The Commission did not take into account deficient information for the purpose of its preliminary determination in accordance with ADR31.3.

The Commission further made a preliminary determination not to consider individual dumping margins for exporters that were not part of the sample but requested such in accordance with ADR8.8 and those that did not request individual treatment within the deadline but submitted responses, as it would be unduly burdensome.

Notwithstanding the above-stated findings, the Commission made a preliminary determination not to impose provisional measures pending the finalisation of the investigation on the alleged dumping of certain flat-rolled products of iron, non-alloy, or other alloy steel of a width of 600mm or more, whether or not in coils, not further worked than hot-rolled, including pickled and oiled, hot-rolled, not clad, plated or coated, (excluding stainless and grain-oriented silicon electrical steel) originating in or imported from the PRC, Japan, and Taiwan.

The Commission further decided to publish its decision in the Government Gazette in line with the requirements of ADR34.1.

Comments by interested parties on the preliminary report

- i. In 2017, ITAC initially found that extra duties on hot-rolled coil were “not in public interest,” however this was later reversed without explanation, casting doubt over the justification for continued protection. The reversed 10% duty has removed competition by excluding re-rollers from sourcing duty-free, modern-technology-produced hot-rolled steel, despite their capacity to supply the local market.
- ii. The significant overlap between the current anti-dumping investigation and the safeguard investigation, which already provides AMSA with protective measures (including proposed definitive safeguard duties and ordinary customs duties), makes anti-dumping duties unnecessary and unjustified. Also considering that AMSA does not produce certain product types and sizes, it is acknowledged that ITAC is considering rebates for such products.

Commission’s consideration

- i. The current investigation differs from the safeguard investigation cited by interested parties, and therefore distinct merits and legislation apply. The two processes should not be conflated, as anti-dumping investigations follow their own rigorous and separate procedures. The safeguard duty referred to above is noted and will be duly considered by the Commission in this investigation.
- ii. The initiation of an anti-dumping investigation following the imposition of safeguard measures underscores the injury suffered by the SACU industry, particularly in light of the significant influx of allegedly dumped imports. There is no legal provision that precludes an industry suffering from material injury from utilising multiple trade defence instruments, provided that the statutory and regulatory requirements for each instrument are met. Furthermore, it is common international practice for investigative authorities to initiate parallel or sequential investigation under different trade remedy instruments in respect of the same product. Nothing in WTO law prohibiting such action, especially when all substantive and procedural conditions for each investigation are satisfied.

SACU importers of models or product types that fall within the scope of the subject product, but which are not produced by the SACU industry, may apply to the Commission for rebates in respect of such product types, should such applications meet the relevant requirements.

Comments by the Applicant on the preliminary report

- i. The Applicant indicates that the Commission should replace wordings such as “allegations” or “alleged” with words such as “findings”.
- ii. The Applicant requests reconsideration of the decision not to impose provisional measures, citing ITAC’s duty, ongoing injury, impact of the pending safeguard investigation, and decision based on incorrect information underlying the decision. It emphasizes the domestic industry is suffering severe, irreparable harm and urgently needs interim relief while the investigation continues.

Commission’s consideration

- i. When the investigation was still ongoing, using words such as “findings” might have meant that definitive findings had been made at that stage of the investigation and might have been misconstrued as the Commission having reached a final determination, even before the final determination stage. The Applicant further overlooked that determinations made at initiation and at the preliminary stage might change as the investigation progresses.
- ii. The Applicant is unable to produce certain product types that are required by importers and other industries. Imposing provisional measures in this context would result in importers being required to pay duties on product types not produced by the Applicant.

The Applicant further asserts that the Commission relied on incorrect information in deciding not to impose provisional measures. However, the Applicant has not indicated or provided the information relied upon. The Commission has clearly indicated the information it considered in reaching its decision.

It should also be noted that the imposition of provisional measures is discretionary and not a legal requirement as alluded to by the Applicant.

The Information from the two foreign producers/exporters, Jingye Yingkou Medium Plate Co., Ltd., and Nippon Steel Corporation was verified from 23 June 2025 – 1 July

2025. The verification reports for Jingye Yingkou Medium Plate Co., Ltd. and Nippon Steel Corporation were issued on 11 July 2025 and 15 July 2025, respectively

1.9 “Essential facts” letters

Essential facts letters were sent out to all interested parties, informing them of the essential facts which were being considered by the Commission and inviting comments on those essential facts. Comments to the essential facts letter were received from:

- Safal Steel (Pty) Ltd.;
- Duferco Steel Processing (Pty) Ltd.;
- Steel Import International (Pty) Ltd.;
- Metpar (Pty) Ltd.;
- NJR Steel (Pty) Ltd.;
- Nippon Steel Corporation;
- JFE Steel Corporation;
- Kobe Steel Group;
- Baoshan Iron & Steel Co., Ltd.;
- Wuhan Iron & Steel Co., Ltd.;
- Baoshan Zhanjiang Iron & Steel Co., Ltd.;
- Shanghai Meishan Iron & Steel Co., Ltd.;
- Shougang Jingtang United Iron & Steel Co., Ltd.;
- Shougang Qian’an Iron and Steel Company;
- Shougang Holding Trade (Hong Kong) Limited;
- Sino Dragon Trading Limited;
- Bengang Steel Plates Co., Ltd.;
- China Shougang International Trade & Engineering Corporation;
- Baosteel Europe GmbH; and
- Angang Group.

1.10 Final determination and recommendation

After considering all interested parties' submissions, oral presentations and comments received, the Commission made a final determination that certain flat-rolled products of iron, non-alloy or other alloy steel of a width of 600mm or more, whether or not in coils (including products cut-to-length), not further worked than hot-rolled, including pickled and oiled, hot-rolled, not clad, plated or coated, (excluding stainless and grain-oriented silicon electrical steel) (Classifiable under tariff sub-headings 7208.10, 7208.25, 7208.26, 7208.27, 7208.36, 7208.37, 7208.38, 7208.39, 7208.51, 7208.52, 7225.30 and 7225.40) originating in or imported from the PRC, Japan and Taiwan were being dumped onto the SACU market, causing material injury to the SACU industry.

The Commission therefore decided to recommend to the Minister of Trade, Industry and Competition that definitive anti-dumping duties on imports of the subject products originating in or imported from the PRC, Japan and Taiwan be imposed as follows:

Table 1.10 (a): Definitive anti-dumping duties - PRC

Producer/exporter	Definitive anti-dumping duties
Baoshan iron and steel Co., Ltd.	40,77% <i>ad valorem</i>
Shanghai Meishan Iron & Steel Co., Ltd.	
Baosteel Zhanjiang Iron & Steel Co., Ltd.	
Wuhan Iron and Steel Co., Ltd.	
Shougang Jingtang United Iron & Steel Co., Ltd.	19,18% <i>ad valorem</i>
Shougang Qian 'an Iron and Steel Company	
Jingye Yingkou Medium Plate Co., Ltd. (Formerly known as Rizhao Steel Yingkou Medium Plate Co., Ltd)	6.99% <i>ad valorem</i>
Han Steel Group Hanbao Iron and Steel Co., Ltd	25,80% <i>ad valorem</i>
HBIS Laoting Iron and Steel Co., Ltd	
Xinyu Iron and Steel Co., Ltd	
Bengang Steel Plates Co.,Ltd	
Jiangyin Xingcheng Special Steel Works Co., Ltd	
Nanjing Iron and Steel Co., Ltd	
All other producers in the People's Republic of China (residual duty)	47.92% <i>ad valorem</i>

Table 1.10 (b): Definitive anti-dumping duties - Japan

Producer/exporter	Definitive anti-dumping duties
Nippon Steel Corporation	44,95% <i>ad valorem</i>
All other producers in Japan (residual duty)	57,23% <i>ad valorem</i>

Table 1.10 (c): Definitive anti-dumping duties - Taiwan

All other producers in Taiwan	24,20% <i>ad valorem</i>
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The Commission also recommended that the anti-dumping duties on imports of certain flat-rolled products of iron, non-alloy or other alloy steel of a width of 600mm or more, whether or not in coils (including products cut-to-length), not further worked than hot-rolled, including pickled and oiled, hot-rolled, not clad, plated or coated, (excluding stainless and grain-oriented silicon electrical steel) (Classifiable under tariff sub-headings 7208.10, 7208.25, 7208.26, 7208.27, 7208.36, 7208.37, 7208.38, 7208.39, 7208.51, 7208.52, 7225.30 and 7225.40) be listed in the rebate item II column in Schedule No. 2 to the Customs and Excise Act and therefore may not be imported under rebate of customs duty without the payment of anti-dumping, countervailing and safeguard duties without a recommendation from ITAC.

All submissions 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 present all comments received and considered by the Commission. However, some salient and pivotal comments received from interested parties and the Commission's considerations of these comments are specifically included in this report.

2. PRODUCT, TARIFF CLASSIFICATION AND DUTIES

2.1 IMPORTED PRODUCTS

2.1.1 Description

The Applicant described the imported product as certain flat-rolled products of iron, non-alloy steel or other alloy steel (not including stainless steel), whether or not in coils (including products cut-to-length), excluding products with a width of less than 600mm (“narrow strip”), not further worked than hot-rolled (hot-rolled flat), including pickled and oiled, not clad, plated or coated, and excluding grain-oriented silicon electrical steel.

2.1.2 Country of Origin

The subject product originates in or is imported from the PRC, Japan and Taiwan.

2.1.3 Possible tariff loopholes

The Applicant stated that the subject product includes products from 600mm wide, hence importers might now move to selling slit coils (“narrow strip”) for the tubing industry.

The Applicant also indicated that an analysis of the import statistics showed that the following tariff sub-headings are used to import hot-rolled products into the SACU:

Flat-rolled products of iron or non-alloy steel, of a width of less than 600 mm, not clad, plated or coated:

7211.13 - Not further worked than hot-rolled, rolled on four faces or in a closed box pass, of a width exceeding 150 mm and a thickness of not less than 4 mm, not in coils and without patterns in relief;

7211.14 - Not further worked than hot-rolled, Other, of a thickness of 4,75 mm or more; and 7211.19 - Not further worked than hot-rolled, other.

Flat-rolled products of other alloy steel, of a width of less than 600 mm:

7226.91 - Other, not further worked than hot-rolled; and 7226.99 - Other.

Comments by interested parties on the Preliminary Report

The allegation regarding five (5) tariff subheadings is speculative, as the Applicant only stated that imports “might move to” these headings in the future. The Applicant failed to substantiate that these subheadings are used for hot-rolled products. The Commission did not make a preliminary determination on the alleged tariff loopholes, preventing interested parties from responding meaningfully. Interested parties requested that the Commission reject these unsubstantiated allegations and exclude the five tariff subheadings from the investigation.

Commission’s consideration

The Commission has noted the allegations of possible circumvention. However, the evidence currently before the Commission is limited and does not provide a sufficient basis to consider the imposition of duties on the five tariff subheadings identified by the Applicant as those linked to possible circumvention. This does not, however, preclude the Commission from considering such action should positive and substantiated evidence be submitted.

2.1.4 Tariff Classification

The subject product is classifiable under the following tariff-subheadings:

Table 2.1.4 Tariff classification

Heading / Subheading	Description	Unit	General	EU/UK	EFTA	SADC	MERCOSUR	AfCFTA
72.08	Flat-rolled products of iron or non-alloy steel, of a width of 600 mm or more, hot-rolled, not clad, plated or coated:							
7208.10	In coils, not further worked than hot-rolled, with patterns in relief	Kg	10%	free	free	free	10%	6%
7208.2	- Other, in coils, not further worked than hot-rolled, pickled:							
7208.25	Of a thickness of 4,75 mm or more	Kg	10%	free	free	free	10%	6%
7208.26	Of a thickness of 3	Kg	10%	free	free	free	10%	6%

Heading / Subheading	Description	Unit	General	EU/JK	EFTA	SADC	MERCOSUR	AfCFTA
	mm or more but less than 4,75 mm							
7208.27	Of a thickness of less than 3 mm	Kg	10%	free	free	free	10%	6%
7208.3	Other, in coils, not further worked than hot-rolled:							
7208.36	Of a thickness exceeding 10 mm	Kg	10%	free	free	free	10%	6%
7208.37	Of a thickness of 4,75 mm or more but not exceeding 10 mm	Kg	10%	free	free	free	10%	6%
7208.38	Of a thickness of 3 mm or more but less than 4,75 mm	Kg	10%	free	free	free	10%	6%
7208.39	Of a thickness of less than 3 mm	Kg	10%	free	free	free	10%	6%
7208.5	Other, not in coils, not further worked than hot-rolled:							
7208.51	Of a thickness exceeding 10 mm	Kg	10%	free	free	free	10%	6%
7208.52	Of a thickness of 4,75 mm or more but not exceeding 10 mm	Kg	10%	free	free	free	10%	6%
72.25	Flat-rolled products of other alloy steel of a width of 600 mm or more:							
7225.30	Other, not further worked than hot-rolled, in coils	Kg	10%	free	free	free	10%	6%
7225.40	Other, not further worked than hot-rolled, not in coils	Kg	10%	free	free	free	10%	6%

2.1.5 Other applicable duties and rebates

There is currently a safeguard investigation underway, with provisional payments having been imposed until January 2025. There are various rebates on the subject product. These are found in Schedule 4, which were published by the South African Revenue Service.

2.1.6 Negligibility test

The Commission considers the volume of imports to be negligible if the alleged dumped imports account for less than 3 percent of total imports of the subject product during the period of investigation for dumping. The following table shows the percentage of alleged dumped imports from the PRC, Japan and Taiwan as a percentage of total imports:

Table 2.1.6: Negligibility test

Import volumes in tons	Import volumes: 01 April 2023 to 31 March 2024	Volumes as a % of total Imports
HS Code: 7208.10*		
Alleged dumped imports: PRC	412	72%
Other imports	156	28%
Total imports	567	100%
HS Code: 7208.25*		
Alleged dumped imports: PRC	1 671	59%
Alleged dumped imports: Japan	628	22%
Subject countries (PRC and Japan)	2 299	81%
Other imports	548	19%
Total imports	2 847	100%
HS Code: 7208.26*		
Alleged dumped imports: PRC	6 343	41%
Subject countries (PRC)	6 343	41%
Other imports	9 059	59%
Total imports	15 402	100%
HS Code: 7208.27*		
Alleged dumped imports: PRC	9 549	15%
Alleged dumped imports: Japan	21 532	36%
Subject countries (PRC and Japan)	31 081	52%
Other imports	28 174	48%
Total imports	59 255	100%
HS Code: 7208.36*		
Alleged dumped imports: PRC	3 110	92%
Alleged dumped imports: Japan	267	8%
Subject countries (PRC and Japan)	3 377	100%
Other imports	0	0
Total imports	3 377	100%
HS Code: 7208.37*		
Alleged dumped imports: PRC	14 195	84%
Alleged dumped imports: Japan	2 221	13%

Import volumes in tons	Import volumes: 01 April 2023 to 31 March 2024	Volumes as a % of total Imports
Subject countries (PRC and Japan)	16 416	97%
Other imports	442	3%
Total imports	16 858	100%
HS Code: 7208.38		
Alleged dumped imports: PRC	13 306	52%
Alleged dumped imports: Japan	3 037	12%
Alleged dumped imports: Taiwan	7 869	31%
Subject countries (PRC, Japan and Taiwan)	24 212	95%
Other imports	1 451	5%
Total imports	25 663	100%
HS Code: 7208.39		
Alleged dumped imports: PRC	61 245	47%
Alleged dumped imports: Japan	34 053	26%
Alleged dumped imports: Taiwan	35 434	27%
Subject countries (PRC, Japan and Taiwan)	130 732	99%
Other imports	903	1%
Total imports	131 635	100%
HS Code: 7208.51*		
Alleged dumped imports: PRC	81 532	92%
Other imports	7 208	8%
Total imports	88 740	100%
HS Code: 7208.52*		
Alleged dumped imports: PRC	14 401	93%
Other imports	1 111	7%
Total imports	15 512	100%
HS Code: 7225.30*		
Alleged dumped imports: PRC	8 371	44%
Other imports	10 620	56%
Total imports	18 991	100%
HS Code: 7225.40*		
Alleged dumped imports: PRC	35 677	41%
Other imports	50 900	59%
Total imports	86 577	100%
Flat hot-rolled products		
Alleged dumped imports PRC	249 813	52%

Import volumes in tons	Import volumes: 01 April 2023 to 31 March 2024	Volumes as a % of total Imports
Alleged dumped imports Japan	61 738	13%
Alleged dumped imports Taiwan	43 303	9%
Alleged dumped import cumulated	354 854	74%
Other imports	122 320	26%
Total imports	477 174	100%

*Where a country (PRC, Japan, or Taiwan) is not listed under a tariff sub-heading, there were no imports from that country.

Based on the information in table 2.1.6, the alleged dumped imports from the PRC, Japan and Taiwan each account for more than 3 percent of total imports of the subject product.

The Commission considered that one or more of these countries may have not imported under some tariff sub-headings that make up the subject product during the POI for dumping. Irrespective of some tariff sub-headings that make up the subject product having no imports, the subject product was imported, and imports of the subject product are above the negligibility level.

Comments from interested parties on the Preliminary Report

- i. The Commission initiated the investigation on all the tariff sub-headings identified irrespective of whether there were imports of the subject product in that tariff sub-heading. It is the Commission's practice to only initiate investigations on a subject product classifiable under a particular tariff sub-heading, and in this instance the Commission has deviated from its policy.
- ii. Interested parties further state that the reasons for initiating investigations falling under a particular tariff sub-heading are to: (i) determine the negligibility test falling under a particular tariff subheading in accordance with ADR16.2 which states that "the volume of exports from a country shall normally be regarded as negligible if the volume of imports for the like product from that country is found to account for less than 3% of the total imports of the like product into the SACU market, unless countries which individually account for less than 3% of the total imports of the like product into the SACU market for the like product collectively account for more than 7% of the total imports of the like product into the SACU market" (own emphasis). Interested parties refer to the poultry

anti-dumping investigation, where in Report No. 678, the Commission decided to do a negligibility test per tariff sub-heading, and where other sub-headings did not meet the negligibility level, were therefore excluded from the investigation. Another reason: (ii) If there are no imports under a particular tariff sub-heading, as it's the case with Japan and Taiwan, it cannot be argued that these imports are being dumped and causing injury to the SACU industry. An anti-dumping duty cannot be imposed on products classifiable under a particular tariff sub-heading where there were no dumped imports causing material injury. Interested parties cite the investigation on frozen portions of fowls to drive home their point on the Commission's inconsistency on the issue. Indeed, the Commission determined the negligibility test for each tariff sub-heading.

Commission's consideration

i. The Commission notes that in the past it mainly has dealt with products under one or a few tariff sub-headings. However, recently cases have been initiated involving multiple tariff sub-headings. It should be noted that an investigation is initiated upon receipt of a properly documented application, in which the Applicant identifies the "like product" which based on its definition is the domestic product, which is identical to the product under consideration (subject product), which in this instance is the imported product. The Commission further makes a determination on the like product. The imported product may be imported under different tariff sub-headings. These tariff sub-headings play a critical role in identifying and categorising the product under consideration, and they do not therefore limit the investigation to 2-3 tariff sub-headings when, for example, the investigation involves a like product that is imported under 12 tariff sub-headings. These tariff sub-headings again play an important role to administer duties on the imports of the product under consideration. Therefore, the tariff sub-headings alone, do not define the subject product.

The Commission is not aware of any law or in jurisprudence that supports interested parties' arguments that because Japan and Taiwan imported under few tariff sub-headings, in comparison to the tariff sub-headings covering the product under consideration, the investigation for those nations should be limited to those few tariff sub-headings, and not all tariff sub-headings covering the scope of the investigation. The imported products may be broad, having various product types and or multiple tariff sub-headings, and as such should not be limited for those nations as that may

also lead to circumvention should there be duties. The Commission has in previous cases investigated a product classifiable under specific tariff sub-headings, imposed duties on those specific tariff sub-headings, plus other tariff sub-headings to avoid circumvention. In this case the investigation does include those tariff sub-headings, the only difference is that imports from Japan and Taiwan are under 2-3 tariff sub-headings, not the 12 tariff sub-headings subject to this investigation. The Commission decided not to respond directly with regards to the allegations concerning Report No. 678 as that investigation is currently under judicial review.

- ii. The negligibility test in ADR16.2 cited correctly by interested parties is done on total imports of the like product, and not on specific tariff sub-headings covering imports of the like product. The investigation has been initiated on imports of the like product covering 12 tariff sub-headings and the negligibility test is done for the 12 tariff sub-headings as all 12 tariff sub-headings make up the imported like product. In the case of Japan and Taiwan, the negligibility test covered all 12 tariff sub-headings, however there were no imports in some of the tariff sub-headings. The decision on negligibility was therefore done on the imported like product as a whole, irrespective of whether some tariff sub-headings had no imports. To provide an illustration, an investigation comprises 3 countries subject to this investigation, the imported like product comprises 4 tariff sub-headings and total imports are 1 000 tonnes (TSH 1- 100 tonnes, TSH 2 – 300 tonnes, TSH 3 - 350 tonnes and TSH 4 – 250 tonnes) however Japan imported the subject product only under TH 3, and their imports were found to be 14 tonnes. These 14 tonnes amounting to 4% of TSH 3 and 1.4% of the subject product (1 000 tonnes). It cannot be said that imports of the subject product meet the negligibility test as the subject product comprises of 1 000 tonnes, not 350 tonnes of TSH 3. Therefore, Japan as a country would not meet the negligibility test, the Commission would not initiate on an investigation on the 1 tariff sub-heading for Japan, as this would not meet the negligibility test.

On the second point, dumping is determined on imports of the subject product, and for dumping margin calculation, the product types are considered and, in this instance, also the tariff sub-headings were considered. However, the Commission may impose the duty for the subject product, all tariff sub-headings to avoid circumvention. Material injury is assessed on the domestic industry being the

producer of the like product.

Therefore, the domestic industry is the one suffering injury as a result of the imported like product as a whole, and it is only where such analysis is not possible, whereby the Commission may analyse the narrowest group of products.

In this investigation therefore, the analysis is done for the subject product as a whole as it is possible to do such an analysis irrespective of the fact that Japan and Taiwan imports are for a few tariff sub-headings. It should be noted that it is also not possible for the Commission to do the analysis for injury per tariff sub-heading, irrespective of the fact that the Applicant may have provided the some (not all) of the information per tariff sub-heading.

In conclusion to this point, dumping of the subject product, not specific tariff subheadings, may cause material injury to the domestic producers of the like product (not specific tariff sub-headings or product types), unless such analysis is not possible.

The Commission made a final determination that the volume of imports from the PRC, Japan and Taiwan are above the negligibility level in terms of ADR16.2.

2.1.7 Raw materials used

The Applicant stated that virgin iron ore, coal or coke, steel scrap, direct reduced iron (DRI), ferroalloys, fluxes, natural gas, and electricity are the raw materials used to produce the imported.

2.1.8 Production process

The Applicant indicated that the manufacturing process of the subject product flows from the steel-making process where iron ore and metallurgical coal are turned into liquid iron, either in a blast furnace or using the direct reduced iron process. These are transformed into steel in basic oxygen furnaces ('BOFs'). Oxygen is blown into the molten iron for this process, reducing its carbon content from 4% to <0.5%. Scrap is added to control the temperature. The steel produced is then 'tapped' from the furnace vessel into a steel ladle ready for casting, and slag is removed.

Depending on the required steel grade, the melt is further treated, and ferroalloys are added to adjust its chemical composition. Liquid steel is brought to the continuous caster in a ladle. In the caster, the still liquid steel is poured into a mould and then through a sequence of 'segments', during which its vertical path out of the ladle and the mould gradually becomes horizontal, as it cools. It then emerges as a continuous steel slab, solid but still red hot. The continuous slab is then cut to length into semi-finished products known as slabs.

The semi-finished products are re-heated for the hot rolling process to 1,200°C. Before rolling, the scale is removed by blowing high-pressure water on the surface of the hot slab. During the flat steel hot rolling process, the steel thickness can be reduced from as high as 400mm to any required thickness, which can be as small as 1 mm.

In summary, the manufacturing process for hot-rolled products consists of several stages:

- Melting and refining to set the steel's chemical and metallurgical properties;
- Casting the steel into a semi-finished shape (slab); and
- Hot rolling the input material into a coil on a multi-stand, high-speed rolling mill and controlled cooling of the run-out table prior to coiling.

For chequered plate hot-rolled products the only difference is that the work rolls in the last stand of the hot-rolled process are replaced by work rolls with a pattern to ensure the imprint on the coil surface in the hot condition. It is patterned to render a non-slip surface. The geometry of the layout facilitates cleaning and draining of the working surfaces while retaining the required non-slip characteristics. Similarly, oiling and pickling are done at the end in a continuous mill after removing the scale in a pickling plant.

2.1.8 Technical characteristics and appearance

The Applicant provided the technical characteristics and appearance of the SACU product to be as follows:

Hot-rolled products can be supplied in the following dimensions:

- Coil - From a minimum thickness of 1 mm up to 25 mm and a minimum

- width of 600 mm up to 2000 mm; and
- Plate - From a minimum thickness of 5 mm up to 100 mm and a minimum width of 600 mm up to 3200 mm.
 - Width and thickness combination depends on the customer requirements.

Hot-rolled and hot-rolled pickled and oiled material is delivered according to mechanical properties for the following grades/categories: Low carbon qualities (commercial grades), tube and line pipe steel, carbon and or alloyed grades, drawing and forming grades, automotive parts (chassis and wheel steel) structural grades, pressure vessel grade, chequered pattern plate and re-rolling grades requirements. The Applicant also indicated that, both the alloy and non-alloy subject product looks the same - smooth or with pattern.

2.1.9 Application or end use

The Applicant stated that the subject product is used for manufacturing of general engineering products such as containers, mining equipment, drawing and forming applications like wheel rims, small and large bore pipes, agricultural implements, earth moving equipment, gas cylinders, truck trailers, water tanks, and railway rolling stock, racking & shelving or as input material to re-rollers for metallic coating processes. When patterned or checkered, the subject product is also used in transportation, construction, decoration, equipment, floor, machinery, shipbuilding, and other fields.

2.1.10 Substitutability

The Applicant stated that imported product from the PRC, Japan, and Taiwan is fully substitutable with the SACU like product.

2.2 SACU PRODUCT

2.2.1 Description

The Applicant described the SACU product as certain flat-rolled products of iron, non-alloy steel or other alloy steel (not including stainless steel), whether or not in coils (including products cut-to-length), excluding products with a width of less than

600mm (“narrow strip”), not further worked than hot-rolled (hot-rolled flat), including pickled and oiled, not clad, plated or coated, and excluding grain-oriented silicon electrical steel.

2.2.2 Raw materials

The Applicant stated that virgin iron ore, coal or coke, steel scrap, direct reduced iron (DRI), ferroalloys, fluxes, natural gas, and electricity are the raw materials used to produce the imported product.

2.2.3 Production process

The Applicant indicated that the manufacturing process of the subject product flows from the steel-making process where iron ore and metallurgical coal are turned into liquid iron, either in a blast furnace or using the direct reduced iron process. These are transformed into steel in basic oxygen furnaces (‘BOFs’). Oxygen is blown into the molten iron for this process, reducing its carbon content. Scrap is added to control the temperature. The steel produced is then ‘tapped’ from the furnace vessel into a steel ladle ready for casting, and slag is removed.

Depending on the required steel grade, the melt is further treated, and Ferroalloys are added to adjust its chemical composition. Liquid steel is brought to the continuous caster in a ladle. In the caster, the still liquid steel is poured into a mould and then through a sequence of ‘segments’, during which its vertical path out of the ladle and the mould gradually becomes horizontal, as it cools. It then emerges as a continuous steel slab, solid but still red hot. The continuous slab is then cut to length into semi-finished products known as slabs.

The semi-finished products are re-heated for the hot rolling process to 1,200°C. Before rolling, the scale is removed by blowing high-pressure water on the surface of the hot slab. During the flat steel hot rolling process, the steel thickness can be reduced from as high as 400mm to any required thickness, which can be as small as 1 mm.

In summary, the manufacturing process for hot-rolled products consists of several stages:

- Melting and refining to set the steel’s chemical and metallurgical properties;
- Casting the steel into a semi-finished shape (slab); and
- Hot rolling the input material into a coil on a multi-stand, high-speed rolling

mill and controlled cooling of the run-out table prior to coiling.

For chequered plate hot-rolled products the only difference is that the work rolls in the last stand of the hot rolled process are replaced by work rolls with a pattern to ensure the imprint on the coil surface in the hot condition. It is patterned to render a non-slip surface. The geometry of the layout facilitates cleaning and draining of the working surfaces while retaining the required non-slip characteristics. Similarly, oiling and pickling are done at the end in a continuous mill after removing the scale in a pickling plant.

2.2.4 Technical characteristics and appearance

The Applicant provided the technical characteristics and appearance of the SACU product to be as follows:

Hot-rolled products can be supplied in the following dimensions:

- Coil - From a minimum thickness of 1 mm up to 25 mm and a minimum width of 600 mm up to 2000 mm; and
- Plate - From a minimum thickness of 5 mm up to 100 mm and a minimum width of 600 mm up to 3200 mm.
- Width and thickness combination depends on the customer requirements.

Hot-rolled and hot-rolled pickled and oiled material is delivered according to mechanical properties for the following grades/categories: Low carbon qualities (commercial grades), tube and line pipe steel, carbon and or alloyed grades, drawing and forming grades, automotive parts (chassis and wheel steel) structural grades, pressure vessel grade, chequered pattern plate and re-rolling grades requirements. The Applicant also indicated that, both the alloy and non-alloy subject product looks the same - smooth or with pattern.

2.2.5 Application or end use

The Applicant stated that the subject product is used for manufacturing of general engineering products such as containers, mining equipment, drawing and forming applications like wheel rims, small- and large bore pipes, agricultural implements, earth moving equipment, gas cylinders, truck trailers, water tanks, and railway

rolling stock, racking & shelving or as input material to re-rollers for metallic coating processes. When patterned or checkered, the subject product is also used in transportation, construction, decoration, equipment, floor, machinery, shipbuilding and other fields.

2.2.6 Substitutability

The Applicant stated that the SACU like product is fully substitutable with the imported product from the PRC, Japan, and Taiwan.

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
Raw Materials	virgin iron ore, coal or coke, steel scrap, direct reduced iron (DRI), ferroalloys, fluxes, natural gas, and electricity	virgin iron ore, coal or coke, steel scrap, direct reduced iron (DRI), ferroalloys, fluxes, natural gas, and electricity
Technical characteristics/appearances	<p>Hot-rolled products can be supplied in the following dimensions:</p> <p>Coil - From a minimum thickness of 1 mm up to 25 mm and a minimum width of 600 mm up to 2000 mm; and</p> <p>Plate - From a minimum thickness of 5 mm up to 100 mm and a minimum width of 600 mm up to 3200 mm. Width and thickness combination depends on the customer requirements.</p> <p>Hot-rolled and hot-rolled pickled and oiled material is delivered according to mechanical properties for the following grades/categories: Low carbon qualities (commercial grades), tube and line pipe steel, carbon and or alloyed grades, drawing and forming grades, automotive parts (chassis and wheel steel) structural grades, pressure vessel grade, chequered pattern plate and re-rolling grades requirements. The Applicant also indicated that, both the alloy and non-alloy subject products look the same - smooth or with pattern.</p>	<p>Hot-rolled products can be supplied in the following dimensions:</p> <p>Coil - From a minimum thickness of 1 mm up to 25 mm and a minimum width of 600 mm up to 2000 mm; and</p> <p>Plate - From a minimum thickness of 5 mm up to 100 mm and a minimum width of 600 mm up to 3200 mm. Width and thickness combination depends on the customer requirements.</p> <p>Hot-rolled and hot-rolled pickled and oiled material is delivered according to mechanical properties for the following grades/categories: Low carbon qualities (commercial grades), tube and line pipe steel, carbon and or alloyed grades, drawing and forming grades, automotive parts (chassis and wheel steel) structural grades, Pressure vessel grade, chequered pattern plate and re-rolling grades requirements. The Applicant also indicated that, both the alloy and non-alloy subject product looks the same - smooth or with pattern.</p>

<p>Production Process</p>	<p>Iron ore and metallurgical coal are turned into liquid iron, either in a blast furnace or using the direct reduced iron process. These are transformed into steel in basic oxygen furnaces ('BOF's'). For this process oxygen is blown into the molten iron, reducing its carbon content from 4% to <0.5%. Scrap is added to control the temperature. The steel produced is then 'tapped' from the furnace vessel into a steel ladle ready for casting, and slag is removed.</p> <p>Depending on the required steel grade, the melt is further treated and Ferro alloys are added to adjust its chemical composition. Liquid steel is brought to the continuous caster in a ladle. In the caster, the still liquid steel is poured into a mould and then through a sequence of 'segments', during which its vertical path out of the ladle and the mould gradually becomes horizontal, as it cools. It then emerges as a continuous slab of steel, solid but still red hot. The continuous slab is then cut to length into semi-finished products known as slabs.</p> <p>For the hot rolling process, the above semi-finished products are re-heated to 1,200°C. Before rolling, scale is removed by blowing high-pressure water on the surface of the hot slab. During the flat steel hot rolling process, the steel thickness can be reduced from a thickness as high as 400mm to any required thickness that can be as small as 1 mm.</p> <p>In summary, the manufacturing process for hot rolled products consists of several stages:</p> <ul style="list-style-type: none"> • Melting and refining to set the steel's chemical and metallurgical properties; • Casting the steel into a semi-finished shape (slab); and • Hot rolling the input material into a coil on a multi-stand, high-speed rolling mill and 	<p>Iron ore and metallurgical coal are turned into liquid iron, either in a blast furnace or using the direct reduced iron process. These are transformed into steel in basic oxygen furnaces ('BOF's'). For this process oxygen is blown into the molten iron, reducing its carbon content from 4% to <0.5%. Scrap is added to control the temperature. The steel produced is then 'tapped' from the furnace vessel into a steel ladle ready for casting, and slag is removed.</p> <p>Depending on the required steel grade, the melt is further treated and Ferro alloys are added to adjust its chemical composition. Liquid steel is brought to the continuous caster in a ladle. In the caster, the still liquid steel is poured into a mould and then through a sequence of 'segments', during which its vertical path out of the ladle and the mould gradually becomes horizontal, as it cools. It then emerges as a continuous slab of steel, solid but still red hot. The continuous slab is then cut to length into semi-finished products known as slabs.</p> <p>For the hot rolling process, the above semi-finished products are re-heated to 1,200°C. Before rolling, scale is removed by blowing high-pressure water on the surface of the hot slab. During the flat steel hot rolling process, the steel thickness can be reduced from a thickness as high as 400mm to any required thickness that can be as small as 1 mm.</p> <p>In summary, the manufacturing process for hot rolled products consists of several stages:</p> <ul style="list-style-type: none"> • Melting and refining to set the steel's chemical and metallurgical properties; • Casting the steel into a semi-finished shape (slab); and • Hot rolling the input material into a coil on a multi-stand, high-speed rolling mill and
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	<p>controlled cooling of the run-out table prior to coiling.</p> <p>For chequered plate hot rolled products the only difference is that the work rolls in the last stand of the hot rolled process are replaced by work rolls with a pattern to ensure the imprint on the coil surface in the hot condition. It is patterned to render a non-slip surface. The geometry of the layout facilitates cleaning and draining of the working surfaces while retaining the required non-slip characteristics.</p> <p>Similarly, oiling and pickling is done at the end in a continuous mill after removing the scale in a pickling plant.</p>	<p>controlled cooling of the run-out table prior to coiling.</p> <p>For chequered plate hot rolled products the only difference is that the work rolls in the last stand of the hot rolled process are replaced by work rolls with a pattern to ensure the imprint on the coil surface in the hot condition. It is patterned to render a non-slip surface. The geometry of the layout facilitates cleaning and draining of the working surfaces while retaining the required non-slip characteristics.</p> <p>Similarly, oiling and pickling is done at the end in a continuous mill after removing the scale in a pickling plant.</p>
Application or end use	<p>The subject product is used for manufacturing of general engineering products such as containers, mining equipment, drawing and forming applications like wheel rims, small- and large bore pipes, agricultural implements, earth moving equipment, gas cylinders, truck trailers, water tanks, and railway rolling stock, racking & shelving or as input material to re-rollers for metallic coating processes. The subject product, when patterned or checkered, are also used in transportation, construction, decoration, equipment, floor, machinery, shipbuilding and other fields</p>	<p>The subject product is used for manufacturing of general engineering products such as containers, mining equipment, drawing and forming applications like wheel rims, small- and large bore pipes, agricultural implements, earth moving equipment, gas cylinders, truck trailers, water tanks, and railway rolling stock, racking & shelving or as input material to re-rollers for metallic coating processes. The subject product, when patterned or checkered, are also used in transportation, construction, decoration, equipment, floor, machinery, shipbuilding and other fields</p>
Substitutability	<p>The imported product from the PRC, Japan and Taiwan is fully substitutable with the SACU like product.</p>	<p>The SACU like product is fully substitutable with the imported product from the PRC, Japan and Taiwan.</p>

Comments by interested parties on the Preliminary Report

- i. Hot-rolled steel products, in coil and plates should be regarded as products that are not like consistent with precedent (e.g., US – Softwood Lumber, EC – Salmon, EC – Fasteners), because amongst other things, the tariff classifications, the differences in their production process, productivity and size range, differences in their cost of production, differences in physical characteristics, and differences in end use.
- ii. Interested parties indicated that if the Commission determines that there is a single subject product (which respectfully, would be incorrect), this should be divided into models and separate dumping margins calculated for each model and the dumping

margins calculated be weighted by volumes to calculate one single dumping margin for the subject product. They further state that the models should be categorised by their use, i.e. motor industry steel should not be compared to general steel or steel for re-rollers due to various cited factors.

- iii. The preliminary determination did not consider and address the submissions of interested parties; it merely accepted the Applicant's unsubstantiated claims.
- iv. The Commission imposed an unreasonable burden by requiring the Japanese Mills to provide information on products not exported during the POI, including hot-rolled plate and certain tariff sub-headings.

Commission's consideration

- i. The product being investigated is flat hot-rolled steel, which falls under several tariff sub-headings. The Commission made a preliminary finding that these flat hot-rolled steel products can be treated as "like products" for comparison, in accordance with the ADR. The Panel in EC – Salmon (Norway) considered Norway's claim that the "product under consideration" must consist of a single, internally homogeneous product or, alternatively, categories that are each individually "like" each other so as to constitute a single homogenous product. The Panel found that "[t]here is simply nothing in the text of Article 2.1 that provides any guidance whatsoever as to what the parameters of that product should be. The mere fact that a dumping determination is ultimately made with respect to 'a product' says nothing about the scope of the relevant product. There is certainly nothing in the text of Article 2.1 that can be understood to require the type of internal consistency posited by Norway."

The Panel cited other provisions of the Anti-Dumping Agreement as relevant context for interpretation: "Article 6.10 provides for limited examination in cases where the number of 'types of products involved' is so large as to make it impracticable to determine an individual margin of dumping. Similarly, the Appellate Body has recognized that an investigating authority may divide a product into groups or categories of comparable goods for purposes of comparison of normal value and export price – the practice of 'multiple averaging'. Neither of these would be necessary if Norway's view of the meaning of 'a product' in Article 2.1 were the only permissible interpretation. There would be no possibility of investigating more than one 'type of product' as mentioned in Article 6.10, and no reason to group comparable goods for

purposes of making price comparisons for each group in the process of calculating a single dumping margin for the product as a whole.

In EC – Fasteners (China), the Panel also concluded that Articles 2.1 and 2.6 did not require the investigating authority to define the product under consideration to include only products that are "like". The Panel remarked that "[t]he mere fact that a dumping determination is ultimately made with respect to "a product" says nothing about the scope of that product. There is certainly nothing in the text of Article 2.1 that can be understood to require any consideration of 'likeness' in the scope of the exported product investigated. The Panel concluded that "while Article 2.1 establishes that a dumping determination is to be made for a single 'product under consideration', there is no guidance for determining the parameters of that product, and certainly no requirement of internal homogeneity of that product, in that Article".

Therefore, both panels cited by the Applicant concluded that the product under investigation does not have to consist of a single, uniform or internally homogeneous product. Both Panels held that Article 2.1 of the Anti-Dumping Agreement does not prescribe the precise scope or parameters of a product under consideration, nor does it require internal consistency or "likeness" within that product. Accordingly, it follows that flat hot-rolled steel products, although classified under different tariff sub-headings and including both flat and rolled forms, may be treated as one single product under investigation. For the purpose of comparison, these products may be considered "like products" within the meaning of the ADR and WTO ADA.

- ii. Although the Commission determines issues in an anti-dumping investigation on a case-by-case basis, it normally calculates the dumping margin for various models as described by the interested party. This has been the practice of the Commission, and it is also in line with the WTO ADA. This approach ensures a fair basis for comparison between the normal value and export price. It has been the consistent practice of the Commission to adopt a model-by-model methodology, as this ensures a more accurate calculation that takes into account the variations in product characteristics which may influence pricing. This practice is also in line with the provisions of the WTO ADA, which recognises that investigating authorities may divide a product under investigation into groups or categories of comparable goods for the purpose of calculating dumping

margins. This approach ensures that the Commission's determinations are objective and follow a transparent methodology, while also being consistent with international obligations.

The Commission does not agree with the categorisation of models as described by interested parties and the determination of models is ultimately the responsibility of the Commission. While the Commission may consider the models as set out in the CBUs of interested parties, such models may only be used should they meet the Commission's requirements for model determination.

- iii. The Commission did not merely accept the claims of the Applicant. Instead, the Applicant submitted prima facie information which the Commission carefully examined and verified through the Commission's established procedures, ensuring accuracy and reliability. Therefore, the Commission's determinations were not solely based on the Applicant's submissions, but were made on the basis of verified information, assessed objectively and in accordance with the ADR and the WTO ADA, and taking into account comments and submissions made by interested parties.
- iv. The Commission requires/requested interested parties to provide information with respect to the subject product. The fact that some tariff subheadings are said to have not been exported, but made up the subject product, was noted by the Commission. However, it would have been premature of the Commission to make a determination that tariff subheadings that make up the subject product that were not exported to SACU be excluded, as such a determination would have been made without the Commission having knowledge of the whole picture in terms of the product under investigation. Interested parties do not have a legally sound argument that would enable the Commission to merely take their word about models or products said to have not been exported to SACU, and therefore such information not provided, especially noting that information submitted by interested parties is prone to have inaccuracies.

Taking the above into consideration, the Commission must consider making a final determination whether the SACU product and the imported product are "like products", for purposes of comparison, in terms of the definition of "like product" in ADR1.

3. INDUSTRY STANDING

The application was lodged by AMSA, and Columbus supported it. Together, they constitute 100% of SACU's domestic production of the subject product.

The Commission made a final determination that the application can be regarded as being made by or on behalf of the domestic industry in terms of ADR7.2.

4. DUMPING

The margin of dumping is calculated by subtracting the export price from the normal value of the product (after all the adjustments have been made). The margin is then expressed as a percentage of the free on-board (FOB) export price. If the margin is less than two per cent, it is regarded as de minimis in terms of the ADR 12.3, and no Anti-Dumping duty will be imposed.

4.1 METHODOLOGY IN THIS INVESTIGATION FOR THE PRC

4.1.1 Limiting the investigation (sampling) for PRC exporters.

The Commission at its meeting of 02 December 2024 considered that it received 32 exporters/foreign producers' responses from the PRC, 1 foreign producer's response from Japan and 8 importers' responses. Taking into consideration the number of exporters/foreign producers, importers, and resources available to conduct the investigation, it was established that the investigation could not be completed within the 18-month limit to conduct an anti-dumping investigation in terms of the ADR and WTO ADA. The Commission made a determination to limit its examination to a reasonable number of exporters (a process commonly referred to as "sampling") from the PRC. Sampling is provided for in Article 6.10, 6.10.1, 6.10.2 and 9.4 of the Anti-Dumping Agreement and Regulation 8.6, 8.7 and 8.8 of the ADR.

The sampling was done in accordance with ADR8.6(a), which states that, "in cases where the number of producers, exporters, importers or types of products is large, the investigation may be limited to a reasonable number of parties or types of products by using the largest percentage of exports from the country in question which can be reasonably be investigated."

The Commission notified all interested parties of its decision to sample on 5 December 2024, and parties had 7 days to provide comments on the Commission's decision.

There were no foreign producers or exporters that were against the Commission's decision to use sampling as its method of evaluation for the PRC, some indicating that they should be part of the sample. However, only one importer responded and was opposed to the

Commission's decision to sample, indicating that it is unfair and will result in foreign producers being given a dumping margin that is not theirs.

On 13 December 2024, the Commission consulted exporters regarding the selected companies in accordance with ADR8.7, which states that, "if the Commission decides to limit its investigation as contemplated in subsection 6, any selection may be made after consultation with the relevant exporters." Although the consultation is done with exporters, all interested parties were notified. As part of the consultation, exporters were notified that the following exporters have been selected:

- Bao Steel - Baoshan Iron & Steel Co., Ltd.,
- Baosteel Zhanjiang Iron & Steel Co., Ltd.,
- Shanghai Meishan Iron & Steel Co., Ltd.,
- Wuhan Iron & Steel Co., Ltd.,
- Baosteel Europe GmbH (exporter).
- Shougang Group - Shougang Jingtang United Iron & Steel Co., Ltd., Shougang Qian'an Iron and Steel Company and Shougang Holding Trade (Hong Kong) Ltd. (exporter).
- Rizhao Steel Yingkou Medium Plate Co., Ltd.

The Commission considered that the foreign producers that are part of the 32 responses from the PRC represent approximately 70% of total export volumes of the subject product to SACU during the period of investigation for dumping. The volume of exports by the foreign producers selected for sampling accounts for approximately 50% of the volume of exports to SACU of all foreign producers that responded to the Commission's exporter questionnaire by the specified deadline for responses.

The Commission also considered that these companies can be said to be the top 3 exporters of the subject products to SACU by volume and therefore meet ADR8.6(a) sampling requirement.

The Commission further considered that the foreign producers/exporters sampled are representative of the flat-rolled steel industry in the PRC, as they constitute small, medium and large producers, based on their production and sales volumes. They also either produce flat-rolled steel products that are either plates, or coils, or a combination of both plates and coils.

All interested parties were afforded 7 days in the consultation process to comment on the selected companies and their entire process. In the consultation process, the steps to be followed in the event exporters/foreign producers that are not part of the sample requested an individual dumping was outlined. It was communicated that exporters/foreign producers that have been selected for sampling are required to address the identified deficiencies within the specified deadline. The deficiency letters were also sent out to all foreign producers and exporters on 13 December 2024, the sampled exporters responded, and they were still found to be deficient. The list of deficiencies is contained in the Commission's public file.

The Commission also informed parties that exporters that were not selected for sampling and require the Commission to determine individual dumping margins in line with ADR 8.8, may submit such a request to the Commission for its consideration and also should ensure that all deficiencies identified are addressed within the specified deadline. ADR 8.8 states that, "in cases where the Commission has limited its investigation as contemplated in subsection 6, the Commission will nevertheless determine an individual margin of dumping for an exporter or foreign producer not initially selected who submits the necessary information in time for that information to be considered along with the information of exporters or producers selected, except where the number of exporters or producers is so large that individual examinations would be unduly burdensome to the Commission".

The Commission conducted the assessment of deficiencies to ensure compliance with ADR 8.8, should it be requested by interested parties and decided upon by the Commission. The Commission made a final determination that it will not consider any deficient response (from sampled exporters & those requesting individual dumping margins) for its final determination in accordance with ADR31.3. The Commission also determined that foreign producers/exporters not selected for sampling and did not request an individual dumping margin will be subject to a weighted average margin of dumping established with respect to the selected sampled foreign producers/exporters and need not address identified deficiencies.

The Commission considered that following the 7 days of consultation and addressing deficiencies, Angang Steel Co., Ltd., and its two related companies, Angang Group International Trade Corp., Ltd., and Angang Group Hong Kong Co., Limited and Bengang

Steel Plates Co., Ltd., who were not part of the sample (selected companies) requested to have individual margins, in accordance with ADR8.8. They also submitted their deficiency response within the deadline time for addressing deficiencies.

Jiangyin Xingcheng Special Steel Works Co., Ltd., did not request an individual dumping margin, however it also submitted its deficiency response within the deadline time for addressing deficiencies.

Following the deadline for consultation there was an enquiry from Nanjing Iron and Steel Group International Trade Co., Ltd. (NJ Steel), on whether it could still request the Commission to consider applying an individual dumping margin in accordance with ADR8.8. NJ Steel was informed that the deadline date for such a request had lapsed, however their request will be considered by Commission. The Commission noted that from its original communication, NJ Steel requested an extension to submit its original response, which was granted. However, when NJ Steel submitted its response, it consisted of 9 other responses of related firms that had never requested extensions but submitted their responses after the original deadline date for responses, together with NJ Steel. The related firms are as follows:

- Singapore Jinteng International Pte., Ltd.
- Jiangsu Nangang Xianhuo Trading Co., Ltd.;
- Fusheng Nanjing Steel Trade Co., Ltd.;
- JM Digital Steel Inc.;
- Jiangsu NanGang Xinyang Supply Chain Co., Ltd.;
- Shanghai Nangang Materials Sales Co., Ltd.;
- Beijing Nangang Steel Product Sales Co., Ltd.;
- Jiangsu Baoheng Supply Chain Co., Ltd.; and
- Jiangsu Nangang Plate Sales Co., Ltd.

The Commission determined that responses from the exporters that requested an individual dumping margin, together with the exporter that made a late request (NJ Steel and its related companies) and that which did not request individual treatment were also assessed for deficiencies and found to be deficient. The list of deficiencies is contained in the Commission's public file.

The Commission made a final determination, in accordance with ADR8.8, not to determine

individual dumping margins for Angang Steel Co., Ltd., and its related companies and Bengang Steel Plates Co., Ltd., as it would be unduly burdensome to the Commission. It would increase the selected companies to be examined to a number that would put the investigation at risk in terms of timelines and the 18-month deadline for finalising the investigation.

The Commission further made a final determination in accordance with ADR8.8, not to determine individual dumping margins for NJ Steel and its related companies and Jiangyin Xingcheng Special Steel as they did not make the request within the stipulated deadline.

In the case of NJ Steel, the Commission considered that even if it condones the late receipt of the request for individual treatment, individually examining NJ Steel and its related companies would be unduly burdensome to the Commission, and it will increase the selected companies to be examined to a number that would put the investigation at risk in terms of timelines and the 18-month deadline for finalising the investigation.

While Jiangyin Xingcheng Special Steel did not make a request, it merely rectified its deficiencies and submitted its response. Nevertheless, considering the foreign producer for individual margins would be unduly burdensome to the Commission.

The Commission noted that it emphasised to all interested parties that the use of the words “reasonable number of exporters”, refers to foreign producers, thereby excluding “all non-producing exporters”. Also, the interchangeable use of the words foreign producers/exporters excludes “all non-producing exporters” as the focus of the investigation into the existence of dumping, is based on the pricing behaviour of producers, notwithstanding the existence of known exporters responsible for making the export sales under investigation.

Comments from the Applicant on the Preliminary Report

- i. The Applicant has raised concerns regarding the methods applied by the Commission in its sampling. In particular, the Applicant indicated that it is unclear what percentage of exporters are being sampled. The Applicant further argued that it would be impractical for the Commission to verify the number of exporters included in the sample and suggested that the Commission should instead adopt the practice which it states

is commonly followed by other investigating authorities, which typically select two to three companies for sampling purposes.

- ii. Should one or more of the companies within a group of companies be found to have submitted deficient information, the Commission should treat the response of the entire group as deficient, in line with its established practice.

Commission's consideration

- i. This comment from the Applicant is new and was never raised with the Commission at the time when the sampling decision was taken. The Commission made its decision to apply sampling, including the methodology and the selection of companies, more than six months ago, and the Applicant was notified, and it was in agreement with that decision. The suggestion that the Commission should now re-evaluate its sampling methodology and reduce the number of companies has no legal basis, and any such change at this stage would jeopardise the finalisation of the investigation.

The Applicant can exercise its rights by reviewing the Commission's decisions, should the Applicant consider that the Commission is not conducting the investigation in accordance with the law. The sampling letter and the Commission's preliminary determination set out in clear terms that the sampled foreign producers had the highest export volumes into SACU of all foreign producers that responded to the investigation, as well as the percentage of exports represented by the sampled exporters. It is therefore unclear what aspect remains unclear to the Applicant, or why such clarity is being sought only now, when this information was already provided at the time the sampling decision was communicated.

- ii. The Applicant appears misguided in its assertion that the Commission's practice is to treat individual exporters that are not deficient as deficient merely because they form part of a group in which one or more companies has been found deficient. The Applicant should clearly indicate in which investigation such an approach was allegedly applied. The purpose of grouping related companies is not to assess deficiencies, but rather to calculate a consolidated dumping margin and to ensure that anti-dumping duties are not circumvented.

4.2 METHODOLOGY IN THIS INVESTIGATION APPLICABLE TO THE SEVEN SAMPLED PRODUCERS FROM THE PRC

The normal values, export prices, and dumping margins for the foreign producers were determined as follows:

4.2.1 Methodology in this investigation for Jingye Yingkou Medium Plate Co., Ltd

4.2.1.1 Normal value

Yingkou produced various models of the subject product but only exported 7 of the models to SACU during the period of investigation. The Commission made a final determination to determine the normal value based on the comparable models to those exported to SACU.

All comparable models exported to SACU were also sold in the domestic market.

However, the Commission determined that, in accordance with ADR8.3, four of the models sold in the domestic market did not constitute sufficient volumes to determine a normal value as they were less than 5% of the export sales volumes to SACU. In addition, one model was not made in the ordinary course of trade in accordance with ADR 8.2, as all sales were made below cost.

The Commission made a final determination to construct the normal values for the above five models using the production costs of those models, plus SG&A expenses and a reasonable profit in Yingkou's CBU.

For the rest of the models (two), more than 20% of the sales were found to be sold below the cost of production, and in accordance with ADR 8.2, the Commission made a final determination to use only the remaining above cost sales for normal value determination in line with ADR8.3.

4.2.1.2 Adjustments to normal value

Yingkou claimed an adjustment for delivery charges. The delivery terms were specified in the sales contracts for each sampled transaction. Yingkou delivers to domestic customers by ship, truck, or train and bears the freight costs. The Commission made a final determination to allow this adjustment to the normal value, as it directly related to the sales under consideration and demonstrated to have affected price comparability at the time of setting prices.

4.2.1.3 SACU export price

The Commission made a final determination to determine the export price based on actual verified export sales to the SACU market of the comparable model.

4.2.1.4 Adjustments to SACU export price

Yingkou claimed adjustments for bank charges, inland freight charges and port handling charges. The adjustments were substantiated, and the Commission made a final determination to allow these adjustments to the SACU export price as they directly related to the sales under consideration and demonstrated to have affected price comparability at the time of setting prices.

4.2.1.5 Dumping margin

The weighted average margin of dumping for Yingkou was determined to be 7.11 percent.

Comments on the essential facts letters

- i. The Applicant submits that Rizhao's corporate structure and location suggest significant government support, as the company appears to have operated within or been substantially owned by entities in the Rizhao Economic and Technological Development Area in Shandong zones specifically designed to accelerate Chinese industrial growth through state-backed incentives. Rizhao's history, including links to the former state-owned Minmetals Yingkou Medium Plate, raises concerns about the fair market value of its raw materials, especially given its position as an integrated mill producing inputs such as billets and slabs from subsidised resources. International reports show China's subsidisation levels exceed those of OECD countries by a factor of ten, encompassing grants, below-market loans, subsidised energy, tax preferences, and extensive infrastructure advantages typical of ETDZs.

While not always quantifiable in the cost and price build-up (CBU), the cumulative impact of such state interventions provides Rizhao with a material and undue competitive advantage that ITAC must fully account for when assessing the reliability and fairness of its submitted information.

- ii. The Applicant raises serious concerns regarding the reliability of Rizhao's cost data, noting that key fixed overheads such as depreciation, rates, and insurance appear not to have been considered in the cost of production, materially affecting accuracy. Further irregularities arise from sampled models where no production volumes or

material costs were recorded, including cases where Rizhao received input materials free of charge to process and resell, transactions that may not be at arm's length and obscure the true raw material costs, thereby undermining fair market valuation and potentially distorting third-country price comparisons. The Applicant also objects to Rizhao's use of benchmarked rather than actual electricity and water costs, arguing that any normal company should maintain actual mill-level consumption records, and that reliance on engineered ratios strongly suggests subsidisation, especially as subsidies commonly manifest in reduced energy and water costs.

As a result, these benchmarked figures, and the cost data more broadly, cannot be relied upon for constructing normal value. Additionally, the Applicant questions Rizhao's treatment of steel billets as the sole material input, emphasising that indirect materials and consumables must also be included and that billets transferred internally must reflect fair market value. Given that some transactions involved customer-provided billets, ITAC must assess the proportion of in-house vs. external billet production and verify alignment between billet/slab output and scrap-metal waste factors to determine whether the recorded costs are reasonable.

Commission's consideration

- i. The Applicant's assertion that Rizhao's location indicates that it receives substantial government support is noted, but no evidence has been provided to support the statement. The Applicant lodged an anti-dumping application, not an anti-subsidy investigation. The Applicant now seeks to introduce subsidy-related considerations into an anti-dumping investigation, which is not procedurally appropriate. Even if it were accepted that Rizhao may benefit from government support, the financial information submitted for the POI contained no evidence of such support. Furthermore, even if government support had been identified, it would merely have appeared as income within the CBU and it would have been noted. The Applicant was therefore advised to collect the necessary evidence of any alleged government support and submit an anti-subsidy/countervailing application for the Commission's consideration.
- ii. The Applicant's allegation that certain information submitted by Rizhao was not considered is without merit. The further claim that the Commission lacked specific cost and volume information is equally unfounded. The Applicant cannot reasonably expect

the Commission to disclose confidential information, the Applicant was urged to review the non-confidential verification report in its proper context, noting that confidentiality requirements prevent disclosure of sensitive data.

Rizhao did not undertake any form of benchmarking. If the mere existence of a standard cost were to be regarded as benchmarking, then the Applicant's own use of standard cost information would likewise constitute benchmarking. The Commission conducted a full verification, which covered a wide range of the exporter's costs, sales, and production facilities. It was not feasible for every piece of information gathered during a three-day verification to be reproduced in a non-confidential verification report.

4.3 Methodology in this investigation for Baoshan Steel Group of Companies (Baoshan, Meishan, Zhanjiang, and Wuhan Iron and Steel)

The information submitted by the Baoshan Steel Group of companies was found to be deficient and subsequently could not be verified. The following issues of particular concern were noted: the allocation of costs between the subject product and other products in the CBU for Baoshan could not be validated for the following reasons:

- Information relating specifically to the PUI could not be reconciled with or validated against the company's management accounts;
- The required monthly or management accounts for the dumping POI were not provided but only quarterly management accounts for the 1st quarter of 2024;
- The financial statements provided are not aligned with the POI, and therefore cannot be used appropriately;
- No product models were reflected in the CBU and when referring to the product under investigation, it was not explained how such costs were allocated, and due to some information missing in the CBU, this cannot be determined as well.
- The CBU did not include production and sales volumes for the subject products;
- For Baoshan, the company also claimed that during the dumping period, its production was 37 percentage points higher than capacity;
- For Meishan, it was stated that the production volumes are 44 percentage points above capacity;
- These assertions cannot be substantiated in the absence of verifiable production and sales data.

The Commission considered that these deficiencies make it impossible to accurately isolate and verify the cost of production attributable to the subject product. The Commission thus made a final determination that the unit cost to sell and produce the subject product be determined based on the total company information in the CBU, and the relevant production volumes submitted in the application. The reasonable profit being considered is the overall profit of the company, with a profit per ton be based on sales volumes.

The Commission made a final determination that even though the information submitted by the Baoshan Group of companies is deficient and not ideal in all respects, it is the best information available to the Commission and should be considered for the purpose of its final determination.

4.3.1 Methodology in this investigation for Baoshan

4.3.1.1 Normal value

It was found that Baoshan produced and sold the subject product in the domestic and export markets, including SACU, during the POI.

It was also found that Baoshan's domestic sales were made through its affiliated trading companies operating across various regions. Even when transactions were reported as direct sales to independent customers, the transactions appear to have been made through related traders. There were also no sales to independent buyers in the domestic market. Information relating to sales from the related traders to the final customers in China are either incomplete or not provided at all in the sales schedule.

The Commission considered that their actual sales channels remain unconfirmed. Based on the above, the Commission made a final determination that the normal value for Baoshan be constructed based on the company's overall cost of production, and a reasonable profit be applied based on the overall profit of the company in the CBU.

4.3.1.2 Adjustments to normal value

The normal value was constructed based on the CBU of Baoshan and therefore, adjustments are not applicable.

4.3.1.3 SACU export price

The Commission made a final determination to determine the export price based on actual SACU export sales of the subject products provided in Baoshan's SACU sales schedule. All SACU sales were made on Free on Board (FOB) terms.

4.3.1.4 Adjustments to SACU export price

The Commission made a final determination to allow the following adjustments claimed for delivery charges and other adjustments as the sampled SACU export documents provided in Baoshan's response substantiated the above adjustments as being directly related to the sales under consideration and demonstrated to have affected price comparability at the time of setting prices.

4.3.1.5 Dumping margin

The weighted average margin of dumping was determined to be 54.25 percent.

4.3.2 Methodology in this investigation for Meishan

4.3.2.1 Normal Value

The Commission made a final determination that the normal value for Meishan be constructed based on the company's overall cost of production and a reasonable profit be applied based on the overall profit of the company in the CBU.

It was found that Meishan's domestic sales were made through its affiliated trading companies operating across various regions. Even when transactions were reported as direct sales to independent customers, the transactions appear to have been made through related traders. The Commission considered that since their information could not be verified, the actual sales channels remain unconfirmed.

Thus, the Commission made a final determination that the normal value for Meishan be constructed based on the company's overall cost of production, and a reasonable profit be applied based on the overall profit of the company in the CBU.

4.3.2.2 Adjustments to normal value

The normal value was constructed based on the CBU of Meishan, and therefore, adjustments are not applicable.

4.3.2.3 SACU export price

The Commission made a final determination to determine the export price based on actual SACU sales of the subject products provided in Meishan's sales schedule.

4.3.2.4 Adjustments to SACU export price

For SACU sales, the exporter did not claim any adjustments. However, sales were on FOB terms, and the exporter also incurred a commission for sales to SACU. The details are as follows:

Commission

It was found that the sampled sales invoices to SACU showed a commission, however, this was not claimed in the exporter's response. The Commission made a final determination to allow this adjustment as the sampled SACU export documents provided in the exporter's response substantiated the above adjustments as being directly related to the sales under consideration and demonstrated to have affected price comparability at the time of setting prices.

Delivery

It was found that the exporter sold the subject product to SACU on an FOB basis, however this was not claimed in the exporter's response. Distribution costs were also not contained on the exporter's CBU, and the delivery charges were not indicated in the provided invoices and other sampled documents provided, thus the amount for this adjustment cannot be substantiated. Therefore, the Commission made a final determination not to allow this adjustment as it could not be substantiated.

4.3.2.5 Dumping margin

The weighted average margin of dumping for Meishan was determined to be -19.14 percent.

4.3.3 Methodology in this investigation for Wuhan Iron & Steel

4.3.3.1 Normal Value

Wuhan Iron produced and sold the subject product in the domestic and export markets, including SACU, during the POI.

It was found that Wuhan Iron & Steel's domestic sales were made through its affiliated trading companies operating across various regions. Even when transactions were reported as direct sales to independent customers, the transactions appear to have been made through related traders. There were also no sales to independent buyers in the domestic market. Information relating to sales from the related traders to the final customers in China are either incomplete or not provided at all in the sales schedule. The Commission considered that the actual sales channels remain unconfirmed.

The Commission therefore made a final determination that normal value for Wuhan Iron & Steel be constructed, using the overall company's total production costs in the CBU and the total production volumes supplied in the response. The reasonable profit being considered is the overall profit of the company, with a profit per ton be based on sales volumes.

The Commission is considering even though the information submitted is not ideal in all respects, it is the best information available to the Commission.

4.3.3.2 Adjustments to normal value

Since the normal value is constructed, there are no adjustments.

4.3.3.3 SACU export price

The Commission made a final determination to determine the export price based on actual SACU sales of the subject product.

4.3.3.4 Adjustments to SACU export price

Wuhan claimed adjustments for delivery charges and other adjustments. The Commission made a final determination to allow both these adjustments as they were substantiated by the sampled export documents submitted as being directly related to the sales under consideration and demonstrated to have affected price comparability at the time of setting prices.

4.3.3.5 Dumping margin

The weighted average margin of dumping for Wuhan was determined to be 25.6

percent.

4.3.4 Methodology in this investigation for Zhanjiang

It was found that the company did not export the subject product to SACU and therefore no dumping margin was determined for Zhanjiang.

However, since the company forms part of the Baoshan Steel Group, the Commission made a final determination that a single dumping margin will be determined for the group of companies, which will also include Zhanjiang.

4.3.5 SINGLE DUMPING MARGIN: BAOSHAN STEEL GROUP COMPANIES

The Commission made a final determination that the Baoshan Group of Companies are related in terms of Regulation 1 of the ADR and should be treated as a single entity in terms Article 6.10 of the WTO Anti-Dumping Agreement (“ADA”). This consideration is based on: (i) common ownership by Baoshan Iron & Steel Co., Ltd, (ii) shared shareholdings and management, and (iii) the fact that both domestic and export sales are conducted through the same companies.

Therefore, the Commission made a final determination that a single dumping margin for the Baoshan Group of Companies be determined, which is 40.86 percent.

Comments by interested parties on the essential facts letters

- i. The Commission notes that Baosteel’s information was considered deficient and could not be verified, yet it still intends to use it as “best information available,” even though unverified data cannot constitute such information, which should instead be limited to the verified data obtained in China. Wuhan submits that Baosteel and its affiliates made extensive efforts to comply with the Commission’s requirements, but given the complexity of their cost and sales structures, proper understanding would have required on-site verification. Wuhan maintains that the questionnaire responses were rigorously prepared and verifiable, and the Commission cannot reasonably dismiss them without verification. The Commission’s intention to base normal value on a “constructed cost” using overall company cost and profit is also criticised, as this is not a true constructed cost methodology but merely a use of actual costs that include adjustment items, which the Commission should accept. Wuhan therefore submits that

the Commission's proposed approach is flawed.

Commission's consideration

- i. The matter regarding the verification of deficient information has already been addressed extensively. The Commission reiterates that it cannot reasonably be expected to interpret or verify information that is incomplete or deficient, nor can it undertake an on-site verification on such a basis. Despite multiple requests, the foreign producer did not provide a proper cost and price build-up. The argument advanced by the foreign producer is therefore flawed, as it effectively requires the Commission to act contrary to the ADR, the WTO ADA, and established investigative practice in order to accommodate its deficient submission. Given these circumstances, the only alternative available to the Commission would have been to apply the residual duty to the foreign producers concerned, consistent with past practice.

4.4 Methodology in this Investigation for the Shougang Group of Companies

The Commission made a final determination that even though the information submitted by the Shougang Group of companies is deficient and not ideal in all respects, it is the best information available to the Commission and was be considered for the purpose of its final determination.

4.4.1 Methodology for Shougang Jingtang

4.4.1.1 Normal Value

The information submitted by the Shougang Jingtang could not be verified, as the responses remained deficient. In particular, the allocation of costs between the product under investigation (PUI) and other products in the CBU for Shougang Jingtang could not be validated for the following reasons:

- The CBU includes an "Other Products" column, which mostly has negative values, appearing to function as balancing figures.
- Such inconsistencies are observed across multiple items in the CBU.
- Consequently, the allocation of costs between the subject products and other products could not be determined and cannot be verified.
- In addition, it was found that the models of the subject product reflected in the CBU are not consistent with those reported in the sales schedules.
- The models in the CBU are different to the models in the sales schedules.

The Commission made a final determination that for Shougang Jingtang, the per-ton cost of production of the subject product be determined based on total company cost of production, plus SG&A and the total company production volumes.

In addition, it was found that the exporter sold the subject product both to related and unrelated customers in the domestic market. There are various irregularities identified in the sales information:

- Sales transactions were found with no dates or invoice numbers, making it impossible to confirm whether they fell within the POI.
- Many sales reported to related trading companies contained major deficiencies and unverifiable allocations.
- Related party sales data showed the following irregularities:
- Sales data excluded SG&A expenses of the reseller, included zero-value transactions to independent customers, and showed negative SG&A amounts not related to credit notes.
- Sales lacked order and invoice dates, included transactions without independent customer names but with SG&A costs of related parties, and showed blank prices for independent customers.
- Reported unexplained movement costs, excluded SG&A expenses for related-party sales to independent customers, and omitted names and prices for independent customers.
- There is a model that is sold in the domestic market, and that model is not in the CBU.

The Commission made a final determination to determine the normal value for Shougang Jingtang based on sales to independent customers in the domestic market. The Commission also made a final determination to determine the models of the subject product for Shougang Jingtang to be Hot-Rolled Coil, Pickled Coil, and Plate.

Shougang Jingtang produced and sold Hot-Rolled Coil, Pickled Coil, and Plate in the domestic market and exported two models, Hot-Rolled Coil and Pickled Coil, to SACU during the POI.

For Hot-Rolled Coil and Pickled Coil, more than 20% of the sales were found to be sold below the cost of production in line with ADR 8.2. The Commission made a final

determination to use the remaining sales for normal value determination in line with ADR8.3.

4.4.1.2 Adjustments to normal value

Shougang Jingtang claimed adjustments for inland freight and the cost of payment terms. The Commission made a final determination not to allow these adjustments on domestic sales, as no substantiating documents were provided.

4.4.1.3 SACU Export price

The Commission made a final determination to determine the export price based on actual sales.

4.4.1.4 Adjustments to SACU export price

Shougang Jingtang claimed adjustments for delivery charges, port handling fees, and other adjustments. The Commission made a final determination to allow these adjustments as they were substantiated by the sampled export documents submitted as being directly related to the sales under consideration and demonstrated to have affected price comparability at the time of setting prices.

4.4.1.5 Dumping margin

The weighted average margin of dumping was determined to be 17.57 percent.

4.4.2 Methodology used for Shougang Qian'an

4.4.2.1 Normal Value

For the purposes of the Commission's final determination, the information submitted by Shougang Qian'an could not be verified, as the responses remained deficient. Shougang Qian'an produced three models of the subject product, Hot-Rolled Coil, Pickled Coil, and Plane rolling line, and exported two models, Hot-Rolled Coil and Pickled Coil, to SACU during the POI.

The Commission made a final determination to determine the normal value based on

the comparable models to those exported to SACU.

It was found that the exporter sold the subject products to related customers in the domestic market. The Commission made a final determination to use sales made to independent buyers in the domestic market, through related customers, for establishing the normal value.

For Hot-Rolled Coil and pickled Coil, more than 20% of the sales were found to be sold below the cost of production in line with ADR 8.2. The Commission made a final determination to use the remaining sales for normal value determination in line with ADR8.3.

4.4.2.2 Adjustments to normal value

Shougang Qian'an claimed adjustments for inland freight, water transportation, cost of payment terms and port handling charges. The Commission made a final determination not to allow these adjustments as no substantiating documents were provided.

4.4.2.3 SACU export price

The Commission made a final determination to determine the export price based on actual sales.

4.4.2.4 Adjustments to SACU export price

Shougang Qian'an claimed adjustments for inland freight costs, port and handling fees, and export agency fees. The Commission made a final determination to allow the inland freight costs and port and handling fees adjustments as they were substantiated by the sampled export documents submitted as being directly related to the sales under consideration and demonstrated to have affected price comparability at the time of setting prices.

The Commission made a final determination not to allow the export agency fees adjustment, as no substantiating documents were provided.

4.4.2.5 Dumping margin

The weighted average margin of dumping for Shougang Qian'an was determined to be 26.54 percent.

4.4.3 Single dumping margin: Shougang Group Companies

The Commission made a final determination that the Shougang Group of Companies are related in terms of Regulation 1 of the ADR and should be treated as a single entity in terms Article 6.10 of the WTO Anti-Dumping Agreement ("ADA"). This determination is based on: (i) common ownership, (ii) shared shareholdings and management, (iii) both domestic and export sales are conducted through the same companies. Therefore, the Commission made a final determination that a single dumping margin for the Shougang Group of Companies be determined.

The weighted average margin of dumping for the Shougang Group of Companies, was determined to be 19.67 percent.

Comments by interested parties on the essential facts letters

- i. The submission notes that although the Commission stated Shougang Qian'an's information could not be verified due to alleged deficiencies, it nevertheless considers using this data without complying with section 6.6 of the Anti-Dumping Agreement, which requires authorities to satisfy themselves of the accuracy of information relied upon. It is argued that the Commission should have verified the information before using or rejecting it, and its failure to do so while simultaneously claiming large portions of the data "cannot be used" is inconsistent and procedurally unfair. The submission further highlights that the Commission's proposed use of related-customer sales and comparable models for normal value differs from the methodology applied to other Chinese producers such as Baoshan, suggesting an inconsistent approach chosen to yield higher dumping margins. It also disputes the Commission's finding that substantial volumes of hot-rolled coil and pickled coil were sold below cost, noting that this is unsupported and contradicts the submitted data. Finally, it emphasises that the Commission's comparison of the large domestic pickled-product sales to a few export sales to SACU is inherently unfair due to the extremely small export volume. Similar claim was made by other foreign producers.
- ii. The submission notes that a dumping margin of 26.54% was calculated for Shougang

Qian'an, while the Commission proposes a dumping duty of 19.67% for the Shougang Group. Under the Anti-Dumping Agreement, the duty imposed must not exceed the individual company's calculated dumping margin. The Commission is therefore urged to apply the recalculated dumping margin specifically for Shougang Qian'an and not to impose an average or group-wide duty. Consistent with past Commission practice, any duty applied to cooperating companies within a group should be calculated individually. If the Commission disregards this and imposes a single duty on the Shougang Group, it must not exceed the lowest positive dumping margin of 17.57% calculated for Shougang Jingtang.

- iii. The submission argues that although the Commission indicated it may rely on Shougang Group's information as "best information available," it simultaneously stated that much of the data cannot be used because it was not verified, which is inconsistent with section 6.6 of the Anti-Dumping Agreement requiring authorities to satisfy themselves of the accuracy of information relied upon. It is contended that Shougang Qian'an conscientiously prepared verifiable questionnaire responses, and in the absence of an on-site verification the Commission should not dismiss the data as deficient but should accept it for margin calculations or, at minimum, should have made efforts to liaise with the company to verify the information. The submission further asserts that in the absence of such verification, the only legitimate "best information available" would be the verified data already obtained by the Commission in China. Similar claim was made by other foreign producers.
- iv. The submission notes that although the Commission accepted Shougang Qian'an's adjustments to export prices as substantiated, its justification for allowing a port-handling-fee adjustment is incorrect, as the Commission claims these fees were known "at the time of setting the price," when in fact the invoices were only issued once the goods were shipped and therefore reflect actual expenses incurred after the price was set. It is therefore requested that the Commission reject this adjustment and recalculate the export price without port-handling fees. The submission reiterates that, in line with the Anti-Dumping Agreement, the Commission must ensure a fair comparison between normal value and export price when determining dumping margins.

Commission's consideration

- i. Article 6.6 of the ADA does not oblige the Commission to verify deficient information,

more especially at all costs to the detriment of the investigation. The Article itself contains an exception, which it states as Article 6.8. Article 6.8, states that where an interested party does not provide the required information or fails to provide it within a reasonable period of time, the provisions of Annex II apply. In this instance Qian'an and its related company did not provide the required information. In such cases, Article 6.8 expressly directs the authority to apply the provisions of Annex II when dealing with the information submitted by such information as that by Qian'an and its related company.

The Commission therefore acted in full compliance with Article 6.6, read together with Article 6.8 and Annex II. The Commission used each foreign producer's information to the extent possible and did not substitute one producer's information with that of another producer. Had the foreign producers addressed their deficiencies, or even attempted to remedy them, the Commission may have been able to verify the information. Even if the information had remained deficient, the extent of the deficiencies would likely have been reduced, and the information considered different.

Regarding the comparison between domestic sales volumes and export volumes cited above, there is no provision either in the ADR or the ADA prohibiting such a comparison. The volumes relied upon relate specifically to the company concerned, and all relevant provisions relating to ordinary course of trade and sufficient quantities were applied. Accordingly, the argument that this comparison is unfair is without merit.

- ii. The application of a single dumping margin has been clearly explained in the Commission's submission. Furthermore, the representatives of the Shougang Group are fully aware of this practice and requirement, as it has been applied both in the present investigation and in previous investigations in which they have participated. Their claim is therefore without merit. The rationale for applying a single margin has already been comprehensively set out and requires no further elaboration.
- iii. The Commission has clearly explained its approach to the information submitted by Qian'an, which remained deficient despite repeated opportunities to correct it. The Commission issued multiple deficiency letters, three in total, with all of them clearly pointing out the deficiencies as required by the ADR. Qian'an, however, consistently

resubmitted responses that either repeated the same deficiencies or only minimally addressed some deficiencies. This conduct was not unique to Qian'an, but also evident in the submissions of Jingtang, the related company of Qian'an.

In these circumstances, the Commission correctly characterised the data as deficient. To suggest otherwise would have been inaccurate and contrary to both the ADR and the WTO ADA, which require authorities to ensure that information relied upon is free of deficiencies, verifiable and its accuracy and adequacy is correctly determined. While the Commission did not dismiss Qian'an's submissions outright, it was obliged to record the factual position, that the information was deficient, and to determine how such information could lawfully be used.

As previously stated, the Commission provided more than reasonable opportunity for cooperation, i.e. over one month for the initial submission, seven days to remedy deficiencies following the first deficiency letter, and approximately a further month after the second deficiency letter. Despite these opportunities, the deficiencies were largely unaddressed. It would be unreasonable, and inconsistent with the 18-month statutory deadline, for Qian'an or any related company to expect an indefinite cycle of deficiency letters.

The Commission does not verify deficient or incomplete information, as verification procedures and planning require reliable and internally consistent data before an on-site verification can proceed. In the circumstances, the Commission faced only two lawful options, either disregard the information entirely, or use the incomplete and deficient data to the extent possible as "best information available" within the meaning of the ADR and the WTO ADA. The Commission adopted the latter approach, which is both reasonable and legally compliant.

- iv. The accuracy of Qian'an's statements cannot be ascertained as both Qian'an and its related company submitted deficient information and were not verified. However, irrespective of the statement, the company claimed an adjustment and the information submitted to substantiate the adjustment was considered by the Commission when making a determination to allow the adjustment. When Qian'an set its prices, it indicated the terms of sale, and these terms inherently influenced the prices charged.

It is well understood that, in most transactions, certain costs, such as transport and port handling charges may not be precisely known in advance. However, when a company sets its prices, it makes provision for such costs in line with the declared terms of sale (e.g., FOB, CIF). Accordingly, the Commission is not assuming that transport costs are known with certainty; rather, it is recognising that the price set by the exporter under the declared terms already incorporates the relevant cost elements associated with those terms.

In assessing the adjustments claimed, the Commission relied on the invoices and information contained in the exporter's own questionnaire response to ensure that only substantiated adjustments were considered. The Commission did not make adjustments for transport or related costs in the absence of information. Therefore, the request to disallow an adjustment that was both claimed and substantiated constitutes an attempt to reduce the dumping margin by preventing a proper comparison between the normal value and the export price.

4.5 Participating foreign producers/exporters that were not part of the sample

The Commission made a final determination that the weighted average dumping margin of those participating producers/exporters not selected to be part of the sample be 26.04%. The producers/exporters that are receiving the weighted average dumping margin are as follows:

- Han Steel Group Hanbao Iron and Steel Co., Ltd;
- HBIS Laoting Iron and Steel Co., Ltd;
- Xinyu Iron and Steel Co., Ltd;
- Bengang Steel Plates Co.,Ltd;
- Jiangyin Xingcheng Special Steel Works Co., Ltd., and
- Nanjing Iron and Steel Co., Ltd.

4.6 Residual margin of dumping for non-participating producers/exporters in this investigation (PRC)

For the purposes of determining the residual dumping margin for the PRC, the Commission made a final determination to use the weighted average dumping information of Shougang Qian'an Iron & Steel Company and Baoshan Iron & Steel. The basis of this approach is that these companies produced the subject product

covering all, product types exported to SACU and were included in the sample.

4.6.1 Dumping

The weighted average dumping margin for all other producers/exporters was thus found to be 47.95 percent.

4.7. METHODOLOGY IN THIS INVESTIGATION APPLICABLE FOR JAPAN

The normal values, export prices, and dumping margin for the producers/exporters were determined as follows:

4.7.1 Methodology for Nippon Steel Corporation

4.7.1.1 Normal value

During the POI, Nippon Steel produced various models of the subject products and exported 7 models to SACU. The Commission made a final determination to determine the normal value based on the comparable models to those sold SACU.

It was found that in the domestic market, Nippon Steel made sales to both related and unrelated traders. It was also found that some of the related parties sold to were not indicated as such in the exporter's response. The Commission made a final determination to determine the normal value based on sales to unrelated parties only.

4.7.1.2 Adjustments to Normal value

Nippon Steel claimed adjustments for cost of payment terms, other costs adjustments, delivery charges, packaging costs, and discounts and rebates. The Commission made a final determination to allow these adjustments on domestic sales as they were substantiated, verifiable, directly related to the sale under consideration and demonstrated to have affected price comparability at the time of setting prices.

4.7.1.3 SACU export price

Nippon Steel sold the subject products to SACU through one related and two unrelated international traders. The Commission made a final determination to determine the export price based on actual verified sales to SACU.

4.7.1.4 Adjustments to SACU export price

Nippon Steel claimed adjustments for cost of payment terms, delivery terms and packaging costs. The Commission made a final determination to allow these adjustments as they were substantiated, verifiable, directly related to the sale under consideration and demonstrated to have affected price comparability at the time of setting prices.

4.7.1.5 Dumping margin

The weighted average margin of dumping for Nippon Steel was determined to be 45.10 percent.

4.8 Residual margin of dumping for non-participating producers/exporters from Japan

For the purposes of determining the residual dumping margin for Japan, the Commission made a final determination to use the verified producer's (Nippon Steel) normal value without adjustment and its export price with adjustments. The basis for this determination is that Nippon was the only producer in Japan that responded to the Commission's exporter questionnaire.

4.8.1 Dumping

The weighted average dumping margin for all other producers/exporters in Japan was thus found to be 57.32 percent.

4.9 METHODOLOGY IN THIS INVESTIGATION APPLICABLE TO TAIWAN

There were no responses nor were comments received from producers and exporters of the subject products in Taiwan. The Commission made a final determination that the normal value and export price for all producers and exporters in Taiwan be determined based on facts available.

The facts available for normal value comprise of information considered by the Commission for its final determination, being information supplied by the Applicant. The facts available for the export price are the official import statistics from SARS for

the investigation period for dumping.

4.9.1 Normal Value

The Commission determined the normal value based on exports to third countries. The export prices to third countries were obtained from the International Trade Centre (“ITC Trade Map”), an online international trade statistics database. The subject product is exported from Taiwan on a FOB basis. The FOB export prices were adjusted by inland freight and port handling fees to arrive at an ex-factory export price.

4.9.2 Export prices

The export prices were determined based on the average FOB prices obtained from SARS import statistics for the period 01 April 2023 to 31 March 2024.

4.9.3 Margin of dumping

The dumping margin for the Taiwan was determined to be 27 percent.

Comments by interested parties on the Preliminary Report

The Anti-Dumping Agreement lacks specific rules on determining sales to third countries. The Commission selected India, China, the United Kingdom, and Indonesia as third countries for normal value determination, despite objections. Applying the Commission’s criteria shows these countries are neither “appropriate” nor “representative”.

Commission’s consideration

Interested parties are correct that neither the WTO ADA nor the ADR prescribes how or which countries may be chosen as third countries for the purpose of determining normal value at the initiation stage. This means the Commission and investigative authorities have broad discretion in making such a selection. The objections raised by interested parties therefore carry no weight, as long as the Commission has properly exercised this discretion. Once an investigation has been initiated, interested parties are given the full opportunity to respond and to provide the necessary information before the Commission. In this investigation, foreign producers from the PRC and Japan have responded, and the Commission has taken their information into account for the purpose of its final determination.

5. MATERIAL INJURY

5.1 DOMESTIC INDUSTRY – MAJOR PROPORTION OF PRODUCTION

The material injury is based on information provided by AMSA, constituting more than 80 per cent of SACU's domestic production of the subject product from 01 April 2023 to 31 March 2024.

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

5.2 CUMULATIVE ASSESSMENT

Three countries are involved in this investigation. Therefore, the Commission considered whether the effects of the imports from the three countries should be cumulatively assessed. In considering whether cumulation is appropriate with regard to the imports from the PRC, Japan and Taiwan, in terms of Regulation 16.3 of the ADR, the following were be considered:

Table 5.2: Consideration for cumulation

The imports from the countries are not negligible.	The imports from all countries are not negligible, as contained in table 2.1.6 above. They each account for more than 3 percent of total imports.
The margin of dumping is above the de minimis level.	The dumping margins calculated are above 2 percent, evident in tables 4.3(b), 4.3 (c) and 4.3(d).
Competition between imports from the different countries.	They are all like products for purposes of comparison; their end use and substitutability are similar. They are all transacted in the SACU market, and therefore, the fluctuations in the market shares between the three countries throughout the POI, as contained in Table 5.5.3, are evidence of competition. The price undercutting of the imports from all three
	countries is evidence of competition as they are all undercutting the applicant's prices at different levels.
Competition between imported product and SACU like product	The imported products and the SACU products are like products for purposes of comparisons; they are fully substitutable and have similar end use. They are transacted in the SACU market, and therefore the

	<p>fluctuations in the market shares between the three countries and SACU during the POI as contained in table 5.5.3 is evident of competition.</p> <p>The imported product from all three countries are undercutting the SACU prices.</p>
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The Commission considered that imports from the PRC, Japan, and Taiwan may be cumulatively assessed for injury determination, irrespective of the fact that there is no price undercutting or that price undercutting should not be considered an injury indicator due to incomplete information provided by the Applicant.

The Commission notes that the WTO in a panel decision outlined the conditions for cumulation, whereby the Panel in EC – Tube or Pipe Fittings came to the conclusion, on the basis of the text in Article 3.3, and citing contextual support in Articles 3.4 and 3.5, that the conditions identified in Article 3.3 are the sole conditions that must be satisfied by an investigating authority in order to undertake a cumulative assessment of the effects of dumped imports. In particular, the Panel rejected Brazil's allegation that an investigating authority must first consider whether country specific import volumes have significantly increased before cumulating them. The Appellate Body agreed with the Panel and reached the following conclusion: "The text of Article 3.3 expressly identifies three conditions that must be satisfied before an investigating authority is permitted under the Anti-Dumping Agreement to assess cumulatively the effects of imports from several countries. These conditions are:

- (a) the dumping margin from each individual country must be more than de minimis;
- (b) the volume of imports from each individual country must not be negligible; and
- (c) cumulation must be appropriate in the light of the conditions of competition
 - (i) between the imported products; and
 - (ii) between the imported products and the like domestic product.

By the terms of Article 3.3, it is 'only if' the above conditions are established that an investigating authority 'may' make a cumulative assessment of the effects of dumped imports from several countries. In support of its finding, the Appellate Body in EC – Tube or Pipe Fittings further elaborated on the rationale behind the practice of cumulation: "The apparent rationale behind the practice of cumulation confirms our interpretation that both volume and prices qualify as 'effects' that may be cumulatively assessed under Article 3.3.

A cumulative analysis logically is premised on a recognition that the domestic industry faces the impact of the 'dumped imports' as a whole and that it may be injured by the total impact of the dumped imports, even though those imports originate from various countries. If, for example, the dumped imports from some countries are low in volume or are declining, an exclusively country-specific analysis may not identify the causal relationship between the dumped imports from those countries and the injury suffered by the domestic industry.

The outcome may then be that, because imports from such countries could not individually be identified as causing injury, the dumped imports from these countries would not be subject to anti-dumping duties, even though they are in fact causing injury. In our view, therefore, by expressly providing for cumulation in Article 3.3 of the Anti-Dumping Agreement, the negotiators appear to have recognized that a domestic industry confronted with dumped imports originating from several countries may be injured by the cumulated effects of those imports, and that those effects may not be adequately taken into account in a country-specific analysis of the injurious effects of dumped imports. Consistent with the rationale behind cumulation, we consider that changes in import volumes from individual countries, and the effect of those country-specific volumes on prices in the importing country's market, are of little significance in determining whether injury is being caused to the domestic industry by the dumped imports as a whole.

Comments by interested parties on the Preliminary Report

- i. Interested parties state that the Commission did not apply the conditions of cumulative assessment in ADR16.3 Article 3.3 of the WTO ADA correctly, due to the following:
 - Failure to show the condition relating to competition between imports from the different countries.
 - Subject product consisting of different products falling under different tariff subheadings, and those products differ significantly, with some of the tariff subheadings not meeting the negligibility test.
 - The Commission wrongly treated the products from all three countries as a single product despite distinctions.
 - No injury in the form of price undercutting.

Commission's consideration

- i. The Commission applied the conditions for cumulative assessment in full compliance with the ADR and the WTO ADA. The information and evidence before the Commission clearly demonstrated that the legal requirements for cumulation were met. Interested parties have not specified which particular condition was allegedly not satisfied, nor have they substantiated why such condition would not have been met.
- To demonstrate that the Commission used the conditions fully, it is evident that the dumping margins are not de minimis, import volumes from each of the subject countries are not negligible, and the conditions of competition among the imports are clearly present.
 - Furthermore, there is clear competition between the subject imports from the three countries and SACU producers, as they all supply some of the same sectors within the SACU market. The fact that some models produced by foreign producers are not produced by the SACU industry does not make those models to be non-subject product. The volumes of such models are insignificant in comparison to the overall volumes of the dumped imports. Where appropriate, these specific imports of those models may be addressed through rebate provisions on anti-dumping duties, provided that the relevant conditions for rebates are satisfied.
 - While the Commission acknowledges that there is no evidence of price undercutting, it must be emphasised that price undercutting is not a prerequisite or one of the conditions for cumulative assessment. The evidence demonstrates that competition exists among the imports from the three countries, given the presence of multiple exporters supplying overlapping sectors, including construction industry, re-rollers and the motor industry.

The Commission made a final determination that the impact of the imports from the PRC, Japan, and Taiwan may be cumulatively assessed for purposes of injury determination. The following injury analysis will be based on cumulatively assessed data for the PRC, Japan, and Taiwan. The country-specific information is presented for purposes of transparency and completeness.

The Commission made a final determination that the impact of the imports from the PRC, Japan, and Taiwan be cumulatively assessed for purposes of injury determination.

5.3 MATERIAL INJURY ANALYSIS

The injury information presented below relates to the evaluation of data for the period 01 April 2021 to March 2024, period of investigation.

5.4 IMPORT VOLUMES AND EFFECT ON PRICES

5.4.1 Import volumes.

The following tables show the volume of the dumped imports of the subject products as sourced from SARS for the period 01 April 2021 to 31 March 2024.

Table 5.4.1 (a): Import volumes – Hot-Rolled Products

Tonnes	2021/22	2022/23	2023/24
Alleged dumped imports (Cumulatively assessed)	159 865	351 473	354 854
PRC	123 883	214 738	249 990
Japan	28 395	90 393	61 738
Taiwan	7 587	46 342	43 303
Other imports	156 242	168 241	109 715
Total	316 107	519 714	464 569
Alleged dumped imports as a % of total imports	51%	68%	76%
PRC	39%	41%	54%
Japan	9%	17%	13%
Taiwan	2%	9%	9%
Other imports as a % of total imports	49%	32%	24%
Total	100%	100%	100%

Tonnes	2021/22	2022/23	2023/24
Alleged dumped imports (Cumulatively assessed)	357	7 740	411
PRC	357	867	411
Taiwan	-	6 873	-
Other countries	-	57	156
Total	357	7 797	567
Alleged dumped imports as a % of total imports	100%	99%	72%
PRC	100%	11%	72%
Taiwan	0	88%	0

Other imports as a % of total imports	0	1%	28%
Total	100%	100%	100%

Table 5.4.1(b): Import volumes 7208.10*

*Where a country (PRC, Japan, or Taiwan) is not listed under a tariff sub-heading, there were no imports from that country.

Table 5.4.1(c): Import volumes 7208.25*

Tonnes	2021/22	2022/23	2023/24
Alleged dumped imports (Cumulatively assessed)	1 845	12 496	2 299
PRC	810	11 726	1 671
Japan	1 035	770	628
Other countries	314	373	548
Total	2 159	12 869	2 847
Alleged dumped imports as a % of total imports	85%	97%	81%
PRC	38%	91%	59%
Japan	48%	6%	22%
Other imports as a % of total imports	15%	3%	19%
Total	100%	100%	100%

*Where a country (PRC, Japan, or Taiwan) is not listed under a tariff sub-heading, there were no imports from that country

Table 5.4.1(d): import volumes 7208.26*

Tonnes	2021/22	2022/23	2023/24
Alleged dumped imports (Cumulatively assessed)	1 302	4 597	6 343
PRC	179	4 597	6 343
Japan	1 123	-	-
Other countries	399	6 156	9 059
Total	1 701	10 753	15 402

Alleged dumped imports as a % of total imports	77%	43%	41%
PRC	11%	43%	41%
Japan	66%	0%	0%
Other imports as a % of total imports	23%	57%	59%
Total	100%	100%	100%

*Where a country (PRC, Japan, or Taiwan) is not listed under a tariff sub-heading, there were no imports from that country.

Table 5.4.(e): import volumes 7208.27*

Tonnes	2021/22	2022/23	2023/24
Alleged dumped imports (Cumulatively assessed)	20 508	46 708	31 081
PRC	2 672	6 864	9 549
Japan	17 836	39 844	21 532
Other countries	1 198	17 853	28 174
Total	21 706	64 561	59 255
Alleged dumped imports as a % of total imports	94%	72%	52%
PRC	12%	11%	16%
Japan	82%	62%	36%
Other imports as a % of total imports	6%	28%	48%
Total	100%	100%	100%

*Where a country (PRC, Japan, or Taiwan) is not listed under a tariff sub-heading, there were no imports from that country.

Table 5.4.1(f): Import volumes 7208.36

Tonnes	2021/22	2022/23	2023/24
Alleged dumped imports (Cumulatively assessed)	59	2 734	3 377
PRC	59	2 434	3 110
Japan	-	114	267
Taiwan	-	186	-
Other countries	6 207	2 006	-
Total	6 266	4 740	3 377
Alleged dumped imports as a % of total imports	1%	58%	100%
PRC	1%	51%	92%
Japan	0%	2%	8%
Taiwan	0%	4%	0%
Other imports as a % of total imports	99%	42%	0%
Total	100%	100%	100%

Table 5.4.1(g): Import volumes 7208.37

Tonnes	2021/22	2022/23	2023/24
Alleged dumped imports (Cumulatively assessed)	535	22 795	18 416
PRC	279	17 176	16 195

Japan	255	4 168	2 221
Taiwan	1	1 451	-
Other countries	9 502	12 375	442
Total	10 037	35 170	18 858
Alleged dumped imports as a % of total imports	5%	65%	98%
PRC	3%	49%	86%
Japan	3%	12%	12%
Taiwan	0%	4%	0%
Other imports as a % of total imports	95%	35%	2%
Total	100%	100%	100%

Table 5.4.1(h): Import volumes 7208.38

Tonnes	2021/22	2022/23	2023/24
Alleged dumped imports (Cumulatively assessed)	3 097	30 511	24 212
PRC	3 031	10 902	13 306
Japan	65	10 857	3 037
Taiwan	1	8 752	7 869
Other countries	8 979	8 490	1 451
Total	12 076	39 001	25 663
Alleged dumped imports as a % of total imports	26%	78%	94%
PRC	25%	28%	52%
Japan	1%	28%	12%
Taiwan	0%	22%	0%
Other imports as a % of total imports	74%	22%	6%
Total	100%	100%	100%

Table 5.4.1(i): Import volumes 7208.39

Tonnes	2021/22	2022/23	2023/24
Alleged dumped imports (Cumulatively assessed)	41 612	108 969	131 978
PRC	32 381	50 066	62 491
Japan	1 644	34 639	34 053
Taiwan	7 587	24 264	35 434
Other countries	58 975	31 358	903
Total	100 587	140 327	132.881
Alleged dumped imports as a % of total imports	41%	78%	99%
PRC	32%	36%	47%
Japan	2%	25%	26%

Taiwan	8%	17%	27%
Other imports as a % of total imports	59%	22%	1%
Total	100%	100%	100%

Table 5.4.1(j): Import volumes 7208.51

Tonnes	2021/22	2022/23	2023/24
Alleged dumped imports (Cumulatively assessed)	19 741	55 341	81 532
PRC	19 628	55 341	81 532
Japan	113	-	-
Other countries	10 491	9 382	7 208
Total	30 232	64 723	88 740
Alleged dumped imports as a % of total imports	65%	86%	92%
PRC	65%	86%	92%
Japan	0%	0%	0%
Other imports as a % of total imports	35%	14%	8%
Total	100%	100%	100%

***Where a country (PRC, Japan, or Taiwan) is not listed under a tariff sub-heading, there were no imports from that country.**

Table 5.4.1(k): Import volumes 7208.52*

Tonnes	2021/22	2022/23	2023/24
Alleged dumped imports (Cumulatively assessed)	4 764	17 303	14 403
PRC	4 764	17 303	14 403
Other countries	2 340	1 647	1 111
Total	7 104	18 950	15 514
Alleged dumped imports as a % of total imports	67%	91%	93%
PRC	67%	91%	93%
Other imports as a % of total imports	33%	9%	7%
Total	100%	100%	100%

***Where a country (PRC, Japan, or Taiwan) is not listed under a tariff sub-heading, there were no imports from that country**

Table 5.4.1(l): Import volumes 7225.30

Tonnes	2021/22	2022/23	2023/24
Alleged dumped imports (Cumulatively	39 841	14 979	8 371

assessed)			
PRC	33 906	10 163	8 371
Japan	5 935	-	-
Taiwan	-	4 816	-
Other countries	7 508	22 394	10 620
Total	47 349	37 373	18 991
Alleged dumped imports as a % of total imports	84%	40%	44%
PRC	72%	27%	44%
Japan	13%	0%	0%
Taiwan	0%	13%	0%
Other imports as a % of total imports	16%	60%	56%
Total	100%	100%	100%

Table 5.4.1 (m): Import volumes 7225.40

Tonnes	2021/22	2022/23	2023/24
Alleged dumped imports (Cumulatively assessed)	26 156	27 478	35 677
PRC	25 816	27 478	35 677
Japan	340	-	-
Other countries	50 267	56 149	50 900
Total	76 423	83 627	86 577
Alleged dumped imports as a % of total imports	34%	33%	41%
PRC	34%	33%	41%
Japan	0%	0%	0%
Other imports as a % of total imports	66%	67%	59%
Total	100%	100%	100%

The Commission noted that the information in Table 5.4.1(a) above indicates that the alleged dumped imports, when cumulatively assessed, increased by 120% from 2021/22 to 2022/23, further increased by 1% from 2022/23 to 2023/24, with an overall increase of 122% over the POI. Imports from other countries increased by 8% from 2021/22 to 2022/23 and decreased further by 35% from 2022/23 to 2023/24, with an overall decline of 30% over the POI. The alleged dumped imports increased substantially while imports from other countries decreased over the POI, with the alleged dumped imports accounting for a significant percentage of total imports into the SACU market over the same period.

Comments from interested parties.

- i. Imports from Japan declined from 84 000 tonnes in 2022 to 56 000 tonnes in 2023, a decrease of 32%, and from January 2024 to July 2024, they further declined by 35%. Therefore, if the allegation of dumping was true the price competitiveness would have led to an increase in imports from Japan, Therefore, imports from Japan that are declining are highly unlikely to be causing injury.

- ii. The PRC only exports about 100 million tonnes of steel annually, while producing more than 1.2 billion tonnes and the rest is used internally to support their growth and economy. Their export stats to Africa are a mere 4% of their production, with South America and Asian countries receive most of their exports.
Interested parties indicated that the application is deficient as the information on volume of imports is not brought per tariff sub-heading.

Commission's consideration

- i. The 2022 – 2023 period cited by interested parties does not coincide with the months of the investigation period, as interested parties seem to be merely analysing such decline using January to December months, instead of the April – March months considered in the POI. These months analysed by interested parties are clearly selected to depict a narrative that favours interested parties. This narrative is strained further when interested parties compare and analyse a decline in imports for a full 12 months with 7 months, notwithstanding the fact that the period of comparison is not in line with POI, this comparison appears to be done to achieve the conclusion of a decline in imports from Japan. During the POI imports from Japan increased in Year 1 (April 2021 – March 2022) - Year 2 (April 2022 – March 2023) by more than 200 %, even though they declined by almost 50% from Year 2 -Year 3, the huge increase from Year 1 to Year 2 were so large that over the POI the increase was 117%. It is therefore clear that there is no decline in imports from Japan, and therefore the volume of imports from Japan do not support an argument that they are not causing the SACU industry injury.

- ii. The figures provided by the interested party seem incorrect and therefore makes the argument meritless, as 4% of 1.2 billion tonnes is 48 million tonnes, considering that it

is stated that 4% of Chinese production is exported to Africa, which would mean that almost 50% of exports from the PRC are destined for the African market. This would also make the point that most of Chinese exports are for the South American and Asian markets contradictory if the figures cited are correct. Irrespective of the errors in the figures provided, the SACU market is one of the biggest markets in Africa, if not the biggest, for PRC producers of the subject product, and therefore imports from PRC may be the cause of the material injury suffered by the Applicant.

The assertion that information on volumes of information was not brought per tariff sub-heading is incorrect, the Applicant provided the information per tariff sub-heading, and the Commission considered such information including a total for all tariff sub-headings in its determination.

5.4.2 EFFECT ON DOMESTIC PRICES

5.4.2.1 Price undercutting

Price undercutting is the extent to which the price of the imported product is lower than the price of the like product produced by the SACU industry. The price of the imported product is determined based on the landed cost. Landed cost is calculated based on Free on Board (FOB) export price plus cost of freight and clearing costs, plus 10% ordinary customs duties.

Commission's consideration

The Commission considered the substantiation document touted as proof of inland freight, port handling, and clearing fees related to screws and bolts. Furthermore, the email correspondence with the substantiation documents indicated that costs relating to CIF are excluded. The original source and countries it relates to are also not indicated. The Applicant indicated that the information provided to the Commission was the best information available.

Comments by interested parties on Preliminary Report

The Commission made the preliminary determination not to rely on price undercutting as an indicator of injury. Interested parties state that the Commission "remarkably states that the information provided by the Applicant was incomplete." Therefore, this information being incomplete, renders the application deficient and should not have been accepted.

Interested parties further state that Japanese and Chinese imports did not undercut SACU prices even when cumulatively assessed.

Commission's consideration

The Applicant provided all the information required in the application, and as such, the application as submitted cannot be regarded as deficient. In particular, the application did not contain incomplete information, as has been alleged by certain interested parties. The Commission assessed the information submitted by the Applicant and noted that the transport costs provided did not relate to the subject product. For this reason, the Commission deemed such costs unreliable for purposes of making an objective determination on price undercutting. On the basis of being unable to rely on the substantiated documents, the Commission determined that there was no price undercutting.

Notwithstanding the unreliability of the information, the Commission observed that even if it had relied on the substantiating documents submitted, its finding would still have been that no price undercutting existed. Therefore, in either scenario, the Commission reached the conclusion that there was no price undercutting. It should be noted that unreliability of certain information does not render an application deficient. To suggest otherwise would imply that information submitted by interested parties which, after verification, is found insufficient to substantiate any claim on price, volume or adjustments, would automatically be treated as deficient. Such an interpretation is not supported by the WTO ADA or ADR. There is a clear distinction between the completeness of an application and the reliability of information provided.

Comments by interested parties on essential facts letters

- i. The Japanese Mills argue that the Commission's price undercutting analysis is fundamentally flawed because the Applicant's own data shows that Japanese imports do not undercut domestic prices and in fact exhibit a negative undercutting margin of -8.01%, with cumulated margins also negative, indicating that Japanese import prices are higher than SACU domestic prices. They submit that any price gap is explained by differing quality and market segmentation, as Japanese mills supply high-quality specialty grades commanding premium prices, while the domestic industry sells lower-priced commodity grades. They further assert that even if undercutting were found (which they deny), the Commission has not demonstrated that any such undercutting

is significant or causally linked to injury, as required by WTO rules.

- ii. The Japanese Mills also object to the Commission's reliance on unverified exporter data and SARS statistics, while withholding this information from interested parties, yet simultaneously refusing to consider importer data on the basis of alleged deficiencies, an approach they say is inconsistent and procedurally unfair.

They therefore request disclosure of the information underlying the proposed finding of undercutting, submit that importer information should be considered, and maintain that the evidence does not support a finding of significant price undercutting by Japanese imports in line with Article 3.1 of the Anti-Dumping Agreement.

Commission's consideration

- i. The Commission has clearly provided the basis for its undercutting determination for all exporting countries. Price undercutting is measured as the difference between the Applicant's ex-factory selling price and the landed cost of the imported subject product. Prior to verification of the foreign producers, the landed cost was determined based on the Applicant's information, and the Commission found no evidence of price undercutting. However, following verification of the fully cooperating foreign producers, the Commission determined that the landed cost of the subject product undercuts the SACU product. While interested parties may raise arguments regarding quality or speciality grades of the imported product, such considerations do not alter the fact that, upon landing, these imports undercut the Applicant's pricing.
- ii. It is further noted that not all imports from China, Japan, and Taiwan are of superior quality or specialty grades. Any claims to the contrary are subjective. The causality assessment may therefore account for quality and grade differences, but these factors do not sufficiently detract from the material injury caused by dumped imports from the PRC, Taiwan, and Japan. Products that demonstrably do not cause material injury to SACU producers may, however, be considered for rebates if they meet the relevant requirements. No exporter from Taiwan participated in this investigation. Only one exporter from Japan and one exporter from China fully cooperated and were verified. Accordingly, it cannot be asserted as fact that imports from all foreign producers from the three countries are of superior quality or grade simply by virtue of their origin.

Furthermore, such a claim cannot be verified because only two exporters across the three countries fully cooperated and were verified. The Commission cannot draw generalised conclusions about the quality, grade, or specifications of all exports from these countries when the overwhelming majority of exporters did not participate or failed to cooperate.

Therefore, broad assertions that all imports from the PRC, Japan, and Taiwan are of superior quality or grade are unsubstantiated.

The Commission made a final determination not to rely on price undercutting as an injury indicator.

5.4.2.2 Price depression

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

Table 5.4.2.2: Price depression

R/ton	2021/22	2022/23	2023/24
HS CODE 7208.10	100	96	86
HS CODE 7208.25	100	145	137
HS CODE 7208.26	100	143	141
HS CODE 7208.27	100	104	101
HS CODE 7208.36	100	93	84
HS CODE 7208.37	100	102	92
HS CODE 7208.38	100	95	85
HS CODE 7208.39	100	97	88
HS CODE 7208.51	100	100	98
HS CODE 7208.52	100	101	99
HS CODE 7208.30	100	89	82
HS CODE 7208.40	100	90	89
Hot – Rolled products	100	101	93

The figures were indexed due to confidentiality using 2021/22 as a base year.

The Commission considered that the information in Table 5.4.2.2 above indicates that the Applicant experienced price depression in all tariff subheadings except HS codes 7208.25, 7208.26 and 7208.27 during the POI. The information indicates that the Applicant's ex-

factory selling prices for all hot-rolled products increased by 1 index point from 2021/2022 to 2022/23, then decreased by 8 index points from 2022/23 to 2023/24, with an overall decline of 7 index points over the POI.

The Commission considered the Applicant’s assertion that the SACU industry experienced price depression on hot-rolled products, with selling prices significantly decreasing 7 index points over the POI. The Commission also considered the Applicant’s assertion that it struggled to compete with lower dumped imports at the end of the POI due to a simultaneous increase in the cost of production since logistics and energy, amongst other factors, also increased over the POI.

5.4.2.3 Price suppression

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

Table 5.4.2.3: Price suppression

R/ton	2021/22	2022/23	2023/24
Applicant’s Ex-factory price			
HS CODE 7208.10	100	96	86
HS CODE 7208.25	100	145	137
HS CODE 7208.26	100	143	141
HS CODE 7208.27	100	104	101
HS CODE 7208.36	100	93	84
HS CODE 7208.37	100	102	92
HS CODE 7208.38	100	95	89
HS CODE 7208.39	100	99	88
HS CODE 7208.51	100	100	98
HS CODE 7208.52	100	101	99
HS CODE 7208.30	100	89	82
HS CODE 7208.40	100	90	89
Total Hot-Rolled products	100	101	93
Cost of production			
HS CODE 7208.10	100	136	134
HS CODE 7208.25	100	138	139
HS CODE 7208.26	100	135	135
HS CODE 7208.27	100	136	136
HS CODE 7208.36	100	135	137

R/ton	2021/22	2022/23	2023/24
HS CODE 7208.37	100	136	137
HS CODE 7208.38	100	134	135
HS CODE 7208.39	100	137	137
HS CODE 7208.51	100	136	136
HS CODE 7208.52	100	136	140
HS CODE 7208.30	100	148	131
HS CODE 7208.40	100	134	135
Total Hot-Rolled products	100	137	136
Cost of production as a % of the Applicant's ex-factory price			
HS CODE 7208.10	100	142	156
HS CODE 7208.25	100	95	101
HS CODE 7208.26	100	95	95
HS CODE 7208.27	100	132	136
HS CODE 7208.36	100	146	162
HS CODE 7208.37	100	134	149
HS CODE 7208.38	100	142	160
HS CODE 7208.39	100	142	156
HS CODE 7208.51	100	136	139
HS CODE 7208.52	100	135	142
HS CODE 7208.30	100	166	160
HS CODE 7208.40	100	146	151
Total Hot-Rolled Products	100	135	135

The figures were indexed due to confidentiality using 2021/22 as a base year.

Table 5.4.2.3 above indicates that the Applicant experienced price suppression in all tariff sub-headings and overall hot-rolled products or subject product, except on HS code 7208.26 over the POI. The information indicates that the Applicant's cost as a percentage of ex-factory selling prices for all hot-rolled products increased by 35 index points from 2021/2022 to 2022/23, remained constant from 2022/23 to 2023/24 with an overall decline of 35 index points over the POI.

The Commission considered the Applicant's assertion that production cost as a percentage of the selling price for all tariff sub-headings combined increased significantly, and therefore, the decrease in selling prices and increased production costs made it impossible for it to realize reasonable and sustained profits.

Comments by interested parties on essential facts letters

- i. The Japanese Mills argue that the Commission's proposed findings of price depression and price suppression are legally flawed and inconsistent with Article 3.2 of the Anti-Dumping Agreement because the Commission fails to examine whether Japanese imports have any explanatory force for observed domestic price trends. They contend that both the Preliminary Determination and the Essential Facts Letter merely describe declines in domestic prices and increases in cost-to-price ratios without assessing whether imports from Japan whose prices are higher than SACU domestic prices could have depressed or prevented increases in those prices. Relying on WTO Appellate Body guidance in *China – GOES*, they submit that the Commission must show that subject imports exert downward pressure on domestic prices, which is impossible here because Japanese imports consist of higher-priced, higher-quality specialty grades that should enable, rather than hinder, domestic price increases.
- ii. The Japanese Mills further argue that SACU producers did not lower their prices in response to Japanese imports and that any price depression or suppression stems from the domestic industry's own quality and delivery shortcomings, as well as competition from other sources such as China and Taiwan. They therefore submit that Japanese imports have no causal connection to alleged price depression or suppression and that the Commission should make a final determination to that effect.

Commission's consideration

- i. The Commission has found that the Applicant's prices are being both suppressed and depressed as a direct result of the competing import volumes and prices. The levels at which these imports enter the SACU market limit the Applicant's ability to adjust or increase its selling prices, as it must continuously respond to price pressure from lower-priced imports. The verified dumping margins of the Japanese imports further demonstrate that Japanese producers are intentionally exporting at dumped prices. The competition faced by the Applicant is not only from Japanese imports, the prices and volumes of imports from the PRC and Taiwan are also major contributors to the depression and suppression suffered by the Applicant.
- ii. In addition, the relatively low prices of certain higher-grade Japanese (including those from the PRC and Taiwan) imports may reflect a deliberate strategy to prevent SACU producers from developing or expanding production of comparable high-value

products, as they would be forced to compete against persistently dumped imports.

The Applicant’s operational shortcomings are acknowledged, well documented, and were fully considered during the preliminary determination. They will likewise be taken into account in the final determination. However, the issues raised regarding price suppression, price depression and undercutting, particularly in relation to causality, do not sufficiently detract from the clear causal link established between dumped imports from the PRC, Japan and Taiwan, and the material injury suffered by the SACU industry.

5.5 CONSEQUENT IMPACT OF THE DUMPED IMPORTS ON SACU THE INDUSTRY

5.5.1 Actual and potential decline in sales volumes and values

The following table shows SACU sales volumes and values of the subject product for the period of investigation:

Table 5.5.1: Sales volume and values

Rm	2021/22	2022/23	2023/24
Applicant’s sales volumes (ton)	100	82	93
Applicant’s sales values	100	83	86

The figures were indexed due to confidentiality using 2021/22 as a base year.

Table 5.5.1 above indicates that the Applicant’s sales volumes decreased by 18 index points from 2021/22 to 2022/23 and increased by 11 index points from 2022/23 to 2023/24, with an overall decline over the POI.

Table 5.5.1 above further indicates that the Applicant’s sales values decreased by 17 basis points from 2021/22 to 2022/23, increased by 3 index points from 2022/23 to 2023/24 and decreased further over the POI by 14 index points.

5.5.2 Profit

The following table shows the Applicant’s profit situation:

Table 5.5.2: Profit

Rm	2021/22	2022/23	2023/24
Gross profit			
HS CODE 7208.10	100	39	20

HS CODE 7208.25	100	164	103
HS CODE 7208.26	100	129	129
HS CODE 7208.27	100	2	(10)
HS CODE 7208.36	100	32	2
HS CODE 7208.37	100	33	0
HS CODE 7208.38	100	25	2
HS CODE 7208.39	100	22	5
HS CODE 7208.51	100	(23)	(30)
HS CODE 7208.52	100	(15)	(25)
HS CODE 7208.30	100	28	34
HS CODE 7208.40	100	3991	(883)
Total Hot-Rolled products	100	20	22
Net profit			
HS CODE 7208.10	100	36	14
HS CODE 7208.25	100	180	104
HS CODE 7208.26	100	143	140
HS CODE 7208.27	100	(10)	(R26)
HS CODE 7208.36	100	26	(9)
HS CODE 7208.37	100	26	(12)
HS CODE 7208.38	100	20	5
HS CODE 7208.39	100	18	(2)
HS CODE 7208.51	100	(38)	(47)
HS CODE 7208.52	100	(27)	(36)
HS CODE 7208.30	100	24	28
HS CODE 7208.40	100	(1628)	(3777)
Total Hot-Rolled products	100	14	14

The figures were indexed due to confidentiality using 2021/22 as a base year.

Table 5.5.2 above indicates that the Applicant experienced gross losses on four HS codes (7208.27, 7208.51, 7208.52, and 7225.40) of the twelve tariff subheadings, and net losses on seven (7208.27, 7208.36, 7208.37, 7208.39, 7208.51, 7208.52, and 7225.40) of the twelve subheadings. On those tariff subheadings with no losses, the Applicant experienced decreases in net profits.

The information related to hot rolled products in Table 5.5.2 above indicates that the Applicant's net profit decreased by 8 index points from 2021/22 to 2022/23, remained constant from 2022/23 to 2023/24, with an overall decline of 86 index points over the POI. The Applicant's gross profit declined by 80 index points from 2021/22 to 2022/23, increased by 2 index points from 2022/23 to 2023/24 with an overall decline of 78 index points over the POI.

The Commission considered the Applicant's assertion that the significant decrease in profits is indicative of a market where domestic selling prices are not only depressed but also suppressed to compete with the unfair price levels of the alleged dumped imports. The downward trend will continue and will significantly impair the Applicant.

5.5.3 Market share

The following table shows the market share for the subject product based on sales and import volumes expressed as a percentage of total SACU market:

Table 5.5.3: Market share

Tons	2021/22	2022/23	2023/24
Applicant's sales volumes	100	82	93
Other SACU producers' sales volumes	100	82	93
Alleged dumped imports volumes	100	220	222
-PRC	100	173	202
-Japan	100	319	217
-Taiwan	100	611	571
Other imports volumes	100	108	70
Market share %			
Applicant's market share as a % of total market	100	81	87
Other SACU producers' market share as a % of total market	100	86	86
Alleged dumped imports by country market share as a % of total market			
-PRC	100	178	200
-Japan	100	350	200
-Taiwan	100	300	300
Total market share of alleged dumped imports (%)	100	217	217
Market share of other imports (%)	100	100	67
Total	100	100	100

The figures were indexed due to confidentiality using 2021/22 as a base year.

*Market share of other SACU producers is estimated based on production volumes of 2023/2024.

Table 5.5.3 above indicates that the Applicant’s market share for hot-rolled products combined decreased by 19 index points from 2021/22 to 2022/23, then increased by 6 index points from 2022/23 to 2023/24, resulting in an overall decline of 13 index points over the POI. Alleged dumped imports’ market share increased by 117 index points from 2021/22 to 2022/23 and remained constant from 2022/23 to 2023/24, resulting in an overall increase of 117 index points over the POI. The market share of other imports remained constant from 2021/22 to 2022/23, decreased by 33 index points from 2022/23 to 2023/24, and ultimately declined by 33 index points over the POI.

The Commission considered the Applicant’s assertion that alleged dumped imports gained market share at its expense despite the overall increase in domestic demand and that other imports also lost market share over the POI.

5.5.4 Output

The following table shows the Applicant’s domestic production volumes of the subject product:

Table 5.5.4: Production Volumes

	2021/22	2022/23	2023/24
Total production of the product concerned (tonnes)	100	74	91

The figures were indexed due to confidentiality using 2021/22 as a base year.

Table 5.5.4 above indicates that the Applicant’s output decreased by 26 index points from 2021/22 to in 2022/23 and then increased by 23 index points 2022/23 to 2023/24, resulting in an overall decline of 9 index points over the POI.

Commission’s consideration

The Commission considered that the production volume indicated in Table 5.5.4 relates to the production of all hot rolled products, with some of these being further processed into other final products which are not subject to this Application. The Applicant did provide a split of only final hot rolled product; however, this is based on sales, and it relates to products only sold in the domestic market, excluding exports.

5.5.5 Employment

The following table provides the Applicant's number of employees in production:

Table 5.5.5: Employment

	2021/22	2022/23	2023/24
Direct labour units: production	100	97	93
Indirect labour units: production	100	95	96
Total labour units: production	100	96	94

Table 5.5.5 above indicates that the Applicant's total labour production units decreased by 4 index points from 2021/22 to 2022/23 and further decreased by 2 index points from 2022/23 to 2023/2, with an overall decline of 6 index points over the POI.

The Commission considered the Applicant's assertion that the employment numbers decreased over the POI and will continue when the Applicant is forced to rationalize to remain profitable.

5.5.6 Productivity

The table below shows the Applicant's productivity determined based on output the number of employees in production:

Table 5.5.6: Productivity

Ton	2021/2022	2022/23	2023/24
Total production volume (ton)	100	74	91
Number of employees (manufacturing only)	100	96	94
Units per employee (tonnes)	100	76	97

Table 5.5.4 above indicates that the Applicant's produced units per employee decreased by 24 index points from 2021/22 to in 2022/23 and increased by 21 index points from 2022/23 to 2023/24, with an overall decrease of 3 index points over the POI.

The Commission considered the Applicant's assertion that the decline in output meant that fewer employees were needed in the plant and therefore employees were laid off. However, the productivity achieved in table 5.5.6 shows that its current employment numbers are not sufficient to achieve efficiency in the plant.

5.5.7 Utilisation of production capacity

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

Table 5.5.7: Utilisation of production capacity

Tons	2021/22	2022/23	2023/24
Applicant's capacity (tonnes)	100	100	100
Applicant's Output	100	74	91
Capacity utilisation %	100	74	91

Table 5.5.7 above indicates that the Applicant capacity utilisation decreased by 16 index points from 2021/22 to 2022/23, increased by 17 index points from 2022/23 to 2023/24 and over the POI, it decreased by 9 index points.

The Commission considered the Applicant's assertion that it is operating significantly below full capacity; however, considering the volume of imports, there is significant room for improvement in capacity utilisation should Anti-Dumping measures be imposed. This will, in turn, influence efficiencies and increase the demand for labour.

Commission's consideration

The Commission considered that the Applicant determined capacity based on the installed capacity of its machine to produce all hot-rolled coils regardless of whether they were to be further processed into other products.

5.5.8 Return on investment.

The following table shows the Applicant's return on investment:

Table 5.5.8: Return on investment.

R/m	2021/22	2022/23	2023/24
Net profit (subject product)	100	14	14
Net assets (subject product)	100	109	114
Return on net assets (product)	100	13	12

Table 5.5.8 above indicates that the Applicant’s return on net assets for the subject product decreased by 87 index points from 2021/22 to 2022/23 and further decreased by 1 index points from 2022/23 to 2023/24, for an overall decrease of 88 index points for the POI.

The Commission considered the Applicant’s assertion that the return on investments dropped significantly and has declined throughout the POI, mainly affected by shrinking profits.

5.5.9 Factors Affecting Domestic Prices

The Applicant experienced depression and suppression over the POI.

5.5.10 The magnitude of the margin of dumping

The weighted average dumping margin for the subject product was determined as follows:

The PRC – 47.95%.

Japan – 57.34%; and

Taiwan – 27%

5.5.11 Actual and potential negative effects on cash flow

The following table reflects the Applicant’s cash flow situation.

Table 5.5.11: Cash flow

R/m	2021/22	2022/23	2023/24
Cash flow: incoming HRP	100	91	94
Cash flow: outgoing	100	101	108
Net cash flow	100	31	5
HS 720810			
Cash flow: incoming	100	103	93
Cash flow: outgoing	100	114	107
Net cash flow	100	34	3
HS 720825			
Cash flow: incoming	100	102	81
Cash flow: outgoing	100	112	93
Net cash flow	100	33	0
HS 720826			
Cash flow: incoming	100	77	75
Cash flow: outgoing	100	86	87

R/m	2021/22	2022/23	2023/24
Net cash flow	100	26	4
HS 720827			
Cash flow: incoming	100	93	83
Cash flow: outgoing	100	92	107
Net cash flow	100	28	5
HS 720836			
Cash flow: incoming	100	129	148
Cash flow: outgoing	100	144	171
Net cash flow	100	44	7
HS 720837			
Cash flow: incoming	100	114	123
Cash flow: outgoing	100	127	142
Net cash flow	100	39	6
HS 720838			
Cash flow: incoming	100	88	91
Cash flow: outgoing	100	98	105
Net cash flow	100	30	5
HS 720839			
Cash flow: incoming	100	77	83
Cash flow: outgoing	100	85	96
Net cash flow	100	26	4
HS 720851			
Cash flow: incoming	100	110	101
Cash flow: outgoing	100	122	117
Net cash flow	100	37	5
HS 720852			
Cash flow: incoming	100	102	66
Cash flow: outgoing	100	113	76
Net cash flow	100	34	3
HS 722530			
Cash flow: incoming	100	137	132
Cash flow: outgoing	100	147	147
Net cash flow	100	33	0
HS 722540			
Cash flow: incoming	5	5	2
Cash flow: outgoing	100	100	40
Net cash flow	100	0	0

Table 5.5.11 above indicates that the Applicant's net cash flow decreased by 69 index points from 2021/22 to 2022/23, further decreased by 64 index points from 2022/23 to 2023/24, with an overall decline of 95 index points over the POI.

The Commission considered the Applicant's assertion that its net cash flow declined consistently during the POI in the next 12 months, that this will continue and could have crippling effects, as it would no longer be able to sustain the positive cash flow due to further streamlining.

5.5.12 Inventories

The following table provides the Applicant's inventories for the subject product:

Table 5.5.12: Inventories

	2021/22	2022/23	2023/24
Inventories Volume - Ton	100	45	71
Inventories Value Rm	100	51	88

Table 5.5.12 above indicates that the Applicant's inventory volume decreased by 55 index points from 2021/22 to 2022/23 and then increased by 26 index points from 2022/23 to 2023/24, with an overall decline of 29 index points over the POI.

Table 5.5.12 above further indicates that the Applicant's inventory value decreased by 49 index points from 2021/22 to 2022/23 and then increased by 37 index points from 2022/23 to 2023/24, with an overall decline of 12 index points over the POI.

The Commission considered the Applicant's assertion that it produces to order; therefore, fluctuations in inventory levels are not necessarily indicative of injury but rather of the available stock for clients who have already placed orders.

5.5.13 Wages and Salaries

The following table shows the Applicant's wages and salaries:

Table 5.5.13: Wages and Salaries

R/m	2021/22	2022/23	2023/24
Total wages: Production Rm/year	100	102	109
Wages per Employee	100	107	117

Table 5.5.13 above indicates that the Applicant's wages per employee increased by 7 index points from 2021/22 to 2022/23 and further increased by 10 index points from 2022/23 to 2023/24, for an overall increase of 17 index points over the POI.

The Commission considered the Applicant's assertion that it concluded a 3-year wage agreement with unions to give itself the platform to plan for operational stability, penetration in the markets and nurturing of growth in the Africa Over Land ('AOL') and domestic market.

The Commission also considered the assertion that despite the decrease in sales and profitability, the Applicant undertook to pay its employees a favourable rate, hence the increase seen in Table 5.5.13 above. However, should duties not be imposed, it will be forced to reduce employees, which has already happened at its Newcastle Mill.

5.5.14 Ability to raise capital or investments.

The following table provides the Applicant's ability to raise capital or investments:

Table 5.5.14: Ability to raise capital or investments.

R/m	2021/22	2022/23	2023/24
Total capital/investment in subject product -Rand million	100	109	114
Capital expenditure during year on the subject product - Rand million	100	168	105

Table 5.5.14 above indicates that the Applicant's capital investment in the subject product increased by 9 index points from 2021/22 to 2022/23 and further increased by 5 index points from 2022/23 to 2023/24, for an overall increase of 1 index points over the POI.

Table 5.5.14 above indicates that the Applicant's capital expenditure on the subject product increased by 68 index points from 2021/22 to 2022/23 and then decreased by 63 index points from 2022/23 to 2023/24, with an overall increase of 5 index points over the POI.

The Commission considered the Applicant's assertion that it can still raise capital investment and expenditure to remain competitive; however, this will not be sustainable if the industry remains unprotected from the alleged dumped imports. As it is a publicly

traded entity, investment is highly dependent on the overall profitability of the entity, which is not just under threat from cheap imports.

5.5.15 Growth

The following table shows the growth of the SACU market:

Table 5.5.15: Growth

Ton	2021/2022	2022/23	2023/24
Size of the SACU market	100	102	106
% growth from the previous year		100	200
Applicant's sales volume (tonnes)	100	82	93
Applicant's growth %		100	167
*The rest of SACU producers' volume	100	82	93
Rest of SACU growth %		100	167
Alleged dumped imports volume (Cumulated)	159 866	351 473	355 031
Alleged dumped imports growth %		120%	1%
Other imports volume	156 242	168 241	110 573
Other imports growth %		8%	(35%)

*The 2021/22 and 2022/23 sales volumes are estimated based on Columbus production volume in 2022/2024.

The information in Table 5.5.15 above indicates that the size of the SACU market grew by 2 index points from 2021/22 to 2022/23, by 4 index points from 2022/23 to 2023/24, and by 6 index points overall over the POI. The Applicant did not experience any growth from 2021/22 to 2022/23 as its sales volumes declined by 18 index points, however from 2022/23 to 2023/24, sales recovered by 11 index points compared to previous year, overall, the Applicant's sales declined by 7 index points during the POI. The alleged dumped imports experienced growth every year. Its significant growth was experienced from 2021/22 to 2022/23, amounting to 120%, and a further 1% growth from 2022/23 to 2023/24, resulting in an overall growth of 121% during the POI.

The Commission considered the Applicant's assertion that the SACU market has grown due to the local economy recovering from COVID-19; however, the bulk of this increase was captured by allegedly dumped imports.

SUMMARY - MATERIAL INJURY

Based on the information above, the Applicant experienced material injury with regard to the following:

- ii. Price Suppression;
- iii. Price depression;
- iv. Declining sales volume;
- v. Declining production volume;
- vi. Declining productivity;
- vii. Declining market share;
- viii. Declining employment;
- ix. Declining capacity utilisation;
- x. Declining profits; and
- xi. Declining return on investments.

Comments by interested parties

- i. AMSA's outdated facilities and lack of investment since 2015 have resulted in production costs 25% higher than modern mills and electricity usage 60% greater. Despite duty protection, AMSA's footprint has shrunk through major plant closures and significant workforce reductions, indicating that imports are not the main cause of its decline.
- ii. The introduction of further high anti-dumping duties will accelerate the contraction of the steel industry and cause further job losses. Industry-wide job losses since the introduction of safeguard duties far exceed those at AMSA, with government losing billions in tax revenue as the steel sector contracted by at least 25%.
- iii. The steel industry in South Africa is totally reliant on one producer who closed all competitors, enabling price control and reliance on government protection and further protection for this producer will destroy the steel industry. Unless Mittal improves business acumen, operates competitively, and maintains facilities properly, no protection should be granted.
- iv. The applicant cannot produce above 50% capacity due to old infrastructure and inability to upgrade its plant, its limited capacity causes ongoing shortages, as shown by late deliveries reported by merchants and resellers. Blocking imports through safeguards and anti-dumping duties will harm the steel industry and downstream businesses.
- v. While AD and SG investigations are not mutually exclusive, anti-dumping duties require

proof of injury caused by dumped imports. With provisional SG measures in place, injury cannot be attributed to subject imports; thus, provisional or final AD measures cannot be imposed.

- vi. WTO rules require injury determinations to reflect current conditions. Following provisional SG duties in July 2024, imports from Japan fell by about 12%, showing current conditions do not support an injury finding.
- vii. Interested parties indicate that the tariff sub-headings covered in this investigation overlap those covered in the safeguard investigation which is conducted by ITAC and where provisional measures have been imposed in July 2024. The result of the provisional measures will lead to a decline in imports which should be considered by the Commission in its injury determination together with the injury within the POI. The determination of whether injury exists should be based on data that provide indications of the situation prevailing when the investigation takes place (Appellate Body Report, Mexico - Anti-Dumping Measures on Rice, para. 165). Therefore, according to Article 3.1 of the Anti-Dumping Agreement, the historical data covering only the POI (April 2021 to March 2024) are too remote to "provide indications" of the existence of injury "when the investigation takes place.

Commission's consideration

- i. The assertion by the interested parties overlooks the legally relevant distinction between contributory factors and a break in the causal link. While AMSA's alleged operational challenges, including outdated facilities and historical underinvestment, may have contributed to higher costs and reduced competitiveness, this does not, in itself, sever the causal relationship between allegedly dumped or unfairly traded imports and the material injury suffered by the domestic industry. Imports do not have to be the sole or even predominant cause of injury; rather, the test is whether injurious imports are a cause of material injury and whether injury attributable to other factors is not improperly ascribed to those imports. The existence of plant closures and workforce reductions, even during periods of duty protection, may equally be consistent with an industry under sustained import pressure that is unable to recover due to the continued price-depressing and volume effects of imports.

- ii. Anti-dumping investigations are intended to level the playing field with respect to injurious dumping, and such dumping cannot be allowed to continue unchecked to the detriment of the SACU industry. Should injurious dumping be allowed, it could lead to the closure of domestic producers, leaving downstream SACU industries entirely dependent on imports, a situation that would create additional challenges, including logistical constraints at SACU ports. The protection of the SACU industry also serves to protect jobs in both upstream and downstream sectors. Accordingly, the claim that protecting AMSA is detrimental to employment is inaccurate. On the contrary, the overall impact of allowing AMSA to close as a result of injurious dumping would far outweigh the potential losses cited by interested parties.
- iii. It is unclear which competitors were closed due to the Applicant; however, it is acknowledged that there is one major steel producer in the SACU region. The connection between these statements and the allegations of injurious dumping are not clear.
- iv. The Applicant's capacity constraints are acknowledged and should be addressed; however, these constraints do not detract from the causal link between the injurious dumping and the injury suffered by the SACU industry. Issues relating to supply, including the Applicant's inability to produce certain models, may be addressed through the rebate mechanism to ensure that SACU downstream players are not adversely affected by any supply limitations.
- v. Provisional measures were not imposed in this investigation, and the reasons for this decision were clearly articulated in the Commission's preliminary determination. The mere fact that safeguard measures were imposed does not mean that the SACU industry is not suffering material injury as a result of injurious dumping. This argument conflates the existence of provisional safeguard measures with the legal test for causation in an anti-dumping investigation and incorrectly treats safeguards as negating injury attributable to dumped imports. Under both the ADRs and the ADA,, the question is whether dumped imports caused material injury during the relevant period of investigation, assessed on the basis of positive evidence and an objective examination of volume, price effects, and impact on the domestic industry. The subsequent or concurrent imposition of provisional safeguard measures does

not preclude a finding that dumped imports caused injury during that period. Safeguard measures address serious injury caused by increased imports irrespective of dumping, operate under a different legal standard, and are forward-looking in nature. At most, the existence of safeguard measures may be relevant to avoiding double remedies at the stage of duty application, but it does not bar the imposition of provisional or final anti-dumping

- vi. The Commission determined that the impact of imports from the three subject countries should be assessed cumulatively, and accordingly, injury cannot be evaluated on a country-by-country basis. It is noted, however, that imports from Japan increased by more than 200% from year one to year two, before experiencing a slight decline in year three. During the POI, imports nevertheless rose by more than 100%. While it can be acknowledged that the provisional safeguard measures may have contributed to the slight decline in year three, this reduction was insufficient to offset the significant increases in dumped imports from Japan over the period of investigation.
- vii. It is noted that the tariff sub-headings in this investigation overlap those that form part of the mentioned safeguard investigation and the fact that there are provisional safeguard duties that are lapsed in January 2025. It should be noted that since there is no final determination published, within 6 months after imposition, these measures will lapse, and the provisional duties paid back to importers. Although the provisional measures are most likely to result in a decline in imports, the impact of these measures cannot be meaningfully evaluated as data that is available to the Commission will not cover the full 6 months and cannot be meaningfully compared with import volumes of the POI.

Interested parties cite the Appellate Body Report on Rice, to indicate that the Commission should consider information prevailing after the imposition of provisional measures in July 2024, which would reveal current and prevailing data. However, this assertion would mean that all investigations should consider additional periods (days, months, years) that are post the period for data collection for injury information provided, which would be post-initiation of an investigation.

It should be noted that the investigation was initiated within 5 months after the end of the period for data collection for injury, and within the legally required 6 months for dumping information. The WTO Committee on Anti-dumping practices in its meeting of 4-5 May 2020 adopted recommendations concerning the period of data collection, which summarily state that “the period of data collection for material injury determination should include an entirety of the period of data collection for dumping determination. Also, the period of data collection for dumping determination should be ending as close as possible to the date of initiation”. Since on investigations conducted by ITAC, the POI for dumping is the last year of the POI for injury, it would therefore suffice that the POI for injury should also be as close as possible, similar to the period for dumping determination. The ADR therefore determined the date which is considered as close as possible to the initiation date as “6 months”, meaning information cannot be older than 6 months.

The assertion of needing to provide additional information which considers what they say are “current conditions” is not supported by the Panel in Mexico – Steel Pipes and Tubes, which noted that, the selection of the period of investigation by an investigating authority was a critical element in the anti-dumping investigative process. The Panel noted further that there were clear textual indications that anti-dumping measures could only be imposed to offset dumping currently causing injury. The data on which such a determination was made could be based on a past period, although given that “historical” data was being used to draw conclusions about the current situation it was likely that more recent data would be ‘inherently more relevant and thus especially important to the investigation.’

The Panel considered that ‘the investigating authority should rely upon information pertaining to a period approaching, as close as practicable, the date of initiation of the investigation.’ In this case, the Panel needed to consider whether a gap of eight months between the end of the period of investigation and the initiation of the investigation, and another gap of just over two years between the end of the period of investigation and the imposition of the final anti-dumping duties raised doubts about the existence of a “sufficiently relevant nexus between the date relating to the period of investigation and current injury and causal link as to result in a violation of Article 3.1.

While the Panel had concerns regarding the selection of the injury period of investigation and would have preferred the investigating authority in Mexico to have collected updated data, it did not consider Guatemala to have “established that the information used ... did not reflect a sufficiently relevant nexus between the data relating to the period of investigation and current injury and causal link.

Taking into account that 8 months between the last year in the POI and initiation of the investigation was concerning to the panel in the above matter, it was not a violation of Article 3.1, and in this case the information is less than 6 months, and the Commission will impose final measures within the 18 months prescribed in the ADA and ADR, not over two years as in the above matter.

This is further supported by the case cited by interested parties, in Mexico – Anti-Dumping Duties on Rice, Mexico argued that the Panel should have found that Mexico’s interpretation concerning the “integration” of the data collection period was permissible under Article 17.6(ii) of the Anti-Dumping Agreement. Considering this argument, the Appellate Body noted that the issue before the Panel was the manner in which Economía conducted the injury analysis, not the interpretation of a specific provision of the Anti-Dumping Agreement. The Appellate Body supported the view expressed by the Panel that the data on the basis of which a determination of injury caused by dumping is made may relate to a past period, to the extent this information is relevant with regard to the current situation. It thus concluded that the Panel’s view as such was compatible with Mexico’s own reading of the Anti-Dumping Agreement, according to which using data relating to a past period does not, per se, entail a violation of that Agreement. Thus, Mexico’s argument regarding Article was without merit.

The Commission further considered the merits of the Mexico Appellate Body Report on Rice cited by interested parties, and dismiss its relevance in the current case as in that case when they required the collection of recent data prevailing when the investigation was taking place was because there was a more than 15 month gap between the end of the POI and initiation of the investigation, and a further three years between the end of the POI and imposition of final duties. Therefore, the Appellate Body in that case “upheld the Panel’s finding that a prima facie case was established that the information used by Economía did not provide reliable indications of current injury and, therefore, did not meet

the criterion of positive evidence in Article 3.1. Noting its agreement with Mexico that using a remote investigation period is not per se a violation of Article 3.1, the Appellate Body concluded that the Panel did not set out such a principle, because its findings related to the specific circumstances of the dispute and were based on several factors.

Having agreed with the Panel that more recent data was likely to provide better indications about current injury, the Appellate Body stated: '[A] gap of 15 months between the end of the period of investigation and the initiation of the investigation, and another gap of almost three years between the end of the period of investigation and the imposition of the final anti-dumping duties, may raise real doubts about the existence of a sufficiently relevant nexus between the data relating to the period of investigation and current injury.'

Comments by interested parties on essential facts letters

- i. The Japanese Mills argue that the Commission's proposed finding of material injury in the form of declining sales volumes is unfounded, as the Applicant's own data show that although sales volumes dropped by 18 index points from 2021/22 to 2022/23, they rebounded by 11 index points in 2023/24, a recovery pattern already acknowledged by the Commission and inconsistent with ongoing material injury.
- ii. They further note that during this period of recovery, the volume of allegedly dumped imports remained largely unchanged, indicating that imports cannot explain the Applicant's sales trends. Instead, they submit that AMSA's repeated operational failures, including multiple blast furnace outages between 2021/22 and 2023/24 due to fires, instability, Transnet disruptions resulting in substantial production losses, caused severe supply shortages, forcing customers to turn to imports to fill gaps created by AMSA itself rather than displacing domestic sales. For these reasons, the Japanese Mills contend that any decline in AMSA's sales volumes is self-inflicted and unrelated to imports from Japan and therefore cannot support a finding of material injury.

Commission's consideration

- i. The Applicant's sales volumes, as well as those of other SACU producers, declined between 2021/22 and 2022/23. Over the same period, however, alleged dumped imports drastically increased by more than 120%, while imports from non-subject countries also rose only marginally by approximately 8%. This reflects a targeted

and aggressive expansion by the subject countries into the SACU market and directly contradicts the assertion that dumped imports remained unchanged during this period.

- ii. The increase in import volumes from the PRC, Taiwan and Japan during 2022/23 coincided with a slight increase of the SACU market. However, the growth in domestic demand was marginal, and yet the subject countries captured a disproportionate share of this growth. This elevated level of imports was then sustained into 2023/24, again experiencing modest increases. The modest growth in the SACU market benefitted only the alleged dumped imports. This pattern demonstrates that the subject countries did not merely participate in normal market growth, rather, they absorbed the entirety of the incremental demand in a way that excluded SACU producers from the benefits of the expanding market. The sustained increase in volumes, despite only marginal growth in consumption, is indicative of aggressive market penetration by dumped imports and reinforces the finding that these imports are exerting significant downward pressure on the domestic industry. While the Commission does not disregard the Applicant's well-documented production challenges, these operational shortcomings do not explain the scale or speed of the surge in dumped imports. Rather, the evidence suggests that exporters from the PRC, Taiwan and Japan have capitalised on the Applicant's vulnerabilities by significantly increasing dumped volumes at substantial dumping margins. Such high dumping margins cannot reasonably be characterised as self-inflicted harm by the Applicant. Instead, they indicate a deliberate strategy by foreign producers to exploit gaps in domestic production capacity, thereby undermining the sustainability of SACU producers. Left unchecked, this behaviour is likely to entrench long-term reliance on imports and severely compromise the viability of domestic manufacturing in the SACU region.

Summary of material injury

The Commission, in making its preliminary determination on material injury, considered that an industry can experience material injury based on "price" or "volume" indicators. Whilst each material injury indicator is analysed, the determination of material injury is based on an overall assessment of the industry's situation. Therefore, there is no price effect, volume effect, or injury indicator that is more important than another, thus leading

to a conclusion of whether material injury exists as a result of such.

The Commission made a final determination that the SACU industry is experiencing material injury.

6. THREAT OF MATERIAL INJURY

The Applicant provided the following information to substantiate the threat of material injury.

6.1 Freely disposable capacity of the exporter

- The Applicant stated that according to two OECD reports, titled “Latest Developments in Steelmaking Capacity 2023” and “Steel Market Developments – Q2 2023”, global excess capacity is one of the global steel sector's main challenges. These reports indicate that the global steel industry's capacity has more than doubled since the early 2000s, and several economies' investment projects continue to increase.
- According to these statistics, the Southeast Asia Iron and Steel Institute ('SEAISI'), which represents a region with considerable inward investment in its steel sectors, estimates that 90.8 million MT of additional capacity will increase the area's capacity to 162.6 million MT by 2030. According to SEAISI, the significant capacity growth results from fast capacity expansion in Indonesia, Vietnam, and Malaysia.
- Japan is the only country with over 100m MT² capacity and high export shares at around 28%. China, India, and Japan are indicated as net exporters of steel with large steelmaking capacity.
- The 2022 World Steel in Figures Report indicates Taiwan as the 12th largest steel producer in 2021 and the 11th largest producer in 2020. In 2021, it produced 23.2 million tons and exported 10.8 million tons of what it produced. A little over 46% of the total steel produced in Taiwan was, therefore, exported. The World Steel Association reported in 2023 that Taiwan ranked 13th in the world for global steel production, producing 18.9 million tons in total. The Applicant states that this is indicative of Taiwan's excess production capacity.
- 11 out of the top 20 steel companies in the world are from China, showing the monopoly China has over the world. Any freely disposable capacity and/or imminent increase in capacity in China has an impact worldwide. In terms of Japan and Taiwan, Japan is home to two of the top producers and Taiwan's 'China Steel Corporation' was in 26th place in 2021.
- According to the GMK Centre Article, exports of steel from China could reach 90 million tonnes in 2023, a 30% increase from the previous year. This aggressive approach from China to increase exports as the Yuan devalues against the dollar

makes a point of freely disposable capacity that is now used to penetrate other foreign markets, particularly unprotected markets like the SACU market.

- According to a Chinese Iron and Steel Association article, dated 17 August 2023, daily crude steel production in China reached 2.1527 million tonnes, an increase of 0.8% month on month.
- The Applicant also stated that it used its best efforts to obtain a forecast of Japanese and Taiwanese hot-rolled steel exports. But it was unable to find any reliable resources. However, it was able to ascertain from a Steel Orbis article that the Japanese Ministry of Trade ('METI') has forecasted that the country's total crude steel output in the January- March 2024 will increase by 1.7% year on year to 21.98 million mt. Regarding a GMK article, Japan's Nippon Steel Company increased its consolidated steel production by 2.2% y/y to 10.26 million tons in October 2023.
- Steel News indicates that Taiwanese exports increased by 18.1% in January 2024. Taiwan's biggest steel producer, China Steel Corporation ('CSC'), is also set to upgrade its production plant and increase its production capacity in 2024, indicating a potential increase in Taiwan's overall steel capacity.
- The results of the 2023 OECD publications indicate that global steelmaking capacity will continue to expand substantially. The implications include over-supply in the countries of origin and the increased need to export the produced steel to markets at a reduced price, such as the SACU industry, due to lack of protection presently in place. As evidenced above, the situation in China, Japan, and Taiwan also tells a story of a freely disposable capacity used to penetrate foreign markets. China is shown to have an aggressive export approach with exports expected to increase by 30%.
- The official import statistics indicate that imports of hot-rolled steel (subject product), from China in particular to SACU, have risen since April 2021. The data shows a significant increase of 102% in absolute terms between April 2021- March 2022 and April 2023- March 2024. Imports from Japan increased by 117%, and imports from Taiwan increased by 471% in absolute terms over the same period. This is in direct contrast to imports from other countries not alleged to be dumping, where total imports of the subject product decreased by 29% over the POI.
- The evidence also indicates a significant increase in capacity to produce hot-rolled products in particular, which, combined with a decrease in demand for the subject product, has led to massive increases in unsold inventories of 80% yearly.

- The information above makes it clear that there is a freely disposable hot-rolled steel capacity in China, Japan and Taiwan that can further lead to penetration of the subject countries' exports to SACU, as is already the case from April 2021 till March 2024. China is the major producer and exporter of the subject product, and their exports constitute 54% of the total world imports into SACU for the period April 2023-March 2024. Japan constitutes 13% in the same period and Taiwan 9%. Combined China, Japan and Taiwan combined constituted 76% of total imports in the period mentioned above whereas imports from all other countries only constituted 24%.
- There is a current and expected imminent substantial increase in the production capacity of the subject product worldwide, particularly in the Southern Asia region, as investment projects continue to increase.

Commission's consideration

The Commission considered that the information provided above was not for the subject product, and the Applicant did not attempt to link it to the subject product. Thus, it was found that with regard to the freely disposable capacity of the exporters, no evidence of threat was provided.

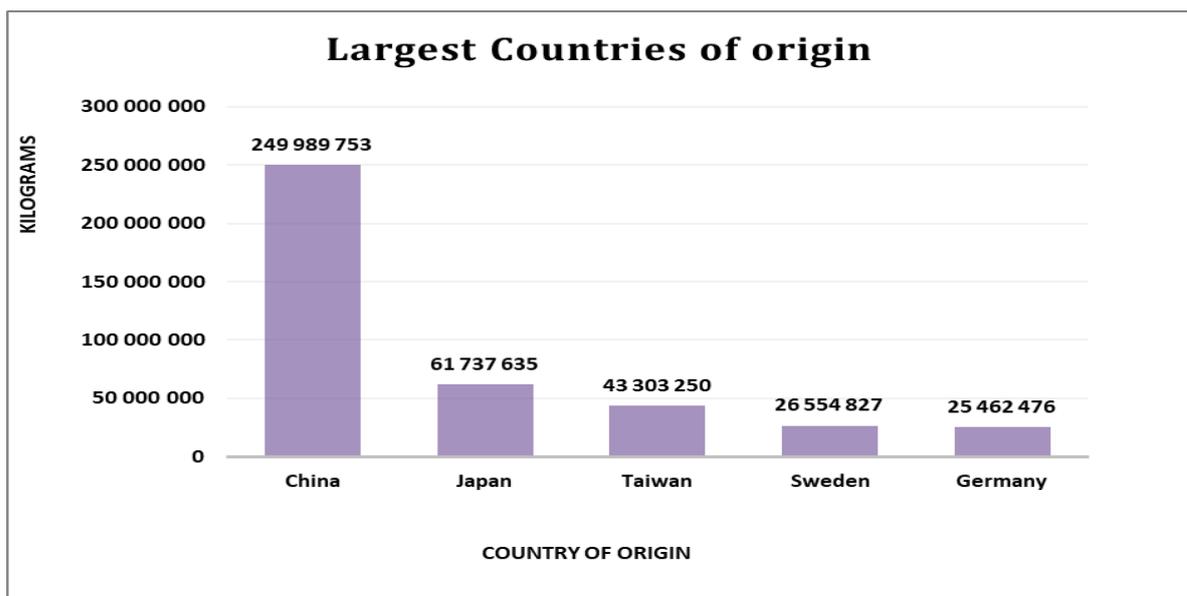
6.2 Significant increase of allegedly dumped imports into the SACU market

The Applicant stated that:

- The import statistics show a significant increase in imports of 122% of the subject product into the SACU market between April 2021 – March 2022 and April 2023 - March 2024 from China, Japan & Taiwan.
- In terms of the likelihood, the significant increase recorded in the last year of the POI will likely continue to rise in the coming 12 months from March 2024. This likelihood is based, amongst other aspects, on the fact that the steel industry globally is returning towards full recovery from COVID-19 restrictions. These yearly increases are expected to follow the recovery journey and increase beyond the 2023 financial year.
- China is the major exporter of the subject product in the SACU market. According to diagram 1 below, imports from China constitute 54% of the total imports into the SACU market in 2023/2024. Evidence suggests that China employs an aggressive export approach, with an expected increase of 30% in Chinese exports of the subject product.

- Global steelmaking capacity will continue to expand substantially.
- The increase in global steelmaking capacity, particularly in China, Japan, and Taiwan, is likely to lead to increased exportation to other unprotected markets, such as the SACU market, same as it was from April 2021 to March 2024 (the POI).
- The information above makes it clear that there is a significant increase of imports of the subject product into the SACU market and this increase happened over the entire POI. The information also makes it clear that the increasing trend on a month-to-month basis during the period 2023/2024 indicates the likelihood of further substantially increased importation of hot-rolled products into the SACU market. The information further indicates that the increase of both global steel capacity, as well as the subject product, particularly in the subject countries, presents the case of a likelihood that further substantial increased importation of hot-rolled products into the SACU market will take place if the SACU market is not protected.

Graph: Largest Countries of Origin



6.3 Prices that will have a substantial depressing and suppressing effect on SACU prices.

The Applicant stated that:

- The demand for hot rolled steel imports in SACU will likely increase further beyond the 2023/24 period. Imports already have a significant price depressing and suppressing effect on SACU prices, which will continue. This likelihood is based on the current situation in the SACU industry, and that can be explained as follows:

- The SACU market grew by 6% between April 2021 – March 2022 and April 2023 - March 2024. This growth was mainly driven by total allegedly dumped imports that increased by 102% for China, 117% for Japan and 471% for Taiwan during the same period. The total domestic SACU sales decreased by 7% during the same period. This shows that the increased demand in SACU was captured by the imports, not the SACU sales. The market share for dumped imports increased by 14%, while the Applicant's market share decreased by 9% between April 2021 – March 2022 and April 2023 - March 2024.
- SARS imports statistics show that the fob export price of the alleged dumped imports from, China decreased by 1% (from R13,923/ton to R13,777/ton between the first and last years of the POI). For Japan the decrease was 8% (from R14,773/ton to R13,560/ton) between the first and last year of the POI. From Taiwan the decrease is 37% (from R18,140 /ton to R11,284 /ton) between the first and last year of the POI. This is notwithstanding the fact that the price in the first year of the POI is already very low. The fob export price of all other countries has increased by 71% (from R14,522 /ton to R24,847/ton) between the first and last year of the POI. This declining trend of fob prices from China, Japan and Taiwan will syphon the demand for imports even further beyond the 2023/24 period, as imports from the alleged dumping countries continue to become cheaper.
- Declining domestic selling prices, such as in the last year of the POI, will continue beyond the 2023/24 period because of the declining fob prices by China, Japan, and Taiwan and increasing demand for imports by SACU customers.
- The increased demand argued above will be exacerbated by the fact that the SACU steel industry is currently without any trade remedies protection (only 10% of customs duties are in place) compared to other markets whose industries are heavily protected. The closure of big markets like the United States, the European Union, Vietnam, Brazil, and many other emerging markets is resulting in a shifting in export patterns, as China, Japan, and Taiwan need to move their excess production to other unrestrictive markets, such as the SACU market.
- The likelihood of a further increase in demand for imports is supported by the growth of the SACU market, the increased import's market share, the declining fob export prices, and the closure of other markets such as those mentioned above, leaving SACU markets as the targeted market unprotected by trade remedy instruments.

6.4 Exporters Inventories

The Applicant stated that:

- The Southeast Asian Iron and Steel Institute stated that” As of Oct. 9 in eastern China, hot-rolled coil inventories in Shanghai were almost 80% higher than the same time last year, while rebar inventories in Hangzhou were about 35% higher on the year, according to market sources.”
- This has been weighing on Chinese steel prices, leading to decreased selling prices. This is seen in the imports into the SACU, as imports are coming in at ever-lower prices to compensate for the oversupply of hot-rolled steel in the Chinese market.
- In Japan, the JISF released inventory estimates for December 2023, which show total Plate and Sheet inventory levels at 541 million tons and total hot-rolled strips more than 600mm in width, having inventory levels of 1,588 million tons. In January 2024, inventories increased to 613 million tons for Plate and Sheet and 1 633 million tons for hot-rolled strips 600 mm or more in width. The JISF reported an increase for both.
- The Applicant indicated that it could not find information on Taiwanese steel inventories, but steel production is rising, indicating that inventories will likely increase.

6.5 The state of the economies of the countries of origin/export and its influence on the operations of producers and exporters.

The Applicant stated that:

- China heavily invested in its economic growth since 1979, growing its industrial base; however, the growth was not sustainable in the long term, as the country went from a developing economy into a fully-fledged developed economy, albeit with a great deal of government oversight and intervention.
- From the graph below, we can see that the Chinese annual growth rate has been on a steady decline since 2006/2007 (with the notable exception of 2021, when the economy opened after extreme COVID-19 restrictions). As economic growth slows down, domestic demand for certain commodities, especially those used in infrastructure development, will slow down in response.
- An article published for S&P Global Commodity Insights indicated: “China's property sector has entered a long-term downward trend, and the country has been trying to promote its manufacturing as a new economic growth engine.

- According to market sources, China's manufacturing sectors, especially cars, ships, and new energy facilities, have played a larger role in offsetting most of the property's adverse impact on steel demand for 2023. "The quick rising HRC capacity in a way has supported such improvement in manufacturing with ample and cheap steel supply. But of course, to steel mills, the HRC capacity has been increasing too quickly, undermining steel profit margins," one Shanghai-based source said.
- As the domestic demand in China slowed down, producers kept increasing their capacities and overall production to keep reducing the cost for these steel commodities, leading to an inherent need to find alternative markets for this oversupply of steel. South Africa, which has one of the lowest barriers to entry (because of being considered a developed country at the time of the Uruguay negotiations), became a lucrative avenue for imports from China that could no longer be sold domestically, as there was no demand.
- Japan is one of the world's largest and most developed economies. However, the rapid ageing of Japan's population is set to reduce the size of the workforce and tax revenues while placing increasing demands on health and welfare expenditures. Labour-market reforms to increase participation are among the measures being used to counter this trend. In 2024, it is said that Japan's economy unexpectedly fell into a recession, indicating mounting pressure on industries to increase growth.
- OECD reports indicate that Japan's steel demand increased by 9.1% in 2021 and is expected to stagnate with a meagre 0.2% growth rate in 2022 before increasing by 1.7% in 2023 (World Steel, 2022[29]). The Institute of Energy Economics Japan (IEEJ) forecasted the demand reduction by automotive and construction sectors and revamping for two Blast Furnaces (BF) led to a reduction of crude steel production in FY2022. For FY2023, crude steel production will be rebound by the recovery of automotive production globally. At the same time, JFE Steel plans to suspend operations at one of its BF in the Keihin District of Kawasaki cities (The Institute of Energy Economics, 2022[52]).
- Japan's economy has remained relatively stable.
- Taiwan faced severe poverty after World War II, which was later turned around by three major steps: farm rent reduction in 1949, sale of public farmlands in 1951, and land to the tiller in 1953. During the period 1951-1965, the U.S. economic assistance amounting to \$1.4 billion played an instrumental role in helping Taiwan achieve self-sustaining economic growth.

- Manufacturing has been the backbone of Taiwan's economy, with small and medium-sized enterprises (SMEs) playing a pivotal role. Taiwan became the 144th WTO Member on January 1, 2002. China is Taiwan's largest trading partner, accounting for 25.2% of total trade, followed by the U.S. at 12.6%. Other major Taiwan trading partners include Japan (10.3%), Hong Kong (7.8%), and the Republic of Korea (6.1%). The above information can be confirmed a Nasdaq article.
- Taiwan's economy has also remained relatively stable. However, from 2020 to 2023, the country is experiencing an overall decline. This is most likely attributable to COVID-19, among other factors.
- As indicated above, domestic demand in China has slowed down, and producers keep increasing their capacities and overall production to keep reducing the cost for these steel commodities, leading to an inherent need to find alternative markets for this oversupply of steel. Prices of the hot rolled coil are expected to continue to decline; in an SG&P article, Chinese producers have indicated that they had to lower their factory gate prices to attract customers in an environment of weaker domestic demand. SG&P has predicted that prices will continue downward well into 2024. This downward trend has also been showcased above when considering the prices of steel entering the SACU market.
- In terms of Taiwan's Quarterly Economic Report of 2023 compiled by SG&P, steel prices overall are also predicted to continue to trend downward, and Taiwan's domestic demand is unlikely to grow materially over the next few quarters. Taiwan already exports almost half of the steel it produces. If Taiwan's domestic demand remains stagnant, but its production capacity is increasing, then Taiwanese producers will have to increase exports.
- The above holds for Japan as well. Although Japan's domestic demand has increased, the increase is not significant enough and is predicted to stagnate. The JISF stated that although Japan's domestic demand is expected to recover in 2024, the global economic slowdown is putting pressure on demand, investment, and exports. For the next year, Japan's crude steel production will move sideways compared to 2023, and steel demand coming from the construction section is expected to see a decline.

Commission's consideration

- The Commission noted that the above information is predominately not for the subject product, also those related to hot rolled seem to include other hot-rolled products that are not subject to this investigation. The Commission considered that the Applicant did not provide sufficient information to prove a threat of material injury exists. It is also noted that information in some areas focusses on China, with limited information on Japan or Taiwan.

- The Commission made a final determination that the information provided by the Applicant does not indicate that a threat of material injury exists.

7. CAUSAL LINK

7.1 GENERAL

In order to justify action against the alleged dumping, the Commission must be satisfied that the material injury and/or threat thereof experienced by the SACU industry resulted from the dumping of the subject product.

The following factors are evaluated to establish whether there is a causal link between the alleged dumped imports and material injury.

7.2 VOLUME OF IMPORTS AND MARKET SHARE

An indication of causality is the extent to which the volume of imports has increased and the extent to which the domestic industry's market share has decreased since the commencement of injury, with a corresponding increase in the market share of the alleged dumped product.

7.2.1 Import volumes

The following table shows the volume of imports:

Table 7.2.1 (a): Import volumes – Hot-Rolled Products

Tonnes	2021/22	2022/23	2023/24
Alleged dumped imports (Cumulatively assessed)	159 865	351 473	354 854
PRC	123 883	214 738	249 990
Japan	28 395	90 393	61 738
Taiwan	7 587	46 342	43 303
Other imports	156 242	168 241	109 715
Total	316 107	519 714	464 569
Alleged dumped imports as a % of total imports	51%	68%	76%
PRC	39%	41%	54%
Japan	9%	17%	13%
Taiwan	2%	9%	9%
Other imports as a % of total imports	49%	32%	24%
Total	100%	100%	100%

Table 7.2.1(b): Import volumes 7208.10*

Tonnes	2021/22	2022/23	2023/24
Alleged dumped imports (Cumulatively assessed)	357	7 740	411
PRC	357	867	411
Taiwan	-	6 873	-
Other countries	-	57	156
Total	357	7 797	567
Alleged dumped imports as a % of total imports	100%	99%	72%
PRC	100%	11%	72%
Taiwan	0	88%	0
Other imports as a % of total imports	0	1%	28%
Total	100%	100%	100%

*Where a country (PRC, Japan, or Taiwan) is not listed under a tariff sub-heading, there were no imports from that country.

Table 7.2.1 (c): Import volumes 7208.25*

Tonnes	2021/22	2022/23	2023/24
Alleged dumped imports (Cumulatively assessed)	1 845	12 496	2 299
PRC	810	11 726	1 671
Japan	1 035	770	628
Other countries	314	373	548
Total	2 159	12 869	2 847
Alleged dumped imports as a % of total imports	85%	97%	81%
PRC	38%	91%	59%
Japan	48%	6%	22%
Other imports as a % of total imports	15%	3%	19%
Total	100%	100%	100%

*Where a country (PRC, Japan, or Taiwan) is not listed under a tariff sub-heading, there were no imports from that country.

Table 7.2.1 (d): Import volumes 7208.26*

Tonnes	2021/22	2022/23	2023/24
Alleged dumped imports (Cumulatively assessed)	1 302	4 597	6 343
PRC	179	4 597	6 343
Japan	1 123	-	-

Other countries	399	6 156	9 059
Total	1 701	10 753	15 402
Alleged dumped imports as a % of total imports	77%	43%	41%
PRC	11%	43%	41%
Japan	66%	0%	0%
Other imports as a % of total imports	23%	57%	59%
Total	100%	100%	100%

***Where a country (PRC, Japan, or Taiwan) is not listed under a tariff sub-heading, there were no imports from that country.**

Table 7.2.1(e): Import volumes 7208.27*

Tonnes	2021/22	2022/23	2023/24
Alleged dumped imports (Cumulatively assessed)	20 508	46 708	31 081
PRC	2 672	6 864	9 549
Japan	17 836	39 844	21 532
Other countries	1 198	17 853	28 174
Total	21 706	64 561	59 255
Alleged dumped imports as a % of total imports	94%	72%	52%
PRC	12%	11%	16%
Japan	82%	62%	36%
Other imports as a % of total imports	6%	28%	48%
Total	100%	100%	100%

***Where a country (PRC, Japan, or Taiwan) is not listed under a tariff sub-heading, there were no imports from that country.**

Table 7.2.1 (f): Import volumes 7208.36

Tonnes	2021/22	2022/23	2023/24
Alleged dumped imports (Cumulatively assessed)	59	2 734	3 377
PRC	59	2 434	3 110
Japan	-	114	267
Taiwan	-	186	-
Other countries	6 207	2 006	-
Total	6 266	4 740	3 377
Alleged dumped imports as a % of total imports	1%	58%	100%
PRC	1%	51%	92%
Japan	0%	2%	8%

Taiwan	0%	4%	0%
Other imports as a % of total imports	99%	42%	0%
Total	100%	100%	100%

Table 7.2.1 (g): Import volumes 7208.37

Tonnes	2021/22	2022/23	2023/24
Alleged dumped imports (Cumulatively assessed)	535	22 795	18 416
PRC	279	17 176	16 195
Japan	255	4 168	2 221
Taiwan	1	1 451	-
Other countries	9 502	12 375	442
Total	10 037	35 170	18 858
Alleged dumped imports as a % of total imports	5%	65%	98%
PRC	3%	49%	86%
Japan	3%	12%	12%
Taiwan	0%	4%	0%
Other imports as a % of total imports	95%	35%	2%
Total	100%	100%	100%

Table 7.2.1 (h): Import volumes 7208.38

Tonnes	2021/22	2022/23	2023/24
Alleged dumped imports (Cumulatively assessed)	3 097	30 511	24 212
PRC	3 031	10 902	13 306
Japan	65	10 857	3 037
Taiwan	1	8 752	7 869
Other countries	8 979	8 490	1 451
Total	12 076	39 001	25 663
Alleged dumped imports as a % of total imports	26%	78%	94%
PRC	25%	28%	52%
Japan	1%	28%	12%
Taiwan	0%	22%	0%
Other imports as a % of total imports	74%	22%	6%
Total	100%	100%	100%

Table 7.2.1 (i): Import volumes 7208.39

Tonnes	2021/22	2022/23	2023/24
Alleged dumped imports (Cumulatively assessed)	41 612	108 969	131 978
PRC	32 381	50 066	62 491
Japan	1 644	34 639	34 053
Taiwan	7 587	24 264	35 434
Other countries	58 975	31 358	903
Total	100 587	140 327	132.881
Alleged dumped imports as a % of total imports	41%	78%	99%
PRC	32%	36%	47%
Japan	2%	25%	26%
Taiwan	8%	17%	27%
Other imports as a % of total imports	59%	22%	1%
Total	100%	100%	100%

Table 7.2.1 (j): Import volumes 7208.51*

Tonnes	2021/22	2022/23	2023/24
Alleged dumped imports (Cumulatively assessed)	19 741	55 341	81 532
PRC	19 628	55 341	81 532
Japan	113	-	-
Other countries	10 491	9 382	7 208
Total	30 232	64 723	88 740
Alleged dumped imports as a % of total imports	65%	86%	92%
PRC	65%	86%	92%
Japan	0%	0%	0%
Other imports as a % of total imports	35%	14%	8%
Total	100%	100%	100%

*Where a country (PRC, Japan, or Taiwan) is not listed under a tariff sub-heading, there were no imports from that country.

Table 7.2.1 (k): Import volumes 7208.52*

Tonnes	2021/22	2022/23	2023/24
Alleged dumped imports (Cumulatively assessed)	4 764	17 303	14 403
PRC	4 764	17 303	14 403
Other countries	2 340	1 647	1 111
Total	7 104	18 950	15 514

Alleged dumped imports as a % of total imports	67%	91%	93%
PRC	67%	91%	93%
Other imports as a % of total imports	33%	9%	7%
Total	100%	100%	100%

*Where a country (PRC, Japan, or Taiwan) is not listed under a tariff sub-heading, there were no imports from that country.

Table 7.2.1 (l): Import volumes 7225.30

Tonnes	2021/22	2022/23	2023/24
Alleged dumped imports (Cumulatively assessed)	39 841	14 979	8 371
PRC	33 906	10 163	8 371
Japan	5 935	-	-
Taiwan	-	4 816	-
Other countries	7 508	22 394	10 620
Total	47 349	37 373	18 991
Alleged dumped imports as a % of total imports	84%	40%	44%
PRC	72%	27%	44%
Japan	13%	0%	0%
Taiwan	0%	13%	0%
Other imports as a % of total imports	16%	60%	56%
Total	100%	100%	100%

Table 7.2.1(m): Import volumes 7225.40

Tonnes	2021/22	2022/23	2023/24
Alleged dumped imports (Cumulatively assessed)	26 156	27 478	35 677
PRC	25 816	27 478	35 677
Japan	340	-	-
Other countries	50 267	56 149	50 900
Total	76 423	83 627	86 577
Alleged dumped imports as a % of total imports	34%	33%	41%
PRC	34%	33%	41%
Japan	0%	0%	0%
Other imports as a % of total imports	66%	67%	59%
Total	100%	100%	100%

*Where a country (PRC, Japan, or Taiwan) is not listed under a tariff sub-heading, there were no imports from that country.

Table 7.2.1 (a) above indicates that the alleged dumped imports, when cumulatively assessed, increased by 120% from 2021/22 to 2022/23, further increased by 1% from 2022/23 to 2023/24, with an overall increase of 122% over the POI. Imports from other countries increased by 8% from 2021/22 to 2022/23 and decreased by 35% from 2022/23 to 2023/24, with an overall decline of 30% over the POI. The alleged dumped imports increased substantially while imports from other countries decreased over the POI, with the alleged dumped imports accounting for a significant percentage of total imports into the SACU market over the same period.

7.2.2 Market share

The following table shows the market share based on sales and import volumes:

Table 7.2.2: Market share

Tons	2021/22	2022/23	2023/24
Applicant's sales volumes	100	82	93
Other SACU producers' sales volumes	100	82	93
Alleged dumped imports volumes	100	220	222
-PRC	100	173	202
-Japan	100	319	217
-Taiwan	100	611	571
Other imports volumes	100	108	70
Market share %			
Applicant's market share as a % of total market	100	81	87
Other SACU producers' market share as a % of total market	100	86	86
Alleged dumped imports by country market share as a % of total market			
-PRC	100	178	200
-Japan	100	350	200
-Taiwan	100	300	300
Total market share of alleged dumped imports (%)	100	217	217
Market share of other imports (%)	100	100	67
Total	100	100	100

Table 7.2. 2above indicates that the Applicant's market share for hot-rolled products combined decreased by 19 index points from 2021/22 to 2022/23, then increased by 6 index points from 2022/23 to 2023/24, resulting in an overall decline of 13 index points over the POI.

Alleged dumped imports' market share increased by 117 index points from 2021/22 to 2022/23, then remained constant from 2022/23 to 2023/24, resulting in an overall increase of 117 index over the POI. Other imports' market share remained constant from 2021/22 to 2022/23, decreased by 33 index points from 2022/23 to 2023/24, resulting in an overall decline of 33 index points over the POI.

Commission's consideration

The information in Table 7.2.2 above shows that the market share of the alleged dumped imports increased over the POI, whilst the Applicant's market shares decreased year on year and over the POI. Thus, when cumulatively assessed, the alleged dumped imports are taking the Applicant's market share.

7.3 EFFECT OF DUMPED IMPORTS ON PRICES

The following table shows the price effects:

Table 7.3: Price undercutting, price suppression and depression

R/ton	2021/22	2022/23	2023/24
Applicant's Ex-factory price			
HS CODE 7208.10	100	96	86
HS CODE 7208.25	100	145	137
HS CODE 7208.26	100	143	141
HS CODE 7208.27	100	104	101
HS CODE 7208.36	100	93	84
HS CODE 7208.37	100	102	92
HS CODE 7208.38	100	95	85
HS CODE 7208.39	100	97	88
HS CODE 7208.51	100	100	98
HS CODE 7208.52	100	101	99
HS CODE 7208.30	100	89	82
HS CODE 7208.40	100	90	89
Total Hot-rolled products	100	101	93
Alleged dumped FOB import price (Cumulated)			
HS CODE 7208.10	15 175	19 455	10 506
HS CODE 7208.25	14 628	23 699	23 851
HS CODE 7208.26	15 567	13 638	13 852
HS CODE 7208.27	14 056	20 315	21 193

R/ton	2021/22	2022/23	2023/24
HS CODE 7208.36	6 278 039	31 618	17 350
HS CODE 7208.37	4 190 737	31 357	17 502
HS CODE 7208.38	4 189 731	30 240	28 325
HS CODE 7208.39	14 990	29 339	37 169
HS CODE 7208.51	15 250	349 254	13 026
HS CODE 7208.52	12 955	13 694	12 883
HS CODE 7208.30	14 065	19 680	8 212
HS CODE 72084.0	16 898	20 303	20 042
Total Hot-rolled products	15 612	13 047	12 852
Cost of production as a % of the Applicant's ex-factory price			
HS CODE 720810	100	142	156
HS CODE 720825	100	95	101
HS CODE 720826	100	95	95
HS CODE 720827	100	132	136
HS CODE 720836	100	146	162
HS CODE 720837	100	134	149
HS CODE 720838	100	142	160
HS CODE 720839	100	142	156
HS CODE 720851	100	136	139
HS CODE 720852	100	135	142
HS CODE 720830	100	166	160
HS CODE 720840	100	146	151
Total Hot-rolled product	100	142	156
Price undercutting			
HS CODE 720810			14%
HS CODE 720825			(36%)
HS CODE 720826			9%
HS CODE 720827			(20.5%)
HS CODE 720836			4.5%
HS CODE 720837			2%
HS CODE 720838			(1.33%)
HS CODE 720839			(3.67%)
HS CODE 720851			9%
HS CODE 720852			13%
HS CODE 720830			37%
HS CODE 720840			(24%)

R/ton	2021/22	2022/23	2023/24
Total Hot-Rolled product			(4%)

Commission's consideration

The Commission considered that the substantiation document touted as proof of inland freight, port handling, and clearing fees relates to screws and bolts. Furthermore, the email correspondence with the substantiation documents indicates that costs relating to CIF are excluded. The original source and countries it relates to are also not indicated. The Applicant indicated that this is the best information available.

The Commission made a final determination not to rely on price undercutting as an injury indicator, notwithstanding this, the Applicant did not suffer injury in the form of price undercutting during the POI.

7.4 CONSEQUENT IMPACT OF DUMPED IMPORTS

Table 7.4: Material Injury Indicators

	Analysis (2021/22– 2023/24)
Price depression (R)	Yes.
Price suppression	Yes.
Sales volume (t)	Decreased
Profits (R)	Decreased
Output (t)	Decreased
Market share	Decreased
Productivity (T)	Decreased
Employment	Decreased
Return on investment	Negative
Capital Investment	Increased
Utilisation of capacity	Decreased
Applicant's Growth	Decreased

7.5 FACTORS OTHER THAN THE DUMPING CAUSING INJURY

Table 7.5: Examination of causality under Article 3.5 of the Anti-dumping Agreement

	2021/22	2022/23	2023/24	% change between Year 1&3
FOB prices of imports not sold at dumped prices (R/t)	14 517	18 792	24 988	72%
The volume of imports not sold at dumping prices (t)	156 123	168 219	109 715	(30%)
Changes in demand or patterns of consumption	The Applicant stated that its markets share, as well as that of un-dumped imports, declined for the POI, whilst that of the alleged dumped imports increased over the same period. The Applicant also stated that had it not been for the alleged dumped imports, it would have not experienced this contraction. The Applicant further stated that demand remained relatively stable over the POI and has shown signs of recovery but is under increasing pressure due to the SACU economic downturn. The Applicant notes the clear shift away from the local product in favour of the alleged dumped product.			
Trade-restrictive practices of foreign and domestic producers	The Applicant stated that there were no trade restrictive practices.			
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 only stated that the domestic industry does export some volumes into Africa overland and did not comment on its export performance.			
Productivity of the domestic industry	The Applicant stated that to its knowledge, the productivity of the South African producers are on par with their overseas counterparts.			
Any strikes, go-slows or lockouts in the last 12 months	The Applicant stated that there were no strikes, go slows or lockouts in the last 12 months. The Applicant also stated that despite the continued economic slump in the steel industry, it is in a very favourable position with regard to the relations that it shares with organised labour.			
The effects of exchange rates on production cost, selling price, and the price of the imported	The Applicant stated that the exchange rate has had no impact on these costs and that it is unaware of any changes to the selling price of the imported product.			

	2021/22	2022/23	2023/24	% change between Year 1&3
product.				
Indicate any other factors affecting the SACU prices	The Applicant indicated that it is not aware of any other factors affecting the SACU sales and prices.			

Summary of Causal link

The Commission considered that alleged dumped imports increased and captured the Applicant's market share and sales volumes. Prices of the alleged dumped imports and SACU of hot-rolled products combined decreased by 18% and 7%, respectively over the POI. The price decrease of the alleged dumped imports is steep, while SACU only decreased 7 index points. The prices and volumes of the undumped imports decreased by 72% and 30%, respectively, over the POI. The PRC, Japan, and Taiwan dominate the market, with over 76% of import volumes in 2023/24.

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

8. SUMMARY OF FINDINGS

8.1 Like products

The Commission made a final determination that the SACU product and the imported subject products from PRC, Japan and Taiwan are “like products” for purposes of comparison in terms of Regulation 1 of the ADR.

8.2 Industry standing

The Commission made a final determination that the application is made “by or on behalf of the SACU industry” in accordance with ADR7.

8.3 Negligibility

The Commission made a final determination that import volumes of the subject product from the PRC, Japan, and Taiwan classifiable under tariff subheadings HS 7208.10, 7208.25, 7208.26, 7208.27, 7208.36, 7208.37, 7208.38, 7208.39, 7208.51, 7208.52, 7225.30, and 7225.40 are above the negligibility level in accordance with of the ADR16.2.

8.4 Sampling

The Commission made a final determination to limit its examination, in respect of the PRC, to the exporters selected in accordance with ADR 8.6(a), and in consultation with exporters as provided for in ADR 8.7(a). It must further not determine individual dumping margins for exporters that requested such treatment under ADR 8.8, as doing so would be unduly burdensome for the Commission.

8.5 Dumping

The Commission made a final determination that dumping of certain flat-rolled products of iron, non-alloy or other alloy steel of a width of 600mm or more, whether or not in coils (including products cut-to-length), not further worked than hot-rolled, including pickled and oiled, hot-rolled, not clad, plated or coated, (excluding stainless and grain-oriented silicon electrical steel) (Classifiable under tariff sub-headings 7208.10, 7208.25, 7208.26, 7208.27, 7208.36, 7208.37, 7208.38, 7208.39, 7208.51, 7208.52, 7225.30 and 7225.40) originating in or imported from the People’s Republic of China (PRC), Japan and Taiwan is taking place.

The weighted average dumping margin when expressed as a percentage of the ex-factory export price were calculated as follows:

Table 8.5 (a): Definitive anti-dumping duties - PRC

Name of Company	Proposed Final Duty
Baoshan iron and steel Co., Ltd.	40,77% <i>ad valorem</i>
Shanghai Meishan Iron & Steel Co., Ltd.	
Baosteel Zhanjiang Iron & Steel Co., Ltd.	
Wuhan Iron and Steel Co., Ltd.	
Shougang Jingtang United Iron & Steel Co., Ltd.	19,18% <i>ad valorem</i>
Shougang Qian 'an Iron and Steel Company	
Jingye Yingkou Medium Plate Co., Ltd. (Formerly known as Rizhao Steel Yingkou Medium Plate Co., Ltd)	6,99% <i>ad valorem</i>
Han Steel Group Hanbao Iron and Steel Co., Ltd	25,80% <i>ad valorem</i>
HBIS Laoting Iron and Steel Co., Ltd	
Xinyu Iron and Steel Co., Ltd	
Bengang Steel Plates Co.,Ltd	
Jiangyin Xingcheng Special Steel Works Co., Ltd	
Nanjing Iron and Steel Co., Ltd	
All other producers in the People's Republic of China (residual duty)	

Table 8.5 (b): Definitive anti-dumping duties - Japan

Name of Company	Proposed Final Duty
Nippon Steel Corporation	44,95% <i>ad valorem</i>
All other producers in Japan (residual duty)	57,23% <i>ad valorem</i>

Table 8.5 (c): Definitive anti-dumping duties - Taiwan

All other producers in Taiwan	24,20% <i>ad valorem</i>
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8.6 Major proportion

The Commission made a final determination that the Applicant's production constitutes "a major proportion" of the total domestic production in accordance with ADR7.

8.7 Material Injury

The Commission found that the Applicant experienced material injury on volumes-based indicators and price indicators in the form of:

- Price undercutting
- Price suppression;

- Price depression;
- Declining sales volume;
- Declining production volume;
- Declining productivity;
- Declining market share;
- Declining employment;
- Declining capacity utilisation;
- Declining profits; and
- Declining return on investment

Based on this information, the Commission made a final determination that the SACU industry experienced material injury.

8.8 Threat of Material Injury

The Commission made a final determination that a threat of material injury to the SACU industry does not exist.

8.9 Causal Link

The Commission made a final determination that there is a causal link between the dumped imports and material injury experienced by the SACU industry.

9. DEFINITIVE ANTI-DUMPING DUTIES

9.1 Calculation of the final anti-dumping duties

The Commission found that all the requirements for the imposition of definitive anti-dumping duties on the subject products have been fulfilled.

9.2 Lesser duty

Regulation 17 of the ADR provides that the Commission shall consider applying the lesser duty rule if both the corresponding importer and exporter have cooperated fully.

Initially, eight importers responded to the investigation. However, at the final stage, only six submitted updated responses after their initial submissions, with four being deficient, and only Metpar and Duferco provided responses and rectified their deficiencies.

Furthermore, the participating importers imported the subject product from traders that may either be related or unrelated to foreign producers. Some of these traders sourced their goods from various producers, not only the foreign producers verified.

The Commission also considered that since the Commission has applied sampling, should it consider applying a lesser duty, the lesser duty will also benefit the foreign producers that are not part of the sample irrespective of whether their importers have participated or are deficient, due to the duty of the non-sampled foreign producers being the weighted average of the sampled producers that are dumping.

Comments by interested parties on essential facts letters

- i. The interested argues that ADR17 gives the Commission broad discretion to apply the lesser duty rule even where some importer responses are deficient, and that NSC and its major importers have substantially cooperated, warranting application of the lesser duty rule to NSC. The Commission's refusal to consider Safal's information on the basis of a minor deficiency (missing product literature) is said to be inconsistent with the Anti-Dumping Regulations and past ITAC practice, where the lesser duty rule was applied despite deficient importer responses, including in the investigations on hand tools and frozen bone-in portions. The submission contends that it is unfair for the Commission to rely on unverified or deficient exporter information to calculate dumping

margins and undercutting yet disregard similar information for the lesser duty assessment.

- ii. The reasons cited in the Essential Facts Letter for not applying the lesser duty rule, such as importers sourcing goods from traders linked to multiple producers or the use of sampling are argued to be irrelevant to NSC, whose exports and importers can be clearly identified and for which sampling was not applied. The client maintains that the lesser duty rule should be applied, that any anti-dumping duty should not exceed 10%, and that the Commission must also consider the already-imposed safeguard duty on imports from Japan, as well as the significant protective measures benefiting AMSA. Finally, it is reiterated that NSC did not cause the alleged injury to AMSA, further supporting the application of the lesser duty rule.

Commission's consideration

- i. The Commission's application of a lesser duty is discretionary, exercised after considering all relevant information and factors. It should be emphasised that the Commission did not refuse to consider the lesser duty, rather, the application of a lesser duty was duly considered, but the Commission decided against it. One of the key conditions for the application of a lesser duty, as clearly set out in the ADR, is that both the importer and the exporter must have fully cooperated during the investigation. Full cooperation requires that no party should have submitted deficient responses and that all deficiencies identified by the Commission have been addressed. Where an exporter or importer is found to be deficient, it constitutes a lack of full cooperation, as they have failed to remedy the deficiencies despite multiple opportunities. Furthermore, it should be noted that even in instances where both importers and exporters have fully cooperated, the Commission is not obliged to apply a lesser duty. The ADR and WTO ADA merely permits the consideration of a lesser duty, it does not mandate its imposition. The decision, therefore, is inherently discretionary and must be based on the Commission's assessment of all relevant information and circumstances.
- ii. While the Commission may still utilise information submitted by parties found to be deficient, the scope of such use is limited, with it mainly being used in the determination of the dumping margin and certain material injury factors, where practical. In the present investigation, it is noted that, with respect to Japan, the sole responding

exporter was not found to be deficient, however, the importers were found to be deficient. Consequently, while the exporter's data may be used for the dumping margin calculation, the deficiencies of the importers preclude full cooperation necessary for the application of a lesser duty. Considering this, and other factors, the Commission decided not to apply a lesser duty.

In light of these findings, the Commission made a final determination not to apply the lesser duty in this investigation.

9.3 Definitive anti-dumping duties

The definitive anti-dumping duties were determined to be as follows:

Table 9.3 (a): Definitive anti-dumping duties - PRC

The duties listed below are applicable on all the following tariff sub-headings: certain flat-rolled products of iron, non-alloy or other alloy steel of a width of 600mm or more, whether or not in coils (including products cut-to-length), not further worked than hot-rolled, including pickled and oiled, hot-rolled, not clad, plated or coated, (excluding stainless and grain-oriented silicon electrical steel) (Classifiable under tariff sub-headings 7208.10, 7208.25, 7208.26, 7208.27, 7208.36, 7208.37, 7208.38, 7208.39, 7208.51, 7208.52, 7225.30 and 7225.40)	
Producer/exporter	Definitive anti-dumping duties
Baoshan iron and steel Co., Ltd.	40,77% <i>ad valorem</i>
Shanghai Meishan Iron & Steel Co., Ltd.	
Baosteel Zhanjiang Iron & Steel Co., Ltd.	
Wuhan Iron and Steel Co., Ltd.	
Shougang Jingtang United Iron & Steel Co., Ltd.	19,18% <i>ad valorem</i>
Shougang Qian 'an Iron and Steel Company	
Jingye Yingkou Medium Plate Co., Ltd. (Formerly known as Rizhao Steel Yingkou Medium Plate Co., Ltd)	6,99% <i>ad valorem</i>
Han Steel Group Hanbao Iron and Steel Co., Ltd	25,80% <i>ad valorem</i>
HBIS Laoting Iron and Steel Co., Ltd	
Xinyu Iron and Steel Co., Ltd	
Bengang Steel Plates Co.,Ltd	
Jiangyin Xingcheng Special Steel Works Co., Ltd	
Nanjing Iron and Steel Co., Ltd	
All other producers in the People's Republic of China (residual duty)	47,92% <i>ad valorem</i>

Table 9.3 (b): Definitive anti-dumping duties - Japan

Producer/exporter	Proposed Final Duty
Nippon Steel Corporation	44,95% <i>ad valorem</i>
All other producers in Japan (residual duty)	57,23% <i>ad valorem</i>

Table 9.3 (c): Definitive anti-dumping duties - Taiwan

All other producers in Taiwan (residual duty)	24,20% <i>ad valorem</i>
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10. FINAL DETERMINATION

The Commission made a final determination:

- that dumping of the subject product originating in or imported from the People's Republic of China (PRC), Japan and Taiwan is taking place;
- that the SACU industry is experiencing material injury;
- that there is no threat of material injury; and
- that there is a causal link between the dumping of the subject product and the material injury suffered by the SACU industry.

The Commission therefore made a final determination to recommend to the Minister of Trade, Industry and Competition that definitive anti-dumping duties on certain flat-rolled products of iron, non-alloy or other alloy steel of a width of 600mm or more, whether or not in coils (including products cut-to-length), not further worked than hot-rolled, including pickled and oiled, hot-rolled, not clad, plated or coated, (excluding stainless and grain-oriented silicon electrical steel) (Classifiable under tariff sub-headings 7208.10, 7208.25, 7208.26, 7208.27, 7208.36, 7208.37, 7208.38, 7208.39, 7208.51, 7208.52, 7225.30 and 7225.40) originating in or imported from the PRC, Japan and Taiwan be imposed as per table 9.3(a) of this report.

The Commission also recommended that the anti-dumping duties on imports of certain flat-rolled products of iron, non-alloy or other alloy steel of a width of 600mm or more, whether or not in coils (including products cut-to-length), not further worked than hot-rolled, including pickled and oiled, hot-rolled, not clad, plated or coated, (excluding stainless and grain-oriented silicon electrical steel) (Classifiable under tariff sub-headings 7208.10, 7208.25, 7208.26, 7208.27, 7208.36, 7208.37, 7208.38, 7208.39, 7208.51, 7208.52, 7225.30 and 7225.40) be listed in the rebate item II column in Schedule No. 2 to the Customs and Excise Act and therefore may not be imported under rebate of customs duty without payment of anti-dumping, countervailing and safeguard duties without a recommendation from ITAC.