Report No. 788

INVESTIGATION INTO THE ALLEGED DUMPING OF FLAT-ROLLED PRODUCTS OF IRON OR NON-ALLOY STEEL, OF A WIDTH OF 600 MM OR MORE, CLAD, PLATED OR COATED, PAINTED, VARNISHED OR COATED WITH PLASTICS CLASSIFIABLE UNDER TARIFF SUBHEADINGS 7210.70.20, 7210.70.30, 7210.70.40 AND 7210.70.90 ORIGINATING IN OR IMPORTED FROM THE PEOPLE'S REPUBLIC OF CHINA: PRELIMINARY DETERMINATION

The International Trade Administration Commission of South Africa herewith presents its **Report No. 788: INVESTIGATION INTO THE ALLEGED DUMPING OF FLAT-ROLLED PRODUCTS OF IRON OR NON-ALLOY STEEL, OF A WIDTH OF 600 MM OR MORE, CLAD, PLATED OR COATED, PAINTED, VARNISHED OR COATED WITH PLASTICS CLASSIFIABLE UNDER TARIFF SUBHEADINGS 7210.70.20, 7210.70.30, 7210.70.40 AND 7210.70.90 ORIGINATING IN OR IMPORTED FROM THE PEOPLE'S REPUBLIC OF CHINA: PRELIMINARY DETERMINATION**

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CHIEF COMMISSIONER

PRETORIA
19 AUGUST 2026

INTERNATIONAL TRADE ADMINISTRATION COMMISSION OF SOUTH AFRICA

REPORT NO. 788

INVESTIGATION INTO THE ALLEGED DUMPING OF FLAT-ROLLED PRODUCTS OF IRON OR NON-ALLOY STEEL, OF A WIDTH OF 600 MM OR MORE, CLAD, PLATED OR COATED, PAINTED, VARNISHED OR COATED WITH PLASTICS CLASSIFIABLE UNDER TARIFF SUBHEADINGS 7210.70.20, 7210.70.30, 7210.70.40 AND 7210.70.90 ORIGINATING IN OR IMPORTED FROM THE PEOPLE'S REPUBLIC OF CHINA: PRELIMINARY DETERMINATION

SYNOPSIS

On 14 August 2025, ArcelorMittal South Africa Ltd ("AMSA") and Safal Steel (Pty) Ltd ("SAFAL")(jointly referred to as "the Applicants") the only producers of the subject product in the Southern African Customs Union ("SACU") submitted an anti-dumping application to the International Trade Administration Commission of South Africa ("the Commission") to investigate the alleged dumping into the SACU of flat-rolled products of iron or non-alloy steel, of a width of 600 mm or more, clad, plated or coated, painted, varnished or coated with plastics ("colour-coated steel" or "subject product") classifiable under tariff subheadings 7210.70.20, 7210.70.30, 7210.70.40 and 7210.70.90 originating in or imported from China. The investigation was initiated pursuant to Notice No. 3694 of 2025, published in *Government Gazette* No. 53872 on 17 December 2025.

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

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

All non-confidential submissions made by interested parties are contained in the Commission's public file for this investigation and are available for perusal.

Although nine exporters responded to the Commission's investigation, the volume of information submitted in the response necessitated sampling of exporters. This was to prevent an undue administrative burden to the Commission with respect to the individual examination of all the exporters. The scope was restricted to a "reasonable number" through sampling. Responses to the Commission's questionnaires were also provided by related parties to the exporters.

The Commission considered exporters with the largest volumes and the statutory deadlines (typically 12–18 months) for anti-dumping investigations when sampling the exporters. This approach would guarantee that the results are reliable and compliant with the Anti-Dumping Regulations and WTO Anti-Dumping Agreement, including avoiding investigations from stalling due to excessive data processing.

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

The Commission therefore decided to request that the Commissioner for the South African Revenue Service ("SARS") impose the following provisional measures on imports of the subject product for a period of 6 months:

Tariff subheading	Producer/exporter	Rate of provisional duty
HS 7210.70.20 HS 7210.70.30 HS 7210.70.40 HS 7210.70.90	• Zhejiang Huapu Eco-Friendly Materials Co., Ltd	8.79%
	• Hefei HBIS New Material Technology Co., Ltd (related party Hefei Suzhou)	18.83%
	• Yie Phui (CHINA) Techno material Co., Ltd ("YPC")	-3.90%
	• Tianjin Xinyu Color Plate Co., Ltd (Exported by Tianjin Haoyu Century Import and Export Co., Ltd)	-0.25%
	• Tianjin Xinyu Color Plate Co., Ltd (Exported by Tianjin Haoyu Steel Co., Ltd)	-0.14%
	• Shandong Ruifeng Composite Material Co., Ltd.	-0.03%
	Weighted average duty (unsampled exporters): • Shandong Yehui Coated Steel Co., Ltd • Shandong Shinmade Material Technology Co., Ltd • Linqing Hengtai Metal Materials Co., Ltd • Shandong Boxing Huaye Industry and Trade Co., Ltd	13.81%
	All the other producers/exporters in China, Excluding: • Zhejiang Huapu Eco-Friendly Materials Co., Ltd; • Hefei HBIS New Material Technology Co., Ltd (related party Hefei Suzhou);	

	• Yie Phui (CHINA) Techno material Co., Ltd (“YPC”); • Tianjin Xinyu Color Plate Co., Ltd (Exported by Tianjin Haoyu Century Import and Export Co., Ltd) • Tianjin Xinyu Color Plate Co., Ltd (Exported by Tianjin Haoyu Steel Co., Ltd) • Shandong Ruifeng Composite Material Co., Ltd. • Shandong Yehui Coated Steel Co., Ltd; • Shandong Shinmade Material Technology Co., Ltd; • Linqing Hengtai Metal Materials co., Ltd and • Shandong Boxing Huaye Industry and Trade Co., Ltd	28.11%

1. APPLICATION AND PROCEDURE

1.1 LEGAL FRAMEWORK

This investigation is conducted in accordance with the International Trade Administration Act, 2002 (Act 71 of 2002) (the "ITA Act") and the ITAC's Anti-Dumping Regulations ("ADR") read with the WTO Agreement on Implementation of Article VI of the General Agreement on Tariffs and Trade 1994 ("GATT").

1.2 APPLICANTS

The application was lodged by AMSA and SAFAL, the only producers of the subject product in the SACU industry.

1.3 ACCEPTANCE OF APPLICATION

The application was accepted by the Commission as being properly documented in accordance with ADR 21 on 26 November 2025.

1.4 ALLEGATION BY THE APPLICANTS

The Applicants alleged that imports of the subject product, originating in or imported from China, were being dumped into the SACU market, thereby causing material injury and a threat of material injury to the SACU industry. The basis of the alleged dumping was that the goods are being exported to SACU at prices less than the normal value in the country of origin.

1.5 The Applicants further alleged that because of the dumping of the subject product from China it is experiencing material injury in the form of:

(i) Price suppression;
(ii) Declining sales volumes;
(iii) Declining profits and losses;
(iv) Decline in productivity;
(v) Decline in return on investment;
(vi) Declining utilisation of production capacity;

(vii) Declining cash flow; and
(viii) Declining growth.

1.6 INVESTIGATION PROCESS

An application was submitted by the Applicants on 14 August 2025. The information submitted by AMSA was verified on 16 and 23 September 2025. The information submitted by SAFAL was verified from 6 to 7 November 2025. The verification reports were sent to each producer on 13 October and 24 November 2025, respectively.

The Commission initiated an investigation into the alleged dumping of colour-coated steel" classifiable under tariff subheadings 7210.70.20, 7210.70.30, 7210.70.40 and 7210.70.90 originating in or imported from China.

Prior to the initiation of the investigation, the trade representatives of the countries concerned were notified of the Commission's intention to investigate in terms of ADR 27.1. All known interested parties were informed and requested to respond to the questionnaires and the non-confidential version of the application.

1.7 INVESTIGATION PERIODS

The investigation period for dumping is 01 May 2024 to 30 April 2025. The injury investigation period involves the evaluation of data for the period 01 May 2022 to 30 April 2025.

In this Report the following periods will apply:

01 May 2022 to 30 April 2023 is referred to as **2023**;
01 May 2023 to 30 April 2024 is referred to as **2024**; and
01 May 2024 to 30 April 2025 is referred to as **2025**.

1.8 PARTIES CONCERNED

1.8.1 SACU industry

The SACU industry consists of two manufactures of the subject product, being AMSA and SAFAL.

1.8.2 Responses by importers

The deadline for responses was 5 January 2026. Extension was requested and granted until 9 February 2026.

The following importers responded to the Commission's investigation:

- Metpar (Pty) Ltd ("Metpar")
- Tradecore (Pty) Ltd ("Trade Core")
- Defy Appliances (Pty) Ltd ("Defy")
- Steel Import International (Pty) ("Steel Import")
- Steelbank Merchants (Pty) Ltd ("Steelbank")

The importers were verified between the period 19 May 2026 to 28 May 2026. Verification reports were sent on 2nd and 3 May 2026.

Metpar

The Commission noted during verification, that Metpar did not disclose Zhejiang Huapu Eco friendly Materials Co., Ltd as its exporter in the Commission's importer questionnaire. The new information was updated and submitted following verification. As per ADR 31.1(a), submissions may be deemed deficient if any relevant information has not been submitted and as a result, in accordance with ADR 32.4, the Commission made a preliminary determination that the importer's response was incomplete or otherwise deficient. The Commission, therefore, made a preliminary determination not to consider Metpar's information for purposes of its preliminary finding.

Comments by the importers in response to the Applicants' application

The importers stated that even if the Applicants did not have access to the SARS information, that relates to the information of all importers, they noted that there was an absence of importers that are known to the Applicants. They also indicated that some form part of the Group and were even active participants in the Commission's investigation.

Commission's consideration

The Commission took into account that the information submitted by the Applicants was considered as the best information available for initiation purposes. Following the initiation of the investigation, all importers which were not known to the Applicants responded to the Commission's investigation.

1.8.3 Responses by exporters

The deadline to submit responses to the Commission's importer questionnaire was 5 January 2026. Extensions were requested and granted until 9 February 2026.

The following exporters responded to the Commission's investigation:

- Yie Phui (China) Technomaterial Co., Ltd ("YPC");
- Zhejiang Huapu Eco-friendly Materials Co., Ltd (China) ("Zhejiang Huapu");
- HEFEI HBIS and Suzhou HBIS (related party)
- Shandong Ruifeng Composite Material Co., Ltd (China);
- Shandong Shinmade Material Tech Co., Ltd (China);
- Linqing Hengtai Metal Materials co., Ltd ("Hengtai");
- Shandong Ye Hui Coated Steel Co., Ltd (China);
- Shandong Boxing Huaye Industry and Trade Co; and
- Tianjin Xinyu Color Plate Co., Ltd (and their related parties).

YPC was verified from 8 to 10 June 2026, and Zhejiang Huapu was verified from 12 to 15 June 2026. Tianjin Xinyu Colour Plate was verified on 15 and 16 June 2026, and its related parties, Haoyu Century and Haoyu Steel, were verified from 17 to 19 June 2026. HEFEI HBIS and its related party (Suzhou HBIS) were verified from 18 to 22 June 2026 and on 23 and 24 June 2026 respectively. Shandong Ruifeng was verified from 23 to 25 June 2026. The verification reports were sent to all exporters on 15 July 2026.

1.9 PRELIMINARY DETERMINATION

Sampling by the Commission

Commission's consideration on sampling of exporters

The Commission noted that although nine exporters responded to the Commission's investigation, the volume of information in the responses necessitated sampling of exporters. This was to prevent an undue administrative burden to the Commission with respect to the individual examination of all the individual exporters. The scope would be restricted to a "reasonable number" through sampling. Responses to the Commission's questionnaires were also provided by related parties to the exporters.

The Commission considered the exporters with the largest volumes and the statutory deadlines (typically 12–18 months) for anti-dumping investigations when sampling the exporters. This approach would guarantee that the results are reliable and compliant with the ADR and WTO Anti-Dumping Agreement, including avoiding investigations from stalling due to excessive data processing.

Comments by the importers in response to sampling of exporters by the Commission

In response to the Commission's use of sampling, the importers stated that Regulation 8.6 of the ADR provides as follows: "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 –

(a) The largest percentage of the exports from the country in question which can reasonably be investigated; or

(b) (b)Samples that are statistically valid on the basis of the information available to the Commission at the time of the selection."

Importers are of the view that it is technically incorrect to refer to this process as "sampling", should rather be referred to the 'limiting' of the responding parties.

The importers also argued that if the Commission insists on using the word "sampling", they requested that the Commission advise and substantiate which sampling techniques were used. The importers also stated that the Commission should indicate whether it is probability sampling or non-probability sampling that was used.

Commission's consideration

In WTO anti-dumping practice, the term "sampling" is commonly used to describe the limitation of the number of exporters selected for individual examination where the number of respondents is so large that it would be impracticable to examine each respondent individually. The Commission uses the term within this context.

The sampling methodology applied in the current investigation was undertaken in terms of ADR 8.6(a) of the ADR which provides for the selection of exporters to be based on the largest percentage of exports from the country in question which can reasonably be investigated. The Commission did not apply a statistically valid or probability-based sampling approach as contemplated under ADR 8.6(b).

The relevant provision in the ADR is read in line with the WTO ADA, wherein Article 6.10 addresses the issue of sampling as follows:

"6.10 The authorities shall, as a rule, determine an individual margin of dumping for each known exporter or producer concerned of the product under investigation. In cases where the number of exporters, producers, importers or types of products involved is so large as to make such a determination

impracticable, the authorities may limit their examination either to a reasonable number of interested parties or products by using samples which are statistically valid on the basis of information available to the authorities at the time of the selection, or to the largest percentage of the volume of the exports from the country in question which can reasonably be investigated.

6.10.1 *Any selection of exporters, producers, importers or types of products made under this paragraph shall preferably be chosen in consultation with and with the consent of the exporters, producers or importers concerned.*

6.10.2 *In cases where the authorities have limited their examination, as provided for in this paragraph, they shall nevertheless determine an individual margin of dumping for any exporter or producer not initially selected who submits the necessary information in time for that information to be considered during the course of the investigation, except where the number of exporters or producers is so large that individual examinations would be unduly burdensome to the authorities and prevent the timely completion of the investigation. Voluntary responses shall not be discouraged.*

In light of the foregoing, the Commission made a preliminary determination that there is sufficient information to indicate that:

- the subject product originating in or imported from the China is being dumped into the SACU market;
- the SACU industry is experiencing material injury; and
- there is a causal link between the dumped imports of the subject product originating in or imported from China and the material injury suffered by the SACU industry.

The Commission therefore decided to request the Commissioner of SARS to impose the following provisional measures on imports of the subject products for a period of 6 months:

Tariff subheading	Producer/exporter	Rate of provisional duty
HS 7210.70.20 HS 7210.70.30 HS 7210.70.40 HS 7210.70.90	• Zhejiang Huapu Eco-Friendly Materials Co., Ltd • Hefei HBIS New Material Technology Co., Ltd (related party Hefei Suzhou) • Yie Phui (CHINA) Techno material Co., Ltd ("YPC") • Tianjin Xinyu Color Plate Co., Ltd (Exported by Tianjin Haoyu Century Import and Export Co., Ltd) • Tianjin Xinyu Color Plate Co., Ltd (Exported by Tianjin Haoyu Steel Co., Ltd) • Shandong Ruifeng Composite Material Co., **Weighted average duty (unsampled exporters)**: • Shandong Yehui Coated Steel Co., Ltd • Shandong Shinmade Material Technology Co., Ltd • Linqing Hengtai Metal Materials Co., Ltd • Shandong Boxing Huaye Industry and Trade Co., Ltd **All the other producers/ /exporters in China, excluding:** • Zhejiang Huapu Eco-Friendly Materials Co., Ltd; • Hefei HBIS New Material Technology Co., Ltd (related party Hefei Suzhou); • Yie Phui (CHINA) Techno material Co., Ltd ("YPC");	8.79% 18.83% -3.90% -0.25% -0.14% -0.03% 13.81%

	- Tianjin Xinyu Color Plate Co., Ltd (Exported by Tianjin Haoyu Century Import and Export Co., Ltd) - Tianjin Xinyu Color Plate Co., Ltd (Exported by Tianjin Haoyu Steel Co., Ltd) - Shandong Ruifeng Composite Material Co., - Shandong Yehui Coated Steel Co., Ltd; - Shandong Shinmade Material Technology Co., Ltd; - Linqing Hengtai Metal Materials co., Ltd and - Shandong Boxing Huaye Industry and Trade Co., Ltd	28.11%

2. PRODUCTS, TARIFF CLASSIFICATION AND DUTIES

2.1 IMPORTED PRODUCTS

2.1.1 Description

The subject product of this application is flat-rolled products of iron or non-alloy steel, of a width of 600 mm or more, clad, plated or coated, painted, varnished or coated with plastics: in tariff subheadings 7210.70.20, 7210.70.30, 7210.70.40 and 7210.70.90 more commonly referred to as colour coated steel.

2.1.2 Country of origin/export

The subject product originates in or is imported from China.

2.1.3 Tariff classification

The subject product is classifiable under the following tariff subheadings:

Heading/ Subheading	CD	Article Description	Statistical Unit	General	EU/UK	EFTA	SADC	MERCURSOR	AfCFTA
7210	**Flat-rolled products of iron or non-alloy steel, of a width of 600 mm or more, clad, plated or coated:**								
7210.70		**Painted, varnished or coated with plastics:**	kg	10%	Free	Free	Free	10%	5%
7210.70.20	0	Of a thickness not exceeding 0,20 mm	kg	10%	Free	Free	Free	10%	5%
7210.70.30	8	Of a thickness exceeding 0,20 mm but not exceeding 0,45 mm	kg	10%	Free	Free	Free	10%	5%
7210.70.40	5	Of a thickness exceeding 0,45 mm but	Kg	10%	Free	Free	Free	10%	5%

		not exceeding 0,80 mm							
7210.70.90	1	Other	kg	10%	Free	Free	Free	10%	5%

(Source: SARS)

2.1.4 Possible tariff loopholes

The Applicants are not aware of any loopholes in the tariff description.

2.1.5 Negligibility test

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

Table 2.1.5: Import volumes

Import Volume (tons)	Volumes	%	Volumes	%	Volumes	%
	2023	**2023**	**2024**	**2024**	**2025**	**2025**
China	51 205	82.02%	41 678	75.54%	77 457	84.23%
Other imports	11 228	17.98%	13 493	24.46%	14 499	15.77%
Total	**62 433**	**100%**	**55 171**	**100%**	**91 956**	**100%**

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

2.2 SACU PRODUCT

The subject product manufactured in the SACU iscolour coated steel.

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

Table 2.2: Like product determination

	Imported product	SACU product
Raw materials	The raw material used in the manufacture of the imported product is: • Hot-dip galvanized steel GI	The raw material used in the manufacture of the imported product is: • Hot-dip galvanized steel GI

	• Aluminium zinc coated steel (GI) • Aluminium-Cold-rolled steel (CRC) • Primer paints • Top coat paints • Pre-treatment chemicals	• Aluminium-zinc coated steel (GI) • Aluminium Cold-rolled steel (CRC) • Primer paints • Top coat paints • Pre-treatment chemicals
Production process	2. Chemical Pre-treatment a. Purpose: Apply a conversion layer to enhance corrosion resistance and improve paint adhesion. b. Process: A chromate or non-chromate chemical is applied by dipping, rolling, or spraying. c. Typical Chemicals: Phosphate, chromate, or zirconium-based solutions. d. Result: Formation of a micro-thin protective film. 3. Primer Application a. Purpose: Serve as a base layer to improve adhesion of the topcoat and enhance corrosion protection. b. Process: A primer paint is applied using a roller coater. c. Drying: The strip passes through a primer curing oven (e.g. hot air or IR heating) to dry the primer. 4. Topcoat Application a. Purpose: Provide colour, weather resistance, and desired mechanical properties. b. Process: A topcoat layer is applied over the primer using another roller coater. c. Finishes: Glossy, matte, textured, or patterned based on customer need. 5. Curing	2. Chemical Pre-treatment a. Purpose: Apply a conversion layer to enhance corrosion resistance and improve paint adhesion. b. Process: A chromate or non-chromate chemical is applied by dipping, rolling, or spraying. c. Typical Chemicals: Phosphate, chromate, or zirconium-based solutions. d. Result: Formation of a micro-thin protective film. 3. Primer Application a. Purpose: Serve as a base layer to improve adhesion of the topcoat and enhance corrosion protection. b. Process: A primer paint is applied using a roller coater. c. Drying: The strip passes through a primer curing oven (e.g. hot air or IR heating) to dry the primer. 4. Topcoat Application: (a) Purpose: Provide colour, weather resistance, and desired mechanical properties. b. Process: A topcoat layer is applied over the primer using another roller coater. c. Finishes: Glossy, matte, textured, or patterned based on customer need.

	a. Purpose: Fully solidify the primer and topcoat layers through high-temperature curing. b. Process: The coated coil passes through an oven typically heated between 200–260°C. c. Oven Types: Gas-fired, electric, or UV-based curing ovens. d. Result: Durable, cured, and hardened finish. 6. Recoiling a. Purpose: The final step where the coated strip is recoiled into a roll. b. Process: The finished and cooled strip is wound onto a coil for packaging and transport. c. Additional Steps: Quality inspection, trimming, and labelling may occur before packaging.	5. Curing a. Purpose: Fully solidify the primer and topcoat layers through high-temperature curing. b. Process: The coated coil passes through an oven typically heated between 200–260°C. c. Oven Types: Gas-fired, electric, or UV-based curing ovens. d. Result: Durable, cured, and hardened finish. 6. Recoiling a. Purpose: The final step where the coated strip is recoiled into a roll. b. Process: The finished and cooled strip is wound onto a coil for packaging and transport. c. Additional Steps: Quality inspection, trimming, and labelling may occur before packaging.
Physical appearance	1. Colour Variety a. The product is available in a broad spectrum of colours, ranging from muted industrial tones (e.g. beige, slate grey) to vibrant architectural finishes (e.g. royal blue, terracotta, emerald green). b. Pigment Integration: Pigments are mixed into the organic topcoat, ensuring colour stability under prolonged UV exposure. c. Customisation: Manufacturers can tailor colours according to RAL, Pantone, or proprietary standards for architectural branding, corporate identity, or urban design harmonisation.	1. Colour Variety a. The product is available in a broad spectrum of colours, ranging from muted industrial tones (e.g. beige, slate grey) to vibrant architectural finishes (e.g. royal blue, terracotta, emerald green). b. Pigment Integration: Pigments are mixed into the organic topcoat, ensuring colour stability under prolonged UV exposure. c. Customisation: Manufacturers can tailor colours according to RAL, Pantone, or proprietary standards for architectural branding, corporate identity, or urban design harmonisation.

	d. Application Relevance: Urban infrastructure, corporate buildings, and OEM (Original Equipment Manufacturer) branding benefit significantly from this versatility in colour. 2. Gloss Levels a. The gloss of the product's surface finish ranges from: i. Matte (10–30 GU): Non-reflective, diffused light surfaces used in modern architectural design or anti-glare applications. ii. Satin/Semi-gloss (30–70 GU): Balanced sheen suitable for commercial roofing, wall cladding, and consumer goods. iii. High gloss (70+ GU): Highly reflective finishes used for aesthetic-driven applications such as appliances or premium facades. iv. Gloss Control Technology: Achieved through formulation of the topcoat and control of curing conditions. Gloss level affects both aesthetic impression and surface functionality (e.g., dirt resistance, cleaning ease). 3. Corrosion Resistance a. Corrosion resistance is a cornerstone of coil-coated steel's utility: (b) Base Substrate Contribution: Galvanized (zinc-coated) or aluminium-zinc (AZ150) base layers offer sacrificial protection, reacting preferentially to atmospheric oxygen and moisture to preserve the steel core.	d. Application Relevance: Urban infrastructure, corporate buildings, and OEM (Original Equipment Manufacturer) branding benefit significantly from this versatility in colour. 2. Gloss Levels a. The gloss of the product's surface finish ranges from: i. Matte (10–30 GU): Non-reflective, diffused light surfaces used in modern architectural design or anti-glare applications. ii. Satin/Semi-gloss (30–70 GU): Balanced sheen suitable for commercial roofing, wall cladding, and consumer goods. iii. High gloss (70+ GU): Highly reflective finishes used for aesthetic-driven applications such as appliances or premium facades. iv. Gloss Control Technology: Achieved through formulation of the topcoat and control of curing conditions. Gloss level affects both aesthetic impression and surface functionality (e.g., dirt resistance, cleaning ease). 3. Corrosion Resistance (a) Corrosion resistance is a cornerstone of coil-coated steel's utility: b. Base Substrate Contribution: Galvanized (zinc-coated) or aluminium-zinc (AZ150) base layers offer sacrificial protection, reacting preferentially to atmospheric oxygen and moisture to preserve the steel core.

	c. Conversion Coating Layer: Applied pre-primer, it enhances adhesion and contributes passive corrosion resistance. d. Topcoat Systems: Organic coatings act as barrier layers, isolating the metal from corrosive agents like salts, acids, and industrial pollutants. e. Performance Metrics: Coated steel is often tested under ASTM B117 (salt spray test), with resistance exceeding 1,000 hours in high-durability systems. 4. Formability a. The product maintains excellent mechanical flexibility, making it suitable for post-paint forming, cutting, rolling, and stamping operations: b. Yield Strength Range: Typically, between 200–280 MPa, allowing for mild to moderate forming without cracking or delamination of the coating. c. Elongation: Some grades offer elongation >20%, crucial for deep-draw applications like appliance casing or cladding panels. d. Bend Test Compliance: Products often meet ≥2T bending radius (2× sheet thickness) without coating rupture—per EN 13523-7 and similar standards.	c. Conversion Coating Layer: Applied pre-primer, it enhances adhesion and contributes passive corrosion resistance. d. Topcoat Systems: Organic coatings act as barrier layers, isolating the metal from corrosive agents like salts, acids, and industrial pollutants. e. Performance Metrics: Coated steel is often tested under ASTM B117 (salt spray test), with resistance exceeding 1,000 hours in high-durability systems. 4. Formability a. The product maintains excellent mechanical flexibility, making it suitable for post-paint forming, cutting, rolling, and stamping operations: b. Yield Strength Range: Typically, between 200–280 MPa, allowing for mild to moderate forming without cracking or delamination of the coating. c. Elongation: Some grades offer elongation >20%, crucial for deep-draw applications like appliance casing or cladding panels. d. Bend Test Compliance: Products often meet ≥2T bending radius (2× sheet thickness) without coating rupture—per EN 13523-7 and similar standards.
Tariff classification	**72.10** Flat-rolled products of iron or non-alloy steel, of a width of 600 mm or more, clad, plated or coated	**72.10** Flat-rolled products of iron or non-alloy steel, of a width of 600 mm or more, clad, plated or coated

	7210.70 Painted, varnished or coated with plastics **7210.70.20** Of a thickness not exceeding 0,20 mm **7210.70.30** Of a thickness exceeding 0,20 mm but not exceeding 0,45 mm **7210.70.40** Of a thickness exceeding 0,45 mm but not exceeding 0,80 mm **7210.70.90** Other	**7210.70** Painted, varnished or coated with plastics **7210.70.20** Of a thickness not exceeding 0,20 mm **7210.70.30** Of a thickness exceeding 0,20 mm but not exceeding 0,45 mm **7210.70.40** Of a thickness exceeding 0,45 mm but not exceeding 0,80 mm **7210.70.90** Other
Application or end use	The imported subject product is predominantly used in the appliance industry, as well as either the construction/housing or automotive industry.	The imported subject product is predominantly used in the appliance industry, as well as either the construction/housing or automotive industry.
Substitutability	The imported product is fully substitutable with the SACU product.	The SACU product is fully substitutable with the imported product

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

3. SACU INDUSTRY

3.1 INDUSTRY STANDING

The application was submitted by AMSA and SAFAL, with 100% percent of the production by the SACU industry, and therefore representing the total production in the SACU.

The Commission made a preliminary determination that the application can be regarded as being made “by or on behalf of the domestic industry”.

4. DUMPING

4.1 METHODOLOGY IN THIS INVESTIGATION FOR ZHEJIANG HUAPU

4.1.1 Calculation of normal value

During the period of investigation, it was found that Zhejiang Huapu conducted business in the domestic market through two distribution channels.

First, Zhejiang Huapu sold the subject product to its related party Hangzhou Huapu, which was then sold to unrelated customers.

Second, Zhejiang Huapu sold the subject product to unrelated customers. It was found during verification that there were long-term written agreements for other customers, and some required prepaid payments in the domestic market.

Zhejiang Huapu sold different models of the subject product in the domestic market. Some of the models were sold to its related party. The subject product was then re-sold to independent customers, including downstream manufacturers. The remaining total units were sold to independent customers.

It was also found that Zhejiang Huapu manufactured the subject product and sold different models of the subject product to the SACU market during the period of investigation. Of the models sold to SACU, it was established that some models were also sold in the Chinese domestic market. Some of the models sold in the domestic market were found to be less than 5% in volume, as a proportion of the export sales volumes to SACU. The remaining models were sold below cost in the domestic market. Consequently, the normal values for all the models could not be used in the dumping calculations, as the volumes are deemed insufficient for this purpose per ADR8.3. Additionally, these models were also never sold in the third-country market. Thus, the normal values for all models had to be constructed in accordance with subsection 32(2)(b)(ii)(aa) of the ITA Act.

Commission's consideration

The Commission made a preliminary determination to use the constructed normal value in the calculation of the dumping margin for Zhejiang Hupau.

The Commission made a preliminary determination to use the constructed normal value methodology to determine Zhejiang Hupau's normal values.

Comments by the Applicants to exporter's response

In response to Zhejiang Huapu's response, the Applicants stated that the domestic sales value should not be used as the basis for normal value, as Zhejiang Huapu is a recipient of Chinese government support programmes and has been subject to several anti-dumping and countervailing investigations according to publicly available information.

The Applicants added that because of these government support programmes in China, the domestic prices do not reflect the normal market forces which are assumed in dumping calculations. It submitted that the obligation lies with Zhejiang Huapu to provide evidence that market economy conditions prevail in the steel industry to permit the use of Chinese domestic prices as the basis of determining the normal value. In the absence of this, the Commission should resort to using the export to third country methodology as proposed by the Applicants in this case.

The Applicants made a reference to the GATT panel in the case ***EEC-Cotton Yarn*** *regarding Article 2.4 of the Tokyo Round Anti-Dumping Code wherein the GATT panel highlighted that "a particular market situation" is relevant insofar as it has the effect of rendering domestic sales unfit to permit a proper comparison, to support its argument.*

The Applicants further argued that in the determination of whether sales, including sales to third countries, took place in the ordinary course of trade, the Commission should count back any subsidies the producers received in determining their total costs. Without this, this would not be a "proper allocation" of all costs. It pointed out that not counting back, the subsidies would mean not removing the unfair trade and requiring the domestic industry to compete on an unequal footing.

Commission's consideration

From verification by the Commission, there is no evidentiary basis upon which the conclusion could be reached that Chinese domestic prices are not in the ordinary course of trade. All information on domestic sales and costs were verified and reconciled to Zhejiang Huapu's accounting system and financial statements.

Adjustments to the export price to SACU

The following adjustments were claimed by the exporter for export sales to SACU:

4.1.2 Export sales to SACU

During the period of investigation, Zhejiang Huapu sold the subject product to the SACU market. Export sales transactions were verified. A sample of invoices were randomly selected and found to correspond with the sales schedule. Contracts between Zhejiang Huapu and its customers were shown to the Investigators during verification.

Adjustments on export price to SACU

The following adjustments were claimed by Zhejiang Huapu on export price to the SACU market:

Cost of payment terms

Zhejiang Huapu granted payment terms to its independent customers. The payment terms included telegraphic transfers (TT) and letters of credit. For transactions settled by TT, the applicable payment arrangement generally required an advance payment, with the remaining payable upon the bill of lading. The cost of payment terms was calculated based on net invoice value. The adjustment was verified and found to be correct.

Commission's consideration

The cost of payment terms was displayed on the invoices, verified and found to be correct, which supported the claim for the adjustment.

The Commission made a preliminary determination <u>to allow</u> the cost of payment adjustment as it was demonstrated to have affected price comparability at the time of setting the prices.

Delivery charges

During verification, it was found that Zhejiang Huapu delivers the subject product from the factory to the port of China. The Investigators found that the inland freight reported by the Zhejiang Huapu was based on the actual inland freight amounts recorded in the inland freight invoice issued by the logistics service provider and used to reconcile the freight amounts with the corresponding freight VAT invoice. Zhejiang Huapu identified the corresponding freight record in the inland freight details and reported the VAT-exclusive freight amount attributable to that transaction. Sample invoices for delivery charges were verified and found to be correct.

Commission's consideration

The delivery charge was verified and found to be correct, which supported the claim for the adjustment.

The Commission made a preliminary determination <u>to allow</u> the delivery charges adjustment as it was demonstrated to have affected price comparability at the time of setting the prices.

Port Charges

During verification, the Investigators found that Zhejiang Huapu reported port charges based on the actual port-related expenses shown in the expense confirmation sheet issued by the freight forwarder. Zhejiang Huapu did not report port charges by applying a general average rate or an estimated allocation ratio. Instead, it first identified the relevant expense confirmation sheet for the export shipment, verified that it corresponded to the commercial invoice, and then reported the port charge amount shown in the expense confirmation sheet. The port charge adjustment was confirmed in invoices by the freight forwarder, verified and found to be correct.

Commission's consideration

The port charge was verified and found to be correct, which supported the claim for the adjustment.

The Commission made a preliminary determination to allow the delivery charges adjustment as it was demonstrated to have affected price comparability at the time of setting the prices.

Ocean freight

During verification, the Investigators found that Zhejiang Huapu reported ocean freight based on the freight amounts on the customs declaration form. For each relevant export shipment, Zhejiang Huapu first matched the customs declaration form to the corresponding sales transaction by reference to the contract number, commercial invoice number and shipment quantity. The ocean freight amounts declared on the customs declaration form were then reported in the export sales listing. Where one customs declaration form or shipment covered more than one sales line, the freight and insurance amounts were allocated to the relevant sales lines based on quantity. Samples of ocean freight were selected verified in the customs declaration forms and were found to be correct.

Investigators' comment

The ocean freight charge was verified and found to be correct, which supported the claim for the adjustment.

The Commission made a preliminary determination to allow the ocean freight adjustment as it was demonstrated to have affected price comparability at the time of setting the prices.

Ocean freight insurance

During verification, the Investigators found that Zhejiang Huapu reported insurance based on the insurance amounts on the customs declaration form. For each relevant export shipment, the company first matched the customs declaration form to the corresponding sales transaction by reference to the contract number, commercial invoice number and shipment quantity. The amounts declared on the customs declaration form were then reported in the export sales list. Where one customs declaration form or shipment covered more than one sales line, the freight and insurance amounts were allocated to the relevant sales lines based on quantity. Samples of ocean freight were selected verified in the customs declaration forms and were found to be correct. The total adjustment was calculated as 55.64 USD.

Investigators' comment

The insurance ocean freight cost was verified and found to be correct.

The Commission made a preliminary determination <u>to allow</u> the ocean freight adjustment as it was demonstrated to have affected price comparability at the time of setting the prices

4.1.3 Dumping margin

The dumping margin for Zhejiang Huapu was determined using the constructed normal value-to-ex-factory export price comparison methodology. The constructed normal values of the 23 models sold to SACU were compared with the corresponding adjusted export prices to calculate a dumping margin for each model. Each margin was then expressed as a percentage of the export price and weighted by the corresponding export volume to derive the dumping factor for that model. The weighted average dumping margin for Zhejiang Huapu was subsequently calculated by adding the volume-weighted dumping factors of all 23 models.

The dumping margin for Zhejiang Huapu was calculated as 8.79%.

4.2 METHODOLOGY IN THIS INVESTIGATION FOR HEFEI HBIS NEW MATERIAL TECHNOLOGY CO., LTD

4.2.1 Normal value calculation

During the period of investigation, it was found that the subject product was sold to unrelated customers in the domestic market.

Hefei HBIS New Material Technology Co., Ltd ("Hefei HBIS") manufactured the subject product and sold different models of the subject product to the SACU market during the period of investigation. It was established that nineteen models of the subject product were sold to the SACU market by Hefei HBIS during the period of investigation. The Investigating team also noted that all the models that were sold to the SACU market were not sold in the domestic market or in the third-country market. Therefore, the normal values for all sales to SACU by Hefei HBIS had to be constructed in accordance with subsection 32(2)(b)(ii) (aa) of the ITA Act. This profit mark-up was considered reasonable as most exporters applied a profit mark-up on cost in their cost build-ups to arrive at the selling price.

Further, some of the products sold by Hefei HBIS to the SACU market were purchased by Hefei HBIS from its related party, Suzhou HBIS. Suzhou HBIS does not sell to the SACU market. They only sell to Hefei HBIS who then sells into SACU. Therefore, the normal values of all the models that were manufactured by Suzhou on behalf of Hefei HBIS were constructed using Suzhou HBIS's cost build-up. A reasonable profit mark-up on these sales was calculated, which was the profit markup of Hefei HBIS.

Comments by the Applicants to Hefei HBIS and Suzhou HBIS' exporter

The Applicants stated that Hefei HBIS's response to paragraph A12 of the questionnaire states that there is no related company involved with the distribution of the products under investigation. According to the Applicants, this is directly contradicted by Hefei HBIS's own responses to paragraph A1 and E1.3, which describe an elaborate related-party distribution structure involving

Suzhou HBIS Ltd across Channels 2 and 3, and is also contradicted by Suzhou HBIS's own response to Section A12, which correctly identifies Hefei HBIS Ltd as the related party responsible for distribution.

The Applicants submitted that, in response to paragraph B2 of the questionnaire, the two related exporters should have supplied the information of other producers and exporters.

Commission's consideration

The Commission noted from the information submitted by the exporter (Hefei HBIS) and its related party (Suzhou HBIS) that none of the parties is involved in the distribution of the subject product.

In relation to the Applicants' comment, where it is stated that the two related exporters should have supplied the information about other producers and exporters. It should be noted that both the exporter and its related party provided the Commission with information applicable to both parties, as they are related.

Comments by the Applicants to Hefei HBIS and Suzhou HBIS' responses

The Applicants stated that both Hefei HBIS Ltd and Suzhou HBIS Ltd have withheld a summarised version of the percentage stockholdings and cross-stockholdings on the basis that the nature of the information is such that it cannot be summarised. According to the Applicants, this information is relevant for the purposes of establishing or clarifying whether the two entities are related parties, and, as a matter of percentage shareholding rather than transaction-level or costing data, it is not self-evident why such information would be inherently incapable of any form of summary.

Commission's consideration

The Commission noted that according to the affidavit submitted by the exporter and its related party, this information is classified as confidential by nature, and it could not be released to other interested parties.

Comments by the Applicants to HEFEI HBIS and Suzhou's HBIS exporters'

In response to HEFEI HBIS and Suzhou's HBIS exporter submission to the Commission, the Applicants stated that the domestic sales value should not be used as the basis for normal value as both HEFEI HBIS and Suzhou's HBIS are recipients of Chinese government support programmes and have been subject to several anti-dumping and countervailing investigations according to publicly available information.

The Applicants added that because of these government support programmes in China, the domestic prices do not reflect the normal market forces which are assumed in dumping calculations. It submitted that the obligation lies with HEFEI HBIS and Suzhou's HBIS to provide evidence that market economy conditions prevail in the steel industry to permit the use of Chinese domestic prices as the basis of determining the normal value. In the absence of this, the Commission should resort to using the export to third country methodology as proposed by the Applicants in this case.

The Applicants made a reference to the GATT panel in the case ***EEC-Cotton Yarn*** *regarding Article 2.4 of the Tokyo Round Anti-Dumping Code wherein the GATT panel highlighted that "a particular market situation" is relevant insofar as it has the effect of rendering domestic sales unfit to permit a proper comparison, to support its argument.*

The Applicants further argued that in the determination of whether sales, including sales to third countries, took place in the ordinary course of trade, the Commission should count back any subsidies the producers received in determining their total costs. Without this, this would not be a "proper allocation" of all costs. It pointed out that not counting back, the subsidies would mean not removing the unfair trade and requiring the domestic industry to compete on an unequal footing.

Commission's consideration

From verification by the Commission, there is no evidentiary basis upon which the conclusion could be reached that Chinese domestic prices are not in the *ordinary course of trade. All information on domestic sales and costs were verified and reconciled to HEFEI HBIS and Suzhou's HBIS accounting systems and financial statements.*

4.2.2 Export sales to SACU

It was found during verification that Hefei HBIS has the following channels in conducting its business:

1. **Channel 1: Hefei HBIS → Importers in SACU**

   Hefei HBIS manufacturers the products and exports the products to importers in SACU directly.

2. **Channel 2: Suzhou HBIS → Hefei HBIS → Importers in SACU**

   Hefei HBIS sends the order to Suzhou HBIS (related party). Suzhou HBIS manufacturers the products and sells to Hefei HBIS. Then, Hefei HBIS exports the products to importers in SACU.

3. **Channel 3: Hefei HBIS (products processed by Suzhou HBIS) → Importers in SACU**

   In this channel, Hefei HBIS provides the raw materials to Suzhou HBIS and Suzhou HBIS processes the raw materials into the product under investigation. Suzhou HBIS charges the processing fee from Hefei HBIS. Then Hefei HBIS exports the products to importers in SACU. There are no sales between the above 2 companies.

During the period of investigation, it was found that the subject product was sold to unrelated customers in the SACU market.

Adjustments on the export price

The following adjustments were claimed by the Hefei HBIS to the export to SACU market:

The following adjustments were claimed by Hefei HBIS:

Cost of payment terms

Hefei HBIS indicated that they used the one-year Loan Prime Rate ("LPR") published in May 2024 by the People's Bank of China to calculate the cost of payment terms. The published LPR rate was provided to the Commission by Hefei HBIS. The total amount for cost of payment terms in the domestic sales schedules was calculated and found to be correct.

Commission's consideration

The cost of payment terms was displayed on the invoices verified and found to be correct, which supported the claim for the adjustment.

The Commission made a preliminary determination to allow the cost of payment adjustment as it was demonstrated to have affected price comparability at the time of setting the prices.

Delivery charges (inland freight)

Hefei HBIS has a contract with the logistics company to transport goods from either Hefei HBIS or Suzhou HBIS's (related party) factory to the port in China. Hefei HBIS pays the delivery charges to the logistics company. The unit expenses are determined based on the loading place and destination stipulated in the transportation contract with the logistics company. For each production line, Hefei HBIS uses the corresponding unit inland freight cost to multiply the sales quantity to calculate the inland freight.

For products manufactured or processed by Suzhou, the products were directly transported from Suzhou factory to Shanghai port. The unit inland freight was calculated. For products manufactured by Hefei HBIS, the products were transported from Hefei factory to Shanghai port. The cost per unit inland freight was also calculated. The total amount for delivery charges on SACU sales per the schedule was found to be correct.

Commission's consideration

The delivery charges were displayed on the invoices verified and found to be correct, which supported the claim for the adjustment.

The Commission made a preliminary determination to allow the cost of payment adjustment as it was demonstrated to have affected price comparability at the time of setting the prices.

Other adjustments (ocean freight)

For ocean freight, the expenses include the port charges and are actually incurred in relation to each transaction. For each month, the logistics company issues a settlement list to Hefei HBIS, which includes the goods transported in that month with corresponding ocean freight. After confirming the list, the logistics company issues the VAT invoice based on the total value of the list.
The total amount for port charges in the third country sales schedules was found to be correct.

Commission's consideration

The ocean freight charges were displayed on the invoices verified and found to be correct, which supported the claim for the adjustment.

The Commission made a preliminary determination to allow the ocean freight adjustment as it was demonstrated to have affected price comparability at the time of setting the prices.

Bank Charges

For bank charges, the expenses are actual incurred and can be directly related to each transaction. Since the bank charges are directly related to entire invoice, Hefei HBIS based on the invoice amount considering the actual cash received in the bank.

The total bank charges were calculated and found to be correct.

Commission's consideration

The bank charges were displayed on the invoices verified and found to be correct, which supported the claim for the adjustment.

The Commission made a preliminary determination to allow bank charges adjustment.

Comments by the Applicants to HEFEI HBIS exporter response

The Applicants indicated that it identified a discrepancy where it is stated in paragraph E3 that Hefei HBIS Ltd did not make use of any agents in exporting to SACU, yet A13 clearly illustrates both direct and indirect sales for end uses.

Investigators' comment

From the verified information, it was found that Hefei HBIS exported directly to Defy Appliances (Pty) Ltd and Tradecore Steel Pty Ltd. The two importers responded to the Commission's investigation.

4.2.3 Dumping margin

The dumping margin for Hefei HBIS was determined using the constructed normal value-to-ex-factory export price comparison methodology. The constructed normal values of the nineteen models sold to SACU were compared with the corresponding adjusted export prices to calculate a dumping margin for each model. Each margin was then expressed as a percentage of the export price and weighted by the corresponding export volume to derive the dumping factor for that model. The weighted average dumping margin for Hefei HBIS was subsequently calculated by adding the volume-weighted dumping factors of all nineteen models.

The following dumping margin was calculated:

Producer	Dumping margin
Hefei HBIS	18.83%

According to the definition of related parties in provision 1 of the ADR, Hefei HBIS and Suzhou HBIS are related parties. They are also related by virtue of their conduct, in terms of buying and selling goods from each other.

Commission's consideration

The Commission noted that although Hefei HBIS and Suzhou HBIS are related parties, it was found during verification that Suzhou HBIS did not export the subject product to the SACU market. The dumping margin was calculated based on sales to the SACU market by Hefei HBIS.

Based on the above, the Commission made a preliminary determination that the companies indicated above (Hefei HBIS and Suzhou HBIS) are related in terms of ADR1 and that they be considered as a single entity in terms of panel ruling in the case of Korea-anti-dumping duties on imports of certain paper from Indonesia.

The Commission also made a preliminary determination that a single preliminary dumping margin be imposed on these exporters to minimise the risk of circumvention of the applicable anti-dumping duty.

The Commission further made a preliminary determination to calculate a single dumping margin of 18.83% for Hefei HBIS and Suzhou HBIS.

The dumping margins which apply to Hefei HBIS and Suzhou HBIS are as follows:

<table>
<tr><th>Company name</th><th>Related parties' dumping margins</th></tr>
<tr><td>Hefei HBIS</td><td rowspan="2">18.83%</td></tr>
<tr><td>Suzhou HBIS</td></tr>
</table>

4.3 METHODOLOGY IN THIS INVESTIGATION YIEH PHUI (CHINA) TECHNOMATERIAL CO., LTD

It was established by the Investigators during verification that Yieh Phui (China) Technomaterial Co., Ltd ("YPC") and Yie Corporation Limited ("YCL') are related parties and that both are under the control of Yieh Phui Enterprise Co., Ltd. ("YPE"). It was further noted that YPE does not trade in the subject product. However, YPC and YCL do trade in the subject product, with YCL being a trading company that buys from YPC and sells to the SACU and other foreign markets only. It was also found that the distributors have a warehouse where they cut and slit the product subject to investigation and sell to domestic customers.

4.3.1 Normal value

During the investigation period, it was found that YPC sold the subject product to distributors and unrelated customers on the domestic market. It was also found during verification that there were no sales of the subject product on its domestic market which were comparable to foreign market and SACU sales. The normal value was therefore constructed.

YPC manufactured the subject product and sold different models of the subject product to the SACU market during the period of investigation. It was established that only three models of the subject product were sold to the SACU market by YPC during the period of investigation. The Commission also noted that none of the models sold to the SACU market were sold in the domestic market or in the third-country market. Therefore, the normal values for all sales to SACU by YPC had to be constructed in accordance with subsection 32(2)(b)(ii) of the ITA Act. The Commission noted that YPC reported a profit mark-up in its price and cost build-up. However, this was considered not to be a reasonable profit mark-up as the average profit mark-up of the industry ranges. Consequently, the Commission decided to use the average profit markup of two other producers, Zhejiang Huapu and Hefei HBIS, as a reasonable profit mark-up.

Comments by the Applicants to YPC's exporters' responses

In response to YPC's exporter submission to the Commission, the Applicants stated that the domestic sales value should not be used as the basis for normal value as YPC is the recipient of Chinese government support programmes and has been subject to several anti-dumping and countervailing investigations according to publicly available information.

The Applicants added that because of these government support programmes in China, the domestic prices do not reflect the normal market forces which are assumed in dumping calculations. It submitted that the obligation lies with YPC to provide evidence that market economy conditions prevail in the steel industry to permit the use of Chinese domestic prices as the basis of determining the normal value. In the absence of this, the Commission should resort to using the export to third country methodology as proposed by the Applicants in this case.

The Applicants made a reference to the GATT panel in the case ***EEC-Cotton Yarn*** *regarding Article 2.4 of the Tokyo Round Anti-Dumping Code wherein the GATT panel highlighted that "a particular market situation" is relevant insofar as it has the effect of rendering domestic sales unfit to permit a proper comparison, to support its argument.*

The Applicants further argued that in the determination of whether sales, including sales to third countries, took place in the ordinary course of trade, the Commission should count back any subsidies the producers received in determining their total costs. Without this, this would not be a "proper allocation" of all costs. It pointed out that not counting back, the subsidies would mean not removing the unfair trade and requiring the domestic industry to compete on an unequal footing.

Commission's consideration

When calculating domestic selling prices where there is government intervention, the practice of ITAC has been to select appropriate third or surrogate countries with market economy conditions, and consider these prices, instead of domestic selling prices in China. Since China was granted market economy status in 2002 in terms of the Record of Understanding (RoU), The

Commission is allowed to consider alternative methods permitted by the WTO, including calculating the NV in China based on the actual domestic sales in China or the cost for the exporter or industry subject to investigation.

From verification by the Commission, there is no evidentiary basis upon which the conclusion could be reached that Chinese domestic prices are not in the ordinary course of trade. All information on domestic sales and costs were verified and reconciled to Hefei HBIS and Suzhou's HBIS accounting systems and financial statements.

4.3.2 Export sales to SACU

It was found that during the period of investigation the subject was sold to the SACU market. During the verification, the Commission randomly selected transactions from the SACU sales schedule. A sample of invoices were also selected and correlated with the sales schedule. The exporter was requested to provide invoices, proof of payment, all other supporting documents and adjustment information for each transaction and such information was provided.

Adjustments on the export price to the SACU market

The following adjustments were claimed by YPC:

Inland insurance

YPC indicated that for all SACU sales, it incurred inland truck insurance from YPC's factory to the seaport in China. YPC traces inland truck insurance on a per-delivery-note basis and allocates to the associated products based on value of the product.

The total amount for inland insurance on SACU market sales per the schedule was verified and found to be correct.

Commission's consideration

It is the Commission's practice to consider adjustments to the export price to bring the price back to the ex-factory level. The inland insurance adjustment was verified and found to be correct, which supported the claim for the adjustment.

The Commission made a preliminary determination to allow the claimed by the exporter as it was demonstrated to have affected price comparability at the time of setting the prices.

Brokerage fees

YPC indicated that for all for SACU sales, they incurred brokerage charges for customs declaration in China. YPC traces brokerage charges on a shipment-by-shipment basis using an internal dispatch number and allocates costs to each invoice covered by a particular shipment based on the weight of each sales transaction.

The total amount for brokerage charges on SACU sales per the schedule was verified and found to be correct.

Commission's consideration

The brokerage fees were verified and found to be correct, which supported the claim for the adjustment.

The Commission made a preliminary determination to allow the adjustment claimed by the exporter as it was demonstrated to have affected price comparability at the time of setting the prices.

Cargo organisation fees

YPC indicated that for all SACU sales, they incurred cargo organisation fees in China. YPC traces cargo organization fee on a shipment-by-shipment basis (by using the "Internal Dispatch Number", a tracking number) and allocates costs to each invoice covered by a particular shipment based on the weight of each sales transaction.

The total amount for cargo organisation charges on SACU sales per the schedule was verified and found to be correct.

Commission's consideration

It is the Commission's practice to consider adjustments to the export price normal value to bring the price back to the ex-factory level. The cargo organisation fee adjustment was verified and found to be correct, which supported the claim for the adjustment.

The Commission made a preliminary determination to allow the adjustment claimed by the exporter as it was demonstrated to have affected price comparability at the time of setting the prices.

Inland freight

YPC indicated that for all SACU sales, they incurred inland truck freight from its factory to the seaport in China. YPC traces inland freight on a shipment-by-shipment basis (by using the "Delivery Notice Number" and a tracking number) and allocates costs to associated products by weight.

The total amount for inland freight on SACU sales per the schedule was verified and found to be correct.

Commission's consideration

It is the Commission's practice to consider adjustments to the export price to bring the price back to the ex-factory level. The inland freight adjustment was verified and found to be correct, which supported the claim for the adjustment.

The Commission made a preliminary determination to allow the adjustment claimed by the exporter as it was demonstrated to have affected price comparability at the time of setting the prices.

Pre-loading survey charges

YPC indicated that for all SACU sales, YPC incurred pre-loading survey fees. YPC traces pre-loading survey fee on a shipment-by-shipment basis (by using the “Internal Dispatch Number”, a tracking number) and allocates costs to each invoice covered by a particular waterway shipment based on the weight of each sales transaction.

The total amount for pre-loading survey charges on SACU sales per the schedule was verified and found to be correct.

Commission’s consideration

It is the Commission’s practice to consider adjustments to the export price to bring the price back to the ex-factory level. The preloading survey cost adjustment was verified and found to be correct, which supported the claim for the adjustment.

The Commission made a preliminary determination to allow the adjustment claimed by the exporter as it was demonstrated to have affected price comparability at the time of setting the prices.

Stevedoring charges

YPC indicated that for all SACU sales, YPC incurred stevedoring charges for loading goods onto the vessel at the port. YPC traces stevedoring charges on a shipment-by-shipment basis (by using the “Internal Dispatch Number”, a tracking number) and allocates costs to each invoice covered by a particular waterway shipment based on the weight of each sales transaction.

The total amount for stevedoring charges on SACU sales per the schedule was verified and found to be correct.

Commission’s consideration

The bank stevedoring adjustment was verified and found to be correct, which supported the claim for the adjustment.

The Commission made a preliminary determination to allow the adjustment claimed by the exporter as it was demonstrated to have affected price comparability at the time of setting the prices.

Ocean freight charges

YPC indicated that for all SACU sales, they incurred ocean freight for transactions made under [CFR] delivery terms. YPC traces ocean freight on a shipment-by-shipment basis (by using the "Internal Dispatch Number", a tracking number) and allocates costs to associated products by weight.

The total amount for ocean freight charges on other foreign market sales per the schedule was calculated and found to be correct.

Commission's consideration

The ocean freight charges adjustment was verified and found to be correct, which supported the claim for the adjustment.

The Commission made a preliminary determination to allow the adjustment claimed by the exporter as it was demonstrated to have affected price comparability at the time of setting the prices.

Packaging costs

YPC indicated that in the normal course of business, YPC's Packing unit is responsible for the management of packing services provided by the unrelated outside vendor. The packing services are rendered by outside unrelated contractor at YPC's factory location. In the normal course of business, the costs incurred for packing include the packing material costs, the sub-contracting services fees paid to the outside service provider, and general maintenance costs spent in maintaining the packing facilities.

For reporting purposes, YPC has thus calculated the coil-specific packing cost by using an allocation methodology. In calculating the packing cost for each coil, YPC first identified the packing type used for each coil. YPC then allocated the total actual packing costs incurred during the POI to each packing type by using the ‘theoretical packing cost” of each packing type as the allocation factor. The resulting per-unit packing costs calculated for each packing type is then multiplied by the weight each coil to reach the reported packing cost for each coil in the foreign sales listing.

The total amount for packing charges on SACU sales per the schedule was verified and found to be correct.

Commission’s consideration

The packaging cost adjustment was verified and found to be correct, which supported the claim for the adjustment.

The Commission made a preliminary determination to allow the adjustment claimed by the exporter as it was demonstrated to have affected price comparability at the time of setting the prices.

Bank charges

YPC indicated that for all SACU sales, YPC incurred bank charges. YPC traces bank charges on a per-invoice basis and allocates costs to associated products by value.

The total amount for bank charges on SACU sales per the schedule was verified and found to be correct.

Commission’s consideration

The Commission made a preliminary determination to allow the bank charges adjustment, which supported the claim for the adjustment.

4.3.3 Dumping margin

The dumping margin for YPC was determined using the constructed normal value-to-ex-factory export price comparison methodology. The constructed normal values of the three models sold to SACU were compared with the corresponding adjusted export prices to calculate a dumping margin for each model. Each margin was then expressed as a percentage of the export price and weighted by the corresponding export volume to derive the dumping factor for that model. The weighted average dumping margin for YPC was subsequently calculated by adding the volume-weighted dumping factors of all three models.

The following dumping was calculated:

Producer	Dumping margin
YPC	-3.90%

Commission's consideration:

The Commission noted that the dumping margin calculated for YPC was negative.

The Commission therefore made a preliminary determination that YPC did not dump the subject product in the SACU market during the period of investigation.

4.4 METHODOLOGY IN THIS INVESTIGATION FOR TIANJIN XINYU COLOR PLATE CO., LTD.

During the period of investigation, the subject product manufactured by Xinyu was exported to the SACU market mainly through its related trading companies, namely Tianjin Haoyu Century Import and Export Co., Ltd. ("Haoyu Century") and Tianjin Haoyu Steel Co., Ltd. ("Haoyu Steel"). Most of Xinyu's export sales were made through these related trading companies, which sold the subject product to unrelated customers in the SACU market and other export destinations.

4.4.1 Normal value

Xinyu is the producer and manufacturer of the subject product in China. During the POI, Tianjin Xinyu Color Plate Co., Ltd (“Xinyu”) sold a range of the subject product in the domestic market comprising various coating types and thickness categories. The domestic sales included Regular Modified Polyester (“RMP”), High Durability Polyester (“HDP”), Polyvinylidene Fluoride (“PVDF”) and Antistatic colour-coated steel products in several thickness categories. The domestic sales covered a total of 39 product models, comprising 14 RMP models, 10 PVDF models, 10 HDP models and 5 Antistatic models. The main differences between the various models lie in their final applications.

It was found that Haoyu Century recorded a limited number of domestic transactions during the period of investigation. During verification, the company explained that these transactions related to damaged products that were sold to logistics companies after the products were damaged while in the custody of the logistics companies. The Commission verified the transactions and established that these sales were not made in the ordinary course of trade. Consequently, neither Haoyu Century nor Haoyu Steel had domestic sales that could be used in the determination of normal value.

The subject products exported to the SACU market through the related trading companies comprised 13 product models made of 12 RMP and 1 HDP model.

The commission established that all product models exported to the SACU market were also sold in the domestic market. For purposes of determining the normal value, only Xinyu's domestic sales to independent customers were considered. Although Xinyu sold the subject product to its related trading companies, those transactions were not relied upon in determining the normal value. The normal value was based exclusively on domestic sales made to independent customers in the ordinary course of trade.

The Commission further established that Xinyu's domestic sales exceeded the threshold prescribed in ADR 8.3 and were therefore sufficient for purposes of determining normal value. In addition, a below-cost test conducted in accordance with ADR 8.2 established that no product models were sold below cost during the period of investigation. Consequently, all domestic sales were deemed to have been made in the ordinary course of trade and were used in determining normal value.

Commission's consideration

The Commission noted that Xinyu's domestic sales exceeded the minimum threshold prescribed in ADR 8.3 and were therefore representative for purposes of determining normal value. The Commission further noted that no product models were sold below cost during the period of investigation.

The Commission, therefore, made a preliminary determination that Xinyu's domestic sales were made in the ordinary course of trade and constitute an appropriate basis for the determination of normal value.

Adjustments to the normal value

The following adjustments were claimed by the exporter:

- Invoice discounts;
- Delivery charges (inland freight); and
- VAT.

Invoice discounts

Xinyu claimed an adjustment for invoice discounts in respect of domestic sales to unrelated customers. The exporter indicated that discounts granted during the period of investigation were allocated to individual domestic sales transactions using an allocation methodology based on the relationship between total discounts granted and total invoiced sales values. The allocated discounts were thereafter deducted from the corresponding domestic sales transactions to derive the adjusted domestic selling prices.

Commission's consideration

It is the Commission's practice to allow adjustments to the normal value only where the claimed adjustment has been adequately verified and supported by reliable evidence. During verification, the Commission noted that the claimed adjustment was recorded in an account titled "Discounts, Rebates and Commission". Although sample transactions were verified as invoice discounts, the Commission was unable to verify that all entries recorded in the account related exclusively to invoice discounts. The Commission further noted that the account title suggested that certain entries could also include rebates and commission expenses. As the Commission could not verify that all amounts recorded in the account represented invoice discounts only, it could not conclude that the entire claimed adjustment constituted an allowable adjustment to the normal value.

The Commission therefore made a preliminary determination <u>not to allow</u> the invoice discount adjustment.

Delivery charges (Inland freight)

Xinyu claimed an adjustment for inland freight in respect of domestic sales concluded on a delivered basis. The exporter explained that certain domestic transactions were concluded on an ex-works basis and therefore did not incur inland freight costs. For sales concluded on a delivered basis, inland delivery charges were allocated to individual transactions according to the company's allocation methodology. During verification, the Commission reviewed the allocation methodology, reconciled the reported delivery costs to the accounting records and supporting transport documentation, and recalculated selected transactions.

Commission's consideration

It is the Commission's practice to consider adjustments to the normal value to bring domestic sales prices back to the ex-factory level. The Commission verified the inland freight adjustment against the accounting records and supporting transport documentation and found the adjustment to be correctly calculated and properly supported.

The Commission therefore made a preliminary determination to allow the inland freight adjustment as it was demonstrated to have affected price comparability at the time of setting the prices.

Value Added Tax (VAT)

Xinyu claimed a VAT adjustment in respect of domestic sales. During verification, the Commission reviewed the VAT treatment applied to domestic sales, reconciled the reported VAT amounts to accounting records and supporting documentation and recalculated selected transactions.

Commission's consideration

It is the Commission's practice to remove indirect taxes included in the domestic selling price when determining the ex-factory normal value. The Commission verified the VAT adjustment and found it to be correctly calculated and supported by the accounting records and supporting sales documentation.

The Commission therefore made a preliminary determination to allow the VAT adjustment as it was demonstrated to have affected price comparability at the time of setting the prices.

Comments by the Applicants to the Exporter’s Questionnaire

The Applicants acknowledged that Haoyu Century is a trading company and not the manufacturer of the subject product, and that it procures the subject product *from its related company, Xinyu. The Applicants nevertheless argued that Xinyu's domestic sales should not be used as the basis for determining normal value. According to the Applicants, the Chinese steel industry benefits from significant government support measures which give rise to a particular market situation in China. The Applicants therefore submitted that the Commission should determine normal value using exports to an appropriate third country.*

Commission's consideration

The Commission noted the Applicants' submission that normal value should be determined using exports to an appropriate third country due to the alleged existence of a particular market situation in the Chinese steel industry. However, the alleged market situation was not shown to be specific to the product under investigation, and the Applicants did not demonstrate that these conditions rendered Xinyu's domestic sales unsuitable for determining normal value.

The Commission further considered whether exports to third-country markets could be used as an alternative basis for determining normal value. However, it was established that no single third-country market reflected export volumes and product mixes comparable to those exported to the SACU market. Consequently, no appropriate third-country market could be identified for determining normal value.

The Commission therefore made a preliminary determination to use Xinyu's domestic sales as the basis for determining normal value.

4.4.2 Export sales to SACU

Haoyu Century

During the period of investigation, Haoyu Century exported the subject product to the SACU market. Export sales transactions were verified and found to correspond with the sales schedules, invoices, accounting records and supporting documentation submitted during verification.

The following adjustments were claimed:

- VAT;
- Inland delivery charges;
- Handling charges;
- Ocean freight;
- Marine insurance;
- Commission; and
- Bank charges.

Value Added Tax

Haoyu Century claimed an adjustment for VAT incurred on export sales to the SACU market. The claimed adjustment was reconciled to the export sales listing, accounting records and supporting invoices during verification.

Commission's consideration

The VAT adjustment was verified and found to be correct.

The Commission therefore made a preliminary determination to allow the VAT adjustment as it was demonstrated to have affected price comparability at the time of setting the prices.

Inland delivery charges

Haoyu Century claimed an adjustment for inland delivery charges incurred in transporting the subject product to the port of export. The adjustment was allocated to export transactions based on shipment volumes and reconciled to freight invoices and accounting records during verification.

Commission's consideration

The inland delivery charges adjustment was verified and found to be correct.

The Commission therefore made a preliminary determination to allow the inland delivery charges adjustment as it was demonstrated to have affected price comparability at the time of setting the prices.

Handling charges

Haoyu Century claimed an adjustment for handling charges incurred in connection with export shipments to the SACU market. The costs were allocated to individual export transactions according to shipment volumes.

Commission's consideration

The handling charges adjustment was verified and found to be correct.

The Commission therefore made a preliminary determination to allow the handling charges adjustment as it was demonstrated to have affected price comparability at the time of setting the prices.

Ocean freight

Haoyu Century claimed an adjustment for ocean freight incurred in exporting the subject product to SACU customers. During verification, the Commission reconciled the reported adjustment to freight invoices, accounting records and supporting shipping documentation.

Commission's consideration

The ocean freight adjustment was verified and found to be correct.

The Commission therefore made a preliminary determination to allow the ocean freight adjustment as it was demonstrated to have affected price comparability at the time of setting the prices.

Marine insurance

Haoyu Century claimed an adjustment for marine insurance incurred in respect of export sales to the SACU market. The adjustment was allocated to individual export transactions in accordance with the company's methodology and verified against supporting documentation.

Commission's consideration

The marine insurance adjustment was verified and found to be correct.

The Commission therefore made a preliminary determination to allow the marine insurance adjustment as it was demonstrated to have affected price comparability at the time of setting the prices.

Commission

Haoyu Century claimed an adjustment for commission expenses relating to export sales. The claimed adjustment was allocated to export transactions and reconciled to accounting records and supporting documentation during verification.

Commission's consideration

The Commission adjustment was verified and found to be correctly calculated and supported by the accounting records and supporting documentation.

The Commission therefore made a preliminary determination to allow the commission adjustment.

Bank charges

Haoyu Century claimed an adjustment for bank charges incurred in respect of export sales. The claimed adjustment was allocated to export transactions and verified against accounting records and proof of payment documentation.

Commission's consideration

The bank charges adjustment was verified and found to be correct.

The Commission therefore made a preliminary determination to allow the bank charges adjustment as it was demonstrated to have affected price comparability at the time of setting the prices.

Haoyu Steel

During the period of investigation, Haoyu Steel exported the subject product to the SACU market. Export sales transactions were verified and found to correspond with supporting documentation.

The following adjustments were claimed:

- VAT;
- Inland delivery charges;
- Handling charges; and
- Bank charges.

Value Added Tax

Haoyu Steel claimed an adjustment for VAT incurred on export sales to the SACU market. The claimed adjustment was reconciled to the export sales listing, accounting records and supporting invoices during verification.

Commission's consideration

The VAT adjustment was verified and found to be correct.

The Commission therefore made a preliminary determination to allow the VAT adjustment as it was demonstrated to have affected price comparability at the time of setting the prices.

Inland delivery charges

Haoyu Steel claimed an adjustment for inland delivery charges incurred in transporting the subject product to the export port.

Commission's consideration

The inland delivery charges adjustment was verified and found to be correct. The Commission therefore made a preliminary determination to allow the inland delivery charges adjustment.

Handling charges

Haoyu Steel claimed an adjustment for handling charges incurred in relation to export shipments.

Commission's consideration

The handling charges adjustment was verified and found to be correct.

The Commission therefore made a preliminary determination to allow the handling charges adjustment.

Bank charges

Haoyu Steel claimed an adjustment for bank charges incurred in relation to export sales transactions as it was demonstrated to have affected price comparability at the time of setting the prices.

Commission's consideration

The bank charges adjustment was verified and found to be correct.

The Commission therefore made a preliminary determination to allow the bank charges adjustment as it was demonstrated to have affected price comparability at the time of setting the prices.

4.4.3 Dumping margin

The dumping margin for Haoyu Century was determined using the weighted average-to-weighted average comparison methodology. The weighted average normal values of the thirteen models, after adjustments, were compared with the corresponding adjusted export prices to calculate a dumping margin for each model. Each margin was then expressed as a percentage of the export price and weighted by the corresponding export volume to derive the dumping factor for that model. The weighted average dumping margin for Haoyu Century was subsequently calculated by adding the volume-weighted dumping factors of all thirteen models.

The dumping margin for Haoyu Steel was determined using the weighted average-to-weighted average comparison methodology. The weighted average normal values of the eight models, after adjustments, were compared with the corresponding adjusted export prices to calculate a dumping margin for each model. Each margin was then expressed as a percentage of the export price and weighted by the corresponding export volume to derive the dumping factor for that model. The weighted average dumping margin for Haoyu Steel was subsequently calculated by aggregating the volume-weighted dumping factors across all thirteen models.

The following dumping margins were calculated:

Producer/Exporter	**Dumping margin**
Xinyu (exported through Haoyu Century)	-0.25%
Xinyu (exported through Haoyu Steel)	-0.14%

Commission's consideration

The Commission noted that the dumping margins calculated for Xinyu through both Haoyu Century and Haoyu Steel were negative.

The Commission therefore made a preliminary determination that Xinyu did not dump the subject product in the SACU market during the period of investigation.

4.5 METHODOLOGY IN THIS INVESTIGATION FOR SHANDONG RUIFENG COMPOSITE MATERIAL CO., LTD.

4.5.1 Normal value

During the period of investigation, Shandong Ruifeng Composite Material Co., Ltd (“Ruifeng”) manufactured and sold the subject product in China both directly to unrelated customers and through its related trading company, Guanxian Jurong International Trade Co., Ltd. ("Jurong"). The Commission established that all sales made to Jurong were intended for resale in export markets and did not constitute domestic sales in China. Consequently, sales to Jurong were excluded from the determination of normal value.

During the POI, Ruifeng's domestic sales covered 41 product models across various thickness and coating specifications, while exports to the SACU market comprised six product models, i.e. 0.28_30, 0.28_40, 0.35_30, 0.35_40, 0.47_30 and 0.47_40. The Investigating team established that all product models exported to the SACU market were also sold in the domestic market. Accordingly, domestic sales were available for each SACU product model and were used as the basis for determining the normal value.

The Commission found that domestic sales exceeded the threshold prescribed in ADR 8.3 and were therefore sufficient for purposes of determining normal value. In addition, a below-cost test was conducted in accordance with ADR 8.2. Although one product model included certain sales below cost, the volume of those sales did not exceed the threshold prescribed in the ADR. Consequently, all domestic sales were deemed to have been made in the ordinary course of trade.

Commission's consideration

The Commission noted that Ruifeng's domestic sales exceeded the minimum threshold prescribed in ADR 8.3 and are therefore representative for purposes of determining normal value. Furthermore, although one product model contained *sales below cost, the volume of those sales did not exceed the threshold prescribed by ADR 8.2.*

The Commission therefore made a preliminary determination that Ruifeng's domestic sales satisfy the ordinary course of trade requirements and constitute an appropriate basis for determining normal value.

Adjustments to the normal value

The following adjustments were claimed:

- VAT; and
- Inland freight.

Value Added Tax (VAT)

Ruifeng claimed a VAT adjustment in respect of domestic sales used in determining normal value. The VAT adjustment was calculated based on VAT incurred on domestic sales transactions and reconciled to accounting records and supporting documentation during verification.

Commission's consideration

The Commission verified the VAT adjustment and found it to be correctly calculated and supported by the accounting records and supporting documentation.

The Commission therefore made a preliminary determination to allow the VAT adjustment as it was demonstrated to have affected price comparability at the time of setting the prices.

Delivery charges (Inland freight)

Ruifeng claimed an adjustment for inland freight incurred in delivering the subject product to domestic customers. During verification, the Commission established that the reported inland delivery charges represented actual transportation costs incurred in respect of domestic sales. The claimed adjustment was reconciled to accounting records, supporting transport documentation and the domestic sales schedule.

Commission's consideration

It is the Commission's practice to consider adjustments to the normal value to bring domestic sales prices back to the ex-factory level. The inland freight adjustment was verified and found to be correctly calculated and supported by the accounting records and transport documentation.

The Commission therefore made a preliminary determination to allow the inland freight adjustment as it was demonstrated to have affected price comparability at the time of setting the prices.

Comments by the Applicants to the exporter questionnaire

The Applicants argued that Ruifeng's domestic sales should not be used as the basis for determining normal value due to alleged government intervention and market distortions in the Chinese steel industry.

The Applicants submitted that the Commission should instead determine normal value using exports to an appropriate third country.

Commission's consideration

The Commission noted the Applicants' submission regarding the alleged existence of a particular market situation in the Chinese steel industry. However, the Applicants did not demonstrate that the alleged market conditions rendered Ruifeng's domestic sales unsuitable for determining normal value.

The Commission further considered whether exports to third-country markets could be used as an alternative basis for determining normal value. It was established that Ruifeng's direct exports were limited and that the remaining exports were conducted indirectly through its related trading company, making it impossible to identify a sufficiently representative third-country market.

Consequently, the available third-country export sales did not provide a suitable basis for determining normal value.

The Commission therefore made a preliminary determination to use Ruifeng's domestic sales as the basis for determining normal value.

4.5.2 Export sales to SACU

During the period of investigation, Ruifeng exported the subject product to the SACU market through an unrelated trading company.

The Commission established during verification that Ruifeng's exports were conducted on a delivery-to-designated-place basis. Under this arrangement, title to and responsibility for the goods passed to the trading company upon delivery to the designated collection point. Consequently, Ruifeng did not incur ocean freight, marine insurance, handling charges, bank charges or any other export-related expenses.

Export sales transactions were verified and found to correspond with supporting documentation.

Adjustments on export price

The following adjustments were claimed:

- VAT; and
- Inland delivery charges.

Value Added Tax (VAT)

Ruifeng claimed a VAT adjustment in respect of export sales to the SACU market. The adjustment was reconciled to accounting records, export sales schedules and supporting documentation.

Commission's consideration

The VAT adjustment was verified and found to be correct.

The Commission therefore made a preliminary determination to allow the VAT adjustment as it was demonstrated to have affected price comparability at the time of setting the prices.

Inland delivery charges

Ruifeng claimed an adjustment for inland delivery charges incurred in delivering the subject product to the designated collection point for export. The adjustment was allocated to export transactions according to shipment volumes and verified against freight invoices and supporting documentation.

Commission's consideration

The inland delivery charges adjustment was verified and found to be correct.

The Commission therefore made a preliminary determination to allow the inland delivery charges adjustment as it was demonstrated to have affected price comparability at the time of setting the prices.

4.5.3 Dumping margin

The dumping margin for Ruifeng was determined using the weighted average-to-weighted average comparison methodology. The weighted average normal values of the six product models, after adjustments, were compared with the corresponding adjusted export prices to calculate a dumping margin for each model. Each margin was then expressed as a percentage of the export price and weighted by the corresponding export volume to derive the dumping factor for that model. The weighted average dumping margin for Ruifeng was subsequently calculated by adding the volume-weighted dumping factors of all six models.

The following dumping margin was calculated:

Producer	Dumping margin
Ruifeng	-0.03%

Commission's consideration

The Commission noted that the dumping margin calculated for Ruifeng was negative.

The Commission therefore made a preliminary determination that Ruifeng did not dump the subject product in the SACU market during the period of investigation.

5. MATERIAL INJURY

5.1 DOMESTIC INDUSTRY – MAJOR PROPORTION OF PRODUCTION

The injury analysis in this submission relates to the Applicants which constitutes 100 percent of the total domestic production of the subject product in SACU.

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

5.2 IMPORT VOLUMES AND EFFECT ON PRICES

5.2.1 Import volumes

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

Table 5.2.1: Import volumes

Colour coated steel						
Import Volume (Tons)	**Volumes**	**%**	**Volumes**	**%**	**Volumes**	**%**
	2023	**2023**	**2024**	**2024**	**2025**	**2025**
Alleged dumped imports	51 205	82.02%	41 678	75.54%	77 457	84.23%
Other imports	11 228	17.98%	13 493	24.46%	14 499	15.77%
Total	**62 433**	**100%**	**55 171**	**100%**	**91 956**	**100%**

The information in the above table indicates that imports from China for the subject product increased over the period 2023 to 2025, with the Chinese imports holding an average of over 80 percent over the POI.

5.2.2 Effect on Domestic Prices

5.2.2.1 Price depression

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

The table below showed the domestic industry’s ex-factory selling price per ton:

Table 5.2.2.1: Price depression

Colour coated steel	2023	2024	2025
Consolidated ex-factory selling price (R/ton)	100	103	102

***The information above was indexed using 2023 as base year.**

The Applicants stated that prices increased slightly over the POI, however not at the same pace as the price to produce the subject product. Even in the final year of the POI, the cost of production accounted for almost the entirety of the ex-factory price. Considering the requirement for a viable business is an EBITDA of 22.40% this is an untenable situation, requiring immediate correction in order to avoid selling at a gross loss in the near future, as dumped imports continue to exert downward pressure on domestic selling prices.

The Applicants further stated that although overall prices increased slightly, prices declined between years 2 and 3 of the POI. This coincides with the sudden drop in prices from China between years 2 and 3 of the POI from R18 789 to R16 208, per metric tonne.

Commission's consideration

From the above information, the Applicants did not experience price depression over the period of investigation for injury, being 2023 to 2025. However, during the final year of the period of investigation, 2025, the Applicants did experience price depression.

5.2.2.2 Price undercutting

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

Table 5.2.2.2: Price undercutting

Colour coated steel: Consolidated	May 2022 - April 2023	Unsuppressed selling price
Applicant's ex-factory selling price (R)	[CONFIDENTIAL]	[CONFIDENTIAL]
Other SACU producers (R)	-	-
Landed cost- China (R)	R18 854	R18 854
Undercutting (R)	[CONFIDENTIAL]	[CONFIDENTIAL]
Undercutting %	>25%	>35%

***The information above was indexed using 2023 as base year.**

The information in the above table shows that the Applicants were experiencing price undercutting during the POI because of suppressed selling prices.

The Applicants stated that the level of price undercutting reflects the injury margin and consequently the basis for the material injury being suffered by the Applicants (without taking into consideration the impact of price depression and price suppression). Price undercutting has a direct bearing on many of the injury indicators submitted under the injury section. The Applicants added that it should be noted that the domestic selling prices are suppressed and depressed and the cost to import the product is significantly lower than the cost to produce the product locally (and in China), resulting in significantly distorted price comparisons.

The Applicants further stated that the alleged dumped imports undercut the domestic market by 31% when comparing suppressed prices and 62% when comparing unsuppressed prices consolidated. The Applicants added that price undercutting represents a concerted effort by alleged dumped imports to gain market share and drive the Applicant out of the market thereby eliminating competition in the SACU market.

5.2.2.3 Price suppression

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

The following table shows the Applicants' average costs of production and its actual average selling prices for the subject product:

Table 5.2.2.3: Price suppression

Colour coated steel	**2023**	**2024**	**2025**
Ex-factory selling price (R/Ton)	100	103	102
Cost of production (R/ton)	100	101	104
Gross Profit (Rand/ton)	100	120	79
Gross Profit %	100	117	77
Cost of production % selling price (%)	100	99	102

***The information above was indexed using 2023 as base year.**

The Applicants stated that despite its efforts to reduce prices in order to maintain market share, price suppression on a consolidated level is present. Consolidated production costs have steadily increased, while it has been unable to increase prices in line with cost increases due to the extremely low prices of alleged dumped imports.

The Applicants further stated that production cost as a percentage of its selling price increased from 100 index points to 102 index points in the last year of the POI. This resulted in a gross profit consolidated of only XX%, a price level which is entirely unsustainable, especially considering that sales costs still need to be accounted for. Price suppression has had a negative impact on the Applicants' profitability for the last 2 years of the POI as seen by the gross profit percentage of the subject product deteriorating over this period.

The Applicants concluded that the above-mentioned gross profit percentages are untenable for a highly capital-intensive business such as its business, and remedial action is necessary to remedy the price suppression evident.

Commission's consideration

The price suppression experienced by the Applicants increased by one percentage point over the period of investigation. The table above indicates that the Applicant experienced moderate injury over the period of investigation in the form of price suppression.

5.3 Consequent Impact of the dumped imports on the SACU Industry

5.3.1 Actual and potential decline in sales

The following table shows the Applicants' SACU sales volumes of the subject product:

Table 5.3.1: Sales volume

Colour coated steel	**2023**	**2024**	**2025**
Applicants' sales volume (tonne)	100	105	89

***The information above was indexed using 2023 as base year.**

The Applicants stated that although there was an initial increase in sales volumes between 2023 and 2024, there was an overall decrease over the POI. Due to the price suppression, they have been able to sell in the market but at a gross/net loss leading to increased losses in profitability over the POI. This position is unsustainable and will lead to the Applicant's eventual closure.

Commission's consideration

The sales volume of the Applicants decreased by 11 index points over the POI from 2023 to 2025.

5.3.2 Profit

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

Table 5.3.2: Profit

Colour coated steel	2023	2024	2025
Tonnes Sold	100	105	89
Total Gross profit (R)	100	126	70
Total Net Profit (R)	100	220	73

***The information above was indexed using 2023 as base year.**

The Applicants indicated that its profits declined significantly in the final year of the POI despite the initial increase in net profits in the second year of the POI. This immediate decrease in the final year of the POI is indicative of material injury being suffered by the Applicants because of the price depression, price suppression and loss in market shares.

The Applicants also stated that they are experiencing material injury and unless remedial measures are implemented this downward trend will continue, which will lead to the overall impairment of the domestic industry and the possible decimation of domestic manufacture of the subject product.

Commission's consideration

From the above table, it is found that the Applicants experienced an overall decline in profits between the 2023 and 2025 period.

5.3.3 Output

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

Table 5.3.3: Output

Colour coated steel (tons)	2023	2024	2025
Applicants' production volume	100	98	88

***The information above was indexed using 2023 as base year.**

The Applicants stated that despite a growth in market demand (consumption) for the subject product, its sales volumes declined over the POI, with levels at their lowest in the final year of the POI. This decrease in total demand for the domestically produced product over the POI amounted to 12 index points, the significant decline happened in the final year of the POI, where production decreased by 10 index points. This is despite the fact that overall demand increased by 11 index points in the final year of the POI, of which imports from China accounted for a growth of 35,779 tonnes or 86% between years 2 and 3 of the POI.

The Applicants further stated that this indicates that, despite an actual increase in domestic demand, it experienced material injury as domestic production decreased, whilst imports from China specifically grew by more than 80% from 2024 to 2025, leading to an absolute decrease in domestic sales as dumped imports outpaced domestic production.

Commission's consideration

The Commission notes that the Applicants' output volume decreased by 12 index points over the POI from 2023 to 2025.

5.3.4 Market share

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

Table 5.3.4: Market share

Colour coated steel (tons)	**2023**	**2024**	**2025**
Applicants:	100	105	89
AMSA	100	104	95
SAFAL	100	106	83
Other SACU Producers	-	-	-
Total SACU producers	**100**	**105**	**89**
Imports			
Alleged dumped imports	51 205	41 678	77 457
Other imports	11 228	13 493	14 499
Total SACU market	**100**	**99**	**110**
Percentage held by:			
AMSA	100	105	86
SAFAL	100	107	75

Applicants (total)	100	106	81
Alleged dumped imports	100	82	138
Other imports	100	121	118

***The information above was indexed using 2023 as base year.**

The Applicants indicated it has lost 16 index points in market share by sales volume, whilst alleged dumped imports' market share increased by 51,27 index points in the final year of the POI.

This resulted in the alleged dumped imports gaining market share and comprising XX% of the market in the last year of the POI. The Applicant's market share in comparison declined from 105 index points to 89 index points in the final year of the POI. Whilst the Applicants' market share declined, alleged dumped imports' market share increased by the same amount, thereby usurping the Applicants' market share and monopolizing the growth in the market. This also shows the clear link between increased dumped imports and the industry's injury.

The Applicants further stated that the above considerable decline in market share indicates that alleged dumped imports are causing injury to the SACU market.

Commission's consideration

The Commission noted that the consolidated Applicants' market share decreased by 19 index points during the POI. AMSA's market share decreased by 14 index points during the period of investigation, while SAFAL's market share decreased by 25 index points for the same period.

The Commission further noted that the market share of the alleged dumped import increased 38 index points from 2023 to 2025. For the same period, imports that were not dumped maintained an average increase of 20 index points. From the table above, it can be concluded that the alleged dumped imports took the Applicants' share of the SACU market.

5.3.5 Productivity

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

Table 5.3.5: Productivity

Colour coated steel	**2023**	**2024**	**2025**
Total production volume (tons)	100	98	88
Number of employees (production) (units)	100	82	82
Tonne per employee	100	118	106

*__The information above was indexed using 2023 as base year.__

The Applicants stated that employment decreased over the POI. This is indicative of material injury. Due to the loss in sales volumes and increased costs it had to cut staff costs to remain competitive. To keep production staff where no production is taking place or where the industry incurs ongoing losses because of the dumped imports is unfeasible and this trend will only continue if nothing is done to remedy injurious dumping of the subject product.

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

Commission's consideration

From the above table the Applicants experienced a decline in productivity by 6 index points during the POI.

5.3.6 Return on investment

Return on investment is normally regarded by the Commission as being the profit before interest and tax as a percentage of the net value of assets. The following table provides the Applicants' profit after interest and tax expressed as a percentage of its net value of assets:

Table 5.3.6: Return on investment.

Colour coated steel	**2023**	**2024**	**2025**
Net profit (R)	100	220	73
Total net profit (all products) (R)	100	-50	-289
Net assets (product concerned)	100	104	108
Total Net Assets (R)	100	102	105
Return on Total Investment (%)	100	213	67
Return on net assets (%)	100	-49	-275

***The information above was indexed using 2023 as base year.**

The Applicants indicated that *return on net assets for the industry declined significantly throughout the POI with the worst period being year 3 of the POI as seen by the negative returns on net assets. With their current losses, the Applicants are unable to cover their costs and maintain current operations. With ROI being negative, the Applicants are losing money resulting in net losses.*

The Applicants added that to retain market share and due to the unreasonably low import prices of alleged dumped imports the Applicants are unable to make a profit and remedy the situation. If this trend continues it will no longer be able to sustain operations and will be forced to close its facilities.

Commission's consideration

From the above table it is evident that the Applicants experienced a decline in return on investment in year 3 of the POI. Even though, the Applicants' return on investment increased by 113 index points in 2024, it experienced a significant decrease of 146 index points during the last year of the period of investigation in 2025.

5.3.7 Utilisation of production capacity

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

Table 5.3.7: Utilisation of production capacity

Colour coated steel	2023	2024	2025
Total Installed Capacity (tons)	100	100	100
Actual Production (ton)	100	98	88
Capacity utilisation %	100	98	88

***The information above was indexed using 2023 as base year.**

The Applicants stated that its capacity utilisation decreased by 10 index points over the last two years of the POI. Capacity utilisation rates sit at less than 60% in the final year of the POI which is significantly lower than the minimum 80% needed to become profitable

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

5.3.8 Factors affecting domestic prices

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

5.3.9 Actual and potential negative effects on cash flow

The following table reflects the Applicants' cash flow situation regarding the product under investigation:

Table 5.3.9: Cash flow situation

Colour coated steel	2023	2024	2025

Cash flow: incoming (R)	100	106	90
Cash flow: outgoing (R)	100	108	92
Net cash flow (R)	100	-255	-323

***The information above was indexed using 2023 as base year.**

The Applicants stated that its net cash flow decreased significantly over the POI by 423 index points. This has impacted significantly on its financial health and its inability to cover its expenses. This is a direct result of alleged dumped imports as they penetrate the market and usurp domestic sales from it.

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

Commission's consideration

From the above table, it is found that the Applicants experienced a decline in net cash flow by 323 index points during the POI.

5.3.10 Inventories

Table 5.3.10: Inventories

Colour coated steel	**2023**	**2024**	**2025**
Volume (tons)	100	124	133
Value (Rm)	100	114	118

***The information above was indexed using 2023 as base year.**

The Applicants stated that it sells to order, which means increases in inventory is not indicative of financial standing. Notwithstanding, inventories increased over the period, showing the lower demand for the domestic product as demand is usurped by alleged dumped imports.

Commission's consideration

The Commission has noted that the Applicants experienced an increase in inventories by 20 index points during the POI.

5.3.11 Employment

The following table provides the Applicants' employment figures for the subject product:

Table 5.3.11: Employment

Colour coated steel	2023	2024	2025
Direct labour (units): production	100	96	98
Indirect labour (units): production	100	100	99
Total labour (units): Maintenance	100	100	100
Total labour (units): production	100	99	104
Labour units: Selling and Administrative	100	100	128
Total labour units	100	99	107

***The information above was indexed using 2023 as base year.**

The Applicants stated that total employment increased throughout the POI however direct labour units declined. The Applicants stated that with its volumes declining despite increasing demand, these jobs are fragile and are unsustainable as it will be forced to decrease employment levels in line with decreasing production levels. If alleged dumped imports are allowed to continue to flood the market, this will most likely result in losses in employment, and the eventual closure of the Applicants colour coated steel production facilities.

Commission's consideration

From the above table, considering the total production, labour and total labour units' data, the Applicants did not suffer material injury with respect to its employment.

5.3.12 Wages and salaries

The following table provides the Applicants' wages paid:

Table 5.3.12: Wages & Salaries

Colour coated steel	2023	2024	2025
Total wages: production (Rm/year)	100	124	133
Wage per employee	100	114	118

***The information above was indexed using 2023 as base year.**

The Applicants indicated that total wages increased throughout the POI and wages per employee had also increased. This is as a result of labour costs increasing in general over the POI due to bargaining agreements in place.

5.3.13 Growth

The following table indicates the growth of the SACU market as provided by the Applicants:

Table 5.3.13: Growth

Colour coated steel	2023	2024	2025	2023/2025 % Change
Applicant sales	100	105	89	-11
Alleged dumped imports	51 205	41 678	77 457	51.26%
Other imports	11 228	13 493	14 499	(29.13%)
Total SACU Market	100	99	110	10

***The information above was indexed using 2023 as base year.**

The Applicants stated that the SACU market grew by 10 index points in total over the POI. This indicates that demand for the subject product increased over the POI. Despite this growth, the Applicants' sales volumes decreased by 11 index points, including by 15 index points in the final year of the POI, while dumped imports increased by 51% over the period 2023 to 2025, including by 86% in the final year of the POI.

The Applicants added that the alleged dumped imports not only usurped growth the SACU market experienced but also led to the domestic industry experiencing a significant loss in market share. The Applicants further stated that the fact that the industry has not been able to grow its sales in line with the increase in the market and has declined by such a significant margin in only 2 years, has resulted in material injury being suffered by the industry.

Commission's consideration

From the information contained in the table above, it is found that the Applicants are experiencing injury in terms of a decline in growth. The alleged dumped imports showed a growth rate of 51.26 percent during the POI, while the Applicants' growth rate decreased by 11 index points for the same period.

5.3.14 Ability to raise capital or investments

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

Table 5.3.14: Ability to raise capital or investments

Colour coated steel	2023	2024	2025
Total capital/investment in the subject product (Rm)	100	99	87
Capital expenditure during year on subject product (Rm)	-	100	489

***The information above was indexed using 2023 as base year.**

The Applicants indicated that, its ability to raise capital investment will be severely impacted by the alleged dumped imports if remedial action is not taken. Overall capital in the product has already decreased by 13 index points over the POI.

The Applicants further stated that it remains committed to ensuring the highest production and continue to invest despite the challenging market environment. At the present rate, these investments will be jeopardised.

5.3.15 SUMMARY

Based on the above information, the evaluation of the injury information of the Applicants for the period 01 May 2022 to 30 April 2025 is shown in table 5.3.15.

Table 5.3.15: Material Injury Indicators

	Unit of measurement	2023 – 2024	2024 – 2025	2023-2025
Sales volume	tons	Increased	Decreased	Decreased
Inventories (quantities)	tons	Decreased	Decreased	Decreased
Output (quantities)	tons	Decreased	Decreased	Decreased
Market share of Applicant	%	Increased	Decreased	Decreased
Market share of alleged dumped imports	%	Decreased	Increased	Increased
Market share of other imports	%	Increased	Unchanged	Increased
Capacity utilisation	%	Decreased	Decreased	Decreased
Employment	Units	Decreased	Increased	Increased
Wages	R/employee	Increased	Increased	Increased
Productivity	Ton/employee	Increased	Increased	Increased
Net Profit	R	Increased	Decreased	Decreased
Cash flow	Rm	Decreased	Decreased	Decreased
Return on investment	%	Increased	Decreased	Decreased
Total capital investment (subject product)	Rm	Unchanged	Decreased	Decreased
Growth of the SACU market	tons	Decreased	Increased	Increased
Growth of the Applicant	tons	Increased	Decreased	Decreased

Importers' comments on the Commission's initiation of investigation

The importers argued that the Applicants had not demonstrated material injury, citing increasing selling prices, positive profitability trends for one of the Applicants, growth in the SACU market and supply-side constraints experienced by the Applicants. The importers further reiterated that the Applicants have not established a prima facie case of threat of material injury. As a result, requested the termination of the investigation on the basis that the application allegedly failed to establish a prima facie case of dumping and material injury.

Commission's consideration

From the information above, it is evident that the Applicants are experiencing material injury in the form of price suppression, price undercutting, a decline in sales volumes, a decline in profits, a decline in output volumes, a decline in market share, an increase in wages, a decline in capital investment, a decline in return on investment, a decline in capacity utilisation, a decline in cashflows and a decline in capital investment.

The Commission made a preliminary determination that the Applicants submitted sufficient information to indicate that the SACU industry is experiencing material injury.

6. CAUSAL LINK

6.1 GENERAL

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

6.2 VOLUME OF IMPORTS AND MARKET SHARE

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

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

Table 6.2 (a): Market share

	May 2022 – April 2023	**May 2023-April 2024**	**May 2024-April 2025**
Market share in volume (tons):			
AMSA	100	104	95
SAFAL	100	106	83
Rest of SACU	0	0	0
Applicant (total)	100	105	89
Dumped imports			
China	51 205	41 678	77 457
Other imports	11 228	13 493	14 499
Total SACU market	100	99	110
Percentage share held by:			
AMSA	100	105	86
SAFAL	100	107	75
Applicant (total)	100	106	81
Dumped imports	100	82	138
Other imports	100	121	118
Total market	100	100	100

***The above table is index due using 2023 as the base year.**

The table above shows that AMSA's market share decreased from 2023 period to the 2025 period while SAFAL's market share also decreased over the same period. The table also indicates that the market share of the alleged dumped imports increased during the period of investigation for injury.

The Applicants stated that the influence in volume and price is significant. The share of imports of the subject products originating from China has been on an upward trajectory over the three-year period. The increase is significant from an already high level whereas the SACU industry's market share has declined.

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

The following table shows the volume of imports:

Table 7.2(b): Import volumes

Tons	**May 2022-April 2023**	**May 2023-April 2024**	**May 2024-April 2025**
Alleged dumped imports: China	51 205	41 678	77 457
Other countries	11 228	13 493	14 499
Total imports	62 433	55 171	91 955

Commission's consideration

The table above indicates that the alleged dumped imports increased over the period 2021 to 2023. The alleged dumped imports accounted for an average of over 80 percent of total imports throughout the dumping period.

6.3 EFFECT OF DUMPED IMPORTS ON PRICES

The following table shows the price effects of the Applicants:

Table 7.3: Price depression, price suppression and price undercutting

Consolidated	2023	2024	2025
Ex-factory consolidated weighted selling price in SACU (Price depression) (Rand per ton)	100	103	102
Cost of production % selling price (suppression)	100	99	102
Price Undercutting	>25%	>25%	>25%

***The above table is index using 2023 as the base year.**

6.4 CONSEQUENT IMPACT OF ALLEGED INCREASE IN IMPORTS

Table 7.4.1: Material Injury Indicators

	2023 to 2025
Alleged dumped imports volumes	Increased
Price depression (R)	Decreased
Price Suppression (%)	Increased
Price Undercutting	Experienced
Sales volumes (tonnes)	Decreased
Net Profit (R)	Decreased
Output (tonnes)	Decreased
Market share (Applicant)	Decreased
Productivity (units per employee)	Increased
Utilisation of capacity (%)	Decreased
Net Cash Flows	Decreased
Employment (Number of employees)	Increased
Salaries and Wages	Increased
Net investments	Decreased
Inventory	Decreased
Return on net assets	Decreased

SACU market Growth	Increased
Applicant's growth	Decreased

6.5 FACTORS OTHER THAN THE DUMPING CAUSING INJURY

6.5.1 Examination of under Article 3.5

Variable	Year			Change (%)
	May 2022-April 2023	**May 2023-April 2024**	**May 2024-April 2025**	**2023/2025**
Prices of imports sold at alleged dumped prices (fob price) (R/ton)	100	106	96	(4%)
Volumes of imports not sold at dumped prices (ton)	100	20.17	29.13	(70.87%)
Contraction in demand: Growth rate for the subject product industry (tons)				
AMSA (tons)	100	104	95	(5%)
SAFAL (tons)	100	106	83	(3%)

Changes in the patterns of consumption	The Applicants stated that despite an increase in demand in the SACU international demand for the subject product has been sluggish over the POI and will remain this way for the foreseeable future. This is especially apparent in the Chinese construction sector, which is a large consumer of the subject product, and continues to decline. Reuters reports that "January–February [2025] data showed property investment and sales fell 9.8% and 5.1% year-on-year, respectively, while new construction starts plummeted 29.6% following a 23.0% drop in 2024." Other countries have taken trade protective measures against imports of the subject (and other) products from China, which close those markets to Chinese exports. Most recently this includes the general 50% duty imposed by the US on all steel imports from the world. Canada and other countries have taken, or are in the process of taking, similar measures. These international developments have a major impact on exports to SACU, as Chinese exporters are desperate to sell their product at any price, especially as the SACU market is growing, albeit at a slow pace. Thus, unless appropriate measures are imposed against imports, there will be significant trade diversion to South Africa.

	The Applicants further stated that what is notable is the clear shift away from the local product in South Africa in favour of the Chinese product, purely based on price. This is also true in respect of imports from other countries, which are also being displaced by the Chinese product. This is despite the SACU market increasing in volumes over the last three years
Trade-restrictive practices of foreign and domestic producers	The Applicants stated that the current geopotential landscape, which is marred by trade wars that place the steel industry at the centre stage. While the tensions have been escalating since 2018, recently, the US, with the election of President Trump, has re-ignited them with the imposition of retaliatory tariffs on countries. On 18 August 2025, the US Section 232 measures-imposed tariffs of 50 per cent on additional derivative products of steel and aluminium. Additionally, on 17 September 2025 (announced 27 August 2025): an additional 25% duty on India for importing oil from Russia. The imposition of such trade measures has resulted in a decrease in domestic demand for steel in large economies like the US and the EU. For example, following the introduction of the 25% duties on steel products, and the subsequent increase to 50%, US steelmakers and downstream industry reduced their imports of rolled steel by 7.6% (140,000 tonnes) month-on-month to 1.64 million tonnes in June 2025, while the US's total steel imports (rolled products and semi-finished products) for June 2025 decreased by 9.6% month-on-month to 2.25 million tons, a decrease of 240,000 tonnes. While this shows the positive impact for the US, it means that these same additional 240,000 tonnes volume is now additionally available from exporting countries to dump in a less-protected market. This would translate to an estimated 3 million tonnes per year, although this volume could increase as the impact of the 50% duties, which were only imposed on 4 June 2025, had not been fully felt by June, with shipments already underway.
Developments in technology	The Applicants stated that it is not aware of any recent developments in technology.
Export performance of the domestic industry	The Applicants stated that it's focus is domestic supply of the product and has on occasion exported the product
Productivity of the domestic industry	The Applicants stated that its productivity is on par with its overseas counterparts.

Commission's consideration

The Commission noted that non-dumped imports declined by 70.87% during the investigation period and, therefore, could not be regarded as a significant cause of the material injury suffered by the SACU industry. Demand for the subject product remained stable throughout the period of investigation, and no evidence was found of any shift in consumer preferences. Rather, importers increasingly sourced lower-priced imports from China.

The Commission further found no evidence that technological developments, weak export performance, declining productivity, or operational inefficiencies materially contributed to the injury experienced by the SACU industry. Although trade measures imposed in other markets may have redirected exports to SACU, such measures merely explained the increased import pressure and did not constitute an independent cause of injury.

The evidence before the Commission demonstrated that the allegedly dumped imports substantially undercut domestic prices and suppressed price increases that would otherwise have occurred. These adverse price effects coincided with a deterioration in key financial indicators of the SACU industry during the investigation period, including gross profit margins and return on net assets.

Based on the information contained in Section 5.2.2 of this Report, the Commission found a clear causal relationship between the allegedly dumped imports and the material injury suffered by the Applicants. The injury could not be attributed to any other known factors, whether considered individually or collectively. The Commission therefore concluded that, while certain external factors may have influenced market conditions, they did not detract from the causal link between the allegedly dumped imports and the injury experienced by the SACU industry. Accordingly, the Commission determined that the material injury suffered by the SACU industry was attributable to the volume and price effects of the allegedly dumped imports.

6.6 SUMMARY ON CAUSAL LINK

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

7. SUMMARY OF FINDINGS

7.1 DUMPING

CHINA

The Commission found that the subject product manufactured by Zhejiang Huapu, Hefei HBIS and its related party (Suzhou HBIS), unsampled exporters (Shandong Yehui Coated Steel Co., Ltd, Shandong Shinmade Material Technology Co., Ltd, Linqing Hengtai Metal Materials Co., Ltd, Shandong Boxing Huaye Industry and Trade Co., Ltd) were exported at dumped prices in the SACU market. The following dumping margins were calculated:

Producer/exporter	**Dumping margins**
• Zhejiang Huapu Eco-Friendly Materials Co., Ltd	8.79%
• Hefei HBIS Co., Ltd	18.83%
Weighted average duty (unsampled exporters): • Shandong Yehui Coated Steel Co., Ltd, • Shandong Shinmade Material Technology Co., Ltd • Linqing Hengtai Metal Materials Co., Ltd • Shandong Boxing Huaye Industry and Trade Co., Ltd	**13.81%**
All the other producers/ /exporters in China, excluding: • Zhejiang Huapu Eco-Friendly Materials Co., Ltd; • Hefei HBIS New Material Technology Co., Ltd (related party Hefei Suzhou); • Yie Phui (CHINA) Techno material Co., Ltd ("YPC");	

• Tianjin Xinyu Color Plate Co., Ltd (Exported by Tianjin Haoyu Century Import and Export Co., Ltd); • Tianjin Xinyu Color Plate Co., Ltd (Exported by Tianjin Haoyu Steel Co., Ltd); • Shandong Ruifeng Composite Material Co., Ltd. • Shandong Boxing Huaye Industry and Trade Co., Ltd • Shandong Yehui Coated Steel Co., Ltd; • Shandong Shinmade Material Technology Co., Ltd; • Linqing Hengtai Metal Materials co., Ltd and Shandong Boxing)	28.11%

7.2 MATERIAL INJURY

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

Material injury indicators	**Analysis 2023-2025**
Price suppression	Increased
Price undercutting	Increased
Sales volumes	Decreased
Profit	Decreased
Output	Declined
Market share	Declined
Capital investment	Declined
Return on investment	Decreased
Capacity utilisation	Declined
Negative effects on net cash flow	Decreased
Increase in Inventory	Increase

The Commission made a preliminary determination that a material injury to the SACU industry exists.

7.3 CAUSAL LINK

It was established that sufficient evidence of a causal link between dumped imports from China and the material injury suffered by the SACU industry. Imports from China increased significantly over the injury period, accompanied by declining import prices, increased price undercutting and a growing market share for dumped imports.

During the same period, the SACU industry experienced declines in sales volumes, production, profitability, market share, capacity utilisation, return on investment, cash flow and capital investment.

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

8. PROVISIONAL DUTY

8.1 Amount of provisional duty

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

The Commission always considers the lesser duty rule but only applies it in instances where both the exporter and importer responded fully. Since the information by Metpar (Pty) Ltd was not taken into account for purposes of the Commission’s preliminary determination, the lesser duty rule was not applied for both the importer and exporter (Zhejiang Huapu). The information for Defy Appliances and Tradecore was used to calculate the price disadvantage by using the average rates of the two importers in the application of the lesser duty rule for Hefei HBIS. The lesser of the average price disadvantage and the calculated dumping margin for Hefei HBIS is the average price disadvantage of 18.83%.

The rates to be imposed were concluded to be the following, being the lesser of the price disadvantage or the dumping margin, expressed as a percentage of FOB export price.

The amounts of the provisional payments were concluded to be:

Tariff subheading	Producer/exporter	Rate of provisional duty
HS 7210.70.20 HS 7210.70.30 HS 7210.70.40 HS 7210.70.90	• Zhejiang Huapu Eco-Friendly Materials Co., Ltd • Hefei HBIS New Material Technology Co., Ltd (related party Hefei Suzhou) • Yie Phui (CHINA) Techno material Co., Ltd (“YPC”)	8.79% 18.83% -3.90%

	• Tianjin Xinyu Color Plate Co., Ltd (Exported by Tianjin Haoyu Century Import and Export Co., Ltd)	-0.25%
	• Tianjin Xinyu Color Plate Co., Ltd (Exported by Tianjin Haoyu Steel Co., Ltd)	-0.14%
	• Shandong Ruifeng Composite Material Co.,	-0.03%
	Weighted average duty (unsampled exporters): • Shandong Yehui Coated Steel Co., Ltd • Shandong Shinmade Material Technology Co., Ltd • Linqing Hengtai Metal Materials Co., Ltd • Shandong Boxing Huaye Industry and Trade Co., Ltd	13.81%
	All the other producers/exporters in China, excluding: • Zhejiang Huapu Eco-Friendly Materials Co., Ltd; • Hefei HBIS New Material Technology Co., Ltd (related party Hefei Suzhou); • Yie Phui (CHINA) Techno material Co., Ltd (“YPC”); • Tianjin Xinyu Color Plate Co., Ltd (Exported by Tianjin Haoyu Century Import and Export Co., Ltd). • Tianjin Xinyu Color Plate Co., Ltd (Exported by Tianjin Haoyu Steel Co., Ltd) • Shandong Ruifeng Composite Material Co., • Shandong Yehui Coated Steel Co., Ltd;	28.11%

	• Shandong Shinmade Material Technology Co., Ltd; • Linqing Hengtai Metal Materials co., Ltd and Shandong Boxing) • Shandong Boxing Huaye Industry and Trade Co., Ltd	

9. PRELIMINARY DETERMINATION

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

- the subject product originating in or imported from China is being dumped onto the SACU market;
- the SACU industry is experiencing material injury; and
- there is a causal link between the dumped imports of the subject product originating in or imported from China and the material injury suffered by the SACU industry.

The Commission therefore decided to request the Commissioner of SARS to impose the following provisional measures for a period of 6 months on colour-coated steel" classifiable under tariff subheadings 7210.70.20, 7210.70.30, 7210.70.40 and 7210.70.90 originating in or imported from China:

Country	Tariff subheading	Producer/exporter	Rate of provisional duty
China	HS 7210.70.20 HS 7210.70.30 HS 7210.70.40 HS 7210.70.90	• Zhejiang Huapu Eco-Friendly Materials Co., Ltd	8.79%
		• Hefei HBIS New Material Technology Co., Ltd (related party Hefei Suzhou)	18.83%
		• Yie Phui (CHINA) Techno material Co., Ltd ("YPC")	-3.90%
		• Tianjin Xinyu Color Plate Co., Ltd (Exported by Tianjin Haoyu Century Import and Export Co., Ltd)	-0.25%
		• Tianjin Xinyu Color Plate Co., Ltd (Exported by Tianjin Haoyu Steel Co., Ltd)	-0.14%
		• Shandong Ruifeng Composite Material Co.,	-0.03%

		Weighted average duty (unsampled exporters): • Shandong Yehui Coated Steel Co., Ltd • Shandong Shinmade Material Technology Co., Ltd • Linqing Hengtai Metal Materials Co., Ltd • Shandong Boxing Huaye Industry and Trade Co., Ltd	13.81%
		All the other producers/ /exporters in China, excluding: • Zhejiang Huapu Eco-Friendly Materials Co., Ltd; • Hefei HBIS New Material Technology Co., Ltd (related party Hefei Suzhou); • Yie Phui (CHINA) Techno material Co., Ltd (“YPC”); • Tianjin Xinyu Color Plate Co., Ltd (Exported by Tianjin Haoyu Century Import and Export Co., Ltd). • Tianjin Xinyu Color Plate Co., Ltd (Exported by Tianjin Haoyu Steel Co., Ltd) • Shandong Ruifeng Composite Material Co., • Shandong Yehui Coated Steel Co., Ltd; • Shandong Shinmade Material Technology Co., Ltd; • Linqing Hengtai Metal Materials co., Ltd and Shandong Boxing) • Shandong Boxing Huaye Industry and Trade Co., Ltd	28.11%