


**Report No.759**

**INVESTIGATION INTO THE ALLEGED DUMPING OF STRUCTURAL  
STEEL PRODUCTS, EXCLUDING H-SECTIONS OF A HEIGHT  
GREATER THAN 200MM, ORIGINATING IN OR IMPORTED FROM THE  
PEOPLE'S REPUBLIC OF CHINA AND THE KINGDOM OF THAILAND:  
FINAL DETERMINATION**

The International Trade Administration Commission of South Africa herewith presents its **Report No.759: INVESTIGATION INTO THE ALLEGED DUMPING OF STRUCTURAL STEEL PRODUCTS, EXCLUDING H-SECTIONS OF A HEIGHT GREATER THAN 200MM, ORIGINATING IN OR IMPORTED FROM THE PEOPLE'S REPUBLIC OF CHINA AND THE KINGDOM OF THAILAND: FINAL DETERMINATION**



**MR AYABONGA CAWE**  
**CHIEF COMMISSIONER**

**PRETORIA**

**Date: 19.../11.../ 2025**

# **INTERNATIONAL TRADE ADMINISTRATION COMMISSION OF SOUTH AFRICA**

## **INVESTIGATION INTO THE ALLEGED DUMPING OF STRUCTURAL STEEL PRODUCTS, EXCLUDING H-SECTIONS OF A HEIGHT GREATER THAN 200MM, ORIGINATING IN OR IMPORTED FROM THE PEOPLE'S REPUBLIC OF CHINA ("PRC") AND THE KINGDOM OF THAILAND ("THAILAND"): FINAL DETERMINATION**

### **SYNOPSIS**

The subject products of this investigation are U, I and H sections of iron or non-alloy steel, not further worked than hot-rolled, hot-drawn, or extruded (extruded, excluding H- Sections of a height greater than 200mm), and other angles and shapes of iron or non-alloy steel, of a height of 80 mm or more not further worked than hot-rolled, hot drawn, or extruded ("the subject products"). The applicable tariff sub-headings are as follows: 7216.31 – U Sections; 7216.32 – I Sections; 7216.33 – H Sections; and 7216.50 – Other angles, shapes and sections, not further worked than hot-rolled, hot-drawn or extruded ("subject product").

The Applicant in this investigation is ArcelorMittal Rail and Structures ("AMRAS" or "the Applicant"). AMRAS, a division of ArcelorMittal South Africa Limited ("AMSA"), applied for remedial action against the alleged dumping of imports of the subject products from the PRC and Thailand. AMRAS is the only manufacturer of structural steel in the Southern African Customs Union ("SACU").

In terms of the International Trade Administration Commission's ("the Commission") Anti-Dumping Regulations ("ADR") 27.1, the trade representatives of the PRC and Thailand were informed that the Commission has received and accepted a properly documented application for the investigation of the alleged dumping of structural steel products from the PRC and Thailand.

The investigation was initiated through Notice No. 2731 of 2024 in *Government Gazette* No. 51271, dated 20 September 2024. The investigation was initiated after the Commission considered that there was *prima facie* evidence to show that the subject product was being imported into the SACU market at dumped prices, causing material injury to the SACU industry.

Upon initiation of the investigation, the diplomatic representatives and all known foreign manufacturers/exporters of the subject product in the PRC and Thailand were sent a non-confidential copy of the application, Initiation Notice and foreign manufacturer's/exporter's questionnaires to complete. Importers of the subject product in the SACU were also sent a non-confidential copy of the application, Initiation Notice and the importer's questionnaires to complete.

No questionnaire responses or comments were received by the Commission at the end of the deadline for responses, which was 28 October 2024. Therefore, the Commission made its preliminary determination based on facts available, being the *prima facie* information provided by the Applicant, accepted and used by the Commission in making a decision to initiate this investigation.

The Commission made a preliminary determination that the subject product originating in or imported from the PRC and Thailand was being dumped, causing material injury to the SACU industry. The Commission further decided to request the Commissioner for the South African Revenue Service ("SARS") to impose provisional payments for a period of six months in order to protect the domestic industry while the investigation continues. The Commission's preliminary findings were published in the *Government*

Gazette on 29 November 2024. The details of the Commission’s preliminary determination are contained in its Preliminary Report No. 737.

## **1. APPLICATION AND PROCEDURE**

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### **1.1 LEGAL FRAMEWORK**

This investigation is conducted in accordance with the International Trade Administration Act, 2002, the Anti-Dumping Regulations (“ADR”), and having due regard for the World Trade Organisation (“WTO”) Agreement on Implementation of Article VI of the General Agreement on Tariffs and Trade, 1994 (“the Anti-Dumping Agreement”).

### **1.2 APPLICANT**

The application was lodged by AMRAS, the only manufacturer of the subject product in SACU.

### **1.3 ACCEPTANCE OF APPLICATION**

The application was accepted by the Commission as being properly documented in accordance with ADR 21. The trade representatives of the PRC and Thailand were advised accordingly.

### **1.4 ALLEGATIONS BY THE APPLICANT**

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

- Increased alleged dumped import volumes;
- Price suppression;
- Price undercutting;
- Declining profits;
- Declining employment;
- Declining returns on investment;
- Declining net cash flows;
- Declining ability to raise capital investments;
- Increasing inventory levels;
- Increasing wages; and
- Low levels of capacity utilisation.

## **1.5 INVESTIGATION PROCESS**

The application was submitted on 09 February 2024. The financial information submitted by the Applicant was verified on 21-22 August 2024.

The trade representatives of the PRC and Thailand were notified of the Commission's receipt of a properly documented application, in terms of ADR 27.1.

On 20 September 2024, the Commission initiated an investigation into the alleged dumping of the subject product originating in or imported from the PRC and Thailand.

On 29 November 2024, the Commission published its preliminary determination and provisional measures through the *Government Gazette* effective from 29 November 2024 up to and including 28 May 2025.

On 11 February 2025, the Commission held oral presentations. After considering all written comments and oral presentations, the Commission made a final determination before "essential facts" and decided to issue essential facts

letters to interested parties, informing them of the “essential facts” which were being considered by the Commission before making a final determination and recommendation to the Minister of Trade, Industry, and Competition (“the Minister”).

On 15 May 2025, the Commission, after considering all written comments and oral presentations, made a final determination that dumping is taking place, the SACU industry is experiencing material injury and there is a causal link. The Commission made a final determination to recommend to the Minister that definitive anti-dumping duties be imposed.

## **1.6 INVESTIGATION PERIODS**

The investigation period for dumping is 01 April 2023 to 31 March 2024. The investigation period for material injury is 01 April 2021 to 31 March 2024.

## **1.7 PARTIES CONCERNED**

### **1.7.1 SACU industry**

The SACU industry consists of AMRAS, the only manufacturer of the subject product in SACU.

### **1.7.2 Foreign Manufacturers/Exporters**

No responses to the Commission’s exporter’s questionnaire were received from the manufacturers/exporters of the subject product in the PRC and Thailand.

### **1.7.3 Importers**

No responses to the Commission’s importer’s questionnaire were received from the importers of the subject product in the SACU.

## **1.8 PRELIMINARY DETERMINATION**

The Commission at its meeting of 12 November 2024, after considering the facts available, made a preliminary determination that the subject product originating

in or imported from the PRC and Thailand were being imported into the SACU market at dumped prices, thereby causing material injury to the SACU industry.

The Commission also considered that the SACU industry would continue to experience material injury during the course of the investigation if provisional measures were not imposed. The Commission therefore decided to request the Commissioner for SARS to impose provisional measures on imports of the subject product originating in or imported from the PRC and Thailand, for a period of six months. The provisional measures were imposed through a *Government Gazette* notice, effective from 29 November 2024 up to and including 28 May 2025.

The Commission's reasons for its preliminary determination are articulated in its Preliminary Report No. 737. The report was issued to the interested parties for comments. No comments regarding the Commission's preliminary determination were received on or before the due date of 13 December 2024.

## **COMMENTS**

General comments to the application were received from the National Employers' Association of South Africa (NEASA).

Other comments were received from BSI Steel, Macsteel, and NEASA in response to the announcement by Arcelor Mittal South Africa (AMSA) to wind down its Longs Business Plant.

The comments from NEASA on general application are summarised and incorporated into the relevant sections of this report.

Other comments are summarised below:

### **a) Comments from BSI Steel and Macsteel:**

BIS Steel and Macsteel are the two major SACU importers of the subject product. BSI Steel stated that with AMSA/AMRAS set to cease operations in Q1 of 2025, as announced by AMSA on 6 January 2025, the subject product will no longer be available locally. Therefore, importing has become the only viable option moving forward. BSI Steel is therefore calling for the withdrawal of the provisional payments to prevent unnecessary increases in steel prices that will further disrupt the livelihoods of households who depend on the survival of downstream companies. Macsteel joined the call for the removal of provisional payments so that they can resume importing the subject product, amid the announcement that AMSA is pulling out of the market and closing their long steel plants.

**b) Comments from the Applicant:**

The Applicant responded that AMSA has not yet provided an official statement regarding this investigation or the status of AMRAS as a going concern. AMSA's board of directors is working to minimise the impact of Newcastle's closure in Q1 of 2025. AMRAS is expected to remain operational well beyond Q1 of 2025, at least into Q4 of 2025, and potentially longer, depending on the specific circumstances. AMRAS emphasised the fact that currently they are fully operational and supplying the market with the subject product. AMRAS believes that it would be premature to withdraw the application and provisional payments at this point, as there remains sufficient supply of the subject product in the market.

**Commission's consideration**

AMRAS is still operational and continues to produce the subject product. Therefore, the SACU industry still exists. The interested parties such as Macsteel and BSI Steel and their suppliers in the PRC and Thailand were directly informed of the investigation and requested to complete the Commission's questionnaires in response to the investigation. They opted not to do so and thus based on facts available these importers and their suppliers

in the PRC and Thailand are engaged in dumping practice as far as the importation of the subject product is concern. It is important to note that BSI Steel and Macsteel have not made any rebuttal comments to the Commission's preliminary determination that they are dumping the subject product but are merely capitalising on AMSA's announcement to sway the Commission's decision in their favour.

The Commission decided that the preliminary determination that importers such BSI Steel and Macsteel engaged in dumping practice and that the SACU industry met the requirements for provisional protection while the investigation was still ongoing, still stands, and no new facts are presented before the Commission to change that determination. Lastly the Commission considered that calls for withdrawal of provisional payments are misplaced, and the Commission decided not to accede to this request.

**c) Comments from Siam Yamato Steel Co. Ltd (SY Steel)**

SY Steel is one of the biggest exporters of the subject product from the PRC. SY Steel requested to be exempted from paying the provisional payments due to the fact that SY Steel had small quantities of imports that they export to SACU to only one customer and the small volumes are too insignificant to have caused material injury to the SACU market.

***Commission's consideration***

*The ADR and the ITA Act, which pieces of legislation guide the investigation, make no provisions for the exemption of provisional payments based on certain levels of export volumes to SACU during the POI. The only time an exporter is exempted from paying provisional duties is when such an exporter has responded in the investigation and has been found by the Commission not to be dumping, or its dumping is at de minimis level (when dumping margin is less than two per cent when expressed as a percentage of the export price).*

*SY Steel and other interested parties were provided an opportunity to complete the Commission's exporter questionnaire or bring to the Commission's attention any other facts, such as the points articulated in their letter for the Commission to consider when making its preliminary determination. SY Steel and other interested parties decided not to respond. The volumes indicated by SY Steel are not verified and therefore the accuracy and reliability of them cannot be ascertained by the Commission. The Commission decided to not exempt SY Steel from paying provisional measures and definitive anti-dumping duties of this investigation.*

### **ORAL HEARINGS**

NEASA and the Applicant requested to make oral presentations to the Commission.

NEASA communicated that:

- due to the announcement by AMSA to close down its long steel business, the provisional payments must be withdrawn and the investigation terminated.
- due to other factors known by AMSA but not raised in the application, such as a slow/weak economy and difficult trading environment; National constraints beyond the control of AMSA (high transport, logistics and energy costs); and the Scrap advantage over iron ore, imports are not the cause of material injury to the subject product. If dumping was the cause of material injury, then imposing provisional payments of 52.81% should have removed the injury and AMSA would not have decided to close their long steel business.
- due to Applicant's failure to prove that the material injury is caused by dumped imports from China and Thailand and the existence of other known factors NEASA called on the Commission to terminate the investigation.

- Government policy needs to take the entire sector, including smaller players (which collectively constitute about 75% of local long steel capacity), into account in a comprehensive well thought out strategy, rather than respond in a whack a mole manner to the loudest voice in the room. The mini mills, who predominantly make long steel, produce 75% of long steel and yet are not part applicants and are not considered for their impact on the applicant's injury.

### ***Commission's consideration***

*The calls to withdraw the provisional payments and terminate the investigation were opportunistic. AMRAS is still operational and continues to produce the subject product. Therefore, the SACU industry still exists. The Commission's preliminary determination that NEASA members engaged in dumping practice and that the SACU industry met the requirements for provisional protection while the investigation was still ongoing, still stands, and no new facts were presented before the Commission to change that determination.*

*Calls for withdrawal of provisional payments and termination of the investigation were only based on the January SENS communications which had not been practically implemented to date due to ongoing engagements between Government and AMSA. There are no substantiated facts from NEASA that contradicts the Applicant's prima facie evidence and the Commission's preliminary findings. Therefore, the Commission decided not to accede to the request withdraw provisional payments and terminate the investigation.*

*The examination of the impact of the dumped imports on the domestic industry included import volumes, price effects, the relevant economic factors and other relevant information brought before the Commission that would have a bearing on the state of the industry. The Commission noted the other factors raised by NEASA and considered by the Commission.*

NEASA did not substantiate to the Commission how the other factors contributed to the material injury but merely quoted AMSA's public statements where the issues of slow economic growth and other were indicated as the demise of the long business. AMSA's reference to these issues were directed to the Newcastle Works. The subject product is produced at Emalahleni plant. It is also important to note that AMSA never ruled out imports as the contributing factor to the problems facing the domestic long steel business. In fact, the detrimental factors communicated by AMSA in its public announcement included "an influx of low-priced steel imports, particularly from China".

Therefore, it is the Commission's opinion that other factors such as a slow/weak economy and difficult trading environment, national constraints beyond the control of AMSA (high transport, logistics and energy costs), and the Scrap advantage over iron ore, were not substantiated and consequently not sufficient to detract from causality. The final findings in this investigation are based on verified information and point to a strong correlation between the influx of low-priced (dumped) imports from the PRC and Thailand, and the suffering of material injury by AMRAS. This is demonstrated in section 9.7 of this report.

NEASA's claim that domestic industry consists of mini mills which collectively constitute about 75% of the subject product was not substantiated and is contradicted by later statements by NEASA. When commenting on the essential facts letter, NEASA stated that "...the mini mills in South Africa cannot, with regards to size and quality, manufacture the structural (long) steel products that AMSA does, due to their use of scrap metal as input material". This statement, and the fact that NEASA did not mention names of these concerned South African mini mill, shows that there are no mini mills producing the subject product in SACU. Therefore, the insinuation by NEASA that the

*Commission only listened to and considered “the loudest voice in the room” is unfounded. All the interested were provided an opportunity to be heard and all comments and presentations were considered.*

*Since NEASA did not name the mini mills in its presentation, the Commission conducted desktop research. According to the desktop research, the mini mills such as Cape gate, Fortune steel Industries, Force Steel, Veer Steel Mills and Unica Iron and Steel manufacture structural steel such as equal angles and sections. A close look at the websites of these companies shows that these companies are producing structural steel of a height and profiles less than the subject product. It was also found that the application of these products appears to be different to the application of the subject products. i.e., heavy duty and/or industrial structures. Lastly, the Commission found that the products manufactured by mini mills are made from scrap steel while the subject product is made from blooms and billets made of iron and steel.*

*The Commission conducted a safeguard investigation on the same subject product in 2020/21. The Commission’s final Report No. 656 indicates that after the investigation was initiated, preliminary determination made, and public hearings held, no interested parties responded as mini mills to contest the industry standing of the domestic structural steel industry that was made up of Highveld and AMSA at the time (now AMRAS).*

*It is the Commission’s opinion that the above is the only logical reason why the mini mills did not come forward as other manufacturers of the subject product since the investigation was publicly announced on 20 September 2024, and preliminary determination published on 29 November 2024.*

*Other than the Commission’s desktop verification results and verified information from AMRAS, the Commission is not in possession of any other*

*substantiated information to consider the impact of mini-mills on AMRAS's material injury and the impact of final duties on mini-mills.*

*The Commission made a final determination that the application by AMRAS meets the requirements of ADR 7 to be regarded as brought by the SACU industry and that AMRAS' domestic production constitutes the 100 percent of the total domestic production.*

## **1.9 ESSENTIAL FACTS**

On 11 February 2025, the Commission, after considering all written comments and oral presentations, made a final determination before “essential facts”. The Commission decided to issue essential facts letters to interested parties and invited them to make comments for the Commission’s consideration before making a final determination and recommendation to the Minister of Trade, Industry, and Competition (“the Minister”). The essential facts letters were sent to interested parties, informing them of the “essential facts” which were being considered by the Commission and inviting comments on those “essential facts”.

Comments on the essential facts letters were received from NEASA and the Applicant.

### **(a) Comments from the Applicant:**

The Applicant agreed with the Commission’s essential facts and commended the Commission for conducting the investigation timeously and expediently.

### **(b) Comments from NEASA**

- NEASA questioned what more can be said to convince the Commission not to impose duties that are destructive to downstream when the Commission, through its essential facts letters, has, in essence, rejected all submissions and arguments by NEASA and other stakeholders in the

industry. The business and job destruction in the ranks of the downstream apparently has no impact on ITAC's decisions.

- According to NEASA, it made no sense for the Commission to continue the imposition of provisional payments based on the material injury suffered by AMSA when AMSA is closing its structural (long) steel business.
- According to NEASA, the Commission's consultations with the industry appear to be nothing more than mere tick box exercises in order to adhere to the prescribed administrative processes, and therefore NEASA saw no purpose for the Commission to request for further inputs in its essential facts letter.
- NEASA stated that their arguments during the oral hearing were compelling, however, not a single argument made by the NEASA was countered by the Commission and almost no engagement took place. NEASA further stated that if NEASA's arguments were not valid, in the opinion of the Commission, the Commission should have raised these differences, without that, constructive engagement was impossible.

#### ***Commission's consideration***

*The Commission's position not to be swayed by unsubstantiated comments is appropriate and is firmly grounded in the applicable legal framework and the information available to it. The call by NEASA to withdraw the provisional payments and terminate the investigation was misplaced and unsubstantiated. AMRAS is still operational and continues to produce the subject product. Therefore, the SACU industry still exists. The Commission's preliminary determination that NEASA members engaged in dumping practice and that the SACU industry met the requirements for provisional protection while the*

*investigation was still ongoing, still stands, and no new facts were presented before the Commission to change that determination.*

*NEASA provided comments to argue against the Applicant's prima facie evidence on material injury and causal link. NEASA also provided comments alleging that there are mini mills that the Commission omitted to consider in this investigation without naming these mini mills. NEASA did not produce any substantiated evidence that AMRAS was not suffering material injury. Similarly, NEASA did not produce any substantiated evidence that there are other factors other than dumped imports that detracts from causality.*

*All these issues were raised by NEASA after the Commission had made its preliminary determination. The Commission granted NEASA direct audience to make oral presentation before the Commission. The Commission considered written comments by NEASA on AMSA's SENS communication, material injury and causality, and considered oral presentation on the same issues including the existence of mini mills. The fact that ITAC Commissioners did not engage NEASA and/or countered their arguments during oral presentation does not result to NEASA's arguments to be not valid. The Commission deliberated on NEASA's presentation and written comments. The determination to reject arguments by NEASA was as result of informed decision based on verified and substantiated facts.*

*The assertion by NEASA that the Commission's public consultation platforms such as oral presentations and essential facts letters are "mere tick box exercises in order to adhere to the prescribed administrative processes" are casting aspersions to the Commission's well established investigation processes that are based on the ITA Act, ADR and giving due regard to the WTO Anti-Dumping Agreement. It is the Commission's view that NEASA and/or at least their legal representatives, i.e., XA Global Trade Advisors, should know better as they have been involved in the Commission's processes*

*many times and successfully presented substantiated arguments on these platforms.*

#### **1.10 FINAL DETERMINATION**

On 15 May 2025, the Commission considered a final submission after essential facts. During the deliberations, the Commission identified mathematical errors in the submission, and these were discussed with the investigation team to identify the source of the errors. The Commission decided to refer the submission back to allow the investigation team to attend to and correct the errors.

**1.11** On 26 to 28 May 2025 final submission after essential facts was presented through a round robin Commission meeting.

**1.12** On 04 June 2025, after addressing the aforementioned concerns and incorporating the necessary corrections, the revised submission was circulated to the Commissioners for consideration via a round-robin process.

**1.13** On 04 to 06 June 2025 a revised final submission after essential facts was presented through a round robin Commission meeting.

**1.14** On 17 June 2025, the Commission's feedback still indicates that the change in the un-adjusted normal value for Thailand had not been adequately addressed.

**1.15** On 30 June 2025 the Chief Commissioner, on behalf of the Commission (Commissioners), met with the investigation team to clarify and resolve the misunderstandings surrounding the outstanding issues.

**1.16** On 11 to 15 July 2025 an updated final submission before essential facts was presented through a round robin Commission meeting. A new dumping margin was determined, and the Commission decided to issue a second essential facts

letter to interested parties and invited them to make comments for the Commission's consideration before making a final determination and recommendation to the Minister. Second essential facts letters were sent to interested parties for comments on 30 July 2025.

**1.17** Comments on the second essential facts letters were received from NEASA and the Applicant on the 06 August and 12 August 2025, respectively.

**1.18 Comments from NEASA**

NEASA, representing steel industry members, strongly opposes the proposed duties of 78.94% and 21.4% on structural steel imports from China and Thailand. It argues that these tariffs would raise manufacturing costs and further harm South Africa's struggling downstream steel sector. NEASA disagrees with ITAC's justification for the duties, viewing them as excessive measures aimed at protecting high-cost local manufacturers like AMSA, often in the absence of fair competition. The organization rejects the "essential facts" letter and urges ITAC not to proceed with the final implementation of the duties.

**1.19 Comments from the Applicant:**

The Applicant agrees with the Commission's essential facts findings and further added that following the expiry of the provisional duties, imports of the subject structural steel product surged significantly from Q1 of 2025 to Q2 of 2025. It stated that this increase valued of millions, and this sharp rise highlights the severe repercussions for both the local industry and the fiscus. It urged an expedited implementation of final duties to mitigate further injury to the industry and ensure timely relief.

***Commission's consideration***

- *The Commission considered that the primary purpose of such duties is to address unfair trade practices and to promote fair competition, not to protect inefficiency.*

- *The Applicant's concerns about intensified injury due to a surge in low-priced imports were also noted by the Commission.*
- 1.20** On 09 September 2025 Commission meeting, the submission was referred back for further clarification on the July 2025 press release regarding the potential closure of ArcelorMittal South Africa (AMSA), given its affiliation with AMSA. Specifically, the Commission requested details on how this potential closure might impact AMRAS's business operations and long-term continuity. In addition, the Applicant was asked to provide information on the pricing structure for certain upstream products, particularly blooms sourced from AMSA, as these input costs are critical to the competitiveness and sustainability of local manufacturers.
- 1.21** On 16 September 2025 the Applicant submitted response addressing the Commission's concerns which was then presented to the Commission on 02 October 2025.
- 1.22** In the 02 October 2025 Commission meeting, the Commission noted that the Applicant's response was insufficient regarding the pricing structure between itself and the related party. As a results, the Commission decided to issue a third essential facts letter, seeking a detailed response on the pricing structure from the Applicant.
- 1.23** On 14 October 2025, third essential facts letters were issued to interested parties, inviting them to submit comments to the Commission's consideration before making a final determination and recommendation to the Minister of Trade, Industry and Competition. The due date for comments was on 21 October 2025.
- 1.24** Comments to the essential facts letter were received from Applicant, Macsteel, NEASA, Siam Yamato Steel (SYS) and NJR Steel and are summarised and incorporated into the relevant sections of this report.

***Commission’s concern of the essential facts letter***

- *AMRAS’s increased production costs and therefore higher selling prices may be due to inflated intra-group transfer prices for blooms rather than dumped imports.*
- *AMRAS’s injury may be “self-inflicted” due to inflated transfer prices for blooms purchased from its parent company, AMSA, potentially weakening the causal link between dumping and material injury.*

**1.25 Response by the Applicant**

- AMRAS stated that the transfer pricing arrangement between AMSA and itself is market related and reflects arms-length prices which have been benchmarked. Even taking the price of blooms at cost (in other words, removing any margin) it still shows that dumped imports are sold below AMRAS cost to produce and well below unsuppressed selling prices.
- In the circumstances, the transfer pricing between AMSA and AMRAS has no bearing on the fact that the material injury is caused by dumped imports and there are sufficient facts that reinforce the causal link between the dumped imports and the material injury suffered by AMRAS.

**Transfer Pricing Arrangement (between AMSA and AMRAS)**

- The Applicant stated that during the three-year Period of Investigation (POI), two pricing arrangements were in place between AMSA and AMRAS.
- **April 2021 – December 2022:** AMRAS purchased raw material (blooms) from AMSA at cost.
- **January 2023 – March 2024:** AMSA sold blooms to AMRAS at cost plus a confidential mark-up.
- The cost-plus approach applied is consistent with accepted transfer pricing principles and SARS guidelines. Since AMSA is the only manufacturer of

blooms within SACU, its prices were compared to those charged by unrelated parties in comparable transactions to assess arm's-length compliance.

- The analysis concluded that AMSA's transfer prices were market-related, and AMRAS's internal cost base reflected arm's-length conditions, confirming that the transactions and margins were appropriate and consistent with market realities.

#### **1.26 Comments by Macsteel and SYS**

- **Macsteel** indicated that the product scope covers U, I, and H sections, as well as other angles and shapes of iron or non-alloy steel (height  $\geq$  80 mm), not further worked than hot-rolled, hot-drawn, or extruded, and classified under tariff headings 7216.31, 7216.32, 7216.33, and 7216.50. It stated that this scope should be limited to products manufactured at AMRAS, since all other ArcelorMittal mills have closed. It concluded by stating that all other profiles outside this range should be excluded from duties, safeguards, or anti-dumping measures.
- **SYS** raised concerns about the current scope of the anti-dumping investigation, specifically the exclusion of H-sections with a height greater than 200mm. Because the identification of goods is based mainly on HS codes, which do not distinguish products by physical characteristics like height, there is a risk that excluded products (H-sections over 200mm) may be wrongly included in the investigation.

SYS therefore requests that the Commission review or refine HS code categorization or adopt supplementary classification methods that consider product characteristics such as height. It argues on how the Commission will clarify the exclusion of H-sections over 200mm will be practically implemented given current HS code limitations.

#### ***Commission's consideration***

*The investigation clearly indicated that it is for structural steel products, excluding H-sections of a height greater than 200mm. For the subject products which are not manufactured by the Applicant, the importers will have to apply for the creation of a rebate provision, and for tariff heading 7216.32 and 33, there is a provision a rebate in Schedule 1 and therefore the Commission recommends to the Minister the extension of these rebate to also apply in Schedule 2.*

#### **1.27 Comments by NEASA**

NEASA and its steel industry members support ITAC's provisional decision not to impose anti-dumping duties on the relevant steel products and believe this should be the final determination.

#### ***Commission's consideration***

*After reviewing the Applicant's explanation of the cost price structure, which claims that the prices are market related, arms-length and benchmarked against comparable sales to unrelated party the Commission concluded that the Applicant is indeed suffering material due to dumped imports, rather than self-inflicted injury as was previously suggested.*

#### **1.28 Comments from NJR Steel:**

- NJR Steel stated that following the closure of ArcelorMittal South Africa (AMSA) Newcastle, the relevant structural steel products are no longer produced locally. NJR Steel confirmed with AMRAS, Unica Iron and Steel, and Veer Steel Mills that none manufacture these products.
- NJR Steel indicated that the products fall under tariff codes 7216.31, 7216.32, 7216.33, and 7216.40 (within the anti-dumping scope) and 7216.50 (outside scope). Since there is no local production, anti-dumping duties and import controls under tariff heading 72.16 should not be imposed.

**Commission's consideration**

*Although NJR Steel indicated that they were not an active participant on this investigation, the Commission considered taking their comments into account as they provided the information which is crucial for the Commission in making its final determination and recommendation to the Minister.*

*NJR provided a letter from the Applicant indicating that AMSA is not in position to produce additional volumes of the material listed in the bill of quantity, until further notice. The Applicant stated that in the event of a restart of Newcastle Works mills, AMSA reserve the right to terminate the validity of this letter regarding future orders, with notification to NJR.*

*Given the statement on the letter from AMSA which also suggests the possibility of restarting the Newcastle Works mills although not in certain terms, proposing the non-imposition of the duty at this stage may unduly delay the investigation. It is therefore recommended that for the subject product which are not manufactured by the Applicant, the importers will have to apply for the creation of a rebate provision.*

## 2. PRODUCT, TARIFF CLASSIFICATION AND DUTIES

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### 2.1 IMPORTED PRODUCTS

#### 2.1.1 Description

The imported products are U, I and H sections of iron or non-alloy steel, not further worked than hot-rolled, hot-drawn, or extruded, and other angles and shapes of iron or non-alloy steel, of a height of 80 mm or more not further worked than hot-rolled, hot drawn or extruded, excluding H- Sections of a height greater than 200mm.

#### 2.1.2 Countries of Origin

The subject products originate in or are imported from the PRC and Thailand.

#### 2.1.3 Possible tariff loopholes

The Applicant is not aware of any loopholes on the subject product.

#### 2.1.4 Tariff Classification

The subject product is classifiable under the following tariff sub-headings:

Table 2.1.4: Tariff classification

Heading / Sub-heading	Description	Unit	General	EU/UK	EFTA	SADC	MERC OSUR	AfCFTA
<b>72.16</b>	<b>Angles, shapes, and sections of iron or non-alloy steel:</b>							
<b>7216.3</b>	<b>U, I or H sections, not further worked than hot-rolled, hot-drawn or extruded, of a height of 80 mm or more:</b>							
7216.31	U Sections	Kg	10%	free	free	free	10%	6%
7216.32	I Sections	Kg	10%	free	free	free	10%	6%

7216.33*	H Sections	Kg	10%	free	free	free	10%	6%
7216.50	Other angles, shapes, and sections, not further worked than hot-rolled, hot-drawn or extruded	Kg	10%	free	free	free	10%	6%

### 2.1.5 Other applicable duties and rebates

There are currently no other duties.

### 2.1.6 Negligibility test

According to ADR16.2, the Commission shall not consider alleged dumped imports that are deemed to be negligible, i.e., imports volumes that are less than three percent when expressed a percentage of total imports. The following table shows the percentage of alleged dumped imports as sourced from SARS for the period 01 April 2023 to 31 March 2024.

**Table 2.1.6: Negligibility test**

<b>Kg</b>	<b>Import volumes</b>	<b>As a % of total imports</b>
Dumped imports: PRC	22 994 812	65%
Dumped imports: Thailand	5 868 869	17%
<b>Cumulated alleged dumped imports</b>	28 863 681	82%
Other imports	6 463 945	18%
<b>Total imports</b>	35 327 630	100%

Table 2.1.6 above indicates that dumped imports from the PRC and Thailand are all above three percent as a percentage of total imports.

The Commission made a final determination that imports volumes of the subject product from the PRC and Thailand are above the negligibility level in terms of ADR16.2.

### 2.1.7 Raw materials used

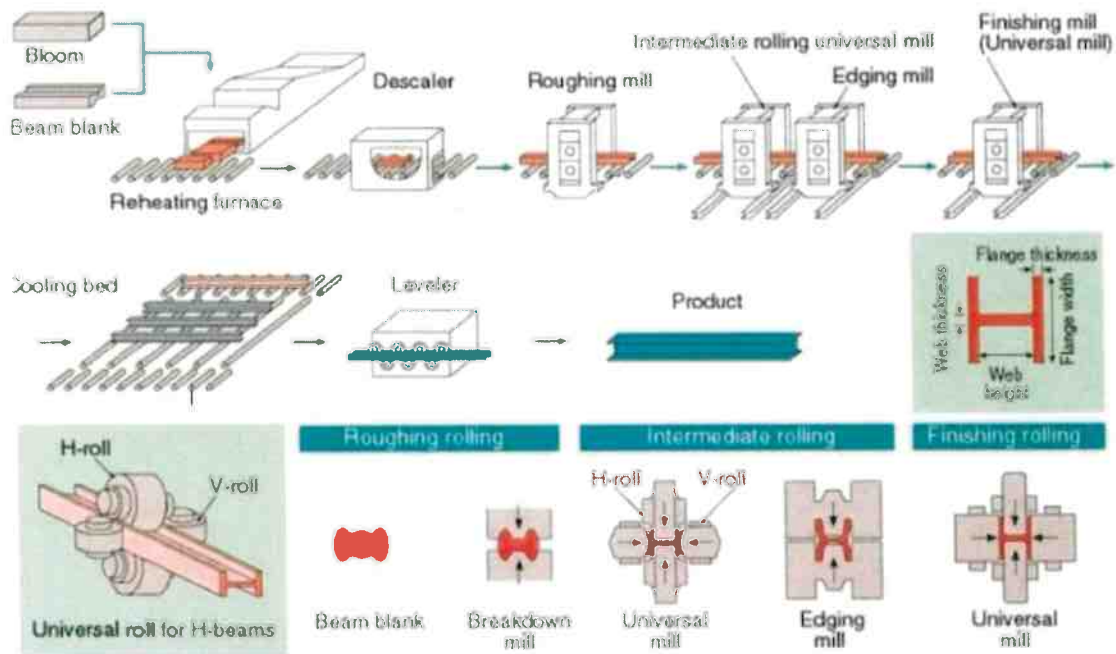
The Applicant indicated that the raw materials used to manufacture the imported subject product are blooms and billets made of iron and steel.

### **2.1.8 Production process**

The Applicant indicated that hot rolling is one of the most popular techniques employed for manufacturing heavy sections. The process involves heating a metal billet and then passing it through a series of rollers to create the desired shape. The high temperature during hot rolling allows the metal to be easily shaped and formed.

In the hot rolling process, the metal billet undergoes a series of steps. First, it is heated above its recrystallization point to facilitate deformation. Subsequently, the billet is passed through multiple rollers that gradually reduce its thickness and mould it into the desired shape. Following this, the beam is allowed to cool and subsequently cut to the required length.

Hot rolling is a highly efficient process that can produce large quantities quickly and cost-effectively. The resulting beams have a smooth surface finish and excellent structural properties, making them ideal for use in construction projects. Please see the below diagram for a visual representation of the process. The Applicant submits that this process is the same overall regardless of the shape being made.



### 2.1.9 Technical characteristics and appearance

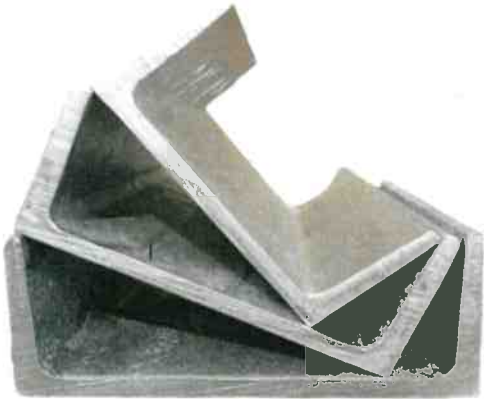
The Applicant provided the technical characteristics and appearance of the imported to be as follows:

Technical characteristics includes but not limited to:

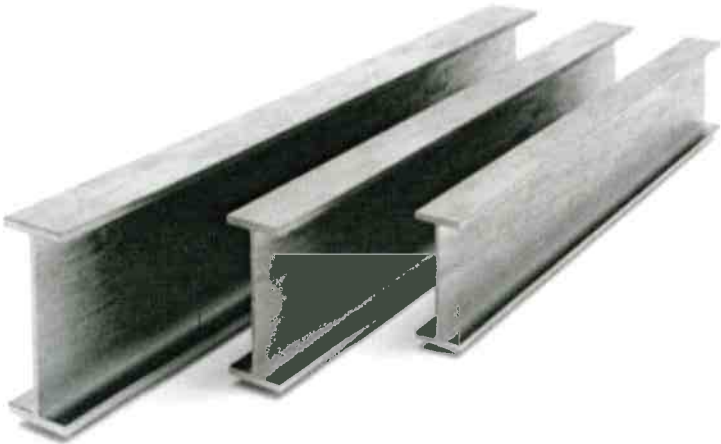
- Structural steel with beam profiles ranging from of 203mm x 133mm to 533mm x 210mm;
- Structural steel with column profiles of 152mm x 152mm to 305mm x 305mm;
- Structural steel with channel profiles ranging from 152mm x 76mm and 200mm to 75mm and
- Equal angles with profiles ranging from 150mm x 150mm to 200mm x 200mm

The product appearance:

**U-Section**



**I-Section**



## H-section



## Equal Angles



### **2.1.10 Application or end use**

The Applicant<sup>1</sup> stated that the imported products are an intermediary product in the fabrication, construction, and mining industries, and are utilised in rail, renewable energy, primary energy, infrastructure development and general engineering sectors.

### **2.1.11 Substitutability**

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

## **2.2 SACU PRODUCT**

### **2.2.1 Description**

The Applicant described the SACU like product as U, I and H sections of iron or non-alloy steel, not further worked than hot-rolled, hot-drawn, or extruded, and other angles and shapes of iron or non-alloy steel, of a height of 80 mm or more not further worked than hot-rolled, hot drawn or extruded, excluding H-sections of a height greater than 200mm.

### **2.2.2 Raw materials**

The Applicant stated blooms and billets made of iron and steel are the raw materials used to manufacture the SACU product.

### **2.2.3 Production process**

The Applicant indicated that hot rolling is one of the most popular techniques employed for manufacturing heavy sections. The process involves heating a metal billet and then passing it through a series of rollers to create the desired shape. The high temperature during hot rolling allows the metal to be easily shaped and formed.

In the hot rolling process, the metal billet undergoes a series of steps. First, it is heated above its recrystallization point to facilitate deformation. Subsequently, the billet is passed through multiple rollers that gradually reduce its thickness and mould it into the desired shape. Following this, the beam is allowed to cool and subsequently cut to the required length.

Hot rolling is a highly efficient process that can produce large quantities quickly and cost-effectively. The resulting beams have a smooth surface finish and excellent

structural properties, making them ideal for use in construction projects. The Applicant submits that this process is the same overall regardless of the shape being made.

#### **2.2.4 Technical characteristics and appearance**

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

Technical characteristics includes but not limited to:

- Structural steel with beam profiles ranging from of 203mm x 133mm to 533mm x 210mm;
- Structural steel with column profiles of 152mm x 152mm to 305mm x 305mm;
- Structural steel with channel profiles ranging from 152mm x 76mm and 200mm to 75mm and
- Equal angles with profiles ranging from 150mm x 150mm to 200mm x 200mm

The product appearance is similar to the images provided in paragraph 2.1.9.

#### **2.2.5 Application or end use**

The Applicant stated that the SACU products are an intermediary product in the fabrication, construction, and mining industries, and are utilised in rail, renewable energy, primary energy, infrastructure development and general engineering sectors.

#### **2.2.6 Substitutability**

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

## 2.3 LIKE PRODUCT ANALYSIS

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

**Table 2.3: Like product criteria**

<b>Factors</b>	<b>SACU produced product</b>	<b>Imported subject product</b>
<b>Raw materials</b>	The SACU product is produced using blooms and billets made of iron and steel.	The imported product is produced using blooms and billets made of iron and steel.
<b>Production process</b>	As per section 2.2.3	As per section 2.1.8
<b>Technical characteristics and appearance</b>	<p><i>Technical characteristics includes but not limited to:</i></p> <ul style="list-style-type: none"> <li>• Structural steel with beam profiles ranging from of 203mm x 133mm to 533mm x 210mm;</li> <li>• Structural steel with column profiles of 152mm x 152mm to 305mm x 305mm;</li> <li>• Structural steel with channel profiles ranging from 152mm x 76mm and 200mm to 75mm and</li> <li>• Equal angles with profiles ranging from 150mm x 150mm to 200mm x 200mm</li> </ul> <p>For the appearance of the SACU product when it is finished, please see images provided under paragraph 5.1.9:</p>	<p><i>Technical characteristics includes but not limited to:</i></p> <ul style="list-style-type: none"> <li>• Structural steel with beam profiles ranging from of 203mm x 133mm to 533mm x 210mm;</li> <li>• Structural steel with column profiles of 152mm x 152mm to 305mm x 305mm;</li> <li>• Structural steel with channel profiles ranging from 152mm x 76mm and 200mm to 75mm and</li> <li>• Equal angles with profiles ranging from 150mm x 150mm to 200mm x 200mm</li> </ul> <p>For the appearance of the imported product when it is finished, please see images provided under paragraph 5.1.9:</p>
<b>Application or end use</b>	The SACU product are intermediary products in the fabrication, construction, and mining industries, and utilised in rail, renewable energy, primary energy, infrastructure development and general engineering sectors.	The imported products are also intermediary products in the fabrication, construction, and mining industries, and are utilised in rail, renewable energy, primary energy, infrastructure development and general engineering sectors.
<b>Substitutability</b>	The SACU products are fully substitutable with the imported products	The imported products are fully substitutable with the SACU products

<b>Factors</b>	<b>SACU produced product</b>	<b>Imported subject product</b>
<b>Tariff classification</b>	7216.31; 7216.32; 7216.33; and 7216.50.	7216.31; 7216.32; 7216.33; and 7216.50.

### **Applicant's comments**

The Applicant stated that although the subject product is imported under the different tariff sub-headings, indicating differentiated products, they should be treated as a single product, namely structural steel products and one dumping margin should be calculated and applied to all the relevant tariff codes. The Applicant emphasized the importance of defining the subject product clearly at the outset of the investigation, with a focus on the product itself. The Applicant also indicated that the tariff sub-headings are merely a tool used by the South African Revenue Service (SARS) for as identifying and categorizing trade goods, and do not determine the product's scope. Therefore, whether the product falls under one or multiple tariff headings or sub-headings is irrelevant.

### **Commission's consideration**

*The Commission considered that the mere fact that there are various tariff sub-headings does not mean that the Commission cannot conclude that there is one subject product. The Commission agreed with the Applicant that the tariff sub-headings do not define the product under investigation but provide guidance as one of the elements for defining and determining like product(s) under ADR 1. In addition to the guidance in defining the subject product, tariff sub-headings are also applicable in the determining whether there should be a single dumping margin. Based on facts available, the Commission made a final determination that, irrespective of multiple tariff sub-headings, there is a single product under this investigation, i.e. structural steel products, and therefore a single dumping margin should be determined and be applied in all applicable tariff subheadings as indicated above.*

*The Commission made a final determination that the SACU products and the imported products are “like products,” for purposes of comparison, in terms of the definition of “like product” in ADR 1.*

### 3. INDUSTRY STANDING

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The application was lodged by AMRAS, the only manufacturer of the subject product in SACU. AMRAS constitutes 100% of the domestic production of the subject products in SACU.

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

## 4. DUMPING

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### 4.1 METHODOLOGY IN THIS INVESTIGATION FOR THE PRC AND THAILAND

Since there are no responses from Chinese and Thai exporters to provide specific details on dumping information, the Commission made a final determination to use best information available which was considered for dumping, being the *prima facie* information provided by the Applicant, accepted and used by the Commission when it was making its preliminary determination.

#### 4.1.1 PRC

##### 4.1.1.1 Normal Value

The Applicant determined the normal values based on a third country methodology which is defined in ADR23.4(b). The Applicant selected the United States of America (“USA”) to determine Chinese normal values.

The United state of America and New Zealand (USA and NZ) were selected by the Applicant for the determination of normal value without following any criteria. It should be noted that the third country selection criteria used by the Commission do not apply when considering an application for initiation, which is confirmed by ADR23.4(b), which deals with the normal value standard for initiation. ADR23.4(b) states that the Applicant “may submit information in respect of normal value with reference to the export price from the exporting country or country of origin to any third country.”

To substantiate the normal values in line with ADR23.6, the Applicant used the International Trade Centre (“ITC Trade Map”), an online database on international trade statistics, as proof of export prices from the PRC to the USA, for the period 01 April 2023 to March 2024.

### Normal value determination for PRC

In determining the normal value for PRC, the Applicant used the sales values and volumes for the four different product models from the ITC Trade Map. It was found that the subject product volume and values were provided in kilograms and South African currency. The FOB weighted average normal value was adjusted by transport costs and port handling and clearance charges. The normal value was determined as follows:

**Table 4.1.1.1(a): Normal value**

	U-Section	I-Section	H-Section	Equal Angles
Sales value (R)	2 947 000	36 900 000	199 200 000	37 295 000
Sales Volume (kg)	132 768	2 226 493	11 964 859	1 998 152
<b>Normal Value per Kg</b>	<b>22.20</b>	<b>16.57</b>	<b>16.65</b>	<b>18.66</b>

#### a) Normal value adjustments

In order to adjust the Free on Board (“FOB”) price from the PRC to the USA to an ex-factory price, the Applicant claimed an adjustment for inland freight and port handling & clearance costs.

**Table 4.1.1.1(b): Normal value after adjustment**

(R/Kg)	U-Section	I-Section	H-Section	Equal Angles
Normal value	22.20	16.57	16.65	18.66
<b>Less adjustments</b>	<b>0.46</b>	<b>0.46</b>	<b>0.46</b>	<b>0.46</b>
Inland freight	0.40	0.40	0.40	0.40
Port handling and clearance	0.06	0.06	0.06	0.06
<b>Normal Value after adjustment</b>	<b>21.73</b>	<b>16.11</b>	<b>16.19</b>	<b>18.20</b>

#### 4.1.1.2 Export price

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

The export price was determined as follows:

**Table 4.1.1.2(a): Export price**

	<b>U-Section</b>	<b>I-Section</b>	<b>H-Section</b>	<b>Equal Angles</b>
Export value (R)	9 794 569	8 915 084	248 053 505	19 383 320
Export Volume (kg)	559 062,10	553 580,91	19 981 154,63	4 055 020,09
<b>Export price per kg</b>	<b>17.52</b>	<b>16.10</b>	<b>12.41</b>	<b>4.78</b>

**a. Export price adjustment**

The Applicant provided information on transport costs and port handling and clearance charges in order to adjust the FOB export prices from the PRC to the SACU.

- Inland freight - The Applicant provided an estimated inland cost for a PRC standard 20-foot container weighing of 28 tons, quoting a cost of \$600 for transportation between Yiwu and Ningbo. This estimate was obtained from <https://www.yiwu-market-guide.com/inland-freight-charge-yiwu-ningbo.html>.

**Commission’s consideration**

*The Applicant provided inland freight and port handling & clearing costs to adjust the export price in the PRC. Although substantiation for these costs was provided, the Commission believes that these costs, are applicable in the PRC and may not accurately reflect charges in South Africa. Therefore, the Commission rejected these costs and instead applied a conservative 5% adjustment to the export price to account for inland freight costs only.*

The Commission made a final determination to apply its practice of adjusting normal value by a conservative rate of 5% to account for inland freight cost when the actual amount of such costs is not known and/or not properly substantiate for purposes of adjusting normal value to the ex-factory level.

**Table 4.1.1.2(b): Export price after adjustment**

<b>(R/Kg)</b>	<b>U-Section</b>	<b>I-Section</b>	<b>H-Section</b>	<b>Equal Angles</b>
Export price per kg	17.52	16.10	12.41	4.78
Less inland freight adjustment	0.88	0.81	0.62	0.24
<b>Export price after adjustment</b>	<b>16.644</b>	<b>15.299</b>	<b>11.794</b>	<b>4.541</b>

### 4.1.1.3 Margin of Dumping

The margin of dumping was determined as follows:

**Table 4.1.1.3: Margin of Dumping**

	Export volume to SACU	Ex-factory normal value (R/kg)	Ex-factory export price (R/kg)	Dumping margin (R/kg)	Dumping margin as a % of export price	Dumping Factor
U - Section	559 062.10	21.73	16.64	5.09	30.61	0.68
I - Section	553 580.91	16.11	15.30	0.81	5.29	0.12
H - Section	19 981 154.63	16.19	11.79	4.40	37.28	29.62
Equal Angel	4 055 020.09	18.20	4.54	13.66	300.91	48.52
<b>Total volume</b>	<b>25 148 817.73</b>				<b>Weighted dumping margin</b>	<b>78.94</b>

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

## 4.1.2 Thailand

### 4.1.2.1 Normal value

The Applicant determined the normal values based on a third country methodology which is defined in ADR23.4(b). The Applicant selected the United States of America (“NZ”) to determine Thai normal values.

In determining the normal value for Thailand, the Applicant used the sales values and volumes for the four different product models from the International Trade Centre Trade Map (“ITC Trade Map”). It was found that the subject product volume and values were provided in kilograms and South African Rand.

To substantiate the normal values in line with ADR23.6, the Applicant used the ITC Trade Map, an online database on international trade statistics, as proof of export prices from Thailand to New Zealand, for the period 01 April 2023 to March 2024. It was found that, I – Section and H – Section was the only product models exported from Thailand to New Zealand.

The normal value for Thailand was determined as follows:

**Table 4.1.2.1(a) Normal Value**

	<b>I-Section</b>	<b>U - Section</b>
Sales value (R)	59 369 000	280 398 000
Sales volume (Kg)	3 107 480	17 547 906
<b>Normal Value per Kilogram</b>	<b>19.11</b>	<b>15.98</b>

**a) Adjustment to normal value**

In order to adjust the cost, insurance, and freight (“CIF”) for the export prices from Thailand to New Zealand, the Applicant provided substantiation for sea freight and insurance cost, port handling & clearing cost and inland freight.

- Inland freight - The Applicant was unable to find the cost of inland freight from the harbour in Thailand to the plant in order to arrive at domestic ex-factory selling price in Thailand. Alternatively, the Applicant provided the Commission with the inland freight cost from China to Thailand as a fair estimate for initiation purposes.

***Commission's consideration***

*The Commission considered that although China and Thailand are close enough to each other to make it possible to drive from one country to the other, the cost provided by the Applicant is a Chinese price for Chinese export sales to Thailand. Therefore, the Commission decided not to use the Chinese delivery cost on normal value.*

The Commission considers making a final determination to apply its practice of adjusting normal value by a conservative rate of 5% to account for inland freight cost when actual amount of such costs is not known and/or not properly substantiate for purposes of adjusting normal value to the ex-factory level.

**Table 4.1.2.1(b): Normal value after adjustment**

(R/Kg)	I-Section	U - Section
<b>Normal value</b>	<b>19.11</b>	<b>15.98</b>
<b>Less adjustments</b>	<b>1.85</b>	<b>1.68</b>
Sea freight and insurance costs	0.82	0.82
Port handling and clearance costs	0.08	0.08
Inland freight cost	0.96	0.80
<b>Normal Value after adjustment</b>	<b>17.26</b>	<b>14.29</b>

#### 4.1.2.2 Export price

The FOB export price was determined based on the official import statistics obtained from SARS for the period from 01 April 2023 to 31 March 2024. Based on SARS import statistics, the export price is as follows:

**Table 4.1.2.2(a): Export price**

	I - Section	H - Section
Export value (R)	43 580 490	37 506 600
Export volume(kg)	3 195 757	2 672 897
<b>Export price (R/Kg)</b>	<b>13.64</b>	<b>14.03</b>

##### a) Adjustment to export price

The Applicant provided substantiation information on transport costs and port handling and clearance charges in order to adjust the FOB export prices from the Thailand to the SACU.

- Port handling and clearance - The Applicant provided port handling & clearing costs to adjust the export price in Thailand.

- Inland freight - The Applicant was unable to find the cost of inland freight from the harbour in Thailand to the plant in order to arrive at domestic ex-factory selling price in Thailand. Alternatively, the Applicant provided the Commission with the inland freight cost from China to Thailand as a fair estimate for initiation purposes.

### **Commission's consideration**

- *The Applicant provided port handling & clearing costs to adjust the export price in Thailand. Although substantiation for these costs was provided, the Commission believes that these costs are applicable to Thailand and may not accurately reflect charges in South Africa. Therefore, the Commission rejected the adjustment of port handling and clearing cost on export price.*
- *The unavailability of the correct inland freight cost that was explained in the normal value section also applies to the export price. Therefore, the Commission decides not to use the Applicant's inland freight cost adjustment of the Thai export price. Similarly, the Commission made a final determination to apply its practice of adjusting export price by a conservative rate of 5% to account for inland freight cost when actual amount of such costs is not known and/or not properly substantiate for purposes of adjusting export price to the ex-factory level.*

**Table 4.1.2.2(a): Export price after adjustments**

<b>(R/Kg)</b>	<b>I - Section</b>	<b>H - Section</b>
Export price	13.64	14.03
Less: Inland freight	0.68	0.70
<b>Export price after adjustment</b>	<b>12.95</b>	<b>13.33</b>

### **4.1.2.3 Margin of dumping**

Based on the above, the dumping margin for all exporters/manufacturers in Thailand for the subject product is as follows:

**Table 4.1.2.3: Margin of dumping**

	<b>Export volume to SACU</b>	<b>Ex-factory normal value (R/kg)</b>	<b>Ex-factory export price (R/kg)</b>	<b>Dumping margin (R/kg)</b>	<b>Dumping margin as a % of export price</b>	<b>Dumping Factor</b>
I - Section	3 195 757	17.26	12.95	4.31	33.28	18.12
H - Section	2 672 897	14.29	13.33	0.96	7.20	3.28
<b>Total volume</b>	<b>5 868 654</b>				<b>Weighted dumping margin</b>	<b>21.40</b>

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

## **5. MATERIAL INJURY**

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### **5.1 DOMESTIC INDUSTRY – MAJOR PROPORTION OF PRODUCTION**

The material injury is based on information provided by AMRAS, constituting 100% of SACU's domestic production of the subject product from 01 April 2023 to 31 March 2024.

The Commission made a final determination that this constitutes “a major proportion” of the total domestic production, in accordance with ADR 7.

### **5.2 CUMULATIVE ASSESSMENT**

There are two countries are involved in this investigation. Therefore, the Commission considered whether the effects of the imports from the two countries should be cumulatively assessed.

In considering whether cumulative assessment was appropriate with regard to the imports from these countries in terms of ADR16.3, the Commission considered the following:

**(i) Dumping margins:**

The dumping margins for the PRC and Thailand are calculated in tables 4.1.1.3 and 4.1.2.3 to be above two percent when expressed as a percentage of ex-factory export price.

**(ii) Negligibility levels:**

The import volumes for the PRC and Thailand calculated in table 2.1.6, are above three percent when expressed a percentage of total imports.

**(iii) Competition between imported products from the PRC and Thailand:**

- The imported products from the PRC and Thailand are like products that are 100% substitutable with each other.
- The imported products are exported to SACU at a similar FOB export price and are sold to the same customers. For example, according to the Bills of Entry (BOE) from SARS, the average FOB export price for Thailand and the PRC was R13,49/kg and R12.54/kg respectively, during the period of investigation for dumping. The BOE also shows that the imported products from the PRC and Thailand were both sold in the SACU market to similar customers of Chinese and Thai exporters.
- The two export prices are both undercutting the SACU prices as demonstrated in paragraph 5.3.2.1.
- Lastly, both imported products are gaining market share in the SACU market throughout the period of investigation as demonstrated in table 5.3.3.3.

**(iv) Competition between Chinese and Thai imported products and SACU produced products:**

- As demonstrated in table 2.3, the imported products and the SACU produced products are like products that are traded in the SACU market and are substitutable with each other as they share the same end-use. For example, the imported products are sold in SACU market by Macsteel who is also selling AMRAS products in the same market (Macsteel is AMRAS' customer); and
- The imported products from the PRC and Thailand are competing with the SACU produced products at prices that are undercutting the SACU prices as demonstrated in paragraph 5.3.2.1.

The Commission made a final determination to cumulatively assess the impact of the import volumes from the PRC and Thailand for purposes of material injury determination.

### 5.3 MATERIAL INJURY ANALYSIS

According to Article 3.1 of the WTO Anti-Dumping Agreement, a determination of injury shall be based on positive evidence and involve an objective examination of both **(a) the volume of the dumped imports and the effect of the dumped imports on prices in the domestic market for like products**, and **(b) the consequent impact of these imports on domestic manufacturers of such products** (Own underlining).

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

#### 5.3.1 The volume of dumped imports

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

**Table 5.3.1.: Volume of imports in absolute terms**

Kg	2021/22	2022/23	2023/24
Dumped imports from the PRC and Thailand	1 174 800	8 337 512	27 247 158
Other imports from the rest of the world	29 843 439	13 291 244	6 463 945
<b>Total imports</b>	<b>31 018 239</b>	<b>21 628 756</b>	<b>33 711 103</b>

The table above shows that the combined dumped imports from the PRC and Thailand increased substantially throughout the POI, with an overall increase of 2 219 percent over the POI. The table also shows that imports from other countries decreased substantially during the same period, recording a 78 percent decline over the POI.

### **Commission's consideration**

*The dumped import volumes are the only volumes that increased during the POI. The injurious effect of the 610 percent increase between 2021/22 and 2022/23 and the 227 percent increase between 2022/23 and 2023/24, on the SACU industry is evident in the price and volume injury indicators presented below.*

### **5.3.2 The effect of dumped imports on domestic prices**

The Applicant provided the following information to demonstrate the effect on domestic prices and changes in SACU industry's domestic performance.

#### **5.3.2.1 Price undercutting**

Price undercutting is the extent to which the price of the imported product is lower than the price of the like product produced by the SACU industry. The price undercutting for the period of investigation was calculated based on the Applicant's ex-factory price and the landed cost.

In determining whether the prices of the imported subject product undercut the Applicant's domestic selling prices, the Commission used the FOB export price plus sea freight, insurance, port handling, and ordinary customs duty costs to arrive at landed cost. The Commission compared the Applicant's ex-factory selling price and landed cost and found that the prices of the imported subject products undercut the Applicant's domestic selling prices by 20% when cumulatively assessed during the POI for dumping.

The Commission considered the fact that 20% price undercutting in 2023/24 coincided with the Applicant's inability to increase prices in 2023/24, resulting in profits turning into losses in that year, as an indication of causality.

### 5.3.2.2 Price depression

Price depression takes place where the SACU industry's ex-factory selling prices decreases during the investigation period. The ex-factory prices applicable to the subject products are as follows:

**Table 5.3.2.2: Price depression**

R/kg	2021/22	2022/23	2023/24
Ex-factory selling price	100	119	121

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

Table above indicates that the Applicant did not experience price depression during the POI.

### **Commission's consideration**

*Even though the Applicant increased their selling prices throughout the POI, the increase was not to the same extent as the increases observed in production costs. As a result, in 2023/24 the Applicant could not increase its selling prices enough to recover all the production costs, leading to the loss (see tables 5.3.2.3 and 5.3.3.2 below). Therefore, as shown in the following tables, the Applicant's prices, despite showing an increase over the POI, remain suppressed, undercut by the imported products (see paragraph 5.3.2.1 above), and unable to generate gross profits (see tables 5.3.2.3 and 5.3.3.2 below).*

### 5.3.2.3 Price suppression

Price suppression takes place where the cost-to-price-ratio of the SACU industry increases, or where the SACU industry sells at a loss during the POI, or part thereof.

**Table 5.3.2.3: Price suppression**

R/ton	2021/22	2022/23	2023/24
Ex-factory selling price	100	119	121
Production cost	100	123	144
Cost as a % of selling price	100	103	119
Gross profit	100	72	-6

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

The table above shows that that the cost-to-price ratio of the Applicant increased throughout the POI, with an overall increase of 19 percent over the POI. The table also shows that the Applicant is in a loss-making situation at the end of the POI. The increasing cost-to-price ratio and loss-making situation both indicates that the Applicant's prices are suppressed.

### 5.3.3 Consequent impact of the dumped imports on the SACU industry

#### 5.3.3.1 Actual and potential decline in sales volumes

The following table shows the Applicant's SACU sales volumes of the subject products:

**Table 5.3.3.1: Sales volumes**

<b>Ton</b>	<b>2021/22</b>	<b>2022/23</b>	<b>2023/24</b>
Sales volumes	100	121	128

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

Information in the table above indicates that the Applicant's sales volume increased throughout the POI, with an overall increase of 28 percent over the POI.

#### 5.3.3.2 Profits

The following table shows the profit situation applicable to each tariff sub-subheading and overall subject products:

**Table: 5.3.3.2: Gross & Net Profits**

<b>Rands</b>	<b>2021/22</b>	<b>2022/23</b>	<b>2023/24</b>
Gross profit	100	72	-6
Net Profit	100	65	-22

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

The information in the table above shows that both gross profits and net profits decreased throughout the POI, resulting in losses at the end of the POI.

### 5.3.3.3 Market share

The following table gives a breakdown of market share for the subject products based on sales and import volumes:

**Table 5.3.3.3: Market share**

<b>Tons</b>	<b>2021/22</b>	<b>2022/23</b>	<b>2023/24</b>
Applicant's market share as a % of total SACU market	100	110	103
Dumped imports market as a % of total SACU market share	100	700	2000
Other imports market share as a % of total SACU market	100	41	19

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

The table above indicates that the Applicant's market share increased by 10 percentage points from 2021/22 to 2022/23 and decreased by 7 percentage points from 2022/23 to 2023/24, showing an overall minimal increase of 3 percentage points over the POI. The table above also shows that the market share of the cumulated alleged dumped imports increased by 600 percentage points in 2022/23 and by 1 900 percentage points in 2023/24.

#### **Commission's consideration**

The table shows that the Applicant started on a good foot when it was incorporated in August 2022 and gained 10 percent market share. The Applicant could not hold on to that gain, which was significantly reversed in 2023/24 when the Applicant lost 7 percentage points of its market share. This was despite an increase in Applicant's sales volumes during the year 2023/24. The Commission considered this to be an indication of injury as it demonstrates the adverse effect of the alleged dumped imports on the performance of the SACU industry.

#### 5.3.3.4 Output

The following table shows the Applicant's total output of the subject products:

**Table 5.3.3.4: Output**

Ton	2021/22	2022/23	2023/24
Output volumes	100	118	122

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

The information in the table above indicates that production volume increased throughout the POI, with an overall increase of 22 percentage points over the POI.

#### 5.3.3.5 Employment

The following table provides the Applicant's total employment figures:

**Table 5.3.3.5: Number of employees in manufacturing production**

	2021/22	2022/23	2023/24
Total labour units in direct production	100	98	92

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

The table above indicates that the Applicant's employee numbers decreased throughout the POI, with an overall decline of 16 persons over the POI.

#### **Commission's consideration**

*The Commission considered the fact that in 2021/22 the Applicant was operating the Highveld Structural Steel on a manufacturing agreement while Highveld was in business rescue. The 100 basis points represents the number of employees that were working on a contract basis until 2023 when the Applicant officially owned the plant. In 2023, the Applicant could only absorb 98 employees as permanent. The Commission considered the fact that the Highveld mill has a history of employing 100 percentage points and all were lost when Highveld went into business rescue in 2021. The Highveld mill under AMRAS still contends there is the potential to create over a thousand of jobs in and around Emalahleni region. For this to happen, it is the*

*Commission’s view that import replacement and localisation would be perfect drivers, among other things, to increase AMRAS sales orders. More sales order would lead to more being produced for which more employees will be needed.*

*The Commission considered the current employment levels at AMRAS to be an indication of injury as it demonstrates the adverse effect of the alleged dumped imports on the performance of the SACU industry.*

**5.3.3.6 Productivity**

The following table provides SACU industry’s productivity based on output and number of employees in direct production:

**Table 5.3.3.6: Productivity**

	<b>2021/22</b>	<b>2022/23</b>	<b>2023/24</b>
Production volumes (Ton)	100	118	122
Number of employees	100	98	92
Productivity per employee	100	119	132

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

The table above indicates that the Applicant’s productivity per employee increased throughout the POI, with an overall increase of 32 percent over the POI.

**Commission’s consideration**

*During verification, the Applicant stated that in 2022/23 it had invested to boost the speed and efficiency of the plant, and this is seen in the 19 percentage points increase in productivity. In 2023/24, the Applicant made further investments in the plant, to achieve more speed and efficiency as seen in the 32 percentage points increase in productivity. This was despite the Applicant making losses during the year 2023/24.*

**5.3.3.7 Utilisation of production capacity**

The following table provides the Applicant’s capacity utilisation.

**Table 5.3.3.7: Capacity utilisation**

<b>Ton</b>	<b>2021/22</b>	<b>2022/23</b>	<b>2023/24</b>
Total Installed Capacity	100	100	100
Actual production	100	118	122
Capacity utilisation %	100	110	109

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

The table above indicates that capacity utilisation increased by 10 percentage points from 2021/22 to 2022/23 and decreased by 1 percentage point from 2022/23 to 2023/24, resulting to an overall increase of 9 percentage points over the POI.

### ***Commission's consideration***

*The Commission considered that even though the Applicant's capacity utilisation is showing an increase over the POI, it is not at optimal levels as the Applicant's capacity utilisation hardly passed the 50 percent mark during the POI (in terms of actual figures). The Commission considered a 50 percent (and below) capacity utilisation to be an indication of a mill that is not fully utilised. It is the Commission's view that the low levels of capacity utilisation are an indication of injury as it demonstrates the adverse effect of the alleged dumped imports on the performance of the SACU industry.*

*The Commission further considered the fact that the Applicant, as the only manufacturer of the subject product in SACU and Africa, has the potential to fully utilise the plant to supply the SACU market and the African continent.*

### **5.3.3.8 Return on Investment**

The following table shows SACU industry's return on investment on the subject products:

**Table 5.3.3.8: Return on investment**

(R)	2021/22	2022/23	2023/24
Net profit	100	65	-22
Net assets for the product concerned	100	100	120
Return on net asset %	100	67	-20

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

The table above indicates that return on investments decreased throughout the POI, resulting in negative returns at the end of the POI.

### **Commission's consideration**

*The declining profits, which did not correlate with increases in selling prices, sales volumes, and additional investments being made in 2023/24, are a contributing factor to the poor performance of the Applicant in terms of its return on investments. It is Commission's view that the situation is an indication of injury as it demonstrates the adverse effect of the alleged dumped imports on the performance of the SACU industry.*

### **5.3.3.9 Factors affecting domestic prices**

The Applicant experienced price suppression and undercutting.

### **5.3.3.10 Magnitude of margins of dumping**

It has already been shown in section 4 of this report that the dumping margins for the PRC and Thailand are 78.94% and 21.40% respectively.

### **5.3.3.11 Actual and potential negative effects on cash flow**

The table below outlines net cash flow applicable to the subject products:

**Table 5.3.3.11: Net Cash flow**

(R)	2021/22	2022/23	2023/24
Cash flow: Incoming	100	117	119
Cash flow: Outgoing	100	116	123
Net cash flow	100	110	-37

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

The table above indicates that net cash flow for the subject product increased by 10 percent between 2021/22 and 2022/23. However, this started to decrease in 2023/24, resulting in negative net cash flow at the end of the POI.

**Commission's consideration**

*The table above demonstrate that the Applicant's outflow increased more than the inflows of cash. In 2023/24 the situation became worse as the outflow of cash, such as input raw material costs and salaries and wages continued to rise and exceeded the inflow from operating sales activities, hence the negative net cash flow in 2023/24.*

**5.3.3.12 Inventories**

The following table provides the SACU industry's inventory volumes and values of the subject products:

**Table 5.3.3.12: Inventories**

	2021/22	2022/23	2023/24
Inventory volume (Ton)	100	109	133
Inventory value (R)	100	183	200

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

The table above indicates that the inventory volumes and values for the subject product increased throughout the POI, with an overall increase of 33 percent and 100 percent over the POI for volumes and values, respectively.

### **Commission's consideration**

Due to the fact that orders are slow at times and the plant needs to run 24 hours a day, seven days a week, the Applicant manufactures goods to anticipate incoming orders, i.e., potential sales.

#### **5.3.3.13 Wages**

The following table provides SACU industry's total annual wages:

**Table 5.3.3.13: Total Wages (production)**

<b>Rands</b>	<b>2021/22</b>	<b>2022/23</b>	<b>2023/24</b>
Total wages per year	100	105	111
Wages per employee	100	109	113

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

The table above indicates that the total wages and wages per employee both increased throughout the POI, with overall increase of 11 percentage points over the POI for total wages and 13 percentage points for wages per employee.

The Applicant stated that it increased its wage rate when it took over the plant under contract in 2017, increase the wage rate further, and added other benefits when it absorbed employees permanently in 2023. Therefore, despite a decline in employment numbers in 2023/24, the Applicant continues to be committed to paying a decent wage rate per employee and benefits to encourage the remaining number of employees to be as productive as possible.

#### **5.3.3.14 Ability to raise capital and investments.**

The following table provides SACU industry's ability to raise capital and investments on the subject products:

**Table 5.3.3.14: Ability to raise capital and investment.**

	2021/22	2022/23	2023/24
Capital investment in subject product	100	100	120
Capital expenditure in subject product	100	100	20

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

The table above indicates that the investment remained constant between 2021/22 and 2022/23 and decline at the end of the POI, resulting to an overall decrease of 20 percentage points over the POI.

***Commission’s consideration***

*The Applicant invested 100 percent points in the plant when it entered into the contractual agreement with Highveld with a formal option to buy the mill. The Applicant continued investing until 2023/24 when it was no longer able to continue investing at the same levels. Despite making losses, the Applicant made an investment of 80 percentage points in 2023/24. The investments are made to increase the efficiency of the reheating furnace, the mill’s rolls, and motors.*

*The decline in investment is an indication of the Applicant’s declining ability to raise enough capital to continue improving the performance of the plant. This declining ability to invest in 2023/24 coincides with the massive increase of 227% of dumped imports from the PRC and Thailand, an indication of the adverse effect of the dumped imports on the performance of the SACU industry.*

### 5.3.3.15 Growth

The following tables show size of the SACU market applicable to the subject products.

**Table 5.3.3.15: Growth**

<b>Tons</b>	<b>2021/22</b>	<b>2022/23</b>	<b>2023/24</b>	<b>% change between Years 1&amp;3</b>
Size of SACU market	100	105	118	18
SACU market % growth of from previous year	-	100	293	193
Applicant % growth from previous year	-	100	30	-70
PRC and Thailand dumped imports % growth from previous year	-	100	38	-62
Other imports % growth from previous year	-	-100	-93	-7

The figures were indexed due to confidentiality using 2021/22 & 2022/23 as a base year.

The information above indicates that the size of the SACU market grew by 5 percentage points from 2021/22 to 2022/23, by 13 percentage points from 2022/23 to 2023/24, and by 18 percentage points over the POI. The Applicant experienced a growth of 100 percentage points from 2021/22 to 2022/23 and -30 percentage points from 2022/23 to 2023/24, and by -70 percentage points over the POI. The dumped imports experienced growth of 100 percentage points from 2021/22 to 2022/23, and -38 percentage points growth from 2022/23 to 2023/24, resulting in an overall growth of -62 percentage points during the POI.

The table above indicates that the size of the SACU market increased throughout the POI, with 18 percent points overall increase over the POI.

### 5.3.3.16 Summary of material injury

Based on the above information, the evaluation of the injury information of the Applicant for the period of investigation is summarised as follows:

- Increased alleged dumped import volumes;

- Price suppression;
- Price undercutting;
- Declining profits;
- Declining employment;
- Declining returns on investment;
- Declining net cash flows;
- Declining ability to raise capital investments;
- Increasing inventory levels;
- Increasing wages;
- Low levels of capacity utilisation.

In addition to the above, the SACU industry is losing market share in the last year of the POI (between 2022/23 and 2023/24), even though there was a minimal 3 percent increase when viewed over a three-year period. Based on the information above, it is evident that the SACU industry mainly experienced material injury on price-based indicators as is evident by its suppressed and undercut prices, which led to losses and negative impacts on net cash flow and returns on investments.

The negative impact on net cash flow was also perpetuated by the increasing wage bill, which the Applicant uses as one of the tools to encourage productivity amongst its remaining employees. The Applicant's grim profit-making situation also resulted in its inability to raise more capital for investments to improve the performance of its mill. During the period within which the Applicant experienced material injury, imports volumes from the PRC and Thailand increased by 610 percent between 2021/22 and 2022/23 and by 227 percent between 2022/23 and 2023/24, with an overall 2 219 percent increase during the 3-year POI.

### ***Commission's consideration***

*Under relevant WTO jurisprudence, an affirmative finding of material injury under Article 3 of the Anti-Dumping Agreement may be based solely on either price effects or volume effects.*

*Price effects - The impact of dumped imports on the prices of the domestic industry's products. This includes price undercutting, depression or suppression.*

*Volume effects - The impact of dumped imports on the volume of the domestic industry's sales or production. This includes increases in imports that cause the share of the domestic market taken by increased imports, changes in the level of sales, production, productivity, capacity utilization, profits and losses, and employment.*

*WTO Jurisprudence: WTO jurisprudence (case law and interpretations) has established that an affirmative finding of material injury can be based solely on either price effects or volume effects. This means that if the investigating authority finds significant adverse price effects or significant volume effects, it can conclude that material injury exists, even if the other factor is not significant. So, for example, the Appellate Body in US – Hot-Rolled Steel from Japan held that, “[n]either Article 3.1 nor Article 3.2 requires an investigating authority to find that both significant increases in volume and significant price effects must be present in order to find injury. It is sufficient if either of these, in combination with other relevant economic factors, demonstrates material injury”.*

*Therefore, both price effects and volume effects are important indicators of material injury, but a finding of material injury can be based on a thorough analysis of one or both of these factors.*

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

## 6. CAUSAL LINK

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### 6.1 General

According to ADR16.1, in considering whether there is a causal link between the dumping and the material injury, the Commission shall consider all relevant factors, including, but not limited to:

- (a) the change in the volume of dumped imports, whether in absolute or relative terms;
- (b) the price undercutting experienced by the SACU industry;
- (c) the market share of the dumped imports;
- (d) the magnitude of the margin of dumping; and
- (e) the price of un-dumped imports available in the SACU market.

The Commission considered the following information to satisfy itself that there is sufficient evidence to indicate that the material injury experienced by the SACU industry, as set out in section 4 of this report, is as a result of the alleged dumped imports volumes of the subject product from the PRC and Thailand.

### 6.2 Volume of imports

The following tables show import volumes of the subject products:

**Table 6.2: Import volumes in absolute terms**

Kg	2021/22	2022/23	2023/24	% Change 2022 - 2024
Alleged dumped imports from the PRC and Thailand	1 174 800	8 337 512	27 247 158	2 219%
Other imports from the rest of the world	29 843 439	13 291 244	6 463 945	78.34%
<b>Total imports</b>	<b>31 018 239</b>	<b>21 628 756</b>	<b>33 711 103</b>	<b>8.68%</b>

The table above shows that the alleged combined dumped imports from the PRC and Thailand increased substantially throughout the POI, with an overall increase of 2 219 percent over the POI. The table also shows that imports from other countries decreased substantially during the same period, recording a 78 percent decline over the POI.

### ***Commission's consideration***

*The alleged dumped import volumes are the only volumes that increased during the POI. The injurious effect of the 610 percent increase between 2021/22 and 2022/23 and the 227 percent increase between 2022/23 and 2023/24, on the SACU industry is evident in the price and volume injury indicators presented in section 5 of this report. The increases in import volumes coincided with the price suppression experienced by the Applicant, as well as declining profits, resulting in losses at the end of the POI, and other injury indicators as demonstrated in section 5 of this report. Therefore, the Commission considered the extent of the increase in volume of imports, i.e., the 610 percent, the 227 percent, and the 2 219 percent, with corresponding decreases in material injury indicators as demonstrated in section 4 of this report, to be an indication of causality.*

### **6.3 Price Undercutting**

In determining whether the prices of the imported subject product undercut the Applicant's domestic selling prices, the Commission used the FOB export price plus sea freight, insurance, port handling, and ordinary customs duty costs to arrive at landed cost. The Commission compared the Applicant's ex-factory selling price and landed cost and found that the prices of the imported subject product undercut the Applicant's domestic selling prices by 20% during the POI for dumping.

The Commission considered the fact that 20% price undercutting in 2023/24 coincided with the Applicant's inability to increase prices in 2023/24, resulting in profits turning into losses in that year, as an indication of causality.

## 6.4 Market Share

The following table gives a breakdown of market share for the subject products based on sales and import volumes:

**Table 6.4: Market share**

	2021/22	2022/23	2023/24	% Change 2022 – 2024
Applicant's market share as a % of total SACU market	100	111	103	3 percentage point
Alleged dumped imports market as a % of total SACU market share	100	679	1 958	1 858 percentage points
Other imports market share as a % of total SACU market	100	43	18	-82 percentage points

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

Table 6.4 above shows that market share held by imports from the PRC and Thailand increased throughout the POI, with a 13-percentage point increase at the end of the POI and an overall increase of 19 percentage points over the POI. This increase coincided with the Applicants' minimal increase of 3 percentage points over the POI and a decrease of 7 percentage points at the end of the POI.

The Commission considered the extent of the increase in market share of the alleged dumped imports, i.e. 13-percentage point increase at the end of the POI and an overall increase of 19 percentage points over the POI, with a corresponding Applicant's decreasing market share by 7 percentage points at the end of the POI and minimal increase of 3 percentage points over the POI, to be an indication of causality.

## 6.5 Magnitude of the margins of dumping

It has already been shown in section 4 of this report that the dumping margins for the PRC and Thailand are 78.94% and 21.40% respectively.

## 6.6 Price and volumes of un-dumped imports

**Table 6.6: Un-dumped imports**

	2021/22	2022/23	2023/24
FOB prices (R/kg)	10.72	16.73	17.93
Landed prices (R/kg)	12.82	19.44	20.75
Import Volumes (kg)	29 843 439	13 91 24	6 463 945

The table above shows that the prices of other imports from other countries increased through the POI. When compared to the Applicant's selling prices, the Commission found that the prices of un-dumped imports from the rest of the world are not undercutting the Applicant's prices, particularly when one looks at the landed costs. The increase in prices was accompanied by a decline in import volumes. The table shows volumes of other imports from the rest of the world declined throughout the POI. When assessed in terms of the impact to the domestic industry, the Commission found that other imports have no (material) injurious impact on the Applicant's prices and performance.

## 6.7 Consequent impact of dumped imports

It was established in section 5 of this report that the SACU industry experienced material injury over a three-year period in the form of:

- Increased alleged dumped import volumes;
- Price suppression;
- Price undercutting;
- Declining profits;
- Declining employment;
- Declining returns on investment;

- Declining net cash flows;
- Declining ability to raise capital investments;
- Increasing inventory levels;
- Increasing wages;
- Low levels of capacity utilisation.

### 6.8 Factors other than the dumping causing injury

According to ADR16.4, the Commission shall consider all relevant factors other than dumping that may have contributed to the SACU industry's injury and the injury caused by such other factors shall not be attributed to the dumping, provided that an interested party has submitted, or the Commission otherwise has, information on such factor or factors.

In this regard, the Commission considered the following information which was provided by the Applicant:

**Table 6.8: Other factors**

<b>Strikes, go-slows or lock outs during the past twelve months</b>	The Applicant stated that there were no strikes, go-slows or lock outs.
<b>Contraction in demand or changes in patterns of consumption</b>	The Applicant submits that overall 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 mining and construction sectors which are large consumers of the subject product. However, what is notable is the clear shift away from the local product in favour of the imported product. This is in spite of the SACU market increasing in volumes over the last three years.
<b>Productivity of the domestic industry vis-a-vis that of the exporters</b>	The Applicant stated that it is difficult to quantify the exact productivity of the exporters, it is dependent on the design and installed capacity of the equipment available to the manufacturers of sections. However, the Applicant believes that the productivity of the South African manufacturers is on par with their overseas counterparts.

<b>Development in technology</b>	The Applicant is not aware of recent technology developments during the period of investigation in the PRC and Thailand.
<b>Trade restrictive trade practices</b>	There are no trade restrictive trade practices of and competition between the imported products from the PRC and Thailand and SACU produced products.
<b>SACU industry's export performance</b>	The Applicant exports the subject product into Africa. The exports to Africa constituted 9% to total sales in 2024; 7% in 2023; and 14% in 2022.
<b>The effects of exchange rates on production cost, selling price, and the price of the imported product.</b>	The Applicant stated that the exchange rate has had no impact on these costs and that it is unaware of any changes to the selling price of the imported product.
<b>Other factors affecting the SACU prices</b>	The Applicant is not aware of any other factors affecting the SACU prices other than the alleged dumped imports from the PRC and Thailand. The Applicant reserves its rights to address this at a later stage if necessary.

Based on the information above, the Commission made a final determination that there is a causal link between the alleged dumped imports and material injury and a threat of material injury experienced by the SACU industry and that the other known factors do not sufficiently detract from the causal link.

## **7. SUMMARY OF FINDINGS**

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### **7.1 Dumping**

The Commission made a final determination that the dumping of the subject products, originating in or imported from the PRC and Thailand is taking place. It was shown in section 5 of this report that the dumping margins for the PRC and Thailand are 74.98% and 21.40% respectively.

### **7.2 Material Injury**

The Commission found that the Applicant was experiencing material injury over a three-year period in the form of:

- Increased alleged dumped import volumes;
- Price suppression;
- Price undercutting;
- Declining profits;
- Declining employment;
- Declining returns on investment;
- Declining net cash flows;
- Declining ability to raise capital investments;
- Increasing inventory levels;
- Increasing wages;
- Low levels of capacity utilisation.

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

### **7.3 Causal Link**

The Commission made a final determination that there is a causal link between the alleged dumped imports and material injury experienced by the SACU industry and that the other known factors do not sufficiently detract from the causal link.

## 8. DEFINITIVE ANTI-DUMPING DUTIES

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### 8.1 Calculation of the final anti-dumping duties

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

### 8.2 Lesser duty rule

According to ADR17, the Commission shall consider applying the lesser duty rule if both the cooperating exporter responds fully with its related importer. The lesser duty means that the provisional payment or anti-dumping duty is imposed at a lesser of the margin of dumping or the margin of injury, which is deemed sufficient to remove the injury caused by the dumping.

In this regard, no foreign exporter/manufacturer responded to the Commission's Initiation Notice of this anti-dumping investigation. The Commission decided that the conditions for applying the lesser duty rule on definitive anti-dumping duties are not met.

### 8.3 Definitive anti-dumping duties

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

**Table 8.3: Definitive anti-dumping duties**

Country	Manufacturer	Tariff Sub-heading	Description	Definitive anti-dumping duties
PRC	All manufacturers in the PRC	7216.31	U Sections	74.98 % <i>ad valorem</i>
		7216.32	I Sections	74.98 % <i>ad valorem</i>
		7216.33	H Sections	74.98 % <i>ad valorem</i>
		7216.50	Other angles, shapes, and sections	74.98 % <i>ad valorem</i>
THAILAND	All manufacturers in Thailand	7216.31	U Sections	20.32 % <i>ad valorem</i>
		7216.32	I Sections	20.32 % <i>ad valorem</i>
		7216.33	H Sections	20.32 % <i>ad valorem</i>
		7216.50	Other angles, shapes, and sections	20.32 % <i>ad valorem</i>

### **Commission's consideration**

*In terms of consideration on the potential impact of the definitive anti-dumping duties on downstream companies that are using the subject product, the Commission considered the following:*

- *Section 5.3.3.7 above shows that the Applicant's capacity utilisation was around 50% during the POI (in terms of actual figures), an indication that the Applicant is not fully utilising the plant. It is the Commission's view that AMRAS, as the only manufacturer of the subject product in SACU, has potential to fully utilise the Emalahleni plant to supply the downstream market. Any potential decline on imports from the PRC and Thailand as a result of the anti-dumping duties will likely lead to increased domestic orders that can be catered for by AMRAS's extra available capacity to supply the SACU downstream market.*
  
- *In addition to additional available capacity, the actual inventory date shows that AMRAS's inventory volumes during the POI for dumping equal to 40% of the total SACU market during the same period. This showed that AMRAS has readily available stock that can be used to supply the downstream customers in case of an immediate decline of imports from the PRC and Thailand because of the recommended anti-dumping duties.*
  
- *In addition to what AMRAS's readily available capacity and inventories, other markets that are not subject to the recommended anti-dumping duty are likely to take advantage and increase their supply at fair prices once the recommended anti-dumping duties against the PRC and Thailand are implemented. For example, table 5.3.1 above shows that before dumping took place in 2023/24, imports from other countries were 13 291 244 kg in 2022/23 and 29 843 439 kg in 2021/22, compared to the 6 463 945 during the period when dumping was taking place (2023/24). Therefore, it is the Commission's consideration that the un-dumped imports will be available to give SACU customers a variety in terms of different sizes of the subject product that AMRAS might not have in stock or might not have capabilities to manufacture.*

- *For any sizes of the subject products that cannot be manufactured by AMRAS, the Commission will consider rebate provisions upon requests by downstream companies who are in need of such sizes but cannot source them locally.*
  
- *Finally, table 5.3.2.3 above shows that the domestic industry's ex-factory selling prices were suppressed during the POI for dumping (2023/24) and this is due to increased and dumped imports as discussed in section 5.3.1 above. Additionally, section 5.3.2.1 above shows that import prices from the PRC and Thailand undercut the domestic selling prices. Therefore, there is a likelihood that AMRAS will use the increase in cost of imports as a result of 74.98% and 20.32% proposed final anti-dumping duties against the PRC and Thailand respectively, to increase their suppressed selling prices to unsuppressed levels. Although there is no additional information before the Commission to ascertain the exact potential price effect to the locally produced subject product, it is the Commission's view that it is unlikely that domestic selling prices will increase to unaffordable and uncompetitive prices that will be detrimental to downstream companies.*

## 9. FINAL DETERMINATION

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The Commission made a final determination that:

- Dumping of the subject product originating in or imported from the PRC and Thailand is taking place;
- The SACU industry is experiencing material injury and;
- There is a causal link between the alleged dumped imports and the material injury experienced by the SACU industry, and that the other known factors do not sufficiently detract from the causal link.

Therefore, the Commission made a final determination to recommend to the Minister that definitive anti-dumping duties on imports of the subject product be imposed, as per table 8.3 of this report:

The Commission also recommended that the anti-dumping duties on imports of the subject products be listed in the “rebate item” column in Schedule No. 2 to the Customs and Excise Act and therefore may not be imported under rebate of customs duty without payment of anti-dumping, countervailing and safeguard duties without a recommendation from the Commission.