

Mr Ebrahim Patel, MP  
Minister of Trade and Industry  
Private Bag X84  
Pretoria  
0001

Dear Minister

**MINUTE M09/2021- AMENDMENT OF EXISTING SAFEGUARD DUTIES ON THREADED FASTENERS OF IRON OR STEEL WHICH ARE BOLT ENDS & SCREW STUDS, SCREW STUDDING AND OTHER HEXAGON NUTS (EXCLUDING THOSE OF STAINLESS STEEL AND THOSE IDENTIFIABLE FOR AIRCRAFT) TO INCLUDE BELARUS, INDONESIA AND TURKEY**

On 01 March 2019, the Commission initiated an investigation for remedial action in the form of a safeguard against increased imports of threaded fasteners of iron and steel: bolt ends & screw studs, screw studding and other hexagon nuts (excluding those of stainless steel and those identifiable for aircraft) through Notice Number 109 which was published in the Government Gazette number 42258.

In that investigation, the Commission made a final determination to recommend to the Minister of Trade, Industry and Competition that it will be in the public interest to impose definitive safeguard measures of 54.04 percent *ad valorem* on imports of bolt ends & screw studs, screw studding and other hexagon nuts of iron and steel (excluding those of stainless steel and those identifiable for aircraft). These safeguard duties excluded imports originating in or imported from developing country members that were below 3 percent of total imports to SACU.

The Commission further recommended that the duty be imposed for a period of three years, to be liberalised as at regular intervals as follows: Year 1- 54.04%; Year 2- 52.04%; Year 3- 50.04%. The Minister approved the Commission's recommendation contained in Report Number 620.

On 24 July 2020, final safeguard measures were imposed on imports of threaded fasteners of iron and steel: bolt ends & screw studs, screw studding and other hexagon nuts (excluding those of stainless steel and those identifiable for aircraft) originating from all countries, excluding imports originating from developing country members that were below 3 percent of total imports into SACU.

The Amended Safeguard Regulations (SGR) provide for the exclusion from safeguard measures of imports from developing countries, whose volumes are less than 3 percent of total imports to SACU in the original investigation period. As result of this, Belarus, Indonesia and Turkey were among the list of developing countries excluded from the safeguard measures.

“Section 21.20 of the Amended Safeguard Regulations states that “a developing country exempted from the application of a safeguard measure in terms of subsection 18 may become subject to such safeguard measure without a new investigation being conducted if, subsequent to the imposition of the safeguard measure, its share of the imports increases to a level that exceeds three percent of the total import volume in the original investigation period”.

Taking the above into consideration with regard to Belarus, Indonesia and Turkey total imports of threaded fasteners of iron and steel: bolt ends & screw studs, screw studding and other hexagon nuts (excluding those of stainless steel and those identifiable for aircraft) in the original investigation period (01 July 2014 to 30 June 2018) were used to determine whether imports from Belarus, Indonesia and Turkey for 25 July 2020 to 30 June 2021 increased to a level higher than 3 percent of total imports in the original investigation period.

#### **Import volumes**

The following table shows all import volumes of the subject products as sourced from the South African Revenue Service (SARS).

**Table 1: Import volumes in tons**

<b>Original period of Investigation(POI)</b>	<b>01 July 2014 to 30 June 2015</b>	<b>01 July 2015 to 30 June 2016</b>	<b>01 July 2016 to 30 June 2017</b>	<b>01 July 2017 to 30 June 2018</b>
<b>Total import volumes</b>	6 069	5 546	8 697	6 418
<b>Period after the imposition of safeguard measures</b>				
	<b>25 July 2020 to 30 June 2021</b>	<b>25 July 2020 to 30 June 2021</b>	<b>25 July 2020 to 30 June 2021</b>	<b>25 July 2020 to 30 June 2021</b>
Imports from Belarus	189	189	189	189
Imports from Belarus as % of total imports for the original POI	3.11%	3.40%	2.17%	2.94%
Imports from Indonesia	265	265	265	265
Imports from Indonesia as % of total imports for the original POI	4.36%	4.77%	3.04%	4.13%
Imports from Turkey	648	648	648	648
Imports from Turkey as % of total imports for the original POI	10.67%	11.68%	7.45%	10.09%

Information in table 1 above indicates that import volumes from Belarus, Indonesia and Turkey for the period (25 July 2020 to 30 June 2021) now account for more than 3% of total imports into SACU as percentage of total imports in the original investigation.

The Commission considered that import volumes from Belarus are more than 3% of total imports into SACU for the first two years of the original investigation period. The Commission further considered that there is no statute stipulating that more than 3% has to occur under each year of the original investigation period. The 3% threshold can be regarded as having been exceeded at any point after imposition of the final measure, which in this case is applicable in 2014/15 and 2015/16.

The Commission therefore decided to recommend to the Minister of Trade, Industry and Competition to make imports of the subject products originating in or imported from Belarus, Indonesia and Turkey be subject to the safeguard measures for the remainder of the period which safeguard duties are in place (until 23 July 2023) in terms of Section 21.20 of the Amended Safeguard Regulations. Furthermore, a list of developing countries excluded from safeguard measures as contained in Report No. 620 be amended by removing Belarus, Indonesia and Turkey.

  
.....  
**Meluleki Nzimande**  
**Chief Commissioner**

**Date: 19.1.11.2021**

## DEVELOPING COUNTRIES TO BE EXCLUDED FROM THE DUTY

Afghanistan	Madagascar
Albania	Malawi
Algeria	Latvia
American Samoa	Lebanon
Angola	Maldives
Antigua and Barbuda	Mali
Argentina	Marshall Islands
Armenia	Mauritania
Azerbaijan	Mauritius
Bangladesh	Mexico
Bahrain, Kingdom of	Micronesia, Fed. States of
xxxxxxx	Moldova, Republic of
Belize	Mongolia
Benin	Montenegro
Bhutan	Morocco
Brunei Darussalam	Mozambique
Bolivia, Plur State of	Myanmar
Bosnia and Herzegovina	Namibia
Botswana	Nepal
Brazil	Nicaragua
Bulgaria	Niger
Burkina Faso	Nigeria
Burundi	North Macedonia
Cabo Verde	Oman
Cambodia	Pakistan
Cameroon	Palestine
Central African Republic	Palau
Chad	Panama
Chile	Papua New Guinea
Colombia	Paraguay
Comoros	Peru
Costa Rica	Philippines
Côte d'Ivoire	Qatar
Cuba	Romania
Democratic Republic of the Congo	Russian Federation
Congo Republic	Rwanda
Djibouti	Saudi Arabia, Kingdom of
Dominica	St. Kitts and Nevis
Dominican Republic	St. Lucia
Ecuador	Saint Vincent and the Grenadines
Egypt, Arab Rep.	Sao Tome and Principe
El Salvador	Samoa
Eritrea	Senegal
Eswatini	Seychelles
Equatorial Guinea	Sierra Leone
Ethiopia	Singapore
Fiji	Solomon Islands
Gabon	Serbia
The Gambia	Somalia
Georgia	South Sudan

Ghana	Sri Lanka
Grenada	Sudan
Guatemala	Suriname
Guinea	Syrian Arab Republic
Guinea-Bissau	Tajikistan
Guyana	Tanzania
Haiti	Timor-Leste
Honduras	Togo
xxxxxxxx	Thailand
Iran, Islamic Rep. of	Tonga
Iraq	Trinidad and Tobago
Jamaica	Tunisia
Jordan	xxxxxxxx
Kazakhstan	Turkmenistan
Kenya	Tuvalu
Kiribati	Uganda
Korea, Democ. P. Republic of	Ukraine
Kyrgyz Republic	United Arab Emirates
Kosovo	Uruguay
Kuwait, the State of	Uzbekistan
Lao People's Dem. Republic	Vietnam
Lebanon	Vanuatu
Lesotho	Venezuela, Bolivarian Republic of
Liberia	West Bank and Gaza
Libya	Yemen
Lithuania	Zambia
	Zimbabwe