



**NOTIFICATION ON INITIATION OF INVESTIGATION
REGARDING THE EXTENSION OF
A SAFEGUARD MEASURE**

SOUTH AFRICA

Threaded fasteners of iron or steel

Supplement

The following communication, dated 27 March 2023 and received on 31 March 2023, is being circulated at the request of the delegation of South Africa.

1 NOTIFICATION

The Government of South Africa hereby gives notification on initiation of an investigation into the extension of safeguard measure against imports of threaded fasteners of iron or steel.

2 SUBJECT PRODUCT

The subject product is described as threaded fasteners of iron or steel, consisting of bolts ends and screw studs, screw studding and other hexagon nuts (excluding those of stainless steel and those identifiable for aircraft), classifiable in subheadings 7318.15.41; 7318.15.42; and 7318.16.30.

3 INITIATION DATE

The extension investigation was initiated on 24 March 2023. The notice of initiation by the International Trade Administration Commission of South Africa (the Investigating Authority) was published through Notice No. 1695 of 2023 in *Government Gazette* No. 48294.

The investigation was initiated after the International Trade Administration Commission of South Africa (the Investigating Authority) found that the South African Fasteners Manufacturers' Association (the Applicant) has submitted *prima facie* information to indicate that the expiry of the current safeguard measure will likely lead to recurrence of serious injury and that there is evidence that the Southern African Customs Union (SACU) industry is adjusting.

4 RECURRENCE OF SERIOUS INJURY

The period of investigation for data evaluation for the purposes of determining the allegation of serious injury is 01 August 2020 to 31 July 2023, plus estimates from 01 August 2023 to 31 July 2024 should the safeguard measure expire.

The injury analysis relates to information submitted by the Applicant on behalf of its members: CBC Fasteners (Pty) Ltd and SA Bolts Manufacturers and T&I Chalmers Engineering, representing a major proportion of more than 50 percent of the SACU industry by production volumes.

The Investigating Authority found that the Applicant submitted *prima facie* information to indicate that there is likelihood of recurrence of serious injury to the SACU industry, should the safeguard measure expire, in the form of:

- Sales volumes;
- Market share;
- Profits;
- Production volumes;
- Productivity;
- Employment; and
- Capacity utilisation.

5 SACU INDUSTRY ADJUSTMENT

The Applicant submitted information on the following factors from its Adjustment Plan to substantiate that the SACU industry is adjusting:

- The industry has commissioned and completed investments in new equipment and technology and other projects are still in the pipeline;
- The industry has created job opportunities and invested in skills development;
- The industry, together with ArcelorMittal South Africa (AMSA) have rationalised raw material qualities thereby allowing AMSA higher production volumes on a narrower product range;
- The industry has contracted services of an independent service provider to assist in training of South African Revenue Services (SARS) to improve customs control;
- The industry supports the introduction and piloting of Prior Surveillance Initiative system;
- The industry supports higher levels of designation and localisation.

The Investigating Authority found that the Applicant submitted *prima facie* evidence to prove that the SACU industry is adjusting.

6 FURTHER INFORMATION

Interested parties must make themselves known within a period of 20 days after the date of this notice.

Interested parties are invited to submit their comments on the initiation of the extension investigation or any information regarding this matter, including any request for an oral hearing (including non-confidential copies thereof), to the DTI Campus, 77 Meintjies Street, Sunnyside Pretoria, Block Uuzaji, Ground Floor, and/or at smantolo@itac.org.za and ttshikomba@itac.org.za. The due date for submissions is 15:00 on 16 April 2023. Since the due date is on a weekend, comments/information received on 17 April 2023 will be accepted. Late submissions will not be accepted.

If part of the information provided is of a confidential nature, the party concerned should give the grounds justifying confidentiality and furnish public summaries of such information, which should be as detailed as possible. In instances that a public summary cannot be provided a sworn statement must be provided stating the reasons why the information cannot be summarized. This requirement is designed to secure transparency and due access by all the parties to the information relating to this investigation. If the summaries are not duly provided and in the absence of just cause, the Investigation Authority may disregard the information deemed to be confidential.

The copy of the public notice No.1695 is attached as Annexure A for your information.*

* To consult this document, please contact Ms Anne Richards of the Rules Division (anne.richards@wto.org).