

31 July 2025

(25-4951)

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Committee on Safeguards

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**NOTIFICATION UNDER ARTICLE 12: 1 (A) OF THE AGREEMENT ON  
SAFEGUARDS, INITIATION OF AN INVESTIGATION  
AND THE REASONS FOR THIS ACTION**

SOUTH AFRICA

*Flat-rolled products of iron or non-alloy steel, of a width of 600 mm or more,  
clad, plated or coated with aluminium zinc alloys*

The following communication, dated 30 July 2025 and received on the same date, was distributed at the request of the South African delegation.

Pursuant to Article 12: 1 (a) of the Agreement on Safeguards, South Africa hereby notifies the initiation of a safeguard investigation with regard to imports of flat-rolled products of iron or non-alloy steel, of a width of 600 mm or more, clad, plated or coated with aluminium and zinc alloys, of a thickness of less than 0.45 mm, falling within tariff subheadings 7210.61.40 and 7210.61.90, and of flat-rolled products of other alloy steel, of a width of 600 mm or more, otherwise plated or coated with zinc, of a thickness of less than 0.45 mm, falling within tariff subheadings 7210.49.40, 7210.49.50, 7210.49.90, 7225.92.45, 7225.92.55 and 7225.92.90.

**1. Date on which the investigation was initiated**

The investigation was initiated on 25 July 2025. The investigating authority published Notice No 3389 of 2025 in Official Journal No 53038 of 25 July 2025.<sup>1</sup>

**2. Product under investigation**

The product concerned is described as follows: flat-rolled products of iron or non-alloy steel, of a width of 600 mm or more, clad, plated or coated with aluminium and zinc alloys, of a thickness of 0.45 mm or more, of tariff subheadings 7210.61.40 and 7210.61.90, and flat-rolled products of non-alloy steel or other alloy steel, of a width of 600 mm or more, otherwise plated or coated with zinc, of a thickness of 0.45 mm or more, falling within subheadings 7210.49.40, 7210.49.50, 7210.49.90, 7225.92.45, 7225.92.55 and 7225.92.90 ( 'corrosion resistant thick steel coils').

**3. Reasons for initiating the investigation**

(I) The application was lodged by ArcelorMittal South Africa (AMSA), the main producer of the product concerned. The request is supported by Safal, the only other producer of the product concerned in the Southern African Customs Union (SACU).

It is alleged that the product concerned is imported into the SACU market in such increased quantities, both in absolute terms and relative to SACU's production, and under such conditions as to cause serious injury to SACU's industry.

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<sup>1</sup> A copy of the notice of initiation of the investigation was also provided electronically. To consult it, please contact Ms Anne Richards of the Rules Division ([anne.richards@wto.org](mailto:anne.richards@wto.org)).

(II) *prima facie* evidence on the basis of which the investigation was initiated:

The Commission found that the applicant had provided *prima facie* evidence of a sharp, sudden, recent and significant increase in imports of flat-rolled products of iron or non-alloy steel, of a width of 600 mm or more, clad, plated or coated with aluminium and zinc alloys, of a thickness of 0.45 mm or more, falling within tariff subheadings 7210.61.40 and 7210.61.90, and of flat-rolled products of non-alloy or other alloy steel, of a width of 600 mm or more, otherwise plated or coated with zinc, of a thickness of 0.45 mm or more, falling within tariff subheadings 7210.49.40, 7210.49.50, 7210.49.90, 7225.92.45, 7225.92.55 and 7225.92.90.

**Unforeseen developments in circumstances and effect of commitments entered into under GATT 1994**

The applicant stated that a confluence of events was at the origin of the unforeseen evolution of the circumstances underlying his request: this mainly concerns the high oversupply of steel and, consequently, the oversupply of corrosion resistant steel coils in today's world, leading to a surge in the volume of imports of the targeted product into the territory of SACU.

The applicant stated that, during the Uruguay Round negotiations (1986-1994), South Africa had not anticipated the following events:

- the decision to split the product covered into two main HS categories, namely non-alloy steel products (HS 7208) and alloy steel products (HS 7225), which led to a friction effect, whereby the increase in duties payable at the level of one tariff subheading leads to a direct increase in import volumes of the other because of their interchangeable function; and
- the large oversupply of the targeted product, in the current world, leading to a surge of imports into the territory of SACU, which the applicant has broken down into four main points, namely:
  - studies show that China has not established a genuine market economy, contrary to what it had assured members of the World Trade Organisation during the negotiations;
  - China's economic activity has steadily decreased since 1994, and large steel producers are using aggressive export strategies, fuelled by oversupply of steel products;
  - China's extraordinary economic growth is slowing down considerably, and the Chinese domestic steel market is declining, and due to all the above factors, Chinese producers still need to increase their exports, by lowering prices, to dispose of their surplus stock; and
  - worldwide, countries are taking urgent action to increase tariffs and impose trade remedies to protect their domestic steel sector; and it is expected that the surge in imports suffered by SACU will increase as a result of the recent slowdown in the Chinese economy and the rapid contraction of China's export markets.

The Commission determined that the applicant had provided *prima facie* evidence that the events mentioned by the applicant were considered to be unforeseen developments in circumstances and that this development and the effect of the obligations arising from GATT 1994 had led to the alleged increase in the volume of imports of the product concerned, in accordance with the provisions of Article XIX of GATT 1994.

**Serious damage and causal link**

The period covered by the investigation for the evaluation of the data for the purpose of determining the existence of serious injury runs from<sup>1</sup> December 2021 to 30 November 2024. In addition, the request contains information concerning an increase in imports and the associated serious injury for the period of surge of imports (from<sup>1</sup> December 2021 to 30 November 2022 and from 1<sup>December</sup> 2022 to 30 November 2023).

The injury analysis is linked to the information provided by AMSA, the main producer of the product concerned in the territory of SACU.

The applicant claimed that it was suffering serious injury in the form of a decrease in net profit and market share and worsening price depression, price increases and the cash flow situation during the period of surge of imports (from 1<sup>December</sup> 2021 to 30 November 2022 and from 1<sup>December</sup> 2022 to 30 November 2023), and submitted *prima facie* evidence to that effect.

In addition, an analysis for the period covered by the investigation, from 1<sup>December</sup> 2021 to 30 November 2024, indicates that the applicant suffered serious injury in the form of a decrease in net profit and market share, prevention of price increases, price depression and negative cash flow.

On this basis, the Commission found that *prima facie* evidence had been provided showing that SACU's industry suffered serious injury which could have a causal link with the recent, sudden, substantial and significant surge in imports of the product concerned.

**4. Other information**

Interested parties must make themselves known within 20 days of the date of initiation of the investigation.

Any written information that interested parties may wish to submit and any request for a hearing before the Commission that they wish to submit should reach the Directorate for Trade Remedies I, within 20 days of the date of initiation of the investigation, at the following address: The DTI Campus, 77 Meintjies Street, Sunnyside Pretoria, Block Uuzaji, Ground Floor, tel.: + 27 12 394 3600, fax: + 27 12 394 0518.

If the information submitted includes information of a confidential nature, the reasons why such information is not disclosed should be set out and a non-confidential summary should be given at the same time, which should be as detailed as possible. In cases where such a summary cannot be provided, an affidavit is required, stating why the information cannot be summarised. The purpose of this requirement is to ensure transparency and access to information relating to this investigation for all parties. If the summaries are not provided in due time and without good reason, the International Trade Administration Commission (ITAC) may disregard information classified as confidential.

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