

Scaw Metals dismisses US claims about steel dumping

By [Mark Allix](#)

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South African steel producer Scaw Metals has dismissed an "affirmative preliminary determination" by the US department of commerce that states the company was involved in dumping carbon and alloy steel wire rod in America, along with firms from Italy, South Korea, Spain, Turkey, Ukraine, and the UK.



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Dumping occurs when a foreign company sells an imported product at less than fair value.

In the South African investigation, the US government assigned a preliminary dumping rate of 142.26% on ArcelorMittal SA, Scaw Metals Group and Consolidated Wire Industries (CWI), based on "adverse facts" due to their stated failure to respond to the department's request for information.

All other producers and exporters in SA have been assigned a preliminary dumping rate of 135.46%. South African companies were among the highest rates mentioned.

ArcelorMittal and Scaw, the latter majority owned by the state-mandated Industrial Development Corporation, jointly own CWI Holdings. CWI is a major producer of mild steel wire and wire products, including fencing, and baling and binding in agriculture.

"The duty referred to in the article relates to wire rod — primary steel — not wire or wire products. CWI does not manufacture wire rod," Dudu Ndlovu, Scaw executive head of public affairs and communications, said on Thursday, 26 October. "We are aware that the US International Trade Administration (ITA) was investigating possible dumping of wire rod into the US from SA and assumed this was related to ArcelorMittal as Scaw does not, nor has it for many years, exported wire rod to the US. The details are unknown to us."

She also said the ITA had contacted Scaw and queried the Scaw Group's wire rod exports to US during a specific period. "Scaw's reply was that [it] has not exported wire rod to the US during the period in question nor for many years prior to the investigated period."

"Our understanding was that the ITA was essentially investigating ArcelorMittal and, as is common practice, other country-specific manufacturers are contacted," she said. "We have checked the tariff codes included in the [US department of commerce notice] and confirm them all to be wire rod (primary steel)."

The US department of commerce preliminarily found that "critical circumstances" exist with respect to the entity composed of ArcelorMittal, Scaw and CWI, and all other producers and exporters in SA.

"Consequently, [the department] will instruct the US customs and border protection service to impose provisional measures retroactively on entries of carbon and alloy steel wire rod from SA, effective 90 days prior to publication of the preliminary determination in the Federal Register," the department said.

Asked if there were any tariffs, duties or safeguards of any sort on imports of South African wire rod before this, Ndlovu said: "Not to Scaw's knowledge."

ArcelorMittal had not responded to queries about the matter at time of writing.

Source: BDpro

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