

# SA pleads it is 'no threat' to US steel and aluminium sectors

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SA's steel and aluminium exports to the US are such a small proportion of its total imports that they do not pose a threat to US national security and to the US steel and aluminium industries, the government has argued in its submission to the US government in support of its application for an exemption from the duties that President Donald Trump has imposed on steel and aluminium imports.



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On 9 March Trump announced his decision to impose a 10% ad valorem tariff on imports of aluminium articles and a 25% ad valorem tariff on imports of steel articles from countries excluding Canada and Mexico to take effect from 23 March. The decision followed reports from the secretary of commerce that imports of these products threatened to impair US national security.

The proclamation for the duties made provision for country-based exclusions from the duties should the US and that country arrive at a satisfactory alternative means to address the threat to national security.

The South African government, through Minister of Trade and Industry Rob Davies, has made a formal submission to the US requesting the exclusion of South Africa from the imposition of duties on steel and aluminium. SA's ambassador to the US, Mzinwa Mahlangu, has also engaged with the White House national security council staff, the state department and the office of the US trade representative in this regard.

In its submission, SA emphasised that South African exports of aluminium products per year were about 1.6% of total US aluminium imports.

On Friday the Department of Trade and Industry noted the US Census Bureau data that in 2017 the US imported a total of 33.4-million tonnes of steel, of which imports from SA were approximately 330,000 tonnes, or less than 1% of total US imports and 0.3% of total US steel demand of 107-million tonnes.

"Furthermore, SA assured the US that to a very large extent, the inputs for all steel and aluminium product exports to the US are sourced from local producers and that SA has a robust customs control system which prevents circumvention," said Department of Trade and Industry spokesman Sidwell Medupe.

"SA acknowledges the adverse effects of global steel overcapacity.

"The domestic steel sector has been severely impacted by low-priced steel and steel product imports and as a result SA has implemented a number of trade remedy measures.... SA participates in the Organisation for Economic Co-operation and Development and [Group of 20] multilateral process to achieve outcomes of a fair, sustainable and viable steel industry," he said.

*Source: Business Day*

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