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Trade analysis:

Potential risks for South Africa's steel and aluminium industries arising from the imposition of tariffs on US imports of steel and aluminium

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Department of Research and Information

CONTENTS

HIGHLIGHTS

- The President of the United States (US) signed into law, on 8 March 2018, measures to institute tariffs of 25% and 10% on steel and aluminium imports, respectively. This was effected under Section 232 of the Trade Expansion Act of 1962, which allows for action based on national security concerns. Such protectionist measures are raising tensions amongst trading partners the world over, which are threatening retaliation.
- The import tariffs will apply as from the 23rd of March 2018 to all countries in the world, with the exception of Canada and Mexico. However, the US has opened the door to other trading partners being excluded from the new steel and aluminium import tariffs, prompting a suite of exemption applications from several countries, including South Africa and the European Union.
- South Africa accounted for very small percentage shares of the US imports of the affected steel and aluminium products in 2017: 1.3% in the case of iron and steel products; 0.7% where articles of iron and steel are concerned; and 1.8% with regards to aluminium imports. As such it is difficult to conceive that South African products could pose a threat to US national security and the sustainability of its steel and aluminium industries.
- South Africa's exports of the affected iron and steel products to the US amounted to USD182.4 million in 2017, whereas exports of the affected articles of iron and steel totalled USD65.2 million. Exports of the affected aluminium products to the US amounted to USD375.4 million last year.
- The imposition of import tariffs by the US will impact negatively on South Africa's steel and aluminium industries, with the transmission mechanisms being:
  - *Direct*, through the possible loss of market share in the US if South African products are not exempted from the import tariffs;
  - *Indirect*, as the export volumes previously sold in the US by other affected global steel and aluminium producers are potentially redirected to alternative world markets, including South Africa's external and domestic markets, thereby affecting the country's export performance and possibly increasing import penetration.
- Tariffs on steel products from South Africa upon entering the US add to the multitude of sustainability challenges facing the domestic steel value chain. The US is the second largest market for the affected iron and steel products, and the primary external market for the affected articles of iron and steel. The 25% US tariff on steel imports from South Africa put these products at a considerable disadvantage vis-à-vis those produced in the US or imported from exempt countries such as Canada and Mexico.
- South Africa's export basket to the US of the affected iron and steel products was dominated by flat-rolled products of iron or non-alloy steel, whether hot- or cold-rolled, in 2017. These may, therefore, be at a direct risk of losing significant market share in the US. Amongst the affected articles of iron and steel, the largest product category was seamless line pipes of iron or steel for use in oil or gas pipelines.
- The protectionist measures are likely to result in substantial volumes of the affected steel products being diverted to other world markets. The scramble for new markets outside of the US will raise competitive forces and, in many instances, potentially displace traditional suppliers, including South Africa.
- The African continent, among other global regions, is a natural destination for displaced import volumes that would have otherwise have been absorbed by US markets. As such, it is likely that some of the rerouted steel products will infiltrate African markets, competing head-on with South African steel products both regionally as well as on home ground.

- The imposition of a blanket 10% tariff on US imports of aluminium products will affect South Africa's aluminium industry, both directly and indirectly. Almost 24% of South Africa's overall exports of the affected aluminium products were sold in the US in 2017, making it the single largest external market for such items. At the product level, the aluminium product category which is possibly most at risk of losing market share in the US is unwrought aluminium, not alloyed.
- The indirect impacts on South Africa's aluminium industry will largely be in the form of increased competition from global suppliers seeking alternative markets for their traded products. Competitive pressure is likely to be enhanced in current export markets for South Africa's aluminium products, as well as in the local market through increased import penetration. Such pressure may be particularly felt by producers of unwrought non-alloyed aluminium; plates, sheets and strip of aluminium alloys; tubes and pipes of aluminium alloys; and, among others, unwrought aluminium alloys. Furthermore, given that competitively-priced inputs provide financial benefits for downstream users of basic aluminium products, the risk of increased competition from imports in the South African market is certainly real.
- The Department of Trade and Industry is negotiating with the US government for South Africa's exemption from the recently enacted import tariffs, utilising various solid justifications for this purpose. However, even if the application is successful, the domestic steel and aluminium value chains would still face significant indirect risks from the potential inflow of displaced import volumes from non-exempt countries. Protective measures may thus be needed to mitigate this risk. However, these cannot be seen as a sustainable solution to the many challenges facing both value chains. Strategic interventions of various forms are needed to improve their competitiveness in global terms.

1. INTRODUCTION

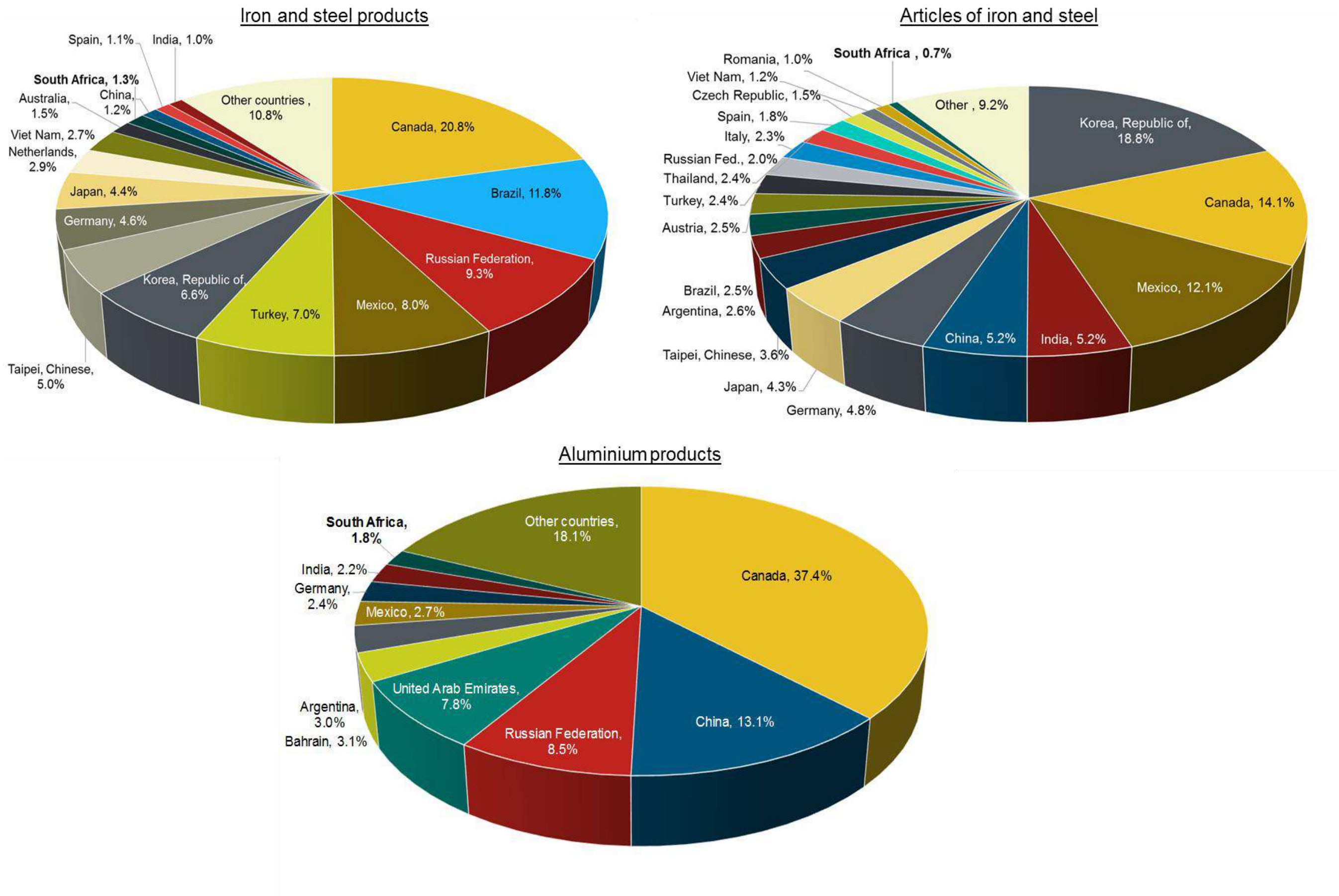
The United States President, Donald Trump, signed into law, on 8 March 2018, measures to institute tariffs of 25% and 10% on steel and aluminium imports, respectively. Section 232 of the Trade Expansion Act of 1962, which allows for action based on national security concerns, provided the legal underpinnings for such a move.

The import tariffs will be applied, as from the 23rd of March 2018, to the following steel and aluminium products as described under the Harmonised System (HS) codes:

- *Iron and steel products (HS 72) and articles of iron and steel (HS 73) at 6-digit level:*
  - 7206.10 to 7216.50; 7216.99 to 7301.10; 7302.10; 7302.40 to 7302.90; and 7304.10 to 7306.90.
- *Aluminium products (HS 76):*
  - unwrought aluminium (HS 7601); aluminium bars, rods and profiles (HS 7604); aluminium wire (HS 7605); aluminium plate, sheet, strip, and foil (flat rolled products) (HS 7606 and 7607);
  - aluminium tubes and pipes, as well as tube and pipe fittings (HS 7608 and 7609); and aluminium castings and forgings (HS 7616.99.51.60 and 7616.99.51.70).

Many of the affected items are produced and exported by South African manufacturers.

Figure 1: Source markets of US imports, in 2017, of the iron and steel products, articles of iron and steel, and aluminium products affected by tariffs instituted under Section 232 of the US Trade Expansion Act



Source: IDC analysis, compiled using data from the International Trade Centre (ITC)

These new and extraordinary protectionist measures, which are being enacted as import tariffs on a broad range of steel and aluminium products, will apply to all countries in the world, with the exception of Canada and Mexico as members of the North American Free Trade Agreement (NAFTA). The latter is currently being reviewed/renegotiated by the three member states. The exemption of Canada and Mexico is a notable deviation from President Trump's initially stern "no-exceptions" rhetoric about potential US trade policy measures to support the sustainability of domestic industries.

The US has also opened up the possibility of other trading partners being excluded from the new steel and aluminium import tariffs, prompting a suite of exemption applications from several countries, including South Africa and the European Union (EU).

The decision to impose the abovementioned tariff measures was guided by the outcomes of the US Department of Commerce's Section 232 reports on steel and aluminium. These revealed that the volume of US steel imports are presently around four times greater than the country's steel export volumes, while aluminium imports constitute 90% of domestic demand for primary aluminium. The high import penetration of steel and aluminium products into US markets led to the Department of Commerce's determination that steel and aluminium imports pose a threat to national security, given the strategic importance of such products for the sustenance of the country's industrial and military capabilities.

The imposition of import tariffs by the US will impact negatively on South Africa's steel and aluminium industries, with the transmission mechanisms being:

- *Direct*, through the possible loss of market share in the US if South African products are not exempted from the import tariffs; as well as
- *Indirect*, as the export volumes previously sold in the US by other affected global steel and aluminium producers are potentially redirected to alternative world markets, including South Africa's external and domestic markets, thereby affecting the country's export performance and possibly increasing import penetration.

As illustrated in Figure 1, South Africa accounts for very small percentage shares of US imports of the affected steel and aluminium products: 1.3% in the case of iron and steel products; 0.7% where articles of iron and steel are concerned; and 1.8% with regards to aluminium imports. As such, it is difficult to conceive that South African products could pose a threat to US national security and the sustainability of its steel and aluminium industries.

Nevertheless, South Africa was identified by the US International Trade Commission (USITC) as one of the contributory factors posing a risk to the sustainability of US steel capacity. In February 2018, the USITC determined that "US industry is materially injured or threatened with material injury by reason of imports of carbon and alloy steel wire rod from South Africa and the Ukraine, which the US Department of Commerce determined are sold in the US at less than fair value". Such an allegation, which has potentially adverse reputational risk connotations for South Africa's export trade in beneficiated steel products, not only with the US but also with other trading partners, has been strongly disputed by South African producers.

The Trump administration's protectionist move is likely to result in a significant direct impact on the volumes of South African steel and aluminium exports to the US, with the SA Institute of Steel Construction having estimated a potential 80% reduction in the volumes of steel exports to the US.

However, a further important risk (but more difficult to estimate) is that which could be faced by the local steel and aluminium value chains in other global markets as well as domestically, as the displaced steel and aluminium export volumes from other countries are rerouted from the US to other world markets.

2. TRADE RELATIONSHIP BETWEEN SOUTH AFRICA AND THE UNITED STATES

2.1. Trading agreements and other arrangements

The African Growth and Opportunity Act (AGOA) governs South Africa's trade relations with the US. This preferential trade agreement, which was enacted in 2000 and recently renewed until 2025, has the stated objective of enhancing access into the US market for export products from qualifying Sub-Saharan African (SSA) countries. It also aims to deepen and expand trade and investment ties between SSA countries and the US, and to facilitate the integration of the SSA region into the global economy. Furthermore, the US Congress acknowledged, within the key findings leading to AGOA's extension, that the elimination of barriers to trade (including tariffs), forced localisation requirements, as well as restrictions on investment and customs barriers, will create opportunities for workers, businesses, farmers and ranchers in the US and in SSA countries alike.

The potential trade distortions that would be created via the imposition of a 25% import tariff on steel products and a 10% tariff on aluminium imports run counter to the strategic objectives of AGOA. Importantly, they are likely to culminate into negative socioeconomic ramifications for South Africa, specifically by exerting further strain on its upstream steel industry, which has been facing significant sustainability challenges. The basic iron and steel industry contributes R149 billion to South Africa's gross domestic product (GDP) and employs around 355 000 individuals both directly and indirectly via its extensive backward linkages with other sectors of the economy. AGOA thus forms a reasonable basis for South Africa's express interest in being excluded from the new import tariffs on steel and aluminium products.

The new tariff measures may also be in contravention of other existing pieces of legislation and bilateral trade agreements between the US and individual Sub-Saharan African countries, including South Africa. These include the US Millennium Challenge Act, which seeks to further expand and accelerate the impact of AGOA and incentivize open market principles, the US-Southern Africa Customs Union Trade, Investment and Development Cooperation Agreement, as well as the Trade and Investment Framework Agreement.

However, since these import tariffs are being enacted under Section 232 of the US Trade Expansion Act of 1962, the legal grounds for deviations from AGOA and other agreements may be in place. Furthermore, with alleged security concerns forming the basis for such action, it side-steps the regular World Trade Organisation (WTO) procedures of imposing anti-dumping or countervailing duties.

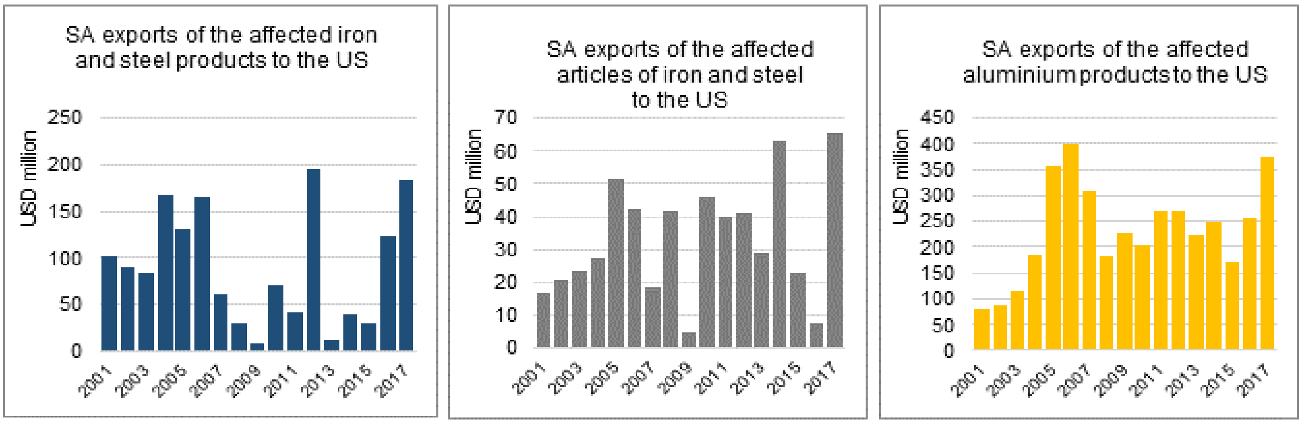
Importantly, the disputed USITC allegation that South Africa exports carbon and alloy steel wire rods into the US at unfair prices could potentially affect South Africa's negotiations seeking exemption from the steel and aluminium import tariffs.

2.2. Trade performance

South Africa recorded an overall trade surplus of around USD1.2 billion with the US in 2017. Its total exports to the US were valued at approximately USD6.7 billion, up from almost USD3.6 billion in 2001. South Africa's total imports from the US, in turn, amounted to around USD5.5 billion in 2017, compared to just over USD3 billion in 2001.

South Africa's exports of the affected iron and steel products to the US amounted to USD182.4 million in 2017, representing 2.7% of the overall export basket to the US. Exports of the affected articles of iron and steel, in turn, totalled USD65.2 million in 2017, or 1% of South Africa's overall exports to the US. Aluminium exports to the US, which amounted to USD375.4 million in 2017, represented a significantly higher 5.6% share of South Africa's total exports to the US.

Figure 2: South Africa's exports of the affected iron and steel products, articles of iron and steel, and aluminium products to the US, from 2001 to 2017

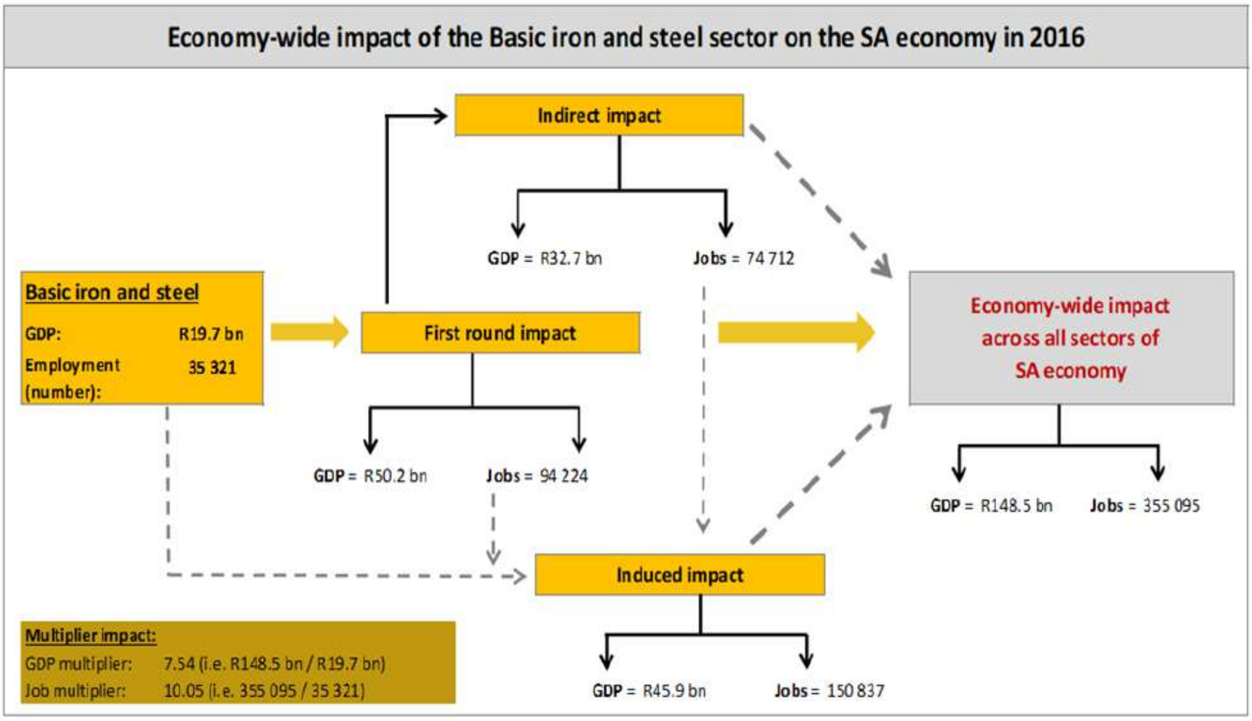


Source: IDC analysis, compiled using data from ITC

3. POTENTIAL RISKS FOR SOUTH AFRICA'S STEEL INDUSTRY

The basic iron and steel industry contributes significantly to the South African economy. Its direct contribution to GDP amounted to almost R20 billion in 2016, and the industry employed just over 35 300 individuals. However, through extensive linkages with other sectors of the economy, its cumulative contribution (direct plus indirect) to GDP is estimated at R148.5 billion, while supporting more than 355 000 employment opportunities throughout the economy.

Figure 3: The basic iron and steel industry's contribution to the South African economy, both directly and via its backward linkages with other economic sectors



Source: IDC calculations

South Africa's basic iron and steel industry has endured considerable financial distress since the onset of the global financial crisis in 2007/08, with various external as well as domestic factors underpinning its generally poor performance. These have included subdued demand both in foreign and local markets; and competitiveness challenges emanating from under-investment in production capacity, inadequate skills development and training, comparatively low productivity growth, rising input costs and logistical constraints, among other factors; all of which have resulted in considerable import penetration and losses in domestic production capacity.

In light of its importance from the economic and social perspectives, the industry has benefitted from substantial public sector assistance in recent times with the aim of preserving production capacity. The imposition by the US of tariffs on steel products imported from South Africa adds to the multitude of sustainability challenges. South Africa's steel industry will be adversely affected by these tariffs, both directly through the impact on its exports to the US, and indirectly via increased competition from displaced US steel imports from other countries in world markets as well as in the South African market. As indicated in Table 1, exports represented 57.4% of the final demand of South Africa's basic iron and steel industry in 2016.

Table 1: Sales structure of South Africa's steel industry in 2016 (markets for basic iron and steel products)

Demand (sales) structure in 2016 : R million		
	R million	**% share**
Intermediate demand:		
Agriculture, forestry & fishing	142	0.1%
Mining	1,088	0.6%
Food, beverages & tobacco	67	0.0%
Textiles, clothing, footwear & leather	71	0.0%
Wood, paper, publishing & printing	173	0.1%
Chemicals, rubber & plastic	425	0.2%
Non-metallic mineral products	638	0.4%
Base metals & metal products	30,998	17.8%
Machinery & equipment	15,088	8.7%
TV, radio & professional equipment	207	0.1%
Transport equipment	12,140	7.0%
Furniture & other manufacturing	1,510	0.9%
Electricity, gas & water	592	0.3%
Construction	6,867	3.9%
Trade, catering & accommodation	242	0.1%
Transport, storage & communication	1,372	0.8%
Finance & business services	116	0.1%
Government & other services (incl. medical)	486	0.3%
Total domestic intermediate demand (1)	**72,224**	**41.4%**
Final demand:		
Household consumption	7	0.0%
Fixed investment (demand driven)	0	0.0%
Exports	100,161	57.4%
Other (incl. inventories)	1,970	1.1%
Total final demand (2)	**102,139**	**58.6%**
Total demand (1+2)	**174,363**	**100.0%**

Source: IDC calculations

3.1. Direct impact: Curtailment of South Africa's steel exports to the United States

The US imposition of 25% tariffs on specific primary and processed iron and steel products imported from South Africa is anticipated to curtail America's demand for such items going forward, with adverse implications for the performance and sustainability of the South African steel industry and the broader value chain.

Although Sub-Saharan Africa is the primary regional market (a combined 70% of the total) for South Africa's exports of the iron and steel products which are affected by the Trump administration's protectionist measures, the US is the second largest market at the individual country level, accounting for 17.4% (USD182.4 million) of the total in 2017 (refer to Table 2).

Table 2: Top sources of US imports of the affected iron and steel products, and leading global destinations for South Africa's exports of such products

Top sources of US imports of iron and steel products	Value in 2017 (USD billion)	% of total
Canada	2.9	20.8%
Brazil	1.6	11.8%
Russian Federation	1.3	9.3%
Mexico	1.1	8.0%
Turkey	1.0	7.0%
Korea, Republic of	0.9	6.6%
Taipei, Chinese	0.7	5.0%
Germany	0.6	4.6%
Japan	0.6	4.4%
Netherlands	0.4	2.9%
Other countries	2.7	19.6%
World	**14.0**	**100.0%**

Top destinations for SA exports of iron and steel products	Value in 2017 (USD million)	% of total
Kenya	199.5	19.0%
USA	**182.4**	**17.4%**
Zimbabwe	83.3	7.9%
Zambia	78.5	7.5%
Tanzania	63.1	6.0%
Lesotho	52.0	5.0%
Botswana	51.6	4.9%
Namibia	50.9	4.9%
Mozambique	50.7	4.8%
Pakistan	49.1	4.7%
Other countries	187.2	17.9%
World	**1048.4**	**100.0%**

Source: IDC analysis, compiled using data from ITC

As shown in Table 3, 32.9% (USD65.2 million) of South Africa's exports of the affected articles of iron and steel were sold in the US market in 2017, making it the primary external market. Most of the other leading export destinations are member states of the Southern African Development Community (SADC).

Table 3: Top sources of US imports of the affected articles of iron and steel, and leading global destinations for South Africa's exports of such products

Top sources of US imports of articles of iron and steel	Value in 2017 (USD million)	% of total
Korea, Republic of	1 665.9	18.8%
Canada	1 252.0	14.1%
Mexico	1 071.2	12.1%
India	458.0	5.2%
China	457.7	5.2%
Germany	429.8	4.8%
Japan	384.5	4.3%
Taipei, Chinese	317.6	3.6%
Argentina	231.1	2.6%
Brazil	221.6	2.5%
Other countries	2 392.8	26.9%
World	**8 882.2**	**100.0%**

Top destinations for SA exports of articles of iron and steel	Value in 2017 (USD million)	% of total
USA	**65.2**	**32.9%**
Zambia	22.2	11.2%
Namibia	19.9	10.0%
DRC	12.1	6.1%
Botswana	11.8	6.0%
Zimbabwe	8.1	4.1%
Swaziland	6.3	3.2%
Mozambique	6.0	3.0%
UAE	4.0	2.0%
Mexico	3.8	1.9%
Other countries	38.6	19.5%
World	**197.9**	**100.0%**

Source: IDC analysis, compiled using data from ITC

The US tariff will impose an immediate 25% premium on the US landed price of all basic iron and steel products, affecting negatively the relative competitiveness of steel products from South Africa in the American market. To illustrate, the port price of US hot-rolled coil averaged USD692 per ton in 2017 and is expected to increase to USD715 per ton in 2018, according to Morgan Stanley forecasts. The 25% tariff translates into a USD179/t premium on imported product, placing it at a considerable disadvantage vis-à-vis that which is produced in the US, imported from Canada and Mexico, or from other countries that may eventually be exempt from such tariffs.

The US import tariffs, therefore, place around 17% of South Africa's exports of the affected iron and steel products and almost 33% of its exports of the affected articles of iron and steel directly at risk under a worst case scenario. The South African Institute of Steel Construction expects an 80% reduction in US market share, which would imply a significant loss of export revenue for the domestic industry, thus exerting further pressure on the financial standing of industry players and potentially resulting in a loss of production capacity and jobs.

US imports of the affected iron and steel products from South Africa, which totalled USD182.4 million in 2017, were dominated by flat-rolled products of iron or non-alloy steel of a width greater than or equal to 600 mm, whether hot- or cold-rolled. As indicated in Table 4, these represented 72% of the total, or USD131.2 million in export proceeds. Table 4 also lists other leading iron and steel products exported by South Africa to the US, which now face a 25% import tariff. As such, these represent the direct risk on the upstream segment of the domestic steel value chain due to the imposition of Section 232 measures. This risk emanates from the pricing advantage, if applicable, now derived by basic steel producers in the US, as well as by Canadian and Mexican exporters to US markets, for the import tariffs do not apply to their products.

Table 4: Affected iron and steel products: Top 10 South African exports of such products to the US in 2017, and potential risk posed by Canadian and Mexican producers due to a 25% price advantage

HS6	Description	South African exports to the US		Canadian and Mexican exports to the US
		2017 (USD m)	% of total	2017 (USD m)
'721049	Flat-rolled products of iron or non-alloy steel, of a width of >= 600 mm, hot-rolled or cold-rolled ...	131.2	72.0%	626.2
'720917	Flat-rolled products of iron or non-alloy steel, of a width of >= 600 mm, in coils, simply ...	20.6	11.3%	150.8
'721391	Bars and rods, hot-rolled, in irregularly wound coils, of iron or non-alloy steel, of circular ...	9.7	5.3%	206.8
'720916	Flat-rolled products of iron or non-alloy steel, of a width of >= 600 mm, in coils, simply ...	9.6	5.2%	148.0
'720918	Flat-rolled products of iron or non-alloy steel, of a width of >= 600 mm, in coils, simply ...	4.7	2.6%	125.0
'720839	Flat-rolled products of iron or non-alloy steel, of a width of >= 600 mm, in coils, simply ...	2.5	1.3%	186.2
'721230	Flat-rolled products of iron or non-alloy steel, of a width of < 600 mm, hot-rolled or cold-rolled ...	2.2	1.2%	43.4
'721399	Bars and rods, hot-rolled, in irregularly wound coils, of iron or non-alloy steel (excluding ...	0.9	0.5%	40.4
'721499	Bars and rods, of iron or non-alloy steel, only hot-rolled, only hot-drawn or only hot-extruded ...	0.4	0.2%	98.3
'721310	Bars and rods, hot-rolled, in irregularly wound coils of iron or non-alloy steel, with indentations, ...	0.2	0.1%	0.1

Source: IDC analysis, compiled using data from ITC

US imports of the articles of iron and steel from South Africa that are now affected by import tariffs totalled USD65.2 million 2017. As shown in Table 5, the largest product category was seamless line pipes of iron or steel for use in oil or gas pipelines, with exports to the US valued at USD23.9 million and representing 36.6% of the total. Table 5 also lists other leading articles of iron and steel that are exported by South Africa to the US and which now face substantial import tariffs. Again, the risk of loss of market share emanates from the 25% pricing advantage, if applicable, now derived by US producers, as well as from exporters of such products from Canada and Mexico. Among others, this may pose a significant threat in the case of tubes, pipes and hollow profiles of iron or non-alloy steel (welded and of circular cross-section), for Canadian and/or Mexican exports of such products to the US already amounted to USD347.8 million in 2017.

Table 5: Affected articles of iron and steel: Top 10 South African exports of such products to the US in 2017, and potential risk posed by Canadian and Mexican producers due to a 25% price advantage

HS6	Description	South African exports to the US		Canadian and Mexican exports to the US
		2017 (USD m)	% of total	2017 (USD m)
'730419	Line pipe of a kind used for oil or gas pipelines, seamless, of iron or steel (excluding products ...	23.9	36.6%	37.6
'730629	Casing and tubing of a kind used in drilling for oil or gas, welded, of flat-rolled products ...	18.3	28.0%	161.2
'730630	Tubes, pipes and hollow profiles, welded, of circular cross-section, of iron or non-alloy steel ...	17.4	26.7%	347.8
'730619	Line pipe of a kind used for oil or gas pipelines, welded, of flat-rolled products of iron ...	5.1	7.8%	122.7
'730650	Tubes, pipes and hollow profiles, welded, of circular cross-section, of alloy steel other than ...	0.4	0.6%	10.8
'730459	Tubes, pipes and hollow profiles, seamless, of circular cross-section, of alloy steel other ...	0.0	0.1%	49.4
'730423	Drill pipe, seamless, of a kind used in drilling for oil or gas, of iron or steel (excluding ...	0.0	0.1%	16.6
'730690	Tubes, pipes and hollow profiles "e.g., open seam, riveted or similarly closed", of iron or ...	0.0	0.0%	32.1
'730490	Tubes, pipes and hollow profiles, seamless, of non-circular cross-section, of iron or steel ...	0.0	0.0%	2.6
'730611	Line pipe of a kind used for oil or gas pipelines, welded, of flat-rolled products of stainless ...	0.0	0.0%	0.3

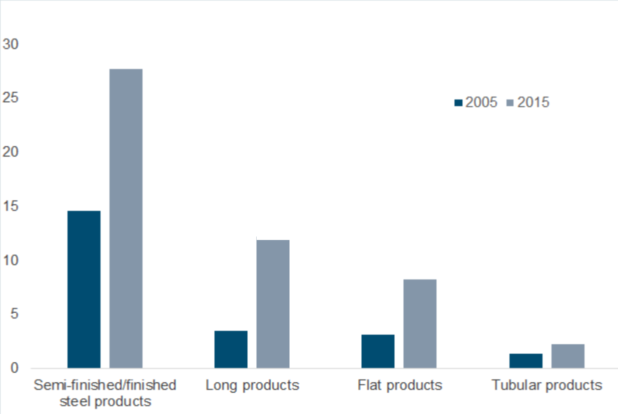
Source: IDC analysis, compiled using data from ITC

3.2. Indirect impacts: Displaced steel import volumes from US markets could compete with South African products in world markets and raise import penetration in the local market

The protectionist measures imposed by the US on steel imports from the world at large, except for Canada and Mexico for the time being, is likely to result in substantial volumes of the affected products being diverted to other world markets. The scramble for new markets outside of the US will raise competitive forces and, in many instances, potentially displace traditional suppliers, including South Africa. The pressure is expected to be particularly intense from the leading suppliers to the US up until now, such as Brazil, South Korea, Russia, Turkey, Chinese Taipei, Germany, Japan, India and China, among others. However, some of these countries may eventually be exempt from the US import tariffs.

The African continent, among other global regions, is a natural destination for displaced import volumes that would have otherwise have been absorbed by US markets. Africa is a net importer of primary steel, with a total steel consumption of approximately 40Mtpa, production capacity of 13Mtpa and an import requirement of 27Mtpa (refer to Figure 4). As such, it is likely that some of the rerouted steel products will infiltrate African markets, competing head-on with South African steel products both regionally as well as on home ground. South Africa and Egypt are the only primary steel producers on the African continent.

Figure 4: Africa's consumption of steel products



Source: IDC

Table 6 lists South Africa's top exports of the affected iron and steel products to the world at large, excluding the US (refer to Table A.1 in the Annexure for a more comprehensive list). The corresponding combined export values of other top global suppliers (excluding Canada and Mexico) of these products to the US, which now may face a 25% import tariff in the American market, are also provided in Table 6. This indicates the extent of the potential competition with South African products not only in world markets, but also on home ground.

Table 6: Affected iron and steel products: Top 10 South African exports of such products to the world (excluding the US) in 2017, and potential risk posed by increased competition in SA's export markets and domestically

HS6	Description	South African exports to the world (excl. the US)		Exports of the top global suppliers to the US (excl. Canada, Mexico and SA)
		2017 (USD m)	% of total	2017 (USD m)
'720839	Flat-rolled products of iron or non-alloy steel, of a width of >= 600 mm, in coils, simply ...	174.0	20.9%	206.0
'721049	Flat-rolled products of iron or non-alloy steel, of a width of >= 600 mm, hot-rolled or cold-rolled ...	65.9	7.9%	733.8
'721420	Bars and rods, of iron or non-alloy steel, with indentations, ribs, groves or other deformations ...	48.1	5.8%	353.1
'721391	Bars and rods, hot-rolled, in irregularly wound coils, of iron or non-alloy steel, of circular ...	40.2	4.8%	297.0
'721070	Flat products of iron or non-alloy steel, of a width of >= 600 mm, hot-rolled or cold-rolled ...	37.5	4.5%	347.5
'721012	Flat-rolled products of iron or non-alloy steel, of a width of >= 600 mm, hot-rolled or cold-rolled ...	24.2	2.9%	324.5
'720917	Flat-rolled products of iron or non-alloy steel, of a width of >= 600 mm, in coils, simply ...	7.8	0.9%	140.1
'720712	Semi-finished products of iron or non-alloy steel containing, by weight, < 0,25% of carbon, ...	7.4	0.9%	1419.3
'720916	Flat-rolled products of iron or non-alloy steel, of a width of >= 600 mm, in coils, simply ...	3.6	0.4%	219.6
'721061	Flat-rolled products of iron or non-alloy steel, of a width of >= 600 mm, hot-rolled or cold-rolled ...	0.5	0.1%	410.4

Source: IDC analysis, compiled using data from ITC

The displaced volumes of traded iron and steel products now seeking alternative markets to the US pose a sustainability risk to South Africa's upstream steel industry not only through possible import penetration, but also due to profit margin compression as competition increases. Major players in the upstream segment of South Africa's steel value chain, such as ArcelorMittal South Africa and Scaw Metals, are likely to be affected negatively almost immediately by the imposition of US tariffs on imports of specific steel products.

The downstream segments of the South African steel value chain may also face increased competition and sustainability risk as some fabricated products displaced from US markets also compete against South African products in export markets and domestically.

Table 7 lists the 10 categories of articles of iron and steel for which South African producers are at risk of enhanced competition in export markets, as well as domestically, due to the redirecting of traded products across world markets by global suppliers now facing 25% tariffs in the US. These include producers of various types of tubes, pipes and hollow profiles; and, among others, line pipes used in the oil and gas industry. Refer to Table A.2 in the Annexure for a more comprehensive list.

Table 7: Affected articles of iron and steel: Top 10 South African exports of such products to the world (excluding the US) in 2017, and potential risk posed by increased competition in SA's export markets and domestically

HS6	Description	South African exports to the world (excl. the US)		Exports of the top global suppliers to the US (excl. Canada, Mexico and SA)
		2017 (USD m)	% of total	2017 (USD m)
'730690	Tubes, pipes and hollow profiles "e.g., open seam, riveted or similarly closed", of iron or ...	22.1	17.1%	9.2
'730630	Tubes, pipes and hollow profiles, welded, of circular cross-section, of iron or non-alloy steel ...	20.9	16.1%	51.9
'730490	Tubes, pipes and hollow profiles, seamless, of non-circular cross-section, of iron or steel ...	15.4	11.9%	10.2
'730419	Line pipe of a kind used for oil or gas pipelines, seamless, of iron or steel (excluding products ...	15.2	11.7%	77.5
'730439	Tubes, pipes and hollow profiles, seamless, of circular cross-section, of iron or non-alloy ...	8.9	6.9%	57.5
'730449	Tubes, pipes and hollow profiles, seamless, of circular cross-section, of stainless steel, ...	8.3	6.4%	36.7
'730661	Tubes and pipes and hollow profiles, welded, of square or rectangular cross-section, of iron ...	6.1	4.7%	20.6
'730423	Drill pipe, seamless, of a kind used in drilling for oil or gas, of iron or steel (excluding ...	5.4	4.1%	6.7
'730619	Line pipe of a kind used for oil or gas pipelines, welded, of flat-rolled products of iron ...	5.0	3.9%	74.7
'730290	Sleepers "cross-ties", check-rails, rack rails, chairs, chair wedges, rail clips, bedplates ...	4.3	3.3%	1.5
'730411	Line pipe of a kind used for oil or gas pipelines, seamless, of stainless steel	4.1	3.2%	0.1

Source: IDC analysis, compiled using data from ITC

Some of the BRICS countries (Brazil, Russia, India and/or China) could, because of their cooperative trade arrangements with South Africa, find it easier to redirect their "stranded" steel export volumes into the South African market. Similarly, important EU suppliers to the US, such as Germany, the Netherlands, Austria, Italy and the Czech Republic, may seek to take advantage of the Southern African Development Community – European Union Economic Partnership Agreement (SADC-EU EPA) to redirect their steel exports to southern African markets, including South Africa. However, some of these countries, particularly the member states of the EU, may eventually be exempt from the US import tariffs.

4. POTENTIAL RISKS FOR SOUTH AFRICA'S ALUMINIUM INDUSTRY

Competitive dynamics in the global aluminium industry have had adverse ramifications for South Africa's own aluminium industry, which is a small player within the international context. As such, the domestic aluminium industry is a price-taker with negligible market pricing control.

In general, growth in primary aluminium production in South Africa has been constrained by electricity supply challenges, which have contributed to the infiltration of primary metal imports into the domestic market. The reliability and cost of electricity supply, as well as the state of global primary aluminium demand dynamics are key determinants of upstream production efficiency and economic viability. Weak regional demand and diminishing capacity in the domestic downstream industries, particularly aluminium foundries, have increased the reliance of South Africa's primary aluminium industry on export markets. Competitiveness challenges have extended to the downstream segment of the domestic aluminium value chain, which accounts for the majority of its 15 000 jobs.

Similar to the anticipated impacts of the recently enacted US protectionist measures on South Africa's steel value chain, the imposition of a 10% tariff on US imports of aluminium products is likely to affect the country's aluminium industry both directly and indirectly.

South Africa accounts for a very small 1.8% share (refer to Table 8) of the Unites States' total imports of the affected aluminium products, and, therefore, does not pose a strategic risk to US aluminium manufacturing capacity. The US, however, is a very important export market for South Africa's aluminium products. Almost 24% of South Africa's overall exports of the affected aluminium products were sold in the US in 2017, making it the single largest external market, at the country level, for aluminium products manufactured in South Africa.

Table 8: Top sources of US imports of the affected aluminium products, and leading global destinations for South Africa's exports of such products

Top sources of US imports of aluminium products	Value in 2017 (USD million)	% of total
Canada	7 227.7	37.4%
China	2 525.0	13.1%
Russian Federation	1 646.1	8.5%
United Arab Emirates	1 502.4	7.8%
Bahrain	602.7	3.1%
Argentina	570.7	3.0%
Mexico	521.3	2.7%
Germany	455.3	2.4%
India	424.3	2.2%
South Africa	**353.9**	**1.8%**
Other countries	3 489.2	18.1%
World	**1 9318.7**	**100.0%**

Top destinations for SA exports of aluminium products	Value in 2017 (USD million)	% of total
USA	**375.4**	**23.7%**
Thailand	181.0	11.4%
Japan	136.9	8.6%
Netherlands	119.9	7.6%
Germany	74.5	4.7%
Belgium	68.3	4.3%
Switzerland	62.5	3.9%
Italy	47.3	3.0%
Turkey	45.0	2.8%
Hong Kong, China	35.6	2.2%
Other countries	438.0	27.6%
World	**1 584.4**	**100.0%**

Source: IDC analysis, compiled using data from ITC

4.1. Direct impact: Potential loss of important markets for aluminium products in the United States

The risk of loss of market share in the US, specifically due to the reduced price competitiveness of South African aluminium products in light of the 10% tariff on US imports, will have a major direct bearing on the performance of the domestic aluminium industry. As indicated in Table 8, its exports sales to the US amounted to USD375.4 million in 2017, or 23.7% of South Africa's overall exports of the affected aluminium products.

At the product level, the category which is possibly most at risk of losing considerable market share in the US is unwrought aluminium, not alloyed. As shown in Table 9, the value of exports of this aluminium product to the US amounted to USD211.7 million in 2017. South African products will now have a 10% price disadvantage in the US market relative to American producers, as well as in comparison to NAFTA exporters, whose sales in the US totalled USD3.24 billion in 2017.

Another category potentially under significant threat pertains to plates, sheets and strip of aluminium alloys, specifically of a thickness exceeding 0.2mm. South Africa's exports of such products to the US, which totalled USD149.3 million last year, may face significant competition from their counterparts supplied by US, Canadian and/or Mexican producers, or from other countries that may eventually be exempt from the US import tariffs.

Table 9: Affected aluminium products: Top 10 South African exports of such products to the US in 2017, and potential risk posed by Canadian and Mexican producers due to a 10% price advantage

HS6	Description	South African exports to the US		Canadian and Mexican exports to the US
		2017 (USD million)	% of total	2017 (USD million)
'760110	Aluminium, not alloyed, unwrought	211.7	56.4%	3 244.2
'760612	Plates, sheets and strip, of aluminium alloys, of a thickness of > 0,2 mm, square or rectangular ...	149.3	39.8%	533.4
'760820	Tubes and pipes of aluminium alloys (excluding hollow profiles)	12.4	3.3%	80.1
'761699	Articles of aluminium, n.e.s.	1.5	0.4%	519.6
'760692	Plates, sheets and strip, of aluminium alloys, of a thickness of > 0,2 mm (other than square ...	0.5	0.1%	3.4
'760711	Aluminium foil, not backed, rolled but not further worked, of a thickness of <= 0,2 mm (excluding ...	0.1	0.0%	5.2
'760611	Plates, sheets and strip, of non-alloy aluminium, of a thickness of > 0,2 mm, square or rectangular ...	0.1	0.0%	2.8
'760410	Bars, rods and profiles, of non-alloy aluminium, n.e.s.	0.0	0.0%	60.2
'760720	Aluminium foil, backed, of a thickness (excluding any backing) of <= 0,2 mm (excluding stamping ...	0.0	0.0%	98.4
'721399	Bars and rods, hot-rolled, in irregularly wound coils, of iron or non-alloy steel (excluding ...	0.0	0.0%	0.0

Source: IDC analysis with data from ITC

4.2. Indirect impacts: Displaced aluminium import volumes from US markets could compete with South African products in world markets and raise import penetration in the local market

The indirect impacts on South Africa's aluminium industry of the 10% tariff imposed by the US on aluminium imports from the world at large (except for Canada and Mexico for the time being), will largely be in the form of increased competition from global suppliers seeking alternative markets for their traded products.

Such competitive pressure is likely to be felt in current export markets for South Africa's aluminium products, as well as in the local market through increased import penetration.

Aluminium products manufactured in China, Russia and the United Arab Emirates, among others displaced from US markets by the import tariffs, will probably compete for market share in several of the current world markets for South Africa's aluminium exports. China alone exported USD2.5 billion worth of aluminium products to the US in 2017, thus presenting a significant risk to the global distribution of traded aluminium products. China has a dominant presence in global aluminium supply, with its economies of large scale production providing a basis for absolute competitive advantage in world markets.

Furthermore, given that competitively-priced inputs provide financial benefits for downstream users of basic aluminium products, the risk of increased competition from imports in the South African market is certainly real. Such products could potentially infiltrate the domestic aluminium value chain through global commodity traders or merchants tasked with finding alternative destinations for aluminium products displaced from US markets.

Table 10 lists the 10 categories of aluminium products for which South African producers are possibly more at risk of enhanced competition in export markets, as well as domestically, due to the rerouting of traded products around the globe by foreign suppliers now facing 10% tariffs in the US. These include producers of unwrought non-alloyed aluminium; plates, sheets and strip of aluminium alloys; tubes and pipes of aluminium alloys; and, among others, unwrought aluminium alloys. Refer to Table A.3 in the Annexure for a more comprehensive list.

Table 10: Affected aluminium products: Top 10 South African exports of such products to the world (excluding the US) in 2017, and potential risk posed by increased competition in SA's export markets and domestically

HS6	Description	South African exports to the world (excluding the US)		Exports of the top global suppliers to the US (excl. Canada, Mexico and SA)
		2017 (USD million)	% of total	2017 (USD million)
'760110	Aluminium, not alloyed, unwrought	749.5	62.0%	1 454.4
'760612	Plates, sheets and strip, of aluminium alloys, of a thickness of > 0,2 mm, square or rectangular ...	245.3	20.3%	217.8
'760820	Tubes and pipes of aluminium alloys (excluding hollow profiles)	84.6	7.0%	42.5
'760692	Plates, sheets and strip, of aluminium alloys, of a thickness of > 0,2 mm (other than square ...	37.4	3.1%	2.7
'761699	Articles of aluminium, n.e.s.	31.7	2.6%	117.7
'760120	Unwrought aluminium alloys	24.6	2.0%	715.8
'760711	Aluminium foil, not backed, rolled but not further worked, of a thickness of <= 0,2 mm (excluding ...	10.4	0.9%	94.2
'760611	Plates, sheets and strip, of non-alloy aluminium, of a thickness of > 0,2 mm, square or rectangular ...	8.3	0.7%	14.4
'760429	Bars, rods and solid profiles, of aluminium alloys, n.e.s.	4.4	0.4%	63.5
'760720	Aluminium foil, backed, of a thickness (excluding any backing) of <= 0,2 mm (excluding stamping ...	4.3	0.4%	29.2
'760611	Plates, sheets and strip, of non-alloy aluminium, of a thickness of > 0,2 mm, square or rectangular ...	2.7	0.2%	14.4

Source: IDC analysis with data from ITC

5. NEGOTIATIONS AIMED AT SEEKING EXEMPTION FOR SOUTH AFRICA FROM THE US IMPORT TARIFF MEASURES

The United States has made provision for individual countries to apply for exemption from the import tariff measures enacted under Section 232 of the Trade Expansion Act of 1962. The South African government, represented by the Department of Trade and Industry, is currently negotiating with the US government for South Africa's exemption. The following are some of the key aspects of the country's position:

- South Africa is a developing economy, and the US has previously recognised the importance of exempting the country from import tariffs. Historically, developing countries that are members of the WTO, including South Africa, have been generally excluded from such barriers to export trade.
- The imposition by the US of 25% tariffs on steel imports and 10% tariffs on aluminium imports from South Africa could have a dramatic impact on the ability of the South African economy to maintain some level of growth in a challenging economic environment.
- The imposition of tariffs on US imports of steel and aluminium from South Africa runs counter to the longstanding trading relationship between the US and South Africa. Such tariff measures are incongruous with other US policy measures, including:
  - The Africa Growth and Opportunity Act (AGOA), which was extended in 2015 until 2025;
  - The US Millennium Challenge Act, which seeks to further expand and accelerate the impact of AGOA, incentivise open market principles and break down barriers to market-based growth. The recently enacted import tariff measures are inconsistent with these principles;
  - The US has engaged with South Africa via two mutual trade and economic cooperation agreements, namely: the US-Southern Africa Customs Union Trade, Investment and Development Cooperation Agreement; as well as the Trade and Investment Framework Agreement.
- The imposition of tariffs on imports from South Africa threatens to undo the progress that has been made to date in promoting economic development in South Africa.
- While China has disrupted global steel markets, South Africa's steel industry has taken steps to counteract the influx of Chinese steel through the imposition, in April 2017, of a 12% safeguard tariff on imports of certain flat hot-rolled steel products, as well as countervailing duties on all coated and uncoated flat products. South Africa has also imposed ordinary 10% duties on other Asian steel products, including coated steel, cold-rolled steel and hot-rolled steel. These actions indicate that South Africa is trying to be part of a global solution against the distortions caused by China's steel industry.
- There are compelling economic grounds to exempt South Africa from the 25% tariff on US steel imports under Section 232 of the Trade Expansion Act of 1962. The Department of Trade and Industry is thus applying for a request to be granted a quota of 100% of its prior imports in 2017 to be exempted from the measures, given South Africa's history of fair trade and its negligible share of the US steel market.
- South Africa has recently reduced certain barriers for US goods in the country's market, and relies on trade with the US as a major source of foreign exchange earnings.
- The imposition by the US, in January 2018, of a safeguard tariff of up to 30% on imported solar cells and modules under Section 201 of the Trade Act of 1974 (global safeguard investigations, import relief for domestic industries) provided that exemptions for Section 201 relief be revoked if imports from a country exceeded 3% of total US imports. South Africa's shares of US steel and aluminium imports are significantly lower than this ratio.

- Even though South Africa's steel export volumes have increased in recent years, this has been off a low base. South Africa's steel exports to the US are not used in the latter's military sector and thus do not pose a threat or risk to US national security.
- South African steel production is not displacing US production, and South Africa has experienced a reduction in its own steel output capacity in recent years due to the curtailment of production at ArcelorMittal SA and the closure of Evraz Highveld in 2015.

6. CONCLUDING REMARKS

The imposition of import tariffs on steel and aluminium imports is an extraordinary protectionist US trade policy action that follows on two others implemented earlier in 2018. These were the imposition of safeguard tariffs of up to 30% on solar cells and modules, as well as of safeguard tariffs of up to 20% on washing machine imports. Such policy measures are raising tensions amongst trading partners the world over, which are threatening retaliation.

If supplemented by additional stern protectionist action (for example, utilising Section 301 of the US Trade Act of 1974, which is intended to investigate the practices of trade partners with regards to intellectual property rights, in order to impose tariffs on specific products imported from China, or even more broadly), friction and retaliation could escalate sharply. This could threaten global trade and its rules-based governance framework, impacting on the world economy's pace of expansion.

The recently enacted US tariffs have the potential to distort the distribution of steel and aluminium traded volumes around the globe. This action represents a direct downside risk to the export revenues of South African exporters in the steel and aluminium value chains, due to the likely loss of market share in the US economy. The adverse indirect impacts could also be significant. These would emanate from the resulting distortions to world trade, as the affected suppliers of steel and aluminium products to the US seek alternative markets, competing head-on with South African producers both externally and domestically.

Several stakeholders in South Africa's steel and aluminium value chains have expressed major concern with regard to the US measures. These include ArcelorMittal South Africa, Duferco Steel Processing, Columbus Stainless, Hall Longmore, Cape Town Iron and Steel Works, the South African Iron and Steel Institute, and the Industrial Development Corporation, among others.

South Africa's upstream steel industry, which is generally under severe balance sheet stress, will endure further strain due to the imposition of tariffs on US steel imports. Not only will its profitability be directly compromised, but the potential influx of more competitively-priced steel products into the domestic and regional steel markets could also threaten the viability of some downstream steel fabrication businesses in South Africa.

Given the socioeconomic importance of both the upstream and downstream segments of South Africa's steel value chain, swift strategic action will be required from the South African authorities. Even if the Department of Trade and Industry's application for South Africa's exemption from the US tariffs is successful, the domestic steel value chain would still face significant indirect risk from the potential inflow of displaced import volumes from non-exempt countries. Protective measures may be needed to mitigate this risk, for many steel and aluminium products are zero-rated with regard to import tariffs (refer to Table A.4 in the Annexure).

The strategic implications for the domestic aluminium value chain are similar to those for the steel industry. The US market is of great importance for South Africa's aluminium industry, accounting for a considerable share of its export basket. Imported aluminium products allegedly cater for 90% of domestic aluminium consumption in the US. Although deemed by the American authorities to pose a sustainability risk for the country's aluminium industry, the strong import-dependency possibly underscored the imposition of a much smaller price shock than was the case with steel imports. Nonetheless, the negotiations aimed at exempting South Africa from the 10% import tariff on aluminium products could still prove particularly challenging.

Lastly, the imposition of protective measures to mitigate against the risks brought about by the recent US protectionist measures cannot be seen as a sustainable solution to the many challenges facing South Africa's steel and aluminium value chains. Strategic interventions of various forms are needed to improve their competitiveness in global terms, thereby laying strong foundations from which to compete effectively against foreign products both domestically and in world markets.

Department of Research and Information

22 March 2018

ANNEXURES

Table A.1: Comprehensive list of the affected South African iron and steel products, including those that could be potentially at risk of losing market share in world markets (other than the US), as well as in the local market, due to competition from displaced traded volumes following the imposition of tariffs on US imports

HS6	Description	South African exports to the world (excl. the US)		Exports of the top global suppliers to the US (excl. Canada, Mexico and SA)
		2017 (USD m)	% of total	2017 (USD m)
'720712	Flat-rolled products of iron or non-alloy steel, of a width of >= 600 mm, in coils, simply ...	174.0	20.2%	1 435.1
'720719	Semi-finished products of iron or non-alloy steel containing, by weight, < 0,25% of carbon, ...	103.6	12.0%	2.1
'721049	Flat-rolled products of iron or non-alloy steel, of a width of >= 600 mm, hot-rolled or cold-rolled ...	65.9	7.6%	761.7
'721420	Bars and rods, of iron or non-alloy steel, with indentations, ribs, groves or other deformations ...	48.1	5.6%	353.1
'720711	Semi-finished products of iron or non-alloy steel containing, by weight, < 0,25% of carbon, ...	40.8	4.7%	34.6
'721391	Bars and rods, hot-rolled, in irregularly wound coils, of iron or non-alloy steel, of circular ...	40.2	4.7%	297.1
'721070	Flat products of iron or non-alloy steel, of a width of >= 600 mm, hot-rolled or cold-rolled ...	37.5	4.3%	395.8
'721041	Flat-rolled products of iron or non-alloy steel, of a width of >= 600 mm, hot-rolled or cold-rolled ...	31.2	3.6%	0.0
'721012	Flat-rolled products of iron or non-alloy steel, of a width of >= 600 mm, hot-rolled or cold-rolled ...	24.2	2.8%	606.0
'720810	Flat-rolled products of iron or non-alloy steel, of a width of >= 600 mm, in coils, simply ...	20.9	2.4%	27.1
'720838	Flat-rolled products of iron or non-alloy steel, of a width of >= 600 mm, in coils, simply ...	18.3	2.1%	53.2
'721699	Angles, shapes and sections, of iron or non-alloy steel, cold-formed or cold-finished and further ...	15.9	1.8%	3.1
'721410	Bars and rods, of iron or non-alloy steel, not further worked than forged (excluding in irregularly ...	15.8	1.8%	1.7
'721631	U sections of iron or non-alloy steel, not further worked than hot-rolled, hot-drawn or hot-extruded, ...	14.3	1.7%	18.8
'721590	Bars or rods, of iron or non-alloy steel, cold-formed or cold-finished and further worked or ...	13.1	1.5%	1.0
'720990	Flat-rolled products of iron or steel, of a width of >= 600 mm, cold-rolled "cold-reduced", ...	12.3	1.4%	0.1
'720851	Flat-rolled products of iron or non-alloy steel, of a width >= 600 mm, not in coils, simply ...	11.5	1.3%	118.9
'720890	Flat-rolled products of iron or steel, of a width >= 600 mm, hot-rolled and further worked, ...	10.5	1.2%	0.3
'720852	Flat-rolled products of iron or non-alloy steel, of a width of >= 600 mm, not in coils, simply ...	9.7	1.1%	16.2
'720915	Flat-rolled products of iron or non-alloy steel, of a width of >= 600 mm, in coils, simply ...	9.0	1.0%	1.2

HS6	Description	South African exports to the world (excl. the US)		Exports of the top global suppliers to the US (excl. Canada, Mexico and SA)
		2017 (USD m)	% of total	2017 (USD m)
'721633	H sections of iron or non-alloy steel, not further worked than hot-rolled, hot-drawn or hot-extruded, ...	8.9	1.0%	88.4
'720837	Flat-rolled products of iron or non-alloy steel, of a width of >= 600 mm, in coils, simply ...	8.8	1.0%	54.6
'721650	Sections of iron or non-alloy steel, not further worked than hot-rolled, hot-drawn or hot-extruded ...	8.6	1.0%	39.3
'721499	Bars and rods, of iron or non-alloy steel, only hot-rolled, only hot-drawn or only hot-extruded ...	8.5	1.0%	55.3
'721621	L sections of iron or non-alloy steel, not further worked than hot-rolled, hot-drawn or extruded, ...	8.1	0.9%	5.0
'720917	Flat-rolled products of iron or non-alloy steel, of a width of >= 600 mm, in coils, simply ...	7.8	0.9%	147.8
'720712	Semi-finished products of iron or non-alloy steel containing, by weight, < 0,25% of carbon, ...	7.4	0.9%	1 435.1
'721310	Bars and rods, hot-rolled, in irregularly wound coils of iron or non-alloy steel, with indentations, ...	6.7	0.8%	5.7
'721632	I sections of iron or non-alloy steel, not further worked than hot-rolled, hot-drawn or hot-extruded, ...	6.7	0.8%	6.3
'720827	Flat-rolled products of iron or non-alloy steel, of a width of >= 600 mm, in coils, simply ...	6.2	0.7%	62.6
'720854	Flat-rolled products of iron or non-alloy steel, of a width of >= 600 mm, not in coils, simply ...	5.9	0.7%	0.0
'721399	Bars and rods, hot-rolled, in irregularly wound coils, of iron or non-alloy steel (excluding ...	5.6	0.6%	43.1
'721090	Flat-rolled products of iron or non-alloy steel, of a width of >= 600 mm, hot-rolled or cold-rolled ...	5.2	0.6%	38.9
'721491	Bars and rods, of iron or non-alloy steel, not further worked than hot-rolled, hot-drawn or ...	4.7	0.5%	6.8
'721320	Bars and rods, hot-rolled, in irregularly wound coils, of non-alloy free-cutting steel (excluding ...	4.1	0.5%	41.8
'721640	L sections of iron or non-alloy steel, not further worked than hot-rolled, hot-drawn or hot-extruded, ...	3.8	0.4%	4.8
'720916	Flat-rolled products of iron or non-alloy steel, of a width of >= 600 mm, in coils, simply ...	3.6	0.4%	231.4
'721240	Flat-rolled products of iron or non-alloy steel, of a width of < 600 mm, hot-rolled or cold-rolled ...	3.4	0.4%	44.7
'720826	Flat-rolled products of iron or non-alloy steel, of a width of >= 600 mm, in coils, simply ...	3.3	0.4%	27.8
'720927	Flat-rolled products of iron or non-alloy steel, of a width of >= 600 mm, not in coils, simply ...	2.6	0.3%	0.1
'721030	Flat-rolled products of iron or non-alloy steel, of a width of >= 600 mm, hot-rolled or cold-rolled ...	2.5	0.3%	56.6
'720853	Flat-rolled products of iron or non-alloy steel, of a width of >= 600 mm, not in coils, simply ...	2.5	0.3%	0.1
'720825	Flat-rolled products of iron or non-alloy steel, of a width of >= 600 mm, in coils, simply ...	2.5	0.3%	6.4

HS6	Description	South African exports to the world (excl. the US)		Exports of the top global suppliers to the US (excl. Canada, Mexico and SA)
		2017 (USD m)	% of total	2017 (USD m)
'721610	U, I or H sections of iron or non-alloy steel, not further worked than hot-rolled, hot-drawn ...	2.3	0.3%	2.2
'721550	Bars and rods, of iron or non-alloy steel, not further worked than cold-formed or cold-finished ...	1.9	0.2%	12.6
'720840	Flat-rolled products of iron or non-alloy steel, of a width of >= 600 mm, not in coils, simply ...	1.6	0.2%	0.0
'721011	Flat-rolled products of iron or non-alloy steel, of a width of >= 600 mm, hot-rolled or cold-rolled ...	1.3	0.1%	4.4
'721050	Flat-rolled products of iron or non-alloy steel, of a width of >= 600 mm, hot-rolled or cold-rolled ...	0.9	0.1%	48.8
'721250	Flat-rolled products of iron or non-alloy steel, of a width of < 600 mm, hot-rolled or cold-rolled ...	0.8	0.1%	31.6
'721230	Flat-rolled products of iron or non-alloy steel, of a width of < 600 mm, hot-rolled or cold-rolled ...	0.8	0.1%	13.0
'720836	Flat-rolled products of iron or non-alloy steel, of a width of >= 600 mm, in coils, simply ...	0.7	0.1%	17.6
'720918	Flat-rolled products of iron or non-alloy steel, of a width of >= 600 mm, in coils, simply ...	0.7	0.1%	61.2
'721190	Flat-rolled products of iron or non-alloy steel, of a width of < 600 mm, hot-rolled or cold-rolled ...	0.7	0.1%	6.6
'720690	Iron and non-alloy steel, in puddled bars or other primary forms (excluding ingots, remelted ...	0.7	0.1%	6.3
'721020	Flat-rolled products of iron or non-alloy steel, of a width of >= 600 mm, hot-rolled or cold-rolled ...	0.6	0.1%	0.1
'721119	Flat-rolled products of iron or non-alloy steel, of a width < 600 mm, simply hot-rolled, not ...	0.6	0.1%	1.1
'721210	Flat-rolled products of iron or non-alloy steel, of a width of < 600 mm, hot-rolled or cold-rolled ...	0.5	0.1%	3.9
'720926	Flat-rolled products of iron or non-alloy steel, of a width of >= 600 mm, not in coils, simply ...	0.5	0.1%	0.1
'721061	Flat-rolled products of iron or non-alloy steel, of a width of >= 600 mm, hot-rolled or cold-rolled ...	0.5	0.1%	410.4
'721069	Flat-rolled products of iron or non-alloy steel, of a width of >= 600 mm, hot-rolled or cold-rolled ...	0.4	0.1%	24.4
'721220	Flat-rolled products of iron or non-alloy steel, of a width of < 600 mm, hot-rolled or cold-rolled ...	0.4	0.0%	6.5
'720925	Flat-rolled products of iron or non-alloy steel, of a width of >= 600 mm, not in coils, simply ...	0.4	0.0%	0.2
'721622	T sections of iron or non-alloy steel, not further worked than hot-rolled, hot-drawn or extruded, ...	0.3	0.0%	0.7
'721430	Bars and rods, of non-alloy free-cutting steel, not further worked than hot-rolled, hot-drawn ...	0.3	0.0%	17.3
'721129	Flat-rolled products of iron or non-alloy steel, of a width of < 600 mm, simply cold-rolled ...	0.3	0.0%	35.1
'721260	Flat-rolled products of iron or non-alloy steel, of a width of < 600 mm, hot-rolled or cold-rolled ...	0.3	0.0%	12.1

HS6	Description	South African exports to the world (excl. the US)		Exports of the top global suppliers to the US (excl. Canada, Mexico and SA)
		2017 (USD m)	% of total	2017 (USD m)
'720610	Ingots, of iron and non-alloy steel (excluding remelted scrap ingots, continuous cast products, ...	0.3	0.0%	0.0
'721114	Flat-rolled products of iron or non-alloy steel, of a width < 600 mm, not further worked than ...	0.3	0.0%	0.3
'720928	Flat-rolled products of iron or non-alloy steel, of a width of >= 600 mm, not in coils, simply ...	0.1	0.0%	0.0
'721510	Bars and rods, of non-alloy free-cutting steel, not further worked than cold-formed or col ...	0.1	0.0%	1.7
'720720	Semi-finished products of iron or non-alloy steel containing, by weight, >= 0,25% of carbon	0.1	0.0%	9.2
'721123	Flat-rolled products of iron or non-alloy steel, of a width of < 600 mm, simply cold-rolled ...	0.0	0.0%	8.3
'721113	Flat-rolled products of iron or non-alloy steel, simply hot-rolled on four faces or in a closed ...	0.0	0.0%	0.0
	Total of the affected iron and steel products	**862.5**	**100.0%**	

Source: IDC analysis, utilising data from ITC

Table A.2: Comprehensive list of the affected South African articles of iron and steel, including those that could be potentially at risk of losing market share in world markets (other than the US), as well as in the local market, due to competition from displaced traded volumes following the imposition of tariffs on US imports

HS6	Description	South African exports to the world (excl. the US)		Exports of the top global suppliers to the US (excl. Canada, Mexico and SA)
		2017 (USD m)	% of total	2017 (USD m)
'730690	Tubes, pipes and hollow profiles "e.g., open seam, riveted or similarly closed", of iron or ...	22.1	16.7%	9.2
'730630	Tubes, pipes and hollow profiles, welded, of circular cross-section, of iron or non-alloy steel ...	20.9	15.8%	51.9
'730490	Tubes, pipes and hollow profiles, seamless, of non-circular cross-section, of iron or steel ...	15.4	11.6%	10.2
'730419	Line pipe of a kind used for oil or gas pipelines, seamless, of iron or steel (excluding products ...	15.2	11.5%	77.5
'730439	Tubes, pipes and hollow profiles, seamless, of circular cross-section, of iron or non-alloy ...	8.9	6.7%	57.5
'730449	Tubes, pipes and hollow profiles, seamless, of circular cross-section, of stainless steel, ...	8.3	6.3%	36.7
'730661	Tubes and pipes and hollow profiles, welded, of square or rectangular cross-section, of iron ...	6.1	4.6%	20.6
'730423	Drill pipe, seamless, of a kind used in drilling for oil or gas, of iron or steel (excluding ...	5.4	4.1%	6.7
'730619	Line pipe of a kind used for oil or gas pipelines, welded, of flat-rolled products of iron ...	5.0	3.8%	74.7
'730290	Sleepers "cross-ties", check-rails, rack rails, chairs, chair wedges, rail clips, bedplates ...	4.3	3.3%	1.5
'730411	Line pipe of a kind used for oil or gas pipelines, seamless, of stainless steel	4.1	3.1%	0.1
'730422	Drill pipe, seamless, of stainless steel, of a kind used in drilling for oil or gas	2.9	2.2%	0.0
'730650	Tubes, pipes and hollow profiles, welded, of circular cross-section, of alloy steel other than ...	2.1	1.6%	23.6
'730640	Tubes, pipes and hollow profiles, welded, of circular cross-section, of stainless steel (excluding ...	1.8	1.4%	165.3
'730429	Casing and tubing, seamless, of iron or steel, of a kind used in drilling for oil or gas (excluding ...	1.4	1.1%	422.8
'730611	Line pipe of a kind used for oil or gas pipelines, welded, of flat-rolled products of stainless ...	1.4	1.1%	0.1
'730459	Tubes, pipes and hollow profiles, seamless, of circular cross-section, of alloy steel other ...	1.3	1.0%	65.8
'730424	Casing and tubing, seamless, of a kind used for drilling for oil or gas, of stainless steel	1.1	0.8%	95.0
'730629	Casing and tubing of a kind used in drilling for oil or gas, welded, of flat-rolled products ...	1.0	0.8%	220.2
'730590	Tubes and pipes having circular cross-sections and an external diameter of > 406,4 mm, of flat-rolled ...	0.8	0.6%	0.0
'730669	Tubes, pipes and hollow profiles, welded, of non-circular cross-section, of iron or steel (excluding ...	0.6	0.4%	21.1

HS6	Description	South African exports to the world (excl. the US)		Exports of the top global suppliers to the US (excl. Canada, Mexico and SA)
		2017 (USD m)	% of total	2017 (USD m)
'730539	Tubes and pipes having circular cross-sections and an external diameter of > 406,4 mm, of iron ...	0.5	0.4%	0.1
'730441	Tubes, pipes and hollow profiles, seamless, of circular cross-section, of stainless steel, ...	0.4	0.3%	55.9
'730621	Casing and tubing of a kind used in drilling for oil or gas, welded, of flat-rolled products ...	0.4	0.3%	1.4
'730431	Tubes, pipes and hollow profiles, seamless, of circular cross-section, of iron or non-alloy ...	0.3	0.2%	45.8
'730240	Fish-plates and sole plates of iron or steel, for railways or tramways	0.2	0.1%	0.9
'730451	Tubes, pipes and hollow profiles, seamless, of circular cross-section, of alloy steel other ...	0.2	0.1%	31.7
'730519	Line pipe of a kind used for oil or gas pipelines, having circular cross-sections and an external ...	0.1	0.1%	0.0
'730511	Line pipe of a kind used for oil or gas pipelines, having circular cross-sections and an external ...	0.1	0.1%	28.9
'730531	Tubes and pipes having circular cross-sections and an external diameter of > 406,4 mm, of iron ...	0.1	0.0%	15.4
'730520	Casing of a kind used in drilling for oil or gas, having circular cross-sections and an external ...	0.0	0.0%	5.9
'730512	Line pipe of a kind used for oil or gas pipelines, having circular cross-sections and an external ...	0.0	0.0%	100.9
	Total of the affected articles of iron and steel	**132.4**	**100.0%**	

Source: IDC analysis, utilising data from ITC

Table A.3: Comprehensive list of the affected South African aluminium products, including those that could be potentially at risk of losing market share in world markets (other than the US), as well as in the local market, due to competition from displaced traded volumes following the imposition of tariffs on US imports

HS6	Description	South African exports to the world (excl. the US)		Exports of the top global suppliers to the US (excl. Canada, Mexico and SA)
		2017 (USD m)	% of total	2017 (USD m)
'760110	Aluminium, not alloyed, unwrought	749.5	62.0%	1454.4
'760612	Plates, sheets and strip, of aluminium alloys, of a thickness of > 0,2 mm, square or rectangular ...	245.3	20.3%	217.8
'760820	Tubes and pipes of aluminium alloys (excluding hollow profiles)	84.6	7.0%	42.5
'760692	Plates, sheets and strip, of aluminium alloys, of a thickness of > 0,2 mm (other than square ...	37.4	3.1%	2.7
'761699	Articles of aluminium, n.e.s.	31.7	2.6%	117.7
'760120	Unwrought aluminium alloys	24.6	2.0%	715.8
'760711	Aluminium foil, not backed, rolled but not further worked, of a thickness of <= 0,2 mm (excluding ...	10.4	0.9%	94.2
'760611	Plates, sheets and strip, of non-alloy aluminium, of a thickness of > 0,2 mm, square or rectangular ...	8.3	0.7%	14.4
'760429	Bars, rods and solid profiles, of aluminium alloys, n.e.s.	4.4	0.4%	63.5
'760720	Aluminium foil, backed, of a thickness (excluding any backing) of <= 0,2 mm (excluding stamping ...	4.3	0.4%	29.2
'760410	Bars, rods and profiles, of non-alloy aluminium, n.e.s.	2.7	0.2%	0.7
'760719	Aluminium foil, not backed, rolled and further worked, of a thickness of <= 2 mm (excluding ...	2.6	0.2%	12.7
'760421	Hollow profiles of aluminium alloys, n.e.s.	0.8	0.1%	22.4
'760519	Wire of non-alloy aluminium, with a maximum cross-sectional dimension of <= 7 mm (other than ...	0.5	0.0%	0.7
'760529	Wire, of aluminium alloys, having a maximum cross-sectional dimension of <= 7 mm (other than ...	0.5	0.0%	0.7
'760900	Aluminium tube or pipe fittings (e.g., couplings, elbows, sleeves)	0.4	0.0%	3.4
'760691	Plates, sheets and strip, of non-alloy aluminium, of a thickness of > 0,2 mm (other than square ...	0.3	0.0%	0.9
'760810	Tubes and pipes of non-alloy aluminium (excluding hollow profiles)	0.3	0.0%	0.2
'760511	Wire of non-alloy aluminium, with a maximum cross-sectional dimension of > 7 mm (excluding ...	0.2	0.0%	58
'760521	Wire of aluminium alloys, with a maximum cross-sectional dimension of > 7 mm (excluding stranded ...	0	0.0%	0
	Total of the affected aluminium products	**1 208.8**	**100.0%**	

Table A.4: Average* tariffs applied by South Africa on imports of the affected steel and aluminium products

HS6	Description	South African average tariffs on products from Brazil	South African average tariffs on products from Germany	South African average tariffs on products from Canada, Russia, Mexico, South Korea, Japan, Turkey, Taiwan, and China
Average tariffs on iron and steel products				
'720610	Ingots, of iron and non-alloy steel (excluding remelted scrap ingots, continuous cast products, ...	0.0%	0.0%	0.0%
'720690	Iron and non-alloy steel, in puddled bars or other primary forms (excluding ingots, remelted ...	0.0%	0.0%	0.0%
'720711	Semi-finished products of iron or non-alloy steel containing, by weight, < 0,25% of carbon, ...	0.0%	0.0%	10.0%
'720712	Semi-finished products of iron or non-alloy steel containing, by weight, < 0,25% of carbon, ...	0.0%	0.0%	10.0%
'720719	Semi-finished products of iron or non-alloy steel containing, by weight, < 0,25% of carbon, ...	0.0%	0.0%	10.0%
'720720	Semi-finished products of iron or non-alloy steel containing, by weight, >= 0,25% of carbon	0.0%	0.0%	10.0%
'720810	Flat-rolled products of iron or non-alloy steel, of a width of >= 600 mm, in coils, simply ...	0.0%	0.0%	10.0%
'720825	Flat-rolled products of iron or non-alloy steel, of a width of >= 600 mm, in coils, simply ...	0.0%	0.0%	10.0%
'720826	Flat-rolled products of iron or non-alloy steel, of a width of >= 600 mm, in coils, simply ...	0.0%	0.0%	10.0%
'720827	Flat-rolled products of iron or non-alloy steel, of a width of >= 600 mm, in coils, simply ...	0.0%	0.0%	10.0%
'720836	Flat-rolled products of iron or non-alloy steel, of a width of >= 600 mm, in coils, simply ...	0.0%	0.0%	10.0%
'720837	Flat-rolled products of iron or non-alloy steel, of a width of >= 600 mm, in coils, simply ...	0.0%	0.0%	10.0%
'720838	Flat-rolled products of iron or non-alloy steel, of a width of >= 600 mm, in coils, simply ...	0.0%	0.0%	10.0%
'720839	Flat-rolled products of iron or non-alloy steel, of a width of >= 600 mm, in coils, simply ...	0.0%	0.0%	10.0%
'720840	Flat-rolled products of iron or non-alloy steel, of a width of >= 600 mm, not in coils, simply ...	0.0%	0.0%	10.0%
'720851	Flat-rolled products of iron or non-alloy steel, of a width >= 600 mm, not in coils, simply ...	0.0%	0.0%	10.0%
'720852	Flat-rolled products of iron or non-alloy steel, of a width of >= 600 mm, not in coils, simply ...	0.0%	0.0%	10.0%
'720853	Flat-rolled products of iron or non-alloy steel, of a width of >= 600 mm, not in coils, simply ...	0.0%	0.0%	10.0%
'720854	Flat-rolled products of iron or non-alloy steel, of a width of >= 600 mm, not in coils, simply ...	0.0%	0.0%	10.0%
'720890	Flat-rolled products of iron or steel, of a width >= 600 mm, hot-rolled and further worked, ...	0.0%	0.0%	10.0%
'720915	Flat-rolled products of iron or non-alloy steel, of a width of >= 600 mm, in coils, simply ...	0.0%	0.0%	10.0%

HS6	Description	South African average tariffs on products from Brazil	South African average tariffs on products from Germany	South African average tariffs on products from Canada, Russia, Mexico, South Korea, Japan, Turkey, Taiwan, and China
Average tariffs on iron and steel products (continued)				
'720916	Flat-rolled products of iron or non-alloy steel, of a width of >= 600 mm, in coils, simply ...	0.0%	0.0%	10.0%
'720917	Flat-rolled products of iron or non-alloy steel, of a width of >= 600 mm, in coils, simply ...	0.0%	0.0%	10.0%
'720918	Flat-rolled products of iron or non-alloy steel, of a width of >= 600 mm, in coils, simply ...	0.0%	0.0%	10.0%
'720925	Flat-rolled products of iron or non-alloy steel, of a width of >= 600 mm, not in coils, simply ...	0.0%	0.0%	10.0%
'720926	Flat-rolled products of iron or non-alloy steel, of a width of >= 600 mm, not in coils, simply ...	0.0%	0.0%	10.0%
'720927	Flat-rolled products of iron or non-alloy steel, of a width of >= 600 mm, not in coils, simply ...	0.0%	0.0%	10.0%
'720928	Flat-rolled products of iron or non-alloy steel, of a width of >= 600 mm, not in coils, simply ...	0.0%	0.0%	0.0%
'720990	Flat-rolled products of iron or steel, of a width of >= 600 mm, cold-rolled "cold-reduced", ...	0.0%	0.0%	10.0%
'721011	Flat-rolled products of iron or non-alloy steel, of a width of >= 600 mm, hot-rolled or cold-rolled ...	0.0%	0.0%	0.0%
'721012	Flat-rolled products of iron or non-alloy steel, of a width of >= 600 mm, hot-rolled or cold-rolled ...	0.0%	0.0%	0.0%
'721020	Flat-rolled products of iron or non-alloy steel, of a width of >= 600 mm, hot-rolled or cold-rolled ...	0.0%	0.0%	0.0%
'721030	Flat-rolled products of iron or non-alloy steel, of a width of >= 600 mm, hot-rolled or cold-rolled ...	0.0%	0.0%	0.0%
'721041	Flat-rolled products of iron or non-alloy steel, of a width of >= 600 mm, hot-rolled or cold-rolled ...	0.0%	0.0%	10.0%
'721049	Flat-rolled products of iron or non-alloy steel, of a width of >= 600 mm, hot-rolled or cold-rolled ...	0.0%	0.0%	10.0%
'721050	Flat-rolled products of iron or non-alloy steel, of a width of >= 600 mm, hot-rolled or cold-rolled ...	0.0%	0.0%	0.0%
'721061	Flat-rolled products of iron or non-alloy steel, of a width of >= 600 mm, hot-rolled or cold-rolled ...	0.0%	0.0%	10.0%
'721069	Flat-rolled products of iron or non-alloy steel, of a width of >= 600 mm, hot-rolled or cold-rolled ...	0.0%	0.0%	0.0%
'721070	Flat products of iron or non-alloy steel, of a width of >= 600 mm, hot-rolled or cold-rolled ...	0.0%	0.0%	10.0%
'721090	Flat-rolled products of iron or non-alloy steel, of a width of >= 600 mm, hot-rolled or cold-rolled ...	0.0%	0.0%	10.0%
'721113	Flat-rolled products of iron or non-alloy steel, simply hot-rolled on four faces or in a closed ...	0.0%	0.0%	10.0%
'721114	Flat-rolled products of iron or non-alloy steel, of a width < 600 mm, not further worked than ...	0.0%	0.0%	10.0%
'721119	Flat-rolled products of iron or non-alloy steel, of a width < 600 mm, simply hot-rolled, not ...	0.0%	0.0%	10.0%

HS6	Description	South African average tariffs on products from Brazil	South African average tariffs on products from Germany	South African average tariffs on products from Canada, Russia, Mexico, South Korea, Japan, Turkey, Taiwan, and China
Average tariffs on iron and steel products (continued)				
'721123	Flat-rolled products of iron or non-alloy steel, of a width of < 600 mm, simply cold-rolled ...	0.0%	0.0%	10.0%
'721129	Flat-rolled products of iron or non-alloy steel, of a width of < 600 mm, simply cold-rolled ...	0.0%	0.0%	10.0%
'721190	Flat-rolled products of iron or non-alloy steel, of a width of < 600 mm, hot-rolled or cold-rolled ...	0.0%	0.0%	10.0%
'721210	Flat-rolled products of iron or non-alloy steel, of a width of < 600 mm, hot-rolled or cold-rolled ...	0.0%	0.0%	0.0%
'721220	Flat-rolled products of iron or non-alloy steel, of a width of < 600 mm, hot-rolled or cold-rolled ...	0.0%	0.0%	0.0%
'721230	Flat-rolled products of iron or non-alloy steel, of a width of < 600 mm, hot-rolled or cold-rolled ...	0.0%	0.0%	10.0%
'721240	Flat-rolled products of iron or non-alloy steel, of a width of < 600 mm, hot-rolled or cold-rolled ...	0.0%	0.0%	10.0%
'721250	Flat-rolled products of iron or non-alloy steel, of a width of < 600 mm, hot-rolled or cold-rolled ...	0.0%	0.0%	0.0%
'721260	Flat-rolled products of iron or non-alloy steel, of a width of < 600 mm, hot-rolled or cold-rolled ...	0.0%	0.0%	0.0%
'721310	Bars and rods, hot-rolled, in irregularly wound coils of iron or non-alloy steel, with indentations, ...	0.0%	0.0%	0.0%
'721320	Bars and rods, hot-rolled, in irregularly wound coils, of non-alloy free-cutting steel (excluding ...	0.0%	0.0%	10.0%
'721391	Bars and rods, hot-rolled, in irregularly wound coils, of iron or non-alloy steel, of circular ...	0.0%	0.0%	10.0%
'721399	Bars and rods, hot-rolled, in irregularly wound coils, of iron or non-alloy steel (excluding ...	0.0%	0.0%	10.0%
'721410	Bars and rods, of iron or non-alloy steel, not further worked than forged (excluding in irregularly ...	0.0%	0.0%	10.0%
'721420	Bars and rods, of iron or non-alloy steel, with indentations, ribs, groves or other deformations ...	0.0%	0.0%	10.0%
'721430	Bars and rods, of non-alloy free-cutting steel, not further worked than hot-rolled, hot-drawn ...	0.0%	0.0%	10.0%
'721491	Bars and rods, of iron or non-alloy steel, not further worked than hot-rolled, hot-drawn or ...	0.0%	0.0%	10.0%
'721499	Bars and rods, of iron or non-alloy steel, only hot-rolled, only hot-drawn or only hot-extruded ...	0.0%	0.0%	10.0%
'721510	Bars and rods, of non-alloy free-cutting steel, not further worked than cold-formed or col ...	0.0%	0.0%	0.0%
'721550	Bars and rods, of iron or non-alloy steel, not further worked than cold-formed or cold-finished ...	0.0%	0.0%	0.0%
'721590	Bars or rods, of iron or non-alloy steel, cold-formed or cold-finished and further worked or ...	0.0%	0.0%	10.0%
'721610	U, I or H sections of iron or non-alloy steel, not further worked than hot-rolled, hot-drawn ...	0.0%	0.0%	10.0%

HS6	Description	South African average tariffs on products from Brazil	South African average tariffs on products from Germany	South African average tariffs on products from Canada, Russia, Mexico, South Korea, Japan, Turkey, Taiwan, and China
Average tariffs on iron and steel products (continued)				
'721621	L sections of iron or non-alloy steel, not further worked than hot-rolled, hot-drawn or extruded, ...	0.0%	0.0%	10.0%
'721622	T sections of iron or non-alloy steel, not further worked than hot-rolled, hot-drawn or extruded, ...	0.0%	0.0%	10.0%
'721631	U sections of iron or non-alloy steel, not further worked than hot-rolled, hot-drawn or hot-extruded, ...	0.0%	0.0%	0.0%
'721632	I sections of iron or non-alloy steel, not further worked than hot-rolled, hot-drawn or hot-extruded, ...	0.0%	0.0%	0.0%
'721633	H sections of iron or non-alloy steel, not further worked than hot-rolled, hot-drawn or hot-extruded, ...	0.0%	0.0%	0.0%
'721640	L sections of iron or non-alloy steel, not further worked than hot-rolled, hot-drawn or hot-extruded, ...	0.0%	0.0%	10.0%
'721650	Sections of iron or non-alloy steel, not further worked than hot-rolled, hot-drawn or hot-extruded ...	0.0%	0.0%	0.0%
'721699	Angles, shapes and sections, of iron or non-alloy steel, cold-formed or cold-finished and further ...	0.0%	0.0%	0.0%
Average tariffs on articles of iron and steel				
'730240	Fish-plates and sole plates of iron or steel, for railways or tramways	0.0%	0.0%	5.0%
'730290	Sleepers "cross-ties", check-rails, rack rails, chairs, chair wedges, rail clips, bedplates ...	0.0%	0.0%	5.0%
'730411	Line pipe of a kind used for oil or gas pipelines, seamless, of stainless steel	0.0%	0.0%	0.0%
'730419	Line pipe of a kind used for oil or gas pipelines, seamless, of iron or steel (excluding products ...	0.0%	0.0%	10.0%
'730422	Drill pipe, seamless, of stainless steel, of a kind used in drilling for oil or gas	0.0%	0.0%	10.0%
'730423	Drill pipe, seamless, of a kind used in drilling for oil or gas, of iron or steel (excluding ...	0.0%	0.0%	10.0%
'730424	Casing and tubing, seamless, of a kind used for drilling for oil or gas, of stainless steel	0.0%	0.0%	10.0%
'730429	Casing and tubing, seamless, of iron or steel, of a kind used in drilling for oil or gas (excluding ...	0.0%	0.0%	10.0%
'730431	Tubes, pipes and hollow profiles, seamless, of circular cross-section, of iron or non-alloy ...	0.0%	0.0%	15.0%
'730439	Tubes, pipes and hollow profiles, seamless, of circular cross-section, of iron or non-alloy ...	0.0%	0.0%	7.5%
'730441	Tubes, pipes and hollow profiles, seamless, of circular cross-section, of stainless steel, ...	0.0%	0.0%	0.0%
'730449	Tubes, pipes and hollow profiles, seamless, of circular cross-section, of stainless steel, ...	0.0%	0.0%	0.0%
'730451	Tubes, pipes and hollow profiles, seamless, of circular cross-section, of alloy steel other ...	0.0%	0.0%	15.0%

HS6	Description	South African average tariffs on products from Brazil	South African average tariffs on products from Germany	South African average tariffs on products from Canada, Russia, Mexico, South Korea, Japan, Turkey, Taiwan, and China
Average tariffs on articles of iron and steel (continued)				
'730459	Tubes, pipes and hollow profiles, seamless, of circular cross-section, of alloy steel other ...	0.0%	0.0%	7.5%
'730490	Tubes, pipes and hollow profiles, seamless, of non-circular cross-section, of iron or steel ...	0.0%	0.0%	15.0%
'730511	Line pipe of a kind used for oil or gas pipelines, having circular cross-sections and an external ...	0.0%	0.0%	15.0%
'730512	Line pipe of a kind used for oil or gas pipelines, having circular cross-sections and an external ...	0.0%	0.0%	15.0%
'730519	Line pipe of a kind used for oil or gas pipelines, having circular cross-sections and an external ...	0.0%	0.0%	15.0%
'730520	Casing of a kind used in drilling for oil or gas, having circular cross-sections and an external ...	0.0%	0.0%	15.0%
'730531	Tubes and pipes having circular cross-sections and an external diameter of > 406,4 mm, of iron ...	0.0%	0.0%	15.0%
'730539	Tubes and pipes having circular cross-sections and an external diameter of > 406,4 mm, of iron ...	0.0%	0.0%	15.0%
'730590	Tubes and pipes having circular cross-sections and an external diameter of > 406,4 mm, of flat-rolled ...	0.0%	0.0%	15.0%
'730611	Line pipe of a kind used for oil or gas pipelines, welded, of flat-rolled products of stainless ...	0.0%	0.0%	10.0%
'730619	Line pipe of a kind used for oil or gas pipelines, welded, of flat-rolled products of iron ...	0.0%	0.0%	15.0%
'730621	Casing and tubing of a kind used in drilling for oil or gas, welded, of flat-rolled products ...	0.0%	0.0%	10.0%
'730629	Casing and tubing of a kind used in drilling for oil or gas, welded, of flat-rolled products ...	0.0%	0.0%	15.0%
'730630	Tubes, pipes and hollow profiles, welded, of circular cross-section, of iron or non-alloy steel ...	0.0%	0.0%	12.5%
'730640	Tubes, pipes and hollow profiles, welded, of circular cross-section, of stainless steel (excluding ...	0.0%	0.0%	10.0%
'730650	Tubes, pipes and hollow profiles, welded, of circular cross-section, of alloy steel other than ...	0.0%	0.0%	10.0%
'730661	Tubes and pipes and hollow profiles, welded, of square or rectangular cross-section, of iron ...	0.0%	0.0%	10.0%
'730669	Tubes, pipes and hollow profiles, welded, of non-circular cross-section, of iron or steel (excluding ...	0.0%	0.0%	10.0%
'730690	Tubes, pipes and hollow profiles "e.g., open seam, riveted or similarly closed", of iron or ...	0.0%	0.0%	10.0%
Average tariffs on aluminium products				
'760110	Aluminium, not alloyed, unwrought	0.0%	0.0%	0.0%
'760410	Bars, rods and profiles, of non-alloy aluminium, n.e.s.	0.0%	0.0%	3.8%
'760421	Hollow profiles of aluminium alloys, n.e.s.	0.0%	0.0%	2.5%

HS6	Description	South African average tariffs on products from Brazil	South African average tariffs on products from Germany	South African average tariffs on products from Canada, Russia, Mexico, South Korea, Japan, Turkey, Taiwan, and China
Average tariffs on aluminium products (continued)				
'760429	Bars, rods and solid profiles, of aluminium alloys, n.e.s.	2.5%	0.0%	3.3%
'760511	Wire of non-alloy aluminium, with a maximum cross-sectional dimension of > 7 mm (excluding ...	0.0%	0.0%	0.0%
'760519	Wire of non-alloy aluminium, with a maximum cross-sectional dimension of <= 7 mm (other than ...	0.0%	0.0%	0.0%
'760521	Wire of aluminium alloys, with a maximum cross-sectional dimension of > 7 mm (excluding stranded ...	0.0%	0.0%	0.0%
'760529	Wire, of aluminium alloys, having a maximum cross-sectional dimension of <= 7 mm (other than ...	0.0%	0.0%	0.0%
'760611	Plates, sheets and strip, of non-alloy aluminium, of a thickness of > 0,2 mm, square or rectangular ...	0.0%	0.0%	0.0%
'760612	Plates, sheets and strip, of aluminium alloys, of a thickness of > 0,2 mm, square or rectangular ...	0.0%	0.0%	0.0%
'760691	Plates, sheets and strip, of non-alloy aluminium, of a thickness of > 0,2 mm (other than square ...	0.0%	0.0%	0.0%
'760692	Plates, sheets and strip, of aluminium alloys, of a thickness of > 0,2 mm (other than square ...	0.0%	0.0%	0.0%
'760711	Aluminium foil, not backed, rolled but not further worked, of a thickness of <= 0,2 mm (excluding ...	0.0%	0.0%	0.0%
'760719	Aluminium foil, not backed, rolled and further worked, of a thickness of <= 2 mm (excluding ...	0.0%	0.0%	0.0%
'760720	Aluminium foil, backed, of a thickness (excluding any backing) of <= 0,2 mm (excluding stamping ...	0.0%	0.0%	0.0%
'760810	Tubes and pipes of non-alloy aluminium (excluding hollow profiles)	0.0%	0.0%	5.0%
'760820	Tubes and pipes of aluminium alloys (excluding hollow profiles)	0.0%	0.0%	0.0%
'760900	Aluminium tube or pipe fittings (e.g., couplings, elbows, sleeves)	2.5%	0.0%	5.0%
'761699	Articles of aluminium, n.e.s.	5.9%	0.0%	8.8%

Note: * Simple average of tariffs, not trade-weighted.

Source: IDC analysis, compiled using data from the World Trade Organisation