

REF. NO: 14/3/2

Mr. Ebrahim Patel
Minister of Trade, Industry and Competition
Private Bag X84
PRETORIA
0001

Dear Minister

MINUTE M06/2020: INCREASE IN ANNUAL QUOTA FOR BONE-IN CUTS OF THE SPECIES *GALLUS DOMESTICUS*, FROZEN, CLASSIFIABLE IN TARIFF SUBHEADING 0207.14.9 AND IMPORTED FROM OR ORIGINATING IN THE UNITED STATES OF AMERICA IN RESPECT OF REBATE ITEM 460.03/0207.14.9/01.07

In 2015, the then Minister of Economic Development directed the International Trade Administration Commission of South Africa (ITAC) in terms of Section 16(1)(d)(i) of the International Trade Administration Act, to investigate and evaluate the creation of a rebate provision of the full anti-dumping duty on bone-in cuts of the species *Gallus domesticus*, frozen, classifiable in tariff subheading 0207.14.9, imported from or originating in the United States of America (USA).

ITAC investigated the request and based on its evaluation of the information at its disposal, recommended that a rebate provision for the full anti-dumping duty on frozen bone-in cuts of the species *Gallus domesticus*, imported from or originating in the United States of America (USA) be created. Rebate item 460.03/0207.14.9/01.07 was implemented on 18 December 2015. For the 2019/20 period, the condition for an upward adjustment in the annual quota as per the growth factor formula was met, which was implemented on 16 August 2019 and currently reads as follows:

“A temporary rebate of the full anti-dumping duty on –

*Frozen meat of the species *Gallus domesticus*, cut in pieces with bone in, classifiable in tariff subheading 0207.14.9 and imported from or originating in the United States of America, in such quantities, at such times and subject to such conditions as the International Trade Administration Commission (ITAC) may allow by specific permit on recommendation of the Director General: Department of Agriculture, Forestry and Fisheries (DAFF), provided that -*

- (a) With effect from 1 April 2016, permits may be issued by ITAC for meat imported in terms of this rebate;*
- (b) From the date this rebate item comes into operation up to and including 31 March 2016 meat imported in terms of this rebate item shall be on a first-come-first-served basis;*

- (c) *The meat subject to the provisions of this rebate item may not exceed a basic annual quota of 65 417 metric tonnes;*
- (d) *The annual quota period is 1 April to 31 March;*
- (e) *Prior to 1 April 2016, the quota shall be 16 250 metric tonnes;*
- (f) *As from 1 April 2017 an annual growth factor as determined by DAFF shall be applied to the basic quota mentioned in (c) above;*
- (g) *The meat imported in terms of this rebate item may not be removed outside the Republic for consumption in any of the BLNS countries;*
- (h) *The permit is not transferable and may not be used to obtain meat to the benefit of any entity or person not named in the permit issued by ITAC;*
- (i) *This rebate item shall be suspended if any benefits that South Africa enjoyed under AGOA as at 1 November 2015 are suspended, and shall remain suspended for as long as those benefits under AGOA remain suspended; and*
- (j) *This rebate item is suspended in terms of paragraph (i) as from the date the Minister of Trade and Industry submits written confirmation to the Minister of Finance that South Africa's benefits under AGOA have been suspended."*

As provided for in section (f) of the relevant rebate provision, according to the information received from DAFF on 04 August 2020, the condition for an upward adjustment in the annual quota as per the growth factor formula has been met. Therefore, the 2020/21 AGOA rebate quota will need to be increased from 68 590 tons to 69 972 tons split between the four quarters.

In light of the foregoing, it is proposed that the Minister requests the Deputy Minister of Finance to inform the relevant officials at the South African Revenue Service ("SARS") to give effect to the recommendation through the alteration of its electronic systems, to make provision for an increase in the 2020/21 annual quota under rebate item 460.03/0207.14.9/01.07, from 68 590 tons to 69 972 tons.

Yours sincerely



Meluleki Nzimande
Chief Commissioner
 06/08/.....2020