

and human solidarity. 2010-related investments make up less than 10% of government expenditure, which means investment acceleration is intrinsic but not monopolised by the 2010 Fifa World Cup. It is the most sustained, broadest and greatest investment surge in South Africa's recorded economic history, and it will continue long after 2010, leaving a developmental legacy.

The Programmes Manager of ESIPP, John Gowen, said the much-anticipated soccer showpieces should provide huge benefits for the SADC region and that, "2010 is the single biggest opportunity that southern Africa could ever have. World media people will be here to put a focus on this region. This is the opportunity that SADC has been waiting for and we should exploit it."

The SADC region should be proactive and come up with long-term ideas of how to benefit from 2010 Fifa World Cup, thus developing ties with South Africa and Angola, the hosts of this sporting tournament. Countries should focus on the legacy of the event and implement sustainable projects.

Global events like the World Cup can change the perception of a country or region in terms of how it is seen by the world and even how it sees itself. The SADC region, which was formerly mired in conflict and civil war, is now at peace and open for business.

Rizel Delano



THE INTERNATIONAL TRADE ADMINISTRATION COMMISSION

Chief Commissioner, Siyabulela Tsengiwe, provides some insight into the organisation

Opp: Can you tell us more about who you are and your position at the ITAC?

ST: As far as my educational background is concerned, I obtained B Com, B Ed and Master of Public and Development Management degrees. I have served government in various capacities for almost 15 years.

I joined the predecessor of the International Trade Administration Commission of South Africa (ITAC), namely the Board of Tariffs and Trade (BTT) in July 2002 as a Director: Tariff Investigations and became General Manager: Core Business in September 2005 with a responsibility for co-ordinating and managing ITAC's core functions i.e. Tariff Investigations; Trade Remedies; and Import and Export Control.

I was appointed Chief Commissioner for ITAC with effect from 1 January 2008. I have therefore grown within the ranks of the institution over a period of five years to becoming its head and reporting to the Minister of Trade and Industry.

What positive attributes do you bring to the Commission in your capacity as the Chief Commissioner?

I bring strategic and policy analytical capabilities as well as technical knowledge of the international trade instruments that ITAC administers. Besides overseeing investigations pertaining to applications from the domestic industry for our instruments, together with a capable team of colleagues, I have been providing technical assistance to the dti on our instruments during bilateral, regional and multilateral trade negotiations. This is a field of work that I am passionate about.

Would you say that the Commission is well known, and that its functions are well understood by those who need it. Would you say that there are people who need the Commission but are not aware that they do?

Our trade instruments are mainly utilised by domestic producers and manufacturers as well as importers and exporters. In the light of the complexity and technical

nature of accessing these instruments, users make use of consultants and lawyers.

However, ITAC is also always available for giving guidance to potential users. To these primary stakeholders we are well known but where we need to improve and publicise ourselves better is with secondary stakeholders, including the general public.

This is critical, given the economic significance and impact of our trade instruments on the economy in general.

Give me a summation of the activities of the Commission?

ITAC is a Public Entity created by the dti through an Act of Parliament and charged with fostering economic growth and development in order to raise incomes and promote investment and employment in South Africa and within the Customs Union by establishing an efficient and effective system for the administration of international trade.

International trade administration in the context of ITAC instruments, must be viewed as distinct from the operations other government agencies like SARS in the field of international trade administration.

ITAC's responsibilities entail providing: international trade instruments to the domestic industry; technical advice to the dti in respect of customs tariffs; trade remedies; and import and export control.

If you, for instance want to apply for changes to customs duties for specific products or you want remedial action against subsidized or dumped goods, or you want to apply for permits to import or export particular products that are subject to import and export control, you approach ITAC. The dti sets the overarching industrial and trade policy parameters within which we administer the applications and consequent investigations for these instruments, after which we make recommendations to the Minister of Trade and Industry. We also do proactive investigations in the area of tariff-setting.

What would you say are your primary foci in your assuming of this office?

The primary focus is to view the work of ITAC in the context of South Africa's overall industrial and trade policies. Ensuring strategic alignment and continued relevance within the dti and the national agenda.

The key question is: What is our understanding of the complex and dynamic global and domestic trade policy environment that we operate in, and what are the appropriate responses, taking into account

government's growth and development objectives. Exchange rate movements, which have a direct impact on the competitiveness levels of domestic producers as well as inflation rates, have an influence in the work of the Commission.



ITAC CHIEF COMMISSIONER: Siyabulela Tsengiwe

You have been the Chief Commissioner for some time, and this has allowed you to observe the happenings of the Commission. What have been the strengths of the Commission, and what have been the challenges or perhaps weaknesses?

These are exciting times at ITAC and this is due, among other things, to the changes we are putting in place, systemic changes and a new strategic direction. We are currently handling a number of interesting projects.

One example is a review of customs tariffs on inputs in the following sectors: capital equipment and machinery;

chemicals and plastics; aluminium; and textiles. The aim is to reduce the cost of downstream production in sectors that are more labour intensive.

We continue to meet our turnaround times in the services we provide to the domestic industry and we are playing a meaningful role in regional integration processes at the SACU and SADC levels. One of the challenges we face is the articulation of the policy parameters we operate under and the assessment criteria that we use in adjudicating applications in such a way that we are not misunderstood.

What did your predecessor achieve that you want to continue from, and has the continuity always been one of the outstanding features of the Commission?

In the past, we have covered some ground in improving our efficiencies. What we need to focus on more is our effectiveness, i.e. looking at whether we are achieving the set objectives and the impact of our actions on the real economy.

You must have observed some wrongs that you want to rectify from the team that precedes you, does anything come to mind? If there is how are you planning to put it right?

One of my major concerns involves the area of the methodology we use in our investigations. In the past our predecessor, the BTT, tended to look at investigations on specific industries as islands with no forward and backward linkages in the value chain. This attitude has tended to self-perpetuate in the organisation. Whilst focusing on the need of the applicant we are now very much conscious of the value chain implications of our recommendations.

Seemingly cases of alleged dumping and subsidised exports form the major concerns for the Commission, can you tell us more?

We are more active in the field of anti-dumping and there is minimal activity in the field of actions against subsidised products as we have not received formal applications.

For the past four years we have not initiated any countervailing investigation against subsidised imports. On dumping, the first thing that should be clearly understood is that, dumping is not the depositing of inferior, worthless goods or waste in foreign markets.

It refers to a business practice, where exporters would sell products to foreign markets at prices less than the domestic price in their home country, with a view to

achieving economies of scale and hence maximising profits. When this practice causes injury in foreign markets, those markets are entitled in terms of WTO rules to act to protect jobs and investments from what is viewed as unfair import competition. When there is evidence of injurious dumping the Commission acts swiftly but when there is no evidence, no action against imports is recommended.

What are your other major concerns?

One of the challenges we face is that the nature of our work is such that in terms of the recommendations we make to the Minister, in almost all cases there is always an unhappy party.

We deal with differing and opposing interests in the value chain, from the production gate to distributors, processors, retailers and consumers. In some cases this unhappiness leads ITAC and the dti being taken to court for a review of the decisions that are made. These court reviews are not unique to South Africa. Other jurisdictions that are active in these trade instruments are faced with a similar challenge.

One would have thought that South Africa and China would enter into a bilateral trade agreement, this never happened and from this the 'important notice' regarding the China quota received wide publicity. Can you comment on this? What is the latest?

Entering into bilateral agreements is not our area of work. It is the competency of the International Trade and Economic Development Division of the dti. All we do in this regard is to provide technical advice to those provisions in such agreements that relate to our work.

The Chinese quotas were an outcome of a negotiation by the dti and we were only tasked with implementing a section of that agreement and the other section is handled by SARS.

What concrete changes are we expected to see in the functioning of the Commission for the upcoming financial year?

There is room for improvement in our turnaround times, as well as more proactiveness on the side of the Commission and better alignment with the dti.

We will continue with our rigorous analysis in respect of our investigations and a focused upgrade of the knowledge and skills profile of our investigators. This kind of work requires sound minds.