

DEPARTMENT OF TRADE, INDUSTRY AND COMPETITION
NOTICE 446 OF 2020
INTERNATIONAL TRADE ADMINISTRATION COMMISSION
CUSTOMS TARIFF APPLICATIONS
LIST 07/2020

The International Trade Administration Commission (herein after referred to as ITAC or the Commission) has received the following applications concerning the Customs Tariff. Any objection to or comment on these representations should be submitted to the Chief Commissioner, ITAC, Private Bag X753, Pretoria, 0001. Attention is drawn to the fact that the rate of duty mentioned in these applications is that requested by the applicant and that the Commission may, depending on its findings, recommend a lower or higher rate of duty.

CONFIDENTIAL INFORMATION

The submission of confidential information to the Commission in connection with customs tariff applications is governed by section 3 of the Tariff Investigations Regulations, which regulations can be found on ITAC's website at <http://www.itac.org.za/documents/R.397.pdf>.

These regulations require that if any information is considered to be confidential, then a non-confidential version of the information must be submitted, simultaneously with the confidential version. In submitting a non-confidential version the regulations are strictly applicable and require parties to indicate:

- Each instance where confidential information has been omitted and the reasons for confidentiality;*
- A summary of the confidential information which permits other interested parties a reasonable understanding of the substance of the confidential information; and*
- In exceptional cases, where information is not susceptible to summary, reasons must be submitted to this effect.*

This rule applies to all parties and to all correspondence with and submissions to the Commission, which unless clearly indicated to be confidential, will be made available to other interested parties.

The Commission will disregard any information indicated to be confidential that is not accompanied by a proper non-confidential summary or the aforementioned reasons. If a party considers that any document of another party, on which that party is submitting representations, does not comply with the above rules and that such deficiency affects that party's ability to make meaningful representations, the details of the deficiency and the reasons why that party's rights are so affected must be submitted to the commission in writing forthwith (and at the latest 14 days prior to the date on which that party's submission is due).

Failure to do so timeously will seriously hamper the proper administration of the investigation, and such party will not be able to subsequently claim an inability to make meaningful representations on the basis of the failure of such other party to meet the requirements.

1. REBATE FACILITY ON:

Warp knit fabrics classifiable under tariff heading 60.05 used in the manufacture of upholstered furniture classifiable under tariff subheadings 9401.61 and 9401.71, in such quantities, at such times and subject to such conditions as the International Trade Administration Commission may allow by specific permit

APPLICANT:

**Bravo Group Manufacturing (Pty) Ltd
Cnr Main Reef Road & Avon Street
Longdale Ext 2
Johannesburg
2093**

Enquiries: ITAC Ref: 06/2020, Enquiries: Ms A. Varachia and Ms K. Mzinjana Tel: (012) 394 3732/3664 or Email: avarachia@itac.org.za or kmzinjana@itac.org.za

REASONS AS STATED BY THE APPLICANT:

- The furniture manufacturing industry faces growing input costs in the manufacture of lounge furniture, which exceed normal Consumer Price Index (“CPI”), which makes it challenging for the industry to manufacture on a sustainable basis.
- The input subject material is currently not manufactured domestically and thus the possible relief of the input cost will enable the industry to maintain and grow employment and remain competitive in the SACU industry, competing amongst other with imported products from the East.

PUBLICATION PERIOD:

Representation should be submitted within four (4) weeks of the date of this notice.

2. REVIEW OF THE DESCRIPTION OF REBATE ITEM 304.07/0404.10/01.06 FOR DEMINERALISED WHEY POWDER FOR THE MANUFACTURE OF PREPARED INFANTS FOOD IN PART 1 OF SCHEDULE NO.1 TO THE CUSTOMS AND EXCISE ACT, NO. 91 OF 1964, WHICH READS AS FOLLOWS: “DEMINERALISED WHEY POWDER, FOR THE MANUFACTURE OF PREPARED INFANTS FOOD”

The review is conducted with a view to review the conditions of rebate item 304.07/0404.10/01.06 and clarify the limitation to demineralised whey powder taking into account the practices of the infant foodstuffs industry.

ENTITY:

South African Revenue Service (SARS)
Pretoria Head Office
299 Bronkhorst Street
NIEUW MUCKLENEUK
0181

Ref: 07/2020 Enquiries: Ms. Manini Masithela, at Tel: (012) 394-3682, Email: mmanithela@itac.org.za, Mr. J Mtinkulu, at Tel: (012) 394 3691, Email: jmtinkulu@itac.org.za or Mr Oatlotse Madito, at Tel: (012) 394-3692, Email: mmadito@itac.org.za.

THE REASONS PROVIDED FOR THE REVIEW IS AS FOLLOWS:

- a) The rebate item is currently contentious due to the lack of clarity as to what constitutes demineralised whey powder (DWP) and what the parameters are of its constituents.
- b) It has become increasingly difficult for SARS to administer the rebate item in view of the fact that some local manufacturers of infant food utilise whey protein concentrate (WPC) as a substitute for DWP as WPC has a similar composition to DWP.
- c) There is no consistency insofar as the specification for DWP and WPC is concerned and there is a possible overlap, in some instances, depending on which standard is being used. The said standards do not aid in providing a clear distinction between DWP and WPC.
- d) Trade data shows that goods imported under rebate item 304.07/0404.10/01.06 have been decreasing and ceased completely in 2019.

PUBLICATION PERIOD:

Representation should be submitted to the above address within **four (4) weeks** of the date of this notice.

3. DIRECTIVE TO INVESTIGATE AND EVALUATE THE CREATION OF REBATE FACILITIES TO ADDRESS THE SUPPLY OF TEXTILES FOR USE IN THE MANUFACTURE OF APPAREL

Creation of a 4th Schedule rebate, as follows: "Textile fabrics, classifiable in Section XI, for the manufacture of articles of apparel and clothing accessories, classifiable in Chapters 61 and 62, in such quantities, at such times and subject to such conditions as the International Trade Administration Commission may allow by specific permit, provided the fabric is not specifically covered by another rebate provision in Schedule No. 3 for the same industry and purpose". Such rebate to be subject to, *inter alia*, the following conditions:

- a) ITAC may limit the rebate provision to a list of qualifying fabrics, should it be deemed necessary. Such list to be determined and published by ITAC on its website, which is aligned and attached to reciprocal off-take commitments as identified by the DTIC, within the ambit of the R-CTFL Masterplan.
- b) Current volume and value offtake from local Textile Mills not to be reduced
- c) Develop opportunities to deepen the value chain
- d) Price Restraint
- e) Time-limited basis/Rebate review

[Note: Comments must be provided in the format of a questionnaire obtainable on ITAC's website at www.itac.org.za, by following the links: 'Services - Tariff investigations - Government Gazette Notices – Other publication notices.']

ENTITY:

The Department of Trade, Industry and Competition (DTIC)
77 Meintjies Street
PRETORIA
0001

[Ref: 05/2020 Enquiries: Mr Chris Sako, at Tel: (012) 394-3669, Email: csako@itac.org.za or Mrs Ayanda Gandhi, at Tel: (012) 394-3672, Email: endou@itac.org.za.]

THE REASONS PROVIDED FOR THE REVIEW IS AS FOLLOWS:

- a) Under the R-CTFL Masterplan, Government has committed to creating an enabling environment for investment and growth in the industry. In particular, commitment four calls for strategic use of tariffs and rebates.

Action points under commitment four include, *inter alia*, the review of rebate provisions on imported primary materials and components to support localisation of manufacturing, subject to:

- i) Demonstrated, measurable and enforceable employment and investment growth benefits;
 - ii) Future rebates subject to strict conditionalities (e.g. Bargaining Council compliance, tax compliance);
 - iii) Effective enforcement to prevent abuse; and
 - iv) Taking account of employment and production across the value chain, including textiles.
- b) The Government has been approached by retailers in the clothing sector, who have highlighted challenges in obtaining sufficient apparel due to disruption in their supply chains due to the spread of the COVID-19 virus. These issues were ventilated at inaugural Executive Oversight Committee meeting on the 12 March 2020, which was attended by representatives across the Retail, Clothing, Textile, Footwear and Leather (R-CTFL) value chain. Stakeholders have advised that appropriate would support accelerated localisation of apparel manufacturing in South Africa.”

PUBLICATION PERIOD:

Representations should be submitted to the above ITAC officials within two (2) weeks of the date of this notice, given the Minister’s Directive to urgently investigate and evaluate the subject matter.

4. REBATE FACILITY FOR THE IMPORTATION OF:

Flat-rolled products of iron or non-alloy steel, clad, plated or coated with tin (“tinplate”), classifiable under tariff subheadings 7210.11, 7210.12.10, 7210.12.90, and 7212.10.

APPLICANT:

International Trade Administration Commission of South Africa (ITAC)
Private Bag X75
PRETORIA
0001

Enquiries: ITAC Ref: 08/2020. Mr. Njabulo Mahlalela/ Ms. Pateka Busika. Tel: 012 394 3684/3595 or email nmahlalela@itac.org.za/pbusika@itac.org.za.

REASONS FOR THE APPLICATION (SELF-INITIATION):

- The subject products are no longer manufactured in the SACU region; and
- The current duty serves as an unnecessary cost-raising effect on the downstream industry.

PUBLICATION PERIOD:

Representations should be made within **two (2) weeks** of the date of notice.