

Dr Rob Davies, MP
Minister of Trade and Industry
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PRETORIA
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Dear Minister

M04/2016: AMENDMENTS TO THE AUTOMOTIVE PRODUCTION AND DEVELOPMENT PROGRAMME (APDP)

The Commission received a policy directive from the Minister of Economic Development to amend the APDP. The minimum annual plant volume threshold for participation in the APDP is to be reduced from 50 000 units to 10 000 units with effect from 1 January 2016. The Volume Assembly Allowance will commence at 10% at 10 000 units produced. It is to be increased by one percentage point with every additional 5 000 units up to 18% at 50 000 units.

The following are the changes recommended to Schedule 3 of the Customs and Excise Act:

a) Schedule No.3

Note 1.2 to rebate item 317.03

The Commission recommends that the definition of "VAA" where it appears in Note 1.2 to rebate item 317.03 of the Customs and Excise Act be amended to accommodate the minimum annual plant volume threshold for participation in the APDP from 50 000 units to 10 000 units as follows:

VAA" means the following percentages of the "value for VAA purposes":

(a) 20 per cent from 1 January 2013;

- (b) 19 per cent from 1 January 2014;
- (c) 18 per cent from 1 January 2015; and
- (d) With effect from 1 January 2016, according to the following sliding scale depending on the number of units produced-
- (i) 10 per cent for 10 000 units or more but not more than 14 999 units;
 - (ii) 11 per cent for 15 000 units or more but not more than 19 999 units;
 - (iii) 12 per cent for 20 000 units or more but not more than 24 999 units;
 - (iv) 13 per cent for 25 000 units or more but not more than 29 999 units;
 - (v) 14 per cent for 30 000 units or more but not more than 34 999 units;
 - (vi) 15 per cent for 35 000 units or more but not more than 39 999 units;
 - (vii) 16 per cent for 40 000 units or more but not more than 44 999 units;
 - (viii) 17 per cent for 45 000 units or more but not more than 49 999 units; and
 - (ix) 18 per cent for 50 000 units or more.



Siyabulela Tsengile

Chief Commissioner

Date: 30/06/16