

DEPARTMENT OF TRADE, INDUSTRY AND COMPETITION
NOTICE 302 OF 2021
INTERNATIONAL TRADE ADMINISTRATION COMMISSION
CUSTOMS TARIFF APPLICATIONS
LIST 06/2021

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. CREATION OF A 3RD SCHEDULE REBATE FACILITY ON:

Titanium dioxide classifiable under tariff subheading 3206.11 for use in the manufacture of white masterbatch classifiable under tariff subheading 3206.19.90 as follows: “*Pigments and preparations containing 80 per cent or more by mass of titanium dioxide calculated on the dry matter, classifiable under tariff subheading 3206.11, in such quantities, at such times and subject to such conditions as the International Trade Administration Commission may allow by specific permit for use in the manufacture of white masterbatch, containing 70 per cent of titanium oxide and 25 per cent polymer, classifiable under tariff subheading 3206.19.90*”.

APPLICANT:

Ferro South Africa (Pty) Ltd

10 Atomic Street

Vulcania

BRAKPAN

1554

Ref: 02/2021 **Enquiries:** Ms. Khosi Mzinjana, at Tel: (012) 394-3664, Email: kmzinjana@itac.org.za and Mrs. Amina Varachia, at Tel: (012) 394-3732, E-mail: avarachia@itac.org.za.

REASONS AS SUBMITTED BY THE APPLICANT INCLUDED, *INTER ALIA*, THE FOLLOWING:

- *“Titanium dioxide is a vital raw material used in the manufacture of white masterbatch and consists of approximately 75% of white masterbatch. Currently there is no local manufacturer of titanium dioxide. The last local manufacturer closed down its titanium dioxide manufacturing facility in 2016;*
- *Since the closure of Huntsman, all titanium dioxide used in the manufacture of white masterbatch can only be sourced from foreign suppliers. Despite, there being no local manufacturer, there is a 10% import duty on the vital raw material;*
- *In this regard, the duty currently serves no protection purpose as there is no local industry to protect. As it stands, the duty serves to unnecessarily increase the cost of importing titanium dioxide and consequently the cost and price of white masterbatch, which is a vital raw material, particularly in the plastics industry;*
- *Given the escalating global prices of titanium dioxide, it is imperative that an industrial rebate be created to reduce the cost burden. Further exacerbating the situation are the increasing costs of raw materials, labour, electricity, and fuel among other business costs. These have a significant impact and are negatively impacting manufacturing costs and consequently final prices to consumers and users of end products produced by the downstream manufacturing industry.*
- *The importance of providing protection on the investment being made by Nyanza Light Metals, is acknowledged. However, the rebate provides an equitable solution to all parties*

as the industrial rebate does not lead to a complete elimination of the duty on titanium dioxide."

PUBLICATION PERIOD:

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

2. AMENDMENT AND CREATION OF REBATE FACILITIES UNDER REBATE ITEM 311.42:

Rebate Item	Tariff sub heading	Description	Extent of Rebate
311.42	5212.1	"Other woven fabrics of cotton, of a mass not exceeding 200g/m ² , in rolls of width of 200cm or more, classifiable in tariff subheading 5212.1 such quantities, at such times and subject to such conditions as the International Trade Administration Commission may allow by specific permit for the manufacture of goods classifiable in tariff heading 63.02, 63.03, 63.04 and 94.04"	Full duty
311.42	5212.2	"Other woven fabrics of cotton, of a mass not exceeding 200g/m ² , in rolls of width of 200cm or more, classifiable in tariff subheading 5212.2 such quantities, at such times and subject to such conditions as the International Trade Administration Commission may allow by specific permit for the manufacture of goods classifiable in tariff heading 63.02, 63.03, 63.04 and 94.04"	Full duty
311.42	53.09	"Woven fabrics of flax, in rolls of a width of 200mm or more, classifiable in tariff heading 53.09, in such quantities, at such times and subject to such conditions as the International Trade Administration Commission may allow by specific permit, for the manufacture of goods classifiable in tariff headings 63.02, 63.03, 63.04 and 94.04"	Full duty
311.42	5512.1	"Woven fabric of synthetic staple fibres, containing 85 per cent or more by mass of polyester fibres, in rolls of a width of 200cm or more, classifiable in tariff subheading 5512.1 in such quantities, at such times and subject to such conditions as the International Trade Administration Commission may allow by specific permit, for the manufacture of goods classifiable under tariff headings 63.02, 63.03, 63.04 and 94.04"	Full duty

311.42	55.16	“ Woven fabrics of artificial staple fibres, in rolls of a width of 200cm or more, classifiable in tariff heading 55.16, in such quantities, at such times and subject to such conditions as the International Trade Administration Commission may allow by specific permit, for the manufacture of goods classifiable in tariff heading 63.02, 63.03,63.04 and 94.04”	Full duty
311.42	5903.10.90	“Textile fabrics impregnated, coated, covered or laminated with polyvinyl chloride, other in rolls of a width of 200cm or more, classifiable in tariff subheading 5903.10.90, in such quantities, at such times and subject to conditions as the International Trade Administration Commission may allow by specific permit, for the manufacture of goods classifiable in tariff heading 63.02, 63.03, 63.04 and 94.04”	Full duty
311.42	5903.90.90	“Other textile fabrics impregnated, coated, covered or laminated with plastics, other, in rolls of width of 200cm or more, classified in tariff subheading 5903.90.90, in such quantities, at such times and subject to such conditions as the International Trade Administration Commission may allow by specific permit, for the manufacture of goods classifiable in tariff headings 63.02, 63.03, 63.04 and 94.04”	Full duty
AMENDMENT OF THE BELOW MENTIONED REBATE ITEMS			
311.42	55.13	“Woven fabrics of synthetic fibres, containing less than 85 per cent by mass of such fibres, mixed mainly or solely with cotton, of a mass not exceeding 170 g/m ² , in rolls of a width of 200 cm or more, in such quantities, at such times and subject to such conditions as the International Trade Administration Commission may allow by specific permit, for the manufacture of goods classifiable in tariff headings 63.02, 63.03 and 63.04, by the deletion of rebate item 311.42/55.13/01.04 and the creation of a new rebate item for ‘Woven fabrics of synthetic fibres, containing less than 85 per cent by mass of such fibres, mixed mainly or solely with cotton, of a mass not exceeding 170 g/m ² , in rolls of a width of 200 cm or more, in such quantities, at such times and subject to such conditions as the International Trade Administration Commission may allow by specific permit, for the manufacture of goods classifiable in tariff headings 63.02, 63.03, 63.04 and 94.04’.	Full duty

311.42	55.14	“Woven fabrics of synthetic staple fibres, containing less than 85 per cent by mass of such fibres, mixed mainly or solely with cotton, of a mass exceeding 170 g/m ² , dyed or printed, in rolls of a width of 200 cm or more, in such quantities, at such times and subject to such conditions as the International Trade Administration Commission may allow by specific permit, for the manufacture of goods classifiable in tariff headings 63.02, 63.03 and 63.04” by the deletion of rebate item 311.42/55.14/01.04 and the creation of a new rebate item for ‘Woven fabrics of synthetic staple fibres, containing less than 85 per cent by mass of such fibres, mixed mainly or solely with cotton, of a mass exceeding 170 g/m ² , dyed or printed, in rolls of a width of 200 cm or more, in such quantities, at such times and subject to such conditions as the International Trade Administration Commission may allow by specific permit, for the manufacture of goods classifiable in tariff headings 63.02, 63.03, 63.04 and 94.04”	Full duty
311.42	5903.20.90	“Textile fabrics impregnated, coated, covered or laminated with polyurethane, in rolls of a width of 200 cm or more, classifiable in tariff subheading 5903.20 in such quantities, at such times and subject to such conditions as the International Trade Administration Commission may allow by specific permit, for the manufacture of mattress covers classifiable in tariff heading 63.02” by the deletion of rebate item 311.42/5903.20/01.08 and the creation of a new rebate item with the same description mentioned above.	Full duty

APPLICANT:**Sheraton Textiles Holdings (Pty) Ltd**

91 De Waal Road

Diep River

WESTERN CAPE

7800

Ref: 37/2012 Enquiries Ms Edith Gandhi, Tel: (012) 394 3672, Fax: (012) 394 4672 Email: endou@itac.org.za or Mr Christopher Sako, Tel: (012) 394 3669, Fax: (012) 394 4669 Email: csako@itac.org.za.

REASONS FOR THE APPLICATION AS STATED BY THE APPLICANT, INCLUDED, INTER ALIA:

- a) Home textile finished goods may be imported into South Africa subject to a duty of 30% (20% in case of filled products), whilst the fabrics incurs a duty of 22%. This gap is insufficient to allow local home textile manufacturers to compete with manufacturers of these products from countries in the East.
- b) All major home textile manufacturing countries (China, India and Pakistan) give significant export incentives to their manufacturers (In case of China, these are as high as 20%), which means in many cases that the fully duty paid, end products can be landed in South Africa at a price almost equivalent to the duty paid price of the fabric used to make the products.
- c) Further to this, the 22% duty applied to the fabrics was serving no purpose other than revenue generation, as the wide width fabrics used by the home textile sector are not manufactured in South Africa. It should be noted that in respect of the current application, none of the fabrics are manufactured in South Africa.
- d) This rebate provision has been credited by the home textile sector and its retail customers as the largest single positive factor in ensuring that, over the past 10 years of its existence, the level of localisation has increased significantly.

It has resulted not only in the prevention of job losses, but even more encouragingly, and in contrast to the rest of the textile sector, in creating new ones.

- e) The Applicant further indicated that they seek to update the list of fabrics covered by the rebate to cover new products that emerged since the inception of the 311.42 rebate as well as allowing for the broadening of the rebate to include black out curtaining (from coated fabrics) and in so doing ensure that local home textile manufacturers are able to meet the needs of their retail customers, hospitality, and institutions, and in the process create jobs needed to make these products.

PUBLICATION PERIOD:

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