

DEPARTMENT OF TRADE AND INDUSTRY

NOTICE 749 OF 2017

INTERNATIONAL TRADE ADMINISTRATION COMMISSION

CUSTOMS TARIFF APPLICATIONSLIST 11/2017

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 comments 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. APPLICATION FOR THE CREATION OF A TEMPORARY REBATE PROVISION ON HOT ROLLED STEEL STRUCTURAL STEEL CLASSIFIABLE UNDER TARIFF SUBHEADING 7208.25 AND 7208.26.

Rebate Item	Tariff Heading	Rebate code	Description	Extent of Rebate
460	7208.25	-	flat-rolled products of iron or non-alloy steel , in coils, not further worked than hot-rolled , pickled, of a thickness of 4.75 mm or more and a width exceeding 1 925 mm, <i>classifiable in tariff subheading 7208.25, in such quantities, at such times and subject to such conditions as the International Trade Administration Commission may allow by specific permit, provided the products are not available on the SACU market;</i>	Full duty
460	7208.26	-	<i>flat rolled products of iron or non-alloy steel, in coils, not further worked than hot-rolled, pickled of a thickness of 3 mm or more but less than 4.75 mm and a width exceeding 1 925 mm, classifiable in tariff subheading 7208.26, in such quantities, at such times and subject to such conditions as the International Trade Administration Commission may allow by specific permit, provided the products are not available on the SACU market.</i>	Full duty

APPLICANT:

Aveng Trident Steel, a division of Aveng Africa (Pty) Ltd
P O BOX 124054
ALRODE
1451

ENQUIRIES: ITAC Ref: **03/2017**, Enquires: Nompumelelo Mahlangu/Nonhlanhla Khumalo/Pardon Hadzhi, Tel: 012 394 3595/3693/3634 or email: nmahlangu@itac.org.za/nkhumalo@itac.org.za/phadzhi@itac.org.za.

REASONS FOR THE APPLICATION AS STATED BY THE APPLICANT:

- There is no local manufacturer of the subject products in the SACU Region.
- In ITAC Report 524, It was resolved that the steel industry and/or its sub-sectors should work with ITAC in identifying policy space for tariff support for downstream steel industry. This includes the creation of additional rebate facilities where the raw material used or imported are not manufactured in South Africa.
- There is no alternative for users of the products concerned, other than to import and therefore levying of duties will have an unnecessary cost raising effect for downstream users.

PUBLICATION PERIOD:

Written representations must be made within four **(4) weeks** of the date of this notice.

2. REDUCTION IN THE RATE OF DUTY ON:

Canola/Rape seed classifiable under tariff subheading 1205.10 from 10 per cent *ad valorem* to free of duty, used for sowing purposes.

APPLICANT:
Agricol (Pty) Ltd
 37 Eagle Street
 BRACKENFELL
 7560

Enquiries: ITAC Ref: 06/2017, 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:

- a) With the introduction of high yielding hybrid varieties, the retention of seed by farmers has become less viable. This has prompted the importation of majority of the canola seed used by farmers for sowing purposes to grow canola supplied to oil processing facilities. The current customs duty thus increases the input costs of farmers.
- b) As canola competes directly with other crops such as wheat for arable land, the farmers will prefer to source a lower input crop with a higher return and thus other crop seeds are preferred. This of course does have an impact on the canola seeds crushing plants that must import the seed.
- c) The reduction in the rate of customs duty will allow for the importation of the seeds for sowing at a competitive price ensuring that the industry can grow and also supply the subject product at competitive prices which will also benefit and expand the canola oil industry.

PUBLICATION PERIOD:

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

3. CREATION OF A REBATE PROVISION FOR THE IMPORTATION OF I AND H SECTIONS, OF IRON OR NON-ALLOY STEEL, NOT FURTHER WORKED THAN HOT-ROLLED, HOT-DRAWN OR EXTRUDED OF A HEIGHT OF 530 MM OR MORE AND OF A HEIGHT AND WIDTH OF 300 MM X 300 MM OR MORE CLASSIFIABLE UNDER TARIFF HEADING 7216.32 AND 7216.33:

Rebate Item	Tariff Heading	Rebate code	Description	Extent of Rebate
460	7616.32	-	I sections of iron or non-alloy steel not further worked than hot-rolled, hot-drawn or extruded, of a height of 530 mm or more, classifiable in tariff subheading 7216.32, in such quantities, at such times and subject to such conditions as the International Trade Administration Commission may allow by specific permit, provided the products are not available on the SACU market; and	Full duty

460	7216.33	-	H sections of iron or non-alloy steel not further worked than hot-rolled, hot-drawn or extruded, of a height and width of 300 mm X 300 mm or more, classifiable in tariff subheading 7216.33, in such quantities, at such times and subject to such conditions as the International Trade Administration Commission may allow by specific permit, provided the products are not available on the SACU Market.	Full duty
-----	---------	---	---	-----------

APPLICANT:

International Trade Administration Commission of South Africa

Thedti Campus (Building E, First Floor)

77 Meintjies Street

Sunnyside

Pretoria

0002

Enquiries: ITAC Ref: 12/2017, Enquires: Ms. Nonhlanhla Khumalo, Ms. Pateka Busika and / or Mr. Pardin Hadzhi, Tel: 012 394 3693/43595/43634 or alternatively e-mail nkhumalo@itac.org.za/pbusika@itac.org.za/phadzhi@itac.org.za

REASONS FOR THE APPLICATION:

- There are no local manufacturers of the subject products in the SACU region; and
- The current duty has an unnecessary cost raising effect for the downstream industry.

PUBLICATION PERIOD:

Written representations must be made within four **(4) weeks** of the date of this notice.

4. EXCLUSION OF ADULT DIAPERS UNDER REBATE ITEM 412.13 AND AMENDMENT OF REBATE ITEM 320.12 WHICH PROVIDES FOR THE DUTY FREE IMPORTATION OF RAW MATERIALS USED IN THE MANUFACTURING OF BABY DIAPERS TO ALSO INCLUDE ADULT DIAPERS

APPLICANT:

Validus Medical (Pty) Ltd

23 Eaton Avenue

Bryanston

Johannesburg

2128

[ITAC reference: (02/2017); Enquiries: Siphon Tshabalala, E-mail: stshabalala@itac.org.za, Tel: (012) 394 3739]

REASONS FOR THE APPLICATION AS SUBMITTED BY THE APPLICANT:

- "Validus mainly imports raw materials for purposes of manufacturing adult diapers
- Rebate item 412.13 of the Schedule 4 to the Customs and Excise Act provides for a full rebate of duty on imported adult diapers. However, there is no concomitant provision to rebate duty on the raw materials needed to manufacture these products (adult diapers)

PUBLICATION PERIOD:

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

5. INCREASE IN THE RATE OF DUTY ON:

Coated paper and paper board classifiable under tariff subheading 4810.92.90, from free of duty to 5 per cent *ad valorem*.

APPLICANT:

Mpact Operations (Pty) Ltd t/a Mpact Paper – Springs Mill

82-84 Steel Road

New Era

Springs

1559

Enquiries: ITAC Ref: 03/2017, Enquiries: Ms. M Masithela and Mr. O Madito Tel: (012) 394 3682/3692 or Email: mmasithela@itac.org.za / omadito@itac.org.za

REASONS AS STATED BY THE APPLICANT:

The applicant submitted that the requested increase in the customs duty is needed to:

- a) Stimulate further development of the SACU paper manufacturing sector and the associated industry/sector pipeline;
- b) Compensate industry for certain competitive disadvantages it experiences;
- c) Level the playing field vis-à-vis duties protection in the exporter countries by aligning the SACU import tariffs on subject product/s to levels that are justifiable and comparable to those in competing/similar economies;
- d) Provide a small but critically important "buffer" against increasingly rapid fluctuations of market conditions in the global economy; and foreign exchange fluctuations influencing the local economy; and
- e) Protect SACU producers' capacity and market share in the domestic market to provide an effective and stable base market to support local manufacturing and substantial on-going investment to ensure industry sustainability.

PUBLICATION PERIOD:

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