

DEPARTMENT OF TRADE AND INDUSTRY
NOTICE 1168 OF 2015

INTERNATIONAL TRADE ADMINISTRATION COMMISSION

CUSTOMS TARIFF APPLICATIONS

LIST 12/2015

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 applicants 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. INCREASE IN THE GENERAL RATE OF CUSTOMS DUTY ON:

“Gas stoves classifiable under tariff subheading 7321.11 from 15% to 30% *ad valorem* by way of creating an additional 8-digit tariff subheading”

APPLICANT:

Defy Appliances (Pty) Ltd

P.O Box 12004

Jacobs

4026

Enquiries: ITAC Ref: 24/2015, Enquiries: Mr Dumisani Mbambo/ Mr Daniel Thwala, Tel: 012 394 3743/5162 or email dmbambo@itac.org.za/dthwala@itac.org.za.

REASONS FOR THE APPLICATION:

The applicant submitted, *inter alia*, the following reasons for the application:

- i. Defy was importing the subject product in the past. However, in order to expand the investment and market in SACU and eventually in Africa, Defy started manufacturing the subject product in July 2014 in South Africa;
- ii. However, as a result of imports from abroad, Defy is not competitive with the imports into SACU taking into account the current ratio on cost (plant utilisation and economies of scale), which leads to higher unit costs of production, reduced profitability and eventually unemployment;
- iii. To protect and maintain the equivalent investment and current decent jobs, Defy needs had to apply to the Commission for an increase in customs duty in order to allow Defy to be able to compete with low-priced imports into SACU;
- iv. The increase in tariff will not only ensure job retention, but it will also allow the company to gain additional market share and therefore increase local production which will result in additional employment; and
- v. The increase in tariffs will also support future plans for the introduction of additional range of gas stoves, and especially the planned production of the two new models in the second half of 2015 in Jacobs's factory based in Durban.

PUBLICATION PERIOD:

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

2. REBATE OF THE DUTY ON:

Woven fabrics of polyester staple fibres, containing 60 per cent or more by mass of such fibres but not exceeding 70 per cent, mixed mainly or solely with cotton, with a dtex of 115 but not exceeding 145, of a mass exceeding 100 g/m² but not exceeding 119 g/m², dyed, plain weave, classifiable in tariff subheading 5513.21 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 shirts classifiable in tariff headings 62.05 and 62.06.

APPLICANT:

Pep Clothing, Division of Pepkor Retail (Pty) Ltd.

P O Box 6027

Parow East

7501

[Ref: (24/2014) Enquiries Ms T Morale, Tel: (012) 394 3694, Fax: (012) 394 4694 Email: tmorale@itac.org.za; Chris Sako Tel No (012) 394 3669, Fax no: (012) 394 4669 Email: csako@itac.org.za.]

REASONS FOR THE APPLICATION AS STATED BY THE APPLICANT:

- ∞ There are no local manufacturers of the products in question within the SACU region known to manufacture the subject product at the required technical specification, laboratory performance, volume and price.
- ∞ *Should the creation of a rebate provision be supported*, Pep Clothing will be well positioned to compete against similar school shirt products currently being imported, thereby providing the added benefit of increasing the absorption of factory overheads and further reducing manufacturing costs.
- ∞ Pep Clothing is under threat of losing more market-share to imported finished garments unless relief in the form of duty rebate on the shirting fabric is offered. The additional cost and the subsequent loss of sales will have a significant impact on the business as a whole as well as the downstream impact on employees and their dependents, bearing in mind that a clothing industry employee supports at least 10 dependents.

A draft of the guidelines, rules and conditions pertaining to the proposed rebate provision is available on the ITAC website (www.itac.org.za) for comment.

PUBLICATION PERIOD:

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

3. REDUCTION IN THE RATE OF CUSTOMS DUTY ON:

Aluminium printing plates classifiable under tariff subheading 3701.30.25, from 15% ad valorem to free of duty.

APPLICANT:

Antalis South Africa (Pty) Ltd
17 Roper Street
New Centre
Johannesburg
2000

[Ref: 14/2015] Enquiries: Ms. Amina Varachia, Tel: (012) 394 3732, Fax: (012) 934 4732, E-mail: avarachia@itac.org.za or Ms. Khosi Mzinjana, Tel: (012) 394 3664, Fax: (012) 934 4664, E-mail: kmzinjana@itac.org.za

REASONS FOR THE APPLICATION AS STATED BY THE APPLICANT:

- There is no SACU manufacturer of aluminium printing plates. The last existing known manufacturer (First Graphics) closed down about 10 years ago.
- The current 15% duty has become an unnecessary cost burden, given that there are no more domestic manufacturers.
- The suppliers and users of the subject product have no alternative apart from importing the subject product.

PUBLICATION PERIOD:

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

LIST 11/2015 WAS PUBLISHED UNDER NOTICE 1007 OF 23 OCTOBER 2015.