

No. R. 1238

8 December 2006

SOUTH AFRICAN REVENUE SERVICE

**CUSTOMS AND EXCISE ACT, 1964
AMENDMENT OF SCHEDULE NO. 10 (10/8)**

Under section 49(5) and for the purposes of subsection (1)(a) of the Customs and Excise Act, 1964, Schedule No. 10 is amended by the insertion of ~~Part~~ **5**, with effect from **1 January 2007**.

**J MOLEKETI
DEPUTY MINISTER OF FINANCE**

“Part 5

Memorandum of understanding between the Government of the Republic of South Africa and the Government of the People’s Republic of China on promoting bilateral trade and economic cooperation.

**MEMORANDUM OF UNDERSTANDING
BETWEEN
THE GOVERNMENT OF THE REPUBLIC OF SOUTH AFRICA
AND THE GOVERNMENT OF THE PEOPLE'S REPUBLIC OF CHINA
ON
PROMOTING BILATERAL TRADE
AND ECONOMIC COOPERATION**

Preamble

The Government of the Republic of South Africa and the Government of the People's Republic of China (hereinafter jointly referred to as the "Parties" and in the singular as a "Party");

PURSUANT to the talks on bilateral trade, and economic and technological cooperation ;

WILLING to further expand bilateral economic and trade cooperation between the Parties under the principle of equal cooperation and mutual benefit;

ACCEPTING each Party's Views over the issues of trade remedies, restructuring of the textiles and apparel industry, resource and technological cooperation, policy and institutional support framework, and having recognised China's Market Economy Status in June 2004;

**ACKNOWLEDGING positive achievements obtained through friendly cooperation in the fields of economy and trade since the establishment of diplomatic ties between the two countries;
and**

DESIROUS to continue to strengthen and elevate bilateral economic and trade relations to a higher level and expand them into more extensive fields;

HEREBY AGREE as follows:

Article I

Definitions

In this Memorandum of Understanding unless the context indicates otherwise—

"South Africa" means the Government of the Republic of South Africa;

"China" means the Government of the People's Republic of China;

"this Memorandum of Understanding" includes the Annexure hereto.

Article 2

Competent Authorities

The competent authorities responsible for the implementation of this Memorandum of Understanding shall —

- (a) in the case of the Republic of South Africa, be the Department of Trade and Industry; and
- (b) in the case of the People's Republic of China, be the Ministry of Commerce.

Article 3

Trade Remedy

- (1) The Parties agree to enhance dialogue on anti-dumping investigations, grant equal treatment to enterprises from both sides, and address differences through consultation.
- (2) For purposes of Article 3(1), the Parties' shall sign the Record of Understanding on Anti-dumping Investigation to —
 - (a) implement South Africa's commitment to recognize China as a market economy; and
 - (b) establish a mechanism of cooperation between the Parties' anti-dumping investigation authorities.
- (3) In view of the arrangement made by the Parties pertaining to the textile and apparel trade, South Africa commits itself to not applying Article 16 of the Protocol on Accession of China to the World Trade Organisation, and Paragraph 242 of the Report of the Working Party on the Accession of China against products originating from China, with the understanding that contentious trade issues shall be dealt with in an amicable manner.

Article 4

Textiles and Apparel Industry Restructuring

- (1) China shall provide special assistance to South Africa for the purpose of contributing to projects or the training and exchange of information, skills and expertise in the textiles and apparel industry. Such projects will be identified through mutual consultation.

- (2) China shall encourage and support Chinese textiles and apparel companies to invest in South Africa and South Africa shall provide the necessary facilitation.
- (3) China hereby confirms its inclusion of South Africa in *The Guiding Directory of Countries For Overseas Investment Industries*.
- (4) China shall embrace increased imports from textile and apparel companies in South Africa.
- (5) South Africa shall urge its textile and apparel companies to increase their understanding of the Chinese market
- (6) The Parties shall administer the trade in a number of textiles and apparel products as set out in the Annexure.

Article 5

Joint Resource Development and Technological Cooperation

- (1) South Africa shall encourage South African companies to explore mutually beneficial co-operation with their Chinese counterparts, including in the field of technology transfer in mining and energy.
- (2) The Parties shall commit themselves to providing investment facilitation for companies in resource development and related business, including the timely sharing of information requested on the transfer and sales of the ownership of related mineral resources.
- (3) South Africa shall compile a list of competent BEE (Black Economic Empowerment) companies and encourage their cooperation with Chinese companies.

Article 6

Framework of Institutional and Policy Support

- (1) The Parties shall, through their customs administrations and in accordance with the provisions set out in this Memorandum of understanding, afford each other mutual assistance
 - (a) to ensure that the customs law in force in their respective territories is properly observed;
 - (b) to prevent, investigate and combat customs offences

- (2) For the purposes of ~~customs co-operation~~, the ~~customs administrations~~ of the Parties have had in-depth ~~discussions~~ and Will conclude a framework on ~~customs co-operation~~.
- (3) The Parties ~~shall enhance cooperation~~ to ~~further rectify~~ and standardize ~~bilateral trade relations~~ with the aim of ~~promoting sound, stable and sustained~~ development of ~~bilateral~~ trade.
- (4) The Parties ~~shall~~ encourage and ~~support enterprises~~ to engage in events such as ~~marketing~~ and commodity exhibitions, and ~~increase exportation~~ to each other's markets in various ~~ways~~.
- (5) South Africa commits itself to ~~reviewing~~ its ~~current~~ policies and practices in order to—
 - (a) ~~facilitate the speedy processing of visa applications in accordance with its domestic law with the understanding that this is done to—~~
 - (i) ~~create a better and stable environment for trade and investment; and~~
 - (ii) ~~attract more Chinese enterprises to invest in the Republic of South Africa;~~
 - (b) ~~conduct trade activities that can help to create more job opportunities in the Republic of South Africa; and~~
 - (c) ~~farther promote bilateral trade and economic cooperation between the Parties~~

Article 7

Amendments

This Memorandum of Understanding may be ~~amended~~ by mutual consent of the Parties through an Exchange of Notes ~~between~~ the Parties.

Article 8

Settlement of Disputes

Any dispute arising out of the interpretation, application or implementation of

Article 8
Settlement of Disputes

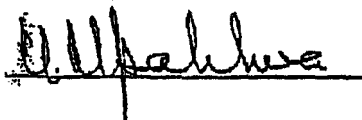
Any dispute arising out of the interpretation, application or implementation of the provisions of this Memorandum of Understanding shall be settled amicably through consultations or negotiations between the Parties.

Article 9
Entry into Force, Duration and Termination

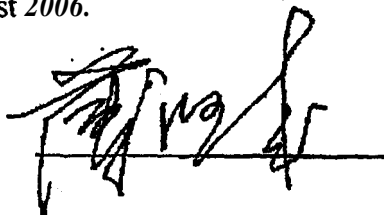
- (1) This Memorandum of Understanding shall remain in force unless terminated through mutual consultation. *Either Party* shall give six months notice in advance through the diplomatic channel of its intention to terminate it.
- (2) The Parties agree to meet at least once a year to review matters.
- (3) The Memorandum of Understanding shall enter into force upon the last signature thereof.

IN WITNESS WHEREOF the undersigned, being duly authorised thereto by their respective Governments, have signed and sealed this Memorandum of Understanding in two originals in the English and Chinese languages, both texts being equally authentic.

DONE at Pretoria on this 28th day of August 2006.



MANDISI MPAHLWA



BO XILAI

FOR THE GOVERNMENT
OF THE REPUBLIC OF SOUTH
AFRICA

FOR THE GOVERNMENT
OF THE PEOPLE'S REPUBLIC OF
CHINA

ANNEXURE

Export of Certain Chinese Textile and Apparel Products to the Republic of South Africa

(1) From entry into force until 31 December 2008, the export of the 31 tariff lines of Chinese products to South Africa, as listed in the table below, shall be administered in accordance with the volumes specified in said table.

ITEM	Description	Unit	2006*	2007	2008
5208	Woven cotton fabric, >85% cotton, 100 or 200g/m ²	kg	2,635,859	3,004,879	3,425,562
5209	Woven cotton fabric, >200g/m ²	kg	4,400,371	5,280,445	6,336,535
5210	Woven cotton fabric, <85% cotton, + manmade fibre <200g/m ²	kg	457,151	539,438	636,537
5514	Woven fabrics of polyester + cotton >170g/m ²	kg	1,495,711	1,764,939	2,082,628
6005	Warp knit fabrics	kg	547,532	635,137	736,759
6006	Other knitted or crocheted fabrics	kg	2,372,788	2,704,978	3,083,675
6303	Curtains	kg	4,432,298	4,778,018	5,150,703
6103.4	Men's knitted trousers	no.	4,281,423	4,666,751	5,086,759
6104.3	Women's knitted jackets	no.	808,896	881,696	961,049
6104.5	Women's knitted skirts	no.	3,147,035	3,430,268	3,738,992
6104.6	Women's knitted trousers	no.	5,463,905	5,955,657	6,491,666
6105	Men's knitted shirts	no.	4,940,906	5,385,587	5,870,290
6106	Women's knitted blouses	no.	9,011,962	9,823,039	10,707,112
6107.1	Men's knitted underpants	no.	9,112,087	9,932,175	10,826,071
6108.2	Women's knitted panties	no.	30,384,254	33,118,836	36,099,532
6111	Babies knitted garments	kg	1,557,721	1,713,493	1,884,842
6201.9	Men's woven windbreakers	no.	1,920,567	2,070,371	2,231,860
6202.1	Women's woven overcoats	no.	1,449,691	1,594,660	1,754,126
6202.9	Women's woven windbreakers	no.	780,900	874,608	979,561
6203.1	Men's woven suits	no.	254,855	295,632	342,934
6203.3	Men's woven jackets	no.	2,940,367	3,205,000	3,493,450
6203.4	Men's woven trousers	no.	24,759,141	26,690,354	28,772,201
6204.3	Women's woven jackets	no.	3,204,244	3,524,668	3,877,135
6204.4	Women's woven dresses	no.	1,059,326	1,165,259	1,281,785

6204.5	Women's woven skirts	no.	8,304,100	8,951,820	9,650,062
6204.6	Women's woven trousers	no.	22,527,103	24,284,217	26,178,386
6205	Men's woven shirts	no.	13,716,497	14,950,981	16,296,570
6206	Women's woven blouses	no.	10,189,257	11,411,968	12,781,404
6211.3(90)	Men's woven tracksuits	kg	961,401	1,057,541	1,163,295
	6211.31.90				
	6211.32.90				
	6211.33.90				
	6211.39.90				
6211.4(90)	Women's woven tracksuits	kg	232,098	259,949	291,143
	6211.41.90				
	6211.42.90				
	6211.43.90				
	6211.49.90				
6212.1	Bras	kg	667,184	747,246	836,916

* Actual volumes of 2006 will be calculated on the pro rata basis.

(2) In view of implementing this Annexure, South Africa shall administer import of the products indicated in the above table. China will provide necessary cooperation. For this purpose, the precise modalities shall be developed to ensure smooth implementation.

(3) South Africa shall provide the statistics of actual import data of the products indicated in the above table on a monthly basis."