
GOVERNMENT NOTICE

DEPARTMENT OF TRADE AND INDUSTRY

No. R. 269

27 March 2007

INTERNATIONAL TRADE ADMINISTRATION COMMISSION OF SOUTH AFRICA

IMPORT RESTRICTIONS AND REGULATIONS ON TEXTILES AND CLOTHING ORIGINATING FROM THE PEOPLE'S REPUBLIC OF CHINA

I, Mandisi Mpahlwa, in my capacity as Minister of Trade and Industry, acting under the powers vested in me by Section 6 of the International Trade Administration Act, 2002 (Act 71 of 2002) (*"the Act"*) hereby prescribe that-

- (a) goods described in Schedule A originating from the People's Republic of China (*"PRC"*) shall not be imported into the Republic of South Africa (*"South Africa"*) except by virtue of a Special Import Permit Certificate (*"SIPC"*) issued in terms of section 6 of the Act, and in which such goods are specifically described;
- (b) goods described in Schedule A shall not be shipped to the Republic of South Africa unless the importer is in possession of an appropriate valid SIPC issued in terms of section 6 of the Act, and in which such goods are specifically described;
- (c) only the goods of a class and kind specified in the SIPC may be imported thereunder;
- (d) the International Trade Administration Commission of South Africa (*"the Commission"*) will issue a single SIPC to an authorised party for the importation and clearance of goods described in Schedule B during the period covered by these regulations;
- (e) the quota per tariff heading indicated in the SIPC shall be valid for the importation and clearance of an quantity of such quota for the calendar year specified in the SIPC, which specific allocation will be valid until 31 December of the year for which the quota was allocated;
- (9) goods referred to in Schedule A that arrive at ports of entry in South Africa and for which the importer cannot produce a valid SIPC shall be deemed to have been imported in contravention of the Act, and will be subject to detention and seizure by the South African Revenue Service (*"SARS"*);
- (g) notwithstanding the provisions of paragraph (a), (b), (c), (d), (e) and (9) above, no SIPC shall be necessary for the importation of goods referred to in Schedule A if –
 - (i) the goods are for personal use imported by a *bona fide* immigrant or temporary resident;
 - (ii) the goods are for personal use imported by a returning resident

or national returning to South Africa after having been outside of South Africa for a period in excess of 6 months;

(iii) the goods are for personal use imported by a non-resident, resident or national and the goods do not exceed 20kg or 20 units per consignment in accordance with the statistical unit relevant to the customs tariff number;


(iv) the goods are temporary Imported in terms of rebate items 470.01 and 476.03 of Schedule 4 of the Customs and Excise Act, 1964, (Act 91 of 1964) (*the Customs Act*); or

(v) the goods are imported in terms of rebate items 406.02, 406.03, 406.05, 406.06, 406.07, 480.00 and 490.00 of Schedule 4 of the Customs Act;

(h) nothing in this notice shall absolve an importer from the obligation of also complying with the provisions of any other legislation relating to the importation of the specified goods into South Africa, originating from the PRC;

(l) the Commission and/or the Commissioner for the SARS will not be held responsible for any losses incurred by any party as a result of the enforcement of these regulations; and

(j) this notice and the regulations contained herein, which said regulations are made in terms of the section 59(a) and (b) of the Act, after consultation with the Commission, replaces the notice and regulations contained in Government Gazette Na 29316 dated 20 October 2006 which came into effect on 1 January 2007 and this notice and regulations shall also be deemed to have come into effect on 1 January 2007.


Mandisi Mpahlwa, M P
Minister of Trade and Industry

SCHEDULE A

<u>Description of goods</u>	<u>Tariff heading</u>
Woven fabrics of cotton, containing 85 percent or more by mass of cotton, of a mass not exceeding 200 g/m ² .	52.08
Woven fabrics of cotton, containing 85 percent or more by mass of cotton, of a mass exceeding 200 g/m ² .	52.09
Woven fabrics of cotton, containing less than 85 percent of cotton, mixed mainly or solely with man-made fibres, of a mass not exceeding 200 g/m ² .	52.10
Woven fabrics of synthetic staple fibres, containing less than 85 percent by mass of such fibres, mixed mainly or solely with cotton, of a mass exceeding 170g/m ² .	55.14
Warp knit fabrics (including those made on galloon knitting machines) (excluding those of headings 60.01 to 60.04).	60.05
Knitted or crocheted fabrics.	60.06
Men's or boys' trousers, bib and brace overalls, breeches and shorts:	
<ul style="list-style-type: none"> - of wool or fine animal hair - of cotton - of synthetic fibres - of other textile materials 	6103.4
Women's or girls' jackets and blazers:	6104.3
<ul style="list-style-type: none"> - of wool or fine animal hair - of cotton - of synthetic fibres - of other textile materials 	

Women's and girls' skirts and divided skirts:	6104.5
- of wool or fine animal hair	
- of cotton	
- of synthetic fibres	
- of other textile materials	
Women's and girls' trousers, bib and brace overalls, breeches and shorts:	
- of wool or fine animal hair	6104.6
- of cotton	
- of man made fibres	
- of other textile materials	
Men's or boys' shirts, knitted or crocheted	61.05
Women's or girls' blouses, shirts and shirts-blouses, knitted or crocheted	61.06
Men's or boys' underpants, and briefs knitted or crocheted:	
- of cotton	6107.1
- of man-made fibres	
- of other textile materials	
Women's or girls' panties and briefs knitted or crocheted	6108.2
- of cotton	
- of man made fibres	
- of other textile materials	
Babies' garments and clothing accessories, knitted or crocheted	61.11
- of wool or fine animal hair	
- of cotton	
- of synthetic fibres	
- of other textile materials	
Women's and girls' overcoats, raincoats, car-coats, capes, cloaks and similar articles:	
- of wool or fine animal hair	6202.1
- of cotton	
- of man made fibres	
- of other textile articles	

Men's and boys' overcoats, car-coats, capes, cloaks and similar articles: Other: -	6201.9
- of wool or fine animal hair	
- of cotton	
- of man-made fibres	
- of other textile materials	
Women's and girls' overcoats, raincoats car-coats, capes, cloaks and similar articles: Other: -	6202.9
- of wool or fine animal hair	
- of cotton	
- of man-made fibres	
- of other textile materials	
Men's or boys' suits, (excluding swimwear)	6203.1
- of wool or fine animal hair	
- of synthetic fibres	
- of other textile materials	
Men's or boys' jackets and blazers:	6203.3
- of wool or fine animal hair	
- of cotton	
- of synthetic fibres	
- of other textile materials	
Men's and boys' trousers, bib and brace overalls, breeches and shorts:	6203.4
- of wool or fine animal hair	
- of cotton	
- of synthetic fibres	
- of other textile materials	
Women's and girls' jackets and blazers:	6204.3
- of wool or fine animal hair	
- of cotton	
- of synthetic fibres	
- of other textile materials	
Women's and girls' dresses:	6204.4
- of wool or fine animal hair	
- of cotton	
- of synthetic fibres	
- of article fibres	

Women's and girls' skirts and
divided skirts:

- of wool or fine animal hair 6204.5
- of cotton
- of synthetic fibres
- of other textile materials

Women's and girls' trousers, bib
and brace overalls, breeches and
shorts:

- of wool or fine animal hair 6204.6
- of cotton
- of synthetic fibres
- of other textile materials

Men's and boys' shirts 62.05

Women's or girls' blouses, shirts
and shirt-blouses 62.06

Tracksuits, ski suits and swimwear;
other garments, men's or boys' 6211.3(90)

Tracksuits, ski suits and swimwear;
other garments, women's or girls' 6211.4(90)

Brassieres 6212.1

Curtains (including drapes) and
interior blinds; curtain or bed
valances 63.03

SCHEDULE B

REGULATIONS FOR IMPORT CONTROL ON CLOTHING AND TEXTILES
ORIGINATING FROM THE PEOPLES REPUBLIC OF CHINA.

- _Emanating from the Memorandum of Understanding signed between the Government of the Republic of South Africa and the Government of the People's Republic of China (PRC), the importation of the textiles and clothing originating from the PRC **listed** hereunder will be restricted by mass or unit in accordance with the tables and for the calendar years (2007 and 2008) reflected in the tables below:

Item	Description	Unit
5208	Woven fabrics of cotton, containing 85 percent or more by mass of cotton, of a mass not exceeding 200 g/m ² .	kg
	2007	2008
Quota	3,004,879	3,425,562

Item	Description	Unit
5209	Woven fabrics of cotton, containing 85 percent or more by mass of cotton, of a mass exceeding 200 g/m ² .	kg
	2007	2008
Quota	5,280,445	6,336,535

Item	Description	Unit
5210	Woven fabrics of cotton, containing less than 85 percent of cotton, mixed mainly or solely with man-made fibres, of a mass not exceeding 200 g/m ² .	kg
	2007	2008
Quota	539,438	636,537

Item	Description	Unit
5514	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 170g/m ² .	kg
	2007	2008
Quota	1,764,939	2,082,628

Item	Description	Unit
6005	Warp knit fabrics (including those made on galloon knitting machines) (excluding those of headings 60.01 to 60.04).	kg
	2007	2008
Quota	635,137	736,759

Item	Description	Unit
6006	Knitted or crocheted fabrics.	kg
	2007	2008
Quota	2,704,978	3,083,675

Item	Description	Unit
6103.4	Men's or boys' trousers, bib and brace overalls, breeches and shorts: - of wool or fine animal hair - of cotton - of synthetic fibres - of other textile materials	Units
	2007	2008
Quota	4,666,751	5,086,759

Item	Description	Unit
6104.3	Women's or girl's jackets and blazers: - of wool or fine animal hair - of cotton - of synthetic fibres - of other textile materials	Units
	2007	2008
Quota	881,696	961,049

Item	Description	Unit
6104.5	Women's and girls' skirts and divided skirts: - of wool or fine animal hair - of cotton - of synthetic fibres - of other textile materials	Units
	2007	2008
Quota	3 430 268	3,738,992

Item	Description	Unit
6104.6	Women's and girls' trousers, bib and brace overalls, breeches and shorts: - of wool or fine animal hair - of cotton - of man made fibres - of other textile materials	Units
	2007	2008
Quota	5,955,657	6,491,666

Item	Description		Unit
6105	Men's or boys' shirts, knitted or crocheted		Units
	2007	2008	
Quota	5,385,587	5,870,290	

Item	Description		Unit
6106	Women's or girls' blouses, shirts and shirts-blouses, knitted or crocheted		Units
	2007	2008	
Quota	9,823,039	10,707,112	

item	Description		Unit
6107.1	Men's or boys' underpants, and briefs knitted or crocheted: of cotton - of man-made fibres - of other textile materials		Units
	2007	2008	
Quota	9,932,175	10,826,071	

item	Description		Unit
6108.2	Women's or girls' panties and briefs		Units
	2007	2008	
Quota	33,118,836	36,099,532	

item	Description		Unit
6111	Babies garments and clothing accessories, knitted or crocheted - of wool or fine animal hair - of cotton - of synthetic fibres - of other textile materials		kg
	2007	2008	
Quota	1,713,493	1,884,842	

Item	Description		Unit
6201.9	Men's and boys' overcoats, car- coats, capes, cloaks and similar articles: Other:- - of wool or fine animal hair - of cotton - of man-made fibres - of other textile materials		Units
	2007	2008	
Quota	2,070,371	2,231,860	

Item	Description	Unit
6202.1	Women's and girls' overcoats, raincoats, car-coats, capes, cloaks and similar articles: -of wool or fine animal hair	Units
	2007	2008
Quota	1,594,660	1,754,126

Item	Description	Unit
6202.9	Women's and girls' overcoats, car-coats, capes, cloaks and similar articles: Other:- - of wool or fine animal hair - of cotton - of man-made fibres - of other textile materials	Units
	2007	2008
Quota	874,608	979,561

Item	Description	Unit
6203.1	Men's or boys' suits' (excluding swimwear) - of wool or fine animal hair - of synthetic fibres - of other textile materials	Units
	2007	2008
Quota	295,632	342,934

Item	Description	Unit
6203.3	Men's or boys' jackets and blazers: - of wool or fine animal hair - of cotton - of synthetic fibres - of other textile materials	Units
	2007	2008
Quota	3,205,000	3,493,450

Item	Description	Unit
6203.4	Men's and boys' trousers, bib and brace overalls, breeches and shorts: - of wool or fine animal hair - of cotton - of synthetic fibres - of other textile materials	Units
	2007	2008
Quota	26,690,354	28,772,201

Item	Description	Unit
6204.3	Women's and girls' jackets and blazers: - of wool or fine animal hair - of cotton - of synthetic fibres - of other textile materials	Units
	2007	2008
Quota	3,524,668	3,877,135

Item	Description	Unit
6204.4	Women's and girls' dresses: - of wool or fine animal hair - of cotton - of synthetic fibres - of article fibres	Units
	2007	2008
Quota	1,165,259	1,281,785

Item	Description	Unit
6204.5	Women's and girls' skirts and divided skirts: - of wool or fine animal hair - of cotton - of synthetic fibres - of other textile materials	Units
	2007	2008
Quota	8,951,820	9,650,062

Item	Description	Unit
6204.6	Women's and girls' trousers, bib and brace overalls, breeches and shorts: - of wool or fine animal hair - of cotton - of synthetic fibres - of other textile materials	Units
	2007	2008
Quota	24,284,217	26,178,386

Item	Description	Unit
6205	Men's and boys' shirts	Units
	2007	2008
Quota	14,950,981	16,296,570

Item	Description	Unit
6206	Women's or girls' blouse, shirts and shirt-blouses	Units
	2007	2008
Quota	11,411,968	12,781,404

Item	Description	Unit
6211.3(90)	Tracksuits, ski suits and swimwear; other garments, men's or boys'	kg
	2007	2008
Quota	1,057,541	1,163,295

Item	Description	Unit
6211.4(90)	Tracksuits, ski suits and swimwear; other garments, women's or girls	kg
	2007	2008
Quota	259,949	291,143

6212.1	Brassieres	kg
	2007	2008
Quota	747,246	836,916

6303	Curtains (including drapes) and interior blinds; curtain or bed valances	kg
	2007	2008
Quota	4,778,018	5,150,703

2. Definitions

2.1 Past Performer

A **Past Performer** for the purpose of these regulations is a party that imported clothing and textiles for commercial purposes under any of the 31 tariff headings referred to above, which clothing and textiles originate from the PRC, during the period 1 January 2005 to 30 June 2006.

2.2 New Entrants

A **New Entrant** for the purpose of these regulations is a party that did not import clothing and textiles from the PRC for commercial purposes during the period 1 January 2005 to 30 June 2006. *Please note that if you have imported under e.g. 6303 but not under 6212.1, you qualify as a new entrant under 6212.1.*

2.3 Special circumstances means-

- 2.3.1 any person who or entity which, is the sole importer of foreign **branded goods** as defined, in terms of an international license agreement, where such products are only manufactured in China; or
- 2.3.2 products that are intended to be used for special purposes and that cannot be manufactured locally, such as, but not limited to, firemen's gear; clothing with fire protective characteristics; specialised sporting gear.

2.4 Branded goods mean-

- (a) goods featuring, bearing, embodying or incorporating the subject-matter of an intellectual property right with the authority of the owner of that intellectual property right, or goods to which that subject-matter has been applied by that owner or with his or her authority;
- (b) any particular class or kind of goods which, in law, may feature, bear, embody or incorporate the subject-matter of an intellectual property right only with the authority of the owner of that intellectual property right, or to which that subject-matter may in law be applied, only by that owner or with his or her authority, but which has not yet been manufactured, produced or made, or to which that subject matter has not yet been applied, with the authority of or by that owner (whichever is applicable).

2.5 International license agreement means-

an agreement between a local person or entity and the international license holder of the branded goods.

2.6 Commission means-

the International Trade Administration Commission of South Africa established by section 7(1) of the International Trade Administration Act, 2002, (Act 71 of 2002).

2.7 Act means-

the International Trade Administration Act, 2002, (Act 71 of 2002).

2.8 SARS means-

the South African Revenue Services established by section 2 of the South African Revenue Services Act, 1997 (Act 34 of 1997).

2.9 MoU means-

the Memorandum of Understanding signed between the Government of the Republic of South Africa and the Government of the People's Republic of China.

2.10 Customs Act means-

the Customs and Excise Act, 1964 (Act 91 of 1964).

3. There will not be inter-changeability of quota allocations between clothing and textiles or between the various clothing and textile tariff headings/sub-headings.
4. Allocated quotas are not transferable.
5. A Past Performer will be issued with a SIPC, reflecting the quantities (mass or units) per tariff line as indicated in Schedule B that the Past Performer is allowed to import during a specific calendar year.
6. The maximum quota that may be imported per tariff line by a Past Performer will be provided to the SARS to be captured on the SARS electronic database in accordance with the importer's name and importer's code number. Quantities imported by individual importers will be debited to the importer's allocated quota until such quota is depleted.
7. Goods described in Schedule A that have arrived for clearance at a port of entry in South Africa on or after the date on which the regulations on the importation of the textiles and clothing originating from the PRC have come into effect shall be deemed to have been imported in contravention of the Act and will be subject to detention and seizure by SARS unless-
 - 7.1 such goods are covered by a ~~SIPC~~; or
 - 7.2 the importer provides written documentation demonstrating to the satisfaction of SARS that such goods were shipped on boards prior to 20 October 2006.

Therefore:-

- Goods shipped before 20 October 2006, are not subject to the quota restriction in terms of the MoU with China.
- Goods shipped after 20 October 2006 and cleared before 1 January 2007 are not subject to the quota restriction in terms of the MoU with China.

- Goods shipped after 20 October 2006 and cleared on or after 1 January 2007 will be subject to the quota restriction in terms of the MoU with China.
8. Contraventions of the provisions of the Act and/or the Customs Act will result in the withdrawal or cancellation of the SIPC and/or may result in criminal prosecution in terms of the Act and/or the Customs Act.
9. Quotas will not be re- instated. Example: where goods were intended for home consumption and cleared as such and the available quota was written off but later changed to an export transaction for example, warehoused for export, duty paid ex warehouse, etc such written off quota will not be re-instated.

10. Calculation of quotas to Past Performers:

- For the purpose of allocating quotas for the 2007 and 2008 calendar years under each 4/5/8-digit tariff line to a particular Past Performer, the average imports made by the Past Performer under these tariff lines during the period 1 January 2005 to 30 June 2006 will be used as the basis.
 - A percentage of the average of what was imported by the Past Performer during the period 1 January 2005 to 30 June 2006 per 4/5/8-digit tariff line, will be allocated to each Past Performer as a quota.
11. SIPC's will be issued automatically to Past Performers and no application is therefore necessary.
12. SIPC's must be collected from the Office of the Commission, situated at Block D, The DTI Campus, 77 Meintjies Street, Sunnyside, Pretoria.
13. SIPC's must be collected by importers or their authorised representatives who must complete or submit a completed declaration reflecting the name and physical address of the holder of the quota.
14. SIPC's will be available for collection from 9:00 on Wednesday 1 November 2006. SIPC's not collected by Past Performers by 17 November 2006, will be forfeited and re-allocated to new entrants.

15. Calculation of quotas to New Entrants:

- A percentage of volume imported per tariff line over the period 1 January 2005 to 30 June 2006 will be set aside as a quota to be allocated to New Entrants for the 2007 and 2008 calendar years.
- New Entrants are hereby invited to apply before 17 November 2006 to be allocated a portion of the quota per tariff line.

- Application forms (IE230 and IE461) are available at www.itac.org.za or from the address referred to above.
- All New Entrants are required to register as an importer with SARS and no quota allocation will be made to unregistered importers.
- The available quota for New Entrants per tariff line will be divided equally between all New Entrants who applied within the specified time limit.

16. Special circumstances considerations:

- 16.1 An importer of products referred to in 2.3.1 above may on or before 31 May 2007 apply to the Commission in writing, in such form as the Commission may require, for an increase in the quota applicable to that importer in terms of or under these regulations. The Commission may only grant such an application in special circumstances as defined in 2.3.1 above.
- 16.2 An importer of products referred to in 2.3.2 above may apply to the Commission in writing, in such form as the Commission may require, for an increase in the quota applicable to that importer in terms of or under these regulations. The Commission may only grant such an application in special circumstances as defined in 2.3.2 above.

17. Special strategic circumstances considerations:

Notwithstanding anything contained in these regulations, the Commission, in its sole discretion, may consider a written request from an importer, in such form as the Commission may require, for an increase in the quota applicable to that importer in terms of or under these regulations in the following circumstances, namely:

- 17.1 On the basis of such importer's written commitments to the Department of Trade and Industry pertaining to the development of the local clothing and/or textile industry with specific reference to such importer's significant and demonstrable enhancement of or contribution to technology development, skills development, new markets, empowerment, local procurement and building of competitiveness of the local industry; or
- 17.2 Any other motivational reasons provided by the Department of Trade and Industry in support of an application for an increase of such importer's quota.