

NOTICE 761 OF 2012**INTERNATIONAL TRADE ADMINISTRATION COMMISSION****CUSTOMS TARIFF APPLICATION****LIST 10/2012**

The International Trade Administration Commission (herein after referred to as ITAC or the Commission) has received the following application concerning the Customs Tariff. Any objection to or comments on this representation 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 this application 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.

INCREASE:

in the domestic Dollar-based reference price for wheat classifiable under tariff heading 1001.9 from US\$215/ton to US\$326/ton through an adjustment in the variable tariff formula for wheat by the inclusion of a self sufficiency factor of 1.158. Based on the international price information at the time the application was made, the requested formula would trigger an increase in the duty on wheat as well as wheaten flour classifiable under tariff heading 1101.00, from free of duty to 40.91c/kg and 61.36c/kg, respectively. It should be noted that this level of increase is based on price information as on 25 April 2012 when Grain SA's application was received.

Using the requested reference price of US\$326/ton, the variable tariff formula for wheat will trigger an increase if the international price of US No.2 HRW falls by US\$10/ton below the base price of US\$273, which is the 3 week moving average price for US No.2 HRW as calculated on 25 April 2012, resulting in a new moving average base price. Conversely, a reduction in the duty will be triggered if the international price of US No.2 HRW increases by US\$10/ton above the base price.

AS REASONS FOR THE APPLICATION THE APPLICANT STATED THAT:

- The existing rate of duty (free) that was implemented in 27 August 2010, rendered the industry vulnerable to global economic recessionary circumstances;
- The existing rate of duty is based on a domestic Dollar-based reference price of US\$215/ton which does not take into account, amongst other things, the current five year average FOB-price for Hard Red Winter (HRW) Nr 2 wheat of US\$288.31/ton;
- The proposed US\$326/ton reference price will allow producers to increase South Africa's self-sufficiency in wheat production over time from the current 47 percent to 85 percent. The SAFEX price at the time of application, i.e. 25 April 2012, is R2700/ton. Grain SA is of the opinion that a floor/ safety net of R 2934/ton would still not be sufficient to encourage the expansion of wheat production in South Africa but could curb the downward trend in production; and
- The existing rate of duty does not provide sufficient protection or encouragement for the wheat industry. The continued existence and growth of the industry is dependent on a stable trade environment.

APPLICANT:

GRAIN SA
PO BOX 74087
Lynnwood Ridge
0040

REFERENCE: [22/2012] Ms. Reabetswe Molotsi, Email rmolotsi@itac.org.za, Fax 012 394 4163; or Mr. Khuliso Mukoma at E-mail: kmukoma@itac.org.za; Fax: 012 394 4732, Ms. Manini Masithela, E-mail: mmasithela@itac.org.za; Fax: 012 394 4682.

PUBLICATION PERIOD:

Representation should be submitted to the above address within **six (6) weeks** of the date of this notice.

LIST 09/2012 WAS PUBLISHED UNDER NOTICE 653 OF 17 AUGUST 2012