

NOTICE 860 OF 2013**INTERNATIONAL TRADE ADMINISTRATION COMMISSION****CUSTOMS TARIFF APPLICATION****LIST 14/2013**

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 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 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. INCREASE IN THE RATE OF CUSTOMS DUTY ON:

Coated fine paper classifiable under tariff headings 4810.13.20, 4810.13.90, 4810.14.10, 4810.14.90, 4810.19.90 and 4810.29.90, from free of duty to the WTO-bound rate of 5% ad valorem.

APPLICANT:

Nampak Flexible, a division of Nampak Products Ltd
P O BOX 492
Pinetown
3600

[Ref: /2013] Enquiries: Manini Masithela, Tel: (012) 394 3682, Fax: (012) 934 4682, E-mail mmanithela@itac.org.za and Lebogang Loate, Tel: 012 394 3629, Fax: 012 394 4629, E-mail: lloate@itac.org.za.

REASONS FOR THE APPLICATION:

The applicant submitted that the main reason is to enhance the competitive position of Sappi Southern Africa (Pty) Ltd against producers in low-cost countries, especially in Asia and South-east Asia. Due to the over-capacity in these markets and consequent price undercutting Sappi continues to lose significant market share. This loss in market share has led to significant job losses through the closure of Sappi's Enstra pulp plant at the end of February 2012 and the Adamas Mill. The tariff relief sought will protect and retain employment opportunities in the manufacturing industry in both upstream and downstream activities. Currently the total number of employees at Sappi's Stranger mill is 406. The forest sector has been identified as key sector in cluster 2 of the Industrial Policy Action Plan, according to which the forestry industry has the potential to contribute significantly to rural and economic development. In this regards, the application is also aimed at encouraging investment and enabling the local industry to expand capacity and earn foreign currency through exports.

PUBLICATION PERIOD:

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

2. INCREASE IN THE RATE OF CUSTOMS DUTY ON:

Roasted chicory classifiable under tariff subheading 2101.30.10 from 9.2c/kg to 37% ad valorem.

APPLICANT:

Chicory SA Ltd
Grahamstown Road,
Alexandria,
Eastern Cape,
6185

[File: 17/2013, Enquiries: Ms. Barbara Moeng, Tel: (012) 394 3623, Fax: (012) 394 3623, E-mail: bmoeng@itac.org.za.]

REASONS FOR THE APPLICATION:

The applicant, amongst other reasons, submitted the following reasons for the application:

“Chicory SA is experiencing fierce competition from imports, mainly India, predominantly as a result of overcapacity in their market; consequently, the price-undercutting of the imported products resulted in Chicory SA losing significant market share.

The loss in market share has led to significant job losses, putting current investment at risk; the impact thereof should be considered as the chicory industry is one of major employers in the agricultural sector.”

PUBLICATION PERIOD:

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

Heat exchange units, classifiable under tariff subheading 8419.40, from free of duty to the WTO bound rate of 15% *ad valorem*.

APPLICANT:

GEA Aircooled System (Pty) Ltd
PO BOX 1427
Germiston
1400

Enquiries: ITAC Ref: 47/2012, Enquiries: Mr. N Mahlalela Tel: 012 394 3684 or Email: nmahlalela@itac.org.za.

REASONS FOR THE APPLICATION:

The applicant cited the following:

- i. Raw materials required for the manufacture of the subject product are subject to customs duty, whereas the imports of the final product are currently free of duty.
- ii. Engineering project contactors are increasingly sourcing the product from Asian countries which offers bargain prices because of government subsidies, funding packages etc.
- iii. Tariff support will enable the domestic manufacturer to be competitive against low priced imports, subsequently assist in job retention and job creation in the domestic industry.
- iv. Other countries apply tariffs on heat exchangers and this affects South African exports destined to these countries.

PUBLICATION PERIOD:

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

4. CREATION OF REBATE FACILITIES FOR:

Cranberry juice, concentrated, not containing added sugar or other sweetening matter, of a Brix value exceeding 45, classifiable in tariff subheading 2009.81.10, for use in the manufacture of mixtures of fruit juices in tariff subheading 2009.90.10.

Passion fruit juice, concentrated, not containing added sugar or other sweetening matter, of a Brix value exceeding 45, classifiable in tariff subheading 2009.89.40, for use in the manufacture of mixtures of fruit juices classifiable in tariff subheading 2009.90.10.

APPLICANT:

Ceres Fruit Juices (Pty) Ltd
P O Box 28
Ceres
6835

[File: 13/2013 Enquiries' Khosi Mzinjana, Tel: (012) 394 3664 Fax: 012) 394 4664,
E-mail: kmzinjana@itac.org.za OR Manini Masithela, Tel: (012) 394 3623 Fax: (012)
394 4682 E-mail: masithela@itac.org.za.

REASON FOR THE APPLICATION:

As a reason for the application, the applicant stated the following:

It is unable to source cranberry and passion fruit juice concentrates in sufficient quantities in the SACU region.

PUBLICATION PERIOD:

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5. REDUCTION OF DUTY ON:

"Poly vinyl butyral, classifiable under tariff subheading 3920.91 from 10% *ad valorem* to free of duty"

APPLICANT:

National Auto Glass (Pty) Ltd
P.O. Box 8428
Elandsfontein
1406

ITAC reference: 05/2012; Enquiries: Sipho Tshabalala, stshabalala@itac.org.za (012 394 3739) or Chris Sako, csako@itac.org.za (012 394 3669)

REASONS FOR THE APPLICATION:

The applicant stated that there are no local manufacturers of Poly vinyl butyral in the SACU region

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6. AMENDMENT OF TARIFF SUBHEADINGS 8302.30.30, 8302.41.10 AND 8302.42.10.

With regards to tariff subheading 8302.30.30:

- By the deletion of “Fittings of iron, steel or copper, commonly used in the manufacture of windows”; and
- The insertion of “Fittings of iron, steel or copper, (excluding window opening mechanisms) for windows, doors and door frames.”

With regards to tariff subheading 8302.41.10:

- By the deletion of “Fittings of iron, steel or copper, commonly used in the manufacture of windows, doors and door frames”; and
- The insertion of “Fittings of iron, steel or copper, of a kind solely or principally for doors and door frames, of base metal.”

With regards to tariff subheading 8302.42.10:

- By the deletion of “Fittings of iron, steel or copper, commonly used in the manufacture of doors”; and
- The insertion of “Fittings of iron, steel or copper, of a kind solely or principally for doors and door frames, of base metal.”

APPLICANT:

SARS
Private Bag 923
Pretoria
0001.

Enquiries: Reference no. ITAC: 18/2013, contact: Mr Njabulo Mahlalela, Tel: 012 394 3684 or email: nmahlalela@itac.org.za

REASONS FOR THE APPLICATION:

The applicant cited the following:

- On importation of products that fall under these tariff subheadings, it is not possible to establish whether or not the fittings will be used in the manufacture of windows, doors, and/or door frames.
- The current description of tariff subheading 8302.41.10 and 8302.42.10 do not make specific reference to doors and door frames “of base metal”. This means that the fittings imported under these tariff subheadings could potentially be used on wooden door frames.

- The omission of the phrase “of base metal” in these two subheadings may have had unintentional consequences that led to the erosion of the protective duties (5% and 20%) applicable to the fittings classified under these subheadings.

This is because many of the fittings for wooden and aluminium doors could potentially be produced locally but many find their way into the local market because of the current wording in the tariff book.

- This amendment is proposed in order to reduce possible incorrect interpretations that may, at times, lead to costly and unnecessary litigation when disputes arise.

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