

DEPARTMENT OF ECONOMIC DEVELOPMENT
NOTICE 1007 OF 2015

INTERNATIONAL TRADE ADMINISTRATION COMMISSION

CUSTOMS TARIFF APPLICATIONS

LIST 11/2015

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.

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

"Flat-rolled products of iron or non-alloy steel, plated or coated with tin ("tinplate"), classifiable under tariff subheadings 7210.11.00, 7210.12.00, and 7212.10.00, from free of duty to 10% *ad valorem*"

"Semi finished products of iron or non-alloy steel, classifiable under tariff subheadings 7207.11.00, 7207.12.00, 7207.19.00 and 7207.20.00, from free of duty to 10% *ad valorem*";

"Flat rolled products of iron, non-alloy and alloy steel, not further worked than hot-rolled, not in coils ("Plates"), classifiable under tariff subheadings 7208.40, 7208.51, 7208.52 and 7225.40, from free of duty to 10% *ad valorem*";

"Flat-rolled products of iron or non-alloy steel, and flat-rolled products of other alloy steel other than stainless steel, cold-rolled, not clad, plated or coated, not further worked than cold-rolled ("Cold Rolled"), classifiable under tariff subheadings 7209.15.00, 7209.16.00, 7209.17.00, 7209.18.00, 7209.25.00, 7209.26.00, 7209.27.00, 7209.90.00, 7211.23.00, 7211.29.00, 7211.90.00, 7225.50.00, 7226.92.00, and 7226.99.00, from free of duty to 10% *ad valorem*";

"Angles, shapes and sections of iron, non-alloy and alloy steel ("sections"), classifiable under tariff subheadings 7216.10, 7216.21, 7216.22, 7216.40, 7216.69 and 7228.70, from free of duty to 10% *ad valorem*";

"Other bars and rods and forges, hot-rolled, in irregular wound coils and/or in lengths, of iron, nonalloy steel or alloy steel other than stainless steel, classifiable under tariff subheadings 7213.20.00, 7213.99.00, 7214.10.00, 7215.90.00, 7228.30.00, 7228.40.00, 7228.60.00, 7228.80.00, 7214.30.00, 7214.91.00 and 7214.99.00, from free of duty to 10% *ad valorem*"; and

“Flat-rolled products of iron or non-alloy steel, and flat-rolled products of alloy steel other than stainless steel, not further worked than hot-rolled (“Hot Rolled”), classifiable under tariff subheadings 7208.10.00, 7208.25.00, 7208.26.00, 7208.27.00, 7208.36.00, 7208.37.00, 7208.38.00, 7208.39.00, 7208.53.00, 7208.54.00, 7208.90.00, 7211.13.00, 7211.14.00, 7211.19.00, 7225.30.00, 7225.99.00, and 7226.91.00 from free of duty to 10% *ad valorem*”;

APPLICANT:

ArcelorMittal South Africa Limited (“AMSA”)
PO Box 2
Vanderbijlpark
1900
South Africa

REASONS FOR THE APPLICATION:

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

- i. The current tariff structure in relation to the subject products is untenable given the recent developments of volumes and value of imports into the South African markets.
- ii. Imports have exponentially increased over the last five years from Asian countries, making domestic production static.
- iii. The significant increase in imports in the domestic market is to a large extent a function of the lack of access to other markets by prominent producers. In particular, certain major countries have foreclosed their markets to imports from prominent producers by imposing various trade barriers.
- iv. The domestic industry of the subject product is experiencing intense price competition on the price of the subject products vis-à-vis imported products.
- v. The tariff increase requested will be a relief to the serious economic conditions of the industry. It will prevent imports from entering the country at impermissible low prices.

PUBLICATION PERIOD:

Written representations must be made within two (2) weeks of the date of this notice. ITAC elected to expedite this investigation based on the fact that the steel industry has been designated as an industry in distress by the Minister of Trade and Industry.

Enquiries: ITAC Ref: 16/2015; 17/2015; 18/2015; 19/2015; 20/2015; 21/2015; and 22/2015

Enquiries: Ms Lufuno Maliaga; Mr N Mahlalela and Mr P Phaswana Tel: 012 394 3835/3684/3628 or email: lmaliaga@itac.org.za/ nmahlalela@itac.org.za/ pphaswana@itac.org.za

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

“Ceramic sanitary ware classifiable under tariff subheadings 6910.10 and 6910.90, from 20% to 30% *ad valorem*”

APPLICANT:

Vaal Sanitaryware (Pty) Ltd
P.O. Box 49
Meyerton
1960

REASONS FOR THE APPLICATION:

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

- I. To level the playing field against low priced imports in order for the company to be able to invest in new plant and machinery. The company is also presently in the process of investing in energy saving equipment, new plant and green technology.
- II. Since the economic meltdown, the SACU market has been flooded with cheap imports of ceramic sanitary ware from East Asian countries such as China and India owing to overcapacity in these countries.
- III. Cheap imports squeeze the profit margin as they depress selling prices and prevent local industry from selling the volumes necessary to offset the significant fixed costs employed in keeping production facilities operating.
- IV. The suppliers of clay, sand, and most inputs to the ceramic sanitary ware industry are all domestic manufacturers and mining companies who employ a large staff component.

- V. This industry is distressed and would find it difficult to carry on manufacturing. The state of distress is caused by increase in input costs beyond the control of the industry. These are costs such as labour, fuel, gas and electricity, which have increased by more than the consumer price index in the past few years.

PUBLICATION PERIOD:

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

Enquiries: ITAC Ref: 08/2015, Enquiries: Ms Ndivhudza Ramphabana/ Mr Daniel Thwala, Tel: 012 394 3627/5162 or email nramphabana@itac.org.za/ dthwala@itac.org.za.

3. This Publication Notice replaces the notice published in Government Gazette No.38877 of 19 June 2015.

REDUCTION IN THE GENERAL RATE OF CUSTOMS DUTY ON:

“ Diesel, petrol and electric passenger vehicles not exceeding 800kg; diesel goods vehicles not exceeding 1 100kg and petrol and electric goods vehicles exceeding 800kg, from 25% *ad valorem* to free of duty, as follows:

Tariff heading	Description	Unit	Rate of Duty			
			General	EU	EFTA	SADC
87.03	Motor cars and other motor vehicles principally designed for the transport of persons (excluding those of heading 87.02), including station wagons and racing cars;					
8703.2	- Other vehicles, with spark-ignition internal combustion reciprocating piston engine:					
8703.21	- - Of a cylinder capacity not exceeding 1 000 cm³:					
8703.21.75**	- - Other, with a vehicle mass exceeding 250 kg but not exceeding 800 kg	U	Free	Free	Free	Free
8703.3	Other vehicles, with compression-ignition internal combustion piston engine (diesel or semi-diesel):					
8703.31	Of a cylinder capacity not exceeding 1 500 cm³:					
8703.31.85**	- - Other, with a vehicle mass exceeding 600 kg but not exceeding 800 kg	U	Free	Free	Free	Free
8703.90	Other:					
8703.90.31**	- - Electric vehicles with a mass not exceeding 800 kg	U	Free	Free	Free	Free

Tariff heading	Description	Unit	Rate of Duty			
			General	EU	EFTA	SADC
8703.90.33**	- - Other electric vehicles	U	25%	25%	25%	Free
87.04	Motor vehicles for the transport of goods:					
8704.2	Other, with compression-ignition internal combustion piston engine (diesel or semi-diesel):					
8704.21	G.V.M. not exceeding 5 t:					
8704.21.75**	- - other, with an engine capacity exceeding 1000 cm ³ (excluding the vehicles of subheading 8704.21.77)	U	Free	Free	Free	Free
8704.21.77**	- -Other, with a vehicle mass exceeding 600kg but not exceeding 1100kg	U	Free	Free	Free	Free
8704.3	Other, with spark-ignition internal combustion piston engine:					
8704.31	G.V.M. not exceeding 5 t:					
8704.31.75**	- - Other, with an engine capacity not exceeding 100cm ³ (excluding the vehicles of subheading 8704.31.77)	U	25%	18%	20%	Free
8704.31.77**	- - Other, with a vehicle mass exceeding 600 kg but not exceeding 800 kg	U	Free	Free	Free	Free
8704.90	Other:					
8704.90.35**	- - Electric vehicles with a vehicle mass not exceeding 800 kg	U	Free	Free	Free	Free
8704.90.40**	- - Other electric vehicles, of a mass not exceeding 2 000 kg or a G.V.M not exceeding 3500 kg or of a mass not exceeding 1 600 kg or a G.V.M not exceeding 3 500 kg per chassis fitted with a cab	U	25%	18%	20%	Free

"The vehicles classifiable in tariff subheadings 8703.21.75, 8703.31.85, 8703.90.31, 8704.21.77, 8704.31.77, 8704.90.35 shall have steering wheels fitted on the left hand side of the vehicle and may not be operated on a public road in terms of the National Road Traffic Act (Act 93 of 1996)".

Applicant:

Smith Mining Equipment (Pty) Ltd t/a Smith Power Equipment
P O BOX 9252
Edenglen
1613

Reasons:

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

- There are no local manufacturers of the subject products in the SACU region;
- The cost raising effect of the current duty has negatively affected the re-exporting of these products into the African markets and has resulted in the significant loss of market share for the local industry; and
- A reduction in the duty would increase the demand for the subject products and enable the applicant to expand its dealer network and operations in the African region.

PUBLICATION PERIOD:

Representations must be received within four (4) weeks of the date of this notice.

Enquiries:

ITAC ref: 01/2015, enquiries: Ms L Maliaga and/or Mr T Sejamoholo tel: 012 394 3835/1605 or email: lmaliaga@itac.org.za/tsejamoholo@itac.org.za

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