

DEPARTMENT OF TRADE AND INDUSTRY
NOTICE 726 OF 2018
INTERNATIONAL TRADE ADMINISTRATION COMMISSION
CUSTOMS TARIFF APPLICATIONS
LIST 08/2018

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 representations 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. Notice 403 of 2018 (List 05/2018) of Government Gazette No. 41781 was published on 20 July 2018, for a review of the description of tariff subheading 6210.10.20 in Part 1 of Schedule No.1 to the Customs and Excise Act no.91 of 1964, which reads as follows: “Disposable panties of fabrics of heading 56.03”.

The review was initially published with a view to consider amending the abovementioned description of tariff subheading 6210.10.20, provided there are no local manufacturers, as follows: “Disposable underwear of fabrics of heading 56.03”. This proposed tariff description is intended to cover universal disposable underwear, which is currently not the case as the current tariff structure differentiates between disposable panties classifiable under tariff subheading 6210.10.20 at free of duty and other disposable underwear classifiable under tariff subheading 6210.10.90 at a rate of duty of 40 per cent *ad valorem*.

Newly submitted information at the Commission’s disposal indicates that there is at least one local manufacturer of disposable underwear. This notice serves to notify interested parties of the republication of the review, with an intention to amend the description of tariff subheading 6210.10.20 as follows: “Disposable underwear of fabrics of heading 56.03” and increase the rate of duty from free of duty to 40 per cent *ad valorem*.

ENTITY:

SOUTH AFRICAN REVENUE SERVICE (SARS)

Pretoria Head Office
299 Bronkhorst Street
Nieuw Muckleneuk
0181

Ref: 33/2017 **Enquiries:** Mr Chris Sako, at Tel: (012) 394-3669, Email: csako@itac.org.za or Mrs Ayanda Gandhi, at Tel: (012) 394-3672, Email: endou@itac.org.za

THE REASONS PROVIDED FOR THE REVIEW IS AS FOLLOWS:

- a) Disposable under garments of non-woven fabrics appear to have evolved from their original use as substitutes for sanitary pads and are now used, *inter alia*, as theatre-wear for patients during surgical procedures.
- b) The current description of tariff subheading 6210.10.20 currently at free of duty, makes it discriminatory and difficult to administer as some disposable underwear of fabrics of heading 56.03 are imported under tariff subheading 6210.10.90 which attracts a general rate of duty of 40 per cent *ad valorem*.

- c) If disposable underwear is not manufactured locally it is reasonable to review the description of tariff subheading 6210.10.20 to reflect this position.

PUBLICATION PERIOD:

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

2. 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, 7210.12.10, 7210.12.90, and 7212.10, from free of duty to 10% *ad valorem*.”

APPLICANT:

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

Enquiries: ITAC Ref: 09/2018, Mr Njabulo Mahlalela, Ms P Busika, and Mrs N Mokou, Tel: 012 394 3684/3595/3627 or email: nmahlalela@itac.org.za/ pbusika@itac.org.za/ nramphabana@itac.org.za.

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 SACU market;
- ii. Imports have substantially increased over the last five years from Asian countries, making domestic production static;
- iii. The domestic industry of the subject product is experiencing intense price competition on the price of the subject products vis-à-vis imported products; and
- iv. The tariff increase requested will prevent imports from entering the country at impermissible low prices.

PUBLICATION PERIOD:

Written representations must be made within four (4) weeks of the date of this notice.

3. INCREASE IN THE RATE OF CUSTOMS DUTY ON :

Certain Tubes, Pipes and Hollow Profiles, Seamless of Iron or Steel:

Tariff heading	Tariff subheading	Description	Statistical unit	Rate of duty				
				General	EU	EFTA	SADC	MERCOSUR
7304	Tubes, pipes and hollow profiles, seamless of iron or steel:							
7304.19	Other line pipe of a kind used for oil or gas pipelines							
	7304.19.**	Of a wall thickness not exceeding 25 mm and an outside cross sectional dimension not exceeding 170 mm	Kg	15%	Free	Free	Free	10%
	7304.19.**	Other	Kg	15%	Free	Free	Free	10%
7304.23	Other drill pipe of a kind used in drilling for oil or gas							
	7304.23.**	Of a wall thickness not exceeding 25 mm and an outside cross sectional dimension not exceeding 178 mm	Kg	15%	Free	Free	Free	10%
	7304.23.**	Other	Kg	15%	Free	Free	Free	10%
7304.29	Other							
	7304.29.**	Casing and tubing of a wall thickness not exceeding 25 mm and an outside cross sectional dimension not exceeding 178 mm	Kg	15%	Free	Free	Free	10%
	7304.29.**	Other	Kg	15%	Free	Free	Free	10%

APPLICANT:

SAISI, ON BEHALF OF ARCELORMITTAL SOUTH AFRICA LTD

273 General Hertzog Road

Peacehaven

VEREENIGING

Gauteng

Enquiries: ITAC Ref: 09/2018, Mr. Tshepiso Sejamoholo/Mr. Mashudu Lukhwareni,
Tel: (012) 394 1605/ 3661 or email tsejamoholo@itac.org.za/ mlukhwareni@itac.org.za.

REASONS FOR THE APPLICATION:

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

- i. The tube and pipe industry in the SACU has been under distress for some time, largely due to low priced imports originating from Asian countries;
- ii. The impact of the decrease in import prices is forcing ArcelorMittal South Africa Ltd to sell the product at a price that is below the manufacturing cost of the product; and
- iii. The current decreasing price levels at which seamless pipes are being imported into the SACU market, coupled with an increase in imports volumes, have put the viability of the SACU industry at risk. If the current trend continues, further production and job losses will be inevitable.

PUBLICATION PERIOD:

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