

DEPARTMENT OF TRADE AND INDUSTRY

NOTICE 334 OF 2019

INTERNATIONAL TRADE ADMINISTRATION COMMISSION

CUSTOMS TARIFF APPLICATIONSLIST 04/2019

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. APPLICATION FOR A REDUCTION IN THE RATE OF CUSTOMS DUTY ON:

Other safety headgears, classifiable under tariff subheading 6506.10.90 from 25 per cent *ad valorem* to free of duty, through the creation of an additional 8-digit tariff sub heading, which SARS proposed should read as follows:

“other helmets for motorcyclist or other motorsports (including motorboat activities)”.

APPLICANT:**Association of Motorcycle Importers and Distribution (AMID)**

P O Box 903

Wendywood

SANDTON

2144

Ref: 01/2019 **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 REDUCTION ARE AS FOLLOWS:

- a) “Motorcycle safety helmets attract an import duty of 25%. However, there is currently no local manufacturer of motorcycle helmets in South Africa and in fact all helmets are imported. The wearing of a motorcycle helmet is compulsory in terms of Section 207 (1) and 207 (2) of the **National Road Traffic Act 93 of 1996** :
- b) Irrespective of the law, it is an absolutely essential piece of safety equipment when operating a motorcycle.
- c) A motorcycle helmet has a recommended life of 3-5 years depending on the frequency of use. In the event of the helmet being dropped or involved in a collision, it is recommended that the helmet is replaced immediately. The reader should bear in mind that approximately 35% of motorcycles sold in South Africa (2017) are small capacity motorcycles typically used in the commercial sector such as for short-distance deliveries. The import duty of 25% makes the proper replacement and use of helmets prohibitively expensive resulting in many lower-end users wearing helmets that are past their useful life, are perhaps damaged, or are just downright dangerous due to deteriorating condition”.

PUBLICATION PERIOD:

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

2. INCREASE IN THE RATE OF DUTY ON:

“Certain coated or plated flat-rolled steel, classifiable under tariff subheadings 7210.20, 7210.30, 7210.50, 7210.69 7212.20, 7212.50, 7212.60, 7225.91, and 7225.92, from free of duty to 10% *ad valorem*”.

APPLICANT:

ArcelorMittal South Africa Limited
P O Box 2
VANDERBIJLPARK
1900

Safal Steel (Pty) Ltd
P O Box 29240
Maytime Centre
KLOOF
3634

ENQUIRIES: ITAC Ref: 15/2018, Ms. Diphetogo Rathete and Ms. Pateka Busika, Tel: 012 394 3683/3595 or alternatively e-mail drathete@itac.org.za/pbusika@itac.org.za.

REASONS FOR THE APPLICATION AS STATED BY THE APPLICANTS:

- The locally manufactured galvanised and electro-galvanised products, aluminium-zinc and colour coated steel attract a 10 per cent *ad valorem* duty;
- The imported subject products are direct substitutes for locally manufactured galvanised and electro-galvanised products, aluminium-zinc and colour coated steel as they have similar applications;
- An increase in duty on the corrosive protection flat-rolled steel that were covered under Report 505 and several other tariff subheadings which are flat-rolled products of iron or non-alloy steel or other alloy steel did not attract any customs duty due to an oversight with regard to the initial tariff increase application and they have now become open to abuse;
- The subject products imported under the relevant tariff headings unfairly compete with the locally manufactured products as they are imported free of duty and create a possible loophole threatening the sustainability of the domestic industry; and
- The increase in customs duty on these tariff subheadings will be in line with the current customs duty of 10 per cent that is already applicable on the tariff subheadings as set out in Report No. 505, which would prevent the abuse thereof.

PUBLICATION PERIOD:

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

3. CREATION OF A REBATE PROVISION ON:

“Flat-rolled products of iron or non-alloy steel, of a width of less than 600 mm, not clad, plated, or coated, not further worked than cold-rolled (cold reduced), other, with a thickness of 0.30mm or more but not exceeding a thickness of 1.60 mm, with a carbon content by means of 0.5 per cent or more, classifiable in tariff subheading 7211.29, in such quantities, at such times and subject to such conditions as the International Trade Administration Commission may allow by specific permit; and

Flat-rolled products of iron or non-alloy steel, of a width of less than 600 mm, painted, varnished or coated with plastics, of a thickness of 0.5 mm or more but not exceeding 1 mm, with a carbon content by mass of 0.17 per cent or more but not exceeding 0.27 per cent, classifiable in tariff subheading 7212.40, in such quantities, at such times and subject to such conditions as the International Trade Administration Commission may allow by specific permit.”

APPLICANT:

Specstrip (Pty) Ltd

6 Newcastle Street

Apex Industrial Sites

BENONI

1500

Enquiries: ITAC Ref: **05/2019**, Enquires: Mr Njabulo Mahlalela, and Mr Pardon Hadzhi

Tel: 012 394 3684/3634 and/or alternatively e-mail: nmahlalela@itac.org.za/
phadzhi@itac.org.za.

REASONS FOR THE APPLICATION AS STATED BY THE APPLICANT:

- The subject products are currently not manufactured in the SACU region;
- A duty relief on the subject products will decrease the costs of manufacturing and transportation for the domestic downstream manufacturing industries; and
- The products are also used in the packaging of final products destined for the export markets. As such, a duty relief will enhance the competitiveness of downstream domestic industries in export markets.

PUBLICATION PERIOD:

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