

DEPARTMENT OF TRADE AND INDUSTRY

NOTICE 33 OF 2020

INTERNATIONAL TRADE ADMINISTRATION COMMISSION

CUSTOMS TARIFF APPLICATIONSLIST 02/2020

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.

CREATION OF A REBATE PROVISION ON:

Titanium Dioxide classifiable under tariff subheading 3206.11 for use in the manufacture of paints, varnishes, and prepared driers classifiable in tariff headings 32.08, 32.09, 32.10 and 32.11 in such quantities, at such times and subject to such conditions as the International Trade Administration Commission may allow by specific permit

APPLICANT:

Kansai Plascon (Pty) Ltd
10 Frederick Plascon (Pty) Ltd
Factoria/ Luipaardsvlei
Krugersdorp

Enquiries: ITAC Ref: 22/2019, Enquiries: Ms A. Varachia and Ms K. Mzinjana Tel: (012) 394 3732/3664 or Email: avarachia@itac.org.za or kmzinjana@itac.org.za

REASONS AS STATED BY THE APPLICANT:

- Titanium dioxide is a vital raw material in the manufacturing of coatings or paint products in the South African Customs Union ("SACU"). In addition, titanium dioxide serves as a vital raw material across many other manufacturing industries, including *inter alia* adhesives, paper, plastics and rubber, printing inks, coated fabrics and textiles, ceramics, floor coverings, roofing materials, cosmetics, toothpaste, soap, water treatment agents, pharmaceuticals, food colourants, automotive products, sunscreen and catalysts.
- Paint manufacturers are one of the biggest users of titanium dioxide in the SACU market as it is used as the base of most paint colours. Nonetheless, there is currently no SACU manufacturer of titanium dioxide. The last local manufacturer, Huntsman closed down its manufacturing facility in 2016.
- Since the closure of Huntsman, all titanium dioxide requirements of downstream manufacturers have to be imported at a 10% customs duty. The duty currently serves to unnecessarily increase the cost of importing titanium dioxide and consequently the cost and prices of manufactured end products including paint.
- Given the escalating prices of titanium dioxide on the global market, it is imperative that the rebate facility be created to reduce the cost burden on Kansai Plascon and other manufacturers in the paints and coatings industry.
- Local coating manufacturers are also facing significant import competition of paint originating in other countries. The duty on titanium dioxide thus creates a cost and price disadvantage for locally manufactured paint.
- There is a potential local manufacturer of titanium dioxide, Nyanza Light Metals and support for this effort is acknowledged. The creation of a rebate facility will be an equitable solution for all parties whilst Nyanza Light Metals continues with its work for construction of a titanium dioxide plant.

PUBLICATION PERIOD:

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