

DEPARTMENT OF TRADE, INDUSTRY AND COMPETITION
NOTICE 517 OF 2020
INTERNATIONAL TRADE ADMINISTRATION COMMISSION
CUSTOMS TARIFF APPLICATIONS
LIST 08/2020

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 comment 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. INCREASE IN THE RATE OF CUSTOMS DUTY ON:

- “Cans, of a capacity of 0.125 li but not exceeding 8 li, which are to be closed by soldering or crimping, classifiable in tariff subheading 7310.21 by the creation of a new 8-digit tariff subheading under 7310.21 for “of a capacity of 0.125 li or more but not exceeding 8 li”;
- “Other cans, of capacity of 0.125 li or more but not exceeding 8 li, classifiable in tariff subheading 7310.29, by the creation of a new 8-digit tariff subheading under 7310.29 for “of a capacity of 0.125 li or more but not exceeding 8 li”;
- “Cans, of a capacity exceeding 8 li but not exceeding 25 li, which are to be closed by soldering or crimping, classifiable in tariff subheading 7310.21 by the creation of a new 8-digit tariff subheading under 7310.21 for “of a capacity exceeding 8 li but not exceeding 25 li”;
- “Other cans, of a capacity exceeding 8 li but not exceeding 25 li, classifiable in tariff subheading 7310.29, by the creation of a new 8-digit tariff subheading under 7310.29 for “of a capacity exceeding 8 li but not exceeding 25 li”; and
- “Aerosol cans, of a capacity of 0.075 li or more but not exceeding 0.5 li, classifiable under subheading 7310.29 for “aerosol cans of a capacity of 0.075 li or more but not exceeding 500 ml”.

APPLICANT:

Rheem SA (Pty) Ltd
8-10 The Avenue East
Prospecton
ISIPINGO BEACH
4133

And

SA Steelpack (Pty) Ltd
Unit 3, 9 Edmund Morewood Road
Tongaat
DURBAN
4400

Enquiries: ITAC Ref: 23/2019, Enquires: Mr. Pfarelo Phaswana / Ms. Ndivhudza Mokou,
Tel: 012 394 3628/3627 or email pphaswana@itac.org.za/nramphabana@itac.org.za.

REASONS FOR THE APPLICATION:**The applicant submitted, *inter alia*, the following reasons for the application:**

- Local manufacturers of tinsplate cans, pails, and aerosol cans have, over the recent years, lost market share due to low priced imports from China;
- Low priced imports of the subject products are currently free of duty and enable importers to sell cans locally at drastically reduced prices;
- This has impacted negatively on plant utilisation, leading to higher unit costs of production, reduced profitability, and little or no return on investment;
- Low priced imports have resulted in the downsizing of local production and subsequently led to job losses; and
- Tariff support will allow the domestic industry to compete favourable, increase market share and result in increased job opportunities.

PUBLICATION PERIOD:

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

2. REBATE FACILITY ON:**Goods for experimental purposes:**

“Arms and ammunition, parts and accessories thereof, classifiable in Chapter 93, for the purposes of testing and experimenting therewith as the National Conventional Arms Control Committee and the Directorate for Conventional Arms Control may allow by specific permit in terms of the National Conventional Arms Control Act, 41 of 2002”

Provided that:

- (i) Goods imported under this rebate item shall be limited to goods imported for testing purposes and shall not be sold or disposed to any other party or be removed to the area of Botswana, Eswatini, Lesotho or Namibia unless under specific authority of the National Conventional Arms Control Committee and the Directorate for Conventional Arms Control; and*

(ii) *Goods not consumed or destroyed during the testing process must be exported within 180 days from the date of the said import permits issued by the National Conventional Arms Control Committee and the Directorate for Conventional Arms Control.*”

APPLICANT:

Denel SOC Limited trading as Denel Overberg Test Range
Private Bag X12

BREDASDORP

7208

Enquiries: ITAC Ref: 08/2020. Ms Diphetogo Rathete / Ms Lufuno Maliaga. [Tel: 012 394 3683/3835](tel:01239436833835) or email drathete@itac.org.za/lmaliaga@itac.org.za.

REASONS FOR THE APPLICATION:

As motivation for the application, the applicant cited, *inter alia*, the following reasons:

- Denel has been conducting business since the mid 1980's as a testing facility. Historically, the applicant imported weapons, weaponry systems, ammunition and other related items to be tested for its international clients under Rebate Item 412.01, in accordance to the required NCACC and ITAC permits obtained;
- Furthermore, the applicant has also utilised Rebate Item 412.11 successfully in certain instances. However, in certain instances there have been disputes on whether goods imported by Denel for testing are eligible under Rebate Items 412.01 and 412.11;
- Due to the unique nature of Denel's business, no adequate provision has been made to address this specific situation and the wording in the current rebate items can be interpreted in an ambiguous manner;
- Customs duties payable upon importation of weapons, weaponry systems, ammunition and related items would negatively affect the competitive position and threaten the sustainability of Denel's business; and
- The duty relief will contribute to the reduction of cost and improve the competitive position of the domestic industry testing facility.

PUBLICATION PERIOD:

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