

---

## GENERAL NOTICES • ALGEMENE KENNISGEWINGS

---

### DEPARTMENT OF TRADE, INDUSTRY AND COMPETITION

#### GENERAL NOTICE 499 OF 2021

#### INTERNATIONAL TRADE ADMINISTRATION COMMISSION

#### CUSTOMS TARIFF APPLICATIONS

#### LIST 11/2021

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 comment 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.*

**INCREASE IN THE RATE OF DUTY ON:**

1. “Other paper and paperboard, not containing fibres obtained by a mechanical or chemical process or of which not more than 10 per cent by mass of the total fibre content consists of such fibres, of a mass of 55 g/m<sup>2</sup> or more but not more than 90 g/m<sup>2</sup>, of a width exceeding 150 mm in the unfolded state, classifiable in tariff subheading 4802.55.20, by the creation of a new 8-digit tariff subheading for the said goods”;
2. “Other paper and paperboard, not containing fibres obtained by a mechanical or chemical process or of which not more than 10 per cent by mass of the total fibre content consists of such fibres, of a mass of 40 g/m<sup>2</sup> or more but not more than 150 g/m<sup>2</sup>, in sheets with one side not exceeding 435 mm and the other side not exceeding 297 mm in the unfolded state, other, classifiable in tariff subheading 4802.56.90”;
3. “Other paper and paperboard, not containing fibres obtained by a mechanical or chemical process or of which not more than 10 per cent by mass of the total fibre content consists of such fibres, other, of a mass of 55 g/m<sup>2</sup> or more but not more than 90 g/m, in strips or rolls of a width exceeding 150mm in the unfolded state, classifiable in tariff subheading 4802.57.20, by the creation of a new 8-digit tariff subheading for the said goods”.

**APPLICANT:****Mondi South Africa (Pty) Ltd – Merebank Mill**

Travancore Drive

Merebank

4052

**For enquiries contact:** Mr C Sako, Tel: (012) 394 3669, Email: [csako@itac.org.za](mailto:csako@itac.org.za), or Mrs E Gandhi, Tel: (012) 394 3672, Email: [endou@itac.org.za](mailto:endou@itac.org.za)

**REASONS FOR THE APPLICATION:**

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

- a) The paper industry is under significant pressure due to a structural decline in the South African market, which has been accelerated by Covid-19 impacts and ongoing threats from imports.
- b) The purpose of this application is to improve the industry’s long term sustainability, thereby protecting jobs, livelihoods and the economic contribution the industry makes towards the national fiscus.
- c) The market decline has been accelerated by Covid-19 as business and people have changed the way they work. Working from home and accelerated digitalisation has had a noticeable adverse impact on paper consumption.
- d) Imports continue to be a significant portion of the South African market and compete directly with South African producers. Surplus global capacity and a decline in global consumption will result in ongoing and continued threats from imports.

The continued price under cutting by importers continues to make it challenging for local manufacturers to secure the required volumes to sustain profitable operations. The Applicant was forced to permanently close capacity in 2018 as it was not profitable to maintain the paper machine.

- e) The Applicant indicated that South African producers face ongoing cost pressures, most notably annual labour and electricity increases. The Applicant submitted that importers do not face the same, ongoing cost escalations, which further weakens the South African industry's competitive position.
- f) Lastly, the Applicant indicated that they were forced to curtail production in both 2020 and 2021 on its only remaining Uncoated paper Machine due to the aforementioned weak demand. Imports were a significant factor in the decision to slow down production and take days of production downtime.

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