

DEPARTMENT OF TRADE, INDUSTRY AND COMPETITION

NOTICE 625 OF 2021

INTERNATIONAL TRADE ADMINISTRATION COMMISSION

CUSTOMS TARIFF APPLICATIONSLIST 13/2021

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 BIAXIALLY ORIENTATED POLYPROPYLENE (“BOPP”) CLASSIFIABLE UNDER TARIFF SUBHEADINGS 3920.20.50 AND 3920.20.55 FROM FREE OF DUTY TO 10 PER CENT *AD VALOREM* THROUGH THE CREATION OF TWO ADDITIONAL 8-DIGIT TARIFF SUBHEADINGS:

Other plates, sheets, film, foil and strip of plastics, non-cellular and not reinforced, laminated, supported or similarly combined with other materials: Biaxially oriented with a thickness exceeding 0.009 mm but not exceeding 0.012 mm, not heat shrinkable as defined in Additional Note 2 to Chapter 39, unprinted, not metallized under tariff heading 3920.20

Other plates, sheets, film, foil and strip of plastics, non-cellular and not reinforced, laminated, supported or similarly combined with other materials: Biaxially oriented with a thickness exceeding 0.009 mm but not exceeding 0.012 mm, not heat shrinkable as defined in Additional Note 2 to Chapter 39, unprinted, metallized under tariff heading 3920.20

APPLICANT:

SRF Flexipak (South Africa) (Pty) Ltd

5 Eddie Hagan Drive

Cato Ridge

KWA-ZULU NATAL

Ref: 10/2021 **Enquiries:** Ms. Khosi Mzinjana, E-mail: kmzinjana@itac.org.za, Mrs. Amina Varachia, E-mail: avarachia@itac.org.za, and Mrs. Dolly Ngobeni, E-mail: dngobeni@itac.org.za.

REASONS AS STATED BY THE APPLICANT:

As reasons for the application, the Applicant submitted, amongst others, that BOPP continues to be imported into South Africa, despite the presence of SRF and the availability of locally manufactured BOPP. It was submitted that SRF continues to face challenges from imports of BOPP from various countries, including Europe. Despite the tariff increase application for protection, the duty will only provide protection for goods imported under the general rate, whilst imports from European countries will not attract a duty given the free trade agreement between

the EU and SACU. In addition, the Applicant highlighted that BOPP has gained more popularity throughout the world, particularly in South Africa due to its diverse end applications as flexible packaging material. Due to the growth, the Applicant is of the view that South Africa is becoming an increasing attractive target for BOPP imports. In addition, SRF has undertaken various initiatives to protect and grow their investment and market share and show that they are committed to growing the South African market. In addition, SRF has remained supportive of the converters projects in applying for duty protection as manufacturers.

PUBLICATION PERIOD:

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

2. CREATION OF A TEMPORARY REBATE FACILITY UNDER SCHEDULE 4 OF THE CUSTOMS AND EXCISE ACT FOR THE IMPORTATION OF BULK WHITE CHOCOLATE, CLASSIFIABLE UNDER TARIFF SUBHEADING 1704.90 AS FOLLOWS:

“White chocolate, in immediate packaging of a content of 25 kg or more, classifiable in tariff subheading in 1704.90, for use in the manufacture of chocolate containing cocoa, in blocks, slabs or bars, classifiable in tariff heading 1806.3, and other chocolates classified in tariff subheading 1806.90, in such quantities, at such times and subject to such conditions as the International Trade Administration Commission may allow by specific permit, provided the product is not available in the SACU market”.

APPLICANT:

Trade Solutions on behalf of Kees Beyers Chocolates CC

66 Rigger Road

Spartan

KEMPTON PARK

1620

[Ref: 13/2021 Enquiries: Ms Manini Masithela, at email: mmanithela@itac.org.za; Mr Oatlotse Madito, at Email: omadito@itac.org.za or Ms Dolly Ngobeni at email: dngobeni@itac.org.za.]

THE APPLICANT SUBMITTED, AMONGST OTHERS, THE FOLLOWING REASONS FOR THE APPLICATION:

“Bulk white chocolate production in the SACU is mainly produced for own use by large chocolate producers who are predominantly multinational companies. Production of industrial bulk white chocolate for resell is minimal to non-existent locally

Bulk white chocolate required by Kees Beyers is imported from Europe and attracts a 25% customs duty, yet the final retail-ready chocolate products originating from the EU enter the SACU market duty free because of the Economic Partnership Agreement (EPA). Retail ready chocolate products originating from the EU have been a significant challenge for years as EU manufacturers do not pay import duties on raw materials and their final retail.”

PUBLICATION PERIOD:

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

3. MINISTERIAL DIRECTIVE TO REVIEW REBATE ITEMS 311.18/63.09/01.04 AND 460.11/00.00/01.00 TO THE CUSTOMS AND EXCISE ACT, NO.91 of 1964.

Rebate item 311.18/63.09/01.04 reads as follows:

“Worn clothing and other worn articles of textile materials containing 35 per cent or more by mass of cotton fibres (excluding brassieres, girdles, corsets, braces, suspenders, garters, jackets, blazers, jerseys, pullovers, cardigans, overcoats, car-coats, raincoats, anoraks, ski-jackets, duffle-coats, mantles, parkas, swimwear, socks and similar clothing articles) at such times, in such quantities and subject to such conditions as the International Trade Administration Commission may allow by specific permit for the manufacture of wiping rags and cleaning cloths”

Rebate item 460.11/00.00/01.00 reads as follows:

“Used overcoats, car-coats, raincoats, anoraks, ski-jackets, duffle-coats, mantles, three-quarter coats, greatcoats, hooded caps, trench coats, gabardines, padded waistcoats and parkas (excluding any other clothing articles) classifiable in tariff headings 61.01, 61.02, 62.01, 62.02 and 6309.00.13, in such quantities, at such times and subject to such conditions as the International Trade Administration Commission may allow by specific permit”

ENTITY:**The Department of Trade, Industry and Competition (The dtic)**

Private Bag X84,

PRETORIA,

Gauteng,

0001

Enquiries contact: Mr C Sako, Tel: (012) 394 3669, Email: csako@itac.org.za, or Mrs E Gandhi, Tel: (012) 394 3672, Email: endou@itac.org.za, or Ms T Morale, Tel: (012) 394 3694, Email: tmorale@itac.org.za

THE REASONS PROVIDED FOR THE REVIEW ARE AS FOLLOWS:

- a) The Ministerial Directive follows concerns which were raised by the Intergovernmental Illicit Economy Trade Task Team about the potential abuse and/or misuse of the aforementioned rebate items, their contribution to illicit trade and the detrimental and negative effect this may have on the domestic clothing and textile industry.
- b) *It was further considered that the subject rebate items have not recently been reviewed.*

PUBLICATION PERIOD:

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

[NOTE: Representations/comments must be provided in the format of a questionnaire obtainable on ITAC's website at www.itac.org.za by following the links: "Services – Tariff investigations – Government Gazette Notices – Other publication notices.']