

**DEPARTMENT OF TRADE, INDUSTRY AND COMPETITION****NOTICE 725 OF 2021****INTERNATIONAL TRADE ADMINISTRATION COMMISSION****CUSTOMS TARIFF APPLICATIONS****LIST 16/2021**

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. Creation of a temporary rebate facility in Schedule 4 of the Customs and Excise Act, for rebate of the full customs duty, as follows:**

“Tall Oil Fatty Acids classifiable in tariff subheading 3823.13, in such quantities, at such times

and subject to such conditions as the International Trade Administration Commission may allow by specific permit, provided the products are not available in the SACU market.”

**APPLICANT:**

**Ferro Coating Resins (Pty) Ltd**

4 Baltex Road

Isipingo Rail

**DURBAN**

4110

[Ref: 15/2021: Enquiries: Email: Mr. Jacob Mtimkulu, [jmtimkulu@itac.org.za](mailto:jmtimkulu@itac.org.za) and Mr Siphon Tshabalala; Email: [stshabalala@itac.org.za](mailto:stshabalala@itac.org.za).]

**THE APPLICANT SUBMITTED, *INTER ALIA*, THE FOLLOWING REASONS FOR THE APPLICATION:**

- In 2020 Industrial Oleo Chemicals (Pty) Ltd closed its Tall Oil Fractionation plant. Therefore, there is no local manufacturer of TOFA. The only option is to import this vital raw material.
- Ferro Coating Resin (FCR) cannot substitute TOFA with any other product to manufacture alkyd resins. The company intends to source all required TOFA from non-European Union countries as these provide more competitive pricing. There is currently a 10% general Customs duty on TOFA imported from countries other than those in the European Union (EU), the Southern African Development Community (SADC), and the European Free Trade Association (EFTA).
- The existing duty no longer serves to protect any local manufacturer but rather to unnecessarily increase the landed cost of this key raw material. The high cost of importing TOFA consequently increases the cost of manufacturing alkyd resins.
- Alkyd resins are a key raw material for the SACU paint and coatings industry.
- FCR remains committed to local manufacturing and investing locally. Importantly, the company remains committed to procuring its raw materials from local manufacturers where possible. It is for this reason that it opted for a temporary rebate rather than a duty removal.

**PUBLICATION PERIOD:**

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

**2. AMENDMENT OF REBATE ITEMS 316.01 AND REBATE ITEM 316.09 TO ALLOW FOR THE INCLUSION OF ADDITIONAL COMPONENTS FOR COOKING AND COOLING APPLIANCES, AS FOLLOWS:**

- With regards to Rebate Item 316.01/8302.10/01.06, by insertion of the phrase “*refrigerators and freezers of headings 84.18 and .....and by deletion of the word “heading”*”;
- With regards to Rebate Item 316.01/8418.99/01.06, by deletion of the word “*evaporators*”; the insertion of the phrase “*Parts classified under tariff subheadings 8418.99.20 and 8418.90.40*”; by deletion of the word “*condensers*”; and the insertion of the phrase “*and freezers classifiable in tariff heading 84.18*”;
- With regards to Rebate Item 316.01/8516.80/01.06, by deletion of the word “and”, by insertion of the phrase “and stoves, ovens and hobs and ... 85.16”;
- With regards to Rebate Item 316.09/8302.10/01.06, by deletion of the words “electric and heading” and by insertion of the phrase “headings 73.21 and”;
- With regards to Rebate Item 316.09/8516.80/01.06, by insertion of the phrases “ and solid-plate”, by deletion of phrase “ glass-top”, by insertion of the phrase “solid-plate tabletop cookers”; ... by deletion of the word “heading”, and by insertion of the phrase “headings 73.21 and”;
- The deletion of Rebate Item 316.09/8516.80/03.06 from Schedule 3 of the Customs and Excise Act, 1964; and
- Rebate Item 316.09/8516.90/01.06, by deletion of the words “glass top” and insertion of the word “, oven”.

**APPLICANT:****Defy Appliances (Pty) Ltd**

135 Teakwood Road

Jacobs

**DURBAN**

**Enquiries:** ITAC Ref: 14/2021, Enquires: Ms. Diphetogo Rathete and Mr. Njabulo Mahlalela. They can be contacted by e-mail at [drathete@itac.org.za](mailto:drathete@itac.org.za) / [nmahlalela@itac.org.za](mailto:nmahlalela@itac.org.za).