

DEPARTMENT OF TRADE, INDUSTRY AND COMPETITION

NO. 3327

21 April 2023

INTERNATIONAL TRADE ADMINISTRATION COMMISSION
CUSTOMS TARIFF APPLICATIONS
LIST 03/2023

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 customs duty on:

Plate-type heat exchange elements for air pre-heaters, classifiable under tariff subheading 8404.90, from free of duty to the WTO bound rate of 5% *ad valorem*, by way of creating an additional 8-digit tariff subheading.

APPLICANT:**Howden Power, a division of Howden Africa (Pty) Ltd**

P.O Box 9501
Johannesburg
2000

ITAC reference 13/2023: Enquires: Ms. Marhandzakutiva Rikhotso/ Ms Ndivhudzannyi Mokou/ Mr Njabulo Mahlalela, Tel: 012 394 3816/3627/3684 or email mrrikhotso@itac.org.za/ nramphabana@itac.org.za/ nmahlalela@itac.org.za

REASONS FOR THE APPLICATION AS STATED BY THE APPLICANT

- 1) Steel is regarded as the main input material in the manufacture of element packs and it accounts for approximately 70% of the total cost of production;
- 2) There has been increased import competition from low priced products originating from China and India, and these pose a threat to the sustainability of the domestic element packs manufacturing industry;
- 3) There is an anomaly in the tariff structure in that the input material (steel) attracts a 10% duty whilst the final product (element packs) is imported duty free. This makes it more expensive to manufacture element packs locally, whether using local or imported steel;
- 4) The applicant has made major capital investment that contributes to skills development in the country, and
- 5) The increase in the rate of customs duty will assist in protecting the local industry and retaining jobs.

PUBLICATION PERIOD:

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