

DEPARTMENT OF TRADE, INDUSTRY AND COMPETITION

NOTICE 2695 OF 2024

INTERNATIONAL TRADE ADMINISTRATION COMMISSION

CUSTOMS TARIFF APPLICATIONSLIST 05/2024

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 GENERAL RATE OF CUSTOMS DUTY APPLICABLE TO:

“Rails, classifiable under tariff subheading 7302.10, from 5 per cent to 10 per cent ad valorem”.

APPLICANT:

ArcelorMittal Rail and Structures (“AMRAS”), a division
of ArcelorMittal South Africa Limited
PO Box 2
Vanderbijlpark
1900

Enquiries: ITAC Ref: **06/2024**. Ms. Diphetogo Rathete/ Ms. Princess Matsepane.
Tel: 012 394 3683/6699 or drathete@itac.org.za/pmatsepane@itac.org.za

AS REASONS FOR THE APPLICATION, THE APPLICANT CITED, AMONGST OTHERS, THE FOLLOWING:

- In 2022, ArcelorMittal South Africa (AMSA) launched the production of mainline rail at its newly acquired AMRAS facility in Emalahleni. The acquisition signals the revival of local mainline rail manufacturing capability, making AMRAS the sole producer of mainline rail in sub-Saharan Africa;
- Products needed for railway infrastructure development can now be developed and sourced locally, acting as a catalyst for the growth of the South African economy and the steel industry;
- This localisation effort enables the replacement of imported steel with local production, contributing significantly to the growth of the local steel industry;
- The plant is currently operating at significantly low capacity. Therefore, import replacement will enable the company to reach sustainable operating levels, reduce marginal cost of production and enhance overall competitiveness; and
- The African continental free trade agreements strengthen South Africa’s position as a supplier of rail products in the continent.

PUBLICATION PERIOD:

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

- 2. NB: the previous publication in *Government Gazette* No. 50687, Notice 2508 of 24 May 2024 with ITAC Ref: 09/2023 is herewith withdrawn and replaced by the following publication:**

APPLICATION FOR THE CREATION OF A REBATE FACILITY ON:

Palm oil, not fractionated, partly or wholly hydrogenated, whether or not refined, but not further prepared, classifiable in tariff subheading 1516.20.90, for use in the manufacture of soaps and organic surface-active products and preparations, in the form of bars, cakes, moulded pieces or shapes.

APPLICANT:

Unilever South Africa (Pty) Ltd
15 Nollsworth Crescent
La Lucia Ridge Office Estate
DURBAN
4051

ITAC Ref: 09/2023 **Enquiries:** Mr Joseph Mawasha, Email: jmawasha@itac.org.za , Tel: 012 394 3720; Mr Scelo Mshengu, Email: smshengu@itac.org.za, Tel 012 394 3693; Mr Jacob Mtimkulu, Email: jmtimkulu@itac.org.za, Tel 012 394 3691 and Mr. Nkulana Phenya, Email: jphenya@itac.org.za, Tel: 012 394 3677

AS MOTIVATION FOR THE APPLICATION, THE APPLICANT SUBMITTED, *INTER ALIA*, THAT:

Unilever South Africa faces challenges due to rising costs, inflation, and competition from cheaper imports. Furthermore, the company is altering its formulation for producing soap bars to support its strategy of sourcing sustainable materials to prevent harm to people and plants. This formulation utilizes palm oil, which currently attracts a 10% duty. A rebate on the duty on imported palm oil is therefore necessary to maintain local manufacturing and competitiveness in the domestic market. While alternatives like sunflower and soybean oils exist, they require additional processing, increasing costs and making them less competitive compared to palm oil.

PUBLICATION PERIOD:

Representation should be submitted to the above ITAC officials within **two (2) weeks** of the date of this notice.

3. **NB: the previous publication in *Government Gazette* No. 50687, Notice 2508 of 24 May 2024 with ITAC Ref: 10/2023 is herewith withdrawn and replaced by the following publication:**

APPLICATION FOR THE CREATION OF A REBATE FACILITY ON:

Palm oils, not fractionated, refined, bleached, and deodorised, but not chemically modified, classifiable in tariff subheading 1511.90.90, for use in the manufacture of soaps and organic surface-active products and preparations, in the form of bars, cakes, moulded pieces or shapes.

APPLICANT:

Unilever South Africa (Pty) Ltd

15 Nollsworth Crescent
La Lucia Ridge Office Estate
DURBAN
4051

ITAC Ref: 10/2023 **Enquiries:** Mr Joseph Mawasha, Email: jmawasha@itac.org.za , Tel: 012 394 3720; Mr Scelo Mshengu, Email: smshengu@itac.org.za , Tel 012 394 3693; Mr Jacob Mtimkulu, Email: jmtimkulu@itac.org.za , Tel 012 394 3691 and Mr. Nkulana Phenya, Email: jphenya@itac.org.za , Tel: 012 394 3677

AS MOTIVATION FOR THE APPLICATION, THE APPLICANT SUBMITTED, *INTER ALIA*, THAT:

Unilever South Africa faces challenges due to rising costs, inflation, and competition from cheaper imports. Furthermore, the company is altering its formulation for producing soap bars to support its strategy of sourcing sustainable materials to prevent harm to people and plants. This formulation utilizes palm oil, which currently attracts a 10% duty. A rebate on the duty on imported palm oil is therefore necessary to maintain local manufacturing and competitiveness in the domestic market. While alternatives like sunflower and soybean oils exist, they require additional processing, increasing costs and making them less competitive compared to palm oil.

PUBLICATION PERIOD:

Representation should be submitted to the above ITAC officials within **two (2) weeks** of the date of this notice.

4. APPLICATION FOR AN INCREASE IN THE RATE OF DUTY ON:

Aluminium Chlorohydrate (ACH), classifiable in tariff subheading 2827.32 from free of duty to 10% ad valorem duty.

APPLICANT:

MCFI International (Pty) Ltd
7 Morewood Road
P.O Box 450
HAMMARSDALE

ITAC Ref: 01/2024 **Enquiries:** Mr Joseph Mawasha, Email: jmawasha@itac.org.za, Tel: 012 394 3720; Mr. Siphon Tshabalala, Email: stshabalala@itac.org.za, Tel: 012 394 3739

AS MOTIVATION FOR THE APPLICATION, THE APPLICANT SUBMITTED, INTER ALIA, THAT:

- There has been a significant increase in imports of Aluminium Chlorohydrate (ACH), increasing by over 80% since 2021. The majority of these imports, approximately 70%, originate from India.
- Accordingly, the increasing imports have surpassed MCFI's sales volumes, resulting in a gradual erosion of its market share. This trend has led to a significant portion of MCFI's production capacity remaining unused.
- Therefore, the duty increase is necessary to level the playing field as producers in India benefit from export incentives and subsidies allowing them to export at lower prices.

PUBLICATION PERIOD:

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