GENERAL NOTICES • ALGEMENE KENNISGEWINGS

DEPARTMENT OF TRADE, INDUSTRY AND COMPETITION

NOTICE 3061 OF 2025

INTERNATIONAL TRADE ADMINISTRATION COMMISSION <u>CUSTOMS TARIFF APPLICATIONS</u> <u>LIST 02/2025</u>

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 <u>http://www.itac.org.za/documents/R.397.pdf</u>. These regulations require that if any information is considered to be confidential, then a <u>nonconfidential version of the information must be submitted</u>, 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. REVIEW OF THE TARIFF STRUCTURE AND INVESTIGATION INTO THE POSSIBLE INTRODUCTION OF AN IMPORT SURVEILLANCE SYSTEM FOR STEEL PRODUCTS CLASSIFIABLE UNDER CHAPTERS 72, 73, 82, AND 83 OF THE CUSTOMS AND EXCISE ACT

INITIATED BY:

International Trade Administration Commission of South Africa ('ITAC') Private Bag X 753 Pretoria 0001

REASONS FOR THE REVIEW:

- Considering the worldwide steel production overcapacity, increased trade protectionist measures implemented by some countries, and associated trade diversions occurring globally, SA's steel value chains are facing serious sustainability challenges, which are impacting negatively on the country's socioeconomic objectives;
- Persistent local conditions of slow economic growth, depressed demand, energy and freight logistics challenges are further exacerbating this problem. While a number of initiatives are being implemented through the steel and Metal Fabrication Masterplan, additional trade policy instruments may be necessary to ensure the facilitation of our industrialisation objectives and socio-economic goals, which are supportive of our domestic steel production capabilities and jobs; and
- In addition, SA's local downstream industry possesses capabilities to manufacture and be competitive in a broad array of products covered within Chapters 72,73,82, and 83. However, the SA industry faces numerous challenges, including an influx of low-priced, and often sub-standard, imports, impacting the country's socioeconomic goals negatively.

Interested parties are invited to submit comments on the following:

 The possible increase in the rate of customs duty, to the respective WTO bound rates, on the products listed in <u>Table A</u>;

- The extent to which the challenges faced in relation to an influx of low-priced imports arising from global structural overcapacity, constitutes an 'emergency' situation. Necessitating emergency action; including as envisaged in Article XIX of the General Agreement on Trade and Tariffs (GATT), the suspension in whole or part, or withdrawal or modification of any tariff concession, to the extent and for such a time as may be necessary to prevent or remedy further harm.
- The desirability of raw material input support measures, to improve the cost competitiveness of domestic steel producers in overcoming price disadvantages arising from global structural overcapacity and incomparable scale economies found in countries of origin for competing products. Such measures would include measures that reduce input prices on scrap, iron-ore, coking coal and any other feedstock material used in the production of steel.
- The potential discontinuation of the following rebate provisions due to their unintended negative consequences in the domestic manufacturing industry;

Rebate Item 460.15/7210.61/01.06; Rebate Item 460.15/7210.70/01.06; and

Rebate Item 460.15/7225.99/01.06

- The possible creation of rebate provisions for the importation of targeted input products used in manufacturing activities, classifiable under Chapter 72, 73, 82, and 83 of the Customs and Excise Act;
- Consideration of 'alternative' measures to ad-valorem customs duties, including but not limited to tariff rate quotas, minimum import or reference pricing, specific or formula duties *inter alia*.
- The possible introduction under import controls of all products listed in <u>Table B</u>. Import control would involve the requirement for the issue of a permit (for environmental, safety and other reasons) by the Commission prior to importation of specific categories of products.

- The possible introduction of an import surveillance system to assist in addressing, amongst other things, circumvention of import duties, customs fraud, misdeclaration, under invoicing and other unlawful activities; and
- Proposals on the identification of additional high-risk steel products to be prioritised in the development of compulsory specifications and standards, in collaboration with NRCS.

PUBLICATION PERIOD:

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

Enquiries: ITAC Ref: **20/2024**. Diphetogo Rathete/Pfarelo Phaswana/Nonqubeko Sikhakhana/Princess Matsepane. Tel: 012 394 3683/3628/3835/3699 or email drathete@itac.org.za/ pphaswana@itac.org.za/ nsikhakhana@itac.org.za/ pmatsepane@itac.org.za.