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CONTENTS • INHOUD

No.

Page
No. Gazette
 No.

GENERAL NOTICE

Economic Development, Department of

General Notice

34	International Trade Administration Act (71/2002): Draft Export Control Guidelines on the Exportation of Ferrous and Non-Ferrous Metal Waste and Scrap	3	36091
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GENERAL NOTICE

NOTICE 34 OF 2013

ECONOMIC DEVELOPMENT DEPARTMENT

INTERNATIONAL TRADE ADMINISTRATION COMMISSION OF SOUTH AFRICA.

EXPORT CONTROL

DRAFT EXPORT CONTROL GUIDELINES ON THE EXPORTATION OF FERROUS AND NON-FERROUS METAL WASTE AND SCRAP.

Interested parties are hereby invited to **comment on the proposed guidelines** pertaining to the introduction of a price preference system to assist domestic users, processors and recyclers to purchase scrap metal at a preference price for local consumption prior to exportation thereof and also submit substantiated proposals on what the price percentage lower than the Metal Bulletin price, fob Rotterdam should be.

Export Control Guidelines Pertaining to the Exportation of Ferrous and Non-Ferrous Waste and Scrap Metal

- 1) The exportation of ferrous and non-ferrous waste and scrap is subject to export control measures in terms of Section 6 of the International Trade Administration Act 71 of 2002.
- 2) Control is exercised, among others, for health and environmental purposes, ensuring that the exported material complies with the requirements of the Basel Convention for the Control of trans boundary movement of hazardous waste and scrap. However, the growing exports of scrap metal have also undermined the domestic foundries, mills and smelters and it is the intention that the export control measures is used also to ensure that the domestic scrap processing industry has access to the necessary supply of affordable scrap metal.
- 3) A price preference system to strengthen the existing export control measures on ferrous and non-ferrous scrap metal will be administered by ITAC.
- 4) The price preference will be based on the difference between the Metal Bulletin price, fob Rotterdam for the different categories of metal scrap as published daily on the internet, and the desired domestic price for optimum domestic metal scrap beneficiation to be determined by the Commission.
- 5) The price preference will be determined after a transparent investigation process and will be expressed as a percentage lower than the Metal Bulletin price, fob Rotterdam. It will be a fixed percentage lower than the Metal Bulletin price, fob Rotterdam price for all metal scrap or, if so determined, a fixed percentage for the categories of metal scrap, i.e. ferrous (steel and stainless steel) or non-ferrous (mainly aluminium and copper).

- 6) Foundries, mills and smelters of scrap will be given first option and opportunity to purchase the quantity of scrap for which an export permit is applied for, at the pre-determined price preference level. If this option is not taken up after thirty working days, the export permit application will be approved and processed and an export permit will be issued. The exporter will then be able to export the scrap at the transacted price between buyer and seller.
- 7) New applicant exporters must complete form **IE 230** (application to register as an exporter or change of current information) as well as the application for an export permit form **IE363** (ferrous and non-ferrous waste and scrap). All requested information must be provided and copies of supporting documents such as a copy of the SARS tax clearance certificate or ID document must accompany the application form.
- 8) Existing exporters do not have to complete form IE230 unless there is a change in the current information of the applicant and must complete the export permit application form **IE363** (ferrous and non-ferrous waste and scrap) only.
- 9) All technical information pertaining to the waste and scrap must be provided. Applications that are incomplete or contain alterations will be regarded as deficient.
- 10) It is furthermore required that the scrap metal for which an export permit is applied for, is at hand on the registered premises of the applicant at the time of application, and that the physical address be provided for ITAC to conduct a physical inspection. Separate applications must be submitted for scrap located on different premises registered to the same applicant.
- 11) Registered premises are those from which the applicant conduct business and which is registered with the South African Police Service in terms of the provisions of the Second-hand Goods Act, 6 of 2009.
- 12) Scrap metal destined for export may not be packed into containers prior to receipt of an export permit, if issued, and will be unpacked at the expense of the applicant, if required for verification, quality assessment or any other purpose.
- 13) If duly completed, ITAC will twice weekly (Tuesdays and Thursdays) route the application details to the different industry representative organisations namely the South African Iron and Steel Institute (SAISI) the Southern African Stainless Steel Development Association (SASSDA), Aluminium Federation of Southern Africa (AFSA), South African Institute of Foundrymen (SAIF), Copper Development Association of SA and the Metal Recyclers Association of SA (MRA), providing an opportunity to domestic users being foundries and recyclers via these organisations to approach the proposed exporter with a view to purchase the scrap destined for export. All applications must be submitted to ITAC by 12h00 on the working day prior to the day of circulation.
- 14) Should a domestic user or recycler purchase scrap metal within the 30 day period referred to above, ITAC must be informed in writing both by the applicant that the export permit application be withdrawn, and the domestic user or recycler that the scrap metal has been purchased for local consumption. Supporting documentation such as the sales agreement and other relevant documentation which may be required by ITAC must be submitted for audit purposes.
- 15) Inspections are conducted with regard to all new applicant exporters of ferrous and non-ferrous waste and scrap. Random compliance checks are also carried out.

- 16) Exporters should take note that the processing of applications submitted for export permits for ferrous and non-ferrous waste and scrap may take more than 30 working days depending on outstanding documents, information and inspection reports.
- 17) All variations and fluctuations in price and exchange rate from the date of the application until and if an export permit is granted remains the responsibility of the applicant/exporter.
- 18) An export permit is required for the exportation of ferrous and non-ferrous waste and scrap metal referred to hereunder.
- 19) **Please note** that waste and scrap of tariff headings 7802.00, 8107, 8110.00, 8111.00 and 8112 also require a recommendation from the Department of Environmental Affairs prior to submitting the application to ITAC.

Description of goods	Tariff heading
Ferrous waste and scrap; re-melting scrap ingots of iron or steel	7204
Copper and brass waste and scrap	7404.00
Nickel waste and scrap	7503.00
Aluminium waste and scrap	7602.00
Lead waste and scrap	7802.00
Zinc waste and scrap	7902.00
Tin waste and scrap	8002.00
Tungsten (Wolfram) and articles thereof, including waste and scrap	81.01
Molybdenum and articles thereof, including waste and scrap	81.02
Tantalum and articles thereof, including waste and scrap	81.03
Magnesium waste and scrap	8104.20
Cadmium and articles thereof,	81.07

including waste and scrap

Antimony and articles thereof, 8110.00

including waste and scrap

Manganese and articles thereof, 8111.00

including waste and scrap

Beryllium, chromium, germanium, 81.12

vanadium, gallium, hafnium,

indium, niobium (columbium)

and articles of these metals,

including waste and scrap

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Publication period:

Representation and comments must be submitted within a period of 4 weeks from publication of this Notice to:

The International Trade Administration Commission of South Africa

Senior Manager: Import and Export Control

Private Bag X 753

Pretoria

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Att: Mr. M P Snyman

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