

## DEPARTMENT OF TRADE, INDUSTRY AND COMPETITION

NO. 2380

22 March 2024

## INTERNATIONAL TRADE ADMINISTRATION COMMISSION

CUSTOMS TARIFF APPLICATIONSLIST 02/2024

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 ON:**

*“Transformer cores, having a power handling capacity not exceeding 50 000 Kva, classifiable in tariff subheading 8504.90, from 5% ad valorem to the WTO bound rate of 15% ad valorem, by way of the creation of an 8-digit tariff subheading.”*

### **APPLICANT:**

#### **STI Electrical (Pty) Ltd**

No. 5545 Proton Industrial Park  
Chloorkop and No. A3 Grader Place  
**SPARTAN**  
1619

**ITAC Ref: 11/2023**, Enquires: Ms Diphetogo Rathete and Ms Lavhelesani Mulaudzi, Tel: 012 394 3683/1678 and/or alternatively email: drathete@itac.org.za/lmulaudzi@itac.org.za.

### **REASONS FOR THE APPLICATION AS STATED BY THE APPLICANT**

- Transformer cores are currently imported into South Africa, attracting only a 5% *ad valorem* customs duty, making it difficult for domestic producers to compete with such relatively low-priced imports;
- The price of grain oriented silicon steel, the main input material used in the manufacture of transformer cores, has increased significantly over the years, particularly between 2019 and 2021, further eroding the competitiveness of the domestic industry manufacturing transformer cores against imports of similar products;
- The domestic industry involved in the fabrication of transformer cores, including but not limited to, sizing, slitting, stacking and clamping processes, contributes significantly towards industrialisation, diversification and value addition in the country;
- The company is an important contributor to job creation and retention, particularly in its home district of Ekurhuleni, a region characterised by high unemployment rates, affecting mostly the youth; and
- Tariff support for the transformer cores manufacturing industry would not only assist in the industry's growth in South Africa, but also in the country's industrial development and employment creation objectives.

**PUBLICATION PERIOD:**

Written representations must be submitted within **four (4) weeks** of the date of this notice.

**2. CREATION OF A REBATE FACILITY ON:**

Solid sodium hydroxide (caustic soda), classifiable under tariff subheading 2815.11, for conversion into sodium hydroxide in aqueous solution (soda lye or liquid soda), classifiable under tariff subheading 2815.12.

[Ref: 06/2023: Enquiries: Mr. Jacob Mtimkulu, email: [jmtimkulu@itac.org.za](mailto:jmtimkulu@itac.org.za), Mr. Joseph Mawasha, email [jmawasha@itac.org.za](mailto:jmawasha@itac.org.za), and Mr Nkulana Phenya, email: [nphenya@itac.org.za](mailto:nphenya@itac.org.za).

**APPLICANT**

**African Chemicals (Pty) Ltd**

Katherine & West

114 West Street

**SANDTON**

2031

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

The Applicant stated that it is widely accepted that there is a shortage of caustic soda in the SACU market. Furthermore, African Chemicals, recognizing the shortage in the market, intends to import solid flakes for conversion into liquid caustic soda to meet the SACU market demand.

**PUBLICATION PERIOD:**

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