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**GENERAL NOTICES • ALGEMENE KENNISGEWINGS**


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**ECONOMIC DEVELOPMENT DEPARTMENT****NOTICE 441 OF 2016****INTERNATIONAL TRADE ADMINISTRATION COMMISSION****CUSTOMS TARIFF APPLICATIONS LIST 06/2016**

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 comments 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. REVIEW OF THE GENERAL RATE OF CUSTOMS DUTY ON VARIOUS DOWNSTREAM STEEL PRODUCTS:**

“Steel products classifiable under tariff headings; 72.17, 73.07, 73.08, 73.12, 73.18, 73.21, 83.02, 84.18, 84.26, 84.50, 84.51, 85.04, 86.01, 86.07, 86.09 and 94.06”.

**INITIATED BY:**

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

**ENQUIRIES:**

ITAC Ref: **09/2016**, Enquires: Lufuno Maliaga/ Njabulo Mahlalela/ Pfarelo Phaswana, Tel: 012 394 3835/3684/3628 or email: [lmaliaga@itac.org.za](mailto:lmaliaga@itac.org.za)/[nmahlalela@itac.org.za](mailto:nmahlalela@itac.org.za)/[pphaswana@itac.org.za](mailto:pphaswana@itac.org.za).

**REASONS FOR THE REVIEW:**

- The global steel crisis is negatively impacting the entire SACU steel value chain;
- A number of SACU downstream industries have expressed concerns regarding the lack of tariff protection against imports of finished products that often come at unsustainably low prices; and
- A competitive steel value chain that support increased beneficiation, investment and employment is a key priority for SACU development.

**PUBLICATION PERIOD:**

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

**2. DIRECTIVE TO REVIEW THE DOLLAR-BASED DOMESTIC REFERENCE PRICE AND VARIABLE TARIFF FORMULA FOR:**

- 1) Wheat classifiable under tariff subheadings 1001.91 and 1001.99; wheaten flour classifiable under tariff subheadings 1101.00.10 and 1101.00.90.
- 2) Maize classifiable under tariff subheadings 1005.10 and 1005.90; maize flour classifiable under tariff subheading 1102.20.
- 3) Sugar classifiable under tariff heading 17.01.

**NOTE: Comments must be submitted in the format as set out in the attached Annexure A.**

**ENTITY:**

Economic Development Department

Private Bag X 149

**Pretoria**

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**Reasons for the reviews are as set out below:**

Due to changed circumstances, it was deemed appropriate to evaluate and investigate the Dollar based reference price and the variable tariff formulae for wheat, maize and sugar and assess, inter alia, its impact on downstream products i.e. bread, cereal, maize meal and foodstuffs containing sugar.

The changed circumstances include drought, shortage and exchange rate.

Representation on the review should be submitted to the contact details of the officials below within **four (4) weeks** of the date of this notice:

Ms. R Theart, Tel: (012) 394 3674, Fax: (012) 394 4674, email: [rtheart@itac.org.za](mailto:rtheart@itac.org.za), Ms. M Masithela, Tel: (012) 394 3682, Fax: (012) 394 4682 email: [mmasithela@itac.org.za](mailto:mmasithela@itac.org.za), Mr O Madito, Tel: (012) 394 3692, Fax: (012) 394 4692 email: [omadito@itac.org.za](mailto:omadito@itac.org.za); or Ms. L Mulaudzi, Tel: (012) 394 1678, Fax: (012) 394 4678, email: [lmulaudzi@itac.org.za](mailto:lmulaudzi@itac.org.za).

## **ANNEXURE 'A'**

# **COMMENTS QUESTIONNAIRE FOR STAKEHOLDERS**

## **CONFIDENTIAL INFORMATION**

Please note that in terms of Section 33 of the International Trade Administration Act, 71 of 2002, and Section 3 of the Tariff Investigations Regulations, if any information is considered to be confidential then a non-confidential version of the information must be submitted, simultaneously with the confidential version. It is imperative to consult the Tariff Investigations Regulations in this regard for the detailed requirements on confidentiality, which apply to all parties and to all correspondence with and submissions to the Commission. Based on these regulations parties must indicate:

- Where confidential information has been omitted and the reasons for the confidentiality of the information omitted; and
- A detailed summary of the confidential information and indexing of numerical data must be submitted to enable interested parties to make meaningful representations on trends and methodology used to determine relevant factors; or
- In cases where information is not susceptible to summary or indexing, reasons must be submitted to this effect.

All correspondence with and submissions to the Commission unless clearly indicated to be confidential will be made available to other interested parties. (Confidential information should be clearly marked by writing "CONFIDENTIAL") on the cover page of the document and every page that contains confidential information.

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 confidentiality requirements.

## **VERIFICATION**

Please note that in terms of section 8 of the Tariff Investigations Regulations, the Commission retains the right to verify the accuracy of the information supplied to it by any party by conducting verifications

**COMPANY DETAILS**

1. State the full name of the company.
2. State the postal and physical address.
3. State the web address if available.
4. State the Company's registration number in terms of the Companies Act.
5. Provide the contact details of the company:

Contact person.....Tel.....  
 Cell no.....  
 Email.....

6. State the nature of the business conducted by the company.

**QUESTIONS:**

7. Do you consider the formulae for wheat, maize and sugar still relevant? If yes or no, please elaborate.
8. Do you think any changes in the architecture of the tariff structure for these commodity/ies concerned is required and if so kindly substantiate?
9. Is there any of the variables in the architecture of the formulae that you would want to see changed? Substantiate.
10. Do you think that the domestic reference price/s should be revised and if so at what rate and based on what evidence/methodology?
11. What do you think is the relevance and/or impact of the exchange rate variable and its fluctuations and what can be done?
12. What have been the price trends of these grains over the past 3 years and their impact on the price of bread, maize-meal and sugar?
13. In terms of the current drought conditions, kindly substantiate your projections on its effect and duration going forward?

14. According to your information what are the quantifiable shortages in these grains?

**Should you wish to highlight any other thing or provide additional information you are at liberty to include it in your response.**

15. Provide employment and investment data in relation to the subject commodity/ies for the last three years in the format provided below:

	2015	2016 to date
<b>Total Employment</b>		
Senior management		
Middle management		
Direct factory workers		
Administrative staff		
Youth Employment (Ages 18-35)		
Male		
Female		
Black		
White		
Indian		
Coloured		
Skilled		
Semiskilled		
Unskilled		
Applicant Total wage (R)		
Senior management		
Middle management		
Administrative staff		
Male		
Female		
Black		
White		
Indian		
Coloured		
Skilled		
Semiskilled		
Unskilled		
<b>Total investment (Rm)</b>		
Plant & machinery		
Buildings		

16. Provide the following production and sales data and a trend analysis for the last three years:

	Year 1	Year 2	Year 3 (current)
<b>Production volumes</b>			
<b>Production values</b>			
<b>Production capacity</b>			
<b>Total Sales volume</b>			
<b>Total Sales value</b>			
<b>SACU sales Volume</b>			
<b>SACU sales Value</b>			

17. Provide import data and a trend analysis of the commodity/ies concerned for the last three years.

18. For upstream and downstream stakeholders: Provide a cost and price structure of the subject commodity/ies concerned as shown below:

No.	items	Year 1			Year 2			Current year		
		Price per kg/li/units	% of total cost of production	% of ex-factory selling price	Price per kg/li/units	% of total cost of production	% of ex-factory selling price	Price per kg/li/units	% of total cost of production	% of ex-factory selling price
1	Direct Variable Cost									
	(a) Materials and components									
	<b>Imported</b>									
	Fob									
	Custom duty									
	Freight, insurance & landing & other charges									
	Other imported inputs									
	<b>Domestic sourced</b>									
	(b) Direct labour & related costs									
	(c) Tooling*									
	(d) Royalties, etc.									
	(e) Other*									
2	Indirect Variable Cost									
	Labour									
	Utilities									
	R & D									
	Other variable overheads*									
3	Fixed Overhead Cost									
	Labour									
	Repair & maintainance									
	Rates & insurance									
	Plant depreciation									
	Net interest paid									
	Rent									
	Other*									
4	Total Production Cost									
5	Selling General & Administrative Expenses									
	Administrative expenses									
	Selling expenses									
	General expenses									
6	Total Cost									
7	Selling (List) Price									
8	Discounts, etc									
	Discounts									
	Rebates									
9	Net Profit									
10	Net Ex-Factory Price									
11	Net Cash Flow									

**Note:** Supply a detailed breakdown of the items in asterisks (\*). Cost items such as tooling can be a direct or indirect cost depending on the specific industry. Separate cost analyses must be provided for each of the subject products in this format. This format serves as an indication of the details required by the Commission. This information should be reconcilable to your income statements. Provide a detailed breakdown of the basis of allocation in each case that an allocation has been made.



19. For importers: Provide a cost and price structure of the subject commodity/ies concerned as shown below:

	R per ..... state unit)
<b>Cost of the product being the subject of the application:</b>	
F.O.B. value	.....
Freight, insurance, landing charges	.....
Customs duty	.....
Other (specify)	.....
<b>In-store cost</b>	
Selling and administration costs	.....
Net profit	.....
<b>SELLING PRICE</b>	.....

20. Submit the following Affidavit by the Chief Executive Officer of the company concerned reflected on the company's letterhead:

I,.....(Full name) with identity number,.....in my capacity as..... of..... hereby declare that the information furnished in this application is to the best of my knowledge true and correct.

SIGNATURE:.....DATE:.....

I CERTIFY THAT THE DEPONENT HAS ACKNOWLEDGED THAT HE/SHE KNOWS AND UNDERSTANDS THE CONTENTS OF THIS AFFIDAVIT, AND THAT HE/SHE HAS NO OBJECTION TO TAKING THE PRESCRIBED OATH, AND THAT HE/SHE CONSIDERS THIS OATH TO BE BINDING ON HIS/HER CONSCIENCE.

SIGNED and SWORN to before me at .....

on this ..... Day of ..... Year.....

.....  
COMMISSIONER OF OATHS