

DEPARTMENT OF TRADE AND INDUSTRY
NOTICE 760 OF 2018
INTERNATIONAL TRADE ADMINISTRATION COMMISSION
CUSTOMS TARIFF APPLICATIONS
LIST 09/2018

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 comments 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 <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.

INCREASE IN THE GENERAL RATE OF CUSTOMS DUTY ON:

Frozen meat and edible offal of fowls of the species *Gallus domesticus*, with specific reference to bone-in portions classifiable under tariff subheading 0207.14.9 and boneless cuts classifiable under tariff subheading 0207.14.1 from 37 per cent *ad valorem* and 12 per cent *ad valorem*, respectively, to 82 per cent *ad valorem*.

APPLICANT:**South African Poultry Association (SAPA)**

Wild Fig Business Park, Block C
1494 Cranberry Street
Honeydew Ext 19
2170

Enquiries: ITAC Ref: 10/2018, Enquiries: Mr Jacob Mtimkulu, Mr Oatlotse Madito, Ms Dolly Ngobeni or Ms Manini Masithela at e-mails: jmtimkulu@itac.org.za/ omadito@itac.org.za/ dngobeni@itac.org.za/ mmanithela@itac.org.za. Alternatively, contact (012) 394 3691/3692/3667/3682.

REASONS AS STATED BY THE APPLICANT:

- The applicant provided, *inter alia*, the following reasons for the application:
 - a) The SACU poultry industry (meat and eggs) supplies more than 60% of the animal protein consumed in SACU and makes up almost 20% of South Africa's agricultural gross domestic product. It is the single largest part of agriculture in SACU and is core to SACU food security;
 - b) The poultry industry is the second biggest user of maize in the region and by far the biggest user of soybeans. The South African Government's soybean development strategy is dependent on the success of the local poultry industry;
 - c) The SACU domestic broiler industry directly employs at least 47,025 people with a further 58,383 people indirectly employed in support industries that are dependent on the broiler industry. The crops which are used as feed in the poultry industry account for approximately 17,738 workers in the crop farming sector;
 - d) SACU is a globally efficient producer of chicken. Despite this, the SACU poultry industry has faced, and continues to face, enormous profitability challenges. These have resulted in downsizing in late 2016 and early 2017, resulting in job losses and a deterioration in SACU's food security position;
 - e) The profitability challenges experienced by the SACU Industry are directly linked to increasing volumes of opportunistic imports of frozen chicken which significantly undercut the SACU industry;

- f) Dutiable imports of frozen chicken have increased drastically over the period 2015 to 2017. This has caused and threatens to cause the serious injury; and
- g) These low priced imports limit the SACU industry's ability to increase prices in line with the increases in costs (price suppression) and also reduce sales volumes and market share (as there is a preference for the lower priced imports). The SACU industry has limited storage capacity and export opportunities. This means that when these opportunistic imports enter the SACU market, the SACU industry is forced to lower its prices in order to sell stock and create storage capacity.

PUBLICATION PERIOD:

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