

DEPARTMENT OF TRADE AND INDUSTRY
NOTICE 200 OF 2018

INTERNATIONAL TRADE ADMINISTRATION COMMISSION

CUSTOMS TARIFF APPLICATIONS

LIST 03/2018

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 application is that requested by the applicants 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. CREATION OF A REBATE FACILITY FOR:

Caustic Soda classifiable under tariff subheading 2815.12 for the extraction of Copper and Nickel classifiable under tariff headings 2603.00 and 2604.00

APPLICANT:

Rustenburg Base Metal Refiners, a division of Rustenburg Platinum Mines Limited ("RBMR")

1 Bleskop Road
Bleskop
North West

Enquiries: ITAC Ref: 26/2017, Enquiries: Ms A. Varachia and Ms K. Mzinjana Tel: (012) 394 3732/3664 or Email: avarachia@itac.org.za or kmzinjana@itac.org.za

REASONS AS STATED BY THE APPLICANT:

- a.) Key changes which have impacted the applicant's primary supplier's volumes have led to a shortfall on the company's Caustic Soda requirements which have led to the decision to import the subject product.
- b.) The subject product attracts a 20% customs duty component which is not recoverable and translates to an increase in the prices as the volumes increase. In addition to the Caustic Soda shortfall, Nickel and Copper is a critical part of the sustainable growth strategy for RPM.

PUBLICATION PERIOD:

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

2. Notice 68 of 2018 (List 01/2018) of Government Gazette No. 41445 was published on 16 February 2018, for an increase in the rate of duty on "Phosphoric and polyphosphoric acids classifiable under tariff subheading 2809.20, from free of duty to 10 per cent *ad valorem*, by way of creating an additional 8-digit tariff subheading".

The tariff structure pertaining to tariff subheading 2809.20 was amended by SARS by way of introducing two new 8-digit subheadings, namely: 2809.20.10 and 2809.20.90, with effect from 1 January 2018.

This notice serves to notify interested parties of the alignment of Notice 68 of 2018 (List 01/2018) of the Government Gazette No. 41445 with the new 8-digit tariff structure pertaining to tariff subheading 2809.20.10, which forms the basis of the application, as follows:

INCREASE IN THE RATE OF DUTY ON:

“Diphosphorus Pentaoxide; Phosphoric Acid; Polyphosphoric Acids, Whether Or Not Chemically Defined: Of a phosphorous content of 78 per cent or more, classifiable under tariff subheading 2809.20.10, from free of duty to 10 per cent *ad valorem*.”

APPLICANT:

Chemical Initiatives (Pty) Ltd, a Subsidiary of AECI Limited
Building 24
AECI Place, The Woodlands
Woodlands1559

For enquiries contact: Mr C Sako, Tel: (012) 394 3669, Email: csako@itac.org.za, or Ms T Morale, Tel: (012) 394 3694, Email: tmorale@itac.org.za

REASONS FOR THE APPLICATION:

The applicant submitted, *inter alia*, the following reasons for the application:

- a) Chemical Initiatives has come increasingly under pressure from imports of the subject products due to increasing raw material costs as a result of the 20% export duty imposed by the Republic of China on yellow phosphorus.
- b) Chemical Initiatives competes with imports of the subject end products from Chinese manufacturers who are not impacted by the 20% export tax on yellow phosphorus and therefore have lower raw material costs and consequently a significant price advantage over locally produced phosphoric and polyphosphoric acids.
- c) The duty protection is necessary to make Chemical Initiatives' price more competitive against imports. Without protection of local manufacturers, local production will be lost to imports costing the SACU economy jobs and investments.
- d) A 10% duty will assist Chemical Initiatives in cutting back on imports by increasing local production. Chemical Initiatives already has existing capacity and is able to supply the local market.

Representations should be submitted to ITAC within two **(2) weeks** of the date of this notice.