



Latest News

UPDATE ON THE AFRICAN CONTINENTAL FREE TRADE AREA (AFCFTA)

At a session of the Assembly of Heads of State and Government of the African Union, held in Addis Ababa, Ethiopia in January 2012, a decision was adopted to establish an African Continental Free Trade Area (AFCFTA) by 2017. This decision was made because the Members had a desire to boost international trade and business relationships amongst African Countries.

An action plan to boost Intra-Africa Trade in goods and services (BIAT) was endorsed at the same summit. The key areas of BIAT relate to action clusters: trade policy, trade facilitation, production capacity, trade-related infrastructure, trade finance, trade information, and market integration.

A deal to create the African Continental Free Trade Area (AFCFTA) was signed at an extraordinary summit which was held in Kigali, Rwanda on 21 March 2018. The summit took place between 17 and 21 March 2018. The agreement was signed by representatives of forty-four (44) of the fifty-five (55) African Union Member States.

President Ramaphosa indicated that the signing of the historic agreement is a "moment which was dreamt of by the founding fathers of the African Union (AU)".

The President asked for more time to sign the deal because the parliamentary process of consultation needs to be followed.

President Ramaphosa said: "We still need to consult at home, to consult in Cabinet, to consult our various partners at Nedlac, but also to finally consult with our parliamentarians, so we are really just going through what you would call the 'clean-up process'. Everybody's onboard at home, so as far as we are concerned, we are part of this."

South Africa is amongst forty-seven (47) African Union Member States that signed the Kigali Declaration.

Burundi, Eritrea, Guinea-Bissau and Nigeria did not sign the Kigali Declaration 2018.

Cameroon, Cote d' Ivore, Egypt, Morocco, Mauritius also did not sign the Kigali Declaration, but they signed the consolidated text of the Agreement of the African Continental Free Trade Area.

It is very positive that all the SACU Countries signed the Kigali Declaration 2018 and committed to the African Continental Free Trade Area. Swaziland is the only SACU Member State that has signed the text of the Agreement as well as the Kigali Declaration.

The member state of the SACU Countries in the SADC Economic Partnership Agreement with the European Union (EU), Mozambique, also signed the text of the agreement and the Kigali Declaration.

According to the website of the African Union, the Republic of Niger deposited the instrument of ratification of the Agreement on the African Continental Free Trade Area at the African Union on 8 June 2018. Kenya, Ghana and Rwanda have already deposited their instruments of ratification of the Free Trade Area Agreement.

The Kigali Declaration needs to be ratified by the governments of twenty-two (22) African Union Member States before the agreement takes effect.

Sunset Review Applications

ITAC published a notice to replace Notice No. 282 of 2018 which was published in *Government Gazette* No. of 25 May 2018.

An updated list of anti-dumping duty provisions that will expire during 2019 unless a duly substantiated request is made by or on behalf of the respective SACU industries, indicating that the expiry of the duty would be likely to lead to the continuation or recurrence of dumping and injury.

See a list of the anti-dumping duty provisions below:

	ADD Item	Tariff Subheading	Code	CD	Description	Imported from or originating in	Rate of Anti-dumping duty
1.	204.05	2004.10.2	03.07	71	Chips or French fries produced by Pinguin Lutosa Foods B.V	Belgium	5,81%
2.	204.05	2004.10.2	04.07	76	Chips or French fries (excluding those produced by Agristo N.V Harebeke, Clarebou Potatoes N.V, Mydibel Foods S.A and Pinguin Lutosa Foods B.V)	Belgium	30,77%
3.	204.05	2004.10.2	05.07	70	Chips or French fries produced by N.V Tilburg	Netherlands	12,52%
4.	204.05	2004.10.2	06.07	75	Chips or French fries (excluding those produced by Agristo N.V Tilburg and Lamb Weston/Meijer V.O.F)	Netherlands	16,42%
5.	206.01	2836.20	02.06	68	Disodium carbonate produced by TATA Chemicals (SODA ASH) Partners INC. (TCSAP)	USA	8%
6.	206.01	2836.20	03.06	62	Disodium carbonate (excluding that produced by TATA Chemicals (SODA ASH) Partners INC. (TCSAP) and OCI Chemical Corporation)	USA	40%
7.	213.02	6809.11	05.06	65	Boards, sheets, panels, tiles and similar articles of plaster or of compositions based on plaster, faced or re-inforced with paper or paperboard only, not ornamented	Thailand	45%
8.	213.02	6809.11	06.06	66	Boards, sheets, panels, tiles and similar articles of plaster or of compositions based on plaster, faced or re-inforced with paper or paperboard only, not ornamented	Indonesia	34,6%
9.	215.02	7312.10.20	01.08	82	Stranded wire, of iron or steel, not electrically insulated, of a diameter of 12,7 mm or more (excluding that of wire of stainless steel, that of wire plated, coated or clad with copper or tin and that identifiable as conveyor belt cord)	China	113,25%
10.	215.02	7312.10.25	03.08	85	Ropes and cables, of iron or steel, not electrically insulated, of a diameter exceeding 32 mm (excluding that of wire of stainless steel, that of wire plated, coated or clad with copper and that identifiable as conveyor belt cord), (excluding that imported from Bridon International Limited)	United Kingdom	76,17%
11.	215.02	7312.10.25	04.08	85	Ropes and cables, of iron or steel, not electrically insulated, of a diameter exceeding 32 mm (excluding that of wire of stainless steel, that of wire plated, coated or clad with copper and that identifiable as conveyor belt cord), (excluding that imported from Bridon International GmbH and Pfeifer Drako)	Germany	93%
12.	215.02	7312.10.40	03.08	85	Ropes and cables, of iron or steel, not electrically insulated, of a diameter exceeding 32 mm (excluding that of wire of stainless steel, that of wire plated, coated or clad with copper and that identifiable as conveyor belt cord), (excluding that imported from Bridon International Limited)	United Kingdom	76,17%
13.	215.02	7312.10.40	04.08	87	Ropes and cables, of iron or steel, not electrically insulated, of a diameter exceeding 32 mm (excluding that of wire of stainless steel, that of wire plated, coated or clad with copper and that identifiable as conveyor belt cord), (excluding that imported from Bridon International GmbH and Pfeifer Drako)	Germany	93%
14.	215.02	7312.10.90	03.08	84	Ropes and cables, of iron or steel, not electrically insulated, of a diameter exceeding 32 mm (excluding that of wire of stainless steel, that of wire plated, coated or clad with copper and that identifiable as conveyor belt cord), (excluding that imported from Bridon International Limited)	United Kingdom	76,17%
15.	215.02	7312.10.90	04.08	89	Ropes and cables, of iron or steel, not electrically insulated, of a diameter exceeding 32 mm (excluding that of wire of stainless steel, that of wire plated, coated or clad with copper and that identifiable as conveyor belt cord), (excluding that imported from Bridon International Limited GmbH and Pfeifer Drako)	Germany	93%

The updated list was published under Notice No. 326 of 2018 in *Government Gazette* No. 41685 of 8 June 2018.

Manufacturers in the SACU of the products above who wish to submit a request for the duty to be reviewed prior to the expiry thereof must do so no later than close of business on 9 July 2018.

Enquiries may be directed to the Senior Manager: Trade Remedies I, Ms Carina Janse van Vuuren, at telephone (012) 394 3594 or fax (012) 394 0518.

Download Notice No. 326 of 2018 at <https://www.gov.za/documents/international-trade-administration-act-anti-dumping-duties-expire-2019-unless-request-0>

Customs Tariff Applications and Outstanding Tariff Amendments

The International Trade Administration Commission (ITAC) is responsible for tariff investigations, amendments, and trade remedies in South Africa and on behalf of SACU.

Tariff investigations include: Increases in the customs duty rates in Schedule No. 1 Part 1 of Jacobsens. These applications apply to all the SACU Countries, and, if amended, thus have the potential to affect the import duty rates in Botswana, Lesotho, Namibia, Swaziland and South Africa.

Reductions in the customs duty rates in Schedule No. 1 Part 1. These applications apply to all the SACU Countries, and, if amended, thus have the potential to affect the import duty rates in Botswana, Lesotho, Namibia, Swaziland and South Africa.

Rebates of duty on products, available in the Southern African Customs Union (SACU), for use in the manufacture of goods, as published in Schedule No. 3 Part 1, and in Schedule No. 4 of Jacobsens. Schedule No. 3 Part 1 and Schedule No. 4, are identical in all the SACU Countries.

Rebates of duty on inputs used in the manufacture of goods for export, as published in Schedule No. 3 Part 2 and in item 470.00. These provisions apply to all the SACU Countries.

Refunds of duties and drawbacks of duties as provided for in Schedule No. 5. These provisions are identical in all the SACU Countries.

Trade remedies include: Anti-dumping duties (in Schedule No. 2 Part 1 of Jacobsens), countervailing duties to counteract subsidisation in foreign countries (in Schedule No. 2 Part 2), and safeguard duties (Schedule No. 2 Part 3), which are imposed as measures when a surge of imports is threatening to overwhelm a domestic producer, in accordance with domestic law and regulations and consistent with WTO rules.

To remedy such unfair pricing, ITAC may, at times, recommend the imposition of substantial duties on imports or duties that are equivalent to the dumping margin (or to the margin of injury, if this margin is lower).

Countervailing investigations are conducted to determine whether to impose countervailing duties to protect a domestic industry against the unfair trade practice of proven subsidised imports from foreign competitors that cause material injury to a domestic producer.

Safeguard measures, can be introduced to protect a domestic industry against unforeseen and overwhelming foreign competition and not necessarily against unfair trade, like the previous two instruments.

Dumping is defined as a situation where imported goods are being sold at prices lower than in the country of origin, and also causing financial injury to domestic producers of such goods. In other words, there should be a demonstrated causal link between the dumping and the injury experienced.

The International Trade Commission of South Africa (ITAC) also publishes Sunset Review Applications in relation to anti-dumping duty in terms of which any definitive anti-dumping duty will be terminated on a date not later than five years from the date of imposition, unless the International Trade Administration Commission determines, in a review initiated before that date on its own initiative or upon a duly substantiated request made by or on behalf of the domestic industry, that the expiry of the duty would likely lead to continuation or recurrence of dumping and material injury.

See the box above for the latest Sunset Review applications that have been published.

There are currently no Customs Tariff Applications awaiting comments.

The latest applications to amend the SACU Tariff were published as Customs Tariff Application List 02 of 2018 in *Government Gazette* No. 41989 of 16 March 2018.

The applications to amend the Common External Tariff (CET) of the Southern African Customs Union (SACU) were published under Notice 136 of 2018, and comments were due by 3 and 13 April 2018.

Customs Tariff Amendments

With the exception of certain parts of Schedule No. 1, such as Schedule No. 1 Part 2 (excise duties), Schedule No. 1 Part 3 (environmental levies), Schedule No. 1 Part 5 (fuel and road accident fund levies), the other parts of the tariff is amended by SARS based on recommendations made by ITAC resulting from the investigations relating to Customs Tariff Applications received by them. The ITAC then investigates and makes recommendations to the Minister of Trade and Industry, who requests the Minister of Finance to amend the Tariff in line with the ITAC's recommendations. SARS is responsible for drafting the notices to amend the tariff, as well as for arranging for the publication of the notices in *Government Gazettes*.

Parts of the South African Tariff are not amended resulting from ITAC recommendations.

These parts (for example Parts of Schedule No. 1 other than Part 1 of Schedule No. 1), must be amended through proposals that are tabled by the Minister of Finance, or when the Minister deems it expedient in the public interest to do so.

Once a year, big tariff amendments are published by SARS, which is in line with the commitments of South Africa and SACU under international trade agreements.

Under these amendments, which are either published in November or early in December, the import duties on goods are reduced under South Africa's international trade commitments under existing trade agreements.

The rate of customs duty on sugar of tariff subheading 1701.12, 1701.13, 1701.14, 1701.91 and 1701.99 is increased from 213,1c/kg to 233,81c/kg as recommended in ITAC Minute 05/2108.

The recommendation was published under Notice No. R.581 which was published in *Government Gazette* No. 41690 of 8 June 2018. The Jacobsens reference is A1/1/1602.

In addition, the following amendments have been published in *Government Gazette* No. 41705 of 15 June 2018.

The rates of duty on certain article of stranded wire, ropes, cables, plaited bands, slings and the like, of iron or steel, not electrically insulated have been increased to 15% as recommended in ITAC Report 571 as amended by Minute M02/2018. (Notice R. 603).

Rebate provisions have been created for these items under item 460.15 as recommended in the same ITAC Report and Minute (Notice R. 605).

The anti-dumping duty provisions are amended (by the deletion of item 206.04/3207.40/01.06 and amendment of item 206.04/3207.40/02.06) to give effect to the sunset review on glass frit originating in or imported from Brazil, as amended in ITAC Report No. 579. (Notice R. 604)

The loose-leaf amendments will be sent to subscribers under cover of Supplement 1105.

Customs Rule Amendments

The Customs and Excise Act is amended by the Minister of Finance. Certain provisions of the Act are supported by Customs and Excise Rules, which are prescribed by the Commission of SARS. These provisions are numbered in accordance with the sections of the Act. The rules are more user-friendly than the Act, and help to define provisions which would otherwise be unclear and difficult to interpret.

Forms are also prescribed by rule, and are published in the Schedule to the Rules.

There were no amendments to the Customs and Excise Rules at the time of publication.

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