



## Latest News

### FOOD SECURITY ON THE AFRICAN CONTINENT

Food security is high on the agenda of many international organizations, such as the United Nations Food and Agricultural Organisation (UN FAO), and many other international organisations in recent times. It includes organisations such as the World Customs Organisation, who assists the UN FAO to monitor and control the international trade in certain food commodities, mainly fish species of Chapters 3 and 16. The recommendation to amend the HS and to implement the next version of the HS, HS 2022 which will take effect on 1 January 2022 will be published on the website of the World Customs Organization in the next 30 days.

Efforts in food security in Africa also recently gathered momentum, members of the food safety community in African Union member states committed to support the Africa food safety agenda programmes, of which the Africa Food Safety Index (AFSI), an information and data gathering tool on food safety is the most important.

The African group forms part of the Codex Alimentarius Commission, created in 1963 by the Food and Agriculture Organization (FAO) and the World Health Organization (WHO) with responsibility for setting food standards, guidelines and codes of practice to ensure food safety among others.

In support of the role the Codex group plays in food safety, the African Union through its programme, the Partnership for Aflatoxin Control Africa (PACA), in collaboration with other programmes and initiatives such as the Technical Centre for Agricultural and Rural Co-operation (CTA), the International Livestock Research Institute (ILRF), and FAO organised a three-day workshop themed: "Strengthening Food Safety Capacity for Reporting in the Biennial Review", to strengthen the experts network for the implementation of the AFSI in gathering data and information on food safety.

AFSI is instrumental to generate home-grown credible evidence on food safety in Africa. In the opinion of the AU, it could develop into a bigger platform like "Food Safety Information System for Africa".

Mr. Piet Visser, Team Leader, Agribusiness and Value Chain (CTA), stressed the importance of the AFSI to the transformation of Africa's agriculture and food systems.

Heads of State of the African Union accepted the Malabo Declaration on Accelerated Agricultural Growth and Transformation for Shared Prosperity and Improved Livelihoods in June 2014 at the 23rd Ordinary Session of the AU Assembly. It commits leaders to a set of actions that will accelerate agricultural growth and transformation across Africa. The Declaration was a commitment to the principles and values of the Comprehensive Africa Agriculture Development Programme (CAADP) as well as additional commitments and targets for results and impact.

For further information, contact:

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## 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.

ITAC received an application to increase the rate of customs duty on polyethylene terephthalate ("PET") classifiable under tariff subheadings 3907.61.10 and 3907.69.10, from free of duty, and 3907.61.90 and 3907.69.90, from 10% ad valorem, to 15% ad valorem.

The latest application (List 03/2019) was published under Notice No. 239 of 2019 in *Government Gazette* No. 42417 of 26 April 2019.

[ITAC reference: (17/2018); Enquiries: Siphon Tshabalala, E-mail: [stshabalala@itac.org.za](mailto:stshabalala@itac.org.za), Tel: (012) 394 3739 or Dolly Ngobeni, E-mail: [dngobeni@itac.org.za](mailto:dngobeni@itac.org.za), Tel: (012) 394 3667].

Comments were due on Friday 24 May 2019.

ITAC also published the Sunset review of anti-dumping duties on disodium carbonate for comments by 27 May 2019.

The application relates to the anti-dumping duties ranging from 8% to 40% on disodium bicarbonate (soda ash), classifiable under tariff subheading 2836.20 imported from the United States of America in anti-dumping duty item 206.01/2836.20/01/06 to 206.01/2836.20/03.06.

In accordance with the provisions in Article 53.1 of the Anti-Dumping Regulations, the anti-dumping duty will be terminated (on a date not later than five years from the date of imposition), unless the authorities determine, in a review initiated before that date on their own initiative or upon a duly substantiated request made by or on behalf of the domestic industry, that the expiry of the duty would be likely to lead to continuation or recurrence of dumping and injury. This was the reason for the publication of the sunset review and manufacturers of soda ash in the Southern African Customs Union are therefore advised to comment on the application.

The application was published in *Government Gazette* No. 42417 under Notice No. 240 of 2019.

## 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 are 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.*

A notice has been published on 27 May 2019 to introduce the long awaited carbon tax in South Africa.

The first phase of the tax will be with immediate effect from now until December 2022.

The SA National Treasury announced that a review of the impact of the tax will be conducted before the second phase and will take into account the progress made to reduce GHG (greenhouse gas) emissions in line with South Africa's National Determined Contribution.

The second phase will be from 2023 to 2030.

Notices were published again on 31 May 2019 in *Government Gazette* 42497. Notice No. R.843 amended Part 5A of Schedule No. 1, to give effect to the budget proposal to implement the carbon fuel tax on fuel as announced by the Minister of Finance on 20 February 2019. Notice No. R.844 amended Part 3 of Schedule No. 6, to exclude the carbon fuel tax as announced by the Minister of Finance on 20 February 2019 from the diesel refund scheme.

## 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 was one amendment to the Rules to the Customs and Excise Act published on 31 May 2019 in Notice No. R.845 in *Government Gazette* No. 42497.

The reference number for the amendment is DAR/184 and relates to part-shipment.

## Contact Us

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