



Latest News

SOUTH AFRICA AND eSWATINI SIGN VARIOUS BILATERAL AGREEMENTS

On 3 March 2018, it was reported on the official website of the South African Government, www.gov.za that President Cyril Ramaphosa has concluded a Working Visit to the Kingdom of eSwatini where he held talks with His Majesty King Mswati III on a range of bilateral issues.

Similar visits were paid to a number of Southern African Development Community (SADC) States following the election of the President as SADC President in February 2018.

Countries that have been visited before includes Member SACU States Botswana and Namibia as well as other NON-SACU SADC States, Angola, Zimbabwe and Mozambique.

During his visit to eSwatini, President Ramaphosa and His Majesty King Mswati reviewed bilateral cooperation between South Africa and eSwatini (previously Swaziland).

It should be noted that these bilateral agreements are not trade agreements per se.

The discussions focussed on ongoing cooperation in many sectors including trade and investment, security, health and education.

Following the discussions it was decided that The South African Minister responsible for international relations and cooperation (DIRCO) and his counterpart in eSwatini would convene the Joint Bilateral Commission on Cooperation (JBCC) that oversees the implementation of signed agreements between South Africa and eSwatini.

Other issues that were discussed include the issue of congestion at border posts and other outstanding issues were attended to.

President Ramaphosa and His Majesty King Mswati III also exchanged views on current developments in the SADC region. They also congratulated Nigeria and Senegal for conducting peaceful elections.

President Ramaphosa said the talks had identified a broad range of opportunities for bilateral cooperation in sectors such as tourism, information and communications technology, the Fourth Industrial Revolution and agriculture.

The President expressed the wish that future cooperation be facilitated at the level of a binational commission.

President Ramaphosa was accompanied by Minister of International Relations and Cooperation Ms Lindiwe Sisulu and Minister of State Security Ms Dipuo Letsatsi-Duba.

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.

There were no applications for amendments to the SACU Common External Tariff at the time of publication.

List 10/2018 was published under Notice No. 802 of 2018, in *Government Gazette* No. 42100 of 14 December 2018.

On 1 February 2019, ITAC published a document titled "GUIDELINES PERTAINING TO A TEMPORARY REBATE PROVISION WHICH PROVIDES FOR REBATE OF THE FULL ANTI-DUMPING DUTY ON BONE-IN CUTS OF THE SPECIES *GALLUS DOMESTICUS*, FROZEN, CLASSIFIABLE IN TARIFF SUBHEADING 0207.14.9 AND IMPORTED FROM OR ORIGINATING IN THE UNITED STATES OF AMERICA .." under Notice No. 54 of 2019 which was published in *Government Gazette* No. 42203.

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.

In *Government Gazette* No. 42232 of 15 February 2019, a safeguard duty of 50.54% was imposed on certain screws fully threaded with hexagon heads as recommended by ITAC Report 596.

Two more notices were published in *Government Gazette* 42241 of 22 February 2019 to reduce the safeguard duty to 45,61% on 2 August 2021, after which it will expire.

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 Rule amendments at the time of publication. The latest rule amendments were published in *Government Gazette* No. 42218 of 8 February 2019. (Refer to the Bulletin of 8 February 2019 for more information).

The SARS reference number for the last Rule amendment was DAR 180.

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