



Government Gazette Staatskoerant

REPUBLIC OF SOUTH AFRICA
REPUBLIEK VAN SUID AFRIKA

Vol. 634

20 April
April 2018

No. 41585

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ISSN 1682-5843



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GENERAL NOTICES • ALGEMENE KENNISGEWINGS

DEPARTMENT OF TRADE AND INDUSTRY**NOTICE 199 OF 2018****INTERNATIONAL TRADE ADMINISTRATION COMMISSION****NOTICE OF AN INITIATION OF THE INVESTIGATION FOR REMEDIAL ACTION IN THE FORM OF A SAFEGUARD AGAINST THE INCREASED IMPORTS OF OTHER SCREWS FULLY THREADED WITH HEXAGON HEADS MADE OF STEEL**

The International Trade Administration Commission of South Africa (the Commission) decided to proceed with an investigation for remedial action in the form of a safeguard against the increased imports of other screws fully threaded with hexagon heads made of steel.

Based on the information submitted, the Commission decided that the Applicant submitted *prima facie* evidence to indicate:

- The events cited can be regarded as unforeseen developments and that these unforeseen developments and the effect of the obligations incurred under the GATT 1994 led to the increased volume of imports in absolute and relative terms;
- The surge in volume of imports is recent, sharp, significant and sudden enough;
- The SACU industry is experiencing serious injury; and
- This is causally linked to the surge in imports.

THE APPLICANT

The application was lodged by the South African Iron and Steel Institute (SAISI) (the Applicant) on behalf of on behalf South African Fasteners Manufacturers' Association ("SAFMA") and its members CBC Fasteners (Pty) Ltd ("CBC") and Transvaal Pressed Nuts Bolts and Rivets (Pty) Ltd ("TPN"). SAISI is a non-governmental representative organization serving the collective interests of the primary steel industry in South Africa. TPN and CBC are largest producers of other screws fully threaded with hexagon heads made of steel (the subject product). Together, they represent the SACU industry.

A non-confidential version of the application is available for inspection at the Commission's offices.

DESCRIPTION OF THE SUBJECT PRODUCT UNDER INVESTIGATION

Other screws fully threaded with hexagon heads made of steel imported under tariff subheading 7318.15.39.

DESCRIPTION OF THE LIKE OR DIRECTLY COMPETITIVE SACU PRODUCT

Other screws fully threaded with hexagon heads made of steel.

ALLEGATION OF SERIOUS INJURY AND CAUSAL LINK

The period of investigation to determine the recent, sudden, sharp and significant increase in imports and for the evaluation of data for purposes of the determination of serious injury is 01 July 2014 to 30 June 2017.

The injury analysis relates to information submitted by CBC and TPN the largest producers of the subject product in the SACU, representing a major proportion of the SACU industry.

The Applicant alleged and submitted *prima facie* evidence indicating that it is experiencing serious injury in the form of a decline in sales volumes, output, market share, productivity, utilisation of capacity and employment for the period 01 July 2014 to 30 June 2017. The Applicant indicated that CBC and TPN also experienced net losses during the period of investigation.

On this basis the Commission found that *prima facie* evidence was submitted to indicate that the SACU industry was experiencing serious injury which could be causally linked to the recent, sudden, serious and significant surge in imports of the subject product.

UNFORESEEN DEVELOPMENTS

The Applicant stated that a confluence of events forms the basis of the unforeseen development that supports this application, which is, ultimately the considerable oversupply of fastener, and specifically the subject product, in the world today causing a surge in the volume of imports into the SACU.

The Applicant stated that submitting information on these unforeseen developments, when reference is made to fasteners, it invariably also refers to the product concerned in this application. This is because set screws form an integral part of this industry and can be considered as the bread and butter of the fastener industry. The Applicant further stated that during the Uruguay Round negotiations in 1986-1994, South Africa did not foresee the following events:

- The unprecedented steep rate of increase in fastener production capacity after the Uruguay Round of negotiations. This mainly took place to support growing construction and manufacturing activity, as well as to help build infrastructure, particularly in emerging economies. This growth in global capacity was mainly fuelled by the growth of the Chinese and Asian fastener markets;
- The significant downturn of the fastener market as a result of the Asian financial crisis that contributed to the imbalance between capacity and demand, that is, the global oversupply of fasteners. This led to a significant increase in export volumes by countries with excess capacity; and
- This in turn led to an unprecedented increase in trade remedy actions being taken on fastener products, including set screws by a number of countries, notably the Canada and the European Union which are significant export markets for the products concerned. Given the fact that fasteners are basically a commodity product, excess capacity in one region can with relative ease displace production in other regions, thus harming producers in those markets.

The Commission decided that the Applicant submitted *prima facie* information to indicate that there were unforeseen developments and that these unforeseen developments and the effect of the obligations incurred under the GATT 1994, led to the increased volume of imports.

LEGAL FRAMEWORK

This investigation will be conducted in accordance with the International Trade Administration Act, 2002 (ITA Act) and the International Trade Administration Commission Safeguard Regulations (SGR) read with the World Trade Organization Agreement on Safeguards (the Safeguard Agreement).

Please note that if any information is considered to be confidential, a non-confidential version of the information must be submitted for the public file, simultaneously with the confidential version. In submitting a non-confidential version, the following rules are strictly applicable and parties must indicate:

- where confidential information has been omitted and the nature of such information;
- reasons for such confidentiality;
- a summary of the confidential information which permits 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 indicated to be confidential and filed together with a non-confidential version, will be placed on the public file and be made available to other interested parties.

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.

Subsection 33(1) of the ITA Act provides that any person claiming confidentiality of information should identify whether such information is *confidential by nature* or is *otherwise confidential* and any such claims must be supported by a written statement, in each case, setting out how the information satisfies the requirements of the claim to confidentiality. In the alternative, a sworn statement should be made, setting out reasons why it is impossible to comply with these requirements.

PROCEDURES AND TIME LIMITS

All information submitted, including non-confidential copies thereof, should be received by the Senior Manager: Trade Remedies by no later than 20 days from the date hereof.

Late submissions will not be accepted.

Interested parties are invited to submit comments on the initiation of the investigation or any information regarding this matter to the following address:

Physical address

Senior Manager: Trade Remedies I
International Trade Administration Commission

Block E – The DTI Campus

77 Meintjies Street

SUNNYSIDE

PRETORIA

SOUTH AFRICA

Postal address

Senior Manager: Trade Remedies I

Private Bag X753

PRETORIA

0001

SOUTH AFRICA

Any interested party may request an oral hearing provided that reasons are given for not relying on written submissions only. No request for an oral hearing will be considered more than 60 days from the date of this publication. The Commission may refuse an oral hearing if granting such hearing will unduly delay the finalisation of the investigation.

Parties requesting an oral hearing shall provide the Commission with a detailed agenda for, and a detailed version, including a non-confidential version, of the information to be discussed at the oral hearing at the time of the request.

Should you have any queries, please do not hesitate to contact **Mr Zuko Ntsangani** at telephone number +27 12 394 3662 or **Ms Mosa Sebe** at telephone number + 27 394 1850 or at fax +27 12 394 0518.

DEPARTMENT OF TRADE AND INDUSTRY

NOTICE 200 OF 2018

INTERNATIONAL TRADE ADMINISTRATION COMMISSION

CUSTOMS TARIFF APPLICATIONSLIST 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 Pentoxide; 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.

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Government Printing Works condemns such illegal activities and encourages service providers to confirm the legitimacy of purchase orders with GPW SCM, prior to processing and delivery of goods.

To confirm the legitimacy of purchase orders, please contact:

Renny Chetty (012) 748-6375 (Renny.Chetty@gpw.gov.za),

Anna-Marie du Toit (012) 748-6292 (Anna-Marie.DuToit@gpw.gov.za) and

Siraj Rizvi (012) 748-6380 (Siraj.Rizvi@gpw.gov.za)

Printed by and obtainable from the Government Printer, Bosman Street, Private Bag X85, Pretoria, 0001
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Publications: Tel: (012) 748 6053, 748 6061, 748 6065