

WRITTEN REPLY**HONOURABLE CHAIRPERSON: PORTFOLIO COMMITTEE: TRADE & INDUSTRY****DATE OF REQUEST: 3 MAY 2018**

Ms Ncumi Mhlau, Chief Director: Agro-processing, Industrial Development Division, DTI requested the following:

ITAC should provide, in writing, to the Chairperson of the PC, the time frame for finalization of the Application for an increase in the Dollar-Based Reference Price for sugar, classifiable under tariff heading 17.01.

REPLY

The South African Sugar Association (SASA) submitted an application for an increase in the Dollar-Based Reference Price for sugar. The application was deemed duly complete on 9 April 2018. Subsequently, ITAC commenced with the preliminary stage of its investigation.

During this preliminary phase, ITAC engaged with stakeholders and solicited comments from 25 interested parties over a period until 26 April 2018. ITAC staff is now evaluating the application. During the preliminary phase ITAC starts verifying information it deems necessary.

ITAC will write a submission for the Commission, which will then evaluate whether to initiate an investigation or reject the application at its meeting of 8 May 2018. Should the Commission find a *prima facie* case to initiate the investigation concerned, it will inform interested parties through a publication notice in the Government Gazette.

Subsequent to the publication phase, a final submission will serve before the Commission for its final recommendation to the Minister of Trade and Industry, who is the authority who must decide whether to accept or reject ITAC's recommendation or refer it back to ITAC for further investigation.

Should the Minister of Trade and Industry accept ITAC's recommendation and it entails an amendment of the Customs & Excise Act (i.e. a duty increase), he will request the Minister of Finance to implement the approved amendment through a publication notice.



Generally, ordinary customs tariff amendment investigations are finalized within 6 months. However, notwithstanding the complex and technical nature of this investigation, ITAC is working diligently to finalise it within a shorter period.

It should be noted that ITAC has no control over the timeframes of the approval process by the Minister of Trade & Industry or of the implementation process by the Minister of Finance.

Yours sincerely



Ms Rika Theart
Senior Manager: Tariff Investigations 1

Date: 04/05 2018



the dti

Department:
Trade and Industry
REPUBLIC OF SOUTH AFRICA

OFFICE OF THE DIRECTOR-GENERAL

Private Bag X84, PRETORIA, 0001, the dti Campus, 77 Meintjies Street, Sunnyside, 0002, Tel: (012) 394 3075; Fax: 012 394 0323; the dti Customer Contact Centre local: 0861 843 384 International: +27 12 394 9500, www.thedti.gov.za

Ms JL Fubbs

Chairperson

Portfolio Committee on Trade and Industry

P.O. Box 15 Parliament Cape Town,
8000

E-mail: ahermans@parliament.gov.za

E-mail: jfubbs@parliament.gov.za

Dear Ms Fubbs,

UPDATE TO THE PORTFOLIO COMMITTEE ON TRADE AND INDUSTRY ON SASA TARIFF APPLICATION FOR SUGAR AND AMENDMENTS TO SUGAR INDUSTRY REGULATION

Subsequent to the sitting of Portfolio Committee on Trade and Industry in Parliament - Cape Town on the 24th of April 2018, the dti wishes to respond to the following urgent issues as requested.

1. SASA TARIFF REVIEW APPLICATION FOR SUGAR TO ITAC

The South African Sugar Association(SASA) has applied to ITAC for the review of the Dollar Based Reference Price (DBRP) for the sugar in April 2018. The Department of Trade & Industry has therefore requested for the timelines from ITAC for the finalization of the application and according to the attached letter from ITAC the process normally takes 6 months to be finalized.

2. AMENDMENTS TO THE SUGAR INDUSTRY REGULATION

By virtue of the powers vested in me in terms of section 2 and 4 of the Sugar Act, 1978

(Act No.9 of 1978), the Department of Trade and Industry through the office of the Minister of Trade and Industry has now finalized the legal process regarding the amendments to the Sugar Industry Regulation as follows:

- a) the Constitution of the South African Sugar Association, as amended; and
- b) the Sugar Industry Agreement, 2000, as amended.

The process to finalize the gazetting including the Ministerial Notice for public comments will be completed by end August 2018 however the Department and the Sugar Industry has agreed that all the amendments shall be effective from 1 April 2018.

This will also further support the work being done by the Department and the Sugar Industry to improve the competitiveness of the local sugar industry and to ensure transformation in the sugar industry.

Yours Sincerely,



Mr Lionel October
Director General

Date...15.../.../ 2018