



the dti

Department:
Trade and Industry
REPUBLIC OF SOUTH AFRICA

Important Notice to EMIA Customers

the dti will be introducing new rules in addition to the existing rules of the Export Marketing and Investment Assistance (EMIA) Group schemes. This is a summary of the new rules to be implemented by 1 April 2011:

● Enquiries can be directed to:

National Pavilions: Mr Koos Janse van Rensburg	012 394 1029
Group Missions: Ms Corne du Plessis	012 394 1020
NP and Group Missions Claims: Ms Normelia Mashele	012 394 1146

General Rules

- **Entities that are outsourcing their manufacturing process:**
Outsource entities will be required to submit specific documentation. Details can be obtained from EMIA.
- **Qualifying Mission Organisers**
The organising body must be a recognised industry association such as a Chamber of Commerce, Industry Association, Provincial Trade Promotion Agency, Export Council, Export Clubs and Joint Action Groups consisting of at least three or more exporting companies from the same sector, Provincial and Local Government or **the dti**
- **Factory and site visits**
Multi-sectoral site visits should be capped at 3 factory / site visits per sector. Mission Plans / Itineraries should be submitted at least 1 week prior to the commencement date of the Mission.
- **Financial assistance to facilitate business-to-business meetings:**
Business facilitation fees to facilitate a match-making process with appropriate B2B meetings for EMIA approved participants will be considered by EMIA. Full details can be obtained from EMIA.
- **New entities who qualify for EMIA assistance:**
South African registered Cooperatives exporting agricultural and arts and crafts products.
Export Clubs consisting of at least three or more exporting companies from the same sector.
- **New rules for existing EMIA clients:**
South African commission agents representing at least three manufacturing entities.
South African export trading houses representing at least three manufacturing entities.
- **Mutual exclusivity**
EMIA schemes are mutually exclusive and benefits are not available for 2 different EMIA offerings to the same event, except when an NP is oversubscribed and the entity applied under SSAS funding for emerging exporters, furthermore no back-to-back (circuit of events) assistance will be made available. Entities can therefore not apply for more than 1 EMIA offering for events in the same City/Country. It should be noted that EMIA funding cannot be applied for a Trade Mission to visit an international exhibition where **the dti** already funds a National Pavilion. This rule will not be applicable to International Trade Initiatives (ITI's), but limited to one ITI per region annually, approved by the DDG: TISA.
- **Re-evaluation of EMIA participation**
EMIA assistance can be re-evaluated where entities have participated in a specific event / show / Mission for more than 4 times in accordance with their export performance. Should export performance not be satisfactory, EMIA funding can be re-evaluated at the discretion of the EMIA Group Offerings Adjudication Committee and participants might be required to carry their own costs for Group Missions.

● **Exclusion of EMIA participants**

- The submission of misleading information or abuse of any of the EMIA assistance schemes by entities / person(s) representing an entity and found guilty of any criminal offence relating to EMIA will be excluded from further assistance under the EMIA scheme of **the dti** for a period of 5 years.
- Entities who fail to submit their 6-month report back questionnaires.
- Should incidences of misconduct / misbehaviour be reported to / noted by EMIA officials, the relevant entity will receive a letter of warning. Should this be repeated in future, the entity will be excluded from EMIA.

● **Latest audited financial statements**

- Should EMIA applicants be unable to submit the latest audited financial statements with their applications for EMIA funding; the entity will be classified as an “Other-sized” entity.
- Entities established as Partnerships must submit the latest audited financial statements with their applications for EMIA funding. Should the latest, audited financial statements not be available, a letter from the entity’s external auditors confirming its turnover, fixed assets and number of permanent employees as verified through an agreed on process must be submitted with the application.

● **New Benefits For Emerging Exporters:**

An emerging exporter is a Company, CC, Partnership, Sole Proprietor or Cooperative that is:

- 51% Black, Women or Disabled Owned
- Involved in no exports
- Who has traded locally for more than 12 months
- Has an EMIA qualifying product or service
- Has an annual turnover of less than R5 million.

Benefits and Criteria:

Full details can be obtained from EMIA.

● **Reduced Supporting documents – State Visits (Presidential and Ministerial Missions only)**

Critical information / documents to be submitted by EMIA Stakeholders for the State Visits are as follows:

- A duly completed application form;
- A valid Tax Clearance certificate;
- Proof of products;
- Financial statements;
- Passport copy.

EMIA Group Missions (Inward and Outward Bound Missions)

● **Follow up visits for Inward Bound Missions**

Follow-up visits will be considered based on previous performance / orders placed, and will not be limited provided that buyers place orders / purchase from South African exporters at each visit. The local entities must confirm the orders and value thereof placed with them in writing.

● **Inward Bound Missions that coincides with a local show/event**

Should an Inward Bound Mission coincide with a local event / show, the delegation may still visit the local event / show, provided each delegate attends at least 4-5 business meetings per day whilst at the show. A visit to a local event / show will be capped at a maximum of three days. Should the Mission commence / continue before / after the local event, off site meetings will remain at 2 confirmed meetings per day

● **International Trade Initiative**

- Freight forwarding of the display material / samples up to a maximum of 2,000kg or 3 cubic meters by sea or 300 kg chargeable weight by air freight and road freight of samples and display material to maximum of 1,000kg or 2 cubic meters. The one shall not exceed the other. Any excess must be paid directly to the appointed freight forwarder.
- In certain cases, **the dti** may authorise freight costs that exceed the above guideline (e.g. Capital equipment and other large goods).
- Should the freight returned to South Africa be more than the freight originally forwarded to the exhibition / ITI, the additional freight cost will be deducted from the exhibitor's claim if found that the samples returned do not match the samples originally freighted.
- Venue hire and i.e. banquet hall in the hotel / exhibition venue) for the duration of the ITI, should a mini exhibition form part of the ITI. (No additional goods and services such as stand building any stand designs, furniture, security, electricity, and internet etc. forms part of this benefit.)
- Catering will be available for the duration of the International Trade Initiatives for the approved delegates only.

National Pavillions

● **Subsistence allowance**

Exhibitors are allowed to claim a subsistence allowance for one day prior to the exhibition official starting date, to ensure that the stand is ready for the opening of the exhibition, and subsistence for the duration of the exhibition. However, participants leaving early at the show will forfeit their entire subsistence allowance regardless of the number of days attended. Other-sized companies will be invoiced for the duration of the show should they leave early. Furthermore, should approved exhibitors drive to exhibitions e.g. Zimbabwe and Zambia, all entry/exit stamps to/from the National Pavilion venue must be submitted with the claim in order to qualify for the reimbursement of the daily allowance.

● **Cancellation fees**

Should an exporter cancel participation after signing the approval letter, the exporter will be liable to **the dti** for an amount of R 50,000 as a cancellation fee.

● **Transport of samples / Freight Forwarding**

Sailing boats to National Pavillions will be considered at a maximum benefit of 50% of the actual costs not exceeding R 125,000.00. The number of boats will however be limited to 3 boats per event. The benefit will be forfeited should the vessel be sold / left behind after the Pavilion. Proof that the vessel returned to South Africa must be submitted to EMIA before reimbursing the claim.

EMIA Claims

- **Due date for the submission of EMIA Group offerings Claims**
Duly completed National Pavilion and Group Missions claims must be submitted within 3 months of the date of return from the approved business destination.
- **Supporting documents – Cancelled cheque**
A copy of a cancelled cheque would no longer be required with the EMIA claim, in the case of a savings account, an original bank statement on the bank's letterhead (stamped) must be submitted with the EMIA claim for reimbursement.
- **Supporting documents – A copy of the signed approval letter**
A copy of the approval letter is no longer required with the EMIA claim.
- **Supporting documents – A copy of the e-ticket**
Original or certified copies of the economy class air tickets or e-tickets, is no longer required with the EMIA claim in cases where **the dti** made upfront payments directly to the service provider.

**For more information on these or any of the other EMIA rules,
please call:**

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DEFINITIONS & TERMINOLOGY

EXPORT TRADING HOUSE (representing at least three manufacturing entities in the same sector)

A business, which focuses on the promotion of export-trade through the marketing of products procured from different manufacturers of the same sector.

The principle/manufacturer is not allowed to participate simultaneously with the agent.

COMMISSION AGENT (representing at least three manufacturing entities in the same sector)

A commission agent must have agency agreements with three local manufacturers of the same sector for the promotion of the manufacturer's products in the export market.

The principle/manufacturer is not allowed to participate simultaneously with the agent.

MANUFACTURER: includes growers of fresh fruit, vegetables and other plant material i.e. flowers.

SMALL, MEDIUM AND MICRO-SIZED EXPORTERS – SMME's

SMME's must be privately, independently or co-operatively owned and managed, and must comply with any two of the following quantitative criteria:

- Total annual turnover must be less than R40 million.
- Total assets excluding fixed property must be less than R15 million.
- Less than 200 full time employees.

HISTORICALLY DISADVANTAGED INDIVIDUALS - HDI's

For a business to qualify as a historically disadvantaged business, it must: be:

- a SMME
- at least 51% of the business must be owned by black person(s), women or disabled person(s)
- of South African nationality.

OTHER SIZED BUSINESSES

Businesses that do not qualify under the definition of an SMME as stipulated by the EMIA Scheme.

HS – CODE (Harmonised System Code)

An international code used to classify products that are imported and exported.

The HS - Code or Tariff Heading can be obtained from: Customs & Excise – Telephone: (012) 422 4000.

VALUE-ADDED PRODUCT

A value-added product is a product by which a South African business has increased the value of a product manufactured with a minimum of 35% throughout the production process and can include the following:

- Production costs
- Overheads
- Direct labour (paid in SA)
- Materials (less imported content).

This however **excludes** the following:

- Royalties / licensing fees
- Packaging
- Cartage / transport
- Marketing / selling costs
- Profit
- Commissions / taxes / duties.

The minimum requirement is that the last process of manufacturing / production should be performed in South Africa, but that it should include value addition.

This excludes South African services.

SUBSISTENCE ALLOWANCE

The daily subsistence allowance is provided in order to cover a portion of the hotel accommodation, meals, taxi fares, telephone calls, etc.

BLACK OWNED ENTERPRISES

The balanced score card approach is followed when making reference to an entity's affirmative action record and status:

- Black Owned Enterprise
50.1% ownership and substantial management control
- Black Empowered Entity
25.1% ownership and substantial management control