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Department:
Trade, Industry and Competition
REPUBLIC OF SOUTH AFRICA

THE NATIONAL ASSEMBLY

QUESTION FOR WRITTEN REPLY

QUESTION NO. 3024

Mr D Bergman (DA) to ask the Minister of Trade, Industry and Competition:

- (1) What total number of months did (a) an import duty investigation take pre-COVID-19 from the day the investigation was published for public comment to when the SA Revenue Service either changed the duties or the application was rejected and (b) it take in the 2022-23 financial year;
- (2) (a) what total amount did the cost in delay cause in duties not collected and (b) how much duties were collected where there was no local production in a specified financial year? NW4091E

REPLY:

During the course of the current Administration, two factors required a different approach to the administration of applications and recommendations relating to trade.

First, the new industrial strategy framework was based on a more careful coordination of trade policy measures with industrial policy. This required

1. the development of masterplans and sector growth strategies in particular sectors
2. consideration of the principles underpinning masterplans to other sectors, and
3. consideration of the impact of a trade measure on the growth of the industry and on downstream sectors.

Second, COVID-19 caused a slowdown in world trade, disruption in global supply chains and changing trade flows. Some of these had significant impacts on consumer prices.

Following Covid-19, four other shocks affected the domestic market: the July 2021 unrest, the April 2022 floods and the war in Ukraine. The latter in particular saw a spike in food, fuel and fertiliser prices. A number of proposed trade measures were put on hold to enable the effects of extraordinary events to be considered and monitored, and for normal market conditions to return, except where circumstances required otherwise.

The timeframes therefore for introducing specific trade measures have changed, based on the above. Certain tariff recommendations were therefore only considered at a later stage than would have applied in the past. A supplementary reply will be compiled to the question, to provide specific examples of these.

In respect of the costs associated with timing of trade measures, there is no agreed methodology to calculate costs. While local industries may benefit from a tariff increase, importers may see it as a cost. Public policy carefully balances a number of policy goals in setting of trade policy.

More research will be conducted in the form of impact assessments trade measures, including tariff increases. This research may provide additional information that relate to the question above and the results will be made available publicly once these are available.

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