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Department:
Trade, Industry and Competition
REPUBLIC OF SOUTH AFRICA

THE NATIONAL ASSEMBLY

QUESTION FOR WRITTEN REPLY

QUESTION NO. 361

Mr R W T Chance (DA) to ask the Minister of Trade, Industry and Competition:

(1) Whether he will advise the International Trade Administration Commission of South Africa to remove any remaining and/or existing import duties on imported products; if not, what is the position in this regard; if so, what are the relevant details;

(2) what is the schedule of the specified products that currently attract such duties? NW392E

REPLY:

(1) The tariff setting process is prescribed the International Trade Administration Act, 2002 (Act No. 71 of 2002). The role of the International Trade Administration Commission (ITAC) is to investigate requests for tariff changes (as well as trade remedies such as anti-dumping duties). This is done on a case by case basis and using evidence-based methodology to determine the impact throughout the relevant value chain. The end result of ITAC's work is advice to the Minister of Trade, Industry and Competition. If accepted, the Minister of Finance is requested to amend the Customs and Excise Act, 1964 (Act No. 91 of 1964). In the case of ordinary customs duties, this is done through amendments to Schedule 1 of the Customs and Excise Act; it is done and published by SARS.

It needs mentioning that, as part of the Southern African Customs Union (SARS), ITAC's investigations also include the other SACU member states, particularly in cases where they have industries to be impacted by the tariff change.

Import duties are important trade policy instruments. They are used, together with instruments such as duty rebate and drawback provisions and trade defence duties, to promote domestic production, job retention and creation, and international competitiveness. There is no a priori presumption of the benefits or costs of maintaining either low or high tariffs, but the upper limits for tariff setting have been set by the obligations South Africa has taken in the world Trade Organistion (WTO) and in its bilateral trade agreements.

In the current international political environment, it would not be advisable to liberalise trade to the extent suggested, as that would leave South Africa exposed with no “bargaining capital” to defend itself against demands.

(2) An analysis of South Africa’s schedule of import tariffs in 2023[1] highlights the following:

- The schedule comprises 8420 tariff lines.
- Of these, 4519 tariff lines (53.7%) attract a zero duty.
- This means 3901 tariff lines attract an import duty above zero.
- The simple average applied rate of duty was 8.5% *ad valorem*, in 2023. SA’s tariffs are therefore not overly high.

South Africa’s tariff schedule reflecting all applied import tariffs, is at https://www.sars.gov.za/wp-content/uploads/Legal/SCEA1964/Legal-LPrim-CE-Sch1P1Chpt1-to-99-Schedule-No-1-Part-1-Chapters-1-to-99.pdf

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[1] Reference: South Africa’s Trade Policy Review in the World Trade Organisation, 2023. Accessed at https://www.wto.org/english/tratop_e/tpr_e/s447-01_e.pdf