



**the dtic**

Department:  
Trade, Industry and Competition  
REPUBLIC OF SOUTH AFRICA

## **THE NATIONAL ASSEMBLY**

### **QUESTION FOR WRITTEN REPLY**

#### **QUESTION NO. 6178**

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

- (1) Whether, with reference to the industrialisation opportunity presented by the rollout of renewable energy and the negative effect of the application of the staged consignment provision of the Customs and Excise Act, Act 91 of 1964, to the industrialisation potential of the renewable energy industry, his department has assessed whether the objectives of the staged consignment provision of the specified Act are applied appropriately and/or are not undermined; if not, what steps will his department take to remedy the issue; if so, what are the relevant details;
- (2) whether his department has engaged directly with the affected local industries on this matter; if not, why not; if so, what are the relevant details;
- (3) whether his department has undertaken any impact assessment aimed to quantify the economic effects of the staged consignment provision; if not,
- (4) whether his department intends to undertake the specified assessment; if not, why not; if so, what are the time frames in this regard;
- (5) what (a) is the purpose and scope of the staged consignment provision and (b) are the full details of the goods necessary to construct A Renewable energy that fall within the specified purpose and scope? NW6908E

#### **REPLY:**

- (1) The purpose of the provision in the Customs and Excise Act is to establish a mechanism that allows imported goods forming part of a single consignment (e.g. a large plant, machinery, or modular infrastructure project) to be delivered and cleared

through Customs in separate stages or shipments, rather than as one complete load. The importer requests Customs to treat all those shipments as one overall consignment for tariff classification and duty assessment purposes.

- (2) Information on possible abuse of the system has been presented by industry. The affected local industries have raised this with **the dtic** as well as South African Revenue Service (Customs and Excise) to investigate and address the problem. The claim is that under the staged consignment provision importers bypass import duties by including many and/or all products required to in the construction of renewable energy plant and equipment under a single duty-free HS code. This can therefore erode the protection afforded by import duties on locally produced products resulting in imports of these products that are available from local manufacturers.
- (3) **the dtic** has engaged with affected industries to better understand the extent of the problem and explore potential solutions, including a virtual meeting held on 7 October 2025, with key stakeholders, namely SARS, ITAC, South African Wire Association, Electrical Engineering and Allied Industries Association, The Powerline and Substation Association, Steel and Engineering Industries Federation of South African Africa, Association of Electrical Cable Manufacturers of South Africa, South African Iron and Steel Institute and the Local Content Compliance Unit. In this meeting, industry presented information of apparent staged consignment abuse. SARS offered to investigate the abuse and report back.
- (4) Emanating from a separate meeting between the Commissioner of ITAC and SARS, on 5 August 2025, it is our understanding that the discretion regarding stage consignments rests with the Commissioner of SARS, with the framework set out in Section XVI of the tariff (Schedule 1 of the Customs and Excise Act). While **the dtic** is working closely with SARS and other stakeholders to address the issue, it is essential to note that SARS retains the primary responsibility for investigating and addressing abuse related to staged consignments.
- (5) (a) Staged consignment is meant to allow for the import of machineries or plants that are too big to be shipped in a single consignment. Staged consignment provisions allow the imports of these products that weigh at least 500 tones to be broken down

and imported in stages. On arrival these products must then be assembled into the intended final machinery or plant. Tariff classification of staged consignments differs from the norm. Goods are normally classified as presented at the time of importation by a specific importer. With staged consignments only one (1) tariff subheading is utilised.

(b) To construct a renewable energy project (solar or wind project) the following broad products may be required: solar panels, steel structures, wires, batteries, screws, bolts, nuts, washers, plugs, cement, rails, flashings, lugs, mounting brackets, wire clips, splice kits, braces, end caps, DC/AC disconnects, junction boxes, combiner boxes, circuit breakers, fuses, load centers, rapid shutdowns, surge devices, charge controllers, rotor, hub, drive train, generator, nacelle, yaw system, tower, inverters, transformers, electric motors, mini-sub, switch-gears, insulators etc.

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