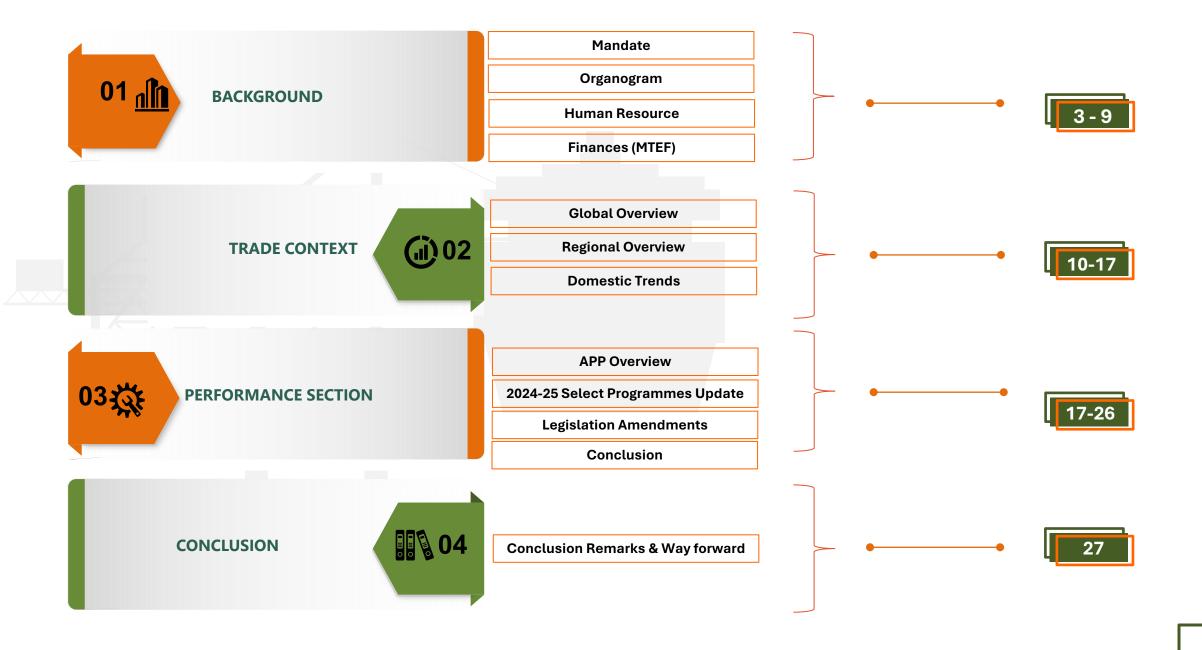






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Organogram

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Mandate

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Human Resource

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Finances (MTEF)





INTERNATIONAL TRADE ADMINISTRATION OF SOUTH AFRICA | ITAC









Mandate

Commission Composition

Business Support





ITAC is a schedule 3A Public Entity established in terms of the International Trade Administration Act, No 71 of 2002, and came into force on 1 June 2003. ITAC replaced its predecessor, the Board of Tariffs and Trade (BTT) that was established in 1986. The predecessor of the BTT is the Board on Trade and Industries (BTI) that dated back to 1924.

The aim of ITAC, as stated in the Act, is to foster economic growth and development and promote investment and employment in South Africa and within the Common Customs Union Area by establishing an efficient and effective system for the administration of international trade subject to this Act and the SACU Agreement.

The Commission is constituted of 2 full time Commissioners - Chief Commissioner; and Deputy Chief Commissioner (vacant) and 3 Part time commissioners (maximum of 10). The Commission meets monthly to evaluate applications in respect of trade measures. The administrative arm of the Commission has a staff compliment of 130.

- Human Resources
- Finance
- Information Technology
- Communications
- Legal Services
- Policy and Research
- Economic Analysis & Trade Monitoring

Tariff Amendments

- Increase, reduction of custom duties & creation of rebate provisions,
- Administer rebate and drawback provisions, and
- Automotive Production Development Programme [APDP].

Sectors include but not limited to: Agriculture & Agroprocessing; Chemicals and plastics; Textiles and clothing; Leather, Footwear and pharmaceuticals; Automotive; Metals and Machinery; Electronics, White goods, Green products, amongst others.

Trade Remedies

Trade remedies' strategic objectives include protecting domestic industry, ensuring fair trade, complying with international agreements, and enhancing competitiveness. This is achieved by effectively administering:

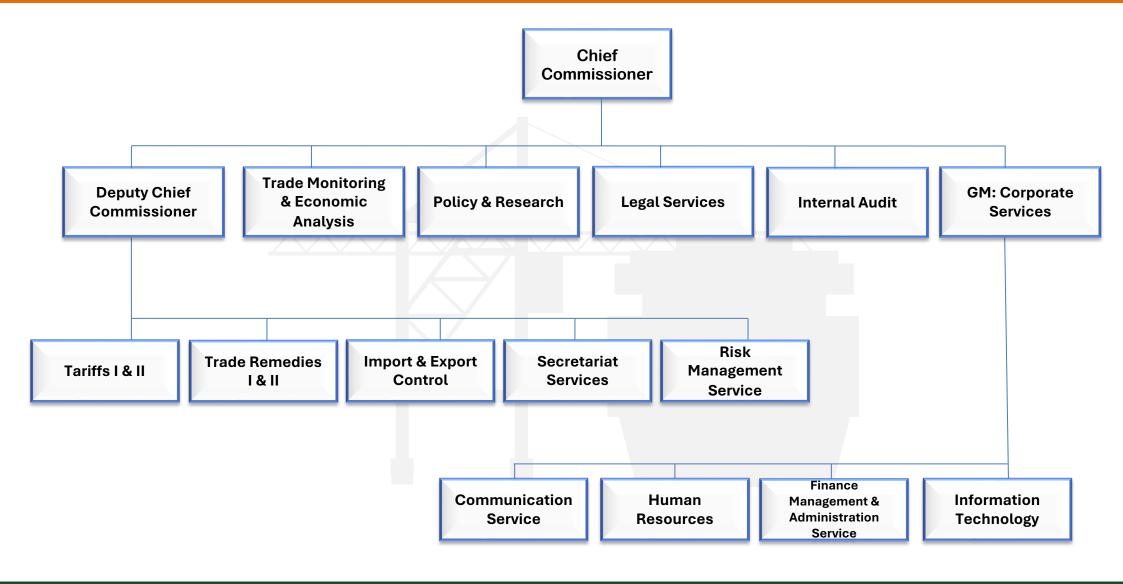
- Anti-dumping,
- Countervailing, and
- Safeguards instruments.

Import and Export Control

The International Trade Administration Act (ITA Act) makes provision for the control of certain goods imported and exported into and from South Africa through a system of permits. ITAC through its Import and Export Control Unit is responsible for administering this system within the subunits:

- Import Control,
- Export Control, and
- Enforcement.

STRUCTURE DRIVING THE ITACs MANDATE







5

HUMAN RESOURCE MANAGEMENT



Approved posts: 130



Position filled: 102



Vacant Positions: 28



Core Business- 58
Support services – 44
Contract employees – 10
Interns - 5

RACE PROFILE

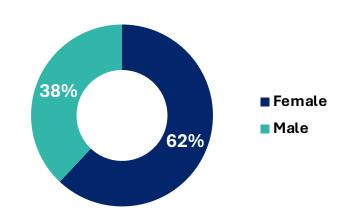
92% African

4% Indian

2% Coloured

2% White

GENDER PROFILE





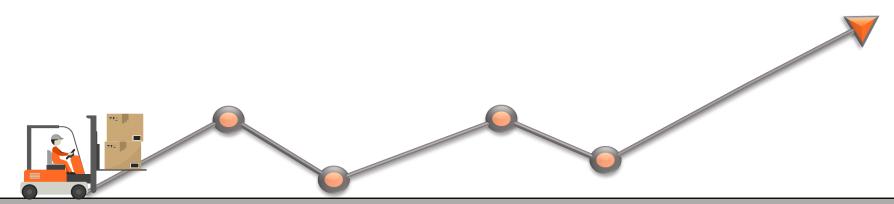


BUDGET AT A GLANCE | 2024/25 MTEF PERIOD

DESCRIPTION	2024/25 R'000	2025/26 R'000	2026/27 R'000	2027/28 R'000	Total R'000	NOTES	
Transfer Received	118 450	123 682	129 348	127 882	499 362	 Interest is projected to be received from 	
Adjustments	(5 020)	(5 910)	(6 999)	-	(17 929)	the excess transfers that are invested with Corporation of Public	
Interest and other income	3 550	3 549	3 692	3 865	14 656	Deposits(Reserve Bank) and commercial banks.	
TOTAL BUDGET	116 980	121 321	126 041	131 747	496 089	 Transfers received refers to baseline allocation received from the dtic. 	

PROGRAMME	ADJUSTED BUDGET	MEDIUM-TERM	1 TERM EXPENDITUR	E ESTIMATE	AVERAGE GROWTH RATE (%)
R'000	2024/25	2025/26	2026/27	2027/28	2024/25 – 2027/28
Administration	45 747	47 659	49 464	51 571	4.1%
Tariff investigations	31 142	32 634	34 227	35 836	4.8%
Trade remedies	20 418	20 583	21 623	22 639	3.5%
Import and export control	19 673	20 445	20 727	21 701	3.3%
TOTAL BUDGET	116 980	121 321	126 041	131 747	4.0%

BUDGET AT A GLANCE & EXPENDITURE



ECONOMIC CLASSIFICATION	% Share of baseline allocation 24/25	ADJUSTED BUDGET	MEDIUM-TI	ERM TERM EXPEESTIMATE	NDITURE	AVERAGE GROWHT RATE (%)
R'000		2024/25	2025/26	2026/27	2027/28	2024/25 – 2027/28
CURRENT EXPENSES						
Compensation of Employees	82%	96 500	99 117	103 196	108 046	3,8%
Goods and services	17%	19 840	21 554	22 165	22 989	5.0%
Depreciation	1%	640	650	680	712	3.6%
TOTAL BUDGET	_	116 980	121 321	126 041	131 747	4.0%

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BUDGET AT A GLANCE & EXPENDITURE

SPENDING AS A % OF BUDGET (2019/20 – 2023/24)							
DESCRIPTION	2019/20 R'000	2020/21 R'000	2021/22 R'000	2022/23 R'000	2023/24 R'000		
Budget	113 400	95 822	113 880	109 980	120 483		
Expenditure	109 220	99 174	98 615	106 252	115 473		
% Budget Spent	96%	103%	87%	97%	96%		

A deficit was released for the 2020/21 financial year as the statement of financial performance. A cash surplus of R6.4 million was approved for retention by National Treasury and the deficit was transferred to accumulated surplus.

The 2023/24 approval for retention of R32,7 million cash surplus will be requested from National Treasury before 30 September 2024. This surplus is inclusive of the cash surplus for 2022/23 that emanated from underspending on IT related projects.

2. TRADE CONTEXT



2.2

Regional Overview

2.1

Global Overview

2.3

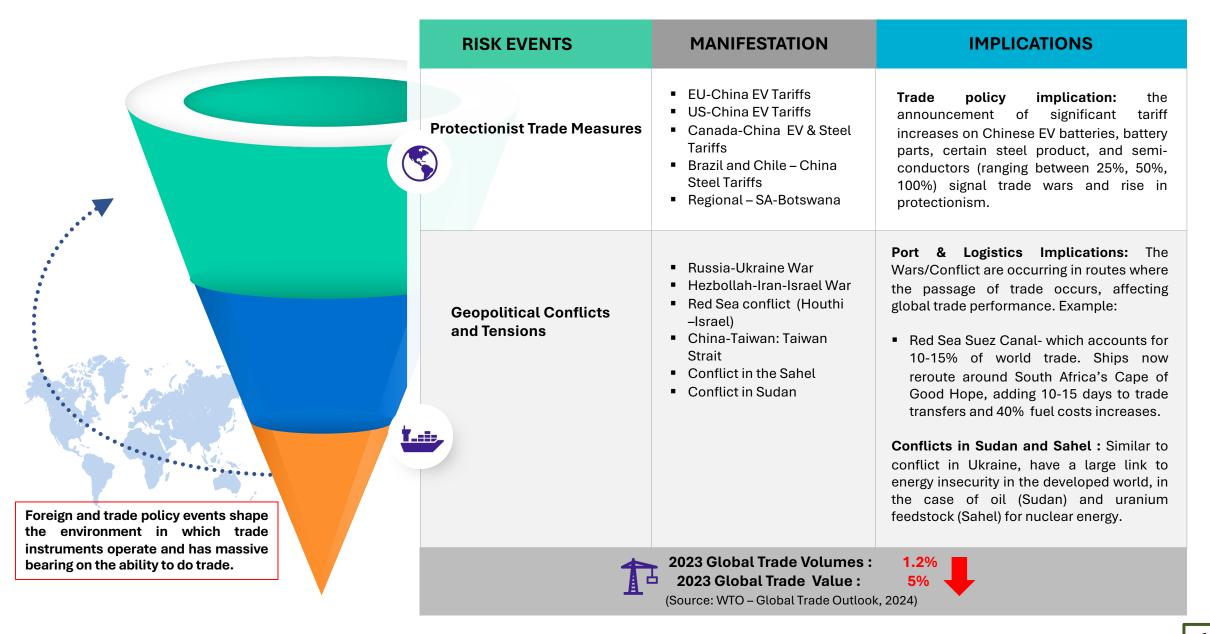
Domestic Trends



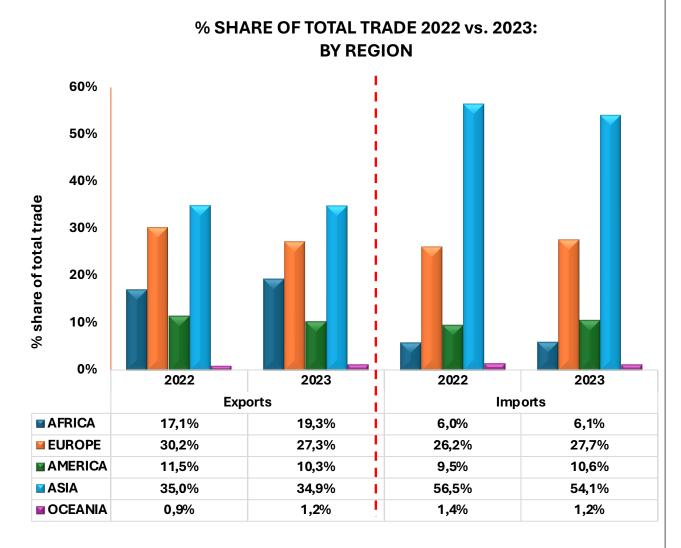


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TRADE ECONOMICS | GLOBAL OVERVIEW

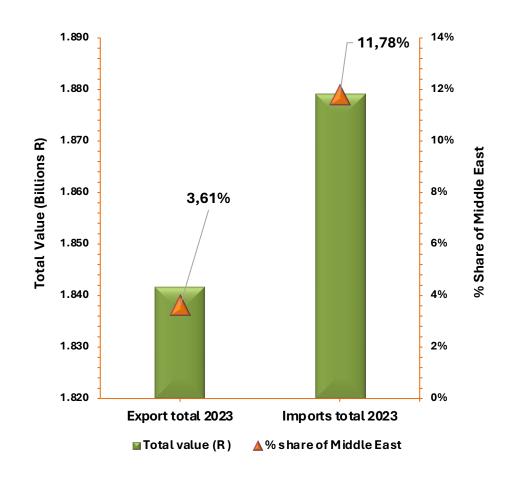


TRADE ECONOMICS | REGIONAL & DOMESTIC OVERVIEW



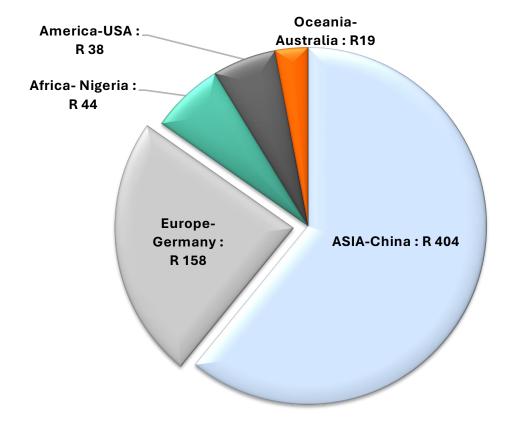
Source: ITAC calculations using SARS data, 2024

SHARE OF MIDDLE EAST TO TOTAL IMPORT & EXPORT 2023

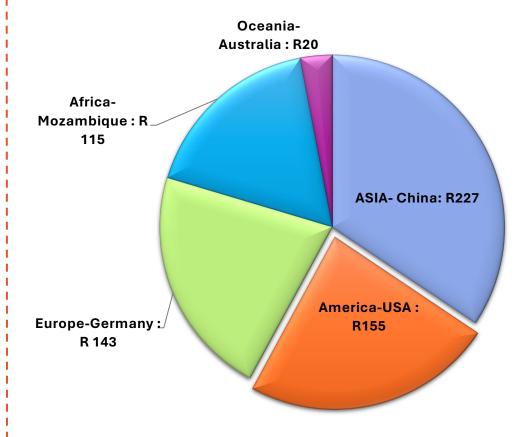


TRADE ECONOMICS | SA TRADE BY COUNTRY

LEADING COUNTRY OF IMPORT BY REGION (FOR 2023- R BILLION)



LEADING COUNTRY OF EXPORT BY REGION (FOR 2023- R BILLION)



TRADE ECONOMICS | SA TOP 5 IMPORT COMMODITY BY COUNTRY

SA TOP-5 IMPORT COMMODITIES BY	COUNTRY IN 2023 (Per Region)
--------------------------------	------------------------------

	Africa				Europe	
Commodity	Nigeria (Billion R)	% of country imports		Commodity	Germany (Billion R)	% of country imports
Mineral Products	R	43,1	98,6%	Equipment Components	R53	,5 33,7%
Chemicals		R0,4	0,8%	Machinery	R32	,8 20,7%
Plastics & Rubber		R0,1	0,3%	Vehicles aircraft & vessels	R21	
Stone & Glass		R0,0	0,1%	Chemicals	R18	,0 11,4%
Vegetables		R0,0	0,1%	Products Iron & Steel	R8	,5 5,4%
	America				Asia	
Commodity	United States (Billion R)	% of country imports		Commodity	China (Billion R)	% of country imports
Machinery	R	38,0	27,5%	Machinery	R214	,7 53,1%
Vehicles aircraft & vessels	R	24,4	17,7%	Products Iron & Steel	R32	,3 8,0%
Mineral Products	R	18,9	13,7%	Textiles	R26	,5 6,6%
Chemicals	R	16,7	12,0%	Chemicals	R26	,4 6,5%
Equipment Components	R	11,8	8,5%	Vehicles aircraft & vessels	R20	,7 5,1%
	Oceania					
Commodity	Australia (Billion R)	% of country imports				
Chemicals	R	10,0	51,5%			
Mineral Products		R3,4	17,4%			
Vegetables		R2,0	10,2%			
Machinery		R1,8	9,2%			
Live animals		R0,4	2,3%			

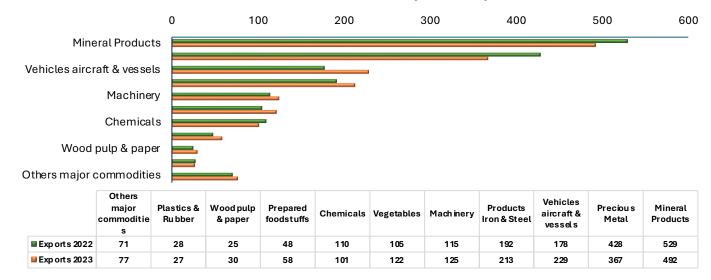
TRADE ECONOMICS | SA TOP 5 EXPORT COMMODITY BY COUNTRY

SA TOP-5 EXPORT COMMODITIES BY COUNTRY IN 2023 (Per Region)

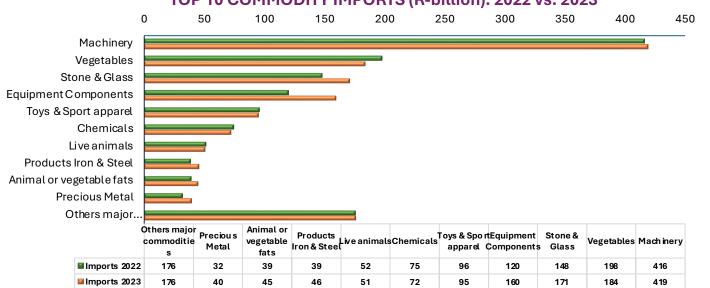
Africa					Europe		
Commodity	Mozambique (Billion R)	% of country exports		Commodity	Germany (Billion R)	% of country expo	orts
Mineral Products	R5	6,3	49,1%	Vehicles aircraft & vessels	[R69,6	48,7%
Products Iron & Steel	R2	3,1	20,2%	Precious Metal	I	R22,9	16,1%
Machinery	R	7,2	6,3%	Mineral Products		R20,1	14,1%
Prepared foodstuffs	R	5,9	5,2%	Machinery		R13,7	9,6%
Vegetables	R	4,7	4,1%	Chemicals		R5,8	4,1%
	America				Asia		
Commodity	United States (Billion R)	% of country exports		Commodity	China (Billion R)	% of country expo	orts
Precious Metal	R5	6,4	36,4%	Mineral Products	R	148,6	65,6%
Vehicles aircraft & vessels	R2	5,3	16,3%	Products Iron & Steel		R45,8	20,2%
Products Iron & Steel	R2	4,1	15,5%	Vegetables		R8,8	3,9%
Chemicals	R1	2,5	8,1%	Wood pulp & paper		R6,1	2,7%
Machinery	R1	1,7	7,5%	Textiles		R4,3	1,9%
	Oceania						
Commodity	Australia (Billion R)	% of country exports					
Vehicles aircraft & vessels	R	9,4	48,0%				
Machinery	R	3,3	16,8%				
Products Iron & Steel	R	1,7	8,8%				
Chemicals	R	1,7	8,8%				
Prepared foodstuffs	R	0,6	3,0%				

TRADE ECONOMICS | SA TRADE BY COMMODITY

TOP 10 COMMODITY EXPORTS (R-billion): 2022 vs. 2023



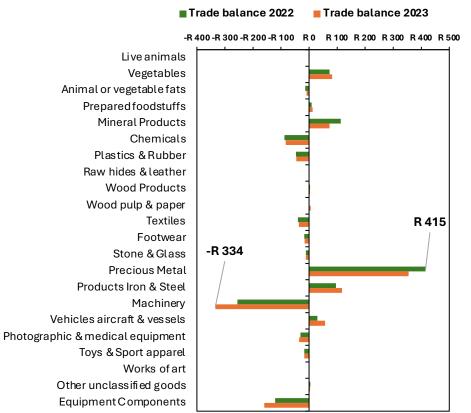
TOP 10 COMMODITY IMPORTS (R-billion): 2022 vs. 2023



Source: ITAC calculations using SARS data, 2024

Trade balance: By Commodity Trade value (Billion R)





- SA's trade balance, excluding BELN [2023: R -37 billion]
- Over these two years, mineral products were South Africa's primary export, making up 27.8% of the total export value. Total exports marginally rose by 0.7%.
- Machinery was the major import for South Africa in both 2022 and 2023, accounting for 23.2% of total import value, with an overall import increase of 8.6% during the period.

TRADE ECONOMICS | SA TRADE BY PRODUCTS

TOP 10 EXPORT PRODUCTS FOR JANUARY TO DECEMBER 2023 (EXCLUDING BELN): at 8-digit level

TARIFF SUBHEADIN	NG PRODUCT DESCRIPTION	CUSTOMS VALUE (Billion R)
27011200	Mineral Products: Bituminous Coal	R121,5
71081300	Precious Metals	R115,9
87042181	Light, Medium commercial vehicles	R84,9
26011100	Iron Ores and Concentrates (excluding roasted iron pyrites)	R78,0
72024100	Iron and Steel	R77,7
26100000	Chromium Ores and Concentrates	R72,5
26020000	Ores - Manganese Ores And Concentrates	R48,9
87032390	Passenger Ca	R45,6
26011200	Agglomerated Iron Ores and Concentrates	R42,0
71102100	Semi Beneficiated Precious Metals	R41,6
TOTAL (top 10)		R728,5



- The Top 10 Imports and Exports is largely made up of mineral, machinery, and vehicle products in value terms. In 2023, the share of Machinery exports and imports for non-SACU products, comprised of 6,8% and 21,8%, respectively.
- The machinery classified include, catalytic converters, computers & Mechanical appliances, cell phones, electric equipment & machinery.
- The importation of capital good products signals a positive trend towards industrialisation, the development of infrastructure, and technological advancement.
- The share of mineral exports comprised 26,7% of the total export by value.

TOP 10 IMPORTS PRODUCTS FOR JANUARY TO DECEMBER 2023 (EXCLUDING BELN): at 8-digit level

TARIFF SUBHEADING	PRODUCT DESCRIPTION	CUSTOMS VALUE (Billion R)
27101230	Light Petroleum Oils	R179,7
27090000	Crude Petroleum Oils	R88,6
98010030	Original Equipment Components for Motor Cars	R69,6
	Original Equipment Component- Medium & Heavy Commercial	
98010040	Vehicles	R57,5
27101202	Petrol	R56,7
85076000	Lithium-lon Batteries	R32,4
85171310	Smartphones	R31,4
30049099	Pharmaceutical Medicaments	R25,2
87032290	Passenger Cars	R23,0
85044000	Power Converters	R19,9
TOTAL (top 10)		R584,0

3. PERFORMANCE SECTION

3.1

3.6Legislation
Amendments

APP Overview

3.2

Efficiency

3.3
Industrialisation

3.4

AGOA Permits

3.5 Import Permits [IE461]

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APP STRATEGIC OUTLOOK

Tariff Investigations

Rebate & Drawback permits

Automotive Production Development Programme [APDP]

Trade Remedy Investigations

Import & Export Control

Reciprocal Commitment studies in strategic sectors.

Support for sector Masterplans in the monitoring of Trade flows.

Investigate the viability & financial sustainability of levying prescribed fees in applicants.

Efficient administration of trade instruments

APP DELIVERABLES

22

Transformation

Industrialisation

Percentage (%) of BBEE preferential procurement spend.

No' of SMMEs accessing ITAC's services, firms in designated categories & non-metro areas.

Trade adjustment measures.

Reciprocal commitments on investment in capital goods.

Industrial rebates aimed at facilitating local industrial output.

Value of manufactured exports facilitated under ITAC rebates.

Value of manufactured exports to the rest of Africa facilitated under ITAC rebates.

Jobs supported as a result of trade policies and ITAC's instruments.

New jobs created.

High impact trade intervention completed.

Community outreach programmes.



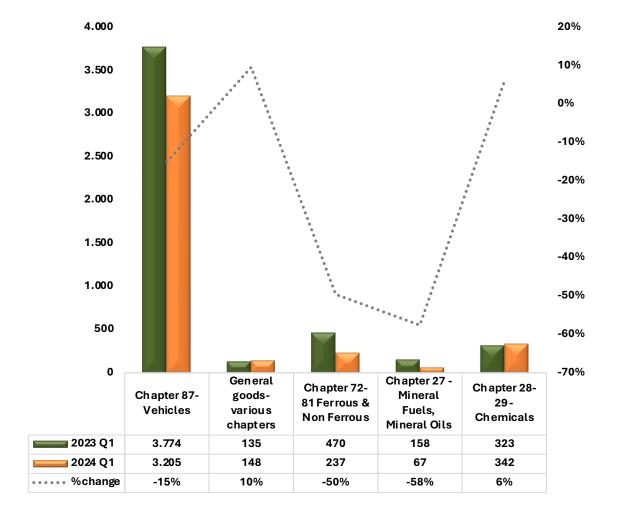
Reporting on Trade instruments, includes data on firm size.

High-impact measures to reduce red tape or improve turnaround times in administration of incentives and work of agencies.

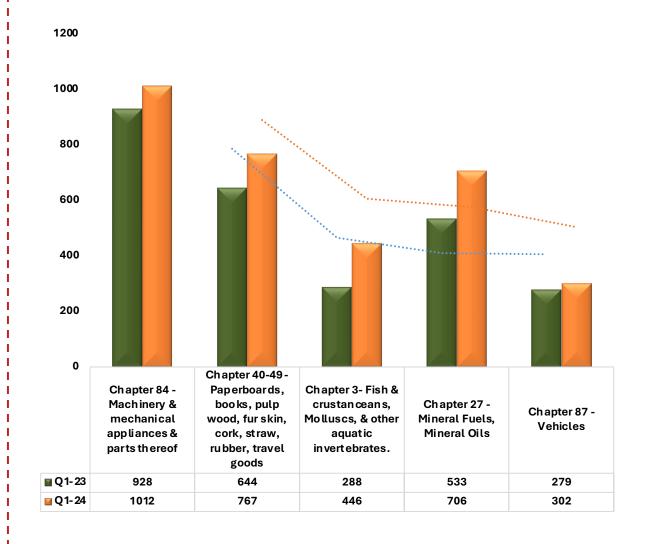
Case studies of firms, workers, communities etc., impacted by the ITACs measures.

SELECT APP PROGRAMMES UPDATE | EFFICIENCY OF ADMINISTRATION

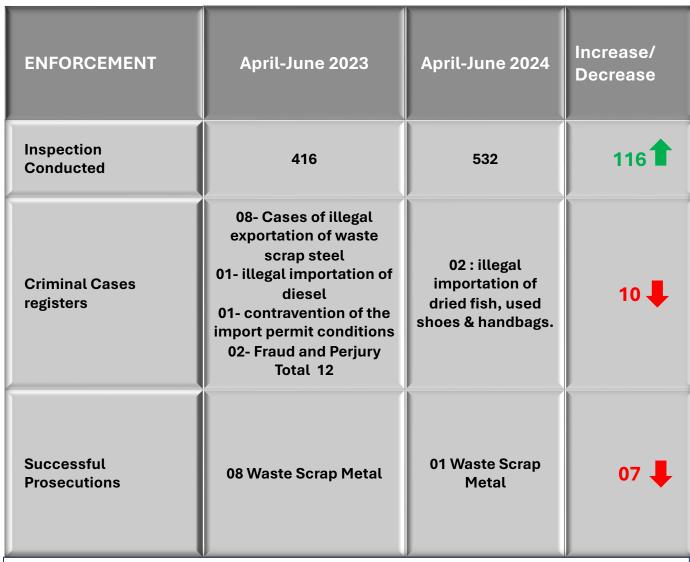
TOP 5 – EXPORT PERMITS 2024Q1 vs. 2023Q1:By Chapter



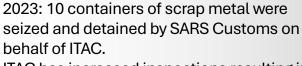
TOP 5 - IMPORT PERMITS 2024Q1 vs. 2023Q1:By Chapter



SELECT APP PROGRAMMES UPDATE | EFFICIENCY OF ADMINISTRATION



Potential Solution: Proposed Parliamentary Ad-Hoc Committee to regulate illicit trade flows prosecutions and related economic crime, costing the countries fiscus billions in forgone tax revenue.



ITAC has increased inspections resulting in improved compliance as per the recorded decline in prosecutions.

2024- 5 containers of dried fish, used shoes and used hand- bags were seized and detained by SARS Customs on behalf of ITAC.

The exportation of scrap metal was banned on 30-11-2022. With the ban in place, the number of applications received decreased thus affecting the number of inspections/verifications done.

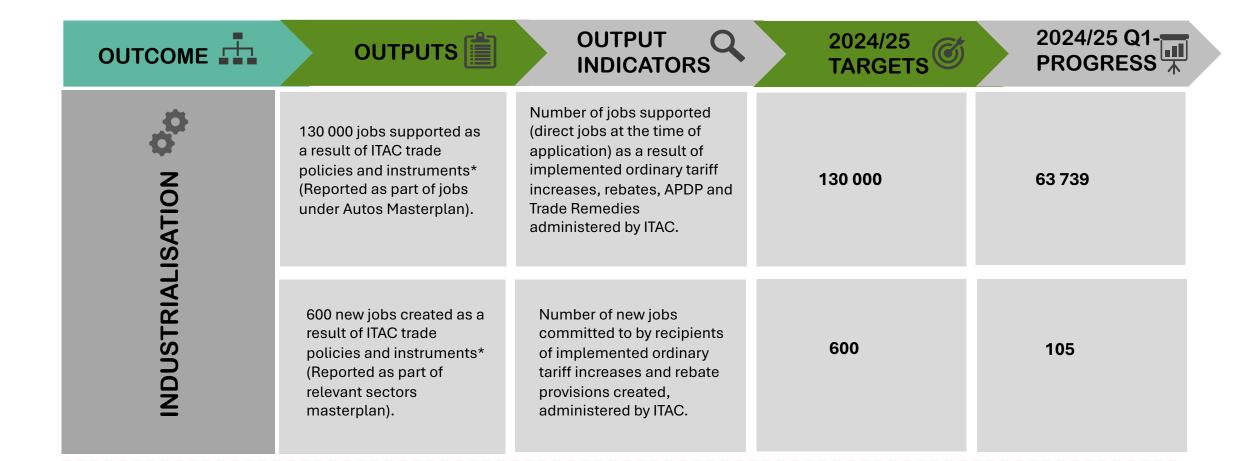
In January 2024, the ban on the exportation of scrap metal was uplifted and this caused a surge in export applications and the number of verification inspections that needed to be conducted hence, the Q1-2024 inspections are more than the Q1-2023 inspections.



SELECT APP PROGRAMMES UPDATE | INDUSTRIALISATION & TRANSFORMATION

OUTCOME 🚠	OUTPUTS	OUTPUT OUTPUT INDICATORS	2024/25 TARGETS	2024/25 Q1- PROGRESS *
	Reciprocal commitments on investment in plants, equipment, technology	Value of investment facilitated through ITAC reciprocal commitments of implemented tariff support	R55 million	R 3 million
NOIT	Industrial rebates aimed at facilitating local industrial output.	Local industrial output as a result of utilisation of ITAC rebates: rebate item 311.40 clothing; rebate item 317.04 autos-APDP.	R32 billion	R 2,1 billion
INDUSTRIALISATION	R300bn manufactured exports facilitated under ITAC rebates.	Value of manufactured exports facilitated under ITAC rebates 470 and 521 (excluding autos)	R81 billion	R 12,6 billion
INDUS		Value of vehicle exports (APDP)	R219 billion	R 47,4 billion
	R28bn manufactured exports to rest of Africa facilitated under ITAC rebates.	Value of vehicle exports to the rest of Africa (APDP)	R28 billion	R 4,8 billion

2024-2025 SELECT PROGRAMMES UPDATE... Cont





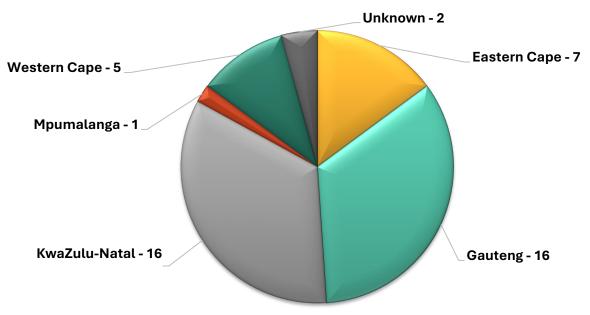


2024-25 SELECT PRIORITY PROGRAMMES | AGOA PERMITS 2024-25 Q1

ITAC AGOA APPLICATIONS - By Province and Metro

Province and local municipality	Count of Applicant/Company name
Eastern Cape	7
Buffalo City Metropolitan	3
Nelson Mandela Bay Metropolitan	4
Gauteng	16
City of Ekurhuleni Metropolitan	3
City of Johannesburg Metropolitan	3
City of Tshwane Metropolitan	7
Mogale City Local	2
Unknown	1
KwaZulu-Natal	16
eThekwini Metropolitan	15
Unknown	1
Mpumalanga	1
Dr JS Moroka Local	1
Unknown	2
Unknown	2
Western Cape	5
City of Cape Town Metropolitan	5
Grand Total	47

AGOA APPLICATION BY PROVINCE



TRANSFORMATION INDICATORS

Row Labels	Sum of Total employment	Sum of Youth employees (15-35 years)	Sum of Female
Eastern Cape	130	72	83
Gauteng	94	30	48
KwaZulu-			
Natal	1 007	455	160
Mpumalanga	-	-	1
Unknown	-	10	34
Western Cape	154 268	100 991	98 426
Grand Total	155 499	101 558	98 752

AGOA poultry importers employ approximately 155 499 people in the main provinces they operate in, of which nearly 101 558 jobs (65%) represent youth employment, and 98 752 jobs (63.5%) represents women employment.

Source: ITAC AGOA Applications, 2024

HDI AGOA PERMITS

Importer Status	Total Q1 ORG permits	
HDI		24
Historical Importers		23
% permits issued to HDIs	51%	
% permits issued to Established Importers		49%
	Total Value	e of Q1 ORG permits (R)
HDI Rand Value	R	197 139 707,00
Established Importer Rand Value	R	188 097 512,00
Total Rand value	R	385 237 219,00

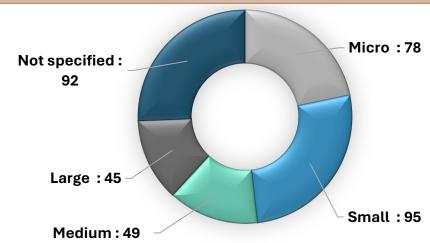
Note- Permits are only issued to HDI and Established firms that submit applications to ITAC subsequent to receipt of DARLDD quarterly quota allocation.

2024-25 SELECT PRIORITY PROGRAMMES | IMPORT PERMITS 2023-24 Q4

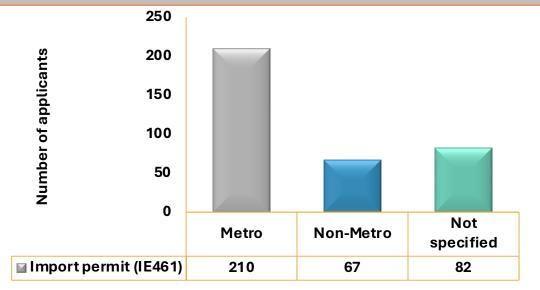
Number of companies applying for import permit (IE461) by Province and districts (Q4 2023/2024)

	Number of applicants		Number of applicants
_Province/District	Import permit (IE461)	Province/District	(Import permit IE461)
Eastern Cape	12	Limpopo	2
Buffalo City Metropolitan	4	Capricorn District	1
Nelson Mandela Bay			
Metropolitan	5	Mopani District	1
OR Tambo District	2	Mpumalanga	3
Sarah Baartman District	11	Ehlanzeni District	1
		Gert Sibande	
Free State	8	District	1
Lejweleputswa District	5	Nkangala District	1
_Mangaung Metropolitan	3	Northern Cape	2
		John Taolo	
Gauteng	158	Gaetsewe District	1
City of Ekurhuleni		Pixley Ka Seme	
Metropolitan	55	_District	1
City of Johannesburg			
Metropolitan	70	North-West	6
City of Tshwane		Bojanala Platinum	
Metropolitan	26	District	3
		Dr Kenneth Kaunda	
Sedibeng District	3	District	3
_West Rand District	44	Western Cape	47
		Cape Winelands	
KwaZulu-Natal	39	District	5
		City of Cape Town	
Amajuba District	1	Metropolitan	37
		Garden Route	
eThekwini Metropolitan	26	District	3
Ugu District Municipality	2	Overberg District	1
uMgungundlovu District	5	_West Coast District_	1
Vhembe District	2	Not specified	82
Zululand District	3	Grand Total	359

Number of applicants: By Firm Size (Permit IE461)



Companies applying for Import Permit (IE461): By Geo-Spatial Location



Source: ITAC, 2024

CURRENT LEGISLATION AMENDMENTS

Legislation expected to be finalised in 2024/25 financial year:

Administrative Fees Recovery Project

- Because of budgetary constraints, ITAC is proposing to levy fees to reimburse it for the costs it incurs in carrying out certain functions.
- The current proposal is for the levying of fees for the processing of applications for rebates under the APDP, import & export permits, including export permits for scrap metal, and rebate permits and certificates and drawbacks of ordinary customs duties.
- Next Steps | ITAC will determine the amount of the fees to be levied for these functions.

Automotive Production and Development Programme Phase 2:

Amendment of the APDP2 legislative framework to include Electric Vehicles and associated components.

ITA Act Amendment Bill:

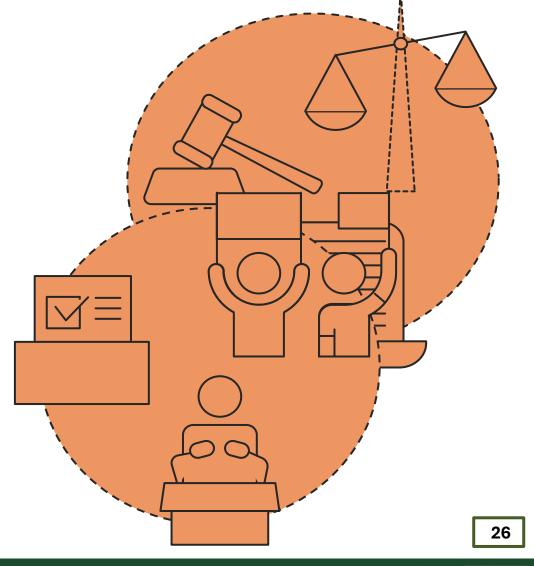
Inclusion of, amongst others, a national security provision.

Safeguard & Anti-dumping Regulations:

Amendments being proposed to reduce redtape and improve effectiveness of ITAC's interventions.

Administrative Fees Regulations:

Draft regulations were published to provide a legal foundation for the proposed levying of fees.







CONCLUDING REMARKS

Administration & Organisational Coordination

- ITACs APP includes elements that address developments in both the global and domestic economy. Domestically, this includes efficiency indicators on the administration of Trade Instruments, and a review of the distributional and spatial impacts in relation to transformation and industrialization indicators.
- On the Finance side, the budgetary space remains constrained due to the ongoing baseline reductions over the MTEF period. The finalisation of the Administrative Fees Recovery Project will likely alleviate some of the cost pressures.

Trade Instruments

- Trade policies (global, regional and domestic), shape the environment in which trade instruments operate. In turn, trade
 instruments influence the flow of goods and services, the competitiveness of domestic industries, and the overall structure of
 international trade linkages.
- The use of tariffs, industrial rebates and duty drawbacks, aims to increase local industrial output, encourage higher levels of exports, and expand support provided to firms located in areas outside of the big metros, where much of the industrial production and investment is concentrated.
- Domestically, ITACs observation is that many of the rebates approved in the current economic context, have been to resolve the absence of capacity domestic on beneficiated materials required for industrial use.

Where to:

- The 7th Administration gives us the opportunity to assess APP indicators design modalities- i.e., does evidence data to measure output reside outside ITAC; controls for delays etc.
- More integration with other agencies (IDC, SARS, IAWG) to expand and other areas of incentives to support SS's industrial base.
- Advocate & support initiatives for a well-coordinated approach to international trade policy backed by countries developmental agenda.
- Contextualisation of trade instrument's structure. i.e., do we have too many rebates; could the Scrap metal PPS system be extended to other areas like minerals and paperboard, and how do we better understand the distributional impact of the diffusely spread costs of our interventions.

Thank you, Na Khensa, Dankie, Enkosi!





