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GENERAL NOTICES • ALGEMENE KENNISGEWINGS

DEPARTMENT OF TRADE, INDUSTRY AND COMPETITION

GENERAL NOTICE 861 OF 2022

THE INTERNATIONAL TRADE ADMINISTRATION COMMISSION OF SOUTH AFRICA

INVITATION FOR THE PUBLIC TO COMMENT ON THE INTRODUCTION OF A POLICY DIRECTIVE ON THE IMPORTATION OF ANALOGUE TELEVISION SETS OF TARIFF HEADING NUMBER 8528.7

Following a request from the Minister of Communications and Digital Technologies, Ms Khumbudzo Ntshavheni, I, Ebrahim Patel, Minister of Trade, Industry and Competition having duly considered the request, hereby publish in terms of section 5 of the International Trade Administration Act, 2002 (Act No. 71 of 2002) ("the Act"), the proposed policy directive on the importation of analogue television sets of tariff heading 8528.7 for public comment.

Interested persons must submit written comments on the proposed policy not later than twenty one (21) calendar days from the date of publication of this notice to:

The Director General
Department of Trade, Industry and Competition
Private Bag X 149
Pretoria
0001

For attention: Niki Kruger (<u>KrugerN@thedtic.gov.za</u>) and Mustaqeem de Gama (<u>MDeGama@thedtic.gov.za</u>)

EBRAHIM PATEL

MINISTER OF TRADE, INDUSTRY AND COMPETITION

DATE: 24 [2] 2022

DEPARTMENT OF TRADE, INDUSTRY AND COMPETITION

THE INTERNATIONAL TRADE ADMINISTRATION COMMISSION OF SOUTH AFRICA

PROPOSED POLICY DIRECTIVE TO BAN AND/OR PROHIBIT THE SHIPMENT AND IMPORTATIONOF ALL ANALOGUE TELEVISION SETS CLASSIFIABLE UNDER TARIFF HEADING NUMBER 8528.7

South Africa is a member of the International Telecommunication Union (ITU), which is a United Nations body. At a Regional Radio Communication Conference in Geneva in 2006, the ITU resolved that all broadcasting institutions within the Europe, Middle East and Africa (excluding the Islamic Republic of Iran) should migrate from analogue to digital mode of Terrestrial Television Broadcasting by 17th June 2015. The South African government signed and formed part of this agreement of the ITU and a process was started to migrate the country from analogue to digital television. The purpose of the mandate known as the Broadcasting Digital Migration (BDM) process was, inter alia, to increase the efficient use of spectrum and improve the quality of TV services. The South African government initially set the deadline to complete the migration process by 2011, however this deadline had to be postponed on a number of occasions. Failing to meet the 2015 deadline to switch off the analogue terrestrial TV signals means that South Africa is no longer protected against disruptions of radio waves that are used for analogue television broadcasts. Furthermore, South Africa is vulnerable to complaints by neighbouring states in the instances where analogue television broadcasts spill-over and interfere with digital broadcasting and mobile services within the digital dividend bands.

In his State of the Nation (SONA) address in 2021, President Cyril Ramaphosa stated that "The completion of digital migration is vital to our ability to effectively harness the enormous opportunities presented by technological change." The President further indicated in his SONA address that the phased switch-off of analogue TV transmitters would be completed by end of March 2022. The Analogue Switch-Off and Broadcast Digital Migration Plan of the Department of Communications and Digital Technologies was approved by Cabinet at its meeting of 29 September 2021. The migration has been

finalised in four provinces and it is anticipated that this process, which is happening provinces by province, will be completed by the end of March 2022. The Broadcast Digital Migration falls within the broader digital transformation objectives of creating new possibilities and laying a foundation for new innovative products as the world, including South Africa, shifts into digital economies.

The South African Government undertook to assist beneficiary households with installation of set-top-boxes to ensure universal migration. According to the Department of Communication and Digital Technologies, the process of registering beneficiary households that would be supported by the Government in the migration process commenced in 2015 and will continue for 6 months post analogue switch-off. With the deadline of the digital migration process set for the end of March 2022 and analogue transmitters already switched off in four provinces, the importation of analogue television sets can negatively impact the migration process and increase the number of households that will need to migrated from the analogue to digital mode. While South Africa is shifting to digital, we want to ensure that dumping of analogue televisions in South Africa is avoided.

The Minister of Trade, Industry and Competition ("the Minister") is authorised by section 6 of the International Trade Administration Act 71 of 2002 ("the ITA Act") to prescribe that no goods of a specified class or kind, or no goods other than goods of a specified kind of class, may be imported into South Africa. In terms of Section 5 of the ITA Act, the Minister is empowered to issue Trade Policy Statements or Directives.

In light of the Digital Migration Plan of the Government and the deadline of finalising policy directive to prohibit the importation of analogue all television sets classifiable under HS8528.7.

In this regard, the Policy Directive intends:

 To prohibit importers, retailers, wholesalers and manufacturers, in accordance with Section 6 of the International Trade Administration Act 71 of 2002 ("the ITA Act"), from shipping to and importation of all analogue television sets classifiable under HS8528.7. after 31 March 2022. The importers are directed to label all analogue television sets imported as television sets incapable of receiving over-the-air digital signals without a settop box.

A prohibition on the import of analogue television will help to reduce the flood of soon-to-be obsolete analogue televisions, reduce the number of sets to be migrated, and help South Africa meet its digital migration target that has already been delayed for more than 6 years. Further motivation is that the current de facto manufacturing standard for television sets worldwide and particularly in the ITU Region 1 encompassing Europe, Middle East and Africa region including South Africa, is the digital DVB-T2 specification.

This policy directive can be reviewed from time to time, if needed, to determine whether it should be terminated or kept in place.

All policy intervention must be transparent, consider all stakeholder positions, and ensure that market efficiency is not compromised by undue regulation and that the societal welfare is enhanced in the medium to long term. This draft Policy Directive is therefore issued for public comment. A further consultative process will also take place with the Department of Communication and Digital Technologies that is responsible for the digital migration process.