

DEPARTMENT OF TRADE, INDUSTRY AND COMPETITION

NOTICE 3387 OF 2025

INTERNATIONAL TRADE ADMINISTRATION COMMISSION

CUSTOMS TARIFF APPLICATIONSLIST 07/2025

The International Trade Administration Commission (herein after referred to as ITAC or the Commission) has received the following application concerning the Customs Tariff. Any objection to or comment on this representation should be submitted to the Chief Commissioner, ITAC, Private Bag X753, Pretoria, 0001. Attention is drawn to the fact that the rate of duty mentioned in this application is that requested by the applicant and that the Commission may, depending on its findings, recommend a lower or higher rate of duty.

CONFIDENTIAL INFORMATION

The submission of confidential information to the Commission in connection with customs tariff applications is governed by section 3 of the Tariff Investigations Regulations, which regulations can be found on ITAC's website at <http://www.itac.org.za/documents/R.397.pdf>. These regulations require that if any information is considered to be confidential, then a non-confidential version of the information must be submitted, simultaneously with the confidential version. In submitting a non-confidential version the regulations are strictly applicable and require parties to indicate:

- ❑ Each instance where confidential information has been omitted and the reasons for confidentiality;*
- ❑ A summary of the confidential information which permits other interested parties a reasonable understanding of the substance of the confidential information; and*
- ❑ In exceptional cases, where information is not susceptible to summary, reasons must be submitted to this effect.*

This rule applies to all parties and to all correspondence with and submissions to the Commission, which unless clearly indicated to be confidential, will be made available to other interested parties.

The Commission will disregard any information indicated to be confidential that is not accompanied by a proper non-confidential summary or the aforementioned reasons. If a party considers that any document of another party, on which that party is submitting representations, does not comply with the above rules and that such deficiency affects that party's ability to make meaningful representations, the details of the deficiency and the reasons why that party's rights are so affected must be submitted to the commission in writing forthwith (and at the latest 14 days prior to the date on which that party's submission is due).

Failure to do so timeously will seriously hamper the proper administration of the investigation, and such party will not be able to subsequently claim an inability to make meaningful representations on the basis of the failure of such other party to meet the requirements.

APPLICATION FOR AN INCREASE IN THE RATE OF CUSTOMS DUTY ON:

Peanut butter, classifiable under tariff subheading 2008.11.1 from 0.99c/kg to 25 per cent *ad valorem*.

Applicant:**RCL Group Services (Pty) Ltd**

The Boulevard
Westway Office Park
Westville
3629

Note: Comments must be provided in the format of a questionnaire obtainable on ITAC's website at www.itac.org.za, link: **Services - Tariff investigations - Government Gazette Notices – Other publication notices**

Background and reasons for application:

During the 2020/21 period, the International Trade Administration Commission of South Africa ("ITAC or the Commission") considered an application by RCL Group Services (Pty) Ltd for an increase in the rate of customs duty on peanut butter, classifiable under tariff subheading 2008.11.1 from 0.99c/kg to 25 per cent *ad valorem*. An investigation was subsequently initiated on 15 January 2021 through a publication in the Government Gazette (Notice 44075 Notice 08 of 2021) for interested parties to comment.

The Commission made a recommendation to the then Minister of Trade, Industry and Competition (the "former Minister") on the subject application. The former Minister then referred the Commission's recommendation for further investigation and consideration. In the referral, the Minister requested that ITAC consider: "*the price raising effect, industrial capacity, competition in the market and the value chain*". The former Minister's concerns were based on the price raising effects of a staple product for poor households, namely peanut butter.

Considering the above, the Commission requested the submission of an updated Application as well as updated market, trade, and financial data from the Applicant. The Commission is in receipt of a fully updated application from RCL Foods, wherein the Applicant has reiterated, amongst others, the following reasons for its application:

- "A 10% custom duty on groundnuts (HS 1202.41 and 1202.42) was implemented on October 21, 2003.
- Importers are circumventing this duty by importing peanut butter, leading to a 24% increase in imports from 2023 to 2024.
- Imported peanut butter prices are 19.3% lower than local production costs, causing distress in the SACU industry.
- RCL has sacrificed volumes to maintain margins, resulting in a decline in market share.
- Without relief, local manufacturers may exit the market, leading to increased prices for imported peanut butter."

Ref: 12/2020 **Enquiries:** Ms Manini Masithela, Email: mmasithela@itac.org.za, Ms Khosi Mzinjana, Email: kmzinjana@itac.org.za; Mrs. Amina Varachia, Email: avarachia@itac.org.za, and Mrs Dolly Ngoben, Email: dngoben@itac.org.za and Mr Scelo Mshengu, Email: smshegu@itac.org.za.

PUBLICATION PERIOD:

Representation should be submitted to the above ITAC officials within **four (4) weeks** of the date of this notice.