



International Trade Administration Commission of South Africa

ANNUAL REPORT 2023/24



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GENERAL INFORMATION

PUBLIC ENTITY'S GENERAL INFORMATION

Country of incorporation and domicile:

Republic of South Africa

Legal form of entity:

PFMA - Schedule 3A Public Entity

Nature of business and principal activities:

The aim of ITAC, as mandated by the International Trade Administration Act, 2002 (the ITA Act), is to foster economic growth and development in order to raise incomes and promote investment and employment in South Africa and within the Common Customs Area by establishing an efficient and effective system for the administration of international trade subject to the ITA Act and the Southern African Customs Union (SACU) Agreement, 2002.*

Business address:

DTIC Campus (Building E)

77 Meintjies Street

Sunnyside

Pretoria 0002

Postal address:

Private Bag X 753

Sunnyside

Pretoria

0002

Website:

www.itac.org.za

Bankers:

Standard Bank

Auditors:

Rakoma and Associates Incorporated

**Common Customs Area means the combined areas of the Member States of SACU (see section 1(2) of the ITA Act).*

LIST OF ABBREVIATIONS

COMMISSION	ITAC or the body comprising the Commissioners of ITAC, acting together
DTIC	Department of Trade, Industry and Competition
DPSA	Department of Public Service and Administration
EDD	Economic Development Department
EPA	Economic Partnership Agreement between SACU countries and Mozambique on the one hand, and the European Union and its member states on the other
EU	European Union
EXCO	Executive Committee of ITAC
GRAP	Generally Recognised Accounting Practice
IDC	Industrial Development Corporation of South Africa
ITA Act	International Trade Administration Act, 71 of 2002
ITAC	International Trade Administration Commission of South Africa
MANCO	Management Committee of ITAC
PFMA	Public Finance Management Act, 1 of 1999
PPS	Price Preference System designed to improve the availability of good quality scrap metal to local consumers
SACU	Southern African Customs Union, which consists of South Africa, Botswana, Eswatini, Lesotho and Namibia
SACU AGREEMENT	The SACU Agreement, 2002
SEFA	Small Enterprise Finance Agency
USA	United States of America
WTO	World Trade Organisation



Parks Tau, MP

FOREWORD BY THE MINISTER OF TRADE, INDUSTRY AND COMPETITION

This report encapsulates a year of significant progress and resilience, under my predecessor, Minister Ebrahim Patel, and reflects the efforts of ITAC to navigate and shape the complex landscape of international trade administration. As the new Minister of Trade, Industry, and Competition, I am pleased to share this overview of ITAC's milestones for the past year (2023/2024).

The global trade environment has continued to evolve with unprecedented speed and complexity. Amidst shifting geopolitical dynamics, fluctuating market conditions, and an ever-changing regulatory landscape, ITAC has remained steadfast in its mission to safeguard and promote South Africa's trade interests. This year's report, highlights how ITAC has managed these challenges while advancing our country's national economic objectives.

One of the standout features of this year's report is the contribution ITAC has made to South Africa's industrialisation. The Report notes the support

provided by ITAC's trade instruments in terms of investment, manufacturing and jobs growth. For example, the utilisation of industrial and other rebates by South African businesses facilitated additional local industrial output as well as exports.

This, in turn, supported a significant number of jobs throughout South Africa's economy. I also note the important contribution that ITAC's administration of key government programmes, such as the Automotive Production and Development Programme, has made to economic growth.

Its role in the ongoing implementation of the Department of Trade, Industry and Competition's Masterplans has been noteworthy. Masterplans are strategic frameworks designed to drive industrialization, enhance competitiveness, and support sustainable economic growth.

They represent a commitment to targeted, sector specific interventions that harness South Africa's strengths and address its unique challenges.

Through its robust analytical capabilities and its proactive engagement with industry stakeholders, ITAC has provided invaluable insights that have facilitated the execution and implementation of these strategic initiatives.

ITAC has also been proactive in responding to the broader international trade environment. For commodities, such as steel, excess global production represented a significant challenge to the domestic steel industry. ITAC's interventions have been crucial in addressing unfair trade practices and securing a level playing field for local producers.

As we look to the future, the challenges and opportunities in the international trade arena will continue to evolve. ITAC's commitment to excellence and innovation will be crucial in navigating these changes.

I would like to extend my appreciation to the Chief Commissioner, his dedicated team at ITAC and the Chairperson of the Commission and its part-time Commissioner for their hard work and unwavering commitment, which are instrumental in advancing South Africa's trade interests and fostering economic growth. I would also like to thank all our partners and stakeholders for their continued support and collaboration.

As we move forward, let us continue to work together to build a prosperous and resilient trade environment that benefits all South Africans.



Mr Parks Tau, MP

Minister of Trade, Industry and Competition



Mr Ayabonga Cawe

REPORT BY THE CHIEF COMMISSIONER

It gives me great pleasure to present this Report on what was a year, in the Commission's work, that coincided with an increasingly turbulent and uncertain domestic trade context in the reporting period 2023/24. The Commission is responsible for administering trade instruments and providing technical advice to the Department of Trade, Industry and Competition. This work involves undertaking tariff amendment and trade remedy investigations, regulating the movement of certain goods across South Africa's borders through import and export control and the day-to-day administration of key government programmes, such as administering elements of South Africa's auto-industrial policy programme, the Automotive Production and Development Programme.

As a public institution, ITAC is expected to carry out its core functions efficiently and effectively. This places on us a deep duty of care in ensuring that the performance of our personnel is exemplary and undertaken with excellence in a responsive manner, and that effective, efficient and transparent

systems of financial and risk management and internal control are maintained and enhanced. For the financial period 2023/24, ITAC received an overall audit outcome that was unqualified without findings. An improvement from the 2022/23 audit outcome. While challenges remain in the overall control environment, the favourable audit outcome in this reporting year, reflects the ongoing work to strengthen our accountability ecosystem.

As a regulatory authority in a particularly specialised area of work, our people are our main asset. The Commission continued to face workload challenges in light of a high vacancy rate, that the management team is seized with resolving. As highlighted in this Report, actions in response have included recruitment in key posts and inter-unit transfer of officials; following workload assessments undertaken. ITAC also continued to support and invest in the well-being and professional skills of its employees in the reporting period through its employee health and wellness programme, performance and skills planning.

Over the past year, the Commission has worked diligently to ensure that its activities were aligned not only to its mandate to create an efficient and effective system for the administration of international trade, but also with South Africa's national development goals. Across its activities, the Commission's use of its trade instruments followed an approach informed by the balance of evidence. The Commission has also been mindful of promoting domestic manufacturing, employment retention in a manner that complements the enables improved international competitiveness.

The Commission is responsible for conducting investigations (on receipt of an application from firms or on its own initiative) into amendments to the customs duty (tariff) schedule. These investigations are undertaken in alignment with domestic legislation and policy considerations as well as the World Trade Organisation (WTO) rules. Depending on the application received by the Commission, a tariff amendment investigation may result in an increase, reduction, rebate or drawback of ordinary customs duties. The Commission's Tariff Investigations unit also administers various rebate and drawback provisions falling under Schedules 3, 4, and 5 to the Customs and Excise Act. In conducting investigations and otherwise providing tariff assistance, the Commission is mindful of enhancing the competitiveness of domestic industries with a view to creating conditions for companies to increase employment, production and investment. During the 2023/24 period, ITAC conducted 5 tariff investigations for an increase in duties, 1 investigation for a reduction in duties and 13 rebate investigations. These numbers represent a marked increase in the activities of the Commission when compared to the previous reporting period, which saw the Commission conduct 3 investigations for an increase in customs duties and 3 rebate investigations.

The Commission also conducted a number of anti-dumping and safeguard (both trade remedy) investigations. These investigations, of a more 'defensive' nature, address observed instances of unfair trade in the form of international price discrimination, while safeguard investigations are in

response to surges of imports. Where the requisite findings are made, including injury to the domestic industry making the product being investigated, the Commission may recommend the imposition of an anti-dumping duty or a safeguard measure (typically a duty).

As can be seen in this Report, the investigations undertaken stretched across a variety of consumer and industrial goods. The products investigated by the Commission in this reporting year included frozen bone-in chicken portions, frozen potato chips, active yeast, laminated safety glass, garden tools, tyres, windscreens, galvanised steel coils, hot-rolled steel, threaded fasteners, laminated safety glass, glass frit, unframed glass mirror, clear float glass and PVC rigid. In some of these matters, the challenge of subsidy-fuelled structural overcapacity in key product markets, a concern sharply raised in global fora over the last decade, became apparent. The Commission continues to advise and dialogue with the dtic on potential measures and actions, within our economic diplomacy and trade administration work, to contend with this challenge.

In terms of numbers, the Commission conducted 8 original (new) investigations, which included 1 investigation carried over from the previous reporting period, 6 sunset reviews (anti-dumping investigations), as well as 2 safeguard investigation. This represents a continuation of the upswing in the use of trade remedies already witnessed during the 2022/23 reporting period during which the Commission conducted 9 original investigations, 6 sunset review investigations and 1 safeguard investigation. Undoubtedly, challenging demand conditions at home and abroad and growing use of tariff and non-tariff barriers elsewhere, were driving applicants to seek out the Commission's assistance. No applications were self-initiated in the 2023/24 financial year.

It has also been a busy period for the Commission in the area of import and export control. Where the Commission regulates the cross border-movement of certain goods through a permit system. During the reporting year, the Commission issued nearly 40 000 import and export permits for a diverse range of goods. Goods included used machinery and

mechanical appliances, tyres, marine resources, used motor vehicles, waste and scrap metals and organic and inorganic chemicals. The unit also conducted 1 678 scheduled and unscheduled inspection linked to its enforcement role in the area of clothing, waste and scrap metal.

In addition to these enforcement activities, the Commission is part of an Inter-Agency Working Group (IAWG) which was created by the Minister of Trade, Industry and Competition. The mandate of the IAWG is to strengthen enforcement of customs control to combat the illicit economy. The IAWG consists of SARS, the dtic and the Commission but also works with other government departments and agencies such as the South African Police Service.

The reporting period also coincided with greater attention being placed on planning and evaluation activities, aimed at gauging the performance of firms following tariff support, and firm-level performance against overall policy objectives. In the reporting period, ITAC conducted two impact studies, one which involved an assessment of the impact of an increase in the ordinary customs duty on acrylic resins and the other the impact of the creation of a rebate item for certain yarns and fabrics used in the manufacture of apparel and clothing accessories.

Future work in this area, will incorporate greater understanding of not only the firm-level industrial performance, but also the spatial, distributional, demographic and value chain reach of the administrative instruments ITAC administers, such as rebates and drawbacks. The findings of these assessments allow ITAC to gauge the effectiveness of its interventions and to identify opportunities for potential better policy design and targeting in key product markets and sub-sectors of the South African economy.

I would like to thank everyone who has contributed to the Commission's work over the past year. In particular its part-time Commissioners and officials. The Commission remains committed to promoting fair trade and sustainable development for the benefit of all South Africans.



Mr Ayabonga Cawe

Chief Commissioner

COMMENTARY BY THE CHAIRPERSON OF THE COMMISSION



Mr Etienne Vlok

In an increasingly volatile global economy, ITAC stands at a complex crossroads. Much like a skilled navigator guiding a ship through stormy seas with waves of change crashing from many directions, ITAC must operate in this unstable environment.

The global trade environment is in a state of constant flux. The international trade regime, including developments at the World Trade Organization (WTO), is a powerful current that can shift the course of trade policy, often beyond our control. In recent years, we've seen many countries turning inward, focusing on bolstering their domestic supply chains, while international supply chains themselves have become strained and unpredictable. These global forces exert pressure on ITAC, challenging us to steer South Africa's trade policies through these turbulent waters.

Closer to home, ITAC faces a different set of pressures that require delicate balancing. Within our borders, we are pulled in multiple directions by competing interests. On one side are companies that seek protection through duty increases, safeguards and anti-dumping duties. On the other are those who argue against this, advocating for the benefits of free trade. This tension is compounded by the need to ensure access to imported raw materials, which are vital for many downstream manufacturers, while also preserving and promoting local production of upstream products.

Moreover, ITAC must navigate the sensitive issue of inflation, especially concerning products essential to the everyday lives of working-class South Africans. Here, the debate often revolves around whether

higher duties that protect local industries – and by extension, local jobs and incomes – are worth the potential cost of increased prices for consumers. Adding to this intricate mix are the legal challenges ITAC faces, as companies dissatisfied with our decisions may resort to the courts, seeking to overturn outcomes they believe are unfavourable.

In this dynamic environment, ITAC must carefully weigh the needs and demands of various stakeholders. Our role is to ensure that, amidst conflicting forces, we make decisions that best serve the long-term interests of South Africa and which deal with the crises of unemployment and poverty. It is a role that requires not just technical expertise but also wisdom, balance, and an unwavering commitment to the public good.

Just as a navigator must understand the sea, the winds, and the stars to steer a safe course, ITAC must understand the multifaceted forces at play in order to administer South Africa's trade instruments.

Integral to our ability to navigate these challenges is our collaboration with other government agencies and departments. ITAC operates within a complex web of relationships, most notably with the Department of Trade, Industry & Competition (DTIC), which sets the policy framework within which we must operate. The DTIC's role is critical, particularly given the intrinsic link between trade and industrial policy, and the need to ensure that the country's trade policies bolster our industrial strategies. Our alignment with the DTIC's Masterplans and sectoral strategies is vital to promoting industry growth and job creation.

Equally important is our partnership with the South African Revenue Service (SARS) is crucial. Without an efficient and effective SARS, the trade measures ITAC recommends would lack the enforcement necessary to protect our economy. The successes in rebuilding SARS have had a positive ripple effect, strengthening our ability to enforce trade decisions and protect the integrity of our borders.

ITAC's role in this interconnected environment is not just about making decisions in isolation; it's about ensuring that our actions are responsive and timely. In recent years, there have been instances where applications for trade measures took longer than anticipated to process. Recognising the critical need for speed and efficiency, ITAC has taken significant steps this year to streamline our procedures, working closely with the DTIC to address backlogs and ensure that our recommendations to the Ministers of Trade, Industry & Competition and Finance are both timely and well-informed. These efforts have paid off, with the backlog largely cleared, and we are committed to maintaining these processes to ensure continued efficiency.

The introduction of a temporary rebate for the import of poultry meat this year, following an avian flu outbreak, is a good example of ITAC being responsive and balancing different interests.

As we navigate these domestic and international pressures, it is essential that ITAC remains responsive to significant trade developments, especially locally and on the continent. The ongoing implementation and strengthening of the African Continental Free Trade Area (AfCFTA) presents both challenges and opportunities, while South Africa's role in the Africa Growth and Opportunity Act (AGOA) has been pivotal, particularly in trying to secure the extension of this crucial trade arrangement. The successful hosting of the AGOA Forum in Johannesburg underscored our leadership in advocating for African trade interests.

Adding to these developments, South Africa has recently taken a bold step by requesting the establishment of panels at the WTO to address what the Government believes are unscientific and discriminatory measures imposed by the European Union on our citrus exports – its first-ever WTO case.

A further development is the increased involvement of workers in trade matters. South Africa has

a long-standing tradition of involving workers and their trade unions in trade negotiations and policy discussions, particularly through a standing committee at the National Economic Development and Labour Council (Nedlac). This year, these opportunities have been expanded even further. Worker representatives were included in the South African delegation to the 13th Ministerial Conference of the WTO, and for the first time, the AGOA Forum featured a dedicated side event for workers and trade unions. Additionally, trade unions participated in the AfCFTA Secretariat's discussions on continental sector visions, ensuring that the voices of workers are heard and considered in these critical discussions.

Involving workers in trade discussions enriches the decision-making process, ensuring that trade policies reflect the diverse interests of all stakeholders.

In conclusion, ITAC occupies a unique position in South African society and the global trade landscape. We are privileged to have a front-row seat to the industrial shifts happening both locally and globally. Currently, this vantage point allows us to see the effects of global overcapacity, protectionist measures, supply chain disruptions, and logistical challenges as they unfold. It is a fantastic and exciting position to be in, but it also brings great responsibility. ITAC cannot simply observe; we are often called upon to make decisions based on what we see. To do so effectively, we must be responsive, carefully consider all factors, and thoroughly weigh all interests.

I would like to thank the Chief Commissioner, my fellow part-time Commissioners, and the entire staff of ITAC for their dedication and hard work and the previous Minister of Trade, Industry & Competition, Ebrahim Patel, and the previous Chairperson of the Commission, Faizel Ismail, for their leadership and guidance. I would like to welcome Minister Parks Tau, whom we look forward to working with closely.



Etienne Vlok

Chairperson of the Commission

Statement of responsibility and confirmation of accuracy of the annual report

To the best of my knowledge and belief, I confirm the following:

All information and amounts disclosed in the annual report is consistent with the Annual Financial Statements audited by Rakoma and Associates Incorporated.

The annual report is complete, accurate and is free from any omissions.

The annual report has been prepared in accordance with the guidelines on the annual report as issued by National Treasury.

The Annual Financial Statements (Part E) have been prepared in accordance with the GRAP standards applicable to the public entity.

The accounting authority is responsible for the preparation of the annual financial statements and for the judgements made in this information.

The accounting authority is responsible for establishing, and implementing a system of internal control has been designed to provide reasonable assurance as to the integrity and reliability of the performance information, the human resources information and the annual financial statements.

The external auditors are engaged to express an independent opinion on the annual financial statements.

In our opinion, the annual report fairly reflects the operations, the performance information, the human resources information and the financial affairs of the entity for the financial year ended 31 March 2024.

Yours faithfully,



ITAC Chief Commissioner

Name: Ayabonga Cawe

Date: 31 March 2024

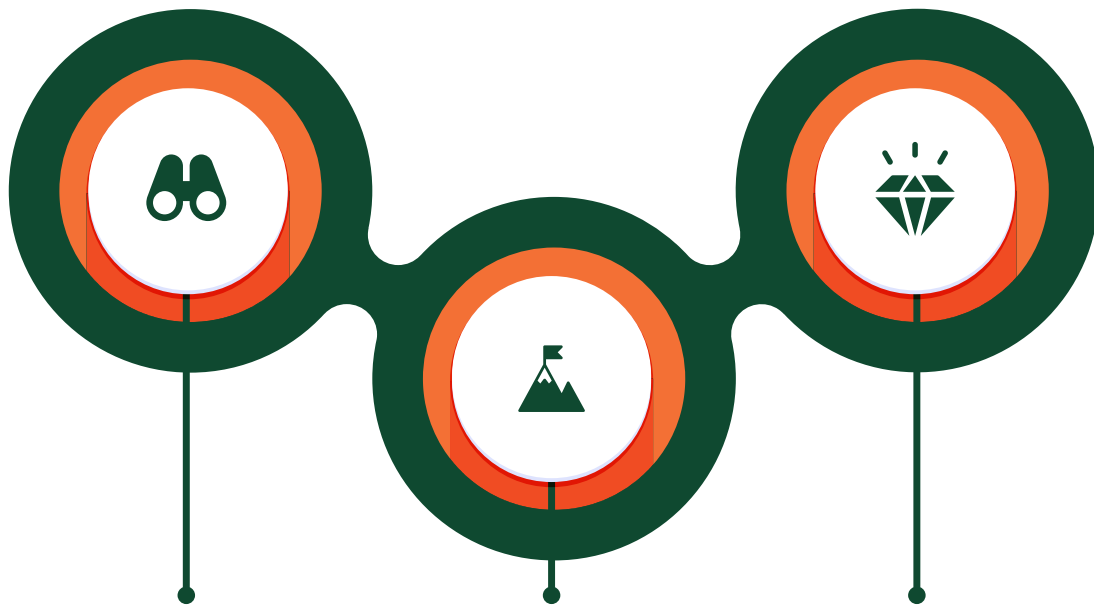


Chairperson of the Commission

Name: Etienne Vlok

Date: 31 March 2024

Strategic Overview



VISION

An institution of excellence in international trade administration, enhancing economic growth and development.

MISSION

ITAC aims to create an enabling environment for fair trade through efficient and effective administration of its trade instruments, and technical advice to the Department of Trade, Industry and Competition.

CORE VALUES

ITAC is guided by the following set of core values:

Integrity

Trust

Accountability

Commitment

Legislative and Other Mandates

ITAC is a PFMA Schedule 3A Public Entity which was established through an Act of Parliament, the International Trade Administration Act, 2002 (ITA Act), which took effect on 1 June 2003.

The ITA Act makes provision for a Chief Commissioner who serves as the Chief Executive Officer of ITAC. The Chief Commissioner is assisted by a Deputy Chief Commissioner and a maximum of ten other Commissioners, who may serve on a part-time or full-time basis. There is currently a Chief Commissioner and ten part-time Commissioners.

The Commissioners meet once a month to evaluate investigations conducted by ITAC's investigating teams and make recommendations to the Minister of Trade, Industry and Competition. The Commissioners have diverse backgrounds including: economics, finance, international trade law, agriculture, business and labour.

The aim of ITAC, as mandated by the ITA Act, is to foster economic growth and development in order to raise incomes and promote investment and employment in South Africa and within the Common Customs Area by establishing an efficient and effective system for the administration of international trade, subject to the ITA Act and the SACU Agreement 2002.

ITAC's main investigations involve ordinary customs duties (i.e. import tariffs), trade remedies, and import and export control. The establishment of ITAC was intended to rationalise, streamline and modernise an organisation with a history that dates back to the 1920s. ITAC uses international trade instruments in alignment with trade and industrial policy imperatives having regard to WTO rules and changes to the international trade landscape.



COMMISSIONERS

01 April 2023 - 31 October 2023



Dr. Faizel Ismail
Chairman



Ayabonga Cawe
Chief Commissioner



Boikanyo Mokgatle
Part-time Commissioner



Tanya van Meelis
Part-time Commissioner



Vuyolwethu Ncwaiba
Part-time Commissioner



Ayanda Hlatshwayo
Part-time Commissioner



Jacobus De Beer
Part-time Commissioner



Etienne Vlok
Part-time Commissioner



Wandile Sihlobo
Part-time Commissioner



Phozisa Mbiko
Part-time Commissioner



Anthony Ehrenreich
Part-time Commissioner

30 November 2023 - 31 March 2024



Etienne Vlok
Chairman



Ayabonga Cawe
Chief Commissioner



Wandile Sihlobo
Part-time
Commissioner



Phozisa Mbiko
Part-time
Commissioner



Anthony Ehrenreich
Part-time
Commissioner

EXECUTIVE AND SENIOR MANAGEMENT



Ayabonga Cawe
Chief Commissioner



Phillip Semela
General Manager:
Corporate Services



Alexander Amrein
Senior Manager:
Policy and Research



Ntsobe Nkoana
Chief Financial Officer



Rika Theart
Senior Manager:
Tariff I



Phatheka Busika
Senior Manager:
Tariff II



Carina Janse Van Vuuren
Senior Manager:
Trade Remedies I



Zoleka Xabendlini
Senior Manager:
Trade Remedies II

EXECUTIVE AND SENIOR MANAGEMENT



Marius Collins
Senior Manager:
Import & Export Control



Sharon Modiba
Chief Economist



Bhekithemba Kgomo
Senior Manager:
Internal Audit



Averil Munsami
Senior Manager:
Legal Services



Koena Phukubye
Senior Manager:
Human Resources



Russell Nelson
Chief Information Officer



FIRST



PERFORMANCE INFORMATION

ANNUAL PERFORMANCE INFORMATION

LIST OF REPORTS ISSUED BY ITAC IN 2023/2024

Report 612	Creation of a temporary rebate provision for the importation of certain cold rolled steel and painted steel, classifiable under tariff subheadings 7211.29 and 7212.40
Report 614	Creation of a rebate facility for the importation of optic fibre cables and electrical apparatus used in the International Submarine optic fibre cable structure
Report 625	Creation of a rebate provision on customs duty applicable to synthetic rubber classifiable under tariff subheading 4002.19.90 used in the manufacture of tyres
Report 631	Increase in the general rate of customs duty on certain coated or plated flat-rolled steel, classifiable under tariff subheadings 7210.20, 7210.30, 7210.50, 7210.69, 7212.20, 7212.50, 7212.60, 7225.91, and 7225.92, from free of duty to the World Trade Organisation (“WTO”) bound rate of 10% <i>ad valorem</i>
Report 644	Increase in the general rate of customs duty on stainless steel flat products
Report 662	Creation of temporary rebate for the importation of certain flat-rolled products of iron or non-alloy steel, of a width of 600mm or more, hot-rolled, not clad, pated or coated classifiable under tariff subheadings 7208.26 and 7208.27
Report 670	Creation of a full duty rebate on titanium dioxide classifiable under tariff subheading 3206.11 for use in the manufacture of white masterbatch classifiable under tariff subheading 3206.19 valid for a limited period of 30 months from date of implementation.
Report 672	Amendment of certain existing rebate items under rebate item 311.42 and 320.02 as well as the creation of a rebate provisions on woven fabrics and other fabrics classifiable under tariff (sub)headings 55.13, 55.14, 5903.20, 5212.1, 5212.2, 53.09, 5512.1, 55.16, 5903.10.90 and 5903.90.90 used in the manufacture of goods classifiable under tariff headings 63.02, 63.03, 63.04 and 94.04
Report 681	Creation of a temporary rebate provision for the importation of certain air conditioning machines having a rated cooling capacity not exceeding 8, 8 kilowatts, classifiable under tariff subheading 8415.10.10.
Report 684	Creation of a temporary rebate facility for the importation of bulk white chocolate, classifiable under tariff subheading 1704.90 for use in the manufacture of chocolate classifiable under tariff subheadings 1806.31, 1806.32 and 1806.90
Report 689	Creation of a temporary rebate facility for the importation of Tall Oil Fatty Acids, classifiable under tariff subheading 3823.13.
Report 690	Creation of a temporary rebate facility for the importation of sheet piling of iron or steel, whether or not drilled, punched or made from assembled elements excluding those that are cold-rolled (cold-reduced), classifiable under tariff subheading 7301.10.
Report 693	Increase in the rate of customs duty on shower enclosures, including shower doors and shower panels, classifiable under tariff heading 7020.00
Report 694	Review of rebate items 311.18/63.09/01.04 (“wiping rags rebate”) and 460.11/00.00/01.00 (“used overcoat rebate”).
Report 695	Investigation into the alleged dumping of frozen bone-in portions of fowls of the species <i>gallus domesticus</i> originating in or imported from Brazil, Denmark, Ireland, Poland and Spain: Final determination
Report 697	Investigation into the alleged dumping of laminated safety glass originating in or imported from the People’s Republic of China (PRC): Final Determination

Report 701	Creation of a temporary rebate provision for the importation of steel cord used in the manufacture of steel conveyor belting as reinforcing material, classifiable under tariff subheading 7312.10.40
Report 704	Investigation into the alleged dumping of spades and shovels of a maximum blade width of more than 150mm but not exceeding 200mm originating in or imported from the People's Republic of China and the alleged dumping of spades and shovels of a maximum blade width of more than 150mm but not exceeding 320mm, picks, other rakes (excluding those with not more than 8 prongs) and other forks, with a prong length exceeding 150mm originating in or imported from the Republic of India-Final determination
Report 706	Investigation into the alleged dumping of frozen potato chips originating in or imported from Belgium, Germany, and the Netherlands: Final determination
Report 708	Increase in the general rate of customs duty on rock drilling or earth boring tools, including parts thereof, classifiable under tariff subheadings 8207.13 and 8207.19
Report 709	Increase in the general rate of customs duty on coated welded wire mesh, classifiable under tariff subheading 7314.39
Report 711	Increase in the rate of customs duty on thermal paper rolls of a width not exceeding 150 mm, from free of duty to the world trade organisation ("WTO") bound rate of 5% ad valorem, classifiable under various tariff subheadings in Chapter 48 of the Customs and Excise Act, no. 91 of 1964.
Report 713	Sunset review of the anti-dumping duties on clear float glass originating in or imported from the republic of Indonesia: final determination
Report 714	Investigation into the alleged dumping of new pneumatic tyres of rubber of a kind used on motor cars (classifiable under tariff subheadings HS 4011.10.01, HS 4011.10.03, HS 4011.10.05, HS 4011.10.07, and 4011.10.09) and on buses or lorries (classifiable under tariff subheadings HS 4011.20.16, HS 4011.20.18, and HS 4011.20.26) originating in or imported from the People's Republic of China: final determination
Report 715	Investigation into the extension of the safeguard measure against imports of threaded fasteners made of steel: bolt ends & screw studs, screw studding and other hexagon nuts (excluding those of stainless steel and those identifiable for aircraft): Final determination
Report 719	Ministerial Directive to investigate a request for a reduction in the rate of customs duty on canned minced anchovies, classifiable under tariff subheading 1604.20.30, from 25 per cent ad valorem to a specific duty of 6c/kg
Report 720	Investigation into the alleged dumping of other flat rolled products of iron or non-alloy steel, of a width of 600 mm or more, otherwise plated or coated with zinc, of a thickness of less than 0.45 mm originating in or imported from the People's Republic of China: Final determination
Report 722	Investigation into the alleged dumping of windscreens for vehicles classifiable under tariff subheading 7007.21.20 originating in or imported from the People's Republic of China ("china") to be used in the Southern African customs Union market as replacement glass in the aftermarket: Final determination
Report 726	Creation of temporary rebate provisions for the importation of meat and edible offal, fresh, chilled or frozen of fowls of the species Gallus domesticus, classifiable under tariff subheading 0207.1

Tariff Investigations

ITAC is responsible for conducting tariff amendment investigations in accordance with policy, domestic law and regulations and consistent with World Trade Organisation (WTO) rules. Tariffs are an instrument of industrial policy and were applied in a manner that seeks to achieve set economic outcomes can play an important role in the broader economic policy mix. ITAC's tariff approach is a critical feature of South Africa's industrial policy, which aims to enable favourable terms of access to the domestic market for local firms. There are three types of tariff amendments, which are administered by the Tariff Investigations Unit. These comprise investigations of increases in ordinary customs duties; reductions in ordinary customs duties; and the creation of rebate and drawback provisions. The Commission also administers various kinds of rebate and drawback provisions falling under Schedules 3, 4, and 5 of the Customs and Excise Act, 1964. This administration is done by issuing permits and certificates in accordance with the Customs and Excise Act, 1964, and setting guidelines for a variety of industrial sectors to clear imported goods free of duty. The ITAC Tariff Investigations Unit also administers rebate provisions provided for under the Automotive Production Development Program Phase II (APDP2).

The Commission takes into consideration the unique nature of each product or industry under investigation. This means that each industry or investigation is carried out on a case by case basis in order to be sensitive to its specific needs. This includes, whether or not the product under investigation is a consumer good or whether or not it is an input material into the downstream manufacturing industries. The Commission is cognisant that any potential tariff increases has an impact on key economic variables, including, *inter alia*, the inflationary impact on consumer prices.

INCREASE: ORDINARY CUSTOMS DUTIES

An increase in the rate of customs duties is considered for the purpose of granting relief for domestic producers that may be experiencing threatening import pressures in order to adjust and restructure so that in the medium to long term they could become internationally competitive without any support in the form of customs duty protection which is capped with the applicable WTO bound rate. Tariff increases are made possible by the fact that there is a difference between the general applied rates and the WTO bound rates. The WTO bound rates act as a ceiling beyond which customs duty increases cannot go.

1. Increase in the general rate of customs duty on stainless steel flat product- ITAC Report No.644

The Commission considered an application from Columbus Stainless Steel (Pty) Ltd ("Columbus Stainless") for an increase in the general rate of customs duty on stainless steel flat products, namely, hot rolled stainless steel coil and sheet ("Hot-Rolled"), cold-rolled stainless steel coil, sheet, slit ("Cold-Rolled"), and hot rolled stainless steel plates ("Plate"), classifiable under tariff headings 71.19 and 72.20, from 5% *ad valorem* to the World Trade Organisation ("WTO") of 10% *ad valorem*.

Columbus Steel is the sole manufacturer of the subject products in Africa. Its manufacturing facility for the subject products is located in the Mpumalanga province (Middelburg).

As motivation for the application, the applicant cited amongst others, that Columbus Stainless is the only producer of stainless steel flat products in the SACU region and a key supporter of the government's local beneficiation drive; the company is a significant employer in the Mpumalanga area and indirectly supports employment in both the upstream and downstream stainless steel industries; in recent years, various key international markets have imposed several restrictive trade measures on imports of stainless steel flat products. This, combined with the significant global overcapacity for stainless steel flat products, will result in significant volumes of low-priced stainless steel flat products imported into SACU; and as a result, Columbus'

continued operation is faced with significant risk that would lead to reduced production volumes and job losses.

The Commission concluded that the tariff support should enable the industry manufacturing stainless steel flat products to utilise its existing under-utilised production capacity, achieve economies of scale arising from increased output and operational efficiencies. The duty will also assist the domestic industry in retaining employment, creating new investment and employment opportunities.

Furthermore, the Commission concluded that in cases where the specific products are not manufactured by the domestic industry, the Commission would consider applications for the creation of rebate provisions.

The Commission recommended that the general rate of customs duty on stainless steel flat-rolled products classifiable under tariff headings 71.19 and 72.20, be increased from 5% *ad valorem* to 10% *ad valorem*.

The Commission further recommended that the duty be reviewed after a period of three (3) years from the date of implementation to determine the performance of the domestic industry unless otherwise determined by the Commission.

2. Increase in the general rate of customs duty on coated welded wire mesh, classifiable under tariff subheading 7314.39- ITAC Report No. 709

The Commission considered an application by Clear Creek Trading 167 (Pty) Ltd, trading as Wireforce (herein referred to as “Wireforce”), for an increase in the general rate of customs duty on coated welded wire mesh, classifiable under tariff subheading 7314.39, from 5% ad valorem to the WTO bound rate of 15% *ad valorem*.

Wireforce is based in Germiston and specializes in a wide range of quality products, including welded wire mesh, mining support products, fabric reinforcement and fencing products, all designed for specific applications such as high-security perimeter control or simple demarcation and protection. Most of the applicant’s wire products are destined for the construction, security, agriculture, engineering and mining sectors.

The manufacturer is considered as one of the largest converters of wire in South Africa, with a customer base ranging from major construction companies to private domestic users. For many years, Wireforce has been a manufacturer of galvanised welded wire mesh and, since 2019, it started manufacturing coated welded wire mesh.

According to Wireforce, the subject product is a relatively higher value-added product.

As motivation for the increase in the general rate of customs duty the applicant cited, *inter alia*, that Wireforce has since been producing galvanised welded wire mesh and only started manufacturing coated welded wire mesh in 2019; the locally produced coated welded wire offers an opportunity for import replacement as well as export opportunities; an additional 10% tariff protection would assist the industry in the initial

stage to develop, to increase economies of scale and enhance its global competitiveness; there is an anomaly in the tariff structure as the main input material used in the manufacture of coated welded wire mesh, wire rod, currently attracts a higher ordinary customs duty of 10% ad valorem whilst the end-product remains significantly below the WTO bound rate at only 5% ad valorem; and should the tariff protection not be awarded, low-priced imports of coated welded wire mesh, specifically those from China, will continue to increase at the rate observed in recent years, which would be to the detriment of the SACU domestic industry.

The Commission concluded that tariff support should enable the domestic industry manufacturing enable the domestic industry manufacturing coated welded wire mesh to utilise its existing under-utilised production capacity, achieve economies of scale, resulting in increased volumes with a reduction in the marginal cost of production. The additional tariff support should also assist in closing what appears to be a loophole in the tariff structure following the imposition of duties on the other tariff lines that were covered under ITAC Report No. 487.

The Commission recommended that the rate of customs duty on coated welded wire mesh, classifiable under tariff subheading 7314.39, be increased from 5% *ad valorem* to the WTO bound rate of 15% *ad valorem*. The Commission further recommended that the duty be reviewed to determine its impact on the industry value chain after three years from the date of implementation, or such other period as decided by the Commission.

3. Increase in the general rate of customs duty on rock drilling or earth boring tools, including parts thereof, classifiable under tariff subheadings 8207.13 and 8207.19- ITAC Report no.708

The Commission considered an application from Daltron Forge (Pty) Ltd (“Daltron”) for an increase in the general rate of customs duty on rock drilling or earth boring tools, including parts thereof, classifiable under tariff subheadings 8207.13 and 8207.19, from free of duty and 15% *ad valorem* to 20% *ad valorem*.

Daltron manufactures cold forged products and drilling rods for the underground mining, road construction and trenching industries in its factory in Boksburg, Gauteng Province. The subject products are rock drilling or earth boring tools, including parts thereof. Broadly, the subject products include: Conical shaped cutter picks, with tungsten carbide tips inserts; conical shaped cutter picks, without tungsten carbide tips inserts; bits; and parts of bits. They are used in underground coal mining, surface mining, trenching and road construction.

As motivation for the increase in the general rate of customs duty the applicant cited, *inter alia*, that the downstream steel industry has been under distress for some time, largely due to low-priced import competition experienced from China and other Asian countries; an increase in duty on the subject product will not only be essential to substantially improve the domestic industry’s price-competitive position in the face of fierce lower-priced competition from abroad, but it would go a long way in ensuring that current employment levels in the industry are retained; and increasing the duty will assist in resolving the duty anomaly wherein the imported finished product carries no import duty whereas the imported steel raw material carries a 10% import duty.

The Commission concluded that tariff support should enable the industry manufacturing rock drilling or earth boring tools, including parts thereof, to utilise its existing under-utilised production capacity, achieve economies of scale, resulting in increased volumes with a reduction in the marginal cost of production.

The Commission recommended that the rate of customs duty on certain rock drilling or earth boring tools be increased, as follows:

- An increase in the rate of customs duty on bits, classifiable under tariff subheading 8207.13.25, from 15% *ad valorem* to 20% *ad valorem*.
- An increase in the rate of customs duty on parts of bits, classifiable under tariff subheading 8207.19.10, from 15% *ad valorem* to 20% *ad valorem*
- By way of creating an additional 8-digit tariff subheading for “Conical shaped cutter picks, with tungsten carbide tips inserts”, classifiable under tariff subheading 8207.13.90, from free of duty to 20% *ad valorem*; and
- By way of creating an additional 8-digit tariff subheading for “Conical shaped cutter picks, without tungsten carbide tips inserts”, classifiable under tariff subheading 8207.19.90, from free of duty to 20% *ad valorem*.

The Commission further recommended that the general rate of customs duty on “other” tools and “other” parts, classifiable under tariff subheadings 8207.13.90 and 8207.19.90, be maintained at the current level of free of duty due to the wide scope of products covered under these two tariff lines.

Finally, the Commission recommended that the duty be reviewed to monitor the performance of the industry after three years from the date of implementation, or such other period as decided by the Commission.

4. Increase in the rate of customs duty on shower enclosures, including shower doors and shower panels, classifiable under tariff heading 7020.00- Report No. 693

The Commission considered an application submitted by Finestra Shower Doors, a division of Casso Cabinets (Pty) Ltd (“Finestra”), for an increase in the rate of customs duty on aluminium shower doors, classifiable under tariff subheadings 7610.10 and 7020.00, from 10% *ad valorem* and free of duty, respectively, to the World Trade Organisation (“WTO”) bound rate of 15% *ad valorem*, by way of creating additional 8-digit tariff subheading.

The applicant assembles aluminium shower doors in its factory in Edenvale, Gauteng province.

As motivation for the increase in the general rate of customs duty application, the applicant, cited *inter alia* that the domestic industry manufacturing shower enclosures has made significant capital investment in the manufacture of the subject product; the industry is labour-intensive and supports locally manufactured upstream products such as glass and aluminium extrusions; the main inputs in the manufacture of the subject product (i.e. glass and aluminium profiles) currently attract ordinary customs duty of 15% *ad valorem*; there has been a significant increase in low-priced import volumes of shower enclosures, mainly originating from East Asian countries; the increase in low-priced imports has resulted in pressure on profit margins and increases the likelihood of further job losses; and an increase in the rate of customs duty will assist the industry to be competitive against imports, curb further job losses, incentivise additional investment and create employment.

In terms of the reciprocal commitments submitted, the applicant committed to increase capital expenditure for an additional production line used for the manufacture of products that are currently not manufactured. The applicant further committed to retain employment and not retrench any employees in the three years following tariff support. Additionally, the applicant committed to train additional learners to assist with skills development.

The Commission concluded that the tariff support should enable the industry manufacturing the shower enclosures, shower doors and shower panels to utilise its existing under-utilised production capacity, achieve economies of scale, resulting in volumes with a reduction in the marginal cost of production.

The Commission’s recommended that the rate of customs duty on shower enclosures, shower doors and panels, classifiable under tariff subheading 7020.00, be increased from free of duty to the WTO bound rate of 15% *ad valorem*, by way of creating additional 8-digit tariff subheading for “Shower enclosures, including shower doors and shower panels as provided for in Additional Note 3 to Chapter 70”.

“Additional Note:

3. Shower enclosures of tariff subheading 7020.00.10 are classified in this subheading whether or not framed, trimmed, fitted with hinges, door handles and the like.”

The Commission further recommended that the duty be reviewed to determine its impact on the industry value chain after three years from the date of implementation, or such other period as decided by the Commission.

5. Increase in the general rate of customs duty on certain coated or plated flat-rolled steel, classifiable under tariff headings 7210, 7212 and 7225- Report no. 631

The Southern Africa Coil Coaters Association (“SACCA”), representing ArcelorMittal South Africa Ltd (“AMSA”) and Safal Steel (Pty) Ltd (“Safal”), applied for an increase in the general rate of customs duty on certain coated or plated flat-rolled steel, classifiable under tariff subheadings 7210.20, 7210.30, 7210.50, 7210.69, 7212.20, 7212.50, 7212.60, 7225.91, and 7225.92, from free of duty to the World Trade Organisation (“WTO”) bound rate of 10% *ad valorem*.

AMSA produces various steel products from its various mills such as Newcastle Works, Vanderbijlpark Works and formerly, Saldanha Works. The substitute products which are alleged to be directly competing with the products subject to this investigation are manufactured in the Vanderbijlpark Works, which is the company’s largest operation, accounting for nearly two-thirds of the entire company’s production.

Safal manufacturing under the BIEC license is the only producer of Aluminium-Zinc coated steel and its steel mill is in the Cato Ridge area of KwaZulu-Natal. Safal does not have facilities for making steel. It sources its input, the hot-rolled coils, locally from AMSA as well as from other global suppliers.

As motivation for the increase in the general rate of customs duty the applicant cited, *inter alia*, that the locally manufactured galvanised, electro-galvanised, aluminium-zinc and painted steel attract a 10 per cent *ad valorem* duty; the imported subject products are direct substitutes for locally manufactured galvanised and electro-galvanised products, aluminium-zinc and colour coated steel as they are used in similar applications in the roofing and cladding industry; following an increase in duty on the corrosive protection flat-rolled steel products that were covered under Report 505, several other tariff subheadings which are flat-rolled products of iron or non-alloy steel or other alloy steel did not

attract any customs duty due to an oversight with regard to the initial tariff increase application and they have now become open to abuse; the subject products imported under the relevant tariff headings unfairly compete with the locally manufactured products as they are imported free of duty and create a loophole, threatening the sustainability of the domestic industry; and The increase in customs duty on these tariff subheadings will be in line with the current customs duty of 10 per cent that is already applicable on the tariff subheadings as set out in Report No. 505, which would prevent the abuse thereof.

The Commission concluded that tariff support on the subject product would close the loopholes in the tariff structure and should enable the industry manufacturing galvanised, electro-galvanised products, aluminium-zinc and painted steel to utilise its existing under-utilised production capacity and reduce marginal cost of production as a result of increased economies of scale. Furthermore, the Commission concluded that the creation of rebate provisions will assist in reducing the cost of production and improve the competitive position of the downstream industry.

The Commission recommended that the rate of customs duty on certain coated or plated flat-rolled steel, classifiable under tariff subheadings 7210.20, 7210.30, 7210.50, 7210.69, 7212.20, 7212.50, 7212.60, 7225.91, and 7225.92, be increased from free of duty to 10% *ad valorem*. The Commission further recommended the creation of rebate provisions for the importation of certain products that are not manufactured locally.

Finally, the Commission recommended that the proposed duty be reviewed after at least one (1) year following the introduction of tariff support (unless determined otherwise by the Commission) to monitor the performance of the domestic industry.

6. Increase in the rate of customs duty on thermal paper rolls of a width not exceeding 150 mm – Report 711

The Commission considered an application submitted by the Printing Industries Federation of South Africa (PIFSA NPC) (“Printing SA”) on behalf of Rotunda (Pty) Ltd (“Rotunda” or the “Applicant”), for an increase in the rate of customs duty on thermal paper rolls of a width not exceeding 150 mm, from free of duty to the WTO bound rate of 5% *ad valorem*, classifiable under various tariff subheadings in Chapter 48 of the Customs and Excise Act, No. 91 of 1964, by way of creating additional 8-digit tariff subheadings.

Rotunda is based in Johannesburg in the Ekurhuleni a Metropolitan Municipality.

As motivation for its application, Rotunda stated, *inter alia*, the following:

South African converters are aware that many tons of finished thermal point of sales (POS) rolls are imported into South Africa every year duty free. These rolls are often cheap, do not comply with any standards and local converters are compromised because they are not able to compete on price against these imported products. This has resulted in the distribution channel to market becoming completely price dependent to the exclusion of all else.

Paper quality, including manufacturing processes such as sources of pulp and chemistry contained, are ignored. So too are the very basic metrics of the finished rolls such as grammage, length, width and outer and core diameters.

Simple calculations reveal that, although in many instances an imported roll is cheaper per unit than locally manufactured rolls, the consumer pays more per square meter of paper supplied.

The industry supplies thermal rolls in either length-based or diameter-based nomenclature. Diameter-based rolls are a legacy measurement based on the carriage size of the first point of sales tills introduced into retail many decades ago. This measurement has remained but has sadly been exploited by some international converters.

As an example, one of the most popular rolls consumed in South Africa is a roll termed an 80x80mm POS Roll. This roll measures 80mm wide and 80mm in diameter (to fit into a till) and was conventionally 80 meters in length. Due to the lack of standards, many converters have taken advantage of the diameter-based measure to produce rolls with far less paper than 80 meters. This is achieved by using thicker paper, loose winding of the rolls and the use of larger cores. The result is producing rolls containing as little as 50 meters of paper. A “saving”, therefore to the converter of 38% and a cost to the unsuspecting consumer.

To deal with this issue, local converters, together with SABS, have developed a SANS 1811:2019 standard set for the South African thermal converting industry.”

During its deliberations and in arriving at its recommendation, the Commission considered the information at its disposal, including comments received during the investigation period.

The Commission found that:

- In the Southern African Customs Union (“SACU”) market, jumbo printing rolls are currently not manufactured domestically, however, domestic converters add value to the imported jumbo rolls by cutting them to 80mmx80mm diameter, which is the most popular paper roll size.
- Input material cost constitutes approximately 73% of the total production cost of the subject product, making it the highest cost driver in the conversion of jumbo rolls.
- Although the Applicant experienced positive profits margins of 0.7% in 2019, 5.8% in 2020, and 8.1% in 2021, the Applicant experienced significant price disadvantages of 73.5%, 61%, and 77%, respectively against similar imported finished products over the same period.
- Although import volumes and domestic production volumes increased in 2022, domestic production could have increased at higher

levels if not for the negative impact of low priced imports, which resulted in the Applicant experiencing significant price disadvantages.

- Although the domestic industry's supply increased in 2022, its supply still remained at lower levels of approximately 20% when compared to the 2019 base year.
- The domestic industry's market share declined to 7.8% in 2019, 6.9% in 2020, and 6.3% in 2022. The domestic industry's market share recovered slightly to 6.6% in 2022 but still remained low when compared to the base year of 2019.
- Although total import volumes have decreased during 2020, imports have subsequently increased by 11% in 2021 and further increased by 7% in 2022.
- The domestic industry has to compete with imports, which do not comply with local standards, being the SANS 1811:2019 standard, which were developed by domestic converters together with the South African Bureau of Standards ("SABS") to regulate the quality of products for the domestic thermal converting industry.
- Thermal rolls containing a chemical called Bis-Phenol A ("BPA") are banned in the Western World because of health concerns. However, it was submitted that the majority of imported thermal rolls, imported from the East, still contains BPA.
- The application was supported by all known domestic thermal paper converters. Only Formax, an importer of the final converted products, submitted its objection to the application.
- SAPPI and Mondi, domestic manufacturers of various paper products, submitted that they currently do not manufacture thermal paper domestically.
- In line with the National Development Plan, the New Growth Path ("NGP"), the Industrial Policy Action Plan ("IPAP"), South Africa's Trade Policy and Strategy Framework ("TPSF"), the Medium Term Strategic Framework 2019-2024, the Economic Reconstruction and Recovery Plan ("ERRP"), Masterplans and more recently, the Trade Policy for Industrial Development and Employment Growth, appropriate customs tariff policy under the new landscape must reflect a strategic approach, which advances an industrialisation agenda based on, *inter alia*, creating and retaining employment, increasing production and investment, building dynamic firms and economic inclusion, building local capacity ("localisation") for both local and global markets, greening the economy and enhancing international competitiveness.
- Rotunda submitted reciprocity commitments to ITAC, indicating that the company has committed to increase its output, investment and jobs.

On balance and in light of the above considerations, the Commission recommended an increase in the rate of customs duty on thermal paper rolls of a width not exceeding 150 mm, from free of duty to the WTO bound rate of 5% *ad valorem* classifiable under various tariff subheadings in Chapter 48 of the Customs and Excise Act, 1964, by way of creating new 8-digit tariff subheadings.

The Commission further recommended that the duty be reviewed after a period of three years or such other period as decided by the Commission to determine the performance of the domestic industry.

REBATE PROVISIONS CREATED

Linked to customs duties as a trade policy instrument are duty rebate and drawback provisions for products for which detailed separate tariff lines are impracticable for tariff administration purposes. The primary aim of these provisions is to provide a customs duty waiver and therefore an availability at world competitive prices of products that attract

duties but are not produced or insufficiently produced domestically as an industrial or agricultural input for certain critical applications, as capital items, or as agricultural products for consumption. Rebates and drawbacks form a key pillar of certain industrial development programmes, such as the APDP2 for motor vehicles.

1. Creation of a rebate provision for the importation of steel cord used in the manufacture of steel conveyor belting as reinforcing material- Report no. 701

The Commission considered an application by Dunlop Belting Products (Pty) Ltd, herein referred to as Dunlop for the creation of a temporary rebate provision for the importation of steel cord classifiable under tariff subheading 7312.10.40. The subject product is used in the manufacture of steel conveyor belting as reinforcing material.

As motivation for the application, Dunlop, amongst others, stated that the steel cord used is not available in the SACU region as all the previous manufacturers of this product in the SACU region have closed down; the existing customs duty thus serves no purpose and has an unnecessary cost raising effect to the importers of steel cord; and should the application be approved, the duty relief will assist the applicant in its growth plans, preserve existing jobs and enable the creation of additional jobs.

The applicant committed to increasing production and increasing the value of its investment in plant, machinery and buildings. Furthermore, the applicant committed to increasing employment in the three years following tariff support.

The Commission concluded that the creation of a temporary rebate provision will enable the domestic industry to achieve cost-savings in the manufacture of steel cord-reinforced conveyor belting. This should enhance the competitive position of the domestic industry vis-à-vis imports of the similar product into the SACU market. In addition, tariff support would result in the retention of existing jobs and the creation of additional jobs within the steel sector.

The Commission recommended that the temporary rebate provision for the importation of steel cord used in the manufacture of steel conveyor belting as reinforcing material be created.

The temporary rebate provision will be made available subject to a rebate permit issued at such times, in such quantities and subject to such conditions as the Commission may allow by specific permit.

2. Creation of a temporary rebate facility for the importation of sheet piling of iron or steel, whether or not drilled, punched or made from assembled elements excluding those that are cold-rolled (cold-reduced), classifiable under tariff subheading 7301.10- Report no. 690

The Commission considered an application from Macsteel Service Centres (Pty) Ltd, (“Macsteel”) for a creation of a temporary rebate facility for the importation of sheet piling of iron or steel, whether or not drilled, punched or made from assembled elements excluding those that are cold-rolled (cold-reduced), classifiable under tariff subheading 7301.10.

In 2021, Macsteel formed a new business unit known as Macsteel Foundations and is based in Kwazulu-Natal (Prospection, Durban). The business unit mainly focuses on engineering of projects, sales, marketing and promotion of steel sheet piling, foundation pipes, tie-rods and anchor systems, combined wall solutions and accessories to the civil/foundations, energy (oil and gas) and water sectors.

As reasons for the application, Macsteel Foundations cited that the subject products are currently not manufactured in the SACU region; and The applicable duties have an unnecessary cost-raising effect for the end-users of the products.

In line with the anticipated increase in applicant’s imports, the company committed to investing in additional machinery that will be used for the installation of the subject products.

The applicant also committed to increase employment over the three-year period following the support. In terms of the pricing, the applicant further committed to pass the duty savings to its clients. Should the rebate provision be created, the applicant also envisages exporting the subject products to other African countries.

The Commission recommended that a temporary rebate provision be created for the importation of sheet piling of iron or steel, whether or not drilled, punched or made from assembled elements excluding those that are cold-rolled (cold-reduced), classifiable under tariff subheading 7301.10.

The temporary rebate provision will be made available subject to a rebate permit issued at such times, in such quantities, and subject to such conditions as the International Trade Administration Commission may allow by specific permit.

3. Creation of a temporary rebate provision for the importation of certain air conditioning machines having a rated cooling capacity not exceeding 8,8 kilowatts, classifiable under tariff subheading 8415.10.10- Report No. 681

The International Trade Administration Commission of South Africa initiated an investigation into the possible creation of a temporary rebate provision for the importation of certain air conditioning machines having a rated cooling capacity not exceeding 8,8 kilowatts, classifiable under tariff subheading 8415.10.10.

The reason for initiating the investigation was based on the fact that there are no known manufacturers of the subject product in the SACU region; and the customs duty has an unnecessary additional cost-raising effect on the subject product and downstream users of the product.

The Commission concluded that duty relief, through the creation of a Schedule 4 temporary rebate

provision will allow for a waiver of the full customs duty and reduce importation cost while the customs duty will remain in place and serve as incentive for potential manufacturers.

The Commission recommended that a Schedule 4 temporary rebate provision be created for the importation of certain air conditioning machines of a cooling capacity not exceeding 8.8 kW, classifiable under tariff subheading 8415.10.10. The Commission further recommended that the rebate provision be reviewed following a period of three (3) years (unless otherwise determined by the Commission), principally to monitor whether manufacturing activity has begun.

4. Creation of a rebate facility for the importation of certain flat-rolled products of iron or non-alloy steel, of a width of 600mm or more, hot-rolled, not clad, plated or coated, classifiable under tariff subheadings 7208.26 and 7208.27 - Report No. 662

The Commission considered an application submitted by Steelbank Merchants (Pty) Ltd (“Steelbank”) for the creation of temporary rebate provisions on ordinary customs and safeguard duties for the importation of certain flat-rolled products of iron or non-alloy steel, of a width of 600mm or more, hot-rolled, not clad, plated or coated, classifiable under tariff subheadings 7208.26 and 7208.27.

Steelbank is a steel service centre and steel stockist. Steelbank purchases certain steel products, particularly flat steel products, which it processes

by slitting, cutting to length and distributes it to the domestic industry.

The applicant has plants situated in KwaZulu-Natal (Pinetown and Durban), Western Cape (Cape Town) and Gauteng (Alberton).

The Commission recommended that the temporary rebate provisions for the importation of certain flat-rolled products of iron or non-alloy steel, of a width of 600mm or more, hot-rolled, not clad, plated or coated, classifiable under tariff subheadings 7208.26 and 7208.27 be created.

5. Creation of a rebate provision on customs duty applicable to synthetic rubber classifiable under tariff subheading 4002.19.90 used in the manufacture of tyres classifiable under tariff heading 40.11- Report No. 625

The Commission considered an application from Sumitomo Rubber South African(Pty)Ltd (herein referred to as “Sumitomo Rubber”) for the creation of a rebate provision for the importation of synthetic rubber classifiable under tariff subheading 4002.19.90, used in the manufacture of tyres classifiable under tariff heading 40.11.

As motivation for the application, Sumitomo Rubber cited that there are currently no known manufacturers of the subject product or close substitutes in the SACU region. As such, the applicable customs duty on the subject product has an unnecessary cost raising effect on the production of tyres and the creation of a rebate provision will contribute to a

reduction in the cost of production and improvement in the global competition of the domestic industry manufacturing tyres.

The Commission concluded that tariff relief, through the creation of a rebate provision will contribute to a reduction in the cost of production and improvement on the global competitive position of the domestic industry manufacturing tyres.

The Commission recommended that the creation of a rebate provision of customs duty application to synthetic rubber classifiable under tariff subheading 4002.19.90, used in the manufacture of tyres classifiable under tariff heading 40.11.

6. Creation of a temporary rebate provision for the importation of certain cold-rolled steel and painted steel, classifiable under tariff subheadings 7211.29 and 7212.40 - Report No. 612

Specstrip (Pty) Ltd (“Specstrip”) applied for the creation of a temporary rebate provision for the importation of certain cold-rolled steel and painted steel, of a width of less than 600 mm, painted, varnished or coated with plastics, classifiable under tariff subheadings 7211.29 and 7212.40.

As motivation for the application, Specstrip cited that the subject products are currently not manufactured in the SACU region and the duty renders domestic manufacturers of final products uncompetitive; a duty relief on subject products will decrease the costs of manufacturing and transportation for the domestic downstream manufacturing industries; and the products are also used in the packaging of final products destined for the export markets. As

such a duty relief will enhance the competitiveness of the downstream domestic industries in the export market.

The Commission concluded that the duty relief, through the creation of a rebate provision, should allow the applicant, together with the downstream manufacturing industry, to maintain, and potentially increase, profitability in both the medium and long term.

The Commission recommended the creation of a temporary rebate provision for the importation of certain cold-rolled steel and painted steel, classifiable under tariff subheadings 7211.29 and 7212.40.

7. Creation of a rebate facility for the importation of optic fibre cables and electrical apparatus used in the international submarine optic fibre cable infrastructure- Report No. 614

Open Serve, a Division of Telkom SA SOC Ltd (“the applicant”), applied for the creation of a rebate provision for the importation of optic fibre cables and electrical apparatus classifiable under tariff subheadings 8544.70 and 8536.90.90, respectively, used in the international submarine optic fibre cable infrastructure.

As motivation for the application, the applicant stated amongst that there are no local manufacturers of optic fibre cables and electrical apparatus used in the maintenance of the international submarine optic fibre cable infrastructure; and the applicable customs duty on the subject products has an

unnecessary cost raising effect in the maintenance of the international submarine optic cable infrastructure.

The Commission concluded that a duty relief, through the creation of a rebate provision, will result in a reduction in the maintenance costs of the international submarine optic fibre cable infrastructure.

The Commission recommended the creation of a rebate provision for the importation of optic fibre cables and electrical apparatus used in the international submarine optic fibre cable infrastructure.

8. Creation of a full duty rebate on titanium dioxide classifiable under tariff subheading 3206.11 for use in the manufacture of white masterbatch classifiable under tariff subheading 3206.19, valid for a limited period of 30 months from date of implementation – Report No. 670

The Commission considered an application by Ferro South Africa (Pty) Ltd (the “Applicant” or “Ferro”), for the creation of a full duty rebate on titanium dioxide classifiable under tariff subheading 3206.11 for use in the manufacture of white masterbatch classifiable under tariff subheading 3206.19.

Ferro is a leading manufacturer of high quality porcelain enamels, glaze fritz, prepared glazes, composites, zircon opacifiers, plastic master batches and VEDOC thermosetting powder coatings. The application highlights that black and white master batches are colour concentrates produced for the plastic industry. In this case, the final manufactured product, using titanium dioxide as a raw material, is white masterbatch.

The operating divisions at Ferro are Vedoc, Spectrum Ceramics and PCS. Vedoc and Spectrum Ceramics have manufacturing operations in Brakpan and PCS has manufacturing operations in Meadowdale, Cape Town and Brakpan.

Reasons as submitted by the applicant included, *inter alia*, the following:

- *“Titanium dioxide is a vital raw material used in the manufacture of white masterbatch and consists of approximately 75% of white masterbatch. Currently there is no local manufacturer of titanium dioxide. The last local manufacturer closed down its titanium dioxide manufacturing facility in 2016;*
- *Since the closure of Huntsman, all titanium dioxide used in the manufacture of white masterbatch can only be sourced from foreign suppliers. Despite, there being no local manufacturer, there is a 10% import duty on the vital raw material;*
- *In this regard, the duty currently serves no protection purpose as there is no local industry to protect. As it stands, the duty serves to unnecessarily increase the cost of importing titanium dioxide and consequently the cost and price of white masterbatch, which is a vital raw material, particularly in the plastics industry;*

- *Given the escalating global prices of titanium dioxide, it is imperative that an industrial rebate be created to reduce the cost burden. Further exacerbating the situation are the increasing costs of raw materials, labour, electricity, and fuel among other business costs. These have a significant impact and are negatively impacting manufacturing costs and consequently final prices to consumers and users of end products produced by the downstream manufacturing industry.*
- *The importance of providing protection on the investment being made by Nyanza Light Metals, is acknowledged. However, the rebate provides an equitable solution to all parties as the industrial rebate does not lead to a complete elimination of the duty on titanium dioxide.”*

During its deliberations and in arriving at its recommendation, the Commission considered the information at its disposal, including comments received during the investigation period.

The Commission found that:

- According to current information at the Commission’s disposal, there is no local manufacturer of titanium dioxide in the Southern African Customs Union (SACU). However, Nyanza Light Metals (“Nyanza”), a local company, has undertaken to produce titanium dioxide domestically, although its progress is still in progress with Phase one of the project, which is in the construction of the Product Testing and Development Centre, having just been completed. Nyanza expects to start construction of the main plant in Quarter 2 of 2023 and is aiming for commercial production to commence in Quarter 1 of 2025.
- Updated information at the Commission’s disposal shows that whilst Nyanza has completed Phase 1 of its project, the projected date for commencement of production has changed to Quarter 1 of 2025 when compared to the date provided at the time of the Commission’s initial consideration, which was 2024.

- Titanium dioxide constitutes a significant portion of the Applicant’s total cost of production, which is indicative of the potential cost rising impact the cost of importing titanium dioxide will have on the manufacture of white masterbatch, once the Applicant begins to source more of its titanium dioxide import requirements from countries where duties apply to titanium dioxide products.
- Amongst other comments considered during the investigation, three (3) industry comments received were in support of the application. Nyanza Light Metals (“Nyanza”) submitted its support for the application based on the condition that the rebate facility is temporary and will be removed once Nyanza commences with production.
- It is envisaged that should the rebate facility concerned be created it will be made subject to an ITAC permit with specific Guidelines, Rules and Conditions as this will enable the Commission to monitor the use of the rebate item concerned for the 30-month period it before the Nyanza plant will be operational.

On balance and in light of the above considerations, the Commission decided to recommend that a rebate facility be created for a limited period of 30 months, to enable the domestic paint manufacturing industry to eliminate unnecessary cost rising pressures and increase production of white masterbatch.

Additionally, by making the rebate subject to an ITAC permit with specific Guidelines, Rules and Conditions, the Commission will be in a position to monitor the use of the rebate item concerned for the 30-month period, before the Nyanza plant becomes operational.

In the light of the foregoing, the Commission recommended the creation of a rebate facility on titanium dioxide classifiable under tariff subheading 3206.11, for use in the manufacture of white masterbatch, classifiable under tariff subheading 3206.19.90, in such quantities, at such times and subject to conditions as the International Trade Administration Commission may allow by specific permit provided the product is not available in the SACU market. The Commission

further recommended limiting the validity period of the rebate facility to 30 months from the date of implementation. The reason for the limitation is to avoid uncertainty that a rebate provision subject to a review might have on the Nyanza project which

may, amongst others, assist Nyanza with accessing funding and/or attracting investment, while taking into consideration Nyanza's confirmation that it is aiming to commence production in Quarter 1 of 2025.

9. Amendment of certain existing rebate items under rebate item 311.42 and 320.02 as well as the creation of rebate provisions on woven fabrics and other fabrics classifiable under tariff (sub)headings 55.13, 55.14, 5903.20, 5212.1, 5212.2, 53.09, 5512.1, 55.16, 5903.10.90 and 5903.90.90 used in the manufacture of goods classifiable under tariff headings 63.02, 63.03, 63.04 and 94.04 – Report 672

The Commission considered an application by Sheraton Textiles Holdings (Pty) Ltd ("Sheraton" or "the Applicant"), for the amendment of certain existing rebate items under rebate item 311.42 as well as the creation of rebate provisions on woven fabrics and other fabrics classifiable under tariff subheadings 55.13, 55.14, 5903.20, 5212.1, 5212.2, 53.09, 5512.1, 55.16, 5903.10.90 and 5903.90.90 used in the manufacture of goods classifiable under tariff headings 63.02, 63.03, 63.04 and 94.04.

The applicant is based in Bergvliet, City of Cape Town Municipality, Western Cape and has another plant in Pietermaritzburg, Msunduzi Local Municipality in KwaZulu Natal.

Reasons as submitted by the applicant included, *inter alia*, the following:

- a. "Home textile finished goods may be imported into South Africa subject to a duty of 30% (20% in case of filled products), whilst the fabrics incur a duty of 22%. This gap is insufficient to allow local home textile manufacturers to compete with manufacturers of these products from countries in the East (mainly Pakistan and China), with the result that the major retailing groups were purchasing finished home textile products rather than those manufactured in South Africa.
- b. All major home textile manufacturing countries (China, India and Pakistan) give significant export incentives to their manufacturers (in the case of China, these are as high as 20%), which means in many cases that the full duty-paid end-products can be landed in South Africa at a price

almost equivalent to the duty paid price of the fabric used to make the products. The net effect of the relatively low (30%) duty on finished home textile products and relatively high (22%) duty on fabrics was that local manufacturing jobs were being lost because of the importation of finished goods.

- c. *Further to this, the 22% duty applied to the fabrics was serving no purpose other than revenue generation, as the wide width fabrics used by the home textile sector are not manufactured in South Africa. It should be noted that in respect of the current application, it is the contention of the primary and supporting applicants that none of the fabrics under application are manufactured in South Africa, and it is accepted that they never will be made in South Africa.*
- d. *This rebate provision has been credited by the home textile sector and its retail customers as the largest single positive factor in ensuring that, over the past 10 years of its existence, the level of localisation has increased significantly. It has resulted not only in the prevention of job losses, but even more encouragingly, and in contrast to the rest of the textile sector, in creating new ones.*
- e. *They seek to update the list of fabrics covered by the rebate to cover new products that emerged since the inception of the 311.42 rebate as well as allow for the broadening of the application for existing fabrics specifically to include black-out curtaining (from coated fabrics) and in so doing*

ensure that local home textile manufacturers are able to meet the needs of their retail customers, hospitality, and institutions, and in the process create jobs needed to make these products.”

The Commission found that:

- There may exist local manufacturers of the subject fabrics, namely: Svenmill, Mungo and Finlam Textiles. It should be noted that the subject fabrics have, during the period of investigation, never been utilised by the Applicant or industry players within the home textile sector as the current level of duty makes it unviable to compete with finished imported goods.
- Industrial policy objectives of, amongst others, job retention and creation across the entire textile value chain and the need to create industrial capacity is crucial and measured these against comments received during the publication period.
- Comments received from industry and labour, suggested diverse views. On the one hand, Texfed, which represents the textile mills, supported the change in scope and description of existing tariff headings under rebate item 311.42, on the other hand it opposed the inclusion of additional fabric tariff headings.
- Svenmill submitted that it manufactures the subject fabrics except for fabrics classifiable under tariff heading 59.03, but failed to provide information pertaining to its production capacity and volume of the said fabrics.
- The Southern African Clothing and Textile Workers Union (SACTWU) argued that fabrics classifiable under tariff heading 59.03 are manufactured locally by two firms, namely: Mungo and Finlam Textiles. It should be noted that Finlam Textiles make use of rebate item 311.41 to import yarn for the manufacture of fabric classifiable under tariff subheading 5903.90.50 for the automotive industry.
- Mungo submitted that it weaves 100% linen fabric under tariff heading 53.09, which it uses to manufacture a bedding product range, which is a premium product range manufactured to the highest standards, but failed to provide information pertaining to its production capacity and volume of the said fabrics.
- Aranda Textiles indicated that this application had no direct effect on them, as their operation is not focussed on manufacturing items listed under the subject application, but only manufactures products for use under tariff heading 63.01, which is not reflected as part of the Sheraton application.
- Da Gama Textiles submitted their comments in respect of fabrics imported under tariff headings 5212.1, 5212.2 and 55.13, and indicated that it manufactures these fabrics in widths of up to 180cm. It further submitted that it has the production capacity of 3 000 000 meters per annum for these fabrics. However, given that the subject fabrics are wide width in excess of 200cm, it is envisaged that Da Gama Textiles will not be materially impacted by the creation of the subject rebate facilities, given that it serves on Texfed's board, which would enable them to identify applications, which may have an impact on their business and indicate such.
- Imraan Textiles submitted its comments of objection through Texfed objecting to the application. Imraan Textiles further submitted that the fabrics mentioned in the application are items that could have negative consequences on the industry, but failed to provide information pertaining to its production capacity and volume of the said fabrics.
- Should the requested duty relief be granted, the Applicant has committed to increase its production volumes and employment levels.
- According to information at the Commission's disposal, the Applicant has made significant investments in establishing a new plant in Pietermaritzburg and is in a process of expanding and upgrading its existing plant in Cape Town.

- The rebate is subject to existing guidelines, rules and conditions (“guidelines”) that govern rebate item 311.42 and 320.02. It should be noted that these guidelines are strict and require applicants to meet certain requirements such as consultations with industry regarding the availability of subject fabrics, compliance with bargaining council requirements, tax compliance etc., as well as reciprocal commitments, and should domestic manufacturing capacity become available, ITAC can stop issuing permits under the rebate item concerned.

In light of the foregoing, the Commission recommended the creation of certain rebate provisions under rebate item 311.42 and 320.02 as well as the amendment of certain existing rebate items under rebate item 311.42 and 320.02.

10. Creation of rebate facility on bulk white chocolate for use in the manufacture of chocolate classifiable under tariff subheadings 1806.31, 1806.32 and 1806.90 -Report No. 684

The Commission considered an application by Kees Beyers Chocolates CC (the “Applicant” or “Beyers Chocolate”), for the creation of a temporary rebate facility under Schedule 4 of the Customs and Excise Act, No.91 of 1964, for the importation of bulk white chocolate, classifiable under tariff subheading 1704.90 for use in the manufacture of chocolate classifiable under tariff subheadings 1806.31, 1806.32 and 1806.90.

Kees Beyers is based in Kempton Park, Ekurhuleni municipality, East Rand, Gauteng. The Applicant is one of the largest independent manufacturers of boxed chocolate products in South Africa, supplying both the domestic and international markets. The company owns a range of confectionery, including local brands such as Sweetie Pie, Amarula and Dream Bear. According to the Applicant, the company also has a wide range of sub-brands and private label products that are supplied to airlines and the hospitality industry.

During its deliberations and in arriving at its recommendation, the Commission considered the information at its disposal, including comments received during the investigation period.

The Commission found that:

- The Southern African Customs Union (“SACU”) market for sugar confectionery comprises of major confectionery manufacturers such as

Tiger Brands Ltd (Beacon brand), Premier Foods (Manhattan brand), Lodestone Brands (Rascals, Mister Sweet and Candy Tops) and Trade Kings. Information submitted indicated that, for the sugar confectionary sector as a whole, Tiger Brands Ltd had a leading market share followed by Premier Food, Candy Tops and Mister Sweet.

- Information submitted showed that the subject product is currently only being manufactured by Nestlé SA (Pty) Ltd and Tiger Brands Ltd, both vertically integrated entities using domestic sugar as an input product, mostly for their own use in the manufacture of chocolate varieties that they sell.
- Information submitted further indicated that Tiger Brands Ltd competes with the Applicant in the final product market and Nestlé SA (Pty) Ltd does not supply third parties with the product concerned as it uses all the bulk white chocolate that it manufacturers for its own application. The Applicant may therefore experience price undercutting from its suppliers who are, at the same time, its competitors.
- According to the Applicant, it needs to import bulk white chocolate from the EU as a raw material in the production of retail-ready chocolate products at a rate of 25 per cent ad valorem, which makes it challenging to compete even in international

markets. Compounding the situation is the fact that the final retail-ready chocolate products, originating from the European Union (“EU”), enter the SACU market duty free as a result of the Economic Partnership Agreement between the EU and its Member States on the one hand, and SACU and Mozambique on the other hand, which came into force on 16 October 2016 (“EPA”).

- Import data obtained from the South African Revenue Service (“SARS”) indicated that imports of chocolate originating from the EU, recorded a 58%, 55% and 60% share of total imports in 2017/18, 2018/19 and 2019/20 financial years, respectively.
- In terms of information supplied in its price cost build up, it was found that the Applicant has experienced negative profit margins until 2019/20, when a marginal profit was realised.
- The Applicant experienced price disadvantages against imported chocolates originating from the European Union (EU). Higher levels of price disadvantages were experienced against imports from other economic regions that are relatively lower priced when compared to EU prices.
- The Applicant’s information relating to its employment levels indicated a general upward trend, during the period under investigation.
- In terms of reciprocal commitments, the Applicant committed to increase investment, production and employment during year 1, year 2 and year 3 should the application for the creation of a rebate provision be successful.
- In terms of pricing commitments, the Applicant submitted that prices will increase in year 1 subsequent to which it will reduce and stabilise in years 2 and 3.

- In line with the NGP, together with the Re-imagined Industrial Strategy, Master plans and SA Trade Policy, appropriate customs tariff policy under the new landscape must reflect a strategic approach, which advances an industrialisation agenda based on, *inter alia*, creating and retaining employment, increasing production and investment, building dynamic firms and economic inclusion, building local capacity (“localisation”) for both local and global markets, greening the economy and enhancing international competitiveness.
- The rebate facility concerned would be subject to an International Trade Administration Commission permit with specific Guidelines, Rules and Conditions.

In light of the foregoing, the Commission decided to recommend that a temporary rebate facility be created for white chocolate, in immediate packaging of a content of 25 kg or more, classifiable under tariff subheading 1704.90, for use in the manufacture of chocolate containing cocoa, in blocks, slabs or bars, classifiable under tariff subheading 1806.3, and other chocolate classified in tariff subheading 1806.90, in such quantities, at such times and subject to such conditions as the International Trade Administration Commission may allow by specific permit, provided the product is not available in the SACU market.

11. Creation of a temporary rebate facility 460.06/3823.13/01.06 for Tall Oil Fatty Acids (“TOFA”), classifiable under tariff subheading 3823.13 at such times and subject to such conditions as the International Trade Administration Commission may allow by specific permit – ITAC Report No. 689

The Commission considered an application by Trade Solutions (Pty) Ltd submitted on behalf of Ferro Coating Resins (Pty) Ltd (hereinafter referred to as “FCR” or the “Applicant”), who are situated in Isipingo Rail, Durban, Kwa-Zulu Natal, for the creation of a temporary rebate facility on TOFA, classifiable under tariff subheading 3823.13.

FCR, Ferro Dispersions and Arkem (Pty) Ltd are all entities of Ferro South Africa (Pty) Ltd, which in turn is part of the Bud Group. These companies cover the manufacture of a broad range of polymer solutions for several markets and have more than 60 years’ experience operating in South Africa, Sub-Saharan Africa and the Indian Ocean Islands. FCR is a manufacturer of resins and additives for the architectural, industrial, construction and adhesives markets.

The Applicant submitted, *inter alia*, the following reasons for the application:

- In 2020 Industrial Oleo Chemicals (Pty) Ltd closed its Tall Oil Fractionation plant. Therefore, there is no local manufacturer of TOFA. The only option is to import this vital raw material.
- Ferro Coating Resin (FCR) cannot substitute TOFA with any other product to manufacture alkyd resins. The company intends to source all required TOFA from non-European Union countries as these provide more competitive pricing. There is currently a 10% general Customs duty on TOFA imported from countries other than those in the European Union (EU), the Southern African Development Community (SADC), and the European Free Trade Association (EFTA).
- The existing duty no longer serves to protect any local manufacturer but rather to unnecessarily increase the landed cost of this key raw material. The high cost of importing TOFA consequently increases the cost of manufacturing alkyd resins.

- Alkyd resins are a key raw material for the SACU paint and coatings industry.
- FCR remains committed to local manufacturing and investing locally. Importantly, the company remains committed to procuring its raw materials from local manufacturers where possible. It is for this reason that it opted for a temporary rebate rather than a duty removal.

During its deliberations and in arriving at its recommendation, the Commission considered the information at its disposal, including comments received during the investigation period.

Based on information at the Commission’s disposal, it found that:

- There are currently no local manufacturers of TOFA in the Southern African Customs Union (“SACU”). Industrial Oleochemical Products (“IOP” or “Speciality Chemicals”), the last local manufacturer, closed its tall oil fractionation plant situated in Durban in 2020.
- The Applicant’s production volumes have decreased over the period 2017 to 2020.
- The Applicant’s domestic sales of alkyd resins decreased over the four-year period.
- Imports of alkyd resins, mainly originating from Germany, Netherlands and the United Arab Emirates (“UAE”) decreased during the period of the investigation while exports increased over the same period.
- The Applicant’s total production cost increased, on average, between 2018 and 2020. The production costs are mainly driven by the cost of raw materials.
- TOFA was sourced locally by the Applicant until the closure of IOP’s tall oil fractionating plant in 2020.

- FCR's domestic input costs decreased from 2018 to 2020 while imported input cost increased over the same period.
- The Applicant made reciprocal commitments for the proposed tariff amendment, in particular with respect to investment and employment creation.
- The Commission received four (4) pre-publication comments in support of the application.

- Further comment was received from Industrial Oleochemical Products, when the investigation was at an advanced stage.

In light of the foregoing, the Commission decided to recommend that a full duty temporary rebate facility be created for the importation of Tall Oil Fatty Acids, classifiable under tariff subheading 3823.13 at such times and subject to such conditions as the International Trade Administration Commission may allow by specific permit, provided the products are not available in the SACU market.

12. Review of rebate item 311.18/63.09/01.04 (“wiping rags rebate”) – ITAC Report 694

The International Trade Administration Commission of South Africa (the “Commission” or “ITAC”) received a policy directive (the “Directive”) from the Minister of Trade, Industry and Competition (the “Minister”) on 04 August 2021, to review, amongst others, rebate item 311.18/63.09/01.04 as part of the implementation of the Retail-Clothing, Textile, Footwear, Leather (“R-CTFL”) Masterplan, where one of the Four Key Action Points under Commitment 4 of this Masterplan, is to review the rebate provisions with regard to the importation of second-hand clothing. The Directive was also based on concerns which were raised by the Intergovernmental Illicit Economy Trade Task Team, about the potential abuse and/or misuse of the aforementioned rebate item, its contribution to illicit trade and the detrimental and negative effect this may have on the domestic clothing and textile industry and the fact that this rebate provision has not been reviewed for an extended period of time.

During its deliberations and in arriving at its recommendation, the Commission considered the information at its disposal, including comments received during the investigation period as well as oral representations.

The Commission found that:

- a. Despite many attempts by ITAC, the South African Revenue Service (“SARS”) and industry to design better conditions and safeguards for this rebate over the years, and efforts by

ITAC and SARS to monitor this rebate item, it continues to be abused and mis-used by some firms. However, there are legitimate importers who are running bona fide businesses and are compliant with regulations and rebate permit conditions.

- b. From an industrial policy point of view, the risk is that second hand clothing (and perhaps even new clothing) finds its way into the South African market, using this rebate item, which has a detrimental effect on the local CTFL manufacturing and retail sectors. Furthermore, illegal imports of second hand and worn clothing also threaten to undermine the objectives of the R-CTFL Masterplan and the nearly 70 000 new manufacturing jobs which the plan seeks to create. Such illegal imports put massive pressure on manufacturers and jobs by distorting prices to levels against which legitimate manufacturers cannot compete.
- c. From an administrative point of view, the subject rebate item creates an administrative burden for SARS and ITAC as the goods are imported in compressed bales, making it very difficult to verify what type of products are actually imported. For instance, the outer part of the bales may contain appropriate worn clothing suitable for manufacturing wiping rags but other impermissible clothing is hidden in the middle. Even if the illicit goods are detained or seized by Customs, the only inevitable result is storage

costs. Should the rebate item be maintained, SARS proposes additional control measures such as having importers code printed on outer bales on all sides, that garments must be de-faced prior to baling, that collars, buttons and accessories must be removed and garment cut in half, etc.

- d. Second hand/used clothing can be sourced within the Republic. The dtic has a number of projects currently under way to support the circular economy and avoid confiscated or seized clothing being dumped in landfill sites but to rather use it in the economy as raw material for manufacturers of various products such as wiping rags, cleaning cloths, insulation, stuffing, animal blankets, etc. Therefore, alternative arrangements should be made for those bona fide manufacturers of wiping rags and cleaning cloths to make use of local waste material that is suitable for their needs.

The Commission concluded that the facts submitted support a strong case that the rebate provision

concerned requires termination in the very near future and not over an extended period. A two-year phase out period for rebate item 311.18/63.09/01.04 to the Customs and Excise Act, 1964 (Act No. 91 of 1964) is deemed reasonable.

In light of the foregoing, the Commission recommended the following:

- a. Maintain rebate item 311.18/63.09/01.04 (“wiping rags rebate”) and phase it out over the next 2 years to allow the industry to re-purpose their operations over this period of time to avoid immediate job losses.
- b. A 2-year phase-out period for the rebate item be effective from the date of implementation by SARS through a publication in the Government Gazette.
- c. The proposed amended guidelines, rules and conditions for rebate item 311.18/63.09/01.04, which would be applicable during the phasing out period will be confirmed through a publication in the Government Gazette.

13. Creation of temporary rebate provisions for the importation of meat and edible offal, fresh, chilled or frozen of fowls of the species *Gallus domesticus*, classifiable under tariff subheading 0207.1

The Minister of Trade, Industry and Competition directed the International Trade Administration Commission of South Africa in terms of section 16(1) (d)(ii) of the International Trade Administration Act, Act 71 of 2002 (“ITA Act”), to consider the creation of a temporary rebate provision on meat and edible offal, fresh, chilled or frozen of fowls of the species *Gallus Domesticus* classifiable under HS0207.1.

The directive followed the Department of Agriculture, Land Reform and Rural Development (“DALRRD”) confirming the outbreak of Highly Pathogenic Avian Influenza (“HPAI”), which forced the culling of millions of fowls at great lost to key players across the poultry value chain. During its investigation, the Commission considered the information at its disposal including comments received from interested parties, to arrive at its recommendation, as outlined in Report 726.

During its deliberations and in arriving at its recommendation, the Commission considered the information at its disposal, including comments received during the investigation period.

The Commission found that:

- There is an expected shortage in 2023 as result of HPAI. However, this shortage can be addressed without necessitating the implementation of a temporary rebate by utilizing domestic producers’ existing inventory stock. The balance can be addressed by imports.
- There was a significant disparity in the shortage estimations for 2024 in terms of the Commission’s methodology, importers, and South African Poultry Association (“SAPA”) methodologies.
- To determine the estimated shortage for 2024, the Commission used a structured methodology,

- encompassing a comprehensive approach to forecasting broiler production figures. The methodology incorporated historical data, and took into account industry-specific parameters and considered both the impact of the HPAI and the several contingency measures as suggested by SAPA (including the utilization of fertilized eggs for broilers, extending the depletion age of broiler breeders, and relaxing grading criteria) designed to lessen the impact of the potential chicken shortage. Ultimately, it relied on historical trends, key assumptions, and reported data.
- On balance, the Commission further considered the inherent forecasting nature of SAPA's contingency measures, which naturally lacks a definitive methodology to ascertain guaranteed yields for the proposed strategies. Consequently, the Commission estimates a possible shortage of approximately 172,000 tons for the year 2024.
 - In evaluating the performance of the domestic industry, it was found that domestic producers have demonstrated an increase in production volumes between 2021 and 2022, thereby enhancing capacity utilization over the same period. Employment increased between 2021 and mid-2023.
 - Information at Commission's disposal indicated that the pricing landscape for poultry products in the domestic market was characterized by a continuous upward trend in net ex-factory prices in 2022 and 2023.
 - Future projections also indicate the likelihood of further price increases in 2024 given the fact that the recent HPAI outbreak has exerted an additional influence, potentially leading to significant repercussions on the demand and supply dynamics.
 - During the HPAI outbreaks in 2017 and 2021, there was a monthly average price increase in Individually Quick Frozen ("IQF") chicken portions. However, in the recent 2023 HPAI outbreak, the IQF chicken portion prices increased marginally in July 2023 but decreased in August 2023, suggesting a different pattern compared to previous outbreaks.
 - Imports have shown a declining trend over the last three years, which could be attributable to, amongst others, the imposition of tariff measures, freight costs, logistical challenges, load shedding etc.
 - Information at the Commission's disposal indicated that an acceptable balance could be found in implementing a Tariff Rate Quota ("TRQ") system.
 - Poultry products classifiable under tariff subheadings 0207.14.1 and 0207.14.9 should be rebated to 2019 customs duty levels and all other poultry products classifiable under tariff subheading 0207.1 should be rebated to free of duty, that provides a balanced approach which is essential, taking into account the need to provide support for the recovery of the domestic industry and to provide access to affordable food products consumed by the lower segment of the market.
 - The rebate should be a standing rebate, which must only be utilised in instances where the Director General: DALRRD has reported an outbreak of HPAI in South Africa, linked to a shortage of poultry products as a result of the outbreak.
 - Additionally, it was also determined that the issuance of permits in terms of the rebate provision can be discontinued at any time through a publication in the Government Gazette, contingent upon the assessment by DALRRD in consultation with the National Agricultural Marketing Council ("NAMC") of the performance of domestic producers' production and their recovery from the HPAI outbreak.
 - With regards to the removal of anti-dumping duties, it was found that a significant majority of stakeholders do not endorse this initiative. Information at the Commission's disposal indicates that such a measure could result in a recurrence of injury within the domestic market as its purpose is to address unfair trade practices.
 - Regarding comments submitted by the different stakeholders, it was found that the majority of

importers supported the creation of a rebate, albeit not all supported rebating anti-dumping duties.

- The domestic poultry producers, represented by SAPA, have submitted their comments objecting to the creation of the temporary rebate provision. According to SAPA, to the extent that there is a material shortage, this could be met by the contingency measures put in place by local producers as well as imports.
- It was found that out of the total anticipated shortage of 172 000 tons for 2024, the initial rebate permits be issued for a 3-month period, with a 6-month window for applications, based on HPAI prevalence. The quota for a possible 6-month period is therefore 86 000 tons.
- With regards to the allocation of the quota, the quota could be shared between Historical Disadvantaged Individuals (“HDIs”) and Historical Importers (“HIs”) on a 50/50 basis, which provision will be reviewed regularly and revert with such changes as deemed appropriate for consideration by the Minister. Based on this approach, it was found that all applicants could be allocated the same minimum quantity. Additional quantities will be determined by ITAC and distributed across all applicants based on their market share.
- The rebate facilities concerned would be subject to an ITAC permit with specific Guidelines, Rules and Conditions.

In light of the foregoing, the Commission decided to recommend the following:

- a. The creation of Schedule 4 rebate provision for poultry products classifiable under tariff subheading 0207.1, administered by ITAC, in the form of a Tariff Rate Quota (“TRQ”). The rebate will be a standing rebate, which will only be utilized in instances where the Director General: The Department of Agriculture, Land Reform and Rural Development (“DALRRD”), has reported an outbreak of Highly Pathogenic Avian Influenza (“HPAI”) in South Africa, linked to a shortage of poultry products as a result of the outbreak.
- b. With regard to the current outbreak, it is recommended that the initial rebate permits be issued for a 3-month period, with a 6-month window for applications, based on HPAI prevalence. If it is found that the path of the outbreak is entrenched and that broiler shortages persist, then the rebate may be extended for another period as deemed appropriate by the Commission in consultation with DALRRD.
- c. The volume of the TRQ for the first 6 months was determined to be 86 000 tons, which may be equally divided into two 3-month periods i.e. 43 000 tons per 3-month period, with the permits administered on a 3-month basis over the first two 3-month period at 43 000 tons per 3-month period.
- d. Poultry products classifiable under tariff subheadings 0207.14.1 and 0207.14.9 should be rebated to 2019 ordinary customs duty levels and all other poultry products classifiable under tariff subheading 0207.1 should be rebated to free of duty for low income consumers, as summarized in the table below:

Rebate Item	Tariff Heading	Description	Duty Payable After Rebate
460.03	0207.12.20	Carcasses	No duty
460.03	0207.12.90	Other	No duty
460.03	0207.14.1	Boneless cuts	12%
460.03	0207.14.2	Offal (livers, feet, heads, and other)	No duty
460.03	0207.14.9	Bone-in cuts	37%

- e. The chicken imported in terms of this rebate item may only be for consumption or manufacture of products for consumption, in the country of import and may not be re-exported to any other SACU member state. Every SACU member state will be able to administer the rebate to ensure its own population has access to poultry products during shortages that occur as a result of an outbreak of HPAI in South Africa. In view of the fact that the purpose of this rebate is to address a crisis situation, it is deemed appropriate to link it to the consumption levels of each country and deter re-exporting into other SACU countries, harming domestic industries;
- f. The initial allocation be shared between HDIs and HIs on a 50/50 basis, with all applicants allocated the same minimum quantity, with additional quantities allocated by ITAC across all applicants based on their market share, which provision will be reviewed regularly and revert with such changes as deemed appropriate for consideration by the Minister of Trade, Industry and Competition;
- g. DALRRD to provide monthly updates on the performance of domestic production and the epidemiological path of the outbreak. The issuance of permits under the rebate provision may be discontinued if DALRRD indicates that domestic production of poultry has satisfactorily recovered from the impact of the HPAI in South Africa;
- h. DALRRD (Directorate: Statistical and Economic Analysis), in collaboration with the National Agricultural Marketing Council (“NAMC”), to, at the end of the first 3-month period, submit a price monitoring report, which is a culmination of 3 monthly price monitoring reports submitted to ITAC with a particular focus on producer, wholesale and retail price movements to assess the impact of the rebate provision on pricing;
- i. To ensure that consumers benefit from competitively priced poultry meat imports, the Minister may request the Competition Commission of South Africa, through the unit dealing with excessive pricing and price gauging and/or the National Consumer Council (“NCC”) (as the custodian of the Consumer Protection Act), to monitor poultry retail prices by publishing regulations (informed by section 120(1)d and section 8(3)(f) of the Consumer Protection and Competition Acts, respectively) to prevent firms from charging consumers ‘unconscionable, unfair, unreasonable and unjust prices’ and to prevent them from charging ‘excessive prices; and
- j. The temporary rebate will not apply to anti-dumping duties as rebating these duties would remove protection afforded to the domestic producers of poultry against unfair trade practices. The domestic poultry producers should rather be focused on competing against firms that do not make use of these unfair trade practices.

REDUCTION: ORDINARY CUSTOMS DUTIES

A reduction or removal of duties is considered, in cases where goods, consumption goods, intermediate or capital goods are not manufactured domestically or unlikely to be manufactured domestically. A customs duty usually serves a

protective purpose for an existing industry and in the absence of such an industry or if there is no potential or plans in place to grow that particular industry, then a reduction is considered, as the duty will otherwise only have a price raising effect.

1. Ministerial Directive to investigate a request for a reduction in the rate of customs duty on canned minced anchovies, classifiable under tariff subheading 1604.20.30, from 25 per cent ad valorem to a specific duty of 6c/kg – ITAC Report No. 719

In Government Gazette Number 48294 published on 24 March 2023, the Minister of Trade, Industry and Competition (the “Minister”) directed the International Trade Administration Commission of South Africa to investigate a request from Unique Selling Points (Namibia) CC for a reduction in the rate of customs duty on canned minced anchovies, classifiable under tariff subheading 1604.20.30, from 25 per cent *ad valorem* to a specific duty of 6c/kg through the creation of an additional 8-digit tariff subheading.

In arriving at its recommendation, the Commission considered the information at its disposal, including comments received during the investigation period.

The Commission found that:

- Canned minced anchovies are a ready-to-eat minced fish in airtight metal containers for human consumption. The product concerned is not a high value-added product like flat salted anchovy fillets and has a different production process that does not include salting or maturation. The species of anchovy forming the basis of the application is abundant and unique to Peru and provides an affordable source of a high protein, high omega content fish resource.
- There are no domestic producers of canned minced anchovies within the Southern African Customs Union (“SACU”) region given that anchovies from Southern Africa are mainly used for fishmeal production due to, amongst others,

their small size and soft texture.

- Developing canned anchovy products for human consumption in the local fish processing industry poses challenges in terms of realizing an acceptable return on investment given the extent of capital expenditure required to enable local production coupled with low profit margins. In addition, the declining average size of South African anchovies since 1980, the manual labor required to prepare each fish individually, and quality problems caused by high lipid content, oxidation and rancidity were also cited as reasons for the absence of anchovy production for human consumption in South Africa.
- Reducing the rate of customs duty on canned minced anchovies from 25 per cent ad valorem to 6c/kg would provide SACU consumers with a more affordable alternative, high protein content product when compared to other high value canned fish products like canned tuna or pilchards. The reduction will potentially offer regional consumers an additional choice for an affordable food product.
- Canned minced anchovies were only imported by the Applicant during 2019 and 2020.
- The Applicant is located in Namibia and not South Africa, therefore reciprocal commitments are not applicable as they only extend to entities within South Africa.

- Other canned fish products either have no duty or attract a 6c/kg duty, depending on the country or region of origin, hence a reduction would contribute to the alignment of the tariff structure for canned fish products.
- It is unlikely that reducing the customs duty on canned minced anchovies will affect the supply and pricing of other canned fish products such as tuna and pilchards as its target market is the lower LSM group.

In light of the foregoing, the Commission recommended a reduction in the rate of customs duty on canned minced anchovies, classifiable under tariff subheading 1604.20.30, from 25 per cent *ad valorem* to a specific duty of 6c/kg through the creation of an additional 8-digit tariff subheading.

Trade Remedies

ITAC is responsible for conducting trade remedy investigations in accordance with policy, domestic law, and regulations and consistent with WTO rules. Trade Remedies consists of anti-dumping, countervailing, and safeguard instruments. In the 2023/24 period, the instruments utilised were anti-dumping; sunset review, and safeguard.

Anti-Dumping

The World Trade Organisation Anti-Dumping Agreement (“ADA”) and ITAC’s Anti-Dumping

Regulations (“ADR”) provide that anti-dumping duties may be imposed where dumped imports have caused material injury to the SACU industry or a threat of material injury exists as a result of the dumping.

Dumping occurs when foreign producers are exporting their goods in our country at prices (called the “export price”) lower than what they charge for the same product in their country (called the “normal value”). Thus if the export price is lower than the normal value, dumping has occurred.

The following anti-dumping investigations were carried over from 2021/2022:

Product	Applicant	Country	Initiation	Status
Laminated Safety Glass	PFG Building Glass, a division of PG Group (Pty) Ltd	People’s Republic of China	22/10/2021	14/04/2023 Duty imposed

Laminated safety glass

On 22 October 2021, an investigation was initiated on laminated safety glass originating or imported from the People’s Republic of China. The application was lodged by PFG Building Glass, a division of PG Group (Pty) Ltd. The preliminary determination was made on 18 March 2022 and a provisional payment of 232.78% was imposed. The final duty was imposed on 14/04/2023.

Garden tools

On 22 October 2021, an investigation was initiated on garden tools originating or imported from the People’s Republic of China and India. The application was lodged by Lasher Tools. The preliminary determination was made on 13 May 2022. The final duties were imposed on 19/04/2023.

Frozen Potato Chips

On 19 November 2021, an investigation was initiated on frozen potato chips originating or imported from the Netherlands, Belgium, and Germany. This investigation was self-initiated by the International Trade Administration Commission (ITAC). The preliminary determination was made on 15 July 2022. The final duties were imposed on 17/05/2023.

Frozen bone-in portions

The South African Poultry Association (SAPA) submitted an application alleging that frozen bone-in portions of the species *Gallus Domesticus* originating in or imported from Brazil, Denmark, Ireland, Poland, and Spain are being dumped on the Southern African Customs Union (SACU) market, causing material injury and a threat of material injury to the SACU industry concerned. This investigation was initiated on 5 February 2021. The preliminary determination was made on 17 December 2021 and the provisional payments were imposed. The final determination was made on 5 August 2022. However, the Minister decided to suspend the imposition of final duties for the period of 12 months. The final duties were imposed on 03/08/2023

Tyres

On 31 January 2022, an investigation was initiated on tyres originating or imported from the People’s Republic of China. The application was lodged by the South African Tyre Manufacturers Conference (SATMC). The preliminary determination was made on 9 September 2022. The final duties were imposed on 28/07/2023.

Windscreens

On 22 July 2022, an investigation was initiated on windscreens originating or imported from the People's Republic of China. The application was lodged by Shutterprufe. The preliminary determination was made on 10 February 2023. The final duties were imposed on 28/07/2023.

Galvanised Steel Coil

On 12 October 2022, an investigation was initiated on galvanised steel coil originating or imported from

the People's Republic of China. The application was lodged by the South African Coil Coaters Association. The preliminary determination was made on 17 March 2023. The final duties were imposed on 16/02/2024.

Active Yeast

On 18 August 2023, an investigation was initiated on active yeast originating or imported from Zimbabwe. The application was lodged by Rymco (Pty) Ltd trading as Anchor Yeast. This investigation is still on-going.

Summary of Anti-Dumping Investigations

Product	Country	Date initiated	Outcome
Frozen bone-in chicken portions	Brazil, Denmark, Ireland, Poland, Spain	05/02/2021	Duties imposed
Laminated safety glass	People's Republic of China.	22/10/2021	Duties imposed
Garden tools	People's Republic of China and India	22/10/2021	Duties imposed
Frozen potato chips	Netherlands, Belgium, and Germany	19/11/2021	Duties imposed
Tyres	People's Republic of China	31/01/2022	Duties imposed
Windscreens	People's Republic of China	22/07/2022	Duties imposed
Galvanised Steel Coil	People's Republic of China	12/10/2022	Duties imposed
Active Yeast	Zimbabwe	18/07/2023	On-going

Safeguard investigations

A safeguard investigation is conducted when it is determined that there is a surge of imports causing or threatening to cause serious injury to the SACU industry. It is considered a fair trade action taken to enable the domestic industry to adjust.

Threaded fasteners (Extension of safeguard measure)

An extension of the safeguard measure investigation against the increased imports of threaded fasteners

was initiated on 24 March 2023. The application was lodged by SAFMA. The duties were extended on 21/07/2023.

Hot-rolled steel

The safeguard measure investigation against the increased imports of hot-rolled steel products was initiated on 23 February 2024. The application was lodged by the South African Iron and Steel Institute (SAISI). This investigation is still on-going.

Summary of Safeguard Investigations

Product	Country	Initiation	Finalisation	Outcome
Threaded fasteners (Extension of safeguard measure)	All countries	24/03/2023	Duties extended	Duties extended
Hot-rolled steel products	All countries	23/02/2024	On-going	

Sunset reviews

A sunset review is undertaken when the SACU industry concerned submits *prima facie* evidence that the expiry of the anti-dumping duties after the five years of existence would likely lead to the continuation or recurrence of dumping and continuation or recurrence of material injury.

One sunset review investigation was initiated during the financial year. It was unframed mirrors originating or imported from the People’s Republic of China.

The sunset review investigations on glass frit; unframed mirrors; and clear float glass were finalized in the current financial period. The sunset review investigations on frozen bone-in chicken portions, PVC rigid, and unframed mirrors were on-going at the end of the financial year.

Unframed Mirrors

A sunset review of the anti-dumping duty on unframed mirrors originating in or imported from the Republic of Indonesia was initiated on 22 July 2022. The application was lodged by PFG Building Glass, a division of PG Group (Pty) Ltd. The investigation was finalised on 08/12/2023.

Clear Float Glass

A sunset review of the anti-dumping duties on clear float glass originating or imported from the Republic of Indonesia was initiated on 18 November 2022. The application was lodged by PFG Building Glass, a division of PG Group (Pty) Ltd. The investigation was finalised on 08/12/2023.

Frozen Bone-in Chicken Portions

A sunset review of the anti-dumping duties on frozen bone-in chicken portions originating or imported from the United States of America was initiated on 9 November 2022. The application was lodged by SAPA. This investigation is still on-going.

Unframed Mirrors

A sunset review of the anti-dumping duty on unframed mirrors originating in or imported from the People’s Republic of China was initiated on 22 September 2023. The application was lodged by PFG Building Glass, a division of PG Group (Pty) Ltd. This investigation is still on-going.

Summary of Sunset Reviews

Product	Country	Initiation	Finalisation	Outcome
Glass Frit	Brazil	-		Duties terminated
Unframed Glass Mirrors	Republic of Indonesia	22/07/2022		Duties maintained
Clear Float Glass	Republic of Indonesia	18/11/2022		Duties maintained
PVC Rigid	People’s Republic of China and Chinese Taipei	-	On-going	
Frozen bone-in chicken portions	United States of America	9/11/2022	On-going	
Unframed Glass Mirrors	People’s Republic of China	22/09/2023	On-going	

Summary of investigations conducted

The table below presents a summary of investigations conducted during the financial year under review.

Product	Investigation	Country	Date initiated	Finalisation date	Outcome
Frozen bone-in Chicken Portions	Anti-Dumping	Brazil, Denmark, Ireland, Poland, Spain	05/02/2021	05/08/2022	Duties were suspended for 12 months. Duties imposed on 03/08/2023
Laminated safety glass	Anti-Dumping	People's Republic of China	22/10/2021	14/04/2023	Duties imposed
Garden tools	Anti-Dumping	People's Republic of China and India	22/10/2021	19/04/2023	Duties imposed
Frozen potato chips	Anti-Dumping	Netherland, Belgium and Germany	19/11/2021	17/05/2023	Duties imposed
Tyres	Anti-Dumping	People's Republic of China	31/01/2022	28/07/2023	Duties imposed
Galvanised Steel Coil	Anti-Dumping	People's Republic of China	12/10/2022	16/02/2024	Duties imposed
Windscreens	Anti-Dumping	People's Republic of China	22/07/2022	19/01/2024	Duties imposed
Unframed Glass Mirrors	Sunset review	India	18/06/2021	11/11/2022	Duties maintained
Glass Frit	Termination of Anti-dumping	Brazil	-	22/09/2023	Duties terminated
Unframed Glass Mirrors	Sunset review	Republic of Indonesia	22/07/2022	08/12/2023	Duties maintained
Clear Float Glass	Sunset Review	Republic of Indonesia	18/11/2022	08/12/2023	Duties maintained
Threaded fasteners (Extension of safeguard measure)	Safeguard	All countries	24/03/2023	21/07/2023	Duties extended
Frozen bone-in chicken portions	Sunset Review	United States of America	9/11/2022	On-going	On-going
PVC Rigid	Termination of Anti-dumping	People's Republic of China and Chinese Taipei	-	On-going	On-going
Active Yeast	Anti-dumping	Zimbabwe	18/07/2023	On-going	On-going
Unframed Mirrors	Sunset Review	People's Republic of China	22/09/2023	On-going	On-going
Hot rolled steel products	Safeguard	All countries	23/02/2024	On-going	On-going

Import and Export Control

ITAC administers an import and export control regime in terms of the provisions of the International Trade Administration Act, Act 71 of 2002. In this regard, the cross border-movement of certain goods are controlled in terms of a permit system, for example, for the purpose of complying with international agreements, such as the United Nations Convention Against Illicit Traffic in Narcotic Drugs and Psychotropic Substances and the Montreal Protocol in substances that depletes the ozone layer.

Import control measures or restrictions in a more globally integrated economy are limited to those allowed under the relevant WTO Agreements. Import control measures are essentially for health, safety, environmental and strategic reasons. In this regard, ITAC contributes to the green economy. In the enforcement of standards and the curbing of illegal and fraudulent trade, ITAC has positioned itself to play a more strategic role with regard to import and export control measures and enforcement.

Minerals beneficiation has been identified as one of the areas for job creation and this has required an alignment of ITAC’s export control measures to give support to beneficiation. ITAC has strengthened its export control measures on scrap metal through the introduction of a price preference system to promote investment and employment opportunities in the domestic metals beneficiation and fabrication industries. This followed a policy directive by the Minister of Economic Development aimed at enabling affordable access to quality scrap metal by the domestic consuming industry. The focus has been on ensuring its effective administration and on managing litigation.

During the reporting period, 19 558 import permits and 19 587 export permits were issued. As can be seen from the table below, the bulk of the import permits, namely 3 728, were issued for the importation of used or second-hand machinery and mechanical appliances, equipment and parts thereof of chapter 84 of the Harmonized Customs Tariff. The next largest categories of imports permits are also detailed in the table.

IMPORTED GOODS	HARMONIZED CUSTOMS TARIFF CLASSIFICATION	NUMBER OF IMPORT PERMITS
Used machinery and mechanical appliances, equipment and parts thereof	Chapter 84	3 728
Rubber and articles thereof, including tyres	Chapter 40	2 389
Marine resources	Chapter 03	2 034
New and used arms and ammunition	Chapter 93	1 618
Mineral fuels, mineral oils and products of their distillation	Chapter 27	2 193
Used vehicle and parts thereof	Chapter 87	1 297
Metals including waste and scrap	Chapter 72 to 81	679
Used electrical machinery and equipment and parts thereof	Chapter 85	1 390
Organic and inorganic chemicals	Chapters 28 and 29	612

As detailed in the table below, the bulk of export permits were issued for the exportation of used motor vehicles of chapter 87 namely 14 669 export permits. The next largest categories of export permits are also set forth in the table.

EXPORTED GOODS	HARMONIZED CUSTOMS TARIFF CLASSIFICATION	NUMBER OF EXPORT PERMITS
Used motor vehicles	Chapter 87	14 669
Ferrous and non-ferrous waste and scrap	Chapters 72 to 81	2 380
Organic and inorganic chemicals	Chapters 28 and 29	1 326
Mineral fuels and products of their distillation	Chapter 27	655
General goods	Various tariff headings of chapter 12,25,26,30,38,44,47,71 and 85.	566

The enforcement component of the Import and Export Control Unit conducts enforcement activities in terms of Section 41 of the International Trade Administration Act, (Act 71 of 2002). Enforcement is crucial in detecting contraventions of the ITA Act and the Import and Export Control Regulations, and to ensure that there is compliance with the conditions and terms reflected in import, export and rebate permits.

Enforcement activities are made up of scheduled inspections, unscheduled or surprise inspections and investigations.

- Scheduled inspections are inspections and verifications that are pre-arranged with the importer or exporter.
- Unscheduled or surprise inspections are inspections that are not pre-arranged where the ITAC enforcement officers visit premises, yards, container depot's and the likes for inspection of imported goods or goods destined for export.
- Investigations are conducted when prima facie evidence is obtained of a contravention of the provisions of the ITA Act, regulations and/or import, export or rebate permit conditions.

During the 2023/24 financial year, 109 scheduled inspections were conducted and 1 569 unscheduled inspections were conducted. Industry sectors inspected were, *inter alia*, clothing, ferrous and non-ferrous scrap metals, automotive, pneumatic tyres and machinery and equipment.

Investigations conducted were based on *prima facie* evidence of contraventions of the ITA Act and the Import and Export Control Regulations. The Enforcement Unit also participated in enforcement activities with other agencies such as the South African Revenue Service and the South African Police Service.

ECONOMIC IMPACT ASSESSMENTS

INTRODUCTION

Economic Impact Assessments are conducted to monitor and assess the effectiveness of trade measures enforced by ITAC. In the 2023/24 fiscal year, two impact assessment studies were completed, meeting the 10% target for the total number of tariff investigations and rebates with reciprocal commitments, for the period 2019/2020-2022/23. The reports analysed industry performance against government policy objectives outlined in documents such as the New Growth Path (NGP), the Industrial Policy Action Plan (IPAP), the South African Trade Policy Strategic Framework (TPSF), the Re-imagined Industrial Strategy, and the Trade Policy for Industrial Development and Employment Growth.

The positive impact of ITAC's trade instruments depends on the degree to which tariff support or

relief through rebate provisions has led to decreased import volumes, increased domestic manufacturing, a surge in investment, employment, value addition, and competitiveness following the ITAC's assistance when compared to preceding periods.

In a nutshell, the Impact Assessments confirm ITAC's dedication to fulfilling its mandate, which includes promoting manufacturing-based value-addition and job creation for sustainable economic growth and development within the Southern African Customs Union (SACU). This is achieved through the administration of trade instruments. Additionally, ITAC ensures that these trade instruments equally contribute to the realisation of the Government's established policy objectives when utilized by industries.

1. The Impact of the customs duty increase on acrylic resins: A case of Ferro Coating Resins

Ferro Coating Resins (Pty) Ltd ("Ferro"), now trading as NCS South Africa (Pty) Ltd ("NCS"), is one of the six known manufacturers of the acrylic resin products in the Southern African Customs Union (SACU) region. The company applied for an increase in the general rate of customs duty on acrylic resins classifiable under tariff subheadings 3906.90.20 and 3208.20.90, from free of duty and 10% *ad valorem* to the WTO bound rate of 15 per cent *ad valorem*. The applicant cited, *inter alia*, that their business faced stiff competition from imported products, particularly from India and Taiwan, citing a significant increase in import volumes over the years.

Subsequent to that, in 2020, ITAC recommended an increase in the general rate of customs duty on acrylic resins classifiable under tariff subheadings 3906.90.20 and 3208.20.90, from free of duty and 10% *ad valorem* to the WTO bound rate of 15% *ad valorem*. The duty under Africa Continental Free Trade Agreement (AfCFTA) for tariff subheading

3208.20.20, previously 3208.20.90 is currently 8% *ad valorem*. The purpose of the tariff support was to enable the industry to resuscitate its domestic market share, increase investment, and to create and retain jobs.

Highlights of Acrylic Resins study are presented below:

- NCS, alongside other manufacturers of acrylic resins, plays a critical role in contributing to employment, growth in domestic production by reducing reliance on imports, and catalysing increased investments in the domestic industry.
- Based on the economic impact analysis done, the tariff support had a positive impact in reducing import volumes to some degree. Following the duty increase and the split in the tariff line to exclude other products not subject to the investigation (2021-2022), there was a decline in estimated average import volumes of the acrylic resins product. prior the duty increase

(2015-2020), average import volume of the subject product was estimated at 48 963 kg. Following the duty increase and the split in the tariff lines to exclude other products not subject to the investigation (2021-2022), the average import volumes of the subject product declined by 42 per cent to 28 319 kg.

- The bulk of the products imported under tariff subheadings 3906.90.20 and 3208.20.90 which previously included the acrylic resin product (now on a separate tariff classification), were imported from EU and the overwhelming majority of these products did not directly compete with the acrylic resin products manufactured by NCS (formerly Ferro).
- At the company level, NCS experienced an uptick in the average annual production and capacity of acrylic resins following the increase in tariff duties. Moreover, the merger of Ferro Coating Resins into NCS South Africa (Pty) Ltd in 2022 further boosted the company's production performance, despite a slight decline in capacity utilization during 2021-2022. This decline can be attributed to production capacity increasing at a faster rate than the increase in production volumes.
- Despite marginal decline in market share, the average NCS sales volume increased. The average net profit marginally increased following tariff support, while profit margins declined during the same period. The decline in profit margins was mainly due to the constrained economic environment since 2021, coupled with the rising production cost.
- Total cumulative investment expenditure by NCS increased, with a significant share allocated towards supply-side measures. Following the tariff support, NCS achieved its reciprocal commitment of increasing total investment on the plant, machinery and buildings, spending on supply side measures, and increase in employment.
- Overall, the performance of NCS in respect of the Government's set objectives, notably the reciprocal commitments made upon receiving tariff support, indicates that the support, combined with significant restructuring efforts over the years, has been effective in enhancing the company's performance and reinforcing its competitiveness. Particularly noteworthy is NCS's ability to fulfil the reciprocal commitments within just 2-years of receiving tariff support.

2. The Impact of rebate item 311.40: A Case of Truworths

The Minister of Trade, Industry and Competition directed the International Trade Administration Commission of South Africa (ITAC) in terms of Section 16(1)(d)(i) of the International Trade Administration Act, to evaluate and investigate the creation of rebate facilities to address the supply of textiles for use in the manufacture of apparel. Following an intensive investigation and consultation with relevant stakeholders, ITAC recommended the creation of rebate item 311.40/00.00/01.04, for qualifying yarns and fabrics that may be imported under this rebate item for the manufacture of apparel and clothing accessories classifiable in Chapters 61 and 62, in such quantities, at such times and subject to such conditions as ITAC may allow by specific permit.

While the abovementioned rebate description covers all textiles fabrics and yarns for the manufacture of goods classifiable under Chapters 61 and 62, kindly note the provisions outlined in the Notice in terms of Section 60 of the ITA Act. For the initial 12 months, the rebate items will exclusively apply to the importation of woven textile fabrics classified under Chapters 51, 52, 53, 54, 55, and tariff heading 58.01, designated for the production of apparel and clothing accessories classified under Chapter 62. The reason for this is that the R-CTFL Masterplan supported a phased approach to be followed, commencing with woven fabric in order to, *inter alia*, avoid any unintended consequences.

SARS implemented Rebate Item 311.40/00.00/01.04 on February 5, 2021. The guidelines, rules, and conditions, along with eligible goods qualifying

under this rebate, were published in the Government Gazette on March 5, 2021. Regarding the administration of the rebate facility, ITAC imposes reporting obligations or conditions on permits issued, including the utilisation of permits by permit holders.

Highlights of the impact of rebate item 311.40 on Truworths

The report evaluated the performance of Truworths Ltd (“Truworths”) against the set government policy objectives, and specifically, the performance when rebate permits were granted during the period 2021 to 2023. Truworths forms part of Truworths International, an investment holding company listed on the JSE, whose companies are engaged in the retailing of fashion apparel and accessories. The Truworths International Retail Group incorporates the Identity, YDE and Uzzi brands. Truworths operates a number of in-house clothing design houses, which serve to design clothing and procure the manufacture of clothing through Cut, Make and Trim (CMT) operators. In summary, the following observations have been made subsequent to the tariff relief granted to the firm:

- During the 2021/2022 financial year, all qualifying industry players imported approximately 3 million kg of woven fabrics. In 2022/2023, amid the ongoing impact of Covid-19 and the civil unrest in KZN in July 2021, imports of woven fabrics cleared under this rebate item surged significantly by 64%, reaching approximately 5 million kg. Truworths accounted for a minor share of total woven fabric imports cleared under rebate during the same period.
- While analysis shows a dip in permit utilisation by Truworths in 2022/23, the volume of imported woven fabric cleared under rebate was twice as high in 2022/2023 compared to the import volumes cleared under rebate in the previous financial year. For the 2023/2024 (April – August), Truworths’ permit utilisation was relatively high with over 7 months remaining to the end of the current financial year.
- In 2022, Truworths experienced an increase in the average monthly production of garments,

with expectations for further growth post-2023. Truworths stated that, while the cost reduction from the rebate did not directly lead to lower selling prices for garments, the duty rebate did improve the competitiveness of garment pricing, particularly for value-added products. This implies that without the rebate, garment selling prices would have potentially risen at a faster rate than the current average rate observed in the first half of 2023.

- Truworths Africa Design Division (TADD) employment and capital expenditure increased in the current year (January-June 2023). Cumulative year to date total capital expenditure (2022FY – June 2023) was mainly towards machinery and equipment. Over and above the CAPEX expenditure in the past two and half years, Truworths submitted that they supported manufacturing and related activities by small businesses, black-owned or black-managed enterprises through various initiatives.
- In terms of localisation, Truworths composition of local sales prior to the rebate was 45% local and 55% imports. Following the rebate, the share of locally manufactured apparel remained unchanged at 45%.
- Overall, Truworths remains a key player in the manufacturing of high quality clothing and the broader clothing industry value chain. The utilization of the rebate facility for woven fabrics, specifically rebate item 311.40/00.00/01.04, demonstrates its positive impact by aiding the firm in lowering production costs, thereby increasing production volumes, sales, employment, and investment. Anticipated integration of knitted fabrics into the rebate facility under Phase 2 of the R-CTFL Masterplan is expected to further stimulate production and sales, leading to employment gains and increased investment as major retailers continue supporting localization efforts. The use of the rebate facility to import knitted fabrics should positively contribute to the industry without negatively impacting local knitting manufacturers or diminishing the availability of locally sourced knitted fabrics.

PERFORMANCE AGAINST PREDETERMINED OBJECTIVES

OUTCOME	OUTPUT	PERFORMANCE INDICATORS	TARGETS/OUTPUTS TO BE DELIVERED BY 31 MARCH 2024	ANNUAL PERFORMANCE	REASONS FOR VARIANCE	
Efficient administration of trade instruments: customs tariffs.	Customs Tariff Investigations	Final decisions made within 6 months on Custom Tariffs Reduction Investigations	80% of the final decisions made within 6 months on Custom Tariffs Reduction Investigations	100% of the final decisions were made within 6 months on Custom Tariffs Reduction Investigations.	Target achieved. Investigations were executed efficiently without complications i.e. there were no protracted engagements with applicants or interested parties.	
		Final decisions made within 6 months on Custom Tariffs Increase Investigations	80% of the final decisions made within 6 months on Custom Tariffs Increase Investigations	33% of the final decisions within 6 months on Custom Tariffs Increase Investigations.	Target not achieved. Certain key financial information was not received timeously.	
		Final decisions made within 6 months on Custom Tariffs Rebates Investigations	80% of the final decisions made within 6 months on Custom Tariffs Rebates Investigations	75% of the final decisions within 6 months on Custom Tariffs Rebates Investigations	Target not achieved. There were delays in considering investigations by the Commission due to the delay of new Commissioners appointment after the end of the previous term.	
	Customs Duty Rebate and Drawback permits	Customs Duty Rebate and Drawback permits issued within 14 days	80% of Customs Duty Rebate and Drawback permits issued within 14 days	85% of Customs Duty Rebate and Drawback permits were issued within 14 days.	Target achieved. The compliance level of applications received was high resulting in quicker turnaround times.	
		Automotive Production Development Programme (APDP)	Eligible Production Certificates (EPCs) issued within 10 working days after technical working group or factory visit and the submission of all outstanding information.	80% of certificates (EPC) issued within 10 working days after technical working group or factory visit and the submission of all outstanding information.	99% of certificates were issued within 10 working days after technical working group or factory visit.	Target achieved. The compliance level of applications received was high resulting in quicker turnaround times.

OUTCOME	OUTPUT	PERFORMANCE INDICATORS	TARGETS/OUTPUTS TO BE DELIVERED BY 31 MARCH 2024	ANNUAL PERFORMANCE	REASONS FOR VARIANCE
Efficient administration of trade instruments: trade remedies.	Trade Remedies Investigations	Company Specific Percentages (CSPs) issued within 10 working days.	85% of certificates (CSPs) issued within 10 working days.	96% of certificates (CSPs) were issued within 10 working days.	Target achieved. The compliance level of applications received was high resulting in quicker turnaround times.
		Production Rebate Certificates (PRCs) issued within 30 days.	80% of the certificates (PRC) issued within 30 days.	94% of certificates issued were within 30 days.	Target achieved. The compliance level of applications received was high resulting in quicker turnaround times.
		APDP Verifications completed within 90 days.	80% of the APDP Verifications completed within 90 days.	96% of the APDP verifications finalized were completed within 90 days.	Target achieved. The compliance level of applications received was high resulting in quicker turnaround times.
		Preliminary determination decisions made within 6 months of initiation on Trade Remedies Investigations	80% of the Preliminary determination decisions made within 6 months of initiation on Trade Remedies Investigations	No preliminary determination made during the period under review.	This target could not be evaluated as there were no investigations that necessitated for preliminary determination during the period under review.
		Final determinations made within 10 months of initiation of Trade Remedy Investigations	80% of the Final determination decisions made within 10 months of initiation on Trade Remedy Investigations.	10% of the Final determination decisions made within 10 months of initiation on Trade Remedy Investigations.	Target not achieved.

OUTCOME	OUTPUT	PERFORMANCE INDICATORS	TARGETS/OUTPUTS TO BE DELIVERED BY 31 MARCH 2024	ANNUAL PERFORMANCE	REASONS FOR VARIANCE
					<p>Laminated Safety Glass (Anti-Dumping)</p> <p>Initiated: 22/10/2021</p> <p>Final determination: 14/04/2023</p> <p>The investigation was completed in 15 months, while the Commission completed it in 9 months. Approval and implementation took an additional 6 months.</p> <p>Garden Tools (Anti-Dumping)</p> <p>Initiated: 22/10/2021</p> <p>Final determination: 19/04/2023</p> <p>The investigation was completed in 16 months, while the Commission finished it in 11 months due to the complexity and a large number of exporters that responded. Approval and implementation took 5 months.</p> <p>Frozen Potato Chips (Anti-Dumping)</p> <p>Initiated: 19/11/21</p> <p>Final determination: 17/05/2023</p> <p>The investigation was completed in 18 months. The Commission finished the investigation in 14 months due to its complexity and the large number of participating exporters. Approval and implementation took 4 months.</p>

OUTCOME	OUTPUT	PERFORMANCE INDICATORS	TARGETS/OUTPUTS TO BE DELIVERED BY 31 MARCH 2024	ANNUAL PERFORMANCE	REASONS FOR VARIANCE
					<p>Tyres (Anti-Dumping)</p> <p>Initiated: 03/01/2022</p> <p>Final determination: 28/07/2023</p> <p>The investigation was completed in 17 months.</p> <p>The Commission finished the investigation in 15 months due to its complexity, and there were more than 60 exporters who participated in the investigation, whose information had to be verified and taken into consideration by the Commission. The approval and implementation took 2 months.</p> <p>Extension of a safeguard measure on Bolt ends and screw stubs.</p> <p>Initiated: 24/03/2023</p> <p>Final determination: 21/07/2023</p> <p>Investigation completed in 4 months.</p>

OUTCOME	OUTPUT	PERFORMANCE INDICATORS	TARGETS/OUTPUTS TO BE DELIVERED BY 31 MARCH 2024	ANNUAL PERFORMANCE	REASONS FOR VARIANCE
					<p>Windscreens (Anti-dumping)</p> <p>Initiated: 22/07/2022</p> <p>Final determination: 19/01/2024</p> <p>The investigation was completed in about 18 months. The Commission finished the investigation in 11 due to a large number of exporters had to be verified. Verifications could not be completed due to incorrect information submitted for preliminary determination. Had to re-verify before the final determination, which affected time frames. The approval and implementation took 7 months.</p> <p>Galvanised steel coil (Anti-dumping)</p> <p>Initiated: 12/10/2022</p> <p>Final determination: 16/02/2024</p> <p>The investigation was completed in 16 months, while the Commission completed it in 10 months Approval and implementation took 6 months.</p> <p>Frozen bone-in chicken (Anti-dumping)</p> <p>Initiated: 19/11/2011</p> <p>Final determination: The Minister suspended the imposition of the duties on 1/08/2022 which were imposed on 3/08/2023</p>

OUTCOME	OUTPUT	PERFORMANCE INDICATORS	TARGETS/OUTPUTS TO BE DELIVERED BY 31 MARCH 2024	ANNUAL PERFORMANCE	REASONS FOR VARIANCE
					<p>Unframed Glass Mirrors: (Sunset Review) Initiated: 22/07/2022 Final determination: 08/12/2023</p> <p>The investigation was completed in 17 months, while the Commission completed it in 5 months. Approval and implementation took an additional 12 months.</p> <p>Clear Float Glass (Sunset Review) Final determination: 08/12/2023</p> <p>The Commission was completed in 13 months, while the Commission completed it in 5 months. Approval and implementation took 8 months.</p>
<p>Effective administration of trade instruments: Import and Export Control.</p>	<p>Import Control Permits</p>	<p>Number of Import Control Permits issued</p>	<p>16000</p>	<p>19558</p>	<p>Target achieved. Number of permits issued depends on the number of applications received. In the year under review, more applications were received.</p>
		<p>Number of Export Control Permits issued</p>	<p>12000</p>	<p>19587</p>	<p>Target achieved. Number of permits issued depends on the number of applications received. In the year under review, more applications were received.</p>
		<p>Number of Scheduled -Inspections conducted.</p>	<p>120</p>	<p>109</p>	<p>Target not achieved. Due to limited requests for inspections from the industry.</p>

OUTCOME	OUTPUT	PERFORMANCE INDICATORS	TARGETS/OUTPUTS TO BE DELIVERED BY 31 MARCH 2024	ANNUAL PERFORMANCE	REASONS FOR VARIANCE
Monitoring and Evaluation		Number of Un-scheduled - Inspections conducted.	1800	1569	Target not achieved. Due to the total ban on exportation of scrap metal, verification inspections were limited thus not meeting the required targets.
	Assessment of progress toward Impact Reciprocal Commitment Studies in strategic sectors	% of tariff investigations with Reciprocal Commitment implemented over the last 4 years that were assessed.	10% of tariff investigations with Reciprocal Commitment implemented 4 years ago that were assessed.	13% of tariff investigations with Reciprocal Commitment implemented 4 years ago that were assessed.	Target achieved. Reports on Truworths; and Acrylic resins, making up over 10% of tariff's investigations were completed.
	Support for sector master plans in the monitoring of Trade flows.	% of sector master plans for which there is monitoring of Trade flows.	40% of sector master plans for which there is monitoring of Trade flows.	43% of sector master plans reports for which there is monitoring of Trade flows were completed.	Target achieved. Reports on UHT milk; Solar Panel; CMT Survey making up approximately 43% of masterplans were completed.
	Investigate the viability and financial sustainability of levying prescribed fees on applicants	Action note on the investigation of the viability and financial sustainability of levying prescribed fees on applicants	Action note submitted to the CC on the investigation of the viability and financial sustainability of levying prescribed fees on applicants	Action note on the investigation of the viability and financial sustainability of levying prescribed fees on applicants was submitted to the CC.	Target achieved. Action note on the investigation of the viability and financial sustainability of levying prescribed fees on applicants was submitted to the CC.

OUTCOME	OUTPUT	PERFORMANCE INDICATORS	TARGETS/OUTPUTS TO BE DELIVERED BY 31 MARCH 2024	ANNUAL PERFORMANCE	REASONS FOR VARIANCE
<p>Modernization of the administrative and operational processes related to the issue and investigation of trade policy instruments to enable industrialisation, transformation and a capable state.</p>	<p>Reporting on Trade instruments (tariffs, remedies and permit control) includes data on firm size</p>	<p>Number of reports (both internal and statutory) of trade instruments applied for and issued across firms of different sizes</p>	2	1	<p>Target not achieved. Only one report was issued due to lack of capacity.</p>
	<p>Reporting on Trade instruments (tariffs, remedies and permit control) includes data on spatial and geographic location</p>	<p>Number of reports (both internal and statutory) of trade instruments applied for and issued that are geo-spatially referenced</p>	2	1	<p>Target not achieved. Only one report was issued due to lack of capacity.</p>
	<p>Reporting on Trade instruments (tariffs, remedies and permit control) includes data on demographic features (race, age, gender and other relevant markers)</p>	<p>Number of reports (both internal and statutory) of trade instruments applied for and issued, considering race, gender, age and other relevant demographic markers</p>	2	1	<p>Target not achieved. Only one report was issued due to lack of capacity.</p>
	<p>1000 Case studies of firms, workers, entrepreneurs, professionals or communities' individuals impacted by the dtic measures: including 12 local films/documentaries telling the SA story</p>	<p>Number of the ITAC interventions in selected sectors profiled through case studies.</p>	50	36	<p>Target not achieved. This is due to lack of response from firms given trade (rebates/ anti-dumping duty(ies) support by ITAC.</p>

OUTCOME	OUTPUT	PERFORMANCE INDICATORS	TARGETS/OUTPUTS TO BE DELIVERED BY 31 MARCH 2024	ANNUAL PERFORMANCE	REASONS FOR VARIANCE
	10 High-impact measures to reduce red tape or improve turnaround times in administration of incentives and work of agencies	Number of regulations published & red tape reduction interventions	1	0	Target not achieved. However, while not yet published, the draft amended Anti-Dumping Regulations; and draft Import and Export Control Regulations have been submitted to the dtic while the draft amended Safeguard Regulations are in progress.
Industrialisation	Reciprocal commitments on investment in plants, equipment, technology*	Value of investment facilitated through ITAC reciprocal commitments of implemented tariff support	R 30 million	R 1.5 billion	Target achieved. A number of ITAC reports in respect of tariff amendments were implemented during the period under review.
	Industrial rebates aimed at facilitating local industrial output.	Value of additional local industrial output as a result of the utilisation of the ITAC rebates rebate item 311.40 clothing rebate item 317.04 autos-APDP	R 20 billion	R 20.8 billion	Target achieved. ITAC received more rebate item 311.40 applications. In terms of APDP, the increase in sales performance and global demand of the SA manufactured automotive products resulted in higher additional local output.
	R248bn manufactured exports facilitated under ITAC rebates*	Value of manufactured exports facilitated under ITAC rebates 470 and 521 (excluding autos)	R 68 billion	R 64 billion	Target not achieved. The prevailing economic environment and weak global demand had an impact of the value of exports.

OUTCOME	OUTPUT	PERFORMANCE INDICATORS	TARGETS/OUTPUTS TO BE DELIVERED BY 31 MARCH 2024	ANNUAL PERFORMANCE	REASONS FOR VARIANCE
		Value of vehicle exports (ITAC APDP)	R 180 billion	R 202 billion	Target achieved. The increase in sales performance and global demand of the SA manufactured automotive products resulted to higher additional local output.
	R 19bn manufactured exports to rest of Africa facilitated under ITAC rebates*	Value of vehicle exports to the rest of Africa (ITAC APDP)	R 19 billion	R 20 billion	Target achieved. The increase in sales performance and global demand of the SA manufactured automotive products resulted to higher additional local output.
	100 000 jobs supported as a result of ITAC trade policies and instruments* (Reported as part of jobs under Autos Masterplan)	Number of jobs supported (direct jobs at the time of application) as a result of implemented ordinary tariff increases, rebates, remedies and APDP administered by ITAC	100 000	130 527	Target achieved. This is based on the applications submitted by the applicants and the nature of the industry, whether it is labour or capital intensive.
	50 new jobs created as a result of ITAC trade policies and instruments* (Reported as part of relevant sectors masterplan)	Number of new jobs committed to by recipients of implemented ordinary tariff increases and rebate provisions created, administered by ITAC	50	393	Target achieved. This is based on the reciprocal commitments that are made by the applicants and the nature of the industry, whether it is labour or capital intensive.

OUTCOME	OUTPUT	PERFORMANCE INDICATORS	TARGETS/OUTPUTS TO BE DELIVERED BY 31 MARCH 2024	ANNUAL PERFORMANCE	REASONS FOR VARIANCE
	10 High impact trade interventions implemented	Number of High impact trade interventions including, but not limited to the following: trade disputes, challenges with implementation of trade agreements, ITAC decisions and trade measures, bilateral trade concerns	2	20	Target achieved. A number of ITAC reports in respect of tariff amendments were implemented during the period under review.
	52 community outreach programmes by Dtic and its entities	Number of districts where information and outreach activities have been undertaken	4	8	Target achieved.
Transformation	Percentage (%) of BBEE preferential procurement spend	Percentage (%) of BBEE preferential procurement spend	75%	84%	Target achieved.
	Number of small firms are accessing our services (SMMEs)	Number of small firms are accessing our services (SMMEs)	40	135	Target achieved.
	Number of firms in designated categories	Number of firms in designated categories	40	115	Target achieved.
	Number of firms accessing our services from non-metro areas	Number of firms accessing our services from non-metro areas	4	21	Target achieved.

OUTCOME	OUTPUT	PERFORMANCE INDICATORS	TARGETS/OUTPUTS TO BE DELIVERED BY 31 MARCH 2024	ANNUAL PERFORMANCE	REASONS FOR VARIANCE
	Trade adjustment measures enable workers displaced by trade policy reform and other related developments to access responsive social protection mechanisms and training to facilitate entry into growing sectors of the economy	<p>Import Sensitivity Index developed and published by ITAC to map, track and consider developments in key 'import vulnerable' sectors (poultry, steel, glass inter alia)</p> <p>Trade Adjustment Assistance Programme is piloted (alongside the UIF) and an early iterative review undertaken</p>	1	1	Target achieved.
		<p>Number of assessments of investigations related to labour intensive sectors -Clothing, Textile Footwear and Leather; Furniture; Construction; Wholesale and retail trade.</p>	2	0	<p>Target not achieved. This indicator is dependent on the import sensitivity index which was completed in the last quarter.</p>
		<p>Number of High impact trade interventions related to labour intensive sectors.</p>	1	3	<p>Target Achieved.</p>
			1	1	<p>Target Achieved</p>

OVERVIEW OF PUBLIC ENTITY'S PERFORMANCE

Organizational environment

During the period under review, the unit through a task team implemented the recommendations of the Workload challenges report. This follows previous engagements with all Senior Managers on workload challenges and proposals as to how best the available human resources can be utilized to mitigate the risk of the high vacancy rate. Engagements have been concluded and some resources were transferred to other units to mitigate the capacity challenges. Four human resources policies were reviewed during the period and the Human Resources Plan was developed and implemented.

A framework for filling of vacancies has been developed to assist in the prioritizing of vacancies. Due to reductions in baseline allocations, ITAC is not be able to fill all its vacancies and it has become necessary to priorities certain vacancies. Some vacancies will not be filled in their current form and will be reorganized, reviewed and redirected to focus on other critical areas.

Service delivery environment

The International Trade Administration Commission of South Africa (ITAC) operates within a complex and dynamic environment characterized by a range of domestic and international factors influencing its effectiveness and operational framework. Established in terms of the International Trade Administration Act (Act No. 71 of 2002), ITAC plays a critical role in overseeing trade regulation and administration, thereby supporting South Africa's industrial and trade policy objectives.

ITAC operates within a robust regulatory and policy framework that is guided by domestic trade laws and international trade agreements. ITAC's core functions consist of customs tariff amendment investigations, trade remedy investigations and import and export control. ITAC provides these services mainly to companies, but also to individuals, across South Africa.

The environment within which ITAC provides these core functions is significantly influenced

by prevailing economic and market conditions, both domestically and abroad. Factors such as global economic fluctuations, commodity prices and domestic economic policies impact the Commission's decision-making processes. Additionally, trade dynamics with key international partners and changes in global trade patterns inform ITAC's approach to trade administration.

ITAC also operates within a network of institutional and organizational relationships that impact its service delivery environment. Collaboration with other government departments, such as the Department of Trade, Industry and Competition is crucial for aligning trade instruments, policies and strategies. Additionally, ITAC interacts with industry stakeholders, including businesses, trade associations, and consumer groups, to ensure that its decisions are well-informed and balanced.

In line with these considerations and as detailed in this report, ITAC conducted numerous tariff amendment and trade remedy investigations across multiple sectors of the South African economy. Additionally, the Import and Export Control unit issued thousands of import and export permits to enable the importation or exportation of specified goods.

Technological advancements and operational challenges also shaped ITAC's service delivery environment during the reporting period. The Commission must continually adapt to evolving technology to enhance its decision-making processes as well as its day-to-day operations. Regarding operational challenges, one of the principal ones related to resources and resource allocation. The former was related to budgetary constraints that affected ITAC's ability to fill vacant posts and complete administrative projects, such as software procurement. As for the latter, this budgetary issue also meant that ITAC had, at times, a relatively inadequate staff complement to perform investigations and inspections and issue permits. To address these challenges, ITAC was required to reassign some officials.

In summary, ITAC's service delivery environment during the reporting period was shaped by a variety of economic factors, institutional relationships, technological challenges, global trade dynamics and budgetary constraints. By effectively managing these factors, ITAC aimed to deliver on its mandate for the benefit of all South Africans.



GOVERNANCE

CORPORATE GOVERNANCE REPORT

Corporate governance embodies processes and systems by which an entity is directed, controlled, and held to account. ITAC adheres to a comprehensive set of policies designed in accordance with inputs from all appropriate stakeholders. This contributes towards strategies and in accordance with the Public Finance Management Act, (No 1 of 1999). ITAC established various governance structures including the Audit Committee, Risk Management Committee, the Commission, EXCO, MANCO, ICT Steering Committee, and various Human Resources related structures. Each governance structure is governed by an approved Terms of Reference which have been complied with.

Internal Controls

Internal control is designed to provide reasonable assurance as to the integrity and reliability of the performance information, the human resources information and the annual financial statements where the focus will be on the critical risk areas which are identified by management and will be reviewed by the Audit Committee. The Audit & Risk Committee is required to ensure that management has adequate controls in place over assets, risk, and financial systems, and systems to allow for timeous and accurate financial reporting that complies with all applicable requirements and legislation. The Audit and risk Committee plays a key role in the assurance process and effectiveness of risk management process at the ITAC.

Risk Management

ITAC has a Risk Management Framework and Risk Management Policy that guides the approach and process of managing risks in the organisation. The strategic risk profile of ITAC was reviewed and new strategic risks were identified. Action plans designed to mitigate against the identified risks were developed and progress reports by Risk Owners were monitored quarterly. Risk Management continues to be a standing item on the agenda of MANCO and the Audit Committee and reports are presented to these governance structures.

The Audit Committee exercises oversight, provide guidance, and advise Management on the overall risk management processes, effectiveness of internal controls, compliance with legislation.

ITAC has a Risk Management Committee which is an internal structure aimed at proactively monitoring and evaluating the effectiveness of organisation’s risk management activities. The Risk Management Committee is chaired by independent member who reports to the Audit Committee and has a formal charter that regulates its affairs. The internal members of the Audit Committee comprise of Executives and selected Senior Managers who represent specific functional areas within ITAC. The Risk Management Committee held five meetings during the 2023/24 financial year with four being ordinary meetings and one being a special meeting.

The following achievements can be highlighted amongst others:

- Training on Governance, Risks and Compliance was conducted with all staff
- The review and approval of the Risk Management policy, Risk Management framework, and Risk Management implementation plan.
- The annual risk identification and assessment, followed by the implementation of agreed upon action plans.
- Quarterly monitoring of strategic and operational risk registers.

A risk maturity assessment was conducted, having used the National Treasury assessment tool, for which an improvement plan was developed to address areas of weakness. The Regulatory Universe was reviewed and approved for implementation. Activities in relation to Business Continuity Management was undertaken and the entity will build on this during the 2024/25 financial year.

Fraud and Corruption

ITAC recognises that fraud and corruption present a significant risk to the organisation's assets, service delivery efficiency and reputation. ITAC has a Fraud Prevention Policy and a Fraud Prevention Plan reviewed and approved annually. ITAC has declared a policy of zero tolerance towards fraud and corruption.

The organisation will not condone such actions, whether known or unknown and expects the highest standards of ethical conduct of its officials and related parties and therefore emphasises the use of the Public Service Commission's National Anti-Corruption Hotline (NACH) for reporting information relating to incidents of suspected fraud and corruption. During the year under review, there were no cases of fraud and corruption reported by whistle blowers or members of the public through the presidential fraud hotline or other reporting channels.

Internal Audit and the Audit and Risk Committee

The primary function of the Internal Audit is to give objective assurance to the Accounting Authority and Audit Committee that adequate management

processes are in place to identify, monitor and manage risks. Internal Audit independently audits and evaluates the effectiveness of the organization's risk management, internal controls and governance process

During the 2023/24 financial year, Internal Audit performed audits in the following areas as per the approved annual plan:

- Performance against predetermined objectives.
- Financial Management.
- Core Business.
- Human Resource Management.

The Audit and Risk Committee reviewed the following:

- The effectiveness of the internal control systems.
- Activities of the Internal Audit function.
- Adequacy, reliability and accuracy of financial information.
- Accounting and auditing concerns identified as a result of internal and external audits.
- Compliance with legal and regulatory provisions.

Audit and Risk Committee

Name	Qualifications	Internal/ External	Date appointed	Date Resigned
R Govender (Chairperson)	CA(SA)	External	1 November 2018	N/A
VA Makaleni (Chairperson: Risk Management Committee)	Masters in Public Administration (MPA) B. Com (Accounting) Postgraduate Diploma in Management (Corporate Governance)	External	1 April 2020	N/A
L Monama	CA(SA)	External	1 October 2023	N/A

Compliance with laws and regulations

ITAC has an approved Compliance Policy and Framework. Compliance with the relevant legislation is monitored on a quarterly basis by the Risk Management Committee and no significant breaches were identified.

Minimising conflict of interest

The processes implemented to minimize conflict of interest are as follows:

The Supply Chain Management officials sign the code of ethics, which is in line with the Public Sector Code of Conduct. Each sitting's (meeting's) declaration of interest is also signed by the bid

committees. SCM practitioners should disclose any business, commercial, and financial interests or activities they engage in for financial benefit that could potentially give rise to a conflict of interest, to the extent that is required by their position.

Process followed where conflict of interest has been identified:

If a conflict has been detected for whatever reason (SCM officials and bid committee members), the official must disclose it and should step aside if he/she believes it will have an impact on the outcome of the procurement process. In addition ITAC staff complete annual financial declaration forms which are approved by the Chief Commissioner. The declaration of interest process is also done in all governance and bid meetings.

Code of Conduct

ITAC has a code of conduct which seeks to inform employees as to what is expected of them both in their individual conduct and in their relationship with others and to enhance professionalism and help to ensure public confidence in ITAC. The Code of Conduct was reviewed and approved during the reporting period. Furthermore, ITAC employees are required to declare their financial interest annually to mitigate any risk of conflict of interest. Fraud and corruption information sessions are conducted regularly to create awareness amongst the employees.

Health, Safety and Environmental Issues

ITAC has an approved Occupational Health and Safety Policy and an appointed Occupational Health and Safety Committee that oversee the health and safety of employees within our offices.

AUDIT & RISK COMMITTEE REPORT

We are pleased to present our report for the financial year ended 31 March 2024.

Audit Committee members and attendance.

The Audit Committee consisted of the members listed hereunder and were required to meet at least four times per annum as per its approved terms of reference. During the current year, eight meetings were held, four ordinary quarterly meetings and three special meetings.

Name of member	Meetings attended
R Govender (<i>Chairperson – appointed November 2018</i>)	8
V Makaleni (<i>Member of Audit Committee and Chairperson of Risk Management Committee Appointed April 2020</i>)	8
L Monama (<i>Appointed in November 2023</i>)	4

Audit Committee responsibilities

The Audit Committee completed its annual performance evaluation of the Committee and reports that it has complied with its responsibilities arising from section 51 (1)(ii) and 76(4)(d) of the PFMA and Treasury Regulation 27.1 and that it has adopted appropriate formal terms of reference as its Audit Committee Charter, has regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein.

The effectiveness of internal control

The Audit Committee considered the results of work performed by Internal Audit, any External assurance work undertaken during the year, the assurance received from ITAC Management and the Chairperson of the ITAC Risk Management Committee in overseeing the internal control environment.

The internal audit work completed during the year under review is detailed in page 72 of the governance report. Internal Audit completed work in the areas of Financial Management, Information Technology, Performance Information, Human Resources, Compliance and Core Business activities.

Our review of the findings of the risk based Internal Audit reviews together with the results of External Audit reviews, revealed that whilst improvement was noted in the extent of significant findings raised by the external audit review in relation to the prior year, there remains areas for attention. Reporting against targets in performance management and pre-determined objectives ensuring reported achievement aligns to evidence requires some focus.

Improvement is still required in financial management including provisioning, record keeping, finance and accounting policies, diligence with reviews and traction on action plans. Information Technology security and business continuity are other key areas for attention. ITAC experienced a cyber security incident during the year. The Audit Committee has discussed the findings with management and is satisfied that appropriate interventions are being considered to address areas of improvement, however, encourages management to focus attention on timeliness of actions as well as reducing the number of repeat audit findings.

Based on the above, the systems of internal control applied by ITAC over governance, including financial reporting and risk management are partially adequate and partially effective and therefore requires improvement.

Risk Management

The Audit Committee is responsible for the oversight of the risk management function. The ITAC has adopted a risk management framework, and relevant policies, in line with the PFMA. The Risk Management Committee is chaired by an independent Audit Committee member that reports quarterly to the Audit Committee. The risk management processes are reviewed by internal audit. The Audit Committee made recommendations to Management during the year to enhance the risk function which includes capacity building, a focus on the strategic risk process and enhancement of the governance and compliance framework and processes.

The quality of in year management and quarterly reports submitted in terms of the PFMA

The Audit Committee reviewed the quarterly reports which included financial statements and performance information of predetermined objectives prepared and issued by the Accounting Authority of ITAC during the year under review, and was satisfied with the content and quality thereof, however requires improvement on ITAC meeting deadlines in order to meet compliance submission timelines. Recommendations were made to improve the financial reporting including enhancing on forecasting.

Evaluation of Annual Financial Statements

The Audit Committee has:

- Assessed the performance of the Chief Financial Officer and the Finance function and found that the performance showed improvement from the previous financial year evidenced from a better audit outcome for the year. whilst there is a positive trend of improvement, some attention is still required to mature the overall skills with the team. The Audit Committee noted that there were several new and repeated issues raised by both internal and external audit that requires tighter controls in the area.
- Reviewed and discussed the audited Annual Financial Statements to be included in the Annual Report, with the External Auditors and the Accounting Authority; and made certain recommendations for improvement.
- Reviewed the External Auditor’s Management Report and Management’s response thereto.
- Reviewed changes in accounting policies and practices.
- Reviewed significant financial reporting judgements and estimates contained in the annual financial statements.
- Clarified and assessed the completeness of disclosures and whether disclosures made have been described properly in context.
- Assessed compliance with accounting standards and legal requirements.

- Reviewed significant adjustments and/or unadjusted differences resulting from the audit.
- Reflected on unusual circumstances or events and management’s explanation for the accounting treatment adopted.
- Obtained reasons for major year-on-year fluctuations, including variances of actual versus budget; and
- Reviewed the basis for the going concern assumption, including any financial sustainability risks and issues.

The Audit Committee concurs with and accepts the External Auditor’s report on the Annual Financial Statements and is of the opinion that the audited Annual Financial Statements should be accepted and read together with the report of the External Auditors. The Audit Committee requested Management to prepare a detailed plan of action that addresses the various findings reported by internal and external audit and concerns raised by the Audit Committee.

Performance Management

The responsibilities of the Audit Committee include the review of performance management. The Audit Committee has, in terms of the performance of the ITAC, performed the following functions:

- Reviewed and commented on compliance with statutory requirements and performance management best practices and standards.
- Reviewed and commented on the alignment of the annual performance plan, budget and strategic plan.
- Reviewed and commented on the relevance of indicators to ensure that they are measurable and relate to the mandate of the ITAC.
- Reviewed the outcomes of performance information audits issued by the internal audit function; and
- Reviewed the quarterly performance reports and made recommendations for improvement on performance management.

The Audit Committee has taken note of findings raised by External Audit on the quality of the annual performance information and has requested Management to prepare a detailed action plan to address the findings.

Internal Audit

The Audit Committee is satisfied that the Internal Audit function is operating independently. The Audit Committee is of a view that the function was not sufficiently resourced based on the approved plan and has not been fully effective in identifying control gaps and reporting thereon. The Audit Committee made recommendations to further improve the effectiveness of the Chief Audit Executive and the quality of internal audit.

The Audit Committee has determined, through its review of internal audit, that improvement is required especially in the areas of quality management, depth of review to identify weaknesses and ensuring that the planned audits are fully executed. Furthermore, an independent external review was conducted on the function during the year with the outcome of partially comply. Extensive gaps were identified that require the Chief Audit Executive to address in order for the function to comply with the required standards and delivery of quality services to ITAC. Significant improvement is required in this area and will be a key focus area in the new year.

External Audit

The Audit Committee has analysed the root causes of the new findings and management responses in the External Auditor's Management Report to ensure that they address the key risk areas and has requested Management to prepare a detailed action plan to address root causes. The Audit Committee is satisfied with the performance of the External Auditors.

Conclusion

The Audit Committee wishes to thank Management and the External Auditors for their efforts during the year. The Committee acknowledges areas of improvement and progress in the pursuit of good governance.

Romeshni Govender CA(SA)

Chairperson of the Audit Committee

Date: 31 July 2024

B-BBEE COMPLIANCE PERFORMANCE INFORMATION

Name of Sphere of Government / Public Entity / Organ of State :	International Trade Administration Commission of South Africa
Registration Number (If Applicable):	N/A
Physical Address:	Dtic campus 77 Meintjies Street Sunnyside Pretoria 0002
Type of Sphere of Government / Public Entity / Organ of State:	Schedule 3A Public Entity
Organisation Industry / Sector	Public sector

Has the Sphere of Government / Public Entity / Organ of State applied any relevant Code of Good Practice (B-BBEE Certificate Levels 1 – 8) with regards to the following:		
Criteria	Circle relevant answer	Attachment
Determining qualification criteria for the issuing of licences, concessions or other authorisations in respect of economic activity in terms of any law	No	Not applicable
Developing and implementing a preferential procurement policy	Yes	ITAC developed specific goals for allocating specific goals in line with Preferential Procurement Regulations.
Determining qualification criteria for the sale of state-owned enterprises	No	Not applicable
Developing criteria for entering into partnerships with the private sector	No	Not applicable
Determining criteria for the awarding of incentives, grants and investment schemes in support of Broad Based Black Economic Empowerment	No	Not applicable

APPROVED BY:



Ayabonga Cawe

International Trade Administration Commission (ITAC)

DATE: 31/03/2024

PREFERENTIAL PROCUREMENT POINTS ALLOCATION

The Preferential Procurement Regulations have been revised and the new regulations come into effect on 16 January 2023. The Regulations state that procurements should be evaluated in terms of Price and Preferential Procurement. Preferential Procurement now excludes points for BBBEE contributor level status and points would now need to be allocated based on specific goals of the entity. The specific goals must take into account contracting with persons, or categories of persons, historically disadvantaged by unfair discrimination on the basis of race, gender and disability and must include the implementation of programmes of the RDP as published in the Government Gazette No. 16085 dated 23 November 1994.

The revised Regulations, PPPFA, RDP and circular from the dtic were considered, and the table below is proposed to allocate points for specific goals of ITAC.

Specific Goal	20	10
100% Black Owned	6	4
51% - 99% Black Owned	4	2
100% Black Women Owned	6	3
51% - 99% Black Women Owned	4	2
5% Youth Owned	2	1
2% Owned by Persons with Disabilities	1	1
Business in township, rural or underdeveloped area	2	0
Exempt Micro Enterprise (EME)	3	0
Qualifying Small Enterprise (QSE)	2	1

For procurements that require local content, the following table is proposed:

Specific Goal	20	10
100% Black Owned	5	3
51% - 99% Black Owned	4	1
100% Black Women Owned	5	2
51% - 99% Black Women Owned	4	1
5% Youth Owned	1	1
2% Owned by Persons with Disabilities	1	1
Local Content	3	2
Exempt Micro Enterprise (EME)	5	0
Qualifying Small Enterprise (QSE)	3	1





D

HUMAN RESOURCE
MANAGEMENT

Human Resources Development

The human resources unit endeavours to drive workplace excellence in an environment that supports and develops professional skills and employees wellbeing, underpinned by our pursuit to deploy a highly committed and capable workforce. The unit seeks to create and an environment that supports and develops the well-being and professional skills of ITAC’s employees. The unit seeks to deliver on this goal by providing quality services in the areas of employee relations, employee wellness, recruitment and selection, employee retention, organisational development and performance management. Policies are regularly reviewed to balance the needs of employees and the employer while ensuring compliance with all relevant legislation.

During the period under review, the unit through a task team implemented the recommendations of the Workload challenges report. This follows previous engagements with all Senior Managers on workload challenges and proposals as to how best the available human resources can be utilised to mitigate the risk of the high vacancy rate. Engagements have been concluded and some resources were transferred to other units to mitigate the capacity challenges. Four human resources policies were reviewed during the period and the Human Resources Plan was developed and implemented.

Workforce planning

The framework for ITAC’s workforce planning is underpinned by a commitment to deploy a highly committed and capable workforce. This is achieved, in a first instance, by attracting and retaining a skilled and capable workforce. Attracting skilled employees is achieved through a competency-based recruitment and selection process. In this regard, a combination of values, knowledge, skills, personality attributes and future potential are key determinants in selecting successful candidates.

A Workplace Skills Plan (WSP) is developed and

implemented annually as a means to enhance the employees’ professional skills. This is to ensure workplace efficiency and performance. Central to ITAC’s workforce planning strategy is the achievement of a diverse workforce. It has been shown that employees from diverse backgrounds contribute to improved innovation, creativity and knowledge generation. This is complemented by implementing an array of affirmative policies to promote access to equal employment opportunities and benefits.

Employee performance management

ITAC’s performance management involves more than simply providing a periodic review for each employee. It is also about identifying strengths and weaknesses in an employee’s performance and how to assist such employee to be a more productive and effective worker. In line with this goal, ITAC provides recognition for employees who have attained above-average performance levels

Employee Health and Wellness

The Human Resources unit seeks not only to enhance the professional skills of employees, but also to ensure their well-being. This is achieved by creating a supportive working environment and through the establishment of ITAC’s Employee Health and Wellness programme. ITAC has appointed a service provider to provide preventative, consultative and information services to all employees and their families who may encounter personal problems.

Employment

ITAC’s organisational structure consists of 130 approved posts with 102 filled posts and 28 vacant posts. In addition, there are 13 contract employees 10 in core business and 3 in Support Services. The composition of the workforce as at 31 March 2024 comprises of the following:

Division	Core Business	Support Services
Approved Posts	57	43
Contract posts	10	3

Please note that the ratio excludes the two Executives, i.e. Chief Commissioner and the General Manager: Corporate Services.

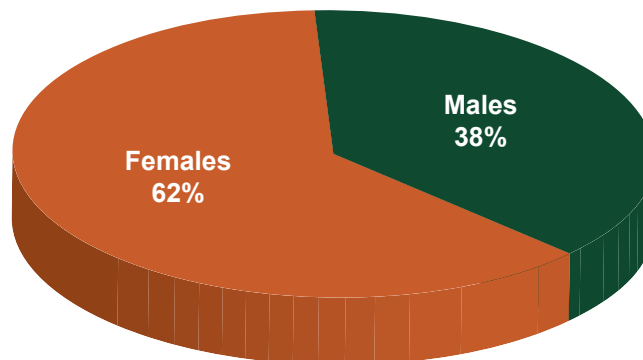
As at the end of 31 March 2024, there were 28 vacant positions which constitutes a vacancy rate of 22% which is considerably high. The MTEF allocation on Compensation of employees (COE) was reduced significantly and as a result of the budgetary constraints the recruitment process for most of the vacant positions could not be initiated.

A framework for filling of vacancies has been developed to assist in the prioritizing of vacancies. Due to reductions in baseline allocations, ITAC is not be able to fill all its vacancies and it has become necessary to priorities certain vacancies. Some vacancies will not be filled in their current form and will be reorganized, reviewed and redirected to focus on other critical areas.

Employment Equity (EE)

In accordance with the Employment Equity Act, of 1998, ITAC is committed to providing and transforming a workforce that is equitably representative of the demographics of South Africa

In graph format:



The above graph depicts gender representation of employees who are currently employed by ITAC in the period under review. The current status in terms of gender representation is also a consideration in terms of setting up targets for the employment equity plan.

united in diversity through the appointment of suitably qualified people from designated groups in all occupational levels and categories.

The highlights of the year under review includes: a proper functioning EE committee and reporting the EE progress against the EE plan to the department of labour. The current plan was approved from 2022 till 2025 and the annual report for 2023 has been submitted.

Employee Profile

The following graphs present ITAC's employee profile in terms of a) gender; b) race; and c) Job classifications.

a. Gender profile

The table below shows the gender profile as at 31 March 2024:

Males	Females
39	63

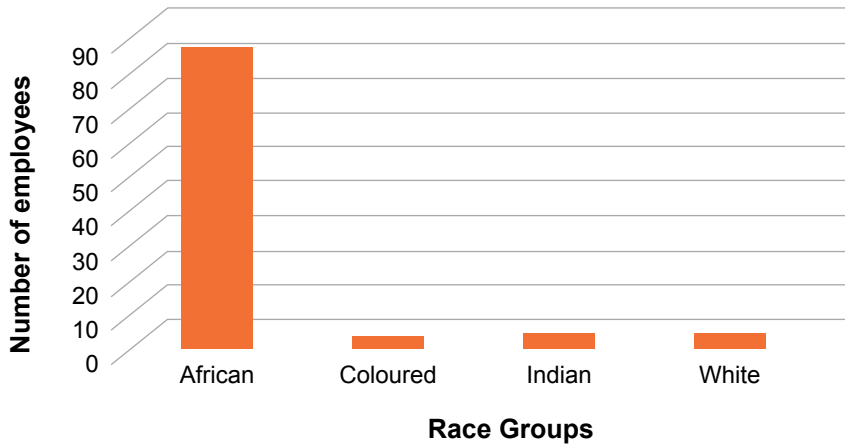
b. Race Profile

The table below shows the race profile as at 31 March 2024:

Table 2.

African	Coloured	Indian	White
92	3	4	3

In Graph format:



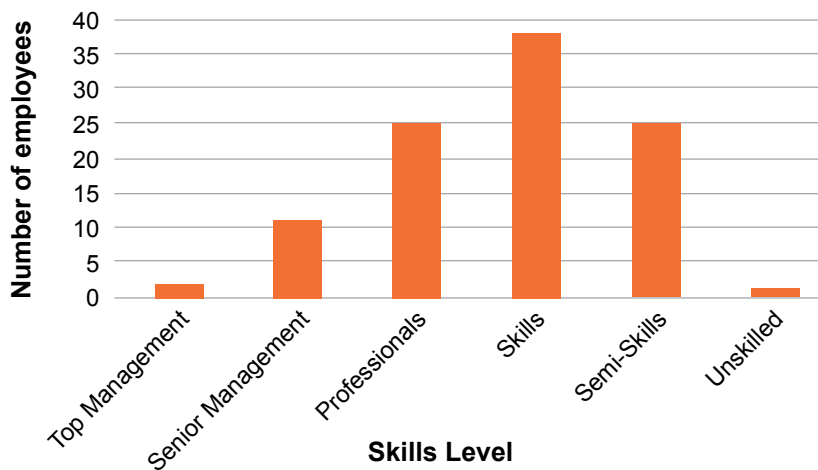
The graph above depicts the racial representation of employees who are currently employed by ITAC in the period under review.

c. Job Profile

The table below shows the job profile as at 31 March 2024:

Top Management	Senior Management	Professionals	Skilled	Semi-Skilled	Unskilled	Total
2	11	25	38	25	1	102

In graph format:



The graph above depicts the percentages of employees at different occupational categories, who are currently employed by ITAC in the period under review. This also informs ITAC's employment equity plan, in terms of ensuring that employees are equally represented at all occupational categories.



PFMA COMPLIANCE REPORT

1. Fruitless and wasteful expenditure

a) Reconciliation of fruitless and wasteful expenditure

Description	2024	2023
Opening balance	2 077	
Adjustment to opening balance		
Opening balance as restated		
Add: Fruitless and wasteful expenditure confirmed		2 077
Less: Fruitless and wasteful expenditure recoverable		
Less: Fruitless and wasteful expenditure not recoverable and written off	(2 077)	
Closing balance	-	2 077

b) Reconciling notes

Details of fruitless and wasteful expenditure not recoverable and written off

Description	2024	2023
Fruitless and wasteful expenditure written off	2 077	
Total	2 077	

One case of fruitless and wasteful expenditure was reported and investigated during the 2022/23 financial year. The fruitless and wasteful expenditure was in relation to a late payment for the October 2022 contributions to the GEFP and interest and penalties were charged on the late payment amounting to R2 077.

c) Details of disciplinary or criminal steps taken because of fruitless and wasteful expenditure

Disciplinary steps taken
Two employees were issued with warnings.

2. Information on payment of suppliers' invoices

Description	Number of invoices	Value
Valid invoices received	768	R31 147 130
Invoices paid within 30 days or agreed period	768	R31 147 130
Invoices paid after 30 days or agreed period	-	-
Invoices older than 30 days or agreed period (unpaid and without dispute)	-	-
Invoices older than 30 days or agreed period (unpaid and in dispute)	-	-

3. Supply Chain Management

3.1. Procurement by other means

Project description	Name of supplier	Type of procurement by other means	Contract number	Value of contract R
SAITEX Exhibition	DMG Exhibition Management Services	Sole Supplier		42 840
KZN Manufacturing Indaba	Manufacturing Indaba	Sole Supplier		36 444
IT Web Security Submit	IT Web	Sole Supplier		7 453
Shredder Repairs	Rexel Office Products	Sole Supplier		2 494
Business Live Subscription	Arena Holdings	Sole Supplier		1 548
Software	CData Software	Sole Supplier		65 360
CGE Modelling training	Enterprises UP	Sole Supplier		45 000
TRA Caseware training	Adapt IT	Sole Supplier		31 017
Train Restoration of IT systems	Sithabile IT Services	Sole Supplier		18 400
TRA Restoration of ITAC website	Thoughtcorp	Sole Supplier		1 840

3.2. Contract variations and expansions

Project description	Name of supplier	Contract modification type (Expansion or Variation)	Contract number	Original contract value	Value of previous contract expansion/s or variation/s (if applicable)	Value of current contract expansion or variation
				R	R	R
None						





**FINANCIAL
INFORMATION**

Accounting Authority's Responsibilities and approval

The International Trade Administration Act, 71 of 2002 (ITA Act), requires the Chief Commissioner to ensure that ITAC maintains full and proper records of its financial affairs. The Accounting Authority is required by the Public Finance Management Act (1 of 1999), to maintain adequate accounting records and is responsible for the content and integrity of the annual financial statements and related financial information included in this report.

It is the responsibility of the Accounting Authority, the Chief Commissioner in this case, to ensure that the annual financial statements fairly present the state of affairs of ITAC as at the end of the financial year and the results of its operations and cash flows for the period then ended. The external auditor was engaged to express an independent opinion on the annual financial statements and was given unrestricted access to all financial records and related data.

The annual financial statements have been prepared in accordance with Standards of Generally Recognised Accounting Practice (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board.

The annual financial statements are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The Chief Commissioner has reviewed ITAC's budget and cash flow forecasts. On the basis of this review, and in view of the current financial position and existing resources of the parent department by way of transfer payments to ITAC, the Chief Commissioner has every reason to believe that ITAC will be a going concern in the year ahead and the going concern basis has therefore been adopted in preparing the financial statements.

To enable the Chief Commissioner to meet these responsibilities, senior management sets standards for internal control aimed at reducing the risk of error or deficit in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk.

These controls are monitored throughout ITAC, and all employees are required to maintain the highest ethical standards in ensuring that ITAC's business is conducted in a manner that in all reasonable circumstances is above reproach.

The focus of risk management in ITAC is on identifying, assessing, managing and monitoring all known forms of risk across the entity. While operational risk cannot be fully eliminated, ITAC endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The internal controls contain self-monitoring mechanisms and actions are taken to correct deficiencies as they are identified. Even an effective system of internal control, no matter how well designed, has inherent limitations, including the possibility of circumvention or overriding of controls.

An effective system of internal control therefore, aims to provide reasonable assurance with respect to the reliability of financial information, and particularly financial statements presentation.

Furthermore, because of changes in the operating and control environment, the effectiveness of internal controls may vary over time.

The Executive Committee has reviewed ITAC's systems of internal control and risk management for the period ending 31 March 2024, and is of the opinion that ITAC's systems of internal control and risk management were effective for the period under review.

I am satisfied that these financial statements represent a fair reflection of the results of ITAC for the period ending 31 March 2024.



Ayabonga Cawe

Chief Commissioner

Accounting Authority's Report

Report by the Chief Commissioner for the year ended 31 March 2024.

1. Operating results

The surplus for the period ended 31 March 2024 was R11 016 607 (2023: R7 324 709). The interest received for the period ended 31 March 2024 was R7 354 628 (2023: R4 867 426).

2. Review of activities main business and operations

ITAC's actual total revenue for the period was R126 489 406, while actual expenditure was R115 472 799. Major variances were on employee related costs, operating leases, general expenses and information technology related expenditure. A detailed explanation of material variances is disclosed in note 26 of the annual financial statements.

3. Going concern

The annual financial statements have been prepared based on accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realization of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

4. Subsequent events

The Chief Commissioner is not aware of any subsequent events that took place after the reporting period.

5. Accounting policies

The annual financial statements were prepared and complies with the Standards of Generally Recognized Accounting Practice (GRAP) issued by the Accounting Standards Board in accordance with Section 9 (1) of the Public Finance Management Act (Act 1 of 1999).

6. Executive management remuneration

Disclosure of the Executive Management's remuneration is included in the related parties note, note 23 of annual financial statements.

7. Materiality and significance framework

ITAC has developed and adopted a materiality and significance framework for reporting losses through criminal conduct, irregular, fruitless or wasteful expenditure, as well as for significant transactions envisaged as per section 55 (2) of the Public Finance Management Act (Act No 29 of 1999). The materiality amount for the period under review was R614 560. This represents 0.5% of ITAC's total approved revenue budget for the period. ITAC's total approved revenue budget for the period was R122 912 000.

The annual financial statements, which have been prepared on the going concern basis, were approved by the Chief Commissioner, who is the Accounting Authority on 31 July 2024.



Mr. Ayabonga Cawe

Chief Commissioner

Independent Auditors Report to the Parliament on International Trade Administration Commission of South Africa

Report on the audit of the financial statements

Opinion

1. We have audited the financial statements of the International Trade Administration Commission of South Africa set out on pages 99 to 128 , which comprise the statement of financial position as at 31 March 2024, statement of financial performance, statement of changes in net assets , and cash flow statement and statement of comparison of budget information with actual information for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.
2. In our opinion, the financial statements present fairly, in all material respects, the financial position of the International Trade Administration Commission of South Africa as at 31 March 2024 and its financial performance and cash flows for the year then ended in accordance with the Generally Recognised Accounting Practice (GRAP) and the requirements of the Public Finance Management Act of South Africa, Act No. 1 of 1999(PFMA).

Basis for opinion

3. We conducted our audit in accordance with the International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the responsibilities of the auditors for the audit of the financial statements section of our report.
4. We are independent of the International Trade Administration Commission of South Africa in accordance with the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (IRBA Code) and other independence requirements

applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards).

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Accounting Authority for financial statements

6. The Accounting Authority is responsible for the preparation and fair presentation of the financial statements in accordance with the Generally Recognised Accounting Practice (GRAP) and the requirements of the Public Finance Management Act and for such internal control as the Accounting Authority determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
7. In preparing the financial statements, the Accounting Authority is responsible for assessing the public entity's ability to continue as a going concern; disclosing, as applicable, matters relating to going concern; and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the public entity or to cease operations or has no realistic alternative but to do so.

Responsibilities of the auditors for the audit of the financial statements

8. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error; and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
9. A further description of our responsibilities for the audit of the financial statements is included in the annexure to this auditor’s report.

Programmes	Page numbers	Purpose
Custom Tariffs Investigations	57	To promote, in a complementary manner, domestic production, job retention and creation, inclusive growth and international competitiveness.
Import and export control	62	To enforce health, environmental, security and safety, and technical standards that arise from domestic laws and international agreements.

12. We evaluated the reported performance information for the programmes against the criteria developed from the performance management and reporting framework, as defined in the general notice. When an annual performance report is prepared using these criteria, it provides useful and reliable information and insights to users on the public entity’s planning and delivery on its mandate and objectives.
13. We performed procedures to test whether:
- the indicators used for planning and reporting on performance can be linked directly to the public entity’s mandate and the achievement of its planned objectives

Report on the audit of the annual performance report

10. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, we must audit and report on the usefulness and reliability of the reported performance against predetermined objectives for the selected programmes presented in the annual performance report. The Accounting Authority is responsible for the preparation of the annual performance report.
11. We selected the following programmes presented in the annual performance report for the year ended 31 March 2024 for auditing. We selected programmes that measures the public entity’s performance on its primary mandated functions and that are of significant national, community or public interest.

- the indicators are well defined to ensure that they are easy to understand and can be applied consistently, as well as verifiable so that we can confirm the methods and processes to be used for measuring achievements
- the targets can be linked directly to the achievement of the indicators and are specific, time bound and measurable to ensure that it is easy to understand what should be delivered and by when, the required level of performance as well as how performance will be evaluated
- the indicators and targets reported in the annual performance report are the same as those committed to in the approved initial or revised planning documents

- the reported performance information is presented in the annual performance report in the prescribed manner
- there is adequate supporting evidence for the achievements reported and for the reasons provided for any over- or under achievement of targets / measures taken to improve performance.

14. We performed the procedures for the purpose of reporting material findings only; and not to express an assurance opinion or conclusion.

15. We did not identify any material findings on the reported performance information for the selected programmes.

Other matter

16. We draw attention to the matter below.

Achievement of planned targets

17. The annual performance report includes information on reported achievements against planned targets and provides explanations for the achievements of planned targets for the year.

Report on compliance with legislation

18. In accordance with the PAA and the general notice issued in terms thereof, we must audit and report on compliance with applicable legislation relating to financial matters, financial management and other related matters. The Accounting Authority is responsible for the public entity's compliance with legislation.

19. We performed procedures to test compliance with selected requirements in key legislation in accordance with the findings engagement methodology of the Auditor-General of South Africa (AGSA). This engagement is not an assurance engagement. Accordingly, we do not express an assurance opinion or conclusion.

20. Through an established AGSA process, we selected requirements in key legislation for

compliance testing that are relevant to the financial and performance management of the public entity, clear to allow consistent measurement and evaluation, while also sufficiently detailed and readily available to report in an understandable manner. The selected legislative requirements are included in the annexure to this auditor's report.

21. We did not identify any material non-compliance with the selected legislative requirements.

Other information in the annual report

22. The Accounting Authority is responsible for the other information included in the annual report. The other information comprises the information included in the annual report. The other information does not include the financial statements, the auditor's report and those selected programmes presented in the annual performance report that have been specifically reported on in this auditor's report.

23. Our opinion on the financial statements, the report on the audit of the annual performance report and the report on compliance with legislation do not cover the other information included in the annual report and we do not express an audit opinion or any form of assurance conclusion on it.

24. Our responsibility is to read this other information and, in doing so, consider whether it is materially inconsistent with the financial statements and the selected programmes presented in the annual performance report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

25. When we do receive and read the final annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, we may have to retract this

auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

Internal control deficiencies

26. We considered internal control relevant to our audit of the financial statements, annual performance report and compliance with applicable legislation; however, our objective was not to express any form of assurance on it.

27. We did not identify any significant deficiencies in internal control.

Audit Tenure

28. In terms of the IRBA rule published in Government Gazette No. 39475 dated 4 December 2015, we report that Rakoma & Associates Inc. has been the auditor of International Trade Administration Commission of South Africa for one year.

Rakoma and Associates Inc.

Rakoma and Associates Inc

Per: Edgar Rakoma CA (SA)

Registered Auditor

Engagement Partner

Willow Wood Office Park Block D,

CNR, 3rd Ave & Ceder Rd,

Johannesburg,

2021

31 July 2024

Annexure to the auditor's report

29. The annexure includes the following:

- The auditor's responsibility for the audit
- The selected legislative requirements for compliance testing

Auditor's responsibility for the audit

Professional judgement and professional scepticism

30. As part of an audit in accordance with the ISAs, we exercise professional judgement and maintain professional scepticism throughout our audit of the financial statements and the procedures performed on reported performance information for selected programmes and on the public entity's compliance with selected requirements in key legislation.

Financial statements

31. In addition to our responsibility for the audit of the financial statements as described in this auditor's report, we also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the public entity's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of

accounting estimates and related disclosures made

- conclude on the appropriateness of the use of the going concern basis of accounting in the preparation of the financial statements. We also conclude, based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the ability of the public entity to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify our opinion on financial statements. Our conclusions are based on the information available to us at the date of this auditor's report. However, future events or conditions may cause a public entity to cease operating as a going concern
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Communication with those charged with governance

32. We communicate with the accounting authority regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

33. We also provide the accounting authority with a statement that we have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and, where applicable, actions taken to eliminate threats or safeguards applied.

Compliance with legislation – selected legislative requirements

34. The selected legislative requirements are as follows:

Legislation	Sections or regulations
Public Finance Management Act 1 of 1999 (PFMA).	Section 51(1)(a)(iv); 51(1)(b)(i); 51(1)(b)(ii); 51(1)(e)(iii) Section 53(4) Section 54(2)(c’); 54(2)(d) Section 55(1)(a); 55(1)(b); 55(1)(c)(i) Section 56(1); 56(2) Section 57(b); Section 66(3)(c’); 66(5)
Treasury Regulations	Treasury Regulation 8.2.1; 8.2.2 Treasury Regulation 16A 3.1; 16A 3.2; 16A 3.2(a); 16A 6.1; 16A6.2(a) & (b); 16A6.2(e);16A 6.3(a); 16A 6.3(a)(i); 16A 6.3(b); 16A 6.3(c); 16A 6.3(d); 16A 6.3(e); 16A 6.4; 16A 6.5; 16A 6.6; TR 16A.7.1; 16A.7.3; 16A.7.6; 16A.7.7; 16A 8.2(1); 16A 8.2(2); 16A 8.3; 16A 8.3(d); 16A 8.4; 16A9.1 16A9; 16A9.1(b)(ii); 16A9.1(c); 16A 9.1(d); 16A 9.1(e); 16A9.1(f); 16A 9.2; 16A 9.2(a)(ii); TR 16A 9.2(a)(iii) Treasury Regulation 30.1.1; 30.1.3(a); 30.1.3(b); 30.1.3(d); 30.2.1 Treasury Regulation 31.1.2(c’) Treasury Regulation 31.2.1; 31.2.5; 31.2.7(a) Treasury Regulation 31.3.3 Treasury Regulation 32.1.1(a); 32.1.1(b); 32.1.1(c’) Treasury Regulation 33.1.1; 33.1.3
Public service regulation	Public service regulation 13(c);18; 18 (1) and (2);
Prevention and Combating of Corrupt Activities Act No.12 of 2004 (PRECCA)	Section 34(1)
Construction Industry Development Board Act No.38 of 2000 (CIDB)	Section 18(1)
CIDB Regulations	CIDB regulation 17; 25(1); 25 (5) & 25(7A)
International Trade Administration Act of 2002	International Trade Administration Act of 2002
PPPFA	Section 1(i); 2.1(a); 2.1(b); 2.1(f)

Legislation	Sections or regulations
PPR 2017	Paragraph 4.1; 4.2 Paragraph 5.1; 5.3; 5.6; 5.7 Paragraph 6.1; 6.2; 6.3; 6.5; 6.6; 6.8 Paragraph 7.1; 7.2; 7.3; 7.5; 7.6; 7.8 Paragraph 8.2; 8.5 Paragraph 9.1; 9.2 Paragraph 10.1; 10.2 Paragraph 11.1; 11.2 Paragraph 12.1 and 12.2

Statement of Financial Position as at 31 March 2024

Figures in Rand	Note(s)	2024	2023
Assets			
Current Assets			
Inventories	3	162 094	87 009
Receivables from exchange transactions	4	149 099	123 344
Prepayments	5	2 361 433	2 057 741
Cash and cash equivalents	6	50 874 474	47 662 851
		53 547 100	49 930 945
Non-Current Assets			
Property, plant and equipment	7	3 087 554	1 294 023
Intangible assets	8	3 168 649	2 065
		6 256 203	1 296 088
Total Assets		59 803 303	51 227 033
Liabilities			
Current Liabilities			
Operating lease liability	9	762 965	-
Payables from exchange transactions	10	1 724 734	4 546 294
Provisions	11	5 415 152	5 392 283
Employee benefit obligations	12	10 431 188	10 835 796
		18 334 039	20 774 373
Total Liabilities		18 334 039	20 774 373
Net Assets		41 469 264	30 452 660
Accumulated surplus		41 469 264	30 452 660
Total Net Assets		41 469 264	30 452 660

Statement of Financial Performance for the year ended 31 March 2024

Figures in Rand	Note(s)	2024	2023
Revenue			
Revenue from exchange transactions			
Other income	13	79 378	134 371
Interest received - cash and cash equivalents	13	7 354 628	4 867 426
Profit on disposal of assets	13	57 400	15 595
Total revenue from exchange transactions		7 491 406	5 017 392
Revenue from non-exchange transactions			
Transfer revenue			
Government grants & subsidies	13	118 998 000	108 559 000
Total revenue	13	126 489 406	113 576 392
Expenditure			
Employee related costs	14	(90 659 552)	(82 456 567)
Depreciation and amortisation	15	(1 131 650)	(466 873)
Lease rentals on operating lease	16	(8 110 492)	(9 204 353)
Debt Impairment	17	(49 094)	(752)
General Expenses	18	(15 522 011)	(14 123 138)
Total expenditure		(115 472 799)	(106 251 683)
Surplus for the year		11 016 607	7 324 709

Statement of Changes in Net Assets for the year ended 31 March 2024

Figures in Rand	Accumulated surplus	Total net assets
Balance at 01 April 2022	23 127 951	23 127 951
Changes in net assets		
Surplus for the year	7 324 709	7 324 709
Total changes	7 324 709	7 324 709
Balance at 01 April 2023	30 452 658	30 452 658
Changes in net assets		
Surplus for the year	11 016 606	11 016 606
Total changes	11 016 606	11 016 606
Balance at 31 March 2024	41 469 264	41 469 264

Cash Flow Statement

Figures in Rand	Note(s)	2024	2023
Cash flows from operating activities			
Receipts			
Grants		118 998 000	108 559 000
Interest received - cash and cash equivalents		7 281 372	4 867 426
Other receipts		110 621	237 003
		126 389 993	113 663 429
Payments			
Employee costs		(91 064 160)	(81 294 651)
Suppliers		(26 434 519)	(22 028 056)
Other payments		-	(2 077)
		(117 498 679)	(103 324 784)
Net cash flows from operating activities	19	8 891 314	10 338 645
Cash flows from investing activities			
Purchase of property, plant and equipment	7	(2 912 035)	(579 176)
Purchase of other intangible assets	8	(2 771 213)	-
Proceeds from disposal of assets	8	-	96 662
Proceeds from insurance		3 557	-
Net cash flows from investing activities		(5 679 691)	(482 514)
Net increase/(decrease) in cash and cash equivalents		3 211 623	9 856 131
Cash and cash equivalents at the beginning of the year		47 662 851	37 806 720
Cash and cash equivalents at the end of the year	6	50 874 474	47 662 851

Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis						
Figures in Rand	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Statement of Financial Performance						
Revenue						
Revenue from exchange transactions						
Other income	233 000	-	233 000	79 378	(153 622)	26 - N1
Interest received - cash and cash equivalents	1 252 000	-	1 252 000	7 354 628	6 102 628	26 - N2
Total revenue from exchange transactions	1 485 000	-	1 485 000	7 434 006	5 949 006	
Revenue from non-exchange transactions						
Transfer revenue						
Government grants & subsidies	121 427 000	(2 429 000)	118 998 000	118 998 000	-	
Total revenue	122 912 000	(2 429 000)	120 483 000	126 432 006	5 949 006	
Expenditure						
Employee related costs	(100 403 000)	2 429 000	(97 974 000)	(90 659 552)	7 314 448	26 - N3
Depreciation and amortisation	(1 053 000)	-	(1 053 000)	(1 131 650)	(78 650)	26 - N4
Lease rentals on operating lease	(7 950 000)	-	(7 950 000)	(8 110 492)	(160 492)	26 - N5
Debt impairment	-	-	-	(49 094)	(49 094)	26 - N6
General expenses	(13 506 000)	-	(13 506 000)	(15 522 011)	(2 016 011)	26 - N7
Total expenditure	(122 912 000)	2 429 000	(120 483 000)	(115 472 799)	5 010 201	
Operating surplus	-	-	-	10 959 207	10 959 207	
Profit on disposal of assets	-	-	-	57 400	57 400	26 - N8
Surplus before taxation	-	-	-	11 016 607	11 016 607	
Surplus for the year	-	-	-	11 016 607	11 016 607	
Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement	-	-	-	11 016 607	11 016 607	

Significant Accounting Policies

1. Significant accounting policies

The significant accounting policies applied in the preparation of these annual financial statements are set out below.

1.1 Basis of preparation

The annual financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP), issued by the Accounting Standards Board in accordance with Section 91(1) of the Public Finance Management Act (Act 1 of 1999).

These annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention as the basis of measurement, unless specified otherwise.

In the absence of an issued and effective Standard of GRAP, accounting policies for material transactions, events or conditions were developed in accordance with paragraphs 8, 10 and 11 of GRAP 3 as read with Directive 5.

These accounting policies are consistent with the previous period.

1.2 Presentation currency

These annual financial statements are presented in South African Rand, which is the functional currency of the entity. All financial figures have been rounded off to the nearest Rand.

1.3 Going concern assumption

These annual financial statements have been prepared based on the expectation that entity will continue to operate as a going concern for the foreseeable future.

1.4 Significant judgements and sources of estimation uncertainty

In preparing the annual financial statements, management is required to make estimates and assumptions that affect the amounts presented in the annual financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the annual financial statements. Significant judgements include:

Trade receivables

ITAC assesses its trade receivables for impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in surplus or deficit, ITAC makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from receivables.

Most of ITAC's trade receivables are staff debtors and collected through payroll deductions. Staff debtors and other debtors are stated at cost less provision for doubtful debts. The provision is made on an individual basis and based on expected cash flows. Considerations will include amongst others: whether the employee is still within ITAC's employment, if the amounts can be recovered through collection agents or deceased estate for deceased employees and whether it is economical to pursue certain debts.

Provisions

The amount of provision is the best estimate of the expenditure expected to be required to settle the present obligation at the reporting date. Additional disclosure of these estimates of provisions are included in note 11 - Provisions. The following estimate was applied by management at the reporting date:

Significant Accounting Policies

Legal provisions - The amount of legal fees provisioned per case are based on an estimated amount using the hours spent on each case per quarter multiplied by the counsel's approved rate per hour. The hours spent on each case are managements' best estimate, mainly based on historical experience in dealings with legal matters. Adjustments will be made upon receiving the actual invoice from counsel. Adjustments in the form of reversals are also made when cases are finalized and no further invoices are expected. Where quotations/pro-forma invoices are available from counsel, the amounts will be used to estimate the liability.

Useful lives and residual values of property, plant and equipment

Management determine the estimated useful lives, residual values and related depreciation charges for property, plant and equipment. The estimated useful lives, residual values and depreciation methods are reviewed at each year end, with any changes in estimates accounted for on a prospective basis. Prior year errors are accounted for retrospectively and the comparative amounts for the prior year in which the error occurred restated. The estimate is based on the replacement plan, condition and use of the individual assets, in order to determine the remaining period over which the asset can and will be utilised. Management will decrease the depreciation charge where useful lives are more than previously estimated.

Allowance for doubtful debts

An impairment loss is recognised in surplus or deficit when there is objective evidence that receivables are impaired. As most ITAC's debtors are staff debts, an allowance is raised when the employee had left ITAC employment, and collection prospects are remote. The debts are first referred to the debt collector and when collection fails, an allowance for the full amount is raised.

1.5 Property, plant and equipment

Property, plant and equipment is initially measured at cost.

Where an asset is acquired through a non-exchange transaction, its cost is its fair value as at date of acquisition.

Recognition of costs in the carrying amount of an item of property, plant and equipment cease when the item is in the location and condition necessary for it to be capable of operating in the manner intended by management.

ITAC's property, plant and equipment is administrative in nature and non-cash-generating assets.

Property, plant and equipment is depreciated on the straight-line basis over their expected useful lives to their estimated residual value.

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses. The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Depreciation method	Average useful life
Furniture and fixtures	Straight-line	6 to 8 years
Office equipment	Straight-line	3 to 8 years
Computer equipment	Straight-line	3 to 5 years
Servers	Straight-line	5 to 7 years
Ipads and cellphones	Straight-line	2 to 3 years

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

Significant Accounting Policies

ITAC assesses at each reporting date whether there is any indication that the entity’s expectations about the residual value and the useful life of an asset have changed since the preceding reporting date. If any such indication exists, the entity revises the expected useful life accordingly. The change is accounted for as a change in an accounting estimate.

The depreciation charge for each period is recognised in surplus or deficit unless it is included in the carrying amount of another asset.

Items of property, plant and equipment are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset.

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in surplus or deficit when the item is derecognised. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

1.6 Intangible assets

An intangible asset is recognised when:

- it is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to the entity;and
- the cost or fair value of the asset can be measuredreliably.

Intangible assets are initially recognised at cost.

ITAC’s intangible assets include computer software internally developed. Computer software that is not an intergral part of the hardware and that can be identified and separated is capitalised as an intangible asset. Costs associated with the development or maintaining in-house computer software programmes are capitalised when they are incurred.

Intangible assets are carried at cost less any accumulated amortisation and any impairment losses.

The amortisation period and amortisation method for intangible assets are reviewed at each reporting date. Amortisation is provided to write down intangible assets, on a straight-line basis, to their residual values as follows:

Item	Depreciation method	Average useful life
Computer software,internally developed	Straight-line	5 years

Intangible assets are derecognised:

- on disposal;or
- when no future economic benefits or service potential are expected from its use ordisposal.

The gain or loss arising from the derecognition of intangible assets is included in surplus or deficit when the asset is derecognised.

1.7 Financial instruments

ITAC’s financial assets consist of cash and cash equivalents and receivables from exchange transactions. Financial liabilities consists of payables from exchange transactions.

Classification

Significant Accounting Policies

ITAC has the following types of financial assets (classes and category) as reflected on the face of the statement of financial position or in the notes thereto:

Class	Category
Cash and cash equivalents	Financial asset measured at amortised cost
Receivables from exchange transactions	Financial asset measured at amortised cost

ITAC has the following types of financial liabilities (classes and category) as reflected on the face of the statement of financial position or in the notes thereto:

Class	Category
Payables from exchange transactions	Financial liability measured at amortised cost

Initial recognition

The entity recognises a financial asset or a financial liability in its statement of financial position when the entity becomes a party to the contractual provisions of the instrument.

The entity recognises financial assets using trade date accounting.

Measurement of financial assets and financial liabilities

ITAC measures a financial asset and financial liability initially at its fair value plus transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability. Financial assets and financial liabilities are subsequently measured at amortised cost.

Impairment and uncollectibility of financial assets

When an amount is outstanding for more than 90 days, this is considered by management as objective evidence that an impairment loss has occurred. However, there may be other objective evidence that may or may not indicate impairment of a financial asset. Management considers such objective evidence when assessing an impairment of a financial asset. The amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows. The carrying amount of the asset is reduced through the use of an allowance account. The amount of the loss is recognised in surplus or deficit.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed by adjusting an allowance account. The reversal does not result in a carrying amount of the financial asset that exceeds what the amortised cost would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal is recognised in surplus or deficit.

Derecognition

Financial assets

The entity derecognises financial assets using trade date accounting.

The entity derecognises a financial asset only when:

- the contractual rights to the cash flows from the financial asset expire, are settled or waived;
- the entity transfers to another party substantially all of the risks and rewards of ownership of the financial asset; or

Significant Accounting Policies

- the entity, despite having retained some significant risks and rewards of ownership of the financial asset, has transferred control of the asset to another party and the other party has the practical ability to sell the asset in its entirety to an unrelated third party, and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer. In this case, the entity:
 - derecognise the asset;and
 - recognise separately any rights and obligations created or retained in the transfer.

ITAC refers doubtful receivables from exchange transactions to a debt collector for recovery. When the debt collection processes fail and the amounts are uneconomical to pursue legal action, the debts are provided for and written-off.

Financial liabilities

The entity removes a financial liability (or a part of a financial liability) from its statement of financial position when it is extinguished - i.e. when the obligation specified in the contract is discharged, cancelled, expires or waived.

Presentation

Interest relating to a financial instrument or a component that is a financial liability is recognised as revenue or expense in surplus or deficit.

Losses and gains relating to a financial instrument or a component that is a financial liability is recognised as revenue or expense in surplus or deficit.

1.8 Tax

ITAC is exempt from income tax in terms of section 10(1)(a) of the Income Tax Act, 1962.

1.9 Leases

Operating leases - lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset or liability.

1.10 Inventories

ITAC's inventory consist of stationery and consumables. Inventories are initially measured at cost except where inventories are acquired through a non-exchange transaction, then their costs are their fair value as at the date of acquisition.

Subsequently inventories are measured at the lower of cost and current replacement cost.

The cost of inventories is assigned using the weighted average cost formula. The same cost formula is used for all inventories having a similar nature and use to the entity.

The expenses are recognised when the goods are used. The amount of any write-down of inventories to current replacement cost and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in current replacement cost, are recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

Significant Accounting Policies

1.11 Employee benefits

Short-term employee benefits

The cost of short-term employee benefits, which are payable within 12 months after service is rendered, are recognised in the period in which the service is rendered.

Liabilities for short-term employee benefits which are unpaid at year-end are measured at an undiscounted amount that the entity expects to pay in exchange for service and had accumulated at the reporting date. Short-term employee benefits are employee benefits (other than termination benefits) that are due to be settled within within twelve months after the end of the period in which the employee render the related service.

Post-employment benefits: Defined benefit plans

Recognition and measurement

ITAC provides a defined benefit scheme for its employees through the Government Employees Pension Fund (GEPF). ITAC's contributions to the GEPF are charged to the statement of financial performance in the year to which they relate. ITAC's contribution to the fund are established in terms of the GEPF rules.

ITAC will expense employer liability relating to additional employer pension contributions relating to employment contracts for full-time Commissioners when the liability arises. The amount to be expensed will be an estimate of the actuarial valuations received from GEPF.

1.12 Provisions and contingencies

The amount of a provision is the best estimate of the expenditure expected to be required to settle the present obligation at the reporting date.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Provisions are reversed if it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required, to settle the obligation.

A provision is used only for expenditures for which the provision was originally recognised.

Contingent liabilities are recorded in the notes to the financial statements when there is a possible obligation that arises from past events, and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not within the control of ITAC or when there is a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation or the amount of the obligation cannot be measured reliably.

1.13 Revenue from exchange transactions

ITAC's revenue from exchange transactions consists of revenue from interest received on cash and cash equivalents and other income. Revenue is recognised when it is probable that future economic benefits will flow to the entity and the benefits can be measured reliably.

Measurement

Revenue is measured at the fair value of the consideration received or receivable.

Interest received - cash and cash equivalents

Interest received is recognised in surplus or deficit for all financial instruments measured at amortised cost using the effective interest rate method.

Significant Accounting Policies

1.14 Revenue from non-exchange transactions

ITAC's revenue from non-exchange transactions consists of governments grants received from the Department of Trade, Industry and Competition.

Recognition

An inflow of resources from a non-exchange transaction recognised as an asset is recognised as revenue, except to the extent that a liability is also recognised in respect of the same inflow.

As the entity satisfies a present obligation recognised as a liability in respect of an inflow of resources from a non-exchange transaction recognised as an asset, it reduces the carrying amount of the liability recognised and recognises an amount of revenue equal to that reduction.

Measurement

Grants

Grants are recognised as revenue when:

- it is probable that the economic benefits or service potential associated with the transaction will flow to the entity;
- the amount of the revenue can be measured reliably; and
- to the extent that there has been compliance with any restrictions associated with the grant.

1.15 Fruitless and wasteful expenditure

Fruitless expenditure is incurred when expenditure was made in vain and would have been avoided had reasonable care been exercised.

Fruitless expenditure when incurred and confirmed in the current year is disclosed in the notes to the annual financial statements. Fruitless and wasteful expenditure incurred in the previous financial year is recognised in the period in which it was incurred.

Fruitless and wasteful expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

1.16 Irregular expenditure

Irregular expenditure is incurred in contravention of, or not in accordance with legislation and expenditure must have been recognised in the statement of financial performance or liability recognised in the statement of financial position.

Irregular expenditure when incurred and confirmed is disclosed in the notes to the annual financial statement. Irregular expenditure for the previous financial year must be recognised in the period in which it was occurred.

Irregular expenditure is removed from the notes when it is condoned by the relevant authority.

Significant Accounting Policies

1.17 Segment information

ITAC manages its operations as a single segment. The Chief Commissioner makes key financial and operational decisions for all ITAC's strategic objectives. ITAC's core objectives are: Efficient administration of trade instruments (customs tariffs, trade remedies, import and export control), Providing technical advice to the dtic, and Monitoring and evaluation. Resource allocation, assets and liabilities are managed on a combined basis.

Geographical information is not provided as ITAC operates from one location, although services are rendered through out the country. Actual performance outcomes are used by management as a basis for evaluating each strategic objective's performance and for making decisions about the allocation of resources. The disclosure of information about these strategic objectives are considered appropriate for external reporting purposes.

1.18 Budget information

ITAC is subject to budgetary limits in the form of appropriations or budget authorisations, which are given effect through authorising legislation, appropriation or other similar measures.

The approved budget is prepared on a accrual basis and presented by economic classification linked to performance outcome objectives.

The approved budget covers the fiscal period from 1 April 2023 to 31 March 2024.

The annual financial statements and the budget are on the same basis of accounting therefore a comparison with the budgeted amounts for the reporting period have been included in the Statement of comparison of budget and actual amounts.

1.19 Related parties

ITAC operates in an economic sector currently dominated by entities directly or indirectly owned by the South African government. As a consequence of the constitutional independence of the three spheres of government in South Africa, only entities within the national sphere of government are considered to be related parties.

Management are those persons responsible for planning, directing and controlling the activities of the entity, including those charged with the governance of the entity in accordance with legislation, in instances where they are required to perform such functions.

1.20 Events after reporting date

The entity will disclose the nature of the event and an estimate of its financial effect or a statement that such estimate cannot be made in respect of all material non-adjusting events, where non-disclosure could influence the economic decisions of users taken on the basis of the financial statements.

Notes to the Annual Financial Statements

Figures in Rand	2024	2023
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2. New standards and interpretations

2.1 Standards and interpretations issued, but not yet effective

The entity has not applied the following standards and interpretations, which have been published and are mandatory for the entity's accounting periods beginning on or after 01 April 2024 or later periods:

Standard/ Interpretation:	Effectivedate: Years beginning on or after	Expected impact:
GRAP 107 Mergers	To be determined.	The standard is not relevant to ITAC and there will not be any material impact.
GRAP 106 Transfer of Functions Between Entities Not Under Common Control	To be determined	The standard is not relevant to ITAC and there will not be any material impact.
GRAP 105 Transfer of Functions Between Entities Under Common Control	To be determined	The standard is not relevant to ITAC and there will not be any material impact.
GRAP 2023 Improvements to the Standards of GRAP 2023	To be determined	Amendments to various relevant standards were considered and it is unlikely there will be a material impact.
GRAP 1 (amended): Presentation of Financial Statements (Going Concern)	To be determined	Amendments were considered and there will not be any material impact.
GRAP 103 (as revised): Heritage Assets	To be determined	The standard is not relevant to ITAC and there will be not be any material impact.
iGRAP 22 Foreign Currency Transactions and Advance Consideration	01 April 2025	The standard is not relevant to ITAC and there will not be any material impact.
GRAP 104 (as revised): Financial Instruments	01 April 2025	Amendments were considered and it is unlikely there will be a material impact.

3. Inventories

Stationery and consumables	162 094	87 009
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Inventory is not pledged as security for any financial liabilities. The cost of inventory expensed during the period amounted to R284 336 (2023: R110 809).

Inventory increased at year-end as a result of purchases made in quarter four to replenish stock items.

Notes to the Annual Financial Statements

Figures in Rand	2024	2023
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4. Receivables from exchange transactions

Cellphones	17 486	41 887
Accrued interest - cash and cash equivalents	73 256	-
Other debtors	107 503	127 818
Provision for bad debts	(49 146)	(46 361)
	149 099	123 344

The above receivables from exchange transactions are staff debtors.

Trade and other receivables ageing

The ageing of receivables from exchange transactions are as follows:

Current	2 987	35 281
Over 3 months past due	195 258	134 424

Trade and other receivables impaired

The amount of the provision was R49 146 as of 31 March 2024 (2023: R46 361).

The ageing of these receivables is as follows:

Over 3 months	49 146	46 361
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Reconciliation of provision for impairment of trade and other receivables

Opening balance	46 361	45 609
Provision for impairment	49 266	752
Amounts written off as uncollectible	(46 481)	-
	49 146	46 361

5. Prepayments

Gross balances

Parking	17 300	17 058
Subscriptions	1 929 136	1 647 650
Medical aid contributions	414 997	393 033
	2 361 433	2 057 741

Prepayments were made for parking, subscriptions fees and medical aid contributions as the premiums are payable in advance.

Notes to the Annual Financial Statements

Figures in Rand	2024	2023
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6. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	7 900	7 900
Current accounts	843 488	162 736
Call account	23 070 428	2 748 052
Corporation of Public Deposits (CPD) account	26 952 658	44 744 163
	50 874 474	47 662 851

Management considers that all the above cash and cash equivalents categories are of good quality. The maximum exposure to credit risk at the reporting date is the fair value of each class of cash and cash equivalent mentioned above. During the period cash and cash equivalents were kept in the call and current accounts at Standard Bank and average daily interest earned was 7.65% (2023: 7.4%) and the CPD account at the South African Reserve Bank at an average daily interest rate of 8.25% (2023: 7.4%). The cash and cash equivalents were not pledged as security for financial liabilities.

7. Property, plant and equipment

	2024			2023		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Furniture and fixtures	784 121	(657 726)	126 395	694 775	(669 811)	24 964
IT equipment	5 365 326	(2 404 167)	2 961 159	5 635 376	(4 366 317)	1 269 059
Total	6 149 447	(3 061 893)	3 087 554	6 330 151	(5 036 128)	1 294 023

Reconciliation of property, plant and equipment - 2024

	Opening balance	Additions	Disposals	Depreciation	Total
Furniture and fixtures	24 964	123 792	(70)	(22 291)	126 395
IT equipment	1 269 059	2 800 943	-	(1 108 843)	2 961 159
	1 294 023	2 924 735	(70)	(1 131 134)	3 087 554

Reconciliation of property, plant and equipment - 2023

	Opening balance	Additions	Disposals	Depreciation	Total
Furniture and fixtures	51 846	-	-	(26 882)	24 964
IT equipment	1 210 424	579 176	(81 066)	(439 475)	1 269 059
	1 262 270	579 176	(81 066)	(466 357)	1 294 023

IT equipment consists of laptops, desktops, servers, ipads and cellphones.

Furniture and fixtures consists of office furniture and equipment.

There are no restrictions attached to items of property, plant and equipment. Property, plant and equipment is not pledged as security for any financial liabilities.

Compensation received for losses/repairs on property, plant and equipment -included in operating surplus.

IT equipment	3 557	96 662
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Notes to the Annual Financial Statements

Figures in Rand	2024	2023
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Property, plant and equipment was disposed during the year, the assets were fully depreciated. The cost and accumulated depreciation of IT equipment disposed was R3 070 994 , while Furniture and fixtures was R34 446.

Expenditure incurred to repair and maintain property, plant and equipment

Expenditure incurred to repair and maintain property, plant and equipment included in Statement of Financial Performance

IT equipment	15 320	-
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8. Intangible assets

	2024			2023		
	Cost / Valuation	Accumulated amortisation	Carrying value	Cost/ Valuation	Accumulated amortisation	Carrying value
Computer software, internally developed	3 794 953	(626 304)	3 168 649	627 853	(625 788)	2 065

Reconciliation of intangible assets - 2024

	Opening balance	Additions	Amortisation	Total
Computer software, internally developed	2 065	3 167 100	(516)	3 168 649

Reconciliation of intangible assets - 2023

	Opening balance	Amortisation	Total
Computer software, internally developed	2 581	(516)	2 065

9. Operating lease liability

Current liabilities	762 965	-
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ITAC entered into a lease agreement from 1 April 2023, for a period of five years . The lease payments will increase annually as per the Consumer Price Index.

10. Payables from exchange transactions

Trade payables	847 256	1 814 873
Accrued expenses	767 071	2 638 414
Staff Creditors	110 407	93 007
	1 724 734	4 546 294

The ageing of trade and other payables

Current	1 614 327	4 546 294
Over 3 months	110 407	-
	1 724 734	4 546 294

Creditors are paid within 30 days of receipt of invoice.

Payables decreased as most invoices were paid by year-end.

Notes to the Annual Financial Statements

Figures in Rand 2024 2023

11. Provisions

Reconciliation of provisions - 2024

	Opening Balance	Additions	Utilised during the year	Reversed during the year	Total
Legal fees	5 290 970	3 551 780	(3 534 210)	-	5 308 540
Workmens Compensation	101 313	161 790	(101 313)	(55 178)	106 612
	5 392 283	3 713 570	(3 635 523)	(55 178)	5 415 152

Reconciliation of provisions - 2023

	Opening Balance	Additions	Utilised during the year	Reversed during the year	Total
Legal fees	2 519 239	4 510 771	(1 739 040)	-	5 290 970
Workmens Compensation	239 268	178 585	28 423	(344 963)	101 313
	2 758 507	4 689 356	(1 710 617)	(344 963)	5 392 283

Legal fees

Legal fees represent amounts payable but not yet invoiced by the Office of the State Attorney in respect of counsel fees for litigation cases in progress. ITAC utilizes the services of the state attorney, which procures the services of an advocate to represent ITAC. ITAC is the client of the state attorney, and the state attorney is the client of an advocate. There is a delay between the work being done, the invoice being paid by the state attorney and the invoicing to ITAC by the state attorney.

Management estimate the hours spent on each matter based on historical experience and the nature of the matter, and then provision per case using the counsel's approved hourly rate. When invoices or quotations are available from counsel, they also used in making estimations. Adjustments are made on receipt of final invoices.

Workmens compensation

Workmens compensation represents an estimate of the amount payable to the Compensation Commissioner on receipt of final assessment. The annual assessment fee is estimated on employees' earnings and an assessment tariff based on the risks associated with the type of work being done. ITAC will first receive a provisional assessment, with the final assessment received a year later.

Notes to the Annual Financial Statements

Figures in Rand

2024

2023

12. Employee benefit obligations

Reconciliation of employee benefit obligation - 2024	Opening Balance	Additions	Utilised during the year	Reversed during the year	Total
Leave pay	7 208 952	2 154 332	(1 396 210)	-	7 967 074
13th Cheque	1 703 600	1 958 900	(1 703 600)	-	1 958 900
Housing allowance	382 550	150 287	(27 623)	-	505 214
Post employment benefit liability (GEPF)	1 540 694	-	(1 540 694)	-	-
	10 835 796	4 263 519	(4 668 127)	-	10 431 188

Reconciliation of employee benefit obligation - 2023	Opening Balance	Additions	Utilised during the year	Reversed during the year	Total
Leave pay	7 627 176	3 821 721	(4 239 945)	-	7 208 952
13th Cheque	1 658 501	1 703 600	(1 658 501)	-	1 703 600
Housing allowance	390 280	101 631	-	(109 361)	382 550
Post employment benefit liability (GEPF)	-	1 540 694	-	-	1 540 694
	9 675 957	7 167 646	(5 898 446)	(109 361)	10 835 796

Leave

Leave pay provision represents the potential liability in respect of leave outstanding at year end. The DPSA's Directive on Leave of Absence is used to determine the accumulated number of days, which is then multiplied by the employee's daily rate to calculate the provision. Unused leave credits for the previous leave cycle are forfeited by the end of June the following year.

Service bonus

Service bonus represents 13th cheque amounts due to eligible employees at year-end.

Housing allowance

The housing allowance provision relates to amount set aside for staff participation in the Housing Allowance Scheme. ITAC makes a provision to assist employees to purchase houses. The amount of the provision is determined used the DPSA's directives.

Post employment benefit liability (GEPF)

The post employment benefit liability represent additional employer contributions to the pension fund. Certain instances of additional liability towards the GEPF occur when a member of the GEPF retires or is discharged from public service prior to normal retirement age. Quotations are provided by the GEPF on estimates involving actuarial calculations. Contributions to the fund are fixed and based on monthly pensionable salary with the employer contributing 13% and employer 7,5%.

Notes to the Annual Financial Statements

Figures in Rand	2024	2023
13. Revenue		
Other income	79 378	134 371
Interest received - cash and cash equivalents	7 354 628	4 867 426
Government grants	118 998 000	108 559 000
Profit on disposals of assets	57 400	15 595
	126 489 406	113 576 392

The amount included in revenue arising from exchanges of goods or services are as follows:

Other income	79 378	134 371
Profit on disposal of assets	57 400	15 595
Interest received - cash and cash equivalents	7 354 628	4 867 426
	7 491 406	5 017 392

The amount included in revenue arising from non-exchange transactions is as follows:

Government grants	118 998 000	108 559 000
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Other income consists of recoveries from staff debts.

14. Employee related costs

Basic salaries	66 793 274	59 128 532
Long service award	65 393	10 899
Medical aid - company contributions	775 044	782 596
Unemployment Insurance Fund	241 380	230 291
Workmens Compensation	106 612	(28 423)
Leave pay provision charge	1 396 210	(7 317)
Post retirement benefit expenses	8 104 259	8 513 380
13th Cheques	4 464 656	3 798 475
Car allowance	156 000	224 387
Housing allowances	1 329 226	1 153 599
Group life	243 814	209 539
Non-pensionable cash allowance	6 983 684	8 440 609
	90 659 552	82 456 567

Number of employees as at 31 March 2024 was 102 (2023: 99). The vacancy rate as at 31 March 2024 was 21.5% (2023: 25%). In addition, 13 employees are employed on fixed term contracts.

15. Depreciation and amortisation

IT equipment	1 108 843	439 475
Furniture and Fittings	22 291	26 882
Intangible assets	516	516
	1 131 650	466 873

Notes to the Annual Financial Statements

Figures in Rand	2024	2023
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16. Lease rentals on operating lease

Office premises	7 589 266	8 892 183
Motor vehicles	203 726	240 000
Office equipment	317 500	72 170
	8 110 492	9 204 353

17. Debt impairment

Debt impairment	49 094	752
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18. General expenses

Advertising	295 028	191 289
Auditors remuneration	1 120 652	1 274 675
Bank charges	97 500	99 796
Legal fees	3 560 865	6 639 094
Consulting and professional fees	2 306 131	1 342 113
Catering	24 130	13 191
Loss on disposal of assets	70	-
Repairs and maintenance	15 320	-
Flowers and gifts	-	2 000
Insurance	475 138	382 368
IT expenses	457 856	85 709
Promotions material	73 965	3 078
Motor vehicle expenses	63 652	42 494
Recruitment and resettlement expenditure	86 264	102 173
Postage and courier	7 092	5 058
Printing and stationery	428 238	213 203
Employee wellness	83 094	75 319
Software licenses	1 850 209	288 800
Telephone and fax	485 692	858 214
Training	581 743	49 163
Travel - local	1 757 524	1 234 738
Travel - overseas	896 970	461
Personal protective equipment	24 485	-
Offsite storage	150 717	261 394
Audit and Risk Committee	363 765	415 359
Part-time Commissioners	236 628	465 127
Workshops and conferences	79 283	76 245
Interest and penalties paid	-	2 077
	15 522 011	14 123 138

Notes to the Annual Financial Statements

Figures in Rand	2024	2023
19. Cash generated from operations		
Surplus	11 016 607	7 324 709
Adjustments for:		
Depreciation and amortisation	1 131 650	466 873
Profit on disposal of assets	(57 400)	(15 595)
Other income - fair value adjustments	(12 700)	-
Debt impairment	49 094	752
Movements in operating lease liability	762 965	(859 667)
Movements in provisions	22 869	2 633 776
Loss on disposal of assets	70	-
Gain on disposal of assets	8 304	-
Proceeds from insurance	(3 557)	-
Changes in working capital:		
Inventories	(75 085)	(2 374)
Receivables from exchange transactions	(25 755)	102 632
Prepayments	(303 692)	(1 900 770)
Payables from exchange transactions	(3 217 448)	1 428 470
Employee benefit obligations	(404 608)	1 159 839
	8 891 314	10 338 645

20. Financial instruments disclosure

Categories of financial instruments

2024

Financial assets

	At amortised cost	Total
Trade and other receivables from exchange transactions	149 099	149 099
Cash and cash equivalents	50 874 474	50 874 474
	51 023 573	51 023 573

Financial liabilities

	At amortised cost	Total
Trade and other payables from exchange transactions	1 724 734	1 724 734

2023

Financial assets

	At amortised cost	Total
Trade and other receivables from exchange transactions	123 344	123 344
Cash and cash equivalents	47 662 851	47 662 851
	47 786 195	47 786 195

Financial liabilities

	At amortised cost	Total
Trade and other payables from exchange transactions	4 546 294	4 546 294

Notes to the Annual Financial Statements

Figures in Rand	2024	2023
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21. Commitments

Authorised and contracted expenditure

2024	Up to 1 year	2 to 5 years
Employee health and wellness programme	79 778	135 579
Parking	17 300	-
Records management	205 469	158 457
Subscriptions	33 922	-
External audit services	1 146 638	4 510 889
Mobile communication services	228 000	228 000
Internet line	299 783	476 994
Microsoft licenses	1 560 040	-
Consulting and professional fees	778 717	-
IT Expenditure	986 690	-
Metal Trade Licensing system	1 847 475	1 319 625
Staff training	99 514	-
	7 283 326	6 829 544

2023	Up to 1 year	2 to 5 years
Employee health and wellness programme	40 269	-
Parking	17 058	-
Records management	205 469	158 457
Subscriptions	22 137	-
External audit services	1 120 652	-
Mobile communication services	228 000	456 000
Computer equipment	2 542 897	-
Internet line	301 915	603 831
Microsoft licenses	1 502 941	1 502 941
Consulting and professional fees	302 602	-
IT Expenditure	96 703	-
Stationery	47 748	-
Publications and promotional items	40 443	-
Office equipment	394 302	788 605
Training and recruitment costs	35 931	-
	6 899 067	3 509 834

Operating leases - as lessee (expense)

Minimum lease payments due

2024	within 1 year	2 to 5 years	Total
Office premises	7 188 095	23 931 935	31 120 030
Office equipment	366 566	427 661	794 227
Motor vehicles	672 000	-	672 000
	8 226 661	24 359 596	32 586 257

Notes to the Annual Financial Statements

Figures in Rand	2024	2023	
2023			
	within 1 year	2 to 5 years	Total
Premises - rent	6 826 301	32 508 381	39 334 682
Office equipment	18 042	-	18 042
	6 844 343	32 508 381	39 352 724

ITAC signed a new lease agreement with the dtic for office premises. The agreement is effective from 1 April 2023 and is for a period of five years. The annual rent will escalate as per the Consumer Price Index (CPI) rate. The CPI rate for March 2023 was 5.3%.

ITAC entered into a new lease agreement for office equipment. The agreement was be effective from 1 June 2023 for a period of three years. Rental payments are fixed over the period of the lease.

22. Contingencies

A cash surplus amounting to R32 689 534 for the 2023/24 financial year, which must be surrendered to National Treasury unless permission is granted to retain the surplus. The cash surplus was calculated using a formula prescribed by National Treasury through National Treasury Instruction Note No.12 of 2020/21 as follows: Cash and cash equivalents plus receivables less current liabilities. ITAC's request for surplus retention were approved by National Treasury in the past financial years.

There are certain instances that trigger an additional employer liability for pension contributions to the GEPF on exit of full- time Commissioners. At this stage it is not known whether there will be a liability, and the timing of that liability.

23. Related parties

Relationships

Department of Trade, Industry and Competition	Executive Authority
Department of Justice and Constitutional Development	National Department in National Sphere
Members of key management	Members of Executive Management

Related party balances

Department of Trade, Industry and Competition

Payable at year-end - Telephone and internet	3 604	(12 677)
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Department of Justice and Constitutional Development

Payable at year-end - Legal fees	176 286	-
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Related party transactions

Department of Trade, Industry and Competition

Office rental payments	7 589 266	9 751 848
Telephone and internet payments	234 095	158 550
Transfer payments received	(118 998 000)	(108 559 000)
Microsoft licenses	1 560 040	1 502 941

Department of Justice and Constitutional Development

Legal costs incurred	3 560 865	6 639 094
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Notes to the Annual Financial Statements

Figures in Rand	2024	2023
Audit and Risk Committee members		
R Govender (Chairperson)	178 372	124 488
V Makaleni (Member) (Chairperson of Risk Committee)	161 111	229 212
P Sibiyi (Member) (Resigned on 16 February 2023)	-	61 659
L Monama (Member) (Appointed 01 October 2023)	24 282	-
Part-time Commissioners		
F Ismail (Chairperson) (Term ended 31 October 2023)	53 855	111 490
J de Beer (Member) (Term ended 31 October 2023)	61 696	117 323
B Mokgatle (Member) (Term ended 31 October 2023)	28 826	91 956
V Ncwaiba (Member) (Term ended 31 October 2023)	37 168	88 596
P Mbiko (Member) (Reappointed 01 November 2023)	32 550	55 762
W Sihlobo (Member) (Reappointed 01 November 2023)	22 533	-

Remuneration of management

Management class: Executive management

2024

Name	Basic salary	13th Cheque	Post-employment benefits	Unemployment Insurance Fund	Total
A Cawe (Chief Commissioner)	1 523 195	51 796	162 944	2 125	1 740 060
P Semela (General Manager: Corporate Services)	1 391 603	95 427	148 866	2 125	1 638 021
N Nkoana (Chief Financial Officer)	1 258 909	-	106 502	2 125	1 367 536
	4 173 707	147 223	418 312	6 375	4 745 617

Notes to the Annual Financial Statements

Figures in Rand	2024		2023				
2023							
Name	Basic salary	13th Cheque	Post-employment benefits	Unemployment Insurance Fund	Car Allowance	Other benefits received	Total
A Cawe (Chief Commissioner) (Appointed 01 January 2023)	364 446	-	38 987	354	-	-	403 787
M Nzimande (Chief Commissioner) (Resigned 30 April 2022)	130 191	-	12 617	413	-	140 396	283 617
D Mbambo (Deputy Chief Commissioner) (Contract expired on 01 December 2022)	955 801	-	92 020	1 771	68 387	158 548	1 276 527
P Semela (General Manager: Corporate Services)	1 399 006	91 230	142 319	2 125	-	-	1 634 680
N Nkoana	1 200 538	-	101 564	2 125	-	-	1 304 227
	4 049 982	91 230	387 507	6 788	68 387	298 944	4 902 838

Other benefits include leave payouts.

24. Risk management

Financial risk management

The main risks arising from ITAC's financial instruments are liquidity risk, credit risk and market interest rate risk.

Liquidity risk

The entity's risk to liquidity is a result of the funds available to cover future commitments. The entity manages liquidity risk through an ongoing review of future commitments and given its current funding structure and availability of cash resources, ITAC regards its liquidity risk as low.

Credit risk

ITAC's credit risk consists mainly of cash and cash equivalents and trade receivables. The entity only deposits cash with high quality credit standing and limits exposure to any one counter - party. The CPD account is held with the South Reserve Bank. Trade and other receivables consist largely of staff debtors. For staff in the current employment of ITAC, recoveries are made through the payroll system. Trade and other receivables are unrated. ITAC considers its exposure to credit risk as low.

Notes to the Annual Financial Statements

Figures in Rand	2024	2023
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Maximum exposure to credit risk at year were as follows:

Financial instrument

Call account	23 070 428	2 748 052
Current account	843 488	162 736
CPD account	26 952 658	44 744 163
Receivables	149 099	123 344

Market risk

Interest rate risk

ITAC is exposed to interest rate changes in respect of returns on its investment with financial institutions. The risk arises when there are interest rate changes, as this will affect the interest received on call accounts. ITAC's exposure to interest risk is managed by making short-term investments with Standard Bank and the Reserve Bank. The short-term deposits made are low risk and the capital is secure.

A change in the market interest rate at the reporting date would have increased / (decreased) the surplus for the year by the amounts below:

Sensitivity analysis

Financial instrument	Change in investments	Increase/decrease in net surplus for upward change	Increase/decrease in net surplus for downward change
Change in interest rates	1,00 %	508 745	(508 745)

25. Reconciliation between budget and statement of financial performance

Reconciliation of budget surplus/deficit with the surplus/deficit in the statement of financial performance:

Net surplus per the statement of financial performance	11 016 607	7 324 709
Adjusted for:		
Other income	153 622	88 629
Interest income	(6 102 628)	(3 669 426)
Payroll expenditure in excess of (lower than) budget	(7 314 448)	(7 867 791)
Operational expenditure in excess of (lower than) budget	2 016 011	5 587 496
Depreciation	78 650	(86 127)
Lease rental on operating lease	160 492	(1 362 647)
Debt impairment	49 094	752
Profit on disposal of assets	(57 400)	(15 595)
Net surplus per approved budget	-	-

Notes to the Annual Financial Statements

26. Budget differences

Material differences between budget and actual amounts

N1 - Other income mainly arises from recoveries of staff debts. The level of staff debtors have decreased from prior periods.

N2 - Interest income was significantly higher than budget as the full transfer payment was received in the first quarter and increased cash balances significantly. Higher interest rates and cash balances resulted in higher than budgeted interest received. The interest rates received on the CPD account held with the Reserve Bank was 8.25% for the period while interest rate received from call accounts with Standard Bank was 7.65%.

N3 - Employee related costs variance is as a result of vacant positions. The vacancy rate was 21.5% as at 31 March 2024. Two positions (Senior Manager: Import and Export Control and Senior Investigator) were advertised in quarter 4 and recruitment processes still in progress. The recruitment processes for the Manager: Legal Services and Manager: Policy and Research were still in progress at year-end.

N4 - Depreciation and amortisation - The depreciation and amortisation amount was higher than budget as a result of new hardware acquisitions. New laptops were procured for staff. Office furniture was also procured during the year.

N5 - Lease rentals on operating leases - The lease rentals on office accommodation includes the operating lease liability for office accommodation.

N6 - Debt impairment - The year-end assessment was conducted and provision increased for long outstanding debtors that remain doubtful.

N6 - General expenses - The budget for general expenses was overspent. The major variances are highlighted below:

Advertising - Increase in the number of vacancies advertised during the year.

External audit fees - There were no additional amount spent as a result of audit overrun in the period compared to last year.

Legal fees - The amount of legal fees decreased significantly as less work was done by counsel on a number of matters. A few cases were also finalised. Two new cases were received during the current financial year.

Consulting and professional fees - The amount increased as a result of increased IT systems support during the period. Professional fees were incurred to assist with restoring systems after the cyber incidence.

Catering - The number of physical meeting increased during the period compared to last year.

Repairs and maintenance - There were no repairs and maintenance expenses incurred in the prior year, hence the increase.

IT expenditure - Increase was as a result of the number of projects undertaken to secure the IT environment.

Promotional materials were procured for use during ITAC brand awareness sessions in various provinces.

Printing and stationery - The expenses increased as the number of employees working from office increased in the period compared to last year.

Notes to the Annual Financial Statements

Travel and subsistence expenditure was above budget as the number of onsite verifications increased during the period. The number of leased vehicles for business purposes was also increased to four during the period.

Subscriptions increased as a result of microsoft licenses. The implementation of Sage 300 People was also in progress at year-end.

Training - A number of trainings were attended in the current period compared to last year.

Audit committee fees - One member resigned during February 2023, and a new member was only appointed on 01 October 2023. There were two members from April 2023 until the appointment of the new member.

Contracts for four part-time Commissioners who were claiming fees ended on 31 October 2023. Only three commissioners were re-appointed and two claimed meeting fees.

N8 - Profit on sale of assets - IT equipment that reached the end of their useful life was disposed to staff.

27. Segment information

General information

Identification of segments

ITAC manages its operations as a single segment. The Chief Commissioner makes key financial and operational decisions for all ITAC programmes based on strategic outcomes. ITAC's main programmes are: Efficient administration of trade instruments (customs tariffs, trade remedies, import and export control), Providing technical advice to the dtic, and Monitoring and evaluation. Resource allocation, assets and liabilities are also managed on a combined basis.

Geographical information is not provided as ITAC operates from one location, although services are rendered throughout the country. Programme performance information segments is used by management as a basis for evaluating the programmes' performances and for making decisions about the allocation of resources. The disclosure of information about these programmes is also considered appropriate for external reporting purposes.

28. Change in estimate

Property, plant and equipment

Management assessed the useful life of computer equipment, furniture and fittings as well as intangible assets at year end.

The useful lives of IT equipment have been revised with a further two years, while furniture and fixtures have been revised further with three years. The effect of this revision has decreased the depreciation for the current and future periods by R64 612.

Notes to the Annual Financial Statements

Figures in Rand 2024 2023

29. Comparative figures

Certain comparative figures have been reclassified.

The reason for the reclassification was to disclose material transactions separately. Leasing charges for vehicles .

The effects of the reclassification are as follows:

Statement of financial performance

Subscriptions	(16 337)	(23 987)
Bank charges	16 337	23 987
Car rentals	-	(240 000)
Leasing charges: motor vehicles	-	240 000
Leave	-	(10 899)
Long service award	-	10 899
	-	-

30. Events after the reporting date

Management is not aware of any events that took place after year end.

31. Unauthorised, Irregular and Fruitless and Wasteful Expenditure

Fruitless and wasteful expenditure	-	2 077
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***Refer to reconciling notes in the annual report**

Criminal or disciplinary steps taken as a result of losses, irregular and fruitless and wasteful expenditure

Incident description for fruitless and wasteful expenditure

One case of fruitless and wasteful expenditure was reported and investigated during the period. A late payment was made to the GEPPF and interest and penalties were charged on the late payment amounting to R2 077.

Disciplinary actions were taken against two employees. Warnings were issued to the two employees.



International Trade Administration Commission of South Africa

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