

Based on information collected up to April 2006

1. TARIFF MEASURES

Structure of the tariff schedule

South Africa as a member of the Southern African Customs Union (SACU) which also includes Botswana, Lesotho, Namibia, and Swaziland uses a common customs tariff set by its customs laws and applies an eight-digit tariff nomenclature based on the Harmonized Commodity Description and Coding System which shows in two columns, the general and the MFN rates of customs duty.

Tariff Publications

Customs Laws, Customs and Excise Act, Act, No.91 of 1964 as amended to goods imported into the common customs area from outside the union.

12 MFN Duties

MFN rates of customs duties are levied on a large range of items imported from most countries, including the United States of America and most signatories to the World Trade Organization. Customs duty comprises the following levies that all bear ad valorem rates, and are assessed between 0% to 55% under SACU common customs tariff: "mixed duties" levied on fish, beverages, sugar, wool and apparel products; "specific duties" on agricultural products such as products of the milling industry, fishing products, beverages, spirit and vinegar, sugar and sugar confectionery and petroleum products; "formula duties" (which combat disruptive competition) on preserved tomatoes, corn-flour, cherries, tobacco, not stemmed or stripped, and tobacco partly or wholly stemmed or stripped; and "compound duties" which apply only to wheat or meslin flour, and sealed containers of mineral water. As the SACU system allows each member certain flexibility in fixing duty rates for goods outside the customs union, South Africa in accordance with its WTO commitments binds itself with the following levies: 0% to 10% are assessed on primary and semi-primary products, capital goods; 15% on components, 15% to 30% on consumer products.

13 Bounds rates

SACU countries under the leadership of South Africa bound 96 per cent of the customs tariff at the HS eight-digit level: chapters of HS 01-24 and HS 25-97, with exceptions according to the country; animals and animal products, dairy products, coffee and tea, cocoa, sugar etc., cut flowers, plants, fruit and vegetables, grains, oil seeds, fats and oils and their products, beverages and spirit, tobacco, wood, pulp, paper and furniture, transport equipment, non-electric machinery, metals, electric machinery, chemicals and photographic supplies, textiles and clothing, leather, rubber, footwear and travel goods, mineral products, precious stones and precious metals, fish and fishery products, and petroleum.

16 Temporary reduced duties

Raw materials or specific grade of goods from outside the customs union and used in the domestic manufacturing, are granted reduced duties.



Preferential duties under trade agreements

19.1 Interregional agreements

The 1889 customs union which comprised South Africa, Botswana, Lesotho, and Swaziland became after successive amendments, and the accession of Namibia on 10 of July 1990, the new SACU agreement on the 21 of October 2002. The SACU agreement signed in Gaborone, Botswana will be effective after its ratification by all member states. The objectives of this new agreement are: free movement of goods within SACU area, to enhance economic development, fair competition and substantial investment, diversifications, industrialization and competitiveness of member states, all in the common customs area. However, Lesotho, Namibia and Swaziland are trying to establish a secretariat that will establish transparent and democratic institutions that ensure equitable trade benefits to member states since South Africa dominates SACU established during Apartheid.

Goods imported from the BLNS countries to South Africa, enter duty free, if they contain at least 25 percent local value added content.



19.2 Regional and sub-regional agreements

South Africa together with the other SACU members belong to the Southern African Development Community (SADC) established on 17 August 1992; it superseded the SADCC, Southern African Development Co-ordination Conference created in 1980.

SADC as an economic grouping brings together fourteen East, Central and Southern African countries such as Angola, Botswana, Democratic Republic of Congo, Lesotho, Madagascar, Malawi, Mauritius, Mozambique, Namibia, South Africa, Swaziland, Tanzania, Zambia and Zimbabwe. Among its many protocols, the SADC Protocol on Trade signed in Maseru, Lesotho on 24 August 1996 by all members except Angola one of the founding members, aims at the creation of a Free Trade Area.

On September 2000, 11 members ratified the implementation of the protocol based on the principle of reciprocity. To fulfil the conditions of the Free Trade Agreement, products have been distributed as follows: capital goods and equipment have been liberalized the first year; goods constituting important sources of customs revenue will be liberalized gradually by 2008; and products considered as sensitive by many member countries, e.g. sugar for SACU will be liberalized between 2005 and 2012; on this issue a category of sensitive goods specific to each participating state, will remain excluded from any preferential treatment for general and security reasons in accordance with Articles 9 and 10 of the protocol; elsewhere, textiles will not be included in the free trade agreement. These arrangements have been made by SADC in order to achieve a zero tariff rate for 98% of goods by 2012.

South Africa as a member of the African Union (AU) established on July 2001 when it replaced the Organization of African Unity (OAU) signed on 25 May 1963, is also signatory to the treaty for the African Economic

Community (AEC) signed in June 1991 in Abuja, Nigeria, it aims at the creation of a pan-African economic and monetary union over a period of 34 years.



19.3 Bilateral agreements

A joint bilateral trade agreement was signed in South Africa on the 2nd of June 2003, between South Africa as a SACU and the United States of America, its objective is to create a comprehensive infrastructure for trade, and build on the success of the African Growth and Opportunity Act (AGOA).

On the 16th of December 2004 was signed in Belo Horizonte, Brazil, a Preferential Trade Agreement (PTA) between South Africa and other SACU members and the MERCOSUR namely Argentina, Brazil, Paraguay and Uruguay. It aims at creating a legal framework for improved and expanded trade relations on preferential basis between the two economic groupings; in addition, it addresses other important trade-related issues like customs cooperation, phyto-sanitary measures and larger product coverage for preferential treatment.

South Africa participates in the Cotonou Agreement i.e. the former Lomé Convention, an economic partnership between the ACP countries (the African, Caribbean, and Pacific regions) and the European Union. During The June 2000 partnership also called the Cotonou Agreement, negotiations for a series of new economic associations were concluded, and were expected to begin from September 2002 and enter into force as of 1 of January 2008. Most partnerships are based on progressive and reciprocal removal of trade barriers, replacing old trade preferences that South Africa and other ACP countries enjoyed under the Lomé Convention. The partnership Agreement is valid for twenty years and is subject to revision every five years.

South Africa maintains bilateral trade agreements with China, Turkey and Zimbabwe. In addition, a closer trade agreement consisting of a free trade area after a transitional period of twelve years for South Africa and ten years for the European Union has been concluded in 1999.

South Africa and the European Union Trade and Development Cooperation Agreement came into effect in 2000 and it will result to a free trade between South Africa and the European Union by 2008. Under the FTA; the European Union is committed to the full liberalization of 95% of South African imports over a 10-year transitional period, while South Africa is to liberalize 86% of EU imports over a 12-year transitional period.



2. PARA-TARIFF MEASURES

21 Customs surcharges

The following disguised customs surcharges set at the rate of 10% and a 15% on luxury products are assessed on imported goods when computing the value added tax.



23.1 General sales taxes

The value-added tax is computed with the FOB value, the customs duty and a surcharge tax of goods, levied at the general rate of 14 percent; exemption to the payment of VAT may be conveyed to imported goods for manufacturing or for resale by registered importers.



23.2 Excise taxes

The following goods are subject to a specific excise duty levies: tobacco and tobacco products, mineral water, motor vehicles, alcoholic and non-alcoholic beverages and some petroleum products.

The specific fuel levy applies on imported and domestic goods as follows: R0.766/L of leaded petrol R 0.704/L of unleaded petrol, and R 0.661/L of distillate fuels such as gas oil and diesel oil, or mixtures of illuminating or heating kerosene. Specific levy comprising of two components ranging from T 0.02/kg of meat to R 0.342/kg of mohair is set on domestically and imported agricultural goods namely sorghum, oil seeds, Lucerne seed, dried fruit, meat, mohair and milk.



23.9 Internal taxes and charges levied on imports n.e.s.

A luxury tax, (an ad valorem excise duty) is levied at the rate of 15% on instant-print cameras, office machinery, photographic film, cosmetics, home entertainment products and motorcycles.



3. PRICE CONTROL MEASURES

The South African International Trade Administration Commission (ITAC) which deals with antidumping and countervailing actions, and safeguard measures, begun its operation in June 2003.

Antidumping measures

34.1 Antidumping investigations

Following are the anti-dumping actions covering the period 1 January to 30 June 2005: sunflower oil from Argentina, carbon black from Australia, uncoated woodfree A4 paper, steel wheels, and sunflower oil from Brazil; nuts of iron or steel, bolts of iron or steel, acetaminophen, blankets, chopped strand mats, stainless steel pipes and tubes, steel wheels, polyethylene terephthalate (PET) from China, P.R.; carbon black and stainless steel sinks from Egypt, acetaminophen from France, sutures and supertension cable from Germany; stainless steel pipes and tubes, polyethylene terephthalate (PET), acetaminophen, suspension PVC, carbon black, aluminium overhead cable, paper insulated lead covered electric cable, unframed glass mirrors, wheat flour from India; uncoated woodfree A4 paper, unframed glass mirrors, polyethylene, terephthalate (PET) from Indonesia; cheddar cheese from Ireland, hydrogen peroxide, polyethylene, teraphthalate (PET), stainless steel sinks, carbon black, optical fibre cable, suspension PVC from Korea, Rep. of.; stainless steel pipes and tubes, flat-rolled products of iron or non-alloy steel, stainless steel sinks from Malaysia; printed and dyed bed linen from Malawi and Pakistan;

flat-rolled steel plates and sheets from Russian Federation; steel wheels, nuts of iron or steel, polyethylene terephthalate (PET), stainless steel pipes and tubes, unframed glass mirrors, chopped strand mats from Chinese Taipei; carbon black, suspension PVC, polyethylene terephthalate (PET) from Thailand; blankets and steel wheels from Turkey; flat-rolled steel plates and sheets from Ukraine, and acetaminophenol, chicken meat portions, L-lysine sulphate from the USA.



34.2 Antidumping duties

Definitive anti-dumping duties are in force as of 30 June 2005 on flat-rolled products of iron or non-alloy steel and carbon black from Australia; self copy paper from Belgium; suspension PVC, uncoated woodfree paper and uncoated woodfree A4 paper from Brazil. From China hoes, woven fabrics of polyester staple fibres, float glass, flat glass, bolts and nuts of iron or steel, spades, shovels, rakes, forks, garden picks, PTFE tape, towels and face cloths, stainless steel hollowware, aluminium hollowware, garlic, door locks and door handles, blankets, acrylic fabrics, acetaminophenol, wire ropes and acrylic fabrics.

From Egypt, aluminium hollowware, and carbon black; suspension PVC, automatic circuit breakers and acetaminophenol from France; self copy paper, wire ropes, PVC rolled goods from Germany; from India acetaminophenol, carbon black, float glass, flat glass, PVC rolled goods, garden picks, welded galvanised steel pipe, paper insulated lead covered electric cable, suspension PVC; from Indonesia, uncoated woodfree A4 paper, lysine, gypsum plasterboard.

Automatic circuit breakers from Italy; from Korea Republic of, carbon black, stainless steel hollowware, welded stainless steel tubes and pipes, suspension PVC, wire ropes.

Printed and dyed bed linen from Malawi, welded stainless steel tubes and pipes from Malaysia, PVC rolled goods from Netherlands, printed and dyed bed linen from Pakistan; uncoated woodfree paper from Poland; cold rolled steel products from Russian Federation; nuts of iron or steel, welded stainless steel tubes and pipes, stainless steel hollowware from Chinese Taipei; carbon black, suspension PVC, PVC rolled goods, gypsum plasterboard from Thailand; blankets and acrylic fabrics from Turkey; self copy paper, wire ropes, suspension PVC from the United Kingdom; and from the USA chicken meat portions, suspension PVC, roller bearings, lysine, and acetaminophenol.



35.1 Countervailing investigations

For the period covering 1 January to 30 June 2005, the following countervailing actions have been taken: from India suspension, PVC; from Pakistan printed and dyed bed linen.



35.2 Countervailing duties

Definitive countervailing duties are in force as of 30 June 2005 on suspension PVC and welded galvanised steel pipe, wire ropes from India; from Pakistan bed linen.



4. FINANCE MEASURES

Automatic licence

43 Restrictive official foreign exchange allocation

The South African Reserve Bank's Exchange Control Department administers the foreign exchange control through authorized commercial banks that deal with all international commercial transactions, in accordance with the Exchange Act, No.9 of 1933, amended in 1961.



45 Regulations concerning terms of payment for imports

In general goods for importation are paid before their shipments, except in the case of capital goods where authorized dealers without the prior approval from the Reserve Bank may allow the payment in advance of up to 33.3 percent of the goods value ex-factory.

Whereas foreign exchange allocation covers a cash-with-order basis of some imports, a cash-on-delivery basis before clearance of goods from customs covers imports consigned by air.



6. QUANTITY CONTROL MEASURES

The list of goods subject to import permit is set each year in the Annual Import Control Program.

Licensing under the authority of:
Director of Imports and Exports
Department of Trade and Industry
Private Bag X84
Pretoria 0001
Telephone: (27 12) 310-9791
Fax: (27 12) 322-0298

Non-automatic licensing

61.7 Prior authorization for sensitive product categories

In general there are no import restrictions of goods from the SACU area into South Africa.

Import measures which are set for health, environmental or security reasons are regulated by the Department of Trade and Industry. Although there are few restrictions to the importation of goods, the following list of products is subject to licence issued by the Department of Trade and Industry upon recommendation of the International Trade Administration Commission before shipment of goods: fish and fish products, residues, petroleum products, ozone-depleting chemicals, firearms and ammunition, gambling equipment and radioactive chemical elements, all used goods, second-hand goods, waste and scrap.

Licensed medicines importers must be registered by the Department of Health.



61.71 To protect human health

Medicine import is subject to licensing issued by the Director-General at the National Health Population Development.



61.72 To protect animal health and life

Importation of animals, birds, poultry and products thereof such as dairy products, butter and eggs, needs an import permit.

Additionally the following products which list is subject to continuous review due to changes in animal disease status, require an import permit issued by the Directorates of Animal Health, Plant Health and Quality of the National Department of Agriculture: all imports of live animals including exotic animals, animal products, pathogens, insects, any infectious item, honey, beeswax used as apiary equipment and genetically modified organisms.



61.73 To protect plant health

Importation of genetically modified organisms (GMOs) is restricted, consequently, an import permit issued by the Department of Agriculture is required for insect resistant cotton, herbicide resistant cotton and insect resistant maize.

Licensing is applied to plants and plant products, such as seeds, flowers, fruit, honey, margarine and vegetable oils.



61.75 To protect wildlife

An import license is required for the following goods: endangered species of plants or wildlife, whether live or dead, including any parts thereof and articles made therefrom.



61.78 To ensure national security

The importation of the following requires a permit: South African bank notes in excess of R2000.00, gold coins, coin and stamp collections and unprocessed gold all subject to currency control.



63.7 Prohibition for sensitive product categories

An import ban is set on the following goods: narcotics and addicting drugs in any form; objectionable and pornographic materials, objects and literature; inflammatory and treasonous material, object and literature; poison and other toxic substances; cigarettes with a mass of more than two kilograms per 1,000; counterfeit goods, unlawful reproductions of works subject to copyright; prison-made goods, used products and used clothing.



63.71 To protect human health

An import prohibition is set on irradiated meat from any country.

Foodstuffs containing comfrey and jelly confectionery with konjac are prohibited at importation.



63.9 Prohibitions n.e.s.

Importation of left handside drive vehicle is prohibited since June 2003.

Prison-made and penitentiary-made goods are prohibited for importation.



8. TECHNICAL MEASURES

81.1 Technical regulations

Information on Standards South Africa (STANSA) is available at:

- Standards South Africa
Private Bag X191 Pretoria 0001
Telephone: (27-12) 428-6666
Fax: (27-12) 428-6928

- The South African Bureau of Standards,
Regulatory Affairs and Consumer Protection Department,
1 Dr Lategan Road, Groenkloof, Pretoria
Telephone: (27-12) 428-7911
Fax: (27-12) 428-1568

STANSA is the governing body that develops national standards; it administers conformity assessment for goods subject to compulsory standards and issues the applicable certification mark as evidence of compliance.



81.10 Product characteristics requirements

STANSA has so far published the following product standards: Chemical and biological standards for dangerous goods; industrial and general chemistry, paints, food, pharmaceuticals, pesticides, petroleum, coal, rubber and plastics, and water; electrotechnical standards for appliances and electricity distribution; fibre technology standards covering clothing, textiles, leather and footwear; timber and paper. In addition some seventy mandatory standards are in force in the following sectors: food safety, automotive, human, health, and the environment, gaming, and standards under the trade metrology act.

The Food Control Directorate in the Department of Health regulates standards for processed food. The Foodstuffs Cosmetics and Disinfectants Act and its implementing regulations, rule prepackaged food products by seeing to the maximum limits for veterinary medicine, stock remedy residues, pesticide residues, microbiological standards for foodstuffs and related matters. Permissible levels of chemicals in foodstuffs are set according to standards defined by the Department of Agriculture; and the Agricultural Products Standards Act, govern certain foodstuffs; in this regard, terms of the Agricultural Product Standards Act No.119 of 1990 enacted regulations grading tomatoes for sale in South Africa.

Special requirements apply to foods for infants and young children, foods for special medical purpose, honey, and genetically modified products.

Approval by the Department of Health of irradiated food products is required and the manufacturing of prepackaged food products must take place in special conditions and gone through hazard analysis and critical control point system, all steps certified by an internationally accredited and recognized body.

The shelf life of imported foodstuffs must be at least of 50% as of the date of manufacture.

81.11 To protect human health

A health certificate is required for the importation of meat and meat products, and dairy products.

A certificate of free sale or a certificate to foreign government is required by the South African Department of Health which determines present medium or high risks of the following importation: many electronic medical devices such as emit x-rays or other ionizing beams, electrons, neutrons, or other particle radiation; emit microwaves, radio, or low frequency electromagnetic radiation; emit ultrasonic vibrations; or employ radioactive nuclides, other electronic medical and dental devices and imports of medicines.

Additionally, a registration requirement is set by the Medicines Control Council on all imported medicines. The following information must be stated: the medicine's category, pharmacological classification, proprietary name, internationally recognized name, descriptive name, dosage form, strength for dosage unit, country of origin with the name and address of the manufacturer, final product testing with laboratories documentation.

In line with health standard guidelines, other regulations such as Government Notice No. R.501 of 30 April 2004 sets the maximum limits for marine biotoxins in shellfish products, and Notice R.502 of the same date, the levels for metals and other elements in bottled water, including natural mineral water.



81.12 To protect animal health and life

To keep the country free from infectious animal diseases, the importation of hay, straw, flax combings, palm packing fibre and brown coconut fibre used for the packing of consignments, must be accompanied by a certificate stating that the materials had not been in contact with any animal affected with foot and mouth disease, contagious bovine pleuropneumonia, sheep pox, or rinderpest for a period of four months prior to its use, and that the packing materials had undergone special heat and fumigation treatments.



81.13 To protect plant health

Agricultural and agricultural related products standards are established by the Directorate of Plant Health and Quality within the National Department of Agriculture.

Imports of plant and plant products must be accompanied by a phytosanitary certificate; the phytosanitary certificate of corn consignment must state that the goods are free of corn flea beetle.

As a signatory to the International Plant Protection Convention's International Standards for Phytosanitary Measures (ISPM 15) on solid wood packing materials requirements, South Africa since 1 of January 2005, has subjected to heat treatment or methyl bromide fumigation the importation of all packing materials made from raw solid wood, coniferous or nonconiferous, pallets, dunnage, crates, packing blocks, drums, cases, load board, pallet collars and skids. The following list is excluded from these requirements: processed wood materials as plywood, veneer, particle board or oriented strand boards, veneer peeler cores, sawdust, wood wool, shavings, and raw wood cut into pieces no more than six millimetres thick.



81.14 To protect plant health

The Petroleum Products Act No. 120 of 1997 amended by Government Notice R.1078 of 4 November 2005, requires the lead removal from all grades of petrol and reduction of sulphur content of diesel for environmental and public health reasons.



81.17 Product characteristics requirements to ensure human safety

A registration together with a colour brochure of the product's technical specifications is required by Department of Health to determine the potential risks that might be generated by the importation of the following goods: electromedical devices such as devices that emit x-rays or other ionizing beams, electrons, neutrons, or other particle radiation; generating electromagnetic radiation namely ultraviolet and infra-red radiation, microwaves, radio or low-frequency electromagnetic radiation, ultrasonic vibrations, or employ radioactive nuclides; and other electronic medical and dental devices.



81.2 Marking requirements

Marking requirement is set on shipments of goods for importation to South Africa; the marking consists of painting in legible manner the real weight in units of the metric system, or the imperial units of measure on the outside of the consignment. As for cartons of goods packed with gel and dry ice, they should be marked with dry, chilled or frozen goods labels, and the containers marked with coloured labels bearing the supplier's name and address, the consignee's mark, the port mark, all numbered when necessary.

Treated packing materials for importation, made of raw solid wood, coniferous or nonconiferous, must be marked accordingly and bear a standard certification mark, the same requirement applies to recycled, remanufactured and repaired wood packaging materials.



81.3 Labelling requirements

Labels of imported goods must be printed in English or in one of South Africa's other official languages with a visible, legible and indelible information applied in manner that prevents it from being separated from the container.

Labelling requirements must appear on the outer and immediate container of all medicines except those sold to licensed pharmacies for compounding and dispensing. The labels must include the following: the medicine schedule number as classified by the Department of Health, with the proprietary name, registration number, dosage form, the active ingredient, percentage of any bacteriostatic or bactericidal agent added as a preservative, lot number, dates of manufacturing and expiration, the use and warning instructions, and the side effects of some medicine intake if combined with alcohol. Medicines with TARTRAZINE must show the warning "contains TARTRAZINE".

Prepackaged food labels must comply with the Foodstuffs, Cosmetics and Disinfectants Act. Labels must include the name of the product, address of the manufacturer, packer, importer, instructions for use when necessary, list of ingredient in descending order of weight or value, any special storages conditions, net contents in metric units, country of origin, batch identification, manufacture and the "best before" dates, the nutritional information. Indications on labels such as "recommended by medical practitioners or

organizations, the product is healthy or wholesome, suitable for diabetics, medicinal or therapeutic terms as heal, cure, or restorative", are forbidden.

The Foodstuffs, Cosmetics and Disinfectants Act also set instructions that must be on labels of foods for infants and young children, foods for special medical purposes and food additives.

Since 16th of January 2004, genetically modified foods must be labelled accordingly, stating all their differences from unmodified ones, and mentioning whether it is of plant origin or animal material containing animal nucleic acids or proteins, plus the GMF improved or enhanced characteristics if ever.

Labelling requirements on cigarettes must carry a warning indicating their noxiousness.

Textiles with sheep's wool of up to 35% content must be labelled to indicate so.

Alcoholic labelling requirements must bear health warning on the adverse effects associated with alcohol use.



81.4 Packaging requirements

The use of gels and dry ice in packing food and agricultural products must take into account changes of temperature during transits points before destination; therefore insulated containers with gel packs or blue ice, or heavy cardboard boxes with gel packs must be used to pack chilled and frozen goods; and dry goods should be packed tightly to prevent any internal damages.



81.5 Testing, inspection and quarantine requirements

Inspection requirement is set on importation of corn consignment.

Imported foodstuffs must undergo inspection at the port of entry.

A quarantine requirement is set on imported fresh fruits.

