RELIABLE RESILIANT REVOLUTIONARY

Date: 23.11.2020

The Department of National Treasury

Dear Official,

Proposed Export Taxation on scrap metal

Thank you for the opportunity to offer our submission to your proposal.

Introduction, we are a scrap metal beneficiation company based in Alrode Johannesburg. We have heeded to transform our business model founded in scrap recycling to have taken up the challenge to value-add scrap metal in 2013. We pass credit on insight of the DTI and ITAC shown for paving the way with the introduction of the PPS system which motivated us as a company to forge ahead into manufacturing.

Dedicated to the strengthening of the South African steel industry and what its current can only be described as cancerous. Regardless we are committed to the industry turn-around strategy of government and the industrialization at large.

We are a proud employer of 1200 employees, promoting best practice in the newly established industry strand known as mini-mills. Raw material security for local industry is pivotal.

- 1. We are in favor of your proposal. We affirm that the proposed imposing of export duty action will promote further industrialization and maintain current industry as well.
- 2. A minimum threshold taxation must apply to all scrap metal categories must be applied ,in order to combat practice of false (at lower value) invoicing .
- 3. However we are strongly of the opinion that percentages of rates of export duty is lower .These lower percentages will not have the desired effect .
- 4. We propose an amendment rate of export taxes in the general category as per below

Export Tax Item no.	Heading / Subheading	Article Description	Statistical Unit	Rate of Export Duty						
				General	EU	EFTA	SADC	MERCOSUR	New Proposed Rate of Export Duty (General)	
193,00	EXPORT DUTY ON SCRAP METAL									
193,00	72,04	Ferrous waste and scrap; remelting scrap ingots of iron or steel:								
193,01	7204,10	Waste and scrap of cast iron	t	20%	10%	free	free	20%	30%	
193,02	7204,2	Waste and scrap of alloy steel:								
193.02.01	7204.21	Of stainless steel	t	15%	10%	free	free	15%	20%	
193.02.03	7204.29	Other	t	20%	10%	free	free	20%	30%	
193.02.05	7204.30	Waste and scrap of tinned iron or steel	t	20%	10%	free	free	20%	30%	
193,03	7204,4	Other waste and scrap:		*		*	***			



RELIABLE RESILIANT REVOLUTIONARY

VEER STEEL MILLS

193.03.01	7204.41	Turnings, shavings, chips, mill- ing waste, sawdust, filings, trim- mings and stampings, whether or not in bundles	t	20%	10%	free	free	20%	20%
193.03.03	7204.49	Other	t	20%	10%	free	free	20%	30%
193.03.05	7204.50	Remelting scrap ingots	t	20%	free	free	free	20%	30%
193.04	7404.00	Copper waste and scrap	t	10%	10%	free	free	10%	15%
193.05	7602.00	Aluminium Waste & Scrap	t	15%	10%	free	free	15%	20%

Conclusion

The expansion of metal categories is to aid and help identify potential areas of risk from evasive export practice. This will offer greater insight on how the greater value materials are exploited. Thank you for considering our industry insight.

Best Regards,

Sachin Ahuja

Veer Stee Mills (Pty) Ltd