**NATIONAL ASSEMBLY**

**QUESTION FOR WRITTEN REPLY**

**QUESTION NUMBER:** **2042 [NW2279E]**

**2042. Mr G G Hill-Lewis (DA) to ask the Minister of Finance:**

Whether, following the announcement by the Minister of Trade, Industry and Competition that the price preference system for scrap metals is being extended for two years, the National Treasury is considering to suspend the new export tax on scrap metals for that period so that exporters will not face the burden of both the tax and the price preference system; if not, what is the position in this regard; if so, what are the further relevant details? NW2279E

**REPLY**:

The export tax on scrap metal was introduced into the Customs and Excise Act of 1964 with the intention of replacing the price preference system (PPS) for scrap metals, as noted in the 2020 Budget Review and the 20 January 2021 Final Response Document on the 2020 Draft Rates and Monetary Amounts and Amendment of Revenue Laws Bill, 2020 Draft Taxation Laws Amendment Bill and 2020 Draft Tax Administration Laws Amendment Bill. The export tax on scrap metal became effective on 1 August 2021.

This export tax was initially pursued as a proposal after a recommendation from the International Trade Administration Commission (ITAC), and was proposed by the Department of Trade, Industry and Competition (DTIC), after which it was followed by consultations with scrap metal suppliers and scrap metal users before the Bill was passed by Parliament. Following the extension of the PPS for two years, National Treasury is engaging with the DTIC on the role and impact of the export tax on scrap metal while the PPS is in place. Further consultations will also take place with other stakeholders, like the scrap metal suppliers and scrap metal users.