**NATIONAL ASSEMBLY**



**WRITTEN REPLY**

**PARLIAMENTARY QUESTION NO 797**

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**Dr M J Cardo (DA) to ask the Minister of Economic Development:**

What progress has been made in assessing the application that was submitted to the International Trade Administration Commission (ITAC) of South Africa in December 2015 for a grain tariff review? NW916E

**REPLY**

**Maize:**

Grain SA submitted an application for an increase in the dollar based reference price for maize in December 2015. ITAC engaged with stakeholders and solicited comments from 25 interested parties. ITAC staff is now evaluating the application. The preliminary submission will be submitted to the Commissioners of ITAC during the Commission meeting of May 2016 for consideration.

**Wheat:**

Wheat tariffs are determined by a variable tariff formula based on US dollars. At the request of producers, when the conditions were met for an upward tariff trigger, ITAC applied the formula and tariff increases were accordingly applied. This resulted in an increase of customs duties on wheat from 91.12c/kg to 122.43c/kg and wheaten flour from 136.68c/kg to 183.65c/kg.

However, in light of the drought, the current exchange rate and the impact on food prices, government has requested a review of the variable import duty formula to ensure that consumer needs are properly taken into account.

**-END-**