

**INTERNATIONAL TRADE ADMINISTRATION
COMMISSION OF SOUTH AFRICA (ITAC)**

STRATEGIC PLAN (2020/21 – 2024/25)

March 2020

TABLE OF CONTENTS

ABBREVIATIONS AND ACRONYMS	3
EXECUTIVE AUTHORITY STATEMENT	4
ACCOUNTING OFFICER STATEMENT.....	5
OFFICIAL SIGN-OFF	7
INTRODUCTION	8
PART A: MANDATE.....	10
1. CONSTITUTIONAL MANDATE	10
2. LEGISLATIVE AND POLICY MANDATES.....	10
3. INSTITUTIONAL POLICIES AND STRATEGIES OVER THE 5-YEAR PLANNING PERIOD	14
4. RELEVANT COURT RULINGS	16
PART B: STRATEGIC FOCUS	18
5. VISION.....	18
6. MISSION.....	18
7. VALUES.....	18
8. SITUATIONAL ANALYSIS.....	19
PART C: MEASURING PERFORMANCE.....	30
9. ITAC'S PERFORMANCE INFORMATION.....	30
10. KEY RISKS	34
11. PUBLIC ENTITIES	35
PART D: TECHNICAL INDICATOR DESCRIPTION (TID)	36
PART E: OTHER RELATED DOCUMENTS	49
ANNEXURE A: ORGANISATIONAL STRUCTURE	50
ANNEXURE B: ITAC COMMISSIONERS	51

ABBREVIATIONS AND ACRONYMS

BRICS	Brazil, Russia, India, China and South Africa
CSP	Company Specific Percentage
DTIC	Department of Trade, Industry and Competition
EPA	Economic Partnership Agreement between SACU states and Mozambique on one hand and the EU and its member states on the other (2016)
EPC	Eligible Production Certificates
EU	European Union
GDP	Gross Domestic Product
IPAP	Industrial Policy Action Plan
ITA Act	International Trade Administration Act, 71 of 2002
ITAC	International Trade Administration Commission of South Africa
NDP	New Development Plan
NEDLAC	National Economic Development and Labour Council
NGP	National Growth Path
PRCC	Production Rebate Credit Certificate
PFMA	Public Finance Management Act, 1 of 1999
SACU	Southern African Customs Union
SADC	Southern African Development Community
SAPS	South African Police Services
SARS	South African Revenue Services
TPSF	Trade Policy and Strategic Framework
TDCA	Trade Development and Cooperation Agreement between SA and the EU and its member states (1999)
UNCTAD	United Nations Conference on Trade and Development
WTO	World Trade Organisation

EXECUTIVE AUTHORITY STATEMENT

The Public Finance Management Act requires that every public entity prepares a Strategic Plan setting out the overall strategy for the 5 year period covering the state's Medium-term Strategic Framework (MTSF). Every year, an Annual Performance Plan (APP) is prepared, which converts the overall strategy to key annual targets. These documents are then provided for approval to the Executive Authority and budgets are aligned to these plans.

The **International Trade Administration Commission of South Africa (ITAC)** has prepared its **Strategic Plan 2020/21 – 2024/25**, which I now submit to Parliament, as required by the legislation.

This is the first **Strategic Plan** prepared in the 6th Administration by **ITAC**. I have requested that all entity Strategic Plans and Annual Performance Plans be aligned to the MTSF, which incorporates the work to develop and implement National Sector Masterplans, as well as the trade reforms, investment and transformation work of the Department.

Once the revised MTSF has been signed off, we will review the Strategic Plan and Annual Performance Plan of the entity and align it accordingly. The Strategic Plan and Annual Performance Plan may further need to be aligned to Government's response to the COVID-19 pandemic, both during the period of the national disaster declared by President Ramaphosa, and thereafter as we adapt to the new economic reality. Should adjustments be made, a revised Plan will be submitted to Parliament.



MR EBRAHIM PATEL

MINISTER RESPONSIBLE FOR TRADE, INDUSTRY AND COMPETITION

ACCOUNTING OFFICER STATEMENT

The International Trade Administration Commission of South Africa (ITAC) hereby presents its strategic plan for the five year period commencing 1 April 2020 and ending 31 March 2025. The plan will be updated annually over its life in line with the Revised Framework for Strategic and Annual Performance Plans issued by the Department of Planning, Monitoring and Evaluation (DPME). It will also form the basis of ITAC's annual reports.

The core function of ITAC as captured in section 2 of the International Trade Administration Act, 71 of 2002 (the ITA Act) is to foster economic growth and development in order to raise incomes and promote investment and employment in the Republic of South Africa (South Africa) and the broader Southern African Customs Union (SACU). SACU consists of South Africa, the Republic of Botswana, the Republic of Namibia, the Kingdom of Lesotho and the Kingdom of e-Swazini. ITAC executes its mandate within a set legal framework, in particular the ITA Act read together with the SACU Agreement, the Promotion of Administrative Justice Act, 3 of 2000 and the South African Constitution. ITAC's work contributes to the realisation of government's policy imperatives as articulated in the National Development Plan, New Growth Path, the Industrial Policy Action Plan and South Africa's Trade Policy and Strategy Framework. ITAC will also have regard to the re-imagined industrial strategy as called for by the South African President in his State of the Nation Address.

The South African economy continues to face significant headwinds, with lacklustre performance on the infrastructure and mining front, and the manufacturing and agricultural sectors taking strain. International trade can be an important driver of growth and innovation for South Africa and SACU. The African Continental Free Trade Agreement (AfCFTA), which came into force on 29 May 2019, brings together the 55 Member States of the African Union, covering a market of more than 1.2 billion people with a combined gross domestic product exceeding US\$3.4 trillion. Through the elimination of import duties, the AfCFTA has potential to significantly boost intra-African trade and accelerate the process of diversification of sources of growth and trade for African countries. South African companies should be well positioned to benefit from the opportunities presented by the AfCFTA. Goods manufactured in South Africa can be exported duty-free to other African markets. The AfCFTA should assist South African manufacturers to expand their export market beyond the country's traditional trading partners (being Europe, North America, and more recently the People's Republic of China), to new markets in Southern, Eastern, Western and Northern Africa.

Open trade also presents the South African economy with challenges, which must be carefully managed. Accordingly, the opportunities presented by the AfCFTA should be viewed against the attendant risks, such as the transshipment of goods which are not manufactured in Africa through one of the countries party to the AfCFTA in order to gain duty-free access to the South African market. Beyond the AfCFTA, trade-restrictive measures imposed by South Africa's trading partners are at historical highs, creating the risk of, amongst others, trade diversion. Some of South Africa's trading partners have closed off their markets to goods such as steel products, through the imposition of trade defence, ordinary tariff or other measures some of which are inconsistent with the multilateral trading system organised under the World Trade Organisation (WTO). In South Africa and SACU, in addition to dramatic shifts in trade flows, local manufacturers face competitive pressures from unfairly traded imports.

It is in this challenging environment that ITAC has to utilise its instruments in the form of ordinary tariffs, trade remedies and import and export control. Whereas ITAC follows a developmental approach to trade and tariff policy, recent global developments necessitate a more nuanced approach which advances South Africa's offensive and defensive interests. Some of the trade instruments may require further sharpening to enhance agility of response to adverse trade developments. ITAC will intensify its focus on outcomes as measured against reciprocal commitments made by beneficiaries of ITAC's interventions. In this regard, ITAC will continue to link the support it affords to industries to specific performance targets, which targets will include investment, employment, competitiveness and transformation. Where sector strategies or master plans are in place, these will be taken into account, which is in line with Government's focus of following an integrated approach. ITAC will also play an active role in combating illicit trade. All these efforts will benefit from coordination with relevant government departments and agencies not only in terms of leveraging information available to such departments and agencies, but also the pooling of resources in order to maximise the impact of ITAC's interventions and government broadly.

On the fiscal front, ITAC will continue in its efforts to control its finances in line with the National Treasury's cost containment measures in order to successfully navigate an extremely challenging financial environment. ITAC will also continue to strengthen corporate governance.



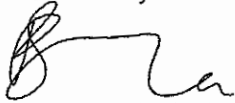
MELULEKI NZIMANDE

CHIEF COMMISSIONER: ITAC

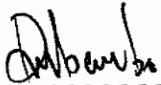
OFFICIAL SIGN-OFF

It is hereby certified that this Strategic Plan:

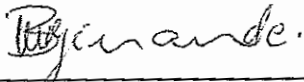
- was developed by the management of ITAC under the guidance of the Chief Commissioner;
- takes into account all the relevant policies, legislation and other mandates for which ITAC is responsible for; and
- accurately reflects the Impact, Outcomes and Outputs which ITAC will endeavour to achieve over the period [2020/21-2024/25].



PHILLIP SEMELA
GENERAL MANAGER: CORPORATE SERVICES



DUMISANI MBAMBO
DEPUTY CHIEF COMMISSIONER



MELULEKI NZIMANDE
CHIEF COMMISSIONER

APPROVED BY:



MR EBRAHIM PATEL
EXECUTIVE AUTHORITY OF ITAC

INTRODUCTION

The five year term of this strategic plan will be significant for ITAC not only because of the critical and enhanced role it will have to play in the economic tapestry of the country, but also because it will be during the subsistence of this plan, in 2024 to be precise, that ITAC will mark its centenary of existence. The hundred-year history of the growth of South Africa's agricultural, industrial and manufacturing base would be incomplete without reference to the significant role of ITAC and its predecessors. It is a trite fact that ITAC is a creature of statute, namely, section 7 of the ITA Act, which took effect on 1 June 2003. What is less known however is that ITAC replaced the Board on Tariffs and Trade (BTT), which was established in 1986 pursuant to the Board on Tariffs and Trade Act of 1986. The BTT succeeded the Board on Trade and Industries (BTI), which was established in 1924. Throughout its existence, the mandate of ITAC has been tied to the fluctuating fortunes of the South African economy.

The object of the ITA Act (and consequently ITAC) as set out in section 2 of the 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 Agreement.¹ The core instruments utilised by ITAC to achieve the object of the ITA Act are customs tariffs; trade remedies; and import and export control. ITAC provides technical advice and support in relation to trade matters to various stakeholders, including the Department of Trade, Industry and Competition (DTIC) and the Department of Agriculture, Fisheries and Forestry (DAFF).

In May 2013, the former Minister of Economic Development, Mr Ibrahim Patel, issued a policy directive to ITAC aimed, inter alia, at addressing the crisis in the country's foundry sector, which crisis arose from the lack of access to affordable, good quality scrap metal. Pursuant to such directive, ITAC strengthened its export control measures on scrap metal through the introduction of a Price Preference System (PPS). The PPS is a temporary measure and is due to expire on 31 March 2020. The rationale behind the PPS is that access to affordable good quality scrap metal would promote investment and employment in the domestic metals beneficiation and fabrication industries. Although the PPS has had a relatively positive effect, it was beset by significant administrative and operational challenges which have seen the policy objectives not being realised to the desired degree.

¹ The phrase "Common Customs Area" refers to the combined areas of the SACU Member States, currently being South Africa, Botswana, Lesotho, Namibia and Eswatini.

As a result, the possibility of replacing the PPS with an export tax/duty on exports of scrap metal from 1 April 2020 is being explored jointly with the DTIC, National Treasury and SARS.

However, mindful of the ever-changing environment within which ITAC operates, which includes a constrained financial environment, the Minister published regulations prescribing administrative fees payable by applicants when applying for Import and Export Control permits. This will enable ITAC to generate much needed financial resources, which will assist in the implementation of its strategic goals and objectives.

On the legislative front, there has been no significant change to ITAC's legislative and other mandates except for the above policy directive regulating the exportation of scrap metal, which has expanded the scope of work in the Import and Export Control unit.

This document provides ITAC with a realistic view of its strategic goals and objectives to be achieved over the five-year period starting from the financial year 2020/2021 and ending in the financial year 2024/2025. The business and operating model will be aligned to ensure that there is synergy with the new strategy going forward.

PART A: MANDATE

1. Constitutional mandate

Chapter 10 of the Constitution of the Republic of South Africa, Act 108 of 1996 (the Constitution) contains provisions which regulate public administration in South Africa. ITAC is bound by these provisions, in particular, the basic values and principles governing public administration set out in Section 195(1) which provides that “public administration must be governed by the democratic values and principles enshrined in the Constitution, including the following principles:

- A high standard of professional ethics must be promoted and maintained;
- Efficient, economic and effective use of resources must be promoted;
- Public administration must be development-oriented;
- Public administration must be accountable;
- Transparency must be fostered by providing the public with timely, accessible and accurate information;
- Good human-resource management and career-development practices, to maximise human potential, must be cultivated; and
- Public administration must be broadly representative of the South African people, with employment and personnel management practices based on ability, objectivity, fairness, and the need to redress the imbalances of the past to achieve broad representation.”

2. Legislative and policy mandates

2.1 Legislative mandate

ITAC is a creature of statute established in terms of section 7 of the ITA Act. The object of the ITA Act, as previously stated, 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 Agreement². The core functions of ITAC are to conduct customs duty investigations, trade remedy investigations, and import and export control. ITAC provides technical advice and support to various stakeholders, including the Department of Trade, Industry and Competition (DTIC) and Department of Agriculture, Fisheries and Forestry (DAFF).

² The Southern Customs Union Agreement of 2002.

2.2 Policy mandate

Whilst ITAC executes its mandate within a set legal framework, the manner in which ITAC conducts its core functions is subject to certain policy imperatives set out in the National Development Plan, the New Growth Path (NGP), the Industrial Policy Action Plan (IPAP) and South Africa's Trade Policy and Strategy Framework (TPSF). The international trade environment globally is undergoing profound changes, with the rules-based multilateral trading system hitherto governed through the World Trade Organisation facing an existential crisis following unilateral and protectionist action taken by the United States of America and reaction there to by the People's Republic of China and the European Union. Closer to home, South Africa is also dealing with an impasse within the Southern African Customs Union (SACU). The major challenges emanate from the lack of policy harmonisation and coordination among the SACU Member States. South Africa, being the largest economy in SACU, uses tariffs to support its industrial policy objectives. By contrast, the other SACU Member States use tariffs for fiscal purposes. These developments, together with the subdued economic performance by South Africa, require ITAC to follow a nuanced approach to policy implementation.

The NDP sets out a coherent and holistic approach to confronting poverty and inequality, which is based on six pillars. One pillar (faster and more inclusive economic growth) has specific importance for ITAC and its mandate. It recognises the need for accelerating gross domestic product (GDP) growth so that unemployment and inequality can be reduced, and for creating a more inclusive society.

The TPSF outlines how trade policy and strategy in South Africa can make a contribution to meeting the objectives of growing and diversifying the economic base in order to produce and export increasingly sophisticated, value-added products in order to create employment. This policy framework is set out in the context of the development of an overall growth path for South Africa that seeks to accelerate economic growth and development, and generate decent jobs in the economy. The IPAP sets out a range of horizontal and specific interventions aimed at promoting industrial development and inclusive growth in South Africa.

Together, the NGP, IPAP and the TPSF advocate a developmental or a strategic approach to tariff setting. In terms of this approach there is no *a priori* inflexible determination to either reduce or increase tariffs. The focus is on the following outcomes: increasing domestic production, job retention and creation, investment as well as international competitiveness. ITAC applies tariffs as an instrument of industrial policy in a manner that seeks to

achieve set economic goals. In this regard, ITAC selectively uses tariffs to address the persistent high levels of unemployment. The dynamics of each sector determine the appropriate levels of tariffs. Investigations are conducted on a case-by-case basis, within the WTO rules and in line with South Africa's policy objectives. Generally, tariff support is provided to downstream value-adding activities. Selective tariff increases on upstream products are considered for strategic reasons such as where the existence of an upstream producer is key to the existence and sustainability of a downstream, value-adding industry or a major sector of the economy.

IPAP identifies agro-processing and its upstream sector as critical drivers of inclusive growth in the South African economy (particularly the rural economy), with very significant job creation potential. Government's recognition of the importance of agriculture (including agro-processing) is apparent in the NDP and the Agricultural Policy Action Plan. ITAC will have to carefully apply tariff policy to support growth initiatives in agriculture in a manner that strikes a delicate balance between the country's food security needs and the potentially inflationary effect of tariffs on basic food products.

IPAP also focuses on the growth potential of the pharmaceutical industry. South Africa is largely dependent on imports to meet demand for most of its pharmaceutical products. According to the DTIC, the pharmaceutical industry has substantial potential for growth. For this reason, the DTIC calls for the use of trade measures to support this industry. The DTIC envisages a review of the tariff book and an engagement with the pharmaceutical industry to identify tariff lines that may be reviewed in order to support the localisation of the production of certain pharmaceutical products. ITAC will have to approach tariff setting on pharmaceutical products with care in view of the need to balance localisation objectives and with the availability of critical medication at affordable prices to consumers.

It is envisaged that master plans will be created for the clothing, footwear, textile and leather (CFTL), poultry and sugar sectors. One of the key elements of such plans will be tariff support and ITAC will play its role in this regard in ensuring the successful implementation of such plans.

One of the more significant threats to the economy and job creation is the illicit economy. Some importers under-declare the value of their goods or make false declarations of the goods they are trading in. Some misuse certain rebates created to support local manufacturing by allowing duty free

importation of certain inputs in order to support local value-adding manufacturing, and consequently job creation or retention. This is particularly so in the CFTL industry. The motive behind such conduct is to minimise the duties to which they are liable to pay or to avoid it completely.

By way of example, one of the rebate provisions permits the importation of certain worn clothing duty-free for purposes of manufacturing wiping rags. The imported worn clothing and other worn articles of textile material must show signs of appreciable wear in order to qualify under this rebate provision. Another rebate item allows used overcoats to be imported under partial rebate. This rebate provision was created to assist people with relatively low incomes and those that are unemployed to have access to affordable winter wear especially during the cold winter seasons. ITAC and SARS bear the responsibility of administering, policing and enforcing the requirements of these rebate provisions. There has been considerable abuse of these rebates and ITAC and SARS have found it increasingly difficult to administer them and to stem the abuse. The consequence is the importation of these articles in competition with locally manufactured articles. As many local manufacturers find it difficult to compete with such illegal imports, they were forced to close or restructure operations, often resulting in the loss of jobs. These challenges will have to be addressed expeditiously.

On the export front, some scrap metal exporters circumvent or disregard the Price Preference System (PPS) – i.e. Government's programme which is intended to ensure the availability of good quality scrap metal to local consumers. ITAC, working with SARS and the South African Police Service (SAPS) – Directorate for Priority Crimes Investigations (HAWKS) have taken action to address this problem. Whereas there has been some success in relation to illicit trade in scrap metal, efficacy of the PPS remains in question, as a result the Minister of Trade, Industry and Competition has instructed ITAC to investigate whether it would be appropriate for the PPS to be replaced with an export duty. Work on this front is on-going and should an export duty be implemented, the PPS will be replaced.

ITAC is part of the Inter-Agency Working Group (IAWG)³ formed to combat the illicit economy, with an immediate focus on illicit trade in scrap metal, gold and clothing, footwear, textile and leather (CFTL). The work of the IAWG is critical and marks the intensification of the fight against the illicit economic activities in South Africa and SACU.

³ The Inter-Agency Working Group (IAWG) consists of officials from the DTIC, ITAC, SARS.

3. Institutional Policies and Strategies over the 5-year planning period

In an increasingly globally integrated South African economy, international trade constitutes one of the major components of domestic growth and development and therefore changes in global economic conditions have an immense impact on the domestic economy. In light of this reality, ITAC has sought to position itself in a strategic manner in the pursuit of its mandate.

As highlighted in the legislative and policy mandate section above, it is critical to note that the manner in which ITAC conducts its core functions, i.e., Tariff Investigations, Trade Remedy Investigations, and Import and Export Control, is bounded by policy imperatives as set out in, among others, the following policy documents:

- National Development Plan (NDP) and in particular the economic strategy of government, namely:
- New Growth Path (NGP);
- Industrial Policy Action Plan (IPAP); and
- South Africa's Trade Policy and Strategic Framework (TPSF).

The NDP is a long-term vision and plan for the country. The core priorities of the NDP are to reduce poverty, unemployment and inequality. It informs the Medium Term Strategic Framework (MTSF) priorities, which is government's NDP five-year implementation plan. The purpose of the NDP Five Year Implementation Plan is to inform the development agenda of government. It allows for the co-ordination and alignment of priorities across spheres of government.

In light of the above, the table below provides a summary of selected strategic thrusts identified for the period 2020/21 – 2024/25. These constitute the key issues that ITAC has taken into account in formulating actions for achieving its vision and mission.

Table 1: Strategic drivers

Strategic Drivers	Indicated Actions
Positioning: Continued relevance in changing economic development, trade and industrial policy environments.	<ul style="list-style-type: none"> • Reciprocal commitments. • Technical advice in international trade negotiations. • Monitoring trade flows to identify threats and opportunities. • Impact assessments. • Effective participation in regional trade negotiations (SACU, SADC and AfCFTA). • Collaboration with the DTIC Sector Desks and contribution to assessment of policy effectiveness.
Compliance with multilateral, bilateral, regional and domestic legislation.	<ul style="list-style-type: none"> • ITA Act and the Customs and Excise Act. • ITAC Regulations. • Promotion of Administrative Justice Act. • Relevant Acts in the Public Service. • Constitution. • World Trade Organisation Agreements. • SACU Agreement. • Bilateral Trade Agreements.
Review of domestic law and practice.	<ul style="list-style-type: none"> • Review of the ITA Act. • Review Tariff, Trade Remedies and Import and Export Control Regulations.
Efficiency and Effectiveness	<ul style="list-style-type: none"> • Aligning business support to the core functions. • Improved service delivery. • Monitoring and evaluation. • Research and development capacity upgrading.
Funding	<ul style="list-style-type: none"> • Sound financial management and accounting. • Good governance.
Strategic, technical and organisational capacity	<ul style="list-style-type: none"> • Integrated performance management, development and enhancement. • Recruitment, selection, retention and skills development. • Organisational development.

4. Relevant Court Rulings

The following are recent court rulings that have a significant, ongoing impact on operations or service delivery obligations for ITAC:

4.1 SA METAL v ITAC and others (Case No's: 267/16 (SCA) and CCT77/2017 (Con Court))

This was a review of ITAC's decision to refuse certain applications by SA Metal for the exportation of ferrous scrap metal under the Price Preference System (PPS). They also challenged the lawfulness of ITAC's implementation of the PPS Guidelines. The judicial review was dismissed on the basis that it had become moot and this decision was upheld on appeal to the Supreme Court of Appeals, the Constitutional Court did not grant leave to appeal on the basis the matter lacked prospects of success. Although the merits of the case was not the determining factor, during the litigation it was determined that scrap metal should not be treated as a fungible and the specific scrap metal applied for should be available for inspection and potential sale to the domestic industry. This impacted the manner in which inspections / verifications are conducted and affected record keeping. It was as a result of this litigation that ITAC's administrative and decision making process was enhanced in line with the Promotion of Administrative Justice Act No 3 of 2000 (PAJA), in that ITAC had thereafter implemented an internal appeal process for all preliminary rejected applications.

4.2 MINGS DISTRIBUTORS CC v ITAC & OTHERS (Case No: 42086/2016)

This was a review of ITAC's decision to refuse an application by Mings Distributors for a permit for the rebate of customs duties for the importation of worn clothing under rebate item 311.18 for the importation of approximately 1 050 000kgs of used / worn clothing to be cut into industrial wiping rags. ITAC's reasons for refusal were based on various non-compliance related factors. The application was also deficient and contained certain unsupported declarations. The judicial review was dismissed on the basis that it had become moot and this decision was upheld on appeal to the full bench of the High Court. Although the merits of the case was not the determining factor, it was emphasized at court that the principles enshrined in PAJA and the principle of legality require each application to be investigated and evaluated objectively and on the strength of its own merits.

4.3 SHOPRITE CHECKERS v ITAC & OTHERS (Case No: 333/15)

This was a review application, challenging ITAC's recommendation to the Minister of Trade and Industry (the Minister) and the Minister's subsequent decision to increase the customs duties on frozen mussels. The application was dismissed. The impact of this litigation on operations was significant in that it caused ITAC to consider whether periods for comments as well as the content of notices were adequate to allow interested parties to properly respond. It also guided ITAC's operations in terms of self-initiated investigations and the parameters which needed to be developed on how to conduct such investigations. It was as a result of this litigation that ITAC's administrative and decision making process was enhanced in line with the PAJA, in that ITAC thereafter implemented a practice of issuing preliminary findings in tariff investigations to allow for public comment prior to a final decision being made.

PART B: STRATEGIC FOCUS

5. Vision

To be “An institution of excellence in international trade administration, enhancing economic growth and development”.

6. Mission

“To create an enabling environment for fair trade through: a) Efficient and effective administration of its trade instruments; and b) Sound technical advice to the Department of Trade, Industry and Competition.”

7. Values

Integrity; Trust; Accountability; Commitment. ITAC will spare no effort in ensuring that these continue to be reflected in the lived reality of all its members of staff and those it serves.

8. Situational Analysis

“A situational analysis represents scanning and assessment of the current organizational context, the external environment, and the environment within an organization. It includes assessment of internal resources and processes of a company and its activities in the market, the closest environment including demand and competition and many other factors (social, political and legal) which may influence the company’s business” (Brnjas and Tripunoski, 2016). This section broadly presents ITAC’s external and internal environment analysis, which guided the development of this strategic plan.

8.1 External Environmental Analysis

According to Statistics South Africa, the South African economy slipped into recession during the second quarter of 2018, shrinking by 0,7% quarter-on-quarter (seasonally adjusted and annualised), this followed a revised 2,6% contraction in the first quarter of 2018. This was due to poor performance in areas of agriculture, trade, and manufacturing, among others. However, in its 2019 medium-term budget policy statement (MTBPS), the National Treasury revised down South Africa’s economic growth forecast for 2019 from 1.5 percent in the 2019 Budget to 0.5 percent, with growth expected to reach 1.7 per cent in 2022. The weaker economic outlook resulted in repeated revenue shortfalls, higher budget deficits and mounting government debt.

Although global risk factors remain elevated, the world economy continues to provide a supportive platform for South Africa to expand trade and investment. The global economy continues to grow, but signs of slowing growth have emerged. The International Monetary Fund (IMF) has lowered its projection for global growth to 3.0 percent in 2019 and 3.4 percent in 2020, which is 0.4 and 0.3 percentage points lower since January in 2019 and 2020 respectively, as uncertainty about the direction of Italy’s finances and lower external demand in Germany reduced growth more than previously forecasted. In the sub-Saharan Africa region, growth is projected at 3.2 percent this year, up from 2.5 percent in 2018, but lower than previously forecasted, reflecting more pronounced domestic headwinds and weaker-than-expected external demand. The growth in this region is expected to improve gradually over the forecast horizon, reaching 3.6 percent in 2020 and 3.7 percent in 2021. (National Treasury's MTBPS 2019)

As an open economy, a relatively high proportion of South Africa's economic activity is due to imports and exports, which makes it more vulnerable to global economic shifts than if it was less open. In this regard, according to the National Treasury, the current account deficit is expected to remain at 3.5 percent of GDP over the next three years, given low investment and import growth.

The global economic upswing is expected to lose momentum amid global trade tensions and weaker-than-expected growth in traditional markets, in particular, the European Union and Japan. Declining global growth causes uncertainty and has an adverse impact on exports of South Africa's manufactured goods as a result of declining global demand. The weakening demand for South African products in its traditional export markets has amplified the need for diversifying trade towards emerging economies which have tended to grow more rapidly. The diversification of trade towards the emerging economies has both opportunities and risks that have to be carefully managed.

The global trading system is undergoing significant shifts and facing unprecedented challenges in the form of protectionism mainly in developed countries. There is an emergence of unilateralism signified by the decision of the United States of America (US) to use section 232 of its Trade Expansion Act, 1962 to impose duties on goods imported into the US under the guise of protecting US national security. The target of these measures has mainly been goods originating from the People's Republic of China (China) and this has resulted in a trade war between the US and China with China retaliating by imposing duties on imports from the US. The systemic impact of unilateral trade measures that are incompatible with WTO rules and that put the multilateral trading system at risk is a matter of concern as it undermines the rules-based, transparent, non-discriminatory, multilateral trading system, as embodied in the WTO. In particular, the WTO offers a "level" playing field which enables smaller countries such as South Africa to engage on equal terms with larger countries to protect their economic interests, something which is not necessarily possible in bilateral engagements where there is asymmetry of power (economic or otherwise) between the negotiating parties. What is more, is that another crisis is brewing within the WTO as the Appellate Body will soon not quorate due to the failure of the US to fill its quota of members to this body. Should this happen, an important part of the WTO dispute settlement mechanism will be disabled, which will prevent the WTO from discharging its function to resolve trade disputes between Member States. Members of the WTO who believe in preserving the rules-based multilateral trading system will have to address these challenges urgently.

The WTO negotiations on a comprehensive development agenda have floundered, principally over disagreements in the area of agricultural subsidies and intellectual property rights. As a result, WTO Member States have increasingly turned to bilateral and regional free trade agreements to promote their interests. The only notable exception in this regard has been the conclusion of the WTO Agreement on Trade Facilitation. This Agreement seeks to simplify and modernise customs procedures with the goal of expediting the movement and clearance of goods. This would be significant for developing countries given that the United Nations Conference on Trade and Development (UNCTAD) estimates that the cost of cross-border trade is nearly two times greater for developing countries than for developed countries. (UNCTAD Press Release, 05 January 2018: Developing countries should continue trade-easing reforms in wake of WTO deal)

The WTO's 21st Monitoring Report on G20 trade measures issued on 24 June 2019 shows that the trade coverage of new import-restrictive measures introduced during the period (October 2018 to May 2019) was more than 3.5 times the average since May 2012 when the report started including trade coverage figures. The report found that trade coverage of USD 335.9 billion during the period is the second highest figure on record, after the USD 480.9 billion reported in the previous period. Together, these two periods represent a dramatic spike in the trade coverage of import-restrictive measures, leading WTO Director-General Roberto Azevêdo to call on G20 economies to work together urgently to ease trade tensions.

The Report shows that turbulence in global trade continued during the period. The previous period saw a record level of new restrictive measures introduced. Most of these measures remain in place and have now been added to by a series of new measures in the current period which are also of a historically high level. In addition, several significant trade-restrictive measures are being considered for potential later implementation. This further compounds the challenges and uncertainty faced by governments, businesses and consumers in the current global economic environment.

In terms of numbers, the Report indicates that G20 economies implemented 20 new trade-restrictive measures between mid-October 2018 and mid-May 2019, including tariff increases, import bans and new customs procedures for exports. While fewer measures were introduced during this review period than in previous periods, the scale of those measures is much increased in terms of their trade coverage and the level of tariffs imposed.

According to the Report, a total of 29 new measures aimed at facilitating trade, including eliminating or reducing import tariffs, export duties and eliminating or simplifying customs procedures for exports were also applied by G20 economies. The trade coverage of the import-facilitating measures

implemented during the review period is estimated at USD 397.2 billion, which is 1.8 times higher than in the previous G20 Report. At four new trade-facilitating measures per month, this is the lowest monthly average registered since 2012.

The Report states that for the first time since the beginning of the trade monitoring exercise, the number of initiations of trade remedy investigations by G20 economies is equal to the number of trade remedy actions terminated. Initiations of anti-dumping investigations continue to be the most frequent trade remedy action, accounting for more than three-quarters of all initiations. The monthly average of 12 initiations of trade remedy actions during the review period is the lowest registered since 2012. The trade coverage of trade remedy initiations (USD 18.4 billion) has fallen compared to the previous period. The trade coverage of trade remedy terminations recorded in the review period (USD 14.6 billion) is two and a half times higher than that reported in the previous G20 Report.

In responding to these challenges, South Africa has reaffirmed its commitment to the rules based multilateral trading system and the central role of the WTO in ensuring this. South Africa is, however, cognisant of the need to reform aspects of the WTO to accommodate various interests, including the economic interests of developing countries. Protectionism and the US-China trade war has created the risk of trade diversion with goods which would ordinarily be exported to these countries seeking new markets, including the South African market. Trade diversion is likely to harm local producers of competing goods which may adversely affect their sustainability and growth prospects to the detriment of job retention and creation in affected industries. In such environment, the importance of ITAC adhering to government's policy framework cannot be overemphasised. To recall, the New Growth Path (NGP) places employment creation at the centre of economic policy. It is consistent with the National Development Plan (NDP) which provides a long-term vision, and the Industrial Policy Action Plan (IPAP) as well as the South African Trade Policy and Strategy Framework (TPSF) which carve out the path to implement the NDP.

On regional integration, the SACU Council of Ministers in May 2006 extended the mandate of ITAC to conduct investigations on behalf of SACU in consultation with Botswana, e-Swatini, Lesotho and Namibia (BELN). In June 2018, the 6th SACU Summit noted that the SACU Council of Ministers at their Special Meeting held on the 31st March 2017, agreed that the "... architecture on tariff setting and administration as entailed in the SACU Agreement, 2002, should be reviewed and a suitable architecture for tariff-setting, rebates, duty draw backs and trade remedies be developed". This will include finding an inclusive process that takes into consideration all Member States' interests in the setting of tariffs, rebates, duty drawbacks and

trade remedies. The Council agreed that technical work should continue in an effort to find a balanced solution that takes into account the interests of all the Member States. ITAC is providing technical support in this process. That said, an impasse has developed within SACU regarding the review of the SACU Agreement and the status quo seems set to prevail until a solution is found. The role that ITAC plays on regional integration should be understood in the context of the focus in the region on, among others, infrastructure development, industrial capacity building, promotion of the establishment of regional supply chains, and trade facilitation.

Given its mandate and the global and domestic developments, ITAC has managed to adapt to the complexities of the dynamic environment within which it operates. The knowledge accumulated from its administration of trade instruments across various sectors and industries including its administration of the Automotive Production and Development Programme (APDP), has positioned ITAC strategically to make a significant contribution to the development and implementation of the country's industrial policy. ITAC will continue to provide technical advice on its instruments in trade negotiations.

Despite the challenging domestic and global environment in which it operates, ITAC will continue to discharge its mandate, particularly, to contribute to the creation of an environment supportive of investment, competitiveness, employment retention and creation.

8.2 Internal Environment Analysis

ITAC is constituted of an administrative staff on the one hand and Commissioners on the other. The ITA Act makes provision for a Chief Commissioner who serves as the Chief Executive Officer. The Chief Commissioner is assisted by a Deputy Chief Commissioner and a maximum of ten Commissioners who can be appointed to serve on a full or part-time basis. There is currently a full-time Chief Commissioner and the Deputy Chief Commissioner with nine part-time Commissioners. The Commission meets once a month to evaluate investigations conducted by employees and make recommendations to the Minister. The investigations tend to be highly technical and complex. The work of Commissioners is painstaking, requires reasonableness, rationality and discernment. ITAC's organisational structure is attached (see **Annexure A and B**).

The primary stakeholders of ITAC are: the Department of Trade, Industry and Competition (DTIC); and its agencies; the Portfolio Committee on DTIC; Industrial and agricultural and other economic enterprises; Industry and agricultural associations; the Department of Agriculture, Forestry and

Fisheries; ITAC staff, and Organised Labour while additional stakeholders are: the National Treasury; the South African Revenue Service; Other government departments and parastatals; the WTO, SACU, SADC and other international trade institutions; and Service providers.

As per ITAC's legislative mandate, the core functions of ITAC are to conduct customs duty investigations, trade remedy investigations, and import and export control. These core functions are summarised below as part of the internal environment analysis:

8.2.1 Customs Tariffs

The point of departure for both IPAP and the TPSF is that, for sustained growth and development, South Africa cannot rely on the export potential of its mineral resources and other commodities alone. There is a pressing need for more diversification. This requires promotion of increased value addition into non-traditional tradable goods that compete in export markets as well as against imports. High value-added goods, besides operating in dynamic high-growth markets, are also more labour-intensive. The NGP identifies manufacturing as one of the employment drivers.

Tariffs are an instrument of industrial policy and are applied in a manner that seeks to achieve set economic outcomes. ITAC's tariff policy will continue to follow a developmental approach to tariff setting for both agricultural and industrial goods. This avoids a rigid blanket increase or blanket reduction in tariffs. Tariffs are an instrument of industrial policy. ITAC's recommendations are evidence-based and are made on a case-by-case basis, and take account of the applicable policy, in particular industrial policy. The focus is on outcomes, being, increased domestic production and investment, job retention and creation, as well as international competitiveness and ITAC is paying increasing attention to measuring the outcomes of its interventions.

The majority of applications for tariff support and trade remedies relate to low-priced imports originating in emerging economies, especially in East Asia. Tariff support, in particular, for downstream value-adding and labour-intensive sectors is critical and ITAC generally provides such support as a matter of policy. However, difficult global market conditions for some of the upstream intermediate inputs, particularly the global steel crisis, caused ITAC to recommend tariff increases on upstream products, albeit subject to reciprocal commitments and a monitoring mechanism. This was an exception. Ordinarily, ITAC seeks to contribute to the reduction of the cost of production locally by reducing duties on primary and intermediate inputs into downstream labour-intensive manufacturing activities.

Analysing the trend of tariff increases since the establishment of ITAC, there have been two distinct periods with differing trends. In the first period from 2003 to 2008, there was a downward trend in tariff increases, which can be explained by government's policy approach and the relatively favourable economic conditions globally and domestically at the time. From 2009 onwards, an upward trend in tariff increases was evident as a result of the negative effects of the global economic crisis, domestic cost pressures and the shift towards developmental trade policies. As a result, the year 2012/13 saw the highest number of tariff increases since 2003. The total number of product specific tariff increases was nine in 2012/13, declining to six in 2013/14. For the year 2014/15, there were nine individual product tariff increases and seven in 2015/16. Finally, for the year 2016/17 there were seven tariff increases, eight in 2017/18 and five in 2018/19.

Currently, tariffs applied to industrial goods, including those in sensitive sectors, are already at the WTO bound rates or close thereto. Consequently, there is limited policy space for some of the industrial goods, including downstream steel products where tariff increases have been explored, to increase support to industries that are increasingly becoming subject to pressure from low-priced value-added imports. It will therefore be critical for affected industries to explore applying for trade remedies (which include safeguard measures) in order to obtain protection against dumped or low priced imports. ITAC will increase its communication with local manufacturers in order to alert them to the available instruments.

For agricultural goods, the tariff setting process has unique requirements and considerations. Subsidies offered in a number of countries to farmers affect global supply of agricultural products and have the effect of depressing world prices to the detriment of farmers in importing countries. This distortion in world prices is considered when determining an appropriate level of tariff for agricultural products. Further, account is taken of the profitability and interests of primary producers, value-added goods producers, and inflationary effects on consumers, particularly the poor.

In light of the weak global economic conditions and the relatively low economic growth forecast for South Africa, ITAC will continue to be under pressure to consider tariff support and trade remedies for domestic producers. These conditions require flexibility on the part of ITAC in addressing possible trade imbalances, failing which there will be adverse consequences for domestic producers and jobs as well as consumers. Further, to encourage domestic firms towards greater investment and employment, ITAC will intensify its focus on the reciprocal commitments which applicants should make in exchange for tariff support and monitor adherence to those commitments.

There is a need for a more coordinated approach to ITAC's interventions. In addition to tariff support and reciprocal commitments, ITAC will, where appropriate, adopt an approach similar to the one used previously in the case of the Steel industry. In that case, Arcelor Mittal South Africa Ltd (AMSA), the sole supplier of primary steel, was granted tariff support. Mindful of this, the then Minister of Economic Development established a Committee of the Commission to monitor AMSA's pricing regime to ensure that downstream producers are not harmed by the reduction in import competition as a result of the tariff support. This Committee is also responsible for monitoring all the reciprocal commitments by AMSA, including production, investment and employment. In this regard, ITAC will leverage on the sector master plans currently being put in place for various sectors. ITAC will continue to conduct impact assessments to assess the impact of the support granted and where reciprocal commitments were made, evaluate adherence to such commitments. ITAC's three year reviews of tariff amendments will also serve this purpose. ITAC will require additional resources to effectively discharge this function. Currently, the position of Chief Economist which is critical in enabling ITAC to conduct impact assessments and trade monitoring is vacant due to the shortage of financial resources. ITAC welcomes the National Treasury's observation of the need for ITAC to be allocated more resources to enhance its capacity in this regard. (Economic transformation, inclusive growth, and competitiveness: Towards an Economic Strategy for South Africa, National Treasury 2019)

ITAC, through trade monitoring initiatives, can play a positive role in assisting firms with market intelligence, particularly from the perspective of international trade trends. This may include identifying changes in trade flows, potential threats from international suppliers and opportunities in other markets. The holistic approach adopted in the case of the steel crisis optimises value for government's policy interventions and has set a standard for the future. Experience shows that there is no silver bullet to multifaceted problems faced by various productive sectors of the economy. What is needed, therefore, are coordinated measures on all fronts and this presents complexities that require flexibility and innovation.

ITAC continues to administer the Automotive Production and Development Programme (APDP), which replaced the Motor Industry Development Programme (MIDP) in 2013, through appropriate regulations and guidelines. The APDP is a production incentive scheme for the motor industry aimed at significantly growing production volumes in the specified motor vehicle industry, promoting value addition in the automotive component industry thus creating investment and employment opportunities across the automotive value chain. The APDP programme has four elements, and ITAC administers three of those elements namely; Tariffs, Production Incentive (PI) and Vehicle Assembly Allowance (VAA). The fourth element, Automotive Investment Scheme (AIS), is administered by the DTIC. The programme will be replaced by the APDP Phase 2 in 2021 in line with the

Automotive Masterplan. In line with the policy directive from the Minister of Trade, Industry and Competition, ITAC will amend the existing legislation, regulations and guidelines in order to operationalise the policy.

8.2.2 Trade Remedies

ITAC administers three types of trade remedies, viz., anti-dumping, countervailing and safeguard measures. The use of trade remedies is consistent with the objects of the ITA Act, being to foster economic growth and development in order to raise incomes and promote investment and employment in South Africa and SACU. Trade remedies are used to combat unfair trade practices (anti-dumping and countervailing measures) and fair trade practices in cases of unforeseen surges in imports which cause or threaten to cause serious injury to local producers (safeguard measures).

Of the three types of trade remedies administered by ITAC, anti-dumping is traditionally the most frequently used, both globally and in South Africa. In the years 1995 to 2018, the Commission initiated 13 countervailing investigations, in comparison to the 231 anti-dumping investigations initiated and in the years 2007 to 2018, only two countervailing investigations were initiated. Although only five safeguard investigations have been conducted since ITAC came into existence, more interest has been shown in this instrument since 2012 with investigations involving lysine, frozen potato chips, hot rolled steel, and cold rolled steel being conducted between that year and 2017. In 2018, ITAC conducted a safeguard investigation in relation to set-screws, hexagonal nuts and following engagements with a number of industries, is expecting to receive more applications going forward. An investigation on frozen chicken portions in terms of the TDCA/EPA was initiated in 2016 and measures were imposed in 2018.

ITAC will continue to be rigorous in its investigations. The investigation time frames applicable in respect of these instruments are critical as they are governed not only by domestic South African law but also WTO Agreements. In view of the relatively low bound rates to which South Africa committed itself under the WTO, and the fact that most tariffs are currently set at or close to the WTO bound rate, trade remedies have become important in levelling the playing field for local producers, and where appropriate, protecting them against unforeseen surges in imports which cause or threaten to cause serious injury. Communication with industry will be critical to alert them to the availability of these instruments.

ITAC plays a critical role in supporting the South African and SACU teams in trade negotiations. Litigation will continue to be a challenge in this complex and technical area of work. All jurisdictions active in this field have to contend with this reality. At a multilateral level, a major part of the WTO Settlement of Disputes procedures involves trade remedies cases. Enhancing the capacity of ITAC's legal unit and legal training for investigators will continue to be a priority. The importance of being procedurally and substantively compliant in carrying out trade remedies investigations cannot be overemphasised.

8.2.3 Import and Export Control

Import control measures 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 makes a contribution to the green economy.

In terms of 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, collaborating with other government agencies as stated earlier. These actions have assumed greater importance as they now form part of the 2018 stimulus package announced by the President to boost economic growth. Mineral beneficiation has been identified as one of the areas where jobs will be created and this will require 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 PPS to promote investment and employment opportunities in the domestic metals beneficiation and fabrication industries. This followed the policy directive by the Minister leading the then Economic Development Department aimed *inter alia* at addressing a crisis in the country by seeking to ensure access to affordable good quality scrap metal by foundries and other consumer industries. Notwithstanding its limitations, this system has had some positive effect on South African metal manufacturing firms since its inception on 10 May 2013. The Minister renewed the policy directive until March 2020 after the initial term expired. The possibility of replacing the PPS with an export duty is being explored jointly with the DTIC, National Treasury and SARS.

The import and export control has been adversely affected by the shortage of financial resources. In particular, the capacity to execute work has been impaired by: i) substantially reduced travel and subsistence budget, which is critical given that inherent in enforcement work, cannot be properly

executed without field work; ii) shortage of vehicles; and iii) shortage of enforcement officers. It is imperative for ITAC to be allocated more resources in order to address these challenges.

PART C: MEASURING PERFORMANCE

9. ITAC's Performance Information

9.1 Measuring the Impact

Impact statement	To foster economic growth and development in order to raise incomes and promote investment and employment in South Africa through an efficient and effective system for the administration of international trade instruments.
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9.2 Measuring Outcomes

Outcome	Outcome Indicator	Baseline	Five Year Target
Contribution to employment creating growth and development.	Efficient administration of trade instruments: customs tariffs. <ul style="list-style-type: none"> • Customs Tariffs Investigations. • Customs Duty Rebate and Drawback Permits. • Automotive Production and Development Programme. 	59% of customs tariffs decisions made were within 6 months. 95% of the permits were issued within 14 days. <ul style="list-style-type: none"> • EPC's: 96% of certificates were issued within 10 days after technical working group or factory visit and the submission of all outstanding information. • CSP's: New Indicator. • PRCC's: 98% of certificates were issued within 30 days. • Verifications: 96% of verifications were completed within 90 days. 	80% of customs tariffs decisions made within 6 months. 80% of the permits issued within 14 days. <ul style="list-style-type: none"> • EPC's: 80% of certificates issued within 10 days after technical working group or factory visit and the submission of all outstanding information. • CSP's: 80% of certificates issued within 10 working days. • PRCC's: 80% of certificates issued within 30 days. • Verifications: 80% of verifications completed within 90 days.

Outcome	Outcome Indicator	Baseline	Five Year Target
	Efficient administration of trade instruments: trade remedies. <ul style="list-style-type: none"> • Trade Remedies Investigations. 	<ul style="list-style-type: none"> • Preliminary determination: 100% of decisions were made within 6 months of initiation. • Final determination: 100% of decisions were made within 10 months of initiation. 	<ul style="list-style-type: none"> • Preliminary determination: 80% decisions made within 6 months of initiation. • Final determination: 80% of decisions made within 10 months of initiation.
	Effective administration of trade instruments: import and export control. <ul style="list-style-type: none"> • Import Control Permits. • Export Control Permits. • Enforcement. 	19267 import permits were issued during 2018/2019 financial year. 15183 export permits were issued during 2018/2019 financial year. Inspections: 2560 were conducted during 2018/2019 financial year. Investigations: 18 were conducted during 2018/2019 financial year.	80 000 import permits issued. 60 000 export permits issued. Inspections: 3840. Investigations: 60.
Ensured strategic alignment and continued relevance to the Department and the National Agenda, particularly the New Growth Path.	Provide technical advice to the dti <ul style="list-style-type: none"> • Formal submissions written to dti depending on requests received. • Attendance of the dti arranged multilateral, regional and bilateral negotiations. 	<ul style="list-style-type: none"> • New Indicator. • ITAC attended 100% of the dti arranged multilateral, regional and bilateral negotiations. 	<ul style="list-style-type: none"> • Formal submissions written to dti for 80% of requests received. • ITAC attended 80% of the dti arranged multilateral, regional and bilateral negotiations.

Outcome	Outcome Indicator	Baseline	Five Year Target
<p>Ensured organisational efficiency and effectiveness of ITAC.</p>	<p>Monitoring and evaluation</p> <ul style="list-style-type: none"> • Impact Studies. • Trade monitoring. • Reciprocal Commitments. • Contribution to National Sector Masterplans and the Implementation of the African Continental Free Trade Agreement. 	<p>8 product specific impact assessments.</p> <p>2 quarterly trade-monitoring reports were issued during 2018/2019 financial year.</p> <p>Two reports on the performance of selected sector against reciprocal commitments by tariff adjustment beneficiaries on new investment, job creation and industrial expansion were issued.</p> <p>This is a new KPI</p>	<p>20 product specific impact assessments.</p> <p>10 trade monitoring reports.</p> <p>10 reciprocal commitments reports.</p> <p>10 reports on ITAC's contribution to National Sector Masterplans and the Implementation of the African Continental Free Trade Agreement.</p>
	<p>Developed and reviewed policies and regulations in respect of trade instruments.</p>	<p>Safeguard regulations were internally reviewed.</p>	<p>Reviewed the following:</p> <p>Anti-Dumping regulations; Safeguard regulations; and ITA Act.</p>

9.3 Explanation of Planned Performance over the Five Year Planning Period

The outcomes in section 9.2 were derived from the mandate of ITAC. As a creature of statute established in terms of section 7 of the ITA Act, the object of 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.

To contribute to employment creating growth and development, ITAC will continue to improve the administration of its trade instruments: customs tariffs; trade remedies; and import and export control. This is directly aligned with what the NGP seeks to achieve. The NGP places employment creation at the centre of economic policy. The NGP is one of many government strategies in pursuit of the NDP.

In order to ensure that ITAC's interventions are relevant and aligned to the vision of the department and government, its monitoring and evaluation of its outcomes will be key. In this regard, more emphasis will be placed on monitoring the outcomes of its interventions. Whether ITAC's instruments have made a positive impact depends on the extent to which the support has resulted in increased domestic manufacturing, investment, employment, value addition and competitiveness after the support was given in comparison to the period before the support, using firm-level data. Leveraging on the various on sector master plans currently being put in place, ITAC will continue with its impact assessments to ensure adherence to such commitments.

Similarly, the provision of technical advice will increasingly become an area in which ITAC adds value and thus remain relevant to the institutional mandate and the trade policy goals. Finally, in order to achieve its outcomes, efficiency and effectiveness is a necessity. This will be achieved through the development and review of policies and regulations, particularly, trade remedies, and to some extent tariffs, and import and export control.

10. Key Risks

Outcome	Key Risk	Risk Mitigation
Contributed to employment creating growth and development.	Inability to finalise investigations within the required turnaround time.	<ul style="list-style-type: none"> • The investigation activity checklist is implemented to track progress of the actual dates against the targeted dates. • There are regulations and a procedure manual in place on conducting investigations. • There are commission meetings held every month for recommendation of any finalised investigations. • Management of leave applications to ensure continuity of work.
	Legal action against ITAC in respect of all ITAC instruments.	<ul style="list-style-type: none"> • Investigation procedure manual and regulations in place. • EXCO subcommittee evaluates all submissions that go to Commission. • Standard format of submissions to Commission in place. • Commission interrogates information submitted. • Information sharing sessions after every court outcome. • Guideline, rule and procedures for ITAC instruments.
Ensured strategic alignment and continued relevance to the Department and the national agenda, particularly the New Growth Path.	In-accurate/incorrect reporting on performance information.	<ul style="list-style-type: none"> • Reporting and management supervision processes in place. • Performance information records are submitted to Managers for review on a weekly basis. • Registers are reviewed by SM monthly and kept in a summarised file.

Ensured organisational efficiency and effectiveness of ITAC.	<ul style="list-style-type: none"> • Lack adequate funding to ensure efficient operations. 	<ul style="list-style-type: none"> • In order to generate financial resources, the Minister published regulations prescribing administrative fees payable by applicants when applying for Import and Export Control permits. This will result in the much-needed financial resources. • ITAC has put a moratorium in place for filling vacancies, which resulted in high vacancy rate due to financial constraints.
	<ul style="list-style-type: none"> • Lack of data availability to conduct impact assessments. 	<ul style="list-style-type: none"> • Data framework developed and sent out to the relevant firms, guidance also provided to enable the relevant firms to populate the template.

11. Public Entities

Name of Public Entity	Mandate	Outcomes	Current Annual Budget (R 000)
N/A	N/A	N/A	N/A

PART D: Technical Indicator Description (TID)

1. Efficient administration of trade instruments: Customs Tariffs (Customs Tariffs Investigations)

Indicator title	Efficient administration of trade instruments: Customs Tariffs (Customs Tariffs Investigations)
Definition	The indicator displays the turnaround times of finalised tariff amendment investigations presented to the Commission.
Source of data	Quarterly status reports reflecting the number and turnaround timeframes of tariff amendment applications presented to the Commission.
Method of calculation/Assessment	The indicator is calculated by counting the months taken to finalise all the tariff amendment investigations presented to the Commission on a quarterly basis. Date of duly completed application to date of final determination by the Commission.
Assumptions	None.
Disaggregation of Beneficiaries (where applicable)	<ul style="list-style-type: none"> • Target for Women: N/A. • Target for Youth: N/A. • Target for People with Disabilities: N/A.
Spatial Transformation (where applicable)	<ul style="list-style-type: none"> • Reflect on contribution to spatial transformation priorities: N/A. • Reflect on the spatial impact area: N/A.
Reporting cycle	Annual.
Desired Performance	Efficient administration of customs tariffs.
Indicator responsibility	Senior Manager: Tariffs I & II.

2. Efficient administration of trade instruments: Customs Tariffs (Customs Duty Tariffs Rebates and Drawback Permits)

Indicator title	Efficient administration of trade instruments: Customs Tariffs (Customs Duty Tariffs Rebates and Drawback Permits)
Definition	The indicator displays the turnaround times of finalised rebate and drawback permits to reduce input costs and increase competitiveness of industry.
Source of data	A database to record the time taken to finalise the permits processed is kept on the V-drive.
Method of calculation/Assessment	The indicator is calculated by counting the number of days taken to issue rebate and drawback permits in terms of the various rebate and drawback provisions that are administered by ITAC. Date of duly completed application to date of issuing the permit..
Assumptions	None.
Disaggregation of Beneficiaries (where applicable)	<ul style="list-style-type: none"> • Target for Women: N/A. • Target for Youth: N/A. • Target for People with Disabilities: N/A.
Spatial Transformation (where applicable)	<ul style="list-style-type: none"> • Reflect on contribution to spatial transformation priorities: N/A. • Reflect on the spatial impact area: N/A.
Reporting cycle	Annual.
Desired Performance	Efficient administration of customs tariffs.
Indicator responsibility	Senior Manager: Tariffs I & II.

3. Efficient administration of trade instruments: Customs Tariffs (Automotive Production and Development Programme)

Indicator title	Efficient administration of trade instruments: Customs Tariffs (Automotive Production and Development Programme)
Definition	The indicator displays the time taken to finalise EPCs, CSPs and PRCCs certificates issued and verifications conducted in accordance with APDP policy, legislation and guidelines to significantly grow production volumes and value addition, leading to the creation of additional employment opportunities across the automotive value chain.
Source of data	A database to record the time taken to finalise EPCs, CSPs and PRCCs certificates, and verifications conducted is kept on the V-drive.
Method of calculation/Assessment	The indicator is calculated by counting the days taken to finalise the issuing of EPCs, CSPs and PRCCs from the date of receipt of a duly completed application and APDP verifications from the date of initiation.
Assumptions	None.
Disaggregation of Beneficiaries (where applicable)	<ul style="list-style-type: none"> • Target for Women: N/A. • Target for Youth: N/A. • Target for People with Disabilities: N/A.
Spatial Transformation (where applicable)	<ul style="list-style-type: none"> • Reflect on contribution to spatial transformation priorities: N/A. • Reflect on the spatial impact area: N/A.
Reporting cycle	Annual.
Desired Performance	Efficient administration of customs tariffs.
Indicator responsibility	Senior Manager: Tariffs II.

4. Efficient administration of trade instruments: Trade Remedies (Trade Remedies Investigations)

Indicator title	Efficient administration of trade instruments: Trade Remedies (Trade Remedies Investigations)
Definition	The indicator displays the turnaround times of preliminary and final determinations made by the Commission. An investigation is initiated or formally started through publication of a notice in the Government Gazette once the Commission has decided that the Applicant has submitted a prima facie case. Within 6 months of the initiation of an investigation, the Commission makes a preliminary determination, a report is issued and the determination is published in the government gazette. After the Commission's final determination and recommendation is approved by the Minister of Trade and Industry, a final report is issued and the final determination gazetted. This should normally happen within 10 months of the date of initiation of an investigation.
Source of data	Initiation notices; notice of preliminary determination and notice of final determinations are published in the Government Gazette. Copies of these are kept on the ITAC website.
Method of calculation/Assessment	The date of initiation is the starting point, which is compared with the date of publication of the provisional determination (6 months) and the final determination (10 months).
Assumptions	The time frames take the following assumptions into account: 2 domestic firms; 2 importers; 2 exporters; one country involved in the investigation.
Disaggregation of Beneficiaries (where applicable)	<ul style="list-style-type: none"> • Target for Women: N/A. • Target for Youth: N/A. • Target for People with Disabilities: N/A.
Spatial Transformation (where applicable)	<ul style="list-style-type: none"> • Reflect on contribution to spatial transformation priorities: N/A. • Reflect on the spatial impact area: N/A.
Reporting cycle	Annual.
Desired Performance	Efficient administration of Trade Remedies.
Indicator responsibility	Senior Manager: Trade Remedies I & II.

5. Effective administration of trade instruments: Import And Export Control (Import Control Permits)

Indicator title	Effective administration of trade instruments: Import and Export Control (Import Control Permits)
Definition	The indicator displays the extent to which import permits were issued to facilitate the importation of controlled goods by compliant importers.
Source of data	The information comes from the electronic import permit system and is collected by means of reporting functions in the system by the Senior Manager.
Method of calculation/Assessment	The indicator is calculated by the Senior Manager drawing a report from the system which adds all permits processed on the electronic permit system, forwarded to and accepted by the electronic SARS system
Assumptions	None.
Disaggregation of Beneficiaries (where applicable)	<ul style="list-style-type: none"> • Target for Women: N/A. • Target for Youth: N/A. • Target for People with Disabilities: N/A.
Spatial Transformation (where applicable)	<ul style="list-style-type: none"> • Reflect on contribution to spatial transformation priorities: N/A. • Reflect on the spatial impact area: N/A.
Reporting cycle	Annual.
Desired Performance	Effective administration of Import And Export Control.
Indicator responsibility	Senior Manager: Import and Export Control.

6. Effective administration of trade instruments: Import And Export Control (Export Control Permits)

Indicator title	Effective administration of trade instruments: Import and Export Control (Export Control Permits)
Definition	The indicator displays the extent to which export permits were issued to facilitate the importation of controlled goods by compliant importers.
Source of data	The information comes from the electronic export permit system and is collected by means of reporting functions in the system by the Senior Manager.
Method of calculation/Assessment	The indicator is calculated by the Senior Manager drawing a report from the system which adds all permits processed on the electronic permit system, forwarded to and accepted by the electronic SARS system.
Assumptions	None.
Disaggregation of Beneficiaries (where applicable)	<ul style="list-style-type: none"> • Target for Women: N/A. • Target for Youth: N/A. • Target for People with Disabilities: N/A.
Spatial Transformation (where applicable)	<ul style="list-style-type: none"> • Reflect on contribution to spatial transformation priorities: N/A. • Reflect on the spatial impact area: N/A.
Reporting cycle	Annual.
Desired Performance	Effective administration of Import And Export Control.
Indicator responsibility	Senior Manager: Import and Export Control.

7. Effective administration of trade instruments: Import And Export Control (Enforcement)

Indicator title	Effective administration of trade instruments: Import and Export Control (Enforcement)
Definition	Investigation in the event of information being received with regards to a possible contravention of the ITA Act, Regulations or conditions contained in permits.
Source of data	Whistle blowers
Method of calculation/Assessment	Total number of investigations conducted.
Assumptions	None
Disaggregation of Beneficiaries (where applicable)	<ul style="list-style-type: none"> • Target for Women: N/A • Target for Youth: N/A • Target for People with Disabilities: N/A
Spatial Transformation (where applicable)	<ul style="list-style-type: none"> • Reflect on contribution to spatial transformation priorities: N/A • Reflect on the spatial impact area: N/A
Reporting cycle	Annual
Desired Performance	Improved administration of customs tariffs
Indicator responsibility	Senior Manager: Import and Export Control

8. Provide Technical Advice to the dti: Formal submissions written to dti depending on requests received.

Indicator title	Provide Technical Advice to the dti: formal submissions written to dti depending on requests received.
Definition	ITAC provides technical support on its instruments to the Department of Trade and Industry, which conducts Multilateral, Regional and Bilateral Trade Engagements on behalf of South Africa. Due to the technical nature of the work, the dti cannot conduct these negotiations without the inputs from by ITAC. When formal requests as are received, ITAC will prepare formal submissions written to the dti.
Source of data	Formal submissions to the dti prepared and signed off by CC.
Method of calculation/Assessment	Percentage of formal submissions written to the dti relative to requests received.
Assumptions	None.
Disaggregation of Beneficiaries (where applicable)	<ul style="list-style-type: none"> • Target for Women: N/A. • Target for Youth: N/A. • Target for People with Disabilities: N/A.
Spatial Transformation (where applicable)	<ul style="list-style-type: none"> • Reflect on contribution to spatial transformation priorities: N/A. • Reflect on the spatial impact area: N/A.
Reporting cycle	Annual.
Desired Performance	Sound Technical Advice provided to the dti.
Indicator responsibility	Senior Managers in Core Business.

9. Provide of Technical Advice to the dti: Attendance of the dti arranged multilateral, regional and bilateral negotiations.

Indicator title	Provide Technical Advice to the dti: attendance of the dti arranged multilateral, regional and bilateral negotiations.
Definition	ITAC provides technical support on its instruments to the Department of Trade and Industry, which conducts Multilateral, Regional and Bilateral Trade Negotiations on behalf of South Africa. Due to the technical nature of the work, the dti cannot conduct these negotiations without the inputs from by ITAC. Attendance to the dti arranged multilateral, regional and bilateral negotiations by ITAC is crucial.
Source of data	dti arranged multilateral, regional and bilateral engagements invitations.
Method of calculation/Assessment	Percentage of attendance of the dti arranged multilateral, regional and bilateral negotiations.
Assumptions	None.
Disaggregation of Beneficiaries (where applicable)	<ul style="list-style-type: none"> • Target for Women: N/A. • Target for Youth: N/A. • Target for People with Disabilities: N/A.
Spatial Transformation (where applicable)	<ul style="list-style-type: none"> • Reflect on contribution to spatial transformation priorities: N/A. • Reflect on the spatial impact area: N/A.
Reporting cycle	Annual.
Desired Performance	Sound Technical Advice provided to the dti.
Indicator responsibility	Senior Managers in Core Business.

10. Monitoring and Evaluation: Impact Studies

Indicator title	Monitoring and Evaluation: Impact Studies.
Definition	The indicator is important in order to ensure alignment of ITAC to the New Growth Path (NGP) and National Development Plan (NDP). The realisation of the above key policy objectives remains critical in ensuring that ITAC's trade instruments are efficiently and effectively utilised towards the realisation of the NGP targets.
Source of data	ITAC website (reports are up-loaded)
Method of calculation/Assessment	Number of reports produced.
Assumptions	None.
Disaggregation of Beneficiaries (where applicable)	<ul style="list-style-type: none"> • Target for Women: N/A. • Target for Youth: N/A. • Target for People with Disabilities: N/A.
Spatial Transformation (where applicable)	<ul style="list-style-type: none"> • Reflect on contribution to spatial transformation priorities: N/A. • Reflect on the spatial impact area: N/A.
Reporting cycle	Quarterly.
Desired Performance	Impact Study reports issued.
Indicator responsibility	Deputy Chief Commissioner.

11. Monitoring and Evaluation: Trade Monitoring

Indicator title	Monitoring and Evaluation: Trade Monitoring.
Definition	Given that the country's economic prospects are highly dependent on global trade and investment patterns, it is imperative for government to monitor and evaluate trade flows from time to time in order to identify opportunities and risks in priority sectors.
Source of data	ITAC website (reports are up-loaded)
Method of calculation/Assessment	Number of reports produced.
Assumptions	None.
Disaggregation of Beneficiaries (where applicable)	<ul style="list-style-type: none"> • Target for Women: N/A. • Target for Youth: N/A. • Target for People with Disabilities: N/A.

Spatial Transformation (where applicable)	<ul style="list-style-type: none"> • Reflect on contribution to spatial transformation priorities: N/A. • Reflect on the spatial impact area: N/A.
Reporting cycle	Bi - Annual.
Desired Performance	Trade monitoring reports issued.
Indicator responsibility	Deputy Chief Commissioner.

12. Monitoring and Evaluation: Reciprocal Commitments

Indicator title	Monitoring and Evaluation: Reciprocal Commitments.
Definition	It gauges the performance of beneficiaries of tariff and rebate supports against the policy objectives of government for which the applicants have committed to.
Source of data	ITAC website (reports are up-loaded)
Method of calculation/Assessment	Number of reports produced.
Assumptions	Data is received from relevant firms.
Disaggregation of Beneficiaries (where applicable)	<ul style="list-style-type: none"> • Target for Women: N/A. • Target for Youth: N/A. • Target for People with Disabilities: N/A.
Spatial Transformation (where applicable)	<ul style="list-style-type: none"> • Reflect on contribution to spatial transformation priorities: N/A. • Reflect on the spatial impact area: N/A.
Reporting cycle	Bi - Annual.
Desired Performance	Reciprocal commitments made met.
Indicator responsibility	Deputy Chief Commissioner.

13. Monitoring and Evaluation: Contribution to National Sector Masterplans and the Implementation of the African Continental Free Trade Agreement.

Indicator title	Monitoring and Evaluation: Contribution to National Sector Masterplans and the Implementation of the African Continental Free Trade Agreement.
Definition	It gauges the contribution of ITAC to the industry policy objectives as directed by the Minister of Trade and Industry, including the development and implementation of National Sector Masterplans and the African Continental Free Trade Agreement.
Source of data	ITAC website (reports are up-loaded)
Method of calculation/Assessment	Number of reports produced.
Assumptions	None
Disaggregation of Beneficiaries (where applicable)	<ul style="list-style-type: none"> • Target for Women: N/A. • Target for Youth: N/A. • Target for People with Disabilities: N/A.
Spatial Transformation (where applicable)	<ul style="list-style-type: none"> • Reflect on contribution to spatial transformation priorities: N/A. • Reflect on the spatial impact area: N/A.
Reporting cycle	Bi-Annual.
Desired Performance	Positive Contribution to National Sector Masterplans and the Implementation of the African Continental Free Trade Agreement.
Indicator responsibility	Deputy Chief Commissioner.

14. Developed and reviewed policies and regulations in respect of trade instruments.

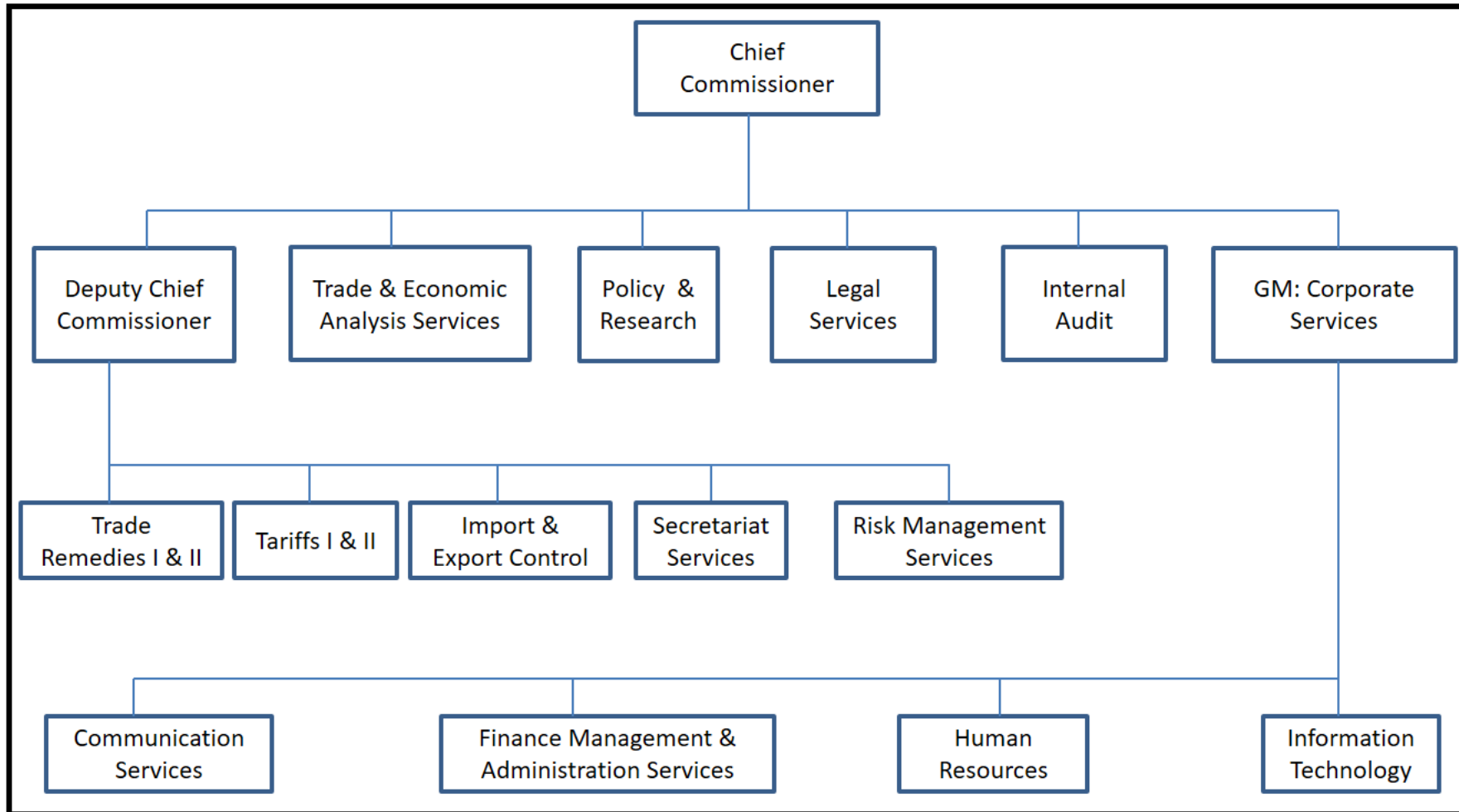
Indicator title	Developed and reviewed policies and regulations in respect of trade instruments.
Definition	ITAC is an administrative body and not responsible for policy formulation. However, because of the technical nature of ITAC's work, it drafts policy and regulations for approval by the Minister.
Source of data	The revised policy or regulations is submitted to the Minister for consideration. The Policy and Research unit keeps a file with record of this.
Method of calculation/Assessment	Proof of actual revised policy or regulation.
Assumptions	None.
Disaggregation of Beneficiaries (where applicable)	<ul style="list-style-type: none"> • Target for Women: N/A. • Target for Youth: N/A. • Target for People with Disabilities: N/A.
Spatial Transformation (where applicable)	<ul style="list-style-type: none"> • Reflect on contribution to spatial transformation priorities: N/A. • Reflect on the spatial impact area: N/A.
Reporting cycle	Annual.
Desired Performance	Developed and reviewed policies and regulations in respect of ITAC's trade instruments.
Indicator responsibility	Core Business and Policy & Research Senior Managers

PART E: OTHER RELATED DOCUMENTS

ANNEXURE A: ORGANISATIONAL STRUCTURE

ANNEXURE B: ITAC COMMISSIONERS

ANNEXURE A: ORGANISATIONAL STRUCTURE



ANNEXURE B: ITAC COMMISSIONERS

Chief Commissioner (Full time)

Meluleki Nzimande

Chairperson of the Commission (Part time)

Dr Faizel Ismail

Deputy Chief Commissioner (Full time)

Dumisani Mbambo

Part time Commissioners

Mr Boikanyo Mokgatle

Ms Tanya van Meelis

Mr Etienne Doyle Vlok

Ms Ayanda Hlatshwayo

Ms Phozisa Mbiko

Mr Wandile Sihlobo

Mr Jacobus Cornelius De Beer

Ms Vuyolwethu Ncwaiba

Mr Tony Ehrenreich