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Ms Linda Herbst

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Economic Development Department

Proposed new import and export permit administrative fee

We note with concern the attached Government Gazette Notice No.1173 of 16 Sept 2019.

The MRA is a SAPS accredited association currently representing 77 member companies, operating 133 formal metal recycling facilities nationwide with direct employment of 5695 people.

As conveyed on numerous occasions to EDD; DTI; ITAC and NT recently, most notably during our meeting of 17.06.2019 held at your offices, the metal recycling industry in South Africa is presently a sector in distress and we factually illustrate as follows:

1. MRA member count has reduced by 51% since the introduction of PPS (Nov-2013 = 159 members).
2. Similarly MRA recycling facility numbers have reduced by 41% (224 MRA yards certified during 2013).
3. MRA employment figs have reduced by >50% in 10 years (2008 member survey >12000 employees).
4. World scrap steel prices have fallen 68% since July-2008 (from \$660 to \$211 per ton 20.09.2019).
5. World (LME) copper value has reduced by 43% since Feb-2011 (currently \$5775 per ton).
6. Similarly world aluminium value has reduced by 41% since Apr-2008 (currently \$1775).

Furthermore very low levels of economic activity and multiple liquidations within the domestic manufacturing sector (our main source of supply), together with reduced scrap demand and prices, has caused our members to suffer financial losses or low profit levels, which has resulted in many disinvesting from the sector.

Consequently the proposed administrative fee is an extra burden being imposed on our members, which many are unable to bear due to the abovementioned factors.

We therefore propose that the administrative fee is reduced to R500 per application.

SAPS Accreditation No. 001/2012

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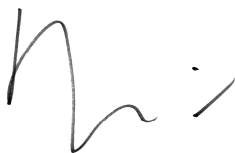
Secretariat Rachelle Bezuidenhout

Additionally as a direct result of ITAC's relatively new requirement of allocating each permit to a specific consignee party at the time of issue (previously the permit holder could share a single permit amongst multiple consignee parties), our members are now forced to apply for multiple export permits for the same commodity in order to allow sales of individual container-loads to different consignees. If a fee for each separate permit application is introduced by ITAC, our members will be burdened with even higher costs as a result of the abovementioned new requirement.

We therefore propose that ITAC reverts to the previous methodology whereby export permits are issued without consignee details being provided, alternatively that the proposed administration fee is charged only once in cases where exporters apply simultaneously for multiple export permits for the same commodity.

Refer to the zip file attached for supporting data references.

Kind Regards

A handwritten signature in black ink, appearing to read 'Mike Wilson', with a stylized flourish at the end.

Mike Wilson
Chairman