International Trade Administration Commission of South Africa

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REF. NO: 14/3/2

Mr Parks Tau
Minister of Trade, Industry and Competition
Private Bag X84
PRETORIA
0001

Dear Minister

MINUTE M11/2026: REDUCTION IN THE RATE OF ORDINARY CUSTOMS DUTY ON SUGAR IN TERMS OF THE APPROVED VARIABLE TARIFF FORMULA

In terms of the last approved variable tariff formula for sugar, the ordinary customs duty on sugar is calculated as the difference between the 20-trading day moving average London No. 5 settlement price and the established domestic reference price for sugar. Adjustments to the level of protection granted are made when the 20-trading day moving average of the London No. 5 settlement price shows a variance of more than US$20/ton from the previous trigger level for 20 consecutive trading days. The resulting Dollar duty will be converted to Rand, based on the Rand/US Dollar exchange rate prevailing on the day that the adjustment is triggered, and subsequently adjusted with the latest available Real Effective Exchange Rate ("REER") as published by the South African Reserve Bank.

The International Trade Administration Commission of South Africa ("Commission") considers adjustments in the ordinary customs duty on sugar, once the conditions for an adjustment, outlined above, are met. The conditions for a downward adjustment in the tariff from the previous trigger level were met on 25 September 2026 and the South African Sugar Association ("SASA") forwarded a letter of confirmation to this effect.

Specifically, the 20-trading day moving average of the London No. 5 settlement price of sugar triggered an adjustment at US$520.60/ton on 25 September 2026. The corresponding Rand/US Dollar (R/US$) exchange rate was R16.3643 to US$1.00. If the domestic reference price, the 20-trading day moving average of the London No. 5 settlement price, the R/US$

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exchange rate on 25 September 2026 and the latest available REER[1] are applied to the formula, the ordinary customs duty on sugar needs to be adjusted downwards from the previous trigger level of 697.92c/kg to 516.35c/kg.

At the core of the changes in the level of tariff support were movements in the world price of sugar. The world sugar prices have been increasing recently, necessitating an adjustment in the level of the tariff for sugar.

In light of the above, the Commission recommends that the rate of ordinary customs duty on sugar, classifiable under tariff heading 17.01, be reduced from 697.92c/kg to 516.35c/kg.

Yours sincerely

Ayabonga Cawe
Chief Commissioner

Date: 06 / 10 /2026

[1] The REER is a lagging indicator, currently being 119.34 for June 2026, as published by the South African Reserve Bank (https://www.resbank.co.za/content/dam/sarb/publications/monthly-releases/monthly-release-of-selected-data/2026/Eng%20450.pdf).