DEPARTMENT OF TRADE, INDUSTRY AND COMPETITION

NOTICE 3233 OF 2025

REVIEW OF THE LIST OF MATERIALS QUALIFYING AS STANDARD MATERIALS UNDER THE AUTOMOTIVE PRODUCTION AND DEVELOPMENT PROGRAMME PHASE 2 ("APDP2") AND MEASURES TO SUPPORT BATTERY MANUFACTURING

APPLICANT:

The International Trade Administration Commission
77 Meintjies Street
Sunnyside
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REASONS FOR THE REVIEW:

- Global manufacturing and energy generation technologies are undergoing a series of structural changes. Largely in response to challenges arising from climate variability. South Africa, in the evolving profile of traction and solid-state battery, energy, and propulsion technologies, observes that these require considerable use and security of supply of several critical minerals and materials;

- These materials and minerals, to the extent that they can be found in viable deposits and reserves in South Africa and Southern Africa, present our country with an opportunity to increase manufacturing capabilities, create new jobs, and advance our socio-economic development goals; and

- Currently, the list of standard materials (meaning locally beneficiated raw materials originating in the SACU which have been processed to suit automotive specifications) set forth in Note 4.4.1 of the APDP2 Info Doc A contains raw minerals and materials such as aluminium, steel, and platinum group metals. However, several minerals associated with Battery Electric Vehicle (BEV) production, including all hybrid derivatives, are not currently contained in the list of standard materials.

Interested parties are invited to submit comments on the following:

- The inclusion of the following minerals as a standard material under the APDP2. The following minerals and materials shall , when sourced from the SADC region, and used in the manufacture of automotive electric batteries:

a) Rare earth minerals
b) Iron
c) Lithium
d) Graphite
e) Copper
f) Cobalt sulfate
g) Manganese sulfate
h) Nickel sulfate
i) Polymers
j) Sodium carbonate ('Soda Ash')

- The possibility of reviewing the percentage of standard materials deemed as local value added under the APDP2 to encourage beneficiation of regionally available materials;

- The possibility of increasing in customs duty applicable to NEV batteries, to the WTO bound rate of 15% *ad valorem,* to provide tariff support for all future manufacturers of batteries, which can be accomplished by the creation of an 8-digit tariff subheading that will separate the batteries from cells; and

- Any other measures to advance entry and further participation in the battery manufacturing value chain in South Africa.

PUBLICATION PERIOD:

Representations should be made within **four (4) weeks** of the date of Notice. Enquiries: ITAC Ref: 03/2025. to ITAC officials Ms. Keleabetswe Muoe (kmuoe@itac.org.za), Mr. Pardon Hadzhi (Phadzhi@itac.org.za), Ms. Mpho Mafole (Mmafole@itac.org.za), Ms. Nompumelelo Nkosi (nnkosi@itac.org.za), and Tshepiso Sejamoholo (tsejamoholo@itac.org.za)

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