

Harvey Roofing Products

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11 May 2024

To: Our Valued Customers and Suppliers,

UPDATED CIRCUMVENTION FEEDBACK ON STEEL ROOF TILE IMPORTS.

As you may be aware, Harvey Roofing Products are legally challenging steel product imitation and imports, mainly from the Republic of China.

We have established an import-tariff code during 2019; "7308.90.91", that attracts a tariff duty of 15% on landed imported product value. These imports do not support local growth and development, nor does it provide job opportunities. Furthermore, it is common practice that the foreign manufacturer will not honour warrantee claims. We are applying for a substantial import tariff increase to prevent this dumping of foreign product, benefiting a limited few in the supply chain and leaving customers with limited recourse when initiating a warrantee claim.

The aim is to protect our manufacturing business, stimulate job creation and support our local economy. Furthermore, our warrantee is, and has always, been honored where legit throughout our almost 57 years of existence.

An extensive analysis of the imported steel roof tiles was conducted since 2019 to date. An extract of the data analysis, attached herewith.

In summary, results extracted from the reported SARS data reveal:

- Steel roof tiles imports from China over the last three years increased by 150%.
- The total number of steel roof tiles, imported from China, exceed one million units.
- Under-declaration of steel roof tiles to SARS equates to RSA scrap value of tiles, and average of R7.88 per tile.
- The total value of custom goods has been undeclared by approximately R53 million. Thus, the collective of traders and clearing agents owes SARS approximately R8 million in duties, excluding penalties.
- The bulk of the customs clearing was performed by a single clearing agent.
- Seven traders are linked to this clearing agent, based on the tariff code used.

We have appointed advisories in this regards, specializing in the field of tariff circumvention. Our case will be tabled with SARS officials during June 2024, with all the supporting back-up to ensure prompt investigation.



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Reg.No.: 2005/016292/07

DIRECTORS: SR Cohen (Chairman), MJ Benfield (CEO)*, LL van Niekerk, RA van Wyk, CB Vilakazi, NR Mahlakahla-Mhlubulwana*

*Executive

Further to this, short payment to the Chinese manufacture, due to underdeclared custom value, further solicit possible illegal flow of funds. We are obliged to report this behavior, given the FICA legislation to remove South Africa from the International 'Grey List'. Under this legislation, any suspicious behaviour to facilitate anti-money laundering and counterterrorist financing payments, exceeding a transaction value of R50 000, will be reported.

Always ensure that you are purchasing authentic 'Harvey Roofing Products' and please ensure our product logo is engraved on tiles. We strive for customer service, upholding warranties and we are proud to supply you with roof tiles and products that meet highest quality standards.

To our loyal clients, thank you for your continued support.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Frikkie Erasmus'.

FRIKKIE ERASMUS
Business Unit Executive

SARS China Import Details Only

> Tariff Code: 7308.90.91

YYYYMM	Kilograms	Customs Value (Rands)	Estimated Qty of Tiles	Rand / Tile declared	Invoice Value @ R60 ea	Duties Under- declared
202205	53 820	R 111 364,00	21 528	R 5,17	R 1 291 680	R 177 047
202206	164 003	R 375 230,00	65 601	R 5,72	R 3 936 072	R 534 126
202207	53 542	R 124 592,00	21 417	R 5,82	R 1 285 008	R 174 062
202209	266 041	R 674 892,00	106 416	R 6,34	R 6 384 976	R 856 513
202210	81 540	R 198 506,00	32 616	R 6,09	R 1 956 960	R 263 768
202211	24 039	R 70 320,00	9 616	R 7,31	R 576 936	R 75 992
202212	111 290	R 277 361,00	44 516	R 6,23	R 2 670 970	R 359 041
202301	111 800	R 266 832,00	44 720	R 5,97	R 2 683 200	R 362 455
202302	167 700	R 390 842,00	67 080	R 5,83	R 4 024 800	R 545 094
202303	139 750	R 345 760,00	55 900	R 6,19	R 3 354 000	R 451 236
202304	167 701	R 423 729,00	67 080	R 6,32	R 4 024 824	R 540 164
202305	83 850	R 212 830,00	33 540	R 6,35	R 2 012 400	R 269 936
202306	18 320	R 73 467,00	7 328	R 10,03	R 439 683	R 54 932
202307	39 000	R 1 175 686,00	15 600	R 75,36	R 936 000	-R 35 953
202308	56 035	R 143 822,00	22 414	R 6,42	R 1 344 838	R 180 152
202309	252 596	R 657 167,00	101 038	R 6,50	R 6 062 309	R 810 771
202310	206 249	R 470 232,00	82 500	R 5,70	R 4 949 974	R 671 961
202311	213 733	R 624 719,00	85 493	R 7,31	R 5 129 602	R 675 732
202312	54 036	R 157 005,00	21 615	R 7,26	R 1 296 873	R 170 980
202401	112 150	R 491 039,00	44 860	R 10,95	R 2 691 600	R 330 084
202402	83 556	R 267 379,00	33 422	R 8,00	R 2 005 334	R 260 693
202403	80 759	R 263 958,00	32 304	R 8,17	R 1 938 216	R 251 139
202404	28	R 1 931,00	11	R 172,90	R 670	-R 189
Total	2 545 453	R 8 023 620,00	1 018 181	R 7,88	R 61 090 866	R 7 960 087