

**REPORT NO: 446**

**Reduction in the rate of duty on self-adhesive PET  
film**

The International Trade Administration Commission of South Africa herewith presents its Report No. 446: **Reduction in the rate of duty on self-adhesive PET film**



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**Siyabulela Tsengiwe**  
**CHIEF COMMISSIONER**

**PRETORIA**

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**18 / 10 / 2013**

REPUBLIC OF SOUTH AFRICA  
INTERNATIONAL TRADE ADMINISTRATION COMMISSION OF SOUTH AFRICA  
REPORT NO. 446  
REDUCTION IN THE RATE OF DUTY ON SELF-ADHESIVE PET FILM

**Synopsis**

The Commission received an application by Llumar Films (Pty) Ltd, for a reduction in the rate of duty on self-adhesive polyethylene terephthalates (PET) film classifiable under tariff sub-heading 3919.90.03, from 10 per cent *ad valorem* to free of duty.

The Commission found that there is no local manufacturer of self-adhesive PET film and other flat shapes in the SACU, and concluded that the duty on these products has an unnecessary cost raising impact.

The Commission recommended that the duty on self-adhesive plates, sheets, film, foil, tape, strip and other flat shapes, of plastics, whether or not in rolls, of polyethylene terephthalates classifiable under tariff subheading 3919.90.03, be reduced from 10% *ad valorem* to free of duty.

**THE APPLICATION AND TARIFF POSITION**

The Commission received an application by Llumar Films (Pty) Ltd, for a reduction in the rate of duty on self-adhesive polyethylene terephthalates (PET) film classifiable under tariff sub-heading 3919.90.03, from 10 per cent *ad valorem* to free of duty.

As reason for the application, the applicant, who is a distributor of PET film in Southern Africa, stated that the product in question is not manufactured in the SACU.

The application was published in the Government Gazette of 19 April 2013, for comment by interested parties.

The existing tariff structure for self-adhesive PET film reads as follows:

Heading	Sub-heading	Article Description	Rate of Duty			
			General	EU	EFTA	SADC
39.19		SELF-ADHESIVE PLATES, SHEETS, FILM, FOIL, TAPE, STRIP AND OTHER FLAT SHAPES, OF PLASTICS, WHETHER OR NOT IN ROLLS:				
	3919.90	Other:				
	3919.90.03	Of polyethylene terephthalates	10%	Free	2.5%	Free

## THE INDUSTRY AND MARKET

PET films are high performance, clear, flexible, and transparent or translucent materials produced from PET polymer, a linear, thermoplastic polyester resin. It is generally more expensive than other plastic films and therefore is used only for applications that require its unique properties.

These properties include high tensile strength, relatively low moisture absorption, and retention of physical properties over a fairly wide temperature range, durability, heat resistance, gas barrier and electrical insulation properties, dimensional stability, chemical inertness, and optical clarity.

PET films are used in a broad range of applications from flexible packaging and food contact applications (e.g. used as lidding for dairy goods such as yogurt); covering over paper (e.g. used as a mirror-like decorative surface on some book covers, T-shirts, and other flexible cloths); insulating material (e.g. insulation for houses and tents, reflecting thermal radiation); solar, marine and aviation applications; and electronic and acoustic applications. Self-adhesive PET film, i.e. the product under investigation, is applied as a protective barrier to glass in the form of motor vehicle and architectural glazing.

PET resin, an input material for the manufacture of PET film, is manufactured and distributed in the SACU and internationally by Hosaf (Pty) Ltd. Domestically, the

input material is used mainly for the manufacture of plastic bottles and not for the manufacture of the product under consideration.

The import statistics for self-adhesive PET films classifiable under tariff sub-heading 3919.90.03 are as follows:

	2010	2011	2012
<b>Volume</b>	324 844 kg	357 433 kg	708 278 kg
<b>Value</b>	R 25 110 065	R 37 321 313	R 65 332 675

### COMMENTS

Astrapak Limited and Zibo Containers (Pty) Ltd, manufacture PET sheets and films for different applications centred on the packaging industry and classifiable under different tariff headings. These firms confirmed that the product under investigation is not manufactured in the SACU. Hosaf did not comment on the application.

### FINDINGS

The Commission found that there is no local manufacturer of self-adhesive PET film and other flat shapes in the SACU, and concluded that the duty on these products has an unnecessary cost-raising impact.

### RECOMMENDATION

The Commission recommends that the duty on self-adhesive plates, sheets, film, foil, tape, strip and other flat shapes, of plastics, whether or not in rolls, of polyethylene terephthalates classifiable under tariff subheading 3919.90.03, be reduced from 10% *ad valorem* to free of duty.

(43/2012)