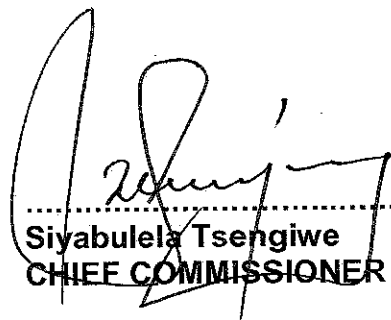


REPORT NO. 335

Reduction in the rate of duty on self-copy paper

The International Trade Administration Commission (ITAC) of South Africa
herewith presents Report No.335: **Reduction in the rate of duty on self-copy
paper**



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Siyabulela Tsengiwe
CHIEF COMMISSIONER

PRETORIA

.....01...../.....04...../2010

REPUBLIC OF SOUTH AFRICA
INTERNATIONAL TRADE ADMINISTRATION COMMISSION OF
SOUTH AFRICA

REPORT NO. 335

Reduction in the rate of duty on self-copy paper

Synopsis

The Printing Industry Federation of South Africa (PIFSA) applied for a reduction in the rate of duty on self-copy paper, also referred to as carbonless paper, from 2.5% *ad valorem* to free of duty.

The Commission found that self-copy paper is not manufactured domestically and that the duty has an unnecessary cost-raising effect on the downstream printing, publishing and packaging industry. It recommended that the rate of duty on self-copy paper be reduced from 2.5% *ad valorem* to free of duty.

INTRODUCTION

The Printing Industries Federation of South Africa (PIFSA) applied for a reduction in the rate of duty on self-copy paper, classifiable under tariff subheadings 4809.20 and 4816.20, from 2.5 per cent *ad valorem* to free of duty.

As reason for the application, the applicant stated that Mondi Limited ceased production of the product in 2007, and that all SACU converters now have to import the product. In addition, printers who produce business forms are under severe pressure in a shrinking market, due to the advent of electronic solutions.

TARIFF POSITION

The applicable tariff structure for self-copy paper is set out in Table 1 below:

Table 1: Current tariff position for self-copy paper

Tariff heading	Tariff subheading	Description	Statistical unit	Rate of duty			
				General	EU	EFTA	SADC
48.09		Carbon Paper, Self-Copy paper and other copying or transfer papers(including coated or impregnated paper for duplicator stencils or offset plates) whether or not printed in rolls or sheets					
	4809.20	Self-copy Paper	kg	2.5%	2.5%	1.6%	Free
48.16		Carbon paper, self-copy paper and other copying or transfer papers (excluding those of heading 49.09) Duplicator stencils and offset plates, of paper, whether or not put up in boxes					
	4816.20	Self-copy paper	kg	2.5%	2.5%	1.6%	Free

INDUSTRY AND MARKET

Prior to 2007, Mondi Limited (Mondi) was the only SACU manufacturer of carbonless paper. During 2007, Mondi informed the paper converting industry of its planned discontinuation of the carbonless product line. Mondi's strategy was based on the declining usage of this product in mature world markets such as Europe and the USA, as a result of the rise in electronic solutions and consequent overcapacity in the world market for carbonless paper.

COMMENTS ON THE APPLICATION

The application was published in the Government Gazette for comment by interested parties. There were no objections. Mondi Limited supported the application.

FINDINGS

As carbonless paper is no longer manufactured domestically, the Commission found that the duty has an unnecessary cost-raising impact on the downstream printing and publishing industry.

RECOMMENDATION

In view of the above, the Commission decided to recommend that the rate of duty on self-copy paper classifiable under tariff subheadings 4809.20 and 4816.20 be reduced to free of duty.

[18/2009]

NOTES REGARDING AMENDMENTS TO THE SCHEDULES
TO THE CUSTOMS AND EXCISE ACT, 1964

28 MAY 2010

These notes are issued merely as a guide and both the old and new provisions should be studied in order to determine what the amendment actually entails. These notes have no legal status.

<i>Provision</i>	<i>Note</i>
48.09/4809.20 48.16/4816.20	The effect of this amendment is that the rates of duty on "Self-copy paper" have been reduced from 2,5% to free of duty.

Government Gazette No. 33211

No. R.438

2010-05-28

CUSTOMS AND EXCISE ACT, 1964.
AMENDMENT OF SCHEDULE NO. 1 (No. 1/1/1406)

In terms of section 48 of the Customs and Excise Act, 1964, Part 1 of Schedule No. 1 to the said Act is hereby amended to the extent set out in the Schedule hereto.

N NENE
DEPUTY MINISTER OF FINANCE

SCHEDULE

By the substitution for subheadings 4809.20 and 4816.20 of the following:

Heading	Subheading	C D	Article Description	Statistical Unit	Rate of Duty		
					General	EU	EFTA SADC
48.09	4809.20	5	- Self-copy paper	kg	free	free	free
48.16	4816.20	1	- Self-copy paper	kg	free	free	free