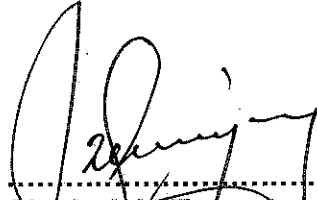


REPORT NO. 322

**Creation of a temporary rebate facility for mango
juice concentrate**

The International Trade Administration Commission (ITAC) of South Africa
herewith presents Report No.322: **Creation of a temporary rebate facility for
mango juice concentrate**



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Siyabulela Tsengiwe
CHIEF COMMISSIONER

PRETORIA

.....**22**.....**10**...../2009

REPUBLIC OF SOUTH AFRICA
INTERNATIONAL TRADE ADMINISTRATION COMMISSION OF
SOUTH AFRICA

REPORT NO. 322

Creation of a temporary rebate facility for mango juice concentrate

Synopsis

Magaliesberg Citrus Company (Pty) Ltd applied for the creation of a temporary rebate provision for mango juice concentrate classifiable under tariff subheading 2009.80.10, at a rate of duty of 20 per cent *ad valorem*. The imported product is to be used for the processing and blending of fruit juices.

The Commission recommended that a temporary rebate facility be created for mango juice concentrate with the following description for customs tariff purposes:-

“Mango juice concentrate, with a Brix value exceeding 25, classifiable in tariff subheading 2009.80.10, at such times, and under such conditions as the International Trade Administration Commission of SA may allow by specific permit.”

INTRODUCTION

Magaliesberg Citrus Company (Pty) Ltd applied for the creation of a temporary rebate provision for mango juice concentrate classifiable under tariff subheading 2009.80.10 at a rate of duty of 20 per cent *ad valorem*.

As reason for the application the applicant stated that there currently is a shortage of mango juice concentrate in the domestic market which is expected to continue until at least the end of January 2010 and that the SACU mango processors are unable in the short term to meet the market demand.

TARIFF POSITION

The applicable tariff structure for mango juice concentrate is as set out in Table 1 below:

Table 1: Current tariff position for mango concentrate

Tariff heading	Tariff subheading	Description	Statistical unit	Rate of duty			
				General	EU	EFTA	SADC
20.09		Fruit juices (including grape must) and vegetable juices, unfermented and not containing added sugar or other sweetening matter:					
	2009.80	Juice of any other single fruit or vegetable					
	2009.80.10	Fruit juices	kg	20%	7.6%	20%	Free

As can be seen from Table 1 above, mango juice concentrate is subject to a customs duty of 20 per cent *ad valorem* in the general and EFTA columns, 7.6 per cent in the EU column and free of duty in the SADC column.

The applicant requested that a rebate provision be introduced as follows:

“Mango juice concentrate, with a Brix value exceeding 25, classifiable in tariff subheading 2009.80.10, at such times, and under such conditions as the International Trade Administration Commission of SA may allow by specific permit.”

INDUSTRY AND MARKET

South Africa is the only SADC country with a sizeable mango producing industry. However, while South Africa’s mango growing industry grew rapidly over the last 15 years, it only produces 0.2 per cent of world production.

Information sourced from the South African Subtropical Growers’ Association showed that the mangoes harvested in South Africa for the 2008/2009 season numbered 42 per cent less than in 2007/2008. The portion of mangoes available for juice production in the 2008/2009 season also decreased and only represents 36 per cent of what was available for juice production in the previous season.

Due to the shortage, the applicant had to import mango juice concentrate.

The investigation revealed that imported mango juice concentrate is considerably more expensive than that produced in SACU. Should the duty not be rebatable, juice prices would have to be increased, according to the industry.

COMMENTS ON THE APPLICATION

The application was published in the Government Gazette of 24 July 2009 for interested parties to comment.

The application attracted support from domestic suppliers and juice manufacturers. The Department of Agriculture, Forestry and Fisheries (DAFF) and the National Agricultural Marketing Council (NAMC) supported the creation of a temporary rebate facility for mango juice concentrate.

FINDINGS

In the light of the capacity constraints facing the domestic mango growers and the price information at the Commission's disposal, adequate justification was found for the introduction of a rebate provision that would allow processors and juice manufacturers duty-free access to mango juice concentrate.

The temporary rebate provision recommended below will be administered by ITAC by way of a permit system. Permits will be issued by ITAC after due consideration, and in consultation with all the relevant stakeholders, including the growers, processors, and government agencies.

RECOMMENDATION

In view of the above, the Commission decided to recommend that a temporary rebate facility be created for mango juice concentrate, with the following description for customs tariff administration purposes:-

“Mango juice concentrate, with a Brix value exceeding 25, classifiable in tariff subheading 2009.80.10, at such times, and under such conditions as the International Trade Administration Commission of SA may allow by specific permit.”

[5/2009]