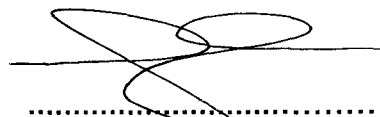


Report No. 188

Reduction in the rate of duty on lighting equipment

The International Trade Administration Commission herewith presents its Report No.188
Reduction in the rate of duty on lighting equipment, with recommendations.



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Itumeleng Masege
ACTING CHIEF COMMISSIONER

PRETORIA

4/9/..... 2006

REPUBLIC OF SOUTH AFRICA

INTERNATIONAL TRADE ADMINISTRATION COMMISSION OF SOUTH AFRICA

REPORT NO. 188

REDUCTION IN THE RATE OF DUTY ON LIGHTING EQUIPMENT

Synopsis

Prosound (Pty) Ltd applied for a reduction in the rate of duty on lighting equipment classifiable under tariff subheading 9405.40.90. This lighting equipment is not manufactured in the Southern African Customs Union (SACU).

The Commission recommended that the rate of duty on lighting equipment, currently classifiable under tariff subheading 9405.40.90, be reduced from 20 per cent *ad valorem* and 16 per cent *ad valorem* respectively to free of duty, by the creation of an eight digit dispensation which will read as follows:

"Floodlights and spotlights designed for use solely or principally with theatre, stage, television or film productions"

The application

1. Prosound (Pty) Ltd, which is situated in Johannesburg, is a distributor of lighting equipment. The lighting equipment is specialised equipment for theatres and is imported as a comprehensive final product for this purpose
2. According to the applicant there are eight basic types of generic luminaries (spotlights) for theatre and TV studios. These are symmetric and asymmetric floods, parcans, fresnets, profiles, pebble convex fixtures, soft lights, cold lights and intelligent moving head/mirror fixtures. All these luminaries are constructed out of base metal.
3. The equipment varies according to the technically specialised function it has to perform on stage and theatre, but is basically a floodlight that is either manually or computer controlled to create images and light effects on stage and theatre.
4. The application for reduction in the rate of duty on lighting equipment was published in the Government Gazette on 12 May 2006, for comments from interested parties.
5. Lighting equipment for theatrical purposes is currently classifiable under tariff subheading 9405.40.90 as follows:

Tariff heading	Description	General	EU	SADC
94.05	Amps and Lighting Fittings including Searchlights and Spotlights and Parts Thereof, Not Elsewhere Specified or Included; Illuminated Signs, Illuminated Nameplates and the Like, Having a Permanently Fixed Light Source, and Parts Thereof not Elsewhere Specified or Included			
9405.40	- Other electric lamps and lighting fittings			
9405.40.17	=Ship's navigation lamps	Free	Free	Free
9405.40.47	=Shadowless, commonly used in operating theatres or by dental surgeons	Free	Free	Free
9405.40.55	=Other, with base and diffusers of base metal	Free	Free	Free
9405.40.90	=Other	20%	16%	Free

Findings

6. No objections or comments were received on the Government Gazette publication.
7. The Commission found that floodlights and spotlights for theatre stage, television or film productions classifiable under tariff subheading 9405.40.90, are not manufactured domestically and that the duty has an unnecessary cost-raising effect.

Recommendation

8. The Commission recommended a reduction in the rate of duty on the said lighting equipment which is currently classifiable under tariff subheading 9405.40.90 by the creation of a new eight digit subheading at a free rate of duty for the following:

"Floodlights and spotlights designed for use solely or principally with theatre, stage, television or film productions".