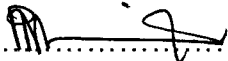


Report No. 156

Reduction in the rate of duty on shotgun cartridges

The International Trade Administration Commission herewith presents Report No. 156: Reduction in duty on shotgun cartridges classifiable under tariff subheading 9306.21 from 15 percent *ad valorem* to free of duty.


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Ms Nomonde Maimela
CHIEF COMMISSIONER

PRETORIA

08/02/2006

REPUBLIC OF SOUTH AFRICA

INTERNATIONAL TRADE ADMINISTRATION COMMISSION OF SOUTH AFRICA

REPORT NO. 156

REDUCTION IN DUTY ON SHOTGUN CARTRIDGES CLASSIFIABLE UNDER TARIFF SUBHEADING 9306.21 FROM 15 PERCENT *AD VALOREM* TO FREE OF DUTY

SYNOPSIS

Harold J Drinn (Pty) Ltd applied for a reduction on the rate of duty on shotgun cartridges from 15 percent *ad valorem* to free of duty. According to the applicant, the imported shotgun cartridges are not manufactured in the Southern African Customs Union (SACU). The applicant stated that it is uneconomical to produce shotgun cartridges due to advanced technological requirements in the field.

The Commission considered the application favourably and recommended that shotgun cartridges should be reduced from 15 percent *ad valorem* duty to free of duty.

1. THE APPLICATION

- 1.1 Harold J Drinn (Pty) Ltd is a distributor of shotgun cartridges used in sporting, clay target shooting and hunting. Apart from importing shotgun cartridges, the company also imports and supplies rifles, pistols, shotguns and revolvers. This company is a member of the South African Arms Dealers Association.

- 1.2 Shotgun cartridges are classifiable under tariff subheading 9306.21 as follows:

TARIFF SUBHEADING	DESCRIPTION		RATE OF DUTY
9306	Bombs, Grenades, Torpedoes, Mines, Missiles, and similar munitions of war and parts thereof; cartridges and other ammunition and projectiles and parts thereof, including shot and cartridge wads		
9306.10	Cartridges for riveting or similar tools or for captive bolt humane killers and parts thereof:		
9306.10.10	Cartridges not exceeding 6,35 mm calibre, rimfire type, for riveting tools and parts thereof:	General: EU: SADC	Free Free Free
9306.2	Shotgun cartridges and parts thereof; air gun pellets:		
9306.21	Cartridges	General: EU: SADC:	15% 13,2% Free

- 1.3 The application was published for comments in the Government Gazette of 11 November 2005, Notice 1209 of 2005.
- 1.4 The Clay Target Shooting Ammunition Association and A. Rosenthal (Pty) Ltd supported the application.
- 1.5 As reason for the application, the applicant stated that the product is not manufactured within the Southern Africa Customs Union (SACU). Certain cartridges were previously manufactured by Swartklip (a subsidiary of Denel) but the company ceased the production of cartridges as it was not economically feasible.
- 1.6 According to the applicant, a reduction in duty will also reduce the cost of ammunition to the many sporting and hunting enthusiasts as clay target shooting is a worldwide sport in which South Africa fields national teams. South Africa has also hosted a world shoot, which brought in many foreign visitors.

2. RECOMMENDATION

- 2.1 The Commission found that the duty has an unnecessary cost – raising effect for the ammunition distributors and customers and recommended that the duty on shotgun cartridges be reduced from 15 *ad valorem* to free of duty.