



International Trade Administration Commission of South Africa

Report No. 75

**Application for a rebate of the duty on atactic
polypropylene classifiable under tariff
subheading 3902.10**



The International Trade Administration Commission (ITAC) of South Africa
herewith presents Report No. 75: APPLICATION FOR A REBATE OF THE
DUTY ON ATACTIC POLYPROPYLENE CLASSIFIABLE UNDER TARIFF
SUBHEADING 3902.10.


Ms NOMONDE MAIMELA
CHIEF COMMISSIONER

PRETORIA

26/08/2004

REPUBLIC OF SOUTH AFRICA
INTERNATIONAL TRADE ADMINISTRATION COMMISSION
REPORT NO. 75

**APPLICATION FOR A REBATE OF THE DUTY ON ATACTIC
POLYPROPYLENE CLASSIFIABLE UNDER TARIFF SUBHEADING
3902.10.**

Synopsis

The Commission considered an application for the creation of a rebate of the duty on atactic polypropylene, classifiable under tariff subheading 3902.10.

As reason for the application, the applicant stated that the atactic polypropylene was no longer manufactured in SACU and that the duty was adversely affecting the applicant's competitive position.

The Commission found that the duty on atactic polypropylene was insignificant and that it did not warrant the creation of the rebate facility.

The Commission recommended that the creation of the rebate facility was not justified, as it would not enhance the competitive position of the applicant meaningfully.

The application and tariff position

1. The Commission considered an application from Darachem Waterproofing for the creation of a rebate facility for atactic polypropylene, classifiable under tariff subheading 3902.10.
2. As reason for the application, the applicant stated that the atactic polypropylene was no longer produced in the SACU and that the duty had the effect of its product being uncompetitive.
4. The atactic polypropylene is used to manufacture waterproofing sheets
5. The application was published in the Government Gazette inviting a six-week period (2 April- 11 June 2004) for public comment. During the publication period, Sasol confirmed that neither them nor Dow Plastics manufactured the atactic polypropylene. Sasol registered an objection, claiming that the duty does not have a material effect on the cost, selling price or competitiveness of the end product of the applicant.
6. The existing classification of polypropylene is as follows:

Table 1: Polypropylene

Heading	Sub Heading	Article Description	RATES OF DUTY		
			General	EU	SADC
3902		Polymers of Propylene or of other Olefins, in Primary Form			
	3902.10.	Polypropylene	10%	10%	Free

Consideration

7. The Commission found that the duty as expressed as a percentage of the selling price, was insignificant.

8. The creation of the rebate facility would not meaningfully enhance the competitive position of the applicant product against imported equivalents.
9. The Commission therefore rejected the application as the investigation revealed that the impact of the duty on atactic polypropylene did not warrant the creation of the rebate facility.

Recommendation

10. The Commission recommends that the application for a rebate facility for atactic polypropylene, classifiable under tariff subheading 3902.10, be rejected.