



International Trade Administration Commission of South Africa

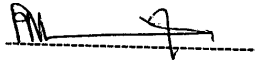
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**Report No. 76**

**Reduction in the rate of duty on vinyl chloride-  
vinyl acetate copolymers**



The International Trade Administration Commission herewith presents its Report No: 76.  
Reduction in the rate of duty on vinyl chloride-vinyl acetate copolymers



CHIEF COMMISSIONER

PRETORIA

15/10/2004

INTERNATIONAL TRADE ADMINISTRATION COMMISSION OF SOUTH AFRICA

REPORT NO.76

REDUCTION IN THE RATE OF DUTY ON VINYL CHLORIDE- VINYL ACETATE COPOLYMERS

**Introduction**

1. The Commission considered an application by Southern Chemicals (Pty) Ltd for a reduction in the rate of duty on vinyl chloride-vinyl acetate copolymers, classifiable under tariff subheading 3904.30, from 10 percent *ad valorem* to free of duty.
2. The tariff structure of vinyl chloride-vinyl acetate copolymers is as follows:

**Table 1: Tariff structure**

Tariff Subheading	Description	Duty (%)		
		General	EU	SADC
<b>3904</b>	<b>Polymers of vinyl chloride or of other halogenated Olefins, in Primary Forms:</b>			
3904.30	-Vinyl Chloride-vinyl acetate copolymers	10%	10 %	free

3. The SACU market for vinyl chloride vinyl acetate is estimated at approximately 1 800 metric tons per annum.
4. Import statistics of vinyl chloride vinyl acetate copolymers are as follows:

**Table 2: Import statistics for vinyl chloride vinyl acetate copolymers**

	2000	2001	2002
Volume	1 966 058 kg	1 816 000 kg	1 909 112 kg
Value	R 19 552 909	R 26 765 774	R 30 483 182

5. The applicant stated that the existence of the duty related to the protection granted to the local manufacturer AECl in the 1970s and 1980s. However due to the inability of the locally produced product to meet the technical requirements of the industry, the following industrial rebates were granted: rebate provisions 306.04 / 3904.01.00 and rebate307.04 / 3904.30.01.
6. Vinyl Chloride-vinyl acetate copolymer resins are no longer produced in SACU. In the 1980s a vinyl chloride-vinyl acetate grade was produced by AECl in an attempt to satisfy the larger volume flooring market. The flooring manufacturers were able to import superior resins via the rebate mechanism. AECl did not produce vinyl chloride-vinyl acetate grades suitable for the ink and packaging industry and those grades were always imported.
7. No comments or objections were received during the publication period.
8. The Commission found justification for recommending a reduction in the rate of duty from 10% to free on vinyl chloride-vinyl acetate copolymer resin as this product is not manufactured in the SACU.

#### **RECOMMENDATION**

9. The Commission recommended that the duty on vinyl chloride- vinyl acetate copolymers classifiable under tariff subheading 3904.30 be reduced to free of duty and that rebate provisions 306.04 / 3904.01.00 and 307.04 / 3904.30.01 be deleted.