

**REPORT NO: 374**

**REDUCTION IN THE RATE OF CUSTOMS DUTY ON  
CERTAIN BAGS OF LOW DENSITY POLYETHYLENE**

The International Trade Administration Commission of South Africa herewith presents its Report No. 374: **Reduction in the rate of customs duty on certain bags of low density polyethylene.**



**Siyabulela Tsengiwe**  
**CHIEF COMMISSIONER**

**PRETORIA**

**04.07.2011**

**REPUBLIC OF SOUTH AFRICA**

**INTERNATIONAL TRADE ADMINISTRATION COMMISSION OF SOUTH AFRICA**

**REPORT NO. 374**

**REDUCTION IN THE RATE OF CUSTOMS DUTY ON CERTAIN BAGS OF LOW DENSITY  
POLYETHYLENE**

**Synopsis**

Guth South Africa (Pty) Ltd (Guth SA) applied for a reduction in the rate of duty on certain bags of low density polyethylene classifiable under tariff subheading 3923.21.90, from 15 per cent ad valorem to free of duty.

As reason for the application, the applicant stated that the product in question is not manufactured in the SACU and unlikely to be manufactured in SACU. It is a specifically patented product for critical applications in microbiology laboratories.

The Commission found that the product in question is not manufactured in the SACU.

The Commission therefore recommended a reduction in the rate of duty on certain bags of low density polyethylene, of a size not exceeding 15 cm x 23 cm, with no opening, having one perforated edge that incorporates a plastic covered wire sealing classifiable under tariff subheading 3923.21.90 from 15 per cent ad valorem to free of duty, through the creation of an additional 8-digit tariff subheading.

**THE APPLICATION AND TARIFF POSITION**

Guth South Africa (Pty) Ltd (Guth SA) applied for a reduction in the rate of duty on certain bags of low density polyethylene classifiable under tariff subheading 3923.21.90, from 15 per cent ad valorem to free of duty.

As reason for the application, the applicant stated that the product in question is not manufactured in the SACU and unlikely to be manufactured in SACU. It is a specifically patented product for critical applications in microbiology laboratories.

The application was published in the Government Gazette of 18 March 2011, for interested parties to comment.

The existing tariff structure for the product in question is indicated in the table below:

Heading	Sub-heading	Article Description	Rate of Duty			
			General	EU	EFTA	SADC
3923		Articles for the conveyance or packing of goods, of plastics; stoppers, lids, caps and other closures, of plastics:				
	3923.2	Sacks and bags (including cones):				
	3923.21	Of polymers of ethylene	kg	15%	1.95%	7.5%
	3923.21.90	Other	kg	15%	1.95%	7.5%

## INDUSTRY AND MARKET

Guth SA is the sole distributor of these bags of low density polyethylene in the SACU.

Its main business is the supply of stainless steel equipment to the food, beverages, pharmaceutical and cosmetics industries. In addition, it supplies these industries with the product in question.

These bags are specifically required for usage in microbiology laboratories for the sampling of liquids, semi-solids and solids.

## COMMENTS ON THE APPLICATION

The Department of International Trade in the Republic of Botswana, and Transpaco (Pty) Ltd, a SACU manufacturer of plastic bags other than the product in question, supported the application.

## **FINDINGS AND RECOMMENDATION**

The Commission found that this specifically patented product is not manufactured in the SACU and unlikely to be manufactured domestically.

The Commission therefore recommended that the duty on bags of low-density polyethylene, of a size not exceeding 15 cm x 23 cm, with no opening, having one perforated edge that incorporates a plastic covered wire sealing, classifiable under tariff subheading 3923.21.90, be reduced from 15 percent ad valorem to free of duty, through the creation of an additional 8-digit tariff subheading.

**(38/2010)**