

REPORT NO: 386

**Application for the creation of rebate provisions
for synthetic filament yarns and certain non-woven
fabrics for the manufacture of tufted automotive
carpets**

The International Trade Administration Commission of South Africa herewith presents its Report No.: **386 Application for the creation of rebate provisions for synthetic filament yarns and certain non-woven fabrics for the manufacture of tufted automotive carpets**



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Siyabulela Tsengiwe
CHIEF COMMISSIONER

PRETORIA

07.12.2011
...../2011

REPUBLIC OF SOUTH AFRICA

INTERNATIONAL TRADE ADMINISTRATION COMMISSION OF SOUTH AFRICA

REPORT NO. 386

APPLICATION FOR THE CREATION OF REBATE PROVISIONS FOR SYNTHETIC FILAMENT YARNS AND CERTAIN NON-WOVEN FABRICS FOR THE MANUFACTURE OF TUFTED AUTOMOTIVE CARPETS

Synopsis

Futuris Feltex (Pty) Ltd, applied for the creation of rebate provisions for synthetic filament yarns and certain non-woven fabric, classifiable under tariff sub-headings 5402.32; 5402.33; 5603.12.90 and 5603.13.90 used for the manufacture of tufted automotive carpets.

The Commission found that the products under consideration are available from domestic sources and that the domestic manufacturers are in a position to satisfactorily meet the SACU market requirements.

The Commission recommends that the application be rejected.

THE APPLICATION AND TARIFF POSITION

Futuris Feltex (Pty) Ltd applied for the creation of rebate provision for synthetic filament yarns and certain non-woven fabric classifiable under tariff subheadings 5402.32, 5402.33, 5603.12.90 and 5603.13.90 used for the manufacture of tufted automotive carpets.

According to the applicant, customers have specific requirements regarding the yarns and fabric to be used. It therefore directly imports these products.

The application was published in the Government Gazette on 26 August 2011 for comments by interested parties.

The tariff structure for the mentioned components of tufted automotive carpets is as follows:

Heading	Sub-heading	Article Description	Rate of Duty			
			General	EU	EFTA	SADC
54.02		Synthetic filament yarn (excluding sewing thread) not put up for retail sale, including synthetic monofilament of less than 67 dtex:				
	5402.3	Textured yarn:				
	5402.32	Of nylon or other polyamides, measuring per single yarn more than 500 dtex	15%	5%	5%	Free
	5402.33	Of polyesters	15%	5%	5%	Free
56.03		Non-wovens, whether or not impregnated, coated, covered or laminated:				
	5603.12	Of mass exceeding 25 g/m² but not exceeding 70 g/m²:				
	5603.12.90	Other	10%	1.3%	5%	Free
	5603.13	Of mass exceeding 70 g/m² but not exceeding 150 g/m²				
	5603.13.90	Other	10%	1.3%	5%	Free

THE INDUSTRY AND MARKET

The applicant manufactures products for the automotive industry and it is the sole domestic manufacturer of tufted automotive carpeting with a dominant SACU market share.

COMMENTS ON THE APPLICATION

The applicant manufactures products for the automotive industry and it is the sole domestic manufacturer of the tufted automotive carpeting with a dominant SACU market share.

While the National Association of Automobile Component and Allied Manufacturers (NAACAM) supported the application, stating that the requested rebate provision would reduce supply chain costs, the domestic manufacturers of the yarns and non-wovens under consideration, i.e. Martilon Textured Filament Yarns, Ninian and Lester, South African Polypropylene Yarns, and Belgotex Floor Coverings, objected to the requested rebate provision. The reasons for the objection being that the products under consideration are manufactured domestically.

These firms also indicated that programs are under way to expand capacity.

FINDINGS

The Commission found that the products under consideration are available from domestic sources and that the domestic manufacturers are in a position to satisfactorily meet the SACU market requirements.

RECOMMENDATION

The Commission recommends that the application be rejected.

(07/2011)