



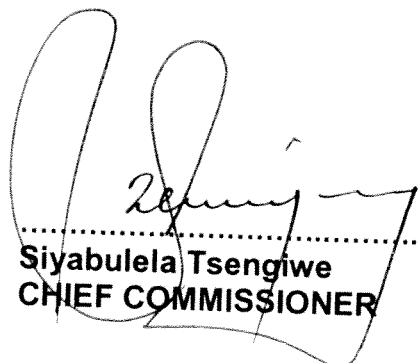
International Trade Administration Commission of South Africa

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## REPORT NO. 368

# APPLICATION FOR REBATE OF THE DUTY ON NON-TEXTURED WOVEN FABRIC OF POLYESTER FOR THE MANUFACTURE OF CAPS

The International Trade Administration Commission (ITAC) of South Africa herewith presents Report No. 368: **Application for rebate of the duty on non-textured woven fabric of polyester for the manufacture of caps.**



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

**PRETORIA**

.../6.../...05/2011

# REPUBLIC OF SOUTH AFRICA

## INTERNATIONAL TRADE ADMINISTRATION COMMISSION OF SOUTH AFRICA

### REPORT NO. 368

#### APPLICATION FOR REBATE OF THE DUTY ON NON TEXTURED WOVEN FABRIC OF POLYESTER FOR THE MANUFACTURE OF CAPS

##### Synopsis

National Cap Factory CC, applied for a rebate of the full duty on non-textured woven fabrics of polyester containing 85 per cent or more by mass of non-textured polyester filaments classifiable under tariff subheading 5407.61, used for the manufacture of caps.

As reason for the application, the applicant stated that the fabric is not manufactured in the SACU.

The Commission found that woven fabric containing 85 per cent or more by mass of non-textured polyester filaments is manufactured domestically, albeit at a higher price than the imported equivalent material.

The Commission also found that the duty on the imported non-textured woven fabric of polyester when expressed as a percentage of the ex-factory selling price of a cap is not an onerous burden on the applicant, also in the light of the tariff protection of 30 % *ad valorem* that the applicant enjoys, translating into a significant rate of effective protection.

In the light of the foregoing, the Commission could not support the application for a rebate of the duty on non-textured woven fabric of polyester for the manufacture of caps.

##### **THE APPLICATION AND TARIFF POSITION**

National Cap Factory CC, applied for a rebate of the full duty on non-textured woven fabrics of polyester containing 85 per cent or more by mass of non-textured polyester filaments, classifiable under tariff subheading 5407.61, used for the manufacture of caps.

The fabric is used as an inner lining in caps.

As reason for the application, the applicant stated that the fabric is not manufactured in the SACU.

The application was published in the Government Gazette of 22 October 2010 in order to allow interested parties to comment.

The product in question is woven fabric containing 85 per cent or more by mass of non-textured polyester filaments, classifiable under tariff subheading 5407.61. The tariff position is as follows:

**Table 1: Current tariff position**

Tariff	Tariff	Description	Statistical	Rate of Duty			
Heading	Sub-heading		Unit	General	EU	EFTA	SADC
54.07		<b>Woven fabrics of synthetic filament yarn, including woven fabrics obtained from materials of heading 54.04</b>					
	5407.61	Containing 85 per cent or more by mass of non-textured Polyester filaments.	Kg	22%	10%	10%	free

The tariff position in respect of caps classifiable under tariff subheading 6504.00 is as follows:

**Table 2: Current tariff position**

Tariff	Tariff	Description	Statistical	Rate of Duty			
Heading	Sub-heading		Unit	General	EU	EFTA	SADC
65.04	6504.00	<b>Hats and other headgear, plaited or made by assembling strips of any material, whether or not lined or trimmed</b>					
			Kg	30%	3,9%	15%	free

## COMMENTS ON THE APPLICATION

A domestic manufacturer of the fabric in question, Suntex (Pty) Ltd, objected to the application.

None of the other cap manufacturers, On Top Clothing CC, Parisian Milliners CC and Top Cap Company responded to the application.

## FINDINGS

The Commission found that woven fabric containing 85 per cent or more by mass of non-textured polyester filaments is manufactured domestically, albeit at a higher price than the imported equivalent material.

The Commission also found that the duty on the imported non-textured woven fabric of polyester, when expressed as a percentage of the ex-factory selling price of a cap is not an onerous burden on the applicant, also in the light of the tariff protection of 30 % *ad valorem* that the applicant enjoys, translating into a significant rate of effective protection.

### **RECOMMENDATION**

In the light of the foregoing, the Commission recommended that the application be rejected.

[368/2011]