

Report No. 326

**Creation of a rebate facility for certain plug inserts and sockets for
the manufacture of insulated electric cables**

The International Trade Administration Commission herewith presents its Report No. 326: **Creation of a rebate facility for certain plug inserts and sockets for the manufacture of insulated electric cables**, with recommendations.



SIYABULELA TSENGIWE
CHIEF COMMISSIONER

PRETORIA

10-03-2010

REPUBLIC OF SOUTH AFRICA
INTERNATIONAL TRADE ADMINISTRATION COMMISSION OF SOUTH AFRICA

REPORT NO. 326

CREATION OF A REBATE FACILITY FOR CERTAIN PLUG INSERTS AND SOCKETS FOR THE MANUFACTURE OF INSULATED ELECTRIC CABLES

Synopsis

Apex Power Cord Set Technologies applied for the creation of a rebate facility for the importation of certain plug inserts and sockets used for the manufacture of insulated electric cables.

The Commission found that there is no local manufacturer of the type of sockets and plug inserts for export markets where different wiring standards apply.

To improve the applicant's competitive position, the Commission recommended that a rebate facility be created for the importation of certain sockets and plugs not manufactured domestically, as follows:

"Plug inserts without casings and socket inserts without outer casings, classifiable in tariff subheading 8536.69 used in the manufacture of insulated electric cables fitted with a plug moulded to the one side and a socket moulded to the other side, for a voltage not exceeding 250V, classifiable under tariff subheading 8544.42."

The application and the tariff position

1. Apex Power Cord Set Technologies applied for the creation of a rebate facility for the importation of plug inserts and sockets classifiable under tariff subheading 8536.69.
2. As reason for the application, the applicant stated that there are no local manufacturers of international type sockets and plug inserts.
3. The application was published in the Government Gazette on 28 August 2009 for comments by interested parties.

4. The imported products are classifiable under tariff subheading 8536.69 as follows:

Heading	Sub-Heading	Article Description	Stat Unit	Rate of Duty			
				General	EU	EFTA	SADC
8536.	8536.69	Other electrical apparatus for switching or protecting electrical circuits, or for making connections to or in electrical circuits					
	8536.69.60	Other sockets for a voltage of less than 500v	Kg	15%	7,5%	13,2%	Free
	8536.69.65	Other, for a voltage of less than 500 v	Kg	10%	5%	8,8%	Free

5. Sockets and plugs are dutiable at the general rate of 15% *ad valorem* and 10% *ad valorem*, respectively.

6. The end product, insulated electric cable, is classifiable as follows:

Heading	Sub-Heading	Description	Stat Unit	Rate of duty			
				General	EU	EFTA	SADC
85.44	8544.42	Insulated (including enamelled or anodised) wire, cable (co-axial cable) and other conductors, whether or not fitted with connectors, optical fibre cables, made up of individually sheathed fibre, whether or not assembled with electric conductors or fitted with connectors:					
	8544.42.10	For a voltage not exceeding 80 V	kg	15%	3,75%	9,5%	Free
	8544.42.90	Other	Kg	15%	3,75%	9,5%	Free

The industry and the market

7. Apex Technologies is the major domestic manufacturer and supplier of electrical cord sets for household electrical appliances. Other cord set manufacturers such as Jasco Technologies, are producing plugs and sockets adapted for the local market. There are no local manufacturers of the international type plug inserts and sockets. Apex manufactures the domestic type sockets and plug inserts and imports the international type sockets and plug inserts, for incorporation into their domestically manufactured cord sets that are fitted to electrical appliances for the export market.

Comments on the application

8. One comment in support of the application was received from Jasco Technologies. There were no objections to the application.

Findings

9. The Commission found that there are no domestic manufacturers of international type sockets and plug inserts in SACU and that the applicable duties have an unnecessary cost-raising effect.
10. The Commission also found that the applicant experiences severe competition from Chinese suppliers of electric cord sets for household electric appliances. The recommended rebate provision will enable the applicant to improve its competitive position.

Recommendation

11. In light of the foregoing, the Commission decided to recommend that a rebate facility be created for certain sockets and plug inserts, as follows:
“Plug inserts without casings and socket inserts without outer casings, classifiable in tariff subheading 8536.69 used in the manufacture of insulated electric cables fitted with a plug moulded to the one side and a socket moulded to the other side, for a voltage not exceeding 250V, classifiable under tariff subheading 8544.42”.

[T5/2/16/3/1(08/2009)]

NOTES REGARDING AMENDMENTS TO THE SCHEDULES
TO THE CUSTOMS AND EXCISE ACT, 1964

28 MAY 2010

These notes are issued merely as a guide and both the old and new provisions should be studied in order to determine what the amendment actually entails. These notes have no legal status.

<i>Provision</i>	<i>Note</i>
316.11/8536.69/01.06	The effect of this amendment is that a new rebate provision for plug inserts without casings and socket inserts without outer casings, for use in the manufacture of insulated electric cables fitted with a plug moulded to the one side and a socket moulded to the other side, for a voltage not exceeding 250 V, classifiable in tariff 8544.42, is created.

Government Gazette No. 33211

No. R.441

2010-05-28

**CUSTOMS AND EXCISE ACT, 1964.
AMENDMENT OF SCHEDULE NO. 3 (No. 3/662)**

In terms of section 75 of the Customs and Excise Act, 1964, Schedule No. 3 to the said Act is hereby amended to the extent set out in the Schedule hereto.

**N NENE
DEPUTY MINISTER OF FINANCE**

SCHEDULE

By the substitution of the following item description:

Rebate Item	Tariff Heading	Rebate Code		Description	Extent of Rebate
		C	D		
316.11				INDUSTRY: INSULATED (INCLUDING ENAMELLED OR ANODISED) WIRE, CABLE (INCLUDING CO-AXIAL CABLE) AND OTHER INSULATED ELECTRIC CONDUCTORS, WHETHER OR NOT FITTED WITH CONNECTORS; OPTICAL FIBRE CABLES, MADE UP OF INDIVIDUALLY SHEATHED FIBRES, WHETHER OR NOT ASSEMBLED WITH ELECTRIC CONDUCTORS OR FITTED WITH CONNECTORS	

By the insertion after tariff heading 68.14 of the following:

Rebate Item	Tariff Heading	Rebate Code		Description	Extent of Rebate
		C	D		
316.11	8536.69	01.06	60	Plug inserts without casings and socket inserts without outer casings, for use in the manufacture of insulated electric cables fitted with a plug moulded to the one side and a socket moulded to the other side, for a voltage not exceeding 250 V, classifiable in tariff subheading 8544.42	Full duty