

REPORT NO. 355
REDUCTION IN THE DUTY ON GLASS AMPOULES

The International Trade Administration Commission of South Africa herewith presents its Report No. 355: **Reduction in the duty on glass ampoules, with recommendations.**



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SIYABULELA TSENGIWE
CHIEF COMMISSIONER

PRETORIA

28/01/2011

REPUBLIC OF SOUTH AFRICA
INTERNATIONAL TRADE ADMINISTRATION COMMISSION OF SOUTH
AFRICA

REPORT NO. 355

REDUCTION IN THE DUTY ON GLASS AMPOULES

Synopsis

ITAC considered an application for a reduction in the general rate of customs duty on glass ampoules classifiable under tariff subheading 7010.10, from 10% *ad valorem* to free of duty. The Commission found that there are no domestic manufacturers of glass ampoules in the Southern African Customs Union. The Commission therefore recommended that the rate of duty on glass ampoules be reduced to free of duty.

The application

1. Bodene (Pty) Ltd applied for a reduction in the general rate of customs duty on glass ampoules, classifiable under tariff subheading 7010.10, from 10% *ad valorem* to free of duty.
2. A glass ampoule is a small sealed vial that is used to contain and preserve a sample, usually in a solid or liquid form.
3. As motivation for the application, the applicant stated that there are no local manufacturers of glass ampoules, especially for pharmaceutical applications, and as a result the import duty contributes to the high costs of already expensive items.
4. The application was published in the Government Gazette for comments by interested parties.

The tariff position

5. The existing tariff position of glass ampoules is as follows:

Table 1: Tariff structure of glass ampoules

Tariff Heading	Tariff Subheading	Description	Statistical Unit	Rate of Duty			
				General	EU	EFTA	SADC
7010		Carboys, bottles, flasks, jars, pots, phials, ampoules and other containers, of glass, of a kind used for the conveyance or packaging of goods; preserving jars of glass; stoppers, lids and other closures, of glass					
	7010.10	Ampoules	kg	10%	Free	Free	Free

The industry and market

6. Glass ampoules were previously sourced domestically from Anchor (Pty) Ltd until it ceased the manufacturing of the products, due to technical challenges. The subject products are now mainly imported from India and Europe. The applicant is a manufacturer of injectable medicine and uses glass ampoules for packaging and dispensing a wide variety of pharmaceutical and chemical products that have to be protected from contamination.

Comments received

7. Only one company responded during the publication period, namely Glassblowing Industries (Pty) Ltd. This company supported the application.

Findings

8. The Commission found that there are no manufacturers of glass ampoules in the SACU and that the current general rate of customs duty has an unnecessary cost-raising impact on a variety of industries.

Recommendation

9. In light of the foregoing, the Commission recommends that the general rate of customs duty on glass ampoules, classifiable under tariff subheading 7010.10, be reduced from 10% *ad valorem* to free of duty.

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

18 MARCH 2011

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>
7010.10	The effect of this amendment is that the general rate of duty on ampoules is amended from 10% to free.

Government Gazette No. 34108

No. R.225

2011-03-18

**CUSTOMS AND EXCISE ACT, 1964
AMENDMENT OF SCHEDULE NO. 1 (NO. 1/1/1423)**

In terms of section 48 of the Customs and Excise Act, 1964, Part 1 of Schedule No. 1 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 subheading:

Heading	Subheading	C D	Article Description	Statistical Unit	Rate of Duty			
					General	EU	EFTA	SADC
70.10	7010.10	5	- Ampoules	kg	free	free	free	free