

REPORT NO. 319

**REDUCTION IN THE RATE OF CUSTOMS DUTY ON
TUBES, PIPES AND HOSES OF VULCANISED
RUBBER (EXCLUDING HARD RUBBER),
REINFORCED OR OTHERWISE COMBINED ONLY
WITH METAL, WITHOUT FITTINGS, WITH AN INSIDE
DIAMETER OF 100 MM OR LESS**

The International Trade Administration Commission of South Africa herewith presents its Report No. 319: **REDUCTION IN THE RATE OF CUSTOMS DUTY ON TUBES, PIPES AND HOSES OF VULCANISED RUBBER, (EXCLUDING HARD RUBBER), REINFORCED OR OTHERWISE COMBINED ONLY WITH METAL, WITHOUT FITTINGS, WITH AN INSIDE DIAMETER OF 100 mm OR LESS**



Siyabulela Tsengiwe
CHIEF COMMISSIONER

PRETORIA

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REPUBLIC OF SOUTH AFRICA

INTERNATIONAL TRADE ADMINISTRATION COMMISSION OF SOUTH AFRICA

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REDUCTION IN THE RATE OF CUSTOMS DUTY ON TUBES, PIPES AND HOSES OF VULCANISED RUBBER (EXCLUDING HARD RUBBER) REINFORCED OR OTHERWISE COMBINED ONLY WITH METAL, WITHOUT FITTINGS, WITH AN INSIDE DIAMETER OF 100 mm OR LESS

SYNOPSIS

Alphagomma South Africa (Pty) Ltd, applied for a reduction in the customs duty on tubes, pipes and hoses, of vulcanised rubber (excluding hard rubber), reinforced or otherwise combined only with metal, without fittings, classifiable under tariff subheading 4009.21, from 15% ad valorem to free of duty. The product is used for the conveyance of high pressure chemical fluids.

The Commission found that there is a SACU manufacturer of tubes, pipes and hoses of vulcanised rubber with an inside diameter of more than 100 mm. This manufacturer is in a position to satisfactorily meet the requirements of the SACU industry as far as the provision of tubes, pipes and hoses with an inside diameter of above 100 mm is concerned.

As the duty on products with an inside diameter of 100 mm or less has an unnecessary cost-raising effect for downstream users of this product, the Commission decided to recommend a reduction in the duty on these products through the creation of a separate 8- digit tariff subheading.

THE APPLICATION AND THE TARIFF POSITION

Alphagomma South Africa (Pty) Ltd applied for a reduction in the rate of customs duty on tubes, pipes and hoses, of vulcanised rubber, (excluding hard rubber), reinforced or otherwise combined only with metal, classifiable under tariff subheading 4009.21, from 15% ad valorem to free of duty.

The reason for the application, as submitted by the applicant, is that the subject product which is used for the conveyance of high pressure chemical fluids in the mining industry is not manufactured in the SACU. The application was published in the Government Gazette on **22 May 2009**, for interested parties to comment.

The tariff structure for tubes, pipes and hoses of vulcanised rubber reads as follows:

Tariff heading	Tariff sub-heading	Description	Rate of duty			
			General	EU	EFTA	SADC
4009		TUBES PIPES AND HOSES, OF VULCANISED RUBBER (EXCLUDING HARD RUBBER), WITH OR WITHOUT THEIR FITTINGS (FOR EXAMPLE, JOINTS ELBOWS, FLANGES):				
	4009.2	Reinforced or otherwise combined only with metal				
	4009.21	Without fittings	15%	5.7%	11.3%	free

COMMENTS ON THE APPLICATION

The Commission received comments from the South African Fluid Power Association and Transvaal Rubber Company (Pty) Ltd (Truco). The South African Fluid Power Association supported the application.

Truco supported the application on condition that the reduction in duty is limited to products with an inside diameter of 100 mm or less, as in this specification, the products are not manufactured domestically.

FINDINGS

The Commission found that Truco is in a position to satisfactorily meet the requirements of the mining industry as far as the provision of tubes, pipes and hoses with an inside diameter of above 100 mm is concerned.

As the duty on the products in question with an inside diameter of 100 mm or less has an unnecessary cost-raising effect for downstream users of this product, the Commission decided to recommend a reduction in the duty on these products through the creation of a separate 8-digit tariff subheading.

RECOMMENDATION

The Commission recommends that the rate of customs duty on tubes, pipes and hoses, of vulcanised rubber (excluding hard rubber), reinforced or otherwise combined only with metal, without fittings, with an inside diameter of 100 mm or less, be reduced to free of duty.

(65/2008)