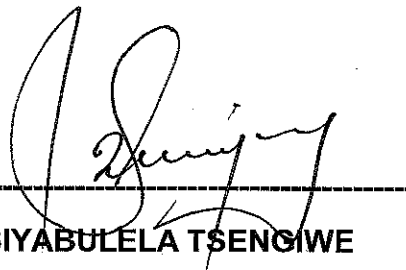


REPORT NO. 303

**APPLICATION FOR A REDUCTION IN
THE RATE OF DUTY ON EDUCATIONAL
POSTERS**

The International Trade Administration Commission herewith presents its
Report No. 303: Application for a reduction in the rate of duty on educational
posters.



SIYABULELA TSENGIWE

CHIEF COMMISSIONER

PRETORIA

30 / 04 / 2009

REPUBLIC OF SOUTH AFRICA

INTERNATIONAL TRADE ADMINISTRATION COMMISSION OF SOUTH
AFRICA

REPORT NO. 303

APPLICATION FOR A REDUCTION IN THE RATE OF DUTY ON
EDUCATIONAL POSTERS

Synopsis

Educat Publishers (Educat) applied for a reduction in the rate of duty on educational posters classifiable under tariff subheading 4911.99.90 from 15% ad valorem to free of duty. As reason for the application, Educat stated that the current rate of duty increases the cost of importing the finished product.

The Commission found that educational posters are manufactured in the SACU by one known firm, Dlala & Mila cc, and that the current rate of duty of 15 % ad valorem should serve as encouragement to the industry manufacturing educational posters. The Commission found that Dlala & Mila is in its infant stage and that it is currently developing its processes and distribution channels to supply the SACU industry with quality educational posters.

In light of the foregoing, the Commission recommended that the application for a reduction in the rate of duty on educational posters classifiable under tariff subheading 4911.99.90 be rejected. However, the Commission recommended that the application be reviewed after a period of one year to assess the SACU manufacturer's ability to meet the requirements of the domestic industry.

Introduction

Educat Publishers (Educat) applied for a reduction in the rate of duty on educational posters classifiable under tariff subheading 4911.99.90 from 15% *ad valorem* to free of duty.

The reason advanced by the applicant is that the current rate of duty on educational posters increases the cost of importing the product.

The application was published in the Government Gazette on 24 October 2008 for interested parties to comment.

The tariff position

The tariff structure for educational posters is shown in Table 1 below:

Table 1: Existing tariff position of educational posters

Tariff Heading	Description	Rate of Duty			
		General	EU	EFTA	SADC
49.11	Other printed matter, including printed pictures and photographs:				
4911.9	- Other:				
4911.99	-- Other				
4911.99.90	--- Other	15%	5.7%	11.3%	free

The application was published in the government gazette as follows:

Reduction in the rate of duty on:

“Alphabetical, anatomical, botanical, mathematical and other educational charts (“posters”) to free of duty by the creation of a separate 8-digit subheading under tariff subheading 4911.99 ”

Comments on the publication

The application attracted one objection from Dlala & Mila cc (D&M), a SACU manufacturer of educational posters. D&M indicated that a reduction in customs duty on educational posters at this stage would adversely affect its young but growing business.

Findings

The Commission found that educational posters are manufactured in the SACU by one known firm and that the current rate of duty should serve as encouragement to the industry manufacturing educational posters. The Commission found that the firm is in its infant stage and that it is currently developing its processes and distribution channels to supply the SACU industry with quality educational posters.

Recommendation

In view of the above, the Commission recommended that the application for reduction in the rate of duty on educational posters, classifiable under tariff subheading 4911.99.90, be rejected. However, the Commission further recommended that the application be reviewed after a period of one year to assess the SACU manufacturer's ability to meet the domestic requirements for these products.