

## **Report No. 255**

# **Rebate of the duty on polyethylene filament yarn classifiable under tariff subheading 5402.49 used in the manufacture of ropes**

The International Trade Administration Commission of South Africa  
herewith presents its **Report No. 255: Rebate of the duty on  
Polyethylene Filament Yarn classifiable under tariff subheading  
5402.49 used in the manufacture of ropes.**



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**ACTING CHIEF COMMISSIONER**

**PRETORIA**

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**REPUBLIC OF SOUTH AFRICA**

**INTERNATIONAL TRADE ADMINISTRATION COMMISSION OF  
SOUTH AFRICA**

**REPORT NO.255**

**Rebate of the duty on Polyethylene Filament Yarn classifiable under tariff subheadings 5402.49 used in the manufacture of ropes.**

**Synopsis**

The Commission considered an application from Southern Ropes (Pty) Ltd, for a rebate of the duty on polyethylene filament yarn (excluding sewing thread), with a tenacity of 30 Cn/dtex or more, single, untwisted or with a twist not exceeding 50 turns per metre, classifiable in tariff subheading 5402.49 for the manufacture of twine, cordage, rope, cables, whether or not plaited or braided and whether coated, covered or sheathed with rubber or plastics, classifiable in tariff subheadings 5607.49 and 5607.50.

As reason for the application, the applicant stated that the input in question is not manufactured in the SACU; the rebate would add advantage to their business through price/cost savings, due to the fact that the end product could then be sold at a more competitive price and will enable them to have a wider market access both domestically and internationally.

The Commission found that polyethylene filament yarn (excluding sewing thread), with a tenacity of 30 Cn/dtex or more, single, untwisted or with a twist not exceeding 50 turns per metre is not manufactured in the SACU, and that the duty is not justified.

The Commission therefore recommends that a rebate provision be created on polyethylene filament yarn (excluding sewing thread), with a tenacity of 30 Cn/dtex or more, single, untwisted or with a twist not exceeding 50 turns per metre, for the manufacture of twine, cordage, rope, cables, whether or not plaited or braided and whether coated, covered or sheathed with rubber or plastics.

## 1. Introduction

- 1.1 The Commission considered an application from Southern Ropes (Pty) Ltd, for a rebate of the duty on polyethylene filament yarn (excluding sewing thread), with a tenacity of 30 Cn/dtex or more, single, untwisted or with a twist not exceeding 50 turns per metre, classifiable in tariff subheading 5402.49 for the manufacture of twine, cordage, rope, cables, whether or not plaited or braided and whether, coated, covered or sheathed with rubber or plastics, classifiable in tariff subheadings 5607.49 and 5607.50. The application was published in Government Gazette No. 29971 of 15 June 2007.
- 1.2 As reason for the application, the applicant stated that the input in question is not manufactured in the SACU; the rebate would add advantage to their business through price/cost savings, due to the fact that the end product could then be sold at a more competitive price and will enable them to have a wider market access both domestically and internationally.
- 1.3 The DTI indicated that they supported the application for the creation of a rebate provision for polyethylene filament yarn.

## 2. Tariff Position

- 2.1 The tariff structure of polyethylene filament yarn is as shown in Table 1 below:

**Table 1: Tariff structure of polyethylene filament yarn**

Heading	Sub-Heading	CD	Description	Stat-istical Unit	Rate of Duty			
					Gen	EU	EFTA	SADC
54.02			Synthetic filament yarn (excluding sewing thread), not put up for retail sale, including synthetic monofilament of less than 67 dtex:					
	5402.4		- Other yarn, single, untwisted or with a twist not exceeding 50 turns per m:					
	5402.44		-- Elastomeric:					
	5402.44.10	7	--- Of polyurethane	Kg	Free	Free	Free	Free

5402.44.90	5	--- Other	Kg	15%	5%	10%	Free
5402.45	6	-- Other, of nylon or other polyamides	Kg	15%	5%	10%	Free
5402.46	2	-- Other, of polyesters, partially oriented	Kg	15%	5%	10%	Free
5402.47	9	-- Other, of polyesters	kg	15%	5%	10%	Free
5402.48	5	-- Other, of polypropylene	Kg	15%	5%	10%	Free
<b>5402.49</b>	<b>1</b>	<b>-- Other</b>	<b>Kg</b>	<b>15%</b>	<b>5%</b>	<b>10%</b>	<b>Free</b>

2.2 The tariff structure of the end product is as shown in Table 2 below:

Table 2: Tariff structure of ropes and cables

Heading	Sub-Heading	CD	Description	Stat-istical Unit	Rate of Duty			
					Gen	EU	EFTA	SADC
56.07			Twine, cordage, ropes and cables, whether or not plaited or braided and whether or not impregnated, coated, covered or sheathed with rubber or plastics:					
	<b>5607.2</b>		<b>- Of sisal or other textile fibres of the genus AGAVE:</b>					
	<b>5607.21</b>	3	-- Binder or baler twine	Kg	15%	9,45%	15%	Free
	<b>5607.29</b>	4	-- Other	Kg	15%	9,45%	15%	Free
	<b>5607.4</b>		<b>- Of polyethylene or polypropylene:</b>					
	<b>5607.41</b>	2	-- Binder or baler twine	Kg	15%	9,45%	15%	Free
	5607.49	3	-- Other	Kg	15%	9,45%	12%	Free
	5607.50	0	- Of other synthetic fibres	Kg	15%	Free	15%	Free
	<b>5607.90</b>		<b>- Other:</b>					
	<b>5607.90.10</b>	6	-- Braided imitation catgut of artificial fibres	Kg	5%	3,15%	5%	Free
	<b>5607.90.20</b>	3	-- Of jute or other textile fibres of heading 53.03	Kg	Free	Free	Free	Free
	<b>5607.90.90</b>	4	-- Other	Kg	15%	9,45%	15%	Free

**3. Findings**

- 3.1 Interested parties supported the application on the basis that the input product in question is not manufactured in the SACU, and that the duty is not justified.
- 3.2 The Commission also considered that the applicant experiences a price disadvantage against similar imported end products (ropes). The duty on the input material has an unnecessary cost-raising effect. A rebate of duty as recommended below would improve the applicant's competitive position.

**4. Recommendation**

- 4.1 In view of the above, the Commission recommends that a rebate provision be created on polyethylene filament yarn (excluding sewing thread), with a tenacity of 30 Cn/dtex or more, single, untwisted or with a twist not exceeding 50 turns per metre, classifiable in tariff subheading 5402.49 for the manufacture of twine, cordage, rope, cables, whether or not plaited or braided and whether, coated, covered or sheathed with rubber or plastics, classifiable in tariff subheadings 5607.49 and 5607.50.