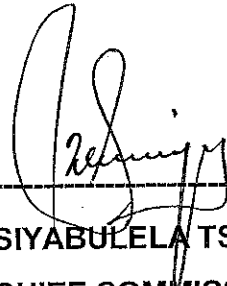


REPORT NO. 273

**REDUCTION IN THE CUSTOMS DUTY
ON PLASTIC CLOSURES**

The International Trade Administration Commission herewith presents its
Report No. 273: Reduction in the customs duty on plastic closures.



SIYABULELA TSENGIWE
CHIEF COMMISSIONER

PRETORIA

23 / 06 / 2008

REPUBLIC OF SOUTH AFRICA

INTERNATIONAL TRADE ADMINISTRATION COMMISSION OF SOUTH
AFRICA

REPORT NO. 273

REDUCTION IN THE CUSTOMS DUTY ON PLASTIC CLOSURES

Synopsis

The Commission considered an application by Goldpack (Pty) Ltd for a reduction in the rate of duty on plastic closures classifiable under tariff subheading 3923.50.90 from 15% ad valorem; 9.45% ad valorem; and 15% ad valorem respectively under the General, EU and EFTA columns, to free of duty.

The Commission found that the product is not manufactured in the SACU and that the current rate of duty has unnecessary cost-raising implications for the packaging industry. The Commission therefore recommended that the duty on the closures in question be reduced to free of duty.

The application and the tariff position

The reason advanced by the applicant was that the product in question is not manufactured in the SACU and that there is no justification for the current rate of duty.

The following is a technical description of the product acceptable for customs tariff administration:

"Bags closures of non-cellular polystyrene, in the form of flat shapes, with a thickness not exceeding 2 mm and no side exceeding 30 mm"

The application was published in the Government Gazette on 11 January 2008 for interested parties to comment.

The product covered by the application is a flat shaped plastic closure manufactured from polystyrene and used for the closure of plastic and paper bags. This product is imported by the applicant under protected trademark from a manufacturer in the USA.

The Commission found that the product is not manufactured in the SACU and that the current rate of duty has unnecessary cost-raising implications for the packaging industry.

The tariff structure of the product in question is shown in Table 1 below:

Table 1: Existing tariff position of plastic closures

Tariff Heading	Description	Rate of Duty			
		General	EU	EFTA	SADC
3923	Articles for the conveyance or packaging of goods, of Plastics; Stoppers, Lids, Caps and Other Closures, of Plastics				
3923.50	Stoppers, lids caps and other closures				
3923.50.90	Other	15%	9.45%	15%	free

Comments on the publication

The application attracted no objections. One firm supported the application.

Findings

The Commission found that the product is not manufactured in the SACU and that the current rate of duty has unnecessary cost-raising implications for the packaging industry.

Recommendation.

In view of the above, the Commission recommends that Schedule No 1 to the Customs and Excise Act be amended by creating an additional tariff subheading at free of duty for “Bags closures of non-cellular polystyrene, in the form of flat shapes, with a thickness not exceeding 2 mm and no side exceeding 30 mm.”