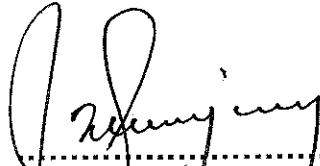


REPORT NO: 277

**AMENDMENT OF REBATE ITEMS
311.02/63.09/01.04 AND
311.18/63.09/01.04 FOR THE DUTY-
FREE IMPORTATION OF WORN
CLOTHING AND OTHER WORN
ARTICLES OF TEXTILE MATERIAL
FOR THE MANUFACTURE OF
WIPING RAGS AND CLEANING
CLOTHS OR FOR THE RECOVERY
OF FIBRES**

The International Trade Administration Commission of South Africa herewith presents its **Report No 277: Amendment of Rebate items 311.02/63.09/01.04 and 311.18/63.09/01.04 for the duty-free importation of worn clothing and other worn articles of textile material for the manufacture of wiping rags and cleaning cloths or for the recovery of fibres.**



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SIYABULELA TSENGIWE
CHIEF COMMISSIONER

PRETORIA

.....
20 / 08 / 2008

REPUBLIC OF SOUTH AFRICA

**INTERNATIONAL TRADE ADMINISTRATION COMMISSION OF
SOUTH AFRICA**

REPORT NO 277

Amendment of rebate items 311.02/63.09/01.04 and 311.18/63.09/01.04 for the duty-free importation of worn clothing and other worn articles of textile material for the manufacture of wiping rags and cleaning cloths or for the recovery of fibres.

Synopsis

In terms of rebate items 311.02/63.09/01.04 and 311.18/63.09/01.04, specific provisions exist for the duty free importation of worn clothing and other worn articles of textile material for the manufacture of wiping rags and cleaning cloths or for the recovery of fibres.

For a more efficient administration, the Commission decided to recommend that these provisions be amended as follows:

Rebate Item 311.02/63.09/01.04:

Worn clothing and other worn articles of textile material (excluding those containing cotton) at such times, in such quantities and subject to such conditions as the International Trade Administration Commission may allow by specific permit for the recovery of fibres.

Rebate Item 311.18/63.09/01.04:

Worn clothing and other worn articles of textile material containing 35 per cent or more by mass of cotton fibres, (excluding brassieres, girdles, corsets, braces, suspenders, garters, jackets, blazers, jerseys, pullovers, cardigans, overcoats, car-coats, raincoats, anoraks, ski-jackets, duffle-coats, mantels, parkas, swimwear, socks and similar clothing articles) at such times in such quantities and subject to such conditions as the International Trade Administration Commission may allow by specific permit for the manufacture of wiping rags and cleaning cloths.

Introduction

ITAC conducted an audit of the users of rebate items 311.02/63.09/01.04 and 311.18/63.09/01.04 to establish whether the guideline requirements in terms of these provisions were met. Weaknesses were identified and addressed through amendments to the guidelines for the rebate provisions. The amendments covered the following:

- More accurately and clearly defining the products to be imported;
- Specific requirements with regard to the construction of the rebate store;
- Specific requirements with regard to record keeping; and
- Specific requirements with regard to notification of scrap and waste.

The Commission also decided to investigate a possible amendment to the description of the rebate provisions for the efficient administration of the provisions.

The Tariff Position

The customs duties applicable to worn clothing and other worn articles of textile material classifiable under tariff subheading 6309.00 are 60% or 2500c/kg (worn clothing) and 20% (other worn articles of textile material).

However, worn clothing and other worn articles of textile material can be imported in terms of rebate items 311.02/63.09/01.04 and 311.18/63.09/01.04 at rebate of the full duty for the manufacture of wiping rags and cleaning cloths or for the recovery of fibres.

These rebate items read as follows:

Rebate Item 311.02/63.09/01.04: "Worn clothing and other worn articles of textile materials, in such times, in such quantities and subject to such conditions as the International Trade Administration Commission may allow by specific permit for the recovery of fibres"

Rebate Item 311.18/63.09/01.04: "Worn clothing and other worn articles of textile materials, in such times, in such quantities and subject to such conditions as the International Trade Administration Commission may allow by specific permit for the manufacture of wiping rags and cleaning cloths"

Comments on the investigation

The investigation was published in the Government Gazette of 28 March 2008 for comment by interested parties. The comments received were taken into account by the Commission during its deliberations on the matter.

Findings

The Commission considered the information at its disposal and recommended an amendment to the rebate provisions by excluding certain products.

The reason for the recommended exclusion of certain products from the rebate provisions is that these products have no absorbing qualities and are otherwise not suitable for the manufacture of wiping rags and cleaning cloths or for the recovery of fibres. Furthermore, the protection afforded the industries manufacturing these products would be eroded.

The new descriptions recommended below would contribute to a more efficient administration of these provisions.

Recommendation:

In view of the above the Commission decided to recommend an amendment to rebate items 311.02/63.09/01.04 and 311.18/63.09/01.04 as follows:

Rebate Item 311.02/63.09/01.04:

Worn clothing and other worn articles of textile material (excluding those containing cotton) at such times, in such quantities and in such conditions as the International Trade Administration Commission may allow by specific permit for the recovery of fibres.

Rebate Item 311.18/63.09/01.04:

Worn clothing and other worn articles of textile material containing 35 per cent or more by mass of cotton fibres, (excluding brassieres, girdles, corsets, braces, suspenders, garters, jackets, blazers, jerseys, pullovers, cardigans, overcoats, car-coats, raincoats, anoraks, ski-jackets, duffle-coats, mantels, parkas, swimwear, socks and similar clothing articles) at such times, in such quantities and in such conditions as the International Trade Administration Commission may allow by specific permit for the manufacture of wiping rags and cleaning cloths.

[77/2008]