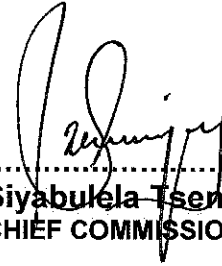


**REPORT NO. 264**

**REBATE OF THE DUTY ON PLASTIC  
SHEETS FOR THE MANUFACTURE OF  
MOULDED TRAYS**

**The International Trade Administration Commission of  
South Africa (ITAC) herewith presents Report No. 264:  
REBATE OF THE DUTY ON PLASTIC SHEETS FOR THE  
MANUFACTURE OF MOULDED TRAYS**



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**Siyabulela Tsengiwe**  
**CHIEF COMMISSIONER**

**PRETORIA**  
**.....05...1...05.../ 2008**

# REPUBLIC OF SOUTH AFRICA

## INTERNATIONAL TRADE ADMINISTRATION COMMISSION OF SOUTH AFRICA

### REPORT NO. 264

#### REBATE OF THE DUTY ON PLASTIC SHEETS FOR THE MANUFACTURE OF MOULDED TRAYS

##### SYNOPSIS

The Commission considered the creation of a rebate provision for plastic sheets for the manufacture of moulded trays. This plastic sheet is classifiable under tariff subheading 3920.49 with a rate of duty of 15% ad valorem in the general column, 15% in the EFTA column, 9.45% in the EU column and free of duty in the SADC column.

The application was published in the Government Gazette of 11 January 2008 for comment. The final consumer product manufactured by the applicant, namely chocolate-filled egg-shaped plastic trays marketed under the brand Kinder Joy eggs, can be imported from the EU free of duty, while duties have to be paid on the input under consideration that is not manufactured in the SACU.

The Commission, after having taken into account all the information at its disposal, decided that a rebate provision for plastic sheets for the manufacture of moulded trays was justified. It therefore recommended the creation of a rebate provision for plates, sheets, film, foil and strip of polymers of vinyl chloride containing by mass less than 6% of plasticizers, with a width not exceeding 160mm and a thickness of 0.36mm, printed, classifiable under tariff subheading 3920.49, for the manufacture of moulded trays for the packing and conveyance of goods classifiable under tariff subheading 3923.90.90.

#### 1. Introduction

- 1.1 The Commission considered the creation of a rebate provision for plastic sheets for the manufacture of moulded trays. This plastic sheet is classifiable under tariff subheading 3920.49 with a rate of duty of 15% ad valorem in the general column, 15% in the EFTA column, 9.45% in the EU column and free of duty in the SADC column.

1.2 The reasons for the application are:

- Due to the specialized nature of the process involved in the manufacture of the sheets, there are currently no manufacturers in the Southern African Customs Union ("SACU") with the required technological capability.
- Apart from the product under consideration, certain of the other materials used for manufacturing the final consumer product manufactured by the applicant, namely chocolate-filled egg-shaped plastic trays marketed under the brand Kinder Joy eggs, are sourced from local manufacturers, while some are imported from the European Union and are duty free.
- Imsofer SA has recently established a new manufacturing plant in South Africa, and envisages employing between 65 and 350 personnel.
- A tariff anomaly exists in that the end product (Kinder Joy Eggs) can be imported duty free from the EU.

1.3 On 11 January 2008 the application was published in the Government Gazette for comment.

2. **The application and the tariff position**

2.1 The tariff structure for the plastic sheets is as shown in Table 1 below:

**Table 1: Tariff structure for plastic sheets**

Tariff heading	Tariff subheading	Description	Rate of duty			
			General	EFTA	EU	SADC
39.20		Other plates, sheets, film, foil and strip of plastics, non-cellular and not reinforced, laminated, supported or similarly combined with other materials				
	3920.49	Of polymers of vinyl chloride: Other	15%	15%	9.45%	free

(Source: SARS)

2.2 The requested rebate provision is as set out below:

*“ Plates, sheets, film, foil and strip of polymers of vinyl chloride containing by mass less than 6% of plasticizers, with a width not exceeding 160mm and a thickness of 0.36mm, printed, classifiable under tariff subheading 3920.49, for the manufacture of moulded trays for the packing and conveyance of goods classifiable under tariff subheading 3923.90.90”*

2.3 The tariff structure for moulded trays is as shown in table 2 below:

**Table 2: Tariff structure for moulded trays**

Tariff heading	Tariff subheading	Description	Rate of duty			
			General	EFTA	EU	SADC
39.23		Articles for the conveyance or packing of goods, of plastics; stoppers, lids, caps and other closures, of plastics:				
	3923.90.90	Other	15%	13.2%	7.5%	free

(Source: SARS)

2.4 The tariff structure of the final product (Kinder joy eggs) is as set out in Table 3 below:

**Table 3: Tariff structure of Kinder joy eggs**

Tariff sub-Heading	Article Description	Rate of Duty			
		General	EFTA	EU	SADC
1806.90	Chocolate and other food preparations containing cocoa: Other	17%	17%	free	free

(Source: SARS)

### 3. Findings and recommendation

3.1 The product under consideration is not manufactured in the SACU.

3.2 The end product can be imported from the EU free of duty, while the applicant has to pay duties on the input under consideration that is not manufactured in the SACU.

3.3 SARS indicated that they will be able to administer the creation of a rebate provision.

- 3.4 In the light of the foregoing and after having taken all the information at its disposal into account, the Commission found that a rebate provision was justified and therefore decided to recommend the creation of a rebate provision for plates, sheets, film, foil and strip of polymers of vinyl chloride containing by mass less than 6% of plasticizers, with a width not exceeding 160mm and a thickness of 0.36mm, printed, classifiable under tariff subheading 3920.49, for the manufacture of moulded trays for the packing and conveyance of goods classifiable under tariff subheading 3923.90.90.