


**REPORT NO. 265**

**REDUCTION IN THE DUTY ON PLASTIC  
SHEETS WITH PLASTIC SPOONS AFFIXED  
TO IT**

**The International Trade Administration Commission of  
South Africa (ITAC) herewith presents Report No. 265:  
REDUCTION IN THE RATE OF DUTY ON PLASTIC SHEETS  
WITH PLASTIC SPOONS AFFIXED TO IT**



.....

**Siyabulela Tsengiwe  
CHIEF COMMISSIONER**

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

# REPUBLIC OF SOUTH AFRICA

## INTERNATIONAL TRADE ADMINISTRATION COMMISSION OF SOUTH AFRICA

### REPORT NO. 265

#### REDUCTION IN THE RATE OF DUTY ON PLASTIC SHEETS WITH PLASTIC SPOONS AFFIXED TO IT

##### SYNOPSIS

The Commission considered a reduction in the rate of duty on plastic sheets with plastic spoons affixed to it. This plastic sheet is classifiable under tariff subheading 3926.90.90 at a rate of duty of 20% ad valorem in the general column, 16% in the EFTA column, 14% 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 product under consideration is not manufactured in the SACU. 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 reduction in the rate of duty on plastic sheets with spoons affixed to it was justified. It therefore recommended a reduction to free of duty on sheets consisting predominantly of polyethylene, with one side not exceeding 160mm and the other side not exceeding 465 mm, with 16 flat plastic spoons affixed to it.

#### 1. Introduction

- 1.1 The Commission considered the creation of a separate 8-digit tariff subheading, at free of duty, for plastic sheets with spoons affixed to it. This plastic sheet is classifiable under tariff subheading 3926.90.90 at a rate of duty of 20% ad valorem in the general column, 16% in the EFTA column, 14% 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 is currently no manufacturer 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.
- Insofar 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 existing tariff position for sheets consisting predominantly of polyethylene, with one side not exceeding 160 mm and the other side not exceeding 465 mm, with 16 flat plastic spoons affixed to it is as shown in Table 1 below:

**Table 1: Tariff position for plastic sheets with plastic spoons affixed to it**

Tariff heading	Tariff subheading	Description	Rate of duty			
			General	EFTA	EU	SADC
39.26		<b>Other articles of plastic and articles of other materials of headings 39.01 and 39.14</b>				
	3926.90.90	Other	20%	16%	14%	Free

(Source: SARS)

- 2.2 The requested tariff structure (creation of a new 8-digit tariff subheading) is set out in Table 2 below:

**Table 2: Requested tariff structure for plastic sheets with plastic spoons affixed to it**

Tariff heading	Tariff subheading	Description	Rate of duty			
			General	EFTA	EU	SADC
39.26	3926.90.88	Sheets consisting predominantly of polyethylene, with one side not exceeding 160mm and the other side not exceeding 465 mm, with 16 flat plastic spoons affixed to it	free	free	free	Free

(Source: SARS)

- 2.3 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 There were no objections to the application for a reduction in the duty on the subject product.
- 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 reduction was justified and therefore decided to recommend a reduction to free of duty on sheets consisting predominantly of polyethylene, with one side not exceeding 160mm and the other side not exceeding 465 mm, with 16 flat plastic spoons affixed to it.