

**REPORT NO. 280**

**REDUCTION IN THE CUSTOMS DUTY ON  
COLLAPSIBLE, SEAMLESS TUBING (SILO  
BAGS) MADE FROM POLYMERS OF ETHYLENE**

The International Trade Administration Commission (ITAC) of South Africa  
herewith presents **Report No. 280: Reduction in the customs duty on  
collapsible, seamless tubing (silo bags) made from polymers of ethylene**



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

**PRETORIA**  
.....03.1.09...../2008

**REPUBLIC OF SOUTH AFRICA**

**INTERNATIONAL TRADE ADMINISTRATION COMMISSION OF  
SOUTH AFRICA**

**REPORT NO. 280**

**REDUCTION IN THE CUSTOMS DUTY ON COLLAPSIBLE,  
SEAMLESS TUBING (SILO BAGS) MADE FROM POLYMERS  
OF ETHYLENE**

**SYNOPSIS**

The National Chamber of Milling, on behalf of Silobags Africa (Pty) Ltd), applied for a reduction in the rate of customs duty on silo bags classifiable under tariff subheading 3917.32.20.

As reason for the application, the applicant stated that silo bags or similar substitute products are not manufactured in the SACU. The bags are imported for the storage of grain.

The application was published in the Government Gazette of 18 April 2008 for interested parties to comment. No objections were received from the industry.

The Commission found that silo bags or similar substitute products are not manufactured in the SACU area. To reduce the input costs for grain farmers, the Commission recommended that the duty on silo bags be reduced to free of duty through the creation of a new 8-digit tariff line for silo bags with the following description for customs tariff purposes:-

"Lay-flat, seamless tubing made from polymers of ethylene with a thickness of 200 microns or more but not exceeding 300 microns, printed, having a burst pressure of less than 0.5 MPa and an inside cross-section of 200 cm or more but not exceeding 500 cm".

**INTRODUCTION**

Silo bags consist of a low density and linear low density polyethylene tube for the storing of bulk grain. The product is manufactured by the co-extrusion in 3 layers of different polyethylene compounds and additives to get the accurate ultraviolet blocking and structure resistance to hold the amount of grain that is supplied inside with a filling machine.

The bags come folded in such a way that allows them to be attached to a filling tunnel that would extend the tube as it is being filled.

## **APPLICATION AND TARIFF POSITION**

The National Chamber of Milling, on behalf of Silobags Africa (Pty) Ltd), applied for a reduction in the rate of customs duty on silo bags.

Silo bags are classifiable under tariff subheading 3917.32.20 as follows:

Tariff heading	Tariff subheading	Description	Statistical unit	Rate of duty			
				General	EFTA	EU	SADC
39.17		<b>Tubes, pipes, hoses and fittings therefore (for example joints, elbows, flanges), of plastics:</b>					
	3917.32	Other, not reinforced or otherwise combined with other materials, without fittings:					
	3917.32.20	Of polymers of ethylene, seamless	kg	15%	13.2%	7.5%	free

The application involves the creation of a new 8-digit tariff line with the following description acceptable for customs tariff administration purposes:-  
"Lay-flat, seamless tubing made from polymers of ethylene with a thickness of 200 microns or more but not exceeding 300 microns, printed, having a burst pressure of less than 0.5 MPa and an inside cross-section of 200 cm or more but not exceeding 500 cm".

The application attracted no objections from interested parties.

## **FINDINGS**

The Commission found that silo bags or similar substitute products are not manufactured in the SACU, and that a reduction in duty would contribute towards lowering input costs for grain farmers.

## **RECOMMENDATION**

In view of the above, the Commission decided to recommend that the duty on silo bags be reduced from 15 per cent ad valorem to free of duty, through the creation of an 8-digit tariff subheading with the following description for customs tariff administration purposes:-

"Lay-flat, seamless tubing made from polymers of ethylene with a thickness of 200 microns or more but not exceeding 300 microns, printed, having a burst pressure of less than 0.5 MPa and an inside cross-section of 200 cm or more but not exceeding 500 cm".