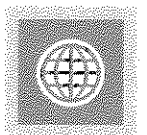
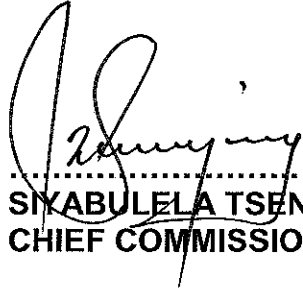


**REPORT NO: 284****REBATE OF THE DUTY ON TAPE  
OF POLYMERS OF PROPYLENE,  
FILM OF POLYMERS OF  
ETHYLENE, NON-WOVEN FABRIC  
OF MAN-MADE FILAMENTS  
WHETHER OR NOT IMPREGNATED,  
AND FABRIC IMPREGNATED,  
COATED, COVERED OR  
LAMINATED, FOR THE  
MANUFACTURE OF DISPOSABLE  
NAPKINS FOR BABIES****enabling****FAIR TRADE**

The International Trade Administration Commission of South Africa herewith presents its **Report No 284: Rebate of the duty on tape of polymers of propylene, film of polymers of ethylene, non-woven fabric of man-made filaments whether or not impregnated, and fabric impregnated, coated, covered or laminated, for the manufacture of disposable napkins for babies.**



.....  
**SIYABULELA TSENGIWE**  
**CHIEF COMMISSIONER**

**PRETORIA**

.....  
**24 / 10 / 2008**

**REPUBLIC OF SOUTH AFRICA**

**INTERNATIONAL TRADE ADMINISTRATION COMMISSION OF  
SOUTH AFRICA**

**REPORT NO 284**

**Rebate of the duty on tape of polymers of propylene, film of polymers of ethylene, non-woven fabric of man-made filaments whether or not impregnated, and fabric impregnated, coated, covered or laminated, for the manufacture of disposable napkins for babies.**

**Synopsis**

Procter and Gamble Manufacturing SA (Pty) Ltd applied for an amendment to the descriptions in the rebate provisions relating to non-woven fabrics of man-made filaments, fabrics impregnated, coated, covered, or laminated with plastics and self-adhesive plates, sheets, film, foil and strip classifiable under tariff subheadings 5603; 5903 and 3919 used in the manufacture of disposable napkins for babies.

The applicant further requested that new rebate provisions be created for non-woven fabrics (excluding those of man-made filaments), fabrics of synthetic monofilaments and other plates, sheets, film, foil and strip of polymers of ethylene classifiable under tariff 5603.9, 5404.11 and 3920.10 used in the manufacture of disposable napkins for babies.

The reason for the application is that the applicant is planning to establish a local manufacturing plant for the manufacture of disposable napkins for babies.

An existing SACU manufacturer of disposable napkins for babies supported the application.

The application and resultant recommendation outlined in pages 7, 8, and 9 will contribute to the promotion of international competitiveness and reduction in production costs in the industry concerned.

**Introduction**

Procter and Gamble Manufacturing S.A. (Pty) Ltd applied for an amendment to the existing descriptions of the undermentioned rebate provisions to read as follows:

Rebate items: 310.09/5603.1/01.05 & 311.33/5603.1/01.05:

Nonwovens, of man-made filaments, whether or not impregnated, coated, covered or laminated, of a mass not exceeding 150 g/m<sup>2</sup>, for the manufacture of disposable napkins for babies.

Rebate items: 310.09/5903.90/01.06 & 311.33/5903.90/01.06:

Textile fabrics, impregnated, coated, covered, or laminated with plastics (excluding fabrics, impregnated, coated, covered, or laminated with polyvinyl chloride and polyurethane), of a mass of less than 200 g/m<sup>2</sup>, for the manufacture of disposable napkins for babies.

Rebate items: 310.09/3919.10/01.06 & 311.33/3919.10/01.06:

Self-adhesive plates, sheets, film, foil, tape, strip and other flat shapes, of polymers of propylene, in rolls of a width not exceeding 200 mm, for the manufacture of disposable napkins for babies.

The requested amendment to the existing rebate items 310.09/56.03.1/01.05 and 311.33/56.03.1/01.05 entails that fabrics that are impregnated, coated, covered or laminated with plastics be excluded from the existing provisions while other fabrics, whether or not impregnated, coated, covered or laminated, be included. It is further requested that the mass of the nonwoven fabric allowed under these two rebate provisions be amended from 25g/m<sup>2</sup> but not exceeding 150g/m<sup>2</sup>, to a mass not exceeding 150g/m<sup>2</sup>.

The requested amendment to items 310.09/5903.90/01.06, 311.33/5903.90/01.06 and 311.33/5903.90/01.06 entails that fabrics impregnated, coated, covered or laminated with polyvinyl chloride and polyurethane be excluded from the provisions.

The requested amendment to rebate items 310.09/3919.10/01.06 and 311.33/3919.10/01.06 entails that the wording "mono-axially orientated" be removed from the provisions.

The applicant also requested that the following new rebate provisions be created:

Rebate items: 310.09/5603.9 & 311.33/5603.9:

Nonwovens (excluding those of man-made filaments), whether or not impregnated, coated, covered or laminated, of a mass not exceeding 150 g/m<sup>2</sup>, for the manufacture of disposable napkins for babies.

Rebate items: 310.09/5404.11 & 311.33/5404.11

Synthetic monofilament, elastomeric, of 67 dtex or more and of which no cross-sectional dimension exceeds 1 mm, for the manufacture of disposable napkins for babies.

Rebate items:310.09/3920.10 & 311.33/3920.10

Other plates, sheets, film, foil and strip, of polymers of ethylene, of a thickness exceeding 0,012 mm or more but not exceeding 0,06 mm, non-cellular and not reinforced, laminated, supported or similarly combined with other materials, for the manufacture of disposable napkins for babies.

The reason for the application is that the applicant is planning to establish a local manufacturing plant for the manufacture of disposable napkins for babies and that the creation of the rebate provisions is an important requirement for the new investment as these imported inputs are needed to maintain the high technology and quality of the end product.

**Tariff Position**

The duty structure on the products in question used for the manufacture of disposable napkins for babies is as follows:

**Table 1: Current tariff position**

| Tariff heading | Tariff sub-heading    | Description   | Statistical unit | Rate of duty |      |      |
|----------------|-----------------------|---|------------------|--------------|------|------|
|                |                       |   |                  | General      | EU   | SADC |
| 39.19          |                       | <b>Self-adhesive plates, sheets, film, foil, tape, strip and other flat shapes, of plastics, whether or not in rolls:</b>   |                  |              |      |      |
|                | 3919.10<br>3919.10.43 | In rolls of a width not exceeding 20 cm:<br>Of biaxially orientated polymers of propylene (excluding that which is self-adhesive on both sides), of a width not exceeding 150 mm  | kg               | 15%          | 7.5% | free |
| 39.20          | 3920.10               | <b>Other plates, sheets, film, foil and strip, of plastics, non-cellular and not reinforced, laminated, supported or similarly combined with other materials:</b><br>Of polymers of ethylene  | kg               | 15%          | 7.5% | free |
| 39.26          |                       | <b>Other articles of plastics and articles of other materials of headings 39.01 to 39.14:</b>   |                  |              |      |      |
|                | 3926.90<br>3926.90.90 | Other:<br>Other   | kg               | 20%          | 13%  | free |
| 54.04          | 5404.11               | <b>Synthetic monofilament of 67 dtex or more and of which no cross-sectional dimension exceeds 1 mm; strip and the like (for example, artificial straw) of synthetic textile materials of an apparent width not exceeding 5 mm:</b><br>Elastomeric: | kg               | 15%          | 5%   | free |
| 56.03          |                       | <b>Nonwovens, whether or not impregnated, coated, covered or laminated:</b>   |                  |              |      |      |
|                | 5603.1<br>5603.11     | Of man-made filaments:<br>Of a mass not exceeding 25 g/m <sup>2</sup> :   |                  |              |      |      |
|                | 5603.11.90            | Other   | kg               | 10%          | 5%   | free |

|       |            |  |    |     |     |      |
|-------|------------|--|----|-----|-----|------|
| 56.03 |            | <b>Nonwovens, whether or not impregnated, coated, covered or laminated:</b>  |    |     |     |      |
|       | 5603.1     | Of man-made filaments:   |    |     |     |      |
|       | 5603.12    | Of a mass exceeding 25 g/m <sup>2</sup> but not exceeding 70 g/m <sup>2</sup> :                                    |    |     |     |      |
|       | 5603.12.90 | Other  | kg | 10% | 5%  | free |
| 56.03 |            | <b>Nonwovens, whether or not impregnated, coated, covered or laminated:</b>  |    |     |     |      |
|       | 5603.92    | Of a mass exceeding 25 g/m <sup>2</sup> but not exceeding 70 g/m <sup>2</sup> :                                    |    |     |     |      |
|       | 5603.92.90 | Other  | kg | 10% | 5%  | free |
| 59.03 |            | <b>Textile fabrics impregnated, coated, covered or laminated with plastics (excluding those of heading 59.02):</b> |    |     |     |      |
|       | 5903.90    | Other:   |    |     |     |      |
|       | 5903.90.90 | Other  | kg | 22% | 10% | free |

The end-product, disposable napkins for babies, is classifiable under tariff subheadings 4818.40 and 5601.10 depending whether it is manufactured from cellulose fibres of paper or wadding of textile fibres.

The duty structure in terms of subheading 4818.40 is 20 % **(General)** 8% **(EU)** 14% **(EFTA)** and free **(SADC)**.

The duty structure in terms of subheading 5601.10 is 15% **(General)**, 5% **(EU)** 13, 2% **(EFTA)** and free **(SADC)**.

### **Comments on the application**

The application was published in the Government Gazette of 30 May 2008.

During the publication period, the Commission received two objections to the application. One of these objections related to the creation of a rebate provision for non-woven fabric of man-made filaments whether or not impregnated, coated or laminated of a mass not exceeding 150 g/m<sup>2</sup>, while the other objection related to the rebate provision for polyethylene film.

The company objecting to the provision for non-woven fabric indicated that they manufacture non-woven propylene fabric called "spun bond" which is used in a wide range of products that includes hygiene products.

The company objecting to the provision for polyethylene film indicated that they will commence the manufacture of polyethylene film suitable for the hygiene industry in December 2008.

The parties objecting to the rebate provisions withdrew their objection after further deliberations and discussions during which the purpose was explained and the assurance of proper administration of the provisions by the South African Revenue Services (SARS) was given. The companies that objected manufacture products that are not suitable for the manufacture of disposable napkins for babies.

An existing SACU manufacturer of disposable napkins for babies also supports the application.

### **Recommendation**

The Commission found that the rebate provisions are needed to ensure the applicant's international competitiveness and it therefore recommends that, firstly, the undermentioned rebate provisions be amended as follows:

- |                             |  |
|-----------------------------|--|
| <b>310.09/56.03.1/01.05</b> | Nonwovens, of man-made filaments, whether or not impregnated, coated, covered or laminated, of a mass not exceeding 150 g/m <sup>2</sup> , for the manufacture of disposable napkins for babies;   |
| <b>311.33/56.03.1/01.05</b> | Nonwovens, of man-made filaments, whether or not impregnated, coated, covered or laminated, of a mass not exceeding 150 g/m <sup>2</sup> , for the manufacture of disposable napkins for babies;   |
| <b>310.09/5903.90/01.06</b> | Textile fabrics, impregnated, coated, covered, or laminated with plastics (excluding fabrics, impregnated, coated, covered, or laminated with polyvinyl chloride and polyurethane) of a mass of less than 200 g/m <sup>2</sup> , for the manufacture of disposable napkins for babies; |
| <b>311.33/5903.90/01.06</b> | Textile fabrics, impregnated, coated, covered, or laminated with plastics (excluding fabrics, impregnated, coated, covered, or laminated with polyvinyl chloride and polyurethane) of a mass of less than 200 g/m <sup>2</sup> , for the manufacture of disposable napkins for babies; |

**310.09/3919.10/01.06** Self-adhesive plates, sheets, film, foil, tape, strip and other flat shapes, of polymers of propylene, in rolls of a width not exceeding 200 mm, for the manufacture of disposable napkins for babies; and

**311.33/3919.10/01.06** Self-adhesive plates, sheets, film, foil, tape, strip and other flat shapes, of polymers of propylene, in rolls of a width not exceeding 200 mm, for the manufacture of disposable napkins for babies; and

secondly, that the following new rebate provisions be created:

**310.09/5603.9** Nonwovens (excluding those of man-made filaments), whether or not impregnated, coated, covered or laminated, of a mass not exceeding 150 g/m<sup>2</sup>, for the manufacture of disposable napkins for babies;

**311.33/5603.9** Nonwovens (excluding those of man-made filaments), whether or not impregnated, coated, covered or laminated, of a mass not exceeding 150 g/m<sup>2</sup>, for the manufacture of disposable napkins for babies;

**310.09/5404.11** Synthetic monofilament, elastomeric, of 67 dtex or more and of which no cross-sectional dimension exceeds 1 mm, for the manufacture of disposable napkins for babies;

**311.33/5404.11** Synthetic monofilament, elastomeric, of 67 dtex or more and of which no cross-sectional dimension exceeds 1 mm, for the manufacture of disposable napkins for babies;

**310.09/3920.10** Other plates, sheets, film, foil and strip, of polymers of ethylene, of a thickness exceeding 0,012 mm or more but not exceeding 0,06 mm, non-cellular and not reinforced, laminated, supported or similarly combined with other materials, for the manufacture of disposable napkins for babies; and



**311.33/3920.10**

Other plates, sheets, film, foil and strip, of polymers of ethylene, of a thickness exceeding 0,012 mm or more but not exceeding 0,06 mm, non-cellular and not reinforced, laminated, supported or similarly combined with other materials, for the manufacture of disposable napkins for babies.

[3/2008]