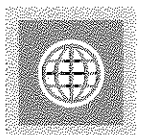


## **REPORT NO: 285**

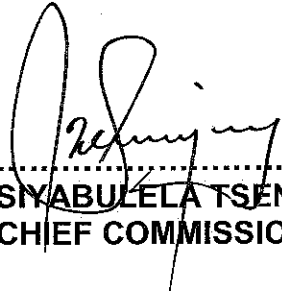
# **REBATE OF THE DUTY ON TEXTURISED FILAMENT YARN OF POLYESTER CLASSIFIABLE UNDER SUBHEADING 5402.33 USED IN THE MANUFACTURE OF TEXTILES AND TEXTILE ARTICLES**

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The International Trade Administration Commission of South Africa herewith presents its **Report No 285: Rebate of the duty on textured filament yarn of polyester classifiable under tariff subheading 5402.33 used in the manufacture of textiles and textile articles.**



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

**PRETORIA**

**28 / 10 / .....**2008

**REPUBLIC OF SOUTH AFRICA**

**INTERNATIONAL TRADE ADMINISTRATION COMMISSION OF  
SOUTH AFRICA**

**REPORT NO 285**

**Rebate of the duty on textured filament yarn of polyester classifiable under tariff subheading 5402.33 used in the manufacture of textiles and textile articles.**

**Synopsis**

The Textile Federation of South Africa (Texfed) applied for the creation of a number of rebate provisions for certain filament yarns of nylon and polyester classifiable under tariff heading 54.02 for the manufacture of various textiles and textile articles.

The reason for the application was that SANS Fibres had ceased the manufacture of these yarns in December 2007.

In its Report No 276, the Commission recommended the creation of a series of rebate provisions for continuous filament yarns. However, in the case of the requested rebate provision for textured filament yarn of polyester the Commission decided to further investigate the capabilities of the sole domestic manufacturer of textured yarn to meet the SACU market requirements.

This report contains the Commission's findings regarding the introduction of a rebate provision for textured filament yarn.

The Commission concluded that the SACU industry manufacturing textured filament yarn of polyester is not able to meet the full SACU market requirements and that the textile industry is adversely affected due to the unavailability of these important inputs in the volumes required by the downstream textiles industry.

The rebate provision that is recommended will be administered by way of a permit system and would enable the textile industry to more effectively compete in the international and domestic markets, without adversely affecting the sole domestic manufacturer of textured filament yarn of polyester.

**Introduction**

The Textile Federation of South Africa (Texfed) applied for the creation of a number of rebate provisions for certain filament yarns of nylon and polyester classifiable under tariff heading 54.02 for the manufacture of various textiles and textile articles.

The reason for the application was that SANS Fibres had ceased the manufacture of these yarns in December 2007.

In its subsequent Report No 276 in which the Commission reported on the investigation, the Commission recommended that the following rebate provisions be created:

- 311.41/54.02** Filament yarn of nylon and other polyamides (excluding sewing thread and textured yarns of subheadings 5402.31 to 5402.39), not put up for retail sale, measuring per single yarn more than 700 decitex, for the manufacture of textiles and textile articles classifiable in Section XI of Part 1 of Schedule No. 1.
- 311.41/54.02** Filament yarn of polyester (excluding sewing thread and textured yarns of subheadings 5402.31 to 5402.39), not put up for retail sale, measuring per single yarn more than 700 decitex, for the manufacture of textiles and textile articles classifiable in Section XI of Part 1 of Schedule No. 1.
- 311.41/5402.20** High tenacity filament yarn of polyesters (excluding sewing thread), not put up for retail sale, for the manufacture of textiles and textile articles classifiable in Section XI of Part 1 of Schedule No. 1.
- 311.41/5402.46** Other partially oriented filament yarn of polyester, single, untwisted or with a twist not exceeding 50 turns per meter, measuring per single yarn more than 30 decitex but not more than 450 decitex and having a tenacity not exceeding 45 cN/tex, for the manufacture of textiles and textile articles classifiable in Section XI of Part 1 of Schedule No. 1.
- 311.41/5402.47** Other filament yarn of polyester, single, untwisted or with a twist not exceeding 50 turns per meter, measuring per single yarn more than 30 decitex but not more than 450 decitex and having a tenacity not exceeding 45 cN/tex, for the manufacture of textiles and textile articles classifiable in Section XI of Part 1 of Schedule No. 1.
- 311.41/5402.52** Other filament yarn of polyester, single, with a twist exceeding 50 turns per meter, measuring per single yarn more than 75 decitex but not more than 650 decitex and having a tenacity not exceeding 45 cN/tex, for the manufacture of textiles and textile articles classifiable in Section XI of Part 1 of Schedule No. 1.

Due to objections received during the initial investigation from a manufacturer of only one type of filament yarn, namely textured filament yarn of polyester, the Commission decided to delay its recommendation for this particular input material and to further investigate the possible creation of a rebate provision for textured yarn of polyester in order to establish whether the SACU industry had the capacity to meet the SACU market requirements.

This report contains the Commission's findings with respect to a possible rebate provision for textured filament yarn and is complementary to the Commission's Report No 276.

The duty structure on textured yarns of polyester classifiable under tariff subheading 5402.33 is as follows:

**Table 1: Duty structure on textured filament yarn**

HEADING	SUB-HEADING	ARTICLE DESCRIPTION	STAT UNIT	RATE OF DUTY			
				GENERAL	EU	EFTA	SADC
54.02		Synthetic filament yarn (excluding sewing thread), not put up for retail sale, including synthetic monofilament of less than 67 dtex:					
	5402.33	Of polyesters	Kg	15%	5%	8%	Free

Source: SARS

### **Findings**

The Commission concluded, after thorough investigation, that the SACU industry manufacturing textured filament yarn of polyester is not able to meet the full SACU market requirements, and that the textile industry is adversely affected due to the unavailability of these important inputs in the volumes required by the downstream textiles industry.

The rebate provision recommended below which will be administered by way of a permit system would enable the textile industry to more effectively compete in the international and domestic markets, without adversely affecting the sole domestic manufacturer of textured filament yarn of polyester.

## **Recommendation**

In view of the above, the Commission recommends that the following rebate provision, based on a permit system, be created:

**311.41/5402.33** “Textured filament yarn of polyester, measuring per single yarn 75 decitex or more but not exceeding 650 dexitex and having a tenacity not exceeding 45 cN/tex, 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 textiles and textile articles classifiable in Section XI of Part 1 of Schedule No 1, provided the Commission is satisfied that the subject yarns are not available in the SACU region”

[33/2008]