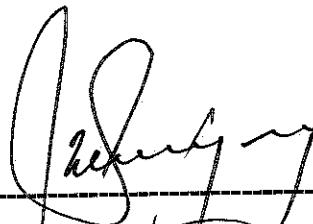


**REPORT NO. 291**

**REBATE OF DUTY ON CANNED  
PINEAPPLES**

The International Trade Administration Commission herewith presents its Report  
No. 291: **Rebate of duty on canned pineapples**



---

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

**PRETORIA**

21 JANUARY 2009

# REPUBLIC OF SOUTH AFRICA

## INTERNATIONAL TRADE ADMINISTRATION COMMISSION OF SOUTH AFRICA

### REPORT NO. 291

### REBATE OF DUTY ON CANNED PINEAPPLES

#### Synopsis

The South African Fruit and Vegetable Canners Association (SAFVCA) applied for a temporary rebate provision for canned pineapples classifiable under tariff subheading 2008.20 at a rate of duty of 55% ad valorem. The applicant requested a rebate of the full duty for canned pineapples used for further processing and a partial rebate of the full duty less 20% ad valorem for canned pineapples imported for direct retail distribution.

As reason for the application, the applicant stated that as a result of continuing adverse effects of the cadmium contamination due to the fertilisers used by the pineapple growers during the latter part of 2006, the South African pineapple growers were unable to supply the market with pineapples suitable for canning.

While a full rebate is requested for canned pineapples in larger cans imported for further processing by the canners in order to reduce costs, the applicant argued that a moderate measure of protection should be afforded to the canners, to enable them to resume with the canning process when the cadmium contamination has dissipated.

The application attracted no objections and the Commission decided to recommend the creation of temporary rebate provisions for canned pineapples.

#### The application and tariff position

The South African Fruit and Vegetable Canners Association (SAFVCA) applied for a temporary rebate provision for canned pineapples classifiable under tariff subheading 2008.20 at a rate of duty of 55% ad valorem. The applicant requested a rebate of the full duty for canned pineapples used for further processing and a partial rebate of the full duty less 20% ad valorem for canned pineapples imported for direct retail distribution.

As reason for the application, the applicant stated that as a result of the continuing adverse effects of the cadmium contamination due the fertilisers used by the pineapple growers during the latter part of 2006, the South African pineapple growers were unable to supply the market with pineapples suitable for canning.

The application was published on 01 August 2008 in the Government Gazette for interested parties to comment. No objections to the application were received. The National Department of Agriculture supported the application.

The pineapples referred to are Cayenne pineapples grown and harvested in parts of the Eastern Cape. These pineapples are further processed into pieces and then canned. Canned pineapples are produced by only two producers in the SACU region.

The tariff structure of the product in question is shown in Table 1 below:

**Table 1: Existing tariff position of pineapples**

Tariff Heading	Description	Rate of Duty			
		General	EU	EFTA	SADC
20.08	Fruits nuts and other edible parts of plants, otherwise prepared or preserved, whether or not containing added sugar or other sweetening matter or spirit, not elsewhere specified or included				
2008.20	Pineapples	55 %	free	55 %	free

While a full rebate is requested for canned pineapples in larger cans imported for further processing by the consumer in order to reduce costs, the applicant argued that a moderate measure of protection should be afforded to the canners, to enable them to resume with the canning process when the cadmium contamination had dissipated.

## **Findings**

The Commission supported the application as pineapples suitable for canning are not domestically available and as the existing duty has an unnecessary cost-raising impact on producers and consumers.

The Commission noted that the applicant intends to apply for a withdrawal of the rebate provisions once the cadmium contamination of the soil had dissipated.

## **Recommendation**

In the light of the foregoing, the Commission recommends that Schedule No 4 to the Customs of Excise Act be amended by creating the following rebate provisions:

- a) *Rebate of the full duty on canned pineapples in containers holding 3 kg or more, classifiable within tariff subheading 2008.20 in such quantities, at such times and under such conditions as the International Trade Administration Commission may allow by specific permit for further processing, provided that the Commission is satisfied that pineapples suitable for canning are not available in sufficient quantities in the SACU.*
  
- b) *Rebate of the full duty less 20 per cent, on canned pineapples, classifiable within tariff subheading 2008.20 in such quantities, at such times and under such conditions as the International Trade Administration Commission may allow by specific permit, provided that the Commission is satisfied that pineapples suitable for canning are not available in sufficient quantities in the SACU.*