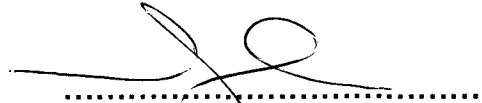


Report No. 221

Technical corrections in South Africa's Tariff schedule

**The International Trade Administration Commission of South Africa
(ITAC) herewith presents its Report No. 221: TECHNICAL
CORRECTIONS IN SOUTH AFRICA'S TARIFF SCHEDULE**



**Itumeleng Masege
ACTING CHIEF COMMISSIONER**

PRETORIA

06/03/.....2007

REPUBLIC OF SOUTH AFRICA

INTERNATIONAL TRADE ADMINISTRATION COMMISSION OF SOUTH AFRICA

REPORT NO. 221

TECHNICAL CORRECTIONS IN SOUTH AFRICA'S TARIFF SCHEDULE

Synopsis

The Commission considered an application by the International and Trade Economic Development (ITED) division of **thedti** for technical corrections in South Africa's tariff schedule. As reasons for the application, ITED advanced that, in terms of South Africa's WTO obligations and in view of the preparatory work for SA's engagement in the non-agricultural market access (NAMA) negotiations, it is imperative that South Africa complies with the provisions of its multilateral trade agreements. During the investigation it was established that the proposed rate of duty on tomatoes and tobacco would have the unintended effect of increasing the rate of customs duty on certain imports. The Commission decided to retain the existing duty but cap it with the bound ceiling rates.

The National Department of Agriculture (NDA), **thedti** and the South African Agricultural Processors Association (SAAPA) supported the application. The Southern African Footwear and Leather Industries Association (SAFLIA) supported the proposal that the specific duty on products classifiable under tariff subheading 6405.20.90 be abolished. The Consumer Electronics Association (CEA) objected to the application.

The Commission found that the duties on the tariff subheadings concerned be reduced to the WTO bound ceiling rates as per the proposed amendments published in the Government Gazette except for the following adjustments:

- tariff sub-heading 6405.20.90, where the specific duty should be removed and only the WTO bound *ad valorem* duty of 30% should remain;
- tariff sub-heading 2002.10.90, which should be amended to 110c/kg less 80% with a max of 37%, in order not to increase the duty on certain imports, and similarly
- tariff sub-heading 2401.10, which should be amended to 860c/kg less 85% with a max of 44%, in order not to increase the duty on certain imports.

1. Introduction

1.1 ITED requested that a number of tariff lines of which the applied rates of duty appeared to be above the WTO bound rate be reduced to the WTO ceiling rates.

1.2 The products concerned and proposed amendments are listed below:

Industrial products

Tariff sub-heading	Description (Abbreviated)	Applied rate	Bound rate	Proposed amendment
2921.44.90	Amine-function compounds etc	22%	10%	10%
2921.51.20	Amine-function compounds etc	22%	10%	10%
2933.59.30	Heterocyclic compounds etc	14%	10%	10%
2933.59.85	Heterocyclic compounds etc	18%	10%	10%
5606.00.00	Gimped -, chenille - & loop wale yarn	20%	17.5%	17.5%
6405.20.90	Footwear with textile uppers	30% or 500c/2u	30%	500c/2u with a max of 30%
6406.10.35	Parts of footwear etc	30%	20%	20%
8202.39.30	Hand & Circular saws, blades	21%	20%	20%
8529.90.80	Parts for reception apparatus for television	25%	20%	20%

Agricultural products

Tariff sub-heading	Description (Abbr.)	Applied rate	Bound rate	Proposed amendment
0710.29	Other frozen vegetables	30%	24%	24%
0713.90.20	Dried leguminous veg, skinned or split	30%	24%	24%
0801.11.90	Other Desiccated Coconut	25%	0	0
0805.10	Oranges	5%	4%	4%
0805.20	Mandarins	5%	4%	4%
0805.40	Grapefruit	5%	4%	4%
0805.50	Lemons & Limes	5%	4%	4%
0805.90	Other Citrus Fruit	5%	4%	4%
0806.10	Fresh Grapes	5%	4%	4%
0808.10	Apples	5%	4%	4%
0808.20	Pears & Quinces	5%	4%	4%
0809.10	Apricot	5%	4%	4%
0809.20	Cherries	5%	4%	4%
0809.30	Peaches	5%	4%	4%
0809.40	Plums & Sloes	5%	4%	4%
1211.10	Liquorice roots	15%	12%	12%
1211.20	Ginseng roots	15%	12%	12%
1302.11	Opium extracts	15%	12%	12%
1302.12	Extracts of liquorice	15%	12%	12%
1302.32.20	Modified Mucillages & thickeners	10%	8.5%	8.5%
1302.39.20	Other modified	10%	8.5%	8.5%
1905.10	Crispbread	25%	21%	21%
1905.20	Gingerbread etc	25%	21%	21%
1905.31	Sweet biscuits	25%	21%	21%
1905.32	Waffles and Wafers	25%	21%	21%
1905.40	Rusks, toasted bread etc	25%	21%	21%
1905.90.20	Communion Wafers etc	20%	17%	17%
1905.90.30	Bread Crumbs	20%	17%	17%
1905.90.90	Other Bread etc	25%	21%	21%
2002.10.90	Other Tomatoes	110c/kg less 80%	37%	110c/kg with a max of 37%
2006.00.20	Crystallised fruits	30% or 7.25c/kg	22%	7.25c/kg with a max of 22%
2006.00.90	Other preserved veg/fruit etc	30% or 7.25c/kg	22%	7.25c/kg with a max of 22%
2202.90.20	Water etc in sealed containers	25% plus 1.04c/L	21%	21%
2202.90.90	Other, less than 2.5l	25%	21%	21%
2401.10	Tobacco	15% or 860c/kg less 85%	44%	860c/kg with a max of 44%
5101.30.20	Wool bleached, dyed or otherwise	10%	8.5%	8.5%
5102.20.90	Other Coarse Animal Hair	10%	8.5%	8.5%

2. Comments

- 2.1 The application was published in Government Gazette No. 29240 of 29 September 2006.
- 2.2 Comments were received from the National Department of Agriculture (NDA), the South African Agricultural Processors Association (SAAPA), the Southern African Footwear & Leather Industries Association (SAFLIA), the Consumer Electronics Association (CEA) as well as **thedti**.
- 2.3 The National Department of Agriculture (NDA), **thedti** and the South African Agricultural Processors Association (SAAPA) supported the application. The Southern African Footwear and Leather Industries Association (SAFLIA) supported a proposal that the specific duty on products classifiable under tariff subheading 6405.20.90 be abolished and that only the 30% ad valorem duty, be maintained. Opposition was expressed by the Consumer Electronics Association (CEA). In their objection they cited that a reduction, albeit to WTO bound levels, would erode the protection afforded the television manufacturing industry and that it would also lead to abuse by certain importers.

3. FINDINGS

- 3.1 The Commission considered that in terms of South Africa's WTO obligations and in view of the preparatory work for South Africa's engagement in the non-agricultural market access (NAMA) negotiations, it is imperative that South Africa complies with the provisions of our multilateral trade agreements.
- 3.2 It was established during the investigation that the applied rates of duty pertaining to the agricultural products, were increased above the bound level for the following reasons:
- 3.2.1 Price disadvantage experienced as a result of subsidised imports;
- 3.2.2 The implementation of specific duties; and
- 3.2.3 The cushioning of the industry in view of the abolition of import control to enable the industry to adapt to market forces.
- 3.3 The recommendations by the previous Board on Tariffs and Trade to increase the rates of duty on the agricultural products concerned were implemented in 1995. However, it is the Commission's considered opinion that the duties should be adjusted to the WTO bound ceiling rates.

4. Recommendation

4.1 The Commission recommends that the duties on the tariff subheadings concerned be reduced to the WTO bound rate level as indicated below:

Industrial products

Tariff sub= heading	Description (Abbreviated)	Rate of duty
2921.44.90	Amine-function compounds etc	10%
2921.51.20	Amine-function compounds etc	10%
2933.59.30	Heterocyclic compounds etc	10%
2933.59.85	Heterocyclic compounds etc	10%
5606.00.00	Gimped -, chenille - & loop wale yarn	17.5%
6405.20.90	Footwear with textile uppers	30%
6406.10.35	Parts of footwear etc	20%
8202.39.30	Hand & Circular saws, blades	20%
8529.90.81	Parts for reception apparatus for television	20%

Agricultural products

Tariff sub= heading	Description (Abbr.)	Rate of duty
0710.29	Other frozen vegetables	24%
0713.90.20	Dried leguminous veg, skinned or split	24%
0801.11.90	Other Desiccated Coconut	free
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0805.20	Mandarins	4%
0805.40	Grapefruit	4%
0805.50	Lemons & Limes	4%
0805.90	Other Citrus Fruit	4%
0806.10	Fresh Grapes	4%
0808.10	Apples	4%
0808.20	Pears & Quinces	4%
0809.10	Apricot	4%
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2202.90.20	Water etc in sealed containers	21%
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5101.30.21	Wool bleached, dyed or otherwise	8.5%
5102.20.90	Other Coarse Animal Hair	8.5%