

## **Report No. 243**

# **Creation of a rebate provision for hollow profiles of aluminium for the manufacturing of condensers and evaporators**

The **International Trade Administration Commission of South Africa** herewith presents its Report No. 243: Creation of a rebate provision for hollow profiles of aluminium for the manufacturing of condensers and evaporators.



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**ITUMELENG MASEGE**  
**ACTING CHIEF COMMISSIONER**

**PRETORIA**

04/07/..... 2007

**REPUBLIC OF SOUTH AFRICA**

**INTERNATIONAL TRADE ADMINISTRATION COMMISSION OF SOUTH AFRICA**

**REPORT NO. 243**

**CREATION OF A REBATE PROVISION FOR HOLLOW PROFILES OF ALUMINIUM FOR THE MANUFACTURING OF CONDENSERS AND EVAPORATORS.**

**Synopsis**

Smiths Manufacturing (Pty) Ltd, applied for the creation of a rebate provision for the importation of hollow profiles of aluminium of tariff heading 7604 for the manufacturing of condensers and evaporators.

The Commission found that the aluminium profiles required by the applicant are not manufactured in the SACU. The Commission therefore recommended that a rebate provision be introduced.

**INTRODUCTION**

1. Smiths Manufacturing (Pty) Ltd, applied for the creation of a rebate provision for hollow profiles of aluminium for the manufacture of condensers and evaporators. The application was published in the Government Gazette no 29352 of 10 November 2006 for comments by interested parties.

**REASONS FOR APPLICATION**

2. As reason for the application, the applicant stated that there is no domestic company that has the capability to manufacture these specific hollow profiles of aluminium in the SACU.

## THE APPLICATION AND TARIFF POSITION

3. The components imported are classifiable as follows:

### Schedule 1/ part 1

Heading	Sub Heading	Description	General	EU	SADC
<b>76.04</b>		Aluminium Bars, Rods and Profiles			
	7604.10	Of aluminium, not alloyed			
	<b>7604.10.65</b>	<b>Profile of a maximum cross-sectional dimension not exceeding 370mm</b>	<b>5%</b>	<b>1.65%</b>	<b>free</b>
	7604.10.90	other	free	free	free
	7604.2	Of aluminium			
	7604.21	Hollow profiles:			
	<b>7604.21.15</b>	<b>Of a maximum outside cross-sectional dimension not exceeding 370 mm</b>	<b>5%</b>	<b>1.65%</b>	<b>free</b>
	7604.10.90	other	free	free	free

## THE INDUSTRY, MARKET AND COMPETITIVE POSTION

4. The applicant's estimated size of the present SACU market for condensers is 171 355 pieces, whilst the sales value per annum is estimated at R102,4 million.
5. The estimated size of the SACU market for the evaporators is 122 013 pieces. The sales value per annum is estimated at R152, 5 million
6. Other domestic manufacturers of the product are Behr SA and Crisp Air.

## COMMENTS ON THE APPLICATION

7. No comments or objections were received.

## **FINDINGS**

8. As the Aluminium profiles in question are not manufactured domestically, the commission found that a rebate provision is justified.

## **RECOMMENDATION**

9. In the light of the foregoing, the Commission recommends that a rebate provision be created in Schedule 3 to the Customs and Excise Act, 1964, as follows: "Hollow profiles of aluminium, classifiable in tariff heading 76.04, of a cross-sectional dimension not exceeding 370 mm, for the manufacture of condensers and evaporators for motor vehicle air conditioning equipment".