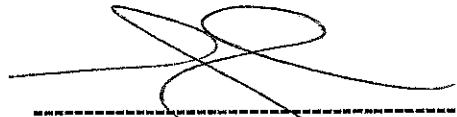


REPORT NO. 232

**REDUCTION IN THE RATE OF CUSTOMS
DUTY ON MANCOZEB FROM 10% AD
VALOREM TO FREE**

The International Trade Administration Commission herewith presents its
Report No.232 : REDUCTION IN THE RATE OF CUSTOMS DUTY ON,
MANCOZEB, FROM 10% AD VALOREM TO FREE OF DUTY.



ITUMELENG MASEGE
ACTING CHIEF COMMISSIONER

PRETORIA

201041-----2007

REPUBLIC OF SOUTH AFRICA

INTERNATIONAL TRADE ADMINISTRATION COMMISSION OF SOUTH
AFRICA

REPORT NO. 232

REDUCTION IN THE RATE OF CUSTOMS DUTY ON THE
AGRICULTURAL FUNGICIDE, MANCOZEB, FROM 10% AD VALOREM
TO FREE OF DUTY.

Synopsis

The Commission considered an application from Villa Crop Protection (Pty) Ltd, for a reduction in the rate of duty on Manganese ethylenebis (dithiocarbamate) (polymeric) complex with zinc salt [**Mancozeb**], an agricultural fungicide classifiable under tariff subheadings 3808.50.05 and 3808.92.90 (under the new Customs Classification System HS 2007), from 10% ad valorem to free of duty.

As reason for the application, the applicant submitted that the 10% duty was originally put in place to protect local production of Mancozeb and as this production ceased 6 years ago, the current rate of duty is no longer justified.

The Commission found that Mancozeb, or any suitable substitute, is not manufactured in the SACU, and the customs duty serves no protective purpose.

The Commission therefore recommends that the duty on Mancozeb be reduced from 10% ad valorem to free, through the amendment of the description of tariff sub-headings 3808.50.03 and 3808.92.20 to include the following, "**other than manganese ethylenebis (dithiocarbamate) (polymeric) complex with zinc salt**", currently excluded and classified under tariff sub-headings 3808.50.05 and 3808.92.90 (HS 2007).

The application and the tariff position

Villa Crop Protection (Pty) Ltd, hereafter referred to as the applicant, applied for a reduction in the rate of customs duty on Mancozeb, an agricultural fungicide classifiable under tariff subheadings 3808.50.05 and 3808.92.90 [HS 2007], which currently attracts a duty of 10% under the general column and is free in the EU and SADC columns.

Mancozeb, an organic contact fungicide for the prevention and control of various fungi diseases on crops, is sold in South Africa under a number of brands, and is distributed by the applicant under the brand **Unizeb 800 WP**. Unizeb is a cheaper, generic adaptation of the original Mancozeb distributed as Dithane M45.

The reasons advanced for the application were that the 10% duty was originally put in place to protect local production of Mancozeb and as this production ceased 6 years ago, the current rate of duty is no longer justified.

The current tariff structure of Mancozeb is shown below:

Tariff Heading	Description	Rate of Duty		
		General	EU	SADC
3808	Insecticides, rodenticides, fungicides , herbicides, anti-sprouting products and plant growth regulators, disinfectants and similar products, put up in forms or packings for retail sale or as preparations or articles			
3808.92	Fungicides			
3808.92.20	Suitable for the treatment of wood, plants, trees or seed (excluding those containing compounds of copper, chromium and arsenic or metallic compounds of dithiocarbamates or bis-dithiocarbamates as active ingredient)	Free	Free	Free
3808.92.90	- Other	10%	Free	Free

Tariff heading	Description	Rate of Duty		
		General	EU	SADC
3808	Insecticides, rodenticides, fungicides , herbicides, anti-sprouting products and plant growth regulators, disinfectants and similar products, put up in forms or packings for retail sale or as preparations or articles			
3808.50	Goods specified in subheading note 1 to this chapter			
3808.50.03	Fungicides suitable for the treatment of wood, plants, trees or seed (excluding those containing compounds of copper, chromium and arsenic or metallic compounds of dithiocarbamates or bis-dithiocarbamates as active ingredient)	Free	Free	Free
3808.50.05	Other fungicides	10%	Free	Free

The application was published in the Government Gazette on 08 December 2006 for interested parties to comment. **Trade and Investment South Africa (TISA)**, a division of the dti, supported the application citing that the local manufacturing facility is no longer operational and concomitantly, that importing companies bringing in Mancozeb from Europe have an unfair advantage over the applicant, a South African owned company, importing Mancozeb from India.

However, a comment received from a competing company argued that the version of Mancozeb imported by the applicant, namely, Unizeb 800WP, is of inferior quality and falls far under acceptable EU and FAO standards.

Findings

The Commission found that the product imported by the applicant is registered in terms of the Fertilizer, Farm Feeds, Agricultural Remedies and Stock Remedies Act, No. 36 of 1947, and has met the attending safety and quality requirements to be used on agricultural produce for export.

The Commission, in addition, found that Mancozeb, or any suitable substitute, is not manufactured in the SACU, and the customs duty serves no protective purpose.

Recommendation

The Commission therefore recommends that the duty on Mancozeb be reduced from 10% ad valorem to free, through the amendment of the descriptions of tariff sub-headings 3808.50.03 and 3808.92.20 to include the following, "**other than manganese ethylenebis (dithiocarbamate) (polymeric) complex with zinc salt**", currently excluded and classified under tariff sub-heading 3808.50.05 and 3808.92.90 (HS 2007), previously 3808.20.20 under HS 2002.