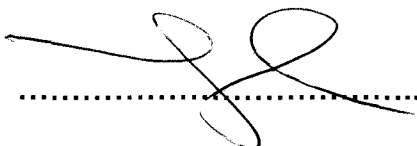


Report No. 205

Reduction in the rate of duty on preparations containing rectopamine

The International Trade Administration Commission herewith presents its
**Report No. 205: Reduction in the rate of duty on preparations containing
rectopamine, from 20% ad valorem to free of duty.**



**ITUMELENG MASEGE
ACTING CHIEF COMMISSIONER**

PRETORIA

13/12/-----2006

REPUBLIC OF SOUTH AFRICA

**INTERNATIONAL TRADE ADMINISTRATION COMMISSION OF SOUTH
AFRICA**

REPORT NO. 205

**REDUCTION IN THE RATE OF DUTY ON PREPARATIONS CONTAINING
RECTOPAMINE, FROM 20% AD VALOREM TO FREE OF DUTY**

Synopsis

The Commission considered an application from Elanco Animal Health South Africa, a division of Eli Lilly (SA) (Pty), for a reduction in the rate of duty on preparations containing rectopamine, classifiable under tariff subheading 2309.90.90, from 20% ad valorem to free of duty.

As reason for the application, the applicant stated that the product in question is not manufactured in the SACU and that a reduction in duty would enable it to import the product in question at competitive prices. The application was published in the Government Gazette of 08 September 2006 for interested parties to comment.

The applicant stated that preparations containing rectopamine is a performance enhancer used to increase the rate of mass gain, feed efficiency, carcass dressing percentage and carcass leanness with no detrimental effect on the meat quality.

The applicant imports this product in its finished form and sells it to pig farmers.

Comments in support of the application were received from Premier Pork Producers (PPP), Pig Veterinary Society and Trade Investment South Africa (TISA), a division of the dti.

The Commission found that preparations containing rectopamine and a suitable substitute are not manufactured domestically and therefore the duty is not justified.

The Commission therefore recommends that the rate of duty on preparations containing rectopamine be reduced from 20% ad valorem to free of duty.

1. Introduction

- 1.1 The Commission considered an application from Elanco Animal Health South Africa, a division of Eli Lilly (SA) (Pty), for a reduction in the rate of duty on preparations containing rectopamine, classifiable under tariff subheading 2309.90.90, from 20% ad valorem to free of duty. The application was published in Government Gazette No. 29173 of 8 September 2005.
- 1.2 The applicant stated that preparations containing rectopamine is a performance enhancer used to increase the rate of mass gain, feed efficiency, carcass dressing percentage and carcass leanness with no detrimental effect on the meat quality.
- 1.3 The applicant imports this product in its finished form and sells it to pig farmers.
- 1.4 As a reason for the application, the applicant stated that the product in question is not manufactured in the SACU.
- 1.5 The application was published in the Government Gazette of 08 September 2006. Support for the application was received from

Premier Pork Producers (PPP), Pig Veterinary Society and Trade Investment South Africa (TISA), a division of the dti.

2. Tariff Position

- 2.1 The current tariff position in respect of preparations containing rectopamine is reflected in Table 1 below.

Table 1: Tariff structure of preparation containing rectopamine

Heading	Sub-Heading	Description	Rate of Duty		
			General	EU	SADC
23.09		Preparations of a kind used in animal feeding:			
	2309.90	-Other			
	2309.90.90	-Other	20%	15%	free

3. Consideration

- 3.1 Interested parties supported the application on the basis that the product in question is not manufactured in the SACU, and that therefore the duty is not justified.
- 3.2 The duty when expressed as a percentage of the selling price is deemed to be significant.

4. Recommendation

- 4.1 In view of the above, the Commission recommends that the rate of duty on preparations containing rectopamine, classifiable under tariff subheading 2309.90.90, be reduced from 20% ad valorem to free of duty.