

Report No. 141

Reduction in the rate of duty on biaxially oriented polymers of propylene of a width exceeding 150 mm but not exceeding 200 mm

The International Trade Administration Commission herewith presents its **Report No. 141**: Reduction in the rate of duty on biaxially oriented polymers of propylene of a width exceeding 150 mm but not exceeding 200 mm.



Ms Nomonde Maimela
CHIEF COMMISSIONER

PRETORIA

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REPUBLIC OF SOUTH AFRICA

INTERNATIONAL TRADE ADMINISTRATION COMMISSION OF SOUTH
AFRICA

REPORT NO. 141

REDUCTION IN THE RATE OF DUTY ON BIAXIALLY ORIENTED POLYMERS
OF PROPYLENE OF A WIDTH EXCEEDING 150 MM BUT NOT EXCEEDING 200
MM.

Synopsis

The Commission considered an application by Holomatrix (Pty) Ltd, hereon referred to as the applicant, for a reduction in the rate of duty on biaxially oriented polymers of propylene of a width exceeding 150 mm but not exceeding 200 mm.

As a reason for the application, the applicant submitted that biaxially oriented polymers of propylene (BOPP) of a width exceeding 150 mm but not exceeding 200 mm, is not manufactured in the SACU and that the current rate of duty is therefore not justified. The applicant further submitted that the rate of duty be reduced with retrospective effect to 01 March 2004, as no justification for the duty existed when they started importing the product concerned.

Following the publication in the Government Gazette, an importer of the product concerned supported the application on the basis that BOPP of a width exceeding 150 mm but not exceeding 200 mm, is not manufactured in the SACU and that the duty has cost-raising implications for the downstream industry using the product concerned.

The Commission recommended that the rate of duty on BOPP of a width exceeding 150 mm but not exceeding 200 mm, be reduced from 13.2 % *ad valorem* (EU preferential rate) and 15% *ad valorem* (General rate) to free of duty. The Commission further decided, in terms of its guidelines with respect to retrospectivity, not to support the request for a retrospective amendment of the

duty.

1. Discussion

1.1 The Commission considered an application by Holomatrix (Pty) Ltd, hereon referred to as the applicant, for a reduction in the rate of duty, with retrospective effect, on BOPP of a width exceeding 150 mm but not exceeding 200 mm, classifiable under tariff subheading, 3919.10.45, from 13.2 % *ad valorem* (EU preferential rate) and 15% *ad valorem* (General rate) to free of duty.

1.2 The tariff structure for BOPP of a width exceeding 150 mm but not exceeding 200 mm, is shown in Table 1 below:

Table 1: Tariff position of biaxially oriented polymers of propylene of a width exceeding 150 mm but not exceeding 200 mm

Tariff Heading	Description	Rate of Duty		
		General	EU	SADC
3919	Self-adhesive Plates, Sheets, Film, Foil, Tape, Strip and Other Flat Shapes, of Plastics, Whether or Not in Rolls:			
3919.10	-in rolls of a width not exceeding 20cm			
3919.10.45	=of biaxially oriented polymers of propylene (excluding that which is self-adhesive on both sides), of a width exceeding 150 mm	15 %	13.2%	Free

1.3 Following the publication in the Government Gazette, an importer of the product concerned supported the application on the basis that BOPP of a width exceeding 150 mm but not exceeding 200 mm, is not manufactured in the SACU and that the duty has cost-raising implications for the downstream industry using the product concerned.

1.4 The manufacturer of BOPP in the SACU indicated that it does not manufacture BOPP films and sheets between 150 mm and 200 mm.

1.5 BOPP film imported by the applicant is single coated with high reflective index glass that acts to redirect light in a predetermined direction. BOPP film is used as an input material in the manufacture of cell phone prepaid cards,

processing of passports and ID documents. The product concerned is used to prevent counterfeit and copying of ID documents, passports and other security products.

- 1.6 With regards to the retrospective amendment request, the Commission could not support the request in terms of the guidelines with respect to retrospectivity.

2. Recommendation

- 2.1 As a reduction in the rate of duty would lead to lower input costs for downstream manufacturers, the Commission recommended that the rate of duty on biaxially oriented polymers of propylene of a width exceeding 150 mm but not exceeding 200 mm, classifiable under tariff subheadings 3919.10.45, be reduced from 13.2 % *ad valorem* (EU preferential rate) and 15% *ad valorem* (General rate) to free of duty.