

REPORT NO. 172

**REBATE OF DUTY ON FLEXIBLE
POLY VINYL CHLORIDE SHEETS AND
FILMS FOR THE MANUFACTURE OF
LACQUERED AND EMBOSSED
FLEXIBLE POLYVINYL CHLORIDE
SHEETS AND FILMS**

The International Trade Administration Commission herewith presents its
**Report No.172: REBATE OF DUTY ON FLEXIBLE POLYVINYL CHLORIDE
SHEETS AND FILMS FOR THE MANUFACTURE OF LACQUERED AND
EMBOSSSED FLEXIBLE POLYVINYL CHLORIDE SHEETS AND FILMS**



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ACTING CHIEF COMMISSIONER**

PRETORIA

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REPUBLIC OF SOUTH AFRICA

INTERNATIONAL TRADE ADMINISTRATION COMMISSION OF SOUTH
AFRICA

REPORT NO. 172

REBATE OF DUTY ON FLEXIBLE POLYVINYL CHLORIDE SHEETS AND
FILMS FOR THE MANUFACTURE OF LACQUERED AND EMBOSSED
FLEXIBLE POLYVINYL CHLORIDE SHEETS AND FILMS

Synopsis

Vynide (Pty) Ltd (Vynide) applied for rebate of the duty on flexible polyvinyl chloride (PVC) sheets and films classifiable under tariff subheading 3920.43, at a rate of duty of 15 % ad valorem. These materials are used in the manufacture of lacquered and embossed flexible polyvinyl chloride sheets and films. The reason for the application was that flexible PVC sheets and films of a thickness of 365 microns or more but not exceeding 425 microns are not manufactured in the SACU, and no justification exists for the current rate of duty.

Lacquered and embossed flexible PVC sheets and films are used by the motor industry to cover door panels and seats and by the furniture industry to cover seats, chairs and sofas.

The application was published in the Government Gazette on 06 January 2006 for interested parties to comment. No comments or objections were received following the publication.

The Commission found that flexible PVC sheets and films of a thickness between 10 and 23 microns are manufactured in the SACU. However, flexible PVC sheets and films of a thickness of 365 to 420 microns are not manufactured in the SACU. The Commission further found that a rebate provision would enhance the

competitive position of the industry manufacturing lacquered and embossed poly vinyl chloride sheets and films. The cost-saving effect will have a positive impact on downstream industries, increasing their competitive position.

In the light of the foregoing, the Commission recommends that a rebate provision be created for flexible polyvinyl chloride sheets and films of thickness of 365 microns or more but not exceeding 425 microns which are used for the manufacture of lacquered and embossed flexible poly vinyl chloride sheets and films

The application and the tariff position

The Commission considered an application for a rebate of the duty on flexible polyvinyl chloride (PVC) sheets and films classifiable under tariff subheading 3920.43, with a rate of duty of 15 % ad valorem for the manufacture of lacquered and embossed flexible polyvinyl chloride sheets and films.

As reason for the application, Vynide stated that flexible PVC sheets and films of a thickness of 365 microns or more but not exceeding 425 microns are not manufactured in the SACU, and no justification exists for the current rate of duty. Furthermore, Vynide stated that the importation of PVC sheets and films, which are not available in the SACU has forced prices upwards and that there is a potential for loss of market share as a result.

The tariff structure of flexible PVC sheets and films and lacquered and embossed flexible PVC sheets and films which are classifiable under the same tariff subheading, is shown in Table 1 below:

Table 1: Existing tariff position of flexible PVC sheet and film

Tariff Heading	Description	Rate of Duty		
		General	EU	SADC
3920	Other Plates, Sheets, Film, Foil and Strip, Non-cellular and Not Reinforced, Laminated, Supported or Similarly Combined With Other Materials:			
3920.4	-Of polymers of vinyl chloride:			
3920.43	=Containing by mass not less than 6 per cent plasticisers	15 %	15%	15 %

No comments or objections were received following the publication.

The Commission found that flexible PVC sheets and films of a thickness between 10 and 23 microns are manufactured in the SACU. The domestic manufacturer did not object to the application. However, flexible PVC sheets and films of a thickness of 365 to 425 microns are not manufactured in the SACU. Accordingly, the customs duty applicable on the flexible PVC sheets and films of a thickness of 365 to 425 microns only serves to increase the cost of manufacturing lacquered and embossed flexible PVC sheets and films in the SACU.

The rebate of duty on flexible PVC sheets and films would improve the competitive position of the industry manufacturing lacquered and embossed flexible PVC sheets and films and the industries further downstream.

Recommendation

In view of the above, the Commission decided to recommend that a provision for rebate of the duty on flexible polyvinyl chloride sheets and films, containing by weight 6% or more of plasticisers, of a thickness of 365 microns or more but not exceeding 425 microns, classifiable in tariff subheading 3920.43 for further processing by means of embossing or surface coating.

(47/2005)]