

Report No. 166

Application for rebate of the duty on silicon and braided silicon wires used in the manufacture of stoves

The International Trade Administration Commission of South Africa
herewith presents Report No. 166 APPLICATION FOR REBATE OF
THE DUTY ON SILICON AND BRAIDED SILICON WIRES USED IN THE
MANUFACTURE OF STOVES


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Nomonde Maimela
CHIEF COMMISSIONER

PRETORIA
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INTERNATIONAL TRADE ADMINISTRATION COMMISSION

OF SOUTH AFRICA

REPORT NO. 166

**APPLICATION FOR REBATE OF THE DUTY ON SILICON AND BRAIDED
SILICON WIRES USED IN THE MANUFACTURE OF STOVES**

Synopsis

The Commission received an application for rebate of the duty on silicon and braided silicon wires used in the manufacture of stoves. The Commission found that there is a local manufacturer of the products concerned that is able to supply the Southern African Customs (SACU) market with quality products. The Commission, therefore, decided that a provision allowing for the duty-free importation of these products could not be justified.

1. Introduction

Jasco Trading (Pty) Ltd applied for rebate of duty on silicon and braided silicon wires, used in the manufacture of stoves and hotplates. Silicon and braided silicon wires are both used in the construction of stove wiring harnesses.

As reason for the application, the applicant stated that a local manufacturer, Aberdare Cables, is not able to manufacture products that meet the requirements of the end user. The applicant also asserted that the local manufacturer is selling these products at prices that are above those of the imported products. The applicant contended that if successful, they will be able to supply their customers with products of a better quality priced at internationally competitive prices.

2. Tariff Position

2.1 Silicon and braided silicon wires are classified under tariff sub-heading 85.44.49 as follows:

Tariff Heading	Description	General	EU	SADC
85.44	Insulated (including enamelled anodised) Wire, Cable (including Co-axial Cable) and other Insulated Electric Conductors, whether or not fitted with Connectors: Optical Fibre Cables, made up of individually Sheathed Fibres, Whether or not assembled with Electric Conductors or Fitted with Connectors			
8544.4	-Other electric conductors, for a voltage not exceeding 80V:			
8544.41	= Fitted with Connectors	15%	13.2%	Free
8544.49	= Other	15%	11%	Free

2.2 The request is that rebate provision item 316.09/8544/01.04 be **amended** as follows:

Rebate Item	Tariff Heading	Rebate Code	Description	Extent of Duty
316.09			Industry: Electric Instantaneous or Storage Water heaters and Immersion Heaters; Electric Space heating apparatus and Soil heating apparatus; Electro-thermic hair Curlers, Curling Tong Heaters and Hand Dryers; Electric smoothing irons; Other electro-thermic appliances of a kind used for domestic purposes; Electric heating resistors (Excluding those of heading 85.45)	
	85.44	01.04	Insulated electric conductors, for the manufacture of electric smoothing irons, electric frying pans, grillers, cooking stoves , solid hot plates and sandwich makers of heading No. 85.16	Full Duty

2.3 The end product is classifiable as follows:

Tariff Heading	Description	General	EU	SADC
85.16	Electric instantaneous or storage water heaters and immersion heaters; Electric space heating apparatus and soil heating thermic hair-dressing apparatus (for example, hair dryers, hair curlers, curling tong heaters) and hand dryers; Electric smoothing irons; Other electro-thermic appliances of a kind used for domestic purposes; Electric heating resistors (Excluding those of heading No.85.45):			
8516.60	Other ovens, cookers, cooking plates, boiling rings	20%	16%	Free

3. Publication and Comments

The application was published in the Government Gazette of the 4th November 2005 for comments by interested parties. The Commission received two written responses, one from the cable industry association and one from an industry participant. The association felt that if suppliers to the appliance manufacturers are allowed to import the products under rebate of the duty, the local manufacturers would cease local production of these products, leading to job losses. They confirmed that Aberdare Cables, the local manufacturer, currently has adequate capacity for unbraided silicon wires, and it out-sources the braiding process when it runs short of production capacity. Aberdare Cables also manufactures adequate volumes of the plain silicon insulated wires of a high quality.

4. Recommendation

The Commission recommends that the application be rejected based on the fact that there is a local manufacturer of the products under consideration that has adequate capacity to produce quality products.

[T5/2/15/2/1 (33/2003)]