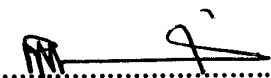


Report No. 84

Application for reduction in the duty on pneumatic tyres classifiable under tariff subheading 4011.94.10

The International Trade Administration Commission of South Africa herewith presents Report No. 84: APPLICATION FOR REDUCTION IN THE DUTY ON PNEUMATIC TYRES CLASSIFIABLE UNDER TARIFF SUBHEADING 4011.94.10.



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**Ms NOMONDE MAIMELA
CHIEF COMMISSIONER**

PRETORIA

25/11/2004

REPUBLIC OF SOUTH AFRICA
INTERNATIONAL TRADE ADMINISTRATION COMMISSION
REPORT NO. 84

APPLICATION FOR REDUCTION IN THE DUTY ON PNEUMATIC TYRES
CLASSIFIABLE UNDER TARIFF SUBHEADING 4011.94.10.

Synopsis

The Commission considered an application for a reduction in the duty on pneumatic tyres, classifiable under tariff subheading 4011.94.10.

As reason for the application, the applicant stated that the SACU manufacturers of pneumatic tyres are not able to manufacture tyres that are suitable for underground purposes.

The application was published in the Government Gazette for public comment. The local tyre manufacturers, through the South African Tyre Manufacturers Conference (SATMC) objected to the application.

The Commission found that tyres of acceptable quality for use on underground mining vehicles are available and manufactured in the SACU.

The Commission concluded that lowering the duty on pneumatic tyres would erode the protection and encouragement afforded to the local tyre manufactures.

The Application and Tariff Position

1. The Commission considered an application for a reduction in the duty on pneumatic tyres, classifiable under tariff subheading 4011.94.10.
2. As reason for the application, the applicant stated that the SACU manufacturers of pneumatic tyres are not able to manufacture tyres that are suitable for underground purposes.
3. A notice of the investigation was published in the Government Gazette for public comment. The local tyre manufacturers through the South African Manufacturers Conference (SATMC) responded and objected to the application, stating that the South African tyre manufacturers are recognised internationally for being innovators in the area of underground mining tyres.
4. The existing classification of the pneumatic tyres under investigation is as follows:

Table 1: New Pneumatic Tyres

Heading	Sub Heading	Article Description	RATES OF DUTY		
			Gen	EU	SADC
4011.94					
	4011.94.10	New Pneumatic Tyres of Rubber Having a Rim Size Less Than 91cm	20%	15%	Free

Consideration

5. The Commission found that tyres of acceptable quality for use on underground mining vehicles are available and manufactured in the SACU.
6. The Commission rejected the application, as a reduction in the duty on pneumatic tyres classifiable under tariff subheading 4011.94.10 would erode the protection and encouragement afforded to the local tyre manufactures.

Recommendation

7. The Commission recommends that the application for a reduction of duty on pneumatic tyres, classifiable under tariff subheading 4011.94.10, be rejected.