



International Trade Administration Commission of South Africa

Report No. 2

**Rebate of the duty on segmental ball plug valves,
positioner and actuator contained in a single
housing, for use in the paper and pulp industry**

The International Trade Administration Commission, herewith presents its Report No. 2,
**Rebate of the duty on segmental ball plug valves, positioner and actuator contained in
a single housing, for used in the paper and pulp industry, with recommendations.**


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**CHIEF COMMISSIONER
(MS NOMONDE MAIMELA)**

PRETORIA

.....19/06/..... 2003

REPUBLIC OF SOUTH AFRICA
INTERNATIONAL TRADE ADMINISTRATION
COMMISSION OF SOUTH AFRICA

REPORT NO. 2

**REBATE OF THE DUTY ON SEGMENTAL BALL PLUG VALVES, POSITIONER
AND ACTUATOR CONTAINED IN A SINGLE HOUSING, FOR USE IN THE
PAPER AND PULP INDUSTRY**

Synopsis

The Board on Tariffs and Trade, predecessor to the International Trade Administration Commission (ITAC) considered an application for rebate of the duty on segmental ball plug valves, positioner and actuator contained in a single housing, for use in the paper and pulp industry. The motivation for the application was that cost-raising duties were being levied on these capital items, which were not manufactured domestically.

The Board concluded that these products were not manufactured in the Southern African Customs Union (SACU) and that the duty had an unnecessary cost-raising effect. Thus, the Board found sufficient justification for rebate of the duty on segmental ball plug valves, positioner and actuator contained in a single housing for use by the paper and pulp industry.

Introduction

1. Monitor Instruments (Pty) Ltd, importers of process control equipment, applied for a full rebate of the duty on ball plug valves, positioner and actuator contained in a single housing, used in the pulp and paper industry, from 15% *ad valorem* to free of duty. These valves are currently classifiable under tariff sub-heading 8481.80.27 as "Ball Valves (excluding those of plastics)" at a rate of duty of 15% *ad valorem*.
2. These sophisticated valves are used in the process of manufacturing pulp and paper from raw organic wood and chemical components that are mixed, mulched and pressed into paper and cardboard products.
3. The reason for the application is that there is no domestic manufacturer of these valves. The valves are expensive and have been designed for specialized applications in the pulp and paper industry.

The application and the tariff position

4. The application was published for comment by interested parties as follows:

| Rebate Item | Tariff Heading | Description | Extent of rebate |
|--------------------|-----------------------|--|-------------------------|
| 460.16 | 84.81 | Segmental ball plug valves, positioner and actuator contained in a single housing for use in the pulp and paper industry | Full duty |

5. The application was supported by the South African Valve and Actuators' Manufacturers Association (SAVAMA). There were no objections to the application.

Consideration

6. The valve is used in the paper and pulp industry under continuous pressure and provides improved control of difficult processes resulting in better end products and increased productivity. It also leads to less waste and improved quality.
7. There are no manufacturers in SACU of these specialized valves. The Board found that the introduction of a rebate provision will lower cost structures in the industry manufacturing paper and paper products.

Recommendation

8. It is recommended that provision be made in Schedule No. 4 to the Customs and Excise Act, for rebate of the full duty on segmental ball plug valves, positioner and actuator contained in a single housing, for use in the pulp and paper industry.