

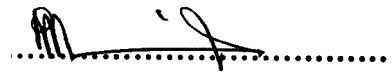


International Trade Administration Commission of South Africa

Report No. 12

Reduction in the duty on certain printing blankets

The International Trade Administration Commission herewith presents its
Report No 12: **REDUCTION IN THE DUTY ON CERTAIN PRINTING
BLANKETS**



CHIEF COMMISSIONER

PRETORIA

...08.../...02.../2003

REPUBLIC OF SOUTH AFRICA

INTERNATIONAL TRADE ADMINISTRATION COMMISSION

REPORT NO. 12

REDUCTION IN THE DUTY ON CERTAIN PRINTING BLANKETS

Synopsis

Hi –Tech Graphics applied for a reduction in the duty on certain printing blankets from 15 per cent ad valorem to free of duty. The application was published in the Government Gazette for comment by interested parties. No comments were received on the application. The Commission recommends that a separate provision be created in Schedule No 1 to the Customs and Excise Act at free of duty for printing blankets with micro grounded surface, in standard gauges of 1mm or more but not exceeding 2,58 mm and elasticity or stretching capability not exceeding 0,7% at 500 N per 5 cm, classifiable under tariff heading 40.08.

The application and tariff position

- . Hi-Tech Graphics applied for reduction of the duty on certain printing blankets, classifiable under tariff subheading 40.08.21.90 from 15 per cent ad valorem to free of duty. Printing blankets form an integral part of all lithographic or offset printing machines.
2. The applicant stated the following as the reasons for the application:
 - 2.1 The product or substitutes thereof is not available or manufactured in the SACU.
 - 2.2 The product is a non-dutiable item worldwide and forms an integral part of all lithographic or offset printing machines.

2.3 The industry will be negatively affected as result of the duty.

2.4 The product, which was previously imported duty free, has become subject to a duty of 15 % ad valorem.

2.5 The duty resulted in an increase in the price of printing blankets and thereby affecting the general public, educational institutions and the commercial sectors.

3. The application was published on 1 April 2003 in the Government Gazette as follows:

“ Reduction of the duty on:

Printing blankets with micro grounded surface in standard gauges of 1 mm or more but not exceeding 2,58 mm and elasticity or stretching capability of not exceeding 0,7 % at 500 N/5 cm, classifiable under tariff heading 40.08, from a rate of duty of 15 per cent ad valorem to free of duty”

4. No comments or objections were received.

5 The printing and publishing industry consists mainly of small and medium size enterprises. These businesses operate in a market that is highly competitive.

6. Information submitted by the applicant indicated that the quantity and value of printing blankets imported during 2002 amounted to 1045 m² valued at R 462 851. Furthermore, the total sales figure submitted by the applicant indicates that sales during the same year amounted to 2 800 m² valued at R 680 000.

7. Price information at the Commission’s disposal indicates that the duty as percentage of the ex factory selling price amounts to 9 per cent.

8. Printing blankets were previously cleared under a tariff subheading, that was free of duty but were reclassified by the customs and excise authorities under a tariff subheading that is subject to a duty of 15 % ad valorem.
9. The printing blankets are used specifically for printing purposes and form an integral part of all lithographic or offset printing machines and are not manufactured in the SACU.
10. The Commission found that the duty impacts negatively on the printing industry and therefore decided to recommend that a separate provision be created for the duty-free provision of certain printing blankets.

Recommendation

11. The Board recommends that a separate provision be created in Schedule No.1 to the Customs and Excise Act at a rate of duty of free of duty for printing blankets with micro grounded surface in standard gauges of 1 mm or more but not exceeding 2.58 mm and elasticity or stretching capability of not exceeding 0,7 % at 500 N per 5 cm, classifiable under tariff heading 40.08.

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