



International Trade Administration Commission of South Africa

Report No. 21

Reduction in the rate of duty on opaque thin paper

**The International Trade Administration Commission herewith presents its
Report No. 21: REDUCTION IN THE RATE OF DUTY ON OPAQUE THIN
PRINT PAPER**


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CHIEF COMMISSIONER

PRETORIA

.07/.....08/.....2003

REPUBLIC OF SOUTH AFRICA

INTERNATIONAL TRADE ADMINISTRATION COMMISSION

REPORT NO. 21

REDUCTION IN THE RATE OF DUTY ON OPAQUE THIN PRINT PAPER

Synopsis

The Bible Society of SA applied for the creation of a separate tariff subheading at free of duty for opaque thin print paper currently classifiable under tariff subheading 4802.54.90 at a rate of duty of 6 per cent ad valorem. The reason for the application was that the applicant used to utilise rebate items 405.05 and 610.05 to import the paper with rebate of the full duty. These rebate provisions were withdrawn on 17 January 2003. According to the customs authorities, these rebate provisions were withdrawn due to the fact that it was deemed unconstitutional to provide rebate of duty for only one religious group.

The applicant obtained full support for the creation of a separate tariff subheading from SAPPI, Mondi and Nampak, through the Paper Manufacturers' Association of SA.

The Commission therefore recommended the creation of a separate tariff subheading at free of duty for paper and paperboard, not containing fibres obtained by a mechanical process or of which not more than 10 per cent by mass of the total fibre content consists of such fibres: Of a mass of not less than 25 grams and not more than 35 grams per square meter, in rolls and sheets.

Discussion

The Bible Society of SA applied for the creation of a separate tariff subheading at free of duty for opaque thin print paper currently classifiable under tariff subheading 4802.54.90 at a rate of duty of 6 per cent ad valorem. The application was published in the Government Gazette of 6 June 2003, for comment.

2. The reasons for the application were as follow:

- ❑ The applicant used to utilise rebate items 405.05 and 610.05 to import the paper with rebate of the full duty. These rebate provisions were withdrawn on 17 January 2003. According to the customs authorities, these rebate provisions were withdrawn due to the fact that it was deemed unconstitutional to provide rebate of duty for only one religious group.
- ❑ The applicant has been importing this thin print paper for almost 30 years because it is not manufactured in South Africa and it cannot be substituted with any locally produced paper. The technical specifications of this paper regarding substance, thickness and opacity are of such a nature that they have had no option but to import this specialised paper.
- ❑ The duty will have a dramatic financial effect on the Bible Society, which imports 1 000 tons of paper on average, per year. It will mean

that fewer Bibles can be printed for distribution. The Bible Society is a non-profit organisation, which relies on donations.

- There would be a further negative effect due to less Bibles being printed, (currently 1 000 000 per year) which would adversely effect the number of jobs in the printing and distribution industry.
3. The applicant obtained full support for the creation of a separate tariff subheading from SAPPI, Mondi and Nampak, through the Paper Manufacturers' Association of SA.
 4. No objections were received on the publication of the application.

Recommendation

5. The Commission therefore recommended the creation of a separate tariff subheading at free of duty for paper and paperboard, not containing fibres obtained by a mechanical process or of which not more than 10 per cent by mass of the total fibre content consists of such fibres: Of a mass of not less than 25 grams and not more than 35 grams per square meter, in rolls and sheets.

[T5/2/4/2/1 (030034)]