



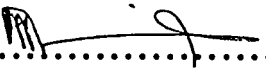
International Trade Administration Commission of South Africa

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## Report No. 26

# Temporary rebate of the full duty on woven fabrics of synthetic filament yarn for the manufacture of tufted carpets

The International Trade Administration Commission herewith presents its Report No. 26:  
**TEMPORARY REBATE OF THE FULL DUTY ON WOVEN FABRICS OF SYTHETIC  
FILAMENT YARN FOR THE MANUFACTURE OF TUFTED CARPETS.**

  
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**CHIEF COMMISIONER:  
INTERNATIONAL TRADE ADMINISTRATION  
COMMISSION OF  
SOUTH AFRICA**

**PRETORIA**  
...9.7...../..9.7...../ 2003

The International Trade Administration Commission (the Commission) was established on June 2003 in terms of the International Trade Administration Act 2002 (Act 71 of 2002) (the ITA Act), which replaced the Board on Tariffs and Trade Act 1986 (Act 107 of 1986) (the Board Act). As regards tariff investigation matters the Commission superseded the Board on Tariffs and Trade (the Board) in all respects. For the sake of simplicity all references in this report are to the Commission. All references in this report to the Commission, and which relates to the period to 1 June 2003, should be understood to be a reference to the Board, and all references to the ITA Act, which relates to the period prior to June 2003, should be understood to be a reference to the Board Act.

- 2 Belgotex Carpets (Pty) Ltd applied for temporary rebate of the full duty on woven fabrics of synthetic filament yarn, including woven fabrics obtained from strip or the like of polyethylene with a width of 3 meters or more, classifiable under tariff subheading 5407.20, used in the manufacture of tufted carpets.
3. The applicant cited the following as pertinent to its application
  - 3.1 Spilo the only local manufacturer of carpet backing supports the application for a temporary rebate as this will enable him to upgrade his manufacturing operation in order to supply carpet backing fabric of the width required by the applicant.
  - 3.2 A separate description for the rebate provision has been obtained from South African Revenue Service (SARS).
  - 3.3 The provision will only be temporary and will be withdrawn as soon as the upgraded manufacturing facility has been completed.
4. The application was published on 16 May 2003 for comment. A further notice was published on 13 June 2003 in order to amend the finished width of tufted carpets from exceeding 3,76 m to exceeding 3,65 m

5. BMD Textiles (Pty) Ltd and the Textile Federation objected to the application while Domo South Africa (Pty) Ltd supported the application provided that the carpet backing will be in respect of fabrics exceeding 3,77 m for the manufacture of tufted carpets with a width of 3,60 m.
6. The total production of tufted carpets by the applicant amounted to 7,2 million square meters with a value of R 203 500 000 during 2002. Normal production capacity amounts to 10 million square meters per annum with an ex-factory sales value of R 283 782 201.
7. The present size of the SACU market is approximately 12 million square meters with an ex-factory sales value of R 340 538 642.
8. The total number of factory workers allocated to the manufacture of tufted carpets is 294 people.
9. The Commission concluded that the rebate provision applied for will not result in meaningful development and that it cannot be justified in terms of the existing rebate policy. As a result the Commission decided to reject the application.

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