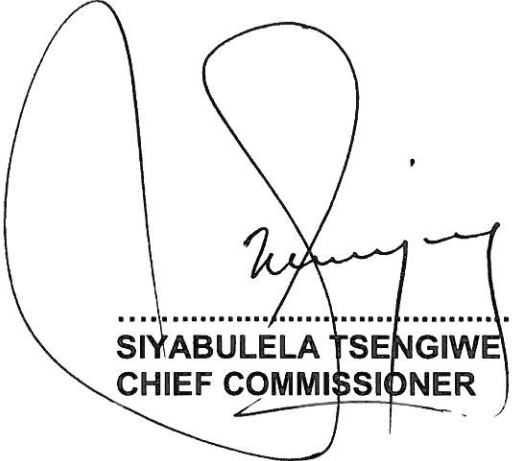


**REPORT NO. 556**

**REDUCTION IN THE RATE OF CUSTOMS DUTY ON THERMAL  
TRANSFER PRINTING RIBBONS IN CARTRIDGES**

The International Trade Administration Commission of South Africa herewith presents its Report No 556: **REDUCTION IN THE RATE OF CUSTOMS DUTY ON THERMAL TRANSFER PRINTING RIBBONS IN CARTRIDGES**, with recommendations.



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**SIYABULELA TSENGIWE**  
**CHIEF COMMISSIONER**

**PRETORIA**

20.07  
...../...../2017

**REPUBLIC OF SOUTH AFRICA**

**INTERNATIONAL TRADE ADMINISTRATION COMMISSION OF SOUTH AFRICA**

**REPORT NO. 556**

**REDUCTION IN THE RATE OF CUSTOMS DUTY ON THERMAL TRANSFER  
PRINTING RIBBONS IN CARTRIDGES**

**Synopsis:**

Canon SA (Pty) Ltd applied for a reduction in the rate of customs duty on thermal transfer printing ribbons in cartridges classifiable under tariff subheading 9612.10, from 15% *ad valorem* to free of duty, by way of creating a separate 8-digit tariff subheading.

The Commission considered the application in light of the information at its disposal. The Commission found that there are no manufacturers of thermal transfer printing ribbons in cartridges in the SACU region and that the existing duty places an undue cost burden on the domestic industry and end-users of the subject product.

The Commission recommended that the rate of customs duty on thermal transfer printing ribbons in cartridges be reduced from 15% *ad valorem* to free of duty by creating an additional 8-digit tariff subheading under tariff subheading 9612.10.

## THE APPLICATION AND TARIFF POSITION

1. Canon SA (Pty) Ltd applied for a reduction in the rate of customs duty on thermal transfer printing ribbons in cartridges (printing ribbons) classifiable under tariff subheading 9612.10, from 15% *ad valorem* to free of duty, by way of creating a separate 8-digit tariff subheading.
2. The subject product is a printer cartridge for use in photo printers that are either connected to a computer or a camera for digital printing of photographs. Printing ribbons are expendable components that transfer pigment to paper in various devices for impact printing and are part of standard designs for stand-alone photo printers and computer-driven printers.
3. As motivation for the application, the applicant cited the following:
  - a) There is no local manufacturer of printing ribbons. As a result, the customs duty currently applicable to the ribbons has a cost-raising effect for the domestic industry;
  - b) The cost of setting up an exclusive printing ribbons manufacturing plant is high and it is unlikely that such investment will be made locally in the future; and
  - c) The reduction of customs duty on printing ribbons would enable South Africa to become a competitor in the global market.
4. The application was published in the Government Gazette on 12 April 2017 for interested parties to comment as follows:

### **Reduction in the rate of duty on:**

*“Thermal transfer printing ribbons in cartridges classifiable under tariff subheading 9612.10, from 15% ad valorem to free of duty, by way of creating a separate 8-digit tariff subheading”.*

5. The current tariff structure of the subject product is as follows:

**Table 1: Current tariff position for the subject product**

Tariff heading	Tariff subheading	Description	Unit of measurement	Rate of duty				
				General	EU	EFTA	SADC	MERCOSUR
96.12		Typewriter or similar ribbons, inked or otherwise prepared for giving impressions, whether or not on spools or in cartridges; ink-pads, whether or not inked, with or without boxes						
	9612.10	Ribbons	U	15%	Free	Free	Free	15%

Source: SARS, 2017

6. As shown in table 1 above, the subject product is currently classifiable under tariff subheading 9612.10 and attracts a general customs duty of 15% *ad valorem*.

7. For administration purposes the South African Revenue Services (SARS) provided the tariff description as shown in table 2 below:

**Table 3: Requested tariff position**

Tariff heading	Tariff subheading	Description	Unit of measurement	Rate of duty				
				General	EU	EFTA	SADC	MERCOSUR
96.12		Typewriter or similar ribbons, inked or otherwise prepared for giving impressions, whether or not on spools or in cartridges; ink-pads, whether or not inked, with or without boxes						
	9612.10	Ribbons	U	15%	Free	Free	Free	15%
	9612.10.xx	Thermal transfer printing ribbons in cartridges	U	Free	Free	Free	Free	Free

Source: SARS, 2017

## **INDUSTRY AND MARKET**

8. There are no local manufacturers of the subject product in the SACU region.
9. The subject product is commonly used by small to medium sized businesses. Typically, entrepreneurs acquire the printer and ribbons to print photos. Common examples include ID/passport photos, license photos, voting card and personal photos.

10. There are a number of importers and distributors of the subject product in the domestic industry, including amongst others:

- Canon SA (Pty) Ltd;
- Real Imaging Dye-Sub Printing Technologies;
- H G Molenaar & Company (Pty) Ltd;
- Game Stores; and
- Makro.

### **COMMENTS ON THE APPLICATION**

11. Comments in support of the application were received from DHL Global Forwarding SA (Pty) Ltd representing Printacom (Pty) Ltd, citing among others that there are no local manufacturers of ribbons and the reduction in the customs duty on the subject product would increase exports of thermal printing ribbons in cartridges as prices would be more competitive globally.

### **FINDINGS**

12. The Commission considered the application in light of the information at its disposal.

13. The Commission found that there are no manufacturers of thermal transfer printing ribbons in cartridges in the SACU region and that the existing duty places an undue cost burden on the domestic industry and end-users of the subject product.

### **RECOMMENDATION**

14. In light of the foregoing, the Commission recommended that the rate of customs duty on thermal transfer printing ribbons in cartridges be reduced from 15% *ad valorem* to free of duty by creating an additional 8-digit tariff subheading under tariff subheading 9612.10.