

REPORT NO. 611

**REDUCTION IN THE RATE OF CUSTOMS DUTY ON
OTHER SAFETY HEADGEAR, CLASSIFIABLE UNDER
TARIFF SUBHEADING 6506.10.90**

The International Trade Administration Commission of South Africa herewith presents its Report No. 611: **Reduction in the rate of customs duty on other safety headgear, classifiable under tariff subheading 6506.10.90.**


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Meluleke Nzimande
CHIEF COMMISSIONER

PRETORIA

.....09 / 09..... / 2019

REPUBLIC OF SOUTH AFRICA

**INTERNATIONAL TRADE ADMINISTRATION COMMISSION OF SOUTH
AFRICA**

REPORT NO. 611

**REDUCTION IN THE RATE OF CUSTOMS DUTY ON OTHER SAFETY
HEADGEAR, CLASSIFIABLE UNDER TARIFF SUBHEADING 6506.10.90**

Synopsis

The International Trade Administration Commission of South Africa considered an application by the Association of Motorcycle Importers and Distributors SA (AMID) to reduce the rate of customs duty on other safety headgears, classifiable under tariff subheading 6506.10.90 from 25 per cent *ad valorem* to free of duty, through the creation of an additional 8-digit tariff subheading.

During its deliberations and in arriving at its recommendation, the Commission considered the information at its disposal, including comments received during the publication period.

The Commission found that there are no local manufacturers of the subject products as well as substitute/similar products.

During the investigation period as well as the publication phase, the Commission received comments in support of the application from Armscor SOC Limited.

In light of the foregoing, the Commission recommended a reduction in the rate of customs duty on other safety headgear, classifiable under tariff subheading 6506.10.90 from 25 per cent *ad valorem* to free of duty, through the creation of an additional 8-digit tariff sub-heading as follows: "*Other helmets for motorcyclist or other motorsports (including motorboat activities)*".

1. THE APPLICATION AND TARIFF POSITION

- 1.1. ITAC received an application from the Association of Motorcycle Importers and Distributors SA (AMID) for a reduction in the rate of customs duty on other safety headgears, classifiable under tariff subheading 6506.10.90 from 25 per cent *ad valorem* to free of duty, through the creation of an additional 8-digit tariff subheading.
- 1.2. As motivation for its request, AMID cited, *inter alia*, the following:
- a) Motorcycle safety helmets attract an import duty of 25 per cent. However, there is currently no local manufacturer of motorcycle helmets in South Africa and in fact all helmets are imported. The wearing of a motorcycle helmet is compulsory in terms of Section 207 (1) and 207 (2) of the **National Road Traffic Act 93 of 1996**.
 - b) Irrespective of the law, it is an absolutely essential piece of safety equipment when operating a motorcycle.
 - c) A motorcycle helmet has a recommended life of 3-5 years depending on the frequency of use. In the event of the helmet being dropped or involved in a collision, it is recommended that the helmet be replaced immediately. It should be noted that approximately 35 per cent of motorcycles sold in South Africa (2017) are small capacity motorcycles typically used in the commercial sector such as for short-distance deliveries. The import duty of 25 per cent makes the proper replacement and use of helmets prohibitively expensive resulting in many lower-end users wearing helmets that are past their useful life, are perhaps damaged, or are just downright dangerous due to deteriorating condition.
- 1.3. The subject products are motorcycle safety helmets designed to protect the head of the motorcyclist in the event of a collision or a fall. It is compulsory to wear motorcycle helmets when operating a motorcycle on public roads.
- 1.4. The subject products are currently classifiable under tariff subheading 6506.10.90 which reads as: "*Other safety headgears*", and attracts a 25 per cent *ad valorem* duty under "*General*" and "*Mercosur*", and free of duty when

imported from EU, EFTA, and SADC.

- 1.5. The requested tariff structure for a reduction in the rate of customs duty through the creation of an additional 8-digit tariff subheading for "*Other helmets for motorcyclist or other motorsports (including motorboat activities)*", is depicted in Table 1 below.

Table 1: Proposed tariff position for the subject product

Tariff Heading	Tariff Subheading	Description	Statistical Unit	Rate of duty				
				General	EU	EFTA	SADC	Mercosur
6506.6		Other headgear, whether or not lined or trimmed:						
6506.10		Safety headgear:						
	6506.10.10	Firemen's helmet; headgear identifiable for use by miners and other industrial workers	u	free	free	free	free	free
	6506.10.xx	Other helmets for motorcyclist or other motorsports (including motorboat activities)	u	free	free	free	free	free

Source: SARS

2. COMMENTS ON THE APPLICATION

- 2.1. The application was published on 21 June 2019 in the Government Gazette Notice No. 334 of 2019, for interested parties to comment.
- 2.2. Comments in support of the reduction in the rate of customs duty were received from Armscor SOC Limited.

3. FINDINGS

- 3.1. The Commission evaluated the merits of the application in the light of the information at its disposal and found that there are no local manufacturers of the subject product as well as substitute/similar products.
- 3.2. Import statistics pertaining to tariff subheading 6506.10.90 covers a wide range of products other than helmets for use in motorsports (including motorcycle and motorboat activities). Information at the Commission's disposal suggests that the subject products are used in different segments of the market (i.e. helmets for motorcycles, commercial scooter, motorsport activities etc.).

3.3. The application was supported by Armscor SOC Limited.

4. RECOMMENDATION

4.1. In light of the foregoing, the Commission recommended a reduction in the rate of customs duty on other safety headgear, classifiable under tariff subheading 6506.10.90 from 25 per cent *ad valorem* to free of duty, through the creation of an additional 8-digit tariff sub-heading as follows: "*Other helmets for motorcyclist or other motorsports (including motorboat activities)*".
