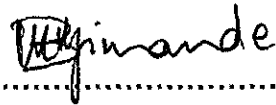


## **REPORT NO. 672**

**Amendment of certain existing rebate items under rebate item 311.42 and 320.02 as well as the creation of rebate provisions on woven fabrics and other fabrics classifiable under tariff (sub)headings 55.13, 55.14, 5903.20, 5212.1, 5212.2, 53.09, 5512.1, 55.16, 5903.10.90 and 5903.90.90 used in the manufacture of goods classifiable under tariff headings 63.02, 63.03, 63.04 and 94.04.**

The International Trade Administration Commission of South Africa (“ITAC”) herewith presents its Report No. 672: Amendment of certain existing rebate items under rebate item 311.42 and 320.02 as well as the creation of rebate provisions on woven fabrics and other fabrics classifiable under tariff (sub)headings 55.13, 55.14, 5903.20, 5212.1, 5212.2, 53.09, 5512.1, 55.16, 5903.10.90 and 5903.90.90 used in the manufacture of goods classifiable under tariff headings 63.02, 63.03, 63.04 and 94.04.



MELULEKI NZIMANDE  
CHIEF COMMISSIONER

PRETORIA

22 / 10 / 2021

**REPUBLIC OF SOUTH AFRICA**

**INTERNATIONAL TRADE ADMINISTRATION COMMISSION OF SOUTH AFRICA**

**REPORT NO. 672**

**Amendment of certain existing rebate items under rebate item 311.42 and 320.02 as well as the creation of rebate provisions on woven fabrics and other fabrics classifiable under tariff (sub)headings 55.13, 55.14, 5903.20, 5212.1, 5212.2, 53.09, 5512.1, 55.16, 5903.10.90 and 5903.90.90 used in the manufacture of goods classifiable under tariff headings 63.02, 63.03, 63.04 and 94.04.**

**Synopsis**

The Commission considered an application by Sheraton Textiles Holdings (Pty) Ltd ("Sheraton" or "the Applicant"), for the amendment of certain existing rebate items under rebate item 311.42 as well as the creation of rebate provisions on woven fabrics and other fabrics classifiable under tariff subheadings 55.13, 55.14, 5903.20, 5212.1, 5212.2, 53.09, 5512.1, 55.16, 5903.10.90 and 5903.90.90 used in the manufacture of goods classifiable under tariff headings 63.02, 63.03, 63.04 and 94.04.

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

The Commission found that:

- a) There may exist local manufacturers of the subject fabrics, namely: Svenmill, Mungo and Finlam Textiles. It should be noted that the subject fabrics have never been utilised by the Applicant or industry players within the home textile sector as the current level of duty makes it unviable to compete with finished imported goods.

- b) Industrial policy objectives of, amongst others, job retention and creation across the entire textile value chain and the need to create industrial capacity is crucial and measured these against comments received during the publication period.
- c) Comments received from industry and labour, suggest diverse views. On the one hand, Textfed, which represents the textile mills, supports the change in scope and description of existing tariff headings under rebate item 311.42, on the other hand it opposes the inclusion of additional fabric tariff headings.
- d) Svenmill submitted that it manufactures the subject fabrics except for fabrics classifiable under tariff heading 59.03, but failed to provide information pertaining to its production capacity and volume of the said fabrics.
- e) SACTWU argues that fabrics classifiable under tariff heading 59.03 are manufactured locally by two firms, namely: Mungo and Finlam Textiles. It should be noted that Finlam Textiles make use of rebate item 311.41 to import yarn for the manufacture of fabric classifiable under tariff subheading 5903.90.50 for the automotive industry.
- f) Mungo submitted that it weaves 100% linen fabric under tariff heading 53.09, which it uses to manufacture a bedding product range, which is a premium product range manufactured to the highest standards, but failed to provide information pertaining to its production capacity and volume of the said fabrics.
- g) Aranda Textiles indicated that this application has no direct effect on them, as their operation is not focussed on manufacturing items listed under the subject application, but only manufactures products for use under tariff heading 63.01, which is not reflected as part of the Sheraton application.
- h) Da Gama Textiles submitted their comments in respect of fabrics imported under tariff headings 5212.1, 5212.2 and 55.13, and indicated that it manufactures these fabrics in widths of up to 180cm. It further submitted that it has the production capacity of 3 000 000 meters per annum for these fabrics. However, given that the subject fabrics are wide width in excess of 200cm, it is envisaged that Da Gama Textiles will not be materially impacted by the creation of the subject rebate facilities,

given that it serves on Textfed's board, which would enable them to identify applications, which may have an impact on their business and indicate such.

- i) Imraan Textiles submitted its comments of objection through Textfed objecting to the application. Imraan Textiles further submitted that the fabrics mentioned in the application are items that could have negative consequences on the industry, but failed to provide information pertaining to its production capacity and volume of the said fabrics.
- j) Should the requested duty relief be granted, the Applicant has committed to increase its production volumes and employment levels.
- k) According to information at the Commission's disposal, the Applicant has made significant investments in establishing a new plant in Pietermaritzburg and is in a process of expanding and upgrading its existing plant in Cape Town.
- l) Should the application be successful, the rebate will be subject to existing guidelines, rules and conditions ("guidelines") that govern rebate item 311.42 and 320.02. It should be noted that these guidelines are strict and require applicants to meet certain requirements such as consultations with industry regarding the availability of subject fabrics, compliance with bargaining council requirements, tax compliance etc., as well as reciprocal commitments, and should domestic manufacturing capacity become available, ITAC can stop issuing permits under the rebate item concerned.

In light of the foregoing, the Commission recommended the creation of certain rebate provisions under rebate item 311.42 and 320.02 as well as the amendment of certain existing rebate items under rebate item 311.42 and 320.02 as set out below, subject to a review in 18 months or such other period as deemed appropriate by the Commission, as follows:

**Rebate Items: 311.42**

<b>Rebate Item</b>	<b>Tariff sub heading</b>	<b>Description</b>	<b>Extent of Rebate</b>
311.42	5212.1	"Other woven fabrics of cotton, of a mass not exceeding 200g/m <sup>2</sup> , in rolls of a width of 200 cm or more, classifiable in tariff subheading 5212.1, in such quantities, at such times and subject to such conditions as the International Trade Administration Commission may allow by specific permit, for the manufacture of goods classifiable in tariff headings 63.02, 63.03 and 63.04"	Full duty

311.42	5212.2	"Other woven fabrics of cotton , of a mass exceeding 200g/m <sup>2</sup> , in rolls of a width of 200 cm or more, classifiable in tariff subheading 5212.2, in such quantities, at such times and subject to such conditions as the International Trade Administration Commission may allow by specific permit, for the manufacture of goods classifiable in tariff headings 63.02, 63.03 and 63.04"	Full duty
311.42	53.09	"Woven fabrics of flax, in rolls of a width of 200 mm or more, classifiable in tariff heading 53.09, in such quantities, at such times and subject to such conditions as the International Trade Administration Commission may allow by specific permit, for the manufacture of goods classifiable in tariff heading 63.02, 63.03 and 63.04";	Full duty
311.42	5512.1	"Woven fabrics of synthetic staple fibres, containing 85 per cent or more by mass of polyester fibres, in rolls of a width of 200 cm or more, classifiable in tariff subheading 5512.1 in such quantities, at such times and subject to such conditions as the International Trade Administration Commission may allow by specific permit, for the manufacture of goods classifiable under tariff headings 63.02, 63.03 and 63.04"	Full duty
311.42	55.16	"Woven fabrics of artificial staple fibres, in rolls of a width of 200 cm or more, classifiable in tariff heading 55.16, in such quantities, at such times and subject to such conditions as the International Trade Administration Commission may allow by specific permit, for the manufacture of goods classifiable in tariff headings 63.02, 63.03 and 63.04"	Full duty
311.42	5903.10.90	"Textile fabrics impregnated, coated, covered or laminated with poly(vinyl chloride, other, in rolls of a width of 200 cm or more, classified in tariff subheading 5903.10.90, in such quantities, at such times and subject to such conditions as the International Trade Administration Commission may allow by specific permit, for the manufacture of goods classifiable in tariff headings 63.02, 63.03, 63.04"	Full duty
311.42	5903.90.90	"Other textile fabrics impregnated, coated, covered or laminated with plastics, other , in rolls of a width of 200 cm or more, classified in tariff subheading 5903.90.90, in such quantities, at such times and subject to such conditions as the International Trade Administration Commission may allow by specific permit, for the manufacture of goods classifiable in tariff headings 63.02, 63.03 and 63.04"	Full duty
<b>Amendment of the below mentioned rebate items</b>			
311.42	55.13	Deletion of rebate item 311.42/55.13/01.04: "Woven fabrics of synthetic fibres, containing less than 85 per cent by mass of such fibres, mixed mainly or solely with cotton, of a mass not exceeding 170 g/m <sup>2</sup> , in rolls of a width of 200 cm or more, in such quantities, at such times and subject to such conditions as the International Trade Administration Commission may allow by specific permit, for the manufacture of goods classifiable in tariff headings 63.02, 63.03 and 63.04", and create a new rebate item for: <i>Woven fabrics of synthetic staple fibres, containing less than 85 per cent by mass of such fibres, mixed mainly or solely with cotton, of a mass not exceeding 170 g/m<sup>2</sup>, in rolls of a width of 200 cm or more, classifiable in tariff heading 55.13, in such quantities, at such times and subject to such conditions as the International Trade Administration Commission may allow by specific permit, for the manufacture of goods classifiable in tariff headings 63.02, 63.03, 63.04'</i>	Full duty
311.42	55.14	Deletion of rebate item 311.42/55.14/01.04: "Woven fabrics of synthetic staple fibres, containing less than 85 per cent by mass of such fibres, mixed mainly or solely with cotton, of a mass exceeding 170 g/m <sup>2</sup> , in rolls of a width of 200 cm or more, bleached or unbleached, classifiable in tariff heading 5514.1, in such quantities, at such times and subject to such conditions as the International Trade Administration Commission may allow by specific permit, for the manufacture of goods classifiable in tariff headings 63.02, 63.03 and 63.04" and create a new rebate item for <i>Woven fabrics of synthetic staple fibres, containing less than 85 per cent by mass of such fibres, mixed mainly or solely with cotton, of a mass exceeding 170 g/m<sup>2</sup>, in rolls of a width of 200 cm or more, classifiable in tariff heading 55.14, in such quantities, at such times and subject to such conditions as the international Trade Administration Commission may allow by specific permit, for the manufacture of goods under tariff headings 63.02, 63.03, 63.04'</i>	Full duty
311.42	5903.20	Deletion of rebate item 311.42/5903.20/01.08: Textile fabrics impregnated, coated, covered or laminated with polyurethane, in rolls of a width of 200 cm or more, in such quantities, at such times and subject to such conditions as the International Trade Administration Commission may allow by specific permit, for the manufacture of mattress covers classifiable in tariff heading 63.02" and the creation of a new rebate item for <i>Textile fabrics impregnated, coated, covered or laminated with polyurethane, in rolls of a width of 200 cm or more, classifiable in tariff subheading 5903.20, in such quantities, at such times and subject to such conditions as the International Trade Administration Commission may allow by specific permit, for the manufacture of goods classifiable under tariff headings 63.02, 63.03 and 63.04"</i>	Full duty

**Rebate items: 320.02**

<b>Rebate Item</b>	<b>Tariff sub heading</b>	<b>Description</b>	<b>Extent of Rebate</b>
320.02	5212.1	"Other woven fabrics of cotton , of a mass not exceeding 200g/m <sup>2</sup> , in rolls of a width of 200 cm or more, classifiable in tariff subheading 5212.1, in such quantities, at such times and subject to such conditions as the International Trade Administration Commission may allow by specific permit, for the manufacture of goods classifiable in tariff heading 94.04"	Full duty
320.02	5212.2	"Other woven fabrics of cotton , of a mass exceeding 200g/m <sup>2</sup> , in rolls of a width of 200 cm or more, classifiable in tariff subheading 5212.2, in such quantities, at such times and subject to such conditions as the International Trade Administration Commission may allow by specific permit, for the manufacture of goods classifiable in tariff heading 94.04"	Full duty
320.02	53.09	"Woven fabrics of flax, in rolls of a width of 200 cm or more, classifiable in tariff heading 53.09, in such quantities, at such times and subject to such conditions as the International Trade Administration Commission may allow by specific permit, for the manufacture of goods classifiable in tariff heading 94.04"	Full duty
320.02	5512.1	"Woven fabrics of synthetic staple fibres, containing 85 per cent or more by mass of polyester fibres, in rolls of a width of 200 cm or more, classifiable in tariff subheading 5512.1 in such quantities, at such times and subject to such conditions as the International Trade Administration Commission may allow by specific permit, for the manufacture of goods classifiable under tariff heading 94.04"	Full duty
320.02	55.16	"Woven fabrics of artificial staple fibres, in rolls of a width of 200 cm or more, classifiable in tariff heading 55.16, in such quantities, at such times and subject to such conditions as the International Trade Administration Commission may allow by specific permit, for the manufacture of goods classifiable in tariff heading 94.04"	Full duty
320.02	5903.20	"Textile fabrics impregnated, coated, covered or laminated with polyurethane, in rolls of a width of 200 cm or more, classifiable in tariff subheading 5903.20, in such quantities, at such times and subject to such conditions as the International Trade Administration Commission may allow by specific permit, for the manufacture of goods classifiable under tariff heading 94.04"	Full duty
320.02	5903.10.90	"Textile fabrics impregnated, coated, covered or laminated with polyvinyl chloride, other, in rolls of a width of 200 cm or more, classified in tariff subheading 5903.10.90, in such quantities, at such times and subject to such conditions as the International Trade Administration Commission may allow by specific permit, for the manufacture of goods classifiable in tariff heading 94.04"	Full duty
320.02	5903.90.90	"Other textile fabrics impregnated, coated, covered or laminated with plastics, other , in rolls of a width of 200 cm or more, classified in tariff subheading 5903.90.90, in such quantities, at such times and subject to such conditions as the International Trade Administration Commission may allow by specific permit, for the manufacture of goods classifiable in tariff headings 94.04"	Full duty
<b>Amendment of the below mentioned rebate items</b>			
320.02	55.13	Deletion of rebate item 320.02/55.13/01.04: "Woven fabrics of synthetic fibres, containing less than 85 per cent by mass of such fibres, mixed mainly or solely with cotton, of a mass not exceeding 170 g/m <sup>2</sup> , in rolls of a width of 200 cm or more, in such quantities, at such times and subject to such conditions as the International Trade Administration Commission may allow by specific permit, for the manufacture of goods classifiable in tariff heading 94.04", and create a new rebate item for: " <i>Woven fabrics of synthetic staple fibres, containing less than 85 per cent by mass of such fibres, mixed mainly or solely with cotton, of a mass not exceeding 170 g/m<sup>2</sup>, in rolls of a width of 200 cm or more, classifiable in tariff heading 55.13, in such quantities, at such times and subject to such conditions as the International Trade Administration Commission may allow by specific permit, for the manufacture of goods classifiable in tariff headings 94.04</i> "	Full duty
320.02	55.14	Deletion of rebate item 320.02/55.14/01.04: "Woven fabrics of synthetic staple fibres, containing less than 85 per cent by mass of such fibres, mixed mainly or solely with cotton, of a mass exceeding 170 g/m <sup>2</sup> , dyed or printed, in rolls of a width of 200 cm or more, in such quantities, at such times and subject to such conditions as the International Trade Administration Commission may allow by specific permit, for the manufacture of goods classifiable in tariff heading 94.04" and the creation of a new rebate item for " <i>woven fabrics of synthetic staple fibres, containing less than 85 per cent by mass of such fibres, mixed mainly or solely with cotton, of a mass exceeding 170 g/m<sup>2</sup>, in rolls of a width of 200 cm or more, classifiable in tariff heading 55.14, in such quantities, at such times and subject to such conditions as the International Trade Administration Commission may allow by specific permit, for the manufacture of goods under tariff heading 94.04</i> "	Full duty

(Source: SARS)

## 1. APPLICATION AND TARIFF POSITION

- 1.1. Sheraton Textiles Holdings (Pty) Ltd (“Sheraton” or “the Applicant”), applied for the amendment of certain exiting rebate items under rebate item 311.42 as well as the creation of rebate provisions on woven fabrics and other fabrics classifiable under tariff (sub)headings 55.13, 55.14, 5903.20, 5212.1, 5212.2, 53.09, 5512.1, 55.16, 5903.10.90 and 5903.90.90 with a rate of customs duty of 22% *ad valorem* used in the manufacture of goods classifiable under tariff headings 63.02, 63.03, 63.04 and 94.04.
- 1.2. Sheraton is a Western Cape based home textiles manufacturing company. It is a supplier of home textiles to major hospitality groups as well as one of the largest suppliers of luxury linen to major retail chain stores.
- 1.3. Sheraton is 100% owned by the Industrial Development Corporation (IDC), a state-owned finance development institution, which reports to the Minister of Trade, Industry and Competition.
- 1.4. Sheraton is applying for the deletion and addition of tariff headings and subheadings to the existing rebate item 311.42, which is referred to as the home textile rebate provision. The existing rebate item was implemented in 2009, following an application to have the duty rebated on wide width fabrics in order to enable local home textiles manufacturers to be price competitive against similar finished goods imported from the Far East.
- 1.5. Reasons for the application, the Applicant stated that:
  - a) *“Home textile finished goods may be imported into South Africa subject to a duty of 30% (20% in case of filled products), whilst the fabrics incur a duty of 22%. This gap is insufficient to allow local home textile manufacturers to compete with manufacturers of these products from countries in the East (mainly Pakistan and China), with the result that the major retailing groups were purchasing finished home textile products rather than those manufactured in South Africa.*



- b) *All major home textile manufacturing countries (China, India and Pakistan) give significant export incentives to their manufacturers (in the case of China, these are as high as 20%), which means in many cases that the full duty-paid end-products can be landed in South Africa at a price almost equivalent to the duty paid price of the fabric used to make the products. The net effect of the relatively low (30%) duty on finished home textile products and relatively high (22%) duty on fabrics was that local manufacturing jobs were being lost because of the importation of finished goods.*
- c) *Further to this, the 22% duty applied to the fabrics was serving no purpose other than revenue generation, as the wide width fabrics used by the home textile sector are not manufactured in South Africa. It should be noted that in respect of the current application, it is the contention of the primary and supporting applicants that none of the fabrics under application are manufactured in South Africa, and it is accepted that they never will be made in South Africa.*
- d) *This rebate provision has been credited by the home textile sector and its retail customers as the largest single positive factor in ensuring that, over the past 10 years of its existence, the level of localisation has increased significantly. It has resulted not only in the prevention of job losses, but even more encouragingly, and in contrast to the rest of the textile sector, in creating new ones.*
- e) *They seek to update the list of fabrics covered by the rebate to cover new products that emerged since the inception of the 311.42 rebate as well as allow for the broadening of the application for existing fabrics specifically to include black-out curtaining (from coated fabrics) and in so doing ensure that local home textile manufacturers are able to meet the needs of their retail customers, hospitality, and institutions, and in the process create jobs needed to make these products."*

1.6 The application was published in *Government Gazette* Number 44593 on 21 May 2021, for interested parties to comment.

1.7 Table 1 below indicates the wording of the current rebate provisions, which the Applicant seeks to amend. It should be noted that rebate items 311.42 and 320.02

are interlinked by virtue of the fact that they both cater for fabrics used in the home textile industry. As such, an amendment or creation of a new rebate facility will affect both rebate items.

**Table 1: Current rebate provisions for various woven fabrics subject to this application**

Rebate Item	Tariff sub heading	Description	Extent of Rebate
311.42	55.13	"Woven fabrics of synthetic fibres, containing less than 85 per cent by mass of such fibres, mixed mainly or solely with cotton, of a mass not exceeding 170 g/m <sup>2</sup> , in rolls of a width of 200 cm or more, in such quantities, at such times and subject to such conditions as the International Trade Administration Commission may allow by specific permit, for the manufacture of goods classifiable in tariff headings 63.02, 63.03 and 63.04"	Full duty
311.42	55.14	"Woven fabrics of synthetic staple fibres, containing less than 85 per cent by mass of such fibres, mixed mainly or solely with cotton, of a mass exceeding 170 g/m <sup>2</sup> , dyed or printed, in rolls of a width of 200 cm or more, in such quantities, at such times and subject to such conditions as the International Trade Administration Commission may allow by specific permit, for the manufacture of goods classifiable in tariff headings 63.02, 63.03 and 63.04"	Full duty
311.42	5903.20	"Textile fabrics impregnated, coated, covered or laminated with polyurethane, in rolls of a width of 200 cm or more, in such quantities, at such times and subject to such conditions as the International Trade Administration Commission may allow by specific permit, for the manufacture of mattress covers classifiable in tariff heading 63.02"	Full duty

Rebate Item	Tariff sub heading	Description	Extent of Rebate
320.02	55.13	"Woven fabrics of synthetic fibres, containing less than 85 per cent by mass of such fibres, mixed mainly or solely with cotton, of a mass not exceeding 170 g/m <sup>2</sup> , in rolls of a width of 200 cm or more, in such quantities, at such times and subject to such conditions as the International Trade Administration Commission may allow by specific permit, for the manufacture of goods classifiable in tariff heading 94.04"	Full duty
320.02	55.14	Woven fabrics of synthetic staple fibres, containing less than 85 per cent by mass of such fibres, mixed mainly or solely with cotton, of a mass exceeding 170 g/m <sup>2</sup> , dyed or printed, in rolls of a width of 200 cm or more, in such quantities, at such times and subject to such conditions as the International Trade Administration Commission may allow by specific permit, for the manufacture of goods classifiable in tariff heading 94.04	Full duty

(Source: SARS)

1.8 The tariff structure of the fabric, which constitutes the subject matter of this application is given in Table 2 below:

**Table 2: Tariff structure of the subject fabrics – (i.e. input material)**

Tariff heading	Tariff subheading	Description	Statistical unit	Rate of Duty					
				General	EU	EFTA	SADC	Mercosur	AfCFTA
5212.1		Other woven fabrics of cotton; Of a mass not exceeding 200 g/m <sup>2</sup> :	Kg	22%	13.2%	10%	free	22%	22%
5212.2		Other woven fabrics of cotton; Of a mass exceeding 200 g/m <sup>2</sup> :	Kg	22%	13.2%	10%	free	22%	22%
53.09		Woven fabrics of flax:	Kg	22%	13.2%	10%	free	22%	22%
5512.1		Woven fabrics of synthetic staple fibres, containing 85 per cent or more by mass of synthetic staple fibres: Containing 85 per cent or more by mass of polyester staple fibres:	Kg	22%	13.2%	10%	free	22%	22%
55.13		Woven fabrics of synthetic staple fibres, containing less than 85 per cent by mass of such fibres, mixed mainly or solely with cotton, of a mass not exceeding 170 g/m <sup>2</sup> :	Kg	22%	13.2%	10%	free	22%	22%
55.14		Woven fabrics of synthetic staple fibres, containing less than 85 per cent by mass of such fibres, mixed mainly or solely with cotton, of a mass exceeding 170 g/m <sup>2</sup> :	Kg	22%	13.2%	10%	free	22%	22%
55.16		Woven fabrics of artificial staple fibres:	Kg	22%	13.2%	10%	free	22%	22%
59.03	5903.10.90	Textile fabrics impregnated, coated, covered or laminated with plastics (excluding those of heading 59.02): With poly(vinyl chloride): - Other	Kg	22%	13.2%	10%	free	22%	22%
59.03	5903.20.90	Textile fabrics impregnated, coated, covered or laminated with plastics (excluding those of heading 59.02): With polyurethane: Other:	Kg	22%	13.2%	10%	free	22%	22%
59.03	5903.90.90	Textile fabrics impregnated, coated, covered or laminated with plastics (excluding those of heading 59.02): other: other	Kg	22%	13.2%	10%	free	22%	22%

(Source: SARS)

1.9 Table 2 above indicates that the subject products currently attract a 22% *ad valorem* duty under General, Mercosur and the African Continental Free Trade Agreement ("AfCFTA"), 13.2% *ad valorem* when imported from the European Union ("EU"), 10%

*ad valorem* from the European Free Trade Association (“EFTA”), and currently free of duty when imported from the Southern African Development Community (“SADC”).

1.10 Table 3 below indicates the tariff structure of the end-products under investigation. The Applicant’s end-products are classifiable under tariff headings 63.02, 63.03, 63.04 attracting a 30% *ad valorem* duty under General, Mercosur and AfCFTA, 18% *ad valorem* when imported from the EU, 15% *ad valorem* when imported from EFTA, and free of duty when imported from SADC. The end-products imported under tariff heading 94.04 attract a 20% *ad valorem* duty under General and AfCFTA, 18% *ad valorem* under Mercosur and free of duty when imported from SADC.

**Table 3: Tariff structure of the end-products**

Tariff heading	Tariff subheading	Description	Statistical unit	Rate of Duty					Mercosur	AfCFTA
				General	EU	EFTA	SADC			
63.02		Bed linen, table linen, toilet linen and kitchen linen:	Kg	30%	18%	15%	free	30%	30%	
63.03		Curtains (including drapes) and interior blinds; curtain or bed valances:	Kg	30%	18%	15%	free	30%	30%	
63.04		Other furnishing articles (excluding those of heading 94.04):	Kg	30%	18%	15%	free	30%	30%	
94.04		Mattress supports; articles of bedding and similar furnishing (for example, mattresses, quilts, eiderdowns, cushions, pouffes and pillows) fitted with springs or stuffed or internally fitted with any material or of cellular rubber or plastics, whether or not covered:	Kg	20%	free	free	free	18%	20%	

(Source: SARS)

1.11 The Applicant's requested tariff position and the descriptions as provided by the South African Revenue Service ("SARS") is given in Tables 4a and 4b below, which reads as follows:

**Table 4a: Requested Rebate items: 311.42**

Rebate Item	Tariff sub heading	Description	Extent of Rebate
311.42	5212.1	"Other woven fabrics of cotton , of a mass not exceeding 200g/m <sup>2</sup> , in rolls of a width of 200 cm or more, classifiable in tariff subheading 5212.1, in such quantities, at such times and subject to such conditions as the International Trade Administration Commission may allow by specific permit, for the manufacture of goods classifiable in tariff headings 63.02, 63.03 and 63.04"	Full duty
311.42	5212.2	"Other woven fabrics of cotton , of a mass exceeding 200g/m <sup>2</sup> , in rolls of a width of 200 cm or more, classifiable in tariff subheading 5212.2, in such quantities, at such times and subject to such conditions as the International Trade Administration Commission may allow by specific permit, for the manufacture of goods classifiable in tariff headings 63.02, 63.03 and 63.04"	Full duty
311.42	53.09	"Woven fabrics of flax, in rolls of a width of 200 mm or more, classifiable in tariff heading 53.09, in such quantities, at such times and subject to such conditions as the International Trade Administration Commission may allow by specific permit, for the manufacture of goods classifiable in tariff heading 63.02, 63.03 and 63.04";	Full duty
311.42	5512.1	"Woven fabrics of synthetic staple fibres, containing 85 per cent or more by mass of polyester fibres, in rolls of a width of 200 cm or more, classifiable in tariff subheading 5512.1 in such quantities, at such times and subject to such conditions as the International Trade Administration Commission may allow by specific permit, for the manufacture of goods classifiable under tariff headings 63.02, 63.03 and 63.04"	Full duty
311.42	55.16	"Woven fabrics of artificial staple fibres, in rolls of a width of 200 cm or more, classifiable in tariff heading 55.16, in such quantities, at such times and subject to such conditions as the International Trade Administration Commission may allow by specific permit, for the manufacture of goods classifiable in tariff headings 6302, 63.03 and 63.04"	Full duty
311.42	5903.10.90	"Textile fabrics impregnated, coated, covered or laminated with polyvinyl chloride, other, in rolls of a width of 200 cm or more, classified in tariff subheading 5903.10.90, in such quantities, at such times and subject to such conditions as the International Trade Administration Commission may allow by specific permit, for the manufacture of goods classifiable in tariff headings 63.02, 63.03, 63.04"	Full duty
311.42	5903.90.90	"Other textile fabrics impregnated, coated, covered or laminated with plastics, other , in rolls of a width of 200 cm or more, classified in tariff subheading 5903.90.90, in such quantities, at such times and subject to such conditions as the International Trade Administration Commission may allow by specific permit, for the manufacture of goods classifiable in tariff headings 63.02, 63.03 and 63.04"	Full duty
<b>Amendment of the below mentioned rebate items</b>			
311.42	55.13	Deletion of rebate item 311.42/55.13/01.04: "Woven fabrics of synthetic fibres, containing less than 85 per cent by mass of such fibres, mixed mainly or solely with cotton, of a mass not exceeding 170 g/m <sup>2</sup> , in rolls of a width of 200 cm or more, in such quantities, at such times and subject to such conditions as the International Trade Administration Commission may allow by specific permit, for the manufacture of goods classifiable in tariff headings 63.02, 63.03 and 63.04", and create a new rebate item for: <i>Woven fabrics of synthetic staple fibres, containing less than 85 per cent by mass of such fibres, mixed mainly or solely with cotton, of a mass not exceeding 170 g/m<sup>2</sup>, in rolls of a width of 200 cm or more, classifiable in tariff heading 55.13, in such quantities, at such times and subject to such conditions as the International Trade Administration Commission may allow by specific permit, for the manufacture of goods classifiable in tariff headings 63.02, 63.03, 63.04</i>	Full duty
311.42	55.14	Deletion of rebate item 311.42/55.14/01.04: "Woven fabrics of synthetic staple fibres, containing less than 85 per cent by mass of such fibres, mixed mainly or solely with cotton, of a mass exceeding 170 g/m <sup>2</sup> , in rolls of a width of 200 cm or more, bleached or unbleached, classifiable in tariff heading 5514.1, in such quantities, at such times and subject to such conditions as the International Trade Administration Commission may allow by specific permit, for the manufacture of goods classifiable in tariff headings 63.02, 63.03 and 63.04" and create a new rebate item for <i>Woven fabrics of synthetic staple fibres, containing less than 85 per cent by mass of such fibres, mixed mainly or solely with cotton, of a mass exceeding 170 g/m<sup>2</sup>, in rolls of a width of 200 cm or more, classifiable in tariff heading 55.14, in such quantities, at such times and subject to such conditions as the International Trade Administration Commission may allow by specific permit, for the manufacture of goods under tariff headings 63.02, 6303,63.04</i>	Full duty

311.42	5903.20	Deletion of rebate item 311.42/5903.20/01.08: Textile fabrics impregnated, coated, covered or laminated with polyurethane, in rolls of a width of 200 cm or more, in such quantities, at such times and subject to such conditions as the International Trade Administration Commission may allow by specific permit, for the manufacture of mattress covers classifiable in tariff heading 63.02" and the creation of a new rebate item for "Textile fabrics impregnated, coated, covered or laminated with polyurethane, in rolls of a width of 200 cm or more, classifiable in tariff subheading 5903.20, in such quantities, at such times and subject to such conditions as the International Trade Administration Commission may allow by specific permit, for the manufacture of goods classifiable under tariff headings 63.02, 63.03 and 63.04"	Full duty
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**Table 4b: Requested Rebate items: 320.02**

Rebate Item	Tariff sub heading	Description	Extent of Rebate
320.02	5212.1	"Other woven fabrics of cotton , of a mass not exceeding 200g/m <sup>2</sup> , in rolls of a width of 200 cm or more, classifiable in tariff subheading 5212.1, in such quantities, at such times and subject to such conditions as the International Trade Administration Commission may allow by specific permit, for the manufacture of goods classifiable in tariff heading 94.04"	Full duty
320.02	5212.2	"Other woven fabrics of cotton , of a mass exceeding 200g/m <sup>2</sup> , in rolls of a width of 200 cm or more, classifiable in tariff subheading 5212.2, in such quantities, at such times and subject to such conditions as the International Trade Administration Commission may allow by specific permit, for the manufacture of goods classifiable in tariff heading 94.04"	Full duty
320.02	53.09	"Woven fabrics of flax, in rolls of a width of 200 cm or more, classifiable in tariff heading 53.09, in such quantities, at such times and subject to such conditions as the International Trade Administration Commission may allow by specific permit, for the manufacture of goods classifiable in tariff heading 94.04"	Full duty
320.02	5512.1	"Woven fabrics of synthetic staple fibres, containing 85 per cent or more by mass of polyester fibres, in rolls of a width of 200 cm or more, classifiable in tariff subheading 5512.1 in such quantities, at such times and subject to such conditions as the International Trade Administration Commission may allow by specific permit, for the manufacture of goods classifiable under tariff heading 94.04"	Full duty
320.02	55.16	"Woven fabrics of artificial staple fibres, in rolls of a width of 200 cm or more, classifiable in tariff heading 55.16, in such quantities, at such times and subject to such conditions as the International Trade Administration Commission may allow by specific permit, for the manufacture of goods classifiable in tariff heading 94.04"	Full duty
320.02	5903.20	"Textile fabrics impregnated, coated, covered or laminated with polyurethane, in rolls of a width of 200 cm or more, classifiable in tariff subheading 5903.20, in such quantities, at such times and subject to such conditions as the International Trade Administration Commission may allow by specific permit, for the manufacture of goods classifiable under tariff heading 94.04"	Full duty
320.02	5903.10.90	"Textile fabrics impregnated, coated, covered or laminated with poly(vinyl chloride, other, in rolls of a width of 200 cm or more, classified in tariff subheading 5903.10.90, in such quantities, at such times and subject to such conditions as the International Trade Administration Commission may allow by specific permit, for the manufacture of goods classifiable in tariff heading 94.04"	Full duty
320.02	5903.90.90	"Other textile fabrics impregnated, coated, covered or laminated with plastics, other , in rolls of a width of 200 cm or more, classified in tariff subheading 5903.90.90, in such quantities, at such times and subject to such conditions as the International Trade Administration Commission may allow by specific permit, for the manufacture of goods classifiable in tariff headings 94.04"	Full duty
<b>Amendment of the below mentioned rebate items</b>			
320.02	55.13	Deletion of rebate item 320.02/55.13/01.04: "Woven fabrics of synthetic fibres, containing less than 85 per cent by mass of such fibres, mixed mainly or solely with cotton, of a mass not exceeding 170 g/m <sup>2</sup> , in rolls of a width of 200 cm or more, in such quantities, at such times and subject to such conditions as the International Trade Administration Commission may allow by specific permit, for the manufacture of goods classifiable in tariff heading 94.04", and create a new rebate item for: "Woven fabrics of synthetic staple fibres, containing less than 85 per cent by mass of such fibres, mixed mainly or solely with cotton, of a mass not exceeding 170 g/m <sup>2</sup> , in rolls of a width of 200 cm or more, classifiable in tariff heading 55.13, in such quantities, at such times and subject to such conditions as the International Trade Administration Commission may allow by specific permit, for the manufacture of goods classifiable in tariff headings 94.04"	Full duty

320.02	55.14	Deletion of rebate item 320.02/55.14/01.04: "Woven fabrics of synthetic staple fibres, containing less than 85 per cent by mass of such fibres, mixed mainly or solely with cotton, of a mass exceeding 170 g/m <sup>2</sup> , dyed or printed, in rolls of a width of 200 cm or more, in such quantities, at such times and subject to such conditions as the International Trade Administration Commission may allow by specific permit, for the manufacture of goods classifiable in tariff heading 94.04" and the creation of a new rebate item for <i>"woven fabrics of synthetic staple fibres, containing less than 85 per cent by mass of such fibres, mixed mainly or solely with cotton, of a mass exceeding 170 g/m<sup>2</sup>, in rolls of a width of 200 cm or more, classifiable in tariff heading 55.14, in such quantities, at such times and subject to such conditions as the International Trade Administration Commission may allow by specific permit, for the manufacture of goods under tariff heading 94.04"</i>	Full duty
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(Source: SARS)

## 2. DISCUSSION

- 2.1. The Retail – Clothing, Textile, Footwear, Leather ("R-CTFL") Masterplan, was concluded and signed by the relevant stakeholders at the 2<sup>nd</sup> South African Investment Conference in November 2019. The R-CTFL Masterplan aims to establish a competitive, sustainable and dynamic R-CTFL value chain that is invested in growing employment and advancing inclusion and transformation. In particular, under the R-CTFL Masterplan, South Africa's CTFL retailers have committed to increasing the level of locally procured CTFL goods sold in their stores from 44% currently to 65% over the next 10 years. This commitment has the potential to create 120 000 jobs across the R-CTFL value chain, with 70 000 jobs in the manufacturing component.
- 2.2. The fabrics under investigation are all wide width woven fabrics of differing compositions but mostly of cotton and polyester while fabrics classifiable under tariff heading 59.03 are coated and/or laminated. In the case of uncoated fabrics, these are used in the manufacture of bedlinen products (fitted and flat sheet pillowcases and duvet covers etc.), table linen products (table clothes, napkins and table runners), quilted bed linen (comforters, duvet inners, pillow and mattress protectors and bedspread), curtains as well as casings for filled products (pillows, duvet inners and sleeping bags). The coated fabrics are used for the manufacture of waterproof mattresses and pillow protectors, curtains and potentially, sleeping bags. The manufacturing process is commonly known as cut, make and trim ("CMT") whereby products are made by stitching and quilting.

- 2.3. Reciprocal commitments made by the Applicant for the proposed tariff amendments were provided. The Applicant submitted that should the application be supported by the Commission, the Applicant intends to increase production output, investment and supply side measures and increase the production of the end-products concerned.
- 2.4. Information furnished to the Commission indicated that the Applicant has made significant investment in new plant and machinery towards increasing production capacity. Growth in production volume will be accompanied by an increase in employment.
- 2.5. Comments were requested from South African Clothing & Textile Workers' Union ("SACTWU"), the Textile Federation of South Africa ("Texfed"), Svenmill (Pty) Ltd ("Svenmill") and home textile manufacturers, namely: Republic Umbrella Manufacturers (Pty) Ltd, Khanadler Investments CC t/a 360 Degrees Interiors, Classique Quilters CC, Cotton Traders, Hospitality Suite (Pty) Ltd, Linen Drawer, Maye Investment Trust t/a Maytex, Mozimax (Pty) Ltd, Romatex Home Textiles, Upway Trading CC, and W L Cole (Pty) Ltd.
- 2.6. Comments in support of the application were received from the above mentioned home textile manufacturers, who stated that the subject fabrics have never been utilised before due to viability constraints as a result of the current duties. However, there is potential to import the relevant raw materials, convert them into finished products and offer these to existing customers, should the rebate be approved. This should increase the home textile sector's product range.
- 2.7. SACTWU is not opposed to the extension of the use of the current rebates. However, it is concerned about the implications of extending the rebates to include the manufacture of goods under tariff heading 94.04. Due to it being classified at a 4-digit level, tariff heading 94.04 applies to a broad range of products covered under its 5-, 6- and 8-digit tariff subheadings. This appears to include products such as mattresses (9404.2). If so, it was submitted that the extension of the rebate item to cover fabrics used in the manufacture of mattresses may impact local manufacturers of woven fabric for mattresses – such as Deslee Mattex. One of the solutions



proposed was to narrow the definition of tariff heading 94.04 so that it applies at a more detailed level, which is specific to the use sought by Sheraton.

- 2.8. SACTWU submitted that rebates on fabrics, if granted, should be accompanied by developmental reciprocities to ensure local sourcing from domestic textile mills, either immediately or in the short term, so that the cost-advantages gained from rebates help stakeholders to simultaneously develop the broader domestic value chain. It was further submitted that some local manufacturing capacity may exist in SACU regarding fabrics classifiable under tariff subheadings 53.09, 5903.10.90 and 5903.90.90.
- 2.9. SACTWU stated that, for instance, the local specialized weaver, Mungo, currently produces home textile products from fabrics classifiable under tariff heading 53.09. According to SACTWU, Mungo does not seem to sell its products into the open market at this stage. However, creating a rebate on this fabric may undercut and undermine the textile factory, and it would be necessary to carefully explore how to cater for the needs of manufacturers like Sheraton without causing the collapse of niche weavers such as Mungo. Similarly, the application for rebate on coated products (5903.10.90 and 5903.90.90) may according to SACTWU, impact South African factories that currently apply finishes and coatings to fabrics such as Finlam Textiles.
- 2.10. Svenmill opposed the application for all tariff subheadings except tariff heading 59.03 (PVC coated fabrics), as it does not manufacture this fabric. Svenmill states that it manufactures the remainder of the subject fabrics in wide width in excess of 200cm.
- 2.11. Comments were also received from Mungo in respect of fabrics imported under tariff heading 53.09, (i.e. 100% Linen fabric which Mungo weaves), which is imported from Italy. Herdmans in Atlantis SA (Pty) Ltd previously supplied Mungo with these products before they closed their doors. Primarily Mungo uses this fabric to manufacture a certain bedding product range, which is a premium product range manufactured to the highest standards.
- 2.12. Mungo further indicated that it assumes Sheraton would be importing fabric, likely from the East, possibly of inferior quality in order to manufacture a similar product that

would enter the market at a lower price point. Mungo indicated that if this was the case, it would negatively affect its customers' perception of the value of its offering and possibly even the reputation of Linen as a fibre.

2.13. TEXTFED, amongst others, submitted in their comment that they were totally opposed to the original introduction of rebate item 311.42 in 2009, and their reason was that the problem facing the textile industry and the home textile-manufacturing sector was overwhelmingly undervalued imports of finished home textiles. This problem, TEXTFED argued, could not be appropriately addressed by the introduction of a rebate provision but rather that customs fraud needed to be urgently addressed.

2.14. However, TEXTFED indicated the following in regards to the change in scope and description of existing tariff headings under 311.42:

- a) TEXTFED is not opposing the amendment of tariff heading 55.13; the application seeks to extend the qualifying range of end-products to include products of tariff heading 94.04 "Articles of bedding".
- b) There is no opposition to amendment for tariff heading 55.14; the application seeks to extend the qualifying range of end-products to include products of tariff heading 94.04 "Articles of bedding". In addition the application seeks to extend the qualifying range of fabrics to include unbleached, bleached and colour woven fabrics.
- c) There is no opposition to amendment for tariff subheading 5903.20.90; the application seeks to extend the qualifying range of end-products to include products of tariff heading 94.04 "Articles of bedding". In addition the application seeks to limit the qualifying range of fabrics to only tariff item 5903.20.90.
- d) TEXTFED is opposing the inclusion of additional fabric tariff headings under rebate item 311.42. These include fabrics classified under tariff headings 5212.1, 5212.2, 53.09, 5512.1, 55.16, 5903.10.90 and 5903.90.90. These fabrics are also used for the

manufacture of end-products classified under tariff headings 63.02, 63.03, 63.04 and 94.04.

- 2.15. TEXTFED indicated, amongst other reasons for their rejection of the inclusion of additional tariff headings under rebate item 311.42, that the household textile manufacturing sector already enjoys a very high level of tariff protection, namely 30%, yet it contends that the fabric and yarn manufacturing sector should have no duty protection at all. Textfed states that the Applicant refers to the 30% duty on household textiles as being “relatively low”, yet refers to the 22% duty on fabrics as being “relatively high”.
- 2.16. TEXTFED argued that, under the R-CTFL Masterplan, rebate of duty permits may be issued on condition of local textile take up. It questions why the rebate provisions used by home textile manufacturers are not subject to the same conditions. TEXTFED submitted that the home textile sector should be brought in line with the thinking and policy position of fabrics for the apparel sector.
- 2.17. TEXTFED is of the view that while jobs in the home textile sector may have been retained, very few new jobs have been created over the past ten years. It submitted that those that may have been created would certainly not equate to the jobs lost by the fabric manufacturing sector as a direct result of the introduction of rebate 311.42.
- 2.18. The Commission took note of TEXTFED’s objection. However, such objections were not substantiated with evidence, particularly with regards to job losses in the fabric manufacturing sector.
- 2.19. The Commission solicited further comments from Textfed and SACTWU regarding the names of manufacturers which may be negatively affected by the application. In their response, Textfed submitted the contact details for the following companies that may be affected by the creation of the rebate facilities: Aranda Textile Mills, Cedarbrook Textiles, Da Gama Textiles, DesleeMattex, Helm Textile, Imraan Textiles, Li Feng Textiles, Loomcraft Fabrics, Manhood Textiles, Nu Mym Textiles, Umzinto Textiles, Svenmill and Standerton Cotton Textiles.

2.20. ITAC contacted these manufacturers but only received a response from Aranda Textiles, Imraan Textiles and Da Gama Textiles. Aranda Textiles indicated that this application has no direct effect on them, as their operation is not focussed on manufacturing items listed under the subject application, but only manufactures products for use under tariff heading 63.01, which is not reflected as part of the Sheraton application.

2.21. In their response, Imraan Textiles submitted that they had responded to the application through their federation (Texfed) objecting to the application. Imraan Textiles further submitted that the fabrics mentioned in the application are items that could have negative consequences on the upstream textile sector. Imraan Textiles submitted that the proposed rebate items will have a minimum impact on the home textile industry but it could cause serious harm to the fabric manufacturing side. Further market and trade data information was requested from Imraan Textiles as well as indicating which specific tariff subheadings will affect Imraan Textiles' production capacity, production volumes and investment, however, no response was received.

2.22. In their response, Da Gama Textiles expressed that there are three tariff headings of concern to it, namely: 5212.1, 5212.2 and 55.13. In terms of tariff headings 5212.1 and 5212.2, the company indicated that it currently produces cotton furnishing, sheeting and upholstery fabrics at widths of 140cm to 180cm, and the local market that it supplies is substantial. Da Gama Textiles further submitted that it is aware of the administrative process of the rebate provision where Texfed is consulted. As such, this would enable Da Gama Textiles through Texfed, to identify applications which may have an impact on their business and indicate such.

### **3. FINDINGS**

3.1. In light of the foregoing, the Commission found that:

- a) There may exist local manufacturers of the subject fabrics, namely: Svenmill, Mungo and Finlam Textiles. It should be noted that the subject fabrics have never been

utilised by the Applicant or industry players within the home textile sector as the current level of duty makes it unviable to compete with finished imported goods.

- b) Industrial policy objectives of, amongst others, job retention and creation across the entire textile value chain and the need to create industrial capacity is crucial and measured these against comments received during the publication period.
- c) Comments received from industry and labour, suggest diverse views. On the one hand, Textfed, which represents the textile mills, supports the change in scope and description of existing tariff headings under rebate item 311.42, on the other hand it opposes the inclusion of additional fabric tariff headings.
- d) Svenmill submitted that it manufactures the subject fabrics except for fabrics classifiable under tariff heading 59.03, but failed to provide information pertaining to its production capacity and volume of the said fabrics.
- e) SACTWU argues that fabrics classifiable under tariff heading 59.03 are manufactured locally by two firms, namely: Mungo and Finlam Textiles. It should be noted that Finlam Textiles make use of rebate item 311.41 to import yarn for the manufacture of fabric classifiable under tariff subheading 5903.90.50 for the automotive industry.
- f) Mungo submitted that it weaves 100% linen fabric under tariff heading 53.09, which it uses to manufacture a bedding product range, which is a premium product range manufactured to the highest standards, but failed to provide information pertaining to its production capacity and volume of the said fabrics.
- g) Aranda Textiles indicated that this application has no direct effect on them, as their operation is not focussed on manufacturing items listed under the subject application, but only manufactures products for use under tariff heading 63.01, which is not reflected as part of the Sheraton application.
- h) Da Gama Textiles submitted their comments in respect of fabrics imported under tariff headings 5212.1, 5212.2 and 55.13, and indicated that it manufactures these fabrics in widths of up to 180cm. It further submitted that it has the production capacity of 3 000 000 meters per annum for these fabrics. However, given that the

subject fabrics are wide width in excess of 200cm, it is envisaged that Da Gama Textiles will not be materially impacted by the creation of the subject rebate facilities, given that it serves on Textfed's board, which would enable them to identify applications, which may have an impact on their business and indicate such.

- i) Imraan Textiles submitted its comments of objection through Textfed objecting to the application. Imraan Textiles further submitted that the fabrics mentioned in the application are items that could have negative consequences on the industry, but failed to provide information pertaining to its production capacity and volume of the said fabrics.
- j) Should the requested duty relief be granted, the Applicant has committed to increase its production volumes and employment levels.
- k) According to information at the Commission's disposal, the Applicant has made significant investments in establishing a new plant in Pietermaritzburg and is in a process of expanding and upgrading its existing plant in Cape Town.
- l) Should the application be successful, the rebate will be subject to existing guidelines, rules and conditions ("guidelines") that govern rebate item 311.42 and 320.02. It should be noted that these guidelines are strict and require applicants to meet certain requirements such as consultations with industry regarding the availability of subject fabrics, compliance with bargaining council requirements, tax compliance etc., as well as reciprocal commitments, and should domestic manufacturing capacity become available, ITAC can stop issuing permits under the rebate item concerned.

#### **4. RECOMMENDATION**

- 4.1. In light of the foregoing, it is proposed that the Minister approve the Commission's recommendation to create certain rebate provisions under rebate item 311.42 and 320.02 as well as the amendment of certain existing rebate items under rebate item 311.42 and 320.02 as set out below, subject to a review in 18 months or such other period as deemed appropriate by the Commission, as follows:

Rebate items: 311.42

Rebate Item	Tariff sub heading	Description	Extent of Rebate
311.42	5212.1	"Other woven fabrics of cotton , of a mass not exceeding 200g/m <sup>2</sup> , in rolls of a width of 200 cm or more, classifiable in tariff subheading 5212.1, in such quantities, at such times and subject to such conditions as the International Trade Administration Commission may allow by specific permit, for the manufacture of goods classifiable in tariff headings 63.02, 63.03 and 63.04"	Full duty
311.42	5212.2	"Other woven fabrics of cotton , of a mass exceeding 200g/m <sup>2</sup> , in rolls of a width of 200 cm or more, classifiable in tariff subheading 5212.2, in such quantities, at such times and subject to such conditions as the International Trade Administration Commission may allow by specific permit, for the manufacture of goods classifiable in tariff headings 63.02, 63.03 and 63.04"	Full duty
311.42	53.09	"Woven fabrics of flax, in rolls of a width of 200 mm or more, classifiable in tariff heading 53.09, in such quantities, at such times and subject to such conditions as the International Trade Administration Commission may allow by specific permit, for the manufacture of goods classifiable in tariff heading 63.02, 63.03 and 63.04";	Full duty
311.42	5512.1	"Woven fabrics of synthetic staple fibres, containing 85 per cent or more by mass of polyester fibres, in rolls of a width of 200 cm or more, classifiable in tariff subheading 5512.1 in such quantities, at such times and subject to such conditions as the International Trade Administration Commission may allow by specific permit, for the manufacture of goods classifiable under tariff headings 63.02, 63.03 and 63.04"	Full duty
311.42	55.16	"Woven fabrics of artificial staple fibres, in rolls of a width of 200 cm or more, classifiable in tariff heading 55.16, in such quantities, at such times and subject to such conditions as the International Trade Administration Commission may allow by specific permit, for the manufacture of goods classifiable in tariff headings 6302, 63.03 and 63.04"	Full duty
311.42	5903.10.90	"Textile fabrics impregnated, coated, covered or laminated with poly(vinyl chloride, other, in rolls of a width of 200 cm or more, classified in tariff subheading 5903.10.90, in such quantities, at such times and subject to such conditions as the International Trade Administration Commission may allow by specific permit, for the manufacture of goods classifiable in tariff headings 63.02, 63.03, 63.04"	Full duty
311.42	5903.90.90	"Other textile fabrics impregnated, coated, covered or laminated with plastics, other , in rolls of a width of 200 cm or more, classified in tariff subheading 5903.90.90, in such quantities, at such times and subject to such conditions as the International Trade Administration Commission may allow by specific permit, for the manufacture of goods classifiable in tariff headings 63.02, 63.03 and 63.04"	Full duty
<b>Amendment of the below mentioned rebate items</b>			
311.42	55.13	Deletion of rebate item 311.42/55.13/01.04: "Woven fabrics of synthetic fibres, containing less than 85 per cent by mass of such fibres, mixed mainly or solely with cotton, of a mass not exceeding 170 g/m <sup>2</sup> , in rolls of a width of 200 cm or more, in such quantities, at such times and subject to such conditions as the International Trade Administration Commission may allow by specific permit, for the manufacture of goods classifiable in tariff headings 63.02, 63.03 and 63.04", and create a new rebate item for: "Woven fabrics of synthetic staple fibres, containing less than 85 per cent by mass of such fibres, mixed mainly or solely with cotton, of a mass not exceeding 170 g/m <sup>2</sup> , in rolls of a width of 200 cm or more, classifiable in tariff heading 55.13, in such quantities, at such times and subject to such conditions as the International Trade Administration Commission may allow by specific permit, for the manufacture of goods classifiable in tariff headings 63.02, 63.03, 63.04"	Full duty
311.42	55.14	Deletion of rebate item 311.42/55.14/01.04: "Woven fabrics of synthetic staple fibres, containing less than 85 per cent by mass of such fibres, mixed mainly or solely with cotton, of a mass exceeding 170 g/m <sup>2</sup> , in rolls of a width of 200 cm or more, bleached or unbleached, classifiable in tariff heading 5514.1, in such quantities, at such times and subject to such conditions as the International Trade Administration Commission may allow by specific permit, for the manufacture of goods classifiable in tariff headings 63.02, 63.03 and 63.04" and create a new rebate item for "Woven fabrics of synthetic staple fibres, containing less than 85 per cent by mass of such fibres, mixed mainly or solely with cotton, of a mass exceeding 170 g/m <sup>2</sup> , in rolls of a width of 200 cm or more, classifiable in tariff heading 55.14, in such quantities, at such times and subject to such conditions as the International Trade Administration Commission may allow by specific permit, for the manufacture of goods under tariff headings 63.02, 6303,63.04"	Full duty

311.42	5903.20	Deletion of rebate item 311.42/5903.20/01.08: Textile fabrics impregnated, coated, covered or laminated with polyurethane, in rolls of a width of 200 cm or more, in such quantities, at such times and subject to such conditions as the International Trade Administration Commission may allow by specific permit, for the manufacture of mattress covers classifiable in tariff heading 63.02" and the creation of a new rebate item for "Textile fabrics impregnated, coated, covered or laminated with polyurethane, in rolls of a width of 200 cm or more, classifiable in tariff subheading 5903.20, in such quantities, at such times and subject to such conditions as the International Trade Administration Commission may allow by specific permit, for the manufacture of goods classifiable under tariff headings 63.02, 63.03 and 63.04"	Full duty
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#### Rebate items: 320.02

Rebate Item	Tariff sub heading	Description	Extent of Rebate
320.02	5212.1	"Other woven fabrics of cotton , of a mass not exceeding 200g/m <sup>2</sup> , in rolls of a width of 200 cm or more, classifiable in tariff subheading 5212.1, in such quantities, at such times and subject to such conditions as the International Trade Administration Commission may allow by specific permit, for the manufacture of goods classifiable in tariff heading 94.04"	Full duty
320.02	5212.2	"Other woven fabrics of cotton , of a mass exceeding 200g/m <sup>2</sup> , in rolls of a width of 200 cm or more, classifiable in tariff subheading 5212.2, in such quantities, at such times and subject to such conditions as the International Trade Administration Commission may allow by specific permit, for the manufacture of goods classifiable in tariff heading 94.04"	Full duty
320.02	53.09	"Woven fabrics of flax, in rolls of a width of 200 cm or more, classifiable in tariff heading 53.09, in such quantities, at such times and subject to such conditions as the International Trade Administration Commission may allow by specific permit, for the manufacture of goods classifiable in tariff heading 94.04"	Full duty
320.02	5512.1	"Woven fabrics of synthetic staple fibres, containing 85 per cent or more by mass of polyester fibres, in rolls of a width of 200 cm or more, classifiable in tariff subheading 5512.1 in such quantities, at such times and subject to such conditions as the International Trade Administration Commission may allow by specific permit, for the manufacture of goods classifiable under tariff heading 94.04"	Full duty
320.02	55.16	"Woven fabrics of artificial staple fibres, in rolls of a width of 200 cm or more, classifiable in tariff heading 55.16, in such quantities, at such times and subject to such conditions as the International Trade Administration Commission may allow by specific permit, for the manufacture of goods classifiable in tariff heading 94.04"	Full duty
320.02	5903.20	"Textile fabrics impregnated, coated, covered or laminated with polyurethane, in rolls of a width of 200 cm or more, classifiable in tariff subheading 5903.20, in such quantities, at such times and subject to such conditions as the International Trade Administration Commission may allow by specific permit, for the manufacture of goods classifiable under tariff heading 94.04"	Full duty
320.02	5903.10.90	"Textile fabrics impregnated, coated, covered or laminated with poly(vinyl chloride, other, in rolls of a width of 200 cm or more, classified in tariff subheading 5903.10.90, in such quantities, at such times and subject to such conditions as the International Trade Administration Commission may allow by specific permit, for the manufacture of goods classifiable in tariff heading 94.04"	Full duty
320.02	5903.90.90	"Other textile fabrics impregnated, coated, covered or laminated with plastics, other , in rolls of a width of 200 cm or more, classified in tariff subheading 5903.90.90, in such quantities, at such times and subject to such conditions as the International Trade Administration Commission may allow by specific permit, for the manufacture of goods classifiable in tariff headings 94.04"	Full duty
<b>Amendment of the below mentioned rebate items</b>			
320.02	55.13	Deletion of rebate item 320.02/55.13/01.04: "Woven fabrics of synthetic fibres, containing less than 85 per cent by mass of such fibres, mixed mainly or solely with cotton, of a mass not exceeding 170 g/m <sup>2</sup> , in rolls of a width of 200 cm or more, in such quantities, at such times and subject to such conditions as the International Trade Administration Commission may allow by specific permit, for the manufacture of goods classifiable in tariff heading 94.04", and create a new rebate item for: "Woven fabrics of synthetic staple fibres, containing less than 85 per cent by mass of such fibres, mixed mainly or solely with cotton, of a mass not exceeding 170 g/m <sup>2</sup> , in rolls of a width of 200 cm or more, classifiable in tariff heading 55.13, in such quantities, at such times and subject to such conditions as the International Trade Administration Commission may allow by specific permit, for the manufacture of goods classifiable in tariff headings 94.04"	Full duty



320.02	55.14	Deletion of rebate item 320.02/55.14/01.04: "Woven fabrics of synthetic staple fibres, containing less than 85 per cent by mass of such fibres, mixed mainly or solely with cotton, of a mass exceeding 170 g/m <sup>2</sup> , dyed or printed, in rolls of a width of 200 cm or more, in such quantities, at such times and subject to such conditions as the International Trade Administration Commission may allow by specific permit, for the manufacture of goods classifiable in tariff heading 94.04" and the creation of a new rebate item for "woven fabrics of synthetic staple fibres, containing less than 85 per cent by mass of such fibres, mixed mainly or solely with cotton, of a mass exceeding 170 g/m <sup>2</sup> , in rolls of a width of 200 cm or more, classifiable in tariff heading 55.14, in such quantities, at such times and subject to such conditions as the International Trade Administration Commission may allow by specific permit, for the manufacture of goods under tariff heading 94.04"	Full duty
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