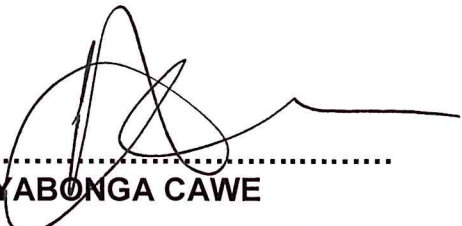


REPORT NO. 675

**INCREASE IN THE RATE OF CUSTOMS DUTY ON
SULPHATES; ALUMS; PEROXOSULPHATES
(PERSULPHATES): OF COPPER, CLASSIFIABLE UNDER
TARIFF SUBHEADING 2833.25**

The International Trade Administration Commission of South Africa (“ITAC”) herewith presents its Report No. 675 for an increase in the rate of customs duty on sulphates; alums; peroxosulphates (persulphates): of copper, classifiable under tariff subheading 2833.25.



.....
AYABONGA CAWE
CHIEF COMMISSIONER

PRETORIA

.....29.1.04/2024

REPUBLIC OF SOUTH AFRICA

INTERNATIONAL TRADE ADMINISTRATION COMMISSION OF SOUTH AFRICA

REPORT NO. 675

**INCREASE IN THE RATE OF CUSTOMS DUTY ON SULPHATES; ALUMS;
PEROXOSULPHATES (PERSULPHATES): OF COPPER, CLASSIFIABLE UNDER TARIFF
SUBHEADING 2833.25**

Synopsis

The Commission considered an application by Kimleigh Chemicals SA (Pty) Ltd (“Kimleigh” or “Applicant”), for an increase in the rate of customs duty on sulphates; alums; peroxosulphates (persulphates): of copper, classifiable under tariff subheading 2833.25 from free of duty to 10 per cent *ad valorem*.

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:

- According to information at the Commission’s disposal, copper sulphate contains 25 per cent metallic copper and is sold with a guaranteed minimum purity of 98 per cent copper sulphate.
- The Applicant’s production volumes increased for the period 2017/18 to 2019/20. Despite the increase in the Applicant’s production volumes during the period of investigation, the Applicant’s capacity utilisation remains under-utilised.
- It was found that the price of copper is determined by the London Metal Exchange and is subject to exchange rate volatility.
- Information at the Commission’s disposal indicated that the Applicant’s sales of the subject product increased in line with production volumes for the period 2017/18 to 2019/20.
- On average, imports of the subject increased during the period of the investigation.
- Information submitted indicated that the Applicant’s costs are mainly driven by the cost of copper (copper scrap and copper cathodes). The copper is sourced from local producers and scrap

traders.

- Information submitted also indicated that the Applicant's profit margin decreased during the period of investigation.
- Information at the Commission's disposal indicated that the Applicant experienced a price disadvantage during the period of investigation.
- The Applicant made reciprocal commitments for the proposed tariff amendment, in particular with respect to investment and employment creation.
- During the preliminary stage, the Commission received one pre-publication comment from Rustenburg Chemicals in support of the application.

In light of the above, the Commission decided to approve the application for an increase in the general rate of customs duty on sulphates; alums; peroxosulphates of copper classifiable under tariff subheading 2833.25 from free of duty to 10 per cent *ad valorem*, owing to the fact that the Applicant has experienced a decline in profit margin levels while imports continued to increase, and experienced significant price disadvantages against similar imported products.

1. APPLICATION AND TARIFF POSITION

- 1.1. Kimleigh Chemicals SA (Pty) Ltd ("Kimleigh" or "the Applicant"), applied for an increase in the rate of customs duty on sulphates; alums; peroxosulphates (persulphates): of copper, classifiable under tariff subheading 2833.25 from free of duty to 10 per cent *ad valorem*.
- 1.2. Kimleigh was founded in 1990 and it is one of the largest manufacturers of copper-based chemicals in South Africa. Situated in Potchefstroom (North West province), the Applicant provides services to customers in various sectors, including, but not limited to, agriculture, mining and manufacturing.
- 1.3. As reasons for the application, Kimleigh stated, *inter alia*, that:
 - *"As a consequence of the current 0% rate of Customs duty, Kimleigh Chemicals SA (Pty) Ltd and other local producers are not afforded any customs duty protection and we have to compete with low prices of imported products which are dumped in South Africa by producers in countries such as Russia, China and South America (Peru, Chile).*
 - *Kimleigh Chemicals SA (Pty) Ltd is committed to SACU manufacturing. This is supported by being an active member of the Copper Development Association*

Africa (GOA).

- An increase in the "General" rate of customs duty, which we believe should be set at South Africa/SA CU World Trade Organization ("WTO") bound rate of customs duty, will support Kimleigh Chemicals SA (Pty) Ltd and other local producers in focusing on its manufacturing operations. We appreciate that an increase in the "General" rate of customs duty alone cannot prevent imports, but it will support manufacturers in South Africa/SACU and retain/create jobs.
- We take cognisance that government has a responsibility to foster and encourage domestic manufacture, which ITAC can assist with in facilitating by recommending to the Trade and Industry Minister to increase the "General" rate of customs duty to the WTO bound rate of 10 % ad valorem".

1.4. The application was published in Government Gazette No. 44881 on 23 July 2021, for interested parties to comment.

1.5. The current tariff structure of the subject product is given in Table 1 below and shows that copper sulphate is currently classifiable under tariff subheading 2833.25, and attracts a zero duty on imports from General, European Union/United Kingdom ("EU/UK"), Economic Free Trade Association ("EFTA"), the Southern African Development Community ("SADC"), MERCOSUR and the African Continental Free Trade Area ("AfCFTA") countries.

Table 1: Tariff position for the subject product

Tariff heading	Tariff subheading	Description	Statistical unit	Rate of Duty					
				General	EU/UK	EFTA	SADC	MERCOSUR	AfCFTA
28.33		Sulphates; alums; peroxosulphates (persulphates):							
	2833.2	Other sulphates:							
	2833.25	Of copper	kg	free	free	free	free	free	free

Source: SARS

1.6. The applicable World Trade Organisation ("WTO") bound rate for the subject product is 10 per cent *ad valorem*, which provides for policy space between the applied rate of free of duty and 10 per cent *ad valorem*.

1.7. The Applicant's requested tariff position is provided in Table 2 below.

Table 2: Requested tariff position for the subject product

Tariff heading	Tariff subheading	Description	Statistical	Rate of Duty					
				General	EU/UK	EFTA	SADC	MERCOSUR	AfCFTA
28.33		Sulphates; alums; peroxosulphates (persulphates):							
	2833.2	Other sulphates:							
	2833.25	Of copper	kg	10%	free	free	free	free	free

Source: SARS

2. DISCUSSION

- 2.1 The global chemical industry is an integral component of industrialised economies. It is a unique industry within manufacturing and the broader economy, with a value chain that extends all the way from upstream primary industries to downstream consumer products. In between, following the chain, outputs feed into many sectors and may comprise building blocks, intermediaries, inputs into end products, and end products themselves.
- 2.2 Globally, the chemical sector comprises two distinct value chains. In the upstream value chain, processes revolve around the formation of more complex chemical compounds or molecules, and large firms and large capital investments are prevalent. Downstream value chain activities display a greater level of chemical product conversion and formulation processes, and these generally lend themselves to small and medium-sized firms and smaller capital needs.
- 2.3 The following sub-sectors are usually associated with upstream activities: liquid fuels and associated products, commodity organic chemicals, primary polymers and rubbers, commodity inorganic chemicals, and fine chemicals. Downstream sub-sectors include: pure functional and formulated speciality chemicals, bulk-formulated chemicals, pharmaceuticals, consumer-formulated chemicals (cosmetics), as well as plastic and rubber products.
- 2.4 The Copper Development Association estimates that there are more than 100 copper sulphate manufacturers worldwide and the world's consumption of the subject product is around 200,000 tons per annum of which it is estimated that approximately three-quarters is used in agriculture, principally as a fungicide.
- 2.5 As copper sulphate is a derivative of copper, its production is directly linked to the price and supply of copper. According to information at the Commission's disposal, Chile is the world's largest copper producing country, with 5.7 million tonnes of copper metal mined in 2020. Furthermore, Chile has the biggest copper reserves worldwide, estimated at around

200 million tonnes, according to the US Geological Survey (USGS).

Table 3: Global copper supply, demand, and price (estimates & forecast)

GLOBAL - COPPER SUPPLY, DEMAND AND PRICE FORECASTS												
Indicator	2019e	2020e	2021f	2022f	2023f	2024f	2025f	2026f	2027f	2028f	2029f	2030f
Copper Price, Three-month, USD/tonne, ave	6,020.0	6,197.3	7,250.0	6,800.0	7,000.0	7,200.0	7,200.0	7,400.0	7,400.0	7,600.0	7,600.0	7,800.0
Copper Production, thousand tonnes	24,045	24,293	25,251	25,694	26,203	26,562	27,105	27,640	28,085	28,636	29,220	29,778
Copper Consumption, thousand tonnes	24,427	25,072	25,792	26,199	26,607	27,046	27,475	28,005	28,456	28,844	29,255	29,905
Copper Production Balance, thousand tonnes	-382	-779	-541	-504	-404	-484	-369	-364	-371	-208	-34	-126

e/f = Fitch Solutions estimate/forecast. Source: USGS, ICSG, Fitch Solutions

Source: USGS, ICSG, Fitch Solutions

- 2.6 As shown in Table 3 above, the average global price of copper is estimated to be US\$ 6 197 per tonne in 2020. In the same period, copper production was estimated at 24.3 million tonnes while consumption was 25.1 million tonnes. Global copper production and consumption are expected to rise to 29.8 million tonnes and 29.9 million tonnes, respectively, over the next ten years.
- 2.7 The South African chemicals sector is notable for its multiple and interlinked value chains, making it complex and highly diversified. South Africa comprises around 0.5 per cent of the global chemical production capacity, and petrochemicals comprise about 55 per cent of all chemicals produced locally. There are significant linkages between the chemicals sector and the manufacturing sector as a whole – approximately 63 per cent by value of all chemical industry outputs were used outside of the industry in 2013¹.
- 2.8 Across a range of indicators, the chemical industry has outperformed broader manufacturing in the last decade. In 2016, the chemicals sector constituted 3.1 per cent of South Africa’s Gross Domestic Product (“GDP”). Although manufacturing as a whole has declined as a proportion of South Africa’s GDP over the past two decades, within manufacturing the share held by chemicals has increased, and the chemicals sector has largely recovered from the 2009 crisis. However, in real terms, South African chemicals

¹ The Department of Trade, Industry and Competition (thedtic), 2018. *Industrial Policy Action Plan, 2018/19-2020/21*. p.152.

production was sluggish over the decade from 2005 to 2015².

- 2.9 The global market share of South African chemical producers has likewise not significantly improved over the same period. Given that the limited size of the South African and regional market makes significant economies of scale hard to achieve, there is a powerful reason to focus on regional integration that can support increasing global exports.
- 2.10 According to information at the Commission's disposal, South Africa has, over the years, built up the largest chemical industry in Africa, with companies and manufacturing capacity across the entire value chain, and some authentic global players. This is a critical industrial asset that must be supported and maintained if the country is to avoid further de-industrialization and build an economic growth momentum.
- 2.11 Information submitted by the Applicant indicated that, in addition to the Applicant, there is a known Southern African Customs Union ("SACU") manufacturer of copper sulphate, Rustenburg Chemicals (Pty) Ltd ("*Rustenburg Chemical*"), however, it was noted that Rustenburg Chemicals ceased operations in July 2021.
- 2.12 Chemicorp (Pty) Ltd, located in Barberton (Mpumalanga), was identified as a domestic manufacture of copper sulphate that recently entered the copper sulphate market.
- 2.13 Information submitted indicated that, due to the limited domestic copper production, SACU manufacturers of copper sulphate also obtain copper from scrap (copper scrap metal) and this method is becoming more and more common.
- 2.14 Information submitted also indicated that the SACU copper industry is characterized by a strong tendency towards integration. The main segments of the industry: mining, smelting, refining and fabrication, often work together to bring the cost of production down and improve technology.
- 2.15 Furthermore, the copper industry faces increasingly stringent environmental regulations, and companies are under pressure to develop cleaner and more efficient technologies. Governments use a variety of strategies, e.g., import restrictions, to ensure that the industry remains competitive domestically³.
- 2.16 Although mostly applied in agriculture, copper sulphates are chemical compounds of

² The Department of Trade, Industry and Competition (thedtic), 2018. *Industrial Policy Action Plan, 2018/19-2020/21*. p.152.

³ MarketLine, 2020. *MarketLine Industry Profile*. Global Metals & Mining.

precious metals and hence products form part of the chemicals industry.

- 2.17 In 2017, **the dtic** developed a National Chemicals Strategy in response to the challenges and complexities faced by the chemicals industry. The strategy aims to serve as a platform to translate key strategic challenges facing the sector into goals and key action programmes that will achieve sustainable growth and increase employment and investment across the sector. The 2018/19 –2020/21 Industrial Policy Action Plan (“*IPAP*”) expresses the implementation of this strategy.
- 2.18 *IPAP* recognizes that to develop an advanced manufacturing sector, the economy will need adequate supplies of a full range of chemicals. The Government has committed to establish a platform to advance chemical sector growth through practical, industry-specific initiatives aimed at high-impact industrialization and the creation of opportunities for possible import substitution.
- 2.19 Domestic chemical firms face challenges on multiple levels, which contribute significantly to the substantial negative trade balance of the sector.
- 2.20 The Applicant indicated that SACU demand and supply for the subject product could not be reliably estimated.
- 2.21 Over the period of investigation, the Applicant’s production volumes increased. Despite the increase in the Applicant’s production volumes, the Applicant’s capacity remained under-utilised.
- 2.22 The Applicant’s sales of the subject product increased in line with production volumes during the period of investigation.
- 2.23 Table 4 below depicts imports into SACU by importing countries. For ease of comparison, imports were adjusted in line with the Applicant’s financial period (July to June).

Table 4: Imports into SACU

Country of Origin - July-June		Nominal Values			growth rate		Average growth rate	% share of Imports
		2017/18	2018/19	2019/20	2018/19	2019/20	2017/18-2019/20	2019/2020
Belgium	Volumes Kg	1.88	0.36	7.90	-80.9%	2094.4%	1006.8%	0.00%
	Values (R)	140.00	157.00	443.00	12.1%	182.2%	97.2%	0.00%
	Average R/kg	74.47	436.11	56.08	485.6%	-87.1%	189.2%	
Brazil	Volumes Kg	-	132 500.00	376 206.00	-	183.9%	183.9%	25.06%
	Values (R)	-	3 659 220.00	9 909 313.00	-	170.8%	170.8%	23.97%
	Average R/kg	-	27.62	26.34	-	-4.6%	-4.6%	
Canada	Volumes Kg	-	15.52	16.33	-	5.2%	5.2%	0.00%
	Values (R)	-	489.00	130.00	-	-73.4%	-73.4%	0.00%
	Average R/kg	-	31.51	7.96	-	-74.7%	-74.7%	
Chile	Volumes Kg	374 960.00	455 960.00	50 000.00	21.6%	-89.0%	-33.7%	3.33%
	Values (R)	10 398 648.00	14 074 547.00	1 377 715.00	35.3%	-90.2%	-27.4%	3.33%
	Average R/kg	27.73	30.87	27.55	11.3%	-10.7%	0.3%	
China	Volumes Kg	50 000.00	28 128.80	11.94	-43.7%	-100.0%	-71.8%	0.00%
	Values (R)	1 373 735.00	862 433.00	1 278.00	-37.2%	-99.9%	-68.5%	0.00%
	Average R/kg	27.47	30.66	107.04	11.6%	249.1%	130.3%	
Finland	Volumes Kg	604 127.70	-	-	-100.0%	-	-100.0%	0.00%
	Values (R)	23 518 525.00	-	-	-100.0%	-	-100.0%	0.00%
	Average R/kg	38.93	-	-	-100.0%	-	-100.0%	
France	Volumes Kg	1 064.10	3 604.35	270.00	238.7%	-92.5%	73.1%	0.02%
	Values (R)	48 989.00	167 908.00	12 446.00	242.7%	-92.6%	75.1%	0.03%
	Average R/kg	46.04	46.58	46.10	1.2%	-1.0%	0.1%	
Germany	Volumes Kg	3 247.21	1 751.05	9 369.37	-46.1%	435.1%	194.5%	0.62%
	Values (R)	555 201.00	434 364.00	561 382.00	-21.8%	29.2%	3.7%	1.36%
	Average R/kg	170.98	248.06	59.92	45.1%	-75.8%	-15.4%	
India	Volumes Kg	1.00	2 387.34	53 846.55	238634.0%	2155.5%	120394.8%	3.59%
	Values (R)	549.00	125 869.00	1 238 757.00	22830.6%	884.0%	11857.3%	3.00%
	Average R/kg	549.00	52.73	23.01	-90.4%	-56.4%	-73.4%	
Iran	Volumes Kg	-	60.00	-	-	-100.0%	-100.0%	0.00%
	Values (R)	-	1 007.00	-	-	-100.0%	-100.0%	0.00%
	Average R/kg	-	16.78	-	-	-100.0%	-100.0%	
Israel	Volumes Kg	-	286.00	-	-	-100.0%	-100.0%	0.00%
	Values (R)	-	10 447.00	-	-	-100.0%	-100.0%	0.00%
	Average R/kg	-	36.53	-	-	-100.0%	-100.0%	
Italy	Volumes Kg	5 000.00	3 100.00	2.00	-38.0%	-99.9%	-69.0%	0.00%
	Values (R)	207 270.00	141 364.00	977.00	-31.8%	-99.3%	-65.6%	0.00%
	Average R/kg	41.45	45.60	488.50	10.0%	971.2%	490.6%	
Japan	Volumes Kg	0.44	6 600.00	-	1499900.0%	-100.0%	749900.0%	0.00%
	Values (R)	467.00	366 607.00	-	78402.6%	-100.0%	39151.3%	0.00%
	Average R/kg	1 061.36	55.55	-	-94.8%	-100.0%	-97.4%	
Malaysia	Volumes Kg	-	5 000.00	12 230.00	-	144.6%	144.6%	0.81%
	Values (R)	-	57 423.00	194 333.00	-	238.4%	238.4%	0.47%
	Average R/kg	-	11.48	15.89	-	38.4%	38.4%	
Mauritius	Volumes Kg	-	-	7 810.22	-	-	-	0.52%
	Values (R)	-	-	471 543.00	-	-	-	1.14%
	Average R/kg	-	-	60.38	-	-	-	
Mexico	Volumes Kg	72 000.00	60 124.50	200 001.00	-16.5%	232.6%	108.1%	13.32%
	Values (R)	1 956 010.00	1 856 891.00	6 703 216.00	-5.1%	261.0%	128.0%	16.21%
	Average R/kg	27.17	30.88	33.52	13.7%	8.5%	11.1%	
Netherlands	Volumes Kg	-	-	0.65	-	-	-	0.00%
	Values (R)	-	-	171.00	-	-	-	0.00%
	Average R/kg	-	-	263.08	-	-	-	
Portugal	Volumes Kg	7 766.23	20 110.37	7 952.57	158.9%	-60.5%	49.2%	0.53%
	Values (R)	492 758.00	1 322 334.00	336 998.00	168.4%	-74.5%	46.9%	0.82%
	Average R/kg	63.45	65.75	42.38	3.6%	-35.6%	-16.0%	
Russian Federation	Volumes Kg	248 400.00	427 979.00	482 760.00	72.3%	12.8%	42.5%	32.16%
	Values (R)	6 308 475.00	11 419 425.00	12 931 085.00	81.0%	13.2%	47.1%	31.27%
	Average R/kg	25.40	26.68	26.79	5.1%	0.4%	2.7%	
South Korea	Volumes Kg	-	-	500.00	-	-	-	0.03%
	Values (R)	-	-	18 205.00	-	-	-	0.04%
	Average R/kg	-	-	36.41	-	-	-	
Spain	Volumes Kg	0.06	1.89	0.59	3050.0%	-68.8%	1490.6%	0.00%
	Values (R)	186.00	826.00	217.00	344.1%	-73.7%	135.2%	0.00%
	Average R/kg	3 100.00	437.04	367.80	-85.9%	-15.8%	-50.9%	
Switzerland	Volumes Kg	0.10	25 200.00	300 000.00	25199900.0%	1090.5%	12600495.2%	19.98%
	Values (R)	534.00	647 293.00	7 573 509.00	121115.9%	1070.0%	61093.0%	18.32%
	Average R/kg	5 340.00	25.69	25.25	-99.5%	-1.7%	-50.6%	
Taiwan	Volumes Kg	42 000.00	-	-	-100.0%	-	-100.0%	0.00%
	Values (R)	980 580.00	-	-	-100.0%	-	-100.0%	0.00%
	Average R/kg	23.35	-	-	-100.0%	-	-100.0%	
Turkey	Volumes Kg	73 000.00	-	-	-100.0%	-	-100.0%	0.00%
	Values (R)	1 763 677.00	-	-	-100.0%	-	-100.0%	0.00%
	Average R/kg	24.16	-	-	-100.0%	-	-100.0%	
United Kingdom	Volumes Kg	-	2.43	-	-	-100.0%	-100.0%	0.00%
	Values (R)	-	1 644.00	-	-	-100.0%	-100.0%	0.00%
	Average R/kg	-	676.54	-	-	-100.0%	-100.0%	
United States	Volumes Kg	60.17	125.23	210.17	108.1%	67.8%	88.0%	0.01%
	Values (R)	209 860.00	72 592.00	15 338.00	-65.4%	-78.9%	-72.1%	0.04%
	Average R/kg	3 487.78	579.67	72.98	-83.4%	-87.4%	-85.4%	
Zambia	Volumes Kg	-	120.00	-	-	-100.0%	-100.0%	0.00%
	Values (R)	-	2 848.00	-	-	-100.0%	-100.0%	0.00%
	Average R/kg	-	23.73	-	-	-100.0%	-100.0%	
World Total	Volumes Kg	1 481 628.89	1 173 056.84	1 501 195.29	-20.8%	28.0%	3.6%	100.00%
	Values (R)	47 815 604.00	35 225 708.00	41 347 056.00	-26.3%	17.4%	-4.5%	100.00%
	Average R/kg	32.27	30.03	27.54	-7.0%	-8.3%	-7.6%	

Source: Applicant, SARS and ITAC calculation

- 2.24 As shown in Table 4 above, during the period of investigation, on average, imports of the subject product increased by 3.6 per cent. Although imports declined in 2018/19, imports increased by 28 per cent in 2019/20. During the period of the investigation (2017-2019), imports have mainly originated from Brazil, Chile, Mexico, and Russia. These countries accounted for approximately 73.9 percent of total copper sulphate imports in 2019/20.
- 2.25 Table 4 also illustrates a notable decrease in imports from China over the period of investigation, declining from 50,000 kg in 2017/18 to just 11.94 kg in 2019/20. This decrease in Chinese imports is likely due to an increase in average prices, which increased by 130.3% over the investigation period. A similar trend can be observed in imports originating from Italy.
- 2.26 For the period 2017/18 to 2019/20, the SACU copper sulphate industry exported a total of 49 524 892 kg of the subject product.
- 2.27 According to information at the Commission's disposal, the Applicant's production costs declined for the period under investigation.
- 2.28 Information submitted confirmed that the price of copper cathodes is determined by the London Metal Exchange ("LME") and is subject to exchange rate volatility.
- 2.29 Despite the average decline in production costs for the period under investigation, the Applicant's production costs increased marginally between 2018/19 and 2019/20.
- 2.30 Information at the Commission's disposal indicated that, during the period of investigation, the Applicant experienced price disadvantages against similar imported copper sulphates.
- 2.31 Reciprocal commitments made by the Applicant for the proposed tariff amendment were provided, particularly with respect to production, investment and employment creation.
- 2.32 One (1) preliminary comment in support of the application to the proposed increase in duty on copper sulphates was received. In response to the publication notice, four (4) comments were received, objecting to the application.

3 FINDINGS

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

3.2 The Commission found that:

- According to information at the Commission's disposal, copper sulphate contains 25 per cent metallic copper and is sold with a guaranteed minimum purity of 98 per cent copper sulphate.
- The Applicant's production volumes increased for the period 2017/18 to 2019/20. Despite the increase in the Applicant's production volumes during the period of investigation, the Applicant's capacity utilisation remained under-utilised.
- It was found that the price of copper is determined by the London Metal Exchange and is subject to exchange rate volatility.
- Information at the Commission's disposal indicated that the Applicant's sales of the subject product increased in line with production volumes for the period 2017/18 to 2019/20.
- On average, imports of the subject increased during the period of the investigation.
- Information submitted indicated that the Applicant's costs are mainly driven by the cost of copper (copper scrap and copper cathodes). The copper is sourced from local producers and scrap traders.
- Information submitted also indicated that the Applicant's profit margin levels decreased during the period of investigation.
- Information at the Commission's disposal indicated that the Applicant experienced significant price disadvantages against similar imported products during the period of investigation.
- The Applicant made reciprocal commitments for the proposed tariff amendment, in particular with respect to production, investment and employment creation.
- During the preliminary stage, the Commission received one pre-publication comment in support of the application.

4 RECOMMENDATION

- 4.1 In light of the foregoing the Commission decided to approve the application for an increase in the general rate of customs duty on sulphates; alums; peroxosulphates of copper classifiable under tariff subheading 2833.25 from free of duty to 10 per cent *ad valorem*, owing to the fact that the Applicant has experienced a decline in profit margins while imports continued to increase, and experienced significant price disadvantages against similar imported products.