

Hefty duties imposed on imported soda ash

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The International Trade Administration Commission (Itac) has imposed duties of between 8% and 40% on all imports of soda ash from the US into the South African Customs Union (Sacu).



Itac Chief Commissioner Siyabulela Tsengiwe has imposed anti-dumping duties of between 8% and 40% on soda ash imported from the USA.
Image: Itac

This follows the commission's investigation that found evidence of dumping by American manufacturers. The soda ash probe resulted from a long battle by Botswana Ash (Botash) against an American cartel, the American Natural Soda Ash Corporation (Ansac).

The matter is before the Competition Commission.

Ansac admitted, after more than a decade of denials, to price fixing and agreed to withdraw from the Southern African market in 2008.

Botash is the only producer of soda ash in the Sacu region.

Itac Chief Commissioner Siyabulela Tsengiwe said the soda ash probe was the body's first on behalf of one of its Sacu member states. The Botswana government brought the application on behalf of Botash.

Itac found prima facie evidence of dumping and imposed an 8% anti-dumping duty on US manufacturer Tata Chemicals and 21% on OCI Chemical Corporation. These firms were responsible for only 30% of imports into the Sacu region.

"It was clear that there were other manufacturers and exporters in the US who did not co-operate with the commission's investigation," Tsengiwe said.

Anti-dumping duties imposed

An anti-dumping duty of 40% has been imposed on all other manufacturers in the US that exported soda ash into SA. Trade and Industry Minister Rob Davies has accepted the recommendation.

Soda ash is used in glass and chemical manufacturing and metallurgical applications.

Meanwhile, Itac has launched a separate investigation into wheelbarrows imported from China after a South African manufacturer called for a dumping duty of 505%.

XA International Trade Advisors Director Donald MacKay has described the proposed duty of 505%, on top of the existing World Trade Organisation (WTO) bound duty rate of 15%, as "astonishing".

"If the duty were to be introduced it would be the largest anti-dumping duty yet in SA. There could be no doubt that such a duty would crush all Chinese wheelbarrow imports," MacKay said.

There had been a 35% increase in the volume of wheelbarrows imported from China between February 2012 to January this year, while the average price had dropped 13% over the same period.



Soda ash produced at the Botash plant in Botswana. It is the material most frequently used by South African glass and chemical manufacturers.
Image: Botash

The unit price of Chinese wheelbarrows amounted to R67.55 between February 2013 and January this year compared with R375.32 from other countries.

Local firm Laser Tools brought the application claiming it was unable to obtain a domestic selling price for wheelbarrows in China.

When such information is not reasonably available, Sacu industries are allowed to use alternative methods. Laser obtained the co-operation of a manufacturer in Zimbabwe, and after an adjustment to the free-on-board import price to calculate the ex-factory export price the dumping margin was found to be 505.33%.

Source: Business Day via I-Net Bridge

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