



**EFFECT OF THE TRADE AGREEMENT BETWEEN SACU AND MERCOSUR ON THE
SOUTHERN AFRICAN CUSTOMS UNION CHEMICAL INDUSTRY**

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CHAPTER 1

INTRODUCTION

Mercosur (the common market of the South) has been in existence since January 1995. It is a customs union (CU) between Brazil, Argentina, Uruguay and Paraguay. Chile and Bolivia became associate members of Mercosur in 1996 and 1997 respectively. More recently, Peru also assumed associate member status. Associate member status essentially means that the said countries are not full members of the Mercosur CU, but have preferential trade agreements with full Mercosur CU members.

The economic crisis of 1998 plunged the region into recession testing the resilience of the CU agreement in the process. In response to this crisis, Brazil devalued their currency. This strategy put Brazil at a relatively advantageous position than some of the other Mercosur partners, particularly Argentina. In Argentina in particular, the recession cost social and political instability which led to the country's rethink of their macroeconomic strategy. Thus, the country decided to refloat their currency after having it pegged to the US dollar. The crisis hit Argentina so hard that they even defaulted on their loan repayments to the International Monetary Fund.

SACU's imports from Mercosur reached US\$ 850 million in 2003, while exports reached US\$ 196 million the same year. As a result SACU has a negative trade deficit with Mercosur. Mercosur and SACU have similarities in that both have commodity-based developing economies.

Report Layout

The outlay of this report is as follows:

[Chapter 1](#): Introduction and Report layout

[Chapter 2](#): Historical Chemicals Trade Between SACU and Mercosur

[Chapter 3](#): Historical Chemicals Trade Between Mercosur and RoW

[Chapter 4](#): Features of the Chemical Industries of Mercosur

[Chapter 5](#): Analysis of Mercosur's Tariff Regime for Chemicals

[Chapter 6](#): Tariff Impact of Other Agreements

Chapter 7: Analysis of Mercosur's existing Non-Tariff Barriers

Chapter 8: Identification of Trade Opportunities for SACU Chemical Companies

Chapter 9: Considerations for Offensive and Defensive Strategy for SACU countries

Chapter 10: Conclusions and Recommendations

CHAPTER 2

HISTORIC CHEMICAL TRADE BETWEEN SACU AND THE MERCOSUR

Mercosur's trade with SACU members is dealt with separately for each member country to establish the level of trade for each member country. Analysis is done on the latest available data, which covers 1999 – 2001 for other SACU members except for South Africa. The specific countries provided this data, and they have no newer data available. However, the data is indicative of the relatively small scale of Mercosur trade with other SACU countries.

Mercosur exports to SACU

South Africa

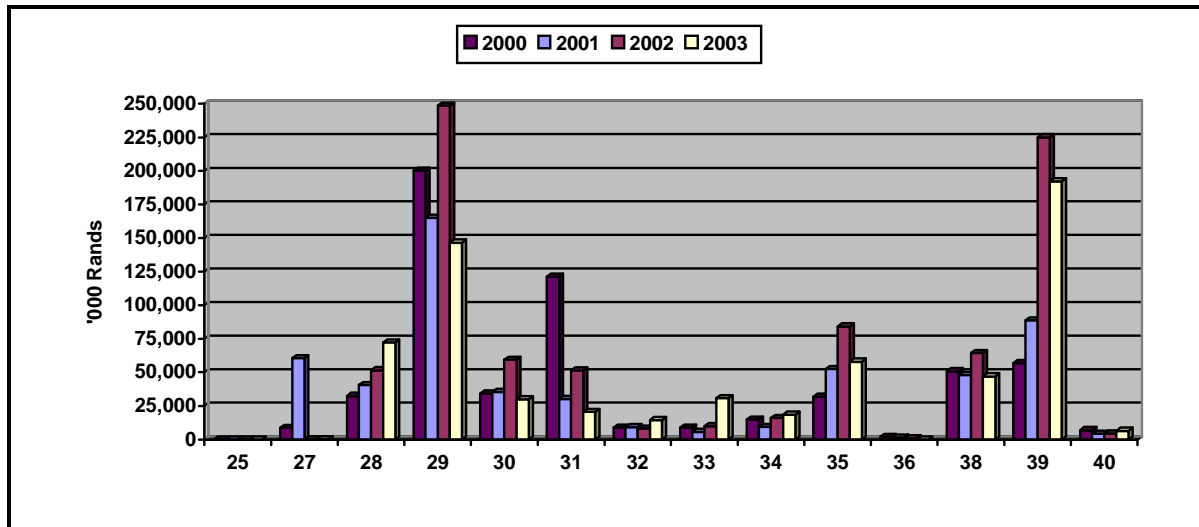
The total historical chemicals exports in HS chapter 25 – 40 from Mercosur to the RSA were as follows: [based on constant year-2000 Rands]

- 2003: R 509.33 million
- 2002: R 740.33 million
- 2001: R 495.55 million
- 2000: R 577.18 million

Note: For HS 25 and 27 only important product categories are taken into account.

There is no trend that could be deduced from the figures since they fluctuate from one year to another. Historical exports of products by HS chapter of the chemical sector from Mercosur to South Africa are as follows:

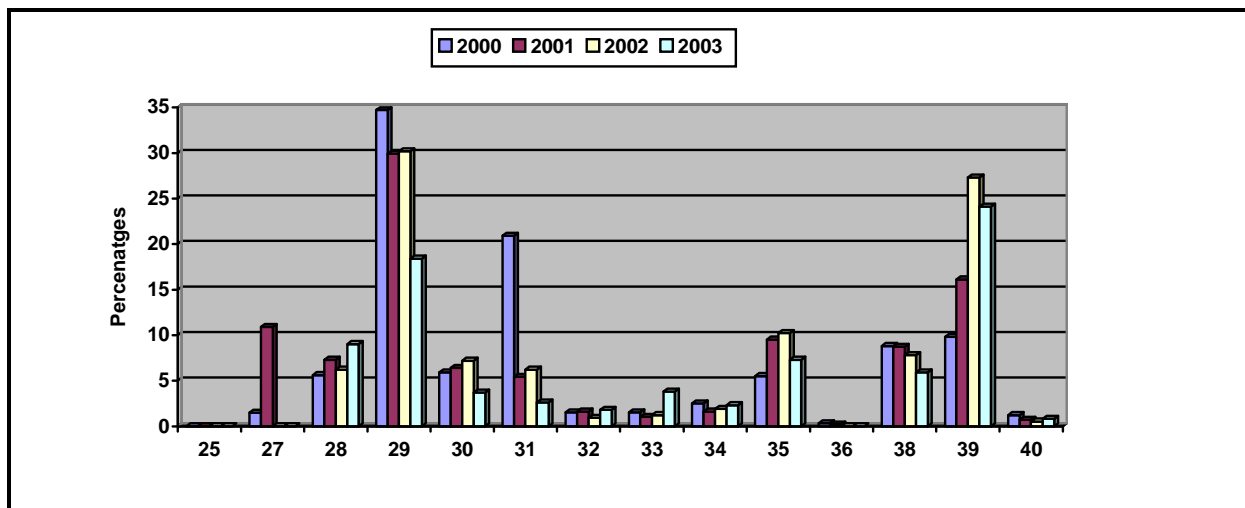
Chart 1: Mercosur's exports to RSA



Source: SARS

The biggest exports by value from Mercosur to South Africa are in products of HS chapters 29 and 39. The chart shows that growth in the value of exports of products of HS 39 has been increasing from 2000 – 2002, with a slight decrease in 2003. Other significant exports are products of HS chapters 28, 30, 31, 35 and 38. Exports of HS 28 are the only ones that show consistent growth for the period 2000 to 2003. Other exports chapters fluctuate from one year to another, with the exception of HS 35. HS 35 shows consistent growth for the period 2000 – 2002, with a slight decrease in 2003. The above chart can also be expressed as percentage as shown in the next chart:

Chart 2: Mercosur's exports to RSA expressed as a percentage of total



Mercosur's major export products at 4-digit level of these particular HS chapters are represented in [Appendix 1](#). This appendix shows products that account for approximately 92% by value of Mercosur's chemical exports to South Africa. Of these products, the largest are:

- **HS 27.10** [3% by value of total Mercosur exports to RSA] – Liquid fuels
- **HS 29.02** [5% by value of total Mercosur exports to RSA] – Cyclic hydrocarbons
- **HS 29.22** [3% by value of total Mercosur exports to RSA] – Oxygen-function amino compounds
- **HS 29.26** [4% by value of total Mercosur exports to RSA] – Nitrile-function compounds
- **HS 29.29** [5% by value of total Mercosur exports to RSA] – Compounds with other nitrogen function
- **HS 30.04** [4% by value of total Mercosur exports to RSA] – Medicaments in measured doses
- **HS 35.04** [7% by value of total Mercosur exports to RSA] – Peptones and their derivatives
- **HS 39.01** [5% by value of total Mercosur exports to RSA] – Polymers of ethylene
- **HS 39.03** [5% by value of total Mercosur exports to RSA] – Polymers of styrene
- **HS 40.11** [3% by value of total Mercosur exports to RSA] – New pneumatic tyres of rubber

These 4-digit categories account for approximately 44% by value of Mercosur's exports to South Africa. This is because Mercosur's exports are well diversified across the major HS chapters, with no single category dominant. In terms of individual [8-digit] products, the major HS codes by value are:

- **HS 27.10.00.03** [2% by value of total Mercosur exports to RSA] – Petrol, unleaded
- **HS 27.10.00.45** [1% by value of total Mercosur exports to RSA] – Mixed alkynes
- **HS 29.02.50.00** [5% by value of total Mercosur exports to RSA] – Styrene
- **HS 29.22.42.00** [3% by value of total Mercosur exports to RSA] – Glutamic acid and its salts
- **HS 29.26.10.00** [4% by value of total Mercosur exports to RSA] – Acrylonitrile
- **HS 29.29.10.00** [5% by value of total Mercosur exports to RSA] – Isocyanates
- **HS 30.04.90.00** [4% by value of total Mercosur exports to RSA] – Other medicaments in measured dosages
- **HS 35.04.00.00** [7% by value of total Mercosur exports to RSA] – Peptones and their derivatives
- **HS 39.01.10.00** [3% by value of total Mercosur exports to RSA] – Low density polyethylene
- **HS 39.01.20.90** [3% by value of total Mercosur exports to RSA] – Other, polyethylene
- **HS 39.03.19.00** [4% by value of total Mercosur exports to RSA] – Polystyrene, GPPS
- **HS 39.03.90.00** [1% by value of total Mercosur exports to RSA] – Other, polystyrene

- **HS 40.11.10.00** [1% by value of total Mercosur exports to RSA] – Motor car tyres
- **HS 40.11.20.15** [2% by value of total Mercosur exports to RSA] – Heavy vehicle tyres

At detailed product level there is no product that single-handedly dominates Mercosur's exports to South Africa. Please note that exports of the following products were once off and significant:

- HS 29.02.41.00 – O-xylene
- HS 29.10.20.00 – Propylene oxide
- HS 29.16.14.00 – Methacrylic acid esters
- HS 33.06.10.00 - Dentifrices
- HS 33.07.20.00 – Personal deodorants and anti-perspirants
- HS 34.01.20.00 – Soap in other forms

Mercosur's exports to South Africa are generally not consistent, even with the major export products they vary significantly from year to year.

Botswana

There is no recorded trade in chemicals between Botswana and Mercosur for the period 1999 to 2002.

Namibia

Mercosur's total chemical exports to Namibia from 1999 – 2001 were as follows: [based on constant year 2000 Rands]

- 2001: R 3.99 million
- 2000: R 0.95 million
- 1999: R 0.16 million

These are small figures compared to South Africa's trade with the Mercosur. For example, in 2001 Namibia's imports from the Mercosur were only 0.8% of the value of South Africa's imports. Mercosur's total exports to Namibia for the period 1999 to 2001 are shown below at the HS 6-digit level.

Table 2: Mercosur's total exports to Namibia at HS 6-digit code

HS Code 6-digit	Description	Thousand Rands (2000 Rands)		
		1999	2000	2001
27.10.00	Petroleum oils (excluding crude)	0	0	2 881

28.29.90	Perchlorates; bromates and perbromates	164	98	0
29.18.14	Citric acid	0	850	0
29.29.10	Isocyanates	0	0	1 091
30.04.90	Other medicaments, mixed or unmixed, for retail sale	0	10	0
30.06.50	First aid boxes and kits	3	0	0
32.09.90	Paints and varnishes, in an aqueous medium	0	0	2
33.02.10	Mixtures of odoriferous substances, as raw materials for industry	0	0	0.2
34.01.20	Soap in other forms	0	0	0.2
39.25.10	Reservoirs and other similar containers, of plastic	0	0	18
40.16.94	Boat or dock fenders, of vulcanized rubber	0	0	3.6

The previous table shows that Mercosur's exports to Namibia are inconsistent and unpredictable.

Lesotho

There is no recorded trade in chemicals between Lesotho and Mercosur for the period 1999 to 2002.

Swaziland

Mercosur's total chemical exports to Swaziland from 1999 – 2001 were as follows: [based on constant year 2000 Rands]

- 2001: R 0.17 million
- 2000: R 0.15 million
- 1999: R 0.18 million

These are small figures compared to South Africa's trade with Mercosur. For example, in 2001 Swaziland's imports from Mercosur were only 0.04% of the value of South Africa's imports.

Swaziland's imports from the Mercosur are represented per HS 6-digit level in the following table:

Table 3: Mercosur's total exports to Swaziland at HS 6-digit code

HS Code	Description	Thousand Rands (2000 Rands)	
----------------	--------------------	------------------------------------	--

6-digit		1999	2000	2001
29.29.90	Compounds with other nitrogen function	182	0	0
29.36.90	Other vitamins (including natural concentrates)	0	81	107
33.02.10	Mixtures of odoriferous substances, as raw materials in industry	0	74	0.2
39.23.29	Sacks and bags of other plastic, excluding ethylene	0	0	70

The table shows that Mercosur's chemical exports to Swaziland are inconsistent.

Mercosur's imports from SACU

South Africa

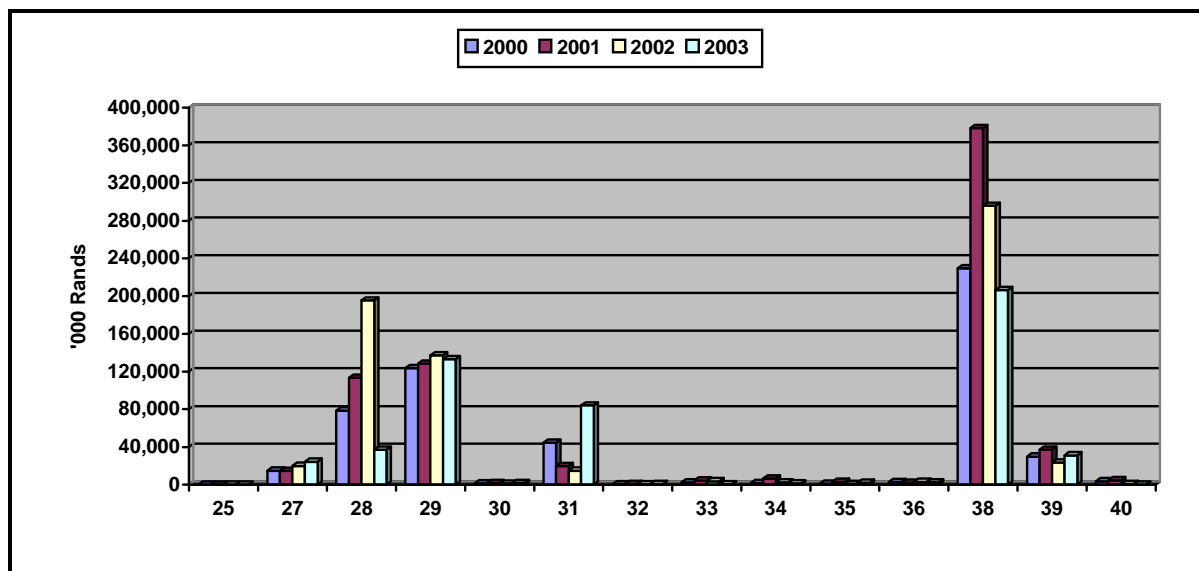
The total historical chemical exports in HS chapter 25 – 40 from South Africa to Mercosur were as follows: [based on constant year-2000 Rands]

- 2003: R 419.34 million
- 2002: R 628.42 million
- 2001: R 642.06 million
- 2000: R 533.55 million

Note: For HS 25 and 27 only important product categories were taken into account.

South African exports to Mercosur seem to be on an increasing trend from 2000 to 2002, only to decrease sharply in 2003. Historical exports of products by HS chapter of the chemical sector from the RSA to Mercosur are as follows:

Chart 3: Mercosur's chemical imports from RSA



The major export products by value from the RSA to Mercosur are those of HS chapters 28, 29, and 38, which collectively accounted for 81%, 87%, 90%, and 72% of South Africa's exports in 2000, 2001, 2002, and 2003, respectively. The relatively low exports percentage in 2003 was as a result of a sharp drop in exports of products of HS 28 (as seen on the graph) and those of HS 38. Other chapters that have relatively smaller export levels to Mercosur are HS 27, 31, and 39.

The major import categories from South Africa at 4-digit level are as follows:

- **HS 27.12** [2% by value of total RSA exports to Mercosur] – Paraffin waxes
- **HS 28.09** [5% by value of total RSA exports to Mercosur] – Phosphoric acids
- **HS 28.11** [2% by value of total RSA exports to Mercosur] – Other inorganic acids and other inorganic oxygen compounds of non-metals
- **HS 28.20** [2% by value of total RSA exports to Mercosur] – Manganese oxides
- **HS 28.33** [2% by value of total RSA exports to Mercosur] – Sulphates, alums
- **HS 28.35** [2% by value of total RSA exports to Mercosur] – Phosphinates
- **HS 29.01** [5% by value of total RSA exports to Mercosur] – Acyclic hydrocarbons
- **HS 29.05** [3% by value of total RSA exports to Mercosur] – Acyclic alcohols and its derivatives
- **HS 29.07** [2% by value of total RSA exports to Mercosur] – Phenols
- **HS 29.14** [5% by value of total RSA exports to Mercosur] – Ketones
- **HS 29.21** [3% by value of total RSA exports to Mercosur] – Amine function compounds

- **HS 29.33** [4% by value of total RSA exports to Mercosur] – Heterocyclic compounds with nitrogen hetero-atoms
- **HS 31.02** [3% by value of total RSA exports to Mercosur] – Mineral or chemical fertilizers, nitrogenous
- **HS 31.03** [2% by value of total RSA exports to Mercosur] – Mineral or chemical fertilizers, phosphatic
- **HS 38.08** [35% by value of total RSA exports to Mercosur] – Pesticides
- **HS 38.22** [3% by value of total RSA exports to Mercosur] – Diagnostic or laboratory reagents
- **HS 39.23** [2% by value of total RSA exports to Mercosur] – Articles for the conveyance or packaging of goods
- **HS 40.02** [2% by value of total RSA exports to Mercosur] – Synthetic rubber

Exports in these 4-digit categories account for 84% of the value of Mercosur's chemical imports from South Africa. Exports of the following HS codes were once off:

- HS 38.14 – Organic composite solvents and thinners [2000]
- HS 38.11 – Anti-knock preparations [2001]
- HS 28.23 – Titanium oxides [2002]
- HS 31.05 – NPK fertilizers [2003]

In terms of individual [8-digit] products, the major HS codes are:

- **HS 27.12.20.00** [2% by value of total RSA exports to Mercosur] – Paraffin wax
- **HS 28.09.20.00** [4% by value of total RSA exports to Mercosur] – Phosphoric acid
- **HS 28.11.11.00** [2% by value of total RSA exports to Mercosur] – Hydrofluoric acid
- **HS 28.20.90.00** [2% by value of total RSA exports to Mercosur] – Other Manganese dioxides
- **HS 28.33.29.00** [3% by value of total RSA exports to Mercosur] – Other sulphates
- **HS 29.01.29.00** [3% by value of total RSA exports to Mercosur] – Other unsaturated acyclic hydrocarbons
- **HS 29.14.11.00** [4% by value of total RSA exports to Mercosur] – Acetone
- **HS 29.21.19.15** [2% by value of total RSA exports to Mercosur] – Monoisopropylamine
- **HS 29.33.69.90** [4% by value of total RSA exports to Mercosur] – Triazine derivatives
- **HS 31.02.30.00** [3% by value of total RSA exports to Mercosur] – Ammonium nitrate
- **HS 31.03.10.00** [2% by value of total RSA exports to Mercosur] – Superphosphates

- **HS 38.08.10.00** [4% by value of total RSA exports to Mercosur] – Insecticides
- **HS 38.08.20.90** [2% by value of total RSA exports to Mercosur] – Other, pesticides
- **HS 38.08.30.05** [1% by value of total RSA exports to Mercosur] – With atrazine as active ingredients
- **HS 38.08.30.80** [3% by value of total RSA exports to Mercosur] – Other plant growth regulators and anti-sprouting products
- **HS 38.08.30.90** [25% by value of total RSA exports to Mercosur] – Other, pesticides
- **HS 38.22.00.00** [2% by value of total RSA exports to Mercosur] – Diagnostic or laboratory reagents

At detailed product level, these products listed above account for approximately 70% by value of Mercosur's imports from South Africa. Other significant but inconsistent export products to Mercosur are:

- HS 27.07.60.90 – Other products of coal tar distillation
- HS 38.14.00.00 – Organic composite solvents and thinners
- HS 39.01.20.90 – Other, polyethylene

In 2003 the total Mercosur chemical exports [including important categories in HS 25 and 27] to South Africa reached R 509.33 million [constant 2000 Rands], while South Africa's exports in the same categories reached R 419.34 million. This resulted in a positive trade balance in favour of Mercosur. For the period under consideration, South Africa recorded a positive trade balance in 2001 only, albeit a small one.

At single product level styrene, polystyrene, acrylonitrile, isocyanates, other medicaments in measured dosages and peptones and their derivatives are the single biggest export products to South Africa from Mercosur by value. These products collectively account for 30% by value of total exports by the Mercosur to South Africa.

Pesticides are the single biggest export products from South Africa to Mercosur at approximately 35% by value of total RSA exports to Mercosur. Pesticides exports are supported by Brazil's comparative advantage in agriculture.

Botswana

There is no recorded trade in chemicals between Botswana and Mercosur for the period 1999 to 2002.

Namibia

Namibia's chemical exports to Mercosur for the period 1999 – 2001 was in one product only, HS 39.23.29 [Sacks and bags of other plastics] for the value of R 77 892 in 2001. This is an equivalent of 0.01% of the value of South Africa's total exports to Mercosur in the same year. There were no recorded exports in 1999 and 2000. Therefore, Namibia has a consistent negative trade balance in chemicals trade with Mercosur. Namibia's exports to Mercosur are inconsistent, as are Namibia's imports from Mercosur.

Lesotho

There is no recorded trade in chemicals between Lesotho and Mercosur for the period 1999 to 2002.

Swaziland

Swaziland exported only HS 34.06.00 [Candles] to Mercosur for the value of R 82 366 in the year 2000. A year earlier (1999) Swaziland exported only R 6 871 worth of candles to Mercosur. There were no recorded exports to Mercosur in 2001 and 2002.

Therefore, Swaziland only has a consistent negative trade balance in chemicals trade with Mercosur. Swaziland's total exports in 2000 were equivalent to 0.02% of South Africa's total exports to Mercosur.

Trade between Mercosur and other SACU countries is generally very small [less than 1% of the value of RSA trade with Mercosur]. It seems like Swaziland is still in the process of developing some export markets in Mercosur for candles [likely to be decorative candles, HS 34.06]. The same could be said for Namibia in exports of plastic sacks and bags [HS 39.23.29]. However, the concern is the inconsistent nature at which these products are exported to Mercosur as well as the relatively low base. Exports of these products to Mercosur have not quite taken off yet.

CHAPTER 3

HISTORICAL CHEMICALS TRADE BETWEEN MERCOSUR AND ROW

This chapter provides an analysis of the total chemicals trade by Mercosur (as represented by Brazil – other countries unavailable). This information is important in leading to categories where opportunities for SACU may exist to expand exports, as well as to indicate where global exports from Mercosur are large and growing, indicating possible threats for local SACU production of those products.

Mercosur chemical import trade

Mercosur's total chemical imports are huge. A summary for the period 1999 – 2003 is as follows:
[based on constant year 2000 Rands]

- 2003: R 88 billion
- 2002: R 101 billion
- 2001: R 109 billion
- 2000: R 91 billion
- 1999: R 68 billion

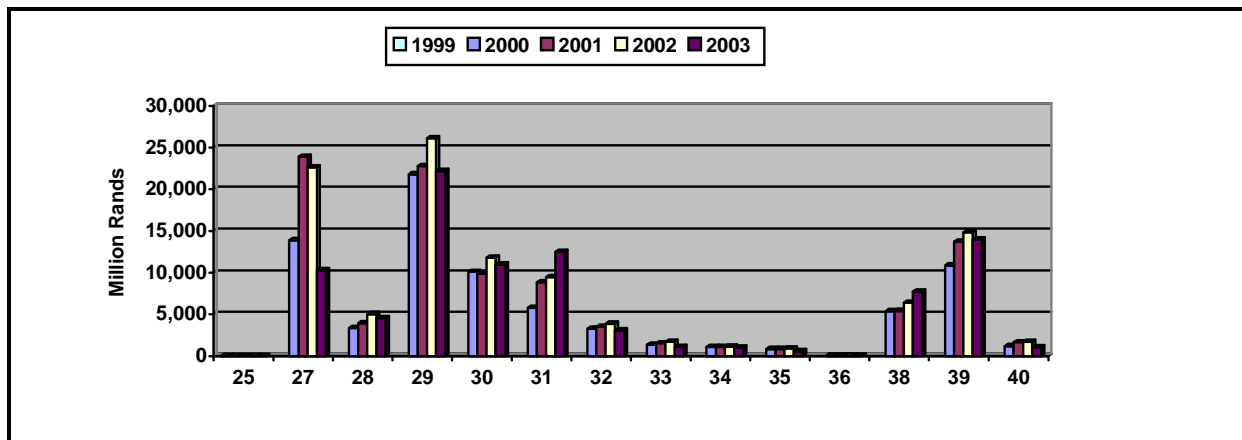
Growth in Mercosur's chemical imports from 1999 to 2001 was 60%. There was a slump in imports in the subsequent years. In comparison, SACU's exports to Mercosur were as follows:

- 2003: R 419.34 million
- 2002: R 628.42 million
- 2001: R 646.22 million
- 2000: R 533.55 million

SACU therefore accounts for 0.5% of the value of Mercosur's chemical imports.

The following chart identifies the chemical imports by Mercosur from all countries excluding SACU.

Chart 4: Mercosur's global chemical imports from all countries excluding SACU



Major products by value imported by Mercosur are those of HS chapters 27, 29, 30, 31 and 39. Other important but fewer imports are those of HS chapters 28, 32 and 38.

Mercosur chemical export trade

The total chemical exports of Mercosur are also huge, and Mercosur has a large negative trade balance for chemicals. A summary for the period 1999 – 2003 is as follows: [based on constant year 2000 Rands].

- 2003: R 37 billion
- 2002: R 42 billion
- 2001: R 36 billion
- 2000: R 27 billion
- 1999: R 16 billion

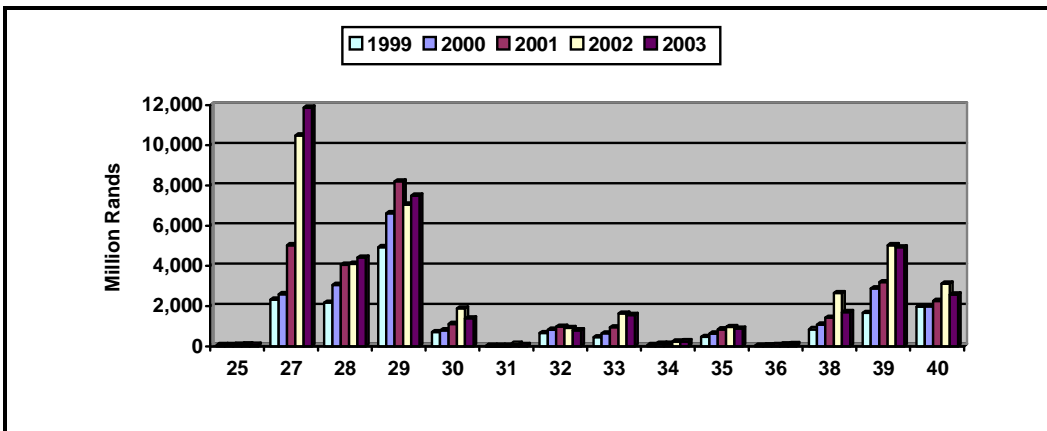
Growth in Mercosur's chemical exports from 2000 to 2002 was about 162%. There was a slight decrease in 2003. In comparison, SACU's imports from Mercosur were as follows:

- 2003: R 419 million
- 2002: R 628 million
- 2001: R 646 million
- 2000: R 577 million

SACU therefore accounts for about 2% of Mercosur’s chemical exports.

Mercosur’s global chemical exports to all countries with the exception of SACU are shown below.

Chart 5: Mercosur’s global chemical exports to all countries excluding SACU



Mercosur’s major chemical exports are in HS chapters 27, 28, 29, 39, and 40. Other important, but smaller exports chapters are HS 30, 31, 32, 33, and 38.

Mercosur has a large global trade in chemicals, and their trade balance was consistently negative for the period under consideration. Mercosur’s export trade figures also show a constant growth year by year for all the major chapters and the relatively small chapters. Mercosur’s major export strength lies in liquid fuels [HS 27], inorganic chemicals [HS 28], organic chemicals [HS 29], plastics and plastic products [HS 39], and rubber and products [HS 40].

From an import perspective, Mercosur shows good opportunity in HS 27 [Liquid fuels] and HS 29 [Organic chemicals], the two biggest imports chapters by value. Opportunities also exist in HS 30 [pharmaceuticals], HS 31 [fertilizers], HS 38 [Speciality chemicals] and HS 39 [plastics products]. These chapters show consistent growth for the period under consideration, and therefore these are the chapters where opportunities for SACU are likely.

Comparison of SACU’s trade with Mercosur versus Mercosur’s global trade position

This chapter evaluates the relative position of SACU in terms of Mercosur’s global trade in chemicals. This enables comparison for the years 2000 to 2003.

An analysis is shown of the major Mercosur trade chapters [4-digit level] with SACU. The criteria for selecting major Mercosur chapters were:

Mercosur exports:

- Identified major Mercosur export chapters with SACU consistently more than 2% by value of total SACU imports at HS 4 digit level.

Mercosur imports:

- Identified major Mercosur import chapters with SACU consistently more than or equal to 4% by value of total SACU exports at HS 4 digit level.

Note: for HS 25 and 27 only the specific important product categories are included.

Table 4: Summary of important chapters [4-digit level] in terms of Mercosur trade with SACU

	Important chapters
Mercosur exports to SACU:	2710; 2902; 2922; 2926; 2929; 3004; 3504; 3901; 3903; 40.11 [44% of total]
SACU exports to Mercosur:	2809; 2901; 2914; 2933; 3808 [54% of total]

Mercosur’s [as represented by Brazil] global exports relative to exports to SACU

Mercosur’s historical export trade with RoW in major export products to SACU is as follows, showing trade with SACU expressed as a percentage of total Mercosur RoW exports:

Table 5: Mercosur's global exports

HS Code 4	Mercosur's global exports excluding SACU (Million Rands – Constant 2000)					SACU's contribution to Mercosur's exports				
	1999	2000	2001	2002	2003	1999	2000	2001	2002	2003
27.10	2 310	4 875	11 497	12 570	12 154	0%	1.1%	2.3%	0.0%	0.0%
29.02	943	1 682	757	977	1 099	0.1%	2%	0.1%	6%	2%
29.22	526	543	584	957	917	0.5%	3%	3%	3%	2%
29.26	105	270	210	357	210	28%	14%	21%	1%	2%
29.29	127	194	224	291	164	8%	17%	12%	18%	5%
30.04	983	1 018	1 284	1 718	1 495	1%	2%	2%	2%	1%
35.04	95	157	225	259	226	11%	17%	19%	22%	21%
39.01	1 394	2 396	2 046	2 392	2 897	0.1%	0.2%	1%	2%	2%
39.03	78	116	194	394	300	0%	0.1%	3%	22%	23%
40.11	3 043	3 518	4 756	4 952	4 454	0.1%	0.1%	0.1%	0.3%	0.4%

The trend of Mercosur's chemical exports to South Africa differs within the various HS 4-digit codes. None of the HS codes show a consistent increase relative to their respective total exports to the world. SACU's contribution to Mercosur's exports therefore does not show a definitive trend relative to Mercosur's total exports to the world. In HS 2922 and 3004 for instance, exports to SACU remained constant with an increase in Mercosur's exports to the world for all the years. Nitrile-function compounds [HS 29.26], compounds with other nitrogen function [HS 29.29], peptones and their derivatives [HS 35.04], and polymers of vinyl chloride [HS 39.03] are Mercosur's largest export categories to SACU relative to total Mercosur's exports at HS 4-digit level.

[Table 5](#) shows that SACU is, in some of the major import products from Mercosur, an important and significant player compared to Mercosur's major export countries. Although SACU is a significant player, SACU's contribution to Mercosur's exports does not seem to have a definitive trend relative to Mercosur's total exports.

Mercosur's [as represented by Brazil] global imports relative to imports from SACU

Mercosur's historical import trade with RoW in major import products from SACU is as follows, showing trade with SACU expressed as a percentage of total Mercosur RoW imports.

Table 6: Mercosur's global imports

HS Code 4	Mercosur's global imports excluding SACU (Million Rands – Constant 2000)					SACU's contribution to Mercosur's imports				
	1999	2000	2001	2002	2003	1999	2000	2001	2002	2003
28.09	377	377	449	646	531	13%	6%	10%	1%	1%
29.01	73	64	182	131	227	8%	30%	18%	24%	15%
29.14	249	303	328	366	321	5%	9%	6%	10%	9%
29.33	3 586	3 951	4 854	5 282	4 342	0.0%	1%	0.3%	0%	0%
38.08	1 809	1 610	2 037	2 630	3 679	4%	12%	16%	10%	2%

SACU is a significant exporter to Mercosur relative to other exporters in Phosphoric acids [HS 28.09] (although this decreased substantially in 2002 and 2003), acyclic hydrocarbons [HS 29.01], ketones [HS 29.14], and pesticides [HS 38.08]. Although SACU is a significant exporter to Mercosur in the HS categories tabled above, there is no significant trend that could be deduced from the tables as the figures fluctuate from one year to another. In case of heterocyclic compounds [HS 29.33], SACU is only a marginal player with insignificant exports to Mercosur relative to other exporters.

In acyclic hydrocarbons [HS 29.01] SACU has a good market position. Although SACU's exports to Mercosur in ketones [HS 29.14] and pesticides [HS 38.08] are not at the same level as acyclic hydrocarbons, this could be regarded as satisfactory. However, given the level of Mercosur's total imports in pesticides, SACU still has more room to increase their exports as the market is huge. There is also an opportunity for SACU to increase exports of heterocyclic compounds [HS 29.33], which at the moment are poor relative to total Mercosur imports. As it is the case with pesticides, the market is huge for these products.

Although Swaziland has a competitive advantage in the manufacturing and exporting of candles [HS 34.06], given total imports of these products by Mercosur, this may not present any good opportunities for Swaziland to increase their own exports of these products to Mercosur, short of a major and probably costly marketing drive for candles there.

Mercosur’s global chemical position regarding chapters not important to SACU

An analysis is shown of the major Mercosur trade chapters [4-digit level], excluding the major chapters for SACU. The criteria for selecting major other Mercosur chapters are different for the various chapters, but the principle is to include HS4 categories in each chapter according to the 80/20 principle.

The general definition of the chemical sector covers chapters 28 – 40. The following table shows within this range the major chapters.

	Important chapters
Mercosur’s global exports	27, 28, 29, 38, 39, 40 [98% of total]
Mercosur’s global imports	27, 29, 30, 31, 38, 39 [98% of total]

Chapter 25

Mercosur’s historical trade with RoW in products of the HS 25.01 [Salt] shows that there is a potential threat to SACU production from Mercosur’s exports.

The historical trend is shown in [Appendix 2](#).

Chapter 27

Mercosur’s historical trade with RoW in major products of HS chapter 27 at HS 6-digit level shows that Mercosur offers good export potential for important SACU products such as phenols, and to some extent liquid fuels and paraffin wax. However, in both liquid fuels and paraffin wax Mercosur is a potential threat to SACU.

The historical trend is shown in [Appendix 3](#).

Chapter 28

The detailed trade analysis for major categories in chapter 28 is shown in [Appendix 4](#) and [5](#) of this report. The total global imports of Mercosur in 2003 for this chapter were R 4.5 billion [2000

Rands], while global exports were R 4.4 billion [2000 Rands], giving a small negative net trade balance for HS 28.

South Africa is in a good position to develop the manufacturing of precious metal chemicals because of the availability of raw material. At the moment local manufacturing of these products is too low for the level of raw materials available. Mercosur is a significant threat in these products.

Chapter 29

The detailed trade analysis for major categories in chapter 29 is shown in [Appendix 6](#) and [7](#) of this report. The total global imports of Mercosur in 2003 for this chapter were R 22.1 billion [2000 Rands], while global exports were R 7.5 billion [2000 Rands], giving a negative net trade balance for HS 29.

The number of export products listed is indicative of Mercosur's comparative advantage in organic chemicals. Mercosur's exports in acyclic hydrocarbons are a threat to SACU while opportunities exist for SACU in cyclic alcohols and derivatives, phenols, and aldehydes. Exports of acyclic hydrocarbons in particular are accelerating at a robust pace while imports are stagnant. There are other products also, where exports are increasing faster than imports as in for example, HS 2923, HS 2926, HS 2929, and HS 2910. SACU would have to be watchful of products of this chapter as they pose significant threats.

Chapter 30

The detailed trade analysis for major categories in chapter 30 is shown in [Appendix 8](#) of this report. The total global imports of Mercosur in 2003 for this chapter were R 10.9 billion [2000 Rands], while global exports were R 1.4 billion [2000 Rands], giving a negative net trade balance for HS 30. The major global imports by value at 4-digit level are:

- HS 3002 – Animal and human blood for therapeutic uses
- HS 3003 – Mixed mediaments
- HS 3004 – Medicaments, mixed or unmixed
- HS 3005 – Wadding gauze, bandages and similar articles
- HS 3006 – Pharmaceutical goods

The major global exports by value at 4-digit level are:

- HS 3001 – Glands and other organs for organo-therapeutic uses

- HS 3004 – Medicaments, mixed or unmixed
- HS 3006 – Pharmaceutical goods

Mercosur offers export opportunities for SACU in animal and human blood, and wadding gauze and bandages. Both opportunities and threats are presented to SACU in mixed or unmixed medicaments and pharmaceutical goods.

Chapter 31

The detailed trade analysis for major categories in chapter 31 is shown in [Appendix 9](#) of this report. The total global imports of Mercosur in 2003 for this chapter were R 12.4 billion [2000 Rands], while global exports were R 0.04 billion [2000 Rands], giving a negative net trade balance for HS 31. The major global imports by value at 4-digit level are:

- HS 3102 – Nitrogenous fertilizers
- HS 3103 – Phosphatic fertilizers
- HS 3104 – Potassic fertilizers
- HS 3105 – Fertilizers containing two or three of the fertilizing elements

Mercosur offers export opportunities for SACU in fertilizers. Because of the size of agriculture industry in Mercosur, Mercosur hardly export fertilizers and thus has a huge trade deficit in products of HS 31.

Chapter 38

The detailed trade analysis for major categories in chapter 38 is shown in [Appendix 10](#) of this report. The total global imports of Mercosur in 2003 for this chapter were R 6.7 billion [2000 Rands], while global exports were R 1.6 billion [2000 Rands], giving a negative net trade balance for HS 38. The major global imports by value at 4-digit level are:

- HS 3801 – Artificial graphite
- HS 3802 – Activated carbon
- HS 3808 – Pesticides
- HS 3809 – Finishing agents
- HS 3811 – Anti-knock preparations
- HS 3812 – Rubber accelerators and plasticizers
- HS 3815 – Catalysts
- HS 3816 – Cement additives

- HS 3819 – Hydraulic fluids
- HS 3822 – Diagnostic or laboratory reagents
- HS 3823 – Industrial monocarboxylic fatty acids
- HS 3824 – Prepared binders for foundry moulds or cores

The major global exports by value at 4-digit level are:

- HS 3801 – Artificial graphite
- HS 3808 – Pesticides
- HS 3809 – Finishing agents
- HS 3811 – Antiknock preparations
- HS 3815 – Catalysts
- HS 3816 – Cement additives
- HS 3823 – Industrial monocarboxylic fatty acids
- HS 3824 – Prepared binders for foundry moulds or cores

Chapter 39

The detailed trade analysis for major categories in chapter 39 is shown in [Appendix 11](#) and [12](#) of this report. The total global imports of Mercosur in 2003 for this chapter were R 10.8 billion [2000 Rands], while global exports were R 4.9 billion [2000 Rands], giving a negative net trade balance for HS 39.

This chapter presents huge export opportunities as well serious threats for SACU in terms of the primary polymers as well as various products derived from these polymers. SACU would have to be vigilant on Mercosur's exports of products of this chapter. In products such as polyethylenes and articles for the conveyance of goods, exports have been increasing at a faster rate than imports to an extent where Mercosur has recorded a trade surplus in these products in 2003 after several years of trade deficits. Hence, the need for vigilance in this chapter.

Chapter 40

The detailed trade analysis for major categories in chapter 40 is shown in [Appendix 13](#) of this report. The total global imports of Mercosur in 2003 for this chapter were R 6.3 billion [2000

Rands], while global exports were R 5.0 billion [2000 Rands], giving a negative net trade balance for HS 40. The major global imports by value at 4-digit level are:

- HS 4001 – Natural rubber
- HS 4002 – Synthetic rubber
- HS 4005 – Compounded rubber, unvulcanized
- HS 4009 – Tubes, pipes, hoses, of vulcanized rubber
- HS 4010 – Conveyor or transmission belts or belting, of vulcanized rubber
- HS 4011 – Motor car tyres
- HS 4016 – Other articles of vulcanized rubber

The major global exports by value at 4-digit level are:

- HS 4002 – Synthetic rubber
- HS 4005 – Compounded rubber, unvulcanised
- HS 4008 - Plates, strip, sheet, of vulcanized rubber
- HS 4009 – Tubes, pipes, hoses, of vulcanized rubber
- HS 4010 – Conveyor or transmission belts or belting, of vulcanized rubber
- HS 4011 – Motor car tyres
- HS 4016 – Other articles of vulcanized rubber

In products such as synthetic rubber, plates, sheet, strip, film, and motor car tyres, exports are not only increasing at a faster pace than imports, the imports are declining. While there are some opportunities for SACU exports in tubes, pipes, and hoses, products in this chapter pose a significant threat to SACU. Some measure of vigilance on the side of SACU is therefore a necessity.

CHAPTER 4

FEATURES OF THE CHEMICAL INDUSTRIES OF MERCOSUR COUNTRIES**Argentina**

No information could be found on the structure of the chemical industry in Argentina. The only information found was that published by The National Institute of Statistics and Census, which shows trade in the top 10 chemicals in 2003.

The top chemical imports were as follows:

Table 7: Top global chemical imports for Argentina

HS Category	Description	Value (million)
30.04.90	Other medicaments in measured doses for retail sale	R 1,839.51
29.31.00	Other organo-inorganic compounds	R 1,529.14
27.16.00	Electrical energy	R 1, 448.87
27.10.19	Other	R 968.96
26.01.12	Agglomerated	R 915.97
29.17.36	Terephthalic acid and its salts	R 862.98
28.18.20	Other aluminium oxide	R 764.57
39.07.60	Polyethylene terephthalate	R 688.87
31.05.30	Diammonium phosphate	R 688.87
40.11.20	Pneumatic tyres, of a kind used on buses and lorries	R 658.59

The top chemical exports were as follows:

Table 8: Top global chemical exports for Argentina

HS Category	Description	Value (million)
27.09.00	Petroleum oils obtained from bituminous minerals, crude	R 17,115.77
27.10.11	Aviation spirit	R 8,395.13
27.10.19	Other oils	R 4,549.57
26.03.00	Copper ores and concentrates	R 3,603.32
27.11.21	Natural gas	R 2,588.94
27.11.13	Butanes	R 1,491.29
30.04.90	Other medicaments in measured doses for retail sale	R 900.83
27.11.19	Other	R 825.13
40.11.10	Pneumatic tyres, of a kind used on motor cars	R 696.44

39.01.90	Other copolymers of ethylene	R 673.73
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Brazil

Size, structure, main types of output and performance

The chemical industry plays a leading role in the development of Brazil, with a 3% share of the nation's GDP. According to data issued by the Brazilian Institute of Geography and Statistics (IBGE), the chemical industry ranks second in Brazil's industrial sector, with 12.5% of the GDP of the manufacturing industry and standing second only to the food and beverage sector with 14.9% of the total.

With net sales of R 196 billion in 2002, industrial chemical products accounted for 51.1% of the total chemicals sales. The pharmaceuticals sub-sector held 14.2%, with sales of R 54 billion, while the rest of other sub-sectors together accounted for 34.7% of the total. Sales for the year 2002 are summarised in the following table:

Table 9: Brazilian chemical sales

Chemical Sector Net Sales- 2002 (R billion - excluding taxes)	
Industrial Chemicals	196.91
Pharmaceuticals	54.76
Perfumes and Cosmetics	29.48
Fertilizers	34.75
Agrochemicals	22.11
Soaps and detergents	20.01
Paints and coatings	11.58
Others	15.80
TOTAL	385.40

Source: ABIQUIM and Sectorial Trade Associations

In terms of the growth rate of the chemical industry in Brazil, particularly outstanding were the consumer formulated chemicals [perfumes and cosmetics] and agrochemicals sub-sectors, which posted the highest annual growth rates for the past thirteen years: 4.8% p.a. and 4.7%

p.a., respectively. The historical series of performance running from 1998 through 2002 is shown in the table below, by segments:

Table 10: Brazilian Industrial Chemicals - Net Sales – R millions [excluding taxes]

Groups of Products	1998	1999	2000	2001	2002
Basic petrochemical products	10,399	10,724	21,272	19,823	26,234
Chlor alkalis	3,817	3,160	4,229	5,342	5,111
Detergents intermediates	1,621	1,635	2,320	2,947	3,350
Elastomers	1,436	1,618	2,265	2,455	3,029
Fertilizers intermediates	7,361	7,573	9,105	10,669	12,944
Industrial additives	412	366	401	506	593
Industrial solvents	951	1,127	1,339	1,687	2,047
Intermediates for plastics manufacturing	2,819	2,725	5,698	5,315	7,030
Intermediates for thermosetting resins manufacturing	2,724	2,834	3,404	3,977	4,675
Intermediates for synthetic fibers manufacturing	2,691	2,554	3,612	3,430	3,726
Organic dyes and pigments	1,586	1,484	1,887	2,345	2,598
Other inorganic products	3,884	3,940	4,892	5,535	6,469
Other organic chemicals products	6,681	7,730	7,939	12,387	11,462
Plasticizers intermediates	517	613	928	1,027	1,284
Plasticizers	519	541	777	821	931
Thermoplastic resins	14,741	15,152	23,748	23,894	28,720
Thermosetting resins	1,112	953	1,382	1,694	2,144
Total	63,280	64,736	97,253	102,942	120,367

The domestic market accounted for 90% of total sales in 2002, and 93% of total volumes sold. In 2003, Brazilian chemicals exports were worth R 50.54 billion, 25.41% more compared to 2002. Some reasons for the growth of exports, despite the Real's (Brazilian currency) recovery during the year, are the decrease in domestic demand, which provided surplus for exports and new markets accessed by the chemical industry. Industrial chemical products accounted for 86% of chemicals exports in 2003, reaching R 43.17 billion.

Although there was a significant rise in exports, the trade balance was in deficit in 2003 at R 46.93 billions. During the same year, chemicals imports increased 9.07% reaching R 83.27

billion. Imports of industrial chemical products amounted to R 67.37 billion accounting for approximately 80% of total chemicals imports.

Identified chemical operations in Brazil are listed in [Appendix 16](#).

Paraguay

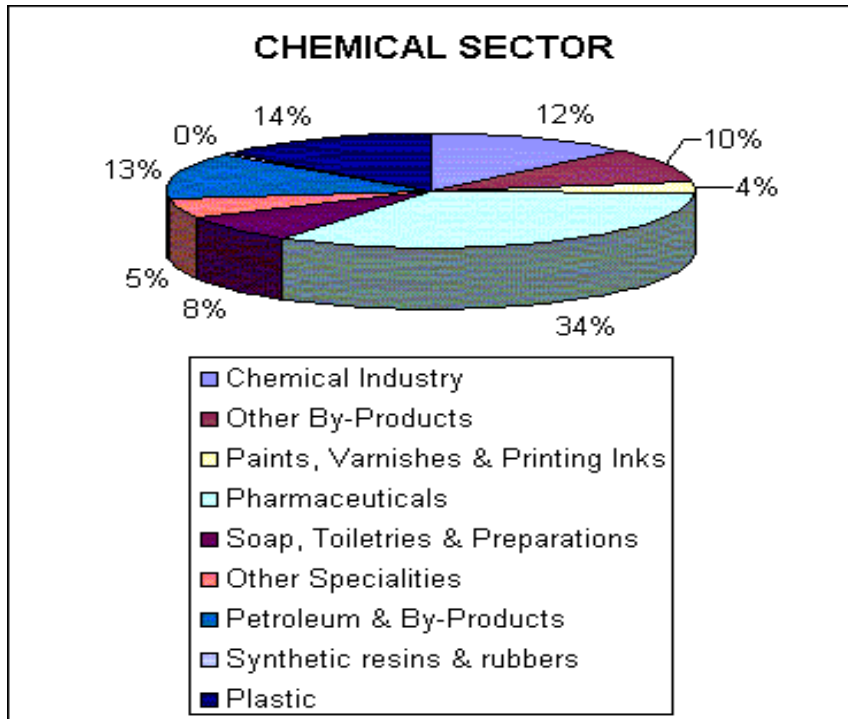
Size, structure and major products

Paraguay's Association for the Chemical and Pharmaceutical – CIFARMA - estimates that some 6 000 people are directly employed, and 21 000 indirectly employed in the chemical industry. Paraguay is a major importer of inorganic and organic chemicals for pharmaceuticals, toiletries, pesticides, agrochemicals, paints, dyes, plastics and foodstuffs. Relatively few large companies account for most of Paraguay's chemical output, and are therefore important purchasers of bulk chemicals that they convert into higher value end-use products or intermediates.

There is no local oil production in Paraguay and thus no petrochemical industry exists. There is therefore a requirement for imported polythene and polyethylene for the plastics industry, as well as for companies that use petroleum-based processes in their manufacturing i.e. the polymer business in PVC, PET, polystyrene, polyurethane, foam, etc.

Although the industry is still confronted by recession and by intense overseas competition, particularly from the Asia Pacific region, in recent years the most rapid growth has been in the production of speciality chemicals and pharmaceuticals. The chemical industry has however experienced resurgence in investment in new and existing plants, thus diverting more effort into production.

The major chemical industry output is as follows:



Source: Central Bank - Paraguay

Some of the important aspects to be considered concerning the chemical industry in Paraguay are:

- Unraveling the structure of the chemical industry is complicated by several factors including the lack of reliable sources of information and official statistics.
- Manufacturing plants have spare production capacity as generally only small volumes of goods are manufactured for the domestic market.
- The general trading environment is highly competitive.
- Paraguayan manufacturers need to comply with Mercosur regulations, far stricter than domestic ones, in order to achieve competitiveness.
- Access to worldwide markets is expensive.
- The chemical industry is not a major tax contributor within the economy.
- The export penetration of pharmaceuticals into Mercosur partner countries has been gathering pace.
- There is access to cheap energy and labour.
- There is a demand for chemicals, as generally, they are not manufactured locally.

Most manufacturing plants are based in or near the capital Asunción, allowing access to major ports. There are many multinational companies operating in the chemical industry like for

example, Unilever, Shell, Exxon, Aventis Pharma, BASF, Bayer, Hoechst, Novartis, Rhone-Poulenc. Refer to [Appendix 16](#) for a list of identified chemical operations in Mercosur.

CHAPTER 5

ANALYSIS OF MERCOSUR'S EXISTING TARIFF REGIME FOR CHEMICALS

A complete list of all the tariffs protected is shown in [Appendix 17](#). What follow below is only the tariffs that are applicable to some of the major SACU exports.

Protected Tariffs

The highest duty applicable for exports to Mercosur is 18%, and that is reserved for some of the following products:

- Perfumes and toilet waters [HS 33.03]
- Beauty or make-up preparations [HS 33.04]
- Hair products [HS 33.05]
- Preparations for oral and dental hygiene [HS 33.06]
- Personal care products [HS 33.07]
- Soaps [HS 34.01]
- Surface active agents [HS 34.02]
- Toilet and bathroom wares of plastic [HS 39.22]
- Plastic articles for the conveyance or packaging of goods [HS 39.23]
- Tableware and kitchenware of plastics [HS 39.24]
- Builders' ware of plastics [HS 39.25]
- Other articles of plastic [HS 39.26]

The second level of duty applicable is 16%, and that is reserved for some of the following products:

- Dental floss [HS 33.06]
- Polishes and creams [HS 34.05]
- Candles [HS 34.06]
- Modeling pastes [HS 34.07]
- Glues and adhesives [HS 35.06]
- Monofilament of plastics [HS 39.16]

- Tubes, pipes, hoses and fittings [HS 39.17]
- Floor coverings of plastics [HS 39.18]
- Self-adhesive plates, sheets, film [HS 39.19]
- Other plates of plastics, not reinforced [HS 39.20]
- Other plates, sheets, film, foil and strip [HS 39.21]
- Motor car tyres [HS 40.11]
- Retreaded tyres [HS 40.12]
- Inner tubes of rubber [HS 40.13]
- Hygienic or pharmaceutical articles of rubber [HS 40.14]
- Articles of apparel and clothing [HS 40.15]
- Other articles of vulcanized rubber [HS 40.16]
- Articles of hard rubber [HS 40.17]

Most of the tariffs have a duty protection of 14%, and this covers most of the HS chapters.

Tariffs for only chapter HS 29, Mercosur's biggest exports chapter, are shown below:

- Sulphonated, nitrated derivatives of hydrocarbons [HS 29.04]
- Acyclic alcohols and derivatives [HS 29.05]
- Diisophenol [HS 29.08]
- Glycol ethers [HS 29.09]
- Carboxylic acids with additional oxygen function [HS 29.18]
- Chlorfenvinphos [HS 29.19]
- Propargite [HS 29.20]
- Amine-function compounds [HS 29.21]
- Oxygen-function amino-compounds [HS 29.22]
- Carboxymide-function compounds [HS 29.24]
- Carboxymide- and imine function compounds [HS 29.25]
- Nitrile-function compounds [HS 29.26]
- Azodicarbonamide [HS 29.27]
- Compounds with other nitrogen function [HS 29.29]
- Organo-sulphur compounds [HS 29.30]
- Etidronate disodium [HS 29.31]
- Heterocyclic compounds with oxygen [HS 29.32]
- Heterocyclic compounds with nitrogen [HS 29.33]

- Nucleic acids and their salts [HS 29.34]
- Sulphonamides [HS 29.35]
- Vitamins [HS 29.36]
- Hormones [HS 29.37]
- Stevioside [HS 29.38]
- Vegetable alkaloids [HS 29.39]
- Sugars, chemically pure [HS 29.40]
- Antibiotics [HS 29.41]

From the three levels of duty reported above, tariff protection lowers progressively to 12%, 10%, 8%, 4% and 2%. The details of the tariffs appear in [Appendix 17](#).

Mercosur tariff protection for major SACU exports to Mercosur

Only one product, sacks and bags of other plastic [HS 39.23.29], carry the highest duty of 18% into Mercosur. For the period 1999 – 2002 Namibia exported these products to Mercosur once in 2001 for R 77 892. It is therefore debatable whether this is really Namibia's major exports product. Either way, a duty of 18% is unjustified and therefore needs to be revised. Lifting the duty on these products will give Namibia an incentive to make these regular export products.

Candles [HS 34.06] carry a duty of 16% into Mercosur. Swaziland exported these products to Mercosur in 1999 and 2000. Just like in the case of the products in the previous paragraph, the exports were from a low base and were inconsistent. It is probable that this high duty is a factor in stifling Swaziland's exports of candles to Mercosur. Swaziland has the potential to increase their exports and it is recommended that Mercosur should lower the duty. However, candles are not one of Mercosur's major traded products.

The following products carry a duty of 14% into Mercosur:

- Triazine derivatives [HS 29.33.69.90]
- Insecticides [HS 38.08.10]
- Organic composite solvents and thinners [HS 38.14.00]

These three products collectively constitute 32% by value of South Africa's exports to Mercosur. It is therefore important that the lowering of the duty should be discussed. Other important export products that carry a lesser duty of 10% are as follows:

- Phosphoric acid and polyphosphoric acids [HS 28.09.20]
- Hydrofluoric acid [HS 28.11.11]
- Other manganese dioxides [HS 28.20.90]
- Other sulphates [HS 28.33.29]

Other export products that carry a duty are:

- Paraffin wax [HS 27.12.20] – 4% duty
- Other unsaturated acyclic hydrocarbons [HS 29.01.29] – 2% duty
- Superphosphates [HS 31.03.10] – 6% duty

There were no tariff duties listed for the following products:

- Monoisopropylamine [HS 29.21.19]
- Other pesticides [HS 38.08.20]
- Pesticides with atrazine [HS 38.08.30]
- Diagnostic or laboratory reagents [HS 38.22.00]
- Other polyethylene [HS 39.01.20.90]

In conclusion, export products that contribute approximately 50% of South Africa's exports to Mercosur, and all of Namibia and Swaziland's exports to Mercosur have tariff protection. The lowering of duties for these products should be a priority during the negotiations.

CHAPTER 6

IMPACT OF OTHER TRADE AGREEMENTS

Mercosur is in the process of concluding or has concluded interregional trade agreements with various regional blocs, some of which form intricate webs in the sense that member countries of Mercosur are also members of some of these regional blocs. The relevant blocs in this case are the Free Trade Area of the Americas (FTAA), The Andean Community (CAN), and the Latin American Integration Association (LAIA). All the member countries of Mercosur are invariably members of the FTAA, which comprises of all the countries in the Western Hemisphere, with the exception of Cuba. Mercosur member countries are also members of LAIA. Bolivia, an associate member of Mercosur, is also a member of CAN. In short, FTAA consists of a total of 34 countries, while CAN consists of Bolivia, Colombia, Ecuador, Peru, and Venezuela. It is expected that negotiations for the FTAA will be concluded by 2005.

Other regional blocs that have trade links with Mercosur are the Central American Common Market (CACM), Caribbean Community (CARICOM), EFTA, EU, and NAFTA. The CACM is made up of Costa Rica, El Salvador, Guatemala, Honduras, and Nicaragua, while CARICOM consists of the 15 states of the Caribbean. It is expected that Mercosur will conclude a free trade agreement with the EU in October 2004. Mercosur has already concluded a free trade agreement with India. The implications of Mercosur's links with these interregional blocs to SACU's exports to Mercosur are discussed below.

The Andean Community

Mercosur’s trade agreement with the CAN has implications for the following major SACU exports to Mercosur:

Mercosur’s Trade Partners	HS Chapters Relevant to SACU	Net Trade	World Market % Share of Exports	Major Markets
Bolivia	HS 27.10	Net importer	0.0%	USA and Brazil
Colombia	HS 27.10	Net exporter	0.5%	USA and Peru
	HS 30.04	Net importer	0.2%	Venezuela and Ecuador
	HS 38.08	Net exporter	1.8%	Ecuador and Venezuela
	HS 39.23	Net importer	0.2%	Ecuador and Venezuela
	HS 40.11	Net importer	0.2%	Mexico and Venezuela
Ecuador	HS 27.10	Net exporter	0.1%	Panama and Guatemala
	HS 30.04	Net importer	0.0%	Colombia and Peru
	HS 40.11	Net importer	0.1%	Colombia and Peru
Peru	HS 27.10	Net exporter	0.2%	USA and Panama
	HS 39.23	Net exporter	0.3%	Ecuador and Venezuela
	HS 40.11	Net importer	0.1%	Colombia and USA
Venezuela	HS 27.10	Net exporter	0.3%	USA and Bahamas
	HS 29.01	Net exporter	0.8%	Colombia and Israel
	HS 30.04	Net importer	0.2%	Colombia and USA
	HS 40.11	Net importer	0.6%	Colombia and USA

The implications of Mercosur’s trade agreement with the CAN for SACU’s exports to Mercosur are discussed per major SACU’s exports category below:

- HS 2710: With the exception of Bolivia, who is an associate of Mercosur already, all the member countries of CAN are net exporters of products of HS 27.10. However, none of the net exporters are major players in terms of their share of the total world market. Bolivia is already enjoying the benefits of being an associate member of Mercosur in that Brazil is one of their leading export markets for HS 27.10 at 23% of Bolivia’s total exports of these products.

Bolivia’s biggest market for HS 27.10 is the USA at 40% of total exports. None of the other four CAN members, Colombia, Ecuador, Peru, and Venezuela, have any of the Mercosur members as their leading markets for HS 27.10. Colombia’s largest markets are

USA (80%) and Peru (5%); Ecuador's largest markets are Panama (34%) and Guatemala (22%); Peru's largest markets are USA (52%) and Panama (12%); Venezuela's largest markets are USA (83%) and Bahamas (8%).

- HS 29.01: Venezuela is a net exporter of HS 29.01, with a total world market of 0.8%. 87% of Venezuela's exports of these products go to Colombia and 8% to Israel.
- HS 30.04: Colombia, Ecuador, and Venezuela are all net importers of these products. Also, none of them are major world players in terms of their share of the total world market, and none of the Mercosur members are their largest export markets. In fact, these three nations do most of their trade of HS 30.04 amongst themselves. Colombia's largest markets are Venezuela (25%) and Ecuador (23%); Ecuador's largest markets are Colombia (29%) and Peru (14%); Venezuela's largest markets are Colombia (36%) and Ecuador (15%).
- HS 38.08: Colombia is a net exporter of HS 38.08, with a total world market of 1.8%. The largest markets for Colombia are Ecuador (21%) and Venezuela (14%).
- HS 39.23: Colombia is a net importer while Peru is a net exporter. Colombia's share of total world market is 0.2% while Peru's share is 0.3%. The largest markets for Colombia are Ecuador and Venezuela at 26% each. These two countries are also Peru's largest market at 27% and 22%, respectively.
- HS 40.11: Colombia, Ecuador, Venezuela and Peru are all net importers of HS 40.11. None of these countries are major world players in exports of these products and their largest markets are internal. Colombia's largest markets are Mexico (29%) and Venezuela (28%); Ecuador's largest markets are Colombia (52%) and Peru (22%); Venezuela's largest markets are Colombia (46%) and USA (20%); Peru's largest markets are Colombia (32%) and USA (31%).

Central American Common Market

Mercosur’s trade agreement with the CACM has implications for the following major SACU exports to Mercosur:

Mercosur’s Trade Partners	HS Chapters Relevant to SACU	Net Trade	World Market % Share of Exports	Major Markets
Costa Rica	HS 27.10	Net importer	0.0%	USA and Sweden
	HS 30.04	Net importer	0.1%	Guatemala and Panama
	HS 38.08	Net importer	0.3%	Panama and Nicaragua
	HS 39.23	Net exporter	0.3%	USA and Guatemala
	HS 40.11	Net exporter	0.2%	USA and Guatemala
El Salvador	HS 27.10	Net importer	0.0%	Guatemala and Panama
	HS 30.04	Net importer	0.0%	Guatemala and Honduras
	HS 38.08	Net importer	0.1%	Guatemala and Christmas Islands
	HS 39.23	Net importer	0.1%	Guatemala and Honduras
Guatemala	HS 30.04	Net importer	0.1%	Panama and El Salvador
	HS 38.08	Net importer	0.3%	El Salvador and Honduras
	HS 39.23	Net importer	0.1%	El Salvador and Honduras
	HS 40.11	Net importer	0.0%	Mexico and El Salvador
Honduras	HS 39.23	Net importer	0.0%	Guatemala and El Salvador
Nicaragua	HS 27.10	Net importer	0.0%	Guatemala and Panama

The implications of Mercosur’s trade agreement with the CACM for SACU’s exports to Mercosur are discussed per major SACU’s exports category below:

- HS 27.10: Costa Rica, El Salvador, and Nicaragua are all net importers and insignificant world players in exports. Costa Rica’s largest markets are the USA (44%) and Sweden (13%); El Salvador’s largest markets are Guatemala (44%) and Panama (28%); Nicaragua’s largest markets are Guatemala (28%) and Panama (28%).
- HS 30.04: Costa Rica, El Salvador, and Guatemala are all net importers and insignificant world players in exports. Costa Rica’s largest markets are Guatemala (20%) and Panama (16%); El Salvador’s largest markets are Guatemala (22%) and Honduras (17%); Guatemala’s largest markets are Panama (21%) and El Salvador (20%).
- HS 38.08: Costa Rica, El Salvador, and Guatemala are all net importers and insignificant world players in exports. Costa Rica’s largest markets are Panama (37%) and Nicaragua

(18%); El Salvador's largest markets are Guatemala (29%) and Christmas Islands (25%); Guatemala's largest markets are El Salvador (34%) and Honduras (26%).

- HS 39.23: Costa Rica is a net exporter with a total world market share of 0.3%, while Guatemala and El Salvador are net importers. The largest markets for Costa Rica are the USA (32%) and Guatemala (13%); El Salvador's largest markets are Guatemala (33%) and Honduras (32%); Guatemala's largest markets are El Salvador (26%) and Honduras (18%).
- HS 40.11: Costa Rica is a net exporter with a total world market share of 0.2%, and Guatemala is a net importer. The largest markets for Costa Rica are the USA (44%) and Guatemala (18%), while the largest markets for Guatemala are Mexico (51%) and El Salvador (15%).

Caribbean Community

The CARICOM consists of 15 states of the Caribbean; these states are also members of the FTAA. Mercosur's trade agreement with the CARICOM has implications for the following major SACU exports to Mercosur:

Mercosur's Trade Partners	HS Chapters Relevant to SACU	Net Trade	World Market % Share of Exports	Major Markets
Antigua and Barbuda	HS 27.10	Net importer	0.0%	Italy and Guyana
	HS 39.23	Net importer	0.0%	Thailand
Bahamas	HS 25.01	Net exporter	1.1%	USA and Canada
	HS 30.04	Net importer	0.0%	Britain and USA
Barbados	HS 27.10	Net importer	0.0%	Trinidad and Tobago
	HS 30.04	Net importer	0.0%	Jamaica and Trinidad and Tobago
	HS 38.08	Net exporter	0.1%	Trinidad and Tobago and Jamaica
	HS 39.23	Net importer	0.0%	Guyana and Dominica
Dominica	HS 34.06	Neutral	0.0%	St. Lucia and Barbados
	HS 38.08	Net exporter	0.0%	Jamaica and Barbados
Grenada	HS 30.04	Net importer	0.0%	Trinidad and Tobago
Suriname	HS 27.10	Net importer	0.0%	Barbados
	HS 30.04	Net importer	0.0%	Belgium and Netherlands
	HS 38.22	Net exporter	0.0%	Britain
St Kitts and Nevis	HS 29.33	Net exporter	0.0%	Canada

Mercosur's Trade Partners	HS Chapters Relevant to SACU	Net Trade	World Market % Share of Exports	Major Markets
St. Vincent and Grenadines	HS 39.23	Net importer	0.0%	St. Kitts and Nevis and Trinidad and Tobago
Trinidad and Tobago	HS 27.10	Net exporter	0.9%	USA and Jamaica
	HS 39.23	Net importer	0.0%	Jamaica and Barbados

The implications of Mercosur's trade agreement with the CARICOM for SACU's exports to Mercosur are discussed per major SACU's exports category below:

- HS 25.01: Bahamas is a net exporter of salt and commands 1.1% of total world export market. The largest markets for Bahamas are the USA (87%) and Canada (5%).
- HS 27.10: Antigua and Barbuda, Barbados and Suriname are all net importers and insignificant world players in exports. None of these states has any of the Mercosur's members as their major markets for HS 27.10. Trinidad and Tobago is the only CARICOM member worth mentioning in terms of exports of HS 27.10 as it commands 0.9% of total world market and is a net exporter. Trinidad and Tobago's exports are more than all the fellow CARICOM members' exports combined. The largest markets for Trinidad and Tobago are the USA (30%) and Jamaica (15%).
- HS 29.33: St. Kitts and Nevis is a net exporter of HS 29.33 and at the same time an insignificant world player in exports. Canada takes up all their products.
- HS 30.04: Bahamas, Barbados, Grenada and Suriname are all net importers and negligible world players in exports. Bahamas' largest markets are Britain (43%) and USA (30%); Barbados' largest markets are Jamaica (34%) and Trinidad and Tobago (21%); Suriname's largest markets are Belgium (99%) and the Netherlands (1%). All of Grenada's products are exported to Trinidad and Tobago.
- HS 34.06: Dominica exports as much candles as they import. Also, Dominica is a negligible world player in exports. The largest markets for Dominica are St. Lucia (79%) and Barbados (19%).
- HS 38.08: Although Barbados and Dominica are net exporters, they are both negligible world players in exports. Barbados' largest markets are Trinidad and Tobago (19%) and Jamaica (18%); Dominica's largest markets are Jamaica (38%) and Barbados (16%).
- HS 38.22: Suriname is a net exporter and an insignificant world player in exports. All the products are exported to Britain.

- HS 39.23: Antigua and Barbuda, Barbados, St. Vincent and Grenadines, and Trinidad and Tobago are all net importers and negligible world players in exports. Thailand is the largest and only market for Antigua and Barbuda; Barbados's largest markets are Guyana (58%) and Dominica (9%); St. Vincent and Grenadines' largest markets are St. Kitts and Nevis (29%) and Trinidad and Tobago (21%); the largest markets for Trinidad and Tobago are Jamaica (28%) and Barbados (17%).

EFTA

Mercosur's trade agreement with EFTA has implications for the following major SACU exports to Mercosur:

Mercosur's Trade Partners	HS Chapters Relevant to SACU	Net Trade	World Market % Share of Exports	Major Markets
Iceland	HS 27.10	Net importer	0.0%	Denmark and Russia
	HS 30.04	Net importer	0.0%	Germany and Britain
	HS 39.23	Net importer	0.0%	France and Norway
Norway	HS 27.10	Net exporter	1.3%	Britain and Netherlands
	HS 30.04	Net importer	0.1%	Denmark and Sweden
Switzerland	HS 30.04	Net exporter	8.1%	USA and France
	HS 38.08	Net exporter	4.3%	Germany and Italy

The implications of Mercosur's trade agreement with EFTA for SACU's major exports to Mercosur are discussed per major SACU's exports category below:

- HS 27.10: Iceland is a net importer and an insignificant player. Norway is a net exporter and a significant player with a total world market share of 1.3%. The largest markets for Iceland are Denmark (28%) and Russia (19%), while Norway's largest markets are Britain and the Netherlands.
- HS 30.04: Iceland and Norway are both net importers and also, they are not major players. Switzerland is a net exporter and one of the world's leading exporters at 8.1% of total world market. Iceland's largest markets are Germany (55%) and Britain (17%); Norway's largest markets are Denmark (19%) and Sweden (17%); Switzerland's largest markets are USA (16%) and France (10%).
- HS 39.23: Iceland is a net importer and an insignificant world player. The largest markets are France (30%) and Norway (12%).

- HS 38.08: Sweden is a net exporter and a major world player with a total world market share of 4.3%. The largest markets are Germany (12%) and Italy (10%).

The EU

The implications of Mercosur's trade agreement with the EU for SACU's major exports to Mercosur are discussed per major SACU's exports category below [Refer to Appendix 18 for a list of the EU countries and the relevant products at HS 4-digit level]:

- HS 27.10: None of the members of Mercosur are one of the largest markets for the EU exports of liquid fuels. The largest market for the EU is internal. The EU members collectively command at least 36% of total world market share for liquid fuels, and most of the nations are net exporters.
- HS 29.01: The Netherlands is a net exporter and the only major exporter in the EU, with a total world market share of 19.7%. The largest export markets are Belgium (66%) and Germany (16%).
- HS 29.33: Belgium, Denmark, and Ireland are net exporters while France and the UK are net importers of HS 29.33. Outside of the internal market, the USA is the largest market for HS 29.33. These EU members collectively command at least 50% of total world market share.
- HS 30.04: None of the members of Mercosur are one of the largest markets for the EU exports. Denmark, France, Germany, Ireland, Italy, Slovenia, Sweden and the UK are the only net exporters. These members together with net importers collectively account for more than 76% of total world exports. Most of the market is internal, and Russia and the USA are the largest markets outside the Union.
- HS 38.08: France and the UK are the only major exporters. Both are net exporters with a total world market share of 14.9% and 9.7%, respectively. The largest market is internal, and the USA is the largest external market.
- HS 38.22: Ireland is the only major exporter, and net exporter. Ireland's total world market share is 4.8%. The largest markets are the USA (47%) and Germany (30%).
- HS 39.23: Austria, Luxembourg and Spain are the only major exporters, and they are all net exporters with a combined world market share of 4.6%. The largest market is internal of the Union, and Switzerland is the only largest external market.
- HS 40.11: Czech Republic, Finland, France, Luxembourg, Poland, Portugal, Slovenia, Slovakia, and Spain are the only major exporters, and they are all net exporters. These

countries collectively account for more than 22% of total world exports, and the largest market is internal.

NAFTA

Mercosur's trade agreement with the NAFTA has implications for the following major SACU exports to Mercosur:

Mercosur's Trade Partners	HS Chapters Relevant to SACU	Net Trade	World Market % Share of Exports	Major Markets
Canada	HS 27.10	Net exporter	3.7%	USA and Netherlands
	HS 30.04	Net importer	1.0%	USA and Ireland
	HS 39.23	Net exporter	5.6%	USA and Britain
	HS 40.11	Net importer	5.3%	USA and Hong Kong
Mexico	HS 27.10	Net importer	0.9%	USA and Aruba
	HS 30.04	Net importer	0.7%	Bermuda and Venezuela
	HS 39.23	Net importer	4.2%	USA and Pakistan
USA	HS 27.10	Net importer	4.8%	Mexico and Canada
	HS 30.04	Net importer	6.8%	Canada and Britain
	HS 38.22	Net exporter	34.9%	Britain and Japan
	HS 39.23	Net importer	14.4%	Mexico and Canada

The implications of Mercosur's trade agreement with the NAFTA for SACU's major exports to Mercosur are discussed per major SACU's exports category below:

- HS 27.10: Both Canada and the USA are major exporters, and net exporters. Mexico is a net importer. NAFTA members collectively account for more than 9% of total world exports, and the largest market is internal. The largest external markets are the Netherlands and Aruba.
- HS 30.04: The USA is the only major exporter at 6.8% of total world exports, and all the members are net importers. The largest markets are internal, and Ireland and Britain are the largest external markets.
- HS 38.22: The USA is the only major exporter at 34.9% of total world exports, and a net exporter. The largest markets are Britain (18%) and Japan (14%).
- HS 39.23: Mexico is the only net importer, but all three countries are major exporters with a combined world market share of more than 24%. The largest market is internal, while Britain and Pakistan are the largest external markets.

India

Mercosur's trade agreement with India has implications for the following major SACU exports to Mercosur:

- HS 27.10: India is a net exporter and commands 2% of total world market. The largest markets are **Argentina (15%)** and Iran (13%).
- HS 30.04: India is a net exporter and commands 0.8% of total world market. The largest markets are the USA (15%) and Russia (7%).
- HS 38.08: India is a net exporter and commands 2.9% of total world market. The largest markets are the USA (11%) and France (10%).
- HS 40.11: India is a net exporter and commands 1.2% of total world market. The largest markets are the USA (13%) and **Argentina (7%)**.

Outside of the internal Mercosur market, Argentina is already one of India's largest markets for HS 27.10 and HS 40.11. It could be argued that this is happening at the expense of SACU's exports of these products to Mercosur. The Andean Community is a potential threat to SACU's exports of HS 38.08 to Mercosur.

While the same could be said of the Caribbean Community's exports of HS 25.01 to Mercosur, most (92%) of their exports is destined for the NAFTA members, which leaves relatively little to put SACU's exports to Mercosur in peril. On the other hand, NAFTA itself is a definite threat to SACU's exports of HS 27.10, HS 30.04, HS 39.23, and HS 40.11. EFTA has got more than the capacity to stifle SACU's exports of HS 30.04 and HS 30.08 to Mercosur. In case of the EU, HS categories that could be in peril in terms of SACU's exports are more: HS 27.10, HS 29.01, HS 29.21, HS 29.33, HS 30.04 and HS 40.11.

CHAPTER 7

NON-TARIFF BARRIERS (NTBS) IN MERCOSUR COUNTRIES

General

According to reports numerous NTBs exist in Mercosur Countries that have the effect of restricting or discouraging imports into these Countries. The latest reports suggest that the import regime has improved over the last few years but that substantial barriers still exist.

Most of the information in respect of Mercosur has been obtained from

- The WTO Secretariat's Report for Brazil's Trade Policy Review (TPR) of December 2004
- The WTO Secretariat's Report for Paraguay's TPR of March 2005
- The USA Trade Summary Reports in respect of Argentina (2005) and Brazil (2004)
- The EU Market Access Sectoral Database for individual countries
- The Australia Trade Commission's website under 'Doing Business With –' (Country Profiles)
- The Brazil customs tariff as on 25 April 2005
- Shipping agent websites
- A report: "Identification of concrete trade obstacles to be removed through the future WTO negotiations on trade facilitations or other negotiations in the framework of the Doha development agenda: Study for the Market Access Unit of Directorate General Trade European Commission – June 2004" funded by the European Commission (EU Trade Obstacles Report)
- Various government websites

The latest TPR of Argentina took place in 1998 and the information is therefore outdated. The TPR programme for 2005 does not include a TPR of Argentina.

Additional taxes

Brazil:

The following taxes and fees on imports, additional to the customs duty, are payable on imports into **Brazil**.

- **IPI** - Industrial Products Tax: Is levied on most goods and is applied on the duty-paid value. The most common rate is between 10 per cent and 20 per cent, assessed on the duty-paid value.
- **ICMS** - Merchandise Circulation Tax: Is also levied and varies from state to state. In Sao Paulo, for example, it is 18 per cent levied on the aggregate of the duty-paid value plus the IPI.
- **PIS** - Social Integration Program Tax
- **COFINS** - Contribution for the Financing of Social Security
- Merchant Marine Renewal Fee of 25 per cent of freight cost.
- Warehousing charges begin at one per cent for five days and increase progressively up to 1.5 per cent for each period of 10 days after 20 useful days of storage.
- Port and dock charges vary based on the types of goods and their FOB value (Incoterms 2000), rates range from 3 per cent to 12 per cent.
- SISCOMEX Fee: Fixed fees in *Reals* for each import declaration, averaging US\$20.
- A bank charge must be paid at the Bank of Brazil. The rate averages US\$50.
- Clearance agent's charge of two per cent, levied on the CIF value (Incoterms 2000).
- Bank fees covering letter of credit emissions and document handling may reach three per cent of the FOB price.

(Source: Australian Trade Commission's website: Brazil Profile: Doing Business with--).

Some products, including most chemicals, pharmaceuticals and fertilizers are exempt from the IPI.

The IPI, PIS and COFINS are central government taxes that are applied equally to domestically produced and imported goods. The ICMS is a state (provincial government) tax that varies from state to state. It is levied on both intrastate and interstate transactions and is assessed on every transfer or movement of merchandise. The interstate tax is the rate applicable in the State of destination. The ICMS on domestic products is levied on the ex-factory price of the product plus the IPI. It is levied on the c.i.f. value of imports, plus duties and IPI. The tax is paid to the State of entry, at the time of entry.

These taxes apply incrementally and therefore have a cascading effect. The rates applicable on the importation of acetone of subheading 2914.11 are as follows:

IPI: 0 (Chemicals generally exempted; 15% on plastics and tyres)

PIS: 1.65%
 COFINS: 7.6%
 ICMS: 18% in Sao Paulo and 12% in most other states. The ICMS is in effect a tax on value added as it can be claimed back by the importer at the point of sale and is included in the final price to the end-user.

The following are two examples of the duties and other taxes on acetone and on plastic self-adhesive plates, sheets etc. It also shows how the duties/taxes are calculated:

Country of Import	BRAZIL	Country of Export	UNITED STATES
HS Number	29141100 Acetone		

Transaction Level Taxes

Tax Name	Tax Formula	Group
SISCOMEX Customs Fee	30 BRL PER TRANSACTION	default
AFRMM (Maritime Merchant Renewal Fee)	25% of ocean freight charges. Manual calculation	default

Item Level Taxes

Tax Name	Tax Formula	Group
DUTY	12% of CIF Value of Goods.	default
IPI (Industrial Products Tax)	0% of (CIF + DUTY)	default

PIS (Contribution to the Social Integration Program Tax) 1.65%. Formula: $\{[(\text{PIS rate} \times \text{CIF} \times (1 + \text{ICMS rate} \times (\text{Duty rate} + \text{IPI default rate} \times (1 + \text{Duty rate}))) + (\text{Customs Expenses} \times \text{ICMS rate})] / (1 - \text{PIS rate} - \text{COFINS rate} - \text{ICMS rate})\}$. Note: Default rate. A lower PIS rate may apply. The formula variable Customs Expenses, is including only the elements CIDE tax when applicable and Siscomex fee.

COFINS (Contribution to the Financing of Social Security Tax)	7.6%. Formula: $\frac{((\text{COFINS rate} \times \text{CIF} \times (1 + \text{ICMS rate} \times (\text{Duty rate} + \text{IPI rate} \times (1 + \text{Duty rate})))) + (\text{Customs Expenses} \times \text{ICMS rate}))}{(1 - \text{PIS rate} - \text{COFINS rate} - \text{ICMS rate})}$. Note: Default rate. A lower COFINS rate may apply. The formula variable Customs Expenses, is including only the elements CIDE tax when applicable and Siscomex fee.	default
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ICMS (Merchandise Circulation Tax)	17% of $((\text{CIF} + \text{Duty} + \text{IPI} + \text{PIS} + \text{COFINS} + \text{Customs Expenses}) / (1 - 0.17))$. Note: Default rate. A lower or higher ICMS rate may apply. The formula variable Customs Expenses, is including only the elements CIDE tax when applicable and Siscomex fee. (Province Code is not provided. To display this tax, province AC is used. Correct tax value would depend on the actual Province code)	default
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Source: A USA government website

Country of Import	BRAZIL	Country of Export	UNITED STATES
HS Number	39199000 Others		

Transaction Level Taxes

Tax Name	Tax Formula	Group
SISCOMEX Customs Fee	30 BRL PER TRANSACTION	default
AFRMM (Maritime Merchant Renewal Fee)	25% of ocean freight charges. Manual calculation	default

Item Level Taxes

Tax Name	Tax Formula	Group
DUTY	16% of CIF Value of Goods.	default
IPI (Industrial Products Tax)	15% of (CIF + DUTY)	default

PIS (Contribution to the Social Integration Program Tax)	1.65%. Formula: $\frac{((\text{PIS rate} \times \text{CIF} \times (1 + \text{ICMS rate} \times (\text{Duty rate} + \text{IPI rate} \times (1 + \text{Duty rate})))) + (\text{Customs Expenses} \times \text{ICMS rate}))}{(1 - \text{PIS rate} - \text{COFINS rate} - \text{ICMS rate})}$. Note: Default rate. A lower PIS rate may apply. The formula variable Customs Expenses is including only the elements CIDE tax when applicable and Siscomex fee.	default
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<p>COFINS (Contribution to the Financing of Social Security Tax)</p>	<p>7.6%. Formula: $\{[(\text{COFINS rate} \times \text{CIF} \times (1 + \text{ICMS rate} \times (\text{Duty rate} + \text{IPI rate} \times (1 + \text{Duty rate}))) + (\text{Customs Expenses} \times \text{ICMS rate})] / (1 - \text{PIS rate} - \text{COFINS rate} - \text{ICMS rate})\}$. Note: Default rate. A lower COFINS rate may apply. The formula variable Customs Expenses, is including only the elements CIDE tax when applicable and Siscomex fee.</p>
<p>ICMS (Merchandise Circulation Tax)</p>	<p>17% of $((\text{CIF} + \text{Duty} + \text{IPI} + \text{PIS} + \text{COFINS} + \text{Customs Expenses}) / (1 - \text{default rate}))$. Note: Default rate. A lower or higher ICMS rate may apply. The formula variable Customs Expenses, is including only the elements CIDE tax when applicable and Siscomex fee. (Province Code is not provided. To display this tax, province AC is used. Correct tax value would depend on the actual Province code)</p>

Although these taxes are applicable to both domestically produced and imported goods and are therefore not discriminatory, it is alleged that most manufacturers avoid paying the taxes or at least as much as possible thereof. Importers are assessed at one point and cannot avoid the tax. In the case of domestic goods, the IPI is levied at the point of sale while the ICMS is levied at the point of transfer/movement of goods. In that sense these taxes in practice have an effect on the relative competitiveness of domestic and imported goods.

It also appears that these taxes may have a discriminatory effect on imported goods in the sense that they are applied on a compounded basis at the point of importation while they seem to be applied individually on domestically produced goods. For instance, in the case of imported goods, the ICMS is applied on (CIF + Duty + IPI + PIS + COFINS + Customs Expenses).

Finally, in some cases exemptions are granted by states on certain products while the tax is still payable on imports. However, additional taxes are automatically levied on products that contain alcohol because such products could potentially be used as fuel.

The following is a comment received from a South African manufacturer who wanted to export to Brazil:

“Besides the difficulties that the customs people normally present when products have to be cleared through them - especially when they are products where there are big manufactures in country - they definitely make life difficult for the importing agent.

To give you some details, upon arrival in Brazil, we have to pay (calculated on CIF total): 18% import duties, and on top of that:

- *15% import duties because it is an industrial product (IPI),*
- *plus USD\$ 24.00 authorities tax,*
- *plus 18% VAT, calculated over all above*
- *plus USD\$ 200,00 'port intermediary' costs (dispachante) clearing agent*
- *plus USD 54,00 for 'warehousing' (because it takes at least a week to clear it from customs)*

The mentioned percentages are all cumulative!

So you see... maybe that is why you have no distributor yet in Brazil, because Brazilians are discouraged to import, and encouraged to produce and export”.

Various other calculations of the total cost of imports into Brazil have been obtained. The following one from a shipping company is an example:

Hypothetical Cost Buildup for an Imported Product in US\$			
FOB Price of Product	\$	10,000	As per commercial invoice
Freight & Insurance	\$	1,400	12% and 2% respectively
C.I.F. Cost	\$	11,400	Sum of FOB Price and Freight
Import Duty	\$	2,280	2% of C.I.F.
I.P.I	\$	1,641	12% on C.I.F plus import duty
I.C.M.S.	\$	2,757	18% on sum of C.I.F., import duty and I.P.I.
AFRMM	\$	300	Merchant Marine Tax - 25% of Ocean Freight
Warehousing & Expediter	\$	74	0.65% of C.I.F.
THC	\$	315	(Santos) Average - Lower in some ports
Customs Broker's Union	\$	228	Compulsory 2% of C.I.F. or min. of \$140, max of \$280
Customs Broker's Fee	\$	700	Average
Bank Costs	\$	200	1% - 3% of FOB
Final Cost	\$	19,896	Estimated final cost at Santos

* Note: FOB value, insurance, freight, bank charges, IPI and duties are all estimates.

In the example above, the final cost amounts to

- 99% additional to the FOB value; and
- 74.5% additional to the CIF value.

Argentina:

The following additional taxes are payable on imports into Argentina:

- A statistical tax of 0.5 per cent applies for non-Mercosur countries.
- Importers must pay 21 per cent value added tax (VAT), which also applies to locally produced goods.
- Importers also pay an additional nine per cent advance payment of VAT and a three per cent withholding tax on anticipated profits which are both tax credits on production of the VAT return.

(Source: Australian Trade Commission website).

Policy unpredictability

According to information obtained from various sources, trade policy measures and other measures in Brazil and Argentina change regularly (even from day to day) and are unpredictable. Some measures are not published or information on the measures is not readily available. Exporters and importers experience great uncertainty about applicable measures. It is stated that the domestic industries have very substantial lobbying influence that can lead to changes overnight without prior notice. Recent reports, however, suggest that the situation has improved in certain areas, such as the publication of the list of products subject to licensing.

According to the US Trade Summary Report on Argentina (2005):

“Argentina made significant progress in reducing tariffs and non-tariff barriers during the 1990’s, including in the areas of investment and government procurement. Starting in late 2000, however, the government implemented new trade policies and overturned old trade policies frequently enough to foster uncertainty and confusion in the exporting and importing community.”

Import restrictions

Brazil and Argentina prohibit the importation of used tyres.

Import licensing

Imports into Brazil under 1 526 out of 2 928 chemicals tariff lines are subject to special, non-automatic, licensing provisions.

The list is available on the website <http://www.desenvolvimento.gov.br/> . Non-automatic licensing applies to 62 out of the 98 products on the SACU Offensive list in Appendix 14 of this Report, including priority products such as –

HS code	Product
2809.20.19	Phosphoric acid
2914.11.00	Acetone
2933.69.90	Triazine derivatives
3305.90.00	Other preparations for use on the hair
3402.20.00	Organic surface-active agents etc: Other preparations put up for retail sale
3808.10.00	Insecticides
3808.20.90	Other pesticides
3808.30.05	Herbicides, with atrazine as active ingredient
3808.30.80	Other plant growth regulators and anti sprouting products
3917.40.00	Fittings (for tubes, pipes and hoses)
3919.90.00	Other self-adhesive plates of other plastics

A non-automatic license must be obtained prior to shipment of products subject to such licensing. Such products include solvents (e.g. ketones) that could potentially be used in the illicit drug trade. A full list of products under non-automatic licensing in Brazil is shown in [Appendix 21](#).

It has been reported that applications for licenses often remain indefinitely pending and the shipment eventually gets stranded at the port of entry.

Requests for a license must be registered in the SISCOMEX (the computerised system through which customs clearance and import licensing operations are processed) by the importer directly from his/her office or through banks, exchange brokers, or customs clearance forwarders. No specific forms need to be presented, the computerised registry of the operation is sufficient. Through the SISCOMEX, the importer may follow the progress of his/her licence request. Importation without a licence is subject to a fine equivalent to 30% of the customs value of the goods, or of 10% or 20% if the merchandise is shipped after the import licence has expired.

Automatic licences are granted within ten days from the date of registry with SISCOMEX (Ministerial Act of 1 December 2003) provided requests are adequate and complete.

Non-automatic licences are granted within 60 days, also in terms of the abovementioned Ministerial Act.

The time allowed, particularly for the issuing of non-automatic licences, seems to be extraordinary long.

Both types of licence have a maximum validity of 60 days; extensions may be requested, before expiry of the licence. The SISCOMEX will automatically cancel a licence if it has not been used within 90 days of issuance. However, there is no penalty for non-utilization or partial utilization of a licence. Licences are not transferable between importers.

Applications for licence may be refused if they do not meet the requirements contained in the legislation. Applicants will be informed of the reasons for any refusal, and have the right to appeal before the licensing authority. The importer does not need to present the import licence for customs procedures. There are no licensing fees or administrative charges, nor deposit or advance payment requirements associated with the issue of licences. Imports from all sources, including Mercosur, are subject to the same import licensing treatment. (Source: Technical information obtained from the WTO Secretariat's Report for the Trade Policy Review (TPR) of Brazil. The TPR was finalised in December 2004. The information has been condensed. The Report contains extensive references to the relevant legislation).

Trade remedies

Brazil and Argentina are major users of trade remedies. The following table shows the total number of anti-dumping investigations initiated during the period 1995 to 31 December 2004 and the shares of Argentina, Brazil and South Africa. It also shows the statistics for chemicals and plastics/rubber products separately.

Anti-dumping investigations initiated: 1995 to 2004

Country	Initiations: Total	Initiations: Chemicals	Initiations: Plastics/Rubber
Argentina	192	26	16
Brazil	116	33	26
South Africa	173	26	26
All countries	2 646	532	338
Share of total:			
Argentina	7.3%	4.9%	4.7%
Brazil	4.4%	6.2%	7.7%
Share of country's total investigations:			
Argentina	100.0%	13.5%	8.3%
Brazil	100.0%	28.4%	22.4%
All countries	100.0%	20.0%	12.8%

Source: WTO website

Paraguay and Uruguay have imposed one anti-dumping duty each.

It will be noted that Brazil's number of anti-dumping initiations in the chemicals and plastics/rubber sectors as a percentage of all its initiations, substantially exceeds the average for all countries.

Argentina applied 4 and Brazil 6 countervailing measures against subsidies out of a total of 108 measures during the period 1995 to 2004. None of the measures of these two countries was in respect of chemicals, plastics or rubber products.

Brazil applies safeguards on toys and coconut. Argentina applied safeguard measures on footwear but had to withdraw that after being successfully challenged under the WTO dispute resolution procedures.

It can be concluded that chemicals, plastics and rubber products exports by SACU to especially Brazil would be exposed to anti-dumping action.

Customs procedures and delays

Most reports list the customs clearing system in Argentina and Brazil to be difficult, cumbersome and causing long delays. This seems to be a major problem in regard to exports to these countries although the situation in respect of Brazil seems to be improving.

The time taken for imports to clear customs is very long which is costly in terms of interest lost and the cost of warehousing.

The following table presented at a UNCTAD – World Bank Trade Facilitation Seminar, May 2004, shows a comparison of the number of days for imports and exports to clear customs in Brazil compared to India, China and Bangladesh:

	Brazil	India	China	Bangladesh
Days to clear customs: <u>Imports</u>				
Average	14.0	7.1	7.9	11.7
Longest	32.0	12.8	12.5	23.2
Days to clear customs: <u>Exports</u>				
Average	8.7	5.4	5.4	8.8
Longest	16.8	8.0	8.0	14.0

Another comparison at the same Seminar shows port transit times as follows. (There are differences in the number of days, particularly in respect of India, which can be explained by the fact that the results are from different studies and that one measures customs clearance and the other port transit times):

Port transit times (days):

	Brazil	India	China	Malaysia
Import: Average	13.8	10.4	7.5	3.4
Longest	32.4	21.6	12.2	7.4
Export: Average	8.4	6.1	6.6	2.6
Longest	16.9	9.3	8.1	6.1

Source: World Bank, Investment Climate Assessments

The following is a summary of the Brazil customs procedures from the WTO TPR of December 2004:

Importers must submit to Customs an import declaration (ID), processed through SISCOMEX, which must contain the identification of the importer, and the identification, classification, customs value, and origin of the imported merchandise. The ID must be accompanied by: an import licence, when required (non-automatic licence required for chemicals, plastics and tyres); a commercial invoice indicating the f.o.b. price, unit price, gross and net weight, itemized freight and all other expenses, and total c.i.f. value; a certificate of payment of duties; and a bill of lading. Import duties are paid when the ID is registered with SISCOMEX.

All imported goods are subject to control of their customs value; this is defined as the verification of the conformity of the value declared by the importer with the rules. The customs value is generally the transaction value.

When there are clear indications of fraud involving the declared value, the procedures in Article 88 of Provisional Measure No. 2,158-35 of 24 August 2001 are used. These specify that the import price must be determined using, in this sequential order: the export price of identical or similar goods; or the price of the good in the international market, based on quotations, price lists, or one of the methods listed in the CVA, or through a determination made by a specialised entity. If fraud is proven, an administrative fine equivalent to 100% of the difference between the declared price and the price effectively paid is applied. The importer also has to pay the corresponding import duties and any legal costs.

According to a shipping agent's website that quotes the USA Government as source, penalties in the case of incorrect values are severe. Their description of the situation is as follows:

“Brazil imposes fines and penalties for violation of customs, exchange, and consular regulations. These fines and penalties are severe, especially in cases of fraud, and where the complicity of the exporting firm is proven. Fines may also be incurred for violations or errors in preparation of documents.

When goods that require import license are imported without this documentation, there is a fine of up to 100 percent of the c.i.f. value of the merchandise.

When a commercial invoice is absent, the fine is equal to the customs duty. If the original commercial invoice is not available for presentation at customs, the importer can sign a guaranty of responsibility that it will be presented within 120 days. Failure to present the invoice before expiration of the guaranty of responsibility could result in a fine equal to the customs duty.

For under-invoicing, over-invoicing, or otherwise misrepresenting the value of an import, there is a fine of up to 100 percent of the excess or deficiency. If the value declared by the importer is judged to be false, there will be a fine of at least 50 percent of the difference between the duty declared by the importer and that verified. If the appraised value exceeds the invoice value by more than 10 percent, there is a fine of 100 percent of the value of misrepresentation; the fine is 50 percent if the value of misrepresentation is between 5 and 10 percent. There is no fine in cases of error in weight or quantity, but rules are strict. It is essential that shippers prepare documents completely and carefully.

Failure to make a separate declaration on the invoice of the net weight and value of drums or other containers that have been used in shipping the merchandise may subject Brazilian importers to heavy fines.

When customs officials challenge the declared value of imported goods, they have eight days to establish a new valuation. The importer then has 30 days to protest the new value and a decision must be rendered within another 30 days. While the value is in dispute, the importer's declared value is provisionally accepted for the purpose of clearing the goods, but the importer must post bond or make a deposit covering the claimed differences, pending a final determination of the dutiable value.

Appeals concerning the valuation of imported merchandise are heard by SECEX. If the final decision is against the importer, the importer must pay a fine between 50-100 percent of the difference between the declared value and the verified value.”

Reference prices/minimum import prices

Brazil, Argentina and Uruguay applied reference pricing for customs valuation purposes in the past in respect of certain products. The practice is still continuing albeit unofficially.

The European Union requested consultations on 14 October 1999, under the WTO dispute settlement mechanism, regarding **Brazil's** establishment of minimum prices, which were allegedly applied systematically at the border, either to obtain an import licence or as the basis to calculate the customs value. The United States joined this consultation on 27 October 1999. There have been no developments on the matter in the WTO during the period under review (Brazil TPR Report). According to the TPR Report in respect of Brazil, the authorities gave an assurance that reference pricing was not applied.

According to the EU Market Access Database, since the beginning of 1999, **Argentinean** legislation implemented a new customs control procedure aimed at reacting against under-invoicing of imports called canal morado. It consists of the calculation of custom duties, for goods whose declared value is below an indicative value contained in the customs information system (Sistema Informatico Maria - SIM), or for which there are other reasons to suspect under-invoicing, according to this indicative value and regardless of the declared value of the goods. These reference values are not published, neither are the criteria or parameters used to define them. The difference between declared values and customs values is in many cases substantial: in a case regarding EC exports the reference value was double compared to the declared value. It therefore seems that the system is established mainly for protectionist, not administrative, purposes.

For clearance to be authorised for goods below the reference value, the customs request a cash deposit or bank guarantee amounting to the difference between the duty calculated on the basis of the declared value and the duty calculated on the basis of the reference value. In order to release the deposit or guarantee, the importer has to submit documentation showing that the

declared value is the actual price paid for the goods. The authorities will examine the file and eventually release the guarantee. However, the examination of the file can take from 65 up to a maximum of 250 days leading to additional costs to the importer.

Rules of origin

MERCOSUR origin is determined using general or specific rules. Under the general MERCOSUR rules, products must fulfil at least one of the following requirements to be conferred MERCOSUR origin: (a) they must be wholly obtained or produced in MERCOSUR; and (b) if non-originating materials are used in the production of the good, a change of tariff heading must take place, or the c.i.f. value of inputs from third countries must not exceed 40% of the f.o.b. value of the final product.

Specific rules apply to chemicals, steel, telecommunications, and informatics products.

In MERCOSUR's free-trade agreement with Chile, the general criterion is change in tariff classification. If this is not possible, origin is conferred if the c.i.f. value of non-originating materials does not exceed 40% of the f.o.b. export value of the final good. Appendix 1 (a) to the Agreement establishes special rules of origin for products in **Chapters 28 and 29** of the Harmonized System. These goods must fulfil the criterion of change in tariff heading and regional content.

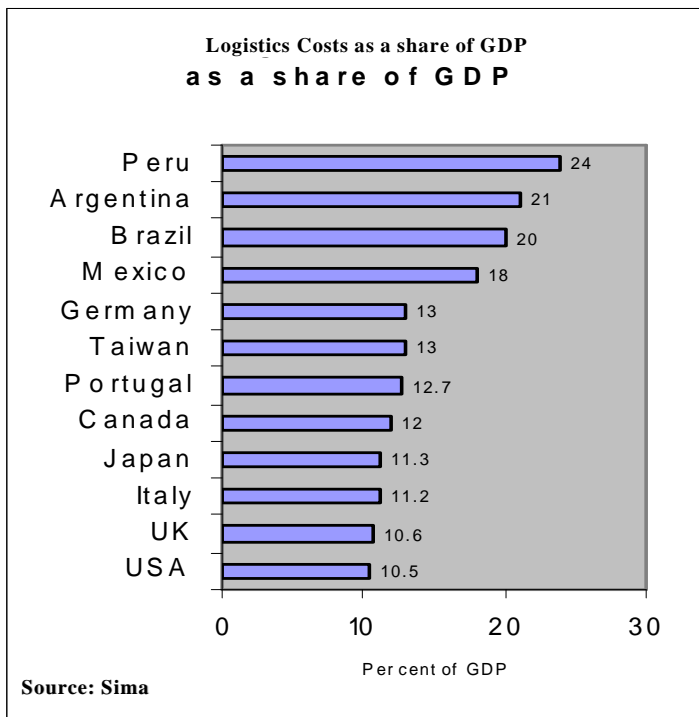
The percentage imported materials allowed in the above cases (if the change in tariff heading - CTH - rule cannot be complied with) is quite strict and can have the effect of a non-tariff barrier.

The rules of origin for industrial products in the SACU-Mercosur PTA are still to be finalised. SACU is proposing list rules based on the intended SACU-EFTA FTA where the CTH rule has an added flexibility and the value addition rule is more liberal, namely 50% imported materials. (See section on EFTA NTBs).

Logistics cost

Logistics costs in Argentina and Brazil are very high. According to information from the May 2004 UNCTAD – World Bank Trade Facilitation Seminar, logistics cost as percentage of GDP is

21% in Argentina and 20% in Brazil compared to 13% in Germany, 10.6% in the UK and 10.5% in the US.



The relatively high logistics cost is compounded by the general shortage of shipping lines from SACU to Mercosur countries. And furthermore, certain ports do not allow trans-shipping of products. In case of trans-shipping of hazardous cargo, transportation permits are required from the countries that would have to be crossed. For example, a consignment of ammonium nitrate from SACU to Paraguay would have to be transhipped through Argentina, Brazil or Uruguay from whom transshipping permission must be obtained.

Labelling requirements

Under the Brazilian Customer Protection Code, in effect since 1990, product labelling must provide the consumer with correct, clear, precise, and easily readable information about the product's quality, quantity, composition, price, guarantee, shelf life, origin, and risks to the consumer's health and safety. Imported products must bear this information in Portuguese, and indicate the country of origin. In addition, all labels must contain the brand or name of the manufacturer. In general, this applies to fast moving consumer goods.

Standards

Since 2000, Brazil has developed approximately 1,700 standards, of which 19% were adoptions of ISO or IEC standards without any change. The remaining standards were either purely domestic initiatives or adaptations of international standards. The reason for adopting international standards are generally that they cannot be adopted without change due to climatic or geographical factors, levels of protection assessed as insufficient, or technological problems. A large number of technical regulations have been issued and notified to the WTO. Notifications cover various sorts of regulations by different agencies and include MERCOSUR regulations. In 2001, 29 technical regulations were notified; in 2002, the number rose to 34, and in 2003 to 71.

In 2001, INMETRO signed a Mutual Recognition Arrangement on Calibration and Testing Laboratory Accreditation Procedures with several foreign counterparts, including South Africa. The agreement entered into force on 31 January 2001. The situation with other SACU countries is not known in this regard.

No national treatment limitations apply to foreign certification bodies. There are 35 certification bodies accredited for quality systems, of which 27 are Brazilian and eight foreign (from Argentina, Italy, the United States, Uruguay, and Venezuela); 32 bodies are accredited for product certification (of which only two foreign, from Argentina and Uruguay); and there are 24 environmental systems management accreditation bodies, of which eight are foreign (from Argentina, Italy, the United States, and Uruguay).

Certification is generally voluntary in Brazil. Products and services subject to mandatory certification are those that may affect consumer health, safety or the environment. As at January 2004, 35 products were subject to mandatory certification, including buses, steel bars; fuses and cables; baby bottles; PVC hoses for gas; parts for vehicles; tyres; plastic containers; preservatives; some types of electrical equipment; some kinds of electro-medical equipment; oil filters; glass panes for vehicles; and matches.

Government procurement

Brazil

Brazil is not a party to the WTO Plurilateral Agreement on Government Procurement. Although, in general, treatment is afforded national to foreign suppliers legally established or represented in Brazil, domestic law grants preferential treatment for telecommunications and informatics products developed within Brazil. While fostering the development of the targeted industries, procurement preferences might increase the cost of government services.

In order to qualify for government contracts, suppliers must be legally established or represented in Brazil. Foreign firms without operations in Brazil and involved in international tenders need legal representation in the country or to be associated with a Brazilian firm (at least 51% Brazilian capital participation and operational control).

Paraguay

Paraguay is not a signatory to the WTO Plurilateral Agreement on Government Procurement. A new public procurement law was enacted in 2003 to make the procurement process more transparent and predictable. International bidding is used only when no local suppliers are deemed to exist, or a treaty so requires. Participation by foreign firms may also be conditional on their home countries providing reciprocal treatment to Paraguayan firms.

Paraguayan companies whose products have more than 50 per cent local content may be granted a margin of preference of up to 10 per cent. Public tendering is classified as either local or international. The former is limited exclusively to natural or legal persons domiciled in Paraguay, while the latter is open to participation by natural or legal persons, whether or not they are domiciled in Paraguay. International tenders are used only in one of the following cases:

- where required by an international treaty;
- where stipulated in agreements with international organizations;
- where, following investigation by the UOC, no Paraguayan suppliers are found to supply goods and services of the quality required or where the price of such goods or services is not "suitable"; or
- where no proposal has been submitted in a local tendering procedure.

Export taxes

Argentina, Brazil and Paraguay levy export taxes on certain product categories, including leather and skins. The authorities note that Brazil applies export tax to ensure domestic market supply (in the cases where taxes are applied to all countries) and to control the regularity of the commercial flow (when they are targeted to specific markets).

Export taxes are not applied to chemicals, plastics and rubber products.

Intellectual property rights

Argentina and Brazil are on the USA's IPR "Priority Watch List" of 14 countries for due to continuous serious concerns about copyright and trademark infringements, inadequate enforcement of intellectual property rights, and the need to greatly improve the processing of patent applications in a manner that is consistent with their international obligations. This is according the 2005 Special 301 Report.

CHAPTER 8

IDENTIFICATION OF TRADE OPPORTUNITIES FOR SACU CHEMICAL COMPANIES IN MERCOSUR

This section identifies trade opportunities for SACU chemical companies on two bases. In the first case, Mercosur's imports of particular products at a value beyond R 1 billion annually at HS 4-digit level have been used as the basis for attractiveness. In the second case, the top 10 products per sub-sector at which SACU is globally competitive in exports, but are relatively small in Mercosur imports, are used as the basis for attractiveness. Potential trade opportunities are discussed per sector below.

Major Mercosur imports categories
Chapter 28

The following table is a summary of Mercosur's major Chapter 28 imports at HS 8-digit level:

Product HS Code	Description	Average Annual Global Imports	Mercosur Manufacturing	Tariff Duty
HS 28.09.20.19	Phosphoric acid	R 400 million	Insignificant	4%
HS 28.15.12.00	Soda lye	R 400 million	Insignificant	8%
HS 28.36.20.10	Disodium carbonate, anhydrous	R 400 million	Insignificant	10%

Chapter 29

A comprehensive list of Mercosur's major Chapter 29 imports at HS 8-digit level is found in [Appendix 19](#). Other major products of chapter 29 are:

- Formic acid [HS 29.15.11.00] – 12% tariff duty
- Acetic acid [HS 29.15.21.00] – 12% tariff duty
- Vinyl acetate [HS 29.15.32.00] – 12% tariff duty
- Other acetic acid esters [HS 29.15.39.99] – 12% tariff duty
- Other acids, their salts and esters [HS 29.15.60.29] – 2% tariff duty
- Other acyclic monocarboxylic acids, saturated [HS 29.15.90.90] – 2% tariff duty

- Other amine-function compounds [HS 29.21.19.99] – 2% tariff duty
- Ethylenediamine and its salts [HS 29.21.21.00] – 2%
- n-Phenyl-p-phenelynediamine (4-Aminophenylenediamine) and its salts [HS 29.21.51.35] – 2% tariff duty
- Other amine-function compounds, aromatic, and salts and derivatives thereof [HS 29.21.59.90] – 2% tariff duty
- Other amino-alcohols, salts and esters [HS 29.22.19.99] – 2% tariff duty
- Lysine [HS 29.22.41.10] – 12% tariff duty
- Other amino acids, salts and esters [HS 29.22.49.90] – 2% tariff duty
- Other amino-alcohol-phenols and other amino compounds with oxygen function [HS 29.22.50.99] – 2%

Chapter 30

A comprehensive list of Mercosur's major Chapter 30 imports at HS 8-digit level is shown in [Appendix 20](#). Global imports are dominated by vaccines [HS 30.02] and end dosage form medicaments [HS 30.04].

Chapter 31

The following table is a summary of Mercosur's major Chapter 31 imports at HS 8-digit level:

Product HS Code	Description	Average Annual Global Imports	Mercosur Manufacturing	Tariff Duty
HS 31.02.10.10	Urea with more than 45% Nitrogen	R 900 million	Insignificant	6%
HS 31.02.21.00	Ammonium sulfate	R 700 million	Insignificant	4%
HS 31.03.10.30	Superphosphates	R 400 million	Insignificant	6%
HS 31.04.20.10	Potassium chloride	R 100 million	Insignificant	0%
HS 31.04.20.90	Other chlorides of potassium	R 3 billion	Insignificant	0%
HS 31.04.30.10	Potassium sulfate	R 50 million	Insignificant	0%
HS 31.05.30.10	Diammonium hydrogenorthophosphate (diammonium phosphate)	R 100 million	Insignificant	6%
HS 31.05.40.00	Ammonium dihydrogenorthophosphate (mono-ammonium phosphate)	R 1 billion	Insignificant	6%

Chapter 38

The following table is a summary of Mercosur's major Chapter 38 imports at HS 8-digit level:

Product HS Code	Description	Average Annual Global Imports	Mercosur Manufacturing	Tariff Duty
HS 38.08.10.29	Other insecticides	R 400 million	Significant	8%
HS 38.08.20.29	Other fungicides	R 300 million	Significant	8%
HS 38.08.30.23	Herbicides based on glyphosate and its salts	R 100 million	Significant	14%
HS 38.08.30.29	Other herbicides	R 600 million	Significant	8%

Chapter 39

The following table is a summary of Mercosur's major Chapter 39 imports at HS 8-digit level:

Product HS Code	Description	Average Annual Global Imports	Mercosur Manufacturing	Tariff Duty
HS 39.07.20.20	Polyether-polyols, in primary forms	R 70 million	Significant	2%
HS 39.07.20.39	Other polyether-polyols, in primary forms	R 400 million	Significant	14%
HS 39.07.30.28	Epoxide resins, liquids and pastes	R 80 million	Significant	14%
HS 39.07.40.00	Polycarbonates in primary forms	R 100 million	Significant	14%
HS 39.07.60.00	Polyethylene terephthalate in primary forms	R 700 million	Significant	14%
HS 39.07.99.19	Polybutylene terephthalate in other primary forms	R 70 million	Significant	2%
HS 39.07.99.99	Other polyesters in primary forms	R 100 million	Significant	14%
HS 39.26.30.00	Fittings for furniture, coachwork or the like	R 100 million	Significant	18%
HS 39.26.90.40	Laboratory ware of plastics	R 90 million	Significant	18%
HS 39.26.90.90	Other articles of plastic	R 600 million	Significant	18%

Chapter 40

The following table is a summary of Mercosur's major Chapter 40 imports at HS 8-digit level:

Product HS Code	Description	Average Annual Global Imports	Mercosur Manufacturing	Tariff Duty
HS 40.02.19.19	Other, of Styrene-butadiene rubber in other primary forms	R 100 million	Significant	12%
HS 40.02.20.90	Of butadiene	R 100 million	Significant	12%
HS 40.02.39.00	Other, of isobutene-isoprene	R 200 million	Significant	2%
HS 40.02.49.00	Of chloroprene (chlorobutadiene)	R 100 million	Significant	2%
HS 40.11.10.00	Tyres, of a kind used on motor cars (including station wagons and racing cars)	R 300 million	Significant	16%
HS 40.11.20.90	Tyres, of a kind used on buses and lorries	R 700 million	Significant	16%
HS 40.16.93.00	Gaskets, washers, and other seals	R 500 million	Significant	16%
HS 40.16.99.90	Other articles of rubber	R 400 million	Significant	16%

Major SACU exports not represented in Mercosur

This section shows the major export products that SACU is globally competitive in, but limited to only those that are significant Mercosur global imports. The products are shown below are arranged in the numeric order of HS chapters:

Product HS Code	Description	Average Annual Global Imports	Mercosur Manufacturing	Tariff Duty
HS 28.35.26.00	Other calcium phosphates	R 40 million	Significant	10%
HS 33.02.10.00	Of a kind used in the food or drink industries	R 100 million	Significant	14%
HS 33.05.90.00	Other preparations for use on the hair	R 50 million	Significant	18%
HS 33.06.90.00	Preparations for oral/dental hygiene	R 20 million	Significant	18%
HS 33.07.90.00	Other, household	R 20 million	Significant	18%
HS 34.02.20.00	Preparations put up for retail sale	R 20 million	Significant	18%
HS 38.14.00.00	Organic composite solvents and thinners	R 30 million	Significant	14%
HS 38.15.12.00	With precious metal or precious metal compounds as active substance	R 100 million	Significant	12%
HS 38.22.00.00	Composite diagnostic or laboratory	R 800 million	Insignificant	2%

Product HS Code	Description	Average Annual Global Imports	Mercosur Manufacturing	Tariff Duty
	reagents			
HS 39.01.10.00	Polyethylene having a specific gravity of less than 0.94	R 300 million	Significant	14%
HS 39.02.30.00	Propylene copolymers	R 100 million	Significant	14%
HS 39.07.60.00	Polyethylene terephthalate	R 700 million	Significant	14%
HS 39.17.39.00	Other tubes, pipes, hoses, and fittings of other plastics	R 70 million	Significant	16%
HS 39.17.40.00	Fittings	R 90 million	Significant	16%
HS 39.18.10.00	Floor, wall, and ceiling coverings, of polymers of vinyl chloride	R 50 million	Significant	16%
HS 39.19.90.00	Other self-adhesives plates of other plastics	R 300 million	Significant	16%
HS 39.24.10.00	Tableware and kitchenware of plastics	R 40 million	Significant	18%
HS 40.10.19.00	Conveyor or transmission belts or belting, of vulcanized rubber	R 30 million	Significant	14%

CHAPTER 9

CONSIDERATIONS FOR THE OFFENSIVE AND DEFENSIVE STRATEGIES FOR SACU COUNTRIES

Offensive strategy for SACU

From SACU's perspective an offensive strategy should target the removal of tariff duties and non-tariff barriers.

Tariff duties

Most of SACU's major export products to Mercosur face relatively high tariffs in Mercosur. Even though ammonium nitrate is at zero percent tariff duty, it is notoriously difficult to transport to the extent that the lack of tariff protection is not a good enough incentive for SACU manufacturers. The only tariffs protected at a reasonable level are the other sulphates and unsaturated acyclic hydrocarbons as well as diagnostic or laboratory reagents, all at 2%. For the rest of the tariff duties, which go as high as 18% for sacks and bags, Mercosur should be encouraged to bring them down to lower levels. A comprehensive SACU offensive list is available in [Appendix 14](#).

Non tariff barriers

Exports to Mercosur face numerous non-tariff barriers to trade including additional taxes, import permits and licensing, onerous customs procedures, and unstable and unpredictable policies.

Defensive strategy for SACU

SACU's defensive strategy must revolve around the gradual elimination of tariffs for products that SACU has the potential to grow exports on. This also includes being given the opportunity to renegotiate the tariffs phase-down period. An extended period of tariff phase-down is desirable for SACU. The products involved in this instance are listed in [Appendix 15](#) together with the accompanying tariff regime applicable in SACU.

CHAPTER 10

CONCLUSIONS AND RECOMMENDATIONS

In general, Mercosur has a positive trade balance for chemicals trade with SACU. Some of Mercosur's major exports to SACU are:

- Cyclic hydrocarbons [HS 29.02]
- Compounds with other nitrogen function [HS 29.29]
- Peptones and their derivatives [HS 35.04]
- Polymers of ethylene [HS 39.01]
- Polymers of styrene [HS 39.03]

These Mercosur exports to SACU collectively account to 27% by value of Mercosur exports.

Other large Mercosur exports are:

- Liquid fuels [HS 27.10]
- Oxygen function amino compounds [HS 29.22]
- Nitrile function compounds [HS 29.26]
- Medicaments in measured doses [HS 30.04]
- Motor car tyres [HS 40.11]

At single product level styrene, polystyrene, acrylonitrile, isocyanates, other medicaments in measured dosages and peptones and their derivatives are the single biggest export products by value to SACU from Mercosur. Mercosur's exports to SACU are generally not consistent. Even with the major export product categories they fluctuate significantly from one year to another. On the other hand, pesticides [HS 38.08] are the single biggest export products from SACU to Mercosur. Pesticides constitute about 30% by value of total SACU exports to Mercosur. Other major SACU export products to Mercosur are:

- Phosphoric acid [HS 29.09]
- Alpha olefins [HS 29.01]
- Ketones [HS 29.14]

Mercosur has a negative trade balance for chemicals with the RoW. In fact, the trade deficit has only started declining in 2002, after three consecutive years of increases. However, Mercosur's exports show constant growth for all the years until 2002. Mercosur's major export strength lies in liquid fuels [HS 27], inorganic chemicals [HS 28], organic chemicals [HS 29], plastics products [HS 39] and rubber products [HS 40]. Mercosur's biggest imports are in liquid fuels [HS 27]

again and organic chemicals [HS 29], pharmaceuticals [HS 30], fertilizers [HS 31], speciality chemicals [HS 38] and rubber products [HS 39]. SACU accounts for 0.5% by value of Mercosur's total imports but takes up 2% by value of Mercosur's total exports.

Although the highest tariff protection of 18% in Mercosur does not apply to the major tariffs exported by SACU there, it is a concern because they apply to tariffs that SACU has the capacity to increase exports to Mercosur like, for example, sacks and bags of other plastics [HS 39.23]. The relatively high tariff duties apply mainly to cosmetics and toiletries and personal care products, as well as some plastics products. The second highest tariff protection of 16% applies to candles [HS 34.06], one of SACU's exports.

At single product level, Triazine derivatives [HS 29.33.69.90], insecticides [HS 38.08.10.00] and organic composite solvents and thinners [HS 38.14.00.00] collectively account for about 32% by value of SACU's exports to Mercosur. These products carry a tariff duty of 14% in Mercosur, which should be targeted for reduction. A tariff duty of 10% applies to phosphoric acids [HS 28.09.20], hydrofluoric acid [HS 28.11.11], other manganese dioxides [HS 28.20.90], and sulphates [HS 28.33.29]. Because of SACU's potential to increase exports of these products to Mercosur, a reduction of the tariff duty is logical from SACU's viewpoint.

In general, export products that contribute approximately 50% by value of SACU's exports to Mercosur have tariff protection in Mercosur. For those that have no tariff protection like ammonium nitrate, the lack of tariff protection is not good enough because the onerous requirements for transporting the product to and in Mercosur are a disincentive. It would be in SACU's interest to have the tariff protection that goes as high as 18% for sacks and bags reduced.

The impact of Mercosur's agreements with other countries and economic blocs is not easy to unravel because of the sheer number of these agreements. What complicates the situation further is the multiple membership of some of the countries to the various blocs that Mercosur have economic ties with. For example, Mercosur member countries are also members of the LAIA and some are members of the CAN. Mercosur has concluded or is the process of concluding trade agreements with these blocs as well as with CACM, CARICOM, EFTA, EU, and NAFTA, including the FTAA of which Mercosur countries are members. SACU's export products that are most likely to be impacted by a web of these agreements are liquid fuels [HS

27.10], alpha olefins [HS 29.01], medicaments [HS 30.04], pesticides [HS 38.08], sacks and bags of plastics [HS 39.23], and motor car tyres [HS 40.11]. It is expected that SACU would face more competition in all these products in Mercosur and in third markets. However, in case of exports of salt [HS 25.01], SACU has a potential respite.

It emerged from interviews with the SACU manufacturers that SACU exports to Mercosur could be better had there being more shipping lines from SACU to that territory. This situation is even dire for SACU exporters because in cases where they get products shipped there, some of the ports in Mercosur do not allow trans-shipping of products. Uncommon tax dispensation between the member countries as well as within one member country is one of the non-tariff barriers that SACU exporters face. SACU exporters should be encouraged to enter into favourable (for SACU) contracts with their Mercosur partners to avoid them being liable for the transportation and safeguarding of their products even when they are within the Mercosur borders.

SACU negotiators should therefore prioritize the removal or lowering of tariff duties as much as the removal of the non-tariff barriers in Mercosur. For a full list of SACU products that SACU negotiators should negotiate for their tariff duty reduction, see [Appendix 14](#). There are a host of SACU manufactured products that are potentially at risk of imports from Mercosur as shown in Chapter 9. This applies to those products that are SACU's major exports to Mercosur and also those that are not. [Appendix 15](#) shows these products that have to be protected. The reason why the defensive list is extensive, that is, includes products that are not major global exports for Mercosur is that the informal sector of some Mercosur countries is not accounted for properly. Their economies are sustained by what is called triangular trade; in other words, re-exporting. These countries could easily import some products from other neighbouring states and still manage to export them to SACU at a profit. It is therefore recommended to maintain the tariff protection that exists for these products.

APPENDICES

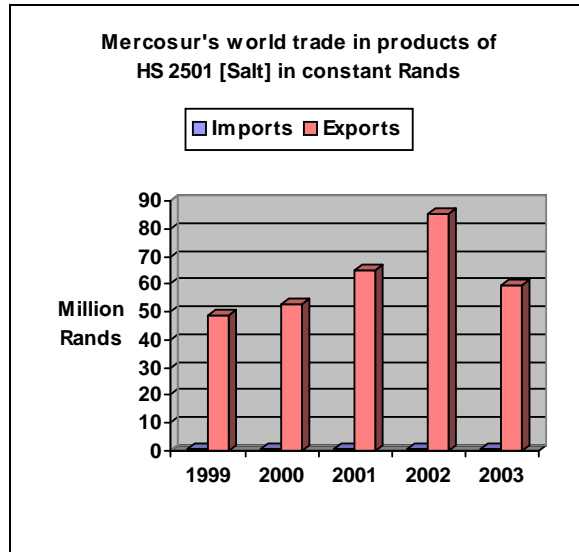
APPENDIX 1 – Mercosur's major exports to South Africa

Harmonized System Chapters	HS Code	Mercosur's exports to RSA in constant 2000 Rands (Million)				Percentage of total MERCOSUR exports in chapters 25 - 40 to RSA			
		2000	2001	2002	2003	2000	2001	2002	2003
25	25.07	5.55	9.56	13.91	5.01	0.10	1.93	1.90	1.00
27	27.10	8.56	54.42	0.05	0.09	1.50	11.00	0.01	0.02
28	28.03	1.68	1.26	2.57	13.28	0.29	0.26	0.35	2.61
	28.25	0	0.40	6.49	7.54	0	0.08	0.88	1.48
	28.34	11.74	0	0.16	14.90	2.04	0	0.02	2.93
	28.47	4.28	6.57	1.08	1.98	0.74	1.33	0.15	0.39
	28.49	4.99	14.62	17.65	8.16	0.87	2.95	2.39	1.60
29	29.02	40.47	0.98	57.41	29.34	7.01	0.20	7.75	5.76
	29.05	10.05	13.23	9.00	14.69	1.74	2.67	1.22	2.89
	29.10	24.09	0.02	0	0	4.18	0.0	0	0
	29.16	15.61	0	0	0.64	2.71	0	0	0.13
	29.18	5.74	2.90	4.72	3.09	1.00	0.59	0.64	0.61
	29.21	0.59	1.35	11.30	0	0.10	0.27	1.53	0
	29.22	15.55	18.09	30.60	15.08	2.69	3.65	4.13	2.96
	29.26	37.46	44.77	4.48	6.82	6.49	9.04	0.61	1.34
	29.29	33.54	26.14	52.81	16.60	5.81	5.28	7.13	3.26
30	30.02	9.13	7.13	13.49	11.61	1.58	1.44	1.82	2.28
	30.04	24.14	22.97	36.86	9.29	4.18	4.64	4.98	1.83
31	31.02	1.58	14.74	36.29	2.03	0.27	2.98	4.90	0.40
	31.04	10.36	11.01	9.86	14.24	1.80	2.22	1.33	2.80
32	32.04	5.81	5.65	4.42	4.06	1.01	1.14	0.60	0.80
33	33.06	0.03	0.42	3.78	22.04	0.01	0.09	0.51	4.33
34	34.02	2.88	2.94	9.98	9.28	0.50	0.59	1.35	1.82
35	35.04	27.21	43.15	57.72	39.85	4.71	8.71	7.80	7.82
	35.05	2.58	2.41	15.34	3.54	0.45	0.49	2.07	0.70
38	38.03	6.42	7.38	6.64	7.20	1.11	1.49	0.90	1.42
	38.08	9.76	13.36	16.15	12.09	1.69	2.7	2.18	2.37
	38.23	13.69	12.62	19.60	10.73	2.37	2.55	2.65	2.11
	38.24	17.71	6.35	7.56	2.07	3.07	1.28	1.02	0.41
39	39.01	4.62	31.54	54.18	36.59	0.80	6.36	7.32	7.18
	39.02	23.38	10.64	17.28	12.93	4.05	2.15	2.33	2.54
	39.03	0	5.23	71.72	56.44	0	1.06	9.69	11.08
	39.07	4.53	10.23	15.56	9.04	0.79	2.06	2.10	1.78
	39.12	9.68	10.10	11.64	10.47	1.68	2.04	1.57	2.06
	39.20	1.39	3.84	18.64	14.69	0.24	0.78	2.52	2.88

Harmonized System Chapters	HS Code	Mercosur's exports to RSA in constant 2000 Rands (Million)				Percentage of total MERCOSUR exports in chapters 25 - 40 to RSA			
		2000	2001	2002	2003	2000	2001	2002	2003
		4							
40	40.02	4.31	4.33	11.03	7.57	0.75	0.88	1.49	1.49
	40.11	10.42	10.89	14.46	22.87	1.81	2.20	1.95	4.49

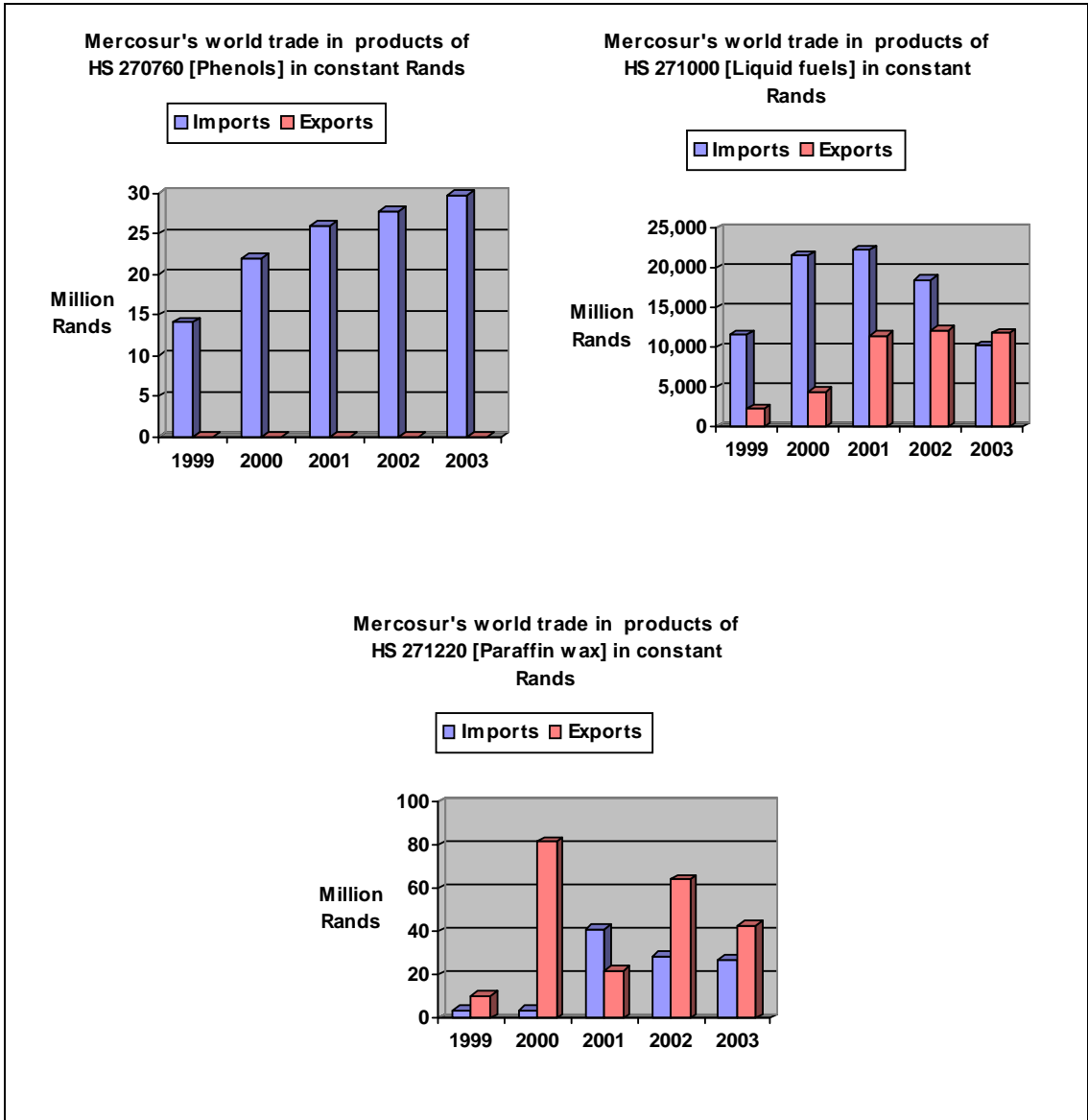
Appendix 2 - Major Mercosur Chapter 25 Trade Categories

Mercosur's historical trade with non-SACU countries in products of the chemical sector HS chapter 25 is as follows:



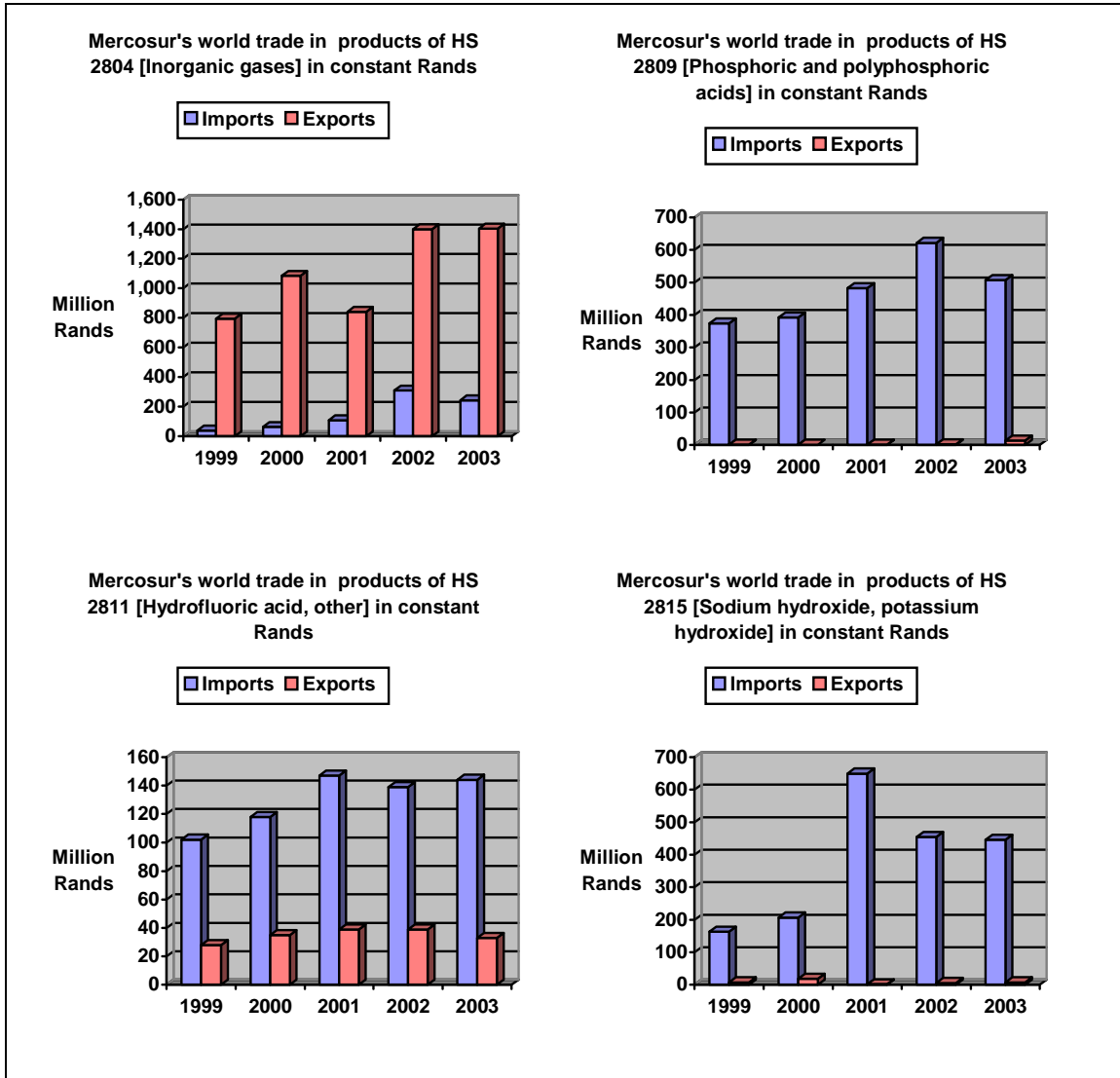
Appendix 3 – Major Mercosur Chapter 27 Trade Categories

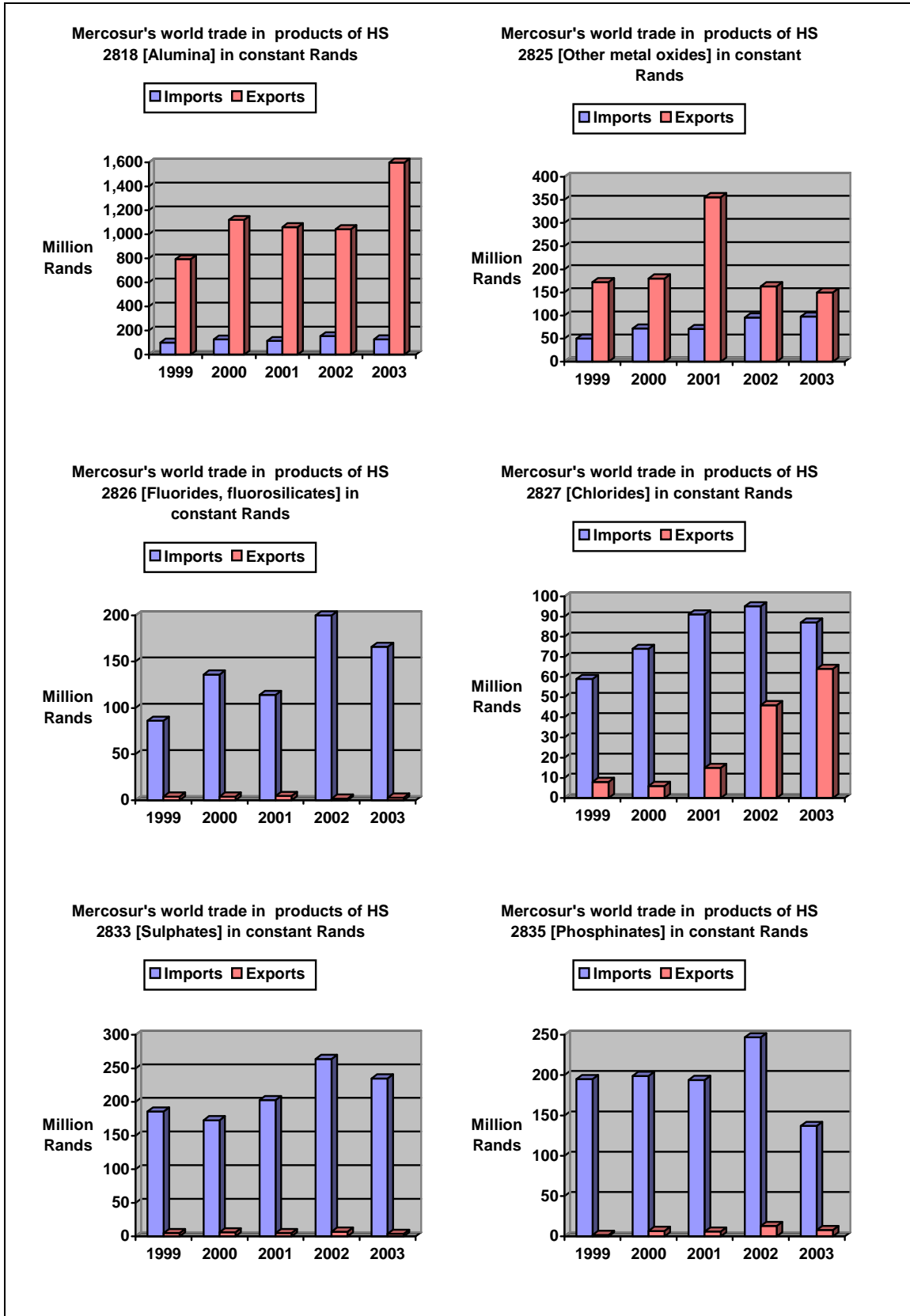
Mercosur’s historical trade with non-SACU countries in products of the chemical sector HS chapter 27 is as follows:

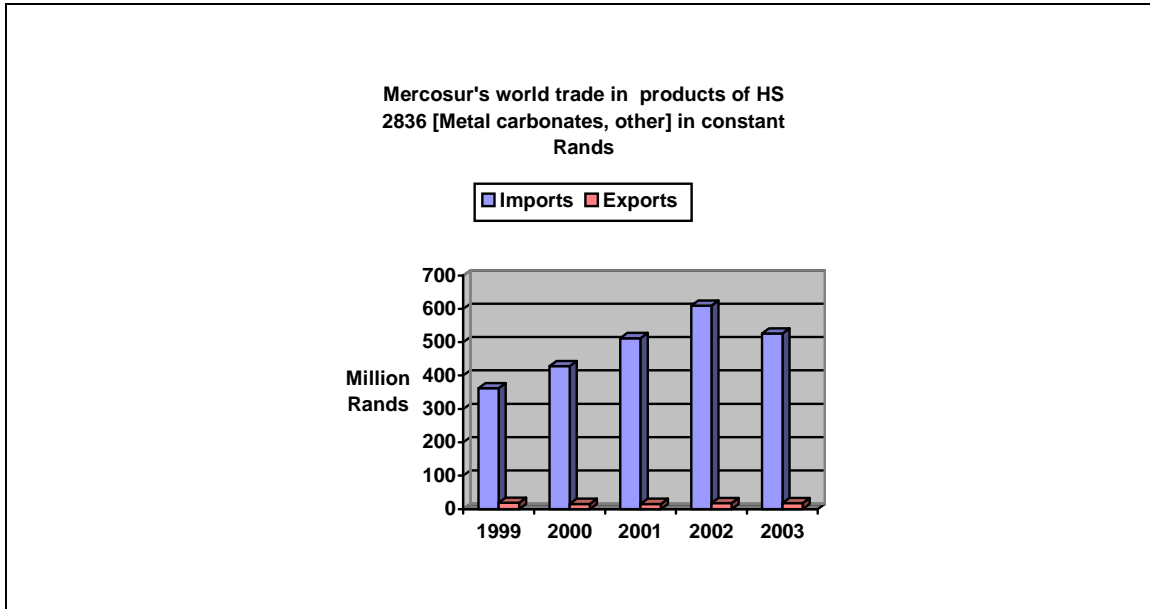


APPENDIX 4 – Major Mercosur Chapter 28 Trade Categories

Mercosur’s historical trade with non-SACU countries in products of the chemical sector HS chapter 28 is as follows:







APPENDIX 5- Major Mercosur Chapter 28 Trade Categories at HS 4-digit

The major global imports by value at 4-digit level are:

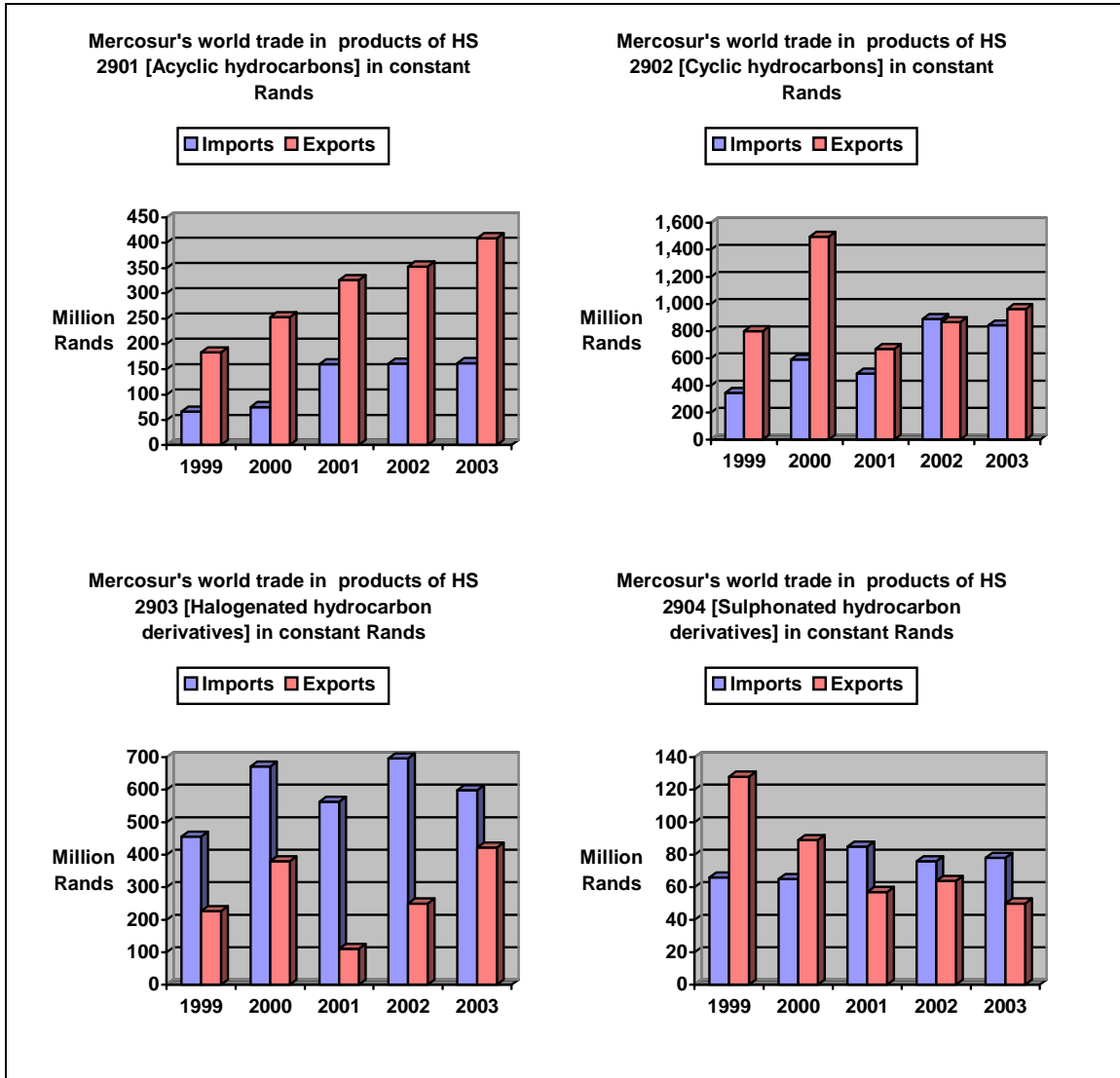
- HS 2809 – Phosphoric acid and polyphosphoric acids
- HS 2811 – Hydrofluoric acid
- HS 2814 - Ammonia
- HS 2815 – Hydroxides of potassium, sodium
- HS 2818 – Alumina
- HS 2826 – Fluorides, fluorosilicates
- HS 2827 - Chlorides
- HS 2833 – Sulphates
- HS 2835 – Phosphinates
- HS 2836 – Metal carbonates
- HS 2844 – Radioactive elements and isotopes

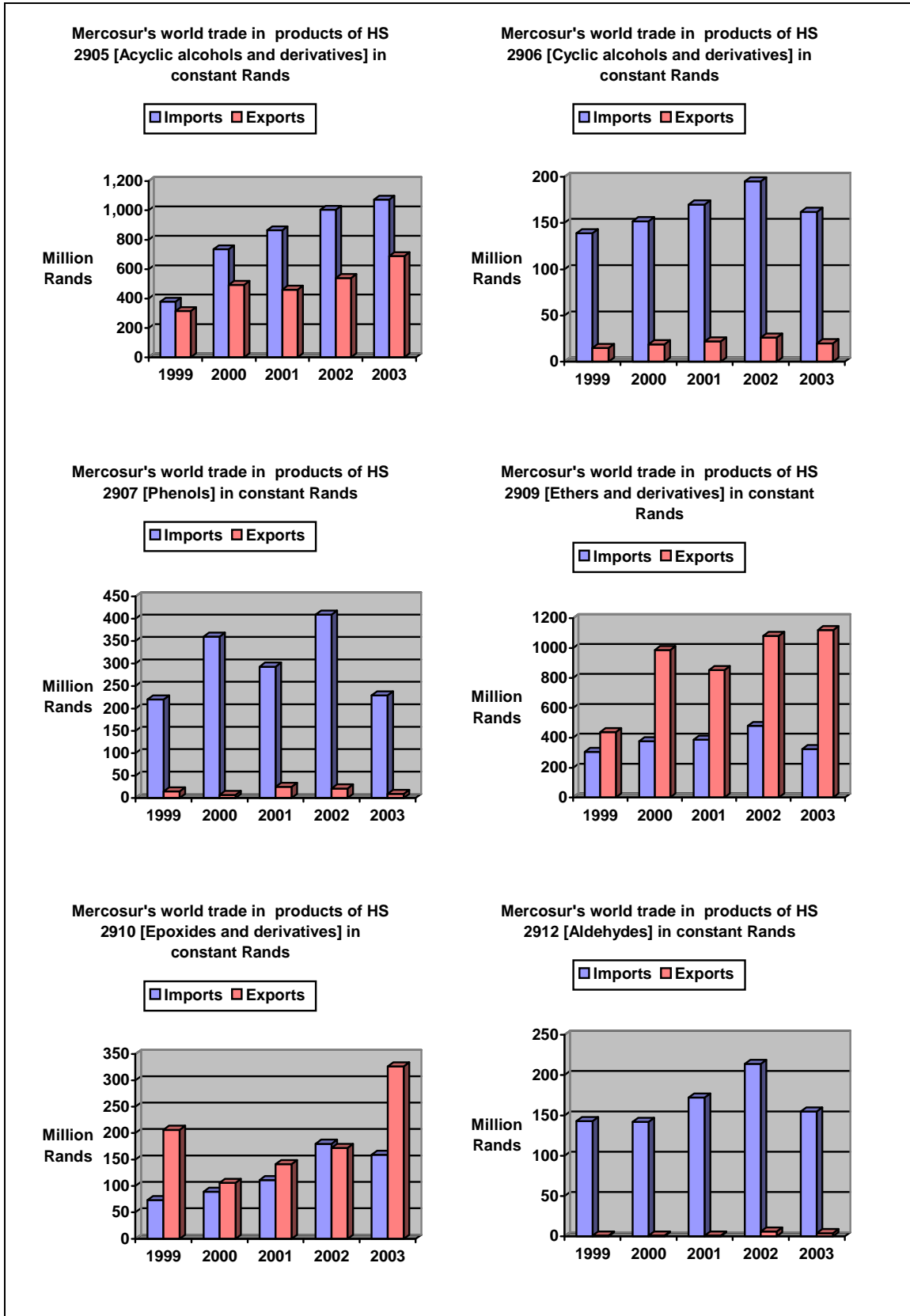
The major global exports by value at 4-digit level are:

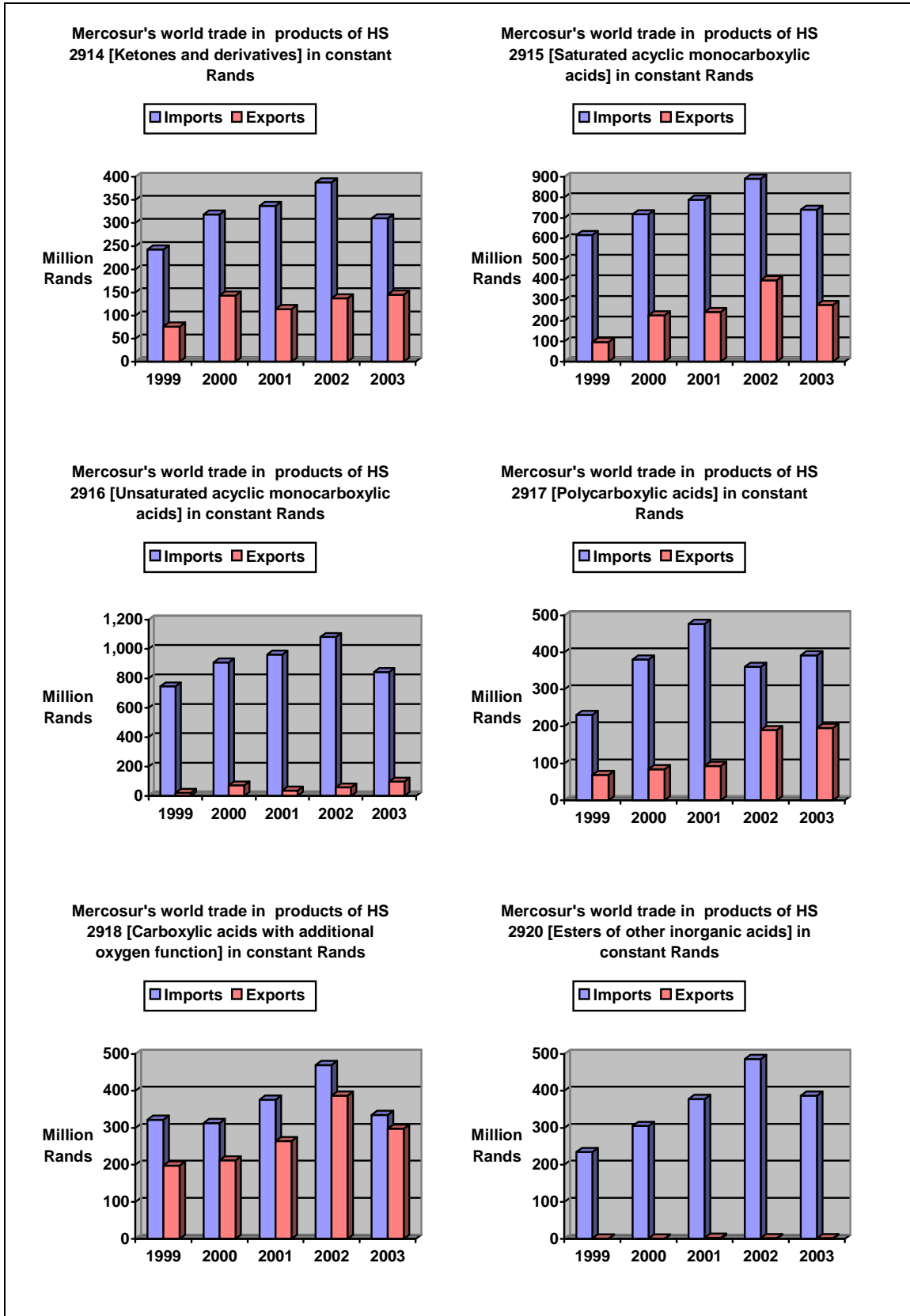
- HS 2804 – Inorganic gases
- HS 2818 – Alumina
- HS 2825 – Other metal oxides
- HS 2826 – Fluorides, fluorosilicates
- HS 2843 – Precious metal compounds
- HS 2849 – Carbides

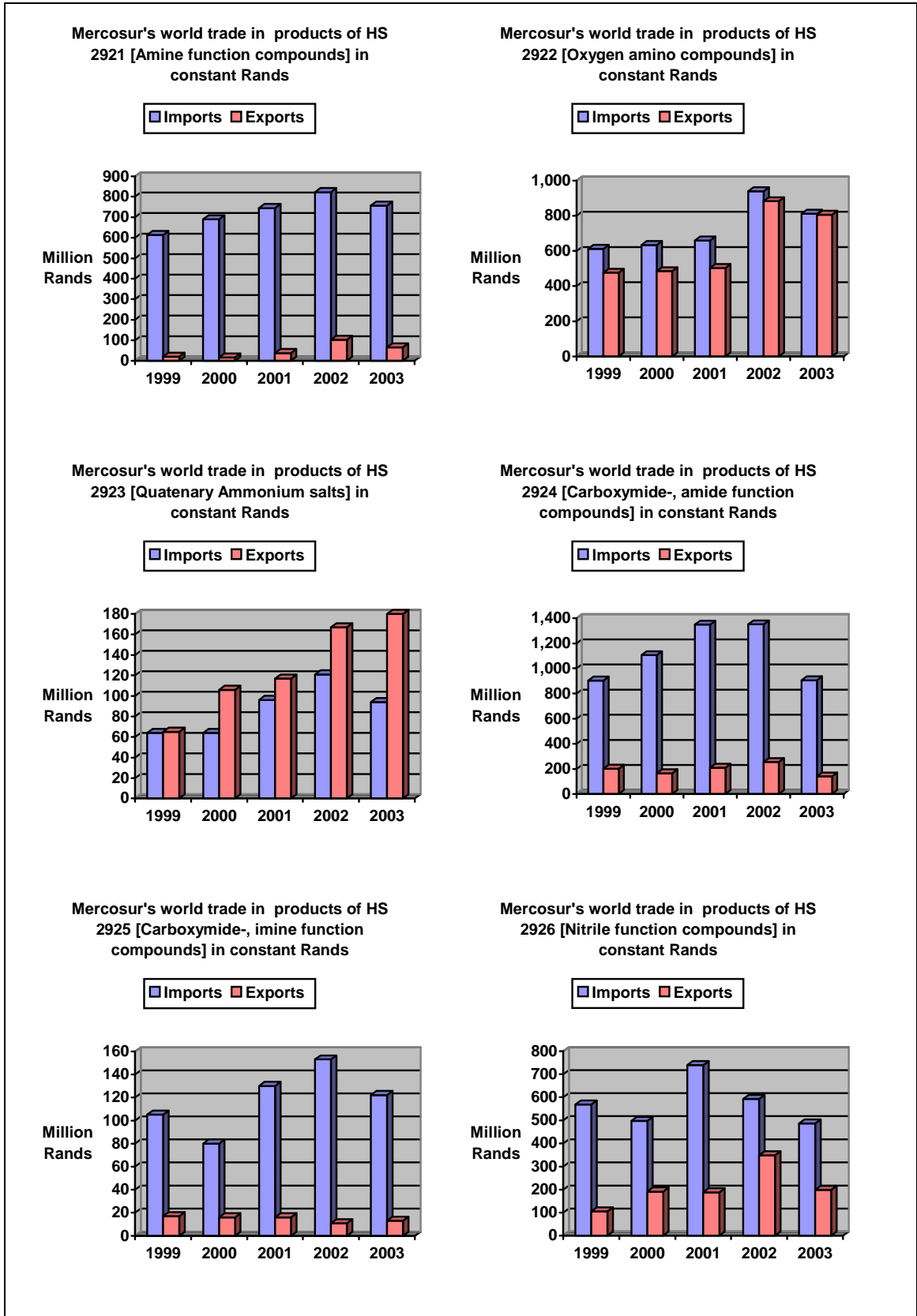
APPENDIX 6- Major Mercosur Chapter 29 Trade Categories

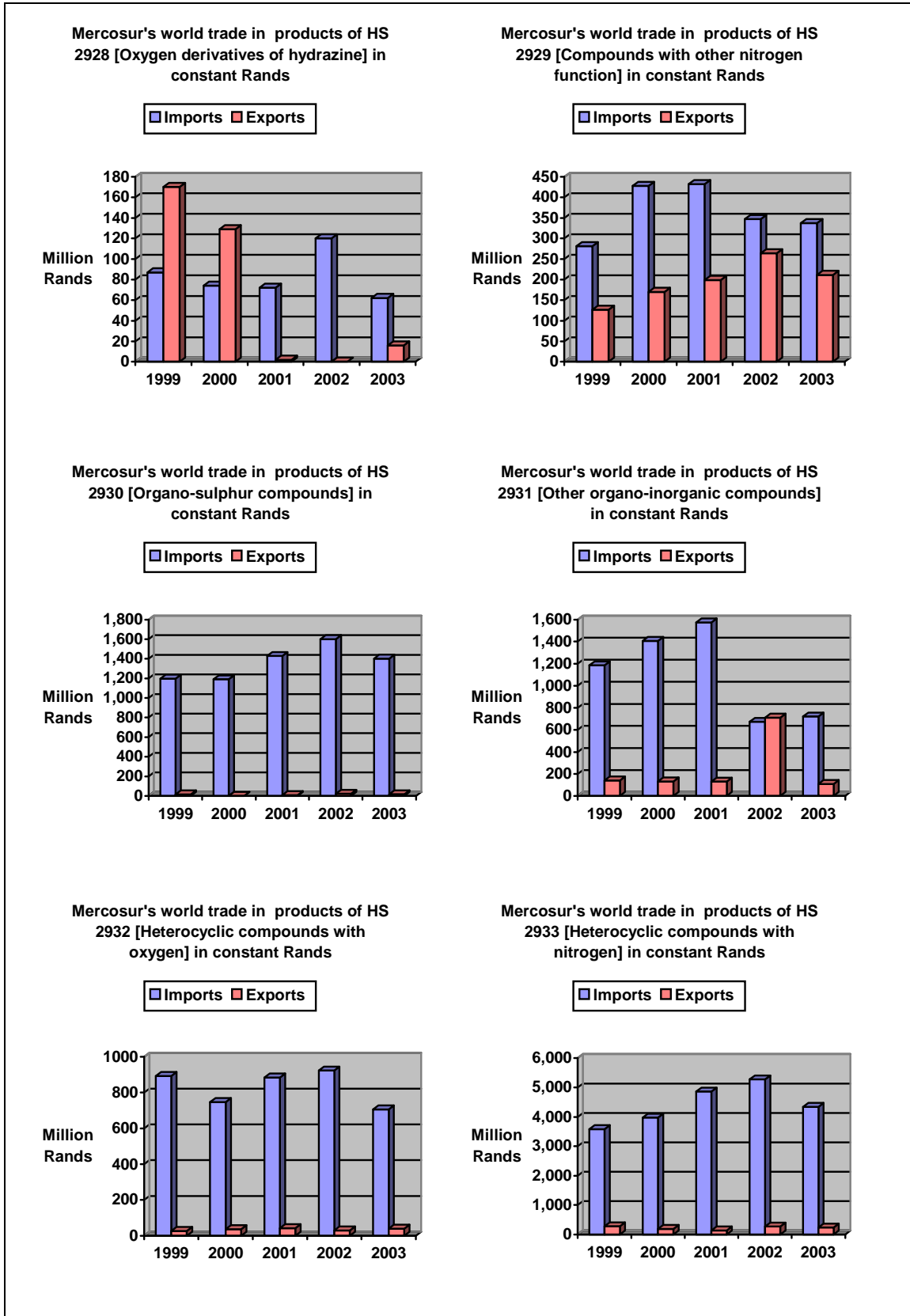
Mercosur's historical trade with non-SACU countries in products of the chemical sector HS chapter 29 is as follows:

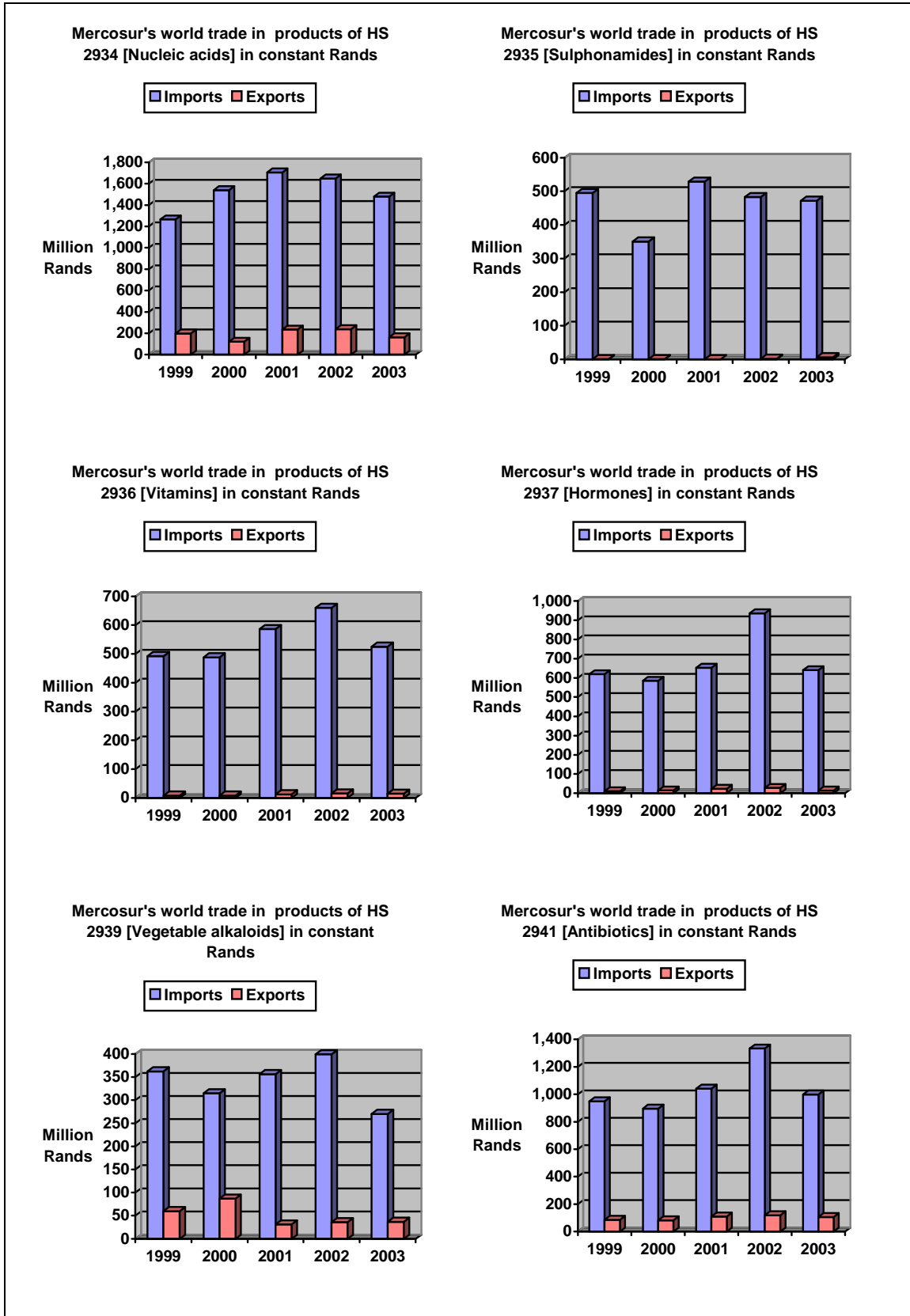












APPENDIX 7 – Major Mercosur Chapter 29 Trade Categories at HS 4-digit level

The total global imports of Mercosur in 2003 for this chapter were R 22.1 billion [2000 Rands], while global exports were R 7.5 billion [2000 Rands], giving a negative net trade balance for HS

29. The major global imports by value at 4-digit level are:

- HS 2901 – Acyclic hydrocarbons
- HS 2902 – Cyclic hydrocarbons
- HS 2903 - Halogenated hydrocarbon derivatives
- HS 2904 – Sulphonated, nitrated hydrocarbon derivatives
- HS 2905 - Acyclic alcohols and derivatives
- HS 2906 – Cyclic alcohols and derivatives
- HS 2907 – Phenols
- HS 2909 – Ethers and derivatives
- HS 2912 – Aldehydes
- HS 2914 – Ketones and derivatives
- HS 2915 – Saturated acyclic monocarboxylic acids
- HS 2916 – Unsaturated acyclic monocarboxylic acids
- HS 2917 – Polycarboxylic acids
- HS 2918 – Carboxylic acid with additional oxygen function
- HS 2920 - Esters of other inorganic acids
- HS 2921 – Amine-function compounds
- HS 2922 – Oxygen function amino compounds
- HS 2923 – Quaternary ammonium salts and hydroxides
- HS 2924 – Carboxymide function and amide function compounds
- HS 2925 – Carboxymide function and imine function compounds
- HS 2930 – Organo-sulphur compounds
- HS 2931 – Other organo-inorganic compounds
- HS 2932 – Heterocyclic compounds with oxygen
- HS 2933 – Heterocyclic compounds with nitrogen
- HS 2934 – Nucleic acids
- HS 2935 – Sulphonamides
- HS 2936 – Vitamins
- HS 2937 – Hormones

- HS 2939 – Vegetable alkaloids
- HS 2941 - Antibiotics

The major global exports by value at 4-digit level are:

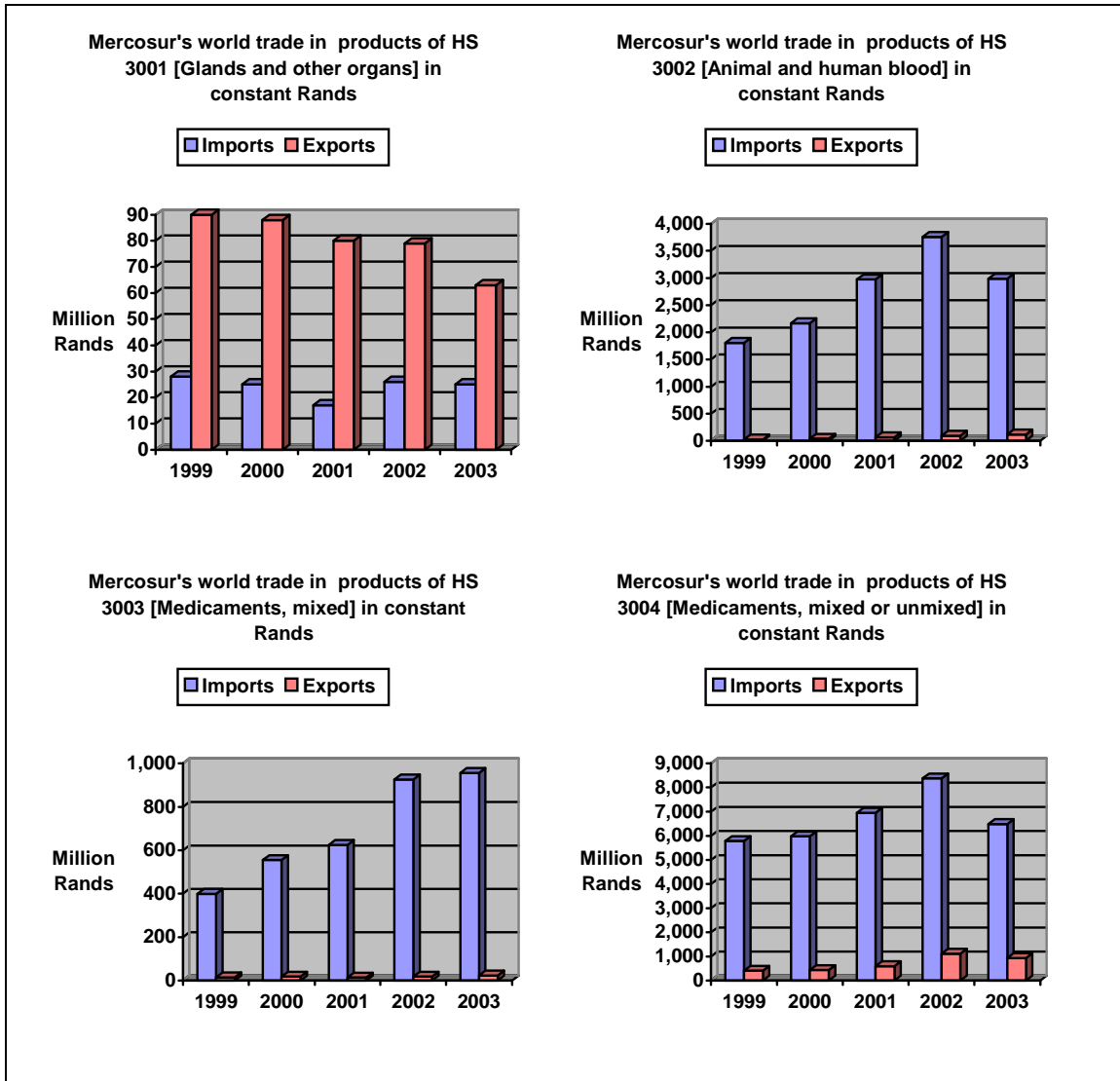
- HS 2901 – Acyclic hydrocarbons
- HS 2902 – Cyclic hydrocarbons
- HS 2903 – Halogenated hydrocarbon derivatives
- HS 2904 – Sulphonated, nitrated hydrocarbon derivatives
- HS 2905 – Acyclic alcohols and derivatives
- HS 2909 – Ethers and derivatives
- HS 2910 – Epoxides and derivatives
- HS 2914 – Ketones and derivatives
- HS 2915 – Saturated acyclic monocarboxylic acids
- HS 2917 – Polycarboxylic acids
- HS 2918 – Carboxylic acids with additional oxygen function
- HS 2922 – Oxygen function amino compounds
- HS 2923 – Quaternary ammonium salts and hydroxides
- HS 2924 – Carboxymide function and amide function compounds
- HS 2925 – Carboxymide function and imine function compounds
- HS 2926 – Nitrile function compounds
- HS 2928 – Organic derivatives of hydrazine or hydroxylamine
- HS 2929 – Compounds with other nitrogen function
- HS 2931 – Other organo-inorganic compounds
- HS 2933 – Heterocyclic compounds with nitrogen
- HS 2934 – Nucleic acids
- HS 2939 – Vegetable alkaloids
- HS 2941 - Antibiotics

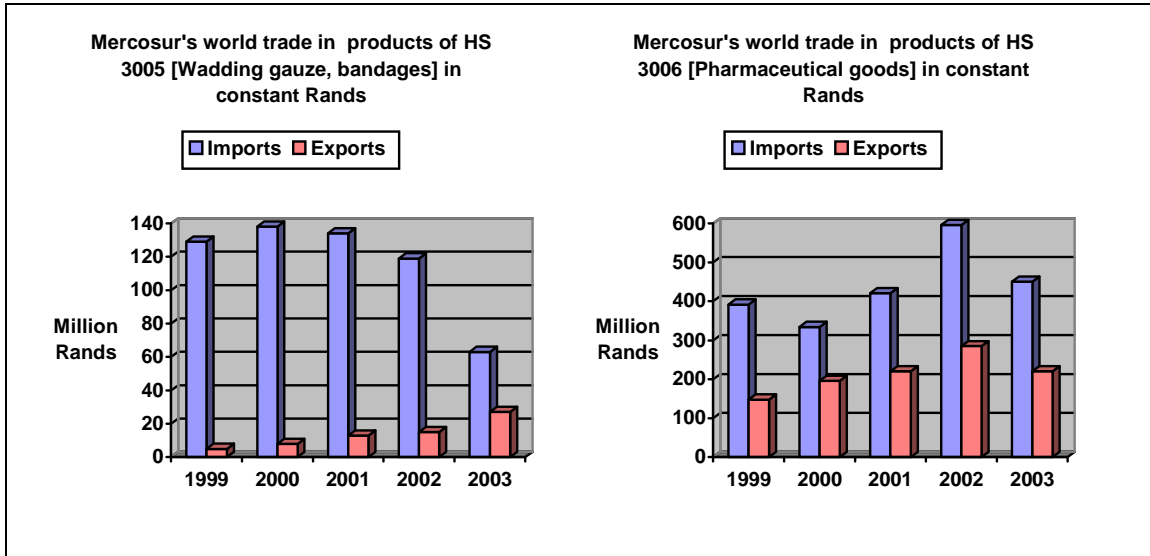
The sheer number of export products listed above is indicative of Mercosur's comparative advantage in organic chemicals. Mercosur's exports in acyclic hydrocarbons are a threat to SACU while opportunities exist for SACU in cyclic alcohols and derivatives, phenols, and aldehydes. Exports of acyclic hydrocarbons in particular are accelerating at a robust pace while imports are stagnant. There are other products also, where exports are increasing faster than

imports as in for example, HS 2923, HS 2926, HS 2929, and HS 2910. SACU would have to be watchful of products of this chapter as they pose significant threats.

APPENDIX 8 – Major Mercosur Chapter 30 Trade Categories

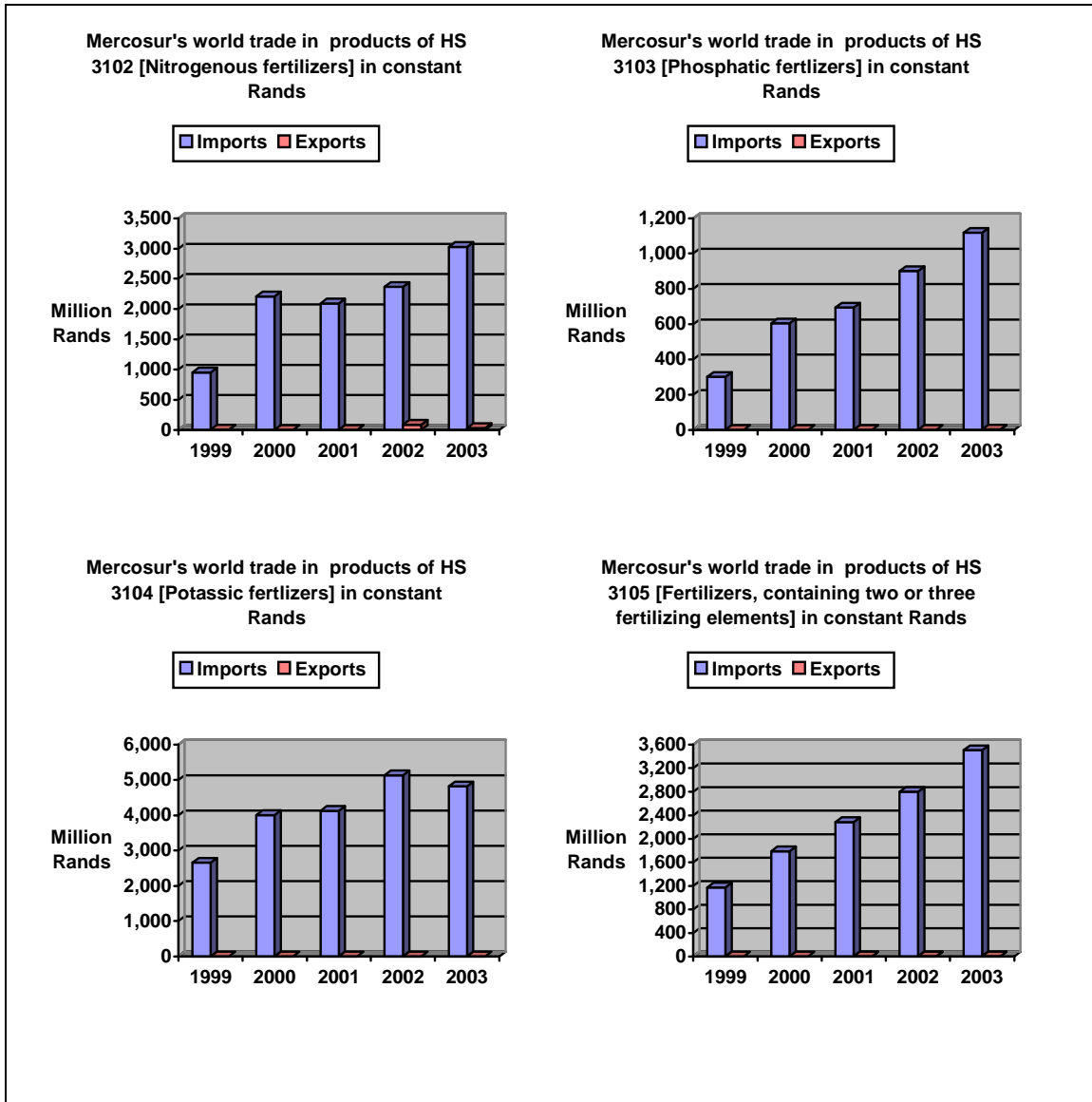
Mercosur’s historical trade with non-SACU countries in products of the chemical sector HS chapter 30 is as follows:





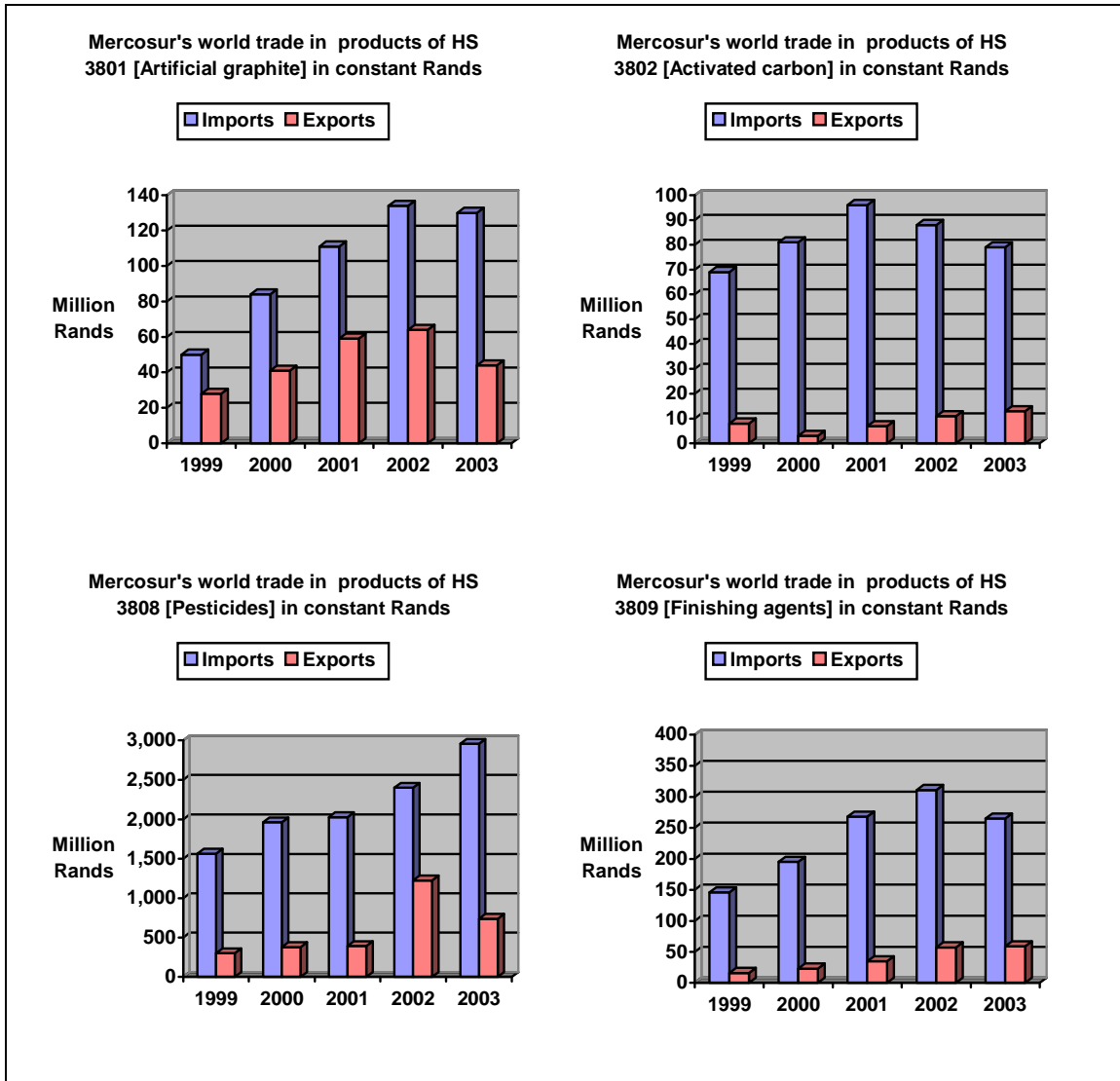
APPENDIX 9 – Major Mercosur Chapter 31 Trade Categories

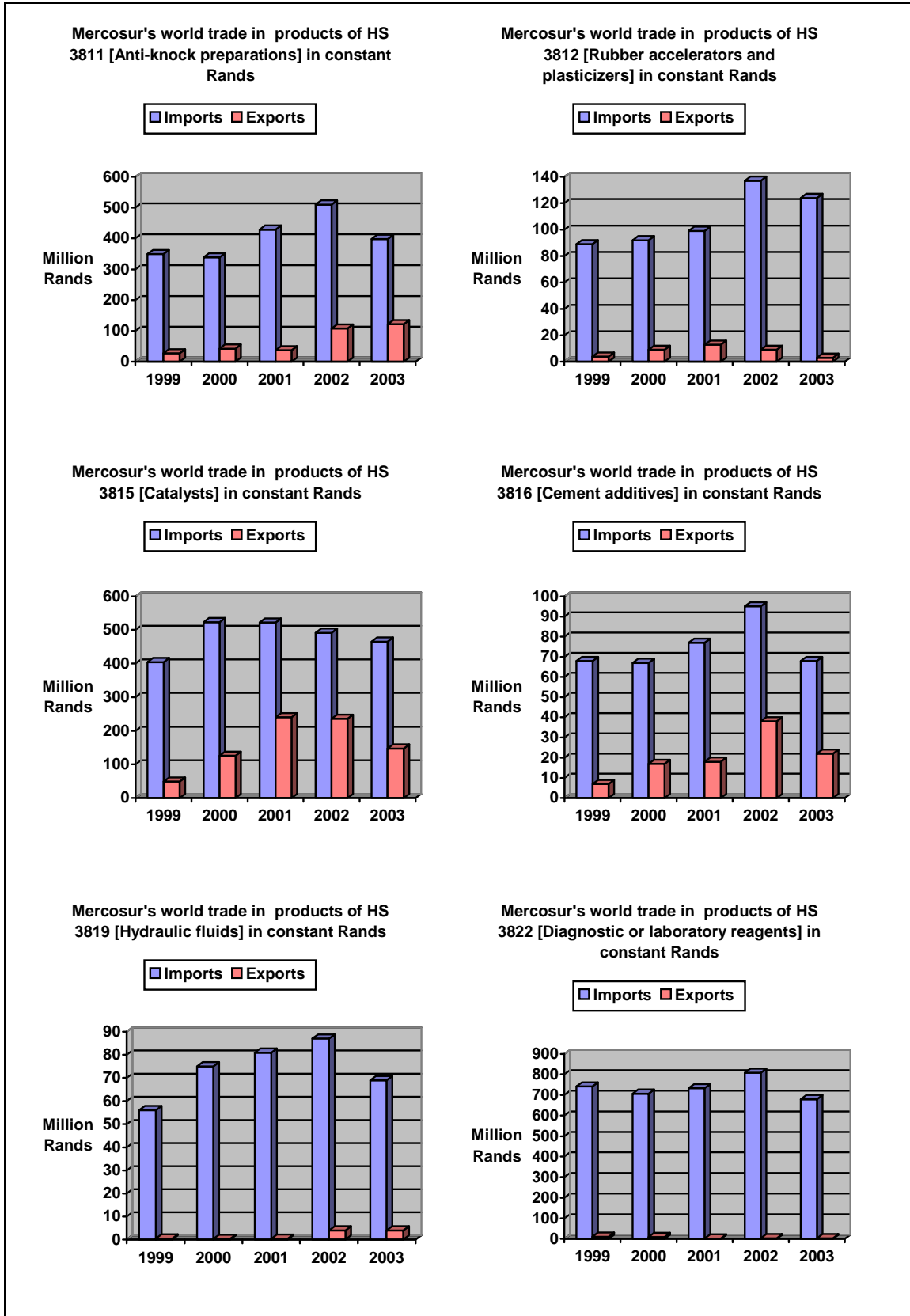
Mercosur’s historical trade with non-SACU countries in products of the chemical sector HS chapter 31 is as follows:

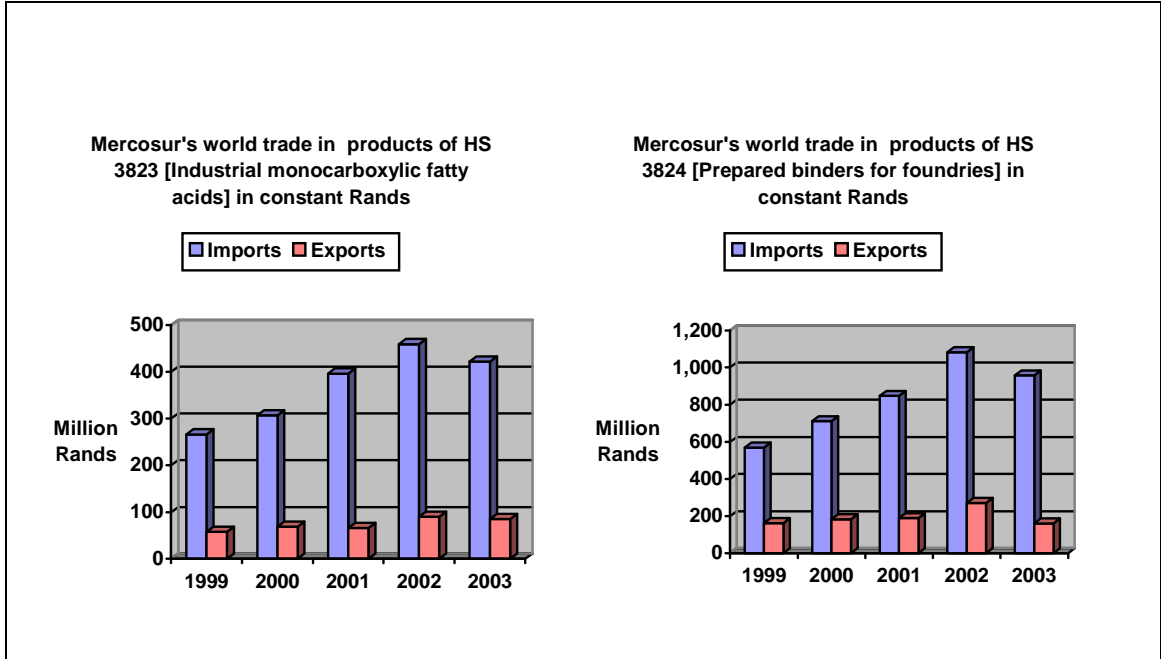


APPENDIX 10 – Major Mercosur Chapter 38 Trade Categories

Mercosur’s historical trade with non-SACU countries in products of the chemical sector HS chapter 38 is as follows:

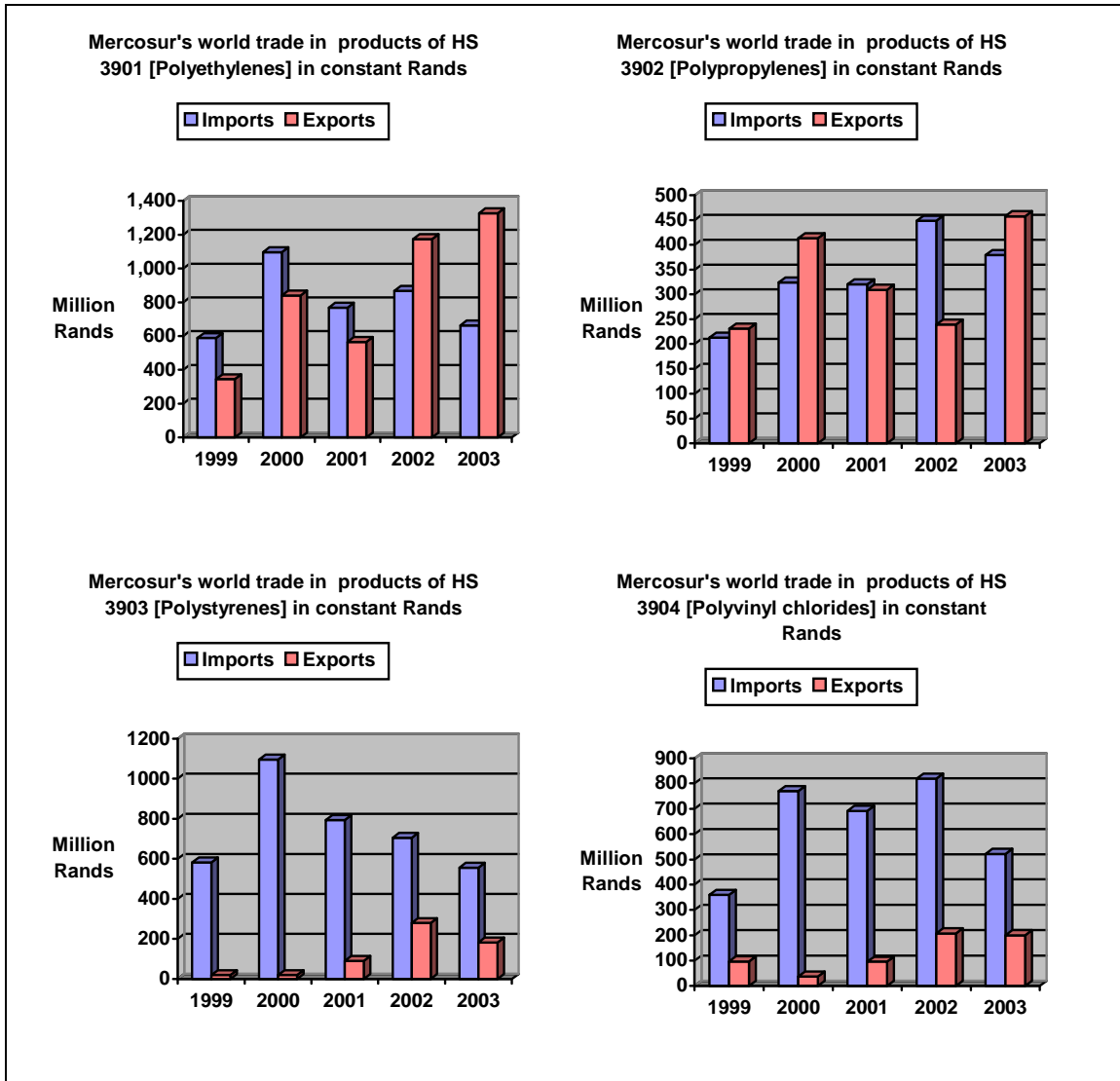


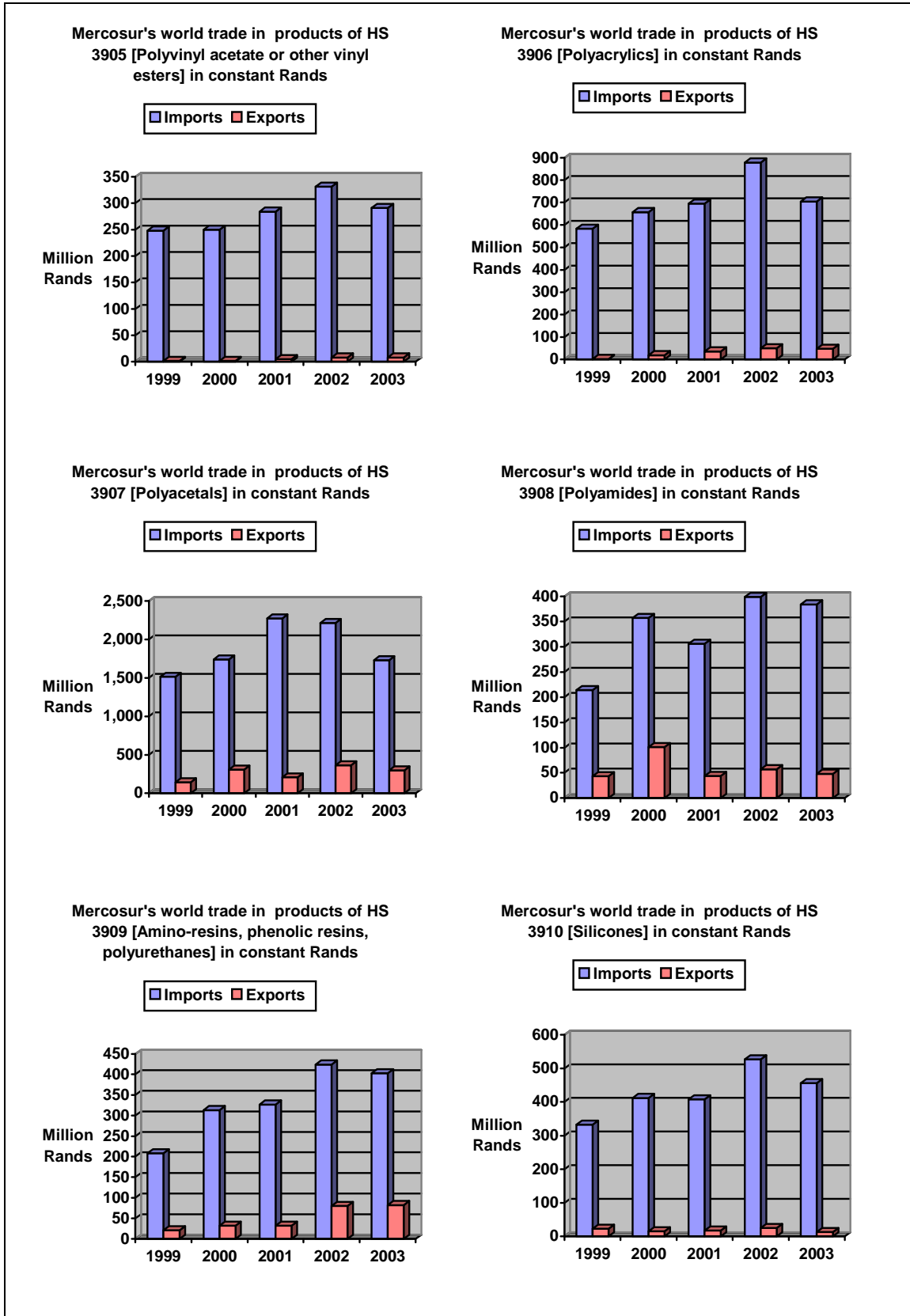


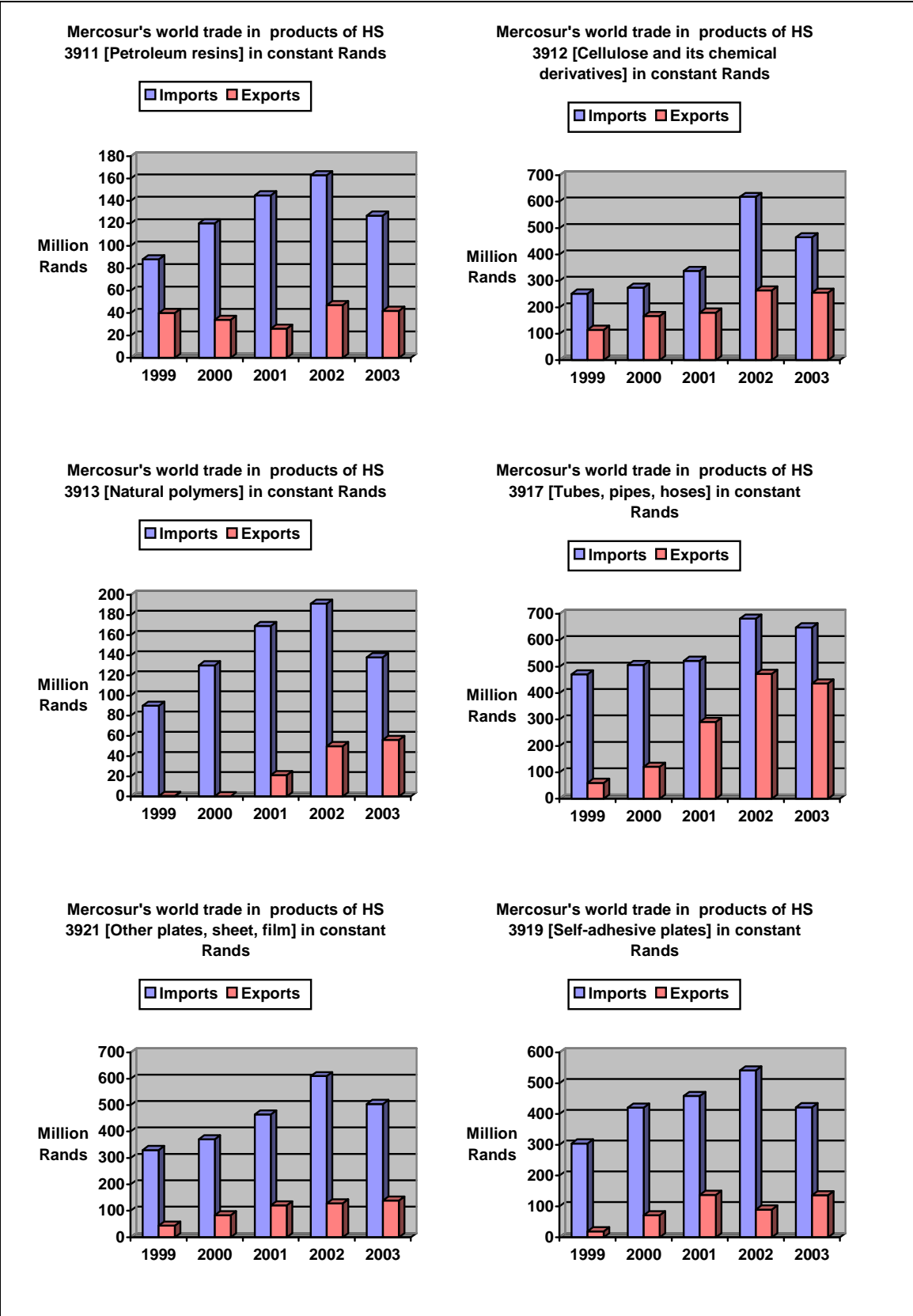


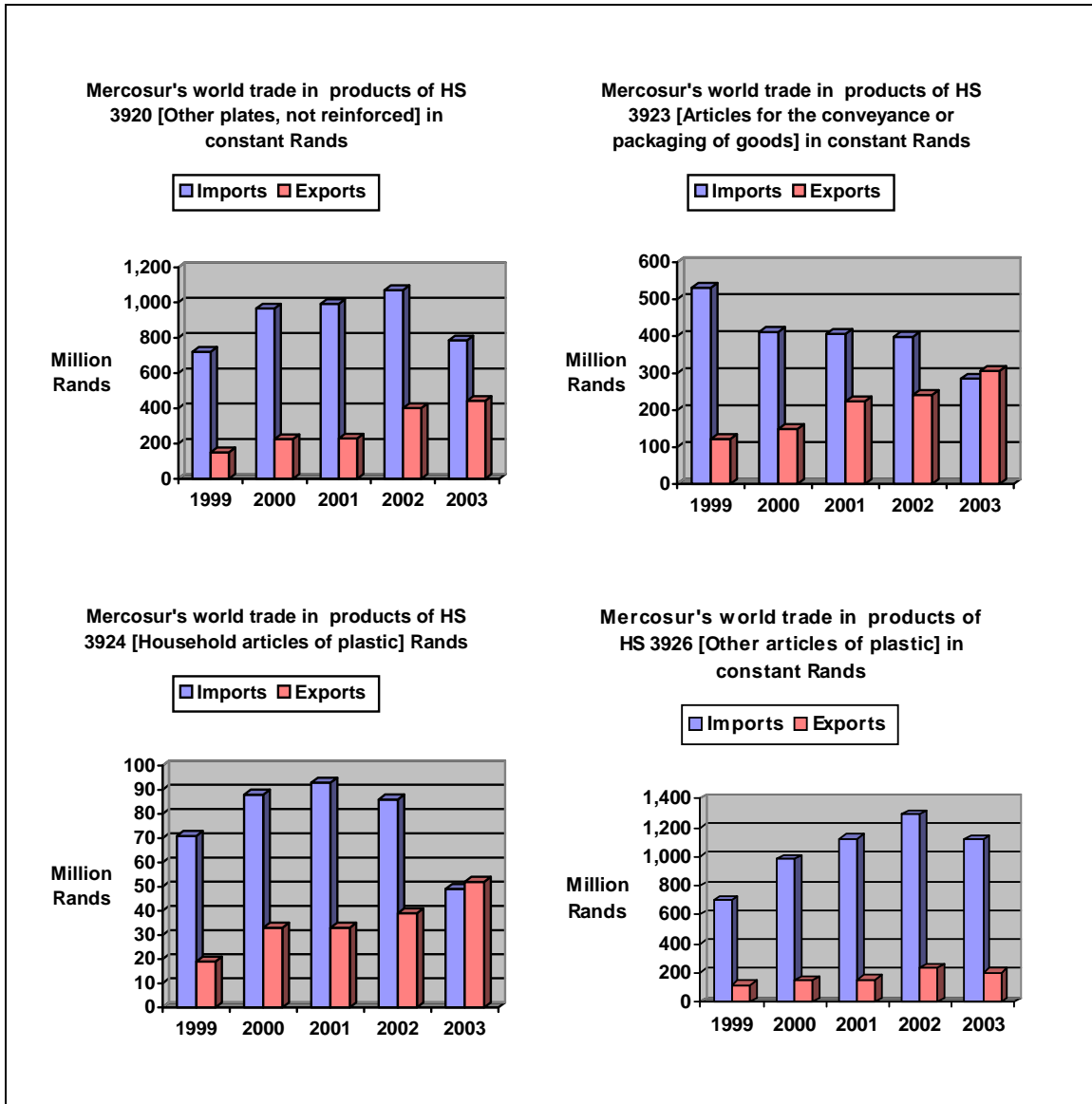
APPENDIX 11 – Major Mercosur Chapter 39 Trade Categories

Mercosur’s historical trade with non-SACU countries in products of the chemical sector HS chapter 39 is as follows:









APPENDIX 12 – Major chapter 39 trade categories at HS 4-digit

The total global imports of Mercosur in 2003 for this chapter were R 10.8 billion [2000 Rands], while global exports were R 4.9 billion [2000 Rands], giving a negative net trade balance for HS 39. The major global imports by value at 4-digit level are:

- HS 3901 – Polyethylenes
- HS 3902 – Polypropylenes
- HS 3903 – Polystyrenes
- HS 3904 – Polyvinyl chlorides
- HS 3905 – Polyvinyl acetate or other polyvinyl esters
- HS 3906 – Polyacrylics
- HS 3907 – Polyacetals
- HS 3908 – Polyamides
- HS 3909 – Amino resins, phenolic resins and polyurethanes
- HS 3910 – Silicones
- HS 3911 – Petroleum resins
- HS 3912 – Cellulose and its chemical derivatives
- HS 3913 – Natural polymers and modified natural polymers
- HS 3917 – Tubes, pipes, hoses, and fittings
- HS 3919 – Self-adhesive plates, sheet, film
- HS 3920 - Other plates, sheet, film, not reinforced
- HS 3921 – Other plates, sheet, film
- HS 3923 – Articles for the conveyance or packaging of goods
- HS 3924 - Household articles of plastic
- HS 3926 – Other articles of plastic

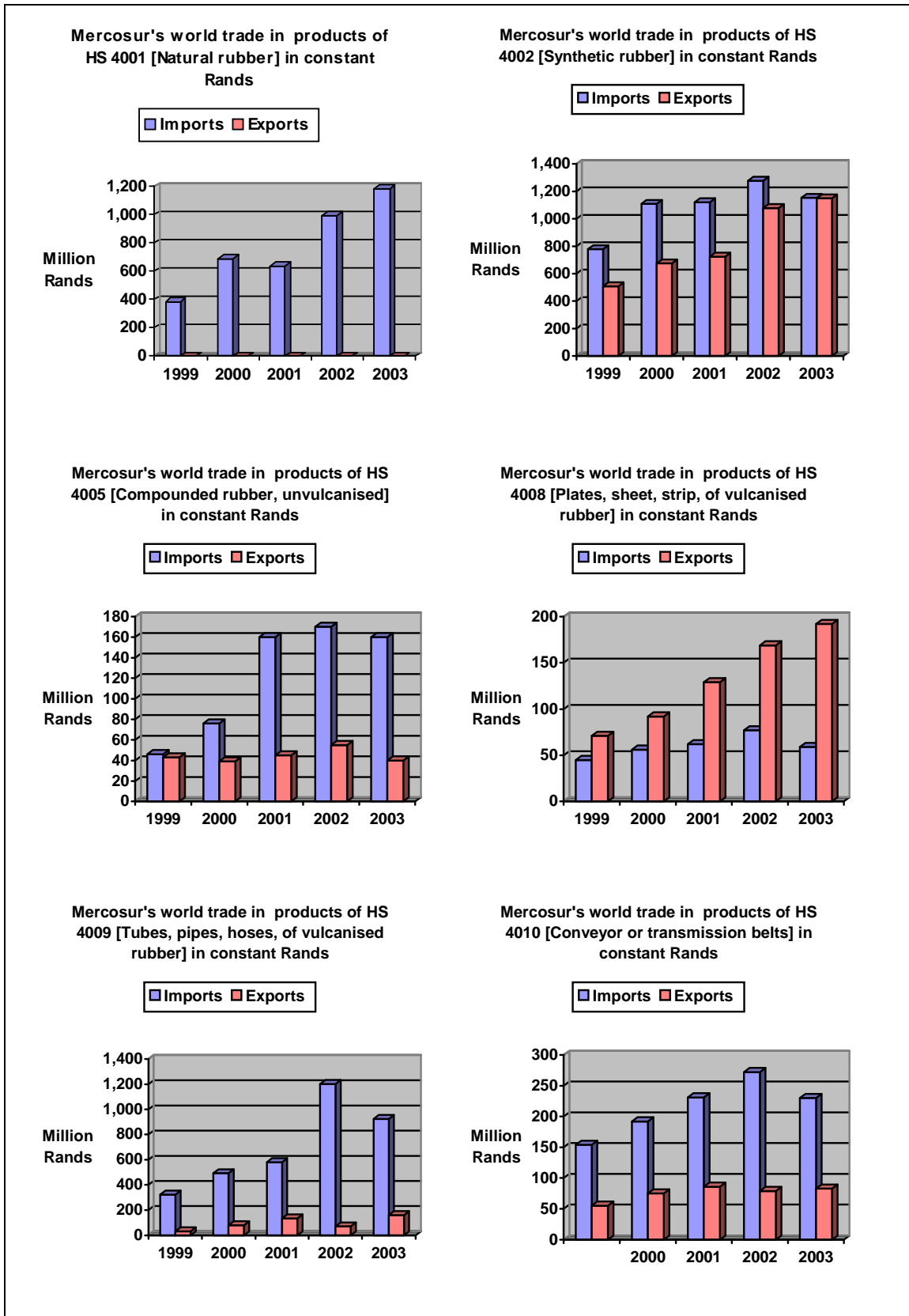
The major global exports by value at 4-digit level are:

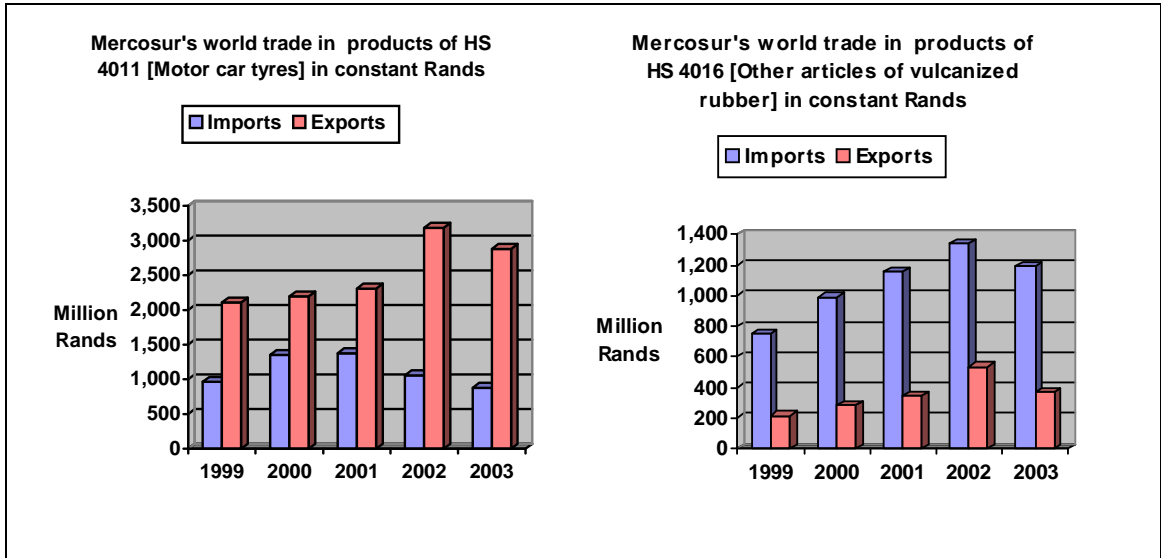
- HS 3901 – Polyethylenes
- HS 3902 – Polypropylenes
- HS 3903 – Polystyrenes
- HS 3904 – Polyvinyl chlorides
- HS 3907 – Polyacetals
- HS 3908 – Polyamides
- HS 3909 – Amino resins, phenolic resins and polyurethanes
- HS 3912 – Cellulose and its chemical derivatives

- HS 3913 – Natural polymers and modified natural polymers
- HS 3917 – Tubes, pipes, hoses, and fittings
- HS 3919 – Self-adhesive plates, sheet, film
- HS 3920 – Sheet, film, not reinforced
- HS 3921 – Other plates, sheet, film
- HS 3923 – Articles for the conveyance or packaging of goods
- HS 3926 – Other articles of plastic

This chapter presents huge export opportunities as well serious threats for SACU in terms of the primary polymers as well as various products of these products. SACU would have to be vigilant on Mercosur exports of this chapter. In products such as polyethylenes and articles for the conveyance of goods, exports have been increasing at a faster rate than imports to an extent where Mercosur has recorded a trade surplus in these products in 2003 after several years of trade deficit. Hence the need for vigilance in this chapter.

Appendix 13 - Major Mercosur Chapter 40 Trade Categories





APPENDIX 14 – SACU Products To Negotiate Tariffs Duty Reduction For

Product HS Code	Description	Applicable Tariff Duty
HS 27.12.20.00	Paraffin wax	4%
HS 28.09.20.19	Phosphoric acid	4%
HS 28.15.12.00	Soda lye	8%
HS 28.20.10.00	Manganese dioxides	10%
HS 28.35.26.00	Other calcium phosphates	10%
HS 28.36.20.10	Disodium carbonate, anhydrous	10%
HS 29.02.43.00	p-Xylene	4%
HS 29.02.50.00	Styrene	10%
HS 29.03.49.11	Chlorodifluoromethane	10%
HS 29.03.61.20	o-Dichlorobenzene	12%
HS 29.03.61.30	p-Dichlorobenzene	12%
HS 29.05.11.00	Methanol (methyl alcohol)	12%
HS 29.05.12.20	Propan-2-ol (Isopropyl alcohol)	12%
HS 29.05.13.00	Butan-1-ol (n-butyl alcohol)	12%
HS 29.05.31.00	Ethylene glycol (ethanediol)	12%
HS 29.05.32.00	Propylene glycol (propane-1,2-diol)	12%
HS 29.05.44.00	D-glucitol (sorbitol)	14%
HS 29.14.11.00	Acetone	12%
HS 29.15.11.00	Formic acid	12%
HS 29.15.21.00	Acetic acid	12%
HS 29.15.32.00	Vinyl acetate	12%
HS 29.16.12.30	Acrylic acid esters	12%
HS 29.16.20.14	Permethrin	12%
HS 29.22.41.10	Lysine	12%
HS 29.30.90.99	Other organo-sulphur compounds	2%
HS 29.31.00.29	Other organo-inorganic compounds	2%
HS 29.31.00.31	Diphenylphosphonate	2%
HS 29.31.00.32	Glyphosate and salts of monoisopropylamine	12%
HS 29.33.69.13	Atrazine	12%
HS 29.33.69.90	Triazine derivatives	14%
HS 29.33.69.91	Ametrine	14%
HS 29.33.71.00	6-Hexanelactam (epsilon-caprolactam)	12%
HS 29.41.10.10	Ampicilin and its salts	14%
HS 29.41.10.20	Amoxicilin and its salts	14%
HS 29.41.90.33	Cefaclor and cefalexine monohydrate	14%

Product HS Code	Description	Applicable Tariff Duty
HS 30.02.90.10	Ferments	10%
HS 30.02.90.92	Other toxins, microbiological cultures	4%
HS 30.02.90.99	Other toxins, cultures of microorganisms and similar products	8%
HS 30.04.10.12	Medicaments containing amoxycilin and its salts, in doses	14%
HS 30.04.20.59	Medicaments containing, in doses	8%
HS 30.04.20.99	Medicaments containing other antibiotics, in doses	8%
HS 30.04.31.00	Medicaments containing insulin, in doses	14%
HS 30.04.32.00	Medicaments containing hormones, in doses	14%
HS 30.04.39.39	Medicaments containing estrogen/progesterone, in doses	8%
HS 30.04.40.90	Other medicaments containing alkaloids, hormones, in doses	8%
HS 30.04.90.19	Medicaments containing other enzymes, in doses	8%
HS 30.04.90.29	Other medicaments containing monocarboxylic acids, in doses	8%
HS 30.04.90.39	Other medicaments containing compounds with amine function, in doses	8%
HS 30.04.90.59	Other medicaments containing products of 2930 and 2932, in doses	8%
HS 30.04.90.69	Other medicaments with compounds containing nitrogen heteroatoms, in doses	8%
HS 30.04.90.79	Other medicaments containing heterocyclic compounds, in doses	8%
HS 30.04.90.99	Other medicaments therapeutic, in doses	8%
HS 30.05.10.12	Adhesive dressings	12%
HS 30.06.60.00	Contraceptive preparations based on hormones or spermicides	12%
HS 31.02.10.10	Urea with more than 45% Nitrogen	6%
HS 31.02.21.00	Ammonium sulfate	4%
HS 31.03.10.30	Superphosphates	6%
HS 31.05.30.10	Diammonium hydrogenorthophosphate (diammonium phosphate)	6%
HS 31.05.40.00	Ammonium dihydrogenorthophosphate (mono-ammonium phosphate)	6%
HS 33.02.10.00	Of a kind used in the food or drink industries	14%
HS 33.05.90.00	Other preparations for use on the hair	18%
HS 33.06.90.00	Preparations for oral/dental hygiene	18%

Product HS Code	Description	Applicable Tariff Duty
HS 33.07.90.00	Other, household	18%
HS 34.02.20.00	Preparations put up for retail sale	18%
HS 34.06.00.00	Candles	16%
HS 38.08.10.00	Insecticides	14%
HS 38.08.10.29	Other insecticides	8%
HS 38.08.20.29	Other fungicides	8%
HS 38.08.20.90	Other pesticides	14%
HS 38.08.30.05	With atrazine as active ingredient	14%
HS 38.08.30.23	Herbicides based on glyphosate and its salts	14%
HS 38.08.30.29	Other herbicides	8%
HS 38.08.30.80	Other plant growth regulators and anti-sprouting products	14%
HS 38.14.00.00	Organic composite solvents and thinners	14%
HS 38.15.12.00	With precious metal or precious metal compounds as active substance	12%
HS 39.01.10.00	Polyethylene having a specific gravity of less than 0.94	14%
HS 39.01.20.90	Other, polyethylene	
HS 39.02.30.00	Propylene copolymers	14%
HS 39.07.20.39	Otherpolyether-polyols, in primary forms	14%
HS 39.07.30.28	Epoxide resins, liquids and pastes	14%
HS 39.07.40.00	Polycarbonates in primary forms	14%
HS 39.07.60.00	Polyethylene terephthalate in primary forms	14%
HS 39.07.99.99	Other polyesters in primary forms	14%
HS 39.17.39.00	Other tubes, pipes, hoses, and fittings of other plastics	16%
HS 39.17.40.00	Fittings	16%
HS 39.18.10.00	Floor, wall, and ceiling coverings, of polymers of vinyl chloride	16%
HS 39.19.90.00	Other self-adhesives plates of other plastics	16%
HS 39.23.29.00	Sacks and bags of other plastics	18%
HS 39.24.10.00	Tableware and kitchenware of plastics	18%
HS 39.26.30.00	Fittings for furniture, coachwork or the like	18%
HS 39.26.90.40	Laboratory ware of plastics	18%
HS 39.26.90.90	Other articles of plastic	18%
HS 40.02.19.19	Other, of Styrene-butadiene rubber in other primary forms	12%
HS 40.02.20.90	Of butadiene	12%
HS 40.10.19.00	Conveyor or transmission belts or belting, of vulcanized rubber	14%

Product HS Code	Description	Applicable Tariff Duty
HS 40.11.10.00	Tyres, of a kind used on motor cars (including station wagons and racing cars)	16%
HS 40.11.20.90	Tyres, of a kind used on buses and lorries	16%
HS 40.16.93.00	Gaskets, washers, and other seals	16%
HS 40.16.99.90	Other articles of rubber	16%

APPENDIX 15 – SACU Products That Warrant Protection

HS Chapter	HS Code	Description	SACU Tariff Duty
27	HS 27.10.00.03	Petrol, unleaded	0.091c/litre
	HS 27.07.60.00	Phenols	15%
	HS 27.08.20.00	Petroleum coke	0%
	HS 27.11.13.90	Other petroleum gases and other gaseous hydrocarbons	0%
	HS 27.13.20.00	Petroleum bitumen	10%
28	HS 28.04.69.00	Silicon	0%
	HS 28.07.00.00	Sulphuric acid	0%
	HS 28.09.20.00	Phosphoric acid and polyphosphoric acids	0%
	HS 28.14.10.00	Anhydrous Ammonia	0%
	HS 28.20.10.00	Manganese dioxides	0%
	HS 28.23.00.00	Titanium oxides	10%
	HS 28.34.21.00	Nitrates of potassium	0%
	HS 28.35.26.00	Other calcium phosphates	10%
	HS 28.47.00.15	Hydrogen peroxide	10%
HS 28.49.10.00	Calcium carbide	10%	
29	HS 29.02.41.00	O-xylene	0%
	HS 29.02.50.00	Styrene	0%
	HS 29.15.39.60	Other liquid aromatic esters of acetic acid	0%
	HS 29.29.10.00	Isocyanates	0%
	HS 29.33.59.90	Pyrimidine derivatives, other	10%
	HS 29.36.29.00	Other vitamins and their derivatives	0%
30	HS 30.02.20.00	Vaccines for human medicine	0%
	HS 30.02.30.00	Vaccines for veterinary medicine	0%
	HS 30.03.90.00	Other containing alkaloids or derivatives	0%
	HS 30.04.20.00	Containing other antibiotics	0%
	HS 30.04.39.00	Other pills, tablets and capsules	0%
	HS 30.04.50.00	Other medicaments containing vitamins	0%
	HS 30.04.90.00	Other medicaments containing vitamins	0%
	HS 30.05.10.00	Adhesive dressings and other articles having an adhesive layer	0%
	HS 30.05.90.10	Absorbent gauze or Muslin swabs	20%
	HS 30.05.90.90	Other absorbent gauze or Muslin swabs	0%
HS 30.06.10.00	Sterile catgut, similar sterile suture material	0%	

HS Chapter	HS Code	Description	SACU Tariff Duty
31	HS 31.01.00.00	Animal or vegetable fertilisers, whether or not chemically treated	0%
	HS 31.02.10.00	Urea	0%
	HS 31.02.29.00	Other ammonium sulphates	0%
	HS 31.02.60.00	Double salts and mixtures of calcium nitrate and ammonium nitrate	0%
	HS 31.04.20.00	Potassium chloride	0%
	HS 31.04.30.00	Potassium sulphate	0%
	HS 31.05.90.00	Other mineral or chemical fertilisers containing the two fertilising elements	0%
32	HS 32.02.90.00	Other synthetic organic tanning substances	0%
	HS 32.04.16.00	Reactive textile dyes	0%
	HS 32.08.10.00	Based on polyester	10%
	HS 32.08.20.00	Based on acrylic or vinyl polymers	10%
	HS 32.08.90.00	Other in non-aqueous medium	10%
	HS 32.09.10.00	Based on acrylic or vinyl polymers	10%
	HS 32.09.90.00	Other in aqueous medium	10%
33	HS 33.01.29.00	Other essential oils	0%
	HS 33.02.10.00	Mixed flavours for food and beverages	0%
	HS 33.03.00.00	Perfumes and toilet waters	20%
	HS 33.04.10.00	Lip make-up preparations	20%
	HS 33.04.20.00	Eye make-up preparations	20%
	HS 33.04.30.00	Manicure or pedicure preparations	20%
	HS 33.04.99.00	Other beauty make-up preparations	20%
	HS 33.05.30.00	Hair lacquers	20%
	HS 33.05.90.00	Other preparations for use on the hair	20%
	HS 33.06.10.00	Dentifrices	10%
	HS 33.06.90.00	Preparations for oral/dental hygiene	10%
	HS 33.07.20.00	Personal deodorants and anti-perspirants	20%
HS 33.07.90.90	Other household	20%	
34	HS 34.01.11.00	For toilet use	20%
	HS 34.01.19.00	Other soap	20%
	HS 34.01.20.00	Soap in other forms	20%
	HS 34.02.20.00	Preparations put up for resale	20%
	HS 34.02.90.00	Other cleaning	20%
35	HS 35.05.10.00	Dextrins and other modified starches	0%
	HS 35.07.90.00	Other enzymes and prepared enzymes	0%

HS Chapter	HS Code	Description	SACU Tariff Duty
36	HS 36.01.00.00	Propellant powders	10%
38	HS 38.03.00.00	Tall oil	0%
	HS 38.04.00.00	Residual lyes from wood pulp manufacturing	0%
	HS 38.08.10.00	Insecticides	0%
	HS 38.08.30.90	Other pesticides	0%
	HS 38.14.00.00	Organic composite solvent and thinners	10%
	HS 38.15.12.00	Precious metal chemicals	0%
	HS 38.15.19.00	Other catalysts	0%
	HS 38.22.00.00	Composite diagnostic or laboratory reagents	0%
	HS 38.23.19.00	Other tall oil fatty acids	10%
HS 38.24.90.90	Other packed for retail sale	0%	
39	HS 39.01.10.00	Polyethylene having a specific gravity of less than 0.94	10%
	HS 39.01.20.90	Polyethylene having a specific gravity of 0.94 or more	10%
	HS 39.02.10.00	Polypropylene	10%
	HS 39.02.30.00	Polypropylene copolymers	10%
	HS 39.03.19.00	Polystyrene, GPPS	0%
	HS 39.03.90.00	Other polystyrene	0%
	HS 39.04.10.00	Polyvinyl chloride not mixed with other substance	10%
	HS 39.04.22.00	Plasticised polymers of vinyl chloride	10%
	HS 39.07.20.90	Polyether-polyols	0%
	HS 39.07.60.90	Other polyethylene terephthalate	10%
	HS 39.09.50.00	Polyurethanes	0%
	HS 39.12.39.00	Other cellulosics	0%
	HS 39.15.90.90	Waste, parings and scrap of other plastic	0%
	HS 39.17.21.90	Other rigid tubes, pipes, and hoses of polymers of ethylene	15%
	HS 39.17.23.00	Rigid tubes, pipes and hoses of polymers of vinyl chloride	15%
	HS 39.17.23.90	Other pipes, tubes, hoses, not reinforced	15%
	HS 39.17.29.90	Other rigid tubes, pipes, hoses of other plastics	15%
	HS 39.17.39.90	Other tubes, pipes, hoses and fittings of other plastic	15%
	HS 39.17.40.00	Fittings	15%
	HS 39.18.10.00	Floor coverings and wall and ceiling coverings of polymers of vinyl chloride	15%
HS 39.19.90.90	Other self-adhesive plates, sheet, foil, film	10%	
HS 39.20.10.00	Of polymers of ethylene	15%	
HS 39.20.20.90	Self adhesive, other	15%	

HS Chapter	HS Code	Description	SACU Tariff Duty
	HS 39.23.21.00	Sacks and bags of polymers of ethylene	15%
	HS 39.23.29.00	Sacks and bags of polymers of other plastic	15%
	HS 39.26.90.00	Other articles of apparel and clothing accessories	N/a
40	HS 40.02.19.90	Other styrene-butadiene rubber	10%
	HS 40.02.20.90	Other butadiene rubber	10%
	HS 40.02.99.00	Other	0%
	HS 40.06.90.00	Other articles of vulcanised rubber	10%
	HS 40.08.11.90	Plates, strips, sheets, of vulcanised rubber	15%
	HS 40.09.50.00	Tubes, pipes, and hoses of vulcanised rubber	N/a
	HS 40.10.19.00	Conveyor or transmission belting of vulcanised rubber	15%
	HS 40.11.10.00	Motor car tyres	30%
	HS 40.11.20.15	Heavy vehicle tyres with load index of less than 121	25%
	HS 40.11.20.25	Heavy vehicle tyres with load index of more than 121	25%
	HS 40.11.20.90	Other heavy vehicle tyres	25%
	HS 40.11.99.20	Tyres used on agricultural or forestry vehicles	0%
	HS 40.12.20.00	Used pneumatic tyres	N/a
	HS 40.16.99.20	Other articles of vulcanised rubber for motor vehicles	20%
	HS 40.16.99.30	Parts of aircraft, parachute, rotochutes	0%

APPENDIX 16 – Identified chemical operations in Mercosur

Identified manufacturers of chemicals in Brazil are as follows:

Market Sector	Brazil Operations	Products
Liquid Fuels	Aqa S.A.	Gas manufacturer
	Petroleo Brasileiro S/A	Operates in exploration, production, refining, retailing and transportation of petroleum and its byproducts
	Aganor Gases E Equipamentos S. A.	Manufacture Petroleum and Coal Products
	Ipiranga Petroquimica	Natural gas distribution for the automotive
	Novamarlin Petroleo S.A.	Oil and gas extraction.
	Petrobahia	Gas, diesel oil and alcohol.
Commodity Organic Chemicals	Acrinor	Production of acrylic fibers. from acrylonitrile and basic raw materials.
	Cloroetil Solventes Aceticos	Manufactures acetaldehyde, Acetic Acid, Ethyl, Butyl and Amil Acetates, Thinners and special blends.
	Copene Petroquímica do Nordeste	The basic petrochemicals and utilities generation plant for the Camaçari Petrochemical Complex
	Petroquímica União S.A.	The raw-material producing plant of São Paulo state's Petrochemical Complex.
	Usina Acucareira Guaira	Manufacture alcohol and sugar
Commodity Inorganic Chemicals	Brasilac Industrias Quimicas Ltda.	Manufacture powdered activated carbon
	Casil	Manufacture silicon carbide grains and powders.
	Companhia Nacional de Alcalis	Manufacture sea salt and soda ash
	Copebras S.A.	Manufacture carbon black
	Fosbrasil	Manufacture Purified Phosphoric acid
Polymers	Ipiranga Petroquimica	The largest High Density Polyethylene producer in Latin America
	Petroflex	Manufacture synthetic rubbers in the country, integrated to the production of its basic raw materials: butadiene and styrene
Pure Functional Chemicals	Baerlocher Do Brasil S.A.	PVC Additives
	Nitrocarbono	Only "caprolactama" (type of nylon) producer in Brazil.

Market Sector	Brazil Operations	Products
	Politeno	Manufacture Resins
Speciality Chemicals	Agena	Manufactures metalworking lubricants, wire drawing lubricants, industrial cleaners, institutional cleaners, metal treatment compounds and more
	A. Chemical S.A.	Dyes for textiles, paper and leather
	Aldoro	Manufacturer of metallic powders and pigments used for printing ink, decorative paint, plastic and textile industries
	Aracruz Celulose	Producer of bleached eucalyptus market pulp, globally sold to manufacturers of tissue, printing and writing, and specialty papers.
	Argal	Manufacture products used for analysis of and industrial water treatment, varnishes and chemical specialties
	Artecola	Manufacture industrial adhesives and components for footwear
	Bann Química Ltda	Dyes (esp. indigo blue) for the textile industry.
	Bayer	See below
	Cesbra	Active in Mining and Metallurgy, Electronics and Tin-based Chemicals
	Cromex Brancolor	Manufacture colour concentrates.
	Fenil Química Ltda.	Manufacture chemicals, such as Phosphates, Acetates, Chlorates, Nitrates, Sulfates and Formates, using its own technology.
	Inbra	Manufacture auxiliary chemical products for textile and paper mills, metallic stearates, wire drawing lubricants and other related chemical specialties, heat stabilizers for PVC was started, and foaming agents.
	Ipel Biocides	Producer of biocides for industry in general.
	MK Group	Producers of chemicals for leather industry
	Montana Química	Manufactures wood preservation and treatment, barnishes, stains, paints, furniture, finishing, CCA, resin, industrial floors
	Nitriflex Amazonia	Produces resins and thermoplastic compounds to supply local industries.
	Oxiteno	Chemical specialties on the agrochemical, foodstuffs, cosmetic, leather industry, detergent, packing for beverages, polyester filaments and fibers, brake fluids, petroleum, paint and varnish industries
	PVP	Manufacturer of intermediates and ingredients for the Cosmetic and Health Industries.
Quimisa	Manufacture chemical products and dyes	
Resinac Industrias Quimicas	Manufacture chemical auxiliaries and intermediates to several industrial segments and consumer products	

Market Sector	Brazil Operations	Products
	Tanac	Manufacture Vegetable Tannin extracts for leather industry, Coagulants for Waste Water Treatment and Woodchips for Pulp industry
	Basf	Basf is a world chemical industry present in various business segments: Chemical, Plastics and Fibers, Performance Products, Agriculture and Nutrition Products, Petroleum and Gas.
	Dow AgroSciences LLC	Global leader in providing pest management and biotechnology products.
	Monsanto (Brazil)	Produces, researches and develops herbicides and seeds
Bulk Formulated Chemicals	Bunger Fertilizantes	Manufacture fertilizers and mineral supplements
	Cargill Fertilizer	Cargill Fertilizer is one of the world's largest producers of phosphate and nitrogen fertilizers, and distributes in Brazil
	Fertibras	One of the five largest fertilizers producers in Brazil.
	Fertiza	Connected to Cargill
	Fosfértil	Mining of phosphate and manufacture of fertilisers
	Ultrafertil	Ultrafertil was created in 1965, with the participation of Phillips/PS Petroleum and the Ultra Group, and other international financial entities. Today is one of the biggest chemical companies in the chemical sector.
Pharmaceuticals	Biobras	Manufacturer of medical and pharmaceutical products for human and veterinary use
	Bayer S.A.	Chemicals and Pharmaceuticals
	Libbs Farmaceutica	Chemical and Pharmaceutical Company
	Sourcetech	Manufacture raw materials and drugs from natural origin.
	Aché	Pharmaceuticals, Petrochemical & Other Chemicals
	Aventis Pharma	Offers a range of prescription drugs and vaccines
	Boehringer	Boehringer brands available in Brazil include: Buscopan, Perlutan, Cardizem, Atrovent, and Berotec prescription medicines; Anador, Finn, Pharmaton, Bisolvon and Guttalax consumer health care products; and Ingelvac, Ubro Yellow, Bisolvon, Buscopan and Benestermycin animal health products.
	Bristol-Myers Squibb	Bristol-Myers Squibb (Brazil) develops, manufactures and sells pharmaceuticals for the treatment of cancer, HIV/AIDS, depression, viral infections, dermatological complaints, as well as nutritionals, vitamins and medical devices
Glaxo Wellcome	Pharmaceuticals	

Market Sector	Brazil Operations	Products
	Novartis Pharma	The pharmaceutical company from the Novartis Group. The company produces pharmaceutical, nutritional and ophthalmology products
	Roche	Roche has a manufacturing plant in Unidade Jaguaré, SP which produces general vitamins, citric acids, betacarotene, vitamins, diagnostics, chemical products.
	Schering-Plough	Schering-Ploughs pharmaceutical division is responsible for 70% of sales in Brazil and anti-inflammatory, anti-allergy, antibiotics, oncology and central nervous systems and pharmaceuticals are its best selling products.
	Warner Lambert	Pfizer and Warner-Lambert, a transaction completed in June 2000, creating the world's most valuable and fastest-growing pharmaceutical company.
	Wyeth Whitehall	Wyeth Ayerst, the pharmaceuticals subsidiary of American Home Products (USA), is involved in the R&D, production and marketing of pharmaceuticals and biotechnology products. Main therapeutic areas of focus are womens health, gastrointestinal and infectious diseases, neuroscience, transplantation and immunology, musculoskeletal diseases, vaccines, nutritionals, haemophilia, cardiovascular diseases and oncology.
	Akzo Nobel	Akzo Nobel has pharmaceutical, chemical, coatings and animal health divisions in Brazil. The company has 15 manufacturing sites in Brazil and over 2,600 employees.
Consumer Chemicals	Sara Lee	Food and Beverage Manufacture
Plastics and Rubber Products Manufacturing	3M	Manufacture sticker tapes and many other products
	Dixie Toga Group	The leading packaging manufacturer in Latin America.
	Intex Industria De Plasticos SA	Manufacture Plastics and/or Rubber Products
	Iplac do Br S.A Plasticos Indl	Manufacture Plastic and/or Rubber Products
	Providencia	Manufactures flexible packaging, pipes and non-woven polypropylene.
	Sansuy	Manufacture flexible PVC laminates
	Sinimplast Ind Com Ltda	Plastics Manufacture
	Bandag	Tyre Retreads
	Bridgestone Firestone	Manufacture Tyres

Market Sector	Brazil Operations	Products
	Goodyear	Manufacture Tyres
	Pirelli Pneus S.A.	Manufacture Tyres
	Amanco	Manufacture Plastic and/or Rubber Products
	Sao Rogue	Manufacture Plastic and/or Rubber Products
	Tigre	Manufacture Plastic and/or Rubber Products
	Videolar	Manufacture Plastic and/or Rubber Products
	Vipal	Manufacture Plastic and/or Rubber Products
	Vulcan Material PlasticoS.A.	Manufacture Plastic and/or Rubber Products

Other identified chemical operations in Brazil, which could not be categorized accurately, are as follows:

General Category	Company
Petroleum and Coal Products Manufacturing	Cia Alagoas Inal
	Cia Bras De Asfalto Amazonia
	Companhia de Recuperacao Secundaria
	Conepar
	Edn Estireno do Nordeste S.A.
	Fab Emulsoes Asfalto De Pe S.A.
	Fertimar Fertilizantes do Maranhao S. A.
	Fertinor Fertilizantes do Nordeste S.A.
	Moraes S. A. Ind E Com
	Petroleo Lub do Nordeste S.A.
	Profertil-prod Quim Fert. S.A..
Supergasbras Ind E Comercio S.A.	
Unknown Category	Aubos Trevo S.A.
	AgaricusFarm.com
	Agroquisa - Agroquimica Industrial Ltda.
	Amonex do Brasil Industria e Comercio Ltda.
	Artigos Odontologicos Classico Ltda.
	Ashland Resinas Ltda.
	Ativus Farmacêutica
	Carbocloro
Carboderivados S.A.	

General Category	Company
	Empresas Carbomil

Identified chemical operations in Uruguay:

Category	Company
Plastics and Rubber Products Manufacturing	Ahinco SA
	Gomez Haedo S R L
	Jaspe SA
	Plamet Ltda
Pharmaceuticals, Petrochemicals and Other Chemicals	Advance S R L
	Arazul Ltda
	Laboratorios Microsules Uruguay S.A.
	Lanco S.A.
	Medicplast S.R.L
	Onacril S.A.
	Sachedi Ltda
	Tiscor S.A.
	Walbet S.A.
	ANCAP

Identified chemical operations in Paraguay:

Category	Company
International Companies	Unilever
	Shell
	Exxon
	Aventis Pharma
	BASF
	Bayer
	Hoechst
	Novartis
	Rhone-Poulenc

Identified chemical operations in Chile:

Category	Company
Pharmaceuticals, Petrochemicals and Other Chemicals	Andromaco
	Boehringer Ingelheim
	Comercial Nescott Ltda
	Comparua Chilena do Fosforos S.A.
	Cytec de Chile S.A.
	Enaex S.A.
	Gillette S.A.
	Industrial y Comercial Baxter de Chile
	Instituto Sanitas S.A.
	Labchile
	Methanex Chile Ltd
	Novartis Chile
	Proctor and Gamble
	Sintex
	Soquimich
	Asfaltos Chilenos S.A.
	CODELCO
	Colores de Chile
	Gelymar Extractos Naturales
	Harting Aromas
	Jiaojiang Xingming Chemicals
	Sociedad Quimica y Minera
	SQM
Sun Chemical Chile	
Tricolor	
Plastics and Rubber Products Manufacturing	Alusa
	Coresa S.A. Contenedores Redes y Envases
	Envases Multipack S.A.
	Edelpa
	Masisa Cabrero S.A.
Petroleum and Coal Products Manufacturing	Agfa
	Anilinas Montblanc
	BASF Chile
	Barpimo
	Comercial Pacific Ltda
	Coninter Ltda
	Copec
	Cyanamid Chile Ltda

Category	Company
	Esso Chile PetroleraLtda
	HB Fuller Chile S.A.
	Interquimica Ltda
	Liqui Moly Chile S.A.
	Neuman Ltda
	Pacific Resources Ltda

APPENDIX 17 – Mercosur’ Tariff Regime

HS Chapter	Mercosur Tariffs Protected	Duty Applicable to SACU (%)
27	27011100	0
	27011200	0
	27011900	0
	27012000	0
	27021000	0
	27022000	0
	27030000	0
	27040010	0
	27040090	0
	27050000	0
	27060000	0
	27071000	0
	27072000	0
	27073000	0
	27074000	0
	27075000	0
	27076010	0
	27076090	0
	27079100	0
	27079900	0
	27081000	0
	27082000	0
	27090010	0
	27090090	0
	27101110	0
	27101121	0
	27101129	0
	27101130	0
	27101141	0
	27101149	0
	27101151	0
	27101159	0
	27101190	0
	27101911	0
	27101919	0
	27101921	0
	27101922	0
	27101929	0
	27101931	0
	27101932	6
27101991	4	
27101992	0	
27101993	0	
27101999	0	
27109100	0	
27109900	0	

HS Chapter	Mercosur Tariffs Protected	Duty Applicable to SACU (%)
	27111100	0
	27111210	0
	27111290	0
	27111300	0
	27111400	0
	27111910	0
	27111990	0
	27112100	0
	27112910	0
	27112990	0
	27121000	4
	27122000	4
	27129000	4
	27131100	0
	27131200	2
	27132000	0
	27139000	0
	27141000	0
	27149000	0
	27150000	0
	27160000	0
28	28011000	8
	28012010	2
	28012090	2
	28013000	2
	28020000	2
	28030011	2
	28030019	8
	28030090	8
	28041000	6
	28042100	6
	28042910	6
	28042990	2
	28043000	6
	28044000	6
	28045000	2
	28046100	6
	28046900	6
	28047010	2
	28047020	2
	28047030	2
	28048000	2
	28049000	2
	28051100	2
	28051200	2
	28051910	2
	28051920	2
	28051990	2

HS Chapter	Mercosur Tariffs Protected	Duty Applicable to SACU (%)
	28053010	2
	28053090	2
	28054000	2
	28061010	6
	28061020	8
	28062000	10
	28070010	4
	28070020	4
	28080010	10
	28080020	10
	28091000	2
	28092011	10
	28092019	4
	28092020	2
	28092030	2
	28092090	2
	28100010	10
	28100090	10
	28111100	10
	28111910	2
	28111920	2
	28111930	10
	28111940	10
	28111950	2
	28111990	2
	28112100	4
	28112210	10
	28112220	2
	28112230	10
	28112290	2
	28112300	10
	28112900	2
	28121011	10
	28121012	2
	28121013	2
	28121014	2
	28121015	2
	28121019	2
	28121021	2
	28121021	2
	28121023	2
	28121029	2
	28129000	2
	28131000	10
	28139010	2
	28139090	2
	28141000	4
	28142000	4

HS Chapter	Mercosur Tariffs Protected	Duty Applicable to SACU (%)
	28151100	8
	28151200	8
	28152000	6
	28153000	2
	28161010	10
	28161020	2
	28164010	2
	28164090	2
	28170010	10
	28170020	10
	28181010	2
	28181090	2
	28182010	2
	28182090	2
	28183000	2
	28191000	10
	28199010	2
	28199020	2
	28201000	10
	28209010	10
	28209020	10
	28209030	10
	28209040	10
	28211011	10
	28211019	2
	28211020	2
	28211030	10
	28211090	10
	28212000	2
	28220010	10
	28220090	2
	28230010	10
	28230090	8
	28241000	10
	28242000	10
	28249000	10
	28251010	2
	28251020	2
	28252010	2
	28252020	10
	28253010	2
	28253090	2
	28254010	10
	28254090	2
	28255010	10
	28255090	10
	28255090	2
	28256020	2

HS Chapter	Mercosur Tariffs Protected	Duty Applicable to SACU (%)
	28257010	2
	28257090	2
	28258010	10
	28258090	10
	28259010	2
	28259020	2
	28259030	10
	28259090	10
	28261110	10
	28261190	10
	28261200	10
	28261910	2
	28261990	10
	28262000	10
	28263000	10
	28269010	2
	28269090	10
	28271000	10
	28272010	10
	28272090	10
	28273110	10
	28273190	10
	28273200	10
	28273300	10
	28273400	10
	28273500	10
	28273600	10
	28273910	2
	28273920	2
	28273931	2
	28273932	2
	28273940	2
	28273950	2
	28273960	2
	28273970	2
	28273991	2
	28273992	2
	28273993	2
	28273994	2
	28273995	2
	28273999	10
	28274110	10
	28274120	10
	28274911	2
	28274912	2
	28274919	2
	28274921	10
	28274929	2

HS Chapter	Mercosur Tariffs Protected	Duty Applicable to SACU (%)
	28275100	2
	28275900	2
	28276011	10
	28276012	10
	28276019	2
	28276021	2
	28276029	2
	28281000	10
	28289011	10
	28289019	2
	28289020	10
	28289090	2
	28291100	10
	28291910	2
	28291920	10
	28291990	2
	28299011	2
	28299012	2
	28299019	2
	28299021	2
	28299022	2
	28299029	2
	28299031	10
	28299032	10
	28299039	2
	28299040	2
	28299050	10
	28301010	10
	28301020	10
	28302000	2
	28303000	2
	28309011	2
	28309012	2
	28309013	10
	28309014	2
	28309015	2
	28309019	2
	28309020	2
	28311011	10
	28311019	10
	28311021	10
	28311029	2
	28319010	2
	28319090	10
	28321010	10
	28321090	10
	28322000	2
	28323010	10

HS Chapter	Mercosur Tariffs Protected	Duty Applicable to SACU (%)
	28323020	10
	28323090	2
	28331110	10
	28331190	10
	28331900	2
	28332100	10
	28332200	10
	28332300	10
	28332400	10
	28332510	10
	28332520	10
	28332600	10
	28332710	10
	28332790	10
	28332910	2
	28332920	2
	28332930	2
	28332940	2
	28332950	10
	28332990	10
	28333000	10
	28334010	2
	28334020	2
	28334090	2
	28341010	2
	28341090	2
	28342110	2
	28342190	10
	28342910	4
	28342920	2
	28342930	2
	28342940	2
	28342990	10
	28351011	2
	28351019	2
	28351021	10
	28351029	2
	28352200	10
	28352300	10
	28352400	10
	28352500	10
	28352600	10
	28352910	2
	28352920	2
	28352930	2
	28352940	2
	28352950	2
	28352960	2

HS Chapter	Mercosur Tariffs Protected	Duty Applicable to SACU (%)
	28352970	2
	28352990	10
	28353110	10
	28353190	10
	28353910	10
	28353920	10
	28353930	2
	28353990	10
	28361000	10
	28362010	10
	28362090	10
	28363000	10
	28364000	10
	28365000	10
	28366000	10
	28367000	10
	28369100	10
	28369200	2
	28369911	10
	28369912	2
	28369919	10
	28369920	2
	28371100	10
	28371911	2
	28371912	10
	28371913	2
	28371914	10
	28371915	10
	28371919	2
	28371920	2
	28372011	2
	28372012	2
	28372019	2
	28372021	2
	28372022	2
	28372023	2
	28372029	2
	28372090	2
	28380010	2
	28380090	2
	28391100	10
	28391900	10
	28392000	10
	28399010	10
	28399020	10
	28399030	10
	28399040	10
	28399090	2

HS Chapter	Mercosur Tariffs Protected	Duty Applicable to SACU (%)
	28401100	10
	28401900	10
	28402000	10
	28403000	2
	28411010	10
	28411020	2
	28411030	2
	28411090	2
	28412000	10
	28413000	10
	28415011	2
	28415012	10
	28415013	10
	28415014	10
	28415019	2
	28415020	2
	28416100	2
	28416910	2
	28416920	2
	28416930	2
	28417010	10
	28417020	10
	28417090	2
	28417090	10
	28418020	10
	28418090	2
	28419011	10
	28419012	10
	28419013	10
	28419014	10
	28419015	10
	28419019	2
	28419021	10
	28419029	2
	28419030	2
	28419041	10
	28419042	10
	28419043	10
	28419049	2
	28419050	2
	28419060	2
	28419070	2
	28419090	10
	28421010	2
	28421090	10
	28429000	2
	28431000	10
	28432100	10

HS Chapter	Mercosur Tariffs Protected	Duty Applicable to SACU (%)
	28432910	2
	28432990	10
	28433010	2
	28433090	10
	28439000	10
	28441000	2
	28442000	2
	28443000	2
	28444010	10
	28444020	2
	28444030	10
	28444090	2
	28445000	2
	28451000	2
	28459000	2
	28461010	2
	28461090	2
	28469010	2
	28469020	2
	28469030	10
	28469090	2
	28470000	10
	28480010	10
	28480020	10
	28480030	2
	28480090	2
	28491000	10
	28492000	10
	28499010	2
	28499020	2
	28499030	2
	28499090	2
	28500010	2
	28500020	10
	28500090	2
	28510010	2
	28510020	2
	28510031	2
	28510039	2
	28510090	2
29	29011000	2
	29012100	2
	29012200	2
	29012300	2
	29012410	2
	29012420	2
	29012900	2
	29021100	8

HS Chapter	Mercosur Tariffs Protected	Duty Applicable to SACU (%)
	29021910	10
	29021990	2
	29022000	4
	29023000	4
	29024100	4
	29024200	2
	29024300	4
	29024400	4
	29025000	10
	29026000	2
	29027000	8
	29029010	2
	29029020	2
	29029030	2
	29029040	10
	29029090	2
	29031110	10
	29031120	10
	29031200	2
	29031300	2
	29031400	10
	29031500	10
	29031910	2
	29031920	2
	29031990	2
	29032100	10
	29032200	10
	29032300	10
	29032900	2
	29033011	2
	29033012	2
	29033019	2
	29033021	0
	29033022	2
	29033029	2
	29033031	2
	29033032	2
	29033039	2
	29034100	10
	29034200	10
	29034300	2
	29034400	2
	29034510	2
	29034520	2
	29034530	2
	29034541	2
	29034542	2
	29034543	2

HS Chapter	Mercosur Tariffs Protected	Duty Applicable to SACU (%)
	29034544	2
	29034545	2
	29034546	2
	29034547	2
	29034590	10
	29034600	2
	29034700	2
	29034911	10
	29034912	2
	29034913	2
	29034914	2
	29034915	2
	29034916	2
	29034917	2
	29034919	2
	29034920	2
	29034931	2
	29034939	2
	29034990	2
	29035110	2
	29035190	2
	29035910	2
	29035920	2
	29035930	2
	29035940	2
	29035990	2
	29036110	12
	29036120	12
	29036130	12
	29036210	10
	29036220	2
	29036911	10
	29036912	2
	29036913	2
	29036914	12
	29036915	2
	29036916	2
	29036917	2
	29036918	2
	29036919	2
	29036921	2
	29036922	2
	29036923	2
	29036924	2
	29036929	2
	29036931	10
	29036939	2
	29036990	2

HS Chapter	Mercosur Tariffs Protected	Duty Applicable to SACU (%)
	29041011	2
	29041012	2
	29041013	2
	29041019	8
	29041020	14
	29041030	14
	29041040	14
	29041051	14
	29041052	14
	29041053	14
	29041059	2
	29041060	14
	29041090	2
	29042010	2
	29042020	2
	29042030	12
	29042041	12
	29042049	2
	29042051	12
	29042052	12
	29042059	2
	29042060	12
	29042070	12
	29042090	2
	29049011	2
	29049012	2
	29049013	2
	29049014	14
	29049015	2
	29049016	2
	29049017	2
	29049019	2
	29049021	2
	29049029	2
	29049030	2
	29049040	2
	29049090	2
	29051100	12
	29051210	2
	29051220	12
	29051300	12
	29051410	12
	29051420	12
	29051430	2
	29051500	12
	29051600	12
	29051710	2
	29051720	2

HS Chapter	Mercosur Tariffs Protected	Duty Applicable to SACU (%)
	29051730	2
	29051911	2
	29051912	12
	29051919	2
	29051921	2
	29051922	2
	29051923	12
	29051929	2
	29051991	12
	29051992	12
	29051993	12
	29051994	2
	29051995	2
	29051999	2
	29052210	2
	29052220	12
	29052230	2
	29052290	12
	29052910	2
	29052990	2
	29053100	12
	29053200	12
	29053910	12
	29053920	12
	29053930	12
	29053990	2
	29054100	2
	29054200	14
	29054300	14
	29054400	14
	29054500	10
	29054900	2
	29055100	2
	29055910	2
	29055990	2
	29061100	12
	29061200	12
	29061300	2
	29061400	12
	29061910	12
	29061920	2
	29061930	2
	29061940	2
	29061990	2
	29062100	12
	29062910	2
	29062920	2
	29062990	2

HS Chapter	Mercosur Tariffs Protected	Duty Applicable to SACU (%)
	29071100	8
	29071200	2
	29071300	10
	29071400	2
	29071510	2
	29071590	2
	29071910	2
	29071920	2
	29071930	2
	29071990	2
	29072100	2
	29072200	2
	29072300	12
	29072900	2
	29081011	2
	29081012	12
	29081013	2
	29081014	2
	29081015	2
	29081016	2
	29081019	2
	29081021	2
	29081029	2
	29081090	2
	29082010	12
	29082090	2
	29086914	2
	29089011	2
	29089012	2
	29089013	2
	29089019	2
	29089021	14
	29089029	2
	29089090	2
	29091100	12
	29091910	12
	29091990	2
	29092000	12
	29093011	12
	29093012	2
	29093013	12
	29093014	12
	29093019	2
	29093021	2
	29093029	2
	29094100	14
	29094200	14
	29094310	14

HS Chapter	Mercosur Tariffs Protected	Duty Applicable to SACU (%)
	29094320	14
	29094411	14
	29094412	14
	29094413	2
	29094419	14
	29094421	14
	29094429	14
	29094910	2
	29094921	14
	29094922	14
	29094923	2
	29094924	14
	29094929	2
	29094931	14
	29094932	14
	29094939	2
	29094941	14
	29094949	2
	29094950	2
	29094990	2
	29095011	2
	29095012	2
	29095013	2
	29095019	2
	29095090	2
	29096011	2
	29096012	2
	29096013	2
	29096019	12
	29096020	12
	29101000	2
	29102000	2
	29103000	2
	29109010	2
	29109020	2
	29109030	2
	29109090	2
	29110010	2
	29110090	2
	29121100	12
	29121200	12
	29121300	2
	29121911	2
	29121912	2
	29121919	2
	29121921	12
	29121922	12
	29121923	2

HS Chapter	Mercosur Tariffs Protected	Duty Applicable to SACU (%)
	29121929	2
	29121991	2
	29121999	2
	29122100	10
	29122910	2
	29122920	2
	29122990	2
	29123010	2
	29123090	12
	29124100	2
	29124200	2
	29124910	2
	29124920	2
	29124930	2
	29124990	2
	29125000	2
	29126000	12
	29130010	2
	29130090	2
	29141100	12
	29141200	12
	29141300	12
	29141910	2
	29141921	2
	29141922	2
	29141923	2
	29141929	12
	29141930	2
	29141940	2
	29141990	12
	29142100	2
	29142210	2
	29142220	2
	29142310	2
	29142320	2
	29142910	12
	29142920	2
	29142990	2
	29143100	2
	29143910	12
	29143990	2
	29144010	12
	29144091	2
	29144099	2
	29145010	2
	29145020	12
	29145090	2
	29146100	2

HS Chapter	Mercosur Tariffs Protected	Duty Applicable to SACU (%)
	29146910	2
	29146920	2
	29146990	2
	29147011	2
	29147019	2
	29147021	8
	29147022	12
	29147029	2
	29147090	2
	29151100	12
	29151210	12
	29151290	2
	29151310	12
	29151390	2
	29152100	12
	29152200	12
	29152300	12
	29152400	12
	29152910	12
	29152990	12
	29153100	12
	29153200	12
	29153300	12
	29153400	12
	29153500	12
	29153910	2
	29153921	12
	29153929	12
	29153931	2
	29153939	12
	29153941	2
	29153942	2
	29153951	2
	29153952	2
	29153953	2
	29153954	2
	29153955	2
	29153961	2
	29153962	2
	29153963	2
	29153991	2
	29153992	2
	29153993	2
	29153994	2
	29153999	12
	29154010	12
	29154020	12
	29154090	2

HS Chapter	Mercosur Tariffs Protected	Duty Applicable to SACU (%)
	29155010	2
	29155020	12
	29155030	2
	29156011	2
	29156012	2
	29156019	2
	29156021	2
	29156029	2
	29157010	12
	29157020	12
	29157031	12
	29157039	12
	29157040	12
	29159010	2
	29159021	12
	29159022	12
	29159029	12
	29159031	2
	29159032	2
	29159033	12
	29159039	2
	29159041	2
	29159042	12
	29159050	12
	29159060	12
	29159090	2
	29161110	2
	29161120	2
	29161210	12
	29161220	12
	29161230	12
	29161240	2
	29161290	2
	29161310	2
	29161320	2
	29161410	12
	29161420	12
	29161430	2
	29161490	2
	29161511	2
	29161519	12
	29161520	2
	29161911	12
	29161919	2
	29161921	2
	29161922	2
	29161923	2
	29161929	2

HS Chapter	Mercosur Tariffs Protected	Duty Applicable to SACU (%)
	29161990	2
	29162011	2
	29162012	2
	29162013	2
	29162014	12
	29162015	2
	29162019	2
	29162090	2
	29163110	12
	29163121	12
	29163122	12
	29163129	2
	29163131	12
	29163132	12
	29163139	2
	29163210	12
	29163220	2
	29163400	2
	29163500	2
	29163910	2
	29163920	2
	29163930	2
	29163940	12
	29163990	2
	29171110	2
	29171120	2
	29171210	10
	29171220	12
	29171310	2
	29171321	2
	29171322	12
	29171323	12
	29171329	2
	29171400	12
	29171910	12
	29171921	12
	29171922	12
	29171930	12
	29171990	2
	29172000	2
	29173100	12
	29173200	12
	29173300	12
	29173400	12
	29173500	12
	29173600	12
	29173700	12
	29173911	2

HS Chapter	Mercosur Tariffs Protected	Duty Applicable to SACU (%)
	29173919	2
	29173920	12
	29173931	12
	29173939	2
	29173940	6
	29173950	2
	29173990	2
	29181100	12
	29181200	12
	29181310	12
	29181320	2
	29181400	12
	29181500	12
	29181610	12
	29181690	12
	29181910	2
	29181921	2
	29181922	2
	29181929	12
	29181930	12
	29181941	2
	29181942	2
	29181943	2
	29181990	2
	29182110	12
	29182120	12
	29182211	12
	29182212	12
	29182219	2
	29182220	2
	29182300	12
	29182910	2
	29182921	2
	29182922	12
	29182923	12
	29182929	2
	29182930	2
	29182940	12
	29182950	12
	29182990	2
	29183010	2
	29183020	2
	29183031	14
	29183032	14
	29183033	14
	29183039	2
	29183040	2
	29183090	2

HS Chapter	Mercosur Tariffs Protected	Duty Applicable to SACU (%)
	29189011	12
	29189012	14
	29189013	2
	29189019	2
	29189021	12
	29189029	2
	29189030	2
	29189040	2
	29189050	2
	29189060	2
	29189091	12
	29189092	12
	29189093	12
	29189094	14
	29189099	2
	29190010	2
	29190020	2
	29190030	10
	29190040	12
	29190050	12
	29190060	14
	29190070	2
	29190090	2
	29201010	2
	29201020	2
	29201030	2
	29201040	2
	29201090	2
	29209013	12
	29209014	2
	29209015	12
	29209016	2
	29209017	12
	29209019	2
	29209021	12
	29209022	14
	29209029	2
	29209031	12
	29209032	12
	29209033	12
	29209039	2
	29209041	12
	29209042	12
	29209049	2
	29209051	12
	29209059	2
	29209061	2
	29209062	2

HS Chapter	Mercosur Tariffs Protected	Duty Applicable to SACU (%)
	29209063	2
	29209064	2
	29209069	2
	29209090	2
	29211111	12
	29211112	2
	29211121	12
	29211122	12
	29211123	12
	29211129	2
	29211131	12
	29211132	12
	29211139	2
	29211210	14
	29211220	2
	29211290	14
	29211911	14
	29211912	12
	29211913	2
	29211914	2
	29211919	2
	29211921	12
	29211922	14
	29211923	14
	29211924	14
	29211929	2
	29211931	14
	29211939	2
	29211941	12
	29211949	12
	29211991	2
	29211992	2
	29211999	2
	29212100	2
	29212200	12
	29212910	2
	29212920	2
	29212990	2
	29213011	14
	29213012	12
	29213019	2
	29213020	2
	29213090	2
	29214100	12
29214211	2	
29214219	2	
29214221	12	
29214229	2	

HS Chapter	Mercosur Tariffs Protected	Duty Applicable to SACU (%)
	29214231	2
	29214239	2
	29214241	2
	29214249	2
	29214290	2
	29214311	12
	29214319	2
	29214321	2
	29214322	14
	29214323	2
	29214329	2
	29214410	2
	29214421	12
	29214422	12
	29214429	2
	29214500	2
	29214610	2
	29214620	2
	29214630	2
	29214640	2
	29214650	2
	29214660	2
	29214670	2
	29214680	2
	29214690	2
	29214910	2
	29214921	2
	29214922	2
	29214929	2
	29214931	14
	29214939	2
	29214990	2
	29215111	2
	29215112	12
	29215119	2
	29215120	2
	29215131	12
	29215132	12
	29215133	12
	29215134	12
	29215135	2
	29215139	2
	29215190	2
	29215911	2
	29215919	2
	29215921	12
	29215929	2
	29215931	12

HS Chapter	Mercosur Tariffs Protected	Duty Applicable to SACU (%)
	29215932	2
	29215939	2
	29215990	2
	29221100	14
	29221200	14
	29221310	14
	29221320	14
	29221400	2
	29221911	2
	29221912	14
	29221913	14
	29221919	2
	29221921	14
	29221929	2
	29221931	2
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	29221941	2
	29221949	2
	29221951	2
	29221952	2
	29221959	2
	29221961	2
	29221962	2
	29221969	2
	29221991	2
	29221992	2
	29221993	14
	29221994	14
	29221995	14
	29221999	2
	29222100	2
	29222210	2
	29222290	2
	29222911	2
	29222919	2
	29222920	2
	29222990	2
	29223111	14
	29223112	2
	29223120	2
	29223130	2
	29223910	2
	29223921	12
	29223929	2
	29223990	2
	29224110	12
	29224190	12
	29224210	2

HS Chapter	Mercosur Tariffs Protected	Duty Applicable to SACU (%)
	29224220	8
	29224300	2
	29224410	2
	29224420	2
	29224910	2
	29224920	12
	29224931	2
	29224932	2
	29224940	12
	29224951	2
	29224952	12
	29224959	2
	29224961	14
	29224962	14
	29224963	14
	29224964	14
	29224969	2
	29224990	2
	29225011	2
	29225019	2
	29225021	2
	29225029	2
	29225041	2
	29225049	2
	29225050	12
	29225091	2
	29225099	2
	29231000	2
	29232000	12
	29239010	12
	29239020	2
	29239030	12
	29239040	12
	29239050	12
	29239060	12
	29239090	2
	29241100	2
	29241911	2
	29241919	2
	29241921	14
	29241922	14
	29241923	2
	29241929	2
	29241931	2
	29241932	2
	29241939	2
	29241941	14
	29241942	14

HS Chapter	Mercosur Tariffs Protected	Duty Applicable to SACU (%)
	29241949	2
	29241991	2
	29241992	2
	29241993	14
	29241994	14
	29241999	2
	29242111	2
	29242119	2
	29242120	14
	29242190	2
	29242300	2
	29242400	2
	29242911	12
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	29242913	14
	29242914	14
	29242915	14
	29242919	2
	29242920	2
	29242931	2
	29242932	2
	29242939	2
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	29242942	14
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	29242946	14
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	29242951	14
	29242952	14
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	29242962	14
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	29242993	2
	29242994	2
	29242995	14
	29242999	2
	29251100	14
	29251200	2
	29251910	14
	29251990	2
	29252011	2
	29252019	2

HS Chapter	Mercosur Tariffs Protected	Duty Applicable to SACU (%)
	29252021	2
	29252022	2
	29252023	12
	29252029	2
	29252030	12
	29252040	14
	29252050	12
	29252060	2
	29252090	2
	29261000	12
	29262000	2
	29263011	14
	29263012	2
	29263020	2
	29269011	2
	29269012	2
	29269019	2
	29269021	2
	29269022	2
	29269023	14
	29269024	2
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	29269029	2
	29269030	2
	29269091	12
	29269092	2
	29269093	14
	29269095	2
	29269096	12
	29269099	2
	29270010	2
	29270021	14
	29270029	2
	29270030	2
	29280011	12
	29280019	2
	29280020	2
	29280030	2
	29280041	12
	29280042	12
	29280090	2
	29291010	14
	29291021	14
	29291029	14
	29291030	14
	29291090	2
	29299011	12

HS Chapter	Mercosur Tariffs Protected	Duty Applicable to SACU (%)
	29299012	12
	29299019	2
	29299021	2
	29299022	2
	29299029	2
	29299090	2
	29301000	12
	29302011	2
	29302012	2
	29302013	2
	29302019	2
	29302021	12
	29302022	12
	29302023	12
	29302024	14
	29302025	2
	29302029	2
	29303011	12
	29303012	12
	29303019	2
	29303021	12
	29303022	2
	29303029	2
	29303090	2
	29304010	2
	29304090	2
	29309011	2
	29309012	2
	29309013	2
	29309014	12
	29309019	2
	29309021	2
	29309022	2
	29309023	2
	29309029	2
	29309031	2
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	29309035	2
	29309036	12
	29309037	12
	29309038	2
	29309039	2
	29309041	2
	29309042	2
	29309043	2
	29309049	2

HS Chapter	Mercosur Tariffs Protected	Duty Applicable to SACU (%)
	29309051	2
	29309052	12
	29309053	2
	29309054	2
	29309057	14
	29309059	2
	29309061	12
	29309062	12
	29309069	2
	29309071	14
	29309079	2
	29309081	2
	29309082	2
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	29309087	2
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	29309091	2
	29309092	2
	29309093	12
	29309094	2
	29309095	2
	29309096	12
	29309097	12
	29309099	2
	29310010	2
	29310021	2
	29310029	2
	29310031	2
	29310032	12
	29310033	14
	29310034	12
	29310035	2
	29310036	2
	29310037	12
	29310039	2
	29310041	2
	29310042	2
	29310043	12
	29310044	2
	29310045	12
	29310046	12
	29310049	2
	29310051	2
	29310052	2

HS Chapter	Mercosur Tariffs Protected	Duty Applicable to SACU (%)
	29310053	2
	29310054	2
	29310059	2
	29310061	12
	29310062	12
	29310069	2
	29310071	12
	29310072	12
	29310073	12
	29310074	12
	29310075	12
	29310076	12
	29310077	12
	29310081	2
	29310090	2
	29321100	2
	29321200	12
	29321310	12
	29321320	2
	29321910	2
	29321920	2
	29321930	14
	29321940	12
	29321950	12
	29321990	2
	29322110	2
	29322190	2
	29322910	2
	29322920	2
	29322990	2
	29329100	2
	29329200	2
	29329300	12
	29329400	2
	29329500	2
	29329911	12
	29329912	14
	29329913	14
	29329914	2
	29329921	2
	29329922	2
	29329923	2
	29329924	2
	29329991	14
	29329992	12
	29329993	14
	29329994	2
	29329999	2

HS Chapter	Mercosur Tariffs Protected	Duty Applicable to SACU (%)
	29331111	2
	29331112	2
	29331119	2
	29331120	2
	29331190	2
	29331911	2
	29331919	2
	29331990	2
	29332110	2
	29332121	14
	29332129	2
	29332190	2
	29332911	2
	29332912	14
	29332913	14
	29332919	2
	29332921	14
	29332922	14
	29332923	2
	29332924	2
	29332925	2
	29332929	2
	29332930	14
	29332940	12
	29332991	2
	29332992	2
	29332993	2
	29332994	12
	29332995	12
	29332999	2
	29333110	2
	29333120	2
	29333200	2
	29333311	2
	29333312	2
	29333319	2
	29333321	2
	29333322	12
	29333329	2
	29333330	2
	29333341	2
	29333342	14
	29333349	2
	29333351	2
	29333352	2
	29333359	2
	29333361	2
	29333362	2

HS Chapter	Mercosur Tariffs Protected	Duty Applicable to SACU (%)
	29333363	2
	29333369	2
	29333371	2
	29333372	2
	29333379	2
	29333381	2
	29333382	2
	29333383	2
	29333384	14
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	29333391	2
	29333392	2
	29333393	2
	29333399	2
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	29333913	2
	29333914	2
	29333915	2
	29333919	2
	29333921	2
	29333922	2
	29333923	14
	29333924	14
	29333925	14
	29333929	2
	29333931	14
	29333932	2
	29333933	2
	29333934	2
	29333935	14
	29333936	2
	29333939	2
	29333943	14
	29333944	14
	29333945	14
	29333946	2
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	29333948	12
	29333949	2
	29333981	14
	29333982	14
	29333983	14
	29333984	12
	29333989	2
	29333991	2
	29333992	2
	29333993	2
	29333994	2

HS Chapter	Mercosur Tariffs Protected	Duty Applicable to SACU (%)
	29333999	2
	29334110	2
	29334120	2
	29334911	2
	29334912	2
	29334913	14
	29334914	2
	29334915	2
	29334919	2
	29334920	2
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	29334940	2
	29334990	2
	29335200	2
	29335311	2
	29335312	2
	29335321	2
	29335322	2
	29335323	2
	29335330	2
	29335340	2
	29335350	2
	29335360	2
	29335371	2
	29335372	2
	29335380	2
	29335400	2
	29335510	2
	29335520	2
	29335530	2
	29335540	2
	29335911	2
	29335912	14
	29335913	2
	29335914	14
	29335915	12
	29335916	14
	29335919	2
	29335921	14
	29335922	2
	29335923	2
	29335929	2
	29335931	14
	29335932	2
	29335933	2
	29335934	14
	29335935	14
	29335939	2

HS Chapter	Mercosur Tariffs Protected	Duty Applicable to SACU (%)
	29335941	14
	29335942	2
	29335943	2
	29335944	14
	29335945	8
	29335949	2
	29335991	14
	29335992	14
	29335999	2
	29336100	2
	29336911	2
	29336912	2
	29336913	12
	29336914	12
	29336915	2
	29336916	2
	29336919	2
	29336921	14
	29336922	2
	29336923	2
	29336929	2
	29336991	14
	29336992	14
	29336999	2
	29337100	12
	29337210	2
	29337220	2
	29337910	2
	29337990	2
	29339111	12
	29339112	2
	29339113	2
	29339114	2
	29339115	12
	29339119	2
	29339121	2
	29339122	14
	29339123	2
	29339129	2
	29339131	2
	29339132	2
	29339133	2
	29339134	2
	29339139	2
	29339141	2
	29339142	2
	29339143	2
	29339149	2

HS Chapter	Mercosur Tariffs Protected	Duty Applicable to SACU (%)
	29339151	14
	29339152	2
	29339153	2
	29339159	2
	29339161	2
	29339162	2
	29339163	2
	29339164	12
	29339169	2
	29339171	2
	29339172	2
	29339173	2
	29339179	2
	29339181	2
	29339182	2
	29339183	12
	29339189	2
	29339911	14
	29339912	2
	29339913	2
	29339919	2
	29339920	2
	29339931	2
	29339932	14
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	29339934	2
	29339935	2
	29339939	2
	29339941	2
	29339942	12
	29339943	12
	29339944	12
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	29339946	14
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	29339949	2
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	29339953	14
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	29339955	14
	29339956	14
	29339959	2
	29339961	2
	29339962	2
	29339963	2
	29339969	2
	29339991	2

HS Chapter	Mercosur Tariffs Protected	Duty Applicable to SACU (%)
	29339992	2
	29339993	14
	29339995	14
	29339996	12
	29339999	2
	29341010	2
	29341020	14
	29341030	2
	29341090	2
	29342010	14
	29342020	14
	29342031	14
	29342032	14
	29342033	14
	29342034	14
	29342039	14
	29342040	14
	29342090	2
	29343010	2
	29343020	12
	29343030	2
	29343090	2
	29349111	2
	29349112	2
	29349121	2
	29349122	12
	29349123	2
	29349129	2
	29349131	2
	29349132	2
	29349133	2
	29349141	14
	29349142	2
	29349149	2
	29349150	2
	29349160	2
	29349170	2
	29349911	2
	29349912	2
	29349913	2
	29349914	2
	29349915	14
	29349919	2
	29349922	12
	29349923	0
	29349924	12
	29349925	2
	29349926	2

HS Chapter	Mercosur Tariffs Protected	Duty Applicable to SACU (%)
	29349927	12
	29349929	2
	29349931	2
	29349932	2
	29349933	14
	29349934	14
	29349939	2
	29349941	2
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	29349943	2
	29349944	2
	29349945	12
	29349946	14
	29349949	2
	29349951	2
	29349952	14
	29349953	14
	29349954	2
	29349959	2
	29349961	12
	29349969	2
	29349991	2
	29349992	12
	29349993	12
	29349999	2
	29350011	14
	29350012	14
	29350013	14
	29350014	14
	29350015	14
	29350019	2
	29350021	14
	29350022	14
	29350023	12
	29350024	12
	29350025	14
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	29350091	2
	29350092	14
	29350093	14
	29350094	14
	29350095	14
	29350096	14
	29350099	2
	29361000	2
	29362111	2
	29362112	2
	29362113	2

HS Chapter	Mercosur Tariffs Protected	Duty Applicable to SACU (%)
	29362119	2
	29362190	2
	29362210	2
	29362220	2
	29362290	2
	29362310	2
	29362320	2
	29362390	2
	29362410	14
	29362490	2
	29362510	2
	29362520	2
	29362590	2
	29362610	14
	29362620	2
	29362630	14
	29362690	2
	29362710	2
	29362720	2
	29362790	2
	29362811	0
	29362812	0
	29362819	0
	29362890	2
	29362911	2
	29362919	2
	29362921	14
	29362929	2
	29362931	0
	29362939	2
	29362940	2
	29362951	14
	29362952	14
	29362953	14
	29362959	14
	29362990	2
	29369000	2
	29371100	2
	29371200	14
	29371910	12
	29371920	14
	29371930	2
	29371940	14
	29371950	12
	29371990	2
	29372110	2
	29372120	2
	29372130	2

HS Chapter	Mercosur Tariffs Protected	Duty Applicable to SACU (%)
	29372140	2
	29372210	2
	29372221	2
	29372229	2
	29372231	2
	29372239	2
	29372290	2
	29372310	2
	29372321	2
	29372322	2
	29372329	2
	29372331	12
	29372339	2
	29372341	14
	29372342	14
	29372349	2
	29372351	12
	29372359	2
	29372360	12
	29372370	12
	29372391	2
	29372399	2
	29372910	2
	29372920	2
	29372931	2
	29372939	2
	29372940	2
	29372950	14
	29372990	2
	29373100	2
	29373911	14
	29373912	2
	29373919	2
	29373990	2
	29374010	12
	29374020	12
	29374090	2
	29375000	2
	29379010	14
	29379090	2
	29381000	12
	29389010	12
	29389020	14
	29389090	2
	29391110	2
	29391121	2
	29391122	12
	29391123	2

HS Chapter	Mercosur Tariffs Protected	Duty Applicable to SACU (%)
	29391131	2
	29391132	2
	29391140	2
	29391151	2
	29391152	2
	29391153	2
	29391161	2
	29391162	2
	29391169	2
	29391170	2
	29391181	2
	29391182	2
	29391191	2
	29391192	2
	29391900	2
	29392100	2
	29392900	2
	29393010	2
	29393020	2
	29394100	2
	29394200	2
	29394300	2
	29394900	2
	29395100	2
	29395910	2
	29395920	2
	29395990	2
	29396100	2
	29396200	2
	29396300	2
	29396911	2
	29396919	2
	29396921	2
	29396929	2
	29396931	2
	29396939	2
	29396941	2
	29396942	2
	29396949	2
	29396951	2
	29396952	14
	29396959	2
	29396990	2
	29399111	2
	29399112	2
	29399119	2
	29399120	2
	29399130	2

HS Chapter	Mercosur Tariffs Protected	Duty Applicable to SACU (%)
	29399140	2
	29399911	2
	29399919	2
	29399920	2
	29399931	14
	29399939	2
	29399940	14
	29399990	2
	29400011	2
	29400012	14
	29400013	14
	29400019	2
14	29400021	12
	29400022	12
	29400023	12
	29400029	2
	29400092	14
	29400093	14
	29400094	12
	29400099	2
	29411010	14
	29411020	14
	29411031	2
	29411039	2
	29411041	14
	29411042	14
	29411043	14
	29411049	2
	29411090	2
	29412010	2
	29412090	2
	29413010	2
	29413020	2
	29413031	2
	29413032	2
	29413090	2
	29414011	14
	29414019	2
	29414020	2
	29414090	2
	29415010	2
	29415020	14
	29415090	2
	29419011	2
	29419012	2
	29419013	2
	29419019	2
	29419021	14

HS Chapter	Mercosur Tariffs Protected	Duty Applicable to SACU (%)
	29419022	2
	29419029	2
	29419031	2
	29419032	2
	29419033	14
	29419034	2
	29419035	2
	29419036	2
	29419037	14
	29419039	2
	29419041	2
	29419042	2
	29419043	14
	29419049	2
	29419051	2
	29419059	2
	29419061	2
	29419062	2
	29419069	2
	29419071	2
	29419072	2
	29419073	2
	29419079	2
	29419081	2
	29419082	2
	29419083	2
	29419089	2
	29419091	2
	29419092	12
	29419099	2
	29420010	2
	29420090	2
30	30011010	4
	30011090	10
	30011090	4
	30012010	6
	30012090	6
	30019010	8
	30019020	2
	30019090	2
	30021011	8
	30021012	4
	30021013	4
	30021014	4
	30021015	4
	30021016	4
	30021019	2
	30021022	2

HS Chapter	Mercosur Tariffs Protected	Duty Applicable to SACU (%)
	30021023	2
	30021024	2
	30021029	2
	30021031	2
	30021032	0
	30021033	0
	30021034	8
	30021035	8
	30021036	0
	30021037	4
	30021038	0
	30021039	2
	30022011	2
	30022012	2
	30022013	2
	30022014	2
	30022015	2
	30022016	2
	30022017	4
	30022018	2
	30022019	2
	30022021	2
	30022022	2
	30022023	2
	30022024	2
	30022025	2
	30022026	2
	30022027	2
	30022028	4
	30022029	2
	30023010	4
	30023020	4
	30023030	4
	30023040	4
	30023050	4
	30023060	4
	30023070	4
	30023080	4
	30023090	2
	30029010	10
	30029020	4
	30029030	4
	30029091	4
	30029092	4
	30029093	8
	30029094	8
	30029099	8
	30031011	14

HS Chapter	Mercosur Tariffs Protected	Duty Applicable to SACU (%)
	30031012	14
	30031013	14
	30031014	14
	30031015	14
	30031019	8
	30031020	8
	30032011	14
	30032019	8
	30032021	14
	30032029	8
	30032031	8
	30032032	8
	30032039	8
	30032041	14
	30032049	8
	30032051	14
	30032052	14
	30032059	8
	30032061	14
	30032062	0
	30032063	0
	30032069	8
	30032071	8
	30032072	0
	30032079	8
	30032091	0
	30032092	14
	30032093	0
	30032094	0
	30032099	8
	30033100	14
	30033911	0
	30033912	14
	30033913	14
	30033914	14
	30033915	8
	30033916	0
	30033917	0
	30033918	0
	30033919	0
	30033921	0
	30033922	14
	30033923	14
	30033924	0
	30033925	0
	30033926	0
	30033929	8
	30033931	14

HS Chapter	Mercosur Tariffs Protected	Duty Applicable to SACU (%)
	30033932	14
	30033933	14
	30033934	14
	30033935	14
	30033936	0
	30033937	14
	30033939	8
	30033981	12
	30033982	12
	30033991	0
	30033992	14
	30033993	14
	30033994	14
	30033999	8
	30034010	0
	30034020	14
	30034030	14
	30034040	14
	30034090	8
	30039011	8
	30039012	14
	30039013	14
	30039014	14
	30039015	14
	30039016	8
	30039017	0
	30039019	8
	30039021	0
	30039022	0
	30039023	0
	30039029	8
	30039031	14
	30039032	14
	30039033	14
	30039034	14
	30039035	14
	30039036	14
	30039037	14
	30039038	0
	30039039	8
	30039041	14
	30039042	14
	30039043	14
	30039044	14
	30039046	14
	30039047	14
	30039048	0
	30039049	8

HS Chapter	Mercosur Tariffs Protected	Duty Applicable to SACU (%)
	30039051	14
	30039052	14
	30039053	14
	30039054	14
	30039055	14
	30039056	14
	30039057	14
	30039058	0
	30039059	8
	30039061	14
	30039062	14
	30039063	14
	30039064	14
	30039065	14
	30039067	14
	30039068	0
	30039069	8
	30039071	14
	30039072	14
	30039073	14
	30039074	14
	30039075	14
	30039076	14
	30039077	14
	30039078	0
	30039079	8
	30039081	14
	30039082	14
	30039083	14
	30039084	14
	30039085	14
	30039086	14
	30039087	14
	30039088	0
	30039089	8
	30039091	8
	30039092	14
	30039093	14
	30039094	8
	30039095	0
	30039099	8
	30041011	14
	30041012	14
	30041013	14
	30041014	14
	30041015	14
	30041019	8
	30041020	8

HS Chapter	Mercosur Tariffs Protected	Duty Applicable to SACU (%)
	30042011	14
	30042019	8
	30042021	14
	30042029	8
	30042031	8
	30042032	8
	30042039	8
	30042041	14
	30042049	8
	30042051	14
	30042052	14
	30042059	8
	30042061	14
	30042062	0
	30042063	0
	30042069	8
	30042071	8
	30042072	0
	30042079	8
	30042091	0
	30042092	14
	30042093	0
	30042094	0
	30042099	8
	30043100	14
	30043210	14
	30043220	14
	30043290	8
	30043911	0
	30043912	14
	30043913	14
	30043914	14
	30043915	8
	30043916	0
	30043917	0
	30043918	0
	30043919	0
	30043921	0
	30043922	14
	30043923	14
	30043924	0
	30043925	14
	30043926	0
	30043927	0
	30043929	8
	30043931	14
	30043932	14
	30043933	14

HS Chapter	Mercosur Tariffs Protected	Duty Applicable to SACU (%)
	30043934	14
	30043935	14
	30043936	0
	30043937	14
	30043938	12
	30043939	8
	30043981	12
	30043982	12
	30043991	0
	30043992	14
	30043993	14
	30043999	8
	30044010	0
	30044020	14
	30044030	14
	30044040	14
	30044090	8
	30045010	8
	30045020	14
	30045030	14
	30045040	14
	30045050	14
	30045060	0
	30045090	8
	30049011	0
	30049012	0
	30049013	0
	30049019	8
	30049021	14
	30049022	14
	30049023	14
	30049024	14
	30049025	14
	30049026	14
	30049027	2
	30049028	0
	30049029	8
	30049031	14
	30049032	14
	30049033	14
	30049034	14
	30049036	14
	30049037	14
	30049038	0
	30049039	8
	30049041	14
	30049042	14
	30049043	14

HS Chapter	Mercosur Tariffs Protected	Duty Applicable to SACU (%)
	30049044	14
	30049045	14
	30049046	14
	30049047	14
	30049048	0
	30049049	8
	30049051	14
	30049052	14
	30049053	14
	30049054	14
	30049055	14
	30049057	14
	30049058	0
	30049059	8
	30049061	14
	30049062	14
	30049063	14
	30049064	14
	30049065	14
	30049066	14
	30049067	14
	30049068	0
	30049069	8
	30049071	14
	30049072	14
	30049073	14
	30049074	14
	30049075	14
	30049076	14
	30049077	14
	30049078	0
	30049079	8
	30049091	8
	30049092	14
	30049093	14
	30049094	8
	30049095	0
	30049099	8
	30051010	12
	30051020	12
	30051030	12
	30051040	2
	30051050	2
	30051090	12
	30059011	2
	30059012	2
	30059019	12
	30059020	12

HS Chapter	Mercosur Tariffs Protected	Duty Applicable to SACU (%)
	30059090	12
	30061011	2
	30061019	12
	30061020	2
	30061090	12
	30062000	10
	30063011	2
	30063012	2
	30063013	2
	30063015	2
	30063016	2
	30063017	2
	30063018	2
	30063019	12
	30063021	2
	30063029	12
	30064011	12
	30064012	2
	30064020	2
	30065000	14
	30066000	12
	30067000	14
	30068000	14
31	31010000	4
	31021010	6
	31021090	6
	31022100	4
	31022910	0
	31022990	0
	31023000	0
	31024000	0
	31025011	0
	31025019	0
	31025090	0
	31026000	0
	31027000	0
	31028000	4
	31029000	0
	31031010	6
	31031020	6
	31031030	6
	31032000	0
	31039011	0
	31039019	0
	31039090	0
	31041000	0
	31042010	0
	31042090	0

HS Chapter	Mercosur Tariffs Protected	Duty Applicable to SACU (%)
	31043010	0
	31043090	0
	31049010	6
	31049090	0
	31051000	6
	31052000	6
	31053010	6
	31053090	6
	31054000	6
	31055100	4
	31055900	4
	31056000	4
	31059011	0
	31059019	0
	31059090	4
32	32011000	10
	32012000	10
	32019011	2
	32019012	10
	32019019	10
	32019020	10
	32019090	10
	32021000	10
	32029011	10
	32029012	2
	32029013	2
	32029019	10
	32029021	10
	32029029	10
	32029030	10
	32030011	2
	32030012	2
	32030013	2
	32030019	10
	32030021	10
	32030029	10
	32030030	10
	32041100	12
	32041210	14
	32041220	12
	32041300	14
	32041400	14
	32041510	14
	32041520	2
	32041530	2
	32041590	14
	32041600	14
	32041700	14

HS Chapter	Mercosur Tariffs Protected	Duty Applicable to SACU (%)
	32041911	2
	32041912	2
	32041913	12
	32041919	14
	32041920	14
	32041930	14
	32041990	14
	32042011	14
	32042019	14
	32042090	14
	32049000	14
	32050000	12
	32061111	8
	32061119	12
	32061120	12
	32061130	12
	32061910	2
	32061990	12
	32062000	12
	32063000	12
	32064100	2
	32064210	2
	32064290	12
	32064300	12
	32064900	12
	32065011	2
	32065019	12
	32065021	2
	32065029	2
	32071010	12
	32071090	12
	32072010	12
	32072091	2
	32072099	12
	32073000	12
	32074010	12
	32074090	12
	32081010	14
	32081020	14
	32081030	14
	32082010	14
	32082020	14
	32082030	14
	32089010	14
	32089021	14
	32089029	14
	32089031	14
	32089039	14

HS Chapter	Mercosur Tariffs Protected	Duty Applicable to SACU (%)
	32091010	14
	32091020	14
	32099011	14
	32099019	14
	32099020	14
	32100010	14
	32100020	14
	32100030	14
	32110000	14
	32121000	14
	32129010	14
	32129090	14
	32131000	14
	32139000	14
	32141010	14
	32141020	14
	32149000	14
	32151100	14
	32151900	14
	32159000	14
33	33011100	14
	33011210	14
	33011290	14
	33011300	14
	33011400	14
	33011900	14
	33012100	2
	33012200	2
	33012300	2
	33012400	14
	33012510	12
	33012520	2
	33012590	2
	33012600	14
	33012911	14
	33012912	2
	33012913	14
	33012914	14
	33012915	14
	33012916	14
	33012917	14
	33012918	14
	33012919	12
	33012990	2
	33013000	2
	33019010	14
	33019020	14
	33019030	14

HS Chapter	Mercosur Tariffs Protected	Duty Applicable to SACU (%)
	33019040	8
	33021000	14
	33029011	14
	33029019	14
	33029090	14
	33030010	18
	33030020	18
	33041000	18
	33042010	18
	33042090	18
	33043000	18
	33049100	18
	33049910	18
	33049990	18
	33051000	18
	33052000	18
	33053000	18
	33059000	18
	33061000	18
	33062000	16
	33069000	18
	33071000	18
	33072010	18
	33072090	18
	33073000	18
	33074100	18
	33074900	18
	33079000	18
34	34011110	18
	34011190	18
	34011900	18
	34012010	18
	34012090	18
	34013000	18
	34021110	2
	34021120	2
	34021130	2
	34021190	14
	34021210	2
	34021290	14
	34021300	14
	34021900	14
	34022000	18
	34029011	14
	34029019	14
	34029021	2
	34029022	2
	34029029	18

HS Chapter	Mercosur Tariffs Protected	Duty Applicable to SACU (%)
	34029031	18
	34029039	18
	34029090	18
	34031110	14
	34031120	14
	34031190	14
	34031900	14
	34039110	14
	34039120	14
	34039190	14
	34039900	14
	34041000	14
	34042010	14
	34042020	14
	34049011	14
	34049012	14
	34049013	14
	34049019	14
	34049021	2
	34049029	14
	34051000	16
	34052000	16
	34053000	16
	34054000	16
	34059000	16
	34060000	16
	34070010	16
	34070020	16
	34070090	16
35	35011000	14
	35019011	14
	35019019	14
	35019020	14
	35021100	14
	35021900	14
	35022000	14
	35029010	2
	35029090	14
	35030011	2
	35030012	14
	35030019	14
	35030090	14
	35040011	14
	35040019	14
	35040020	14
	35040090	14
	35051000	14
	35052000	14

HS Chapter	Mercosur Tariffs Protected	Duty Applicable to SACU (%)
	35061010	16
	35061090	16
	35069110	16
	35069120	16
	35069190	16
	35069900	16
	35071000	14
	35079011	14
	35079019	14
	35079021	14
	35079022	2
	35079023	14
	35079024	14
	35079025	14
	35079026	14
	35079029	14
	35079031	2
	35079039	14
	35079041	14
	35079042	2
	35079049	14
36	36010000	12
	36020000	12
	36030000	12
	36041000	14
	36049010	4
	36049090	14
	36050000	14
	36061000	14
	36069000	14
37	37011010	14
	37011021	2
	37011029	14
	37012010	2
	37012020	2
	37013010	2
	37013021	14
	37013022	2
	37013029	14
	37013031	14
	37013039	14
	37013040	14
	37013050	14
	37013090	14
	37019100	2
	37019900	14
	37021010	14
	37021020	14

HS Chapter	Mercosur Tariffs Protected	Duty Applicable to SACU (%)
	37022010	2
	37022020	2
	37023100	2
	37023200	2
	37023900	14
	37024100	2
	37024210	14
	37024290	2
	37024310	14
	37024320	14
	37024390	2
	37024410	2
	37024421	14
	37024429	14
	37025110	2
	37025190	2
	37025200	2
	37025300	2
	37025411	2
	37025419	14
	37025491	2
	37025499	14
	37025510	10
	37025590	14
	37025600	2
	37029100	2
	37029300	2
	37029400	2
	37029500	14
	37031010	14
	37031021	14
	37031029	14
	37032000	14
	37039010	14
	37039090	14
	37040000	14
	37051000	14
	37052000	2
	37059010	0
	37059090	14
	37061000	14
	37069000	14
	37071000	14
	37079010	14
	37079021	14
	37079029	14
	37079030	2
	37079090	14

HS Chapter	Mercosur Tariffs Protected	Duty Applicable to SACU (%)
38	38011000	2
	38012010	10
	38012090	10
	38013010	2
	38013090	2
	38019000	10
	38021000	12
	38029010	12
	38029020	12
	38029030	2
	38029040	12
	38029050	2
	38029090	12
	38030000	12
	38040011	10
	38040012	10
	38040020	10
	38051000	14
	38052000	14
	38059000	14
	38061000	12
	38062000	14
	38063000	14
	38069011	14
	38069012	14
	38069019	14
	38069090	14
	38070000	14
	38081010	14
	38081021	14
	38081022	14
	38081023	14
	38081024	14
	38081025	14
	38081026	14
	38081027	14
	38081029	8
	38082010	14
	38082021	14
	38082022	14
	38082023	14
	38082024	14
	38082025	14
	38082026	14
38082029	8	
38083010	14	
38083021	14	
38083022	14	

HS Chapter	Mercosur Tariffs Protected	Duty Applicable to SACU (%)
	38083023	14
	38083024	14
	38083025	14
	38083029	8
	38083031	14
	38083032	8
	38083040	14
	38083051	14
	38083059	8
	38084010	14
	38084022	14
	38084029	8
	38089010	14
	38089021	14
	38089022	14
	38089023	8
	38089024	14
	38089025	8
	38089026	8
	38089029	8
	38091010	14
	38091090	14
	38099110	14
	38099120	14
	38099130	14
	38099141	14
	38099149	14
	38099190	14
	38099211	14
	38099219	14
	38099290	14
	38099311	14
	38099319	14
	38099390	14
	38101010	14
	38101020	14
	38109000	14
	38111100	2
	38111900	2
	38112110	14
	38112120	14
	38112130	14
	38112140	14
	38112150	14
	38112190	2
	38112910	14
	38112920	14
	38112990	14

HS Chapter	Mercosur Tariffs Protected	Duty Applicable to SACU (%)
	38119010	14
	38119090	2
	38121000	14
	38122000	14
	38123011	14
	38123012	14
	38123013	14
	38123019	2
	38123021	14
	38123029	14
	38130000	14
	38140000	14
	38151100	2
	38151210	12
	38151220	12
	38151290	2
	38151900	2
	38159010	4
	38159091	2
	38159099	4
	38160011	14
	38160012	2
	38160019	14
	38160021	2
	38160029	14
	38160090	14
	38170010	12
	38170020	14
	38180010	2
	38180090	2
	38190000	14
	38200000	14
	38210000	14
	38220010	2
	38220090	14
	38231100	6
	38231200	6
	38231300	2
	38231900	2
	38237010	2
	38237020	2
	38237030	2
	38237090	2
	38241000	14
	38242010	2
	38242020	2
	38243000	14
	38244000	14

HS Chapter	Mercosur Tariffs Protected	Duty Applicable to SACU (%)
	38245000	14
	38246000	14
	38247110	2
	38247190	14
	38247900	14
	38249011	14
	38249012	2
	38249013	2
	38249014	2
	38249015	2
	38249019	14
	38249021	2
	38249022	2
	38249023	2
	38249024	2
	38249025	14
	38249026	2
	38249027	2
	38249028	2
	38249029	14
	38249031	14
	38249032	14
	38249033	14
	38249034	2
	38249035	14
	38249036	14
	38249037	2
	38249039	14
	38249041	14
	38249042	8
	38249043	2
	38249049	14
	38249051	2
	38249052	14
	38249053	14
	38249054	2
	38249059	14
	38249061	2
	38249062	2
	38249063	2
	38249071	14
	38249072	14
	38249073	2
	38249074	2
	38249075	2
	38249076	2
	38249077	0
	38249078	2

HS Chapter	Mercosur Tariffs Protected	Duty Applicable to SACU (%)
	38249079	14
	38249081	14
	38249082	2
	38249083	2
	38249084	14
	38249085	14
	38249086	14
	38249087	14
	38249088	14
	38249089	14
	38251000	14
	38252000	14
	38253000	14
	38254100	14
	38254900	14
	38255000	14
	38256100	14
	38256900	14
	38259000	14
39	39011010	14
	39011091	14
	39011092	14
	39012011	2
	39012019	14
	39012021	2
	39012029	14
	39013010	14
	39013090	14
	39019010	14
	39019020	14
	39019030	2
	39019040	2
	39019090	14
	39021010	14
	39021020	14
	39022000	14
	39023000	14
	39029000	14
	39031110	14
	39031120	14
	39031900	14
	39032000	14
	39033010	14
	39033020	14
	39039010	14
	39039090	14
	39041010	14
	39041020	14

HS Chapter	Mercosur Tariffs Protected	Duty Applicable to SACU (%)
	39041090	14
	39042100	14
	39042200	14
	39043000	14
	39044010	14
	39044090	14
	39045010	2
	39045090	2
	39046110	2
	39046190	2
	39046910	2
	39046990	2
	39049000	14
	39051200	14
	39051910	14
	39051990	14
	39052100	14
	39052900	14
	39053000	2
	39059130	14
	39059190	2
	39059910	2
	39059920	2
	39059930	12
	39059990	2
	39061000	14
	39069011	14
	39069012	14
	39069019	14
	39069021	14
	39069022	2
	39069029	14
	39069031	14
	39069032	14
	39069039	14
	39069041	14
	39069042	14
	39069043	14
	39069044	2
	39069045	2
	39069049	14
	39071010	14
	39071020	14
	39071031	2
	39071039	14
	39071041	2
	39071042	2
	39071049	2

HS Chapter	Mercosur Tariffs Protected	Duty Applicable to SACU (%)
	39071091	14
	39071099	14
	39072011	14
	39072012	2
	39072020	2
	39072031	14
	39072039	14
	39072090	14
	39073011	14
	39073019	14
	39073021	14
	39073028	14
	39073029	14
	39074000	14
	39075010	14
	39075090	14
	39076000	14
	39079100	14
	39079911	14
	39079918	2
	39079919	2
	39079991	14
	39079999	14
	39081011	2
	39081012	2
	39081013	14
	39081014	14
	39081019	2
	39081021	2
	39081022	2
	39081023	14
	39081024	14
	39081029	2
	39089010	2
	39089020	14
	39089090	2
	39091000	14
	39092011	14
	39092019	14
	39092021	14
	39092029	14
	39093010	14
	39093020	14
	39094011	14
	39094019	14
	39094091	14
	39094099	14
	39095011	14

HS Chapter	Mercosur Tariffs Protected	Duty Applicable to SACU (%)
	39095012	2
	39095019	14
	39095021	2
	39095029	14
	39100011	2
	39100012	14
	39100013	2
	39100019	14
	39100021	2
	39100029	14
	39100030	14
	39100090	14
	39111010	14
	39111020	14
	39119011	14
	39119019	14
	39119021	14
	39119022	2
	39119023	2
	39119029	14
	39121110	8
	39121120	2
	39121200	2
	39122010	14
	39122021	14
	39122029	14
	39123111	14
	39123119	14
	39123121	14
	39123129	14
	39123910	14
	39123920	14
	39123930	14
	39123990	14
	39129010	2
	39129020	2
	39129031	14
	39129039	14
	39129040	14
	39129090	14
	39131000	2
	39139011	2
	39139012	2
	39139019	2
	39139020	2
	39139030	2
	39139040	2
	39139050	14

HS Chapter	Mercosur Tariffs Protected	Duty Applicable to SACU (%)
	39139090	2
	39140011	2
	39140019	2
	39140090	2
	39151000	14
	39152000	14
	39153000	14
	39159000	14
	39161000	16
	39162000	16
	39169010	16
	39169090	16
	39171010	2
	39171021	2
	39171029	16
	39172100	16
	39172200	16
	39172300	16
	39172900	16
	39173100	16
	39173210	16
	39173221	2
	39173229	16
	39173230	16
	39173240	16
	39173251	2
	39173259	16
	39173290	16
	39173300	16
	39173900	16
	39174010	0
	39174090	16
	39181000	16
	39189000	16
	39191000	16
	39199000	16
	39201010	2
	39201090	16
	39202011	2
	39202012	2
	39202019	16
	39202090	16
	39203000	16
	39204310	16
	39204390	16
	39204900	16
	39205100	16
	39205900	16

HS Chapter	Mercosur Tariffs Protected	Duty Applicable to SACU (%)
	39206100	16
	39206211	2
	39206219	16
	39206291	16
	39206299	16
	39206300	16
	39206900	16
	39207100	16
	39207210	2
	39207290	16
	39207310	16
	39207390	16
	39207900	16
	39209100	16
	39209200	16
	39209300	16
	39209400	16
	39209910	16
	39209920	16
	39209930	2
	39209940	2
	39209990	16
	39211100	16
	39211200	16
	39211310	2
	39211390	16
	39211400	16
	39211900	16
	39219011	16
	39219019	16
	39219020	16
	39219030	2
	39219090	16
	39221000	18
	39222000	18
	39229000	18
	39231000	18
	39232110	18
	39232190	18
	39232910	18
	39232990	18
	39233000	18
	39234000	18
	39235000	18
	39239000	18
	39241000	18
	39249000	18
	39251000	18

HS Chapter	Mercosur Tariffs Protected	Duty Applicable to SACU (%)
	39252000	18
	39253000	18
	39259000	18
	39261000	18
	39262000	18
	39263000	18
	39264000	18
	39269010	18
	39269021	18
	39269022	18
	39269030	0
	39269040	18
	39269050	0
39269090	18	
40	40011000	4
	40012100	4
	40012200	4
	40012910	4
	40012920	4
	40012990	4
	40013000	4
	40021110	12
	40021120	12
	40021911	12
	40021912	2
	40021919	12
	40021920	12
	40022010	2
	40022090	12
	40023100	2
	40023900	2
	40024100	2
	40024900	2
	40025100	12
	40025900	12
	40026000	2
	40027000	12
	40028000	12
	40029100	12
	40029910	12
	40029920	2
	40029990	12
	40030000	12
	40040000	12
	40051010	2
	40051090	14
40052000	14	
40059110	14	

HS Chapter	Mercosur Tariffs Protected	Duty Applicable to SACU (%)
	40059190	14
	40059910	14
	40059990	14
	40061000	14
	40069000	14
	40070011	2
	40070019	14
	40070020	14
	40081100	14
	40081900	14
	40082100	14
	40082900	14
	40091100	14
	40091210	14
	40091290	14
	40092110	14
	40092190	14
	40092210	14
	40092290	14
	40093100	14
	40093210	14
	40093290	14
	40094100	14
	40094210	14
	40094290	14
	40101100	14
	40101200	14
	40101300	14
	40101900	14
	40103100	14
	40103200	14
	40103300	14
	40103400	14
	40103500	14
	40103600	14
	40103900	14
	40111000	16
	40112010	16
	40112090	16
	40113000	0
	40114000	16
	40115000	16
	40116100	16
	40116200	16
	40116310	2
	40116320	2
	40116390	16
	40116910	2

HS Chapter	Mercosur Tariffs Protected	Duty Applicable to SACU (%)
	40116990	16
	40119210	16
	40119290	16
	40119300	16
	40119410	2
	40119420	2
	40119490	16
	40119910	2
	40119990	16
	40121100	16
	40121200	16
	40121300	16
	40121900	16
	40122000	16
	40129010	16
	40129090	16
	40131010	16
	40131090	16
	40132000	16
	40139000	16
	40141000	16
	40149010	16
	40149090	16
	40151100	16
	40151900	16
	40159000	16
	40161010	16
	40161010	16
	40161090	16
	40169100	16
	40169200	16
	40169300	16
	40169400	16
	40169510	16
	40169590	16
	40169910	2
	40169990	16
	40170000	16

Appendix 18 – SACU products that are potentially affected by Mercosur-EU trade agreement

Mercosur's Trade Partner	HS Chapters Relevant to SACU	Net Trade	World Market % Share of Exports	Major Markets
Austria	HS 30.04	Net importer	1.0%	USA and Germany
	HS 39.23	Net exporter	2.0%	Germany and Switzerland
Belgium	HS 27.10	Net exporter	5.0%	Germany and Netherlands
	HS 29.33	Net exporter	18%	USA and France
	HS 30.04	Net importer	15.7%	Germany and USA
Cyprus	HS 27.10	Net importer	0.0%	Bulgaria and Egypt
	HS 30.04	Net importer	0.1%	Netherlands and Russia
Czech Republic	HS 27.10	Net importer	0.7%	Austria and Germany
	HS 40.11	Net exporter	2.5%	Germany and France
Denmark	HS 27.10	Net importer	0.6%	Sweden and Norway
	HS 29.33	Net exporter	1.2%	Ireland and Italy
	HS 30.04	Net exporter	2.3%	Sweden
Estonia	HS 27.10	Net importer	0.1%	Russia and Malta
Finland	HS 27.10	Net exporter	1.1%	Sweden and USA
	HS 30.04	Net importer	0.3%	Russia and Switzerland
	HS 40.11	Net exporter	0.8%	Russia and Sweden
France	HS 27.10	Net importer	2.9%	Britain and Germany
	HS 29.33	Net importer	6.0%	Britain and Sweden
	HS 30.04	Net exporter	10.3%	USA and Belgium
	HS 38.08	Net exporter	14.9%	Germany and Britain
	HS 40.11	Net exporter	8.4%	Germany and Italy
Germany	HS 27.10	Net importer	3.4%	Austria and Britain
	HS 30.04	Net exporter	9.8%	USA and Switzerland
Greece	HS 27.10	Net exporter	0.7%	USA and Macedonia
	HS 30.04	Net importer	0.2%	Britain and Germany
Latvia	HS 30.04	Net importer	0.0%	Lithuania and Estonia
Lithuania	HS 27.10	Net exporter	0.7%	Britain and Latvia
	HS 30.04	Net importer	0.0%	Latvia and Russia
Hungary	HS 27.10	Net exporter	0.4%	Austria and Germany
	HS 30.04	Net importer	0.3%	Russia and Poland
Ireland	HS 27.10	Net importer	0.2%	Britain and Norway
	HS 29.21	Net exporter	15.6%	Switzerland and Belgium
	HS 29.33	Net exporter	21.8%	Belgium and USA
	HS 30.04	Net exporter	10.1%	Belgium and USA
	HS 38.22	Net exporter	4.8%	USA and Germany

Mercosur's Trade Partner	HS Chapters Relevant to SACU	Net Trade	World Market % Share of Exports	Major Markets
Italy	HS 27.10	Net exporter	3.2%	Spain and USA
	HS 30.04	Net exporter	6.1%	Belgium and Sweden
Luxembourg	HS 39.23	Net exporter	0.3%	Germany and France
	HS 40.11	Net exporter	0.9%	Germany and France
Netherlands	HS 27.10	Net exporter	8.5%	Germany and Belgium
	HS 29.01	Net exporter	19.7	Belgium and Germany
	HS 30.04	Net importer	4.0%	France and Britain
Poland	HS 27.10	Net importer	0.4%	Czech Republic and Denmark
	HS 40.11	Net exporter	1.7%	Germany and France
Portugal	HS 27.10	Net importer	0.3%	USA and Spain
	HS 30.04	Net importer	0.2%	Britain and Germany
	HS 40.11	Net exporter	1.1%	Germany and Spain
Slovenia	HS 30.04	Net exporter	0.5%	Poland and Russia
	HS 40.11	Net exporter	0.8%	Germany and Hungary
Slovakia	HS 27.10	Net exporter	0.6%	Czech Republic and Austria
	HS 30.04	Net importer	0.1%	Czech Republic and Russia
	HS 40.11	Net exporter	1.0%	Germany and Czech Republic
Spain	HS 27.10	Net importer	1.9%	Portugal and France
	HS 30.04	Net importer	2.3%	Britain and Germany
	HS 39.23	Net exporter	2.3%	France and Portugal
	HS 40.11	Net exporter	5.2%	Germany and France
Sweden	HS 27.10	Net exporter	1.5%	Denmark and Germany
	HS 30.04	Net exporter	3.3%	USA and France
United Kingdom	HS 27.10	Net exporter	3.9%	Ireland and Netherlands
	HS 29.33	Net importer	3.7%	USA and France
	HS 30.04	Net exporter	10.4%	USA and France
	HS 38.08	Net exporter	9.7%	France and USA

Appendix 19 – Mercosur’s major global imports of HS Chapter 29 at HS 8-digit level

Product HS Code	Description	Average Annual Global Imports	Mercosur Manufacturing	Tariff Duty
HS 29.02.43.00	p-Xylene	R 300 million	Significant	4%
HS 29.02.50.00	Styrene	R 400 million	Significant	10%
HS 29.03.12.00	Dichloromethane (methylene chloride)	R 30 million	Significant	2%
HS 29.03.16.00	Vinyl chloride (chloroethylene)	R 100 million	Significant	N/a
HS 29.03.30.11	1,1,1,2-Tetrafluoroethane	R 65 million	Significant	2%
HS 29.03.49.11	Chlorodifluoromethane	R 70 million	Significant	10%
HS 29.03.61.20	o-Dichlorobenzene	R 50 million	Significant	12%
HS 29.03.61.30	p-Dichlorobenzene	R 20 million	Significant	12%
HS 29.03.69.12	p-Chlorotoluene	R 30 million	Significant	2%
HS 29.05.11.00	Methanol (methyl alcohol)	R 50 million	Significant	12%
HS 29.05.12.20	Propan-2-ol (Isopropyl alcohol)	R 90 million	Significant	12%
HS 29.05.13.00	Butan-1-ol (n-butyl alcohol)	R 50 million	Significant	12%
HS 29.05.17.20	Octadecan-1-ol (stearyl alcohol)	R 20 million	Significant	2%
HS 29.05.31.00	Ethylene glycol (ethanediol)	R 200 million	Significant	12%
HS 29.05.32.00	Propylene glycol (propane-1,2-diol)	R 40 million	Significant	12%
HS 29.05.39.90	Other alcohols, unsaturated	R 50 million	Significant	2%
HS 29.05.41.00	2-Ethyl-2-(hydroxymethyl) propane-1,3-diol (trime thylolpropane)	R 20 million	Significant	2%
HS 29.05.44.00	D-glucitol (sorbitol)	R 20 million	Significant	14%
HS 29.05.59.90	Other derivatives of acyclic alcohols	R 30 million	Significant	2%
HS 29.16.11.10	Acrylic acid	R 100 million	Insignificant	2%
HS 29.16.12.30	Acrylic acid esters	R 150 million	Insignificant	12%
HS 29.16.12.90	Other acrylic acid esters	R 50 million	Insignificant	2%
HS 29.16.20.12		R 50 million	Insignificant	2%
HS 29.16.20.14	Permethrine	R 20 million	Insignificant	12%
HS 29.16.20.90	Other monocarboxylic acids, cyclenic, cyclanic	R 40 million	Insignificant	2%
HS 29.16.39.90	Other monocarboxylic acids, unsaturated aromatic	R 30 million	Insignificant	2%
HS 29.24.21.90	Other diurons and derivatives	R 100 million	Insignificant	2%
HS 29.24.29.43	Other cyclic amides	R 50 million	Insignificant	2%
HS 29.24.29.49	Other acetaminophenol and derivatives	R 50 million	Insignificant	2%
HS 29.24.29.91	Aspartame	R 100 million	Insignificant	2%
HS 29.24.29.99	Other amide function salts and derivatives	R 400 million	Insignificant	2%

Product HS Code	Description	Average Annual Global Imports	Mercosur Manufacturing	Tariff Duty
HS 29.30.40.90	Other methionines	R 200 million	Insignificant	2%
HS 29.30.90.34		R 200 million	Insignificant	2%
HS 29.30.90.99	Other organo-sulphur compounds	R 200 million	Insignificant	2%
HS 29.31.00.29	Other organo-inorganic compounds	R 60 million	Significant	2%
HS 29.31.00.31	Diphenylphosphonate	R 75 million	Significant	2%
HS 29.31.00.32	Glyphosate and salts of monoisopropylamine	R 400 million	Significant	12%
HS 29.31.00.37		R 600 million	Significant	12%
HS 29.31.00.39	Other organo-inorganic compounds	R 45 million	Significant	2%
HS 29.31.00.44	Hydroxy derivatives thereof	R 40 million	Significant	2%
HS 29.31.00.49	Other organo-inorganic compounds	R 60 million	Significant	2%
HS 29.31.00.90	Other organo-inorganic compounds	R 40 million	Significant	2%
HS 29.33.19.90	Other heterocyclic compounds	R 100 million	Insignificant	2%
HS 29.33.29.99	Cyclo imidazol, other compounds	R 40 million	Insignificant	2%
HS 29.33.39.14	Other	R 70 million	Insignificant	2%
HS 29.33.39.21	Picloram	R 100 million	Insignificant	2%
HS 29.33.39.22	Chlorpyrifos	R 80 million	Insignificant	2%
HS 29.33.39.29	Other heterocyclic compounds	R 200 million	Insignificant	2%
HS 29.33.39.34	5-Ethyl-2,3-dicarboxypyridine (5-EPDC)	R 100 million	Insignificant	2%
HS 29.33.39.94	4,4-Bipyridine	R 50 million	Insignificant	2%
HS 29.33.39.99	1-cyclo pyridine, other heterocyclic compounds	R 200 million	Insignificant	2%
HS 29.33.40.90	1-cyclo quinoline, other heterocyclic compounds	R 40 million	Insignificant	0%
HS 29.33.61.00	Melamine	R 80 million	Insignificant	2%
HS 29.33.69.13	Atrazine	R 100 million	Insignificant	12%
HS 29.33.69.19	Cyclo triazine, other heterocyclic compounds	R 40 million	Insignificant	2%
HS 29.33.69.22		R 100 million	Insignificant	2%
HS 29.33.69.91	Ametrine	R 70 million	Insignificant	14%
HS 29.33.69.99	Other heterocyclic compounds	R 70 million	Insignificant	2%
HS 29.33.71.00	6-Hexanelactam (epsilon-caprolactam)	R 40 million	Insignificant	12%
HS 29.33.79.90	Other lactams	R 30 million	Insignificant	2%
HS 29.33.90.19	Other heterocyclic compounds	R 100 million	Insignificant	0%
HS 29.33.90.39	Other	R 60 million	Insignificant	0%
HS 29.33.90.49	Other	R 90 million	Insignificant	0%
HS 29.33.90.51	Benomyl	R 80 million	Insignificant	0%

Product HS Code	Description	Average Annual Global Imports	Mercosur Manufacturing	Tariff Duty
HS 29.33.90.59	Cyclo imidazol, other heterocyclic compounds	R 100 million	Insignificant	0%
HS 29.33.90.69	Cyclo triazol, other heterocyclic compounds	R 400 million	Insignificant	0%
HS 29.33.90.99	Other heterocyclic compounds with nitrogen	R 200 million	Insignificant	0%
HS 29.34.10.90	Other compounds with unfused triazine ring	R 170 million	Insignificant	2%
HS 29.34.90.19	Other	R 50 million	Insignificant	0%
HS 29.34.90.22	AZT	R 60 million	Insignificant	0%
HS 29.34.90.29	Other compounds with nitrogen	R 80 million	Insignificant	0%
HS 29.34.90.31	Cetoconazol	R 40 million	Insignificant	0%
HS 29.34.90.39	Other	R 100 million	Insignificant	0%
HS 29.34.90.99	Other heterocyclic compounds	R 600 million	Insignificant	0%
HS 29.41.10.10	Ampicilin and its salts	R 40 million	Insignificant	14%
HS 29.41.10.20	Amoxicilin and its salts	R 70 million	Insignificant	14%
HS 29.41.50.90	Other derivatives of erythromycin and its salts	R 60 million	Insignificant	2%
HS 29.41.90.33	Cefaclor and cefalexine monohydrate	R 70 million	Insignificant	14%
HS 29.41.90.71		R 50 million	Insignificant	2%
HS 29.41.90.99	Other antibiotics	R 90 million	Insignificant	2%

Appendix 20: Mercosur's major global imports of Chapter 30 at HS 8-digit

Product HS Code	Description	Average Annual Global Imports	Mercosur Manufacturing	Tariff Duty
HS 30.02.10.24	Antisera and blood fractions	R 400 million	Insignificant	2%
HS 30.02.10.29	Other blood fractions and immunological products	R 200 million	Insignificant	2%
HS 30.02.10.31	Antisera, not of human origin	R 70 million	Insignificant	2%
HS 30.02.10.36	Interferon, beta	R 90 million	Insignificant	0%
HS 30.02.10.39	Other blood fractions and modified immunological products	R 100 million	Insignificant	2%
HS 30.02.20.19	Other vaccines for human medicine	R 100 million	Insignificant	2%
HS 30.02.20.21	Vaccines, in doses	R 100 million	Insignificant	2%
HS 30.02.20.23	Vaccines for hepatitis, in doses	R 60 million	Insignificant	2%
HS 30.02.20.25	Vaccines for meningitis, in doses	R 30 million	Insignificant	2%
HS 30.02.20.26	Other human vaccines, in doses	R 100 million	Insignificant	2%
HS 30.02.20.29	Other human vaccines, in doses	R 300 million	Insignificant	2%
HS 30.02.30.90	Other vaccines for veterinary medicine	R 100 million	Insignificant	2%
HS 30.02.90.10	Ferments	R 90 million	Insignificant	10%
HS 30.02.90.92	Other toxins, microbiological cultures	R 100 million	Insignificant	4%
HS 30.02.90.99	Other toxins, cultures of microorganisms and similar products	R 50 million	Insignificant	8%
HS 30.04.10.12	Medicaments containing amoxycilin and its salts, in doses	R 60 million	Significant	14%
HS 30.04.20.59	Medicaments containing, in doses	R 30 million	Significant	8%
HS 30.04.20.94	Medicaments containing, in doses	R 90 million	Significant	0%
HS 30.04.20.99	Medicaments containing other antibiotics, in doses	R 200 million	Significant	8%
HS 30.04.31.00	Medicaments containing insulin, in doses	R 100 million	Significant	14%
HS 30.04.32.00	Medicaments containing hormones, in doses	R 70 million	Significant	14%
HS 30.04.39.11	Medicaments containing hormones (somatotrophine), in doses	R 80 million	Significant	0%
HS 30.04.39.27	Medicaments containing and its acetates	R 60 million	Significant	0%
HS 30.04.39.39	Medicaments containing estrogen/progesterone, in doses	R 100 million	Significant	8%
HS 30.04.39.90	Other medicaments containing hormones and derivatives, in doses	R 300 million	Significant	0%
HS 30.04.40.90	Other medicaments containing alkaloids,	R 100 million	Significant	8%

Product HS Code	Description	Average Annual Global Imports	Mercosur Manufacturing	Tariff Duty
	hormones, in doses			
HS 30.04.90.19	Medicaments containing other enzymes, in doses	R 200 million	Significant	8%
HS 30.04.90.29	Other medicaments containing monocarboxylic acids, in doses	R 200 million	Significant	8%
HS 30.04.90.39	Other medicaments containing compounds with amine function, in doses	R 150 million	Significant	8%
HS 30.04.90.59	Other medicaments containing products of 2930 and 2932, in doses	R 200 million	Significant	8%
HS 30.04.90.68	Medicaments containing, in doses	R 100 million	Significant	0%
HS 30.04.90.69	Other medicaments with compounds containing nitrogen heteroatoms, in doses	R 700 million	Significant	8%
HS 30.04.90.79	Other medicaments containing heterocyclic compounds, in doses	R 100 million	Significant	8%
HS 30.04.90.95	Medicaments containing, in doses	R 60 million	Significant	0%
HS 30.04.90.99	Other medicaments therapeutic, in doses	R 2 billion	Significant	8%
HS 30.05.10.12	Adhesive dressings	R 70 million	Significant	12%
HS 30.06.60.00	Contraceptive preparations based on hormones or spermicides	R 100 million	Significant	12%