



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

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CHAPTER 1

INTRODUCTION

The USA is by far the biggest economy in the world, with GDP that is three times, five times, and six times the sizes of Japan's, Germany's and the UK's outputs, respectively. Historically, the US has been one of the largest importers of primary products and raw materials from SACU, and at the same time an exporter of high value added products to SACU, some of which were manufactured from the raw materials imported from SACU. Therefore trade between SACU and the USA was historically characterized by a negative trade deficit against SACU.

The SACU member states entered into formal negotiations for a free trade agreement (FTA) with the USA in July 2003. The FTA was intended to encompass both trade and aid components. The agreement would build on the African Growth Opportunities Act (AGOA) of which SACU member states have been major beneficiaries. The process of negotiations will have an added benefit of advancing SACU's integration agenda through enhanced close corporation between member states.

SACU is the largest US export market in Sub-Saharan Africa accounting for approximately US\$ 3.8 billion in exports in 2004. The total trade between the US and SACU was approximately US\$ 8.6 billion in 2004. Key areas of negotiations identified in July 2003 were: tariff elimination, market access, licensing, intellectual property, and services. The intention from the US perspective was to level the playing field in areas where US exporters are disadvantaged by the European Union's FTA with South Africa.

Report Layout

The layout of this report is as follows:

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

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

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

[Chapter 4](#): Features of the Chemical Industry of the USA

[Chapter 5](#): Analysis of USA's Tariff Regime For Chemicals

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

[Chapter 7](#): Analysis of USA's Non-Tariff Barriers

[Chapter 8](#): Identification of trade opportunities for SACU chemical companies

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CHAPTER 2

HISTORICAL CHEMICALS TRADE TRENDS BETWEEN SACU AND USA

USA's trade with SACU members is shown separately for each member country. Analysis is done on the latest available data, which covers 1999 – 2001 (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 USA trade with other SACU countries.

USA exports to SACU

South Africa

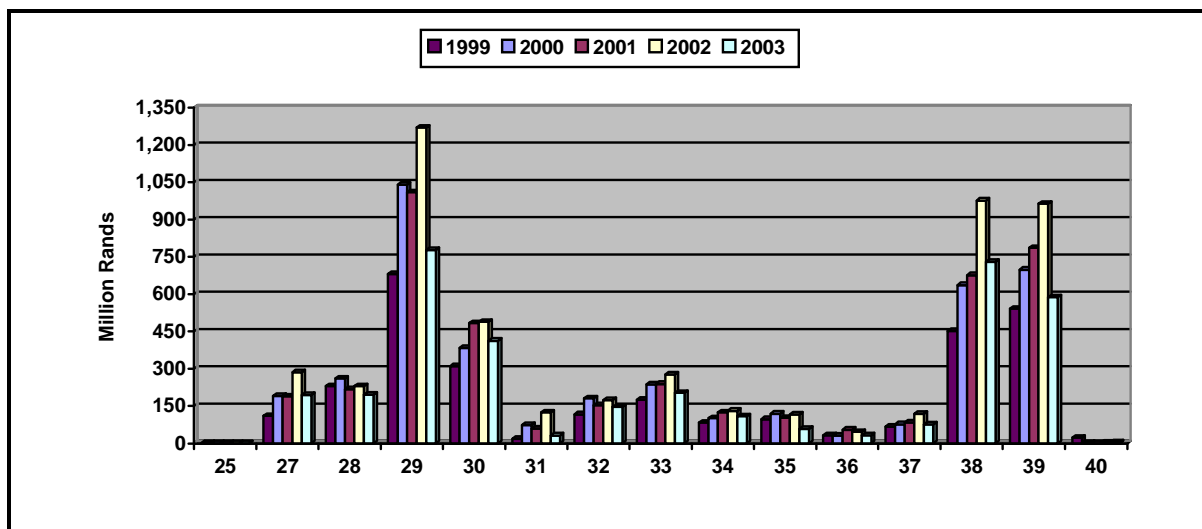
The total historical chemical exports in HS chapter 25 – 40 from USA to the RSA were as follows: [based on constant year-2000 Rands]

- 2003: R 3 565 million
- 2002: R 5 199 million
- 2001: R 4 192 million
- 2000: R 4 061 million
- 1999: R 3 197 million

Note: For HS 25, 27 and 40 only important product categories are taken into account.

The figures show an increase in USA's exports of chemicals to South Africa for the years 1999 to 2002, only to decrease sharply in 2003. Historical exports of products by HS chapter of the chemical sector from the USA to South Africa are as follows:

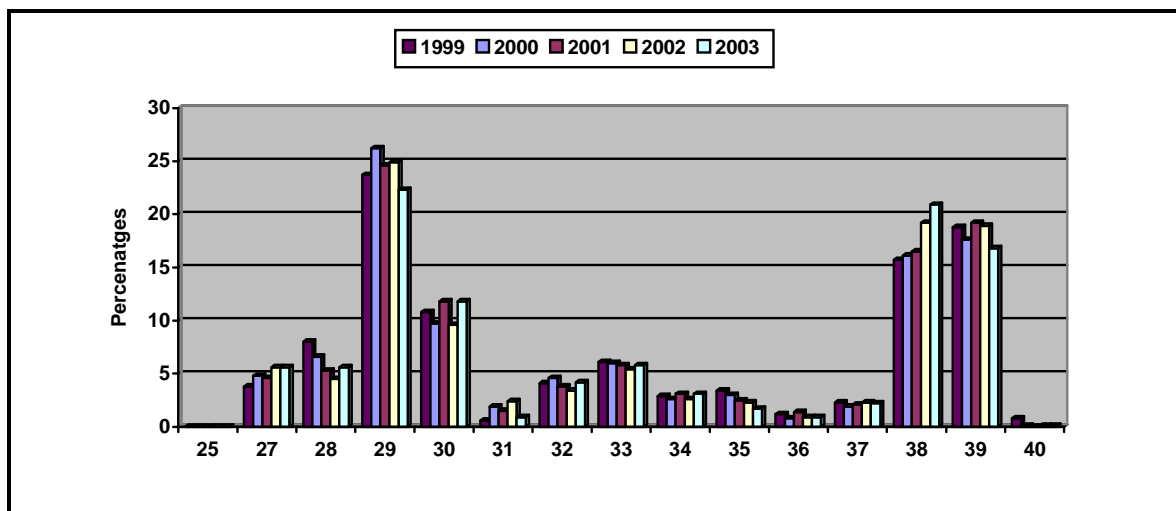
Chart 1: USA's exports to RSA



Source: SARS

The biggest exports by value from the USA to South Africa are in products of HS chapters 29, 38, and 39. The chart shows that growth in the value of exports of these products has been on the increase from 1999 – 2002, with a sharp decrease in 2003. Other significant exports by value are products of HS chapters 27, 28, 30, 32, and 33. The above chart can also be expressed as percentage as shown in the next chart:

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



USA's major export products at 4-digit level of these particular HS chapters are represented in [Appendix 1](#).

The following are products that account for approximately 82% by value of USA's chemical exports to South Africa:

- **HS 27.10** [5% by value of total USA exports to RSA] – Liquid fuels
- **HS 29.05** [4% by value of total USA exports to RSA] – Acyclic alcohols and derivatives
- **HS 29.15** [2% by value of total USA exports to RSA] – Saturated acyclic monocarboxylic acids
- **HS 29.16** [3% by value of total USA exports to RSA] – Unsaturated acyclic monocarboxylic acids
- **HS 29.22** [3% by value of total USA exports to RSA] – Oxygen function amino compounds
- **HS 29.29** [4% by value of total USA exports to RSA] – Compounds with other nitrogen function
- **HS 30.04** [7% by value of total USA exports to RSA] – Medicaments in measured doses
- **HS 38.08** [3% by value of total USA exports to RSA] – Pesticides
- **HS 38.11** [5% by value of total USA exports to RSA] – Anti-knock preparations
- **HS 38.22** [4% by value of total USA exports to RSA] – Diagnostic or laboratory reagents
- **HS 39.08** [3% by value of total USA exports to RSA] – Polyamides
- **HS 39.20** [3% by value of total USA exports to RSA] – Other plates, strips, film, of plastic

Exports in these 4-digit categories account for approximately 46% by value of USA's exports to South Africa. This is because export trade is spread across the major HS chapters, with no single category dominant. In terms of individual [8-digit] products, the major HS codes are:

- **HS 27.10.11.35** [2% by value of total USA exports to RSA] – Residual fuel oils
- **HS 29.05.31.00** [2% by value of total USA exports to RSA] – Ethylene glycol
- **HS 29.16.12.00** [2% by value of total USA exports to RSA] – Esters of acrylic acid
- **HS 29.29.10.00** [4% by value of total USA exports to RSA] – Isocyanates
- **HS 30.04.90.00** [5% by value of total USA exports to RSA] – Other medicaments in measured dosages
- **HS 38.08.10.00** [2% by value of total USA exports to RSA] – Insecticides
- **HS 38.11.21.00** [6% by value of total USA exports to RSA] – Additives for lubricant oils
- **HS 38.22.00.00** [6% by value of total USA exports to RSA] – Diagnostic or laboratory reagents
- **HS 39.08.10.00** [3% by value of total USA exports to RSA] – Polyamides
- **HS 39.20.91.00** [2% by value of total USA exports to RSA] – Other plastics of polyvinyl butyral

At detailed product level there is no product that single-handedly dominates USA's exports to South Africa because export trade is diversified.

Botswana

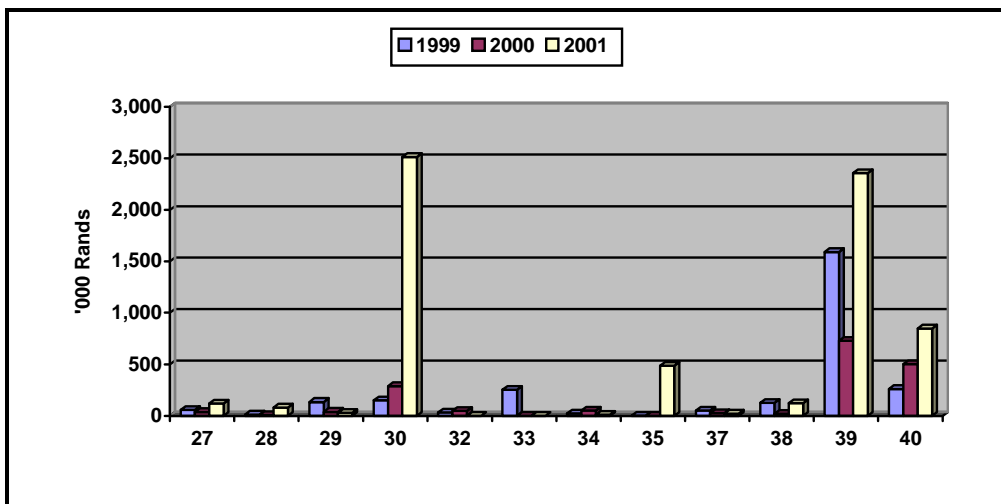
USA's total chemical exports to Botswana from 1999 – 2001 were as follows: [based on constant year 2000 Rands]

- 2001: R 6.5 million
- 2000: R 1.9 million
- 1999: R 2.9 million

These are small figures compared to South Africa's trade with the USA. For example, in 2001 Botswana's imports from the USA were only 0.1% of the value of South Africa's imports.

The following chart shows USA's chemical exports to Botswana.

Chart 4: USA's major chemical exports to Botswana



USA's major exports to Botswana are in products of HS chapters 30, 39 and 40.

Table 1: USA's major exports to Botswana at HS 4-digit code

HS Code 4-digit	Percentage contribution to USA' exports to Botswana		
	1999	2000	2001
30.04	3%	15%	35%
39.23	0%	15%	0.2%
39.25	18%	0.7%	0.0%
39.26	36%	21%	33%
40.09	2%	4%	1%
40.11	4%	1%	0.0%

HS 30.04 and 39.26 are the only chapters the USA consistently exported to Botswana. Other products fluctuate sharply between the years.

Namibia

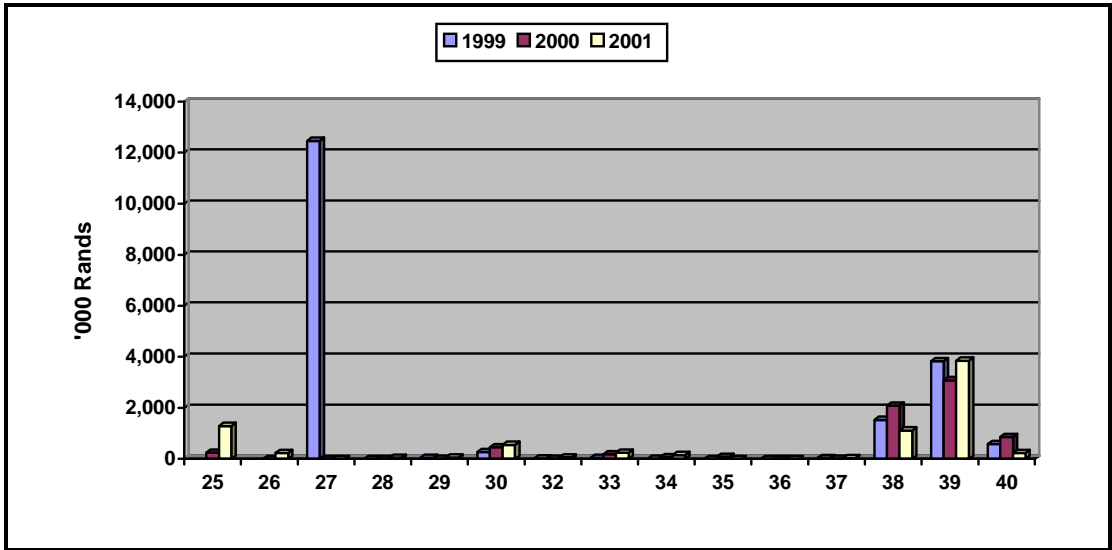
USA's total chemical exports to Namibia from 1999 – 2001 were as follows: [based on constant year 2000 Rands]

- 2001: R 6.7 million
- 2000: R 7.6 million
- 1999: R 20.9 million

These are small figures compared to South Africa's trade with the USA. For example, in 2001 Namibia's imports from the USA were only 0.1% of the value of South Africa's imports.

The following chart shows USA's exports to Namibia.

Chart 5: USA's major exports to Namibia



USA's major exports to Namibia are in products of HS chapters 38 and 39. Although USA's exports of HS 27 in 1999 were more than combined exports of all HS chapters, this chapter is not considered a major export chapter to Namibia since Namibia's imports of this chapter dropped to almost zero for the subsequent years.

The major export products are shown below at the HS 4-digit level.

Table 2: USA's major exports to Namibia at HS 4-digit code

HS Code 4-digit	Percentage contribution to USA' exports to Namibia		
	1999	2000	2001
38.24	4%	30%	15%
39.06	19%	44%	55%

Together with the products in the above table, Namibia also imported HS 2710 in 1999 from the USA, for the value of R 12.4 million. HS 2710 contributed 66% of the value of imports in 1999, but in the subsequent years imports of this product were reduced to nothing.

Lesotho

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

- 2001: R 237.00
- 2000: R 0
- 1999: R 119,800

These are negligible figures compared to South Africa's trade with the USA.

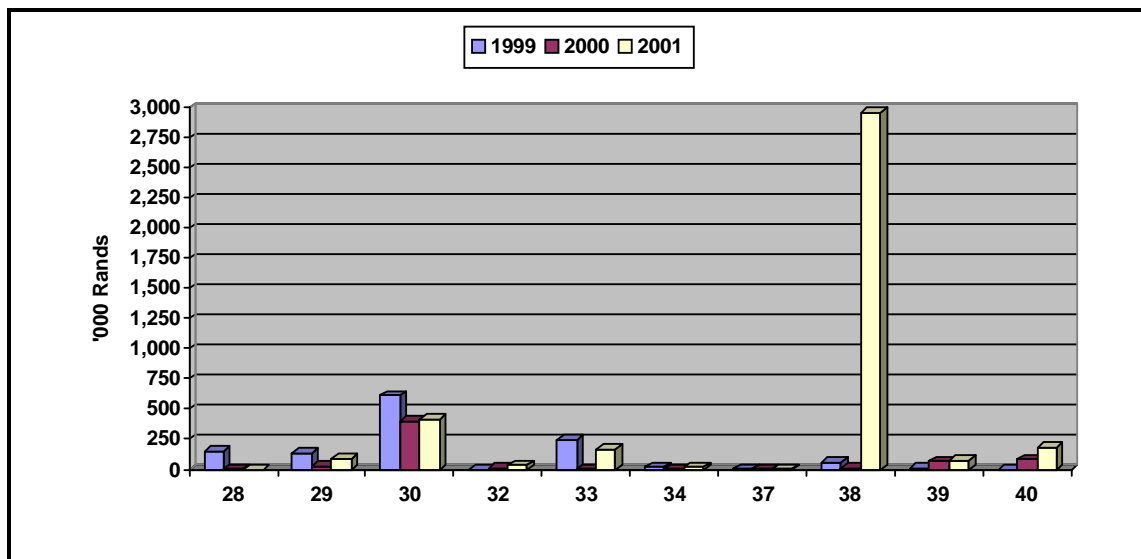
Swaziland

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

- 2001: R 3.9 million
- 2000: R 0.6 million
- 1999: R 1.3 million

These are small figures compared to South Africa's trade with the USA. For example, in 2001 Swaziland's imports from the USA were only 0.1% of the value of South Africa's imports. Swaziland's imports from the USA are represented per HS chapter in the following chart:

Chart 7: USA chemical exports to Swaziland



Swaziland's major imports of chemicals from the USA are in HS 30. In 2001 only, Swaziland imported R 3 million worth of products of HS 38 from the USA. This chapter is therefore not regarded as a major import chapter for Swaziland. The major HS 4-digit import categories are as follows:

Table 4: Swaziland's major imports from USA at HS 4-digit code

HS Code 4-digit	Percentage contribution to Namibia's imports to USA		
	1999	2000	2001
30.03	14%	0%	2%
30.04	18%	23%	10%

USA imports from SACU

South Africa

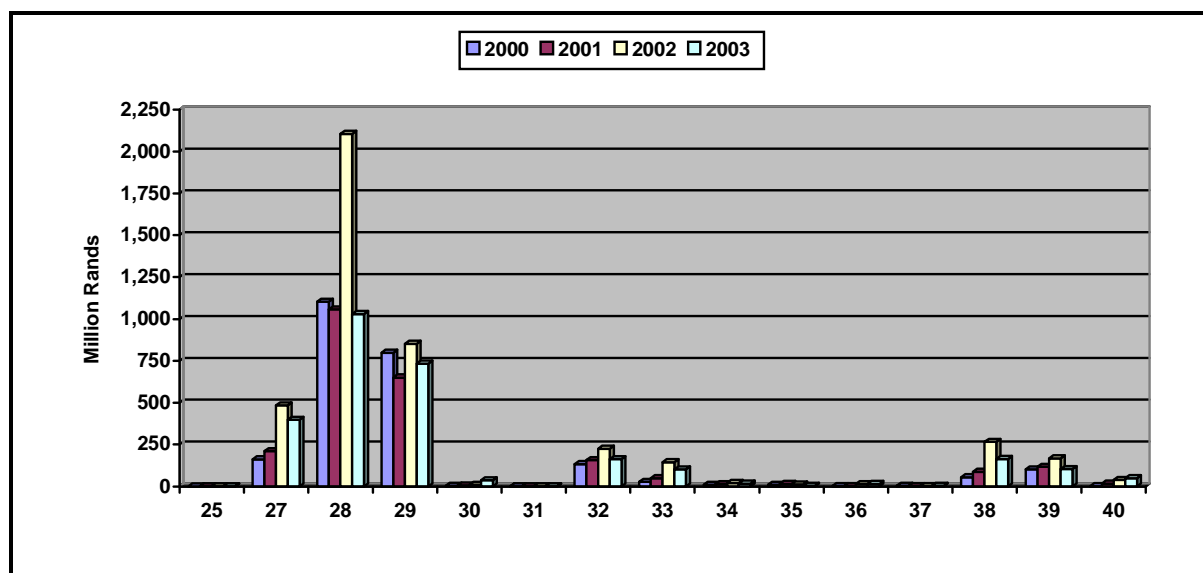
The total historical chemical exports in HS chapter 25 – 40 from the RSA to USA were as follows: [based on constant year-2000 Rands]

- 2003: R 2 844 million
- 2002: R 4 343 million
- 2001: R 2 388 million
- 2000: R 2 416 million

Note: For HS 25, 27 and 40 only important product categories are taken into account.

In constant Rands exports to the USA seem to fluctuate between the years. Historical exports of products by HS chapter of the chemical sector from the RSA to USA are as follows:

Chart 3: USA's chemical imports from RSA



The major export products by value from RSA to USA are those of HS chapter 27, 28, and 29, which collectively accounted for 95% by value of RSA exports in 2003. Other chapters that have smaller export levels to USA include 32, 33, 38, and 39.

The major import categories by value from RSA at 4-digit level are as follows:

- **HS 27.10** [9% by value of total RSA exports to USA] – Liquid fuels
- **HS 27.12** [3% by value of total RSA exports to USA] – Waxes
- **HS 28.04** [8% by value of total RSA exports to USA] – Silicon
- **HS 28.20** [3% by value of total RSA exports to USA] – Manganese oxides
- **HS 28.23** [36% by value of total RSA exports to USA] – Titanium oxides
- **HS 28.25** [2% by value of total RSA exports to USA] – Hydrazine and inorganic salts
- **HS 28.44** [6% by value of total RSA exports to USA] – Radioactive chemical elements and radioactive isotopes
- **HS 28.50** [2% by value of total RSA exports to USA] – Hydrides, nitrides, azides

Exports in these 4-digit categories account for 70% by value of USA's chemical imports from South Africa.

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

- **HS 27.10.00.03** [4% by value of total RSA exports to USA] – Petrol, unleaded
- **HS 27.10.00.05** [4% by value of total RSA exports to USA] – Petrol, leaded
- **HS 27.12.20.00** [3% by value of total RSA exports to USA] – Paraffin wax containing by mass less than 0.15% of oil
- **HS 28.04.69.00** [8% by value of total RSA exports to USA] – Silicon
- **HS 28.20.10.00** [3% by value of total RSA exports to USA] – Manganese dioxide
- **HS 28.23.00.00** [36% by value of total RSA exports to USA] – Titanium oxides
- **HS 28.25.30.00** [1% by value of total RSA exports to USA] – Vanadium oxides and hydroxides
- **HS 28.25.80.00** [1% by value of total RSA exports to USA] – Antimony oxides
- **HS 28.44.10.00** [5% by value of total RSA exports to USA] – Natural uranium and its compounds
- **HS 28.44.40.00** [1% by value of total RSA exports to USA] – Radioactive elements and isotopes and compounds
- **HS 28.50.00.00** [2% by value of total RSA exports to USA] – Hydrides, azides, silicides, and borides

At detailed product level, the 11 products listed above account for about 70% by value of USA's imports from South Africa. South Africa's exports to the USA are dominated by Titanium oxides at more than one-third of total value.

In 2003 the total USA chemical exports [including important categories in HS 25 and 27] to South Africa reached R 3 565 million [constant 2000 Rands], while the RSA's exports in the same categories reached R 2 844 million. This resulted in a trade balance in favour of the USA.

At single product level isocyanates [HS 29.29.10.00], other medicaments in measured dosages [HS 30.04.90.00], lubricants oils additives [HS 38.11.21.00], diagnostic or laboratory reagents [HS 38.22.00.00], and polyamides [HS 39.08.10.00] are the biggest export products by value from the USA to South Africa. These products collectively account for 24% by value of total USA exports to South Africa.

The biggest export products by value from South Africa to USA are titanium oxides [HS 28.23.00.00], other organic compounds [HS 29.42.00.00], unleaded petrol [HS 27.10.00.03], leaded petrol [HS 27.10.00.05], paraffin wax [27.12.20.00], silicon [HS 28.04.69.00], manganese dioxide [29.20.10.00] and natural uranium and its compounds [HS 28.44.10.00]. These products collectively account for 78% by value of total USA

imports from South Africa. It should be noted that titanium oxides [HS 28.23] is a complicated category in that it is likely to include titanium ores & slag, as well as synthetic titanium dioxide pigment. The ores and slag can also be traded under HS 26.14, while pigments are also traded under HS 32.06.11.

Botswana

For the period 1999 to 2001, Botswana exported only one product, HS 30.02.10 [Antisera and other blood fractions], to the USA for the value of R 100.00 [one hundred rands]. This was once off in 2001. Botswana therefore also has a consistent negative trade balance with the USA for chemical trade.

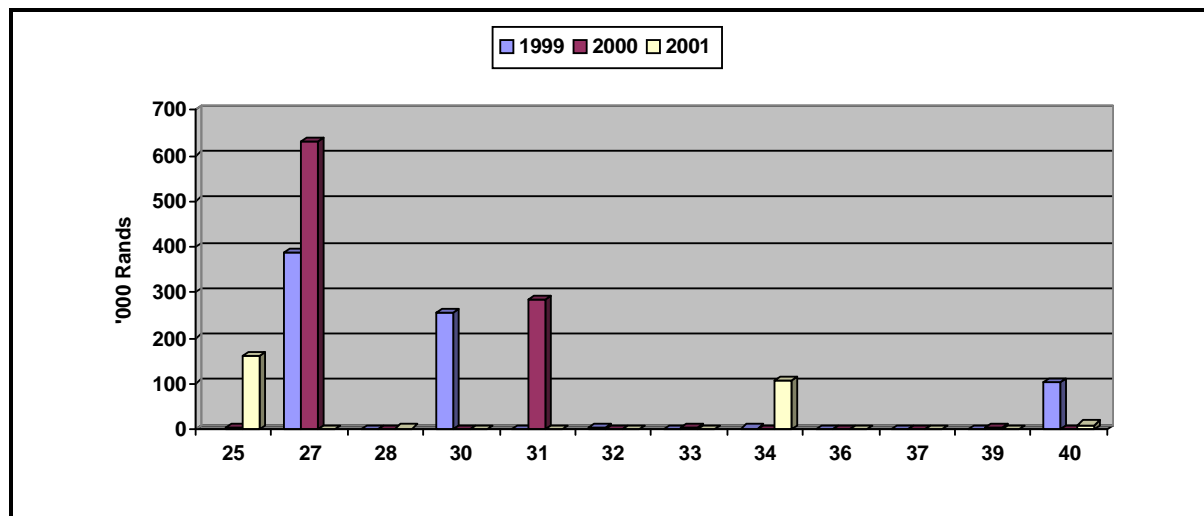
Namibia

Namibia's chemical exports to the USA for the period 1999 – 2001 were as follows [constant 2000 Rands]:

- 2001: R 0.3 million
- 2000: R 1 million
- 1999: R 0.8 million

These are small figures relative to South Africa's exports to the USA. In 2001 Namibia's exports to the USA were 0.04% of the value of South Africa's export to the USA in the same year. Namibia's exports to the USA are represented per HS chapter in the following chart:

Chart 6: Namibia's major exports to the USA



The major products exported by Namibia to the USA were as follows:

Table 3: Namibia's major exports to USA at HS 4-digit code

HS Code 4-digit	Percentage contribution to Namibia's imports to USA		
	1999	2000	2001
27.10	52%	68%	0%
30.04	34%	0%	0%
31.01	0%	30%	0%
34.06	0.2%	0	39%

Namibia's exports to USA are inconsistent, and therefore, Namibia also has a consistent negative trade balance in chemicals trade with the USA.

Lesotho

There were no recorded exports from Lesotho to the USA for the period 1999 to 2001. This means that Lesotho has a consistent negative trade balance in chemicals with the USA.

Swaziland

Swaziland's chemical exports to the USA for the period 1999 – 2001 were as follows [constant 2000 Rands]:

- 2001: R 4.5 million
- 2000: R 16.4 million
- 1999: R 8.6 million

These are small figures compared to South Africa's trade with the USA. For example, in 2001 Swaziland's imports from the USA were only 0.1% of the value of South Africa's imports.

Swaziland's imports from the USA are represented per HS chapter in the following chart:

Table 5: Swaziland's major exports to USA at HS 4-digit code

HS Code 4-digit	Percentage contribution to Namibia's imports to USA		
	1999	2000	2001
33.02	0%	5%	1%
34.06	100%	93%	99%

HS 34.06 [Candles] is by far the biggest export category from Swaziland to the USA. For the period under consideration, Swaziland has consistently recorded a positive trade balance in chemicals trade with the USA.

Trade between USA and the other SACU countries is generally very small [less than 1% of the value of RSA's trade with USA]. However, Swaziland has developed some export markets in the USA in candles [likely to be decorative candles, HS 34.06], while Botswana has an export market in other articles of plastics, HS 39.26, and these are worth taking into consideration during negotiations. There is a potential for categories like liquid fuels [HS 27.10] for Namibia and medicaments [HS 30.04] for Botswana, to become major export products to the USA. The inconsistent nature at which the USA imports these categories from these two countries indicates that they are probably being treated as suppliers of last resort.

CHAPTER 3

HISTORICAL CHEMICALS TRADE BETWEEN USA AND ROW

This chapter provides an analysis of the total chemical trade by the USA with the RoW. 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 USA are large and growing, indicating possible threats for local SACU production of those products.

USA chemical import trade

USA's total chemical imports are relatively large. A summary for the period 1999 – 2003 is as follows: [based on constant year 2000 Rands; only important product categories are included for chapters 25 and 27]

- 2003: R 767.3 billion
- 2002: R 918.0 billion
- 2001: R 750.9 billion
- 2000: R 669.5 billion
- 1999: R 511.3 billion

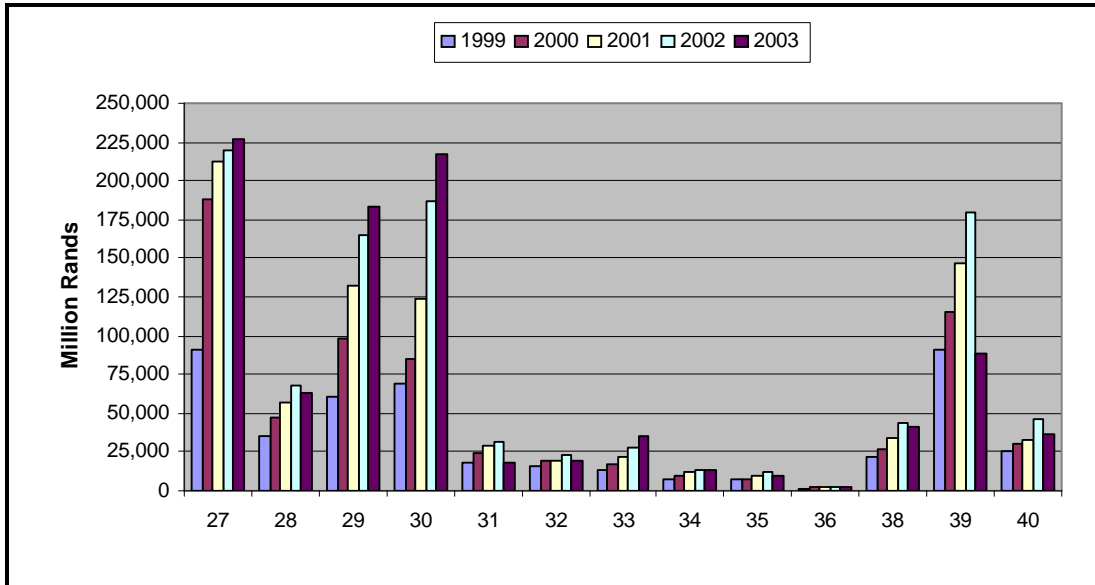
The growth in USA chemical imports from 1999 to 2003 was 50%. However, imports growth was about 79% when 2003 is taken out of consideration. This distortion is as a result of lower imports in 2003. In comparison, SACU exports to USA were as follows:

- 2003: R 4 870 million
- 2002: R 4 343 million
- 2001: R 2 392 million
- 2000: R 2 433 million

SACU therefore accounts for about 0.5% of the value of USA chemical imports.

The following chart identifies the chemical imports by USA from RoW.

Chart 8: USA's global chemical imports from RoW



Major products by value imported by USA are those of chapter 27, 29, 30 and 39. Other important imports, but less than those of chapters mentioned earlier, are for chapters 28, 38 and 40.

USA chemical export trade

The total chemical exports of USA are also large, and USA has a negative trade balance for chemicals. A summary for the period 1999 – 2003 is as follows: [based on constant year 2000 Rands; only important product categories are included for chapters 25 and 27].

- 2003: R 297.4 billion
- 2002: R 444.1 billion
- 2001: R 376.7 billion
- 2000: R 347.9 billion
- 1999: R 275.1 billion

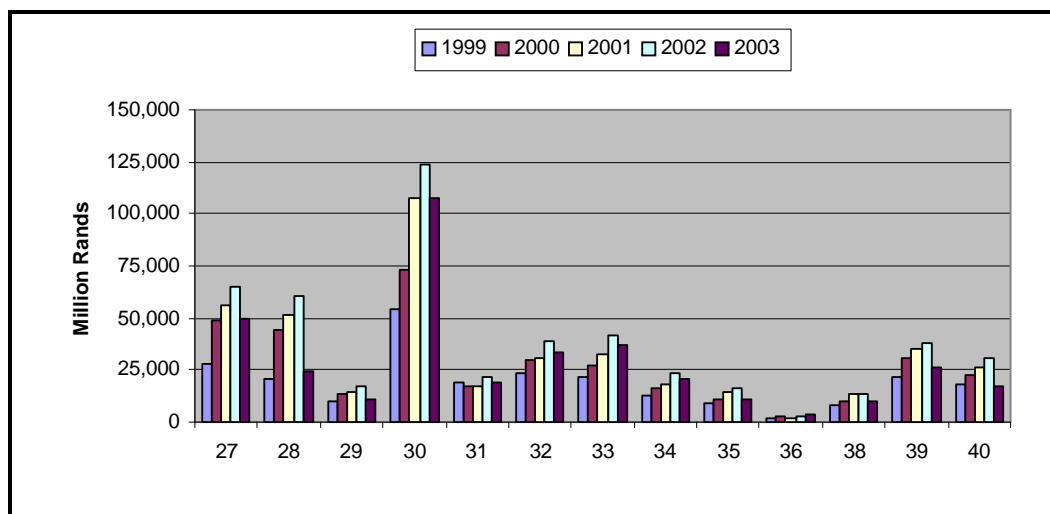
The growth in USA chemical exports from 1999 to 2003 was about 8%. However, taking 2003 out of consideration, the growth rate was 61%. The distortion comes as a result of a significant drop in exports in 2003. In comparison, SACU imports from USA were as follows:

- 2003: R 5 207 million
- 2002: R 4 343 million
- 2001: R 2 398 million
- 2000: R 2 441 million

SACU therefore accounts for about 0.9% of the value of USA chemical exports.

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

Chart 9: USA's global chemical exports to all countries excluding SACU



USA's major chemical exports are in chapters 27, 28, 30, 32, 33, 39 and 40. USA has a large global trade in chemicals, and their trade balance was negative for all the years under consideration. The USA's export trade figures also show a constant growth for all the years (except 2003) for all the major and minor HS chapters. USA's major export strength lies in liquid fuels [HS 27], inorganic chemicals [HS 28], pharmaceuticals [HS 30], tanning and dyeing extracts, pigments and varnishes [HS 32], essential oils, perfumes and cosmetics [HS 33], plastic products [HS 39], and rubber products [HS 40].

From an import perspective, USA shows good opportunity in HS 27 [Liquid fuels], HS 29 [Organic chemicals], HS 30 [Pharmaceuticals], and HS 39 [Plastic products], which are by far the biggest imports chapters by value. Opportunities also exist in HS 28 [inorganic chemicals], HS 38 [Speciality chemicals] and HS 40 [Rubber products]. Chapters HS 27, HS 29, and HS 30 show consistent growth for all the years. Other chapters also show consistent but smaller growth until 2002, with a slight decline in the year 2003. It is therefore likely that opportunities for SACU would be in these areas.

Comparison of SACU's trade with USA versus USA's global trade position

This section evaluates the relative position of SACU in terms of USA's global trade in chemicals. This enables comparison for the years 1999 to 2003.

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

USA exports:

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

USA imports:

- Identified major USA import chapters with SACU consistently more than 5% 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 6: Summary of important chapters [4-digit level] in USA-SACU trade

	Important chapters
USA exports to SACU:	2710; 2905; 2915; 2916; 2922; 2929; 3004; 3808; 3811; 3822; 3908; 3920 [46% by value of total]
SACU exports to USA:	2710; 2804; 2823; 2844; 3406 [55% by value of total]

USA's global exports relative to exports to SACU

USA'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 USA exports to RoW:

Table 7: USA's export trade with the RoW

HS Code 4	USA's global exports excluding SACU (Million Rands – Constant 2000)					SACU's contribution to USA exports				
	1999	2000	2001	2002	2003	1999	2000	2001	2002	2003
27.10	30 991	49 266	49 575	58 213	44 085	0.2%	0.1%	0.2%	0.2%	0.2%
29.05	5 897	6 206	6 693	8 234	7 441	2.3%	2.3%	1.8%	1.7%	1.4%
29.16	3 123	4 460	4 500	5 915	3 027	1.9%	1.9%	2.1%	2.5%	0.2%
29.22	4 146	4 275	6 252	7 336	5 394	1.1%	1.4%	0.7%	0.3%	0.2%
29.29	2 710	4 032	4 509	5 224	3 956	1.0%	2.1%	3.2%	3.4%	3.5%
30.04	59 022	45 110	66 266	79 934	60 273	0.0%	0.5%	0.5%	0.4%	0.5%
38.08	9 535	10 143	13 188	16 012	10 906	1.1%	1.3%	0.9%	1.0%	0.8%
38.11	6 330	7 112	9 988	13 001	8 984	1.1%	2.7%	2.2%	1.2%	2.5%
38.22	13 019	17 110	22 663	28 822	24 862	0.4%	0.9%	0.7%	0.7%	0.7%
39.08	4 053	5 091	4 765	6 454	4 537	0.3%	2.2%	2.6%	2.6%	1.8%
39.20	17 463	20 430	21 333	25 799	17 394	0.0%	0.5%	0.5%	0.5%	0.5%

There is no definite trend that could be deduced from this table. USA's chemical exports to SACU seem to be stagnant relative to the US total exports to RoW, except in HS 2929 which seem to be on a steady increase in relative terms. The previous table shows that SACU is, in the major import products from USA, a small player compared to USA's major export countries. And this position seems to be stagnant.

USA's global imports relative to imports from SACU

USA'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 USA RoW imports.

Table 8: USA's import trade with the RoW

HS Code 4	USA's global imports excluding SACU (Million Rands – Constant 2000)					SACU's contribution to USA imports				
	1999	2000	2001	2002	2003	1999	2000	2001	2002	2003
27.10	98 611	100 806	204 306	232 573	184 923	0.0%	0.0%	0.0%	0.2%	0.0%
28.04	2 065	2 301	2 341	3 281	1 928	10%	9%	10%	10%	13%
28.44	9 862	13 405	16 881	22 052	21 377	0.4	1.6%	2.2%	2.2%	2.1%
34.06	3 287	3 360	3 910	4 782	2 708	0.3%	0.2%	0.4%	0.1%	0.4%
For titanium oxides please see the second paragraph below										

SACU is a significant exporter to the USA in silicon [HS 28.04]. Although HS 34.06 is Swaziland's only exports to the USA, it is minuscule relative to USA's total imports of this product. One information of significant importance that is not shown in the table above is that, at HS 6-digit level SACU contributed 56%, 46%, 33%, 56%, 87%, and 54% for the years 1998, 1999, 2000, 2001, 2002, and 2003, respectively, in USA's imports of pitch coke [HS 27.08.20].

Titanium oxides are one of the largest import products by the USA from SACU. However, there is some discrepancy between the SACU trade data and the US trade data in terms of the HS codes under which titanium oxides are exported by SACU and imported by the USA. SACU exports of titanium oxides occur under the following HS codes:

- HS 26.14.00.60.40 – Titanium ores and concentrates
- HS 28.23.00.00 – Titanium oxides
- HS 32.06.11.00 – Pigments and preparations based on titanium dioxide

While the South African trade data shows that HS 28.23.00.00 is one of the major export products to the USA, the US trade data does not show imports of this product from South Africa. The US trade data only shows imports of HS 26.14.00.00 and HS 32.06.11.00. According to the US trade data, SACU's contribution to US imports of HS 26.14.00.60.40 is as follows:

- 1999: 51% by value [Total US imports from RoW: R 608 million; 225 tons] or 125 tons
- 2000: 52% by value [Total US imports from RoW: R 771 million; 264 tons] or 140 tons

- 2001: 66% by value [Total US imports from RoW: R 762 million; 197 tons] or 140 tons
- 2002: 64% by value [Total US imports from RoW: R 948 million; 210 tons] or 137 tons
- 2003: 51% by value [Total US imports from RoW: R 763 million; 254 tons] or 122 tons

South African trade data only shows exports of HS 26.14.00.00 [Titanium ores and concentrates] to the USA as follows:

- 2000: R 1 166 million [Total US global imports including SACU: R 1 063 million] or 408 tons
- 2001: R 1 067 million [Total US global imports including SACU: R 1 140 million] or 338 tons
- 2002: R 756 million [Total US global imports including SACU: R 1 419 million] or 179 tons
- 2003: R 772 million [Total US global imports including SACU: R 1 577 million] or 245 tons

Comparing the US trade data and the RSA trade data, in some cases or years, notably 2000, 2001, and 2003, South African exports are reportedly more than the US import data has reported. The only conclusion to draw from this discrepancy is that RSA export data most probably also include exports of synthetic rutile, ilmenite and ilmenite sand. On the other hand, the US imports of HS 32.06.11.00 from SACU are consistently under-reported. Thus it could be said with certainty that SACU's exports of HS 28.23.00.00 to the USA do not form part of US imports of HS 26.14.00.60.40 or HS 32.06.11.00. In other words US imports of HS 28.23.00.00 are not accounted for on the US trade data.

SACU has an unassailable market for Titanium oxides [HS 28.23] in the USA. However, the US trade data does not show SACU exports. More research would be needed to verify between pigment and slag as they are sometimes erroneously lumped together. Exports of HS 28.04 are also reasonably good although the growth trend is stagnant. Given USA's total imports of candles [HS 34.06], Swaziland has a good opportunity to increase their own exports of these products to the USA. At this low base there is more than enough room to increase their exports.

USA's global chemical position regarding chapters not important to SACU

An analysis is shown of the major USA trade chapters [4-digit level], excluding the major chapters for SACU that are shown in chapter 2 above. The criteria for selecting major other USA 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.

Table 9: Summary of important chapters in USA-RoW trade

	Important chapters
USA global exports	27; 28; 30; 32; 33; 39; 40 [80% of total]
USA global imports	27; 29; 30; 39 [75% of total]

Chapter 25

Although the USA is a net importer of HS 25.01, USA's exports are significantly more than SACU's exports of this product. This could be a potential threat to SACU's exports.

There is a chronic shortage of products of HS 25.03 in SACU, and the new regulations to clean up liquid fuels in 2006 would be an opportunity for the local refineries to reduce the shortage of sulphur even though this won't make a significant difference. Therefore, the USA presents a potential threat in this regard. However, USA's exports of these products seem to be constant.

The detailed trade analysis for major categories in chapter 25 is shown in [Appendix 2](#) of this report.

Chapter 27

There are potential threats in the form of phenols and paraffin wax. However, there are also good export opportunities for SACU in case of paraffin wax. Unlike paraffin wax, pitch coke offers good export opportunity without any significant threat, and SACU already commands a significant share of the market in USA. USA's exports of phenols are increasing while

imports of pitch coke are on a decreasing trend. On the other hand, imports of paraffin wax are on an increasing trend while exports are subsiding.

The detailed trade analysis for major categories in chapter 27 is shown in [Appendix 3](#) of this report.

Chapter 28

The detailed trade analysis for major categories in chapter 28 is shown in [Appendix 4](#) of this report. The total global imports of USA in 2003 for this chapter were R 63.86 billion, while global exports were R 24.71 billion, giving a negative net trade balance for HS 28.

The major 4-digit import categories by value are:

- HS 28.04 – Inorganic gases, other
- HS 28.11 – Hydrofluoric acid, other
- HS 28.14 – Ammonia
- HS 28.15 – Sodium hydroxide; potassium hydroxide
- HS 28.18 – Alumina
- HS 28.44 – Radioactive compounds and isotopes

The major 4-digit export categories by value are:

- HS 28.04 – Inorganic gases, other
- HS 28.11 – Hydrofluoric acid, other
- HS 28.15 – Sodium hydroxide; potassium hydroxide
- HS 28.18 – Alumina
- HS 28.36 – Metal carbonates, other
- HS 28.44 – Radioactive compounds and isotopes

The USA presents both opportunities and threats in HS 28.04, HS 28.11 and HS 28.44. Trade in these products is growing both ways. Exports of chlor-alkalis and metal carbonates are on an increasing trend. Imports of ammonia are increasing at a robust pace with relatively non-existent exports.

Chapter 29

The detailed trade analysis for major categories in chapter 29 is shown in [Appendix 5](#) and [6](#) of this report. The total global imports of USA in 2003 for this chapter were R 185.18 billion, while global exports were R 11.03 billion, giving a negative net trade balance for HS 29.

Chapter 29 is probably the only HS chapter that has the biggest diversity of products that offers much in terms of opportunities and threats. USA has a comparative advantage in this chapter and the various products have vastly different market dynamics to form a generalization.

Chapter 30

The detailed trade analysis for major categories in chapter 30 is shown in [Appendix 7](#) of this report. The total global imports of USA in 2003 for this chapter were R 217.49 billion, while global exports were R 120.66 billion, giving a negative net trade balance for HS 30.

The major 4-digit import categories by value are:

- HS 30.02 – Antisera and other blood fractions
- HS 30.03 – Medicaments, not in measured doses
- HS 30.04 – medicaments, in measured doses
- HS 30.06 – Pharmaceutical goods

The major 4-digit export categories by value are:

- HS 30.02 – Antisera and other blood fractions
- HS 30.03 – Medicaments, not in measured doses
- HS 30.04 – Medicaments, in measured doses
- HS 30.06 – Pharmaceutical goods

In all these products both imports and exports are increasing, offering both opportunities and threat for SACU manufacturers. Generally, in this chapter the imports are increasing faster than exports and this chapter is therefore one of the major contributors to the US trade deficit.

Chapter 38

The detailed trade analysis for major categories in chapter 38 is shown in [Appendix 8](#) of this report. The total global imports of USA in 2003 for this chapter were R 41.73 billion, while global exports were R 10.38 billion, giving a negative net trade balance for HS 38.

The major 4-digit import categories by value are:

- HS 38.18 – Electronic chemicals

The major 4-digit export categories by value are:

- HS 38.18 – Electronic chemicals

- HS 38.08 – Pesticides
- HS 38.11 – Anti-knock preparations
- HS 38.15 – Catalysts
- HS 38.22 – Diagnostic kits
- HS 38.24 – Foundry chemicals

The one product category indicated under imports compared to several under exports, is indicative of the US comparative advantage in products of this chapter. All categories with the exception of electronic chemicals of course, are showing robust export growth and stagnant import growth.

Chapter 39

- The detailed trade analysis for major categories in chapter 39 is shown in [Appendix 9](#) and [10](#) of this report. The total global imports of USA in 2003 for this chapter were R 88.65 billion, while global exports were R 26.37 billion, giving a negative net trade balance for HS 39.

Most products indicated above are as much opportunities as they are a threat to SACU. Much as it is desirable to exploit existing opportunities, some measure of vigilance for USA exports to SACU particularly in this chapter is called for. Based on the value of the US global exports, the US stands more chance of decimating SACU production of some of these products.

CHAPTER 4

FEATURES OF THE CHEMICAL INDUSTRY OF THE USA

Size and Structure

The USA's chemical industry is made up of hundreds of companies with more than 12 000 plants that produce over 70 000 different chemical products, ranging from raw materials to finished products. This chemical industry is one of the world's leading industries and accounts for an estimated one-quarter of total world chemical production.

Chemicals are one of the USA's largest industries representing about 12% of all U.S. manufacturing on a value-added basis. The chemical industry in the USA is the country's largest export industry generating over 13% of the nation's total exports and 13% of all world chemicals exports. USA chemical companies employ over 1.04 million people, equal to 5.5% of all the workers employed in manufacturing. Chemical imports represent 8% of the nation's imports.

The total market for chemicals in the USA was estimated at R 3 028 billion in 2000 (Chem Systems). Chemicals production was forecast to increase 2.8% in 2004 (CMR Dec 8, 2003).

The U.S. chemical industry is capital-intensive, heavily regulated and a large user of energy resources. U.S. chemical companies consume about 7% of total annual U.S. energy output. Most of the industry's energy consumption involves natural gas and oil, with the balance consisting largely of electricity and coal.

Major trends affecting the U.S. chemical industry include specialisation, globalisation and consolidation. In an attempt to increase profits and shareholder value, U.S. chemical companies are divesting low-margin commodity businesses to concentrate on higher-margin speciality chemical businesses as well as through mergers and acquisitions.

Types of chemical output and trends

Most of the U.S. chemical industry's production consists of commodity chemicals, with demand largely a function of general economic activity in the U.S. market and overseas markets. But this pattern is shifting with more focus on specialities and the relocation of commodities production to countries with low energy, abundant feedstock and low labour costs.

The U.S. markets for commodity inorganic chemicals are considered relatively mature, and thus future growth for products in this sub-sector is expected from the export markets. Exports of commodity inorganic chemicals account for approximately 30% of local production. Key factors affecting domestic demand for inorganic chemicals include the health of end-use markets, environmental regulations, and trends in foreign trade.

Key factors affecting the performance of the U.S. organic chemical industry include prospects for key end-use markets and competition from foreign producers. As a result of the commodity nature of many of these chemicals, currency fluctuations also play a major role in export patterns. The USA used to be a net exporter of organic chemicals, and the trade surplus has constantly being eroded in previous years because of strong competition from export-oriented producers in Asia and Middle East.

Although the USA is the largest pharmaceutical market in the world (followed by Europe and Japan), exports of pharmaceutical products reached R 139 billion in 2002. The value of the U.S. pharmaceutical market is estimated at R2 594 billion [CMR Dec 08,2003]. The US pharmaceutical industry is highly innovative and technologically advanced. U.S. pharmaceutical companies' focus is to create unique breakthrough therapeutic compounds in order to satisfy increased demand for new products more especially among the elderly. The elderly are the single largest group of users of prescription drugs. USA is the world leader in new drug discoveries and Research & Development expenditure. Pharmaceutical manufacturers invest a relatively higher percentage of sales revenue in R & D than does any other industry.

Increased demand for new products has replaced price as the primary force in the U.S. pharmaceutical industry's overall growth. Managed care is also lifting pharmaceutical sales by increasing the use of pharmaceuticals as a viable alternative to other treatment forms. U.S. pharmaceutical companies make approximately 35% of their sales revenue abroad. The leading pharmaceutical markets for the USA are Canada, the Netherlands, Germany, Japan, and the United Kingdom. Although the U.S. exports of pharmaceuticals continue on an upward trend, imports are increasing at a faster rate than exports. U.S. trade in pharmaceuticals recorded an increasing deficit every year from 1997 to 2003. The pharmaceutical trade deficit stood at about R100 billion in 2003 from a low of R 7 billion in 1998. In fact, the U.S. pharmaceutical industry has gained a dubious distinction of being the source of the largest trade deficit in chemicals (CMR Dec 08, 2003). The USA imported more than R 217 billion worth of pharmaceuticals in 2003 from countries such as Germany, United Kingdom, Japan, Switzerland, and Ireland (the largest exporter of chemicals to the USA).

In case of the plastics industry, factors affecting growth in the U.S. plastics industry include trends in key end-use markets such as packaging, building and construction, consumer and institutional products, and transportation. In turn, these markets are affected by trends in consumer spending, GDP, and population growth. Other issues that influence the plastics industry are the cost and availability of raw materials, foreign competition, technological advancements, and inter-material and alternative material competition. Noteworthy trends specific to the U.S. plastics industry include consolidation and restructuring of the industry and the emergence of electronic commerce as a business tool.

Incentives

General incentives for US manufacturers are exports subsidies, which incidentally have been declared illegal by the World Trade Organization. US manufacturers also have access to the Ex-Im Bank, which is regarded as 'a lender of last resort'. The Ex-Im Bank grants loans to the US manufacturers who would otherwise not qualify to get one from the commercial banks. The loans are at more favourable terms than those given by the commercial banks.

The macro economic situation in the USA

The US is by far the world's leading and diverse economy, which is one of the most advanced and leads the way in many areas of technical innovation. Because of technological innovation, or what is referred to as the new economy, it is increasingly difficult to differentiate between services and manufacturing in the traditional sense. Manufacturing contributes about 14% of GDP while services account for more than half of GDP. Exports account for about 9% of GDP. The US economy has been soft the previous year or two partly because of high energy prices. Most companies responded by implementing cost cutting measures such as improving productivity by lay-offs in order to improve their profitability. Rising military expenditure as a result of the invasion of Iraq is one of the impetuses of the recent economic upturn as a result of increased demand.

Leading industries in the USA include motor vehicles, aerospace, telecommunications, chemicals and electronics. USA industry sectors do not always adjust easily to external competition. The steel industry is one of the examples. Under such circumstances the US industry often responds by unsubstantiated antidumping measures, which ultimately cripple the target foreign companies as a result of lost markets and capital used to defend such measures. In case of a ruling against the offending foreign company, proceeds from the case are taken by the company that initiated the antidumping case, a practice that is in violation of the World Trade Organization rules.

CHAPTER 5

ANALYSIS OF THE USA'S EXISTING TARIFF REGIME FOR CHEMICALS

The USA has tariff protection for several products that they have comparative advantages in. A comprehensive list of all the tariffs protected is shown in [Appendix 13](#). With the exception of Botswana, other SACU member states are allowed to apply for Generalized System of Preferences (GSP) status for their exports to the USA. It should be noted that the GSP status is not automatic. SACU manufacturers have to apply for their export products to the USA to be given this status by affixing the alphabet "A" to the harmonised system tariff.

Protected Tariffs

USA's tariff protection is far much more widespread across all the HS chapters and for this reason, this section will only deal with the tariffs applicable for the major products exported by SACU to the USA.

Liquid fuels [HS 27.10], one of South Africa and Namibia's biggest exports to the USA carries a tariff protection in the order of some US cents per barrel. However, there were no duties listed for HS 27.10.11.30, HS 27.10.11.05, and HS 27.10.11.35 in particular, which are South Africa's major export products in this chapter. There was no listing of HS 27.10.00, which is Namibia's biggest export product in this chapter. Given USA's production of these products, it is expected that they would have a tariff protection of some sort. Although Namibian exports are inconsistent, HS 27.10 contributed as much as 68% by value of Namibian exports to the USA and in case of South Africa 8% of exports to the USA. It is therefore important to have a good look at these chapters.

Inorganic chemicals [HS 28] exported by South Africa carry a duty of between 5.5% and 3.7% as follows: HS 28.04.69.10 (5.3%), HS 28.04.69.50 (5.5%), HS 28.23.00.00 (5.5%), and HS 28.50.00.50. Titanium oxides [HS 28.23.00.00] contribute as much as 36% by value of South Africa's exports to the USA. The present duty of Titanium oxides is 5.5%,

and at the present level of SACU market share a tariff duty reduction will result in more exports and other benefits for the South African manufacturers as well.

Other important SACU export chapters, HS 25.01, HS 25.03, HS 30.04, HS 31.01, and HS 34.06 carry no tariff protection in the USA.

CHAPTER 6

TARIFF IMPACT OF OTHER AGREEMENTS

The USA has signed various treaties and bilateral agreements with numerous countries and territories. SACU competes for the US market with Australia, Canada and Mexico (NAFTA), Chile, and Singapore in several chemical products.

The following table is a summary of the USA's other free trade agreements with third parties:

Table 10: Summary of SACU products impacted by other US trade agreements

USA's FTA Partner	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 40.11	Net importer	5.3%	USA and Hong Kong
Mexico	HS 27.10	Net importer	0.9%	USA and Aruba
Australia	HS 27.10	Net exporter	1.1%	Indonesia and New Zealand
Chile	HS 27.10	Net importer	0.1%	USA and Guatemala
	HS 40.11	Net importer	0.3%	USA and Mexico
Singapore	HS 27.10	Net exporter	7.2%	Hong Kong and Malaysia

- **NAFTA**

- Canada: Important export products from SACU's point of view are **HS 27.10** and **HS 40.11**. Canada is a net exporter of HS 27.10 and a net importer of HS 40.11. Almost all the HS 27.10 products go to the USA (97%) and the Netherlands (1%). Canada commands 3.7% of total world market for products of HS 27.10. Almost all the products of HS 40.11 go to the USA (98%) again. Canada commands 5.3% of total world market for HS 40.11.
- Mexico: Important export products from SACU's point of view are **HS 27.10**. Mexico is a net importer of HS 27.10. The largest markets for Mexico are the USA (73%) and Aruba (18%). Mexico commands 0.9% of total world market for products of HS 27.10.

- **Australia:** Important export products from SACU's point of view are **HS 27.10**. Australia is a net exporter and commands 1.1% of total world market. The largest markets for Australia are Indonesia (32%) and New Zealand (23%).
- **Chile:** Important export products from SACU's point of view are **HS 27.10** and **HS 40.11**. The largest market for Chile's exports of HS 27.10 are the USA (36%) and Guatemala (20%). In case of HS 40.11, the largest market for Chile is the USA (32%) again and Mexico (31%). Chile commands 0.1% and 0.3% of total world market for HS 27.10 and HS 40.11, respectively.
- **Singapore:** Important export products from SACU's point of view are **HS 27.10**. Singapore is a net exporter of HS 27.10. The biggest market is Hong Kong (26%) and Malaysia (22%). Singapore commands 7.2% of total world market for HS 27.10.

SACU's exports of HS 27.10 face formidable competition in the USA in the form of Canada, Mexico and Chile. These three countries already command a huge market in exports of HS 27.10 in the USA. In relation to their total exports of HS 27.10, Canada, Mexico and Chile export 97%, 73% and 36%, respectively to the USA. Canada is a significant world player in exports of HS 27.10. Singapore is also a major world player in exports of HS 27.10. While the USA is not one of the largest markets for Singapore and Australia for HS 27.10, these two countries' exports also pose a threat to SACU's exports to the USA.

In terms of HS 40.11, Canada and Chile are once again threats to SACU's exports to the USA. Already these two countries export 98% and 32% to the USA, respectively, in relation to their total national exports of HS 40.11. Canada is also a major world player in exports of HS 40.11 and almost all its market is the USA.

The extent of the impact of the USA's bilateral agreements and treaties with various other countries on SACU's major exports to the USA is difficult to unravel because most countries have the Most Favoured Nation status (MFN) in the USA.

CHAPTER 7

ANALYSIS OF USA'S NON-TARIFF BARRIERS

The information in respect of the US is mainly based on:

- The EC Market Access Sectoral and Trade Barriers Database.
- The EC report: "REPORT ON UNITED STATES BARRIERS TO TRADE AND INVESTMENT 2004: EUROPEAN COMMISSION, Brussels, December 2004.
- The WTO Secretariat's Report for the US Trade Policy Review (TPR) of December 2003 (the Report contains extensive references to US legislation and other trade policy 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)
- The Australia Trade Commission's website under 'Doing Business With –' (Country Profiles)
- A report funded by the EC: "In-depth analysis of trade and investment barriers in certain third countries in the area of labelling and marking requirements", Augustus 2002. (The report covers 19 countries including the US).

Additional taxes

There is a series of user fees by which the user of a particular service pays an amount presumed to cover the cost of the service provided, although the amounts are small.

As a result of laws enacted in 1985 and 1986, the US imposes user fees on the arrival of merchandise, vessels, trucks, trains, private boats and planes, as well as passengers. Excessive fees levied for customs, harbour and other arrival facilities (facilities mainly used by importers) place foreign products at a disadvantage vis-à-vis US competition.

- The most significant of the customs user fees is the Merchandise Processing Fee (MPF). The MPF is levied on all imported merchandise except for products from the least developed countries, from eligible countries under the Caribbean Basin Recovery Act and the Andean Trade Preference Act, and from US offshore possessions. It is levied at a rate of 0.21% of the value of imported goods.
- Harbour Maintenance Tax and Harbour Services Fee US Customs also participate in the collection of the Harbour Maintenance Tax (HMT). The HMT is levied in all US ports on waterborne imports, at an ad valorem rate of 0.125%. Collected monies are transferred to the Harbour Maintenance Trust Fund to provide for the operation and maintenance of channels and harbours. However, the ad valorem basis for the HMT collection makes it difficult to justify as a fee approximating the cost of the service provided.

Customs procedure

The US customs authority is now called Customs and Border Protection (CBP).

US customs procedures are very strict. If not all requirements are complied with, clearance is rejected.

Invoice requirements for exporting certain products to the US can be excessive. The information requirements far exceed normal customs declaration and tariff procedures. They are unnecessary because US Customs are entitled to ask for all necessary supplementary documents and information during clearance (as provided for by the Kyoto Convention). There should be no systematic demand for this kind of information. These formalities are also burdensome and costly, thus constituting a barrier against new entrants and small companies.

Following the 9/11 events, various new initiatives have been introduced with the emphasis on border security. These include:

- **The Container Security Initiative (CSI)**

In January 2002, the CBP launched the Container Security Initiative (CSI), whose objective is to prevent containerized cargo from being exploited by terrorists. Under the initiative, each participating country signs a "bilateral Declaration of Principle"; subsequently, the CBP posts U.S. inspectors in foreign seaports to screen containers destined for the United States before they depart rather than after they arrive on U.S. shores.

- **The 24-hour Advance Vessel Manifest Rule**

The 24-hour Advance Vessel Manifest Rule was introduced by the CBP in December 2002 following the passage of the Trade Act of 2002.

The 24-hour rule, as first published in the *Federal Register* on 8 August 2002, requires that the vessel's cargo declaration (form 1302 or its electronic equivalent), including 14 specific mandatory informational elements, must be notified to the CBP 24 hours before the cargo is loaded in a foreign port, and that the data be provided in electronic form. This rule is effective since December 2002. The mandatory specific information is shown in the box below.

Effective 4 May 2003, CBP started to issue "Do Not Load" messages for any containerised cargo with invalid or incomplete cargo description. Until then, enforcement efforts had focused only on significant violations of the cargo description requirements. CBP also issues monetary penalties for late submission of cargo declarations: carriers may be assessed a US\$5,000 penalty for first violation and US\$10,000 for any subsequent violation.

Information required under the 24-hour rule

Information to be provided to the CBP 24 hours before a cargo is loaded in a foreign port:

- The name of the last foreign port before the vessel departs for the United States;
- The unique Standard Carrier Alpha Code assigned for each carrier;
- The carrier-assigned voyage number;
- The date the vessel is scheduled to arrive at the first U.S. port in customs territory;
- The numbers and quantities of the lowest external packaging unit from the carrier's ocean bills of lading;
- The first foreign port where the carrier takes possession of the cargo destined to the United States;
- A precise description (or the Harmonized Tariff Schedule (HTS) numbers to the 6-digit level under which the cargo is classified if that information is received from the shipper) and weight of
- the cargo or, for a sealed container, the shipper's declared description and weight of the
- cargo;
- The shipper's complete name and address, or identification number, from all bills of lading (this identification number will be a unique number assigned by the CBP upon the implementation of the ACE);
- The complete name and address of the consignee or the owner or owner's representative, or identification number, from all bills of lading (this identification number will also be used under the ACE);
- The vessel name, country of documentation, and official vessel number (the vessel number is the International Maritime Organization number assigned to the vessel);
- The foreign port where the cargo is loaded;
- Internationally recognized hazardous material code when such materials are being shipped;
- Container numbers (for containerized shipments); and
- The seal numbers for all seals affixed to containers.

• **The Customs-Trade Partnership Against Terrorism and other security initiatives**

The Customs-Trade Partnership Against Terrorism (C-TPAT), which was launched in May 2002, is a joint government/business initiative to strengthen security throughout the overall supply chain and at the border. Under this programme, businesses undertake to conduct comprehensive self-assessments of their supply chain using the security

guidelines developed jointly with the CBP, and they must familiarize companies in their supply chain with the guidelines and the programme.

It may be difficult for exporters to comply with the 24-hour rule that is mandatory. The other programmes are not mandatory at this stage. However, it is clear that the customs procedures are continuously being intensified which may reach a point where they would become obstacles for foreign exporters.

Rules of origin

The US does not generally apply strict rules of origin with the exception of the automotive and textile sectors. This is also true in non-reciprocal trade arrangements such as the GSP and AGOA where a rule of 35% local/regional content is applicable.

Trade remedies

In recent years, US trade remedy or defence measures (anti-dumping, countervailing and safeguard measures) have experienced a substantial increase.

The use of such measures is stated by the US to be a very important part of its trade policy. According to the WTO Secretariat's Report for the Trade Policy Review (TPR) of the US of December 2003, *"The United States considers trade remedies an integral part of the rules-based trading system. Its active use of anti-dumping (AD) and countervailing duty (CVD) measures has continued to generate uncertainty for foreign exporters."*

According to other WTO members trade US authorities with protectionist purposes abuse defence instruments. This has been reflected in the increasing number of cases brought to the WTO Dispute Settlement system in relation to US trade defence legislation and proceedings. Several aspects of US trade defence legislation and practices have already been condemned for their inconsistency with WTO Agreements by WTO panels and appellate body findings (e.g. the 1916 US Antidumping Act, the methodology used by the US DoC in privatisation cases, and the "Byrd Amendment".) Implementation of WTO findings has been slow with the result that various countries have implemented WTO sanctioned measures against the US in the form of increased duties on selected products.

US Antidumping Measures aspects of the US legislation and practice on antidumping investigations have also been challenged, notably the 1916 Antidumping Act (which amongst others make provision for remedies to dumping, like the imposition of triple damages, fines and imprisonment, none of which are permitted by the WTO Agreement on Antidumping), the so-called "Byrd Amendment", the use of zeroing in the determination of the dumping margin and, lately, the abusive use of the rule of 'Best Information Available'.

The latest (famous) case is that of The Continued Dumping and Subsidy Offset Act (CDSOA or the so-called "Byrd Amendment"), signed into law in October 2000, which provides that proceeds from anti-dumping and countervailing duties shall be paid to the US companies responsible for bringing the cases. A panel and the Appellate Body ruled against the US and countries are now implementing counter measures sanctioned by the Dispute Settlement body.

According to the WTO database, the US initiated 353 anti-dumping investigations over the period 1995 to December 2004, which is 13.3% of all initiations.

Of the total of 2 646 initiations, 532 were in respect of chemicals (Chapters 28 to 38) and 338 were in respect of plastics and rubber products (Chapters 39 and 40). The US initiated 45 (8.5%) and 29 (8.6%), respectively, of the investigations in these two sectors. The most active countries in respect of chemicals, plastics and rubbers combined were India (14.1%), Australia (9.1%), China (8.9%) and the US and the EU with 8.5% each.

Base metals and articles was the sector with the highest number of initiations, namely 783 and the US was the most active country in this sector with 26% of the total. Chemicals was the sector with the second highest number of initiations with plastics/rubber third.

Of the total of 108 countervailing measures implemented over the same period, the US implemented 45 (41.7%) but only 3 in respect of chemicals, plastics and rubber products out of a total of 7 in these sectors.

A conclusion can be made that the US extensively use trade remedies including remedies in the chemical, plastics and rubber sectors. Furthermore, the US legislation and procedures are in various respects not in line with WTO principles.

The South African steel industry is advocating the negotiation of a special dispensation in regard to trade remedies with the US, namely (1) non-accumulation in anti-dumping, countervailing and safeguard investigations against South African exports with that of other countries whose exports do not exceed the *de minimis* threshold of 3% and (2) that US industry should first enter into a consultation process with SA industry and / or the SA government prior to filing any trade actions against SA exporters. The Chemical Industry should support such proposals. The US has already indicated unwillingness to accommodate such proposals. The US made some concessions in the NAFTA but not in other FTAs since.

Environmental protection

The Environmental Protection Agency (EPA) is responsible for ensuring compliance with environmental regulations in the United States.

Within its Import-Export Program (IEP), EPA works with regional and programme offices, the states, other federal agencies, and foreign governments to ensure compliance with and the development of laws governing the importation and exportation of materials that may pose a risk to human health and the environment, including hazardous waste, toxic chemicals, pesticides, and ozone-depleting substances.

Regarding trade in hazardous waste, the United States has agreements with several countries that provide for prior notification of shipment of wastes (both importing and exporting). The United States has not ratified the Basel Convention on the Control of Transboundary Movements of Hazardous Waste and their Disposal. The United States adheres to the OECD Council Decision governing trade in recyclable waste with other OECD countries; accordingly, exports of waste have to be notified by the exporter to EPA, which informs the importing country.

Many of the U.S. notifications to the WTO TBT and SPS Committees described above were submitted by the EPA and concerned pesticides, chemical content, and labelling guidelines. EPA sets limits on the amount of pesticides that may remain in/on food; the FDA is then in charge of enforcing them. Tolerances notices are published in the *Federal Register* and notified to WTO. EPA is constantly updating its list of authorized pesticides and tolerances limits; these can be consulted in the Code of Federal Regulations.¹

Standards, Sanitary and Other Technical Requirements

According to the EC market Access and Trade barriers database, standards and other technical requirements is a problem area in various aspects.

Complex Regulatory System

In the US, products are increasingly being required to conform to multiple technical regulations regarding consumer protection (including health and safety) and environmental protection. Though in general, not de jure discriminatory, the complexity of US regulatory systems can represent an important structural impediment to market access. For example, it is not uncommon that equipment for use in the workplace is subject to US Department of Labour certification, a county authority's electrical equipment standards, specific regulations imposed by large municipalities, and other product safety requirements as determined by insurance companies.

This situation is aggravated by the lack of a clear distinction between essential safety regulations and optional requirements for quality, which is due in part to the role of some private organisations as providers of assessment and certification in both areas. Moreover, for products where public standards do not exist, product safety requirements can change overnight as the product liability insurance market makes a new assessment of what will be required for insurance purposes.

¹ For further information see EPA online information. Available at: <http://www.epa.gov/pesticides/regulating/tolerances.htm>

Countries are obliged to notify changes or proposed changes to the WTO, which reports these on a monthly basis. It is therefore a massive task for researchers, let alone exporters, to go through these regulations month by month.

Non-use of international standards

A particular problem in the US is the relatively low level of use, or even awareness, of standards set by international standardising bodies. All parties to the TBT Agreement are committed to the wider use of these standards. However, even if a significant number of US standards are claimed to be "technically equivalent" to international ones, and some are indeed widely used internationally, very few international standards are directly adopted by the US. Some US standards are in fact in direct contradiction to them.

The EU has attempted to clarify some of these issues in discussions in the TBT Committee in Geneva, and in particular, to establish the position of international standards bodies in the context of the Agreement, but at present agreement with the US has been difficult to reach. Discussions in the WTO on conformity assessment issues are progressing but are at an early stage.

It is therefore difficult for exporters to check these standards every time they have to export to the USA.

Regulatory Differences at State Level

The proliferation of regulation at State level presents particular problems for companies without offices in the US. There are more than 2 700 State and municipal authorities in the US, which require particular safety certifications for products sold or installed within their jurisdictions. These requirements are not always uniform or consistent with each other, or even transparent. In particular, individual States sometimes set environmental standards going far beyond what is provided for at Federal level. Acquiring the necessary information and satisfying the necessary procedures is a major undertaking for a foreign enterprise, especially a small or medium sized one, as at present there is no central source of information on standards and conformity assessment.

It is therefore difficult for exporters to check the regulations state by state every time they have exports to the USA.

Lengthy Product Approval and Control Procedures

One issue of concern is the time-consuming procedures of the Food and Drug Administration (FDA) and the stringent inspection programmes in place for medicinal and agricultural products. In addition, a variety of exports to the US have encountered problems due to delays in US Customs sampling and inspection procedures, resulting in damage of the goods and subsequent commercial losses for the exporters. FDA approval should also be granted to the (production) facility and not just products. Constant inspections are done on the facility and it is very difficult and expensive to keep the approved status because it could be taken away as a result of a minor non-conformance.

Labelling requirements

Extensive labelling requirements apply in respect of cosmetics, drugs in general, and prescription drugs and over the counter drugs.

There are substantial differences between the US regulations and those in other countries such as the EU. For instance, in the US all the cosmetics containing claims are considered as drugs. For example, a cream containing a UV protection is considered as cosmetics in the EU but as a drug in the US. The cosmetics with claims should follow the over the counter drug legislation and not the cosmetics legislation.

(The report funded by the EC: "In-depth analysis of trade and investment barriers in certain third countries in the area of labelling and marking requirements", Augustus 2002, give detailed information on labelling requirements in 19 countries including the US).

Government Procurement

- **Buy American Act**

It should be noted that this act sets certain statutory requirements for domestic procurement. This is to be distinguished from programmes or campaigns to encourage the buying of domestic products, such as Proudly South African.

The *Buy America Act (BAA)*, initially enacted in 1933, is the core domestic preference statute governing US procurement. It covers a number of discriminatory measures, generally termed Buy America restrictions, which apply to government-funded purchases. These take several forms: some prohibit public sector bodies from purchasing goods and services from foreign sources; some establish local content requirements, while others still extend preferential price terms to domestic suppliers. Buy America restrictions therefore not only directly reduce the opportunities for exports from other countries, but also discourage US bidders from using such products or services. The domestic industry, through the court system and legislative lobbying, ensures that Buy American preferences are vigorously enforced and maintained.

- **National security issues**

The 1941 *Defence Appropriation Act* (now known as *the "Berry Amendment"*) uses the concept of "national security" to restrict procurement by the Department of Defence (DoD), the largest public procurement agency within the US Government, to US sourcing. Its scope has been extended to secure protection for a wide range of products only tangentially related to national security concerns (e.g. textiles). Further DoD procurement restrictions are based on the National Security Act of 1947 and the Defence Production Act of 1950, which grant authority to impose restrictions on foreign supplies in order to preserve the domestic mobilisation base and the overall preparedness posture of the US.

- **Sub-federal legislation**

Buy America or "buy local" legislation is also rife at State level. More than half of all US States and a large number of localities do apply some "Buy Local" restrictions in one form or another.

- **Set-aside for small businesses**

Under the Small Business Act of 1953 as amended, executive agencies must place a fair proportion of their purchases with small businesses (not less than 20% of the total value of all prime contract awards for each fiscal year). These “set-aside” policies also operate in an important number of states. The US "set-aside" measures and their exemption from the GPA are favouring US industry and are restricting the ability of foreign companies doing business in the US.

Most states also apply preferences to goods produced in the state. The preferences vary from 5% to 15%.

Intellectual property rights

- **Trademarks legislation**

Under US legislation, advertising low price perfumes imitating for example famous European brands and thus benefiting from the well-known reputation of these brands is not prohibited. This practice may violate Article 6bis Paris Convention (confusion) and/or Article 10bis Paris Convention (unfair competition), as incorporated into the TRIPs Agreement through its Article 2.1.

- **Legislation on Patents**

Under US law (28 US Code Section 1498) a patent owner may not enjoin or recover damages on the basis of his patent for infringements due to the manufacture or use of goods by or for the US government authorities. This practice is apparently extremely widespread in all government departments and it appears to be inconsistent with Article 31 of the TRIPs Agreement, which introduces a requirement to inform promptly a right holder about government use of his patent.

CHAPTER 8

IDENTIFICATION OF TRADE OPPORTUNITIES FOR SACU CHEMICAL COMPANIES IN THE USA

Trade opportunities for SACU chemical companies have been identified in two ways. In the first case, USA'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. The top 10 products per sub-sector at which SACU is globally competitive in exports, are also used as the basis for attractiveness. Potential trade opportunities are discussed per HS chapter below.

Major attractive product categories

Chapter 25

Imports of salt [HS 25.01.00] by the USA were consistently more than R 1 billion for the period under consideration. This is an attractive export opportunity for SACU chemical companies not only because of the huge market, but also because the USA is a net importer. But it should be noted that the USA's exports of this product are significantly more than SACU's exports. SACU, or Botswana in particular, has a comparative advantage in the production of salt.

Chapter 27

Imports of paraffin wax [HS 27.12.20] by the USA were on the upward trend for the period under consideration, although they only reached the R 1 billion mark in 2001. This is an attractive export opportunity for SACU chemical companies.

Chapter 28

Opportunities exist in exports of the following inorganic products to the USA:

- Silicon > 99% by weight [HS 28.04.61.00]
- Silicon < 99% by weight [HS 28.04.69.10]
- Silicon < 99% pure [HS 28.04.69.50]

These products collectively account for about 3% by value of US total imports of HS 28. SACU already commands about 18% of the market of US imports of these three products

collectively. SACU faces competition from Brazil, Canada, China and Norway, as well as competition from US manufacturing.

Other export opportunities are in:

- Hydrofluoric acid [HS 28.11.11.00]
- Synthetic silica gel [HS 28.11.22.10]
- Silicon dioxide except of synthetic silica gel [HS 28.11.22.50]

These products collectively account for about 3% by value of US total imports of HS 28. Of these three products, SACU has got export capacity for hydrofluoric acid only. Currently there are no SACU exports of this product to the USA. It is probable that the safety regulations imposed by the US is a contributing factor to the lack of SACU exports.

Ammonia (anhydrous) [HS 28.14.10.00] is one of the potentially attractive export products for SACU chemical companies to the USA. However, SACU's production of ammonia has been severely reduced by the closure of the AECI plant in Modderfontein. SACU operations like Sasol have the ability to take advantage of this export opportunity, but their inland position will provide high logistical costs. Potential new ammonia operations that are based on natural gas, and located at coastal locations, could benefit from this opportunity. USA's imports of ammonia account for about 18% of total US imports of HS 28. While this is an opportunity for SACU, there is stiff competition from Canada, Russia and Trinidad and Tobago. These countries collectively account for more than 90% of US imports of anhydrous ammonia.

Soda lye [HS 28.15.12.00] is another export opportunity. SACU does not have export capacity in this product. Imports of soda lye represent 1% of total US imports of HS 28.

Although US imports of aluminium oxide [HS 28.18.20.00] and aluminium hydroxide [HS 28.18.30.00] account for about 7% of US total imports of HS 28, there is no SACU manufacturing of these products.

In radioactive elements and isotopes, there are export opportunities in natural uranium oxide [HS 28.44.10.20.10], of which SACU already commands about 18% market share.

SACU faces competition from Kazakhstan, Canada and Australia, who collectively account for the rest of the market share (82%).

Chapter 29

In acyclic hydrocarbons, opportunities exist in exports of ethane and butane [HS 29.01.10.10.00]. However, there is no SACU export capacity of these products. SACU already commands a 5% market share in exports of other saturated acyclic hydrocarbons [29.01.10.50.00]. However, this is way behind Canada with a market share of more than 90%. But SACU is a market leader (93%) in exports of other saturated acyclic hydrocarbons not derived from petroleum shale oil or natural gas [HS 29.01.29.50.00].

In cyclic hydrocarbons, although US imports of benzene [HS 29.02.20.00] and styrene [HS 29.02.50.00] are 4% and 2% of total US imports of HS 29, respectively, SACU has got limited or no capacity in exports of these products.

In halogenated derivatives of hydrocarbons, SACU has got limited export capacity in derivatives containing two or more halogens [HS 29.03.49.90]. There are no SACU exports of this product to the USA. Although the US imports of Ethylene dichloride [HS 29.03.15.00] and Fluorinated hydrocarbons [HS 29.03.30.20] are also huge, there is no SACU capacity.

In acyclic alcohols and derivatives, methanol [HS 29.05.11.20.00] and ethylene glycol [HS 29.05.31.00] account for 4% and 1% of total US imports of HS 29, respectively. However, there is no SACU capacity for these products.

There are opportunities in SACU exports of other polyphenols [HS 29.07.29.90.00]. SACU's export of this product to the USA is less than satisfactory at 0.3% of total US imports of polyphenols.

In ethers and derivatives, the largest import products by the USA are:

- Methyl tertiary butyl ether [HS 29.09.19.14]
- Ethers of monohydric alcohols [HS 29.09.19.18]
- Diethylene glycol [HS 29.09.41.00]

SACU has limited or no capacity in exports of these products. These products account for about 4% of US imports of HS 29.

The largest US imports in ketones and derivatives are:

- Aromatic ketone-phenols and ketones with other oxygen function [HS 29.14.50.30]
- Quinone drugs [HS 29.14.69.20]

In both these products SACU has got no capacity. However, SACU has got export capacity in the following products:

- Acetone not derived from cumene [HS 29.14.11.50.00]
- Butanone [HS 29.14.12.00]
- Methyl isobutyl ketone [HS 29.14.13.00]
- Other acyclic ketones without oxygen function [HS 29.14.19.00]
- Other cyclic ketones without oxygen function [HS 29.14.29.50.00]
- Other aromatic ketone-alcohols and ketone-aldehydes [HS 29.14.40.90.00]

US imports of these products collectively account for 0.4% of total US imports of HS 28. SACU's contribution in US imports of these products is 0.01%. However, in acetone and butanone SACU is the market leader with market share of 75% and 29%, respectively. SACU also has a respectable market share of 23% in exports of methyl isobutyl ketone, compared to Mexico's 76% market share.

In aromatic derivatives of saturated acyclic monocarboxylic acids [HS 29.15.90.50.00], SACU's market share is less than satisfactory at 0.1%. Japan and the UK are the market leaders with a combined market share of more than 52%.

US largest imports of unsaturated acyclic monocarboxylic acids and derivatives are:

- Acrylates and esters of acrylic acid [HS 29.16.12.50]
- Methacrylates and esters of methacrylic acid [HS 29.16.14.20]
- Other derivatives of monocarboxylic acids [HS 29.16.20.50]

SACU has recently installed capacity in acrylates and is thus well placed to take advantage of the export opportunity.

SACU has no capacity in adipic acid [HS 29.17.12.10], which accounts for 0.2% of US total imports of HS 29. The same applies for citric acid [29.18.14.00], which accounts for 0.3% of total US imports of HS 29.

In other aromatic amino-alcohol phenol drugs [29.22.50.25.00], SACU contributes a mere 0.2% of total US imports, compared to 10%, 18%, 24%, and 29% by Japan, Germany, Switzerland, and the UK, respectively.

Another large US import product is N-cyclohexylthiophthamide [HS 29.30.90.42], of which SACU has no capacity.

In pesticides containing an unfused triazine ring [29.33.69.60.20], SACU's contribution of US imports is 11%, compared to 16%, 17%, 18%, and 22% by Japan, Israel, China, and Italy, respectively.

SACU has no capacity in erythromycin and its derivatives [HS 29.41.50.00], which accounts for 0.1% to US total imports of HS 29.

Chapter 30

One of the largest US imports in HS 30 is heparin and its salts [HS 30.01.90.00], and it accounts for 0.3% of total US imports. SACU's export of this product is not developed yet.

There are opportunities in SACU to increase exports of the following products:

- Vaccines for human medicine [HS 30.02.20.00]
- Toxins, cultures of micro-organisms and similar products [HS 30.02.90.50.50]

Both these product accounted for 4% of total US imports of HS 30. However, SACU's export of these products is not well developed yet.

Other large US import products are:

- Medicaments containing other antibiotics [HS 30.03.20.00]
- Other medicaments consisting of two or more constituents [HS 30.03.90.00]

These products collectively account for 5% of total US imports of HS 30. There are no SACU exports of HS 30.03.20, while SACU exports of HS 30.03.90 are less than satisfactory at less than zero percent.

The single largest import products for HS 30 are the following:

- Other antibiotics, not for veterinary use [HS 30.04.20.00.60] – There are no SACU exports of these products. These products account for 2% of total US imports of HS 30.
- Medicaments containing insulin and not antibiotics [HS 30.04.31.00.00] – There are no SACU exports of these products. These products account for 2% of total US imports of HS 30.
- Products of heading 2937 but not containing antibiotics, for veterinary use [HS 30.04.39.00.10] – SACU has got limited export capacity of these products and there are no exports to the USA. These products account for 1% of total US imports of HS 30.
- Products of heading 2937 but not containing antibiotics, not for veterinary use [HS 30.04.39.00.50] - SACU has got limited export capacity of these products and there are no exports to the USA. These products account for 10% of total US imports of HS 30.
- Other medicaments containing alkaloids or derivatives thereof [HS 30.04.40.00.70] – There are no SACU exports of these products. These products account for 0.4% of total US imports of HS 30.
- Other medicaments for veterinary use [HS 30.04.90.90.03] – The historical trend of SACU's exports of these products is unsatisfactory at 0.03%. These products account for 1% of total US imports of HS 30.
- Other non-infective medicaments [HS 30.04.90.90.10] – SACU's export of these products is less than satisfactory at less than zero percent. These products account for 4% of total US imports of HS 30.
- Antineoplastic and immunosuppressive medicaments [HS 30.04.90.90.15] – There is no SACU exports of these products. These products account for 4% of total US imports of HS 30.
- Cardiovascular medicaments [HS 30.04.90.90.20] – There is no SACU exports of these products. These products account for 11% of total US imports.

- Analgesics, antipyretics and non-hormonal anti-inflammatory agents [HS 30.04.90.90.28] – There is no SACU exports of these products. These products account for 0.3% of total US imports.
- Anticonvulsants, hypnotics and sedatives [HS 30.04.90.90.30] – There are no SACU exports of these products. These products account for 1% of total US imports of HS 30.
- Antidepressants, tranquilizers, and other psychotherapeutic agents [HS 30.04.90.90.35] – There are no SACU exports of these products. These products account for 4% of total US imports of HS 30.
- Medicaments primarily affecting the central nervous system [HS 30.04.90.90.40] – There are no SACU exports of these products. These products account for 3% of total US imports of HS 30.
- Dermatological agents and local anesthetics [HS 30.04.90.90.45] – SACU exports of these products are unsatisfactory at 0.1%. These products account for 0.4% of total US imports of HS 30.
- Other medicaments primarily affecting the digestive system [HS 30.04.90.90.60] – There are no SACU exports of these products. These products account for 6% of total US imports of HS 30.
- Other medicaments primarily affecting the eyes, ears and respiratory system [HS 30.04.90.90.85] – SACU exports of these products are less than satisfactory at 0.03%. These products account for 3% of total US imports of HS 30.
- Medicaments not elsewhere specified [HS 30.04.90.90.90] – SACU exports of these products are less than satisfactory. These products account for 18% of total US imports of HS 30.

Opportunities exist for SACU exports of the following pharmaceutical goods:

- Sterile surgical catgut and similar sterile material [HS 30.06.10.00] – SACU exports of these products are less than satisfactory at 0.02%. These products account for 0.3% of total US imports of HS 30.
- Other opacifying preparations for X-ray examinations [HS 30.06.30.50] – SACU exports of these products are less than satisfactory. These products account for 2% of total US imports of HS 30.

- Dental cements and other dental fillings [HS 30.06.40.00] – SACU exports of these products are less than satisfactory at 0.01%. These products account for 0.7% of total US imports of HS 30.
- Chemical contraceptive preparations [HS 30.06.60.00] – There are no SACU exports of these products to the USA. These products account for 1% of total US imports of HS 30.

Chapter 38

The largest import products for chapter 38 are the following:

- Colloidal or semi-colloidal graphite [HS 38.01.10.50] – SACU exports of these products are less than satisfactory. These products account for 1% of total US imports of HS 38.
- Activated carbon [HS 38.02.10.00] – There are no SACU exports of this product. Activated carbon accounts for 1% of total US imports of HS 38.
- Fungicides containing any aromatic or modified aromatic fungicide [HS 38.08.20.15] – There are no SACU exports of these products. These products account for 2% of total US imports of HS 38.
- Adjuvants [HS 38.08.30.05] – SACU exports of these products account for 2% of total US imports. Adjuvants account for 1% of total US imports of HS 38.
- Herbicides, anti-sprouting products and plant growth regulators [HS 38.08.30.15] – SACU exports account for 0.1% of US imports. These products account for 4% of total US imports of HS 38.
- Finishing agents and dye carriers [HS 38.09.91.00] – There are no SACU exports of these products. These products account for 2% of total US imports of HS 38.
- Additives for lubricating oils containing petroleum oils [HS 38.11.21.00] – SACU exports of these products are less than satisfactory. These products account for 2% of total US imports of HS 38.
- Antioxidants and other stabilizers for rubber or plastic [38.12.30.60] – There are no SACU exports of these products. These products account for 0.5% of total US imports of HS 38.
- Catalysts with nickel or nickel compounds as the active substance [HS 38.15.11.00] – SACU exports account for 0.1% of US imports. These products account for 1% of total US imports of HS 38.

- Catalysts with precious metal or precious metal compounds as the active substance [HS 38.15.12.00] – SACU exports account for 0.3% of US imports. These products account for 5% of total US imports of HS 38.
- Other catalysts [HS 38.15.19.00] – SACU exports account for 0.06% of US imports. These products account for 4% of total US imports of HS 38.
- Mixed linear alkyl benzenes [HS 38.17.10.10] – There are no SACU exports of these products. These products account for 1% of total US imports of HS 38.
- Chemical elements doped for use in electronics [HS 38.18.00.00] – SACU exports of these products are less than satisfactory. These products account for 2% of total US imports of HS 38.
- Composite diagnostic or laboratory reagents containing antigens [HS 38.22.00.10] – SACU exports of these products are less than satisfactory. These products account for 0.1% of total US imports of HS 38.
- Composite diagnostic reagents containing methyl chloroform or carbon tetrachloride [HS 38.22.00.50] – SACU exports of these products are less than satisfactory. These products account for 12% of total US imports of HS 38.
- Industrial fatty alcohols derived from fatty substances of animal or vegetable origin [HS 38.23.70.40] – There are no SACU exports of these products. These products account for 1% of total US imports of HS 38. SACU commands a respectable 16% of the US market in exports of HS 38.23.70.60.
- Other mixtures containing 5% or more by weight of one or more aromatic or modified aromatic substance [HS 38.24.90.28] – SACU exports account for 2% of total US imports. These products account for 1% of total US imports of HS 38.
- Mixtures of two or more inorganic compounds [HS 38.24.90.39] – SACU exports account for 2% of US imports. These products account for 3% of total US imports of HS 38.
- Mixtures of fatty acid [HS 38.24.90.40] – There are no SACU exports of these products. These products account for 1% of total US imports of HS 38.
- Chemical products preparations, and residual products of the chemical or allied products industries [HS 38.24.90.90] – SACU exports account for 0.1% of US imports. These products account for 6% of total US imports of HS 38.

Chapter 39

The largest US imports of chapter 39 are as shown below. The major products of polymers of ethylene are:

- Linear low density polyethylene [HS 39.01.10.00.10]
- Low density polyethylene, except linear [HS 39.01.10.00.20]
- Polyethylene having a specific gravity of 0.94 or more [HS 39.01.20.00.00]
- Ethylene-vinyl acetate copolymers [HS 39.01.30.60.00]
- Ethylene copolymers [HS 39.01.90.55.00]

In some of these products there are no SACU exports, and for those that are exported [HS 39.01.10.00.10; HS 39.01.10.00.30; HS 39.01.20.00], the export levels are unsatisfactory. These products collectively account for 17% of total US imports of HS 39.

Polymers of propylene or of other olefins:

- Polypropylene [HS 39.02.10.00.00]
- Propylene copolymers [HS 39.02.30.00.00]

SACU exports of both these products are less than satisfactory. These products account for 2% of total US imports of HS 39.

Polymers of styrene:

- Expandable polystyrene [HS 39.03.11.00.00]
- Other polystyrene [HS 39.03.19.00.00]
- Acrylo-nitrile-butadiene-styrene copolymers [HS 39.03.30.00.00]
- Polystyrene in primary forms [HS 39.03.90.50.00]

There are no SACU exports of these products. In case of existing exports [HS 39.03.90.10], the export levels are unsatisfactory. These products collectively account for 7% of total US imports.

Polymers of vinyl chloride:

- Polyvinyl chloride not mixed with other substances [HS 39.04.10.00.00]
- Polytetrafluoroethylene [HS 39.04.61.00.00]
- Other elastomeric fluoro-polymers [HS 39.04.69.10.00]
- Other fluoro-polymers, except elastomeric [HS 39.04.69.50.00]

There are no SACU exports in some of these products. Where exports exist [HS 39.04.10.00, HS 39.04.61.00] the levels are too low. These products collectively account for 5% of total US imports of HS 39.

Acrylic polymers:

- Other acrylic polymers in primary forms [HS 39.06.90.50.00] – There are no SACU exports of these products. These products account for 2% of total US imports of HS 39.

Polyacetals, other polyethers and epoxide resins:

- Other polyethers [HS 39.07.20.00.00]
- Epoxide resins [HS 39.07.30.00.00]
- Polycarbonates [HS 39.07.40.00.00]
- Polyethylene terephthalate, bottle grade [HS 39.07.60.00.10]
- Other polyethylene terephthalate [HS 39.07.60.00.50]
- Other unsaturated polyesters [HS 39.07.91.50.00]
- Other polyesters [HS 39.07.99.00.50]

There are no SACU exports in some of these products, and export levels are unsatisfactory for those that are exported [HS 39.07.20.00.00; HS 39.07.30.00.00; HS 39.07.40.00.00; HS 39.07.60.00.10; HS 39.07.60.00.50]. These products collectively account for 8% of total US imports of HS 39.

Polyamides:

- Polyamide 6; 11; 12; 6,6; 6,9; 6,10; or 6,12 [HS 39.08.10.00.00]
- Other polyamides in primary forms [HS 39.08.90.70.00]

There are no SACU exports of these products. These products account for 3% of total US imports of HS 39.

Amino-resins, phenolic resins and polyurethanes:

- Phenolic resins [HS 39.09.40.00.00]
- Polyurethanes in primary forms [HS 39.09.50.50.00]

There are no SACU exports of phenolic resins, and exports of polyurethanes are less than satisfactory. These products collectively account for 1% of total US imports of HS 39.

Silicones:

- Silicones in primary forms [HS 39.10.00.00.00] – SACU exports of these products have not taken off yet and are thus satisfactory. Silicones in primary forms account for 2% of total US imports of HS 39.

Petroleum resins:

- Polysulfides [HS 39.11.90.25.00] – There are no SACU exports of these products. Where exports exist [HS 39.11.10.00.00; HS 39.11.90.90.10] the levels are unsatisfactory. These products account for 1% of total US imports of HS 39.

Cellulose and its chemical derivatives:

- Carboxymethyl cellulose and its salts [HS 39.12.31.00.00]
- Cellulose ethers [HS 39.12.39.00.00]

There are no SACU exports of cellulose ethers. Exports of HS 39.12.31.00.00 and HS 39.12.90.00.00 are less than satisfactory. These products account for 1% of total US imports of HS 39.

- Polysaccharides and their derivatives [HS 39.13.90.20.50] – There are no SACU exports of these products. These products account for 1% of total US imports of HS 39. SACU exports of HS 39.13.90.50.00 are less than satisfactory.
- Iron exchangers based on polymers of headings 3901 to 3913, in primary forms [HS 39.14.00.60.00] – There is no SACU manufacturing of these products. These products account for 1% of total US imports of HS 39.
- Other plastics other than PET plastics [HS 39.15.90.00.90] – SACU exports of these products are less than satisfactory. These products account for 1% of total US imports of HS 39.

Mono-filament, whether or not surface-worked:

- Siding of house or building exterior of polymers of vinyl chloride [HS 39.16.20.00.10]
- Rods, sticks, and profile shapes, of polymers of vinyl chloride [HS 39.16.20.00.90]

There are no SACU exports of these products. These products account for 3% of total US imports of HS 39. Where exports exist [HS 39.16.10.00.00; HS 39.16.90.50.00] the export levels are too low.

Tubes, pipes, hoses and fittings

- Rigid tubes, pipes and hoses, of polymers of vinyl chloride [HS 39.17.23.00.00]
- Flexible tubes, pipes and hoses, not reinforced [HS 39.17.32.60.50]
- Flexible tubes, pipes and hoses, not reinforced with metal [HS 39.17.39.00.50]
- Other fittings for tubes, pipes and hoses of plastic [HS 39.17.40.00.90]

In all these products except for HS 39.17.40.00.90, SACU exports are less than satisfactory. Although SACU exports of the latter are still relatively low at 0.6% of total US imports, they are significantly higher compared to other export products. These products collectively account for 4% of total US imports of HS 39.

Floor coverings of plastic:

- Vinyl tile [HS 39.18.10.10.00]
- Floor coverings of plastic, of polymers of vinyl chloride [HS 39.18.10.20.00]

SACU exports of these products are too low. These products account for 3% of total US imports of HS 39.

Self-adhesive, plates, sheets, film, foil:

- In rolls not exceeding 20 cm wide [HS 39.19.10.20.55]
- And other flat shapes, whether or not in rolls [HS 39.19.90.50.60]

SACU exports of these products are too low. These products account for 3% of total US imports of HS 39.

Other plates, sheets, film, foil, and strip, not reinforced, laminated, supported or combined with other material:

- Of polymers of ethylene [HS 39.20.10.00.00]
- Of polymers of propylene [HS 39.20.20.00.00]
- Of polymers of vinyl chloride, rigid [HS 39.20.41.00.00]
- Of polymers of vinyl chloride, flexible [HS 39.20.42.50.00]
- Of polymers of polyethylene terephthalate [HS 39.20.62.00.00]

- Of polyvinyl butyral [HS 39.20.91.00.00]
- Of other plastics, flexible [HS 39.20.99.20.00]

There are no SACU exports in some of these products, and in cases where there are exports [HS 39.20.10.00.00; HS 39.20.41.00.00; HS 39.20.42.50.00; HS 39.20.62.00.00; HS 39.20.99.10.00; HS 39.20.99.20.00] the levels are too low. These products collectively account for 16% of total US imports of HS 39.

Other plates, sheets, film, foil, and strip:

- Of polymers of vinyl chloride combined with other material [HS 39.21.12.11.00]
- Of polyurethanes [HS 39.21.13.50.00]
- Combined with textile material [HS 39.21.90.19.50]
- Reinforced with paper [HS 39.21.90.40.90]
- Other, flexible [HS 39.21.90.50.50]

SACU exports of these products are too low. These products collectively account for 4% of total US imports of HS 39.

Sanitary ware, of plastics:

- Baths, shower baths, and washbasins [HS 39.22.10.00.00] – SACU exports of these products account for about 1% of US imports. These products make up 1% of total US imports of HS 39.

Articles for the conveyance or packaging of goods:

- Boxes, cases, crates, and similar articles of plastic [HS 39.23.10.00.00]
- Sacks and bags of polymers of ethylene except reclosable [HS 39.23.21.00.90]
- Sacks and bags of other plastics [HS 39.23.29.00.00]
- Carboys, bottles, flasks, and similar articles [HS 39.23.30.00.90]
- Stoppers, lids, caps, and other closures [HS 39.23.50.00.00]
- Other, of plastic [HS 39.23.90.00.80]

At 0.4% of US imports, SACU exports of HS 39.23.21.00.90 are the highest in this category, albeit low. Other SACU exports are even lower. These products account for 22% of total US imports of HS 39.

Tableware, kitchenware, other household articles of plastic:

- Plates, cups, saucers, soup bowls [HS 39.24.10.20.00]
- Other, of plastic [HS 39.24.10.50.00]

- Curtains and drapes [HS 39.24.90.10.10]
- Napkins, table covers, mats, scarves, runners [HS 39.24.90.10.50]
- Picture frames [HS 39.24.90.20.00]
- Toilet articles [HS 39.24.90.55.00]

There are no SACU exports of HS 39.24.90.10.10. SACU exports of the other products are unsatisfactory. These products account for 14% of total US imports of HS 39.

Builders' ware of plastics:

- Doors, windows, and their frames [HS 39.25.20.00.90]
- Blinds [HS 39.25.30.10.00]
- Shutters and similar articles [HS 39.25.30.50.00]
- Other [HS 39.25.90.00.00]

SACU exports of these products are low. These products account for 8% of total US imports of HS 39.

Other articles of plastic:

- Office or school supplies [HS 39.26.10.00.00]
- Gloves, seamless, surgical and medical [HS 39.26.20.10.10]
- Gloves, seamless, except surgical and medical, disposable [HS 39.26.20.10.20]
- Rainwear including coats, jackets [HS 39.26.20.60.00]
- Articles of apparel and clothing accessories [HS 39.26.20.90.50]
- Statuettes and other ornamental articles [HS 39.26.40.00.00]
- Ice bags, douche bags, enema bags, hot water bottles [HS 39.26.90.20.00]
- Other gaskets, washers, and seals [HS 39.26.90.45.90]
- Pneumatic mattresses and other inflatable articles [HS 39.26.90.75.00]
- Laboratory ware [HS 39.26.90.98.10]

There are no SACU exports for some of these products. In cases where there are exports [HS 39.26.10.00.00; HS 39.26.20.10.20; HS 39.26.20.90.50; HS 39.26.40.00.00; HS 39.26.90.20.00; HS 39.26.90.45.90; HS 39.26.90.75.00] the levels are too low. These products collectively account for 15% of total US imports of HS 39.

CHAPTER 9

CONSIDERATIONS FOR THE OFFENSIVE AND DEFENSIVE STRATEGIES FOR SACU COUNTRIES

Offensive strategy for SACU

The intention from SACU's perspective should be to level the playing field in terms of FTA and preferential agreements that the US has entered with third countries and are disadvantaging SACU manufacturers. SACU's offensive strategy should revolve around tariff elimination and elimination of non-tariff barriers.

Tariff elimination

The biggest export products by value from SACU to USA are titanium oxides [HS 28.23.00.00], other organic compounds [HS 29.42.00.00], unleaded petrol [HS 27.10.00.03], leaded petrol [HS 27.10.00.05], paraffin wax [27.12.20.00], silicon [HS 28.04.69.00], manganese dioxide [29.20.10.00] and natural uranium and its compounds [HS 28.44.10.00]. These products collectively account for 78% by value of total USA imports from South Africa. It should be noted that titanium oxides [HS 28.23] is a complicated category in that it is likely to include titanium ores & slag, as well as synthetic titanium dioxide pigment. Duty elimination on these tariff lines should be strongly considered.

Other important SACU export products that duty elimination should be considered for are the top 10 products that SACU is globally competitive in, which are shown in Appendix 11.

Elimination of non-tariff barriers

The issue of non-tariff barriers has been described extensively in chapter 7. SACU should negotiate for the complete removal of all forms of non-tariff barriers which are used in some instances to protect ailing or uncompetitive industries. Some of the non-tariff barriers are:

- Additional taxes such as MPF and HMT
- Customs procedures with excessive information requirements

- Trade remedies such as the Byrd Amendment that has been declared illegal by the WTO
- Lengthy product approval and control procedures

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.

SACU products that warrant protection have been listed in [Appendix 12](#).

CHAPTER 10

CONCLUSIONS AND RECOMMENDATIONS

In general the USA has a positive trade balance for chemicals against SACU. At single product level the following products are the US major exports to SACU:

- Isocyanates [HS 29.29.10.00]
- Other medicaments in measured doses [HS 30.04.90.00]
- Lubricants oils additives [HS 38.11.21.00]
- Diagnostic or laboratory reagents [HS 38.22.00.00]
- Polyamides [HS 39.08.10.00]

These products collectively account for more than 20% by value of the US exports to SACU. SACU's major export products to the USA are:

- Titanium oxides [HS 28.23.00.00]
- Other organic compounds [HS 29.42.00.00]
- Unleaded petrol [HS 27.10.00.03]
- Leaded petrol [HS 27.10.00.05]
- Paraffin wax [HS 27.12.20.00]
- Silicon [HS 28.04.69.00]
- Manganese dioxide [HS 29.20.10.00]
- Natural uranium and its compounds [HS 28.44.10.00]
- Candles [HS 34.06.00]
- Other articles of plastics [HS 39.26]

These products collectively accounted for approximately 77% by value of SACU's exports to the USA. However, there is some discrepancy in the US records of their titanium oxides trade with SACU. The US trade data shows no imports of these products.

While the US has a comfortable trade surplus with SACU in chemicals trade, the US has a negative trade balance with the RoW. In fact, the US trade deficit in chemicals has been going up consistently for the several previous years. SACU only constitutes 0.5% by value of total US imports and about 1% by value of total US exports. The US' major export strength lies in liquid fuels [HS 27.10], inorganic chemicals [HS 28], pharmaceuticals, tanning and dyeing extracts, pigments and varnishes [HS 32], essential oils, perfumes and

cosmetics [HS 33], plastic products [HS 39] and rubber products [HS 40]. From SACU's exports point of view, the US largest imports are in liquid fuels [HS 27] again, organic chemicals [HS 29], pharmaceuticals [HS 30] and plastics products [HS 39]. However, opportunities also exist in inorganic chemicals [HS 28], speciality chemicals [HS 38], and rubber products [HS 40].

SACU member countries are eligible to apply for GSP status for their exports to the US. However, this status is not automatically granted because it is up to the SACU exporters to indicate the eligibility of their products on the documentation. It is therefore important to note that a FTA is more favourable than a GSP. Among some of the products that have tariff protection in the US are liquid fuels [HS 27.10], silicones [HS 28.04.69.10, HS 28.04.69.50], hydrides, azides, silicides borides [HS 28.50.00.50] and titanium oxides [HS 28.23.00.00]. Other important SACU export products like salt [HS 25.01], medicaments [HS 30.04], animal or vegetable fertilizers [HS 31.01], and candles [HS 34.06] have no tariff protection.

The US has various agreements that are not necessarily free trade agreements with various countries and regions. In case of the US free trade agreements with Australia, Chile, Israel, Jordan, Singapore and at NAFTA, SACU exports of liquid fuels [HS 27.10] and motor car tyres [HS 40.11] to the USA are exposed to the fiercest competition.

The requirement for SACU exports to satisfy the rules of origin as set by the US authorities in terms of the percentage of local content of the exported products has a potential to stifle SACU exports. At the moment the US authorities are apparently not vigilant on the issue. However, with the increase of SACU exports to the US there is going to come a time when this issue is policed more vigilantly to the peril of SACU's exports. The recommended long term approach would be to support the local manufacturing of some of the major raw materials that are not manufactured locally but form a major part of the final product exported to the USA. The unfortunate habit of US manufacturers to file anti-dumping and countervailing measures against competitors at every whim should be taken up seriously by SACU negotiators as this unacceptable practice has unfairly brought financial ruin to some of the SACU manufacturers. Another issue to be attended to with the same vigour is the cost of registration of new products by the FDA as well as the waiting period. This makes it

difficult for SACU manufacturers to take the right investment decisions. Negotiating for the removal of these no-tariff barriers should be a priority for SACU negotiators.

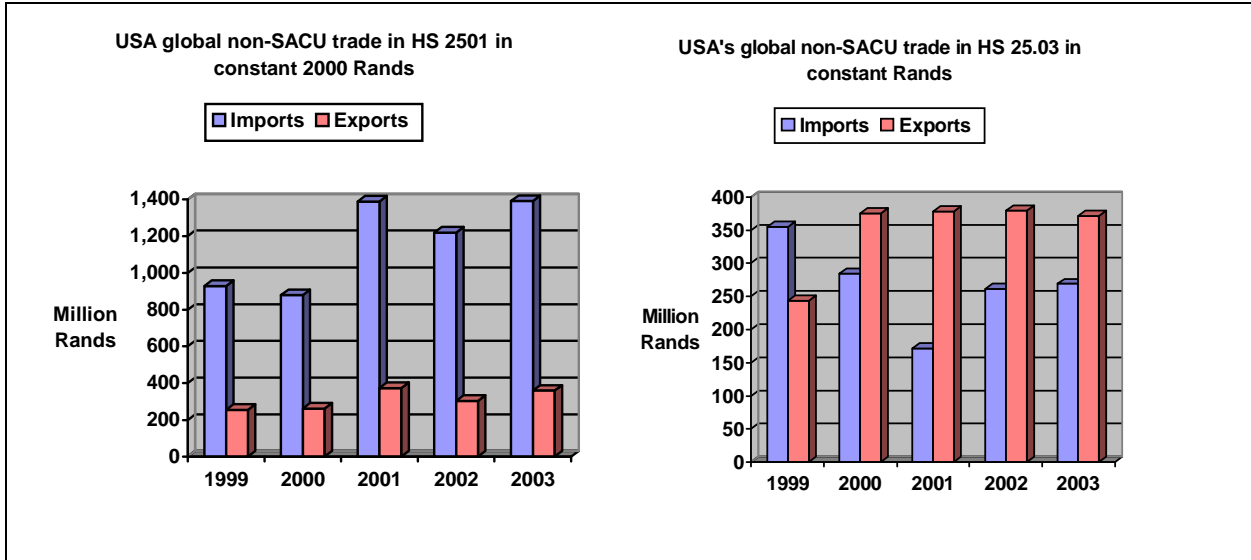
APPENDICES

APPENDIX 1 – USA major exports to South Africa

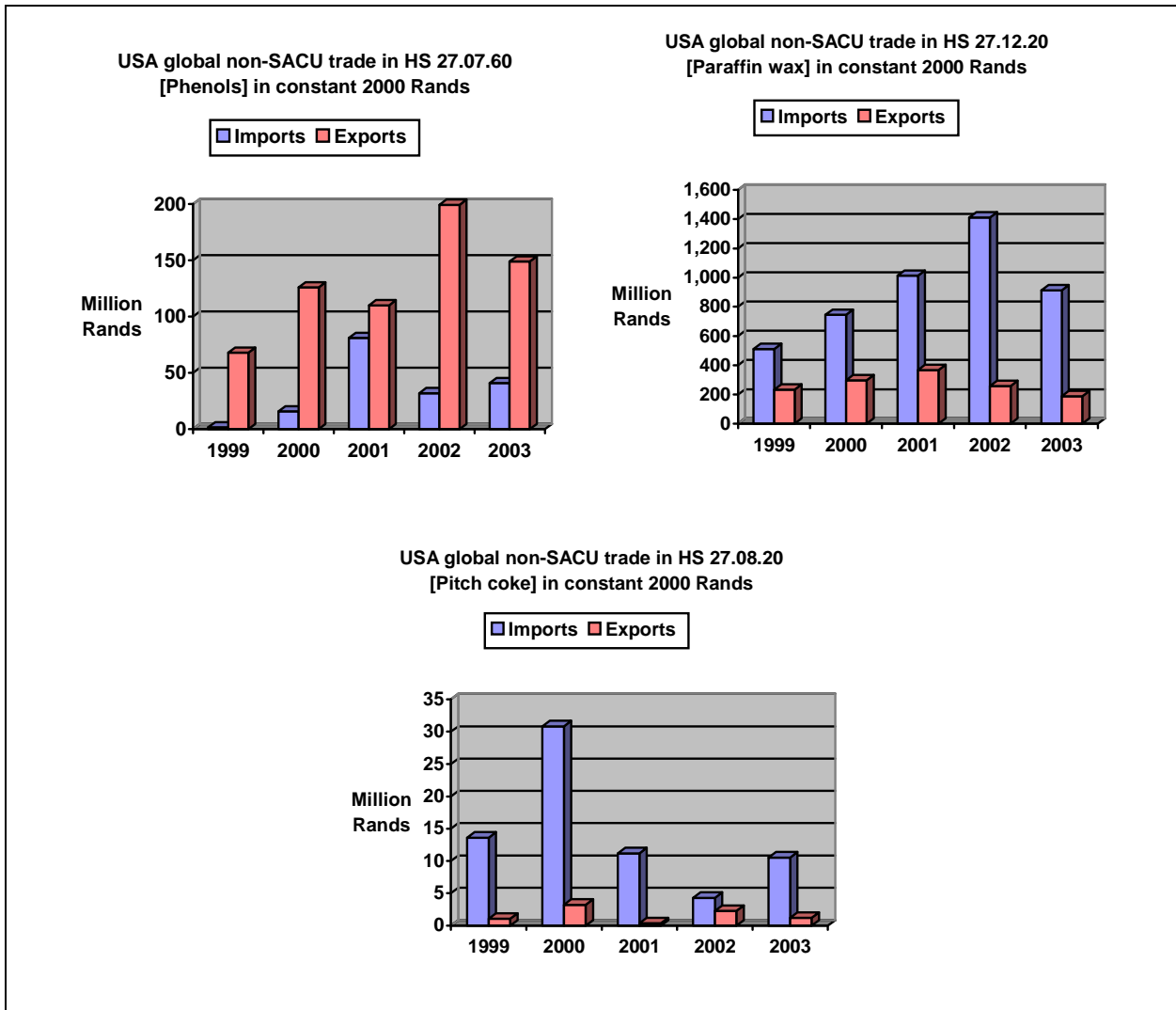
Harmonized System Chapters	HS Code 4	USA's exports to RSA in constant Rands (Million)					Percentage of total USA exports in chapters 25 - 40 to RSA				
		1999	2000	2001	2002	2003	1999	2000	2001	2002	2003
27	27.10	69.69	183.85	189.47	274.03	219.86	2.4	4.5	4.6	5.4	6.3
28	28.36	67.26	77.65	67.95	55.75	51.48	2.3	2.0	1.7	1.1	1.5
	28.43	27.88	32.73	22.87	0.15	0.0	1.0	0.8	0.6	0.0	0.0
	28.15	26.14	32.41	0.0	1.91	0.19	0.9	0.8	0.8	0.0	0.0
	28.32	14.83	29.86	26.99	32.42	13.34	0.5	0.8	0.7	0.6	0.4
	28.18	3.06	16.78	14.71	10.90	7.46	0.1	0.4	0.4	0.2	0.2
	28.14	0.62	13.24	0.26	0.0	26.37	0.0	0.5	0.0	0.0	0.8
	28.25	7.28	12.42	10.35	16.27	19.49	0.3	0.3	0.3	0.3	0.6
29	29.02	38.31	86.41	38.32	19.34	85.38	1.3	2.2	0.9	0.4	2.4
	29.03	2.5	11.53	10.84	7.96	9.61	0.1	0.3	0.3	0.2	0.3
	29.05	124.95	166.13	110.62	159.35	113.61	4.3	4.2	2.7	3.1	3.3
	29.09	24.91	21.76	24.12	22.72	11.15	0.9	0.5	0.6	0.4	0.3
	29.10	6.54	5.63	28.09	38.17	7.31	0.2	0.1	0.7	0.7	0.2
	29.15	77.11	80.71	92.99	133.95	71.40	2.7	1.9	2.3	2.6	2.0
	29.16	32.07	92.94	78.11	160.43	65.53	1.1	2.3	1.9	3.2	1.9
	29.17	79.36	35.97	11.20	38.48	12.28	2.8	0.9	0.3	0.8	0.4
	29.21	44.74	29.41	27.65	19.14	23.39	1.6	0.7	0.7	0.4	0.7
	29.22	41.57	114.09	130.57	23.11	12.84	1.4	2.9	3.2	0.5	0.4
	29.23	13.27	38.07	27.34	36.59	18.99	0.5	1.0	0.7	0.7	0.5
	29.24	5.90	44.21	37.19	54.78	29.58	0.2	1.1	0.9	1.1	0.8
	29.26	14.86	34.10	18.22	36.10	4.79	0.5	0.9	0.4	0.7	0.1
	29.29	23.85	72.86	138.91	206.25	98.76	0.8	1.8	3.4	4.1	2.8
	29.30	22.71	37.69	35.33	68.33	46.43	0.8	1.0	0.9	1.3	1.3
29.31	25.90	22.52	49.19	53.93	31.15	0.9	0.6	1.2	1.1	0.9	
29.33	65.91	69.06	62.07	76.24	53.14	2.3	1.7	1.5	1.5	1.5	
30	30.02	24.06	50.79	48.31	59.75	43.65	0.8	1.3	1.2	1.2	1.3
	30.04	220.28	254.54	329.55	332.05	303.68	7.7	6.4	8.0	6.5	8.7
	30.05	11.26	21.83	24.04	31.37	20.03	0.4	0.6	0.6	0.6	0.6
	30.06	16.76	40.93	36.15	48.99	43.55	0.6	1.0	0.9	1.0	1.2
32	32.04	16.86	32.26	20.99	27.11	19.85	0.6	0.8	0.5	0.5	0.6
	32.06	27.61	55.41	58.68	74.46	68.33	1.0	1.4	1.4	1.5	2.0

Harmonized System Chapters	HS Code	USA's exports to RSA in constant Rands (Million)					Percentage of total USA exports in chapters 25 - 40 to RSA				
		1999	2000	2001	2002	2003	1999	2000	2001	2002	2003
		4									
	32.10	10.12	20.87	18.38	9.55	16.09	0.4	0.5	0.4	0.2	0.5
	32.15	11.61	31.88	21.34	26.61	14.79	0.4	0.8	0.5	0.5	0.4
33	33.01	10.34	21.82	21.28	21.48	13.26	0.4	0.6	0.5	0.4	0.4
	33.02	23.68	52.08	58.40	82.10	49.09	0.8	1.3	1.4	1.6	1.4
	33.04	59.36	99.64	89.99	96.48	86.27	2.1	2.5	2.2	1.9	2.5
	33.05	16.00	34.19	28.52	30.48	18.54	0.6	0.9	0.7	0.6	0.5
	33.07	12.67	17.05	27.31	21.15	17.15	0.4	0.4	0.7	0.4	0.5
38	38.08	105.62	130.42	115.94	154.55	86.82	3.7	3.3	2.8	3.0	2.5
	38.11	71.42	191.56	215.60	336.76	221.57	2.5	4.8	5.3	6.6	6.3
	38.15	62.91	78.37	59.21	123.26	74.28	2.2	2.0	1.4	2.4	2.1
	38.16	14.75	126.60	14.53	14.82	11.28	0.5	3.2	0.4	0.3	0.3
	38.22	46.14	125.45	160.70	195.51	178.40	1.6	3.2	3.9	3.8	5.1
	38.24	16.15	34.61	37.36	55.11	54.87	0.6	0.9	0.9	1.1	1.6
39	39.01	45.26	48.18	68.47	66.64	45.36	1.6	1.2	1.7	1.3	1.3
	39.06	38.21	55.53	47.55	62.16	31.93	1.3	1.4	1.2	1.2	0.9
	39.07	27.30	48.13	43.32	91.49	47.47	0.9	1.2	1.1	1.8	1.4
	39.08	78.08	112.59	126.77	169.09	85.37	2.7	2.8	3.1	3.3	2.4
	39.19	50.25	70.03	84.57	80.96	59.71	1.7	1.8	2.1	1.6	1.7
	39.20	76.38	105.89	118.54	144.09	102.60	2.7	2.7	2.9	2.8	2.9
	39.23	26.41	37.45	66.27	81.70	45.41	0.9	0.9	1.6	1.6	1.3
39.26	28.46	52.35	54.35	79.56	49.17	1.0	1.3	1.3	1.6	1.4	

APPENDIX 2 – Major USA Chapter 25 Trade Categories

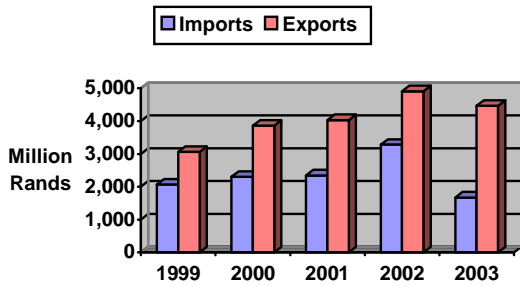


Appendix 3 – Major USA Chapter 27 Trade Categories

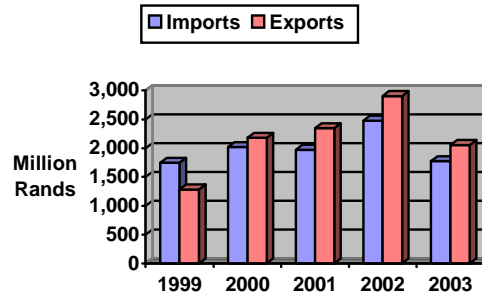


Appendix 4 - Major USA Chapter 28 Trade Categories

USA global non-SACU trade in HS 28.04
[Inorganic gases, other] in constant 2000 Rands



USA global trade in HS 28.11 [HF acid, others] in constant 2000 Rands



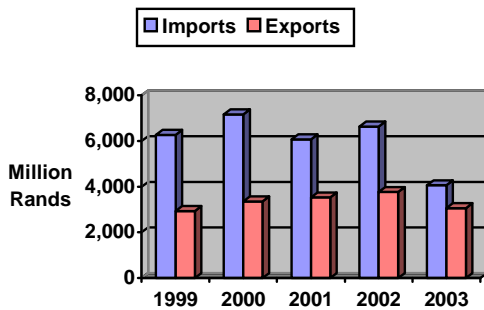
USA global non-SACU trade in HS 28.14
[Ammonia] in constant 2000 Rands



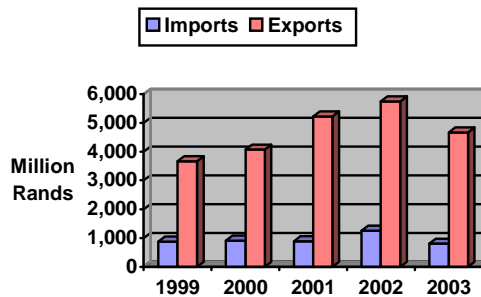
USA global non-SACU trade in HS 28.15
[Sodium hydroxide, potassium hydroxide] in constant 2000 Rands



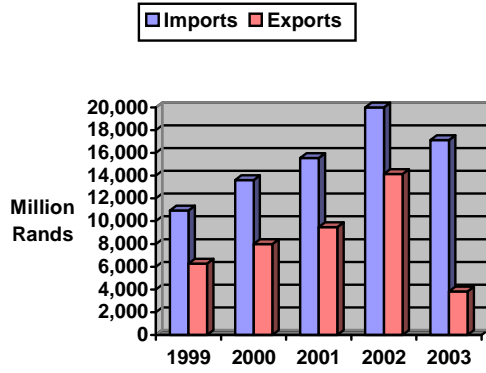
USA global trade in HS 28.18 [Alumina] in constant 2000 Rands



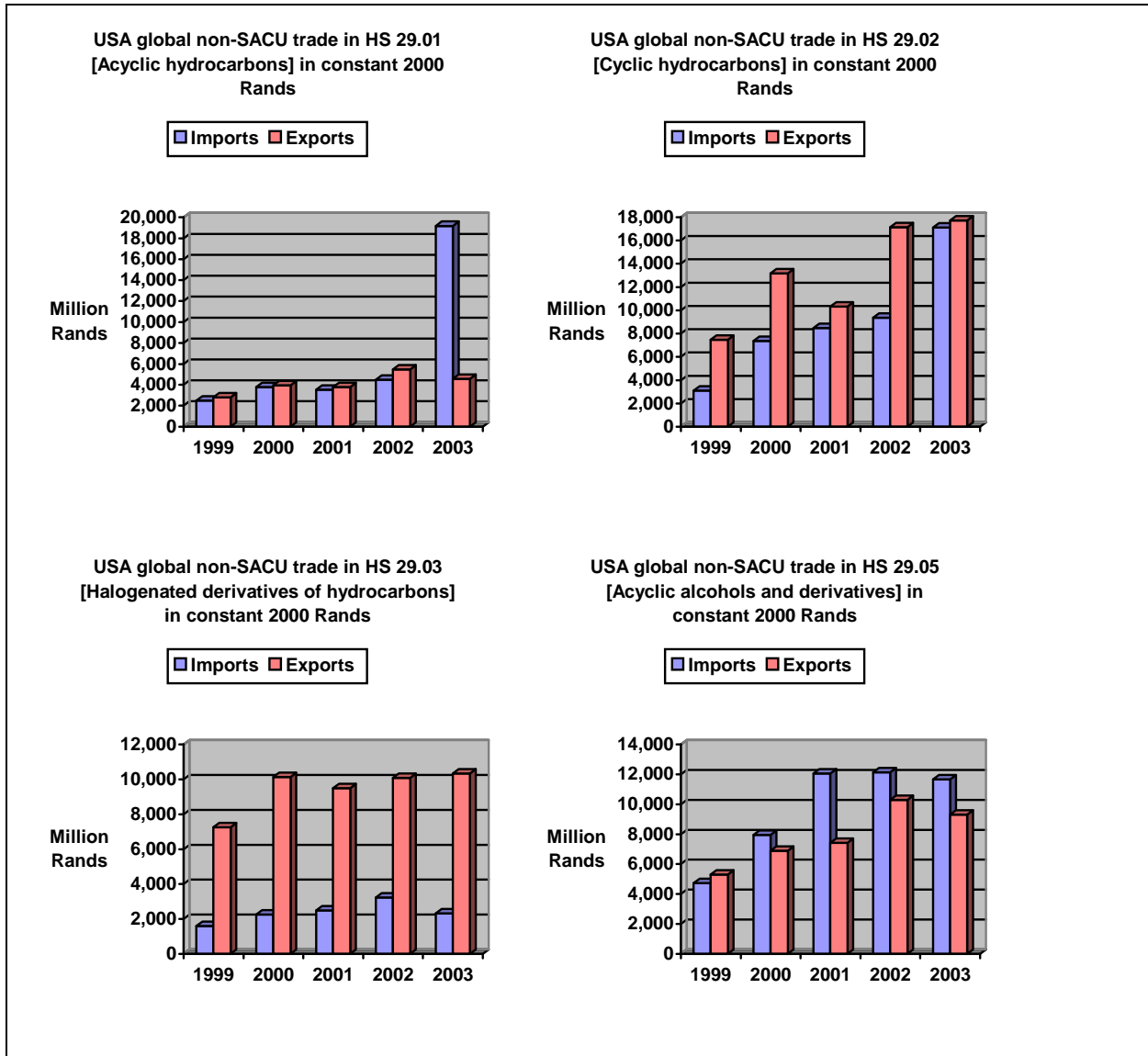
USA global non-SACU trade in HS 28.36
[Metal carbonates, other] in constant 2000 Rands



USA global non-SACU trade in HS 28.44
[Radioactive elements] in constant 2000
Rands



Appendix 5 – Major USA Chapter 29 Trade Categories



USA global non-SACU trade in HS 29.07
[Phenols] in constant 2000 Rands



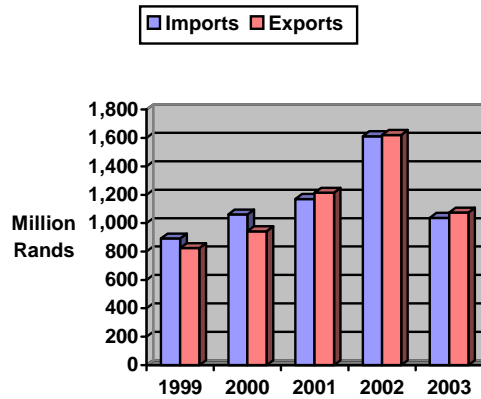
USA global non-SACU trade in HS 29.09
[Ethers and derivatives] in constant 2000 Rands



USA global non-SACU trade in HS 29.10
[Epoxides and derivatives] in constant 2000 Rands



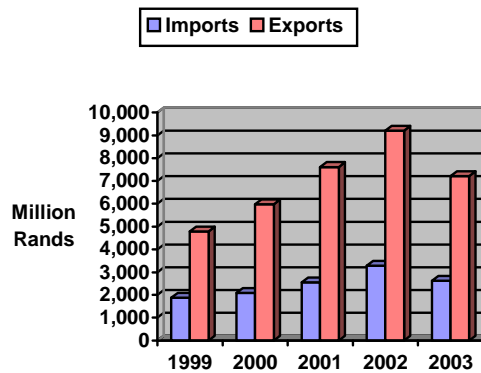
USA global non-SACU trade in HS 29.12
[Aldehydes] in constant 2000 Rands



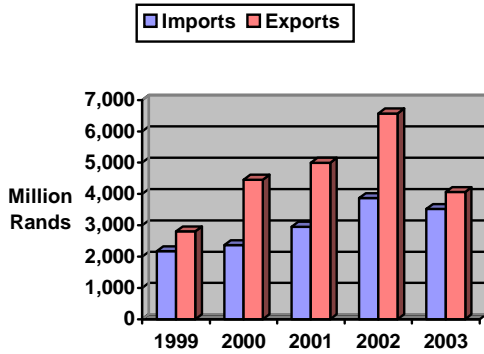
USA global non-SACU trade in HS 29.14
[Ketones and derivatives] in constant 2000 Rands



USA global non-SACU trade in HS 29.15
[Saturated acyclic monocarboxylic acids and derivatives] in constant 2000 Rands



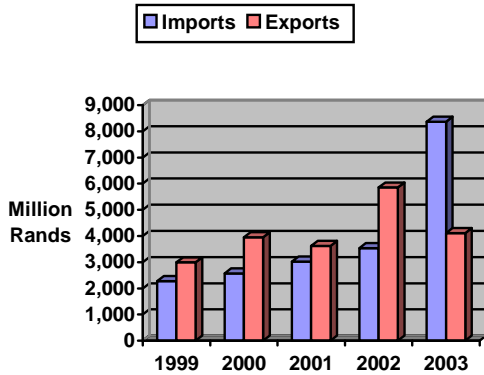
USA global non-SACU trade in HS 29.16
[Unsaturated acyclic monocarboxylic acids and derivatives] in constant 2000 Rands



USA global non-SACU trade in HS 29.17
[Polycarboxylic acids and derivatives] in constant 2000 Rands



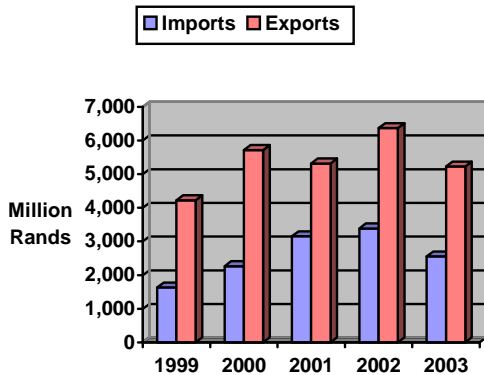
USA global non-SACU trade in HS 29.18
[Carboxylic acids with additional oxygen function] in constant 2000 Rands



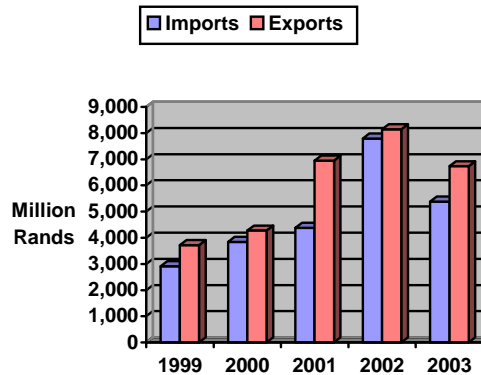
USA global non-SACU trade in HS 29.20
[Phosphoric esters and their salts and derivatives] in constant 2000 Rands



USA global non-SACU trade in HS 29.21
[Amine-function compounds] in constant 2000 Rands



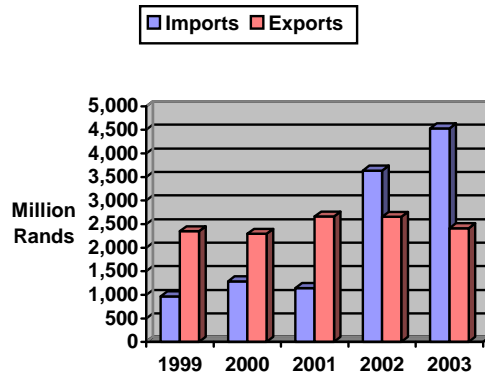
USA global non-SACU trade in HS 29.22
[Oxygen-function amino compounds] in constant 2000 Rands



USA global non-SACU trade in HS 29.23
[Quaternary ammonium salts] in constant
2000 Rands



USA global non-SACU trade in HS 29.24
[Carboxymide-function and amide-function
compounds] in constant 2000 Rands



USA global non-SACU trade in HS 29.26
[Nitrile-function compounds] in constant
2000 Rands



USA global non-SACU trade in HS 29.29
[Compounds with other nitrogen function]
in constant 2000 Rands



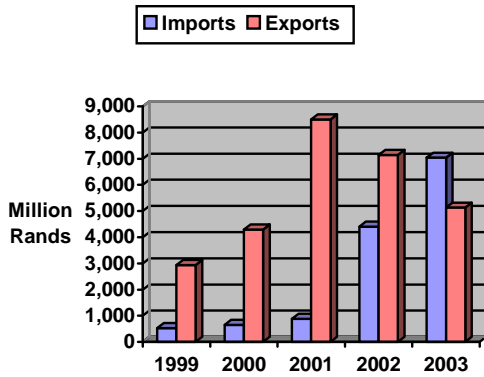
USA global non-SACU trade in HS 29.30
[Organo-sulphur compound] in constant
2000 Rands



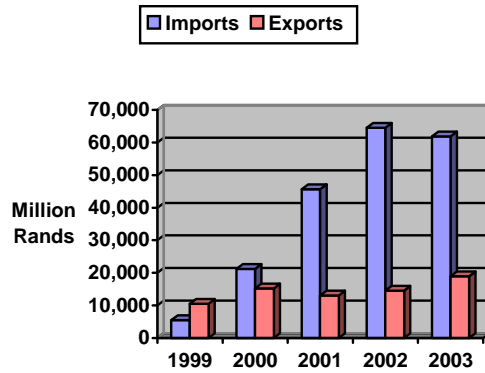
USA global non-SACU trade in HS 29.31
[Other organo-inorganic compounds] in
constant 2000 Rands



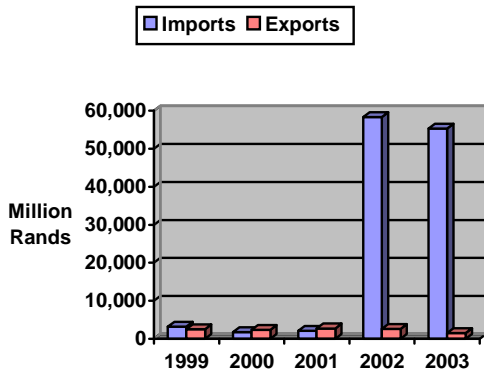
USA global non-SACU trade in HS 29.32
[Heterocyclic compounds with oxygen] in constant 2000 Rands



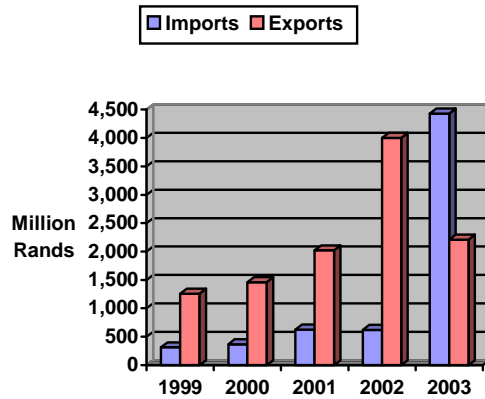
USA global non-SACU trade in HS 29.33
[Heterocyclic compounds with nitrogen] in constant 2000 Rands



USA global non-SACU trade in HS 29.34
[Nucleic acids and their salts] in constant 2000 Rands



USA global non-SACU trade in HS 29.35
[Sulphonamides] in constant 2000 Rands

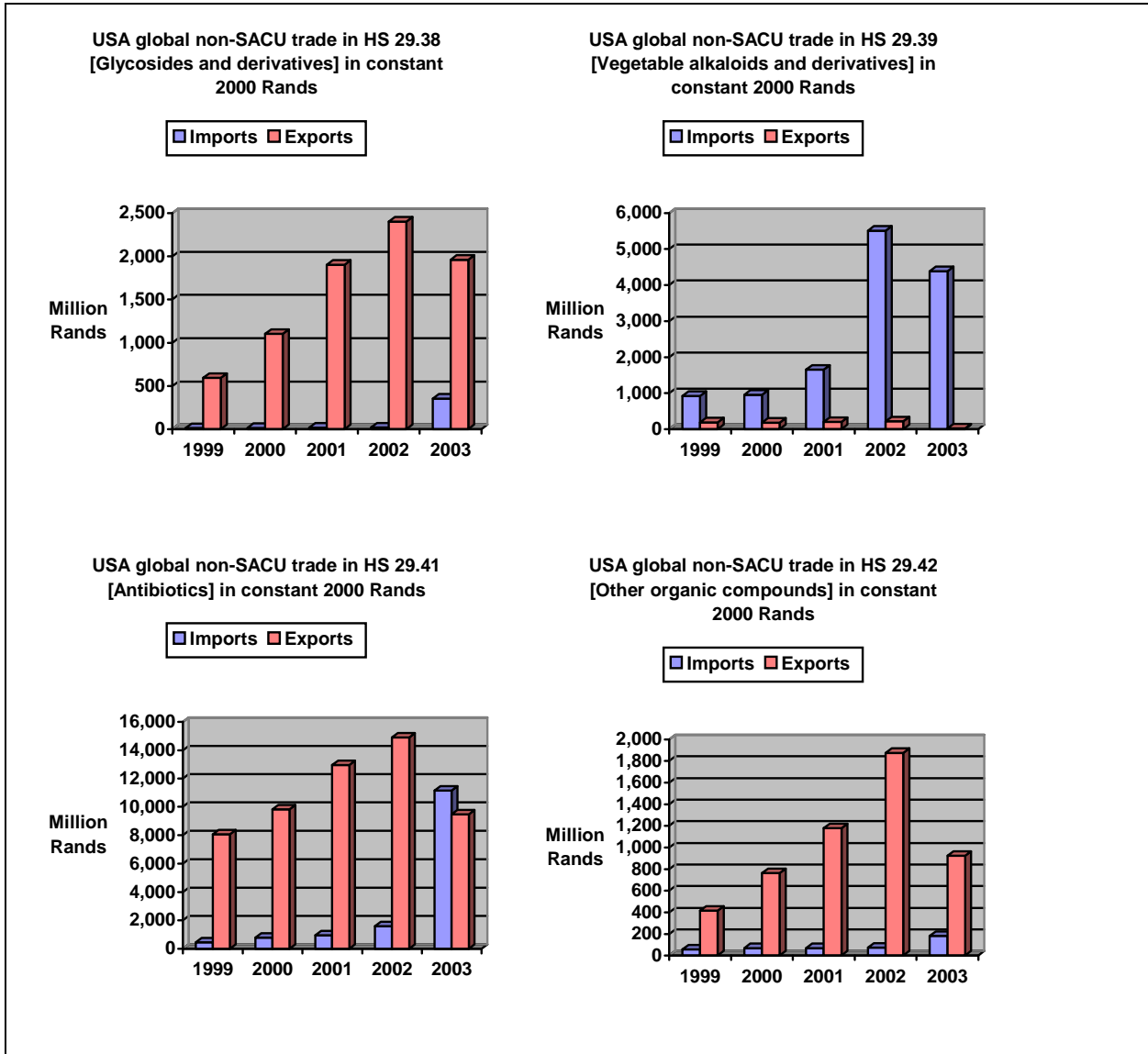


USA global non-SACU trade in HS 29.36
[Provitamins and vitamins] in constant 2000 Rands



USA global non-SACU trade in HS 29.37
[Hormones and derivatives] in constant 2000 Rands





Appendix 6 – Major 4-digit trade categories in USA trade with the RoW in products of HS 29

The major 4-digit import categories by value are:

- HS 2901 – Alpha olefins
- HS 2902 – Cyclic hydrocarbons
- HS 2903 – Halogenated hydrocarbon derivatives
- HS 29.05 - Acyclic alcohols and derivatives
- HS 29.05 – Phenols
- HS 29.09 – Ethers and derivatives
- HS 29.12 – Aldehydes
- HS 29.14 – Ketones and derivatives
- HS 29.15 – Saturated acyclic monocarboxylic acids and derivatives
- HS 29.16 – Unsaturated acyclic monocarboxylic acids and derivatives
- HS 29.17 – Polycarboxylic acids and derivatives
- HS 29.18 – Carboxylic acid with additional oxygen function
- HS 29.21 – Amine function compounds
- HS 29.22 – oxygen function amino compounds
- HS 29.24 – Carboxymide function and amide function compounds
- HS 29.26 – Nitrile function compounds
- HS 29.30 – Organo sulphur compounds
- HS 29.33 – Heterocyclic compounds with nitrogen
- HS 29.33 – Heterocyclic compounds with nitrogen
- HS 29.34 – Nucliec acids and their salts
- HS 29.36 – Provitamins and vitamins
- HS 29.37 – Hormones and derivatives
- HS 29.39 – Vegetable alkaloids and derivatives

The major 4-digit export categories by value are:

- HS 2901 – Alpha olefins
- HS 2902 – Cyclic hydrocarbons
- HS 2903 – Halogenated hydrocarbon derivatives
- HS 29.05 – Acyclic alcohols and derivatives
- HS 29.07 – Phenols
- HS 29.09 – Ethers and derivatives

- HS 29.10 – Epoxides and derivatives
- HS 29.12 – Aldehydes
- HS 29.14 – Ketones and derivatives
- HS 29.15 – Saturated acyclic monocarboxylic acids and derivatives
- HS 29.16 – Unsaturated acyclic monocarboxylic acids and derivatives
- HS 29.17 - Polycarboxylic acids and derivatives
- HS 29.18 – Carboxylic acid with additional oxygen function
- HS 29.20 – Phosphoric esters and their salts and derivatives
- HS 29.21 – Amine function compounds
- HS 29.22 – Oxygen function amino compounds
- HS 29.23 – Quaternary ammonium salts
- HS 29.24 – Carboxymide function and amide function compounds
- HS 29.26 – Nitrile function compounds
- HS 29.29 – Compounds with other nitrogen function
- HS 29.30 – Organo-sulphur compounds
- HS 29.31 – Other organo-inorganic compounds
- HS 29.32 – Heterocyclic compounds with oxygen
- HS 29.33 – Heterocyclic compounds with nitrogen
- HS 29.34 – Nucleic acids and their salts
- HS 29.35 – Sulphonamides
- HS 29.36 – Provitamins and vitamins
- HS 29.37 – Hormones and derivatives
- HS 29.38 – Glycosides and derivatives
- HS 29.41 – Antibiotics
- HS 29.42 – Other organic compounds

Appendix 7 - Major USA Chapter 30 Trade Categories

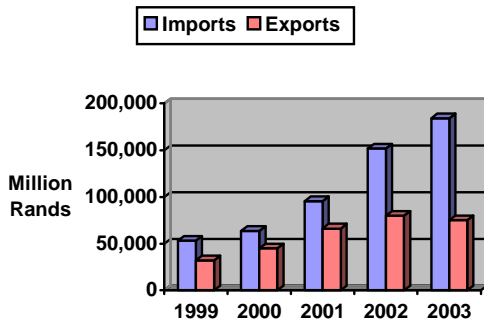
USA global non-SACU trade in HS 30.02
[Antisera and other blood fractions] in
constant 2000 Rands



USA global non-SACU trade in HS 30.03
[Medicaments, not in measured doses] in
constant 2000 Rands



USA global non-SACU trade in HS 30.04
[Medicaments, in measured doses] in
constant 2000 Rands



USA global non-SACU trade in HS 30.06
[Pharmaceutical goods] in constant 2000
rands

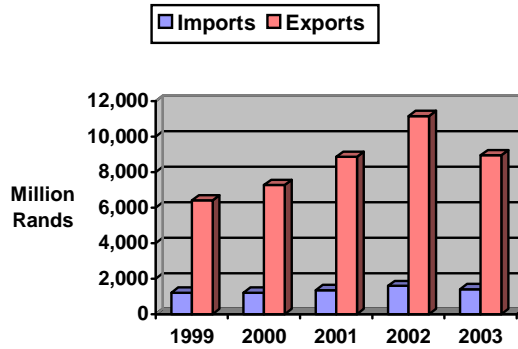


Appendix 8 – Major USA Chapter 38 Trade Categories

USA global non-SACU trade in HS 38.08 [Pesticides] in constant 2000 Rands



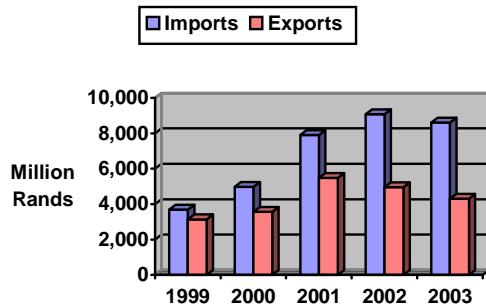
USA global non-SACU trade in HS 38.11 [Anti-knock preparations] in constant 2000 Rands



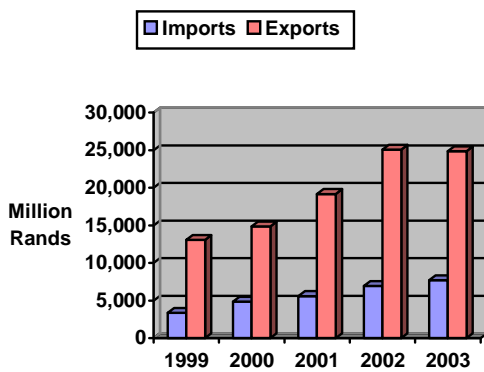
USA global non-SACU trade in HS 38.15 [Catalysts] in constant 2000 Rands



USA global non-SACU trade in HS 38.18 [Electronic chemicals] in constant 2000 Rands



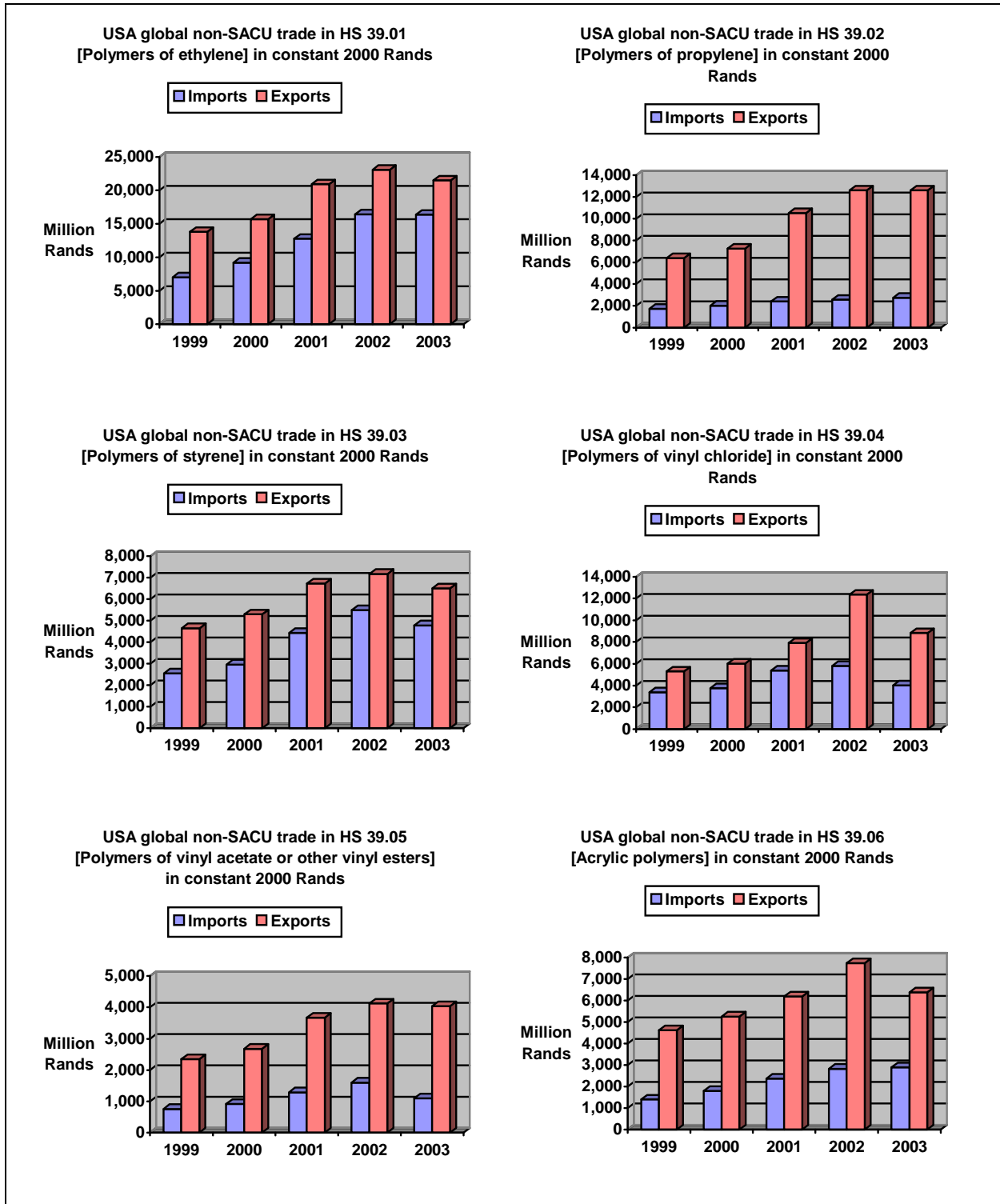
USA global non-SACU trade in HS 38.22 [Diagnostic and laboratory chemicals] in constant 2000 Rands



USA global non-SACU trade in HS 38.24 [Foundry chemicals] in constant 2000 Rands



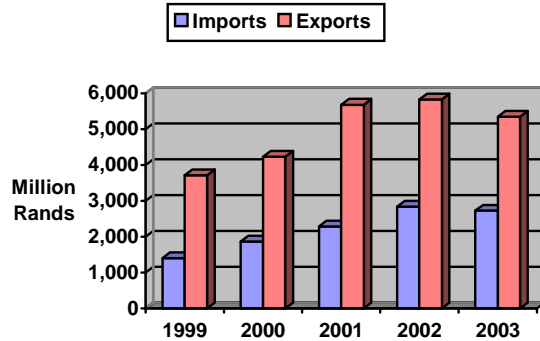
Appendix 9 – Major USA Chapter 39 Trade Categories



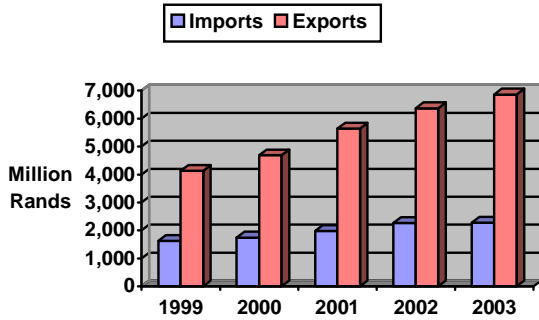
USA global non-SACU trade in HS 39.07
[Polyacetals] in constant 2000 Rands



USA global non-SACU trade in HS 39.08
[Polyamides] in constant 2000 Rands



USA global non-SACU trade in HS 39.09 [Amino-resins, phenolic resins and polyurethanes] in constant 2000 Rands



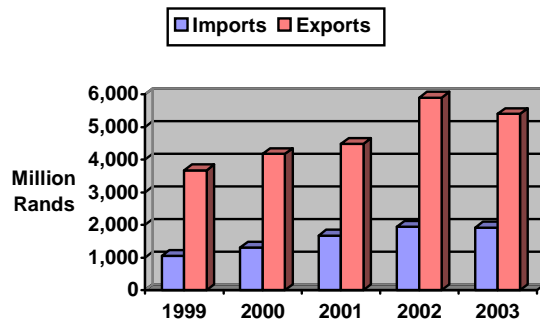
USA global non-SACU trade in HS 39.10
[Silicones] in constant 2000 Rands

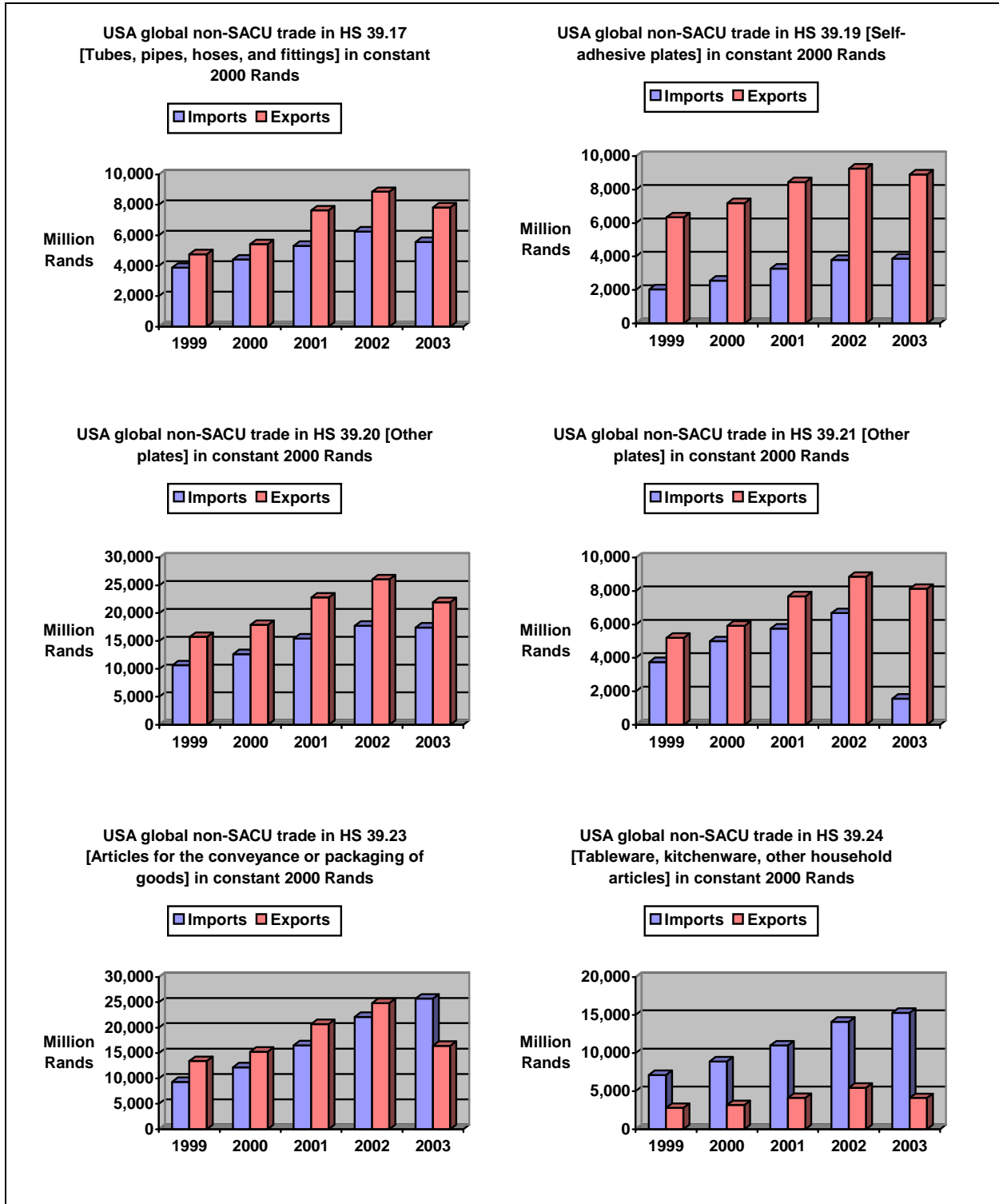


USA global non-SACU trade in HS 39.11
[Petroleum resins] in constant 2000 Rands



USA global non-SACU trade in HS 39.12
[Cellulose and its chemical derivatives] in constant 2000 Rands





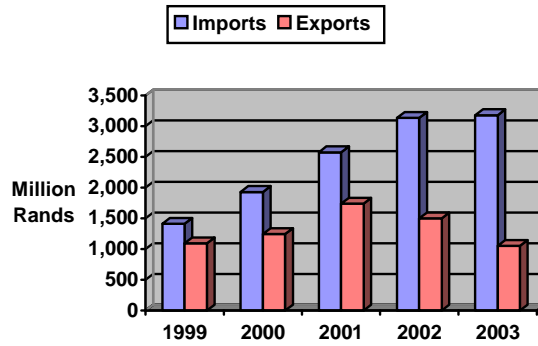
USA global non-SACU trade in HS 39.26 [Other articles of plastics] in constant 2000 Rands



USA global non-SACU trade in HS 39.25 [Builders' ware of plastics] in constant 2000 Rands



USA global non-SACU trade in HS 39.18 [Floor coverings of plastics] in constant 2000 Rands



Appendix 10: Major 4-digit trade categories in USA trade with the RoW in products of HS 39

The major 4-digit import categories by value are:

- HS 39.01 – Polyethylenes
- HS 39.03 – Polystyrenes
- HS 39.04 – Polyvinyl chlorides
- HS 39.06 – Acrylic polymers
- HS 39.17 – Tubes, pipes, hoses, and fittings
- HS 39.18 - Floor coverings of plastics whether or not self-adhesive
- HS 39.20 – Other plates, sheets, film, and strip
- HS 39.21 – Other plates, sheets, film, and strip
- HS 39.24 – Tableware, kitchenware, other household articles
- HS 39.25 – Builder's ware of plastic
- HS 39.26 – Other articles of plastic

The major 4-digit export categories by value are:

- HS 39.01 – Polyethylenes
- HS 39.02 – Polypropylenes
- HS 39.03 – Polystyrenes
- HS 39.04 – Polyvinyl chlorides
- HS 39.05 – Polymers of vinyl acetate or other vinyl esters
- HS 39.06 – Acrylic polymers
- HS 39.07 – Polyacetals
- HS 39.08 – Polyamides
- HS 39.09 – Amino-resins, phenolic resins and polyurethanes
- HS 39.10 – Silicones
- HS 39.11 – Petroleum resins
- HS 39.12 – Cellulose and its chemical derivatives
- HS 39.17 – Tubes, pipes, hoses, and fittings
- HS 39.18 - Floor coverings of plastics whether or not self-adhesive
- HS 39.19 – Self adhesive plates, sheets, film, foil
- HS 39.20 – Other plates, sheets, film, and strip
- HS 39.21 – Other plates, sheets, film, and strip

- HS 39.23 – Articles for the conveyance or packaging of goods
- HS 39.24 – Tableware, kitchenware, other household articles

HS 39.26 – Other articles of plastic

APPENDIX 11 – SACU’s offensive product list

Product HS Code	Description	Applicable Tariff Duty
HS 27.07.60.10	Phenols	0.9c/kg + 3%
HS 28.04.69.00	Silicon	5.5%
HS 28.11.11.00	Hydrofluoric acid	4.2%
HS 28.20.10.00	Manganese dioxides	4.7%
HS 28.23.00.00	Titanium oxides	5.5%
HS 28.35.26.00	Other calcium phosphates	n/a
HS 28.36.20.10	Disodium carbonate, anhydrous	n/a
HS 28.41.30.00	Sodium dichromate	2.4%
HS 28.44.10.00	Natural uranium and its compounds	5%
HS 28.50.00.00	Hydrides, nitrides, azides, silicides and borides	5.5%
HS 29.01.10.50	Other saturated acyclic hydrocarbons	n/a
HS 29.01.29.00	Other unsaturated	n/a
HS 29.01.29.50	Other saturated acyclic hydrocarbons not derived from petroleum shale oil or natural gas	n/a
HS 29.05.12.20	Propan-2-ol (Isopropyl alcohol)	n/a
HS 29.07.11.00	Phenol and its salts	n/a
HS 29.07.29.90	Polyphenols	n/a
HS 29.14.11.00	Acetone	n/a
HS 29.14.12.00	Butanone	n/a
HS 29.14.13.00	Methyl isobutyl ketone	n/a
HS 29.15.39.60	Other liquid aromatic esters of acetic acid	n/a
HS 29.15.90.50	Aromatic derivatives of saturated acyclic monocarboxylic acids	n/a
HS 29.16.12.50	Acrylates and Acrylic acid esters	n/a
HS 29.22.50.25	Other aromatic amino-alcohol phenol drugs	n/a
HS 29.29.10.00	Isocyanates	n/a
HS 29.32.12.00	2-Furaldehyde	n/a
HS 29.32.13.00	Furfuryl alcohol and tetrahydrofurfuryl alcohol	n/a
HS 29.36.29.00	Vitamins and their derivatives, other	n/a
HS 29.33.59.90	Pyrimidine derivatives, other	n/a
HS 29.33.69.60	Pesticides containing unfused triazine ring	n/a
HS 29.41.90.33	Cefaclor and cefalexine monohydrate	n/a
HS 29.42.00.00	Other organic compounds	n/a
HS 32.02.90.00	Synthetic tanning, other	5%

Product HS Code	Description	Applicable Tariff Duty
HS 33.01.29.00	Essential oils, other	1.8%
HS 33.02.10.00	Of a kind used in the food or drink industries	17c/kg + 1.9%
HS 33.07.20.00	Personal deodorants and anti-perspirants	4.9%
HS 33.07.90.00	Other, household	5.4%
HS 34.02.20.00	Preparations put up for retail sale	4%
HS 36.01.00.00	Propellant powders	6.5%
HS 36.04.90.00	Other	6.5%
HS 38.01.10.00	Colloidal or semi-colloidal graphite	3.7%
HS 38.04.00.00	Residual lyes from woodpulp manufacturing	3.7%
HS 38.08.10.00	Insecticides	6.5%
HS 38.08.30.05	With atrazine as active ingredient	5%
HS 38.08.30.90	Pesticides, Other	6.5%
HS 38.14.00.00	Organic composite solvents and thinners	6.5%
HS 38.24.90.90	Other packed for retail	6.5%
HS 39.01.10.00	Polyethylene having a specific gravity of less than 0.94	6.5%
HS 39.01.20.00	Other, polyethylene	6.5%
HS 39.01.30.00	Ethylene vinyl acetate copolymers	5.3%
HS 39.02.10.00	Polypropylenes	6.5%
HS 39.02.30.00	Propylene copolymers	6.5%
HS 39.04.10.00	Polyvinyl chloride not mixed with any other substance	6.5%
HS 39.04.22.00	Polyvinyl chloride, plasticized	6.5%
HS 39.07.20.39	Otherpolyether-polyols, in primary forms	6.5%
HS 39.07.30.28	Epoxide resins, liquids and pastes	6.1%
HS 39.07.40.00	Polycarbonates in primary forms	5.8%
HS 39.07.60.00	Polyethylene terephthalate in primary forms	6.5%
HS 39.09.50.00	Polyurethanes	2.1%
HS 39.10.00.00	Silicones in primary forms	3%
HS 39.11.10.00	Petroleum resins	6.1%
HS 39.11.90.90	Other	6.5%
HS 39.16.10.00	Of polymers of ethylene	5.8%
HS 39.16.90.50	Of cellulose nitrates	5.8%
HS 39.17.10.90	Other	4.2%
HS 39.17.21.00	Other	3.1%
HS 39.17.23.00	Of polymers of vinyl chloride	3.1%
HS 39.17.29.00	Other	3.1%
HS 39.17.32.90	Other	3.1%
HS 39.17.39.00	Other tubes, pipes, hoses, and fittings of other plastics	3.1%

Product HS Code	Description	Applicable Tariff Duty
HS 39.17.40.00	Fittings	5.3%
HS 39.18.10.00	Floor, wall, and ceiling coverings, of polymers of vinyl chloride	6.5%
HS 39.19.10.20	Of polymers of vinyl chloride	5.8%
HS 39.19.90.10	Of polymers of ethylene	6.5%
HS 39.19.90.00	Other self-adhesives plates of other plastics	6.5%
HS 39.20.10.00	Of polymers of ethylene	4.2%
HS 39.20.62.00	Of polyethylene terephthalate	4.2%
HS 39.21.12.11	Of polymers of vinyl chloride	4.2%
HS 39.21.13.50	Of polyurethanes	4.2%
HS 39.21.90.19	Of silicones	5.3%
HS 39.21.90.40	Of polymers of vinyl chloride	4.2%
HS 39.21.90.50	Of polymers of vinylidene chloride	4.8%
HS 39.23.10.00	Boxes, cases, crates, and similar articles of plastic	3%
HS 39.23.21.00	Sacks and bags of polymers of ethylene except reclosable	3%
HS 39.23.29.00	Sacks and bags of other plastic	3%
HS 39.23.30.00	Carboys, bottles, flasks, and similar articles	3%
HS 39.23.50.00	Stoppers, lids, caps, and other closures	5.3%
HS 39.23.90.00	Other of plastic	3%
HS 39.24.10.00	Tableware and kitchenware of plastics	3.3%
HS 39.26.30.00	Fittings for furniture, coachwork or the like	6.5%
HS 39.26.90.40	Laboratory ware of plastics	3.4%
HS 40.08.11.00	Other	3.3%
HS 40.10.19.00	Conveyor or transmission belts or belting, of vulcanized rubber	8%
HS 40.11.10.00	Tyres, of a kind used on motor cars (including station wagons and racing cars)	4%
HS 40.11.20.90	Tyres, of a kind used on buses and lorries	3.4%
HS 40.11.99.00	Of a bead diameter of less than 914,4 mm, of a kind used on agricultural or forestry vehicle	4%
HS 40.16.99.90	Other articles of rubber	4.3%

APPENDIX 12 - 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 27.12.20.00	Paraffin wax	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 Chapter	HS Code	Description	SACU Tariff Duty
	HS 30.06.10.00	Sterile catgut, similar sterile suture material	0%
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 Chapter	HS Code	Description	SACU Tariff Duty
	HS 35.07.90.00	Other enzymes and prepared enzymes	0%
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 Chapter	HS Code	Description	SACU Tariff Duty
	HS 39.20.20.90	Self adhesive, other	15%
	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 13 – USA’s Chemicals Tariff Regime

HS Chapter	USA Tariffs Protected	Duty Applicable to SACU Exports
27	2707.60.05	2.9¢/kg + 12.5%
	2707.60.10	0.9¢/kg + 3%
	2707.99.40	0.9¢/kg + 3%
	2709.00.10	5.25¢/bbl
	2709.00.20	10.5¢/bbl
	2710.11.15	52.5¢/bbl
	2710.11.18	52.5¢/bbl
	2710.11.25	10.5¢/bbl
	2710.11.45	10.5¢/bbl
	2710.11.90	7%
	2710.19.05	5.25¢/bbl
	2710.19.10	10.5¢/bbl
	2710.19.15	52.5¢/bbl
	2710.19.21	52.5¢/bbl
	2710.19.22	52.5¢/bbl
	2710.19.23	10.5¢/bbl
	2710.19.30	84¢/bbl
	2710.19.35	5.8%
	2710.19.40	1.3¢/kg + 5.7%
	2710.19.45	10.5¢/bbl
	2710.19.90	7%
	2710.91.00	10.5¢/bbl
	2710.99.05	5.25¢/bbl
	2710.99.10	10.5¢/bbl
	2710.99.16	52.5¢/bbl
	2710.99.21	10.5¢/bbl
	2710.99.31	84¢/bbl
	2710.99.32	5.8%
	2710.99.39	1.3¢/kg + 5.7%
	2710.99.45	10.5¢/bbl
2710.99.90	7%	
28	2801.30.10	3.7%
	2801.30.20	5.5%
	2804.10.00	3.7%
	2804.21.00	3.7%
	2804.29.00	3.7%
	2804.30.00	3.7%
	2804.40.00	3.7%
	2804.69.10	5.3%
	2804.69.50	5.5%
	2805.11.00	5.3%
	2805.12.00	3%
	2805.19.10	3.78%
	2805.19.90	5.5%

HS Chapter	USA Tariffs Protected	Duty Applicable to SACU Exports
	2805.30.00	5%
	2805.40.00	1.7%
	2806.20.00	4.2%
	2810.00.00	1.5%
	2811.19.10	2.3%
	2811.19.60	4.2%
	2811.21.00	3.7%
	2811.22.10	3.7%
	2811.23.00	4.2%
	2811.29.50	3.7%
	2812.10.50	3.7%
	2812.90.00	3.7%
	2813.10.00	3.7%
	2813.90.50	3.7%
	2815.30.00	3.7%
	2816.10.00	3.1%
	2816.40.10	4.2%
	2816.40.20	2%
	2818.10.20	1.3%
	2819.10.00	3.7%
	2819.90.00	3.7%
	2820.10.00	4.7%
	2820.90.00	4.7%
	2821.10.00	3.7%
	2821.20.00	5.5%
	2822.00.00	0.1%
	2823.00.00	5.5%
	2824.10.00	3%
	2824.20.00	3.4%
	2824.90.10	5.5%
	2824.90.50	4.8%
	2825.10.00	3.7%
	2825.20.00	3.7%
	2825.30.00	5.5%
	2825.50.10	4.35
	2825.50.20	5%
	2825.50.30	3.9%
	2825.60.00	3.7%
	2825.70.00	3.2%
	2825.90.10	3.7%
	2825.90.15	3.7%
	2825.90.20	4.2%
	2825.90.30	5.5%
	2825.90.90	3.78%
	2826.11.10	3.1%
	2826.11.50	3.7%
	2826.19.00	3.9%

HS Chapter	USA Tariffs Protected	Duty Applicable to SACU Exports
	2826.20.00	4.1%
	2826.90.00	31%
	2827.10.00	2.1%
	2827.31.00	1.5%
	2827.33.00	3.7%
	2827.34.00	4.2%
	2827.35.00	3.7%
	2827.36.00	1.6%
	2827.39.10	5.5%
	2827.39.20	5.1%
	2827.39.25	4.2%
	2827.39.30	4.9%
	2827.39.40	5.5%
	2827.39.45	4.2%
	2827.39.50	3.7%
	2827.41.00	3.9%
	2827.49.10	5.5%
	2827.49.50	5.5%
	2827.59.50	3.6%
	2827.60.20	2.8%
	2827.60.50	4.2%
	2828.10.00	2.4%
	2828.90.00	3.7%
	2829.90.00	3.3%
	2829.90.40	3.1%
	2829.90.60	3.7%
	2830.10.00	3.7%
	2830.20.20	2.8%
	2830.30.00	3.1%
	2830.90.00	3%
	2831.10.50	5.5%
	2831.90.00	5.5%
	2832.10.00	1.5%
	2832.20.00	3.1%
	2832.30.10	1.5%
	2832.30.50	3.1%
	2833.11.50	0.4%
	2833.21.00	3.7%
	2833.23.00	3.7%
	2833.24.00	3.2%
	2833.25.00	1.4%
	2833.26.00	1.6%
	2833.27.00	0.6%
	2833.29.10	1.4%
	2833.29.30	5.5%
	2833.29.50	3.7%
	2833.30.00	1.6%

HS Chapter	USA Tariffs Protected	Duty Applicable to SACU Exports
	2833.40.20	3.7%
	2833.40.60	3.1%
	2834.10.10	5.5%
	2834.10.50	3.1%
	2834.29.05	5.5%
	2834.29.20	4.2%
	2834.29.50	3.5%
	2835.10.00	3.1%
	2835.22.00	1.4%
	2835.23.00	2.2%
	2835.24.00	3.1%
	2835.29.20	1.5%
	2835.29.50	4.1%
	2835.31.00	1.4%
	2835.39.10	3.1%
	2835.39.50	3.7%
	2836.10.00	1.7%
	2836.20.00	1.2%
	2836.40.10	1.9%
	2836.40.20	1.3%
	2836.60.00	2.3%
	2836.70.00	0.5%
	2836.91.00	3.7%
	2836.92.00	4.2%
	2836.99.10	4.2%
	2836.99.20	5.5%
	2836.99.50	3.7%
	2837.20.10	1.1%
	2837.20.50	1.7%
	2838.00.00	3.1%
	2839.11.00	1.1%
	2839.19.00	1.1%
	2839.20.00	3.1%
	2839.90.00	3.1%
	2840.11.00	0.3%
	2840.19.00	0.1%
	2840.20.00	3.7%
	2840.30.00	3.7%
	2841.10.00	3.1%
	2841.20.00	3.7%
	2841.30.00	2.4%
	2841.50.10	1.5%
	2841.50.90	3.1%
	2841.61.00	5%
	2841.69.00	5%
	2841.70.10	4.3%
	2841.70.50	3.7%

HS Chapter	USA Tariffs Protected	Duty Applicable to SACU Exports
	2841.80.00	5.5%
	2841.90.10	5.5%
	2841.90.20	3.1%
	2841.90.30	3.1%
	2841.90.50	3.7%
	2842.10.00	3.7%
	2842.90.00	3.3%
	2843.10.00	5.5%
	2843.21.00	3.7%
	2843.29.00	3.7%
	2843.30.00	5%
	2843.90.00	3.7%
	2844.10.10	5%
	2844.10.50	5%
	2844.30.10	5.5%
	2844.30.50	5%
	2846.10.00	5.5%
	2846.90.80	3.7%
	2847.00.00	3.7%
	2848.00.10	2.6%
	2849.10.00	1.8%
	2849.20.20	0.5%
	2849.90.10	3.7%
	2849.90.20	4.2%
	2849.90.30	5.5%
	2849.90.50	3.7%
	2850.00.07	4.9%
	2850.00.10	5.5%
	2850.00.20	5.5%
	2850.00.50	3.7%
	2851.00.00	2.8%
29	Not available	
30	3006.70.00	5%
32	3201.90.10	1.5%
	3201.90.50	3.1%
	3202.10.10	6.5%
	3202.10.50	6.5%
	3202.90.50	5%
	3203.00.80	3.1%
	3204.11.10	6.5%
	3204.11.15	6.5%
	3204.11.35	6.5%
	3204.11.50	6.5%
	3204.12.17	6.5%
	3204.12.20	6.5%
	3204.12.30	6.5%
	3204.12.45	6.5%

HS Chapter	USA Tariffs Protected	Duty Applicable to SACU Exports
	3204.12.50	6.5%
	3204.13.10	6.5%
	3204.13.20	6.5%
	3204.13.25	6.5%
	3204.13.60	6.5%
	3204.13.80	6.5%
33	3301.12.00	2.7%
	3301.12.00	3.8%
	3301.19.10	2.7%
	3301.24.00	4.2%
	3301.29.10	1.8%
	3301.29.20	1.1%
	3301.90.10	3.8%
	3302.10.40	8.4¢/kg + 1.9%
	3302.10.50	17¢/kg + 1.9%
	3307.10.10	4.9%
	3307.10.20	4.9%
	3307.20.00	4.9%
	3307.30.10	5.8%
	3307.30.50	4.9%
	3307.41.00	2.4%
	3307.49.00	6%
	3307.90.00	5.4%
	34	3401.30.10
3402.11.20		6.5%
3402.11.40		4%
3402.11.50		3.7%
3402.12.10		4%
3402.12.50		4%
3402.13.10		4%
3402.13.20		4%
3402.13.50		3.7%
3402.19.10		4%
3402.19.50		3.7%
3402.20.11		4%
3402.90.10		3.8%
3402.90.30		4%
3402.90.50		3.7%
3403.11.20		0.2%
3403.11.40		6.1%
3403.11.50		1.4%
3403.19.10		0.2%
3403.19.50		5.8%
3403.91.10		6%
3403.91.50		6.5%
3403.99.00		6.5%
3404.20.00		4.1%

HS Chapter	USA Tariffs Protected	Duty Applicable to SACU Exports
35	3501.10.10	0.37¢/kg
	3501.90.20	6%
	3501.90.60	0.37¢/kg
	3502.11.00	47.6¢/kg
	3502.19.00	9.7¢/kg
	3503.00.10	1.2¢/kg + 1.5%
	3503.00.20	1.2¢/kg + 3.2%
	3503.00.40	2.8¢/kg + 3.8%
	3503.00.55	2.8¢/kg + 3.8%
	3504.00.10	5%
	3504.00.50	4%
	3505.10.00	0.7¢/kg
	3505.20.00	2.1¢/kg + 2.9%
	3506.10.10	6.5%
	3506.10.50	2.1%
	3506.91.00	2.1%
	3506.99.00	2.1%
	36	3601.00.00
3603.00.30		3%
3603.00.60		4.2%
3603.00.90		0.2%
3604.10.10		2.4%
3604.10.90		5.3%
3604.90.00		6.5%
3606.90.30		5.9%
3606.90.80		5%
38	3801.10.10	3.7%
	3801.30.00	4.9%
	3801.90.00	4.9%
	3802.10.00	4.8%
	3802.90.10	5.8%
	3802.90.20	2.5%
	3802.90.50	4.8%
	3804.00.50	3.7%
	3805.10.00	5%
	3805.90.00	3.7%
	3806.10.00	5%
	3806.20.00	3.7%
	3806.30.00	6.5%
	3806.90.00	4.2%
	3807.00.00	0.1%
	3808.10.10	2.8%
	3808.10.25	6.5%
	3808.10.30	5%
	3808.10.50	5%
	3808.20.15	6.5%
3808.20.28	3.7%	

HS Chapter	USA Tariffs Protected	Duty Applicable to SACU Exports
	3808.20.30	5%
	3808.20.50	5%
	3808.30.15	6.5%
	3808.30.20	5%
	3808.30.50	5%
	3808.40.10	6.5%
	3808.40.50	5%
	3808.90.08	6.5%
	3808.90.70	5%
	3808.90.95	5%
	3809.10.00	2.2¢/kg + 3%
	3809.91.00	6%
	3809.92.10	6.5%
	3809.92.50	6%
	3809.93.10	6.5%
	3809.93.50	6%
	3810.10.00	5%
	3810.90.10	6.5%
	3810.90.50	5%
	3811.21.00	6.5%
	3811.29.00	6.5%
	3811.90.00	6.5%
	3812.10.10	6.5%
	3812.10.50	5%
	3812.20.10	6.5%
	3812.20.50	5%
	3812.30.20	6.5%
	3812.30.60	6.5%
	3812.30.90	5%
	3813.00.50	3.7%
	3814.00.10	6.5%
	3814.00.20	6.5%
	3814.00.50	6%
	3815.90.10	6.5%
	3815.90.20	2.8%
	3815.90.50	5%
	3816.00.00	3%
	3817.00.10	6.5%
	3817.00.15	6.5%
	3817.00.20	6.5%
	3819.00.00	6.5%
	3820.00.00	6.5%
	3821.00.00	5%
	3823.11.00	2.1¢/kg + 3.8%
	3823.12.00	2.1¢/kg + 3.2%
	3823.13.00	3.2%
	3823.19.20	2.3%

HS Chapter	USA Tariffs Protected	Duty Applicable to SACU Exports
	3823.19.40	3.2%
	3823.70.20	5.1%
	3823.70.40	2%
	3823.70.60	2.4%
	3824.10.00	6%
	3824.20.00	3.7%
	3824.30.00	3.6%
	3824.40.10	6.5%
	3824.40.50	5%
	3824.60.00	4.9%
	3824.71.00	3.7%
	3824.79.00	3.7%
	3824.90.19	6.5%
	3824.90.22	6.5%
	3824.90.25	6.5%
	3824.90.28	6.5%
	3824.90.31	6.5%
	3824.90.32	6.5%
	3824.90.33	4.2%
	3824.90.34	2.8%
	3824.90.35	6.5%
	3824.90.36	6.5%
	3824.90.40	4.6%
	3824.90.45	6.5%
	3824.90.46	6.5%
	3824.90.47	3.7%
	3824.90.91	5%
39	3901.10.00	6.5%
	3901.20.00	6.5%
	3901.30.60	5.3%
	3901.90.55	6.5%
	3901.90.90	6.5%
	3902.10.00	6.5%
	3902.20.50	6.5%
	3902.30.00	6.5%
	3902.90.00	6.5%
	3903.11.00	6.5%
	3903.19.00	6.5%
	3903.20.00	6.5%
	3903.30.00	6.5%
	3903.90.10	6.5%
	3903.90.50	6.5%
	3904.10.00	6.5%
	3904.21.00	6.5%
	3904.22.00	6.5%
	3904.30.60	5.3%
	3904.40.00	5.3%

HS Chapter	USA Tariffs Protected	Duty Applicable to SACU Exports
	3904.50.00	6.5%
	3904.61.00	5.8%
	3904.69.50	6.5%
	3904.90.50	6.5%
	3905.12.00	4%
	3905.19.00	4%
	3905.21.00	4%
	3905.29.00	4%
	3905.30.00	3.2%
	3905.91.10	4%
	3905.91.50	5.3%
	3905.99.80	5.3%
	3906.10.00	6.3%
	3906.90.20	6.3%
	3906.90.50	4.2%
	3907.10.00	6.5%
	3907.20.00	6.5%
	3907.30.00	6.1%
	3907.40.00	5.8%
	3907.50.00	6.5%
	3907.60.00	6.5%
	3907.91.40	5.8%
	3907.91.50	6.5%
	3907.99.00	6.5%
	3908.10.00	6.3%
	3908.90.70	6.5%
	3909.10.00	6.5%
	3909.20.00	6.5%
	3909.30.00	6.5%
	3909.40.00	6.5%
	3909.50.20	2.1%
	3909.50.50	6.3%
	3910.00.00	3%
	3911.10.00	6.1%
	3911.90.25	6.1%
	3911.90.45	5.8%
	3911.90.90	6.5%
	3912.11.00	5.6%
	3912.12.00	5.6%
	3912.20.00	5.2%
	3912.31.00	6.4%
	3912.39.00	4.2%
	3912.90.00	5.2%
	3913.10.00	4.2%
	3913.90.20	5.8%
	3913.90.50	6.5%
	3914.00.60	3.9%

HS Chapter	USA Tariffs Protected	Duty Applicable to SACU Exports
	3916.10.00	5.8%
	3916.20.00	5.8%
	3916.90.10	6.5%
	3916.90.20	3.1%
	3916.90.30	6.5%
	3916.90.50	5.8%
	3917.10.10	6.5%
	3917.10.90	4.2%
	3917.21.00	3.1%
	3917.22.00	3.1%
	3917.23.00	3.1%
	3917.29.00	3.1%
	3917.31.00	3.1%
	3917.32.00	3.1%
	3917.33.00	3.1%
	3917.39.00	3.1%
	3917.40.00	5.3%
	3918.10.10	5.3%
	3918.10.20	5.3%
	3918.10.31	4.2%
	3918.10.32	6.5%
	3918.10.40	5.3%
	3918.10.50	4.2%
	3918.90.10	5.3%
	3918.90.20	6.5%
	3918.90.30	5.3%
	3918.90.50	4.2%
	3919.10.10	6.5%
	3919.10.20	5.8%
	3919.90.10	6.5%
	3919.90.50	5.8%
	3920.10.00	4.2%
	3920.20.00	4.2%
	3920.30.00	5.8%
	3920.43.10	3.1%
	3920.43.50	4.2%
	3920.49.00	5.8%
	3920.51.10	6%
	3920.51.50	6.5%
	3920.59.10	6%
	3920.59.80	6.5%
	3920.61.00	5.8%
	3920.62.00	4.2%
	3920.63.10	4.2%
	3920.63.20	5.8%
	3920.69.00	4.2%
	3920.71.00	6.2%

HS Chapter	USA Tariffs Protected	Duty Applicable to SACU Exports
	3920.72.00	3.1%
	3920.73.00	2.9%
	3920.79.10	6.2%
	3920.79.50	3.7%
	3920.91.00	4.2%
	3920.92.00	4.2%
	3920.93.00	5.8%
	3920.94.00	5.8%
	3920.99.10	6%
	3920.99.20	4.2%
	3920.99.50	5.8%
	3921.11.00	5.3%
	3921.12.11	4.2%
	3921.12.15	6.5%
	3921.12.19	5.3%
	3921.12.50	6.5%
	3921.13.11	4.2%
	3921.13.15	6.5%
	3921.13.19	5.3%
	3921.13.50	4.2%
	3921.14.00	6.5%
	3921.19.00	6.5%
	3921.90.11	4.2%
	3921.90.15	6.5%
	3921.90.19	5.3%
	3921.90.21	6.5%
	3921.90.25	6.5%
	3921.90.29	4.4%
	3921.90.40	4.2%
	3921.90.50	4.8%
	3922.10.00	6.3%
	3922.20.00	6.3%
	3922.90.00	6.3%
	3923.10.00	3%
	3923.21.00	3%
	3923.29.00	3%
	3923.30.00	3%
	3923.40.00	5.3%
	3923.50.00	5.3%
	3923.90.00	3%
	3924.10.10	3.4%
	3924.10.20	6.5%
	3924.10.30	5.3%
	3924.10.40	3.4%
	3924.90.10	3.3%
	3924.90.20	3.4%
	3924.90.55	3.4%

HS Chapter	USA Tariffs Protected	Duty Applicable to SACU Exports
	3925.10.00	6.3%
	3925.20.00	5.3%
	3925.30.10	3.3%
	3925.30.50	5.3%
	3925.90.00	5.3%
	3926.10.00	5.3%
	3926.20.30	3%
	3926.20.40	6.5%
	3926.20.90	5%
	3926.30.10	6.5%
	3926.30.50	5.3%
	3926.40.00	5.3%
	3926.90.10	3.4%
	3926.90.15	3.1%
	3926.90.20	4.2%
	3926.90.25	6.5%
	3926.90.30	4.2%
	3926.90.33	6.5%
	3926.90.35	6.5%
	3926.90.40	2.8%
	3926.90.45	3.5%
	3926.90.50	3.8%
	3926.90.55	5.1%
	3926.90.56	5.1%
	3926.9.57	6.5%
	3926.90.59	2.4%
	3926.90.60	4.2%
	3926.90.65	4.2%
	3926.90.70	5.3%
	3926.90.75	4.2%
	3926.90.77	2.4%
	3926.90.83	5.3%
	3926.90.85	6.5%
	3926.90.87	5.3%
	3926.90.98	5.3%
40	4006.10.00	2.9%
	4006.90.50	2.7%
	4008.11.50	3.3%
	4008.19.60	3.3%
	4008.19.80	3.3%
	4008.29.20	2.9%
	4008.29.40	2.9%
	4009.11.00	2.5%
	4009.12.00	2.5%
	4009.21.00	2.5%
	4009.22.00	2.5%
	4009.31.00	2.5%

HS Chapter	USA Tariffs Protected	Duty Applicable to SACU Exports
	4009.32.00	2.5%
	4009.41.00	2.5%
	4009.42.00	2.5%
	4010.11.00	3.3%
	4010.12.10	4.1%
	4010.12.50	8%
	4010.12.55	6.4%
	4010.12.90	1.9%
	4010.13.00	3.3%
	4010.19.10	4.1%
	4010.19.50	8%
	4010.19.55	6.4%
	4010.19.80	1.9%
	4010.19.90	3.3%
	4010.31.30	3.4%
	4010.31.60	2.8%
	4010.32.30	3.4%
	4010.32.60	2.8%
	4010.33.30	3.4%
	4010.33.60	2.8%
	4010.34.30	3.4%
	4010.34.60	2.8%
	4010.35.30	4.1%
	4010.35.41	8%
	4010.35.45	6.4%
	4010.35.50	1.9%
	4010.35.90	3.3%
	4010.36.30	4.1%
	4010.36.41	8%
	4010.36.45	6.4%
	4010.36.50	1.9%
	4010.36.90	3.3%
	4010.39.10	3.4%
	4010.39.20	2.8%
	4010.39.30	4.1%
	4010.39.41	8%
	4010.39.45	6.4%
	4010.39.50	1.9%
	4010.39.90	3.3%
	4011.10.10	4%
	4011.10.50	3.4%
	4011.20.10	4%
	4011.20.50	3.4%
	4011.93.40	4%
	4011.93.80	3.4%
	4011.94.40	4%
	4011.94.80	3.4%

HS Chapter	USA Tariffs Protected	Duty Applicable to SACU Exports
	4011.99.45	4%
	4011.99.85	3.4%
	4012.11.40	4%
	4012.11.80	3.4%
	4012.12.40	4%
	4012.12.80	3.4%
	4012.19.40	4%
	4012.19.80	3.4%
	4012.90.45	4.2%
	4012.90.90	2.7%
	4013.10.00	3.7%
	4013.90.50	3.7%
	4014.90.50	4.2%
	4015.19.10	3%
	4015.19.50	14%
	4015.90.00	4%
	4016.91.00	2.7%
	4016.92.00	4.2%
	4016.93.10	2.5%
	4016.93.50	2.5%
	4016.94.00	4.2%
	4016.95.00	4.2%
	4016.99.03	3%
	4016.99.05	3.4%
	4016.99.10	3.3%
	4016.99.15	2.7%
	4016.99.20	4.3%
	4016.99.55	2.5%
	4016.99.60	2.5%
	4017.00.00	2.7%