

## Call for raise in paint import duties



The government needs to take urgent steps to protect the South African paint industry from the unacceptably high level of paint imports flooding the local market.

According to Deryck Spence, Executive Director of the SA Paint Manufacturing Association (SAPMA), for the past two decades almost 20 million litres per year. “Last year, almost R1,2 billion was imported representing 10% of the South African market. Around 65% of the paint was supplied from Europe. Customs and Trade Agreements with the EU and the USA incurs 10% import duties. There are strong indications that India will target South Africa, as a lucrative export.”

Spence said the import dumping situation, if not controlled or restricted, could have major negative repercussions for the SA coatings sector. “Not the least of these is job losses – something a country such as ours with its soaring unemployment, can ill afford. Then there is the question of quality. Although the paint now imported from Europe and the USA are generally of an acceptable standard, there is no guarantee that the same could be said of future imports from new sources.”

SAPMA believes that the current 10% import duties applying to all imported paints (other than the duty-free paints from Europe) should be raised to at least 25% to level the playing field for the SA coatings sector and to restrict rampant dumping of paints.

The SAPMA Technical Committee recently raised the matter with the International Trade Administration Commission (ITAC) of South Africa.

Nkulana Phenya of ITAC told SAPMA that ITAC usually raises customs duties to afford relief for domestic producers facing threatening import pressures. But for his committee to protect the local coatings market from foreign imports - and particularly dumping - any ITAC investigation into the increase of tariffs would have to be generated by a specific manufacturer and not just from an association body such as SAPMA.

“SAPMA intends acting on the ITAC directive and will now approach a suitable producer member to urgently lodge an appeal for ITAC to investigate the matter of raising import duties as soon as possible,” concluded Spence. ■