

New government tax on car tyres hits consumers hard

The International Trade Administration Commission (Itac) announced on 8 September the imposition of a new 38,33% provisional duty on tyres imported from China. This is on top of the import duties that currently exist, of between 25 and 30%. The latest duties will push overall duties on tyres close to the 70% mark.



Source: [Unsplash](#)

The Tyre Importers Association of South Africa (Tiasa) says that this is a fresh blow to cash-strapped consumers, as it will materially impact the cost of transport, food and goods - and therefore general inflation. It is calling for the immediate reversal of this decision.

The provisional duties, which are another tax that consumers and businesses will have to bear, are effective immediately. It means that taxi operators will now pay 23% more for tyres, truck and logistics providers 22% more - higher than applied for - and passenger vehicle owners will now have to outlay between 21 - 25% more for tyres.

Local manufacturers of tyres, Continental, Bridgestone, Goodyear, and Sumitomo - collectively known as the South African Tyre Manufacturers Conference (SATMC) - applied to Itac for the imposition of substantial additional duties on passenger, taxi, bus and truck vehicle tyres imported from China.

Charl de Villiers, chairperson of Tiasa, says: "Government's rationale for the imposition of duties is ostensible to help

protect local manufacturers, but in the case of tyres, the local manufacturers themselves are having to import the vast majority (80%) of the over 3,000 different models of tyre ranges they sell. They have to do this because it is not cost-effective to set up production lines for that many models within one plant.”

“The point is that every single job sustained in our country is valuable. The additional duties will push many of these companies out of business, destroy jobs, and add an excruciating financial burden on every motorist in the country, every bus company, every taxi owner and every commuter.

“For too long now, trade policy decision makers have had a myopic view on tariffs and duty impositions without taking into consideration the broader economic landscape at the time of these applications, or the impact that it will have on our country’s people. It is high time this changes,” De Villiers concludes.

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