

**Based on information collected up to May 2001****1. TARIFF MEASURES****Structure of the tariff schedule**

Nigeria applies a six-digit tariff nomenclature based on the Harmonized System used for tariff classification purposes. Legislation governing Customs and Excise in Nigeria is the Customs and Management Act of 1990, which establishes the main customs regulations and procedures, import duties contained in the Customs, Excise Tariff, (consolidation) of Decree No. 4, of 1 March 1995 and amended in 1996, 1997 and 1998.

**Tariff publications**

New customs tariff 1995-2001,  
Nigeria Customs tariff is obtainable from the Customs and Excise Office, Federal Secretariat, Ikoyi Island, Lagos.

**12 MFN Duties**

Under the seven-year plan, the new tariff structure established on March 1, 1995, allows tariff rate adjustments at any time. Duties are either specific or ad valorem, depending on the commodity. The customs tariff comprises 5,147 lines with exclusive use of ad valorem tariffs, i.e. all imports receive MFN treatment.

**16 Temporary reduced duties**

The program of import liberalization that began in 1995 and scheduled to be review on 2001, has significantly reduced tariff rates which are subject to annual changes.

Consequently tariff were slashed, some to as low as 5% in 2000 on many consumer goods, vehicles, raw material and capital goods, such as knitting machinery; newsprint, and chemicals. With the new Finance Law of January 2001, customs duty reductions have been set on non-combed cotton, synthetic filament and yarn as indicated for what follows: lines 52.01.00 from 30% to 5%; 5208.10 from 65% to 10%; 5303.10.90 from 15% to 5%; 5307.10.20 from 10% to 5%; tariff item starting from 5402.10 to 5402.69 has been reduced from 30% to 10%; 5404.10 from 30% to 15%; 5503.40 from 25% to 10%, 5601.30 from 35% to 15%; tariff lines ranging from 6304.91 to 6304.99 have been decreased from 50% to 5%; and 7019.52 is assessed now at 5% instead of 50%. Import duty reductions have been set as well on some basic products and some consumer goods. In addition, the government through the NEPC, Nigeria Export Promotion Council, may grant by order, duty-free status to imports of raw materials and intermediate inputs, with a view to promoting exports production, or the production of given sector or enterprise. Furthermore, the Customs Tariff provides a list of exemptions from import duty mainly aircraft, parts, equipment imported by foreign airlines providing scheduled services, and since 1998 machinery and

equipment using gas. Duty exemption is set as well on scientific or educational films, life saving appliances, goods obtained free as technical assistance, fuel and lubricants used by foreign aircraft, imports by the Head of State, military hardware, arms, diplomatic, consular and passenger baggage.

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## 17 Temporary increased duties

As a means of protecting domestic agriculture, high tariff rates such as 80% are set on rice; 65% on frozen chickens and turkey parts; and 65% on gypsum.

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## Preferential duties under trade agreements

### 19.1 Interregional agreements

As a signatory to the Agreement on the Global System of Trade Preferences (GSTP) among developing countries, Nigeria grants tariff reductions in relation to MFN rates of tariff bindings to other developing countries participating in the Agreement. Goods covered by the concessions include medicines, hand tools, parts of filtering and purifying machinery, fire extinguishers, selected textile machinery, tools with electric motor, machine tools for working wood, cork, bone and ebonite, as well as cars and trucks.

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### 19.2 Regional and sub-regional agreements

Nigeria as a founding member, is with Benin, Burkina Faso, Cape Verde, Cote d'Ivoire, Gambia, Ghana, Guinea-Bissau, Liberia, Mali, Niger, Sierra Leone and Togo members of the Economic Community of West African States, ECOWAS, created in 1975. The Treaty is established to promote economic, social, and cultural cooperation among its members. It also includes the elimination as of 1994 of all non-tariff barriers and a progressive but full elimination in respect of local products, and traditional handicrafts originating within ECOWAS. Finished manufactured goods originating within the Community are subject to tariff reductions based on criteria such as the level of industrial development of each country and the transportation problems affecting island and land-locked countries. As for the revised ECOWAS Treaty of 1993, it includes among its objectives the establishment of a common market.

Nigeria as member of the Organization of the African Unity (OAU), has ratified the Treaty establishing the African Economic Community (AEC) at the OAU summit meeting held in Abuja in June 1991, aiming at the creation of a pan-African economic and monetary union over a 34 year period; this treaty is an extension of the Lagos Plan of Action adopted in 1980 which schemed an African Common Market for the year 2000.

Nigeria participates in the June 2000 partnership agreement between African, Caribbean, and Pacific States and the European Union; this partnership is to replace the Lome Convention which had defined the trade and economic relationship between the two parties since 1975. The June 2000 partnership agreement requires both parties to conclude compatible trading arrangements, with formal negotiations for these arrangements to begin in September 2000 and taking effect not later than 1 of January 2008. The partnership agreement is valid for 20 years and is subject to revision once every five years.

### 19.3 Bilateral agreements

Nigeria has concluded bilateral agreements with the following countries: Benin, Bulgaria, Equatorial Guinea, Jamaica, Niger, Romania, Turkey, Uganda and Zimbabwe.

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## 2. PARA-TARIFF MEASURES

### Additional charges

#### 22 Additional taxes and charges

All imports are subject to an administrative charge of 1% of the FOB value. 7% of port development surcharge is levied on imported goods. Some imports are subject to an ECOWAS levy of 0.5%. Other surcharges that may be assessed include a 0,02% stabilization surcharge, a 1% raw materials surcharge, a 2% levy on automobiles, and a 5% levy on imported sugar.

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### Internal taxes and charges levied on imports

#### 23.1 General sales taxes

A value added tax rate of 5% is levied on all domestic and imported goods with the exception of medical and pharmaceutical products, basic food items (beans, yam tuber, cassava, maize, millet, rice, meat, fish and infant food); books and educational materials including exercise books, laboratory equipment, newspapers and magazines; products used exclusively for infants (feeding bottles, carriages, clothes, napkins, baby cream and powder, soap, toys and baby dresses); commercial vehicles and their spare parts, agricultural equipment and products, fertilizer and veterinary medicine, machinery and equipment using gas.

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#### 23.2 Excise taxes

Excise duties eliminated in 1998, have now been restored with the 1999 budget, and it applies on goods such as cigarettes, cigars, tobacco, beer and spirits at the rate of 40%; 20% on perfumes and cosmetics; 50% on rice; day-old chicks and parent stock 5%; sparkling wine coolers champagne 100%; fruits and fruit juices 55%; jute 10%; cotton 60%; fertilizers 5%; textile fabrics 65% and garments 75%.

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## 3. PRICE CONTROL MEASURES

#### 34 Antidumping measures

#### 35 Countervailing measures

The Customs Duties (Dumped and Subsidised Goods) Act 1958, permits the imposition of a special duty on any goods that are deemed to be dumped in Nigeria or subsidized by any Government or authority outside Nigeria, thus threatening established or potential domestic industries. With the review of the 1958 legislation in 1991, there have been no antidumping or countervailing actions initiated.

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## 4. FINANCE MEASURES

### 42 Multiple exchange rates

While the Ministry of Finance is responsible for basic Exchange control policy and issues directives for the operation of the autonomous foreign exchange market, the Central Bank is the principal administrator of exchange transactions with the responsibility of appointing authorized dealers in foreign currency and supervising and monitoring the operation of the autonomous foreign exchange market. The inter-bank foreign exchange market (IFEM) is now the country's sole official foreign exchange mechanism, following the abolition of the dual exchange rate in early 2000.

### 45 Regulations concerning terms of payment for imports

Letters of credit or cash payments are mandatory for all imports. Import payments covered by confirmed letters of credit are made on presentation of specified documents to the overseas correspondents, on the understanding that the goods paid for will arrive in Nigeria and that all shipping documents will be lodged by importers with authorized dealer as agents of the Nigerian Government within 21 days of negotiation of the specified documents.

## 5. AUTOMATIC LICENSING MEASURES

### 52.7 Prior surveillance for sensitive product categories

Food and drug items, pharmaceuticals and cosmetics offered for sale in Nigeria must be registered with the Federal Food and Drugs Administration.

Nigeria is a party to the Convention against Illicit Traffic in Narcotic Drugs and Psychotropic Substances (1988) under which it is required to establish and maintain a system to monitor International trade in substances mentioned in Tables I and II of the Convention.

## 6. QUANTITY CONTROL MEASURES

Import licences have been abolished in 1986 when the Structural Adjustment Program was established. However specific licensing requirements remain in place for a number of restricted products.

### 61.41 Purchase of local goods

Imports of petroleum products, are subject to import licences issued by the Ministry of Petroleum Resources exclusively to the Nigerian National Petroleum Company. Also, imports of unmanufactured leaf tobacco require a Tobacco Importer's Licence issued by the Nigeria Customs Service. The licence expire on 31 December, following the date of issue and renewable every year. Licences are issued as per guidelines in Customs and Excise Notice No. 22 of 1959.

### 61.6 Licence combined with or replaced by special import authorization

Fish may only be imported when caught from boats holding specific authorization by Nigerian authorities.

**61.71 To protect human health**

An import permit is required for imports of "controlled substances", such as narcotic and psychotropic drugs and certain chemicals, poison, drugs and medical preparation that must comply with the provisions of the Pharmacy Act and Regulations. The permit is issued by the Federal Minister of Health.

**61.72 To protect animal health and life**

In accordance to the Diseases of Animal Act of 1917 and 1962, import of animal and specially dogs must be covered by import permits issued by the Director of the Federal Department of Veterinary Research or Chief Veterinary officer of any of the States of Nigeria.

**61.75 To protect wildlife**

Nigeria has ratified the Washington Convention (Convention on International Trade in Endangered Species of Wild Fauna and Flora, CITES, 1973). As a party Nigeria maintains import controls on a number of animals and plants, including their parts and derivatives.

**61.78 To ensure national security**

Licence to import arms and firearms i.e. arms, ammunition and explosives, is issued by the Inspector-General of Police or designated Police Officer.

**Quotas**

**62.74 Quotas for sensitive product categories**

The release into free circulation of substances controlled by the Montreal Protocol on Substances that Deplete the Ozone Layer (1987) CFCs and halons - alone or in mixtures) imported from a State that is a Party to the Protocol, is subject to quantitative limits.

**Prohibitions**

**63 Prohibitions**

All items under import prohibition require a permit by the Head of State on the recommendation of the Tariff Review Board before they can be imported in conjunction with Excise Tariff (Consolidation) Decree No. 4 of 1995.

**63.1 Total prohibition**

Prohibitions is set on imports of meat, poultry, fish, eggs (except for hatching), fresh and preserved vegetables and fruits, rice, maize, vegetable oils, mineral water, soft drinks, fruit juices, beer, malt, barley, sparkling wine, sorghum, millet, wheat flour, kaolin, domestic articles made of plastic materials, mosquito repellent coils, processed wood (except particle boards), textile fabrics (except specific industrial inputs), retreated and used tyres, aluminium sulphate, alkyl benzene, bentonite and barytes.

**63.71 To protect human health**

Certain goods are prohibited for health, safety or moral reasons i.e. imports of all types of meat, certain spirits, second-hand clothing, obscene articles and weapons.

#### 63.74 To ensure environment

As a Party to the Montreal Protocol on Substances that Deplete the Ozone Layer (1987) and its following amendments, Nigeria operates a ban on the import of controlled substances listed in Annex A to the Protocol (chlorofluorocarbons and halons) from any state not party to this convention.

#### 63.76 To control drug abuse

In accordance with the provisions of the Convention against Illicit Traffic in Narcotic Drugs and Psychotropic Substances (1988) Nigeria prohibits any importation of any narcotic drug psychotropic substance contrary to the provisions of the 1961 Convention (Single Convention on Narcotic Drugs), the 1961 Convention as amended or the 1971 Convention (Convention on Psychotropic Substances).

#### Note

The above quantity control measures are reported in the Trade Policy Review of Nigeria, 1991; a list of goods prohibited for health, safety or moral reasons is also included in the schedule 4 to the tariff entitled "Goods, the importation of which is absolutely prohibited". Detailed information on prohibited tariff items is available on request from the licensing authority.

## 7. MONOPOLISTIC MEASURES

#### 72.1 Compulsory national insurance

All imports must be insured with registered national insurance companies by Decree No. 59 of 1976.

## 8. TECHNICAL MEASURES

#### 81 Technical measures

All standards and other technical regulations that have a bearing on health and safety and environmental protection are mandatory. Nigeria belongs to the International Organization for Standardization through the Standards Organization of Nigeria (SON), which issue official standards covering manufactured goods. Standards for processed food, beverages, medical devices, drugs and other chemicals including raw material are related to the National Agency for Food and Drug Administration and Control (NAFDAC) responsible for the control and regulation of these products.

#### 81.1 Product characteristics requirements

Registration requirements with NAFDAC under the Drugs and Related Products Decree of 1993 of imported products comprising all processed food, beverages, tobacco, cosmetics, drugs, drug products and chemicals including both raw materials and finished products such as pesticides.

#### 81.11 To protect human health

A sanitary or phytosanitary certificate, as appropriate, is required for imports of meat and meat products. And a disinfection certificate meeting the requirements of the Nigeria Ministry of Health must accompany imports of used clothing. A free sale certificate is required for imports of food, drugs, cosmetics and pesticides, stating that the commodities in question are in free circulation in the country of origin.

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**81.12 To protect animal health and life**

A sanitary or phytosanitary certificate according to the case, is required for the importation of certain animals and animal products, meat and meat products.

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**81.13 To protect plant health**

Imports of plants, seeds, soils are subject to a phytosanitary requirement stating that the plant material was inspected and found free from pests and that treatment was done, where applicable, in line with the International Plant protection Convention of FAO.

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**81.17 To ensure human safety**

A certificate of "road worthiness" is required for imported second-hand vehicles. And a security certificate applies to electrical appliances, and related products.

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**81.19 For purposes n.e.s.**

Imported goods in containers must be homogeneous; they must be as well accompanied by a packing list (showing all items imported in the container) certified by the producer.

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**81.2/3 Marking requirements  
Labelling requirements**

All goods imported into Nigeria must be labeled in English, in addition to any other languages or translations deemed necessary. Furthermore, all items entering the country must be labeled in metric units or will be refused entry. Manufactured products are required to bear the name or identification mark of the manufacturer. Labels of food products must indicate the expiry date, names and quantities of additives, and weight in metric units. Special labelling requirements with respect to weight, measure etc., apply to prepacked products such as flour, salt, soap, candles, sugar and crochet cotton and yarns.

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**81.3 Labelling requirements**

As required by the Convention against Illicit Traffic in Narcotics Drugs and Psychotropic Substances (1988), all imports of drugs and psychotropic substances must be properly documented and labelled including the names, stated in Tables I and II of the Annex to the Convention of the substances imported, the name and address of the importer and when available, the consignee.

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**81.5 Testing, inspection and quarantine requirements**

The Nigerian Standard Organization has been changed to the Standards Organization of Nigeria. SON is involved in the quality inspection of goods entering Nigeria.

A Certification of analysis from the manufacturer in the country of origin, is required for the imports of food, drugs, cosmetics and pesticides. In the same context, a laboratory test certificate is also required for imported chemicals, food and beverages.

Shipments of animals, hatching eggs, poultry, animal products (eggs, milk, semen or any other part of an animal), biological and infectious agents are

subject to inspection in a designated quarantine station.

Imports of aircraft and ocean-going vessels must be inspected by a government-authorized inspection agent.

**NOTE**

Details of the above technical requirements are set in the Food and Drugs Decree No.35 of 1974, published in the supplement to the Official Gazette No. 55 of 7 November 1974, and a series of complementary decrees including Meat and Poultry products regulations of 1980; registration of food product regulations of 1982; prepacked foods (labelling) of 1986, soft drinks (standards for preparations and contents) regulations of 1986; milk and dairy product regulations of 1986; and Animal diseases control decree of 1988 published in the supplement to Official Gazette Extraordinary No. 13 of 26 February 1988.

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**82** Pre-shipment inspection

The Government of the Federal Republic of Nigeria has restored the pre-shipment inspection requirement in 1999. Guidelines for imports stipulate that all imports to Nigeria regardless of value are subject to preshipment inspection to verify quality and quantity, value for customs purposes, customs classification, and import eligibility. The preshipment inspection order is valid for six months for general goods and one year for machinery. The following agencies worldwide are responsible for the preshipment inspection of imported goods to Nigeria: Bureau VERITAS in France, for consignments from Europe except United Kingdom and Ireland; COTECNA, Switzerland, Griffith & CO. United Kingdom, and OMIC Japan for consignments from Australia, Asia, Ireland and the United Kingdom; SWEDE CONTROL, Sweden, and INTERTEK testing services, USA, for consignments from the American continent. The inspection company will check whether goods and prices in question are in conformity with the proforma invoice and, if so, it will then issue a "clean report of findings" and an "import duty report". The following goods are exempt from the preshipment inspection: gold, precious stones, art works, explosives and pyrotechnic products, arms and ammunition, weapons and implements of war, scrap metal, live animals, newspapers and periodicals, personal effects, parcel post items, samples, crude oil, and used motor vehicles. This measure was introduced by the preshipment inspection of imports Decree 1978, published in the Official Gazette No. 59 of 29 December 1978. Amendments are reported in BFAI Nachrichten für Aussenhandel of 4 February 1989.

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**83** Special customs formalities

All imports to Nigeria must be accompanied by Import Duty Report (IDR) issued by the preshipment inspection agency. All containerized cargo and imports valued at US\$ 1,000 and not covered by an IDR will be impounded. Therefore, effective 1 of April 1996, all imports into Nigeria must carry a Clean Report of Finding (CRF) which verifies the quantity, quality and price of shipments imported, and an IDR, for goods to be cleared through customs.