

Based on information collected up to July 2001

1. TARIFF MEASURES

Structure of the tariff schedule

Tanzania applies an eight-digit tariff nomenclature based on the Harmonized Commodity Description and Coding System. The import duty reform undertaken in the Finance Act of 1999 has led to a simplified structure of five band rates. As a consequence, the tariff structure is escalatory, domestic producers being the beneficiaries from a high effective rate of protection.

Tariff publications

Tariff publication is available for sale at customs and Sales Tax offices.

12 MFN Duties

Imports duties are ad valorem, and Tanzania grants most-favoured-nation (MFN) treatment to at least all countries. Applied MFN duty rates range from 0, 5, 10, 20 to 25% spreading as follows: Primary and semi-processed goods are levied between 0 and 5%; semi-processed goods between 10 and 20% while mining sector and primary products bear 25%.

16 Temporary reduced duties

Under the Investment Code, the following goods are exempt from import duties: certain imports for priority sectors of the economy such as agriculture, livestock development, tourism, mining, petroleum exploration, transportation, communication, and manufacturing that use local raw materials. Duty exemption is set on imports for members of diplomatic corps and specified U.N. agencies. With the duty reduction scheme, textiles and some electronics and food items in Zanzibar are levied lower tariff than in the mainland Tanzania. Furthermore, price lists and catalogs are permitted duty-free entry.

Preferential duties under trade agreements

19.1 Interregional agreements

Tanzania is a participating member of the June 2000 partnership agreement between African, Caribbean and Pacific States and the European Union. This partnership is to replace the Lomé Convention which had defined the trade and economic relationship between the two parties since 1975. With the agreement the two parties are expected to conclude WTO compatible trading arrangements, with formal negotiations for such arrangements to begin in September 2002 and taking effect no later than 1 of January 2008. The partnership agreement is valid for 20 years and subject to revision once every five years.

19.2 Regional and sub-regional agreements

Tanzania is member of SADC, Southern African Development Coordination Conference, established in 17 of August 1992 in Namibia, to replace the former Southern African Development Community. The other members are: Angola, Botswana, Lesotho, Malawi, Mauritius, Mozambique, Namibia, South Africa, Swaziland, Zambia, and Zimbabwe. The Democratic Republic of Congo and Seychelles were approved for membership in 1997. The SADC Treaty is a legally binding and all encompassing framework by which signatory countries are committed to develop strategies for sustainable development. SADC members have negotiated a Trade Protocol signed in August 1996 by the Heads of State of Government. This trade protocol officially came into force on 25 of January 2000, after its ratification by the required two-thirds of the membership. The main objective of the Trade Protocol is the establishment of a SADC free-trade area. Currently progress has been made towards the harmonization of customs and trade documentation; and negotiations on a SADC tariff schedule for members countries is still ongoing.

In this context, South Africa after ratifying the Trade protocol in November 1999, will be the first country in September 2001, to implement the SADC Free Trade Protocol; it will drop tariffs for over 76 per cent of products in its trade with other SADC member countries by 2006. In line with the SADC goals, a series of bilateral agreements among member states is expected to phase in tariff reductions slowly and at varying rates over the eight year period

Sensitive products, which are specific to each participating state, will remain largely outside of this schedule, and textiles will not be included in the eventual free trade arrangement.


Tanzania was a founding member of the OMESA, the Common Market for Eastern and Southern Africa, which superseded the PTA (the Preferential Trade Area for Eastern and Southern African States) created in 1981. The COMESA established on 8 of December 1994 in Kampala, includes the following countries: Angola, Burundi, Comoro, Democratic Republic of Congo, Djibouti, Egypt, Eritrea, Ethiopia, Kenya, Madagascar, Malawi, Mauritius, Namibia, Rwanda, Seychelles, Sudan, Swaziland, Uganda, Zambia and Zimbabwe. Nine members of COMESA formed a free trade area in October 2000 with the view of promoting the free flow of goods and services with immediate effect. Participating countries in the free trade area are Djibouti, Egypt, Kenya, Madagascar, Malawi, Mauritius, Sudan, Zambia and Zimbabwe. The nine countries have pledged to integrate their economies further by permitting the free movement of skilled labour and establishing a common external tariff by 2004, the free movement of people by 2014 and the formation of a currency union by 2025. Of remaining 11 other members of COMESA, six of them are expected to join the free trade area in 2001.

In 1993, Tanzania together with Kenya and Uganda, signed the Agreement on East African Cooperation with its Secretariat in Arusha, Tanzania. And on 30 of November 1999, the three countries signed a treaty establishing the East African Community (EAC) which goals are to provide for the formation of an economic community with the prevalence of preferential tariff within the EAC and the adoption of a common external tariff (CET) by the year 2004. Other objectives of the EAC include free movement of people, the improvement of regional infrastructure and the harmonization of fiscal and monetary policies alignment.



19.3 Bilateral agreements

Tanzania has signed bilateral treaties in order to promote and protect foreign direct investment with Germany, Netherlands, Switzerland and the United Kingdom, and others to avoid double taxation with Denmark, India, Italy, Norway, Sweden and Zambia.




2. PARA-TARIFF MEASURES

Additional charges

22 Additional taxes and charges


Minimal wharf age charges are levied. If shipments are not picked up within 21 days of arrival, customs storage charges of TSh 10 per tonne per day, apply.



Internal taxes and charges levied on imports


23.1 General sales taxes

A value-added tax rate of 20% is levied on most domestic and imported goods and services, replacing the sales tax in 1998. Following are goods that may be exempt from VAT payment: certain food crops, livestock supplies, pesticides, fertilizers, crude oil and petroleum products, agricultural implements, aircraft engines and parts, educational supplies, veterinary supplies, travelers' personal effects, health supplies, diplomatic missions, public and religious institutions which statute provide for relief from taxation.



23.2 Excise taxes


Specific duties based on the weight, **length**, area, or volume of imported goods, are levied on alcoholic beverages, tobacco and petroleum products.



4. FINANCE MEASURES

41.7 Refundable deposits for sensitive product categories

A system of duty drawback is in place for components on which duties were paid at the time of import, and are eventually exported in a finished product.



49 Finance measures n.e.s.

Exchange control in Tanzania including Zanzibar, is under the authority of the Ministry of Finance, which delegates authority to administer and manage exchange transactions to customs and the Board of Trade. And authority to make payments abroad has been delegated to all licensed banks. In addition, authorized dealers may enter into forward contracts with their customers for purchases and sales of foreign currencies in import transactions. Authorized dealers are also permitted to handle cases of advance payments.



6. QUANTITY CONTROL MEASURES

Non-automatic licensing

61.7 Prior authorization for sensitive product categories

With the introduction effective 1 of July 1993 of new import procedures under the Open General Licence Notice, 1993, all goods may be imported into Tanzania without a specific Import Licence except for goods requiring import licence for reasons of health, security or morals.

61.71 To protect human health

An import permit issued by the National Food Commission is required for the entry of meat and edible meat offal's, edible vegetable, roots and tubes, and edible fruits and nuts.

61.72 To protect animal health and life

A permit from the Ministry of Agriculture and livestock is required for the importation of live horses, swine, sheep and goats.

61.73 To protect plant health

A permit issued by the Ministry of Agriculture is required for imports of live trees and other plants, bulbs, roots and the like, cut flowers and ornamental foliage; plants and parts (i.e. seeds and fruits fresh or dried, crushed, powdered); vegetable plaiting materials; raw vegetable materials.

A special import permit issued by the Director of Agriculture and Livestock in Tanzania, is required for the entry of fresh fruit, plants, plant parts, and seeds.

61.77 To ensure human safety

Imports of parachutes and aircraft launching gear require a permit issued by the Civil Aviation.

61.78 To ensure national security

Importation of the following require an import permit issued by the home affairs: tanks and other armoured fighting vehicles, arms and ammunition; and a permit from the Ministry of Energy for explosive and combustible preparations.

Prohibitions

63.71 To protect human health

Prohibition is set on imports of food containing cyclamates or any cyclamate salts for use in food products. I

7. MONOPOLISTIC MEASURES

Compulsory national services

72.1 Compulsory national insurance

All imports of merchandise to the mainland must be insured by the National Insurance Corporation of Tanzania.



72.2 Compulsory national transport

All imports of merchandise to the mainland must be insured by the National Insurance Corporation of Tanzania.



8. TECHNICAL MEASURES

81 Technical measures

Information on Tanzanian standards may be obtained from Tanzania Bureau of Standards, Ubungo Area. Morogoro Road Sam Nujoma Road, P.O. Box 9524, Dar es Salam.

The Tanzania Bureau of Standards, TBS, is charged with the administration of standards issues and it adopts international standards whenever they exist.

The Standards Compulsory Batch Certification of Imports regulation 1998, is a series of 24 technical regulations, grouped according to three areas of objectives as human health, safety and the environment, and cover food products, cosmetics, textiles, building materials, electrical appliances, automotive engineering, tyres and bus body building.

Imports of goods that follow are subject to special requirements: arms, ammunition and explosives; condensed milk, dangerous drugs, antibiotics, sulpha drugs, and similar products; vaccines and viruses, fodder, unwrought precious metals and precious stones; gunny bags, currency and securities, military uniforms; animal traps, animals and trophies of game animals; and industrial alcohol.



81.11 To protect human health

Imports of spirits other than gin, geneva, hollands, schnapps, or liqueurs for human consumption, must give satisfactory proof that the spirits to be imported have been matured by storage in wood for a period of not less than three years. In the same context, medicines and foodstuffs must have a minimum remaining shelf life of six months at the time of importation. However Brandy under certain conditions, is exempt from this regulation.

Used clothing intended for sale must be accompanied by a certificate of disinfection to be presented to the customs authorities.



81.12 To protect animal health and life

A sanitary certificate from a qualified veterinary surgeon in the country of export, must accompany every imported animal. Under the Animal Ordinance Cap. 156, the Ministry of Agriculture and Cooperative's Zoo-Sanitary is responsible for certification procedures relating to health and sanitary regulations that apply to domestic and wild animals, fish, bees, and animal products in line with Technical Standards, Health and Safety



81.13 To protect plant health

The Ministry of Agriculture and Cooperatives in Tanzania is responsible for the certification of all plants and plant products (propagative matter, seed, seedlings). Imported plants are subject to a sanitary certificate signed by an appropriate government official in the country of origin of the goods.



81.1 Product characteristics requirements

Under the weights and Measures Act, all goods sold by weight or measure must be sold by "avoirdupois" or metric weight and/or measures. Yet, exceptions exist as for gold, silver, diamonds, and other precious stones to be sold by troy weight, and drugs by apothecary weight.



81.2 Marking requirements

Marking requirements with a view of identifying imported goods consist of consignee's marks with port marks inscribed plainly on the packages to facilitate arrival of shipment; any weights and measures on packing crates should be shown in metric units.



81.3 Labelling requirements

Specific labelling requirements are set on imported canned condensed milk for human consumption, vegetable and butter ghee, paints and waxes.



81.4 Packaging requirements

Merchandise for importation should be packed securely to withstand excessive tropical heat, moisture, rough handling and pilferage.



81.5 Testing, inspection and quarantine requirements

Under the Animal Ordinance Cap. 156, the Ministry of Agriculture and Cooperative's Zoo-Sanitary Inspectorate is responsible for inspection procedures relating to health and sanitary regulations. Imported animals are subject to quarantine regulations, and to examination by a veterinarian at the port of entry.

The Ministry of Agriculture and Cooperatives is responsible for the inspection of imported plants. The importation of fresh fruit, plants, plant parts, and seeds are subject to quarantine regulations and may enter only at designated ports, where they will be subject to examination.



82 Pre-shipment inspection

Imports of goods valued at US\$ 5,000 FOB or above are subject to compulsory pre-shipment inspection verification of price, quality and quantity. The pre-shipment inspection is carried out by COTECNA Inspection S.A. or by one of its representatives before the goods are shipped. Pre-shipment inspection does not apply to the following goods: objects of art, explosives and pyrotechnic products, implements of war, ammunition and weapons; gold, precious stones, and precious metals; fish, meat and eggs, live animals; fresh, chilled or frozen fruits or vegetables; scrap metals; current newspapers and periodicals; items sent by parcel post; goods exempt from customs duties and other taxes; supplies for diplomatic missions and international organizations of which Tanzania is a member, religious and charitable organizations, non-governmental

organizations when goods are exempt from customs duties and taxes, and goods entering for transit.



83 **Special customs formalities**

At the request of the importer, a Clean Report of Findings (CRF) is issued by COTECNA, to assist him in the clearance of the goods through Customs. Upon the receipt of a CRF from COTECNA, the importer pays applicable duties and taxes to any banks designated to receive such payments, then customs clearance can be finalised within 24 after when all paperwork is in order.

Imported animals may enter only at designated ports.

Imports of the following plants should be made through designated port of entry: coffee except roasted beans, cotton, tobacco, cacao, coconuts, groundnuts, lucerne and clover, rubber, maize, wheat, cloves, peach, barberry, buckthorn, and potatoes.