

**Based on information collected up to July 2006**

**1. TARIFF MEASURES**

**Structure of the tariff schedule**

Namibia as a member of the Southern African Customs Union (SACU) which also includes Botswana, Lesotho, South Africa and Swaziland uses a common customs tariff set by the customs laws of South Africa and applies an eight-digit tariff nomenclature based on the Harmonized Commodity Description and Coding System which shows in two columns, the general and the MFN rates of customs duty.

SACU provides for a common external tariff and a common excise tariff to this common area.

**Tariff Publications**

Customs Laws, Customs and Excise Act, Act No.91 of 1964 as amended to goods imported into the common customs area from outside the union.

**12 MFN Duties**

MFN rates of customs duties are levied on a large range of items imported from most countries, including the United States of America and most signatories to the World Trade Organization. Most imports of goods outside the SACU area face a levy of 15% of the common external tariff. Customs duty comprises the following levies that all bear ad valorem rates, and are assessed between 0% to 55% under SACU's common customs tariff: "mixed duties" levied on fish, beverages, sugar, wool and apparel products; "specific duties" on agricultural products such as products of the milling industry, fishing products, beverages, spirit and vinegar, sugar and sugar confectionery and petroleum products; "formula duties" (which combat disruptive competition) on preserved tomatoes, corn-flour, cherries, tobacco, not stemmed or stripped, and tobacco partly or wholly stemmed or stripped; and "compound duties" which apply only to wheat or meslin flour, and sealed containers of mineral water.

**13 Bound rates**

SACU countries under the leadership of South Africa bound 96 per cent of the customs tariff at the HS eight-digit level: chapters of HS 01-24 and HS 25-97, with exceptions according to the country; animals and animal products, dairy products, coffee and tea, cocoa, sugar etc., cut flowers, plants, fruit and vegetables, grains, oil seeds, fats and oils and their products, beverages and spirits, tobacco, wood, pulp, paper and furniture, transport equipment, non-electric machinery, metals, electric machinery, chemicals and photographic supplies, textile and clothing, leather, rubber, footwear and travel goods, mineral products, precious stones and precious metals, fish and fishery products, and petroleum.

#### 14 Tariff Quotas Duties

Tariff quota imports apply to wheat, butter, skimmed and whole milk powder.

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#### 16 Temporary reduced duties

The general rebate of Duty exemptions and concessions is set on imports of raw materials, equipment imported on a temporary basis for a given project and other inputs necessary to the export oriented manufactures which produce goods for non SACU markets.

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### Preferential duties under trade agreements

#### 19.1 Interregional agreements

The 1889 customs union which comprised Botswana, Lesotho, South Africa and Swaziland became after successive amendments, and the accession of Namibia on 10 of July 1990, the new SACU agreement on the 21 of October 2002. The SACU agreement signed in Gaborone Botswana, will be effective after its ratification by all member states. The objectives of this new agreement are: free movement of goods within SACU area, to enhance economic development, fair competition and substantial investment, diversification, industrialization and competitiveness of member states, all in the common customs area. However, Lesotho, Namibia and Swaziland are trying to establish a secretariat that will establish transparent and democratic institutions that ensure equitable trade benefits to member states since South Africa dominates SACU established during Apartheid.

Goods imported to Namibia from the other SACU countries, enter duty free.

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#### 19.2 Regional and sub-regional agreements

Namibia together with the other SACU members belong to the Southern African Development Community (SADC) established on 17 August 1992; it superseded the SADCC, Southern African Development Co-ordination Conference created in 1980.

SADC as an economic grouping brings together fourteen East, Central and Southern African countries such as Angola, Botswana, Democratic Republic of Congo, Lesotho, Madagascar, Malawi, Mauritius, Mozambique, Namibia, South Africa, Swaziland, Tanzania, Zambia and Zimbabwe. Among its many protocols, the SADC Protocol on Trade signed in Maseru, Lesotho on 24 August 1996 by all members except Angola one of the founding members, aims at the creation of a Free Trade Area.

On September 2000, 11 members ratified the implementation of the protocol based on the principle of reciprocity. To fulfil the conditions of the Free Trade Agreement, products have been distributed as follows: capital goods and equipment have been liberalized the first year; goods constituting important sources of customs revenue will be liberalized gradually by 2008; and products considered as sensitive by many member countries, e.g., sugar for SACU will be liberalized between 2005 and 2012; on this issue a category of sensitive goods specific to each participating state, will remain excluded from any preferential treatment for general and security reasons in accordance with Articles 9 and 10 of the protocol; elsewhere, textiles will not be included in the free trade agreement. These arrangements have been made by SADC in order to achieve a zero tariff rate for 98% of goods by 2012.

Namibia as a member of the African Union (AU) established on July 2001 when it replaced the Organization of African Unity (OAU) signed on 25 May 1963, is also signatory to the treaty for the African Economic Community (AEC) of June 1991 in Abuja, Nigeria; it aims at the creation of a pan-African economic and monetary union over a period of 34 years.

Namibia belongs to the Regional Integration Facilitation Forum (RIFF) launched in 1992. Its objectives are to move member countries, i.e., countries of eastern and southern Africa and the Indian Ocean already members of COMESA, SADC, East African Community (EAC) and the Indian Ocean Commission (IOC) towards increased economic integration through trade, investment, by reinforcing and complementing efforts undertaken by these by organizations.



### 19.3 Bilateral agreements

A joint bilateral trade agreement was signed in South Africa on the 2<sup>nd</sup> of June 2003, between Namibia as a SACU (Botswana, Lesotho, South Africa, Swaziland) and the United States of America, its objective is to create a comprehensive infrastructure for trade, and build on the success of the African Growth and Opportunity Act (AGOA).

On the 16<sup>th</sup> of December 2004 was signed in Belo Horizonte, Brazil, a Preferential Trade Agreement (PTA) between Namibia and other SACU members and the MERCOSUR namely Argentina, Brazil, Paraguay and Uruguay. It aims at creating a legal framework for improved and expanded trade relations on preferential basis between the two economic groupings; in addition, it addresses other important trade-related issues like customs cooperation, phyto-sanitary measures and larger product coverage for preferential treatment.

Namibia is a party to the Cotonou Agreement i.e. the former Lomé Convention, an economic partnership between the ACP countries (the African, Caribbean, and Pacific regions) and the European Union. During The June 2000 partnership also called the Cotonou Agreement, negotiations for a series of new economic associations were concluded, and were expected to begin from September 2002 and enter into force as of 1 of January 2008. Most partnerships are based on progressive and reciprocal removal of trade barriers, replacing old trade preferences that South Africa and other ACP countries enjoyed under the Lomé Convention. The partnership Agreement is valid for twenty years and is subject to revision every five years.

Namibia signed with Zimbabwe a bilateral preferential trade agreement which entered into force on the 17 of August 1992. With the Agreement, goods grown, produced, assembled or manufactured in Namibia may be imported into Zimbabwe free of customs duty and vice versa, mineral products extracted from its soil, vegetable products harvested or gathered therein live animals born and raised therein, products obtained therein from live animals, forest products harvested therein, fish and other marine products gathered therein or from its marine economic zone.

Namibia has concluded MFN agreements with China, Cuba, the People's Democratic Republic of Korea, Democratic Republic of the Congo, India, Ghana, Malaysia, Romania, and the Russian Federation.



## 2. PARA-TARIFF MEASURES

### 22.3 Import licence fee

An import licence fee of N\$25 is levied per application for licence of controlled commodity, wheat, wheat flour, maize meal.

### 22.9 Additional charges n.e.s.

An administrative fee of N\$2.10 is levied per tonne of controlled imported commodity, wheat, wheat flour, maize meal.

### 23.1 General sales taxes

Since November 2000 a value-added tax is levied on imported and domestic goods including goods from other SACU members, at a general rate of 15%, 0% is levied on basic commodities and necessities, and a higher rate of 30% is levied on luxury items such as vehicles, tobacco and perfumes.

## 4. FINANCE MEASURES

### 43 Restrictive official foreign exchange allocation

The Bank allocates foreign exchange to importers upon the presentation of the required documents, to pay for imports.

### 45 Regulations concerning terms of payment for imports

Advance payments for imports may be allowed in the following cases: for import of capital goods, when the application is made to the Bank of Namibia; when authorized dealers permit "cash with order" advance payment of up to N\$ 50,000 for each shipment of goods different from capital goods, and in the case of approval of up to 33.3% of the ex-factory cost of capital goods.

## 6. QUANTITY CONTROL MEASURES

### Non-automatic licensing

#### 61.1 Licence with no specific ex-ante criteria

Goods originating from country outside the SACU area are subject to import licensing in accordance with South Africa's import regulations. Importers must be of Namibian citizen or resident and hold an import permit issued by the Ministry of Trade and Industry; import permits are valid for one year.

#### 61.4 Licence linked with local production

An import permit issued by the Ministry of Agriculture, Water and Rural Development and the Ministry of Trade and Industry is required by the Namibian Agronomic Board from registered importers to import white maize, wheat, wheat flour, and maize meal upon domestic market deficit.

An importation permit is required for health, phytosanitary, environmental, safety or security reasons from the relevant Ministry, on the following goods: medicines and related substances, chemicals, frozen or chilled fish and meat, live animals and genetic materials, pornographic materials, controlled agronomic products (maize, wheat, and dairy products), controlled petroleum products, firearms and explosives, diamond, gold, certain

minerals, coins, and second-hand and used goods such as clothing, motor vehicles and leather products.

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**61.71 To protect human health**

An import permit issued by the Meat Board of Namibia, is required for the importation of live animals such as cattle, sheep, goats, and pigs and their meat. In addition, the importer must obtain a veterinary permit issued by the Veterinary Services, or by the Livestock Improvement Board for stud animals, in accordance with the Animal Diseases and Parasites Act, 1956.

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**61.72 To protect animal health and life**

An import permit issued by the Meat Board of Namibia, is required for the importation of live animals such as cattle, sheep, goats, and pigs and their meat. In addition, the importer must obtain a veterinary permit issued by the Veterinary Services, or by the Livestock Improvement Board for stud animals, in accordance with the Animal Diseases and Parasites Act, 1956.

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**61.73 To protect plant health**

Imports of plants, plant products, and agricultural commodities of cereals, wheat and maize require an import permit issued by the Ministry of Agriculture, Water and Rural Development.

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**61.75 To protect wildlife**

Imports of endangered species covered by the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) require license issued by the Ministry of Environment, and Tourism.

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**63.4 Temporary prohibition**

A seasonal import ban is set on the following products upon domestic market production: white maize, maize meal, wheat, and wheat flour, to ensure the domestic crop is used first.

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**63.7 Prohibition for sensitive product categories**

An import prohibition is set on cigarettes with a mass above 2kg. per 1,000 cigarettes.

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**63.77 To ensure human safety**

Hazardous products such as toxic or radio-active waste are banned for importation.

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## **8. TECHNICAL MEASURES**

### **81.1 Product characteristics requirements**

Information on standards in Namibia is available at:

- Namibia Standards Information and Quality Office,  
Ministry of Trade and Industry,  
Goethe Street, Private Bag 13340, Windhoek,  
Telephone: (264-61) 283-7111  
Fax : (264-61) 220-227

**81.12 To protect animal health and life**

A health certificate issued by the veterinary authority in the country of origin is required for the importation of live animals such as cattle, sheep, goats, and pigs and their meat, from all countries.

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**81.13 To protect plant health**

The Agricultural Pest Act of 1973, subjects to sanitary and phytosanitary provisions, all imports of plants and plant products including controlled agricultural commodities of cereals, wheat and maize.

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**81.5 Testing, inspection and quarantine requirements**

Strict veterinary controls and quarantine requirements are set on the imports of live animals such as cattle, sheep, goats, and pigs and their meat, from all countries to protect the country herd and to meet international market requirements.

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