

Based on information collected up to July 2006

1. TARIFF MEASURES

Structure of the tariff schedule

Swaziland as a member of the Southern African Customs Union (SACU) which also includes Botswana, Lesotho, Namibia, and South Africa 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. 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 mesling flour, and sealed containers of mineral water.

13 Bound rates

SACU countries under the leadership of South Africa bound 96 per 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.

16 Temporary reduced duties

The SACU customs union provides for duty refunds, rebates or remission 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 market. Goods imported by settlers are also exempt from duty.



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 Swaziland from the other SACU countries, enter duty free.



19.2 Regional and sub-regional agreements

Swaziland 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, 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.

Swaziland is a founding member of the Common Market for Eastern and Southern Africa -COMESA- which replaced in 1994, the former PTA, the Preferential Trade Area for Eastern and Southern African States. Following are the other country members of the COMESA: Angola, Burundi, Comoros, D.R. Congo, Djibouti, Egypt, Eritrea, Ethiopia, Kenya, Libya, Madagascar,

Malawi, Mauritius, Rwanda, Seychelles, Sudan, Uganda, Zambia and Zimbabwe.

COMESA aims at establishing a FTA (free trade area) which is partly achieved since 31st October 2000, with 9 countries namely Djibouti, Egypt, Kenya, Madagascar, Malawi, Mauritius, Sudan, Zambia and Zimbabwe that eliminated their tariffs on COMESA originating products, in line with the tariff removal schedule of intra-COMESA trade.

COMESA plans to transform the FTA into a Customs Union with the establishment of a Common External Tariff on goods imported from non-COMESA area as forecast before end of 2004. The tariff reduction scheme of the CET is set according to the following: 0% on capital goods, 5% on raw materials, 15% on intermediate goods and 30% finished goods.

Swaziland 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.



19.3 Bilateral agreements

A joint bilateral trade agreement was signed in South Africa on the 2nd of June 2003, between Swaziland as a SACU (Botswana, Lesotho, Namibia, South Africa), 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 16th of December 2004 was signed in Belo Horizonte, Brazil, a Preferential Trade Agreement (PTA) between Swaziland 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.

Swaziland 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.

Swaziland 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.



2. PARA-TARIFF MEASURES

22.9 Additional charges n.e.s.

A cumulative fuel levy rate of 61 cents/litre is assessed on petrol and diesel, as a contribution to motor vehicle accident insurance.



23.1 General sales taxes

Currently sales tax is levied at the rate of 14% on general goods, luxury items such as alcohol and tobacco are assessed at 25%. Following is the list of goods exempt from sales tax levy: fertilizers, seeds, plant and machinery used for manufacturing, basic foodstuffs as dairy products, maize, bread, meat, vegetables, sugar and salt; scholastic materials, medical and surgical supplies, electricity and water, diplomatic corps, foreign aid to Swaziland and imports for use by the Government.



3. PRICE CONTROL MEASURES

33.1 Minimum import prices

To relieve import pressure and for protective reasons, the following goods are subject to variable levies: dairy products as full cream UHT milk and flavoured milk, low fat UHT milk, fresh full cream, low fat or skimmed milk, fermented milk, Emasi, buttermilk; fresh sour cream or UHT cream, dairy juice, yoghurt, condensed milk, dessert or ice cream mixtures, baby formulas, butter, full cream milk powder, skim milk powder, dairy powder blends, whey buttermilk powder and cheese as cheddar, Gouda or other. For agricultural products: maize, including seed maize, yellow maize and popcorn, maize products including processed poultry feed, animal feed and maize starch; rice, fresh fruits excluding apples, pears, peaches, grapes and bananas; fresh vegetables excluding cabbages, tomatoes, potatoes and sweet potatoes; poultry and poultry products including live broiler birds, day old chicks and hatching eggs, wheat and wheaten products.



4. FINANCE MEASURES

43 Restrictive official foreign exchange allocation

All external currency transactions are administered by the Central Bank with the permission of the Ministry of Finance.



45 Regulations concerning terms of payments for imports

Advance payment of imported goods is limited to 33.33 percent of their value ex-works.



49 Finance measures n.e.s.

Swaziland together with Lesotho, Namibia and South Africa belong to the Common Monetary Area (CMA) in which no restrictions apply as for payments within that single exchange control territory.



5. AUTOMATIC LICENSING MEASURES

52 Import monitoring

The following list of goods are subject to import monitoring and require an import permit issued by the Ministry of Finance, for health, safety and environmental reasons: used goods such as motor vehicles, earthmoving equipment, clothing, tyres and tyre casings, footwear, and textiles.

Are equally under the import control measures, mineral fuels, mineral oils, automotive parts, arms, drugs, gold and other precious metals, wild animal products, specified agricultural products as wheat flour, dairy products, maize, rice, and electrical appliances.

6. QUANTITY CONTROL MEASURES

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.

61.7 Prior authorization for sensitive product categories

An import permit issued by the Ministry of Finance is required for the importation of habit forming drugs, pathogenic drugs, sera, vaccines and certain agricultural and food products.

61.72 To protect animal health and life

Import licensing is set on live animals and birds, hides and skins, meat, and eggs.

61.73 To protect plant health

The importation of plants and seeds, citrus fruit or trees, cotton, sugar cane, maize, beans, sorghum, groundnuts, tobacco and cowpeas, is regulated by the Plant Control Act of 1981 amended by the Seeds and Plants Varieties Act of 2000, which require authorization from the Ministry of Agriculture.

61.75 To protect wildlife

An import permit established by the National Trust Commission is required for the importation of indigenous plants from the region.

8. TECHNICAL MEASURES

Technical regulations

81.1 Products characteristics requirements

Information on standards in Swaziland is available at:

The Standardization and Quality Assurance Section
Ministry of Enterprise and Employment
P.O. Box 451, Mbabane
Telephone: (268) 404 75 09
Fax: (268) 404 30 55
e-mail: mee@realnet.co.sz

The Standards and Quality Act drafted in 2001 provides a framework for national product standards, testing, and quality assurance.

81.12 To protect animal health and life

A vaccination certificate must accompany the importation of live animals and birds, and a veterinary certificate for hides and skins, meat, and eggs.

81.13 To protect plant health

A phytosanitary certificate is required for the importation of plants and seeds, citrus fruit or trees, cotton and sugar cane maize, beans, sorghum, groundnuts, tobacco, and cowpeas.

81.2 Marking requirements

81.3 Labelling requirements

81.4 Packaging requirements

As there are no formal marking, labelling, and packaging requirements for goods, it is recommended to indicate the list of ingredients, food additives the name and address of the manufacturer or distributor, instructions of storage etc. In addition packages should bear the consignee's and port marks and must be easily identified. Furthermore, wooden boxes or cases instead of fiberboard cartons must be used to pack goods so as to prevent damages to shipments from handling and transshipment.

81.5 Testing, inspection and quarantine requirements

Imports of live animals and birds are subject to a quarantine period of 30 years.

A testing requirement followed by a clearance certificate issued by a phytopathologist is compulsory for the imports of seeds and plants.