

Catalysing Growth and Inclusion

National Budget Bulletin - Customs Duty Update

June 2024

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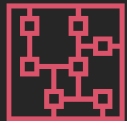
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Commentary



Commentary

On 17 May 2024, the East African Community (EAC) Pre-Budget Consultative Meeting of the Ministers for Finance was held in Arusha. In this meeting, changes to the East African Community Customs Management Act of 2004 ('EACCMA'), as well as the Common External Tariff (CET) rates for the year 2024/25 were proposed and agreed. The aim of the agreed changes and proposals is stated to be **“Sustainable Economic Transformation through Fiscal Consolidation and Investment in Climate Change Mitigation and Adaptation for Improved Livelihoods”**.

There are measures introduced to protect and promote local manufacturing and assembling of various products. The proposals specifically aim to reduce cost of production, promote and protect local industries, create employment and ensure availability of products at competitive prices.

There are also changes that reduce costs of local manufacturing of specified communication equipment to expand coverage of communication networks and promote local investment in the communication sector and create employment opportunities.

In addition to the new changes, there are also proposals to continue implementing certain changes brought in the year 2023/24 for sustained outcomes in various industries such as agriculture, manufacturing, health, etc.

There are no changes to the East African Community Customs Management Act of 2004 ('EACCMA 2004').

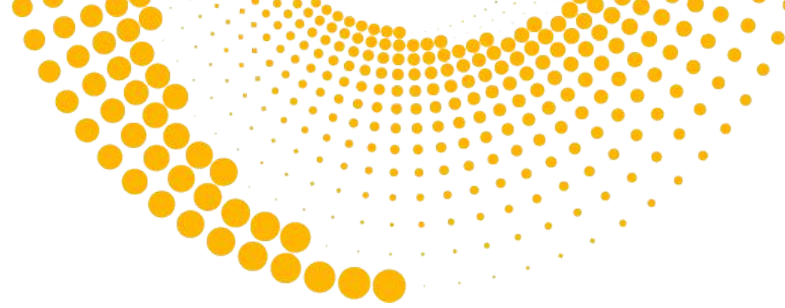




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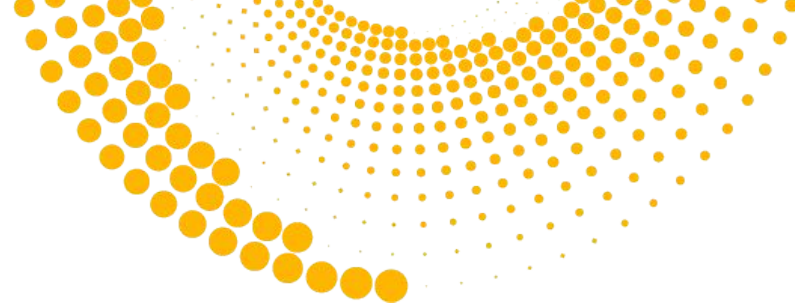
Common External Tariff Amendments

The proposed changes to the Common External Tariff for the year 2024/2025



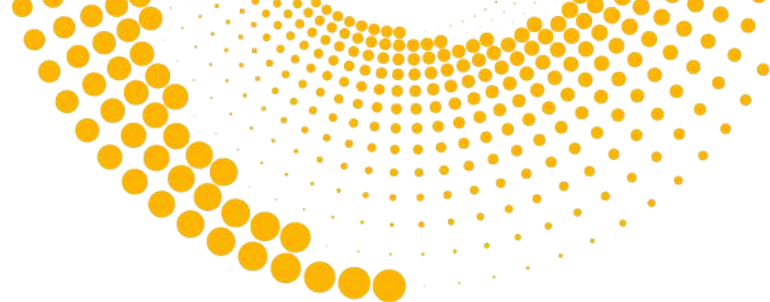
The proposed changes in the Common External Tariff ("CET")	Item	HS Code	Old rate	New rate
Duty remission for one year	Lithium-ion Electric accumulators used in the assembling / manufacturing of vehicle and motorcycles	8507.60.00	25%	0%
	Unassembled Television (CKD)	8528.72.10; and 8528.73.10	10%	0%
	Various inputs used in the assembling or manufacturing of mobile phones		Various rates as per current CET	0%
	Other paper, paperboard, cellulose wadding and webs of cellulose fibres used to manufacture labels and thermal paper rolls for cash register, POS and EFD machines	4811.90.00	25%	10%
	Float glasses used to manufacture toughened glass	7005.10.00; 7005.21.00; 7005.29.00; and 7005.30.00	35%	10%
	Various inputs used by domestic manufacturers of yoghurt, powdered or UHT milk	3923.50.90; 4819.20.90; 4819.30.00; 4819.50.00; 4821.90.00; and 7607.19.90	25% or 35%	0%

The proposed changes to the Common External Tariff for the year 2024/2025



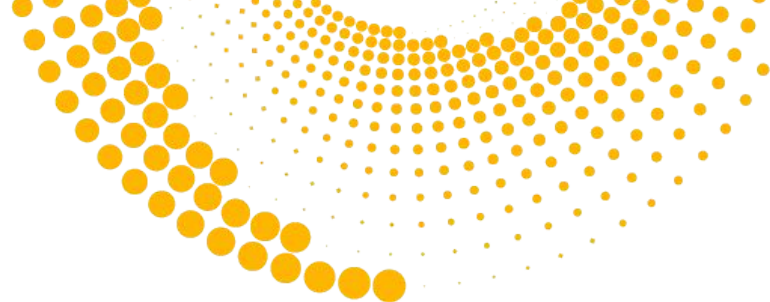
The proposed changes in the Common External Tariff ("CET")	Item	HS Code	Old rate	New rate
Duty remission for one year	Various inputs and raw materials used to manufacture optical fiber cables	3215.19.00; 3403.99.00; 3506.91.00; 3818.00.00; 3907.99.00; 3907.99.00; 3916.90.00; 3917.39.00; 3919.90.90; 3920.69.90; 3920.99.90; 3921.14.90; 3921.90.90; 5402.11.00; 5404.90.00; 7019.90.90; 8536.90.00; and 8544.49.00	Various rates as per current CET	0%
Duty remission - no time frame limit	Inputs used for the manufacture mosquito repellents	4817.30.00; 4819.10.00; 5407.51.00; and 3921.19.90	Various rates as per current CET	0%
	Inputs used in the manufacture of foods and beverages	2106.90.20	Various rates as per current CET	10%
Stay of Application (Increase) for one year	Float, toughened and multiple-walled insulating units of glass	7005.10.00; 7005.21.00; 7005.29.00; 7005.30.00; 7007.19.00; 7007.29.00; and 7008.00.00	10%	35%

The proposed changes to the Common External Tariff for the year 2024/2025



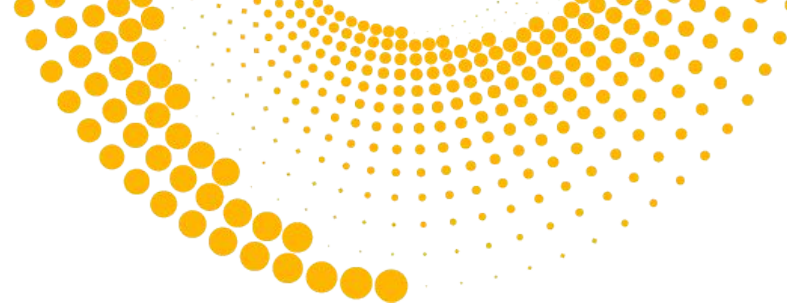
The proposed changes in the Common External Tariff ("CET")	Item	HS Code	Old rate	New rate
Stay of Application (Increase) for one year - cont'	Ceramic tiles	6907.21.00; 6907.22.00; and 6907.23.00	35%	35% or USD 3 per square meter, whichever is higher
	Flat-rolled products of iron or non-alloy steel	7210.49.00; 7210.61.00; 7210.69.00; 7210.70.00; 7210.90.00; and 7212.30.00	25% or USD 200/MT	25% or USD 300/MT, whichever is higher
	Flat-rolled products of iron or non-alloy steel	7212.40.00 and 7212.50.00	35%	25% or USD 300/MT, whichever is higher

The proposed changes to the Common External Tariff for the year 2024/2025



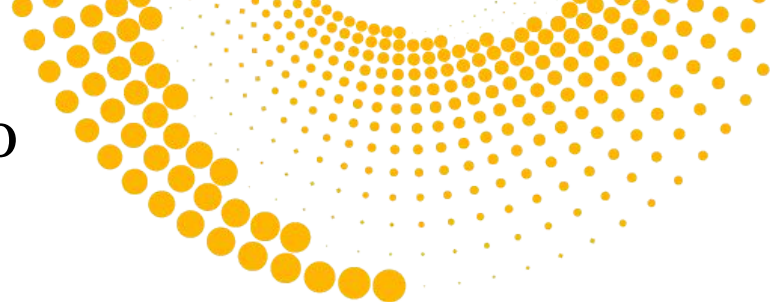
The proposed changes in the Common External Tariff ("CET")	Item	HS Code	Old rate	New rate
Stay of Application (Increase) for one year - cont'	Flat-rolled products of iron or non-alloy steel	7212.60.00	10%	10% or USD 300/MT, whichever is higher
	Iron and steel flat rods products	7225.91.00; 7225.92.00; and 7225.99.00	10%	25% or USD 300/MT, whichever is higher
	Corrugated iron sheets	7210.41.00	35%	35% or USD 500/MT, whichever is higher
	Salt	Heading - 2501	25% or 35%	50%

The proposed changes to the Common External Tariff for the year 2024/2025



The proposed changes in the Common External Tariff ("CET")	Item	HS Code	Old rate	New rate
Stay of Application (Increase) for one year - cont'	Semi-finished flat rolled products	7226.99.00	10%	10% or USD 300/MT, whichever is higher
	Refined vegetable oils	1507.90.00; 1508.90.00; 1509; 1510; 1511.90.30; 1511.90.90; 1512.19.00; 1512.29.00; 1513.19.00; 1513.29.00; 1514.19.00; 1514.99.00; 1515.19.00; 1515.29.00; 1515.50.00; 1515.60.00; and 1515.90.00	35%	35% or USD 500/MT, whichever is higher
Remission with no timeframe limit	Structure of hybrid motor vehicle	8703.40.00; 8703.50.00; 8703.60.00; and 8703.70.00	25%	0%

The proposed measures that were taken into effect in the financial year 2023/24 which continue to be implemented in 2024/25



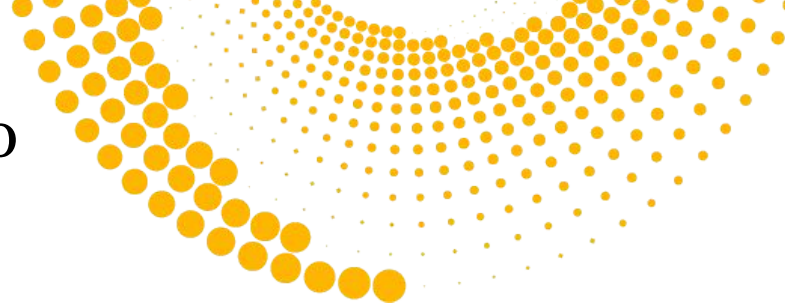
The proposed changes in the Common External Tariff ("CET")	Item	HS Code	Old rate	New rate
Stay of Application (Increase) for one year	Cocoa powder, not containing added sugar or other sweetening matter	1805.00.00	0%	10%
	Iron and steel products	7209.16.00; 7209.17.00; 7209.18.00; 7209.25.00; 7209.26.00; 7209.27.00; 7209.28.00; 7209.90.00; 7211.23.00; 7211.90.00; 7226.92.00; and 7225.50.00	10%	10% or USD 125/MT, whichever is higher
	Iron and steel reinforcement bars and hollow profile	7213.10.00; 7213.20.00; 7213.99.00; 7306.30.00; 7306.50.00; 7306.61.00; 7306.69.00; and 7306.90.00	25% or USD 200/MT, whichever is higher	25% or USD 250/MT, whichever is higher
	Monofilament of which any cross-sectional dimension exceeds 1mm, rods, sticks and profile shapes whether or not surface worked but not otherwise worked of plastics	3916.10.00; 3916.20.00; and 3916.90.00	0%	10%

The proposed measures that were taken into effect in the financial year 2023/24 which continue to be implemented in 2024/25



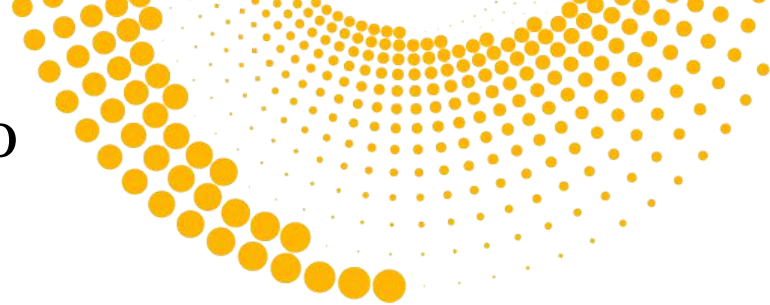
The proposed changes in the Common External Tariff ("CET")	Item	HS Code	Old rate	New rate
Stay of Application (Increase) for one year - cont'	Paper products	4804.29.00	10%	25%
	Safety matches	3605.00.00	25%	25% or USD 1.35/kg, whichever is higher
	Mineral water	2201.10.00	25%	60%
	Gypsum powder	2520.20.00	0%	10%
	New pneumatic tyres of rubber, of a kind used on motorcycles	4011.40.00	10%	25%
	Flat-rolled products	7212.20.00	10%	10% or USD 125/MT, whichever is higher

The proposed measures that were taken into effect in the financial year 2023/24 which continue to be implemented in 2024/25



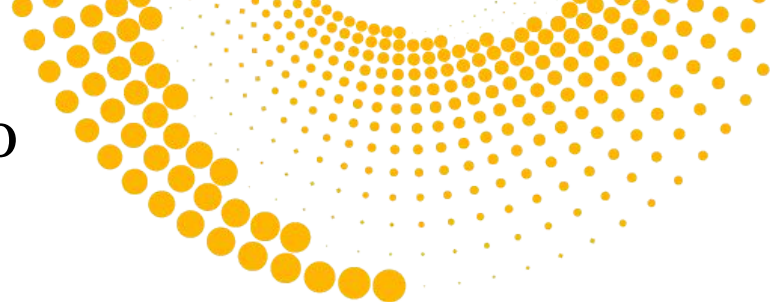
The proposed changes in the Common External Tariff ("CET")	Item	HS Code	Old rate	New rate
Stay of Application (Increase) for one year - cont'	Baby diapers	9619.00.90	25%	35%
	Cotton yarn	Headings 5205; 5206; and 5207 except HS Code 5205.23.00	10%	25%
	Horticultural products	0604.20.00; 0604.90.00; 0808.10.00; and 0808.30.00	25%	35%
	Polyester/ Nylon Twine	5607.50.00	10%	25%
	Flat-rolled products of iron or non-alloy steel	7210.30.00	25%	25% or USD 250/MT, whichever is higher
	Imported cotton grey fabric	5208.11.00; 5208.12.00; 5208.13.00; 5208.19.00; 5209.11.00; 5209.12.00; 5209.19.00; 5210.11.00; 5210.19.00; 5211.11.00; 5211.12.00; 5211.19.00; 5212.11.00; and 5212.21.00	25%	25% or 0.25 USD per meter, whichever is higher

The proposed measures that were taken into effect in the financial year 2023/24 which continue to be implemented in 2024/25



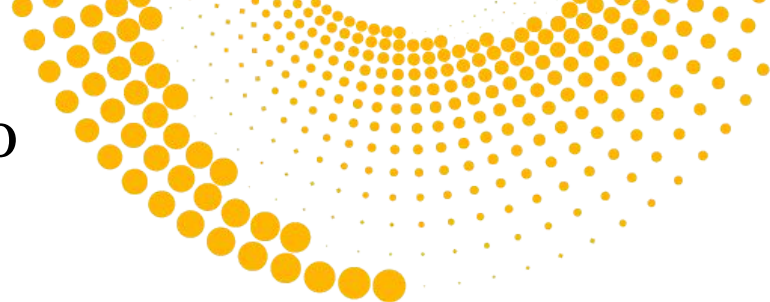
The proposed changes in the Common External Tariff ("CET")	Item	HS Code	Old rate	New rate
Stay of Application (Increase) for one year - cont'	Imported items (Other paper, paperboard, cellulose wadding and webs of cellulose fibres)	4811.90.00	10%	25%
	Nails, tacks, drawing pins, corrugated nails staples (other than those of heading 83.05) and similar articles of iron or steel, whether or not with heads of other materials	7317.00.00	35%	35% or USD 350 per metric ton, whichever is higher
	Crude vegetable oils of soya-beans, groundnuts, coconuts, mustard and linseed	1507.10.00; 1508.10.00; 1513.11.00; 1513.21.00; 1514.11.00; 1514.91.00; and 1515.11.00	0%	10%
Stay of Application (Decrease) for one year	Cash registers and other Electronic Fiscal Device (EFD) Machines and Point of Sale (POS) imported by the Government or authorized persons	8470.50.00; and 8470.90.00	10%	0%

The proposed measures that were taken into effect in the financial year 2023/24 which continue to be implemented in 2024/25



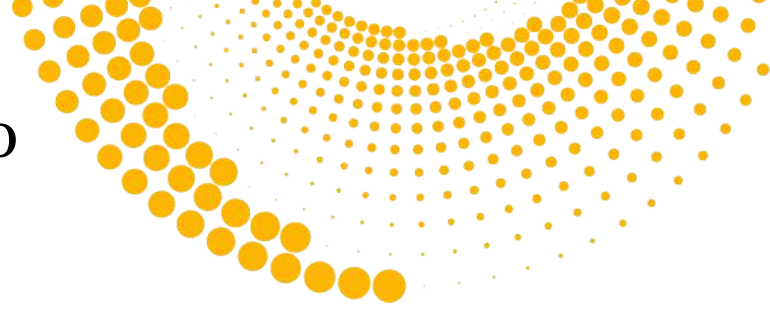
The proposed changes in the Common External Tariff ("CET")	Item	HS Code	Old rate	New rate
Stay of Application (Decrease) for one year - cont'	Worn items of clothing, footwear and articles	6309.00.10; 6309.00.20 and 6309.00.90	35% or USD 0.40/kg, whichever is higher	35%
	Milk cans	7310.10.00 and 7310.29.90	25%	0%
	Refined sugar (sugar for industrial use)	1701.99.10 and 1701.99.20	100% or USD 460/MT, whichever is higher	10%
	Smart cards imported by the National Identification Authority	8523.52.00	25%	0%
	Imported Vitenge	5208.51.10; 5208.52.10; 5209.51.10; 5210.51.10; 5211.51.10; 5212.15.10; 5212.25.10; 5513.41.10; and 5514.41.10	50%	35%

The proposed measures that were taken into effect in the financial year 2023/24 which continue to be implemented in 2024/25



The proposed changes in the Common External Tariff ("CET")	Item	HS Code	Old rate	New rate
Stay of Application (Decrease) for one year - cont'	Buses for transportation of more than 25 persons imported for rapid transport project	8702.10.99 and 8702.20.99	25%	0%
	Cane sugar imported under a permit issued by the Tanzania Sugar Board	1701.14.90	100% or USD 460/MT, whichever is higher	35%
Duty remission for one year	Corks and stoppers used as inputs by domestic manufacturers of local wines	4503.10.00	10%	0%
	Packaging materials used for packing processed coffee	7310.21.00; 6305.10.00; 3923.50.10; 3923.50.90; and 3920.30.90	25%	0%
	Sacks and bags of polymers of ethylene used as inputs by domestic processors of cashew nuts	3923.21.00	25%	0%
	Input used used by domestic processors of cotton lint	3920.30.90; 6305.39.00; and 7217.90.00	25%	0%

The proposed measures that were taken into effect in the financial year 2023/24 which continue to be implemented in 2024/25



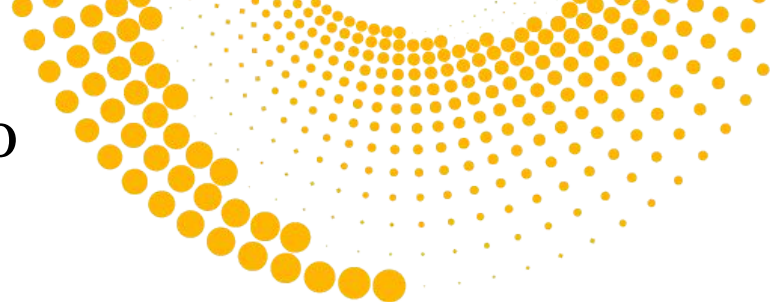
The proposed changes in the Common External Tariff ("CET")	Item	HS Code	Old rate	New rate
Duty remission for one year - cont'	Raw materials used to manufacture sanitary pads and baby diapers		25% or 10%	0%
	Packaging materials for seeds used by local producers of agricultural seeds	3923.29.00; 6305.10.00; 4819.40.00; 7310.29.90; 6305.33.00; 6305.20.00; 6304.91.90 and 7607.19.90	25%	0%
	Imported wheat grain	1001.99.10 and 1001.99.90	35%	10%
	Refined Bleached Deodorized (RBD) Palm Stearin	1511.90.40	10%	0%
	Organic surface-active agents used by manufacturers of detergents and liquid soaps	3402.31.00; 3402.39.00; and 3402.49.00	10%	0%
	Raw material used in leather processing	3208.20.10; 3208.20.20; 3208.90.20 and 3210.00.10	25% or 10%, whichever is higher	0%

The proposed measures that were taken into effect in the financial year 2023/24 which continue to be implemented in 2024/25



The proposed changes in the Common External Tariff ("CET")	Item	HS Code	Old rate	New rate
Duty remission for one year - cont'	Raw materials used to manufacture different types of fertilizer	2710.99.00; 2528.00.00; and 3505.20.00	25% or 10%, whichever is higher	0%
	Packaging materials for processed tobacco	5310.10.00	25%	0%
	Packaging materials used by local manufacturers of tea (blenders)	4819.20.90; 5407.44.00; and 3923.29.00	25%	0%
	CKD for three-wheel motorcycle excluding chassis and its components	8704.21.90	25%	10%
	Inputs used to manufacture glass reinforced plastic pipes	3920.61.10, 7019.39.00, 7019.31.00, 6006.90.00, 7019.12.00, 3920.10.10, 4016.93.00, and 3907.91.00	25%	10%

The proposed measures that were taken into effect in the financial year 2023/24 which continue to be implemented in 2024/25



The proposed changes in the Common External Tariff ("CET")	Item	HS Code	Old rate	New rate
Duty remission for one year - cont'	Raw materials used to manufacture food flavors	1901.90.10; 3302.10.00; and 3505.10.00	10%	0%
	Inputs used to manufacture corrugated boxes	4804.39.00; 4805.11.00; 4805.19.00; 4805.24.00; and 4805.25.00	10%	0%
	Inputs used to manufacture soap	3401.20.10	35%	10%
	Inputs used to manufacture electrical cables	7312.10.00; 7217.20.00; 7408.19.00; 7409.11.00; 7605.21.00; 2710.19.56; 3815.90.00; 5402.19.00; 5903.90.00; 7907.00.00; and 2712.10.00	10% or 25%	0%
	Inputs/raw materials used to manufacture capital goods/equipment	7214; 7215; 7216; 3208; 73.07; 8311; 8544; 6806; 7419; 7208; 7306; 7312; 7315; 7318; 8482; 8483; 7222; 7304; 8481; 8484; 7325; 4010; and 7606	10%, 25%, or 35%	0%
	Inputs used to manufacture radiators	7409.11.00; 7409.19.00; 7410.11.00; 7410.12.00; 7409.21.00; 8001.10.00; and 3810.90.00	10%, 25%, or 35%	0%

The proposed measures that were taken into effect in the financial year 2023/24 which continue to be implemented in 2024/25



The proposed changes in the Common External Tariff ("CET")	Item	HS Code	Old rate	New rate
Duty remission for one year - cont'	Inputs used to manufacture wiring harnesses for vehicles and motorcycles	8538.90.00; 4016.99.00; 8205.59.00; 8536.10.00; 8536.69.00; 8536.90.00; 8547.20.00; 3926.90.90; 3917.32.00; and 8544.30.00	10% or 25%	0%
Duty remission with no timeframe limit	Raw materials and industrial inputs used to manufacture textiles and leather footwear			

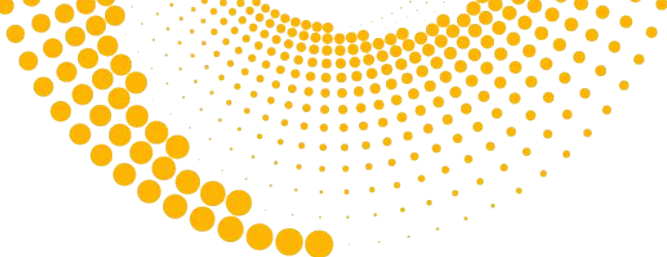




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Please let us know if you would like to discuss further...



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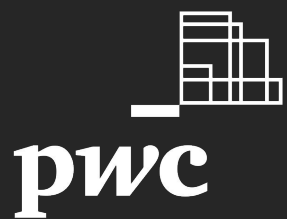
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