

YEAR 2007 FISCAL POLICY MEASURES AND TARIFF AMENDMENTS.

The Federal Executive Council (FEC) has approved the following Fiscal Policy Measures and Tariff Amendments for 2007 Fiscal year:

(A) TARIFF CHANGES:

S/N	Description of Items	HS.Code	New Rate
1.	Tomato Concentrate/in Powder form	2002.9000.92	5%
2.	Ampicillin/Cloxacillin Combination Capsules	3004.2000	10% for 2 years
3.	Adhesives based on Polymers (Other)	3506.9900.00	5%
4.	Bicycle tyres and tubes	4011.5000.00	10%
5.	Raw Skin of Sheep, Lamb, Cow or Goat. (Wet Blue Leather)	4104.1100.00 4105.1000.00 4106.2100.00 - 9100.00	} }5% }
6.	Chemical Wood Pulp (Coniferous)	4703.1100.00	5%
7.	Paper and Paper Board: (i) in Rolls (a) Printed (b) Not Printed (Plain)	4810.1300.10 4810.1300.11	20% 5%
8.	Polyester Staple Fibre	5503.2000.00 and 5506.2000.00	20%
9.	Electrolytic Tin Plates: Flat rolled product of iron or non alloy steel of a width of 600mm or more, clad, plated or coated plated or coated with Tin: -- of thickness of less than 0.5mm (Electrolytic Tin Plate) Otherwise Plated or Coated with Chromium Oxides or with Chromium and Chromium Oxide (Tin Free Steel)	7210.1200.00 7210.5000.00	5% 5%

10.	Gas Cooker:		
	(i) CKD form	7321.1100.11	10%
	(ii) Fully Built Up (FBU)	7321.1100.12	50%
	Electric Cooker:		
(i) CKD form	8516.6000.11	10%	
(ii) Fully Built Up (FBU)	8516.6000.12	50%	
11.	Aluminum Plates, Sheets and strip, of a thickness whether or not exceeding 0.2mm:		
	--Rectangular (including Square):		
	-- Of aluminum not alloyed:		
	Other:		
	(Plain Aluminum Coil)		
Of Aluminum alloyed:	7606.1100.13	5%	
--Other:			
(Plain Aluminum Coil)			
--Other:	7606.1200.19	5%	
Of Aluminum not alloyed)			
(plain Aluminum Coil)	7606.9100.93	5%	
Of Aluminum alloyed:			
Other:	7606.9200.99	5%	

(B) FISCAL POLICY MEASURES:

(i) VAT EXEMPTION ON BICYCLE/MOTORCYCLE PARTS

VAT Exemption on Bicycle SKDs and Motorcycle CKDs shall be extended to "Parts" in consonance with the FIRS original Circular of 1997/99 for the promotion of mass transit and in order to make spare parts affordable for vehicles maintenance. In consideration of the fact that bicycles are imported in Semi Knocked Down parts (SKDs) following the prohibition of some parts, bicycle SKDs shall attract 5% duty rate.

(ii) **BAN ON IMPORTATION OF SOAP NOODLES AND FLAKES:**

Importation of Soap Noodles and Flakes are prohibited due to excess local capacity of finished soap and dumping of finished detergent under the guise of soap flakes. The ban on finished soap HS.Codes 3401 & 3402 is hereby extended to soap noodles and flakes.

(iii) **INCENTIVES FOR CEMENT PRODUCERS:**

Plants, Machinery and Equipment (including Steel Structures) for the manufacture of cement and allied products shall attract zero percent duty rate and are exempted from VAT payment, while spare parts shall attract 5% duty rate, irrespective of their HS Codes classification.

(iv) **EXTENSION OF INCENTIVE FOR SHOES PRODUCERS:**

Shoe parts in CKD form shall continue to enjoy 10% duty rate for one year, pending the production of its raw material by Eleme Petrochemical Plant.

(v) **VAT EXEMPTION FOR BISCUITS:**

Locally manufactured biscuits are hereby exempted from VAT payment in line with other food items that are VAT free.

(vi) **INDUSTRIAL PLANT AND MACHINERY:**

Industrial Plant Machinery under chapters 84, 85 and 90 shall continue to attract zero percent duty and VAT exemption in the 2007 fiscal year.

(vii) **ZERO PERCENT CONCESSION FOR NATURAL GAS BASED INDUSTRIES/ESTABLISHMENTS:**

Importation of materials, machinery, equipments, parts and accessories by establishments engaged in the exploration, processing or power generation through the utilization of Nigerian gas for their operations shall attract zero percent duty rate and are exempted from VAT payment in the 2007 Fiscal Year.

(viii) **ZERO PERCENT DUTY ON LONG LASTING INSECTICIDES TREATED NETS:**

Long Lasting Insecticides Treated Nets (LLINS) products, certified by World Health Organisation Pesticides Evaluation Scheme (WHO-PES), shall continue to attract zero percent duty rate, and shall be imported only under HS. Code 5608.1900.12. However, duty rate on Mosquito nets HS.Codes 5608.1900.11, 6304.9100.92, 6304.9100.93,

6304.9200.94, 6304.9200.95, 6304.9300.96, 6304.9300.97, 6304.9900.98, and 6304.9900.99 shall continue to attract 20% and 30% levy, while duty rate on ordinary Insecticide Treated Nets ITNS shall remain at 10%.

(ix) The import prohibition on Ampicillin and Cloxacillin Combination has been removed and shall attract 10% duty rate for a period of 2 years.

2. The Federal Executive Council also approved that all Tariff Amendments and Fiscal Measures, as well as implementation Circular approved/issued since inception of the ECOWAS CET shall continue to apply, except where further adjustment becomes necessary.

3. A grace period of 90 days which shall expire on the 14th August, 2007 was also approved for the new rates to enable all importers who have opened form 'M' and must have entered into irrevocable trade agreement before the release of this circular, process and clear their goods at the prevailing duty rates. However, any new import transaction entered into within the grace period shall pay the new duty rate.

4. Please note that the tariff changes and fiscal policy measures take effect from the date of this circular, 15th May, 2007.

5. Please ensure strict compliance with the above directive.


Mrs. Nenadi E. Isman
Honourable Minister of Finance

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