

**IMPLEMENTATION OF THE YEAR 2008 FISCAL POLICY MEASURES AND
TARIFF AMENDMENTS:**

This is to inform you that the Federal Government has approved a number of Fiscal Policy Measures and Tariff Amendments with immediate effect.

2. The measures are as follows:-

(A) IMPORT DUTY TARIFF CHANGES:

S/N	Description of Items	HS.Code	New Duty Rate
1.	Coffee powder in Bulk. of 25kg	0901.9000.00	10%
2.	Oat Meal in Bulk of 25kg	1104.1200.00	10%
3.	Tomato Paste in Pouches and Tins	2002.9000	20%
4.	Ethanol Denatured Ethanol undenatured	2207.2000.00 2207.1000.00	10% 20%
5.	--Other: Writing Ink in bulk	3215.9000.12	5%
	-Other: In retail pack	3215.9000.13	20%
6.	Soap Noodles and Flakes	3402	20% (prohibition lifted)
7.	Printed Flexible Packaging Material	3920.2000.21 3920.4300.42 3920.4900.44 3920.5100.52 3921.9000.91 7607.1900.11 7607.2000.21	20%
8.	Polymers of Ethylene and Polypropylene (Low Density Polyethylene LLDPE and High density) in primary forms	3901.1000.- 2000 3902.1000-9000 3907.9100-9900	5% 5% 5%
9.	Melamine Impregnated Adhesive paper	3921.9000.99	10%
10.	Baby Diapers	4818.4000.20	20%
11.	Incontinence Pad (Adult diapers)	4818.4000.22	5%


BUDGET OFFICE
FEDERAL MINISTRY OF FINANCE
GARKI-ABUJA.

12.	Finished Tea bags	4823.2000.20	10%
	Tea bag filters	4823.2000.22	5%
13.	Alkaline Batteries R20 and R6	8506.8000.82	20%
14.	Cigarettes	2402.1000-9000 and 2403.1000	35% 100% levy

(B) EXCISE DUTY

S/N	Description of Items	HS.Code	New Duty Rate
1.	Wines and Spirits	2208.2000-9000	20%
2.	Manufactured Cigarettes	2402.1000-9000 and 2403.1000	40% Status quo maintained

(C) FISCAL POLICY MEASURES

Fiscal Policy Measures are also approved as follows:-

- (1) **Baby Diapers:** The removal of Baby Diapers HS.Code 4818.4000.20 from Import Prohibition shall continue with 20% duty rate to remain.
- (2) **Incontinence Pad:** Incontinence pads have been removed from import prohibition and to attract 5% with a new HS. Code 4818.4000.22 as created from baby diapers.
- (3) **Exemption of Vegetable Oil from VAT:** Vegetable oil shall be exempted from Value Added Tax payment, in line with the provision for VAT exemption on food items.
- (4) **Bulk Food Packaging:** Importation of bulk food items like Malted Beverage Powder, Instant Coffee powder, Seasoning powder, Mono sodium Glutamate, Oat Meal, which are not locally available shall attract 10% duty rate due to local value addition in hygienic handling and packaging into retail packs. However, the bulk items to be imported must not be less than 25kg. Importation of the above listed items in retail packs shall continue to attract 20%.
- (5) **Excise Duty:**
 - (i) Excise duty rate has been reduced on the following items manufactured locally- Wines, Spirits, Vermont, Liquor and


BUDGET OFFICE
FEDERAL MINISTRY OF FINANCE
GARKI-ABUJA

Fermented Beverages etc HS.Code 2204.1000- 2206.0000 and 2208.2200.00 – 2208.9000.00 from 40% to 20% while imported Wines, Spirits and Vermont shall now attract 20% duty rate plus 30% levy .

- (6) **Removal of Levy on Furniture and Denim Fabrics:** The import levy of 30% as contained in circular Ref. No.BD.12237/S.731/Vol.I/42 dated 31st October, 2006 has been removed for furniture and Denim fabrics. These types of fabrics shall now attract only 20% duty rates and are exempted from import levy. However, this provision is subject to certification that the importers are not trading importers but are the users of those fabrics for the manufacture of furniture and Denim jeans production.

- (7) **Raw Materials for Embroidery Lace:** Embroidery Lace Manufacturers shall continue to enjoy the Special Concession granted them on the importation of their raw materials of Specialised Yarn and Base Fabrics (Base Cloth) at 10% duty rate. The approval covers the following items:

- (i) Yarn of HS. Codes 5401.2000,5402.3300 and 5402.6200
- (ii) Metallic Yarn HS.Code 5605.0000
- (iii) Viscose Yarn (Rayon and Filament) HS.Code 5403.3100, 5403.3200 and 5403.4100.
- (iv) Base Fabrics HS.Code 5208.1100, 5208.2100, 5208.3100, 5512.1100 – 5512.1900.,

- (8) **Removal of Soap Noodles and Flakes from Import Prohibition:**

Soap Noodles and Flakes under chapters 3401 & 3402 shall be removed from Import prohibition and are to attract 20% duty rate.

- (9) **Specialized Carpet Yarn:** Carpet Manufacturers shall continue to import their specialized Yarn at 10%.

The Yarns are as follows:

- a Jute Yarn HS.Code 5307.1000.00 – 2000.00
- b Acrylic yarn HS.Code 5509.3100 – 3200
- c Polypropylene yarn and High Tenacity yarn of nylon HS. Codes:5402.1000,5402.3100,5402.3200,5402.3900,


BUDGET OFFICE
FEDERAL MINISTRY OF FINANCE
GARKI-ABUJA

5402.4100, 5402.4900, 5402.51, 5402.5900, 5402.61 and 5402.6900.

- (10) **Gas Incentive:**
Importation of plants, 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 rates and are exempted from VAT payment in the 2008 Fiscal Year.
- (11) **LLITNs:** Long Lasting Insecticides Treated Nets (LLITNs) must be certified by World Health Organization Pesticides Evaluation Scheme (WHOPES) and are to attract zero percent.
- (12) **Extension of Incentive for CKD Shoes, bags and suitcase Producers:**
Parts of shoes, bags and suitcases and their CKDs, including blanks, shall continue to enjoy 10% duty rate.
- (13) **Prohibited Goods Manufactured in Free Trade Zones:** Goods manufactured or produced in the free trade zones shall be imported into the Customs territory irrespective of whether the goods are prohibited or not, on payment of the appropriate duty. However, prohibited goods that have been assembled or packaged without meeting the 35% value addition requirement shall not be allowed into the Customs territory.
- (14) **Ceramic Products (Sanitary Wares)**
The extant Fiscal Policy on Ceramic products which provides 50% duty rate on Ceramic tiles with a bench mark price of \$3.50 per sq meter C&F, has been extended to Sanitary-wares at 20% duty and 30% levy, with a bench mark price of \$30 per set CIF.
- (15) **Extension of Circular No. BD.12237/S.731/Vol.I/42**
Circular No. BD.12237/S.731/Vol.I/42 dated 31st October, 2006 on the Removal of Some Textiles and Articles Textiles from Import Prohibition, which expired on 31st December, 2007 has been extended until 31st December, 2008.
- (16) **Bicycle Rims**
The removal of bicycle Rims from Import Prohibition shall continue but with 20% duty rate. However, only members of bicycle

Manufacturers Association (BIMAN) of MAN are allowed to import
rims for their factories.

Extension of 2005 – 2006 Tariff Book

3. Also approved is a six-month extension of the 2005 – 2006 Tariff Book, which expired on the 30th June, 2008, effective from 1st July, 2008
4. Please note that this Circular takes immediate effect.
5. Please ensure strict compliance