



National Budget 2017

February 2017

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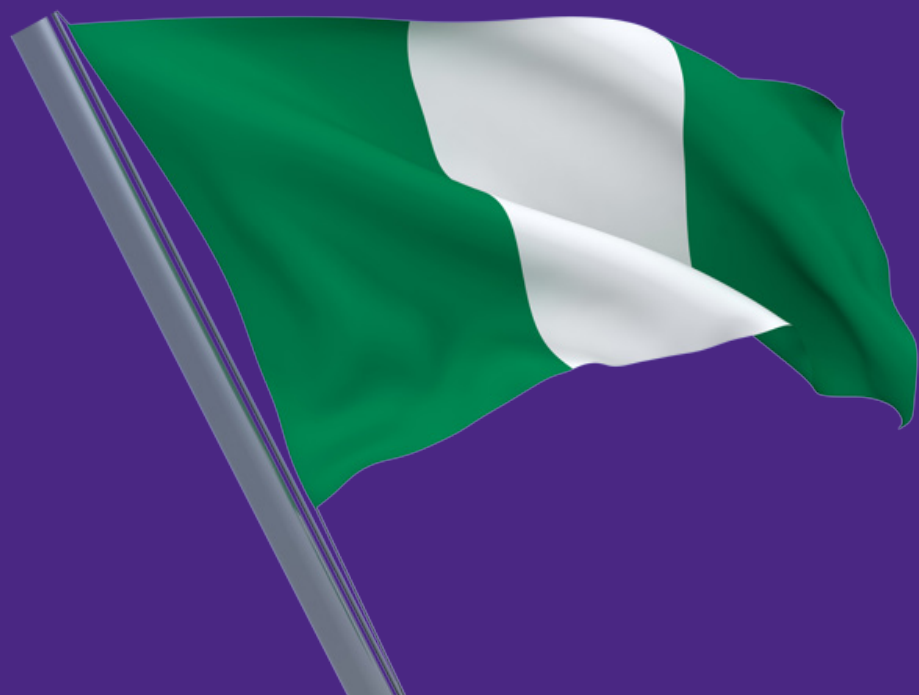


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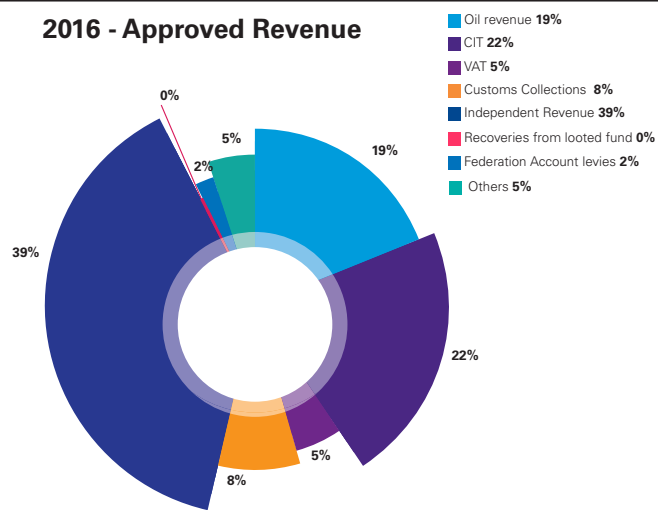
Glossary

BDC	Bureaux De Change
Bpd	Barrel per day
CBN	Central Bank of Nigeria
CET	Common External Tariff
CIT	Companies Income Tax
CPI	Consumer Price Index
ECOWAS	Economic Community of West African States
EEG	Export Expansion Grant
EPZ	Export Processing Zone
FIRS	Federal Inland Revenue Service
FDI	Foreign Direct Investment
FG	Federal Government
FPI	Foreign Portfolio Investment
FY	Fiscal Year
GDP	Gross Domestic Product
GW	Gigawatt
IAT	Import Adjustment Tax
IFEM	Interbank Foreign Exchange Market
JV	Joint Venture
Mbpd	Million barrel per day
MDA	Ministries, Departments and Agencies
MPR	Monetary Policy Rate
MTEF	Medium Term Expenditure Framework
NASS	National Assembly
NBS	National Bureau of Statistics
NCS	Nigeria Customs Service
NPK	Nitrogen, Phosphorus and Potassium
PIT	Personal Income Tax
PPP	Public-Private Partnership
PPT	Petroleum Profits Tax
VAT	Value Added Tax
ZBB	Zero-Based Budgeting

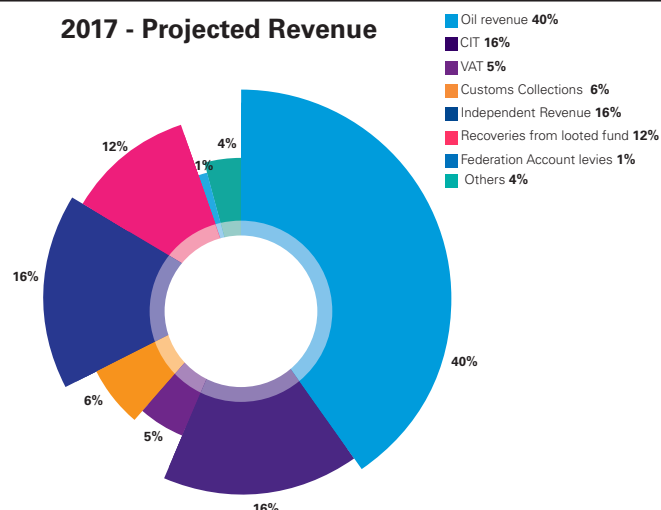
Budget Proposals at a Glance



2016 - Approved Revenue

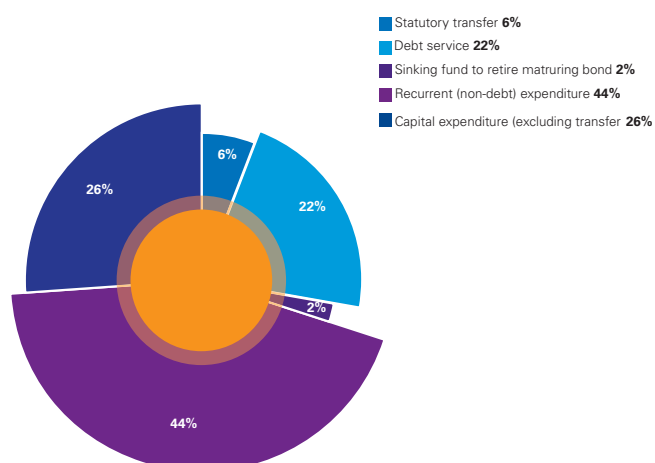


2017 - Projected Revenue

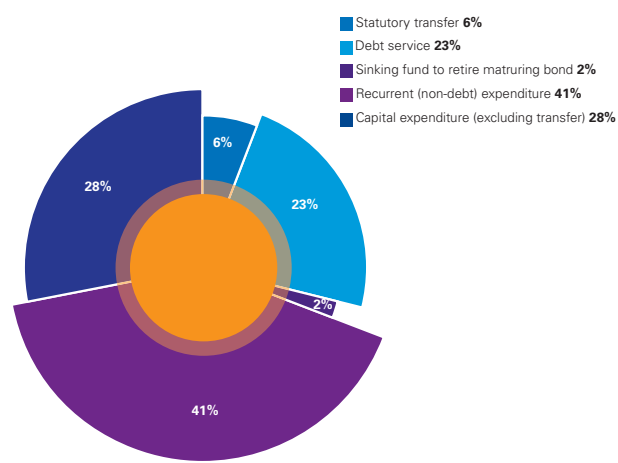


2016 NGN		2017 NGN
4.3%	GDP Growth rate	2.5%
N'Billions		
Approved	Expenditure	Estimate
351	Statutory transfer	419
1,362	Debt service	1,660
113	Sinking fund to retire maturing bond	177
2,645	Recurrent (non-debt) expenditure	2,980
1,589	Capital expenditure (excluding transfer)*	2,062
6,060	Total	7,298
<i>*Capital expenditure (inclusive of transfer) is ₦2,243 billion</i>		
Approved	Revenue	Estimate
718	Oil Revenue	1,985
867	CIT	808
198	VAT	242
326	Customs Collections	278
1,506	Independent Revenue	808
-	Recoveries from looted fund	565
63	Federation Account levies	46
178	Others	210
3,856	Total	4,942
2,204	Fiscal deficit	2,356

2016 Approved Expenditure



2017 Projected Expenditure



Foreword

Nigeria has been experiencing economic turbulence since late 2014. The country's annual gross domestic product (GDP) growth rate dropped from 6.22 percent in 2014 to 2.79 percent in 2015, before plunging into recession in 2016, ending the year at about negative 2 percent growth¹. Inflation, unemployment, underemployment and exchange rates also rose significantly in 2016. The ₦6 trillion 2016 budgetary expenditure of the Federal Government (FG) and its related policy measures and interventions have not realised the intention to improve the nation's economic situation.

The economic downturn can be traced to a myriad of factors – the fall in global crude oil prices being, perhaps, the most prominent. The vandalism of oil and gas facilities by militants in the Niger Delta also contributed in no small measure to the economic upheaval, as crude oil production and power generation witnessed lows of 1.468 million bpd² and 1.4 GW³ in 2016. The delay in the passage of the 2016 Appropriation Bill, the hike in electricity tariffs and the prices of petroleum products, the controversial management of the exchange rate policy by the Central Bank of Nigeria (CBN), and the insurgency in the North East are some of the other factors that pushed Nigeria into the throes of stagflation.

Amidst the grim state of the nation, President Muhammadu Buhari presented the 2017 Budget of Recovery and Growth ("2017 Budget" or "the Budget") to the National Assembly (NASS) on 14 December 2016. The FG is optimistic that the implementation of the Budget will ensure that the Nigerian economy grows by 2.5 percent in 2017. This optimism is mainly hinged on:

- stable oil prices, benchmarked at US\$42.5 per barrel;
- increased oil production of 2.2 million bpd (mbpd);
- improved domestic production and processing of agricultural and petroleum products;
- better efficiency in the running of Ministries,

Departments and Agencies (MDAs) of Government; and

- the ability of the Federal Inland Revenue Service (FIRS) and Nigeria Customs Service (NCS) to ramp up revenue collection.

There is no proposal to change tax rates or impose new taxes in 2017. This reflects current realities and the Government's focus on broadening the tax base rather than increasing tax rates. Accordingly, non-oil revenue is expected to account for 28 percent of total budgetary revenue in 2017, compared to 38% in 2016.

There is no doubt that there are high expectations of a more stable and business-friendly economic climate, which will help reduce poverty and inequality levels in the country. One can therefore hope that the budget proposals will be better administered relative to 2016; even though the NASS is yet to pass the 2017 Appropriation Bill.

This Newsletter reviews the FG's budget proposals for 2017, and highlights how policy changes – particularly tax and regulatory changes – will affect the Nigerian business environment. We hope this will enable you to plan appropriately in 2017.



Kunle Elebute

National Senior Partner
KPMG in Nigeria

¹ www.nigerianstat.gov.ng

² Organisation of Petroleum Exporting Countries September 2016 Oil Market Report

³ www.nsorg.org



Review of Nigeria's Economy in 2016

Nigeria's economic performance worsened in 2016. The economy was severely affected by the plunge in crude oil prices, decline in oil production, and the reduction in non-oil exports, all of which contributed to the acute scarcity of foreign exchange. The economy was also adversely affected by the knock-on effects of foreign exchange controls introduced by the CBN in 2015, especially the foreign exchange restriction of 41 import items, some of which are direct inputs required by the manufacturing and agro-allied industries.

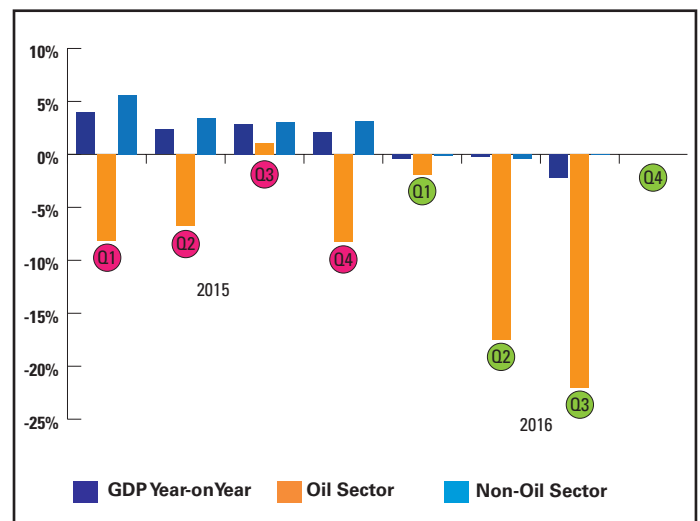
This section analyses some key economic indicators in 2016, and provides a quick review of the 2016 Budget.

Key Economic Indicators

Gross Domestic Product (GDP)⁴

The Nigerian economy recorded 3 consecutive quarters of economic contraction in 2016. The GDP in the third quarter of 2016 continued the downward trend and contracted by 2.24 percent relative to Q3 2015. While the oil sector continued its decline, the non-oil sector moved in the opposite direction and grew slightly by 0.03 percent. Virtually all major sectors of the economy were in recession with the exception of Agriculture and Information & Communications.

There is an urgent need for the FG to take steps to spur growth in the following six sectors of the economy, which accounted for approximately 80% of GDP as at Q3 2016: Agriculture, Trade, Information & Communications, Manufacturing, Real Estate, and Mining and Quarrying.



Data Source: National Bureau of Statistics (NBS)

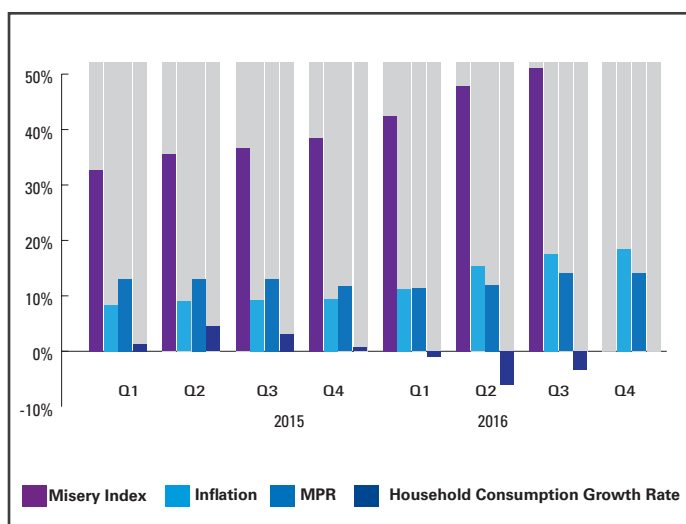
Consumer Price Index (CPI) / Inflation Rate

In 2016, the CPI recorded significant increase in the price level of goods and services nationwide, rising to a 20-year high of 18.55⁵ (year-on-year) in December 2016! The increase was largely due to the devaluation of the Naira, the hike in electricity tariffs and the "modulation" of the prices of petroleum products.

The most affected areas of increase relate to essentials such as housing, water, electricity and gas. The uptick in inflation, combined with rising unemployment and underemployment rates, has increased Nigeria's Misery Index to one of the worst in the world.

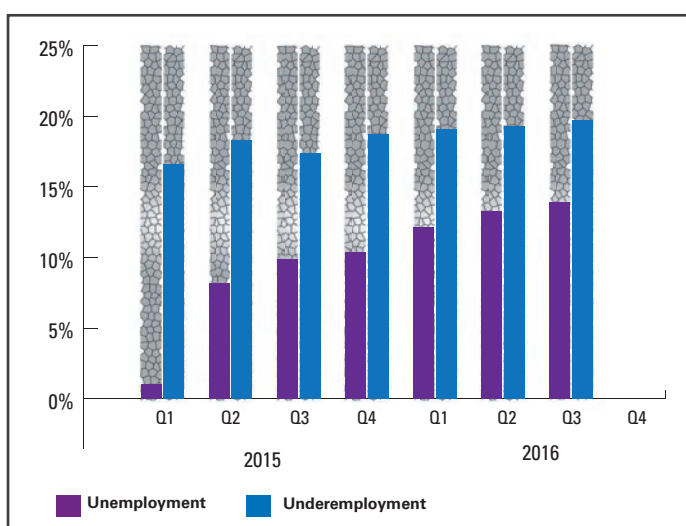
⁴ www.nigerianstat.gov.ng

⁵ www.nigerianstat.gov.ng

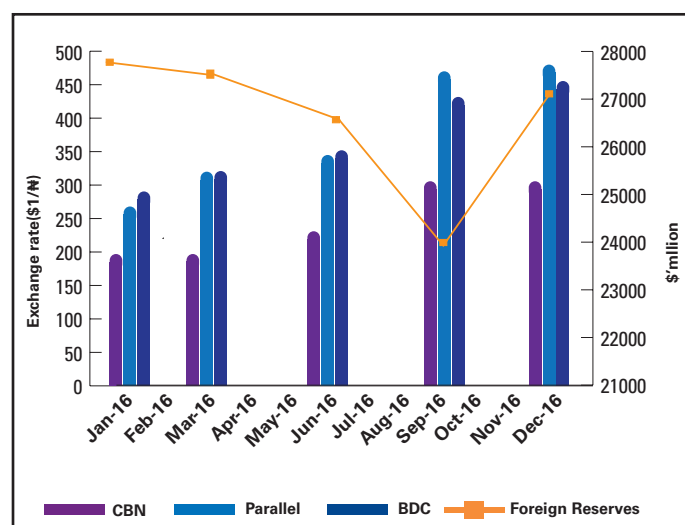


However, in June 2016, the fixed exchange rate policy was officially replaced with a flexible one to be regulated by the Revised Guidelines for the Operation of the Nigerian Inter-Bank Foreign Exchange Market ("Revised Forex Guidelines").

The introduction of the Revised Forex Guidelines was seen by many stakeholders as a welcome development. The general expectation was that exchange rates would be determined by market forces with no spread restrictions, and international monetary transfers would be purchased by Authorised Dealers at the Interbank Foreign Exchange Market (IFEM). The liberalisation of the IFEM was intended to boost investors' confidence, and thus increase foreign exchange supply by attracting foreign direct investment (FDI) and foreign portfolio investment (FPI).



Unfortunately, the CBN's implementation of the Revised Forex Guidelines has been suspect. This has resulted in significant fragmentation of the foreign exchange market, and a wide (and widening) gap between official and parallel market rates.



Data Sources: CBN, Open Data for Africa and KPMG Calculations

Data Sources: CBN, The Nigerian Economic Summit Group

Exchange Rate (₦/US\$) / Interest Rate / Foreign Investment

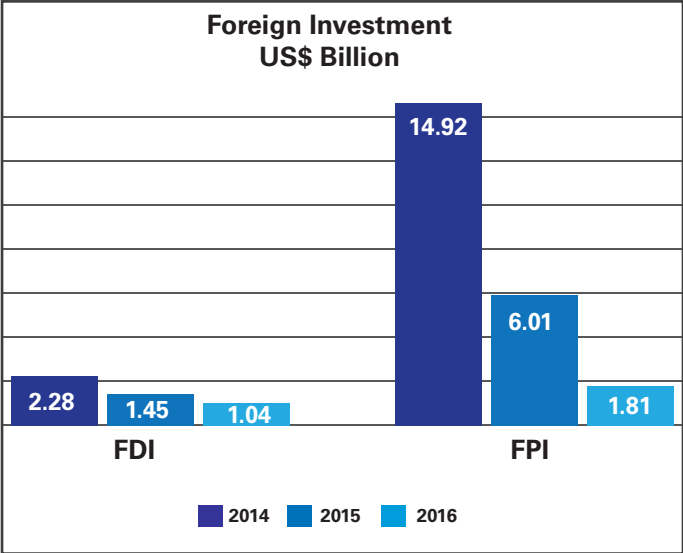
Nigeria depends significantly on oil exports for its foreign exchange earnings. The sharp decline in global oil prices in 2015 and 2016, therefore, hampered foreign exchange supply in the country, whilst demand remained strong. This put significant pressure on the nation's exchange rate.

The CBN maintained a fixed exchange rate of ₦197:US\$1 for the first half of 2016, defending the Naira with a significant portion of the country's foreign reserves.

The CBN's Monetary Policy Rate (MPR) was the principal instrument used in controlling the direction of interest and inflation rates in the economy in 2016. In January 2016, the Monetary Policy Committee (MPC) of the CBN reduced the rate from its 2015 level of 13 percent to 11 percent. However, it was increased to 12 percent in March 2016, and 14 percent in June 2016. Throughout the second half of 2016, the MPC maintained the MPR at 14 percent in order to control inflationary pressure amid foreign exchange scarcity.

The increase in MPR in 2016, amongst other factors, resulted in an uptick in the interest rates charged by deposit money banks during the year, with the prime lending rate and maximum lending rate averaging 16.87% and 27.29%, respectively⁶. The high interest rates in the country have continued to stifle business and economic growth, especially in the real sector of the economy.

In respect of external sector statistics, FDI and FPI continued to dwindle in 2016, relative to prior years. This is largely attributable to the depressed state of the economy and Nigeria’s foreign exchange challenges.



Data source: CBN

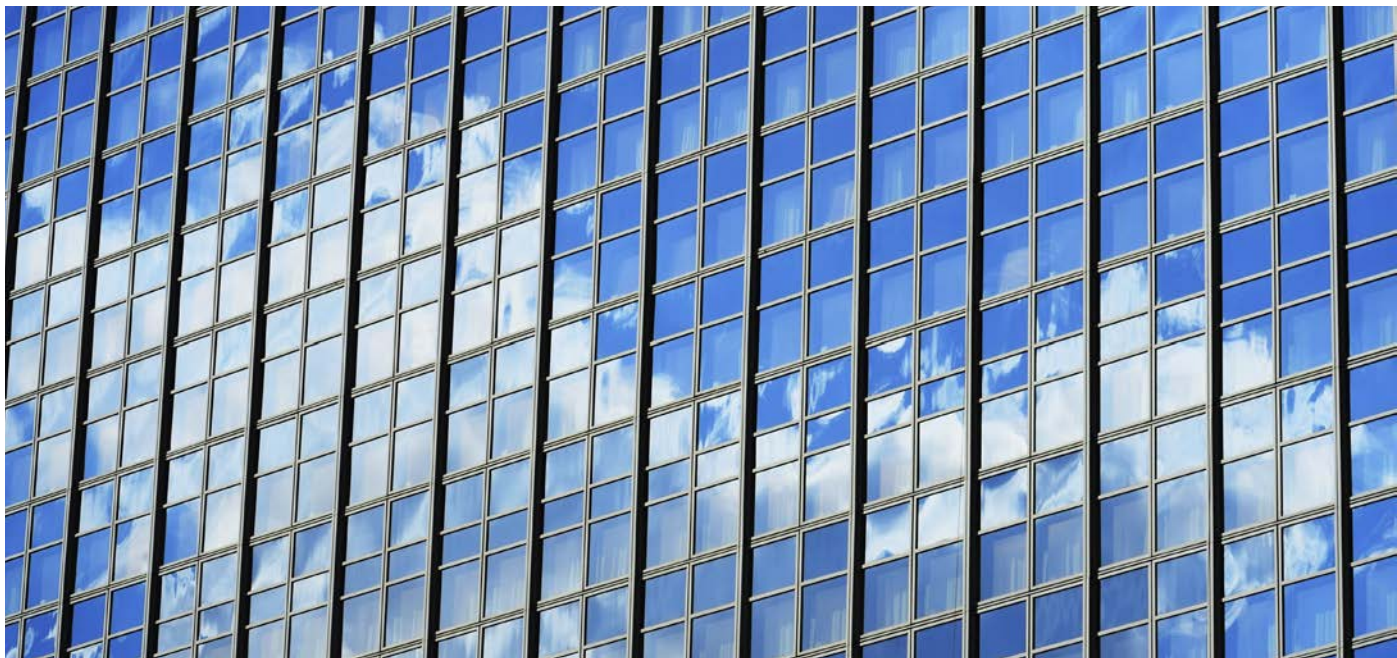
Review of 2016 Budget

The 2016 Budget of Change had a total expenditure outlay of ₦6.06 trillion, and was anchored on an average crude oil price of \$38 per barrel, oil production of 2.2 mbpd and an exchange rate of ₦197:US\$1. The projected deficit was ₦2.2 trillion or negative 2.14 percent of GDP. The implementation of the budget was expected to ensure real GDP growth of 4.3 percent, whilst keeping inflation rate at 9.81 percent.

Sadly, this was not to be, as the above economic indices clearly show.

As at 30 September 2016, the FG had achieved only 75 percent of its target revenue and 79 percent of its target expenditure, compared to the 2015 revenue and expenditure implementation rates of 80% and 94%, respectively.

The under-achievement of the 2016 Budget was generally due to late passage of the Appropriation Bill, revenue-generation challenges, and government bureaucracy and inefficiencies. These issues need to be addressed swiftly and decisively by the FG if the 2017 Budget of Economic Recovery and Growth will be more than a buzzword.





Medium Term Expenditure Framework (2017 to 2019)

The Medium Term Expenditure Framework (MTEF or “the Framework”) highlights the FG’s envisioned policies that will restructure Nigeria from recession to a path of sustainable growth over the next three years. The Framework seems to consider current realities with a view to achieving macroeconomic stability.

The key assumptions underlying the MTEF are as follows⁷ :

Items	2017 FY	2018 FY	2019 FY
Benchmark oil price (US\$ per barrel)	42.5 ⁸	45	50
Oil production volume (Mbpd)	2.2	2.3	2.4
Average exchange rate (\$1:₦)	305	305	305
Average inflation rate (Percentage)	15.74	11.88	12.57
GDP growth rate (Percentage)	2.5	4.26	4.04

To achieve the above projections, the FG proposes the following objectives:

- i. Enabling business environment to boost investors’ confidence. This would happen by lowering cost of business and improving living conditions of Nigerians.
- ii. Continued adoption of the zero-based budgeting (ZBB) system introduced in 2016. This will ensure that only projects and programmes, which align with the FG’s economic priorities, are executed.
- iii. Evaluation and strengthening of frameworks for concessions and public-private partnerships (PPPs) for the purpose of bridging the country’s infrastructure gap. This is classified as one of the FG’s priorities as the Government cannot finance infrastructural investment alone. The PPP will focus

⁷ These projections are based on the August 2016 version of the MTEF, the 2017 budget proposals, and newspaper reports on the revised MTEF submitted by the FG to the NASS in December 2016. The revised MTEF is currently not publicly available.

⁸ We are aware that the NASS revised the benchmark price to US\$44.5 when it approved the revised MTEF in January 2017. However, the approved MTEF is currently not publicly available.

on key projects (such as railway construction and power generation) in order to create an enabling environment for business in Nigeria.

- iv. Reform in the oil and gas sector. This will include creating a competitive business environment for enhanced exploration and exploitation of petroleum resources, promoting local content, protecting health and environment, and increasing gas production.
 - v. Improved revenue mobilisation from non-oil sector.
 - vi. Continuation of the public finance management reforms to enhance accountability and transparency. To achieve these objectives, projects such as
- the operation of the Integrated Personnel and Payroll Information System, compliance with the International Public Sector Accounting Standards, and continuous audit of government expenditure are to be rigorously pursued.
 - vii. Diversification of the economy. The focus will be on the small and medium enterprises in the mining and agricultural sectors.
 - viii. Sustainable debt management which remains within the statutory threshold of 3 percent of GDP as stipulated by the Fiscal Responsibility Act, 2007.



2017 Budget Highlights⁹

The 2017 Budget is intended to expand PPP and partner with development capital, to leverage and catalyse resources for growth. Other key objectives of the Budget include:

- a. Focusing on the rapid development of infrastructure such as roads, railways, power, information and communications technology, etc., that have quick positive effects on the economy.
- b. Utilising Special Economic Zones and Industrial Parks as vehicles to accelerate domestic economic activity for innovation and wealth creation.
- c. Contributing to food security and creating platforms for agro-business in agriculture supply chains through the Agriculture Green Alternative Plan.
- d. Establishing a new Social Housing Fund to deepen the mortgage system and expand its availability across all States of the Federation.
- e. Encouraging and stimulating the growth of small and medium scale industries for innovation, job creation, productivity and wealth creation.
- f. Achieving self-sufficiency in food and other products, and patronising made-in-Nigerian goods and services.
- g. Reviving Nigeria's fertilizer blending plants to ensure that local inputs for agriculture, such as NPK fertilizer, are available and affordable.
- h. Recapitalising the Bank of Industry and Bank of Agriculture with ₦15 billion.
- i. Stabilising and creating coherence in the monetary, fiscal and trade policies of the nation.
- j. Diversifying the economy and creating more jobs.
- k. Enhancing public service delivery and security.
- l. Providing social safety nets for poor and vulnerable Nigerians.

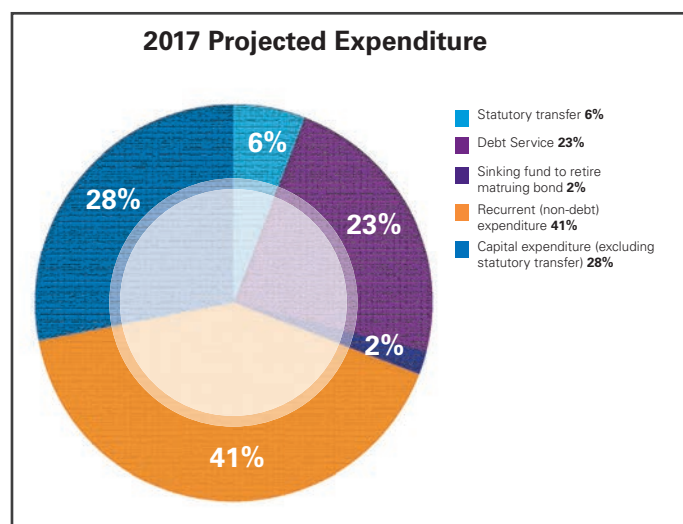
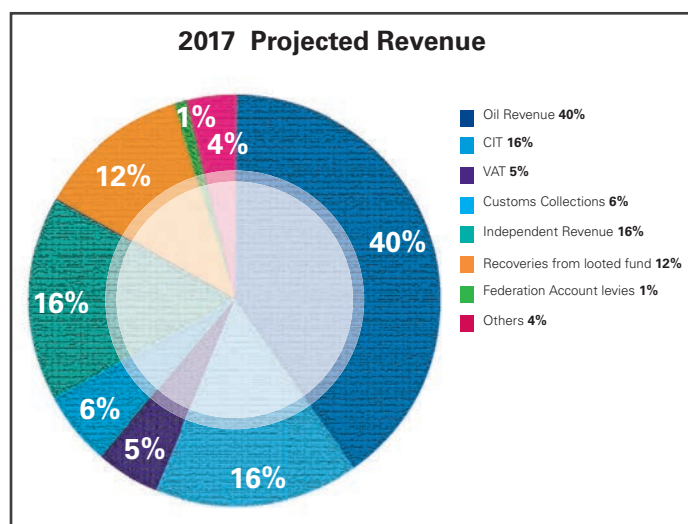
Revenue and Expenditure Estimates

Revenue

The aggregate revenue projected in the 2017 budget is ₦4.94 trillion, out of which oil revenue will contribute ₦1.985 trillion. This is based on an estimated crude oil production of 2.2 mbpd converted at an exchange rate of ₦305:US\$1.

Non-oil revenue for the year is projected at ₦1.373 trillion, which represents about 28 percent of the budgeted revenue. Independent revenues, various recoveries and mining will account for the balance of about ₦1.584 trillion.

⁹ These highlights are based on both the Budget Speech by President Muhammadu Buhari and the Budget Briefing presentation subsequently made by the Honourable Minister of Budget and National Planning.



Expenditure

The 2017 budgetary expenditure is estimated at ₦7.30 trillion. This represents an increase of about 20 percent over 2016. However in real terms, using an average inflation rate of 15.6 percent, total expenditure increased by a mere 4 percent in 2017. The capital expenditure (exclusive of statutory transfers), which constitutes a larger part of 2017 budget (about 28 percent of the projected spending) increased from ₦1.59 trillion in 2016 to ₦2.06 trillion in 2017. This indicates that the FG plans to further improve infrastructure and security in the country.

The Ministry of Power, Works and Housing is the MDA with the highest capital allocation with a budget of ₦529.34 billion. The Ministry of Transportation and Ministry of Education come in second and third with projections of ₦262 billion and ₦142 billion, respectively. The allocation of the total budgetary expenditure is detailed in **Appendix 1**.

In 2017, debt servicing is projected to increase by 22 percent¹⁰, which is above the current inflation level, indicating a real increase in the country's debt burden as the FG plans to increase borrowings.

Tax and Regulatory Policies

Interestingly, there are no significant changes to tax and regulatory policies in the 2017 budget proposals. However, Government intends to broaden the tax base, improve the effectiveness of the revenue-collection agencies and tax compliance. Consequently, audit activity will increase across the board; with particular focus on transfer pricing.

The highlights of the budget as regards tax are as follows:

Companies Income Tax (CIT) and Personal Income Tax (PIT)

The budget does not make reference to changes in CIT and PIT rates in 2017.

Petroleum Profits Tax (PPT) and Royalties

- There is no proposal to change the PPT rate.
- However, there is a proposal for a new joint venture (JV) funding mechanism, which will dispense with the need for the FG to provide JV cash calls and allow for cost recovery.

¹⁰ From ₦1.36 trillion in 2016 to ₦1.66 trillion in 2017.

Value Added Tax (VAT)

The budget does not make reference to changes in VAT rate in 2017. However, there are reports that the FG may adopt a higher VAT rate for luxury items. We definitely need a more comprehensive VAT reform comparable to what obtains in other countries where a higher VAT rate is matched with input VAT recovery and lower income tax rate. This is consistent with the shift from direct to indirect taxes enshrined in the National Tax Policy.

Customs Duties

- The budget does not make reference to changes in custom duties rates in 2017.
- In October 2016, the FG approved the ECOWAS Common External Tariffs (CET) for 2015 to 2019 alongside its 2016 Fiscal Policy Measures.
- Aside from the reduction of import duty for certain items in the 2016 Fiscal Policy Measures, the CET includes an Import Adjustment Tax (IAT), which is a temporary provision to allow ECOWAS member states to adjust to the ECOWAS CET during the transitional period.
- The IAT component of the ECOWAS CET would continue to be gradually phased out until the 2020 deadline when the detailed provision of the ECOWAS CET would be in full force.
- Additional items originating from non-ECOWAS member states were added to the Import Prohibition List.
- **Appendix 2** shows the revised ECOWAS CET and Import Prohibition List

Tax IncentivesExport Expansion Grant (EEG)

- The FG has proposed to revive the EEG scheme by way of tax credits, thereby incentivising non-oil exporters. ₦20 billion has been budgeted for this purpose.

Export Processing Zone (EPZ)

- The FG intends to expand existing EPZs and develop new ones as part of its strategies for increasing non-oil revenue. ₦50 billion has been estimated for this programme.
- Approved enterprises carrying on approved activities in EPZs are exempt from all legislative provisions pertaining to taxes. The expansion and development of EPZs will create opportunities for new companies to enjoy tax exemption on their operations in the zones.

Domestic borrowing

- The FG is set to finance the 2017 budget deficit by borrowing ₦2.32 trillion; with expected domestic borrowing estimated at ₦1.254 trillion.

Based on the provisions of the CIT (Exemption of Bonds and Short Term Government Securities) Order, 2011, income derived from investing in FG securities is tax-exempt. Therefore, companies might look to include the purchase of treasury bills in their treasury management plans.





Appendix 1

2017 Budget Allocation	
Description	₦
Part A - Statutory Transfers	
National Judicial Council	100,000,000,000
Niger-Delta Development Commission	61,364,607,953
Universal Basic Education	92,456,040,046
National Assembly	115,000,000,000
Public Complaints Commission	4,000,000,000
Inec	45,000,000,000
National Human Right Commission	1,200,000,000
<i>Total - Statutory Transfers</i>	419,020,647,999
Part B - Debt Service	
Domestic Debts	1,488,002,436,547
Foreign Debts	175,882,993,952
<i>Total - Debt Service</i>	1,663,885,430,499
Sinking Fund:	
Sinking Fund To Retire Maturing Bonds	177,460,296,707
<i>Total - Sinking Fund</i>	177,460,296,707
Part C - Recurrent (Non-Debt) Expenditure	
Ministry/Department/Agency	
Executive:	
Auditor General for the Federation	2,693,253,521
Ministry of Budget and National Planning	8,129,490,024
Federal Ministry of Agriculture & Rural Development	31,790,817,608
Ministry of Defence	325,488,229,573
Federal Ministry of Education	398,009,615,150
Federal Ministry of Environment	16,187,383,841
Federal Ministry of Finance	9,495,253,136
Ministry of Foreign Affairs	56,868,775,454
Federal Ministry of Health	252,875,396,663
Federal Ministry of Industry, Trade And Investment	10,806,257,619
Federal Ministry of Information & Culture	41,084,053,254
Federal Ministry of Interior	482,369,717,560
Federal Ministry of Justice	21,038,344,711
Federal Ministry of Labour And Employment	8,671,186,611
Federal Ministry of Mines & Steel Development	10,375,564,741
Federal Capital Territory Administration	-
Federal Ministry of Niger Delta	1,808,882,365
Federal Ministry of Petroleum Resources	62,455,519,807
Federal Ministry of Science And Technology	27,807,809,688
Federal Ministry of Transportation	14,860,103,581
Federal Ministry of Water Resources	7,301,176,944
Federal Ministry of Women Affairs	1,486,534,201
Federal Ministry of Power, Works & Housing	34,873,929,055
Federal Ministry of Youth & Sports Development	78,416,015,167
Fiscal Responsibility Commission	302,848,038
Independent Corrupt Practices And Related Offences Commission (ICPC)	5,159,640,131

2017 Budget Allocation	
Description	₦
Infrastructure Concessionary And Regulatory Commission (ICRC)	884,624,464
Federal Ministry of Communications Technology	11,206,782,734
National Salaries, Income And Wages Commission	631,503,868
Office of The National Security Adviser	67,281,025,653
Office of The Head of The Civil Service of The Federation	6,692,280,969
State House	22,947,666,215
Secretary to The Government of the Federation (SGF)	51,990,014,275
<i>Sub-Total: Executive</i>	2,071,989,696,621
Federal Executive Bodies:	
Code of Conduct Bureau	2,037,582,923
Code of Conduct Tribunal	573,778,581
Federal Character Commission	2,164,721,471
Federal Civil Service Commission	943,761,945
National Population Commission	5,563,110,903
Police Service Commission	708,272,631
Revenue Mobilization, Allocation And Fiscal Commission	2,061,930,637
<i>Sub-Total: Federal Executive Bodies</i>	14,053,159,091
Total - Executive & Federal Executive Bodies	2,086,042,855,712
Service-Wide Votes And Pensions:	
<i>Office Of The Head Of The Civil Service (Civilian Pension)</i>	
Pensions	28,391,013,524
Gratuities	2,300,000,000
Benefits Of Retired Heads Of The Civil Service Of The Federation And Federal Permanent Secretaries	2,599,702,192
<i>Military Pensions And Gratuities (DMP)</i>	
Pensions	65,619,472,577
<i>2017 Expected Retirees</i>	3,170,929,878
Death Benefits	2,115,713,121
<i>Pension Running Costs</i>	150,000,000
2017 Verification Costs	50,000,000
Administrative Costs	50,000,000
<i>Police Pensions And Gratuities</i>	
Pensions	7,412,463,652
<i>Customs, Immigration And Prisons Pension Office</i>	
Pensions	8,420,000,000
<i>Universities' Pensions Including Arrears</i>	
Pensions	14,343,326,479
<i>Parastatals' Pension And Railway Pensions</i>	
Pensions	26,756,754,031
<i>Pre-1996 Nigeria Railway Corporation Pension</i>	
Pensions	2,257,298,262
<i>Department Of State Security</i>	
Pensions (Including Arrears)	7,643,405,446
<i>Nigeria Intelligence Agency</i>	
Pensions/Dependants Benefits	3,709,146,567
NELMCO Pension/Arrears	16,642,621,229
Pensions And Gratuities: Total Allocation	191,631,846,958
Service Wide Votes:	
Service-Wide Votes Pensions	

2017 Budget Allocation	
Description	₦
Arrears of 33% Increase in Pension Rate - Military	14,481,244,610
Arrears of Pension Liabilities	3,000,000,000
Payment of Outstanding Death Benefit to Civil Servants and Police	5,000,000,000
Payment into The Redemption Fund (5% Of Total Personnel Cost) Including Arrears of 2014 and 2015	50,195,808,918
Group Life Insurance for All MDAs Including DSS/Insurance Of Sensitive Assets/Corpers Plus Administration and Monitoring	15,000,000,000
Entitlements of Former Presidents/Heads of State and Vice-Presidents/Chiefs of General Staff	2,300,000,000
<i>Service Wide Votes: Total Allocation</i>	89,977,053,528
Other Service-Wide Votes	
Public Service Wage Adjustment For MDAs (Including Arrears Of Promotion And Salary Increases) & Payment Of Severance Benefits	31,500,000,000
Military Operations : Lafiya Dole & Other Operations Of The Armed Forces	30,000,000,000
Contribution to International Organisations/External Financial Obligations	10,000,000,000
Margin For Increases In Costs And Recurrent Adjustment Costs	6,000,000,000
Contingency (Recurrent)	15,000,000,000
Employees Compensation Act - Employees' Compensation Fund	4,000,000,000
Payment For Outsourced Services	2,000,000,000
Service Wide Training Of Budget/Planning Officers On Gifmis Budget	1,000,000,000
Tsa Operations	5,000,000,000
Ippis Capturing	2,000,000,000
Settlement Of MDA'S Electricity Bills	40,000,000,000
<i>Other Service-Wide Votes - Total Allocation</i>	146,500,000,000
Refunds To Special Accounts	50,000,000,000
Special Intervention (Recurrent)	350,000,000,000
Presidential Amnesty Programme: Stipends, Operations And Reintegration	65,000,000,000
Total CRF Charges	893,108,900,484
Total Recurrent (Non-Debt)	2,979,151,756,196
Part D - Capital Expenditure	
Ministry/Department/Agency	
Executive:	
Auditor General For The Federation	90,509,818
Ministry Of Budget And National Planning	3,572,867,027
Federal Ministry Of Agriculture & Rural Development	91,649,990,014
Ministry Of Defence	140,000,000,000
Federal Ministry Of Education	50,433,487,465
Federal Ministry Of Environment	9,524,482,833
Federal Ministry Of Finance	1,981,348,624
Ministry Of Foreign Affairs	9,795,042,441
Federal Ministry Of Health	51,315,564,740
Federal Ministry Of Industry, Trade And Investment	80,856,946,059
Federal Ministry Of Information & Culture	8,380,248,826
Federal Ministry Of Interior	63,261,062,487
Federal Ministry Of Justice	1,200,000,000
Federal Ministry Of Labour And Employment	8,332,520,400
Federal Ministry Of Mines & Steel Development	12,900,000,000
Federal Capital Territory Administration	37,297,122,872
Federal Ministry Of Niger Delta	33,692,500,001

2017 Budget Allocation	
Description	₦
Federal Ministry Of Science And Technology	37,331,179,072
Federal Ministry Of Transportation	262,000,000,000
Federal Ministry Of Water Resources	85,146,305,445
Federal Ministry Of Women Affairs	3,980,732,000
Federal Ministry Of Power, Works & Housing	529,337,594,442
Federal Ministry Of Youth & Sports Development	5,000,000,000
Fiscal Responsibility Commission	118,155,391
Independent Corrupt Practices And Related Offences Commission (Icpc)	767,865,170
Infrastructure Concessionary And Regulatory Commission (Icrc)	34,310,245
Federal Ministry Of Communications Technology	7,544,169,142
National Salaries, Income And Wages Commission	163,121,916
Office Of The National Security Adviser	43,209,203,765
Office Of The Head Of The Civil Service Of The Federation	1,979,176,735
State House	19,970,000,001
Secretary To The Government Of The Federation (Sgf)	20,981,998,169
<i>Sub-Total: Executive</i>	1,628,940,633,747
Federal Executive Bodies:	
Code Of Conduct Bureau	694,854,364
Code Of Conduct Tribunal	513,616,705
Federal Character Commission	400,000,000
Federal Civil Service Commission	16,171,828
National Population Commission	4,236,308,554
Police Service Commission	1,258,900,000
Revenue Mobilization, Allocation And Fiscal Commission	229,093,337
<i>Sub-Total: Federal Executive Bodies</i>	7,348,944,788
Total: Executive & Federal Executive Bodies	1,636,289,578,535
Capital Supplementation	
Gifmis/Ippis Capital	6,000,000,000
Ossap- Sdgs (Special Projects)	6,000,000,000
Ossap-Sdgs (Conditional Grants & Social Safety Nets)	20,000,000,000
Capital Exigencies/Adjustment To Capital Cost	6,000,000,000
National Development Plans (Ministry Of Budget And National Planning)	1,200,000,000
Head Of Service (Federal Government Staff Housing Loans Board)	1,000,000,000
Zonal Intervention Projects	100,000,000,000
Northeast Intervention Fund	45,000,000,000
Counterpart Funding Including Global Fund/Health	3,500,000,000
Payment Of Local Contractors' Debts/Other Liabilities	25,000,000,000
Galaxy Backbone	4,000,000,000
Contingency (Capital)	10,000,000,000
Recapitalisation Of Development Finance Institutions	15,000,000,000
Subscriptions To Shares In International Organisations	30,000,000,000
Total - Capital Supplementation	272,700,000,000
Capital In FGN Special Intervention Programme	150,000,000,000
Total Capital Expenditure	2,058,989,578,535
Aggregate Expenditure	7,298,507,709,936

Appendix 2

APPROVAL FOR THE IMPLEMENTATION OF THE FISCAL POLICY MEASURES FOR 2016

This is to confirm that His Excellency Mr. President has approved the 2016 Fiscal Policy Measures made up of the Supplementary Protection Measures (SPM) for implementation together with the ECOWAS CET 2015 – 2019 with effect from 17th October, 2016. Consequently, all transactions prior to the effective date of this circular shall be subjected to the tariff rates applicable before the coming into effect of this 2016 Fiscal Policy Measures.

2. The approved SPM in line with the provision of the ECOWAS CET comprise the following:
 - i. An Import Adjustment Tax (IAT) list with additional taxes on 173 tariff lines of the extant ECOWAS CET;
 - ii. A National list consisting of items with reduced import duty rates to promote and encourage development in critical sectors of the economy;
 - iii. An import Prohibition list (Trade), applicable only to certain goods originating from non ECOWAS Member States.
4. This Fiscal Policy Measures supersedes the 2015 Fiscal Policy Measures.
5. You are therefore requested to ensure strict compliance, please.

Kemi Adeosun
Honourable Minister of Finance

ANNEX I

IMPORT ADJUSTMENT TAX (IAT) LIST FOR THE IMPLEMENTATION OF ECOWAS (2015-2019) CET

S/No	ITEMS DESCRIPTION	CET 2015 - 2019 H.C. CODES	TARIFF 2015 FPM	2015-2019 CET (%)		DUTY RECOMMENDED FOR IMPLEMENTATION
				DUTY	IAT	
1	- Containing other antibiotics	3004.20.00.00		0	20	20
2	- Containing alkaloids or derivatives thereof but not containing hormones, other products of heading 29.37 or antibiotics	3004.40.00.00		0	20	20
3	- Other medicaments containing vitamins or other products of heading 29.36	3004.50.00.00		0	20	20
4	- Anti-malarial	3004.90.10.00		0	20	20
5	Manioc (Cassava)	0714.10.00.00	35	20	15	35
6	Wheat and Meslin - Wheat grain	1001.11.00.00	20	5	15	20
7	Other - Flour	1001.19.00.00	70	5	65	70
8	Husked brown rice (Millers- BIP)	1006.20.00.00	70	10	20	30
9	Rice: In packing of more than 5 kg or in bulk	1006.30.10.00	70	10	50	60
10	In packing of 5kg or less	1006.30.90.00	70	10	50	60
11	Broken rice	1006.40.00.00	70	10	50	60
12	Crude palm Oil	1511.10.00.00	35	10	25	35
13	Fraction of oil not fit for Human consumption whether or not deodorised	1511.90.10.00	35	10	25	35
14	Raw cane sugar (beet sugar)	1701.12.00.00	70	20	50	70
15	Raw cane sugar	1701.13.00.00	70	10	60	70
16	Cane or Beet sugar: In powder, crystal or granule form	1701.91.10.00	70	20	50	70
17	Other	1701.91.90.00	70	20	50	70
18	In powder, crystal or granule form	1701.91.10.00	70	20	50	70
19	Other	1701.99.90.00	70	20	50	70
20	Malt Extract	1901.90.30.00	30	5	25	30
21	Tomato paste, powder or concentrate, put up for retail sale	2002.90.20.00	45	35	10	45
22	Other	2002.90.90.00	45	35	10	45
23	Beverages, Spirits and Vinegar: Sparkling wine	2204.10.00.00	70	20	40	60
24	In containers holding 21 or less	2204.21.00.00	70	20	40	60
25	Other	2204.29.90.00	70	20	40	60
26	Other grape must	2204.30.00.00	70	20	40	60
27	In containers holding 21 or less	2205.10.00.00	70	20	40	60
28	Other	2205.90.00.00	70	20	40	60
29	Brandy	2208.20.10.00	70	20	40	60
30	Other	2208.20.90.00	70	20	40	60
31	Whiskies	2208.30.00.00	70	20	40	60
32	Rum and other spirit obtained by distilling fermented sugar-cane products	2208.40.00.00	70	20	40	60
33	Gin and Geneva	2208.50.00.00	70	20	40	60
34	Vodka	2208.60.00.00	70	20	40	60
35	Liqueurs and cordials	2208.70.00.00	70	20	40	60
36	Other	2208.90.00.00	70	20	40	60
37	Tobacco: Cigar, cheroots and cigarillos containing tobacco	2402.10.00.00	70	20	40	60
38	Cigarette containing tobacco	2402.20.00.00	70	20	40	60
39	Other	2402.90.00.00	70	20	40	60
40	"Homogenised" or "reconstituted" tobacco	2403.91.00.00	70	20	40	60

41	Other	2403.99.90.00	70	20	40	60
42	Salt for human consumption including refined salt, table salt and other salt in bags.	2501.00.20.00	70	10	60	70
43	Portland cement, aluminous cement, slag cement, supersulphate cement and similar hydraulic cements, whether or not coloured or in the form of clinkers - Cement Clinkers	2523.10.00.00	50	10	40	50
44	Other (Bulk)	2523.29.00.00	50	20	30	50
45	Brake fluid	2710.19.32.00	30	10	20	30
46	Greases	2710.19.33.00	30	10	20	30
47	Others, including finished lubricating oils	2710.19.39.90	30	10	20	30
48	Sulphates; alums; peroxosulphates (persulphates): Of Aluminium		20	5	15	20
49	Sulphates; alums; peroxosulphates (persulphates): Alums	2833.30.00.00	20	5	15	20
50	Paints and varnishes: Paints based on polyester	3208.10.00.00	35	20	15	35
51	Other.	3208.90.29.00	30	20	10	30
52	Polymer of ethylene, in primary forms - polyethylene having a specific gravity of less than 0.94	3901.10.00.00	10	5	5	10
53	Polyethylene having a specific gravity of 0.94 or more...	3901.20.00.00	10	5	5	10
54	Polymer of propylene or of other olefins, in primary form - polypropylene	3902.10.00.00	10	5	5	10
55	Acrylic polymers in primary forms. Other	3906.90.00.00	10	5	5	10
56	Polyacetals, other polyethers and epoxide resins, in primary forms; polycarbonates, alkyd resins, polyallyl esters and other polyesters, in primary forms - Alkyd resins	3907.50.00.00	10	5	5	10
57	Poly (ethylene terephthalate)	3907.60.00.00	10	5	5	10
58	Unsaturated Polyester Resin	3907.91.00.00	10	5	5	10
59	Other - Saturated Polyester Resin	3907.99.00.00	10	5	5	10
60	Melamine Resins	3909.20.00.00	10	5	5	10
61	Other Amino Resins	3909.30.00.00	10	5	5	10
62	Other plates, sheets, films, foil and strip, of plastic, non-cellular and not reinforced, laminated, supported or similarly combined with other materials- of polymers of ethylene -Not printed	3920.10.10.00	30	10	20	30
63	Printed	3920.10.20.00	30	20	10	30
64	Of polymers of polypropylene - Not printed	3920.20.10.00	25	10	15	25
65	Printed	3920.20.20.00	30	20	10	30
66	Of polymers of styrene; printed	3920.30.20.00	30	20	10	30
67	New pneumatic tyres of rubber: of kinds used on motor cars (including station wagons and racing cars)	4011.10.00.00	20	10	10	20
68	New pneumatic tyres, of rubber. Of kind used on buses or lorries	4011.20.00.00	20	10	10	20
69	Trunks, Suit cases and similar containers: Other	4202.11.90.00	45	20	25	45
70	Other	4202.12.90.00	45	20	25	45
71	Doors and their frames and thresholds	4418.20.00.00	55	20	35	55
72	Envelopes	4817.10.00.00	50	20	20	40
73	Registers, account books, note books, order books receipt books, letter pads, memorandum pads, diaries and similar articles	4820.10.00.00	40	20	10	30
74	Paper or paperboard labels of all kinds, whether or not printed - Printed labels	4821.10.00.00	30	10	20	30
75	Woven fabrics of cotton, containing 85 % or more by weight of cotton, weighing not more than 200 g/m2 - Obtained by wax-based printing process	5208.51.10.00	45	35	10	45
76	Woven fabrics of cotton, containing 85 % or more by weight of cotton, weighing more than 200 g/m2— Obtained by wax-based printing process	5209.51.10.00	45	35	10	45

77	Woven fabrics of cotton, containing less than 85 % by weight of cotton, mixed mainly or solely with man-made fibres, weighing not more than 200 g/m ² - — Obtained by wax-based printing process	5210.51.10.00	45	35	10	45
78	— Obtained by other printing process	5210.51.90.00	45	35	10	45
79	Woven fabrics of cotton, containing less than 85 % by weight of cotton, mixed mainly or solely with man-made fibres, weighing more than 200 g/m ² - Obtained by wax-based printing process	5211.51.10.00	45	35	10	45
80	— Obtained by other printing process	5211.51.90.00	45	35	10	45
81	Woven fabrics of synthetic filament yarn, including woven fabrics obtained from materials of heading 54.04 — Printed	5407.44.00.00	35	20	15	35
82	Woven fabrics of synthetic filament yarn, including woven fabrics obtained from materials of heading 54.05 — Printed	5408.24.00.00	35	20	15	35
83	Woven fabrics of synthetic staple fibres, containing less than 85 % by weight of such fibres, mixed mainly or solely with cotton, of a weight not exceeding 170 g/m ² — Of polyester staple fibres, plain weave	5513.41.00.00	35	20	15	35
84	Woven fabrics of synthetic staple fibres, containing less than 85 % by weight of such fibres, mixed mainly or solely with cotton, of a weight exceeding 170 g/m ² - Of polyester staple fibres, plain weave	5514.41.00.00	35	20	15	35
85	Binder or baler twine	5607.41.00.00	20	10	10	20
86	Other	5607.49.00.00	20	10	10	20
87	Of other synthetic fibres	5607.50.00.00	20	10	10	20
88	Other	5607.90.00.00	20	10	10	20
89	Unglazed ceramic : Tiles, cubes and similar articles, whether or not rectangular, the largest surface area of which is capable of being enclosed in a square the side of which is less than 7cm...	6907.10.00.00	40	20	20	40
90	Other	6907.90.00.00	40	20	20	40
91	Glazed ceramic: Tiles, cubes and similar articles, whether or not rectangular, the largest surface area of which is capable of being enclosed in a square the side of which is less than 7cm...	6908.10.00.00	55	20	35	55
92	Other	6908.90.00.00	40	20	20	40
93	Ceramic sinks, wash basins and similar sanitary fixtures - Other	6910.90.00.00	40	20	20	40
94	Glass of heading 70.03, 70.04 or 70.05, bent, edge-worked, engraved, drilled, enamelled or otherwise worked, but not framed or fitted with other materials.	7006.00.00.00	35	20	15	35
95	Flat-rolled products of iron or non-alloy steel, of a width of 600mm or more, cold-rolled (cold reduced), not clad, plated or coated - of a thickness of 0.5 mm or more but not exceeding 1 mm	7209.17.00.00	15	5	10	15
96	Of thickness less than 0.5mm.	7209.18.00.00	15	5	10	15
97	Of a thickness of 0.5 mm or more but not exceeding 1 mm	7209.27.00.00	20	10	10	20
98	Of a thickness of less than 0.5 mm	7209.28.00.00	20	10	10	20
99	Flat - rolled products of iron or non - alloy steel, of a width of 600mm or more, clad, plated or coated -electrolytical plated or coated with zinc	7210.30.00.00	45	5	40	45
100	Corrugated	7210.41.00.00	45	20	25	45
101	In Coils	7210.49.10.00	45	5	40	45
102	Other	7210.49.90.00	45	20	25	45
103	In coils, coated or plated with Aluminium	7210.61.10.00	45	5	40	45
104	Other	7210.61.90.00	45	20	25	45
105	In Coils	7210.69.10.00	45	5	40	45
106	Other	7210.69.90.00	45	20	25	45

107	Flat - rolled products of iron or non - alloy steel, of a width of less than 600mm, not clad, plated or coated - Not further worked than cold-rolled (cold-reduced): Containing by weight less than 0.25% of carbon	7211.23.00.00	15	5	10	15
108	Other	7211.29.00.00	15	5	10	15
109	Bars and rods, hot-rolled, in irregularly wound coils, of iron or non- alloy steel : Containing indentations, gibs, grooves, or other deformations produced during the rolling process	7213.10.00.00	45	5	40	45
110	Other of diameter exceeding 5.5mm but less than 14mm	7213.20.90.00	45	5	40	45
111	Of a diameter not exceeding 5.5mm	7213.91.10.00	15	5	10	15
112	Other exceeding 5.5mm, but less than 14mm	7213.91.90.00	45	5	40	45
113	Other	7213.99.00.00	45	5	40	45
114	Other bars and rods of iron or non-alloy steel, not further worked than forged, hot-rolled, hot-drawn or hot-extruded, but including those twisted after rolling - Forged	7214.10.00.00	45	20	25	45
115	Containing indentations, ribs, grooves or other deformations	7214.20.00.00	45	20	25	45
116	Other, of free-cutting steel	7214.30.00.00	45	20	25	45
117	Of rectangular (other than square) cross-section...	7214.91.00.00	45	20	25	45
118	Other	7214.99.00.00	45	20	25	45
119	Other bars and rods of iron or non-alloy steel - Of free-cutting steel, not further worked than cold-formed or cold-finished	7215.10.00.00	45	20	25	45
120	Other, not further worked than cold-formed or cold-finished	7215.50.00.00	45	20	25	45
121	-- Other	7215.90.00.00	45	20	25	45
122	Wire of iron or non-alloy steel -- Of a diameter not exceeding 5.5mm	7217.10.10.00	20	10	10	20
123	Other of a diameter exceeding 5.5mm	7217.10.90.00	45	10	35	45
124	Other of a diameter exceeding 5.5mm	7217.20.90.00	45	10	35	45
125	Other of a diameter exceeding 5.5mm	7217.30.90.00	45	10	35	45
126	Other of a diameter exceeding 5.5mm	7217.90.90.00	45	10	35	45
127	Other bars and rods of other alloy steel; angles, shapes and sections of other alloy steel; hollow drill bars and rods, of alloy or non-alloy steel - Bars and rods, of high speed steel	7228.10.00.00	45	20	25	45
128	Wire of other alloy steel - Of silico manganese steel	7229.20.00.00	45	10	35	45
129	Other	7229.90.00.00	45	10	35	45
130	Table, kitchen or other household articles and parts thereof, of iron or steel; iron or steel wool; pot scourers and scouring or polishing pads, gloves and the like, of iron or steel - Other: of cast iron, enamelled	7323.92.00.00	55	20	35	55
131	Of stainless steel	7323.93.00.00	55	20	35	55
132	Of iron (other than cast iron) or steel, enamelled...	7323.94.00.00	55	20	35	55
133	Stranded wire, cables, plaited bands and the like, of copper, not	7413.00.00.00	35	20	15	35
134	Aluminium powders and flakes - Powders of non-lamellar structure	7603.10.00.00	35	5	30	35
135	Hollow profiles	7604.21.00.00	35	10	25	35
136	Other...	7604.29.00.00	35	10	25	35
137	Aluminium plates, sheets and strips, of a thickness exceeding 0.2mm - not alloyed-Corrugated...	7606.11.10.00	35	20	15	35
138	alloyed-Corrugated...	7606.12.10.00	35	20	15	35
139	not alloyed-Corrugated...	7606.91.10.00	35	20	15	35
140	---- Painted, coated or varnished	7606.91.91.00	35	5	30	35
141	Other	7606.92.10.00	35	20	15	35
142	---- Painted, coated or varnished	7606.92.91.00	35	5	30	35
143	Other	7606.92.99.00	35	5	30	35

144	Electric generating sets and rotary converters - Generating sets with compression-ignition internal combustion piston engines (diesel or semi-diesel engines): of an output not exceeding 75 kVa -Other	8502.11.90.00	40	5	35	40
	Other (Basic)	8502.11.90.00	20	5	15	20
145	Of an output exceeding 75 Kva but not exceeding 375 kVA - Other (Soundproof)	8502.12.90.00	40	5	35	40
	Other (Basic)	8502.12.90.00	20	5	15	20
146	Of an output exceeding 375 kVA - Other (Soundproof)	8502.13.90.00	40	5	35	40
	Other (Basic)	8502.13.90.00	20	5	15	20
147	Generating sets with spark-ignition internal combustion piston engines - Other (Soundproof)	8502.20.90.00	40	5	35	40
	Other (Basic)	8502.20.90.00	20	5	15	20
148	Magnetic media cards incorporating stripe	8523.21.10.00	55	20	35	55
149	Smart card	8523.52.00.00	55	20	35	55
150	Other including complete pre-paid and post-paid meters	8535.90.00.00	45	10	35	45
151	Other	8536.69.00.00	35	20	15	35
152	Road Tractors for semi-trailers	8701.20.10.00	35	5	30	35
153	Other tractor	8701.90.90.00	35	5	30	35
154	Motor vehicle for the transport of ten or more persons, including the driver - Other	8702.10.11.90	35	10	25	35
155	Other -New	8702.10.12.90	35	10	25	35
156	Other -New	8702.10.13.90	35	10	25	35
157	Other -New	8702.90.11.90	35	10	25	35
158	Other -New	8702.90.12.90	35	10	25	35
159	Other -New	8702.90.13.90	35	10	25	35
160	Other - Used passenger motor vehicles	8702.90.20.00	35	10	25	35
161	Other including fully built units.. - of a cylinder capacity exceeding 1000cc but not exceeding 1500cc. New passenger motor vehicle - Four wheel drive vehicle	8703.21.19.00	70	20	30	50
162	Other including fully built units -----used persenger motor vehicle	8703.22.19.00	70	20	50	70
163	Four wheel drive motor vehicle	8703.22.20.00	70	20	50	70
164	Station Wagon	8703.23.20.00	70	20	50	70
165	er used passenger motor vehicle... -of a cylinder capacioty 1500cc but not exceeding 3000cc - New persenger motor vehicles-- Four wheel drive vehicles	8703.24.20.0	70	20	50	70
166	Other used passenger motor vehicle -of a cylinder capacity exceeding 1500cc but not exceeding 2500cc -New persenger motor vehicle -Four wheel drive vehicle	8703.31.20.00	70	20	50	70
167	Others including fully built units.Others with compression ignition internal combustion piston engine (diesel or semi-diesel gvw not ing fullybuilt units exceeding 5 tonnes. Dumpers	8704.10.90.00	35	10	25	35
168	Others including fully built units..... - Used lorries and cars	8704.21.19.90	35	10	25	35
169	g.v.w exceeding exceeding 20 tonnes - Dumpers	8704.22.20.00	35	10	25	35
170	g.v.w not exceeding 5 Tonnes - Dumpers	8704.23.20.00	35	10	25	35
171	Parts and accessories of motor vehicles of 87.01 to 87.05 - Brakes and servo - brakes; parts thereof	8708.30.00.00	35	10	25	35
172	Yachts and other vessels for pleasure or sports; rowing boats and canoes - Motor boats, other than outboard motor boats	8903.92.00.00	70	20	50	70
173	Other	8903.99.00.00	70	20	50	70

ANNEX II

NATIONAL LIST FOR IMPLEMENTATION WITH ECOWAS CET (2015 - 2019) IN 2016

S/No	ITEMS DESCRIPTION	ECOWAS CET H.S. C.ODE	DUTY RATE	RECOMMENDED DUTY RATE FOR IMPLEMENTATION
1	Fish Heads for feed production	0305.59.00.00	20%	10%
2	Milk and cream, concentrated or containing added sugar or other sweetening matter : Other	0402.10.29.00	10%	5%
3	Other	0402.21.29.00	10%	5%
4	Other	0402.29.29.00	10%	5%
5	Buttermilk, curdled milk and cream, yogurt, kephir and other fermented or acidified milk and cream , whether or not concentrated or containing added sugar or other sweetening matter or flavoured or containing added fruit , nut or cocoa : in powder form	0403.90.91.00	10%	5%
6	Whey, whether or not concentrated or containing added sugar or other sweetening matter; product consisting of natural milk constituents: Other	0404.90.00.00	10%	5%
7	Tea whether or not flavoured: Other black tea (fermented) and partly fermented tea.	0902.40.00.00	10%	5%
8	Fats of bovine animals, sheep or goats, other than those of heading 15.03: Tallow	1502.10.00.00	10%	5%
9	Other	1502.90.00.00	10%	5%
10	Malt Extract: Malted beverage powder/liquid in bulk not less than 25kg	1901.90.40.00	10%	5%
11	Tomatoes prepared or preserved otherwise than by vinegar or acetic acid: Triple concentrate and other	2002.90.11.00 & 2002.90.19.00	10%	5%
12	Food preparations not elsewhere specified or included: Stock powder	2106.90.91.00	10%	5%
13	Other	2106.90.99.00	10%	5%
14	Undenatured ethyl alcohol of an alcoholic strength by volume of less than 80% vol: For medical, pharmaceutical or scientific purposes	2207.10.10.00	10%	5%
15	Ethyl alcohol and other spirits, denatured, of any strength	2207.10.20.00	10%	5%
16	Petroleum oils and oils obtained from bituminous minerals, other than crude: Meant to be mixed further	2710.19.31.00	10%	5%
17	Other	2710.99.00.00	10%	5%
18	Hypochlorites; commercial calcium hypochlorites; chlorites; hypobromites - Other	2828.90.90.00	10%	5%
19	Synthetic organic colouring matter, whether or not chemically defined: Pigments and preparations based thereon	3204.17.00.00	10%	5%
20	Prepared driers	3211.00.00.00	10%	5%
21	Pigments (including metallic powders and flakes) dispersed in non- aqueous media: Stamping foils	3212.10.00.00	10%	5%
22	Other	3212.90.00.00	10%	5%
23	Mixtures of odoriferous substances and mixtures (including alcoholic solutions) with a basis of one or more of these substances, of a kind used as raw materials in industry; other preparations based on odoriferous substances, of a kind used for the manufacture of beverages. Of a kind used in food or drink industry	3302.10.00.00	10%	5%
24	Of kind used in other industries	3302.90.90.00	10%	5%

25	Lubricating preparations (including cutting-oil preparations, bolt or nut release preparations, anti-rust or anti-corrosion preparations and mould release preparations, based on lubricants) and preparations of a kind used for the oil or grease treatment of textile materials, leather, furskins or other materials, but excluding preparations containing, as basic constituents, 70% or more by weight of petroleum oils or oils obtained from bituminous minerals: Other	3403.19.00.00	10%	5%
26	Prepared glues and other prepared adhesives, not elsewhere specified or included: Adhesives based on polymers of headings 39.01 to 39.13 or on rubber	3506.91.00.00	10%	5%
27	Other	3506.99.00.00	10%	5%
28	Enzymes; prepared enzymes not elsewhere specified or included - Other	3507.90.00.00	10%	0%
29	Photographic plate and films in the flat, sensitised, unexposed, of any material other than paper: Other plates and film, with any side exceeding 255mm	3701.30.00.00	10%	5%
30	Chemical preparation for photographic uses (other than varnishes, glues, adhesives, and similar preparations): Other	3707.9000.00	10%	5%
31	Activated carbon; activated natural mineral products; animal black, including spent animal black: Other	3802.90.00.00	10%	5%
32	Pickling preparation for metal surface; fluxes and other auxiliary: Pickling preparations for metal surfaces, soldering, brazing or welding powders	3810.10.00.00	10%	5%
33	Organic composite solvents and thinners, not elsewhere specified or included, prepared paint or varnish remover: containing methane, ethane or propane chlorofluorocarbons (CFCs)	3814.00.00.00	10%	5%
34	Mixed alkylbenzenes and mixed alkylnaphthalenes, other than those of heading 27.07 or 29.02	3817.00.00.00	10%	5%
35	Industrial monocarboxylic fatty acids; acid oils from refining: other	3823.19.00.00	10%	5%
36	Prepared binders for foundry moulds or cores: sorbitol other than that of subheading 2905.44	3824.60.00.00	10%	5%
37	other	3824.90.99.00	10%	5%
38	Poly (ethylene terephthalate) Amorphous PET Chips	3907.60.00.00	10%	0%
39	Tubes, pipes, and hoses, and fittings thereof of plastics: Artificial guts (sausage casings) of hardened protein of of cellulosic materials	3917.10.00.00	10%	5%
40	Self - adhesive plates, sheets, film, foil, tape, strip and other flat shapes, of plastics, whether or not in rolls: Other	3919.90.00.00	10%	5%
41	Plates, sheets, film, foil, tape, strip of plastics, non-cellular and not reinforced, laminated, support of similarly combined with other materials: Other of Polycarbonates	3920.61.00.00	10%	5%
42	Of poly (ethylene terephthalate) in Jumbo rolls	3920.62.00.00	10%	5%
43	of other polyesters	3920.69.00.00	10%	5%
44	of poly (vinyl butyral)	3920.91.00.00	10%	5%
45	Of other plastics	3920.99.00.00	10%	5%
46	Articles for the conveyance or packaging of goods; of plastics; stoppers, lids, caps and other closures, of plastics - Other	3923.90.00.00	10%	10%
47	Other articles of plastics and articles of other materials of heading 39.01 to 39.14: Other	3926.90.99.00	10%	10%
48	other	4016.99.00.00	10%	5%
49	Toilet or facial tissue stock, towel or napkin stock and similar paper of a kind used for household or sanitary purposes, cellulose wadding and webs of cellulose fibres, whether or not creped, crinkled, embossed, perforated, surface colored, surface decorated or printed, in rolls or sheet: Jumbo Roll	4803.00.00.00	10%	5%
50	Paper and paperboard, coated on one or both sides with kaolin or other inorganic substances, with or without a binder: other	4810.99.90.00	10%	5%

51	Paper, paperboard, cellulose wadding and webs of cellulose fibres, coated, impregnated, covered, surface- coloured, surface-decorated or printed, in rolls of rectangular (including square) sheets, of any size, other than goods of the kind described in heading 48.03,	4811.59.10.00	10%	5%
52	Other	4811.59.90.00	10%	5%
53	Of a kind used for winding textile yarn	4822.10.00.00	10%	5%
54	Other Paper, paperboard, cellulose wadding and webs of cellulose fibres, cut to size or shape; other articles of paper pulp, paper, paperboard, cellulose wadding or webbs of cellulose fibres: Filter paper and paper board	4823.20.00.00	10%	5%
55	Synthetic filament tow: -Of polysters	5501.20.00.00	10%	5%
56	Synthetic filament tow: -Of polysters	5503.20.00.00	10%	5%
57	Synthetic filament tow: -Of polysters	5506.20.00.00	10%	5%
58	Yarn of jute or of other textile bast fibres of heading 53.03: Multiple (folded) or cabled	5307.20.00.00	10%	5%
59	Artificial filament yarn (other than sewing thread), not put up for retail sale, including artificial monofilament of less than 67 decitex: of cellulose acetate	5403.33.00.00	10%	5%
60	Woven fabrics of synthetic filament yarn, including woven fabrics obtained from materials of heading 54.04: Polypropylene fabrics, of the type used as carpet backing	5407.20.10.00	10%	5%
61	Synthetic filament tow: Acrylic or modacrylic	5501.30.00.00	10%	5%
62	Synthetic staple fibres, not carded, combed or otherwise processed for spinning: acrylic or modacrylic	5503.30.00.00	10%	5%
63	Synthetic staple fibres, not carded, combed or otherwise processed for spinning: acrylic or modacrylic	5506.30.00.00	10%	5%
64	Other	5506.90.00.00	10%	5%
65	Yarn (other than sewing thread) of synthetic staples fibres, not put up for retails sale: Single yarn	5509.21.00.00	10%	5%
66	Gauze, other than narrow fabrics of heading 58.06: Polypropylene of the type used as carpet backing	5803.00.10.00	10%	5%
67	Articles of cement , of concrete or of artificial stone, whether or not reinforced: Other	6810.19.00.00	10%	5%
68	Semi - finished products of iron or non-alloy steel - Of rectangular (including square) cross- section, the width measuring less than twice the thickness	7207.11.00.00	5%	0%
69	Other	7207.19.00.00	5%	0%
70	Flat-rolled products of iron or non-alloy steel, of a width of 600mm or more, hot-rolled, not clad, plated or coated.	72.08	5%	0%
71	Wire of iron or non - alloy steel: Of a diameter not exceeding 5.5mm	7217.20.10.00	10%	5%
72	Stranded wire, ropes, cables, plaited bands, slings and the like, of iron or steel, not electrically insulated: Other galvanized steel cables for electricity	7312.10.91.00	10%	5%
73	Screws, bolts, nuts, coach screw, screw hooks, rivets, cot- ters, cotter-pins, washers and similar articles, of iron or steel: Other screws and bolts, whether or not with their nuts or washers	7318.15.00.00	20%	10%
74	Rivets	7318.23.00.00	20%	10%
75	Presented completely knocked down(CKD) or unassembled for the assembly industry	7321.11.11.00	10%	5%
76	Presented completely knocked down(CKD) or unassembled for the assembly industry	7321.11.91.00	10%	5%
77	Other articles of iron or steel: Other	7326.19.00.00	20%	10%
78	Copper Wire: other	7408.19.00.00	20%	5%
79	Unwrought aluminium: Aluminium not alloyed	7601.10.00.00	5%	0%
80	Aluminium alloyed	7601.20.00.00	5%	0%
81	Aluminium waste and scrap	7602.00.00.00	5%	0%

82	Aluminium foil of a thickness (including backing) not exceeding 0.2 mm: Printed	7607.20.10.00	10%	5%
83	Air or vacuum pumps, air or other gas compressors and fans; ventilating or recycling hoods incorporation a fan, whether or not fitted with filters: Other.	8414.80.90.00	10%	5%
84	Electronic instantaneous or storage water heaters and immersion heaters: CKD Cookers	8516.60.10.00	20%	5%
85	Electrical apparatus for switching or protecting electrical circuits, or for making connections to or in electrical circuits: Fuses	8536.10.00.00	20%	10%
86	Automatic circuit breaker	8536.20.00.00	20%	10%
87	other switches	8536.50.00.00	20%	10%
88	Lamp holders	8536.61.00.00	20%	10%
89	Other apparatus	8536.90.00.00	20%	10%
90	Other breathing appliances and gas masks, excluding protective masks having neither mechanical parts nor replaceable filters.	9020.00.00.00	5%	0%
91	Machineries and Equipment of Chapters, 84, 85 & 90 of the CET for Agriculture, Cement, Hospitality, Power, Iron & Steel (Cold-Rolled), Solid Minerals and Textile Industries and Aviation of Chapter 88.	Chapters 84, 85 & 90	5%	0%

ANNEX III

IMPORT PROHIBITION LIST (TRADE)

1. Live or Dead Birds including Frozen Poultry H.S. Code 0105.1100 – 0105.9900, 0106.31.00.00 – 0106.39.00.00, 0207.11.00.00 – 0207.26.00.00 and 0210.99.00.00
2. Pork, Beef, H.S. Codes 0201.10.00.00 – 0204.50.00.00, 0206.10.00.00 – 0206.90.00.00, 0210.10.00.00 – 0210.20.00.00
3. Bird Eggs H.S. Code 0407.11.00.00 – 0407.90.00.00; excluding hatching eggs
4. Refined végétale oil 1507.10.00.00-1516.20.90.00.but excluding refined linseed, castor and olive oil. Crude vegetable oil are however NOT banned from importation
5. Cane or beet sugar and chemically pure sucrose, in solid form containing added flavouring or colouring matters H.S.Code 1701.91.10.00 – 1701.99.90.00 in retail packs.
6. Cocoa butter, Powder & cakes H.S. Codes 1802.00.00.00 – 1803.20.00.00, 1805.00.10.00 – 1805.00.90.00, 1806.10.00.00 - 1806.20.00.00 and 1804.00.10.00 – 1804.00.90.00
7. Spaghetti/Noodles H.S. Code 1902.11.00.00 – 1902.30.00.00
8. Fruit Juice in retail Packs H.S. Code 2009.11.10.00 - 2009.11.90.00 – 2009.90.90.00
9. Waters, including mineral waters and aerated Waters, containing added sugar or sweetening matter or flavoured, ice snow H.S. Codes 2201.10.10.00 – 2201.90.00.00, other non-alcoholic beverages H.S. Codes 2202.10.00.00 – 2202.90.90.00.(but excluding energy or health drinks – liquid dietary supplements e.g. Power Horse, Red Ginseng, etc) H.S. Code 2202.90.10.00 and Beer and stout (Bottled, Canned or otherwise packed) H.S. Code 2203.00.10.00 - 2203.00.90.00.
10. Bagged Cement H.S. Code 2523.29.00.00
11. Medicament falling under Headings 3003 & 3004 such as:
 - a Paracetamol tablets Syrups
 - b Cotrimozazole tablets and Syrups
 - c Metronidazole tablets and Syrups
 - d Chloroquine tablets and Syrups
 - e Haematinic formulations:
 - Ferrous sulphate and ferrous gluconate tablets
 - Folic acid tablets
 - Vitamin B Complex tablets (except modified release formulations).
 - f Multivitamin tablets, capsules and syrups (except special formulations)
 - g Aspirin tablets (except modified release formulations and soluble aspirin)
 - h Magnesium trisilicate tablets and suspensions
 - i Piperazine tablets and syrups
 - j Levamisole tablets and syrups
 - k Ointments penicillin/gentamycin
 - l Pyrantel pamoate tablets and syrups
 - m Intravenous Fluids (Dextrose, Normal Saline etc)
12. Waste pharmaceutiques H.S. Code 3006.92.00.00
13. Soaps and Detergents H.S. Code 3401.11.10.00 – 3402.90.00.00 in retail packs
14. Mosquito repellant coils H.S. Code 3808.91.17.00 (mosquito coils)
15. Rethreaded and used Pneumatics tyres but excluding used trucks tyres for rethreading of size 11.00 x 20 and above 4012.20.10.00

16. Corrugated paper and Paper boards H.S. Code 4808.10.00.00 and Cartons, boxes and cases made from Corrugated paper and Paper boards H.S. Code 4819.10.00.00, Toilet paper, Cleansing or facial tissue H.S. Code 4818.10.00.00 - 4818.90.00.00 excluding baby diapers and incontinent pads for adult use 9619.00.22.00 and Exercise Books H.S. 4820.20.00.00
17. Telephone Recharge Cards and Vouchers 4911.99.91.00
18. Carpets and Rugs of all types falling under H.S. Code 5701.10.00.00 – 5705.00.00.00
19. All types of footwears, bags and suitcases, H.S. Code 6401.10.90.00 – 6405.90.90.00 and 4202.11.90.00-4202.99.90.00 but excluding safety shoes used in oil industries, sports shoes, canvass shoes and all Completely Knocked Down (CKD), blanks and parts.
20. Hollow glass bottles of a capacity exceeding 150 mls (0.15 litres) of all kinds used for packaging beverages by Breweries and other beverages and drinks company H.S. Code 7010.90.49.00 and 7010.90.31.00.
21. Used compressors H.S. Code 8414.30.90.00, Used Air Conditioners H.S. Codes 8415.10.10.00 – 8415.90.90.00 and used Fridges/Freezers H.S. Code 8418.10.10.00 – 8418.69.00.00
22. Used motor vehicles above 15 years from the Year of manufacture H.S. Code 8703.10.00.00 – 8703.90.00.00
23. Ball point pen and parts including refills (excluding tip)

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