OBR Office Burundais des Recettes

"Soyons fiers d'être des contribuables et construisons notre pays"

Bujumbura le 02/11/2010

ANNOUNCEMENT ON WHEAT FLOUR TAXATION

Some radio stations have announced incorrect information saying that OBR has increased customs duty rate up to 35% on wheat flour produced coming from the EAC countries. OBR wants to deny this false information and give some precision as follows:

1. The facts

During the EAC meeting of Experts for a comprehensive review of the EAC Common External Tariff held from 5th to 7th August 2009 in Moshi, Tanzania, the meeting was informed that wheat flour produced in the region does not benefit from preferential treatment because it does not meet the EAC Rules of Origin. It was also noted that intra trade for wheat flour produced in the region is constrained because the CET rate of 60% is prohibitive.

For that reason, to address the issue of high import duty on wheat flour, Burundi requested to stay application of the sensitive rate of 60% for wheat flour (HS 11 01.00.00) and apply 35% for one year. That submission was done during the EAC meeting of the Sectoral Council on Trade, Industry, Finance and Investment held in June 2010 Arusha, Tanzania. The meeting noted the merit of Burundi's request and it was approved by the Ministers of Finance.

Then, the Sectoral Council granted the request of Burundi to stay application of the sensitive rate of 60% on wheat flour and apply a rate of 35%.

The decision was subject to publication in the East African Community Gazette (Vol.AT1-N°.005 Arusha, 29th, 2010).

2. OBR appreciation

Burundi has to comply with the EAC Customs Law. The Burundian Business community should be thankful to the Burundian Delegation members who have succeeded to let Burundi impose accordingly only an import duty of 35% instead of 60 % on wheat flour, since July 1st, 2010. We would like to remind also the Burundian business community to search correct information through their Chamber of Commerce and manage the impact of the EAC regulations which are fully applicable in Burundi since our country joined the EAC.

Through the elements outlined, we hope to have provided sufficient illumination on the circumstances on imposition of duty to wheat flour coming from regional countries.

COMMISSIONER GENERAL

KIERAN HOLMES