

23 November 2007

Summary of Customs Tariff changes announced in the 2008 Budget this morning.

Customs Act

Policy changes:

- restructuring of tariff bands
- increase all items currently at 3% Fiscal Duty to 5% (new band) except duty on raw materials
- warehousing period for all motor vehicles, plant and machinery imported on or after the Budget announcement will only be warehoused for 4 months
- import of motor cars, trucks and buses of more than 4 years of age will be banned
- import of plastic bag will be banned

Indirect taxes

Fiscal duty rate decreases:

- white rice from 27 percent to 15 percent
- paper bags, sacks and biodegradable plastic bags from 27 percent to 15 percent
- bicycles from 15 percent to 5 percent
- copper cables from 27 percent to 15 percent
- rigid plastic pipes from 27 percent to 15 percent

- flexible pipes, tubes and hoses from 27 percent to 15 percent
- kitchenware including Bombay pots from 27 percent to 15 percent
- peas (*Pisum Sativum*) from 27 percent to 15 percent
- beans (*Vigna*, spp., *Phaseolus* spp) from 27 percent to 15 percent
- other leguminous vegetables from 27 percent to 15 percent
- dried leguminous vegetables split-spilt peas from 15 percent to 5 percent
- salmon, herring, sardines, tuna, skipjack, mackerel and anchovies from 27 percent to 15 percent
- other canned fish from 27 percent to 15 percent
- other prepared or preserved fish from 27 percent to 15 percent
- cement from 27 percent to 15 percent
- meat of beef, pork, chicken chilled or frozen from 27 percent to 15 percent
- used and reconditioned buses:
 - more than 10 persons but not exceeding 15 (including driver) to \$10,400
 - more than 16 but not exceeding 22 (including driver) to \$12,400
 - 23 or more persons (including driver) to \$16,500
- used and reconditioned motor cars and other passenger vehicles
 - not exceeding 1000cc to \$5,550
 - exceeding 1000cc but not exceeding 1500cc to \$7,350
 - exceeding 1500cc but not exceeding 3000cc to \$11,150
 - exceeding 3000cc to \$15,000

Fiscal duty rate increases:

- inspection traps, drain covers, gratings and the like from 3 percent to 15 percent
- Pc's and units thereof including parts and accessories other than for schools from 0 percent to 5 percent
- monitors and projectors excluding TV apparatus from 0 percent to 5 percent
- laptops from 0 percent to 15 percent
- mobile phones from 3 percent to 15 percent
- Coconuts fresh or dried from 3 percent to 15 percent

- pineapple from 3 percent to 15 percent
- guavas, mangoes, and mangosteens from 3 percent to 15 percent
- oranges, mandarins, lemons from 3 percent to 15 percent
- pontoons/landing stages from 3 percent to 15 percent
- new trucks, cabs and chassis and trailers from 15 percent to 27 percent
- used and reconditioned trucks, cabs and chassis and trailers impose specific duty rates instead of the current 15 percent duty
- new earthmoving equipment from 3 percent to 5 percent
- used and reconditioned earthmoving equipment from 3 percent to 5 percent

Excise rate decreases:

- No excise duty rate decreases were announced.

Excise rate increases:

- Alcohol and cigarettes based on CPI (3 percent)

Import excise rate decreases:

- No import excise duty rate decreases were announced.

Import excise rate increases:

- new trucks, cabs and chassis and trailers from 0 percent to 15 percent
- used and reconditioned trucks, cabs and chassis and trailers from 0 percent to 15 percent
- new earthmoving equipment from 0 percent to 5 percent

- used and reconditioned earthmoving equipment from 0 percent to 15 percent

Customs Tariff Act (CTA)

Customs concession under Section 10 of CTA:

- Bus Industry
 - reduction in fiscal duty from 27 to 5 percent and import excise from 15 to 5 percent on new buses for public transport imported by registered Bus Operators on or before 31 December 2010
 - removal of concession on tyres
- Registered Minibus operators
 - Amend to include concessionary rate to be 27 percent or 60 percent of the existing specific rate whichever is greater
- Liquefied Pressure Gas (LPG) Vehicles
 - amend to include concessionary rate to be 27 percent or 60 percent of the existing specific rate whichever is greater
- Fiji Electricity Authority
 - reduce fuel rebate from 18 cents to 10 cents per litre
 - duty must be paid upfront and refund claims must be made from FIRCA
- Inter-Island Shipping Vessels
 - duty free fuel concessions remains on ADO and IFO
 - full duty must be paid upfront and refund claims must be made from FIRCA
- Manufacturers
 - remove 2 cents per kg concession on Butane Gas
- Duty free concession on fabrics used in the manufacture of diaper

- new duty rate of 5 percent will apply

- Duty Concessions to industries
 - increase duty concession on copper cables and plastic pipes from 3 percent to 5 percent
- Rewa Dairy Co-operative Limited
 - remove duty free concession and apply a duty concession of 5 percent on full cream powdered milk in bulk, liquid milk in bulk, and bulk butter

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