The following communication dated 19 June 1990 has been received from the Government of the Republic of Zaire.

With a view to the establishment of a new Schedule LXVIII-Zaire, I have the honour to enclose herewith a comparative table of the maximum customs charge resulting from the tariff bindings granted in 1971 and 1979 by the Republic of Zaire to the other contracting parties and the total customs charge resulting from the latest tariff revision of 25 February 1990 (Annex II), as well as a note summarizing Zaire’s customs policy (Annex I).

In this connection, I should like to remind you that the establishment of the new Schedule LXVIII-Zaire was made necessary by the monetary and fiscal reforms carried out by Zaire under agreements entered into with its creditors; these reforms have led to a modification of the concessions granted to its partners in 1971 and 1979.

In order to enable the Republic of Zaire to renegotiate the new Schedule, on 5 December 1989 the Council of Representatives accepted its request pursuant to Article XXV:5 of the General Agreement that it be granted a temporary waiver, until 30 June 1990, of its obligations under Article II of the General Agreement.

However, since the documentation necessary for the renegotiations had to be prepared on the basis of the outcome of the latest fiscal reform, carried out on 25 February 1990, we have been unable to finalize it so that the consultations could be completed by 30 June 1990.

The Republic of Zaire therefore kindly requests you to take the necessary action in the GATT for the period of the waiver which it has been granted to be extended exceptionally until 30 June 1991, the time-limit within which it will be possible to establish a new Schedule LXVIII.2

It also undertakes to provide any other relevant documentation which the contracting parties might wish to obtain and thanks them in advance for their trouble in renegotiating with Zaire its former concessions in accordance with the time-table of consultations that GATT will draw up for the purpose.

1L/6620
2See documents L/6688 and C/W/638.
ANNEX I

OVERVIEW OF THE CUSTOMS POLICY OF ZAIRE

1. **Quantitative import restrictions**

1.1 There is no longer any prohibition on the import of particular goods except, needless to say, for restrictions relating to public safety, public health, animal and plant protection and public morals.

1.2 In other words, the economy is protected purely by entry duties.

2. **Structure of the Customs Tariff and import taxes**

2.1 Until September 1983, goods imported into Zaire were liable to:

   (1) entry duties consisting of a customs duty and a fiscal duty;
   (2) a temporary contingency tax;
   (3) a 3 per cent statistical tax;
   (4) a turnover tax (tax on the transfer of goods and provision of services) or a consumption duty (excise duty), in the same way as domestic goods.

2.2 Since September 1983, the customs duty, fiscal duty, temporary contingency tax and statistical tax have been merged, in the interests of simplification, in a single tax called the "entry duty". Consequently, as far as imports are concerned, Zaire now only has:

   (1) the entry duty;
   (2) the turnover tax or consumption duty.

3. **Level of entry duties**

3.1 Entry duties have a rational structure:

   (1) 5 per cent on heavy capital goods;
   (2) 15 per cent on:

   - all articles intended, by their nature, for agriculture, livestock-raising or fisheries;
   - goods intended to be processed in Zaire, provided Zaire does not produce similar or substitute goods;
   - petroleum products;
   (3) duties ranging from 20-50 per cent on other goods.
3.2 The import turnover tax is the counterpart to the domestic turnover tax. Any good that has paid the import turnover tax is exempt from the domestic turnover tax if sold in the unaltered state. The same applies to the consumption duty which is levied on importation on excise goods instead of the turnover tax.

The import turnover tax is levied at a rate of 20 per cent, but a large number of goods pay a rate of 3 per cent, namely:

(1) certain staple foodstuffs;

(2) goods intended for processing in Zaire, even if similar or substitute local products are manufactured domestically;

(3) components and spare parts.

This 3 per cent import turnover tax may be deducted from the 20 per cent domestic turnover tax if the goods concerned are quite clearly industrial or agricultural inputs.

3.3 It should also be noted that sensitive products such as sugar, textiles articles, welding electrodes, sacks and bags for packaging, iron and steel products and electric batteries, which are products that are from time to time the object of undervaluation or dumping practices, pay an additional surcharge of 30 per cent to counter these unfair practices.

3.4 The consumption duties on the importation of excise goods range from a minimum of 3 per cent to a maximum of 50 per cent. In the case of petroleum products, they are accompanied by surcharges set at a rate of 55 per cent for petrol, 45 per cent for gas oil and fuel oil and 15 per cent on petroleum oil, the receipts from which are earmarked for the construction and maintenance of roads and waterways.