



ECOWAS COMMON EXTERNAL TARIFF (CET)

**AS PRESENTED BY
ASSISTANT COMPTROLLER OF CUSTOMS
ANTHONY AYALOGU**

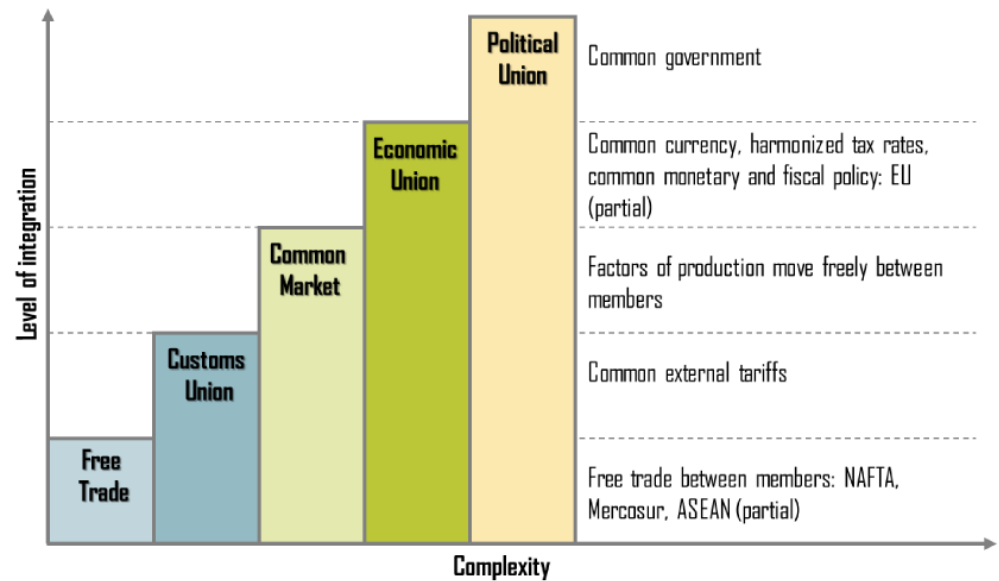
CUSTOMS UNION

- Common External Tariff is a major feature of the **Customs Union**.
- **Customs Union is the second stage in the formation of regional integration**



FIVE LEVELS IN REGIONAL INTEGRATION

- Free trade
- Custom union
- Common market.
- Economic union.
- Political union



Common External Tariff (CET).

ECOWAS WHICH WAS IN THE
FREE TRADE LEVEL HAS NOW
ENTERED THE **CUSTOMS UNION**
LEVEL WHICH IS
CHARACTERISED
WITH THE

**COMMON EXTERNAL
TARIFF**



TARIFF IN THE FREE TRADE LEVEL

IN THE FREE TRADE LEVEL OF THE REGIONAL INTEGRATION, THE DIFFERENT COUNTRIES OF THE REGION HAD DIFFERENT TARIFF FOR THE THIRD COUNTRIES (COUNTRIES OUTSIDE THE REGION)

COMMON EXTERNAL TARIFF (CET).

THIS IS A STAGE IN REGIONAL INTEGRATION WHERE COMMUNITY SET COMMON EXTERNAL TARIFF AMONGS MEMBER COUNTRIES, IMPLYING THAT THE **SAME TARIFF** ARE APPLIED TO THIRD COUNTRIES



ADOPTION OF A COMMON NOMENCLATURE

THE HARMONISED SYSTEMS NOMENCLATURE
OF THE WCO ALLOWS FOR A WORLDWIDE,
REGIONAL AND A NATIONAL CODES
MANIPULATIONS.



ADOPTION OF A COMMON NOMENCLATURE

WHILE THE FIRST SIX DIGITS ARE COMMON FOR ALL WORLD COUNTRIES ADOPTING THE HARMONISE SYSTEM NOMENCLATURE.

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THE FIRST EIGHT DIGITS ARE COMMON WITHIN A REGIONAL UNION (EU, EAC etc)

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THE TEN DIGITS ARE COMMON WITHIN A COUNTRY (Nigeria, Ghana etc) *where there no regional integration*

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ADOPTION OF A COMMON NOMENCLATURE

WHEN COUNTRIES DECIDE TO FORM A CUSTOMS UNION, THEY LOOSE THEIR NATIONAL NOMENCLATURE CODE AND FORFIET THEM TO THE REGION.

HENCE AFTER THE FORMATION OF A CUSTOMS UNION, THE FIRST SIX DIGITS ARE COMMON FOR ALL USERS OF THE HS, WHILE THE TEN DIGITS ARE COMMON TO THE REGION.

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WORLD

ECOWAS

ADOPTION OF A COMMON NOMENCLATURE

AS A START OFF FOR THE CUSTOMS UNION,
ECOWAS COUNTRIES CAME TOGETHER TO
AGREED ON A COMMON TEN DIGIT
NOMENCLATURE.

HENCE THE FIRST STAGE IN ATTAINMENT OF A
**COMMON TARIFF IS THE COMMON
NOMENCLATURE**

ADOPTION OF A COMMON TARIFF

**THIS COMMON NOMENCLATURE WHERE
THEN ASSIGNED A COMMON RATES OF
DUTY CALLED TARIFF**

TARIFF IN THE COMMON EXTERNAL TARIFF (CET) ARE GROUPED INTO BANDS

- 0% - essential social commodities;
- 5% - essential commodities, raw materials, capital goods
- 10% - intermediate products
- 20% - consumer goods
- 35% - specific goods for economic development

| Tariff Number | Trade Name | Tariff Title | Tariff Type |
|--------------------------|---|---|---------------------|
| AUEU-001 | Oceania to Europe / Med | Australia to Europe | Ocean and Surcharge |
| EUOE-001 | | USA - Oceania | Ocean and Surcharge |
| FEPS-001 | Indian Subcontinent to Europe / Med | IPBS - All IPBS Locations to Europe | Ocean and Surcharge |
| EASO-001 | East Asia to Europe / Med | Far East/Westbound (E-W) | Ocean and Surcharge |
| LAAS-001 | Latin America - Asia, India SubContinent, Oceania | Latin America - Asia, India SubContinent, Oceania | Ocean and Surcharge |
| LALA-001 | Latin America - Latin America | Latin America - Latin America | Ocean and Surcharge |
| LANA-001 | Latin America - North America | Latin America - North America | Ocean and Surcharge |

The structure of the ECOWAS CET

| Category | Description | Rate | Tariff lines |
|----------|---|------|--------------|
| 1 | Essential social goods | 0% | 85 |
| 2 | Basic raw materials and capital goods | 5% | 2146 |
| 3 | Intermediate products | 10% | 1373 |
| 4 | Final consumer goods | 20% | 2165 |
| 5 | Specific goods for economic development | 35% | 130 |

The structure of the ECOWAS CET

| Category | Description | Duty Rate | Existing Nigeria Tariff lines | CET Tariff lines |
|----------|---|-----------|-------------------------------|------------------|
| 1 | Essential social goods | 0% | 374 | 85 |
| 2 | Basic raw materials and capital goods | 5% | 2001 | 2146 |
| 3 | Intermediate products | 10% | 680 | 1373 |
| 4 | Final consumer goods | 20% | 2582 | 2165 |
| 5 | Specific goods for economic development | 35% | 193 | 130 |

The structure of the ECOWAS CET

THE TARIFF AND STATISTICAL NOMENCLATURE (TSN) OF THE COMMON EXTERNAL TARIFF (CET) IS BASED ON THE **2012 HARMONISED COMMODITY DESCRIPTION AND CODING SYSTEM (HS)** OF THE WORLD CUSTOMS ORGANISATION (WCO) ADOPTED BY THE COMMUNITY.



HARMONISED COMMODITY DESCRIPTION AND CODING SYSTEM (HS)

BEFORE THE INTRODUCTION OF CET, NIGERIA WAS USING THE 2007 VERSION OF THE **HARMONISED COMMODITY DESCRIPTION AND CODING SYSTEM (HS)** WHILE THE CET FORMULATED AFTER THE PREVAILING 2012 VERSION OF THE HS



HARMONISED COMMODITY DESCRIPTION AND CODING SYSTEM (HS)

THE HARMONISE SYSTEMS NOMENCLATURE WHICH IS THE BASE OF OUR NATIONAL NOMENCLATURE IS REVIEWED EVERY FIVE (5) YEARS.

REASONS FOR THIS REVIEW INCLUDES;

- 1. ENVIRONMENTAL AND SOCIAL INTERESTS**
- 2. TECHNOLOGICAL PROGRESS**
- 3. TRADE PATTERNS**
- 4. TRADE VOLUME**



HARMONISED COMMODITY **DESCRIPTION AND CODING SYSTEM** **(HS)**

IN ADOPTING THE ECOWAS COMMON
EXTERNAL TARIFF, NIGERIA IS AT THE SAME
TIME EVOLVING TO THE 2012 VERSION OF THE
HS

HARMONISED COMMODITY

DESCRIPTION AND CODING SYSTEM

(HS)

THE PROBLEMS ENCOUNTERED IN IMPLIMENTATION TODAY IS AS A RESULT OF **DIFFRENCE IN HS NOMENCLATURE (NATIONAL/REGIONAL)**, RATHER THAN THE CET ITSELF.

A **CORRELATION TABLE** WILL SOON BE PRODUCED TO RELATE THE TWO VERSIONS OF THE NOMENCLATURE AND HENCE ALLEVIATE THESE PROBLEMS

The structure of the ECOWAS CET

- IT SHOULD BE NOTED THAT THE 2012 VERSION OF THE HARMONISED COMMODITY DESCRIPTION AND CODING SYSTEM (HS) OF THE WORLD CUSTOMS ORGANISATION (WCO) COMPRISES 5205 6-DIGIT SUB-HEADINGS WHILE THE ECOWAS CET COMPRISES 5899 SUB-HEADINGS AT 10 DIGITS.

STATUS OF THE CET IN THE NCS

1. 177 TARIFF LINES WERE SELECTED BY NIGERIA IN ACCORDANCE WITH THE IAT AND CAPTURED IN THE NATIONAL TARIFF
2. THE LIST OF THE PROHIBITION IS TO GO ALONG WITH THE CET
3. A NATIONAL LIST FOR PREFERENTIAL DUTY ALLOCATION

STATUS OF THE CET IN THE NCS

THE IMPORT ADJUSTMENT TAX, THE NATIONAL LIST AND THE PROHIBITION LIST WOULD BE SUBJECT TO **ANNUAL DOWNWARD REVIEWS** FOR FIVE YEAR WHICH WOULD CULMINATE IN THEIR TOTAL ERADICATION BY THE END OF 2019, HENCE **ACTUAL TOTAL IMPLIMENTATION** OF THE CET WITHOUT FLEXIBILITY WOULD START IN THE YEAR 2020

THANK YOU