

ESWATINI DAIRY BOARD

(Established in terms of the Dairy Act 28/1968)



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**OPERATING AS ESWATINI DAIRY DEVELOPMENT BOARD
TO PROVIDE DEVELOPMENTAL AND REGULATORY
SERVICES TO THE DAIRY INDUSTRY**

26th February 2020

TO: ALL DAIRY INDUSTRY STAKEHOLDERS

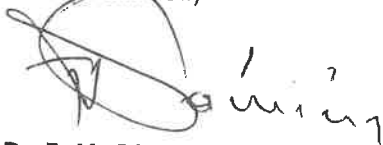
RE: PROPOSAL FOR IMPORT LEVY REVIEW ON DAIRY PRODUCTS

1. Reference is made to the captioned matter herein.
2. As a regulatory and developmental body of the dairy industry, Eswatini Dairy Board's mandate is to develop the industry, this development being aimed at promoting milk production, processing, distribution, consumption, investment in all phases of the industry, as per Section 12 of the Dairy Act (1968).
3. Our country's dairy industry has since realised remarkable improvements in its value chain, particularly in milk production and processing. However the industry is still at an infant stage and thus needs protection against competitive pressure from mature and developed economies. It is on this basis that the Board seeks to use one tool of protecting an infant industry by invoking Section 25 of the Dairy Act which proposes a review of levy for all imported dairy products. This industry protection measure will further lead to greater investment opportunities within the country.
4. The proposed levy review is as follows:
 - An import levy charge of 40% (on invoice value) on all dairy products which are sufficiently produced locally, these include Emasi, Yoghurt, Fresh Milk and Fresh Cream.
 - Any new addition to the above products which will be sufficiently processed locally will also automatically attract the 40% levy charge.
 - All other imported dairy products to be charged at 13% on the invoice value.

➤ The proposed import levy review is to be effective **1st July 2020**.

5. Importers are therefore urged to help support the local dairy industry by making use of our local processors i.e. engaging them with specifics of their brands to produce and pack for them as opposed to importing products which can be sourced in the country thus developing the dairy industry.
6. The board is committed to creating an enabling environment for all dairy stakeholders in order to promote industry interaction and to further uplift the economic position of the country.
7. Stakeholders are informed that all the necessary legal procedures and processes will be followed carefully in the implementation of this proposal.

Yours Faithfully,

A handwritten signature in black ink, appearing to read 'T. M. Dlamini', written over a circular stamp or seal.

Dr. T. M. Dlamini

(CHIEF EXECUTIVE OFFICER)