MEASURING THE COMPLIANCE COSTS OF TAXATION EXCISE DUTIES 1995-96[1]

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ABSTRACT: The study analyses the nature and type of compliance costs of excise duties in Tanzania. Data provided by the respondents in the questionnaire to measure the compliance costs incurred by firms producing traditional excise goods in 1995-96 is used. The study concludes that compliance costs in less developed countries are relatively high compared to those in developed countries. Moreover, that compliance costs are regressive in nature falling more heavily on small firms. The findings suggest that the rate structure and the literature which is supplied to taxpayers are complex and difficult for an average taxpayer to understand, resulting in high compliance costs. As such the government should take remedial measures in order to minimize compliance costs without reducing revenue.

INTRODUCTION

Excise duties were introduced in Tanzania in November 1954 by the Excise Tariff Ordinance chapter 332 of the laws. The duty was imposed on both locally produced and imported goods, mainly traditional excise goods such as beer, spirits, cigarettes and tobacco. The selected excisable goods are explicitly enumerated under the first schedule to the ordinance implying that a selective approach is applied hence, goods which are not specified are exempt from the duty.

Excise duty was temporarily suspended in 1978, about one year after a major overhaul of the sales tax system, which was introduced for the first time in 1969. The rates of excise duty, were thenmerged with those of sales tax. As a consequence this decision resulted in the complex rate structure of the sales tax, and by January 1989 the rates ranged from zero(0) to 300 percent (Finance Act 1978 - 1989). In July 1989 the Government of Tanzania endeavored to rationalize the sales tax rate structure by making major reforms.

The reforms involved the re-introduction of excise duty on those goods which were subject to a higher rate of sales tax. These included traditional excise goods and luxury goods such as private cars, TV sets, cosmetics and perfume, jewelry and precious stones, clocks and watches, radios, electric appliances, cameras and musical instruments, weapons and ammunition (Shekidele 1996).

Ideally the above mentioned goods meet the necessary criteria for the excise duty, such as low price elasticity of demand, large production by a small number of producers (beer, spirits and tobacco products) and non-availability of untaxed substitutes. The Ramsey rule of inverse elasticity, for example, suggests that goods with more price inelastic demand

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should be taxed at a higher rate. The rationale is that, if excise duty is imposed on such goods, more revenue would be yielded because the quantity demanded only falls a little (see Heady, 1992: 12 - 20).

The Government re-introduced excise duty in order to raise more revenue and compensate for the revenue that would have been lost as a result of the reduction of sales tax rates. It is evident that the government has been always interested in raising more revenue without taking into consideration an important issue of both administrative and compliance costs imposed by any particular tax. One of the criteria of a good tax system is efficiency, which requires such costs to be as low as possible.

The main objective of this study is to analyze, in some detail, the nature and size of compliance costs incurred by taxpayers in respect of main excisable goods in Tanzania in 1995-96.

OVERVIEW OF EXCISE DUTY

Excise duty plays a significant role in the economy following sales tax and import duty, the two major indirect taxes. During the years 1994 - 95 and 1995 - 96 the excise duty contribution to GDP in real terms (1992 constant prices) was 1.3 percent and 2.8 percent respectively, compared to 3.0 percent, and 2.5 percent for sales tax; and 1.7 percent and 1.8 percent for import duty during the same years.

Similarly the contribution of excise duty to total tax revenue was satisfactory at 11.7% and 24.0% during (1994 - 95 and 1995 - 96) respectively. Of equal interest, the contribution of main excises (alcoholic drinks, petroleum products and tobacco products) was 75.8 percent of total excise duty revenue for 1995 - 96.

The rates of excise duty in 1995 - 96 are set out in Table 1. The main excises are arranged in order of revenue performance. From Table 1 it is apparent that the excise duty structure is quite complicated for the taxpayer to determine his duty liability because it consists of *ad valorem* and specific rates. In each case the *ad valorem* rate is applied to the ex-factory price for locally produced goods and C.I.F value plus import duty for imported goods. The specific rate applies to the volume or quantity produced. All the duties were different from the previous year.

TREATMENT OF GOODS IN TRANSIT

Goods which are imported in transit for re-export to neighbouring countries are not chargeable to both import and excise duties, and sales tax, for that matter therefore, they have not been incorporated in the empirical analysis of the study. Where any goods imported in transit are not duly re-exported within the time as may be specified by the Commissioner General, they shall be deemed to have been imported on the last date on which they should have been so re-exported (subsection (2) of section 16 of the Customs Management Act); hence all the duties shall become due and payable immediately. The provisions of the Customs Management Act are applied for the purposes of collection of excise duty on goods in transit which are not re-exported.

The Customs and Excise Department is exercising some statutory measures to ensure that the goods are actually re-exported and prevent any smuggling that would give rise to evasion of the taxes. Measures applied to curb tax evasion are explained below.

1. Person Using a Clearing Agent:

Some traders use the services of a clearing agent so as to facilitate handling of the documents and re-exportation of the goods:

The clearing agent is required to execute a security bond showing an amount which is equivalent to the duties and sales tax, in a customs form CB8 Transit Bond. The bond must be executed in the presence of an acceptable guarantor usually the National Insurance Corporation (NIC) or any banking (financial) institution. In order to certify that the goods have already been re-exported the agent has to complete another document referred to as Road Customs Transit Document (RCTD) which is used for road transportation of dutiable goods.

Table 1: *Duty Rates for the Main Excise Duties, 1995 - 96*

1) **Beer duty:** Locally produced: 30% plus Shs. 280.00 per litre
2) **Tobacco duty:**
   A. Cigars, Cheroots and Cigarillos: Imported 30%
   B. Cigarettes:

1. Crescent and Star (medium)	30% plus Shs. 1,237.80 per thousand
2. Crescent and Star (large)	30% plus Shs. 2,733.85 per thousand
3. Safari small size	30% plus shs. 1,278.85 per thousand
4. Safari king size	30% plus Shs. 2,733.85 per thousand
5. Mild brands:	
Sportsman and Sweet Menthol	30% plus Shs. 2,733.85 per thousand
Top Club, Embassy, Rex, Tropicana and other tobacco	30% plus Shs. 3,765.00 per thousand
6. Sweet Nut (Pipe tobacco):	30% plus Shs. 225.50 per kg.
7. Snuff	30%

3) **Hydrocarbon oil duty**

Light oil:	Motor Spirit (MSP):	Shs. 10.1590 per litre
	Motor Spirit (MSR):	Shs. 7.8659 per litre
Medium oil:	Aviation Kerosene:	Shs. 8.0311 per litre
	Illuminating Kerosene:	Shs. 8.7145 per litre
Gas oil:		Shs. 7.1772 per litre
Fuel oil:		Shs. 7.1839 per litre
Other fuel oil:		Shs. 11.2614 per litre
Lubricants:	Lubricating oil:	Shs. 500.00 per cubic metre
	Lubricating greases:	Shs. 0.75 per cubic metre
Petroleum gases and other gaseous hydrocarbons:		Shs. 7.1875 per kg.

4). **Spirits duty:** Locally produced: 30% plus Shs. 400.00 per litre
Imported: 30% plus Shs. 500.00 per litre.

Source: Harmonized Customs, Excise, Sales Tax and COMESA Tariffs Handbook.
Note: Exchange rate in 1995-96: Tshs 600/$1.

At the port of exit the Customs officer in charge has to make a thorough examination of the goods and make brief remarks. Similarly, at the port of entry the officer in charge has also to make an examination of the goods and make his remarks. The two reports are compared and in case of any discrepancy either the bond would be canceled if the difference is too excessive and full duty be paid or the duty would be calculated on the difference if the discrepancy is insignificant. The executor of the bond, thus would be required to pay the duty. If there is no discrepancy between the two reports the bond would be canceled and form CB39, Cancellation of Bond is completed and the amount of the bond would be debited to the amount of duty payable.

2. Person not using a Clearing Agent

In certain cases the trader does not use the services of a clearing agent. The person is also required to execute a bond bearing an amount equivalent to the duties and sales tax, in form CB8. The person is then required to deposit cash with the Customs and Excise Commissioner, and be allowed to export the goods. The procedures explained in the above section apply also to this case.

Upon the goods reaching the intended destination the customs officer at that place should issue the person a landing certificate in form C14. Eventually the person would present this certificate to the Customs and Excise for the refund of the cash deposited.

REVIEW OF LITERATURE

Taxes inflict three main categories of cost on society. Efficiency costs arise when producers and consumers alter their behavior in order to reduce their tax payments. Administrative costs are incurred by the government in designing, applying, assessing, collecting and auditing taxes. And compliance costs are those costs borne by the taxpayer in complying with the tax laws.

Most of the economics literature has focused exclusively on the efficiency costs. Very little has been written about the size and measurement of compliance costs. The most important exception is the research done by Cedric Sandford and his co-workers, culminating in a book entitled *Administrative and Compliance Costs of Taxation* (by Cedric Sandford, Michael Godwin and Peter Hardwick; Fiscal Publications, Bath, 1989).

Their work, and that of others, shows that administration and compliance costs are typically at least as important as efficiency costs, despite their low visibility. Moreover the burden of compliance costs tends to be inequitable, falling more heavily on small firms.

On the other hand, one of the alleged strengths of excise taxes is that they impose very low compliance costs. There is some limited evidence to support this assertion. The data in Table 2 comes from the Sandford *et al* study (p.168), and shows the size of administrative and compliance costs as percentage of revenue collected, for the main excise taxes in the UK in 1986-87. Administrative costs amounted to 0.25% of revenue, and compliance costs to a further 0.20%, which is low by any standard. No studies of compliance costs have been done in Africa (or less-developed countries), so it is not known if a similar pattern holds in such a context.

Table 2: *Administrative and compliance costs of main excises in UK 1986-87*

	Administrative Costs (as % of tax revenue)	Compliance Costs
Hydrocarbon oil	0.10	0.23
Tobacco products	0.08	0.06
Alcoholic drinks	0.72	0.31
Overall	**0.25**	**0.20**

Source: Sandford *et al.*, Table 10.3, p.168.

COMPLIANCE COSTS DEFINED

According to Sandford *et al.*, compliance costs are defined as "those costs incurred by taxpayers, or third parties such as businesses, in meeting the requirements laid upon them in complying with a given tax structure" *(p.10)*. For a business these costs include the costs of collecting, remitting and accounting for tax on their products, profits and employees, along with the cost of acquiring a knowledge of the legal obligations and penalties. The costs fall into three main groups:

Money Costs: These include:

1. the "clerical costs" which in turn may be split into two parts:
   - employee costs, covering the expense of in-house staff, including managers and clerks dealing with tax collections, assessment and payments; and
   - external costs, which include the fees paid to outside accountants and other advisors regarding tax interpretations, tax compliance and other relevant matters;
2. the time cost of money (i.e. the cost of having to pay tax before receiving payments from sales; for further details, see below); the additional costs of insurance, security, etc. to guard goods whose value (to the consumer) has been raised by high excise tax rates; and the cost of posting bond (where applicable).

Time Costs

These cover the value of time spent dealing with taxes by the proprietor of a small business. In principle this can be converted into a monetary value.

Psychic Costs

This measures the resentment which a business person may feel at having to act as an unpaid tax collector, or at having to deal with tax officials. These costs are hard to measure.

It is worth noting that administrative and compliance costs may be substitutable. For instance, suppose a tax department moves to a system of self-assessment from one where the tax office computes the tax owed. This reduces the burden on the tax office, so administrative costs fall. On the other hand it increases the burden on the firm, so compliance costs rise. So, ideally one should measure the burden of administrative and compliance costs combined.

Measurement Issues

There are a number of practical and conceptual difficulties involved in measuring compliance costs, and they include the following:

How to allocate overhead? As a practical matter it may be difficult, or impossible, to measure what proportion of overhead costs (management time, part of the head office costs, etc.) is attributable to dealing with tax issues. Even outside auditors and accountants, who may advise the firm on a variety of matters, including taxation, may not itemize their bills in a way that allows one to separate the time they spent on tax issues from time spent on other tasks.

How to isolate the marginal costs of complying with a given tax? When a firm has to pay several taxes (e.g. sales tax, excise taxes, corporation income tax, PAYE), it may employ a number of specialists simply to deal with tax issues. But frequently it is very difficult to determine how much of this cost is attributable to a given tax. Put another way, it may be almost impossible to measure how much a firm would save if, say, it no longer had to collect any excise taxes.

How to value time? It is straightforward to measure the value of time spent on tax issues by outside experts (the fee paid) and by employees (wages or salary plus other obligatory contributions such as health insurance costs). It is more difficult to value the time of the owner of the firm, and particularly difficult to measure time spent on tax questions when the time would otherwise have been spent on leisure.

How to handle changing costs over time? The costs of tax compliance are likely to be high when a tax is newly introduced or significantly modified. The *commencement costs* occur before the tax even begins; they are followed by *temporary costs* which occur as taxpayers and tax administrators iron out the bugs in the tax and learn how to operate it successfully. Once this learning-curve effects have passed, one is left with the *regular costs* of the tax, which are the ones we are most concerned to measure.

How to measure the time costs of taxes? Suppose a firm pays $1000 in tax to the government on January 1, but the goods (which we assume are taxable at the time of retail sale) are not sold until April 1. The firm has provided a $1,000 zero - interest loan to the government for three months. This imposes a substantial cost on the firm: if the firm has to pay 16% annually to borrow, then the time cost of the early payment of taxes is about $40 (= 4% of $1,000, approximately). The situation is worse for the firm if it sells the goods on April 1, but is not actually paid until 30 days later, although the buyer receives an equivalent benefit so there is not net cost to the economy in this case.

In the opposite case the firm may pay the tax well after it formally comes due, in which case the government is in effect allowing the firm to use the tax revenue for some weeks, free of interest.

METHODOLOGY OF THE STUDY

The study was based mainly on survey by a detailed questionnaire developed with the main objective of seeking information from respondents regarding the compliance costs of excise duties. The questionnaire was hand delivered to fourteen (14) larger firms which are also major excise duty payers located in Dar es Salaam. Dar es Salaam is the choice for the study due to the fact that it is the capital city and the home of many industries. Evidence shows that in 1995-96 the fourteen firms paid excise duty amounting to Tshs. 71,478.5m/= which represented 78 percent of the total excise duty revenue collected.

The study also involved semi-structured interviews with senior tax officials of the Customs and Excise; and the Sales Tax and Inland Revenue Departments, as well as resident tax officers placed at some industries. Similarly some respondents were interviewed on several occasions.

Of the fourteen (14) questionnaires sent out, a total of twelve (12), representing a response rate of about 86%, were returned. Out of these, three (3) did not contain information that was usable, hence, they were rejected for the study. The final number of usable questionnaires was thus nine, (9) from three industries namely, hydrocarbon oil, tobacco and alcoholic drinks. Firms which produce other excisable goods pay insignificant amounts of excise duty and so, were excluded from the study.

DISCUSSION OF FINDINGS

Nature and Type of Compliance Costs of Excise Duties

The results of the study show that the main costs imposed on registered companies collecting excise duties include costs in relation to record keeping and complying with excise duty; employment of an outside tax advisor or an accountant in private practice to help do excise duty work; cash flow costs; costs incurred in provision of office accommodation and regular meals to resident tax officers; costs of payment of guarantees for goods deposited in bond warehouses; and additional costs incurr so as to ensure security of bond warehouses.

In the past the Customs and Excis and the Sales Tax and Inland Revenu Departments placed more reliance on tl trader's own records and security. But tl tax officer had the power to search tl trader's premises and examine books ar documents so as to ensure complian with the law. In recent years, in order curb evasion the system of providir office accommodation for tax officers the premises of major taxpayers w introduced. Such a move has resulted increased compliance costs for trader who provide office accommodatio Thus, we can argue that some costs a shared between the Revenue Authority ar the registered traders. The Revenu Authority has to pay the resident offic salary and other necessary allowanc whereas the interviewed registered trade have revealed that they provide full furnished office accommodation an regular meals to resident tax officers.

According to the law, excise duti are payable upon sale of the goods or upo removal of such goods from the premis of manufacture to a bonded warehouse o a godown. However, for administrativ purposes excise duty and the tax return a due on the last day of the month followin the month of sale. For example, a crate o beer sold on 10th January, excise dut would be due for payment at the end o February. The system implies that th government allows the firm to use the ta revenue for some weeks free of interes giving rise to net cash flow benefit to th private sector.

As for the duty which become payable upon removal from the premis of manufacture, the firm makes th payment of the tax to the governme before receiving revenue from sales. This practice suggests that firms extend interest free loan to the revenue authorities for some weeks causing a cash flow detriment to the private sector.

Of equal interest, hydrocarbon oil and spirit firms reported high costs in association with bonded warehouses. This is evidenced by two petroleum companies which incurred total costs of Tshs. 67,749,500/= (about $112,916) in 1996 on insurance and security equipments in relation to bonded warehouses. Obviously, a proportion of this amount is attributable to import duty, sales tax and road toll on hydrocarbon oil. In 1995-96 the ratio of excise duty revenue to the total of these taxes was about 33%. On the basis of this ratio, therefore, the marginal cost of complying with excise duty on hydrocarbon oil was about Tshs.22,357,335/= (about $37,262).

Size of Compliance Costs

Our study suggests that all the compliance costs were regular since there were no substantial changes made to the provisions of the Excise Duty Tariff Act over the years (1994-95 and 1995-96). Table 3 shows the compliance costs incurred by each industry as a percent of both sales turnover and excise duty paid by the firms. The total compliance costs as reported in questionnaire responses was on the average Tshs. 10,828.4m/=. In percentage terms this was 3.05 percent of annual sales turnover and 15.57 percent of excise duty revenue.

Table 3: *Compliance Costs of the Main Excises as Percent of Sales Turnover and Excise Duty Revenue Yield, 1995 - 1996*

	Sales Turnover	Excise Duty	Direct Compliance costs		
	(Tshs. Million)	(Tshs. Million)	(Tshs. Million)	% of Sales Turnover	% of Excise Duty
(i) Hydrocarbon oil Products	226,558	29,037.0	8,325.2	3.67	28.67
(ii) Alcoholic Drinks	67,726	27,678.8	165.0	0.24	0.60
Beer.........	61,726	26,121.5	10.5	0.02	0.04
Spirits......	6,000	1,557.3	154.5	2.58	9.92
(iii) Tobacco Products	61,000	12,833.1	2,338.2	3.83	18.22
Overall	355,284	69,548.9	10,828.4	3.05	15.57

The Sandford *et al.* (1989) study shows that compliance costs for the main excises in the UK accounted for 0.20 percent of revenue. Our findings in this study imply that compliance costs in less developed countries are quite high. Indeed, this is due to the fact that the literature and return forms which are supplied to taxpayers, and the rate structure are very complex and difficult for an average taxpayer to understand. Consequently, taxpayers have to employ tax consultants to do the tax work in order to comply with the tax laws. As a result compliance costs increase (see for example Sandford *et al.* 1981). Appendix I contains a list of goods which were subjected to sales tax and excise duty in 1995- 96.

Distribution of Compliance Costs

The study suggests that the size of firm is the predominating factor on the level of compliance costs. The only relev measure of size obtained from questionnaire is the annual sales turno which has, revealed a regressive patterr compliance costs falling more heavily small firms (see also Table 4). Our findii conform with those of the study Sandford et al 1981 and 1989.

Table 4: *Analysis of Compliance Costs of Firm as Percentage of Annual Sales Turnover*

Annual Sales Turnover (Million TShs.)	*Number of Respondents*		*Compliance Costs/Turnover(%)*	
	(a) Brewery	*(b) Hydrocarbon oil*	*(a) Brewery*	*(b) Hydrocarbon oi*
1,000 - 30,000	1	2	0.26	9.17
30,001 - 60,000	1	1	0.01	7.01
60,001 or more	0	2	0	1.00

Benefits and Detriments of Compliance

The main excise duties are paid indirectly through a third party, usually the trader/manufacturer who is legally liable to pay the same to the Revenue Authority (Customs and Excise; and Sales Tax and Inland Revenue). As the intended taxpayer (on whom formal incidence lies) is the ultimate consumer of the dutiable good, indeed, it would be difficult to determine precisely the time taken by the trader/ manufacturer to recover the duty from the wholesaler, who in turn recovers it from the retailer and who in turn recovers the duty from the consumer.

Most of the firms operate under less competitive conditions. We can, therefore, hypothetically assume that the customer buys the product and pays the duty on the average thirty days after the product leaves the premises of manufacture. As explained earlier, excise duty is paid immediately when the goods leave the premises of manufacture (factory gate) whether or not a sale takes place. Clearly we can argue that there is a cash flow cost in terms of interest free loan from the private sector the Revenue Authority.

The distribution of the cash flc detriment, however, depends on the crec terms existing on payments betwe retailers, wholesalers and manufacture Our study shows that time lag between t payment and receipt of sales revenue by tl firm averaged at four weeks (30 days except for the hydrocarbon oil industry which case the time lag is two weeks.

On the basis of the above hypothes and after taking into account the commerci credit terms which was 30%, cash flow co can be measured at an average of thirty (3(days and two weeks for the tobacco firm ar hydrocarbon oil industry respectively. Thu the respective overall cash flow cost to th producer was (30/365T)*(30%) an (2/52T)*(30%), where T is the annual dui payment (see for example, Sandford et al p 166).

Hence, in the case of the tobacco fin

the cash flow cost is estimated at (30/365)*(12,833.1)*(30%)=Tshs. 316m/=. For the hydrocarbon oil industry our findings reveal that the cost was (2/52)*(29,037.0)*(30%) = Tshs. 335m/=. These costs have been included in our empirical analysis as direct compliance costs.

As with alcohol drinks, the producers were not actually paid over until 30 days after the end of the month to which the duty relates. Indeed, the duty was retained by the producer for an average of six weeks. Nevertheless, the time lag between payment of duty and receipt of sales revenue by the firm is four weeks. Hence there is net cash flow benefit to the private sector because the whole amount of one month's duty is retained for a further period of two weeks. Thus, a benefit to the alcoholic drinks industry is estimated to be (2/52)*(27,678.8)*(30%) = Tshs. 319.4m/=.

The results, however, should be considered with caution because the cash flow benefit or detriment could be accurately discovered by a detailed examination of marketing and sales of the products before the date of the payment of the duty.

RECOMMENDATIONS FOR MINIMIZING COMPLIANCE COSTS

From the findings of our study we suggest the following measures for minimizing compliance costs without reducing revenue.

- The language of the statutes and the return forms should be as simple as possible, and the rate structure should be clear and easy to apply. Moreover, any literature which is supplied to taxpayers should be made simpler and more digestible. Any taxpayer would easily understand what he is required by the law, hence voluntary compliance would be enhanced.

- The other measure which can be taken by the government is to consult the business community through their representatives (such as CTI and TCCIA) before a new form is introduced or an existing form is significantly changed. These requirements for consultation include the tax return forms. If the tax forms and/or any other literature is acceptable by the business community, compliance costs would be reduced as there would be no need to employ any external tax advisor.

- Another area where the government can bring relief to taxpayers, particularly in terms of psychic costs concerns legislation changes which are made during the budget speech in each year. The changes mainly relate to tax rates and usually they become effective immediately, for example, the following day or two weeks of the announcement. This brings about tension to taxpayers as they have to ascertain the cost and price of the dutiable product at the new rate. The costs can be minimized if the government is prepared to give taxpayers ample time to study and adopt the changes without interfering the affairs of their businesses.

- The rate structure, as already explained earlier, is quite complex as it includes *ad valorem* and specific rate. The tax payer may find it difficult to compute his tax liability and request somebody else to do the work. This adds to compliance costs. The government can simplify the rate structure by imposing either *ad valorem* rate, or a specific rate and not both.

CONCLUDING OBSERVATIONS

This is the first study on compliance cost of excise duty in less developed countries, particularly, Africa. As such lack of reliable data has made it impossible to make and present comparisons of compliance costs of excise duties in other developing countries. Nevertheless it has been possible to come out with some useful findings as to the extent and characteristics of compliance costs in Tanzania.

The estimates of compliance costs in this study are somewhat speculative, particularly, in the case of the alcoholic drinks industry. This is due to the fact that one of the brewers who supplies more than 75% of the market share provided an incomplete information relating to compliance costs incurred. Nonetheless, we can suggest that compliance costs of the main excises in Tanzania are moderately high.

Although the sample size was very small there was some evidence that the burden of compliance cost was inequ as small firms faced higher proportionately.

We have also, provided recommendations for government act as to help taxpayers minimize comp costs. These include, simplification statutes and regulations, tax forms a rate structure. Consultation proce before introducing any changes to th and new tax forms would be l valuable. It is more likely that comp as well as administrative costs wou reduced.

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Appendix I

Goods Subjected to Excise Duty and Sales Tax 1995 - 96

1. Mineral waters and soft drinks.
2. Beer made from malt.
3. Wine
4. Spirits
5. Kibuku (opaque beer)
6. Vinegar
7. Cigarettes and other tobacco manufactures.
8. Cement
9. Hydrocarbon oils
10. Perfumes, Cosmetics and Toilet Preparations.
11. Cameras, Photographic or Cinematographic goods.
12. Textile
13. Musical Instruments and Accessories thereof.
14. Video recording or reproducing apparatus.
15. Transmission apparatus for Television, Video monitors.
16. Motor cars including four wheel drive vehicles.
17. Jewelry and Precious stones.

Appendix II

The List of Main Excise Duty

A. Hydrocarbon Oil Companies

(1) Total (T) Ltd.

(2) BP (T) Ltd.

(3) AGIP (T) Ltd.

(4) GAPCO (T) Ltd.

(5) GAPOIL (T) Ltd.

B. Tobacco Industry:

(1) Tanzania Cigarette Co. Ltd.

C. Alcoholic Drinks Industry:

(1) Tanzania Breweries Co. Ltd.

(2) Associated Breweries Co. Lt

(3) Tanzania Distilleries Co. Lt