



## **Ministry of Trade and Industry, Cooperatives and Marketing**

### **Tariff Investigations Unit**

#### **Background**

The role of the Tariff Investigations Unit had always been performed by the International Trade Administration Commission of South Africa (ITAC) on behalf of all other SACU member states. However, the SACU Agreement of 2002 mandates all SACU member states to have their own institutions that will voice out their needs at the SACU level. The tariff investigation unit of Lesotho became functional in 2012. This means that Lesotho can now have the opportunity to give input on the tariff setting to reflect Lesotho's needs and priorities.

#### **The Mandate**

The overall aim of the Tariff Investigations Unit is reduce the cost structures (tariff) and industrial inputs to manufacturers, thereby promoting domestic production, job creation, and international competitiveness. The activities of the Tariff Investigations Unit are geared towards tariff reforms to promote downstream value added industrialization.

#### **Objectives**

The objectives of the Tariff Investigations Unit are to:

- Reduce costs/inputs for manufacturers/producers and improve Lesotho's international competitiveness
- Encourage manufacturing activities that will otherwise not take place in Lesotho
- Increase investment and expansion of production capacity

## **Achievements**

- **DEVELOPMENT OF A DATABASE**

Together with Trade Remedies, Import and Export officers, Tariff Investigations took part in building the manufacturer's database. The first phase of the data collection focused on the large-scale manufacturers and the second phase will focus on the small-scale manufacturers. This was done so as to gain full knowledge of Lesotho industries. This will facilitate and guide the unit to take proper intervention where need arise.

- **ADMINISTER APPLICATIONS FOR DUTY DRAWBACKS**

Drawbacks are customs duty refunds which are claimed when a manufacturer has paid import duty on inputs /products that were not supposed to pay import duties. This enables investors to have refunds hence cash flow for their daily operations. The unit has so far approved 4 duty draw back claims.

- **FACILITATED THE USE OF OTHER REBATES OTHER THAN INDUSTRIAL REBATES**

The section has also facilitated the use of used overcoats and anoraks rebate facility. One trader has been assisted with the use of this rebate and one application has been processed and approved. The main purpose of this is to reduce the cost of winter clothing especially to those people who struggle to make ends meet. The rebate facility allows a trader to buy from extra-SACU countries used overcoats and anoraks and pay no customs duty for their importation into Lesotho.

