

# Zimbabwe levies duty in forex for underwear

Struggling to boost its foreign currency reserves, a cash-strapped Zimbabwe government this week began charging duty in forex for imported footwear and clothing items, including underwear, we can reveal. A Zimbabwean opposition MP described the latest move as “absolutely barmy.”

A circular to Zimbabwe Revenue Authority (Zimra) officers – a copy of which was seen by *New Zimbabwe* – said the new rule took effect on Sunday.

Thousands of cross-border traders and travellers were caught unawares by the new tariffs, which came without warning.

In his supplementary budget statement last week, Finance Minister Samuel Mumbengegwi only announced that more items would be included on the list of imported items which attract excise duty in forex, but did not say what sort of items.

Zimbabwe is in its seventh year of economic recession, marked by record inflation of 7600%, massive unemployment and chronic shortages of foreign currency and basic goods like fuel and the staple cornmeal. Service delivery has collapsed, which the government blames on a foreign currency crunch caused by international sanctions.

According to the Zimra notice, duty for the new items would be 60% of the purchase value in forex, plus an additional US\$10 per kilogram.

The list includes bed linen, clothing, floor tiles, floor carpets, coats, gloves, among others. Shockingly, the list also catalogues items such as these footwear, shirts, petticoats, panties, baby garments, pantyhose, skirts, blouses, linen and blankets.

Also included were electrical household gadgets such as stoves, cookers, refrigerators, and “pocket-size radio-cassette players”. These attract 60% duty in forex plus US\$45 each.

A Zimra official said: “We have started implementing the directive. A lot of goods were impounded at Plumtree and Beitbridge border posts on Monday when people turned up only to find us expecting them to pay duty in forex, which they did not have.”

The list however excludes grocery items, a deliberate move by the government whose policy to reduce and then freeze prices of all goods sparked nationwide shortages. Many Zimbabweans now shop for food in neighbouring Botswana, Zambia and South Africa.

Flea market operators expressed shock at the new duty, saying it would push them out of business.

“It basically means that one would be paying twice for an item. At what price do you sell the item in order to make a profit? Our businesses are doomed,” said a Bulawayo trader.

She said what worsened their plight was the pricing monitoring task force which forced them to sell their wares at “ridiculously low” prices.

Priscilla Misihairabwi Mushonga, an opposition MP for Glen Norah said: “The government has set itself up to tax all citizens to death in a desperate attempt to guarantee its survival. This move, as all others adopted in recent years, is absolutely barmy.”

President Robert Mugabe is seeking re-election in crucial elections next March. Political commentators say the economy remains his biggest threat, warning disaffected voters may turn against his government.

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