PTTI COUNTRY PROFILE — ETHIOPIA

Premix Taxes and Tariffs Index · Prepared for the Global Alliance for Improved Nutrition (GAIN)

Reference GCC-GAIN-PTTI-2026-01 | Dataset: Master workbook v1.5.56 (17 September 2026) | Profile v2.11 | 17 September 2026

1. PURPOSE AND BASIS OF PREPARATION

This profile is one of eight prepared for the Global Alliance for Improved Nutrition under the Premix Taxes and Tariffs Index engagement. The index records, for sixty-six countries, the taxes, duties and charges levied at the border on imported micronutrient premix — the concentrated blend of vitamins and minerals that millers and food producers add to staple foods such as wheat flour, edible oil and salt in food fortification programmes. Many countries that fortify foods import their premix, and the charges collected at the border can represent a material share of total programme cost. The fiscal treatment of premix at import is therefore of direct consequence to those who design, fund and operate fortification programmes, and this profile is written for that readership rather than for customs specialists.

Every figure cited traces to a source recorded in the citation log of the PTTI master workbook, version 1.5.56 of 17 September 2026. The modelling convention throughout the index is a single consignment valued at USD 1,000,000 on the cost, insurance and freight (CIF) basis — the value of the goods delivered to the port of entry, which is the base on which most import charges are computed. Where a charge is instead levied on the free-on-board (FOB) value, the convention takes FOB as USD 900,000. The modelled consignment is a bulk multi-micronutrient premix — vitamins and minerals on a food-grade carrier — for wheat-flour fortification, in industrial packing and of non-preferential origin, entered for home consumption at standard rates. The importer modelled is a registered manufacturer importing the premix as an input to its own production; a flour mill is taken as the reference case, and section 5 sets out how the VAT treatment of the fortified product bears on the credit. Where the evidence supporting a figure is secondary, or awaits verification against the primary legal instrument, this profile says so.

2. SUMMARY ASSESSMENT

Ethiopia’s assessment is unresolved, and this profile should be read as a range rather than a point. The recorded assessment — the one carried in the index — is USD 185,000 in

import taxes and charges, 18.5 per cent of the value of the goods, below the index median of 31.14 per cent across the sixty-three countries assessed; it is the lowest of four cases set out in section 4 and is retained because it rests on a public official system sighted at line level, not because it is established as the payment an importer should expect. The recorded assessment rests on the tariff treatment shown by the national electronic single window, and the workbook records — and this profile explains — a documented conflict between that system and other official records of the Ethiopian tariff. The assessment is carried at low confidence pending a decisive ruling, and depending on which official record is applied, the charges on the same consignment run from the recorded 18.5 per cent to approximately 74 per cent of its value. No other country in the study exhibits a spread of that width. The spread is not purely a matter of classification: the upper case combines a higher duty rate with the loss of the VAT relief, and section 4 sets out the intermediate cases. Budgets should engage with the range rather than the point estimate.

The composition of the recorded bill is a 5 per cent customs duty on a national line for health and nutrition supplements, a value added tax relieved in full by a 2025 regulation, an import surtax of 10 per cent on the duty-inclusive value, and a withholding tax of 3 per cent that is creditable in principle against the importer's income-tax liability. A Social Welfare Levy of 3 per cent exists in Ethiopian law but does not apply here, for a reason explained beneath the table.

3. THE CHARGES AT THE BORDER

Three charges are collected on the recorded assessment; two further rows are shown at nil because their absence is a finding in itself.

Charge	Character and legal basis	Rate and base	Amount (USD)
Customs duty	Import duty on national line 2106.90.70, "health and nutrition supplements", as priced by the national electronic single window (esw.et)	5% of CIF	50,000
Value added tax	Relieved: Council of Ministers VAT Regulation No. 570/2025, Annex I item 12, exempts vitamins used to fortify food on import; section 6 examines the limits of this exemption	15%, relieved	0
Import surtax	Surtax under Regulation No. 133/2007, levied on the duty-inclusive value of the goods	10% of CIF + duty	105,000
Withholding tax	Advance collection of business income tax at import, creditable in principle against the importer's eventual income-tax liability (see section 5)	3% of CIF	30,000
Social Welfare Levy	Nil: Regulation No. 519/2022, as reported in practitioner summaries (section 9), exempts goods that bear the import surtax, so the two charges do not apply together	3%, excluded	0
Total gross import charges	**18.50% of the CIF value of the consignment**		**185,000**

Two mechanics in the table warrant explanation. First, the surtax is computed on the value of the goods plus the customs duty, so its effective incidence on the goods is 10.5 per cent rather than 10. Second, the surtax and the Social Welfare Levy are statutory alternatives: the levy applies to imports generally but expressly exempts goods that bear the surtax. The practical consequence for planners is that relief from the surtax would ordinarily activate the 3 per cent levy, unless another exemption from the levy also applied — a reduction of ten and a half points buys back three.

4. THE CLASSIFICATION POSITION

Nowhere in the study is the cost of the missing premix code more visible than in Ethiopia. The Ethiopian tariff contains no line for micronutrient premix — a dedicated line that once existed was removed in the August 2021 revision — and the official systems that publish the tariff do not agree on what stands in its place. The public single window prices a national line 2106.90.70, “health and nutrition supplements”, at 5 per cent duty with 10 per cent surtax; the recorded assessment rests on that line, sighted directly at line level in July 2026. A second module of the same electronic system returns a different set of national lines with no .70 among them. And in August 2026 an extract of the tariff document held in the live Customs Management System — the system in which declarations are actually assessed, obtained from within the Ethiopian Customs Commission, which the index holds without identifying its source — showed a further structure of five lines, none of them a premix line, together with written confirmation that line 2106.90.70 does not exist in that document.

The consequences are material, and they arise on two axes. In the Customs Management System structure the relieved lines are confined to pharmaceutical-industry inputs and to therapeutic foods and supplements “packed for retail sale” — conditions that a bulk industrial premix cannot meet — so the goods would fall to the residual line at 35 per cent duty and 10 per cent surtax. Separately, the VAT relief may or may not reach a blended premix (section 6 explains why). Applying the index’s conventions to the two questions together gives four cases on the modelled consignment: 18.50 per cent where the 5 per cent line and the VAT relief both hold (the recorded assessment); approximately 35.8 per cent where the 5 per cent line holds but VAT is charged; 51.50 per cent where the goods fall to the 35 per cent line with VAT relieved; and approximately 73.8 per cent, or some USD 738,000, where the 35 per cent line applies and VAT is charged. The upper cases assume the assessment sequence applied in practice — VAT on the duty-paid value, and the surtax on the value inclusive of VAT — and should be confirmed against a current assessment before being relied upon. The index holds the recorded figure because it rests on a direct sighting of an official national system, while the contrary evidence, though credible, arrived without the edition and instrument detail that would justify restating a published figure. The position is flagged at low confidence, and the decisive step — a binding classification decision from the Ethiopian Customs Commission, together with the Commission’s confirmation of the VAT treatment and of the assessment computation — is identified in the workbook as the most valuable evidence now obtainable.

5. THE RECOVERABILITY POSITION IN PRACTICE

Of the USD 185,000 recorded, only the withholding tax of USD 30,000 is creditable in principle: it is an advance collection of business income tax, set against the importer's eventual liability, and it is worth its face value only if sufficient liability arises in the year and the importer's returns are in order. The customs duty and the surtax carry no credit mechanism.

The value added tax deserves particular attention from programme planners. On the recorded assessment no VAT arises at all, by virtue of the 2025 exemption. But as the next section explains, the exemption's wording does not clearly reach a blended premix; if VAT were in fact charged, it would add fifteen points on a duty-inclusive base, and whether the importer could then credit it would turn on the VAT status of the fortified product. Annex I to Regulation 570/2025 exempts cereals and pulses and "powder of these" (item 7) and bread (item 8(b)) — but not edible oil or salt — and Article 29 of Proclamation 1341/2024 allows a credit only to the extent that acquisitions are made for taxable supplies, apportioned by the ratio of taxable to total supplies and denied altogether where taxable supplies are below 5 per cent of the total. For a flour miller or a bakery the tax would therefore be a cost rather than a delayed recovery, while an edible-oil or salt producer, whose output is taxable at 15 per cent, would credit it by set-off. The status of the specific fortified product should be confirmed before any recovery is assumed. The VAT relief should accordingly be treated as probable but not secure until confirmed in practice or by ruling.

Two cautions apply to every creditable charge in this profile, and the index applies them throughout. First, a credit is a legal entitlement, not cash. VAT or sales tax paid at import may be credited, carried forward or refunded only under the local rules, including the treatment of the importer's own output: where the fortified product is exempt the input credit is denied in whole or in part, and where it is zero-rated the excess is recovered by refund claim rather than set-off. Advance income-tax collections follow separate rules — adjustment against the year's liability, minimum-tax treatment for some importers, and refund of any excess — and are not affected by the VAT status of the output. Second, recovery takes time and is contestable: claims are subject to time limits, audit, partial disallowance, delay and dispute, and an amount identified as creditable in principle is not a guaranteed receipt. For these reasons the index reports the gross figure — what must be paid and financed at the border — as its headline, records for each charge whether it is creditable in principle, and computes no net figure. Programme plans should budget on

the gross amount, distinguish the charges no importer can credit from the creditable principal and the financing cost of delayed recovery, and test denial and delay scenarios.

6. THE RELIEF AND EXEMPTION POSITION

The index records Ethiopia under its exemption indicator — which concerns customs-duty relief; the VAT exemption is recorded separately on the VAT row — as having no relief identified on the modelled tariff line, and the finding requires explanation, because Ethiopia is the clearest example in the study of a relief written for fortification inputs whose wording does not clearly reach the blended product in which they are traded. The VAT exemption in Regulation 570/2025 names ten individual substances — "vitamins used to fortify food (vitamins A, B1, B2, B3, B6, B9, B12, D, potassium iodate and zinc oxide)" — rather than the traded article. A multi-micronutrient premix, blended on a carrier, is not expressly within a list of individual substances — the item decides the treatment neither of blends nor of carriers, which is a genuine interpretive risk rather than a settled exclusion~~; and iron, a core fortificant in Ethiopia's wheat-flour fortification requirements, is absent from the list altogether~~. The relief the regulation appears to intend for fortification is therefore least secure for precisely the blended product in which fortificants actually cross the border. Separately, an instrument said to have exempted premix from customs duty in 2021 could not be traced, and may in practice have been certificate-based manufacturer relief rather than a product exemption. No other standing tariff relief was identified in the search conducted, and the surtax's statutory interaction with the Social Welfare Levy, described in section 3, means relief from one charge activates the other.

7. THE BORDER OPERATING ENVIRONMENT

Ethiopia's border operating environment is demanding on the logistics measures, though the historical picture is mixed. The country was last scored on the World Bank's Logistics Performance Index in 2016, at 2.38 overall (ranked 126th) with a customs component of 2.6 — the lowest overall score in the focus set. The legacy Doing Business measurements of 2020, indicative only, record border compliance for an import at approximately 72 hours and USD 120 per shipment — the lowest cost in the focus set — but documentary compliance at some 194 hours and USD 750, the highest documentary-compliance cost in the focus set (Tanzania's documentary time is longer); the constraint the historical data describe is paperwork rather than the physical border. Ethiopia is not yet a member of the World Trade Organization, its accession being in progress (the position stated as at 27 August 2026), so no Trade Facilitation Agreement implementation rate applies; the

national single window is recorded as partially implemented. The workbook's methodology records the resulting paradox plainly: Ethiopia's fiscal treatment of premix, as recorded, is among the more generous in the study, while the documentary and logistics environment is among the most difficult. The logistics vintages cited are each country's most recent scored edition — the 2025 LPI publishes no country scores — and the 2020 legacy compliance figures are context, not current measurements.

8. OBSERVATIONS RELEVANT TO PROGRAMME PLANNING

Three observations follow. First, the single most valuable step available to any programme importing into Ethiopia is to obtain a binding classification decision from the Ethiopian Customs Commission before committing consignments, and with it the Commission's confirmation of the VAT treatment and of the assessment computation. Together those instruments would collapse the documented spread — from the recorded 18.5 per cent to approximately 74 per cent, on the scenario assumptions stated in section 4 — into a known figure, and the index's own assessment will be restated on the strength of them; a classification decision alone settles the duty question but not the VAT one. Second, engagement on the wording of the VAT exemption — extending Annex I item 12 to blended premixes ~~and adding iron~~ — would convert a well-intentioned but insecure relief into an effective one; the drafting gap is narrow and the policy intent is already on the statute book. Third, budgets should be built on the disclosed range rather than on the point estimate: a programme that budgets at 18.5 per cent carries a real and documented exposure to the residual-line outcome, and the prudent course pending a ruling is to hold contingency against it. The Ethiopian case is also a strong exhibit for the wider agenda: the dedicated subheading 2106.20 adopted for the 2028 Harmonized System, effective 1 January 2028, will give the goods an unambiguous home in the tariff, but the rate attached to it, the wording of the VAT exemption and the alignment of Ethiopia's own tariff systems remain domestic decisions — the new code sets the agenda for that work rather than completing it.

9. DATA QUALITY AND LIMITATIONS

The recorded assessment carries low confidence, lowered in August 2026 when the Customs Management System extract deepened the documented conflict between official records. The workbook sets out the evidence on each side and names the artefacts — a dated edition of the tariff document, a binding classification decision, or declaration evidence showing the code applied to a premix consignment in practice — any one of

which will trigger a restatement. The VAT exemption is verified against the gazetted regulation; the duty, surtax and withholding rates are sighted at line level in the single window; the Social Welfare Levy rests on Regulation No. 519/2022 as reported in practitioner summaries, with a sighting of the published regulation text still open. The figures are prepared on the index's common conventions to support comparison and programme-level planning; they are not a substitute for a binding ruling or an entry-specific computation — and in Ethiopia's case the need for a ruling is not a formality but the central finding of the profile.

Prepared by Global Customs Compliance Ltd for the Global Alliance for Improved Nutrition under engagement GCC-GAIN-PTTI-2026-01. Delivered to GAIN for its use and publication under Contract for Services 2026011301.