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## Saudi Arabia

### Food and Agricultural Import Regulations and Standards

### Saudi Arabia Reduces Import Tariff on 86 Food Products

**2008**

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**Report Highlights:**

On March 31, 2008, the Saudi government exempted wheat, wheat flour and other grains from import duty and reduced duties levied on 75 other foodstuffs to 5 percent beginning on April 1, 2008. The goal of the decree is to alleviate the impact of the rising cost of living in Saudi Arabia.

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Includes PSD Changes: No

Includes Trade Matrix: No

Trade Report

Riyadh ATO [SA2]

[SA]

On March 31, 2008, the Saudi government exempted wheat, wheat flour and other grains from import duties and reduced duties levied on 75 other foodstuffs to 5 percent beginning on April 1, 2008. The decree aims at alleviating the impact of the rising cost of living in Saudi Arabia. Major foodstuffs that benefit from the reduced 5 percent import tariff include chilled and frozen poultry and their products, eggs (fresh, dried and powdered), cheese, cheese cream, vegetable oils, pasta, canned meat, fruit and vegetable juices, mineral and ordinary water, long life milk, corn flakes, peas, beans, peanut butter, yeast, and baking powder (see complete list below). The government will review the list in April 2011.

Since 2003, the vast majority of food products have been subjected to a 5 percent import duty. Selected processed food products, however, are assessed higher import duties. In order to protect local food processors and production from outside competition, Saudi Arabia ties import duties to the level of local production of similar products. As a general rule, a maximum import tariff rate of 40 percent is applied when local production of a food or agricultural product exceeds a self-sufficiency level. Imports of rice, baby milk and animal feed (soybean meal, feed corn, barley, rice, sorghum, palm kernel meal, wheat bran, alfalfa hay, sugarcane molasses, rice bran, and sunflower meal) are subsidized while coffee, tea and fresh red meat enter the country duty free.

The recent government decree is the third measure implemented in the past few months to help minimize the impact of the increased cost of living in Saudi Arabia, which rose 9 percent in February 2008 due mainly to higher costs for foodstuffs and housing.

Saudi Arabia had been a surplus table egg producer for more than two decades before the discovery of avian influenza (H5N1 virus) in commercial farms in the Riyadh region at the end of 2007. The government culled more than 6.2 million birds on 27 farms that specialized in table egg production to prevent the virus from spreading to other farms in the country. The closure of the farms resulted in a sharp reduction in table egg production, contributing to more than a 50 percent price increase. The recent reduction in tariff rate is expected to encourage imports of table eggs from nearby countries and the United States.

Saudi Arabia produces 55 percent of its total poultry meat consumption and the balance is imported from Brazil and France. However, the prices of both locally produced and imported poultry meat doubled in the past few months due to increased production costs, driven by soaring world prices for yellow corn and soybean meal prices. The new 5 percent import tariff is expected to reduce the cost of imported poultry significantly.

## List of New Tariff Rates (March 31, 2008)

H.S. Code	Product Name	Old Tariff Rate	New Tariff Rate
02023010	Bovine minced meat, frozen	12%	5 %
02044310	Sheep minced meat, frozen	12%	5 %
2.07	Meat and edible offal, of the poultry of heading 01.05, fresh, chilled or frozen.		
02071100	Not cut in pieces, fresh or chilled	20% or \$0.27/net kg	5 %
02071200	Not cut in pieces, frozen	20% or \$0.27/net kg	5 %
02071300	Cuts and offal, fresh or chilled	20% or \$0.27/net kg	5 %
02071400	Cuts and offal, frozen	20% or \$0.27/net kg	5 %
02072400	Not cut in pieces, fresh or chilled	20% or \$0.27/net kg	5 %
02072500	Not cut in pieces, frozen	20% or \$0.27/net kg	5 %
02072600	Cuts and offal, fresh or chilled	20% or \$0.27/net kg	5 %
02072700	Cuts and offal, frozen	20% or \$0.27/net kg	5 %
02073200	Not cut in pieces, fresh or chilled	20% or \$0.27/net kg	5 %
02073300	Not cut in pieces, frozen	20% or \$0.27/net kg	5 %
02073400	Fatty livers, fresh or chilled	20% or \$0.27/net kg	5 %
02073500	Other, fresh or chilled	20% or \$0.27/net kg	5 %
02073600	Other, frozen	20% or \$0.27/net kg	5 %
04011030	Long life liquid milk	25%	5 %
04012030	Long life liquid milk	25%	5 %
04013030	Long life liquid milk	25%	5 %
04063000	Processed cheese, not grated or powdered	12%	5 %
04069010	Fresh fermented cream cheese	12%	5 %
04069020	Solid or semisolid cheese	12%	5 %
4.07/4.08	Birds' eggs, in shell, fresh, dried, and egg yolks		
04070019	Other fresh birds' eggs	20% or \$0.02/each	5 %
04081100	Dried	20%	5 %
04081900	Other	20%	5 %
04089100	Dried	20%	5 %
04089900	Other	20%	5 %
07101000	Potatoes	12%	5 %
10011000	Durum wheat	25%	Exempt
10019010	Wheat, normal	25%	Exempt
10019020	Wheat, thin	25%	Exempt
10019030	Wheat and rye, mixed	25%	Exempt
10081000	Buckwheat	25%	Exempt
11010010	Wheat Flour	25%	Exempt
11010020	Flour of mixed wheat and rye	25%	Exempt
11029040	Buckwheat flour	25%	Exempt
11031110	Wheat groats	20%	Exempt
11031120	Wheat meal	20%	Exempt
11031940	Crushed grains of dark wheat	20%	Exempt
13021930	Tahinah (sesame juice)	20%	5 %
15079000	Other soybean oil (not crude)	12%	5 %
15119000	Other palm oil (not crude)	12%	5 %

H.S. Code	Product Name	Old Tariff Rate	New Tariff Rate
15121900	Other sunflower seed or safflower oil (not crude)	12%	5 %
15132900	Other palm kernel oil (Not crude)	12%	5 %
15141900	Other rape or mustard oil (Not crude)	12%	5 %
15149900	Other vegetable oil	12%	5 %
15152900	Other corn oil (Not crude)	12%	5 %
16010019	Other susage meat	12%	5 %
16010039	Canned sausage meat	12%	5 %
16025010	Pastrami	12%	5 %
16025090	Other bovine canned meats (See Endnote 7)	12%	5 %
17049060	Halawa tahiniah	20%	5 %
19021110	Macaroni, vermicelli and similar items with eggs	20%	5 %
19021910	Macaroni, vermicelli and similar items without	20%	5 %
19022010	Pasta stuffed with meat	20%	5 %
19022020	Pasta stuffed with fish, crustaceans and mollus	20%	5 %
19041010	Roasted or swelled cereals containing cocoa	20%	5 %
19041091	Corn flakes and similar, roasted	12%	5 %
19042011	Prepared foods obtained from unroasted cereal	20%	5 %
19042021	Containing cocoa	20%	5 %
19043010	Containing cocoa	20%	5 %
19049010	Other cereals containing cocoa	20%	5 %
20052000	Potatoes	12%	5 %
20054000	Peas (Pisum sativum)	12%	5 %
20055100	Beans, shelled	12%	5 %
20059911	Cooked beans	12%	5 %
20059912	Cooked chick peas with sesame oil	12%	5 %
20059913	Vegetables and legumes with sauce	12%	5 %
20081120	Peanut butter	12%	5 %
20091200	Not frozen, of a Brix value not exceeding 20	12%	5 %
20092100	Of a Brix value not exceeding 20	12%	5 %
20093110	Lemon juice	12%	5 %
20094100	Of a Brix value not exceeding 20	12%	5 %
20095000	Tomato juice	12%	5 %
20096100	Of a Brix value not exceeding 30	12%	5 %
20097100	Of a Brix value not exceeding 20	12%	5 %
20098021	Unconcentrated mango juice	12%	5 %
20098031	Concentrated guava juice	12%	5 %
20098041	Carrot juice, not concentrated	12%	5 %
20099010	Mixtures of juices, not concentrated	12%	5 %

H.S. Code	Product Name	Old Tariff Rate	New Tariff Rate
<b>21021000</b>	<b>Active yeasts</b>	<b>12%</b>	<b>5 %</b>
<b>21022010</b>	<b>Inactive yeasts for human consumption</b>	<b>12%</b>	<b>5 %</b>
<b>21023010</b>	<b>Baking powder</b>	<b>12%</b>	<b>5 %</b>
<b>21023020</b>	<b>Anras yeast</b>	<b>12%</b>	<b>5 %</b>
<b>21023090</b>	<b>Other prepared baking powders</b>	<b>12%</b>	<b>5 %</b>
<b>22011010</b>	<b>Natural mineral water</b>	<b>20%</b>	<b>5 %</b>
<b>22019010</b>	<b>Ordinary natural water</b>	<b>20%</b>	<b>5 %</b>