

Statutory Instrument 33 of 2005.



Agreement between the Government of the Republic of
Zimbabwe and the Republic of Mozambique on Preferential Trade

IT is hereby notified, in terms of section 100 of the Customs and Excise Act [*Chapter 23:02*], that His Excellency the President has, under the powers conferred upon him by section 99 of the Act, concluded an Agreement, published in the Schedule, between the Government of the Republic of Zimbabwe and the Republic of Mozambique on Preferential Trade. The Agreement shall come into force on the date referred to in Article 25 of the Agreement.

SCHEDULE

AGREEMENT BETWEEN THE GOVERNMENT OF THE REPUBLIC
OF ZIMBABWE AND THE REPUBLIC OF MOZAMBIQUE ON
PREFERENTIAL TRADE

The Government of the Republic of Zimbabwe and the Government of the Republic of Mozambique (hereinafter referred to as "the Contracting Parties");

DETERMINED to facilitate economic activities between the two countries through formalization of trade;

CONSIDERING that the development of trade relations between the two countries shall contribute towards economic development;

RECOGNIZING that both countries have a common interest in the strengthening, further expansion and diversification of trade between their respective countries on the basis of fairness, equity and mutuality of benefits;

CONSCIOUS of the need to put in place arrangements that are designed to ensure that trade between the two countries is as free and uninterrupted as possible, through the simultaneous elimination of tariff and non-tariff barriers;

AWARE of the need of establishing effective procedures for the joint administration of this Agreement;

RECOGNISING that the two Parties have an existing agreement signed in 1959 between Portugal and The Federation of Rhodesia and Nyasaland to facilitate commercial relations between their respective territories—

AGREE as follows:—

ARTICLE I

Definitions

1. In this Agreement, unless inconsistent with the context—

“annexure” means an annexure to this Agreement which shall form an integral part of this Agreement;

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“Contracting Party” means a party to this Agreement, namely—
—the Government of the Republic of Mozambique or
—the Government of the Republic of Zimbabwe;

“import duties” means customs duties or charges of equivalent effect imposed on, or in connection with, the importation of goods consigned from any Member State to a consignee in another Member State

“dumping” means the introduction of products of a Contracting Party into the commerce of the other Contracting Party at lower than the normal domestic value of the products;

“Joint Trade Committee” means the committee established under Article XXI;

“imported goods” means goods which are treated as originating in either country;

“Non-Tariff Barriers” means any barrier to trade other than import and export duties;

“quantitative restrictions” means prohibitions or restrictions on imports into, or exports from, a Contracting Party, as the case may be, whether made effective through quotas, import licences, foreign exchange allocating practices or other measures with equivalent effect, including administrative measures and requirements restricting imports or exports;

“WTO” means the World Trade Organization;

“value added” means the difference between the ex-factory cost of the finished product and the Cost Insurance and Freight (c.i.f.) value of the materials imported from outside the territories of the Contracting Parties and used in the production of the product.

ARTICLE II

Import Duties

1. Subject to Annexure I of this Agreement, goods grown, produced or manufactured in the territory of a Contracting Party shall be imported into the territory of the other Contracting Party free of import duties.
2. To qualify for duty free treatment, goods shall be accompanied by a Certificate of Origin issued in accordance with Article XVI by a body authorized by the country of origin. The Certificate of Origin used in terms of this Agreement is as specified in Annexure VI of this Agreement.
3. Where a product is being exported by a person other than the manufacturer, the Certificate of Origin in respect thereof shall be endorsed by the original manufacturer.
4. The provision in paragraph 1 of this Article shall not apply to products in Annexure II attached to this Agreement.

ARTICLE III

Rules of Origin

1. Goods shall be accepted as originating in a Contracting Party if:
 - (a) they have been wholly grown or produced in the territory of either Contracting Party;
 - (b) they have been produced in the territory of a Contracting Party wholly or partially from materials imported from outside the territory of the Contracting Party or of undetermined origin by a process of production which effects a substantial transformation of the materials such that—
 - (i) the c.i.f. value of the materials does not exceed 60 percent of the total cost of the materials used in the production of the goods; or
 - (ii) the value added resulting from the process of production accounts for at least 25 percent of the ex-factory costs of the goods; or
 - (c) there is a change in the tariff heading of a product arising from a processing carried out on the non-originating materials.
 - (d) the calculation of value adding referred to in paragraph (b) (ii) shall be as stated in Annexure III of this Agreement.
2. Without prejudice to paragraph (1)(a) of this Article, goods listed in Annexure IV shall be considered as wholly grown or produced in the territory of a Contracting Party.
3. Raw materials or semi-finished goods originating in accordance with the provisions of this Agreement in the territory of either of the Contracting Parties undergoing working or processing in the territory of either of the Contracting Parties shall for purposes of determining the origin of a finished product be deemed to have originated in the territory of the Contracting Party where the final processing or manufacturing takes place.

ARTICLE IV

Compliance with Standards

1. If so required, goods grown, produced or manufactured in the territory of a Contracting Party shall, when exported to the territory of the other Contracting Party, comply with international standards.
2. Whenever a Contracting Party requires compliance of imported goods originating from the other Contracting Party with its national standards, the Contracting Party shall ensure that such national standards are in harmony with international standards and the WTO norms.

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3. Whenever a relevant international standard does not exist or the technical content of a proposed technical regulation is not in accordance with the technical content of relevant international standards, and if the technical regulation may have a significant effect on the trade of the other Contracting Party, a Contracting Party shall—
 - (a) publish a notice in a publication at an early appropriate stage, in such a manner as to enable interested parties in the territory of the other Contracting Party to become acquainted with it, that they propose to introduce a particular technical regulation;
 - (b) notify the other Contracting Party of the products to be covered by the proposed technical regulation, together with a brief indication of its objective and rationale. Such notification shall take place at an early appropriate stage, when amendments can still be introduced and comments taken into account;
 - (c) upon request, provide to the other Contracting Party particulars or copies of the proposed technical regulation and, whenever possible, identify the parts which in substance deviate from relevant international standards;
 - (d) without discrimination, allow reasonable time for the other Contracting Party to make comments in writing, discuss the comments upon request, and take the written comments and the results of the discussions into account.
4. Subject to the provisions in the lead-in to paragraph 3 where urgent problems of safety, health, environmental protection or national security arise or threaten to arise for a Contracting Party, that Contracting Party may omit such of the steps enumerated in paragraph 3 as it finds necessary, provided that the Contracting Party, upon adoption of a technical regulation, shall—
 - (a) notify immediately the other Contracting Party of the particular technical regulation and the products covered, with a brief indication of the objective and the rationale of the technical regulation, including the nature of the urgent problems;
 - (b) upon request, provide the other Contracting Party with copies of the technical regulation; and
 - (c) without discrimination, allow the other Contracting Party to present its comments in writing, discuss the comments upon request, and take the written comments and the results of the discussions into account.
5. Contracting Parties shall ensure that all technical regulations, which have been adopted, are published promptly or otherwise made available in such

a manner as to enable interested parties in the territory of the other Contracting Party to become acquainted with them.

6. Except in those urgent circumstances referred to in paragraph 4, Contracting Parties shall allow a reasonable interval between the publication of technical regulations and their entry into force in order to allow time for producers in the territory of the other Contracting Party to adapt their products or methods of production to the requirements of the importing Contracting Party.
7. In compliance with paragraph (1) and (2) exporters in each Contracting Party shall ensure that each particular consignment of goods meets the relevant international and/or national standards of the other Contracting Party before undertaking the exportation.
8. For purposes of paragraphs (1) and (2), goods shall be accompanied by a certificate issued by the national quality and/or safety certification body(ies) of the Contracting Party.
9. The National Certification Bodies of the Contracting Parties shall co-operate and ensure that information on the goods that are subject to certification under paragraphs (1) and (2) of this Article is communicated in advance.

ARTICLE V

Sanitary and Phytosanitary Measures

1. Contracting Parties shall base their Sanitary and Phytosanitary Measures on International Standards, guidelines and recommendations, so as to harmonise Sanitary and Phytosanitary measures for agricultural and livestock production.
2. Contracting Parties shall, upon request, enter into consultation with the aim of achieving agreements on recognition of the equivalence of specific sanitary and phytosanitary measures, in accordance with the WTO Agreement on the Application of Sanitary and Phytosanitary Measures.

ARTICLE VI

Non-Tariff Barriers

Except as provided for in this Agreement, Contracting Parties shall—

- (a) adopt policies and implement measures to eliminate all existing forms of Non-Tariff Barriers except as provided for in Article IX; and
- (b) refrain from imposing any new Non-Tariff Barriers.

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ARTICLE VII

Quantitative Import Restrictions

Contracting Parties shall not apply any new quantitative restrictions and shall phase out the existing restrictions on the importation of goods originating in the territory of the other Contracting Party except where otherwise provided for in this Agreement.

ARTICLE VIII

Quantitative Export Restrictions

Contracting Parties shall not apply any quantitative restrictions on exports to the territory of the other Contracting Party, except where otherwise provided for in this Agreement.

ARTICLE IX

General Exceptions

Subject to the requirements that such measures are not applied in a manner which would constitute a means of arbitrary or unjustifiable discrimination between the Contracting Parties, nothing in Articles VII and VIII of this Agreement shall be construed as to prevent the adoption or enforcement of any measures by a Contracting Party—

- (a) necessary to protect public morals or maintain public order;
- (b) necessary to protect human, animal or plant life or health;
- (c) necessary to secure compliance with laws and regulations which are consistent with the provisions of the WTO;
- (d) necessary to protect Intellectual Property Rights, or to prevent deceptive trade practices;
- (e) relating to transfer of gold, silver, precious and semi-precious stones, including precious and strategic metals;
- (f) imposed for the protection of national treasures of artistic, historic or archaeological value;
- (g) necessary to prevent or relieve critical shortages of food stuffs or other products essential to the exporting Contracting Party;
- (h) relating to the conservation of exhaustible natural resources and the environment;
- (i) necessary to ensure compliance with existing obligations under international agreements;
- (j) Import restrictions, that do not discriminate among exporting countries, on agricultural products necessary to the enforcement of Government measures which operate—

- (i) to restrict the quantities of the like domestic products permitted to be marketed; produced; or
- (ii) to remove a temporary surplus of the like domestic products;
- (k) Import and export restrictions taken in time of war or any other emergency; or
- (l) Necessary to safeguard the balance of payments.

ARTICLE X

Anti-Dumping Measures

Nothing in this Agreement shall prevent any Contracting Party from applying anti-dumping measures which are in conformity with WTO provisions.

ARTICLE XI

Subsidies and Countervailing Measures

1. The Contracting Parties shall not grant subsidies which distort or threaten to distort competition between them.
2. A Contracting Party may, for the purpose of off-setting the effects of subsidies and subject to WTO provisions, levy countervailing duties on a product of another Contracting Party.
3. Notwithstanding the provisions of paragraph 1 of this Article, a Contracting Party may introduce a new subsidy only in accordance with WTO provisions.

ARTICLE XII

Safeguard Measures

1. A Contracting Party may apply a safeguard measure to a product only if that Party has determined that such product is being imported to its territory in such increased quantities, absolute or relative to domestic production, and under such conditions as to cause or threaten to cause serious injury to the domestic industry that produces like or directly competitive products.
2. A Contracting Party shall apply safeguard measures only to the extent and for such period of time necessary to prevent or remedy serious injury and to facilitate adjustment as agreed upon by the Joint Trade Committee.
3. Before a Contracting Party takes action pursuant to the provisions of paragraph (1) it shall give notice in writing to the other Contracting Party for consultations through the Joint Trade Committee.
4. Notwithstanding the provisions of the WTO Agreement on Safeguard Measures, the Joint Trade Committee shall determine the manner and procedures for the application of the safeguard measure.

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ARTICLE XIII

Co-operation in Curbing Smuggling

1. The Contracting Parties agree that trade between their two countries shall be conducted through authorised ports of entry and exit.
2. The Contracting Parties shall use their best endeavours to prevent all movements between their two countries, of goods, the import or export of which is contrary to the relevant laws and regulations in force in either territory and the movement of goods inclined to bypass established entry points.
3. The Customs Administration of each Contracting Party shall exercise, at the express request of the Customs Administration of the other Contracting Party, special—
 - (a) surveillance within its own jurisdiction on—
 - the movements, especially on entry or exit of one's territory of certain persons suspected by the Customs Administration of the other Contracting Party to engage in activities contrary to its Customs Legislation and report such activities to the Immigration Administration of its own jurisdiction; and
 - (i) certain places where it is suspected that goods are hoarded for the purpose of smuggling; and
 - (b) examination of the legality of documents.
4. The Contracting Parties shall designate ports of entry and the designated ports of entry shall be set out in Annexure V.
5. The Contracting Parties agree that their Customs, Immigration and Police Administrations and other competent authorities shall enhance co-operation and exchange useful information with a view to eliminating smuggling of goods.

ARTICLE XIV

Formalization and Facilitation of Border Trade

1. The Contracting Parties hereby undertake to facilitate the establishment, in conformity with the economic laws along their common borders, trading institutions and market centres through which Mozambican and Zimbabwean products shall be traded.
2. The Contracting Parties shall render assistance to each other with a view to simplifying and facilitating border trade exchanges and to prevent, investigate and repress breaches of customs legislation of their respective territories.
3. The Customs and Immigration authorities of the Contracting Parties shall take necessary measures in order to harmonise the responsibilities and working hours of their respective corresponding offices.

ARTICLE XV

Facilitation of Transit Trade

1. The Contracting Parties agree to facilitate, in accordance with their respective laws and regulations, freedom of transit through their respective territories of goods originating from—
 - (a) the territory of either Contracting Party and destined for a third country; or
 - (b) a third country and destined for the territory of either Contracting Party.
2. Paragraph (1) is subject to the transit or movement of goods complying with the applicable laws and regulations in force.

ARTICLE XVI

Co-operation in Customs Administration

1. The Customs Authorities of the Contracting Parties shall regularly consult on matters concerning the documentation and procedures relating to the Certificates of Origin issued under this Agreement.
2. Each Contracting Party's Customs Authority shall be the competent authority to verify the origin of goods that are exported to the territory of the other Contracting Party to ensure that they meet the local content requirement of the Rules of Origin according to Article III of this Agreement.
3. The importing country reserves the right to verify the origin of the goods imported into its territory under this Agreement and information and documentation necessary for verification purposes shall be forwarded to the Customs Authority of the Importing Country at the same time as such details are forwarded to the Customs Authority of the Exporting Country.
4. Origin verification shall be carried out for all products being traded for the first time and the origin verification may be reviewed on a case-by-case basis at the request of either Contracting Party.
5. Failure to furnish the information stated in this Article may lead to the suspension of goods in question from benefiting from the provisions of this Agreement.
6. Where necessary, the Customs Authorities of the Contracting Parties shall jointly visit the manufacturing establishments in the territory of either Contracting Party for purposes of origin verification.

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ARTICLE XVII

Goods in Transit and for Exhibition and Samples

The Contracting Parties shall, subject to the laws and regulations in force in their respective territories and on conditions agreed upon by the competent authorities of both Contracting Parties, permit the import and export, free of import duties, taxes and other similar levies or charges, not related to the payment for services, of the following goods—

- (a) samples of goods and publicity materials, required only for obtaining orders and for advertising purposes, which are neither for sale nor of any commercial value;
- (b) goods imported temporarily for experiments and research activities;
- (c) goods imported temporarily for the purpose of trade fairs and exhibitions;
- (d) goods imported temporarily for effecting repairs and which are re-exported;
- (e) goods originating in or from a third country and transported through the territory of one of the Contracting Parties destined for the territory of the other Contracting Party; and
- (f) goods originating in or from the territory of a Contracting Party and transported through the territory of the other Contracting Party destined for a third country.

ARTICLE XVIII

Trade Promotion and Facilitation

To facilitate and promote the development of trade and commercial transactions under this Agreement, the Contracting Parties agree—

- (a) to allow the organization of trade fairs and exhibitions and such other trade promotion activities in their respective territories in accordance with their laws and regulations;
- (b) to furnish each other, on request, with all the necessary information concerning the possibilities of supplying goods originating from their respective countries;
- (c) that their trade promotion organisations shall co-operate and exchange information with a view to promoting and facilitating the quality of goods traded between the territories of the Contracting Parties; and
- (d) that the standards bodies of the Contracting Parties shall co-operate and exchange information with a view to promoting and facilitating the quality of goods traded between the territories of the Contracting Parties.

ARTICLE XIX

Modes of Payment

1. All payments between the Contracting Parties in pursuance of this Agreement shall be effected in any freely convertible currency in accordance with the foreign exchange laws and regulations in force in the respective territories of the Contracting Parties.
2. This provision shall be reviewed from time to time depending on the arrangement agreed between the two Contracting Parties.

ARTICLE XX

Consultations

The Contracting Parties, having regard to the objectives of this Agreement and recognising that difficulties or problems may arise as a result of the operation of this Agreement, agree that—

- (a) a Contracting Party which proposes to take or authorise action which it considers may affect any benefit accruing to the other Contracting Party under this Agreement shall, whenever possible, consult in advance with, and give sympathetic consideration to any representations by, or proposals received from, the other Contracting Party;
- (b) a Contracting Party shall be free at all times to approach the other Contracting Party for consultations with a view to finding ways and means of solving any difficulty or problem in the operation of this Agreement; and
- (c) apart from any discussions which may take place under paragraphs (a) and (b), the Contracting Parties shall meet at intervals not exceeding twelve months for formal discussion on the operation of this Agreement.

ARTICLE XXI

Joint Trade Committee

1. A Joint Trade Committee is hereby established, comprising representatives of each Contracting Party, which shall oversee the implementation and application of this Agreement.
2. The Joint Trade Committee shall meet at least once a year or within six weeks after a written request has been made by either of Contracting Parties.
3. The Joint Trade Committee shall deliberate on any issue arising from the implementation and application of this Agreement and in particular the issues referred to in Article XXIII and Annexures I, II and III.

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ARTICLE XXII

International Obligations

Nothing in this Agreement shall be construed as affecting any rights and obligations arising from any international agreement or treaty already entered into by either Contracting Party.

ARTICLE XXIII

Dispute Settlement

1. If a Contracting Party should consider that any benefit accruing to it directly or indirectly under this Agreement is being nullified or impaired or that the attainment of any objective of this Agreement is being impeded as a result of—
 - (a) the failure by the other Contracting Party on any measure, whether or not it conflicts with the provisions of this Agreement; or
 - (b) the application by the other Contracting Party to carry out its obligations under this Agreement; or
 - (c) the existence of any other situation;the aggrieved Contracting Party may initiate discussion and consultation directly with the other Contracting Party.
2. If no satisfactory solution on the matter is effected between the Contracting Parties within a reasonable time, the matter may be referred to the Joint Trade Committee for investigation and appropriate recommendation or ruling.
3. In exceptional and serious circumstances, the Joint Trade Committee may authorise a Contracting Party to suspend the application to the other Contracting Party of such concessions or obligations under this Agreement as are determined to be appropriate.

ARTICLE XXIV

Implementation Mechanism

1. The Government of the Republic of Zimbabwe hereby designates its Ministry of Industry and International Trade and the Government of the Republic of Mozambique designates its Ministry of Industry and Trade as their respective organs for the purpose of implementing this Agreement and other matters related thereto with the Joint Trade Committee as specified in Article XXI.
2. Each Contracting Party shall have the right to designate in writing, at any time, any other appropriate body, organisation or Ministry in place of the one already designated.
3. Each Contracting Party shall decide on the relevant stakeholders that will constitute the Joint Trade Committee and shall be part of the implementation mechanism of this Agreement.

ARTICLE XXV

Entry into Force, Amendment and Termination of Agreement

This Agreement shall come into force on a date to be determined by the Contracting Parties and confirmed by an exchange of diplomatic notes.

This Agreement shall remain in force until termination by either Contracting Party by giving six months notice in writing to the other Contracting Party, provided that the obligations assumed by the Contracting Parties under this Agreement prior to the notice of termination shall, to the extent necessary, survive the termination.

Annexures to this Agreement may be amended by mutual agreement of the Joint Trade Committee and such amendments shall enter into force on a date to be agreed by the Joint Trade Committee.

Should either Contracting Party consider it desirable to amend the text of this Agreement, it may request consultations between the Contracting Parties and the consultations shall begin within six weeks of the request.

Any amendment to this Agreement shall enter into force on a date to be determined by the Contracting Parties and confirmed through an exchange of diplomatic notes.

This Agreement supersedes the 1959 Trade Agreement between Portugal and the Federation of Rhodesia and Nyasaland.

DONE at Harare on this the Ninth day of January, 2004, in two originals in English and Portuguese languages, both texts being equally authentic.

.....
**Minister of Industry and
International Trade**

*for: The Government of
the Republic of Zimbabwe*

.....
Minister of Industry and Trade

*for: The Government of the
Republic of Mozambique*

ANNEXURE I

**ANNEX TO THE PREFERENTIAL TRADE AGREEMENT BETWEEN
THE REPUBLIC OF ZIMBABWE AND THE REPUBLIC OF MOZAMBIQUE**

1. For the purposes of Article III of the Agreement, goods shall be regarded as having originated in the territory of a Contracting Party when at least 25 per cent of the manufacturing costs of those goods, as determined herein, which shall constitute "local content", is represented by materials produced or originating in either country and direct labour performed in the country of manufacture and the last process in the manufacture of those goods has taken place in that territory, provided that—

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- (a) the last process of manufacture is substantial and sufficient to change the nature of the product and give it new, essential and distinct characteristics and it was performed in an enterprise equipped for that purpose;
 - (b) the final product represents a completely new product or at least an important stage in the manufacturing process; and
 - (c) each type of article or set shall qualify separately in its own right.
2. For the purposes of this Annexure the following operations shall not be regarded as manufacturing—
- (a) packing, bottling, placing in flasks, bags, cases, boxes, fixing on cards or boards and other simple packing operations;
 - (b)
 - (i) assembly, where this involves the construction of an article by putting together finished components which may require slight modifications such as painting or trimming before assembly. Such assembly can involve gluing, screwing, nailing, sewing and minor welding and riveting operations, with or without the addition of local parts or components of minor importance such as screws, nuts and bolts; and
 - (ii) simple, mixing or blending of imported ingredients which does not result in the formation of a different product;
 - (c) operations to ensure the preservation of merchandise in good condition during transportation and storage such as ventilation, spreading out, drying, freezing, placing in brine, sulphur dioxide or other aqueous solutions, removal of damaged parts, cleaning and similar operations;
 - (d) changes of packing and breaking up of or disassembly of consignments;
 - (e) printing, marking, labelling, affixing or other like distinguishing on products or their packages;
 - (f) simple operations consisting of removal of dust, sifting or screening, sorting, grading, classifying and matching including the making up of sets of goods;
 - (g) washing, painting, dying, bleaching, texturising of textile goods and impregnating or mercerizing operations;
 - (h) etching, decorating, calibrating, painting, polishing, cutting up, reinforcing of an otherwise finished article;
 - (i) diluting, drying, steaming, heating, slating which does not result in the permanent change in the shape, form or nature of the article;
 - (j) repair, remodelling or alteration;
 - (k) the addition of parts or components of minor importance, for

example screws, nuts and bolts, minor additives or colourants to foodstuffs;

- (l) a combination of two or more operations specified in subparagraphs (a) to (k) of this paragraph;
 - (m) slaughter of animals;
 - (n) tanning of hides.
3. "Local Content" in relation to goods manufactured in the territory of either Contracting Party means such percentage of the manufacturing costs of such goods in their finished condition as is represented by the costs of—
- (a) any materials which were grown, produced or manufactured in either country and which were used in the manufacture of the goods;
 - (b) the direct labour involved in the manufacture of the goods; and
4. In the calculation of the costs of materials used and direct labour performed in respect of the manufacturer of any goods in any territory, for the purpose of this Annexure, only the following items may be included—
- (a) the cost of local materials or materials originating in either country, including the cost of waste materials and materials lost in the process of manufacture, as represented by their delivery price at the purchase at the factory and used directly in the manufacture of such goods;

Where materials which are not wholly produced in either country are used directly in the manufacture, such goods will count to the extent of their prorated local content as determined in accordance with this Annexure;

Locally manufactured materials or components which have been temporarily exported for further processing in the territory of either Contracting Party shall, on return to the country of final manufacture be considered as wholly originating for the purposes of determining local content.

The following, inter alia, will not be regarded as direct materials— water (provided it is not part of the finished product), electricity, consumable items, items for staff benefits such as tea, protective garments and uniforms.

- (b) the cost of labour directly employed in the manufacture of goods, where in addition to the wages and salaries paid to direct labour, the following costs will be included in the calculation of direct labour costs—
 - (i) leave except cash in lieu of leave;
 - (ii) salaries of foremen and supervisors related to the manufacturing processes;

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- (iii) overtime payments at normal rates; and
- (iv) incentives and bonus if predetermined.

The term "direct labour" shall be taken to refer to those procedures applied to the input materials from which the product is manufactured from the time they first come into the hands of the workforce which actually manufactured the product to the time the finished article is put in retail package.

5.—

- (a) The manufacturing costs of goods shall be calculated in accordance with the provisions of this Annexure and shall be representative of the cost arising from normal business practices, operating procedures and levels of production in the industry concerned as incurred over a period of not less than three months, such cost of the goods in their finished condition based on actual costs, charge and expenses incurred in their manufacture, including the cost of putting the goods up their retail packages and the cost of such retail packages:

Provided that if, in the opinion of the verifying authority, any cost, charge or expense has not been incurred by the manufacturer at the normal open market price, the verifying authority may assess the amount of that cost, charge or expense on the basis of the normal open market price, and the manufacturing cost shall be calculated in accordance with that assessment;

- (b) For the purpose of determining the local content of any goods manufactured either wholly or partly from imported materials, the origin of any charges incidental to the delivery of the imported materials shall be deemed to be that of the imported materials;
 - (c) any information which the verifying authority of a Contracting Party may require for the purpose of ascertaining the local content of the manufacturing cost of any goods shall be provided in such form and certified in such manner as may be agreed by the Contracting Parties to ensure accuracy and clarity.
6. For the purposes of this Annexure, the following costs, charges and expenses shall be included in the manufacturing cost of the goods—
- (a) the cost of imported materials, including the cost of waste materials and materials lost in the process of manufacture, as represented by the landed cost of those materials at the factory, including any charges incidental to the delivery of such materials to the factory but excluding any duty thereon paid by the manufacturer:

Provided that the cost of imported materials not imported directly by the manufacturer shall be delivered at the import price at the factory;
 - (b) the cost of local materials, including the cost of waste materials and materials lost in the process of manufacture, as represented by their delivered price at the factory;

- (c) the cost of direct labour as represented by the wages paid to the operatives responsible for the manufacture of the goods as qualified herein;
 - (d) the cost of direct manufacturing expenses as represented by—
 - (i) the operating costs of the machines used to manufacture the goods;
 - (ii) the expenses incurred in the cleaning, drying, polishing, pressing or any other process, as may be necessary for the finishing of the goods;
 - (iii) the cost of putting goods up in their retail packages and the cost of such retail packages but excluding any extra cost of packaging the goods for transportation for export and the cost of any extra package.
 - (e) manufacturing overhead costs, as represented by—
 - (i) rent, rates and insurance charges directly attributable to the factory;
 - (ii) indirect labour charges, including salaries paid to factory managers, wages paid to foremen, examiners and the testers of the goods and fees paid to efficiency advisers;
 - (iii) power, light, water and other service charges directly attributable to the costs of the manufacturer of goods;
 - (iv) consumable stores including minor tools, grease, oil and other incidental items and materials used in the manufacture of the goods;
 - (v) depreciation and maintenance of factory buildings, plant, machinery, tools and other items used in the manufacture of the goods; and
 - (vi) the cost of food supplied to factory workers, workmen compensation, insurance and contributions to manufacturers' association.
7. The following costs, charges and expenses shall be excluded from the manufacturing cost of goods—
- (a) administration expenses as represented by—
 - (i) office expenses, office and salaries paid to accountants, clerks, managers and other executive personnel;
 - (ii) directors' fees, other than salaries paid to directors who act in the capacity of factory managers;
 - (iii) statistical and costing expenses in respect of the manufactured goods;

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- (iv) investigation and experimental expenses;
- (b) selling expenses as represented by—
 - (i) the cost of soliciting and securing of orders, including such expenses as advertising charges and agents or salesmen's commission or salaries;
 - (ii) expenses incurred in the making of designs, estimates and tenders;
- (c) distribution expenses, other than those provided for in paragraph (a) or (b), as represented by all expenditure incurred after the goods have left the factory including—
 - (i) the cost of any materials and payment of wages incurred in the packaging of the goods for export;
 - (ii) warehousing expenses incurred in the storage of the finished goods;
 - (iii) the cost of transporting the goods to their destination;
- (d) and charges not directly attributable to the manufacture of the goods, including—
 - (i) any duty on the imported raw materials;
 - (ii) any excise duty paid on raw materials produced in the country where the finished goods are manufactured; and
 - (iii) any royalties paid in respect of patents, special machinery or designs.

ANNEXURE II

The following products shall not be covered by the provisions of this Agreement:

1. Refined/Unrefined sugar (granulated)	- 17.01
	- 17.01.11.00
	- 17.01.12.00
	- 17.01.91.00
	- 17.02
2. Soft drinks under the (Coca-Cola Aerated Beverages)	- 22.09.90.10
the Coca-Cola/Schweppes Franchise	- 22.02.9000
3. Firearms, ammunition and explosives	- 93.01
	- 9302.000
	- 93.03
	- 93.04
	- 93.06
	- 93.07

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4. Motor Vehicles	- 87.01
	- 87.02
	- 87.03
	- 87.04
	- 87.05
	- 87.06
	- 87.07
5. Manufactured Tobacco (Cigarettes)	- 24.02.01.00
	- 24.02.20.00
	- 24.03

This list shall be reviewed as and when necessary, as mutually agreed to by both Contracting Parties, according to the provisions of Article XXV.

ANNEXURE III

The calculation of value adding for the purpose of determining origin shall be done in accordance with the provisions of Annexure I.

ANNEXURE IV

The following categories of goods shall be considered as wholly grown or produced in the territory of a Contracting Party:

- (i) Mineral products extracted from its soil;
- (ii) Agricultural produce harvested or gathered therein;
- (iii) Live animals born and raised therein;
- (iv) Products obtained therein from live animals;
- (v) Forest products harvested therein;
- (vi) Fish and other fish products gathered therein or from its marine economic zone;
- (vii) Scrap and waste resulting from manufacturing operations within the Contracting Parties; and
- (viii) Products obtained therein exclusively from products specified in (a) and (b) above.

ANNEXURE V

DESIGNATED PORTS OF ENTRY

The following places shall be the designated ports of entry for the Republic of Mozambique and the Republic of Zimbabwe—

- Forbes Border Post/Machipanda
- Nyamapanda Border Post/Cuchamano
- Mt. Selinda Border Post/Chipungabera
- Sango Border Post/Chicualacuala

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ANNEXURE VI CERTIFICATE OF ORIGIN

Registration Number:..... 1. Exporter (Name and Office Address) Exportador (Nome e Endereço)	3. Country Ref. No.(e.g.ZW000006) Trade Agreement Acordo Preferencial do Comércio Between Zimbabwe and Mozambique CERTIFICATE OF ORIGIN CERTIFICADO DE ORIGEM					
2. Consignee (Name and Office Address) Consignatário (Nome e Endereço)	4. Particulars of transport: Detalhes do transporte 5. For official use only Somente para uso oficial					
6. Marks and numbers; number and kind of packages, description of goods: Marcas e números; número e tipo de embalagem, descrição da mercadoria: <table style="width: 100%;"> <tr> <td style="width: 50%; vertical-align: top;"> (i) Marks and Nos Marcas e números </td> <td style="width: 50%; vertical-align: top;"> (ii) Description of goods Descrição da mercadoria </td> </tr> </table>	(i) Marks and Nos Marcas e números	(ii) Description of goods Descrição da mercadoria	7. Customs Tariff No. Código Pautal	8. Origin Criterion (See overleaf) Critério de origem (Veja em anexo)	9. Gross weight Outras quantidades Peso bruto	10. Invoice No. and date (Optional) Data e nº da factura (Opcional)
(i) Marks and Nos Marcas e números	(ii) Description of goods Descrição da mercadoria					
11. DECLARATION BY EXPORTER/SUPPLIER Declaração do Exportador/Fornecedor I, the undersigned, declare that the goods Eu, abaixo assinado, declaro que a mercadoria described above meet the conditions required for descrita acima reúne as condições necessárias para the issue of this certificate, and are originating in a emissão deste certificado com origem em <div style="text-align: center;">..... (Country) (País)</div> Place and date: Data e lugar	12. Certificate of Origin Certificação de Origem Declaration Certified: Declaração Certificada <div style="border: 1px solid black; width: 100px; height: 60px; margin: 10px auto;"></div> (Origin Stamp and Signature) Assinatura e Carimbo de Origem Certificate of Customs or Other Designated Authority Certificado das Alfândegas ou Outras Autoridades competentes		13. FOR CUSTOMS PURPOSES (Optional) Para fins aduaneiros Export Document No: Documento de Exportação Nº Date: Data Customs Office: Estância Aduaneira Country: País Date: Data <div style="text-align: center;">..... Signature Assinatura <div style="border: 1px solid black; width: 100px; height: 50px; margin: 10px auto; text-align: center; font-style: italic;">Stamp</div> </div>			
..... Signature Assinatura						

<p>A. REQUEST FOR VERIFICATION PEDIDO PARA VERIFICAÇÃO</p> <p>Verification of the authenticity and accuracy of this certificate is requested for the following reasons: A verificação da autenticidade e veracidade deste certificado é requerida pelas seguintes razões:</p> <p>.....</p> <p>.....</p> <p>.....</p> <p>.....</p> <p>.....</p> <p>.....</p> <p>.....</p> <p>.....</p> <p>(Place and date) Lugar e data</p> <p>.....</p> <p>(Signature and Stamp) Assinatura e Carimbo</p>	<p>B RESULT OF VERIFICATION RESULTADO DA VERIFICAÇÃO</p> <p>Verification carried out shows that this certificate was issued by the Customs Office or designated authority A verificação realizada demonstra que este certificado foi emitida pelas Alfândegas ou autoridade competente indicada</p> <p>indicated and that the information contained therein: e que a informação contida</p> <p>.....</p> <p>is accurate: or é verídica: ou</p> <p>.....</p> <p>does not meet the Não reúne condições</p> <p>.....</p> <p>requirement as to the necessaries bem como</p> <p>.....</p> <p>authenticity/accuracy (delete a autenticidade/veracidade (apagar</p> <p>.....</p> <p>whichever not applicable) o que não for aplicável)</p> <p>.....</p> <p>Insert X in the appropriate box Inserir X na caixa apropriada</p> <p>.....</p> <p>(Place and date) Data e lugar</p> <p>.....</p> <p>(Signature and Stamp) Assinatura e Carimbo</p>
---	---

INSTRUCTIONS FOR COMPLETING THE CERTIFICATE OF ORIGIN

The numbered boxes of the certificate must be completed as follows:

Box 1

The exporter must be a natural or legal person ordinarily resident in either Zimbabwe or Mozambique and whose place of business is in that country. In addition to the name an address of the exporter, the registration number should be inserted.

Box 2

Insert the name and office address of the consignee in the country of destination.

Box 3

Indicates the country code and the certificate reference number.

Box 4

Insert particulars of transport from export bill of entry.

Box 5

To be completed by the issuing authority inserting one of the following endorsements where necessary:

- "Duplicate" (where application is made for a duplicate COO)
- "issued retrospectively" (where the goods have been exported before application is made for a certificate and application is made for the retrospective issue thereof)

Box 6

- enter item numbers and identifying marks and numbers on the packages in the space on the left-hand side of the box.
- if the packages are not marked, state "No marks - and numbers" or as addressed"
- the quantity stated must agree with the quantities on the invoice, for example 100 cartons.
- no space must be left between items.

NOTE:

- Except if goods are wholly obtained, only goods subject to the same originating rule or rules specified for any heading number or group of heading numbers must be reflected on each certificate.
- The goods must be identified by giving a reasonably full commercial description and in order for the appropriate tariff heading to be determined.
- For goods in bulk that are not packed, insert "in bulk"
- If both originating and non-originating goods are packed together, describe only the originating goods and add at the end "Part contents only"
- Draw a horizontal line under the only or final item in box 6 and rule through the unused space with a Z-shaped line or otherwise cross it through.

Box 7

Insert the tariff heading (six digit code) in respect of each line of goods described in Box 6.

Box 8

Insert "P" for goods wholly produced or "S" for goods with imported inputs.

Box 9

Insert metric measures.

Box 10

Invoices must be serially numbered and the dates and numbers reflected in this box.

Box 11

- The initials and surname and designation of the person signing the certificate must be stated below the signature.
- Where the certificate is signed on behalf of an exporter or supplier, the name of the clearing agent must be stated below the signature.
- The signature must not be mechanically reproduced or made with a rubber stamp.

Box 12

This must be filled by Customs or any Designated Authority. The officer of the Authority must print his/her initials and surname below his/her signature and date-stamp the certificate in the space provided by imprinting thereon the special stamp issued to him/her for this purpose and has been circulated to the Customs Administration in the other country.

Box 13

Insert the export document number and date and other particulars.

NOTE:

The officer must print his/her initials and surname below his signature and date stamp the certificate.

- The SCO shall be rendered invalid -
 - If any entered particulars are incorrect and not in accordance with these rules;
 - If it contains any erasures or words written over one another;
 - If altered, unless any alterations are made by deleting the incorrect particulars, by adding any necessary corrections and such alterations are initialed by the person who completed the certificate and endorsed by the officer who signs the certificate.

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DECLARATION BY THE EXPORTER
DECLARAÇÃO DO EXPORTADOR

I the undersigned, exporter of the goods described overleaf,
Eu abaixo assinado, exportador da mercadoria descrita acima,

DECLARE that the goods meet the conditions required for the issue of the attached certificate;
DECLARO que a mercadoria reúne condições necessárias para a emissão do certificado em anexo;

SPECIFY as follows the circumstances which have enabled these goods to meet the above
ESPECIFIQUE abaixo as circunstâncias que ditaram para que a mercadoria não reunisse as
condições acima:
conditions:

.....
.....
.....
.....

SUBMIT the following supporting documents ⁽¹⁾
SUBMETO os seguintes documentos de apoio (1)

.....
.....
.....
.....

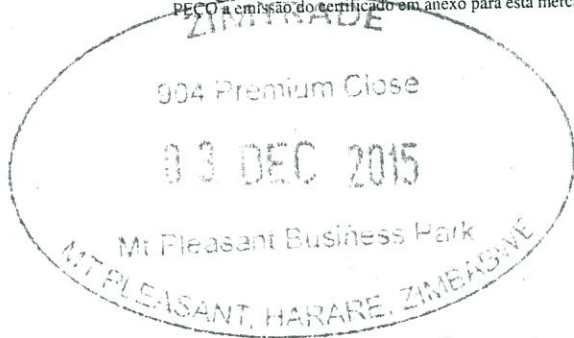
UNDERTAKE to submit, at the request of the appropriate authorities, any supporting evidence
INCUBE-ME submeter a pedido das autoridades competente s qualquer evidência de suporte

which these authorities may require for the purpose of issuing the attached certificate, and
que as mesmas autoridades possam exigir com a finalidade de emitir o certificado em anexo, e

undertake, if required, to agree to any inspections of my accounts and to any check on the
incumbe-me, se for exigido, concordar com qualquer tipo de inspecção a minha contabilidade e qualquer verificação nos

processes of manufacture of the above goods, carried out by the said authorities;
processos de fabrico da mercadoria acima, executadas pelas autoridades supracitadas;

REQUEST the issue of the attached certificate for these goods.
PEÇO a emissão do certificado em anexo para esta mercadoria



.....
(Place and date)
Lugar e dat

.....
(Signature)
Assinatura

(1) For example, import documents, movement certificates, manufacture's declarations, etc.
Por exemplo, documentos de importação, certificados de movimento, declaração do fabricante, etc

Referring to the products used in manufacture or to the goods re-exported in the same state.
referente aos produtos usados no fabrico or para a mercadoria re-exportada no mesmo estado.

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