



REPUBLIC OF NAMIBIA

MINISTRY OF FINANCE

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MEDIA RELEASE

SUBJECT: UPDATE ON ENVIRONMENTAL LEVY ON PLASTIC BAGS

Windhoek, 24 July 2019 - The Ministry of Finance is aware of the various retailers that are charging their customers for plastic bags. This change by businesses came in the wake of the announcement by Minister of Finance, Hon. Calle Schlettwein during the tabling of the 2019/2020 National Budget in March 2019.

Although the Ministry of Finance welcomes initiatives by business outlets to curb the pollution of the environment, we wish to inform the nation that the money that is currently being charged by retailers is NOT yet part of the plastic levy that government has proposed as the levy has not yet been gazetted. This means the money that customers pay for the plastic bags, forms part of the individual businesses' incomes. This is however with exception of the Pupkewitz Megabuild and its subsidiary, Kaap Agri Namibia which voluntarily introduced Break-Free-from-Plastic Campaign charging N\$.50 per plastic carrier bag at all its outlets since December 2018. The quarterly proceeds are handed over to the Environmental Investment Fund (EIF). So far N\$60 000 has been handed over to the EIF and the company has committed to this arrangement until Schedule 1 to the Customs and Excise Act has been amended.

The decision was taken by Cabinet to impose environmental levy on plastic bags, of which the proceeds should be channeled to the Environmental Investment Fund for re-investment in improved waste management practices. The implementation of this levy will be done through the

Customs and Excise Act No 20 of 1998 which is administered by the Ministry of Finance. This is the same Act that was used to impose levies on carbon dioxide emissions, tires, and incandescent bulbs. The Ministry of Finance, Ministry of Environment and Tourism, and the Environmental Investment Fund of Namibia have been working out modalities on the income consolidation policy to facilitate the effectiveness of the levies.

The process of amendment to Schedule 1 to Customs and Excise Act, 1998 (Act No. 20 of 1998) has been completed and same will be gazetted on the 1st of August 2019. The new levies will come into operation after it is tabled in the National Assembly.

The nation will be informed once the entire process has been finalized. In the meantime, we wish to reiterate our position that charges that shops have begun charging their customers, are not part of the environmental levies as a result of the aforesaid forthcoming amendment to the Customs and Excise Act.



Tonateni Shidhudhu

Chief Public Relations Officer

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