



BIDCO OIL REFINERIES LTD.

TEL: 555533/74/86. 540998 P.O. Box 48232 NAIROBI
CABLES: BIDCO TELEX: 25136 BIDCO FAX: (2) 541021

OUR REF : BORL/VBS/EPPO/448/95

19TH JULY 1995

THE EPPO
TREASURY
MINISTRY OF FINANCE
P.O.BOX 30007
NAIROBI

Dear Sir,

RE : DUTY/VAT REMISSION - OUR APPLICATION FOR IMPORT OF 112 MT AND 68.6 MT H.D.P.E.

We request you to give your approval for our import of 112 MT and 68.6 MT HDPE, under IDF No. 131357 and IDF No. 165161 opened by us to facilitate export of refined Edible Oil/Fats.

We are importing HDPE and make use of it to get it moulded in to Plastic Containers/Jerrycans based on the export orders we receive and to suit our need and requirements. We get in touch with Containers/Jerrycans manufacturers in Nairobi/other parts of Kenya and pay reasonable lowest charges to produce it as containers. HDPE imported by us is moulded for us into Containers/Jerrycans, and used in our export packing. We have been doing this earlier and we wish to inform that this import facilitate us to reduce the packing cost and in turn reduce the cost of our products. Due to such reduction in cost of manufacture we are able to compete effectively in the International Market.

We are not selling to the manufacturers the HDPE imported, neither are we buying the Containers/Jerrycans from the plastic container manufacturers, for export purposes. What we do is we are utilising the local manufacturing facility available to mould the imported HDPE material to suit our needs.

Please note that we can import Containers/Jerrycans duty free, which may kill the local industry. By importing HDPE, for export purposes and getting it moulded at the cheapest way, we are helping the local industry. We are bringing foreign exchange to the exchequer by competing effectively with good quality low price Bidco products. The cost benefit is enjoyed by local industry.

We are able to import HDPE at the cheapest price by shopping around at the International Market and get best credit terms. This enables us to reduce the packing etc. We are able to import this at credit due to our cordial relationship with International suppliers.

Please note that we are the actual exporters of finished products. We have the privilege of opening IDF and importing the raw materials, under Legal Notice No.146 and The Customs and Excise (Amendment) (No.2) Regulations 1993 dt.11th June 1993.

We can not rely on a third party to decide this for us, as we can not know his financial viability to import the quantity at any point of time. We can not rely upon his commitment to import the required raw materials and supply the Containers/Jerrycans to fulfil our export commitment, since their import is out of our direct control. Export contract orders are booked by us, awaiting our fulfilment and E.P.P.O reconciliation within the stipulated time.

Under Regulation 240A (1) of The Customs Excise (Amendment) (No. 2) Regulation, 1993.,

(2) Subject to this regulation, remission of duty may be granted by the minister in respect of,

(a) Goods imported for use in or to be attached to, goods manufactured or produced in Kenya for subsequent exportation and,

(4) (a) The Remission of duty is restricted to the manufacturer or producer of goods for export referred to in paragraph (2).

Here the manufacturing means the act of or process of producing. Hence we are the manufacturers/producers of Containers/Jerrycans and eligible for your approval to import HDPE.

Please take into account the above facts and give your immediate approval, since we are entitled to import HDPE under Regulation 240 A of the Customs and Excise (Amendment) (No.2) Regulation 1993. We request your urgent approval to enable us to fulfil our export commitment to the overseas buyers, at an agreed rate, and also to honour our import commitment without difficulty.

Thanking you.

Yours faithfully,
BIDCO OIL REFINERIES LIMITED


VIMAL SHAH
DIRECTOR

CC: KENYA ASSOCIATION OF MANUFACTURERS