

## International Customs Day 2018

**“A secure business environment for economic development”**

### Opening Welcome

**Jed Michaletos, Chief Officer: Customs & Excise**

*Commissioner for SARS – Mr Tom Moyane*

*Fellow Chief Officers*

*Customs & Excise Leadership*

*Distinguished guests from Other Government Departments and Agencies*

*Distinguished guests from Trade and Business*

*Members of the media*

*SARS and Customs staff present here today*

*All protocol observed*

Good morning

As the Chief Officer for Customs & Excise, it is my privilege and honour to welcome you today to the official celebration of International Customs Day in South Africa for 2018.

Firstly, I need to acknowledge and give praise to the team for a simply breath taking Parade. I only have one word to describe it... Unbelievable

Some of you may have noticed the new uniform worn by our parade squad. We decided to give you a “sneak preview” of our new combat/ tactical uniform, which is currently being distributed to our front line officers and inspectors. We will be officially launching the new uniform in the coming months and will announce the launch date in due course.

Then to our Detector Dog Unit (DDU) who showed cases why they are truly one of the best DDU's globally. The helicopter drop in particular was extremely special and in fact South African Customs are one of the few Customs Administrations globally with this capability and the first on the African continent (applause).

I would also like to give thanks and appreciation to SA Army/ Airforce for their assistance with this display, it is greatly appreciated.

For those of you who are interested, these helicopter drops are used for vessel rummages at outer anchorage, for rapid response as well as joint operations such as Operation Corona and Operation Phakisa.

As you will have noticed we have a full display outside under the gazebos of all our tools of trade and we welcome you to interact with our teams at the conclusion of the event or during lunch if you are interested in finding out more information in this regard.

Ladies and gentlemen... today marks the 65th year of the formation of World Customs Organisation (or WCO as we know it) and we pay tribute to the visionary leaders who created a platform for international co-operation and collaboration for the facilitation of trade and the promotion of economic development.

As an important member of the global family, South Africa has made significant strides over the past 20 years to effectively transform and align our Customs Administration to ensure the control of the flow of goods entering and leaving our country; dealing with non-compliant traders; managing risks and creating an enabling and secure environment for the ease of doing business.

In this regard; we must celebrate our achievements of our automation journey; data analytics capability; improvements in procedures and processes that have the support of compliant businesses and investors.

On this day, Customs administrations around the world celebrate the important responsibility they have in facilitating trade, collecting revenue and protecting society. It is an occasion to honour and pay tribute to the work of Customs officers, whether at our borders and ports of entry or in offices scattered across the country.

But it is also an occasion to honour and pay tribute to our partners in trade and in government, to you, who rely on us to succeed and on whom we depend for our success.

Ladies and gentlemen... today we are surrounded by a plethora of history, with Cape Town being one of the oldest ports on the African continent dated back to 1652. Customs in South Africa is also around 340 years old.

In fact I am told that our very own Executive Mr Beyers Theron started his career in Customs in this very building 35 years ago nearly to the day.

What is interesting to note is that the role of Customs has not changed much in all these years. What has changed however and continues to change rapidly is the environment in which we operate. For example the increased complexity and growth in volumes of trade; changes to business models and supply chains (e.g. e-commerce, IOT, drones, machine learning, increased threats of terrorism, growth in organised crime and illicit trade to name a few). The Commissioner will expand on these in his key note address as well as highlight how SARS and Customs in particular are responding to these challenges.

Cape Town is literally one of the most beautiful cities in the world and we are blessed to be here today for our celebration. However it is also important that we acknowledge the water crises and the looming date of “day zero”.

We as SARS are doing the following (Andy Tondi to provide the details). We encourage you to be water wise and conscious during your visit to Cape Town.

In celebrating International Customs Day every year, Customs administrations are also called on to use the occasion to highlight a key theme identified by the WCO.

The theme for this year is **“A secure business environment for economic development”**.

The Secretary General of the WCO, Mr Kunio Mikuriya, has urged members to look at how they can create an environment for businesses that will foster their co-operation in cross-border trade and, ultimately, serve the people and empower entrepreneurs.

We have strategically decided to co-incide the official inauguration and opening of our re-vamped Cape Town State Warehouse with the celebrations for this auspicious day in the Customs calendar globally.

As already mentioned by our programme director, we are hosting today's event in an operational environment, which is also in line with our event from last year of which many of you may recall, namely the cruise liner passenger terminal in the Durban harbour.

Many of you may be asking what is the role of a state's warehouse and why the need for a revamp?...

The State Warehouse plays an important role when it comes to the safekeeping of goods and is managed by Customs. The main purpose of the warehouse is to secure the duty and VAT due on undeclared, abandoned or seized goods. Declared goods detained provisionally for the correct tariff classification or without a permit are also stored in state warehouses, as well and confiscated illicit and counterfeit goods (prohibited and restricted).

You will hear a bit more about the journey we have gone through with the refurbishment of this particular warehouse when our Group Executive for Customs Branch Ms Vonani Ntlhabyane presents later today. I also encourage you to have a look at the before and after pictures on display in the warehouse.

In brief some of the improvements include, introducing tighter security processes and a new in-house upgraded information management system that will be able to track all goods coming in and out of the warehouse. This will enable us to deal decisively with illegal and counterfeit goods, which contribute to the illicit economy and loss of revenue to the state.

This facility will be a model or blue print for all our states warehouses nationally.

In addition to the work we are conducting around our State Warehouses, there several additional ways in which SARS Customs is responding to the WCO theme of **"A secure business environment for economic development"**.

This includes the introduction of new Customs legislation through the New Customs Acts Programme (or NCAP). NCAP is by far the biggest project in SARS right now and the roadmap for its implementation extends all the way until 2025. Once the new Acts are implemented, they will fundamentally change the way we do business in SARS.

You will be hearing more about this today when Phoziso Mbiko, our legal champion for the project, talks about the first phase which is expected to go live within the next couple of months. This first phase, which deals with Reporting of Conveyances and Goods, will see many benefits to both SARS and trade including improving cargo management and supply chain security.

Other initiatives which should help create a business-friendly environment include customs-to-customs interconnectivity with our neighbouring administrations, supporting efforts being led by the Department of Home Affairs to establish One Stop Border Posts and the Preferred Trader Programme to name a few.

In concluding I would like to extend my appreciation to our partners in Government and Trade for your continued support.

I would also like to give thanks to the Customs leadership of the Western Cape, under the Acting Executive Henson Msongweni, supported by the Executive from KZN Ms Ashika Pillay and the entire team for organising this event.

Congratulations to all the staff and officers who will be recognised with certificates of merit from the WCO in line with this year's theme, you are our shining stars and we are extremely proud of your achievements.

Last but not most important, it would be remiss if I did not use this platform to address all the Customs officials around the country.

This day is for you...

This day is about you...

It is about acknowledging your role and dedication and about encouraging you to keep at it and continuously strive to improve as we collectively take Customs & Excise to greater heights.

It is about thanking you, for you are a fundamental part of making South Africa a safer and more prosperous country for all South Africans.

To all the Customs & Excise officers,

I salute you.

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