

# New Customs Bill ruling will put pressure on port efficiency

Goods will have to be cleared at coastal ports

BY Liesl Venter

Customs' determination to have all goods cleared at the coast does not bode well for the South African trade environment, Pat Corbin, past president of the Johannesburg Chamber of Commerce and Industry (JCCI), said.

Speaking at the Transport forum in Johannesburg recently, Corbin said the Customs Bills had been on the cards for several years, and while consensus had been reached on most issues in the Nedlac process, the determination of Customs not to allow for any clearing to take place at inland ports would only add more pressure to the already overburdened ports in the country.

"Customs maintains that despite the changes they propose it will be business as

usual. We disagree. We have severe reservations about their intention to terminate vessel manifests at the coastal ports in all cases and have called for further research to be undertaken in this regard," said Corbin. "Terminating the manifest at the coast has severe ramifications for moving goods from road to rail," said Corbin. "International experience has shown when you have an inland port and you have an adequate rail service where the vessel manifest only terminates at the inland port, up to 80% of the boxes for inland regions are put on rail. But only 12% land on rail if the manifest terminates at the coastal port."

Corbin said the congestion at both the port and on the road would continue and have an adverse impact on quick

trade flows.

"It also raises issues around the levels of customs security and control at inland ports and then the general implications of the modernisation project."

According to Corbin, government's continued response has been that no provision exists for inland ports and that goods must be cleared at the first port of entry.

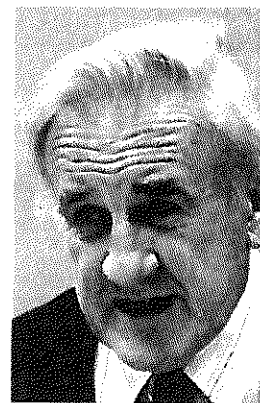
"They maintain that it is about controlling goods moving across our borders and thus the requirement that all goods must be cleared at the first port of entry. The security of the supply chain plays an important role in avoiding diversion or smuggling of goods," said Corbin. "Government says that the policy change will not clog up the ports or prohibit

the seamless movement of trade. Labour organisations and unions seem to agree with them."

But, Corbin said, the Johannesburg Chamber of Commerce differs and is worried about the ramifications of this dramatic change to the 35-year-old option of clearing goods at an inland port or terminal.

"With this policy change all containers will have to be reconsigned after not only Customs clearance on copy documents but also, critically, completion of shipping lines' requirements ie, payment of freight, original bill of lading presentation and receiving delivery instructions prior to their issuing a delivery order."

Corbin said the issue had been addressed directly with Transnet CEO Brian Molefe

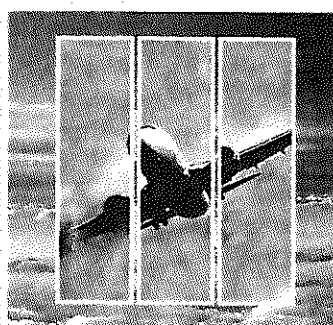
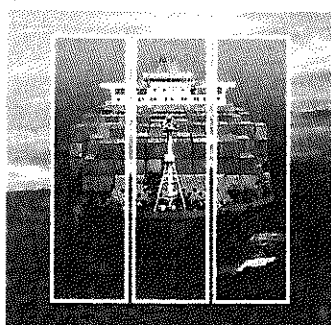
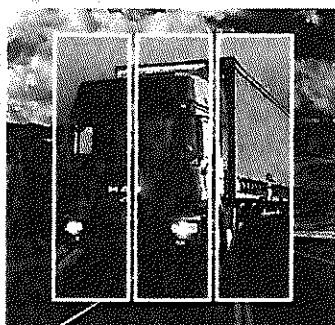


Pat Corbin ... JCCI concerned about the ramifications of this dramatic change.

on two occasions, but that he had said he accepted Customs' assurance that nothing would change and the boxes would still be able to move seamlessly once cleared.

"It is not understood that the manifest will terminate at the coast where all boxes will dwell until they can be reconsigned," said Corbin.

• FTW was awaiting comment on the issue from SA Revenue Service when this issue went to print.



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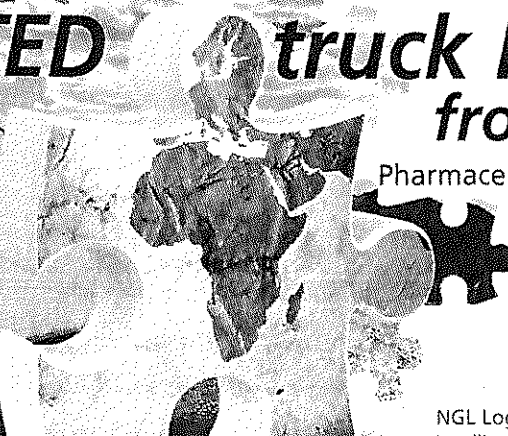
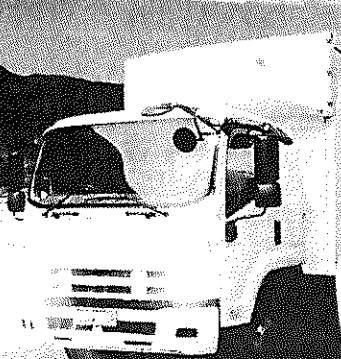


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