

NATIONAL COUNCIL OF PROVINCES

QUESTION FOR ORAL REPLY

QUESTION NUMBER 99 [CO699E]

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Mr D B Feldman (COPE-Gauteng) to ask the Minister of Finance:

- (1) (a) What is the total amount which South Africa paid over to the SA Customs Union (SACU) under the customs and excise levy agreement for the 2010-11 financial year and (b) how much of this amount did South Africa receive under the revenue sharing formula as determined by SACU;
- (2) whether South Africa will consider the renegotiation of this agreement in order to receive a more equitable portion of revenue that has been generated through the consumption of fuel in view of the amount of traffic that use our roads; if not, why not; if so, what are the relevant details?

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REPLY:

- 1a. South Africa as manager of the SACU common revenue pool paid over to the BLNS countries a total amount of R22, 09 billion for the financial year 2010/11. This amount includes the Secretariat's budget of R53, 87 million.
- 1b. South Africa received R25, 35 billion from the SACU common revenue pool for the financial year 2010/11.

2. The SACU 2002 Revenue Sharing Formula is currently under review. The new formula will be negotiated in light of achieving the following principles:

- Improving trade facilitation through the elimination of trade barriers;
- Decreasing the dependency of BLNS countries on customs duties;
- Decreasing volatile fiscal revenues for the BLNS countries; and
- Eliminating the barrier of accession of new members.

Revenue generated through the consumption of fuel in the customs union forms part of excise taxes. Excise taxes collected in the customs union will remain part of the formula. The aim of the new formula is to distribute customs and excise revenue equitably amongst member states taking into account the size of their respective economies.