

# CHECK AGAINST DELIVERY



MINISTRY OF FINANCE  
REPUBLIC OF SOUTH AFRICA

## Launch of Port of Entry Control Centre, Cape Town Harbour

02 May 2014

Speech by

Pravin Gordhan

Minister of Finance

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Minister Pandor,  
Deputy Minister Chohan  
Deputy Minister Makwetla  
MEC Alan Winde

Home Affairs Director-General Apleni  
Acting SARS Commissioner Pillay  
Ports Authority CEO Tau Morwe

Ladies and gentlemen

### Introduction

The launch of the Port of Entry Control Centre within the precinct of Cape Town Harbour is a momentous milestone in the 20 year journey to modernize, control, and secure the ports of entry into SA – be they land, sea, air, or rail. Over the past 20 years, and certainly during the past five years of this administration, remarkable progress has been made in conceptualizing alternative models of port of entry or border control and planning the implementation of such a model.

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Central to this process has been the need to ensure optimal co-ordination and appropriate integration in the areas of risk management, technology, information sharing and analysis and highly trained personnel in all the disciplines required at ports of entry and borders of SA.

During his State of the Nation Address in 2009, President Jacob Zuma reiterated South Africa's commitment to improve Border Management. More specifically, he committed various government departments and agencies involved in border control and security to establish an integrated Border Management Agency, accentuating the focus on inter-governmental cooperation.

This injunction must be viewed in the context of our economic, social security and regional objectives.

The National Development Plan (NDP) provides the strategic framework to put our economy onto a new growth trajectory with a strong emphasis on lowering the cost of doing business in South Africa, improving our competitiveness and exports, and linking our products with other emerging markets.

Some priorities the NDP emphasises to improve South Africa's economic performance and competitiveness include—

- Raising exports while taking steps to prevent excessive overvaluation of the currency;
- Taking measures to increase competition in regulated sectors or broadening price regulation of natural monopolies;
- Diversify exports with a shift away from the dominance of commodities trade; and
- Lowering the costs of transport and logistics and investing in remedies to address spatial divides

One specific policy proposal in the NDP to expand employment and entrepreneurial opportunities in a more inclusive economy is that: "By 2030, South Africa should have a more diversified economy with a higher global share of dynamic products... Intensified stimulation of local and foreign markets will be needed... Trade activities will act as spur to growth..."

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In particular, fast-growing African economies represent strong growth opportunities and new markets for South African goods. The NDP targets an increase in intra-regional trade in Southern Africa from 7 per cent to 25 per cent of trade by 2030 and that South Africa's trade with regional neighbours should increase from 15 per cent of total trade to 30 per cent. To achieve these targets, South Africa will, among other measures, have to reduce delays and increase facilitation and risk management at border posts and forge better strategic trade partnerships with its peers on the continent. This must include plans to harmonise customs and immigration.

Efficient and risk managed customs procedures at border posts, for example, which reduce the cost of moving goods - a key barrier to greater regional integration. The co-operation of the private sector and adequate integrity in their processes will enable border authorities to process their imports and exports faster and thereby reduce costs. Equally, this kind of cooperation will enable immigration, police, agriculture, environmental and other regulators to contribute optimally to facilitating trade and visitor movements.

The inter-departmental Port of Entry Control Centre in Cape Town harbour, commonly referred to as Cowrie Place, is the first maritime facility in South Africa, where all relevant government services related to the movement of people and goods and are rendered from the same building, in a coordinated fashion.

To give context to our position in global trade, consider the following statistics that are highlighted in the NDP— “With about 90 percent of South Africa's trade volume seaborne (about 80 percent by value), the country depends on the efficiency of its seven commercial ports. South African ports handle an estimated 200 million tonnes of freight a year. This is equivalent to about 3.5 percent of world sea trade volumes... placing South Africa among the top 15 international maritime trading nations...”

The objective of an efficient system to manage the movement of people and goods across borders, must strike the ideal balance between Trade Facilitation and Promoting Tourism on the one hand, and managing security threats and protecting our local economy from illicit and counterfeit goods on the other. In essence, this calls for a balance between service delivery, risk management and compliance.

As a vigilant State, this is our response to the threats and opportunities facing our country in a Maritime context – the global phenomena of counterfeit and illicit goods, undocumented foreign nationals entering the country, smugglers and contraband. On the positive side, the value proposition we have is strongly growing tourism industry, a growing and sophisticated economy, and an unmatched business infrastructure on the African continent.

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While excellent preparations are afoot for changes to the Air- and Land Ports of Entry, we realized that the Maritime environment posed its own unique challenges, threats and opportunities. The joint inter-departmental project team worked diligently to address these. Some of the challenges in the maritime sector are:

- Real estate in the harbour is at an absolute premium
- The threats are spread over a large geographical area e.g. the outer port limits are out at sea
- Different dynamics are at play considering the range of vessels sailing in and out of harbours, e.g. from small leisure & sports craft to very large commercial fishing-, passenger- and cargo liners.

The launch of this facility today is more than that of opening a physical building equipped with state of the art technology – it introduces a new way of managing maritime ports of entry in our country! It embraces the power of leveraging the intelligence and data gathered by various arms of the state to optimally plan and execute our daily activity without compromising the sovereignty of any specific department. For the bona fide tourist or member of the Trade community, this will mean better service. For those who intend to challenge the laws of our country, be warned as we intend to raise the bar of compliance by an order of magnitude!

We specifically welcome more than 40 officials from the following departments, who moved into the newly refurbished 2000-square meter facility over the past week:

- Department of Agriculture, Fisheries & Forestry (DAFF)
- Department of Health (DoH)
- Department of Home Affairs (DHA)
- South African Police Service (SAPS)
- South African Revenue Service (SARS)
- Intelligence Community Cluster (ICC), including the State Security Agency (SSA)

We trust that you will embrace the new way of working and do us proud and use the foundation we laid in this port as a model to replicate in other maritime ports.

As government, we understand the power of inter-departmental cooperation. This was demonstrated in 2010 when we prepared our country to host the FIFA World Cup with resounding success. We managed to process large numbers of soccer fans from throughout the world. The entry and exit of tons of FIFA cargo, team equipment, and media equipment was facilitated whilst managing risks and security threats.

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Moreover, we have leveraged various government assets, including the collective intellectual property and knowledge developed by departments in their endeavor to modernize their operations through process re-engineering and technology enablement. Prime examples are the initiatives between the Department of Home Affairs (DHA) and the South African Revenue Service, who jointly developed the Movement Control System that was deployed at South African Ports of entry during the second quarter of 2010. To date the new passenger Movement Control System has processed more than 140 million passenger movements.

Another example is the Live Capture solution launched by the DHA last year, which was developed in partnership with SARS. As part of this program, SARS worked with the Trade Community to modernize the Customs solutions that was put into operation in August last year. So each government entity has made an invaluable contribution to this project.

Of course, ultimately, it is the “customer experience” that matters most. Those who have bona fide business and other interests in entering or bringing goods into SA or leaving or exporting goods from SA, should receive efficient and courteous service. Those whose motives will harm our economy or people will be dealt by the full might of the law.

The launch of the Port of Entry Control Centre is probably one of the last initiatives the first administration of President Zuma will announce before the elections on May 7, 2014. It is opportune then to highlight a few of the major achievements of this administration which has advanced our economy and society within the cauldron of a one in 70 year recession that many choose to ignore:

It is this administration’s skillful and bold interventions which minimized the negative impact of the recession. Our excellent banking regulations protected our banks. Our decision to implement countercyclical policies bolstered our economy and sustained social programs. At the same time the serious fault-lines in our economy, frankly identified in the Diagnostic by the National Planning Commission, were exposed.

Our response was, for example, to intensify investment in infrastructure (more than R1 trillion in the past five years), support manufacturing and other sectors, increase public works jobs and continue with the implementation of social infrastructure, and begin the implementation of the national Health Insurance. In addition, the production of the National Development Plan and its wide acceptance as a vision for SA was a major advance. The award of the SKA to SA, increased financial inclusion, investment in youth entrepreneurs, the recovery of the one million jobs lost during recession.

These are just some of the programs this administration has been undertaking in a tough, uncertain and turbulent period in the global economy.

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The NDP recognises that development has never been a linear process, one step following another in a predictable and orderly sequence. Instead, development requires a multidimensional framework of interacting initiatives, policies and investments that generate a virtuous cycle of progress, with actions in one area supporting advances in others.

Together with the New Growth Path and Industrial Policy Action Plan, the NDP lays the basis for economic transformation, stressing that change is required on many fronts to modernise the economy, address development challenges and improve the lives of South Africans. Over the next five years the next administration of President Zuma will:

- Consolidate the industrialization and infrastructure expansion program
- Empower and promote education and employment for the youth
- Make the financial sector serve the real economy and people
- Implement a massive public works program
- Advance equality and decent work in the workplace
- Build an extensive support network for small business and cooperatives
- Promote broad-based black economic empowerment
- Invest in science and technology
- Advance rural development, land and agrarian reform and food security

As the capabilities and systems of this facility are implemented at all ports of entry, SA will be placed on a new threshold of excellence. Strong and resilient public institutions, capable and innovative leaders, professional and competent public servants and systems to support them are key elements of our democracy as it enters its next decade.

I thank Minister Pandor for the leadership she has provided to this important program of government, and the vital support and collaboration of all colleagues in the JCPS. The excellent leadership and spirit of cooperation among the Directors General and leaders of all government entities has been invaluable. We thank the Transnet National Ports Authority for their cooperation and making the building available to us. We also want to acknowledge the significance of the TNPA capital investment programme and believe this facility will enable the Port of Cape Town to grow and function more efficiently as an important asset of our country's economic infrastructure.

I thank you.