



MINISTRY OF FINANCE
REPUBLIC OF SOUTH AFRICA

Private Bag X115, Pretoria, 0001 • 40 Church Square, PRETORIA, 0002 • Tel: +27 12 315 5372, Fax: +27 12 406 9055 • www.treasury.gov.za

SPEECH BY DEPUTY MINISTER OF FINANCE

WELCOME ADDRESS BY DEPUTY MINISTER, MR ASHOR SARUPEN, ON THE OCCASION OF THE 91ST SESSION OF THE WORLD CUSTOMS ORGANIZATION POLICY COMMISSION

03 DECEMBER 2024

Mr Ian Saunders, Secretary General of the WCO
Mr Edward Kieswetter, WCO Council Chair and Commissioner for the South African Revenue Service
Regional Vice Chairs of the WCO
Commissioners, Commissioners General, Directors-General
Members of the Policy Commission
Special guests, Delegates, Ladies and Gentlemen
All protocols observed

Good morning, Sanibonani, Molweni

Let me take this opportunity to heartily welcome you to the City of Cape Town, our legislative capital.

South Africa had the rare privilege of hosting the Policy Commission for the first time more than 20 years ago. The two short decades since then have witnessed unprecedented seismic changes globally:

- The financial crisis that reversed most of the gains that were registered by all countries disproportionately affecting developing ones
- A global pandemic which resulted in global lockdowns and significant supply chain disruptions;
- Unprecedented digital transformation and disruptive innovation and
- Geopolitical tensions, which have impacted global trade significantly.

I am sure we can all agree that the last two decades have seen disruptions the like of which the world has never seen before. The WCO has stood steadfast in its commitment to ensure that customs administrations worldwide respond meaningfully and speedily to these ever-changing and ever-increasing demands. It is befitting to pause for a moment and congratulate you all on your resilience in the face of such stormy challenges.



MINISTRY OF FINANCE
REPUBLIC OF SOUTH AFRICA

SPEECH BY DEPUTY MINISTER OF FINANCE

Ladies and gentlemen

Since its founding, the WCO has contributed immensely to the effectiveness and efficiency of Customs administrations. This has resulted in enhanced revenue collection, which is increasingly important as we pursue greater domestic resource mobilisation (DRM) at national levels in the pursuit of the Sustainable Development Goals (SDGs).

Disappointingly, in its 2024 annual SDG report card released in June this year, the United Nations reported that “nearly half the 17 targets are showing minimal or moderate progress, while over a one-third of the targets are stalled or going in reverse, since they were adopted by UN Member States back in 2015 to bring peace and prosperity for people and the planet.” This does not bode well for developing countries, and its relevance cannot be lost to the WCO since three quarters of your 186 members are developing countries. Trade facilitation, which is the core of Customs administrations, is not executed for its sake only but to ensure economic growth with concomitant benefits of eradication of hunger and poverty, investment in education, job creation and ushering in life of dignity. All of this resonates with the SDGs.

The incontrovertible truth is that no single country, jurisdiction, or organisation can move countries closer to the achievement of the SDGs if it acts alone. It is only through global solidarity and universal commitment that these goals can be met. It is against this backdrop that all the commitments that have been made must be urgently met.

Customs is an integral part in acting together to change for the better the lives of all global citizens. South Africa has learnt that the only way to address transnational crimes, be it cross border financial, economic or customs crimes, we need to be deliberate in adopting whole-of-government cooperative solutions. To add to this, we have learnt that the fight against poverty and inequality demands nothing less than a whole-of-society approach. Similarly, the WCO cannot and should not go it alone in its work. It should expand its cooperative networks and should leverage offerings of assistance and support available to enable it to better serve its members and achieve its mandate.

Ladies and gentlemen

While I commend you for the excellent work you have done thus far, it would be amiss of me not to challenge you. Importantly, it is important that the WCO does not become complacent or move



MINISTRY OF FINANCE
REPUBLIC OF SOUTH AFRICA

SPEECH BY DEPUTY MINISTER OF FINANCE

on too quickly to new trendy priorities without deep analyses of and reflection on its work to date, and the effectiveness thereof, or not.

I believe that more should be done, and gaps still exist that needs to be addressed. As I already mentioned, South Africa first hosted the Policy Commission more than two decades ago. At that time already, the WCO started engagements on customs exchange of information and IT interconnectivity. My question to you is how successful have you been in that space?

Commissioner Kieswetter returned this weekend from attending the Global Forum on Transparency and Exchange of Information for Tax Purposes (Global Forum) in Paraguay. The Global Forum recently celebrated 15 years, a milestone during which it revolutionised tax exchange of information to an extent which has outpaced customs exchange of information. They have developed and implemented internationally agreed standards for exchange of tax information on request as well as automatic exchange of tax information, the implementation at a country-level, which they monitor through a robust peer review and assessment process. This has resulted in a leap in global tax transparency, effectively contributing to increased revenue collection and improved voluntary compliance with tax obligations, which has significantly contributed to DRM.

The WCO 2018 report to the G20 on Illicit Financial Flows via Trade and its most recent Report on Illicit Trade Report underscore the importance of international cooperation and information sharing. My challenge to you present today: Is it not time for the WCO to also pursue the adoption of binding international standards for the exchange of information, which are monitored via a dedicated peer review processes similar to that of the Global Forum? Is it not time that customs transparency takes centre stage in the fight against cross border customs and trade crimes? These crimes severely impact the ability of developing countries to ensure that fair customs duties and excise is identified and collected.

Significantly as Customs we must adapt these standards to suit our unique area of work while also appreciating various challenges faced by members of the WCO, so that as I said earlier, we don't move too quickly and leave some members behind.

Ladies and gentlemen

South Africa has assumed the G20 Presidency on Sunday, 1 December. It is our intention to continue with the work that bring DRM to the centre stage. I wish to call on the WCO to contribute to the work that will seek to rephrase the DRM conversation before the 4th International



MINISTRY OF FINANCE
REPUBLIC OF SOUTH AFRICA

SPEECH BY DEPUTY MINISTER OF FINANCE

Conference on Financing for Development at the end of June next year. As I have explained before, the WCO has a very important role to play in this debate, and I hope that you will take up the challenge and contribute cooperatively, and on an equal basis, to ensure that your area of expertise is also appropriately represented and reflected.

As your famous saying goes “Borders Divide, Customs Unites”, I hope a clarion call will emerge from the Policy Commission that will immerse Customs in the important work that makes palpable impact on the lives of all our citizens. The WCO has over the years proven itself to be resilient in facing up to stormy challenges, be they technological innovation, changes in good traded, reimagining of supply chains, and fighting customs crimes and border crimes. I have no doubt that you’ll rise to the challenges.

I wish you all the very best for your deliberations. May they be robust, and may you leave with clarity of purpose and sound strategic direction in furthering the trade facilitation and customs administration discourse.

Enjoy your time in South Africa, enjoy our hospitality, diversity and beauty.

Thank you!

End