SA logistics industry welcomes SARS decision

Reports that the South African Revenue Service (SARS) has conceded to enable inland ports, including Joburg's City Deep, to continue operating following a number of protests, is a welcome step forward, given the significant impact this would have had on the country's import and export industry.

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Penny Henley, logistics manager of Blue Strata, South Africa's end-to-end import and working capital specialist, said that the decision is very positive and the right one for the South African economy.

"The draft Customs Control Bill, which had been approved for submission to parliament by the cabinet, would have impacted on thousands of jobs and caused huge constraints at the already congested Durban port."

Henley also notes that the closure of the City Deep inland port, which is the largest in Africa and the fifth-largest in the world, would have resulted in severe disruption to local businesses and further escalated the cost of doing business in the country.

One of the biggest impediments to growth

"The cost of doing business in South Africa is already one of the biggest impediments to the growth of local import and export businesses and the decision to close City Deep would have had a direct impact on the profit margins of already struggling small businesses," said Henley.

"We would also have experienced a logistical nightmare, with increased vessel waiting times, cargo and road truck delays that would result in extended berthing times, as well as increased charges for storage," she said.

Currently, vessels that carry goods to inland ports contain a general summary of all cargo on board rather than precise information of all the goods. SARS told parliament's Standing Committee on Finance that it is willing to propose a mandatory advance customs clearance of goods three days before their arrival at the first port of entry.

According to SARS, 70% of importers already make advance customs clearances. The proposal will be tested throughout 2014 and will not be fully implemented until 2015, in order to allow businesses to prepare adequately for the change.

"We are pleased that SARS has shown it is willing to compromise in this regard. We will be studying the new proposal closely to determine exactly how it will work going forward, but we are confident that this solution is a good first step to resolving this issue."

"We look forward to further discussing these new proposals to ensure that minimal impact is felt by South Africa's import industry," concluded Henley.