

INDIRECT TAX **CUSTOMS & EXCISE**

MONTHLY NEWSLETTER

ISSUE 05: May 2025

PART A: AfCFTA - WHAT'S NEW?

AFRICA CONTINENTAL FREE TRADE AREA

News on AfCFTA

May 2025 activities

Strengthening Africa-Korea ties: AfCFTA's role in global economic integration

On 28 May 2025, H.E. Wamkele Mene, the Secretary-General of the AfCFTA Secretariat, spoke at the Jeju Forum for Peace and Prosperity in South Korea.

He emphasised the need for stronger economic ties between Africa and Korea, stressing the importance of increasing intra-African trade and developing regional supply chains to support economic growth. He also addressed the cooperation with Korea and the Korea-AfCFTA Cooperation Fund, which aims to strengthen partnerships.

The AfCFTA Secretariat's participation in the forum underlined its commitment to promoting Africa's role in the global economy and supporting trade and industrialisation efforts.

Online reference: AfCFTA Secretary-General Highlights Africa-Korea Cooperation (28 May 2025) [<https://au-afcfta.org/2025/05/afcfta-secretary-general-highlights-africa-korea-cooperation-at-jeju-forum-for-peace-and-prosperity-2/>.]

SAIT customs comment

The AfCFTA's ability to attract interest from countries outside Africa, like South Korea, is significant for several reasons. It can enhance trade and investment opportunities, leading to increased economic growth and development.

Establishing partnerships with global players helps African nations integrate into the global market, providing access to new technologies, resources, and markets.

Furthermore, cross-border trade and investment are essential for creating a more interconnected economy, which can lead to job creation and improved standards of living. However, for AfCFTA to succeed, African countries must focus on self-investment in their economic development and address internal and regional conflicts. Strengthening internal stability will be crucial for maximising the benefits of international partnerships and ensuring sustainable economic progress.

PART B: TRADE CORRIDORS

News on trade corridors

May 2025 activities

Nigeria launches air corridor to boost trade with Africa

Nigeria has opened an AfCFTA air corridor to Kenya, Uganda, and South Africa, reducing export logistics costs for local businesses by up to 75%.

Announced by Trade Minister Dr. Jumoke Oduwole, the corridor, operated by Uganda Airlines, aims to expand trade in textiles, cosmetics, and agricultural products.

Nigeria has also gazetted AfCFTA tariffs to lower rates for exporters and improve market access, supporting competitiveness and digital trade.

Online reference: Nigeria Launches AfCFTA Air Corridor, Boosting Trade with Three Countries (30 May 2025). [<https://africa.com/nigeria-launches-afcfta-air-corridor-boosting-trade-with-three-countries//>]

SAIT customs comment

An “air corridor” refers to a designated route for air transport that facilitates the movement of goods between specific countries.

In this context, it streamlines export processes, making it easier and cheaper for Nigerian businesses to send products to other African nations. This is significant for the AfCFTA as it enhances trade efficiency, helping to integrate African economies and promote regional commerce.

PART C – SARS CUSTOMS NEWS

General updates: Customs

April – May 2025

Legal counsel: Secondary legislation – Tariff amendments 2025

The table below refers to the substitution of the rate of fuel levy:

Date	GG and Notice Number	Description	Implementation date
9 May 2025	GG 52603 R.6176	Amendment to Part 5A of Schedule No. 1, by the substitution of the rate of fuel levy for item 195.20.03, to give effect to the Budget proposals announced by the Minister of Finance on 12 March 2025 Notice R.6176	9 May 2025

The table below refers to the reduction of the rate of customs duty on sugar:

Date	GG and Notice Number	Description	Implementation date
9 May 2025	GG 52603 R.6177	Amendment to Part 1 of Schedule No. 1, by the substitution of tariff subheadings 1701.12, 1701.13, 1701.14, 1701.91, and 1701.99, to reduce the rate of customs duty on sugar from 377.35c/kg to 282.85c/kg in terms of the existing variable tariff formula (ITAC Minute 17/2024) Notice R.6177	9 May 2025

The table below refers to the implementation of safeguard measures on the importation of hot-rolled steel products:

Date	GG and Notice Number	Description	Implementation date
2 May 2025	GG 52576 R.6164	Amendment to Part 3 of Schedule No. 2, by the insertion of various items under item 260.03, to implement safeguard measures on the importation of hot-rolled steel products classifiable under Chapter 72 at a rate of 13% (ITAC Report No. 740) Notice R.6164	Up to and including 1 May 2026
2 May 2025	GG 52576 R.6165	Amendment to Part 3 of Schedule No. 2, by the substitution of various items under item 260.03, to reduce the rate of safeguard measures on the importation of hot-rolled steel products classifiable under Chapter 72 from 13% to 11% (ITAC Report No. 740) Notice R.6165	With effect from 2 May 2026 up to and including 1 May 2027

Date	GG and Notice Number	Description	Implementation date
2 May 2025	GG 52576 R.6166	Amendment to Part 3 of Schedule No. 2, by the substitution of various items under item 260.03, to reduce the rate of safeguard measures on the importation of hot-rolled steel products classifiable under Chapter 72 from 11% to 9% (ITAC Report No. 740) Notice R.6166	With effect from 2 May 2027 up to and including 1 May 2028

SAIT customs comment

In summary, the above ITAC Report No. 740 states the following:

- The International Trade Administration Commission of South Africa (ITAC) initiated an investigation into increased imports of hot-rolled steel products, following a request from the South African Iron & Steel Institute (SAISI), an industry association, applied on behalf of ArcelorMittal South Africa Limited (AMSA), being the major producer of the subject product in the Southern African Customs Union (SACU).
- They found that unexpected events led to a surge in imports, harming the local steel industry.
- A temporary measure of 9% was recommended for 200 days.
- On 12 July 2024, the Commission invited comments on potential permanent safeguard measures, ultimately suggesting rates of 13% for the first year, 11% for the second year, and 9% for the third year.
 - *Safeguard measures are temporary import restrictions to protect local industries from sudden import surges.*
- These measures would apply to imports from all countries, excluding certain developing countries.

The table below refers to the implementation of the revised Tariff Rate Quota (TRQ):

Date	GG and Notice Number	Description	Implementation date
25 April 2025	GG 52564 R.6153	Amendment to Schedule No. 1, to implement the revised Tariff Rate Quota (TRQ) in terms of the Economic Partnership Agreement (SADC-EU EPA) Notice R.6153	With retrospective effect from 1 September 2024 up to and including 31 December 2024
25 April 2025	GG 52564 R.6152	Amendment to Schedule No. 1, to implement the revised TRQ in terms of the Economic Partnership Agreement (SADC-EU EPA) Notice R.6152	With retrospective effect from 1 January 2025

Date	GG and Notice Number	Description	Implementation date
25 April 2025	GG 52564 R.6155	Amendment to Schedule No. 1, to implement the revised TRQ in terms of the Economic Partnership Agreement (SACUM-UK EPA) Notice R.6155	With retrospective effect from 1 September 2024 up to and including 31 December 2024
25 April 2025	GG 52564 R.6154	Amendment to Schedule No. 1, to implement the revised TRQ in terms of the Economic Partnership Agreement (SACUM-UK EPA) Notice R.6154	With retrospective effect from 1 January 2025g 31 December 2024

The above TRQs include, amongst other things, the following products: ham, pig fat, butter, fresh cheese, grated or powdered cheese, processed cheese and blue-veined cheese. However, we recommend you consider the actual notices to confirm the range and specifics of the products, including the tariff subheadings.

Confirmation of access to customs amendments:

All Customs amendments and proposed amendments were accessed from the specified web address:

Online reference: SARS: What's new at SARS (26 May 2025) [<https://www.sars.gov.za/whats-new-at-sars/>]

PART D – GENERAL MATTERS OF INTEREST

Strengthening trade in Africa: The role of Customs in the AfCFTA

The World Customs Organisation (WCO) has updated its Arusha Declaration to promote good governance and integrity in customs operations. This declaration aims to improve customs practices worldwide, ensuring that customs administrations operate effectively and transparently.

Integrity in customs refers to the honesty and fairness of customs officials in their dealings with traders. This principle is crucial for several reasons:

Item	Theme	Detail
1	Trust	When customs officials act with integrity, traders can trust that their goods will be processed without corruption or unfair treatment. This trust is vital for building strong business relationships and facilitating smoother trade.
2	Efficiency	Good governance in customs leads to streamlined processes, which helps reduce delays in customs clearance. When operations are efficient, traders can get their products to market faster, improving their competitiveness.
3	Compliance	Traders who understand customs regulations and the importance of integrity are more likely to comply with the rules. This understanding reduces the risk of penalties and legal issues, allowing traders to focus on their business operations.

Item	Theme	Detail
4	Global Trade	A customs environment that emphasises transparency and integrity encourages international trade. By fostering trust among trading partners, it opens up new markets for traders and contributes to economic growth.

Traders should pay attention to the revised Arusha Declaration because it directly impacts how customs officials operate. By understanding these principles, traders can:

Item	Theme	Detail
1	Navigate Customs	Knowledge of the focus on integrity can help traders anticipate customs processes and prepare necessary documentation more effectively.
2	Support Fair Practices	Traders can advocate for integrity initiatives within customs and hold officials accountable to ensure fair treatment in their operations.
3	Build Reputation	Engaging with customs authorities based on these principles enhances a trader's reputation, fostering better relationships and facilitating smoother operations.

Being informed about the revised Arusha Declaration is essential for traders. It helps ensure smoother customs operations, promotes fair trade practices, and ultimately benefits the entire trading environment.

By supporting integrity in customs, traders contribute to a more efficient and reliable system that supports both local and international trade.

PART E – CONCLUSION

Understanding “Smart Customs”: A Guide for Traders

The WCO has introduced the concept of “smart customs,” which aims to modernise customs operations worldwide. This approach focuses on using technology and data to improve efficiency, transparency, and security in customs procedures.

For traders, understanding smart customs is essential for navigating the changing landscape of international trade.

What is Smart Customs?

Smart customs refer to a system that uses technology, data analytics, and innovative practices to streamline customs processes. This includes the use of technologies such as artificial intelligence, blockchain, and automated systems to enhance customs operations. The goal is to create a more effective customs environment that can adapt to global trade needs.

The key features of Smart Customs are as follows:

Item	Theme	Detail
1	Automation	Smart customs rely on automated systems to handle routine tasks, such as processing documentation and clearing goods. This reduces human error and speeds up the customs clearance process.

Item	Theme	Detail
2	Data Sharing	By promoting the sharing of data between customs authorities and traders, smart customs enhance transparency. This allows for better risk assessment and targeting of shipments.
3	Risk Management	Smart customs use data analytics to identify potential risks associated with shipments. This proactive approach allows customs officials to focus their resources on high-risk areas while facilitating the movement of low-risk goods.
4	Collaboration	Smart customs encourage collaboration between customs authorities and traders. By working together, both parties can address challenges and improve compliance with regulations.

For exporters and importers based in South Africa, the implementation of smart customs may have several significant impacts:

Item	Theme	Detail
1	Faster Clearance Times	With automated systems and improved data sharing, customs clearance times are expected to decrease. This means that goods can move more quickly across borders, reducing delays for traders.
2	Cost Savings	Faster clearance times and reduced human error can lead to cost savings for traders. Lower logistics costs can improve profit margins and make South African goods competitive in international markets.
3	Improved Compliance	With a focus on transparency and risk management, traders will have a clearer understanding of customs regulations and requirements. This can lead to better compliance and fewer penalties for non-compliance.
4	Enhanced Security	The use of data analytics and risk management will enhance the security of the supply chain. Traders can feel more confident that their goods are being monitored and protected throughout the shipping process.

The WCO's concept of smart customs represents a shift in how customs operations are conducted globally.

For traders in South Africa, embracing this new approach will be crucial for staying competitive in the international market. By leveraging technology and data, smart customs will streamline processes, reduce costs, and improve compliance, ultimately benefiting exporters and importers.

Understanding and adapting to these changes will help South African traders navigate the evolving landscape of global trade more effectively.

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