

INDIRECT TAX **CUSTOMS & EXCISE**

MONTHLY NEWSLETTER

ISSUE 07: July 2025

PART A: AfCFTA - WHAT'S NEW?

AFRICA CONTINENTAL FREE TRADE AREA

News on AfCFTA

July 2025 activities

Mozambique Gazettes its AfCFTA Tariff Concessions

On 10 July 2025, the Republic of Mozambique officially published its tariff concessions under the AfCFTA Agreement.

This publication, known as gazetting, is a crucial step in implementing the trade agreement. It serves as a formal notice to businesses and the public about new rules that will take effect, which helps provide clarity. For businesses, this means that Mozambique will offer lower tariffs on certain goods imported under the AfCFTA rules, as promised.

This step enhances Mozambique's participation in the AfCFTA and contributes to the goal of establishing a single market in Africa.

Online reference: Mozambique Gazettes its AfCFTA Tariff Concessions (4 August 2025);
[<https://au-afcfta.org/2025/07/mozambique-gazettes-its-afcfta-tariff-concessions/>]

SAIT customs comment

The gazetting of Mozambique's tariff concessions under the AfCFTA is a significant development for the southern region of Africa.

It highlights the importance of South Africa's immediate neighbours actively participating in the AfCFTA framework. By embracing this agreement, countries like Mozambique can foster stronger economic ties and facilitate trade within the region. This collaboration not only opens new markets for goods and services but also supports local industries and promotes economic growth.

PART B: MESSAGE FROM THE PRESIDENT

International Trade

July 2025 activities

South Africa must adapt quickly in a turbulent trade environment

On 4 August 2025, President Cyril Ramaphosa responded to the United States' imposed tariff increases and he shared the following:

South Africa must quickly adjust to changes in trade after the United States (US) imposed a 30% tariff on its imports. He says that the US is our second-largest trading partner, and this tariff increase will affect industries that export to the US, impacting jobs and our economy. Sectors like agriculture, automotive, and textiles have benefited from duty-free access under the African Growth and Opportunity Act (AGOA). South Africa's exports usually support US industries rather than compete with them.

South Africa's imports, in the past, provided benefits to US consumers. For example, citrus from South Africa helped meet demand when US production is low.

We are told that the South African government is working to improve trade relations with the US and protect our export industries. The President also said that the government is focusing on finding new markets within Africa and beyond. An Export Support Desk has been set up to help affected producers and will support companies and workers impacted by the tariffs.

His message further states that strengthening regional trade networks is vital for our economic resilience. The government aims to increase trade missions and programmes to prepare more companies for exporting.

The concluding remarks confirmed that South Africa is not alone in facing these challenges and that it is essential to adapt to the changing global trade landscape.

Online reference: South Africa must adapt quickly in a turbulent trade environment (4 August2025); [<https://www.thepresidency.gov.za/node/9230>].

SAIT customs comment

President Cyril Ramaphosa’s message highlights the urgent need for South Africa to adjust to the new tariff increase from the US. This will impact key industries like agriculture and textiles, affecting jobs and the economy.

For South Africa’s trade to flourish, it is essential to attract foreign direct investment. Targeting new foreign markets to replace the US will be a significant challenge due to the strength of the US domestic market.

In contrast, countries like China do not have a strong domestic market, which makes finding suitable alternatives more difficult.

Strengthening local manufacturing and finding foreign markets as lucrative as the US domestic market are critical for building a resilient export market. Adapting to these changes is vital for future growth.

PART C – SARS CUSTOMS NEWS

General updates: Customs

June - July 2025

Prohibited and Restricted Imports and Exports List

The table below refers to the prohibited and restricted goods index list:

Date	Theme	Description
23 July 2025	Updated Prohibited and Restricted Imports and Exports list	<ul style="list-style-type: none">The Prohibited and Restricted Imports and Exports list has been updated.The tariff headings below do not require a Letter of Authority: 8465.91, 8465.92, 8465.93, 8465.94, 8465.95, 8465.96, 8465.99

Air Passenger Tax

The table below refers to Air Passenger Tax:

Date	Theme	Description
18 July 2025	Updated Air Passenger Tax guide	<ul style="list-style-type: none">The new features designed to streamline online registration, return submission and overall management of Air Passenger Tax (APT) process were implemented on 30 June 2025.The Air Passenger Tax guide has been updated to include detailed guidance for converting Excel files into CSV files.

SAIT customs comment

The Air Passenger Tax appears in Section 47B of the Customs and Excise Act, 1964 (the Customs Act).

Legal counsel: Secondary legislation – Tariff amendments 2025

The table below refers to provisional payments related to anti-dumping duty:

Date	GG and Notice Number	Description	Implementation date
18 July 2025	GG 53020 R.6438	Imposition of a provisional payment in the form of anti-dumping on imports of fully automatic top load machines, of a dry linen capacity exceeding 10 kg but less than 17 kg, classifiable under tariff subheading 8450.20.20 originating in or imported from the Peoples Republic of China and Thailand (ITAC Report 752).	18 July 2025 up to and including 17 January 2026

SAIT customs comment

The ITAC report 752 covers, amongst other things, the following:

Defy Appliances (Pty) Limited applied to the International Trade Administration Commission of South Africa (ITAC) to investigate the alleged dumping of fully automatic top-load machines from China and Thailand.

The investigation started on 25 October 2024, after the Commission found initial evidence of dumped prices harming the SACU industry.

Questionnaires were sent to producers, exporters, and importers.

The Commission made a preliminary finding that the products from China and Thailand were being dumped, causing injury to the industry.

As a result, they requested the South African Revenue Service (SARS) to impose provisional measures on imports for six months.

The table below refers to an amendment to form DA 5:

Date	GG and Notice Number	Description	Implementation date
11 July 2025	GG 52968 R.6408	Amendments to rules under section 120 – Substitution of form DA 5 under item 202.00 of the Schedules to the rules (DAR262) <ul style="list-style-type: none"> • DA 5 – Declaration in respect of sealable goods on board ship 	11 July 2025

The table below refers to an amendment to rules 77H.01, 77H.02 and 77H.11 of the Customs Act and, amongst other things, the insertion of a new definition listed as “centralised unit” in reference to performing branch office functions:

Date	GG and Notice Number	Description	Implementation date
11 July 2025	GG 52968 R.6409	Amendment to Amendment to rules under sections 77H and 120 – Internal appeals (DAR261).	11 July 2025

The table below refers to an increase in the rate of customs duty:

Date	GG and Notice Number	Description	Implementation date
11 July 2025	GG 52968 R.6410	Amendment to Part 1 of Schedule No. 1, by the substitution of tariff subheadings 1001.91 and 1001.99 as well as 1101.00.10, 1101.00.20, 1101.00.30 and 1101.00.90, to increase the rate of customs duty on wheat and wheaten flour from 54.95c/kg and 82.42c/kg, respectively to 85.15c/kg and 127.72c/kg, in terms of the existing variable tariff formula (ITAC Minute M05/2025)	11 July 2025

The table below refers to vaping devices:

Date	GG and Notice Number	Description	Implementation date
4 July 2025	GG 52938 R.6378	Amendment to Part 1 of Schedule No. 1, by the substitution of tariff subheadings 1001.91 and 1001.99 as well as 1101.00.10, 1101.00.20, 1101.00.30 and 1101.00.90, to increase the rate of customs duty on wheat and wheaten flour from 54.95c/kg and 82.42c/kg, respectively to 85.15c/kg and 127.72c/kg, in terms of the existing variable tariff formula (ITAC Minute M05/2025)	4 July 2025
	GG 52938 R.6379	Amendment to Part 2A of Schedule No. 1, as a consequence to the amendment to Part 1 of Schedule No. 1, to provide for vaping devices presented with vaping liquid and the insertion of Note 5 to clarify that the rate of duty specified in the rate of duty column is only applicable to liquid presented with the device	
	GG 52938 R.6380	Amendment to Part 1E of Schedule No. 6, as a consequence to the amendments in Part 2A of Schedule No. 1, to provide for a rebate of duty on locally manufactured goods as well as the substitution of Notes 1, 2 and 4 to include the reference to the newly inserted rebate items 622.24, 622.25 and 622.26	

The table below refers to a provisional payment in relation to *safeguard duties against the alleged increased imports of certain steel products:

Date	GG and Notice Number	Description	Implementation date
27 June 2025	GG 52903 R.6340	Imposition of provisional payment in relation to *safeguard duties against the alleged increased imports of (1) flat-rolled products of iron or non-alloy steel, of a width of 600 mm or more, clad, plated or coated, with aluminium-zinc alloys, of a thickness of less than 0.45 mm, classifiable under tariff subheadings 7210.61.20 and 7210.61.30 and (2) flat-rolled products of other alloy steel, of a width of 600 mm or more, otherwise plated or coated with zinc, of a thickness of less than 0.45 mm, classifiable under tariff subheadings 7225.92.25 and 7225.92.35 (ITAC Report No. 750)	With effect from 27 June 2025 up to and including 13 January 2026

**Note: Safeguard duties are trade measures to protect local industries from sudden increases in foreign imports.*

SAIT customs comment

The ITAC report 750 covers, amongst other things, the following:

- On 27 December 2024, ITAC began an investigation into increased imports of corrosion-resistant steel coil.
- On 17 January 2025, they reinitiated this investigation for protective measures.
- ArcelorMittal South Africa Limited, the main producer, filed the application, supported by SAFAL Steel.
- The Applicant argued that unforeseen events increased imports of corrosion-resistant steel.
 - These include the classification of the product into two Harmonised System (HS) categories: non-alloy steel (HS7208) and alloy steel (HS7225).
 - Additionally, China's economic decline and its need to export excess steel at lower prices have prompted other countries to raise tariffs to protect their domestic industries.
- The Commission found evidence of unforeseen developments leading to a surge in imports that harmed the local industry.

They determined that immediate action was needed and requested the SARS to impose a provisional measure of 52.34% on these imports for 200 days while the investigation continues.

The table below refers to an increase in the general rate of customs duty on transformer cores:

Date	GG and Notice Number	Description	Implementation date
27 June 2025	GG 52903 R.6339	Amendment to Part 1 of Schedule No. 1, by the substitution of tariff subheading 8504.90 and insertion of tariff subheadings 8504.90.10 and 8504.90.90 to increase the general rate of customs duty on transformer cores, having a power handling capacity not exceeding 50 000 KVA, classifiable under tariff subheading 8504.90 from 5% to 15% (ITAC Report No. 744)	27 June 2025

Confirmation of access to the above customs amendments:

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

Online reference: SARS: What's new at SARS (6 August 2025) [<https://www.sars.gov.za/whats-new-at-sars/>]

PART D – GENERAL MATTERS OF INTEREST

Looking beyond Customs (Exports and Imports)

Customs and international trade go beyond just moving goods. It also involves understanding the reasons why goods cross borders.

While customs are essential for facilitating cross border trade, many professionals focus mainly on indirect taxes and overlook key questions about how trade operates and what drives it. For instance, the US has a strong domestic market, leading to high demand for imported goods, which positions it as a significant player in global trade. On the other hand, China, despite its size, does not have a developed domestic market. Its demand for finished products is lower, resulting in a surplus of goods that need to be exported.

To succeed in exporting, countries need to find markets with high domestic demand and understand what consumers want. As global trade changes, being able to adapt to these demands is crucial for success.

In this context, President Ramaphosa highlighted the need for South Africa to adapt quickly in a challenging trade environment. This is not just a tough time for South Africa, but it is also an interesting period for those involved in customs and international trade. There is much to learn about tariffs, how to protect local industries, the importance of foreign direct investment, and the value of a strong domestic economy. Identifying countries with good trade potential is also vital.

Rethinking our approach to international trade and understanding the underlying reasons can shape trade policies and influence economic futures.

PART E – CONCLUSION

Strengthening Customs Supply Chains Against Crime

The global customs supply chain plays a key role in moving goods around the world, but it faces serious risks from crime. Recent findings from the World Customs Organization (WCO) show that criminal groups are using maritime customs cargo supply chains to smuggle drugs like cocaine. This situation highlights the need for traders in international trade to secure their customs supply chains.

The WCO's report found that 68% of drug seizures involved insiders working within the cargo customs supply chain. These individuals help criminals target shipping containers, leading to high rates of drug smuggling. As crime groups adapt their methods, it is crucial for businesses to take action to protect their operations.

WCO Secretary General Ian Saunders pointed out that crime is undermining efforts to create safe trade. The high volume of seized drugs shows that criminals are skilled and persistent. Their tactics are becoming more advanced, and businesses must respond accordingly.

One method used by criminals is hiding drugs inside shipping containers. They often conceal smaller amounts of cocaine in the structure of refrigerated containers. This method allows them to avoid detection, especially with help from insiders who know the logistics.

To combat these threats, traders should focus on securing their customs supply chains. One effective way to do this is by joining the WCO's Authorized Economic Operator (AEO) programme. This programme encourages businesses and their service providers to adopt security measures that protect their customs supply chains and streamline customs processes, without being hindered by Customs Administrations' enforcement of non-compliance and criminal activity.

Being part of the AEO programme offers benefits like fewer inspections and faster customs clearance. It shows a commitment to secure practices, which can help businesses protect themselves from crime.

In summary, the rise of crime in global cargo customs supply chains is a serious issue. Traders and their service providers must prioritise the security of their customs supply chains. Joining the WCO's AEO programme is a smart step to strengthen defences and ensure safe trade.

Online reference: Unprecedented scale of criminal infiltration of global cargo supply chains sustaining the surge in illicit drugs trade, WCO Report finds (5 August 2025); [<https://www.wcoomd.org/en/media/newsroom/2025/july/unprecedented-scale-of-criminal-infiltration-of-global-cargo-supply-chains-sustaining-the-surge.aspx>].

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