

Customs House Brokers Association

**Workshop to redefine and reposition
Customs House Brokers
in today's Challenging Business Environment**

Le Méridien - Thursday 12th Nov, 2009

Speech of

Mr Afzal Delbar - President

I wish you all a very hearty welcome and thank you for being here today as I am hopeful that we will spend a very productive time together.

First of all, we will have a Swearing in Ceremony of newly appointed Customs House Brokers followed by a full day Workshop to redefine and reposition Customs House Brokers in today's challenging business environment.

Well, let me try to give you a brief insight into our profession.

As you well know, from our many years of working together, a Customs Broker acts on behalf of an Importer in its obligation to the Customs Services. This role has led to very close relationship between Customs House Brokers and Customs Officials and between the Customs House Brokers Association and Customs Services.

As professional Customs Brokers by virtue of his acting as link to the Customs for hundreds of importers, greatly simplifies the task of Customs.

A broker creates efficiency where there otherwise would be chaos.

As a matter of fact, this link with Customs for hundreds of importers has also greatly simplified the task for Customs. But today there is a need to draw the line as to whose task it is to do what and who is accountable for what. Hence we are gathered here today in view of redefining our respective roles and reposition ourselves to face new challenges in this new business environment

Please allow me to be a bit more explicit.

Customs normally holds brokers accountable for their mistakes, using fines and penalties as a hammer to demand stringent compliance with their regulations.

On the other hand, with trade expanding exponentially and the number of individual exporters and importers increasing, Customs plainly cannot do without the broker. A broker serves as a reliable partner in consolidating an overwhelming flow of data into a manageable and automated stream.

Unfortunately, in recent times the relationship has run a little sour. There are times when Customs feels that it can operate without interface-that is without the broker. He feels that the importer can input his own data and it is only a question of passing on this expertise and technical knowledge.

On other occasions, when both customs and the brokers work in partnership in developing new and more efficient automated systems, or when both put their heads together to solve difficult problems of regulation and enforcement, the Customs service and Customs brokers create a synergy that enhances the entire trading environment.

As a Trade facilitator, customs has opened out to the self declarant especially in the export sector. However, customs has failed to lay out standards. Since export declaration bears no taxes, hence anybody can declare what ever he wants. That is why today our statistics for exports differ with that of the importing countries .This results in hundreds of B/E's awaiting necessary amendments at the air cargo and our trade negotiators are dealing on false statistics.

Customs must work smarter. It must use the resources of the private sector especially the hard work and intelligence of Customs Brokers.

Traditionally, Customs Brokers pull information together and clear the goods through customs.

But this is only part of the story.

Due to current economic climate and an ever changing business environment, the performance of brokers is often at stake.

Once appointed, the system does not provide any regulations for a framework of operation and up to date knowledge. There is no regular monitoring and a sustainable way of doing things.

Today Customs brokers juggle around new responsibilities.

Importers demand that their Customs brokers assume other responsibilities such as acting as educators, security specialists and information managers.

They are expected to offer a growing range of specialized services to help traders develop new products, explore new markets and take advantage of our new trade protocols.

Can they keep all the balls in the air???

The dilemma is:- Do the Customs Brokers have the right tools and are they given the means to respond to these ever growing needs of this sector.

As we are all aware, huge investments have been made in equipment at Customs, however, the truth remains that we still have a long way to go with regard to red tape. Once again it is always the broker who is at the receiving end when he cannot deliver within a reasonable time due to lengthy procedures.

I must admit that in recent years, a certain amount of improvement has been made at the level of customs. I would however fail in my duty if I refrain from drawing the attention of the Authorities here with regard to the total lack of customer care attitude of a few arrogant officers who unfortunately create an unhealthy atmosphere and tarnish the image of Customs.

What is the use of signing all types of conventions in the gallery, when we are not prepared to adopt it??

I think we all agree that we cannot afford to have a Customs service as the one on the 1st floor of IKS building which a passer by could describe as an ` auction sale bazaar`.

Let us hope that once the customs is housed in the new building, things will be different. A good working environment should hopefully also lead to a shift in mindset to accommodate the ever changing world economic order.

Today, we face many difficulties:-

- Arbitrary decision like notice to importers is posted without consultation and a proper evaluation of its impact.
- People are condemned on grounds of suspicion and not on evidence.
- A tense relationship leading to unnecessary confrontation.
- Wasting time on issues of fault finding rather than focusing on results

We may ask ourselves why things have changed and we wonder if the reason is not as obvious as we would like to spell out. Before relation was very good – Today, many Customs House Brokers complain their miseries.

As you know it takes a longer time to change bad habits and adopt good habits.

We have definitely moved a long way but the road ahead is still rugged and needs tarring from time to time.

Today things are different .We operate under new standards.

Actually 80% of HS codes are zero rated. Customs collect only 13% of National income compared to 70% when I joined the sector some twenty years ago. So the path to a World Class Customs could be at our doorstep, unless we choose to become blind.

The role of Customs throughout the World is not limited to revenue collection. Internationally, Customs is given the role of protector of the nation's territory.

We all have to adapt and change if need be if we want to bring the synergy to produce the aspiration of our businesses and say: **“It's a pleasure to do business in Mauritius.”**

Ladies and gentlemen,

Today is a great day, when we are also welcoming new comers who are going to swear-in to fulfill their duty according to law and in all fairness and transparency. I am sure that this new generation will bring about innovation and they will adapt better.

Nowadays, women are glooming in every field. We are pleased to welcome two ladies for the first time as Customs House Brokers. Today, in the profession, we have sister and brother, husband & wife – Who can challenge that we are not a family???

Sir, it is well known that CHB is governed by limited number. This is immoral and I would request you to have it removed from our Legislation.

The standard of CHB should be raised to degree level to meet international norms and anyone having satisfied the acquired knowledge and competence should be given the right to operate.

Sir, with your permission, I would now like to address to my new colleagues and tell them one thing: Corruption is an assault to the conscience. Corruption is a parasite in the system. Do not let evil buy your soul. . As you are shining new, I advise you to remain clean.

Do not live on haram. Keep your izzat. During my mandate as president of the association, we have fought corruption, and I have received retaliation. This is evil. First evil negotiates with you, then they intimidate you and finally they throw mud on you. But the longer one waits to fight evil, the harder it is to defeat it.

I do not regret having gone on the path to fight corruption. It is a worthy battle. But this is another story for another day.....

With this, I thank you again very much.

Afzal Delbar
President
12/11/2009