

Bougainville Revenue & Tax Summit



Presenter:

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Chief Commissioner

PNG CUSTOMS SERVICE



Talking Points

- Vision and Values
- Background
- Functions & Outcomes
- Opportunities & prospects
- Challenges
- Take Home

**Protecting our Border
Securing our Future**

Customs Vision



- Spirited and committed to be a regional leader in securing our National Border to enhance the security and socio-economic development of Papua New Guinea including Bougainville.



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PNG Customs Mission...



- Protect PNG's border, communities & industry
- Enhance facilitation of international trade & travel
- Protect and collect Government revenue



Our Values...



Commitment

We are committed to maintaining the Customs long standing tradition of protecting the community and contributing to the development and prosperity of Papua New Guineans.



Our Values...



Professionalism

We will develop our human capital to be professionally trained and to embrace international best practice



Our Values...



Service

We will render a high standard of service to the Government, community, local industry and external stakeholders; whilst being mindful of the need to reduce impediments to trade and investment.



Our Values...



Integrity

We maintain high Christian principles and are honest, transparent and accountable in our actions and decisions we make, for a fair and equitable outcome for the Government, local industries and investors.



Partner Agency Relationships...

for Coordinated Border Management



- PNG Defense Force,
- Police,
- Quarantine,
- Immigration,
- Overseas Customs Administrations.



A. Background



- 362 Officers/535 per structure
- 19 Locations
- Coastline – 5152 km
- Land Border – 820 km

Cont'd....Background



- Established in 1888
- PNG Customs is responsible for protecting the country's border and community, preventing transnational crimes and ensuring there is effective supply chain security.
- Work in collaboration with a number of key partner agencies including Government and industry.
- The Chief Commissioner of Customs is the principle officer in the organisation and is responsible to the Treasurer and Minister for Finance and now Minister for Border Protection & Immigrations.
- Separated from IRC in late June 2009 by NEC Decision. This Decision allows PNG Customs to better balance its enhanced border protection role with its trade and revenue collection functions.

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Cont'd...Background

- The Papua New Guinea (PNG) Customs Service has three key functions:
 - **Border Security**
 - Facilitate legitimate movement of people and goods across our border while maintaining the integrity and security of the border, ensuring supply chain security and protecting the health and safety of our people.
 - **Community Protection**
 - Prevent and detect illicit and counterfeit goods harmful to the community.
 - **Trade Facilitation**
 - Facilitate legitimate trade with minimum delay and costs.
 - **Revenue Collection**
 - Collect Government revenue and provide reliable trade statistics and economic data.

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B. Customs Functions & Outcomes



A1. Border Security and Community Protection

- Facilitate legitimate border movements
- Maintain border integrity and security
- Ensure supply chain security
- Protect the health and safety of the people of PNG



Cont'd....Border Security

Community Protection



We focus on:

- Drugs;
- Counter Terrorism;
- Pornography;
- Firearms;
- Dangerous goods;
- Counterfeit items.



Cont'd...Border Security

Major Outcomes



- Detention of a number of conveyance, Persons of Interest, cargos
- Ongoing targeting of intervention of contrabands,
- Community Hotline program,
- Improving relations with Partner Organisation such as Solomon Islands Customs, Australia Border Force, Indonesia and others in the region,

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C. Trade Facilitation

- Facilitate legitimate trade with minimal delay and costs
- Introduction,
 - Post clearance Audits,
 - Cargo manifest audits,
 - Cargo Management reforms,
- Container X-Ray Examination Facility



PNG Top 5 Trade Partners (2012-2016)



Import	Value (K'billions)
Australia	79.41
Singapore	10.46
China	7.68
Malaysia	4.89
Japan	3.58
Total	106.02

Export	Value (K'billions)
Australia	30.90
Japan	23.10
China	15.87
Phillipines	7.79
Taiwan, Province of China	5.23
TOTAL	82.89

Australia, China and Japan continue to be PNG's major trading partners

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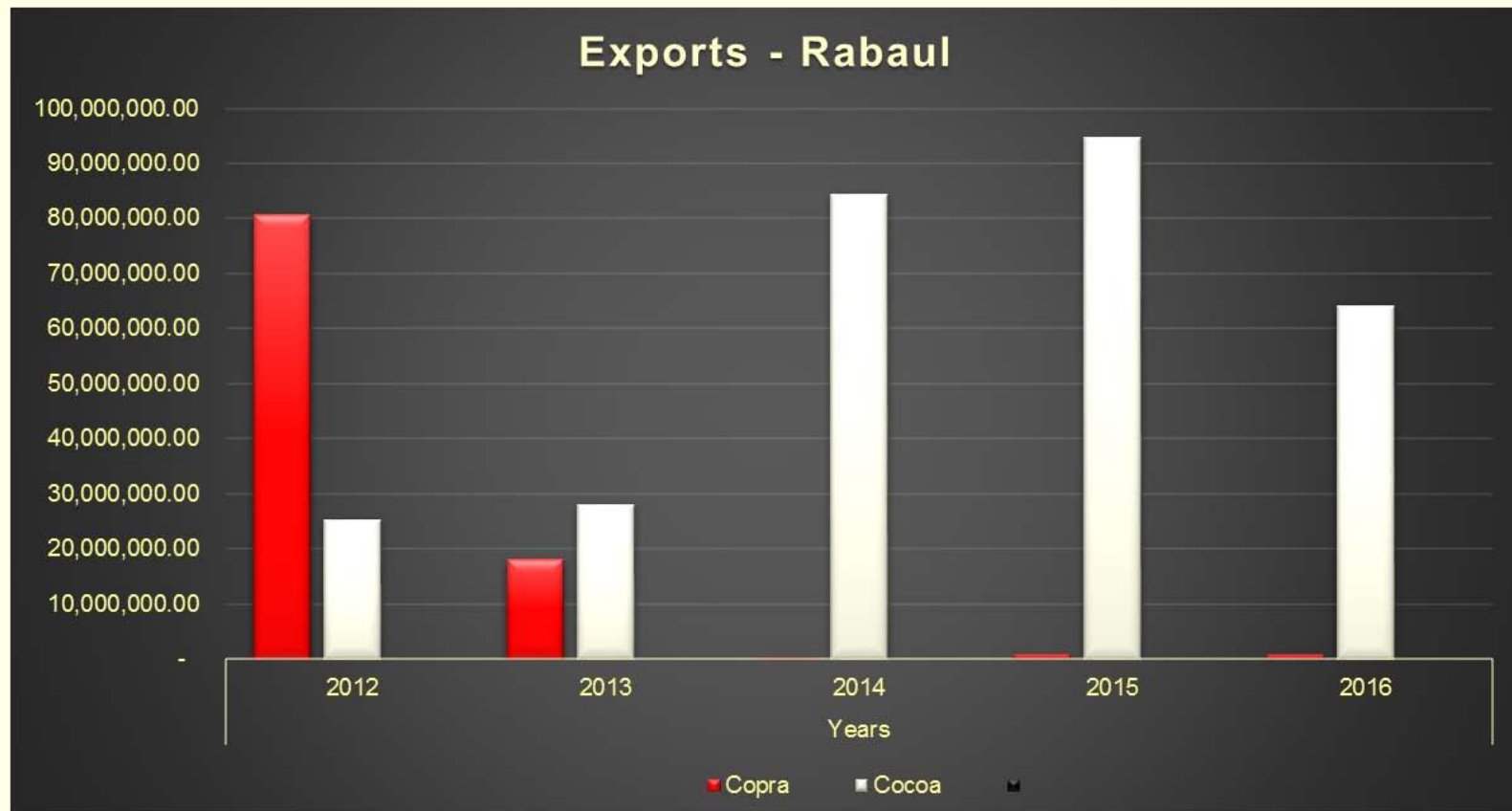
PNG - Top 5 Trade Partners – (2012-2016)



- Australia,
- Singapore,
- China,
- Japan

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Bougainville – Exports (2012-2016)



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Main Exporting Countries of Coca and Copra



- Malaysia
- Indonesia
- Singapore
- Switzerland

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Bougainville –Import Commodities



- All imports are from Lae and Rabaul
- Except for some imports Solomon Islands who in most times not declared for Customs purposes,

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Customs Functions & Outcomes



A3. Protect and Collect Government Revenue

- Collect Government revenue & provide reliable trade statistics and economic data

PNG Revenue Collection – (2012-2016)



Years	Actual Revenue Collected	Budget Projections
2012	K2.49 billion	K2.12 billion
2013	K2.35 billion	K2.41 billion
2014	K2.52 billion	K2.63 billion
2015	K2.58 billion	K2.61 billion
2016	K2.42 billion	K2.67 billion
TOTAL	K12.36 billion	K12.44 billion

- More than a quarter of the Government Budget for this period
- Minimal deficit of only K8 million for the period

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Bougainville – Revenue Collection (2013-2017)



Duty	Actual	Actual	Actual	Actual	2017 -Buka								Total YTD
	2013	2014	2015	2016	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	
Import Duty	106,555.88	144,083.71	97,952.15	111,164.47	-	5,728.87	7,802.59	-	2,134.10	550.44	23.86	-	16,239.9
Local Excise	-	-	-	915.89	101.33	-	-	-	385.97	-	-	-	487.3
Export Duty	-	-	-	-	-	-	-	-	-	-	-	-	-
Import GST	-	377,793.98	516,287.73	476,372.31	15,653.16	20,899.35	16,977.54	2,350.09	12,768.43	24,485.73	120.38	9,108.09	102,362.8
Import Excise	258,687.55	39,925.03	79,267.86	124,036.13	7,120.77	-	-	-	139.96	7,290.42	-	11,114.70	25,665.9
Sundries	-	14,112.65	2,570.00	1,000.00	1,000.00	-	1,000.00	-	-	-	-	-	2,000.0
Custa	960.00	2,430.00	2,880.00	8,610.00	660.00	450.00	720.00	540.00	960.00	900.00	690.00	450.00	5,370.0
	365,243.43	575,915.37	696,077.74	713,488.80	23,875.26	26,628.22	25,780.13	2,350.09	15,428.46	32,326.59	144.24	20,222.79	146,755.78

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Bougainville – Revenue Collection by tax heads (2013-2017)



Duty	Actual 2013	Actual 2014	Actual 2015	Actual 2016	TOTAL
Import Duty	106,555.88	144,083.71	97,952.15	111,164.47	459,756.21
Local Excise	-	-	-	915.89	915.89
Export Duty	-	-	-	-	-
Import GST	-	377,793.98	542,915.95	503,000.53	1,423,710.46
Import Excise	258,687.55	39,925.03	79,267.86	124,036.13	501,916.57
Sundries	-	14,112.65	2,570.00	1,000.00	17,682.65
Custa		2,430.00	2,880.00	8,610.00	13,920.00
	365,243.43	575,915.37	722,705.96	740,117.02	2,403,981.78

Custa	2017 -Buka								Total YTD	Total 2013-2017
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug		
Import Duty	-	5,728.87	7,802.59	-	2,134.10	550.44	23.86	-	16,239.9	475,996.07
Local Excise	101.33	-	-	-	385.97	-	-	-	487.3	1,403.19
Export Duty	-	-	-	-	-	-	-	-	-	-
Import GST	15,653.16	20,899.35	16,977.54	2,350.09	12,768.43	24,485.73	120.38	9,108.09	102,362.8	1,526,073.23
Import Excise	7,120.77	-	-	-	139.96	7,290.42	-	11,114.70	25,665.9	527,582.42
Sundries	1,000.00	-	1,000.00	-	-	-	-	-	2,000.0	19,682.65
Custa	660.00	450.00	720.00	540.00	960.00	900.00	690.00	450.00	5,370.0	19,290.00
	23,875.26	26,628.22	25,780.13	2,350.09	15,428.46	32,326.59	144.24	20,222.79	146,755.78	2,570,027.56

Total import duty (2013 – August 2017) is K475,996.07

Total local excise (2013 – August 2017) is K1,403.19

Total export duty (2013 – August 2017) is K'Nil

Total import GST (2013 – August 2017) is K1,526,073.23

Total import excise (2013 – August 2017) is K527,582.42

Total sundries (2013-August 2017) is K19,682.65

Total for the period is K2,570,027.56

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Achievements



- Papua New Guinea Customs Service Act, 2014
- ASYCUDA World Project in progress,
- Customs Administrative Orders and Standard Operating Procedures,
- Container Examination Facility Program,

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Challenges



- Increasing global trade and movement of people and conveyances across the borders,
- Revenue leakages through devaluation, fraud and corruption,
- Revisiting the Tariff & Excise Regime,

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Challenges... continue



- Manpower shortages.
- Lack of institutional capacity and capability.
- Training of officers – productivity.
- Border protection capability.
- Standards

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Opportunities & Prospects

- Warehouse Facilities, (Review “Gateway Clearance” Policy) Excise Act
 - Beer/Alcohol, Cigarette, Fuel (diesel, petrol)
- Import Duty and Excise Policy,
- Review Exports programs,
- Bougainville Free Trade Zone initiative,
- Investments out of AROB on Customs Programs,

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Take Home



- Key outcomes of Customs:
 - Protect our borders and communities
 - Facilitate international trade
 - Collect revenue
- Review Exports programs,
- Design Tariff & Excise Policy,
- Free Trade Zone,
- Assist Customs by reporting suspicious movement of persons, conveyances, business and goods across the border.

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Questions...

