

GROWING BUSINESS THROUGH REGULATION

Customs report July 2016



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— Public Strategy & Government Relations Specialists —

Preface

The report brings a selection of customs seizures of different products in different ports and airports. The purpose of the document is to reflect the patterns and trends of smuggling and their sizes.

Budget

The approved customs budget for FY 2016/2017 is EGP 36.5 billion.



Smuggling Cases

Being a strategically located country in terms of trade, especially illicit forms, we can firmly say that Egypt's customs authorities have seen it all. From drugs to dog food to sexual enhancers, customs authorities in Egypt's numerous ports are constantly exposed to innovative smuggling attempts that they have gradually become experts in dealing with. The following section highlights the wide range of trends and sorts of smuggling attempts that customs authorities have had throughout Egypt's ports in the month of July.

Money trafficking



June closed its smuggling inventory with numerous seizures of money trafficking. The trend of smuggling money out of Egypt witnessed its height just before the Small Feast season, with the trend continuing until July. Among the money trafficking cases seized are the following:

Luxor airport:

Luxor Airport witnessed one case of a 57 year-old Egyptian female traveling to Qatar carrying EGP 97,000 with her. The case was classified as smuggling as she did not declare the amount of money to the customs officers.

Also, On July 1st, Luxor authorities recorded 14 seizures cases: the actions were jointly operated by the customs and the tax intelligence. The raids were done in the local markets of Luxor, in the roads and on customs post clearing audits on documents. The 14 seizure findings were all smuggled goods into Egypt such as: carpets, electronic devices, vehicles spare parts, iron and paints, alcohol, accessories and home furniture, glasses and plumbing tools, all for the value of EGP 260,375 of unpaid customs taxes and duties.

Assiut Airport

Assiut customs authorities seized an Egyptian passenger attempting to smuggle EGP 44,400 to Kuwait. The money was found hidden in white sheets in the passenger’s clothes.

Borg El Arab Airport

Authorities of the North Coast Airport found EGP 290,000 rolled bills hidden in cookie boxes within black plastic bags with an Egyptian passenger before flying to Kuwait.

An Egyptian passenger coming from Sudan with USD 138,599 hidden between his clothes.



Narcotics, Medical Devices and Personal Care Products.



Ain El Sokhna Port:

50 million pills of Tramadol and Tamol in Ain Sukhna port in 2 containers coming from India via Singapore. The consignment was supposed to carry steel trash bins for hotels as per the documents.

Safaga Port:

Authorities halted 5 attempts to smuggle medicines, used medical devices (respiratory devices for newborns), and cosmetics.

Another case involved a female British passenger carrying 780 tramadol pills into Egypt.

Port Said:

Authorities captured individuals attempting to smuggle food supplements and 184,350 weight loss pills as well as sexual enhancers. The culprits tried had 32 cartons containing 715 kg of powdered milk and cocoa power both mixed with sexual enhancers. The latter constitutes 35% of the total weight.

Port Said Customs: Authorities found 50 cartons of sanitary products and 420 cartons containing 21 million pills of Tramadol. The consignment was shipped from India via Singapore and Damietta before reaching its final destination in Port Said.

Cairo International Airport

Customs officers found 123 boxes of liver treatment medicine with an Egyptian passenger coming from Milano, Italy worth EGP 200K

El Saloum Port:

956 watches, 243 dozen make-up and deodorants and 10 air conditioners worth EGP 279,000 of customs duties that were about to be transported from Libya to Egypt with an Egyptian passenger

Safaga Port:

Customs officers found and seized 6,900 pills of Tamol and Tramadol, 680 pills of Viagra and 2 packs of hash all worth EGP 136,000. Seizures were found with passengers travelling to Saudi Arabia.

Safaga, seizures of a big quantity of cosmetics and personal care products were seized from Egyptian passengers coming from Saudi Arabia. The seizure worth EGP 1.2 mn

Electronics:**Nuweiba customs:**

Authorities inhibited an attempt to smuggle 4 kgs of silver carried by a Jordanian passenger worth EGP 19,200. Authorities also found another Jordanian passenger hiding USD 32,000 hidden in the head of the back seat of his Qatari-licensed car

While examining 2 personal luggage items, customs officers found 4 LED TV sizes 40', 42' and 46 inches hidden inside mattresses.

Tobacco:**Alexandria customs:**

While examining a consignment to be shipped to Turkey supposed meant to be carrying home appliances made of glass according to the customs declaration, customs officers discovered 425 cartons of raw tobacco at the bottom end of the container weighing 4 tons.

Hurghada customs:

Authorities found 135 cartridges of cigarettes with a Ukrainian female passenger.

East Port Said: Authorities found smuggled cigarettes (Original Royal Cigarettes as per the customs declaration) in a container shipped from Jebel Ali in UAE via Beirut. Customs officers found 90 cartons of Royal cigarettes and 994 cartons of Cleopatra cigarettes.



Telecommunication:

Borg El Arab Airport

Customs authorities seized the amount of 600 Vodafone recharge cards and 1,400 Etisalat recharge cards with an Egyptian passenger travelling to Oman. A few days later, the same customs administration found 1,588 recharge cards with an Egyptian passenger heading to Kuwait. The cards are worth EGP 44,300.

The Big Catch

Nuweiba customs officers found and seized the quantity of 10,860 Kgs of heroin in a truck coming from Jordan and supposed to carry paper for tissues production.

Cairo international Airport customs officers inhibited an attempt to smuggle a large quantity of diabetes medicine. The drugs were found with an Egyptian couple returning from Jeddah. The seizure is composed of 4,700 box of the diabetes drug.

Ain Sokhna customs authorities also found 23,000 bottles of shampoo (of American and Brazilian origin) illegally imported from China, as the customs declaration relevant to the shipment indicated hair dryers and marble cleaners. The exporter had put stickers on the shampoo wrongly indicating the product were bottles of marble cleaner. The seizure is worth EGP 2.1 mn.

10,860 Kgs heroin



4,700 box of diabetes drug



Free Trade Agreements – Agadir:

On Friday the 1st of July, the Technical Unit of the Agadir Agreement (Egypt- Jordan- Tunisia- Morocco) launched an electronic server that ties the 4 customs authorities of each respective state. The electronic exchange of information through a shared network was one of the main pillars of the Agreement. This innovative link aims to combat smuggling, customs evasion and risk management, while also decreasing the time to release shipments and facilitating trade.

In numbers:

In the eastern customs region, the customs officers drafted 73 seizures cases worth EGP 56.3 mn in penalties for June 2016

- Regulations: Import, Export and tariff and customs release circulars:
- Tariff circular no. 35/2016 dated 28/7/2016: Export duties shall apply on selected mining materials as follows:

HS Code	Classification	EGP Export duty / Ton
2526	Natural Steatite, Talc (Not Crushed, Not Powdered)	350
2526	Natural Steatite, Talcum (Crushed or Powdered)	250
2506	Raw Quartz	75
2529	Raw Fluorspar	200

- Import circular no. 40/2016, dated 31/7/2016: The circular relates to ministerial decree no.43/ 2016, which requires exporters to Egypt to register their qualified factories at the General Organization for Export and Import Control (GOIEC). Following a complaint filed by a healthcare company regarding baby bottles being subject to decree no. 43, it was decided that the decree no longer applies to baby bottles, meaning companies exporting baby bottles are not required to register their factories at the GOIEC.

THANK YOU

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