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12 July 2013
Your date
21 May 2013

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STY 2013-538
Your reference

Customs Directorate
HM Revenue & Customs
3E/07, 100 Parliament Street
SW1A 2 BQ London

Subject: Call for Evidence – review of the balance of competences

Thank you very much indeed for your letter of 21 May 2013 and for the invitation to provide thoughts and input to the UK review of the balance of competences.

I should like to put on record that I have neither found it appropriate nor necessary to consult formally or informally stakeholders outside my own service.

First, I would simply note that our two services have a long-standing relationship, which my service and I value highly. Our cooperation is equally important at the EU level where we quite frequently are like-minded. Nevertheless, this service has noted for some time now that the like-minded support on issues relating the division of powers between the EU and its Member States when fixing coordinated positions in view of meetings of, e.g., the WCO or with third countries has weakened and this, interestingly enough, despite any national orientation debate on the activities of the EU.

The export of goods and services accounts for approx. 50% of the Swedish GDP. Some 30% of the export value is directly or indirectly linked to the importation of goods and industrial inputs. Swedish Customs plays a vital role in facilitating trade whilst preventing what is illegal.

The advantages of EU membership is easily forgotten: Access to the world's largest single market, as consumer or producer; Freedom to study, travel and work in any of the 28 member states.

Whilst it could be argued that EEA membership entail similar advantages to the aforementioned, such membership does not provide for influence on decision-making in the single market. It is perhaps to oversimplify but the EU decides and the EEA has to implement what is already agreed for the single market. One issue which might merit further consideration would be to what extent the single market can be maintained or developed without additional harmonization or how much can be stripped away without

having a negative effect on the single market. This issue is not I am afraid very easy to resolve.

What we are learning each day is that globalisation and the fragmented value-chains are having an impact on the way customs can act and they create new challenges. Solutions to those challenges can nowadays to a lesser extent be found nationally not least from a costing point of view and having regard to the new complexity involved which few national services, if any, or for that matter their European correspondents are fully equipped for individually. The solution to this is pulling resources together through cooperation and the principles of subsidiarity and proportionality should be upheld.

By working together within the EU we can develop customs standards which in the end are transformed to international standards. In the light of the shift of balance of power in international politics, it could be argued that this influence globally cannot be achieved by a single European country.

The challenge for us in the development of customs standards is to ensure that they correspond to our country's needs. To set the agenda, we need to cooperate with like-minded member states.

My service and I are confident that by working together with like-minded member states in particular on key issues we can bring the customs area forward within the EU to our mutual benefit, as defined by our stakeholders.

Therese Mattsson
Director General of Swedish Customs