Permits for import of food raw materials and food

Conclusions

The State Audit Office audited the procedures for licence issuance of importation of food raw materials and food.

Person interested in doing business in this field must have an activity licence issued by the Ministry of Agriculture, and in case of importation of animal products also a special licence issued by the Border Service of the Veterinary and Food Board for importation of certain goods from a particular supplier of a certain country.

The Ministry of Agriculture claims that one of the reasons for issuance of such licences is the need for a register of persons, who are involved in importation of food products, but the main reason for licence provision is the revenues to the state budget - the state fee to be paid for the licence is 25 000 kroons. The payment of the state fee is practically the only established requirement for a person to receive the licence. In the beginning of this year the Ministry had already issued 801 licences.

Issuance of special licences is part of the system, which main purpose is to prevent the possibility of spread of infectious animal diseases and infectious animal and human diseases in Estonia through imported animal products, as well as the prevention of import of poor quality animal products, which do not comply with established requirements. Decisions about granting licences (and licence suspension) are mainly based on information received by the Veterinary and Food Board from other countries. In 2001, the Border Service issued about 5000 special licences. There is no state fee required for these licences.

The State Audit Office is of an opinion that the procedures for activity licence and special licence issuance are sufficiently regulated. In the course of the audit was not found evidence of violation of these rules.

The State Audit Office is of an opinion that there is no practical reason for issuance of licences for importation of food raw materials and food. This system is not maintained in order to reduce risks to human life and health or environment. The Minister of Agriculture agreed that there is no practical necessity for these licences.

The efficiency of the system of licence and special licence issuance depends on the fact whether and how thorough is the control over the existence of these licenses. All importers of food raw materials and food have to register the imported goods at the Border Service of the Veterinary and Food Board, where the procedures do not permit such registration if the importer does not have a special licence for importation of animal products. There is no guarantee, though, that the importer registers the goods at the Border Service and forges documentation that confirms the control. This risk could be reduced through the integration of the computer systems of the Board Service and the Customs Board, which will enable customs officers to check whether the documentation of goods submitted to them is already registered at the Border Service. The auditors were explained that technical solutions for performing such activities are being developed.

The State Audit Office recommended the Minister of Agriculture to draw up a suggestion for the Parliament through the Government of the Republic to declare invalid the particular provisions in the Food Act that regulate the issuance of these licences.

The Minister of Agriculture and the Director of the Veterinary and Food Board agreed with the conclusions and opinion of the auditors presented in the report for improving the regulation and implementation procedures related to licence issuance.

Jüri Kõrge
Head of Department of Audit of Operational Risks