

Open Remarks by the Senior Programme Officer Customs (SPO) from SADC Secretariat on the occasion of Launching the North-South Corridor (NSC) Time Release Study (TRS)

Commissioner of Customs Zimbabwe Revenue Authority (ZIMRA)

Representative from the Ministry of Foreign Affairs and International Trade

Representative from Private Sector

Customs Officers here present

Colleagues from SADC Secretariat

Ladies and Gentlemen

Distinguished Guest

All the Protocol Observed,

Good morning

On behalf of the SADC Secretariat and indeed on my behalf I would like to express our gratitude to the Republic of Zimbabwe for hosting this very important workshop of the launching of the

Time Release Study Report on the North-South Corridor which is the first ever study of this nature conducted in the region.

SADC is currently implementing the Trade Facilitation Programme approved by the Ministerial Task Force on Regional Economic Integration in March 2016. The Programme is meant to support the consolidation of the Free Trade Area in line with the Protocol on Trade, other policy instruments and the SADC Treaty. The TRS is therefore one of the activities included Trade Facilitation Programme and it is meant to support the industrialization strategy anchored on Regional Value Chain (RVC) in line with the regional integration agenda as outlined in the Regional Indicative Strategy Development Plan (RISDP).

For the industrialization it is pre-suppose that the region has comparative and competitive advantage which can lead to contributes to economic development, economy of scale and create more jobs for youth as part of the poverty eradication.

Commissioner Customs

Ladies and gentlemen

The consolidation of the SADC Free Trade Area requires the implementation of appropriate trade facilitation measures and instruments such as TRS which will make the goods and services in the SADC Region to be more competitive and then increase the volume of intra-SADC Trade.

Trade is one of the key economic activities which contributes to increases economic growth rate, GDP rate, domestic reserves and other macroeconomic indicators.

In the last two year, the intra SADC Trade stood at 23%, and although this can be regarded as fair performance, as was expected, but there is recognition that in could be better but also it would not be there if the region was not implementing the Free Trade Area. Nevertheless, there is hope of trade to increase with the implementation of various trade facilitation measures; soft and hard infrastructure.

Commissioner Customs

Ladies and gentlemen

I repeat; Time Release Study is one of the Trade Facilitation Instruments meant to support the implementation of the Regional Industrialization Strategy anchored on the regional value chain as part of the consolidation of the SADC Free Trade Area in line with the Regional Indicative Strategy Development Plan (RISDP).

The implementation of its recommendations will contribute for easy of doing business and attracting therefore the foreign direct investment which eventually will make the economies to catapult from low to media and from media to high income economy depending on the currant Member States economic situation and trends.

The studies identified various requirements for interoperability of the system along the supply chain in order for it to be more effective and efficient in moving and clear the goods which unquestionable, if invested it will make difference.

SADC is one of the recognized Regional Economic Community (REC) by Africa Union and according to Abuja Treaty they are building blocks for Africa Economic Integration and therefore the region is committed to support that aspiration by implementing the projects and activities which is in line to that Africa agenda.

With the support of the European Union, SADC undertook Time Release Studies in some of Borders in the region including in North South Corridor. TRS is an international model instrument used to measure the time frame of transaction of the goods including its clearance along the supply chain. In the SADC region the implementation of the TRS along the North South Corridor was the first comprehensive study undertaken in that route due to its strategic importance. The study covered the route from Durban Sea Port in South Africa to Kasumbalesa Border Post in Zambia through Beitbridge border post and Chirundu One Stop Border Post (OSBP). It was possible to finalize the study through the collaboration of the 3 Member

States covered and its the stakeholders; namely transporter, Customs official, Port Authorities, Drivers, Traders, Transport Authorities, Clearance Agencies, Freight Forwarder just to mention few.

The study was also conducted because it was noted that, over the years despite of massive investments that has been made in border posts, seaports, corridor and road infrastructure in general in the region, the cost of doing business at the ports and border post has not reduced much because of bottleneck, cumbersome procedure, unharmonized procedure, uncoordinated operations, silos among border agencies inadequate infrastructure and NTB of different nature in general.

There is evidence of existence of a number of challenges affecting operations at the ports and borders posts that includes multiplicity of government border control agencies that operate in silos; lack of full computerization of border operations that leads to existence of both manual and electronic systems; challenge in simplifying and harmonising procedures as

enshrined in the World Customs Organization (WCO) Revised Kyoto Convention (International Convention on the simplification and harmonization of Customs procedures); challenge to fully implement initiatives such as the One Stop Border Post, Regional Customs Transit Management System (RCTMS); Coordinated Border Management (CBM), Electronic Cargo Tracking Systems (ECTS), Risk management; and Authorized Economic Operators (AEO).

Commissioner Customs

Ladies and Gentlemen

The Study was conducted by Customs and Trade experts from region in collaboration with various stakeholders involved in the supply chain; and it was supervised by the SADC Secretariat. It was conducted using the World Customs Organization Time Release Study methodology. It involved port and border agencies of the Republics of South Africa, Zambia, Zimbabwe and partially the Democratic Republic of Congo (DRC). The World Bank also use the TRS as their tool for assess the

efficiencies of the border post which is presented in their doing business annual report.

The study among others recommended; (i) Member States on the North-South Corridor to explore the feasibility of establishing the Corridor Management Agency, (ii) Member States to implement Coordinated Border Management Concept (CBM) at the borders to ensure systematic and collaborative interventions and (iii) Secretariat in collaboration with the four Member States covered by the study to facilitate the implementation of a Regional Electronic Cargo Tracking System (ECTS) for all cargo moving along the corridor in order to prevent revenue leakages and build confidence and also expedite the movement of cargo on the other hand. These recommendations once implemented they will improve the efficiency and effectiveness of clearance of goods, people and means of transport hence facilitating the intra- and extra SADC Trade.

The recommendations of the Study, if well implemented will also contribute to reduce the time of clearance of the goods

throughout the supply chain and therefore improve the ease of doing business. It is therefore imperative all the stakeholders; Port Authority, Logistics Agencies, Transporter, Port Health, Sanitary and Phytosanitary agent, customs officials, clearance agent, freight forwarders, commercial Banks and insurance agent to support the implementation of the recommendation of the study.

Commissioner Customs

Ladies and gentlemen

The today workshop is meant to handover the report of the Time Release Study to Member States and what is also important, is Member States to own it, take note of the recommendations and committee to expeditiously and rigorously implement it.

Through this workshop the distinguish Delegates will witness this process as testimony of our commitment to advance the development of this region in order to be one of the best place to

live in the world where people live as brothers and sisters and enjoy the prosperity.

As I am concluding this remarks, I would like to thank the Republic of Zimbabwe for warm hospitality accorded us since we arrived and all facilities put on our disposal for the success of this workshop; I would also like to thank our International Cooperating Partner EU through the EU-SADC Trade Facilitation for supporting the implementation of various Trade facilitation activity including the Time Release Study.

I thank you.