TRADE FACILIATION AND VALUE CHAIN DEVELOPMENT

• The link between Trade Facilitation and Value Chain development
• Trade facilitation – simplification, harmonization, standardization and transparency
• Origins: GATT Art. V Freedom of Transit; Art. VIII Fees and Formalities connected with Importation and Exportation; Art. X Publication and Administration of Trade Regulations (transparency)
• The RKC: AEO; Risk Assessment; Use of ICT; Transit Annex E; CBM
• The TFA: Transparency; use of ICT; AEO; CBM
• AfCFTA Protocol on Trade in Goods: annex 3 Customs cooperation and mutual admin assistance Art. 15 arw Annex 4 (TF); Art 16 arw Annex 8 (transit)
• Value Chains Development
Trade Facilitation

Regional initiatives

• SADC – SADC Corridor Trip Management System (CTMS) and deployment of the system at selected borders (Beitbridge, Kazungula bridge Chirundu, and Kasumbalesa.
  - Road Transport Facilitation and Development of Regional Railway
  - One stop border posts

• EAC – use of regional transit cargo tracking system RECTS
  - road network development
  - One stop border posts
  - clearance of transit cargo for direct consumption at the seaports

• ECOWAS - Trade Facilitation West Africa (TFWA) Program

• AfCFTA thrust NTB platform to report and resolve ntbs
Challenges to Successful TF Implementation

- Limited resources: human resource; financing;
- Infrastructure roads, rail, air transport for easy movement of goods/services and raw materials and persons;
- Uninformed trading community/lack of knowledge: decisions are done based on incomplete outdated information;
- Bureaucracy: time consuming in decision making, implementation bottlenecks in value chain development;
- Manual systems in government/slow automation;
- Lack of cooperation among cross border regulatory agencies (CBRA): time consuming in clearance of goods/additional trade costs to business eg demurrage charges;
- Lack of adherence to the signed protocols: predictability and transparency, mutual recognition and trust is destroyed.
Suggested Recommendations

• Increased transparency through enhanced information flow. Use of ITC and social media like twitter, facebook, linkedin

• Improved Automation in customs processes and procedures. Harnessing renewable energy solar and wind power. Use of UPS uninterrupted power supply

• Regional Mutual recognition arrangements/agreements of customs processes and procedures

• Coordinated border management.

• IF well implemented the TF would have immense potential in unlocking the value chain development in Africa, at regional level feeding into the continental industrialisation drive

• Improved smooth movement of raw materials, intermediate goods as well as finished goods- means reduced trade costs reasonably priced finished goods