



Non-tariff barriers (NTBs) hindering trade in agricultural products

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Introduction

- African regional integration endeavours have, as a rule, focussed mainly on trade in goods with an emphasis on preferential tariffs and tariff phase-down schedules.
- Although tariffs are an important barrier to intraregional trade, evidence suggests that various other barriers, including inefficient and time-consuming border procedures, contribute more than tariffs to low levels of intraregional trade.
- It is increasingly recognised that non-tariff barriers and trade facilitation issues pose a very particular challenge to trade liberalisation and development in the region. It needs to be given priority attention.
- A variety of border and beyond-the border constraints raise the cost of doing business, including cumbersome and ineffective customs documentation and border procedures, export taxes and quantitative restrictions.

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- Corruption - The annual cost incurred on trade due to bribery in Tanzania made up about 18.6% of the value of goods transported across Tanzanian borders.
 - Infrastructure deficits - only 22.7% of African roads are paved and 26.9% of firms in sub-Saharan Africa identify transportation as a major stumbling block.

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- African countries have recognised the potential to bolster economic development through greater cooperation.
 - This is the thrust behind African RECs, among them the COMESA, SADC, EAC and the TFTA.
 - Through these RECs progress has been made in removing tariffs, but NTBs are even worse obstacles to greater African trade.
 - Losses incurred by businesses and governments due to delays, complex documentation requirements and the unpredictable procedures at borders were higher than the costs of tariffs in 2010, according to the United Nations Economic Commission for Africa.

Agricultural trade NTBs

- This situation is especially challenging for the agricultural and food sectors as, generally, NTBs are higher than for other sectors.
- In particular, agricultural and food products are perishable and subject to strong sanitary and phytosanitary constraints.
- Any delay in the export/import process is generally more costly than for other categories of products, as it can result in the loss of the merchandise.
- NTBs add to the cost of doing business, erode competitiveness and flows through to higher consumer prices

Type of NTB	Country experienced in	Description
1.1. Export permits	Zambia: Chirundu	Exporters need to apply for an individual export permit for each truck.
1.2. Government monopoly in export/import	Botswana	Botswana has a single channel marketing for meat.
5.1. Quantitative restrictions	Swaziland: Bordergate	Quantitative import restrictions on imported edible cooking oil from within the SADC region as well as 15% import duties over and above the quantitative restriction.
8.1. Government Policy and regulations	South Africa	Cross-border road transport permits increased by up to 600%
	Zimbabwe: Beitbridge	The old bridge at Beitbridge cannot be opened to traffic.
8.4. Transport related corruption	Zambia: Chirundu	
8.6. Vehicle standards	Botswana: Kazungula Bridge - weigh bridge	Imposing Botswana truck standards on South African registered vehicles in transit through Botswana to Zambia
	Botswana: Pioneer Gate	Applying outdated overall vehicle width and overall vehicle height limits.
8.7. Costly Road user charges /fees	Zimbabwe: Victoria Falls	Toll of US\$30 per trip, for the crossing of the Victoria Falls bridge
	Zambia: Kazungula Ferry	Transporters are being charged a motor vehicle fee.
	Zambia: Chililabombwe Municipal Council	Transporters are being charged a motor vehicle fee.
	Democratic Republic of the Congo: Kasumbalesa	DRC transit charges are too exorbitant.
8.8. Issues related to transit	Mozambique: Dondo	The traffic authorities are harassing foreign drivers over the documents that the drivers carry
	South Africa: Durban sea Port	Fines for trucks for not having road transport permits for the complete trip from Durban to the DRC.

Pre-Export Verification of Conformity to Standards

- Botswana
- Kenya
- Mozambique
- Uganda
- Zimbabwe

Various agricultural products which adds an additional 3-7 days to export procedures at an additional cost – inspection and testing if required

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- Labelling requirements – language, size, ingredients, warning signs etc.
 - Packaging requirements
 - Testing requirements – sorbic acid, heavy metals, manganese etc.
 - Seasonal quotas and bans – vegetables, milk etc.
 - Licencing
 - Private standards
 - Product registration – Nigeria, US etc.
 - Security inspections
 - GMO-free certificates

Conclusion

- These barriers are often about procedural matters; which in the African context are then linked to governance issues such as a lack of transparency and legal certainty, inadequate legal arrangements, and corruption.
- Effective remedies will require general administrative and legal reforms by governments within their own national systems, as well as a considerable improvement of regional arrangements and dispute settlement procedures.
- Removing non-tariff barriers typically requires better regulations and/or reform of institutions that apply regulations affecting trade (such as customs).
- Often the capacity to implement a regulatory reform agenda is very weak.
- Need greater regional coordination and efficient regulatory procedures; simplify the process of cross-border trade and reduce corruption.
- Eliminate deficits in knowledge, administration and finance.