

**2007 UPDATE SURVEY OF NON  
TARIFF BARRIERS TO TRADE:  
ZIMBABWE**

**FINAL REPORT**

**Prepared by: Imani Development International Ltd**

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# CONTENTS

<b>SECTION</b>	<b>PAGE</b>
<b>CHAPTER 1: EXECUTIVE SUMMARY .....</b>	<b>1</b>
<b>CHAPTER 2: OVERVIEW OF INTRA-SADC TRADE.....</b>	<b>3</b>
2.0 Introduction.....	3
Table 1: Intra SADC Imports by Country by Value (US\$) 2003-2004 and 2005 in Z\$.....	3
Table 2: Intra SADC Exports by Country by Value (US\$) 2003-2004 and 2005 in Z\$.....	4
Table 3: Top 10 Products Exported to SADC Countries by Value 2006 (HS 2).....	4
Table 4: Top 10 Products Imported from SADC Countries by Value 2006 (HS 2).....	5
Table 5: Intra COMESA Imports by Country by Value (US\$) 2003-4 and 2005 in Z\$.....	5
Table 6: Intra COMESA Exports by Country by Value (US\$) 2003-4 and 2005 in Z\$.....	6
Table 7: Top 10 Products Exported to COMESA Countries by Value 2006 (HS 2).....	6
Table 8: Top 10 Products Imported from COMESA Countries by Value 2006 (HS 2).....	7
<b>CHAPTER 3: NTB MEASURES DIRECTLY AFFECTING EXPORTS.....</b>	<b>8</b>
Table 9: WTO NTB Categorisation Codes.....	8
Table 10: Specific Official Regulations Affecting Exports.....	11
<b>CHAPTER 4: NTB MEASURES DIRECTLY AFFECTING IMPORTS.....</b>	<b>13</b>
Table 11: WTO NTB Categorisation Codes.....	13
Table 12: Specific Official Regulations Affecting Imports.....	16
<b>CHAPTER 5: KEY ISSUES FROM INTERVIEWS &amp; DESK RESEARCH.....</b>	<b>17</b>
5.0 Introduction.....	17
5.1 Summary of Findings.....	17
<b>CHAPTER 6: ASSESSMENT OF PROCEDURES FOR HARMONIZATION OF TRANSIT TRAFFIC BETWEEN COUNTRIES IN THE REGION.....</b>	<b>19</b>
6.0 Introduction.....	19
6.1 Airfreight .....	19
6.2 Sea freight, Road freight And Forwarding .....	19
<b>CHAPTER 7: RECOMMENDED ACTIONS ON NOTIFICATION, MONITORING &amp; ELIMINATION of NTBs .....</b>	<b>21</b>
7.0 Introduction.....	21
7.1 Notifications and Monitoring of NTBs and SADC Template.....	21
7.2 Elimination of NTBS.....	21
<b>ANNEX I: LIST OF ORGANISATIONS CONSULTED.....</b>	<b>23</b>



## CHAPTER 1: EXECUTIVE SUMMARY

Zimbabwe's total trade with SADC in 2003 amounted to US\$1,593 million. This comprised exports worth US\$715,6 million and imports worth US\$877 million. In 2004 total trade amounted to US\$ 1,873 million made up of exports worth US\$899 million and imports worth US\$973 million. Zimbabwe's total trade with SADC grew by 17.5% between 2003 and 2004.

Zimbabwe's total trade with COMESA in 2003 amounted to US\$93,3 million. This comprised exports worth US\$14,6 million and imports worth US\$78,6 million. In 2004 total trade amounted to US\$ 254,0 million made up of exports worth US\$119,7 million and imports worth US\$134,3 million. Zimbabwe's total trade with COMESA grew by 173% between 2003 and 2004:

- Under SADC imports and exports grew by 10.9% and 25.7% respectively between 2003 and 2004.
- Under COMESA imports and exports grew by 71.7% and 750% respectively between 2003 and 2004.

### Current Situation versus findings of the 2004 NTB study, with Reference to Zimbabwe:

Non Tariff Barrier/ Non tariff Measure	Comment
Customs Documentations and clearance	<ul style="list-style-type: none"> <li>○ The situation has significantly improved, however, at times challenges are experienced in the clearance of goods, when new staff is involved.</li> <li>○ The CD1 electronic acquittal system has improved significantly.</li> <li>○ It also emerged that commercial banks and clearance agents are at times responsible for delaying the acquittal of CD1 Forms and clearance of goods.</li> </ul>
Single channel marketing of maize, gold and other minerals	<ul style="list-style-type: none"> <li>○ The situation has not changed.</li> </ul>
Import and Export Licensing	<ul style="list-style-type: none"> <li>○ The issuing of licenses seems to have improved, as conditions for issuing them has been clearly defined and the lead-time of their issuance is now 2 to 3 days. However these import permits remain NTBs to trade as they are used to reduce either exports or imports to either ensure adequate supplies of the commodity on the market or to protect domestic industry. Mostly food products affected.</li> </ul>
Classification Delays	<ul style="list-style-type: none"> <li>○ Continue to cause delays, usually in circumstances when inexperienced staff is undertaking the process.</li> </ul>
Transporters	<ul style="list-style-type: none"> <li>○ Border delays are still a major concern</li> <li>○ The SADC protocol on transportation should be implemented as a matter of urgency.</li> <li>○ There are still numerous challenges in moving goods across the region because of varying regulations applied in different countries.</li> <li>○ Poor infrastructure and the state of the road network in the region are affecting efficient movement of goods, forcing importers and exporters to use alternatives routes which are expensive.</li> </ul>

In conclusion it is pertinent to point out that the process of elimination of NTBs can only be feasible if an if a proper notification and monitoring system is put in place, as this will help to

build a body of evidence, which will be used to build consensus on the impact NTBs are having on regional trade.

## CHAPTER 2: OVERVIEW OF INTRA-SADC TRADE

### 2.0 Introduction

Zimbabwe's total trade with SADC in 2003 amounted to US\$1,593 million. This comprised exports worth US\$715,6 million and imports worth US\$877 million. In 2004 total trade amounted to US\$ 1,873 million made up of exports worth US\$899 million and imports worth US\$973 million. Zimbabwe's total trade with SADC grew by 17.5% between 2003 and 2004.

Zimbabwe's total trade with COMESA in 2003 amounted to US\$93,3 million. This comprised exports worth US\$14,6 million and imports worth US\$78,6 million. In 2004 total trade amounted to US\$ 254,0 million made up of exports worth US\$119,7 million and imports worth US\$134,3 million. Zimbabwe's total trade with COMESA grew by 173% between 2003 and 2004:

- Under SADC imports and exports grew by 10.9% and 25.7% respectively between 2003 and 2004.
- Under COMESA imports and exports grew by 71.7% and 750% respectively between 2003 and 2004.

From the figures above it is clear that Zimbabwe trade with COMESA grew up at faster rate than with SADC. This may be attributed to Free Trade Status currently being enjoyed under the COMESA trade dispensation, as opposed to SADC where tariffs are still in force on a number of products.

**Table 1: Intra SADC Imports by Country by Value (US\$) 2003-2004 and 2005 in Z\$**

Country	2003	2004	2005
Angola	43,859	171,799	838,679,637
Botswana	13,632,402	104,647,798	824,724,068,404
DRC	2,853,299	7,055,493	304,965,887
Lesotho	35,232	0	129,125,350
Malawi	2,115,160	7,991,124	65,449,472,601
Mauritius	925,812	5,164,981	57,290,726,783
Madagascar	71	246,560	10,299,250,645
Mozambique	23,053,130	74,404,834	444,231,333,024
Namibia	528,011	1,461,502	64,898,056,200
South Africa	276,253,271	1,174,169,290	14,205,892,609,836
Swaziland	1,515,624	9,704,416	20,219,720,856
Tanzania	191,118	957,618	7,593,356,545
Zambia	4,781,990	77,664,863	953,131,723,697
Total	877,466,850	973,225,539	

Source: Zimtrade

**Table 2: Intra SADC Exports by Country by Value (US\$) 2003-2004 and 2005 in Z\$**

	<b>2003</b>	<b>2004</b>	<b>2005</b>
Angola	2,025,362	3,764,222	15,522,694,843
Botswana	50,636,745	50,361,194	728,358,519,365
DRC	5,838,839	9,205,138	201,557,194,991
Lesotho	259,192	1,989,435	7,058,789,221
Malawi	28,727,555	40,928,796	575,025,960,244
Madagascar	29,927	87,247	344,625,807
Mauritius	1,634,950	1,579,162	22,764,722,028
Mozambique	10,350,303	71,291,602	469,384,312,138
Namibia	22,299,939	12,816,798	337,739,639,500
South Africa	552,708,460	636,053,599	3,157,874,031,619
Swaziland	29,927	87,247	7,216,603,482
Tanzania	1,674,827	3,818,993	57,218,319,613
Zambia	39,348,805	67,971,378	1,171,348,785,920
TOTAL			

Source: Zimtrade

**Table 3: Top 10 Products Exported to SADC Countries by Value 2006 (HS 2)**

<b>Product Description/ HS Heading</b>	<b>Year 2005 Amount in Z\$ millions</b>
44 Wood and Articles of wood	591,165,233,244
25 Salt; Sulphur; Earth & Iron	540,798,415,672
94 Furniture: Bedding	433,082,694,754
17 Sugars and Sugar confectionery	417,715,508,348
72 Iron and Steel	411,601,883,170
24 Tobacco and manufactured tobacco substitutes	401,322,846,866
52 Cotton	342,284,861,428
48 Paper and Paper Board	335,093,043,447
27 Mineral fuels, oils	309,353,653,121
73 Articles of Iron and Steel	273,513,876,842

Source: Zimtrade



**Table 4: Top 10 Products Imported from SADC Countries by Value 2006 (HS 2)**

<b>Product Description/ HS Heading</b>	<b>Year 2005 Amount in Z\$ millions</b>
84 Nuclear reactors, boilers, machinery and mechanical appliances	1,747,062,813,384
27 Mineral fuels, oils and product of their distillation	1,613,164,245,182
10 Cereals	1,307,069,047,091
39 Plastic and articles thereof	1,097,472,861,524
87 Vehicles	1,027,380,170,135
72 Iron and Steel	807,533,357
85 Electrical machinery equipment parts thereof	745,516,456,085
24 Tobacco and manufactured tobacco substitutes	671,320,338,131
38 Miscellaneous Chemical Products	529,826,633,626
73 Articles of Iron and Steel	523,889,070,626

Source: Zimtrade

**Table 5: Intra COMESA Imports by Country by Value (US\$) 2003-4 and 2005 in Z\$**

<b>Country</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>
Angola	43,859	171,799	838,679,637
Burundi	0	139,172	0
DRC	2,853,299	7,055,493	304,965,887
Djibouti	2,313	0	0
Egypt	887,693	1,548,123	22,001,831,867
Eritrea	61	804	0
Ethiopia	2,590	192,449	1,775,055,387
Kenya	1,522,255	2,489,679	84,180,415,283
Malawi	2,115,160	7,991,124	65,449,472,601
Mauritius	925,812	5,164,981	57,290,726,783
Madagascar	71	246,560	10,299,250,645
Uganda	2,123	34,597	10,039,837,178
Seychelles	1,169	7,223,098	8,632,112,202
Sudan	44,408	111,303	0
Swaziland	1,515,624	9,704,416	20,219,720,856
Zambia	4,781,990	77,664,863	953,131,723,697
<b>Total</b>	<b>14,698,427</b>	<b>119,738,461</b>	<b>1,234,163,792,023</b>

**Table 6: Intra COMESA Exports by Country by Value (US\$) 2003-4 and 2005 in Z\$**

<b>Country</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>
Angola	2,025,362	3,764,222	15,522,694,843
Burundi	165,660	165,591	2,531,268,727
Comoros	109	0	405,930,002
DRC	5,838,839	9,205,138	201,557,194,991
Djibouti	43	371,330	1,967,254,360
Egypt	1,075,084	5,467,187	5,971,985,104
Eritrea	0	36,471	81,158,000
Ethiopia	63,259	429,573	22,104,469,272
Libya	121,317	25,173	1,596,175,194
Kenya	4,212,235	2,959,594	47,596,957,779
Malawi	28,727,555	40,928,796	575,025,960,244
Mauritius	1,634,950	1,579,162	22,764,722,028
Madagascar	29,927	87,247	344,625,807
Rwanda	53,301	364,347	8,589,459,747
Uganda	280,278	459,550	10,805,180,449
Seychelles	15,023	132,260	1,132,853,817
Sudan	844,038	228,912	4,701,348,127
Swaziland	68,483	167,770	7,216,603,482
Zambia	39,348,805	67,971,378	1,171,348,785,920
<b>Total</b>	<b>78,673,270</b>	<b>134,345,705</b>	<b>2,101,264,629,898</b>

**Table 7: Top 10 Products Exported to COMESA Countries by Value 2006 (HS 2)**

<b>Product Description/ HS Heading</b>	<b>Year 2005 Amount in Z\$</b>
48 Paper & paperboard; Art of paper pulp, paper/paperboard	258,623,471,238
25 Salt; Sulphur; Earth & Iron	201,339,489,677
27 Mineral Fuels, OILS & Product of their distillation	125,635,437,618
24 Tobacco and manufactured tobacco substitutes	125,409,533,202
04 Dairy Produce: Birds eggs; Natural honey	111,802,025,835
72 Iron and Steel	92,195,674,900
11 Products of the Milling Industry	82,086,542,702
17 Sugars and Sugar confectionery	79,898,501,174
85 Electrical machinery	69,912,568,810
94 Furniture; bedding, mattress	68,944,528,176
<b>Total</b>	<b>1,215,847,773,332</b>

**Table 8: Top 10 Products Imported from COMESA Countries by Value 2006 (HS 2)**

<b>Product Description/ HS Heading</b>	<b>Year 2005 Amount in Z\$</b>
24 Tobacco and manufactured tobacco substitutes	576,999,695,070
10 Cereals	142,301,245,916
87 Vehicles	65,564,062,829
2. Residues & Waste from the food industries	33,582,064,875
27 Mineral Fuels, OILS & Product of their distillation	33,450,517,949
24 Soap, organic surface active agents	30,686,838,676
74 Copper and Articles thereof	30,623,842,221
39 Plastics and Articles thereof	22,394,923,063
38 Miscellaneous Chemical products	21,139,928,910
64 Footwear, gaiters and the like	20,045,907,284
<b>Total</b>	<b>976,789,026,793</b>

### CHAPTER 3: NTB MEASURES DIRECTLY AFFECTING EXPORTS

*Table 9: WTO NTB Categorisation Codes*

INVENTORY CATEGORY	DESCRIPTION				
Part I	Government Participation in Trade and Restrictive Practices Tolerated by Governments				
	WTO Inventory Code  E	Problem Area  State trading, government monopoly practices	Description of the most severe NTBs  Export of maize and gold can only be exported by the Reserve Bank and GMB respectively	Impact of NTB to businesses and trade  Significant impacts on viability as farmers are only allowed to sell to the GMB at controlled prices. Smuggling of gold occurs.	Responsibility/Source of NTB  Government. See rationale under table 10 below.
Part II	Customs and Administrative Entry Procedures				
	WTO Inventory Code  B	Problem Area  Customs Valuation	Description of the most severe NTBs  The existence of a wide gap between the official exchange rate and the parallel exchange rate in Zimbabwe has prompted Zambian authorities to introduce a valuation exchange rate which is above the official exchange, this has raised the duty levied on Zimbabwe goods entering into Zambia	Impact of NTB to businesses and trade  Impacted negatively on the competitiveness of Zimbabwean products in the Zambia market	Responsibility/Source of NTB  Zambian Revenue Authority

INVENTORY CATEGORY	DESCRIPTION				
Part III	Technical Barriers to Trade				
	WTO Inventory Code  C	Problem Area  Technical and certification arrangement	Description of the most severe NTBs  Requirement by the Malawian authorities for SGS certification	Impact of NTB to businesses and trade  Increased cost of doing business.	Responsibility/Source of NTB  Malawian authorities
Part IV	Sanitary and Phytosanitary Measures				
	WTO Inventory Code  A, B, C	Problem Area  This is not a major problem area in the SADC and COMESA markets as most technical standards set are meant to ensure minimum performance of products and also to ensure consumers safety.	Description of the most severe NTBs  Not applicable	Impact of NTB to businesses and trade  Not applicable	Responsibility/Source of NTB
Part V	Specific Limitations				
	WTO Inventory Code  A, G	Problem Area  Various products as listed in Table 10 below.	Description of the most severe NTBs  Export restrictions on a number of strategic food products and raw materials.	Impact of NTB to businesses and trade: Limited impact except on specific traders. Aim is often to support local industry.	Responsibility/Source of NTB  Ministry of Industry and International Trade

<b>INVENTORY CATEGORY</b>	<b>DESCRIPTION</b>				
Part VI	Charges on Imports				
	WTO Inventory Code	Problem Area	Description of the most severe NTBs	Impact of NTB to businesses and trade	Responsibility/Source of NTB
Part VII	Other				
	WTO Inventory Code	Problem Area	Description of the most severe NTBs	Impact of NTB to businesses and trade	Responsibility/Source of NTB

**Table 10: Specific Official Regulations Affecting Exports**

WTO Inventory Category	Product Group	Government Controlling Agency	Regulatory Procedure
Part 2, H	Margarine (HS – heading 1516) Control of Goods Act: This good can only be exported after obtaining a license from the Ministry of Industry and International Trade	Ministry of Industry and international Trade	This license is only issued to manufacturers of margarine and domestic market requirements are first considered.
Part 2, H	Sugar (HS1701) Control of Goods Act: This good can only be exported after obtaining a license from the Ministry of Industry and International Trade	Ministry of Industry and International Trade	All exporters of sugar require an export license, this is a measure meant to ensure that the domestic market is adequately supplied, and that export quotas (e.g. to the EU) can be filled. All exporters should be registered companies. The issuing of licenses is done in collaboration with the Zimbabwe Sugar Association
Part 2, H	Cotton Lint and yarn	Ministry of Industry and International Trade	Cotton lint - exports of cotton lint require an export license, and this was put in as a measure to ensure that local manufacturers are afforded adequate feed stock. Only fully registered ginneries are eligible for the exporter licenses and they can only export 70% of the total output. The issuing of the license is transparent to all players in the industry and it usually takes 2 to 3 days to obtain the export license. Cotton yarn - exports of yarn require an export license, and this is also as a measure to ensure that local manufacturers are afforded adequate feed stock. Only fully registered spinners are eligible for the exporter licenses and they can only export 50% of the total output. Overall policy is to encourage value addition production.
Part 2, H	Raw Hides (HS- heading 4101): Exporting of raw hides have been banned, through a Ministerial directive	Ministry of Industry and International Trade in conjunction with the Ministry of Agriculture	Policy is to support domestic tanneries and leather industry to ensure value addition production.
Part V	Wet blue hides	Ministry of Industry and International Trade in conjunction	Export of wet blue hides is now restricted and companies can only export a percentage of output. Aim is to encourage local

WTO Inventory Category	Product Group	Government Controlling Agency	Regulatory Procedure
A		with the Ministry of Agriculture	value addition by the leather industry.
Part 2, H	Unprocessed hardwood timber	Ministry of Industry and International Trade	The license is issued by the Ministry of industry and International Trade only if domestic market requirements are met and supported by a letter from the Forestry Commission. Policy to support value addition by the furniture industry.
Part V G	Scrap Non ferrous Metals (Copper and Aluminium of HS headings 7404 and 7602 respectively): export was banned through a ministerial directive	Ministry of Industry and International Trade	The exports of non ferrous metals was restricted, because the local foundry industry was facing viability problems as scrap dealers were opting to export most of their scrap to South Africa for a higher return than the domestic market.
Part V G	Other scrap metals	Ministry of Industry and International Trade	The export of other scrap metals was restricted, because the local metals industry was facing viability problems as scrap dealers were opting to export most of their scrap to South Africa. Policy of supporting local value addition.
Part 1 E	Maize	Ministry of Agriculture	Grain Marketing Board (GMB) has the monopoly to export maize; this is mainly for strategic food security reasons as maize is the staple food.
Part I E	All other minerals except Gold – Minerals marketing Corporation of Zimbabwe Act, chapter 21:04		The Minerals Marketing Corporation (MMC) has the authority to control the exporting of all minerals. This meant to ensure that the country realizes optimal return from the export of minerals
Part I E	Gold and silver – The exporting of the given two precious metals is done by the Reserve Bank of Zimbabwe only		To ensure that the benefits of the precious metals earns optimum returns for the country.

The position of the authorities is that these restrictions should be classified as Non Tariff Measures and not NTBs as there is a rational justification for their imposition.



## CHAPTER 4: NTB MEASURES DIRECTLY AFFECTING IMPORTS

*Table 11: WTO NTB Categorisation Codes*

INVENTORY CATEGORY	DESCRIPTION				
Part I	Government Participation in Trade and Restrictive Practices Tolerated by Governments				
	WTO Inventory Code  E	Problem Area  State trading, government monopoly practices, etc	Description of the most severe NTBs  Importation of maize.	Impact of NTB to businesses and trade  There are significant business opportunities in Zimbabwe, given the declining output over the years	Responsibility/Source of NTB  Ministry of Agriculture
Part II	Customs and Administrative Entry Procedures				
	WTO Inventory Code  H	Problem Area  Import licensing	Description of the most severe NTBs  Licenses for importing cooking oil are only issued in times of shortages.	Impact of NTB to businesses and trade  Business people are denied the opportunity of importing competitively priced cooking oil	Responsibility/Source of NTB  Ministry of Industry and International Trade

INVENTORY CATEGORY	DESCRIPTION				
Part III	Technical Barriers to Trade				
	WTO Inventory Code A, B, C	Problem Area  This is not problem area as the technical regulations and standards are meant to ensure minimum performance of products and also consumer safety.	Description of the most severe NTBs  There is not a severe NTB	Impact of NTB to businesses and trade  Not applicable	Responsibility/Source of NTB
Part IV	Sanitary and Phytosanitary Measures Not applicable- Industry and Commerce representatives pointed out that all technical and SPS requirements set are meant to ensure that products meet the minimum performance standards.				
	WTO Inventory Code A, B, C	Problem Area  This is not problem area - the technical regulations and standards are meant to ensure minimum performance of products and also consumer safety.	Description of the most severe NTBs  There is not a severe NTB	Impact of NTB to businesses and trade  Not applicable	Responsibility/Source of NTB

INVENTORY CATEGORY	DESCRIPTION				
Part V	Specific Limitations				
	WTO Inventory Code  D	Problem Area  There is a perception that the exchange rate policy currently operational in Zimbabwe has resulted in an acute shortage in foreign currency. This has greatly reduced the importation of even essential commodities such as electricity, fuel and medication.	Description of the most severe NTBs  Acute shortage of foreign currency in the formal market	Impact of NTB to businesses and trade  Rising volumes of imports are now being done through informal trade	Responsibility/Source of NTB  Reserve Bank of Zimbabwe.
Part VI	Charges on Imports				
	WTO Inventory Code	Problem Area	Description of the most severe NTBs	Impact of NTB to businesses and trade	Responsibility/Source of NTB
Part VII	Other				
	WTO Inventory Code	Problem Area	Description of the most severe NTBs	Impact of NTB to businesses and trade	Responsibility/Source of NTB

**Table 12: Specific Official Regulations Affecting Imports**

<b>WTO Inventory Category</b>	<b>Product Group</b>	<b>Government Controlling Agency</b>	<b>Regulatory Procedure</b>
Part I E	Maize	Ministry of Agriculture	Grain Marketing Board (GMB) has the monopoly to import maize; this is mainly for strategic reasons as maize is the staple food.
Part I E	Cooking oil	Ministry of Industry and International Trade	Licenses can only be issued during times of shortage. The interested importer is required to make an application to the Ministry of industry and International Trade

## CHAPTER 5: KEY ISSUES FROM INTERVIEWS & DESK RESEARCH

### 5.0 Introduction

Interviews were held with Industry representatives, Zimbabwe Revenue Authority, and Ministry of Industry and International Trade and transport associations. In order to improve the quality of interviews a questionnaire was designed. This was designed as a measure to ensure that interviews and discussions remain focused on the core issues pertaining to NTBs.

### 5.1 Summary of Findings

Non Tariff Barriers	Summary
Health, safety and environment	Industrialists pointed out that most requirements and standard set for the importation of products into Zimbabwe are reasonable as measures to ensure consumer safety and minimum performance standards. In addition they also pointed out that most countries in the SADC and COMESA region respected the performance standards set in Zimbabwe and thus all products carrying local certification were accepted in such countries.
Trade Policy	<p>Import licenses and export licenses are still being required for a number of products, the conditions required for such licenses are given below:</p> <p>Cotton lint- exporters of cotton lint require an export license, and this was put as a measure to ensure that local manufacturers are afforded adequate feed stock. Only fully registered ginneries are eligible for the exporters' licenses and they can only export 70% of the total output.</p> <p>The issuing of the license is transparent to all players in the industry and it usually takes 2 to 3 days to obtain the export license.</p> <p>Cotton yarn - exporters of yarn require an export license, and this was put as a measure to ensure that local manufacturers are afforded adequate feed stock. Only fully registered spinners are eligible for the exporters' license and they can only export 50% of the total output.</p> <p>The issuing of the license is transparent to all players in the industry and it usually takes 2 to 3 days to obtain the export license.</p> <p>Timber- the issuing of timber export licenses is governed by SI 112 of 2001, such an export license is only issued if the interested exporter obtains a letter of support from the Forestry Commission.</p> <p>Sugar- All exporters of sugar require an export license, this is a measure meant to ensure that the domestic market is adequately supplied, thus licenses are only issued to the maximum amount, which would ensure that the local market is supplied. All exporters should be registered companies. The issuing of this license is done in collaboration with the Zimbabwe Sugar Association.</p> <p>Margarine and cooking oil also require import and export permits, which are issued almost under the same conditions. Import licenses are meant to protect the domestic market and are not usually issued if the domestic market is adequately supplied with the product.</p> <p>State trading and Import Monopolies - Maize is a controlled</p>

Non Tariff Barriers	Summary
	product in Zimbabwe, thus it is only the Grain Marketing Board, which is empowered by act of parliament to export and import maize. Business people are of the view that this measure is working to the detriment of private companies, and is not the most efficient mechanism.
Administrative	<p>Customs clearance:            Acquittal of CD1 forms has greatly improved however there is a general consensus that there was room for further improvement. ZIMRA has a monitoring system, which records the number of times they fail to meet the set acquittal periods, and indications at the moment are that they are operating at around 65% to 70% success rate.            All respondents reported that the revenue authority was moderately efficient.            Delays are usually reported at border posts during holiday times and when their IT system is down, because of power cuts. Also when dealing with new recruits.            One problem, which was highlighted, is that industrialists do not deal directly with ZIMRA in the processing of CD1 forms. These documents are handled by banks and clearance agents on behalf of industrialists. It was reported that at times banks and agents have significantly contributed to delays in the processing of such documents.            Industrialists dealing with export of perishables also pointed out that ZIMRA have put up a system, which gives priority to carriers of such perishable goods. The maximum clearance time at the border is 1 day for perishable cargo.</p> <p>Transparency and Consistency in customs procedures:            These procedures are clearly defined in the relevant pieces of legislation, thus are very transparent from this angle, however at the operational level these procedures are rated by industrialists to be moderately transparent.</p> <p>Bureaucracy:            Industry rated this as reasonable to ensure the necessary checks and balances in the processing of customs documents.</p> <p>Freight and Transport Charges:            These were rated to be reasonable given the prevailing circumstances and also that most transporters were regional players hence were charging standard rates in the region.</p>
Immigration procedures	Industrialists pointed out that South Africa Visa requirements were becoming more stringent day by day and as such they were set to impact business negatively.

Generally the situation has improved significantly with regard to operation of customs authorities in Zimbabwe and issuing of import and export licenses. However export and import business has declined significantly over the year because of the macro economic situation in Zimbabwe, which is associated with an acute shortage of foreign currency and high inflation figures.

## **CHAPTER 6: ASSESSMENT OF PROCEDURES FOR HARMONIZATION OF TRANSIT TRAFFIC BETWEEN COUNTRIES IN THE REGION**

### **6.0 Introduction**

The Transporters' Association is of the view that movement of goods in the SADC and COMESA region is being slowed because of a number of factors, which are listed in 6.2, and they have recommended that movement of goods particularly in SADC may be expedited through the implementation of the SADC Protocol on transport. For instance they are of the view that the following should be harmonized throughout SADC:

- Weighbridge and vehicle inspection procedures
- Visas and immigration

### **6.1 Airfreight**

- ✱ Limited space on airlines, resulting in some shipments not being airlifted in time. Also freight charges are rising due to monopolies and cartels.
- ✱ In Harare there are two airport storage facilities - National Handling Services (NHS) and Air Ground Services (AGS). The two are charging very different tariffs. AGS is higher than NHS. AGS receives more air cargo than NHS. This is forcing shippers to pay more when the goods come via AGS.

### **6.2 Sea freight, Road freight And Forwarding**

- ✱ Physical examinations at Ports of Entry can take up to 3 days. These unwarranted delays have tended to promote underhand dealings to circumvent the system at the expense of honest importers.
- ✱ Bill of Entry is managed manually and this slows down the clearance process
- ✱ CDI acquittal. The verification process takes too long - up to 5 days or more, however it is difficult to point out who is responsible for this delay between the reserve Bank and Commercial banks who process the papers on behave of exporters and importers.
- ✱ CD3 - required by transporters to account for cross-border hire of trucks - is managed by ZIMRA officers at points of exit. Smooth acquittal depends on availability of adequate officers at the exit points at any given time.
- ✱ Valuation of goods is done by senior Customs (ZIMRA) Officers who are not always available thus causing further delays.
- ✱ Pre-clearance of goods is not permitted into Zimbabwe. Pre-clearance would facilitate smoother cross-border movement of goods.
- ✱ Authentication of Rules of Origin Certificates is sometimes negatively affected by the bureaucratic procedures involved in changing signatories.
- ✱ Toll fees variation within the region hampers smooth transit of goods. Toll fees should be rationalised.

- Variation in road traffic rules between countries also hampers smooth movement of goods. For instance, inter-link trucks are not allowed into Mozambique but are permitted by Zimbabwe. This forces transporters to use other routes which may be longer.
- Poor infrastructure and the state of the road network in the region are affecting efficient movement of goods, forcing importers and exporters to use alternatives routes which are expensive.



## **CHAPTER 7: RECOMMENDED ACTIONS ON NOTIFICATION, MONITORING & ELIMINATION of NTBs**

### **7.0 Introduction**

A system for notifying and monitoring of NTBs is critical in that it will help in the process of quantifying the loss of revenue caused by delays in the processing of customs documents and the whole host of NTBs. Additionally the notification process will help to bring out an objective picture of the existing NTBs, as documentary evidence pertaining to the challenges exporters and importers would have encountered over a defined period would be available for perusal by all interested parties. Unlike the current situation where there is no documentary evidence, which highlights the nature and magnitude of NTBs, as such the current consultation processes are not being informed by tangible evidence but are relying mainly on the views of industrialists about challenges that would have encountered in the past.

### **7.1 Notifications and Monitoring of NTBs and SADC Template**

The key issues that emerged with regard to the notification and monitoring process is as follows:

- The notification template is user friendly as it does not require unnecessary detail;
- Three institutions were nominated as focal points, namely the Zimbabwe Investment Authority, Ministry of Industry and International Trade, and Competition and Tariff Commission.

### **7.2 Elimination of NTBS**

- 7.2.1 As language is proving to be a major barrier in regional trade it is recommended that translators be recruited by Custom Authorities in the region and also that companies be proactive by employing people who are multilingual in their export departments;
- 7.2.2 Embassies should be well equipped with trade and business information of their respective countries, as the lack of such information is a barrier to regional trade development;
- 7.2.3 Clearing of goods at the Mozambique border post is time consuming, and a number of Zimbabwe business people have incurred huge losses as a result of the long delays. It is therefore recommended that processes should be streamlined to enable quick passage of goods;
- 7.2.4 Exchange visits should be encouraged in order to familiarize with standards and processes from other countries.
- 7.2.5 The notification and monitoring system should be implemented as a matter of urgency.

- 7.2.6 In future the SADC Secretariat should institute a study to model the effects of NTBs on intra regional trade.
- 7.2.7 We recommend that the Competition and Tariff Commission be appointed as the focal notification points as it is a neutral body.
- 7.2.8 Bond guarantee for goods transiting Zambia. It is recommended that the refund be in hard currency, so that exporters do not incur exchange losses.

**ANNEX I: LIST OF ORGANISATIONS CONSULTED**

ORGANISATION	CONTACT PERSON
Confederation of Zimbabwe Industries (CZI)	Mr Dube – Economist <a href="mailto:cdube@czi.co.zw">cdube@czi.co.zw</a> Mr J Malaba – Director <a href="mailto:jmalaba@czi.co.zw">jmalaba@czi.co.zw</a>
CZI (C/o Imperial Refrigeration) 661 235 703 265/664 342 Fax: +263 4 661 239	Callisto Jokonya (President) Email: <a href="mailto:callisto@conref.co.zw">callisto@conref.co.zw</a> 011 603 300
Interfresh Tel: 758520-9	Peter Tanyanyiwa (091 221 0594) 1 Boshoff Drive (Corner Sheperton Rd) Graniteside
Zimbabwe National Chamber of Commerce (ZNCC) 749 816/749737 (National Office) 781501(Harare Office) 781502	Mrs Mara Hativagone (President) (487711/2) <a href="mailto:marah@codchem.co.zw">marah@codchem.co.zw</a> Mr Mpofo, CEO <a href="mailto:ceoinfor@zncc.co.zw">ceoinfor@zncc.co.zw</a> Bothwell Deka, Economist <a href="mailto:bdeka@zncc.co.zw">bdeka@zncc.co.zw</a>
Jaggers – 480 913/20 480 388	Merchandise Department (Merchandise Director)
Customs Department (ZIMRA) Fax: 752 894 Tel: 790 811/2	Mr W Shumba Director International Affairs <a href="mailto:wshumba@zimra.co.zw">wshumba@zimra.co.zw</a> Cell: 011 212 981 Mrs A Huvaya - 795 980 <a href="mailto:ahuvaya@zimra.co.zw">ahuvaya@zimra.co.zw</a>
The Shipping and Forwarding Agents Association of Zimbabwe Tel: 750 861/750 604 Fax: 750 604	Mr Joseph Musariri, CEO 011 874 525/0912679693 Email: <a href="mailto:josephmusariri@yahoo.com">josephmusariri@yahoo.com</a> <a href="mailto:sfaaz@ecoweb.co.zw">sfaaz@ecoweb.co.zw</a>
Speedlink - 572550	Mr Muchena <a href="mailto:joseph.muchena@speeklinkcargo.co.zw">joseph.muchena@speeklinkcargo.co.zw</a>
Mitchell Cotts Freight	Mrs Papa – 757021/3 <a href="mailto:papa@mcfreight.co.zw">papa@mcfreight.co.zw</a>

Arrow Freight 585366/8	(Noel Chinyuku) 011 442 999 <a href="mailto:arrowfreightafs@mweb.co.zw">arrowfreightafs@mweb.co.zw</a>
Transport Operators Association (TOA)	746536 Mr Leen, CEO 43 Enterprise Rd email: <a href="mailto:transasn@ecoweb.co.zw">transasn@ecoweb.co.zw</a>
Ministry of Trade & International Trade 730 081/7 791823/7; 702731	Ms Chitepo, Sekai Senior Economist  Mrs. A Katuruza, Deputy Director <a href="mailto:akaturuza@yahoo.com">akaturuza@yahoo.com</a> 0912-424 -284
Ministry of Lands, Agriculture & Rural Resettlement	Mr Bepura 797 389 /99 251 322 Mrs Pamela Mlambo (Licensing)
Standards Association of Zimbabwe	Mrs M Mutasa (Director) 885511/2 882017/8/9
Central Statistical Office 703971/7; 706681/8	Mr J Takavasha (702 457 - direct)