THE IMPACT ON CUSTOMS OF THE DEVELOPMENT, IMPLEMENTATION AND ADMINISTRATION OF REGIONAL INTEGRATION INITIATIVES: THE CASE FOR ZIMBABWE REVENUE AUTHORITY
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Zimbabwe
Regional Integration is a process in which states enter into a regional agreement in order to enhance regional cooperation through regional institutions and rules. It results in trade liberalisation. The objectives of the agreement are economic, social and political.
Regional Integration objectives

- To remove trade barriers amongst member states
- Enhance cooperation among member states
- Simplification of rules and border procedures
Considerations to be made....

- On traditional aspects of economic impact like trade patterns, government revenue, structural change and output growth

- Broader impact of trade liberalisation such as:
  - Short and long term effects on local industry,
  - The impact on consumers,
  - Effects on poverty and employment,
  - Gender considerations,
  - Environmental dimension
Brief Background

Zimbabwe is a member of a number of bilateral and multilateral agreements. She is a member to SADC and COMESA just but to mention a few. She has and is still benefiting from these agreements. A notable benefit to this is the OSBP project which was muted by COMESA hence this research paper focuses on impact of regional integration on border management. The OSBP has positively impacted on facilitation of trade and travel in both Zambia and Zimbabwe in a number of ways as will be discussed.
Border Management

One Stop Border Post
Chirundu – New Zambian freight clearance building
Chirundu One Stop Border Post (Zimbabwe & Zambia)
One Stop Border Post (OSBP) is an entry/exit point where persons, vehicles and goods make a single stop for customs and immigration clearance to exit one country and enter another.
OSBP Concept

- Involves the simplification of documents,
- integration and simplification of procedures
- greater use of ICT to eliminate duplication of processes by two countries in clearing same travellers and goods.
Chirundu is the second busiest border post in Southern Africa.

Clearance of people and goods was done separately in Zimbabwe and Zambia.

Time consuming procedures e.g. Multiple Inspections,

congestion at both sides of the border and a truck would spent at times **3 days at a minimum cost of $140 per truck.**
Background continued

* 2005- Trade and movement inefficiencies led to COMESA deciding to make Chirundu a pilot project for the OSBP concept.

* 2009- Commissioning of the OSBP
Objectives of the OSBP

* To expedite movement of traffic through a common control zone
* To use simplified and harmonised procedures
* To improve information sharing
* To minimise cost of doing business
* To maximise use of integrated border management system
Benefits of OSBP and Impact on customs

Reduced Clearance Time from 3 days to less than 3 hours (Asycuda World for a normal commercial clearance) as a result of:

* Joint inspection of goods

* Joint processing of documents under one roof
Reduced clearance time means:

- Quick delivery of consignments
- More business for transporters and traders
- Less congestion at border post
- Reduced hiring costs on customs because of joint PEs
- Reduced possibilities of smuggling and easier risk management
Benefits- cont...
Less congested border post
Benefits cont...

**Cost Effective** through:

- Sharing of infrastructure e.g. buildings, scanners, weighbridges, inspection bays as well as human resources
- Shorter idle time for transporters at the border hence reduction in smuggling activities
- Reduced risk of damage to goods- no multiple inspections
- Reduced cost of hiring offloading and loading manpower and equipment during inspections
Benefits cont...

Improved Efficiency through:

- Simplified documentation
- Elimination of unnecessary delays
- Joint operations by border agencies
Benefits cont...

**Increased Trade**

- Faster movement of goods which lead to more business for transporters and traders (300 trucks per day)

- Expansion of inland revenue base which eases pressure on customs and concentrate more on facilitation than revenue collection.
Information Sharing

* Joint operations enables sharing of information and expertise.

* Easier to make informed decisions since ZRA and ZIMRA work

* Improved risk management which leads to reduced smuggling, corruption and fraud.
Benefits cont...

Information sharing reduces smuggling
Infrastructure and Technology

* sharing buildings to cut on construction expenses
* The use of scanners on both sides is an advantage since it has reduced human intervention.
* Manpower used to carry out PEs can be assigned other responsibilities and transferred where they are most needed. This has an impact on both budgets and human congestion at the border for customs.
* Reduced human intervention is an added advantage to customs as this reduces fraudulent and corrupt activities where officials highly interact.
Challenges

- Clearing agents facilities
- Parking facilities on the Zambian side
- Border closing and opening times
- Under utilisation of the facilities
THANK YOU