SUCCESS STORY Improving Customs Efficiency

Southern Africa Trade Hub helps Customs Administrators streamline and simplify clearance procedures through WCO Time Release Study



The USAID Southern Africa
Trade Hub, in partnership with
the World Customs
Organization, assisted
Regional Customs
Administrations to carryout a
diagnostic study to identify
inefficiencies in the customs
clearance process in order to
reduce the costs of doing
business in Southern Africa.

Recent studies by the South African Institute of International Affairs (SAIIA) in South Africa found that 'non-tariff barriers' such as cumbersome border crossing procedures, delays at border posts and ports and corrupt practices by officials, contribute between 25 and 37% of avoidable transport costs.

Customs has the potential to play a critical role in the effort to reduce these non-tariff barriers and create seamless trans-boundary transport infrastructure and services. Modern Customs administrations have recognized that streamlining and simplifying clearance procedures benefit importers, exporters and national economies. One of the methods used to review clearance procedures is the World Customs Organization's (WCO) Time Release Study (TRS). TRS measures the average time taken between the arrival of goods and their release and enables Customs to identify problem areas in the clearance process and potential corrective actions to increase efficiency. It also helps Customs to respond to trade requirements where the operators need to plan ahead for the movement of goods across borders to meet tight production schedules and just-in-time inventory systems requiring forward planning.

The Southern Africa (SA) Trade Hub, in partnership with the WCO, facilitated the design, execution and completion of a TRS for Malawi. The Study carried out in 2005, was the first of its kind to be completed in the SA region. Successful completion of a TRS relies heavily on the concept of ownership by all stakeholders. To this end, the Trade Hub asstakeholders to sisted Malawian put together representative working group to lead the process. The Malawi TRS Report was finalized by the Malawi TRS Working Group assisted by the SA Trade Hub. The WCO Technical Officer made recommendations with an Action Plan to remove identified bottlenecks. Based on the successful experience in Malawi, further WCO TRS were carried out in Zambia, Mozambique and Swaziland between 2006 and 2008 with technical assistance from the Trade Hub and the WCO. In 2009, the Trade Hub and WCO team plan to assist with Lesotho and Madagascar's TRS.