



International Trade Compliance Experts

*Trade Facilitation:
Integrating Zambian Border Agencies
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Trade Facilitation – Integrating Zambian Border Agencies

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Introduction

In view of the mainstreaming of trade facilitation issues and border security requirements by both the World Trade Organisation (WTO) and the World Customs Organisation (WCO), an objective evaluation of the current Zambian border management system is necessary and more urgent than ever before. Zambia must start looking at its current border set up with a view of rationalizing interventions, optimizing resources, further simplifying procedures and harmonizing utilization of border facilities in conformity to internationally acceptable practices.

Though many issues affect border management, this paper addresses problems related to the presence of eleven (11) different government agencies at Zambian border entry points, including eight of them directly involved in clearing goods and people.

This situation is further compounded by the fact that all the agencies have different legal powers to intervene in the movement of goods and people across borders.

Recommendation

This paper highly recommends that Zambia consider merging most of the eleven (11) fragmented agencies at the border into one *professionally* managed

organization. Such a merger would enhance coherence in operations, accountability for revenue, rational utilization of border resources, security alerts and facilitation of goods, services and people across Zambian borders.

Furthermore, the advantages of such a system include (and not limited to) unified chain of command, quicker decision-making, single point of contact for traders (utilizing a one window concept), condensed border policies and procedures, minimized duplication in functions, improved revenue accountability, improved team work, unified conditions of service under one organization, reduction of tension and suspicion amongst various agencies, focused utilization of resources, one ICT system capturing all the border information, enhanced intelligence information and utilization, and massive cost savings in financing a single organization as opposed to financing 10 different organizations.

Arguments for Fragmented Agencies

Some people's arguments against the single border agency system are based on the perceived likely loss of checks and balances among border agencies and dilution of 'specialization'. Other people, especially in Zambia, also advance security concerns especially as

related to immigration and drug enforcement functions. However, in countries where this system has been implemented; notably New Zealand, Canada and recently the United States of America, the benefits far out-weigh the perceived disadvantages. Most perceived disadvantages are in fact related to transitory issues which can easily be addressed through policy and appropriate organizational arrangements.

Significant events affecting the Global Trading Community

Zambia is a member of the World Trade Organisation (WTO) and the World Customs Organisation WCO). It is therefore bound by the decisions that are agreed in these organizations especially the WTO whose decisions are binding. For this reason, Zambia needs to be proactive in repositioning itself in view of the challenges being posed by the reality of globalization. And one key response area is in the structure and management of various government agencies especially those involved in border control.

Recently, there have been two events that have deeply affected the environment of the global trading community and international borders. The first was naturally the WTO Doha Ministerial Conference held in November 2001. The second was the terrorist attacks of September 11, 2001.

In relation to the first event, the Doha Declaration identified four areas related to Customs:

1. Rules of Origin,
2. Customs Valuation,
3. Trade Facilitation, and

4. Capacity Building.

Of these four topics, trade facilitation is a new agenda item and the WTO Council for Trade in Goods (CTG) has just started to review relevant aspects of Articles V, VIII and X of the GATT 1994. The CTG has also been tasked to identify the trade facilitation needs and priorities of Members.

The second event triggered a serious look at security of the supply chain and the need for a serious reflection on the organizational structure of international borders and sharing of intelligence information.

Border formalities are mandatory in the movement of goods across borders and the procedures applied to these goods significantly influence the role of national industry in international trade and their contribution to national economy. However, effective and efficient clearance of goods increases the participation of national industries in the global marketplace and contributes significantly to the economic competitiveness of nations, encourages investment and development of industry and increases the participation of small and medium enterprises in international trade.

Modern trading practices make it essential for administrations to provide simple, predictable and efficient border procedures for the clearance of goods and movement of people while simultaneously tackling increasingly complicated national and international requirements to ensure compliance with national laws, international agreements and meeting security challenges.

In the current international business environment simple, predictable and cost-effective formalities for cross border movement of goods have been gaining increased focus since this has become central to increasing economic growth through national participation in international trade. The volume of goods that move across borders has increased exponentially due to changes in the international trading environment stemming from the global integration of modern production and delivery systems and new forms of electronic commerce. Global efforts in the last decade to enhance transparency in international trade and reduction of tariff barriers have had significant results. Attention of governments and other agencies are now focused on non-tariff barriers and their impact on national economies and trade.

Zambian Gov't Border Agencies

Presently, Zambia has eleven (11) different government agencies at its borders namely:

1. ZRA Customs and Excise
2. Immigration
3. Road Traffic Commission
4. Zambia Bureau of Standards
5. Ministry of Agriculture
6. Environmental Council of Zambia
7. Ministry of Works and Supply
(Where you have weighbridges and pontoons)
8. Ministry of Health
9. Zambia Police
10. Zambia Intelligence Security Services
11. Drug Enforcement Commission

All these agencies enforce different types of legislation and have legal powers to detain goods and people if any

transgression against any of the specific pieces of legislation is flouted. The top eight (8) agencies have daily interaction with trade while the last three play an indirect role.

The colossal number of offices and officers a trader with goods has to present oneself to is the beginning of border delays and confusion. As well, the treatment of traders is also influenced by the different attitudes, orientation and motivation of different officers who work for different agencies with totally different remunerations and conditions of service.

Further, except ZRA Customs, the rest of the agencies operate manual systems, and therefore, it is almost impossible to share information in a timely manner even if they were to cooperate. Under the current fragmented approach, if the government were to automate, it would need to invest in eleven (11) computer systems when in fact one platform could easily be used.

Summary

As a solution, it is highly recommended that Zambia integrates its border management approach in view of the duplication and confusion at our borders. The global push for efficient and effective border management systems cannot be ignored. The advantages of integrating far out-weigh the perceived disadvantages given the experiences of countries that have integrated. The resultant accountability for revenues and the management of our borders under one common automated system will not only enhance revenue and security but also improve staff morale. *CilTax*

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