

REFLECTION ON CUSTOMS AND TRANSPORT TRADE FACILITATION: A SPECIAL  
REFERENCE TO MOZAMBIQUE TRANSPORT AND COMMUNICATIONS SECTOR

**PRESENTED BY: JOSÉ GINGIR, SENIOR FINANCIAL ECONOMIST, DEPARTMENT OF  
STUDIES AND ECONOMIC PLANNING, CHIEF OF THE DEPARTMENT,  
in coordination with Misters:**

- **Gonçalves Bernardino Mandava, Center Regional Director of Customs**
- **Abdurehemane Haruna, technician of Customs Policy and Procedure under Directorate General of Customs**

SUMMARY

The aim of this paper is far from pretending to describe all problems and difficulties arising on trade and transport facilitation.

Mozambique is a vast country in the context of Eastern Africa with around 799,380 square Km and with more than 2,515 Km of maritime coast.

In terms of land frontiers Mozambique has 6 boundary countries namely: Tanzania in the North; Swaziland and South Africa in the South; and Malawi Zambia and Zimbabwe in West. All countries in the Western Region including Swaziland are land locked.

In the transport connection side, South Africa, Malawi, Zimbabwe and Swaziland can connect Mozambique by train and road. Zambia, only by road; Tanzania and South Africa by sea; and finally Tanzania, Malawi, Zambia and Zimbabwe by inland waters.

Through Beira Port, there is also transit going to Zimbabwe by pipeline for fuel and the Government is promoting this practice due to the large number of advantages therein, either from the point of view of its effectiveness, by reducing the risk of deviation of cargo and revenue, or by saving the money to be applied on the maintenance of the roads that are seriously damaged/affected by heavy trucks and fuel poured onto them

Disserting on Transit Transport Facilitation is not so easy, because of many factors beyond control ; say, lack of working tools, low level of education which may cause ignorance, nepotism, lack of coordination among institutions related, and so on.

In this short dissertation, will be analyzed some few aspects and operational constraints that impede trade facilitation on Transport side (air transport, port and airport handling and rail transport) with recommendation of ways for solution if it will be the case.

Transit Procedure Analysis

Mozambique is the arrival and departure point of South Africa, Swaziland, Zimbabwe, Lesotho transit freight through Maputo port, where it is loaded aboard vessels for exportation.

As in any port, this transit freight is normally containerized and usually arrives already sealed. In case of not sealed, and if it is proved that from the origin the container was sealed, the transit agent has to ensure that the container was not violated and in such case he must create conditions of sealing; using agent or custom seal or both. But in several moments, there is a lack of seals within the Custom, and therefore the seal cannot be added.

Because there is an increasing portion of such traffic, arriving at seaports by rail, there is an increase in speed and control of traffic, that is to say the level of robbery is minor.

### Maputo International Airport

In Maputo International Airport, like Ressano Garcia border, it is being verified that people processing among passport review, visa issuing and Customs clearance are uncoordinated and provoking difficulties to passenger unnecessarily.

Talking about cargo operations one can say that Maputo Airport cargo operations need to be improved in term of upgrading its efficiency and security; because at present only one cargo freighter arrives per week from Johannesburg and all other cargo arrives in the hold of passenger planes, which land seven days a week from either Johannesburg or Portugal.

For facilitation of trade in Mozambique there are some critical sites which are the land border crossing at Ressano Garcia, Maputo International Airport and the ports of Beira and Nacala; which provide assessment and areas of improvement.

### Ressano Garcia Border

This is the main land border crossing between Mozambique and South Africa. In this land-crossing border many traffic is received, say more than any 75 land border crossing stations, and handles almost all of the truck crossing to and from South Africa.

Ressano Garcia to improve its activities some portion of investment for infrastructure are needed (the existing facility is too small for the traffic it receives), organization procedures and control (for post audit at the operator premise process to verify that trucks arrive at bonded warehouse or to assess the amount of deviations that occurs, and Customs current efforts which are neither targeted nor systematic), hours of operation and condition among border agencies.

Again talking about investments, there is an advanced project of constructing a dry port for organization of flows into Ressano Garcia, which can enhance risk assessment and post-audit activities to reduce inspections and increase control.

### Port of Maputo

Facilitation of imports and exports works well at the port. And there is broad satisfaction in the trade community, with the port operations which serves export and import container traffic to and from South Africa, as well as other ports of Mozambique.

Because of the concession and private management of mostly all productive terminal, is notorious great progress in the restoration of the infrastructure and there has been great progress their nearby bulk and break bulk port terminal of Matola coal port. Port operations are more than fifty per cent computerized and further more automation efforts continues.

Space is leased to private firms for their terminals within the port, including some business and shipping companies that manage their own operations.

### Port of Beira

There is a sea terminal for containers, break bulk and bulk. There is a fuel depot that receives imports of fuel.

Major part of fuel is transiting Mozambique through port of Beira destined to Zimbabwe and Malawi. Customs in Beira has participated in joint with the Border Police to interdict sugar smuggling from Zimbabwe, which has been serious problem.

The port of Beira receives freight by road overland from Zimbabwe, Zambia and Congo for shipment by sea to other countries. It has a rail terminal.

The rail service would then carry goods to and from the North of Mozambique and to and from Malawi, reducing transport costs and time.

The carriers are generally pleased with the recent and on-going rehabilitation of Mozambique three major ports (Maputo, Beira and Nacala).

Resuming, it is true that Mozambique is making many and good progresses in terms of Customs and Transport Trade Facilitation, although many difficulties it faces.

Mozambique must improve Customs clearance processes, support improvements in Customs infrastructure, reduce gradually the focus of excessive and unnecessary bureaucracy in order to facilitate international trade.

Sea carriers expressed no problem with corruption in their dealing with Customs. In Maputo a sea carrier spokesman expressed dissatisfaction with availability and quality of road transport services to and from the port.

#### Port of Nacala

This natural port serves the imports and exports of Malawi in northern Mozambique, and has similarly been rehabilitated and it is considered to be well run and in generally good condition.

Nacala has two container terminals and three general cargo berths.

#### Policy Adoption

In recognition of the fact that the transit procedures in force were inadequate to the moment, some alterations have been incorporated within the framework of the customs reforms.

A Transit Procedures Regulation has been approved by the Ministerial Diploma 10/2002 dated 30 January 2002 by the Ministry of Planning and Finance, whose implementation is, among others, pending to the following circumstances:

- Appropriate infrastructures
- Roll out of an IT-based communications system that ensures the processing of transit documents in their respective points of entrance and exit plus a correct monitoring of the transit guarantees. Please note that Transit is the only system that is done manually, with all inconvenient therein.

Following are among others, the constrains related to the clearing of transit goods:

#### **Related to Port operators managers**

Need for regular dredging of the channels leading to ports.

Installation of an adequate capacity to handle goods, which includes the purchase and installing of modern equipment, thus reducing the ships "waiting times" in the Ports and harbours.

#### **Related to ships and cargo agents**

The cargo manifests are not handed to customs authorities during fiscal visit moment but captain as normally should be done. The agents evoked business confidentiality, once some agents of the ships feeder are also agents of cargo transported in such ships by themselves.

In the cases that these manifests are handed to customs authorities, they only indicate the name of the agent and the final destination but it does not state the consignee at the final destination.

### **Related to the transporters**

Road transport trade is very competitive and this leads to the hiring of transport units with mechanical problems. This negatively affects the deadlines set to report the goods at the border and customs terminals due to constant break downs.

Lack of regular maintenance of the railways. This causes derailments of loaded trains. It is expected that by adoption of the policy of concessions the situation may improve in the near future.

### **Related to the Customs Administration**

- ✓ The need to invest in infrastructures (customs offices and blocks of residence for the staff).
- ✓ The need to invest in equipments with installation of a communications system that ensures:
  - the processing of transit documents in their respective points of entrance and exit including a correct monitoring of the transit guarantees.
  - Control of cargo transport units and time management, ensuring that the transit operation is carried out within the time frame thus avoiding deviation. Currently transit operations are based on fiscal escorts that are inadequate to the distances that are sometimes longer.

In order to reduce the transit goods clearing times, an understanding has been adopted for example, between Beira port authorities and the Malawi Association of tobacco producers through which, the port authorities and customs office is operational even on weekends and holidays. This is to allow the flow of tobacco to be shipped via port of Beira.

As another manner of attending the exigencies of facilitating trade, several important reforms within the sector of the Ministry of Transport and Communications are underway, and some of them already concluded as it is the cases of:

- Concession of almost all Terminals of the Ports (Maputo, Matola, Beira and Nacala)
- Concession of Ressano Garcia railway
- Concession of Machipanda railway
- Concession of Sena line railway
- Contracting-out of management of Maputo International Airport
- Restructuring-out Mozambique Airlines (LAM)
- Liberalization of Civil Aviation Sector
- Liberalization of Mozambique Telecommunications sector (TDM)
- Development of a new strategic Plan of Mozambique Postal Services

### **Besides, the Government is in charge of :**

- Fighting against focus of excessive bureaucracy of import and export processes in order to facilitate international trade.
- Permanent control and improvement of customs clearance processes with electronic processing system.
- Considering the need of creation of a public-private trade and transport committee facilitation which should work a formal agenda, analyze and look for solutions of trade facilitation problems and making lobbies for reforms.
- Investing in customs infrastructure to ensure that officers have the necessary tools and equipment needed

Thank you very much.