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on

**Trade Facilitation Opportunities for Landlocked and
Transit Developing Countries**

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Namibia Transit Transport System

by

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NAMIBIA'S TRANSIT TRANSPORT SYSTEM:

Namibia is a member of the Southern African Customs Union (SACU). IN 2003, Botswana, Namibia and South Africa developed a successful Transit System called Trans Kalahari Corridor (TKC), a route from the Walvis Bay Harbour passing through Botswana (landlocked) to Johannesburg, South Africa. This successful mission was realized after the signing of a Memorandum of Understanding (MoU) by the three Member states mentioned above.

Recent Developments

In recent months if not years, Namibia has managed to develop/establish two more routes in the form of corridors, such as:

1. Trans Caprivi High Way which forms the Trans Caprivi-Ndola-Lubumbashi Corridor. That means goods are carried through Zambia (another landlocked country) to Lubumbashi in the DRC.

2. Trans Cunene Corridor, a route which passes through Angola to DRC.

In recent months, Namibia has allocated a piece of land to Botswana in Walvis Bay where they will build dry port for imported goods destined for Botswana. The Contribution of such land came as a gesture of mutual understanding between the two sister countries.

The Tarns Kalahari Corridor comprises a tarred road linking the Port of Walvis Bay with Botswana and the Gauteng Province in South Africa. Since the completion of the Trans Kalahari Highway in 1998, which forms the Trans Kalahari Corridor, the TKC has achieved various milestones. Through the Walvis Bay Corridor Group a trilateral Trans-Kalahari Corridor Management Committee established to address operational issues along the corridor and to ensure the smooth flow of goods and people.

Through the promotional efforts of the Walvis Bay Corridor Group, the business confidence in the Walvis Corridors has resulted in the increase in commercial traffic along the Corridor routes. For instance, the cargo volumes along the Trans Kalhari Corridor has increased by 58.4% over the past few years.

AIM, ADVANTAGES AND BENEFITS OF THE TKC SYSTEM:

The aim was to promote the Corridor business development among Member States. The main advantages and benefits were to:

- 1) Provide adequate security to Customs Authorities within the Union.
- 2) Reduce the cost of raising transit guarantee
- 3) Eliminate delays and inconveniences, that is, before the establishment of the Trans Kalahari Corridor, goods in transit to Botswana as a landlocked States, were to be charged a Provisional Payment (PP) as a surety to the Namibian Government or South African Government, vis versa.

- 4) Increase efficiency in inter-state transport between Member States of the Union and enhance trade between themselves.

TRANSPORTERS AND CARRIERS

There are many transporting companies and carriers registered, licensed and approved by Customs Administrations of both countries to use the route to transport goods in transit to and from Walvis Bay to Johannesburg.

DOCUMENTS

The official documents (form) used in the system is called Single Administration Document (SAD 500) a Customs declaration Form. It is both used for importation and Exportation, transit, temporary and permanent importation of goods.

REGIONAL (MEMBERSHIP) BLOCK:

Namibia is a member of the Southern African Development Community (SADC). The community was established by a treaty in 1980 after evolving from frontline states, coordinating conference to a development community. It consists of 14 contracting Member States whose vision and purpose is total political and economic emancipation of the people of Southern Africa. A community with a market size population of around 250 million.

The Treaty operationalized through Protocols and of reference is the Protocol on trade. This SADC Protocol on trade concluded on the 24th August 1996 in Maseru, Lesotho, was to focus on trade in goods, Customs procedures, matters and institutional arrangements, as well as trade liberalization and trade facilitation.

Namibia is part and parcel of the establishment of the Regional Customs Transit Bond Guarantee Scheme (RCTBGS)> this was necessitated under the SADC treaty as read with Annex IV of the SADC Protocol on trade for facilitation of transit traffic. Therefore, the establishment of the scheme (RCTG) is part of the SADC programme of removing tariff barriers to facilitate trade, for SADC regional integration as approved by the Sub-Committee on Customs Cooperation.

THE AIM OF RCTBG SCHEME

The aim is to:

- 1) Facilitate legitimate trade,
- 2) Promote customs and stakeholder partnerships,
- 3) Reduce clearance waiting time and also to reduce compliance cost.
- 4) Promotes collaborative enforcement by Customs Administrations,

- 5) Safeguard against revenue leakages,
- 6) Focus on commonality and confidence.

THE IMPORTANCE OF TRANSIT IN GENERAL:

1. It provides access to most efficient and least trade routes.
2. Simplification and harmonization of Customs Transit procedures: having single customs documents.
3. Supports trade liberalization
4. It increases competitiveness of the region
5. It creates employment opportunities.

Namibia is also a member of the African Union (AU), which has recently established an African Union Customs Experts Technical Working Group on Transit, based on Article V of GATT 1994. This Technical Working Group, whereby Namibia is also represented, comprises of Customs Experts on transit from the Customs Department of the Regional Economic communities (RECs) and from Customs Administrations of Member States.

The establishment of a Technical Working Group of this nature, was in response to the recommendation made by the inaugural session of the AU Sub-Committee of Directors General of Customs in Kigali in 2005 and reiterated at their 2nd meeting held in Harare in April 2006 that transit procedures be harmonized at the level of the Continent.

In line with the project establishment, the 1st Technical workshop was organized by the Commission which was held from the 30th July to the 1st August 2007 at its Headquarters in Addis Ababa, Ethiopia. The main objective was to carry out an in depth examination of the transit issue within the context of Africa's agenda of regional economic integration with a view to developing a Continental Strategy and Work plan for rationalizing and harmonizing Transit procedures amongst the RECs.

Viewing the above, Customs transit refers to Customs procedures under which goods are transported through countries from one Customs office to the other without paying import duties, domestic taxes or other charges normally due on permanent imported goods.

Namibia is not exceptional in implementing the above mentioned Customs procedures at all, we are in compliance and moving forward.

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