



## **Border Economies: Key policy findings**

Christopher Wood  
Trade and Industrial Policy Strategies (TIPS)

# Case study recommendations

## Beitbridge

1. Formation of a **regional federation** of commercial cross-border drivers
2. **Standardisation of training and qualification** for customs brokers in SADC
3. **Code of conduct** for customs officials
4. Adjustments to **border post design**
5. Leverage tourism, mining and farms to support **development of border towns**
6. **Supportive facilities**: low cost accommodation, duty free shop, markets for cross-border traders
7. **Simplified trade regime** for cross-border traders

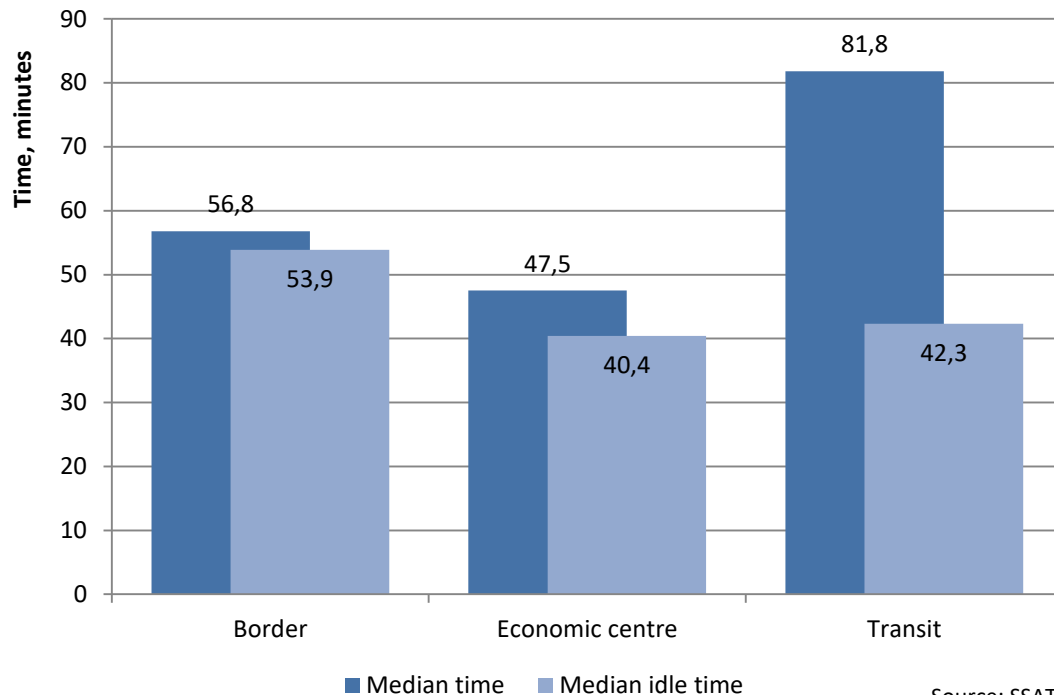
## Chirundu

1. High waiting time is partially due to lack of **technical skills by clearing agents** - efforts should be put in place to professionalise the workers
2. Improve the **communication** between ZIMRA and Zambia in transmitting documentation for trucks (and inter agency **coordination** within ZRA)
3. ZRA should increase its **staffing levels** especially on the physical inspections side and value determinations
4. The ZRA could undertake **sampling** of containers for scanning rather than scanning every truck – this creates congestion and high waiting time
5. **Support to cross-border traders** to make procedures accessible and offer recourse

# Finding 1: Coping strategies should accompany trade facilitation

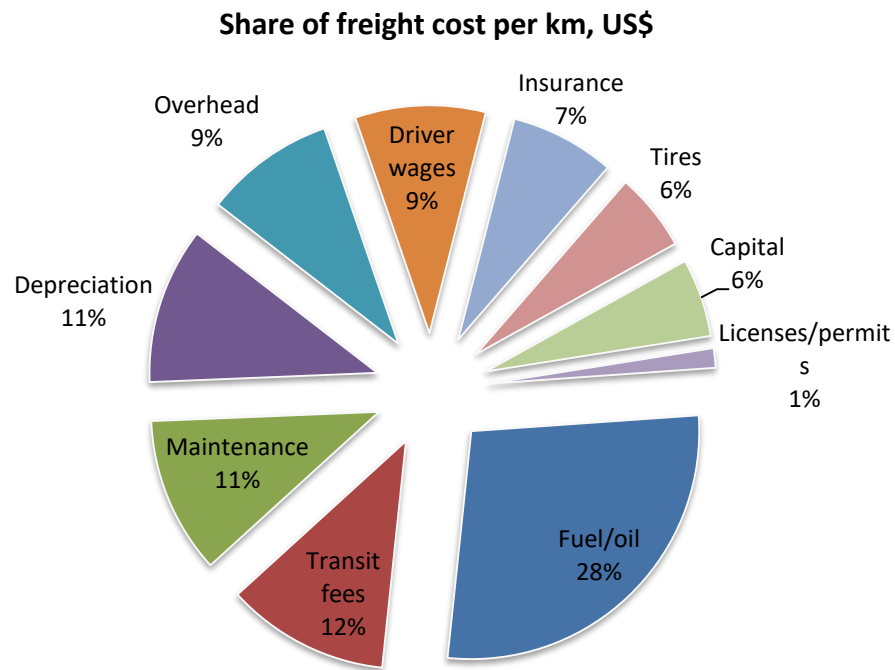
- Very well established trade facilitation problems, with very well established mechanisms to address problems
- While trade facilitation changes are in progress, there is an need for strategies to help crossers manage existing barriers
- Communication mechanisms can be improved, both in assisting crossers and responding to complaints
- Facilities in the border should be provided to cope with long crossings
- Coping mechanisms are a job creation opportunity

Median time from Durban to DRC Copperbelt



Source: SSATP

## Finding 2: Driver wellbeing must be a priority

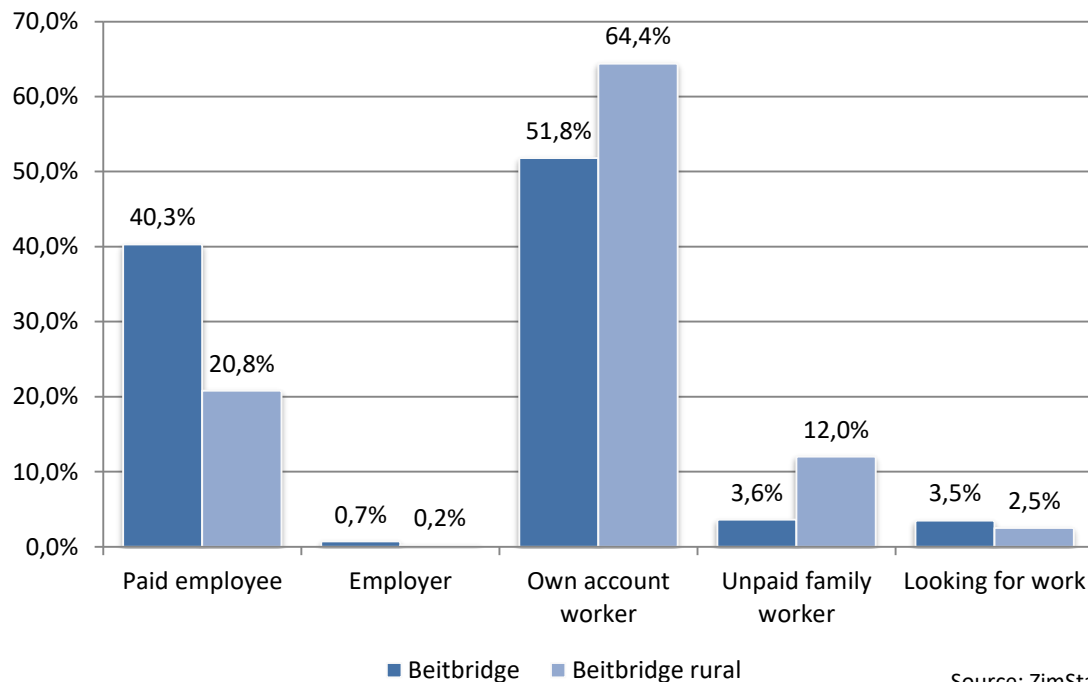


- Drivers face a range of challenges, including lack of downtime, inadequate living expenses, lack of firm support, unsafe working conditions, xenophobia; and others
- Poor conditions for drivers undermines the potential to create quality jobs
- But it also slows movement along the border, as drivers adapt to living on the road by spending more time at each stop to undertake basic necessities
- Deep regional cooperation is needed – among both policy makers and unions

## Finding 3: Border firms require assistance to adapt and grow

- A large portion of the border economy exists because of inefficiencies at the border post
- Trade facilitation is needed to keep the border post viable – but also creates tensions with some border firms
- Assisting firms and individuals in growing and expanding skills can create a more stable base, and ease movement through the border
- Ongoing communication is essential, particularly during periods of trade facilitation reform

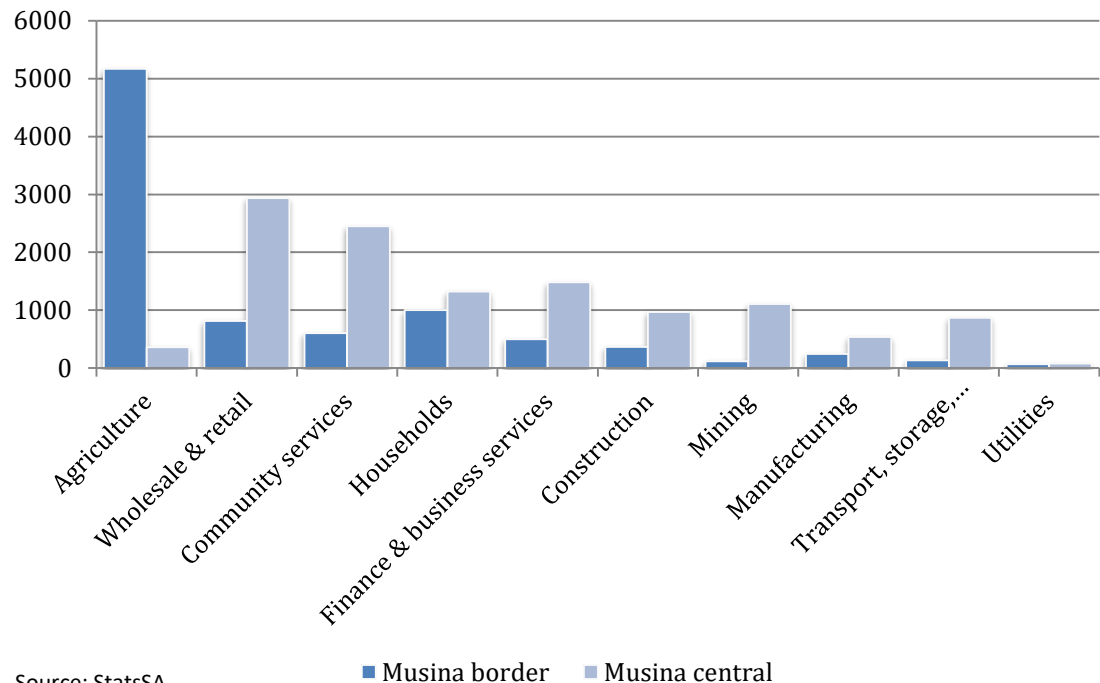
Distribution of economically active person by activity, 2012



Source: ZimStat

## Finding 4: New opportunities are needed at the border

**Employment by industry, Musina 2011**



- In the long-term, border towns will need to find new ways to leverage growth off the border
- Some more traditional sectors – such as manufacturing, agriculture, tourism – can benefit from their location at the border, but the relationship is complex
- Some initiatives: Beitbridge Industrial Park, Musina-Makhado SEZ
- However, most border firms are still reliant on traditional distribution networks, and will be unless special arrangements are provided

## Draft action plan

| RECOMMENDATION                                               | BORDER FIRMS | TRAVELLERS | TRUCKERS | BORDER TOWNS |
|--------------------------------------------------------------|--------------|------------|----------|--------------|
| Single point of communication for complaints and issues      |              |            |          |              |
| Regional truckers federation                                 |              |            |          |              |
| Development of qualifications and support for training       |              |            |          |              |
| Construction of secure, low cost accommodation               |              |            |          |              |
| Construction of logistics parks                              |              |            |          |              |
| Accreditation of vendors and guides in border posts          |              |            |          |              |
| Special processes and support to cross-border traders        |              |            |          |              |
| Long-term: Centralised warehousing for cross-border traders? |              |            |          |              |
| Long-term: Cross-border economic zones?                      |              |            |          |              |