

# Input from Case Studies

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# Additional Case Work

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## ◉ Mozambique

- Ended up interviewing non-typical companies
  - Based in Duty-Free Zone, exempt from taxes, own customs clearance
  - Oil companies, own exchange rate, own customs clearance, government infrastructure spend in its interest
- Not surprisingly – nothing to complain about apart from skills shortage
  - Are investing heavily in education and skills training for their own industries

# Mozambique

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- Of the opinion that if corruption could be done away with, the other barriers would automatically resolve themselves
- Customs clearance – three advantages in DFZ
  - Special lane at border
  - Customs officials visit on site
  - Limited paper work due to duty exemption
- Infrastructure
  - Government has invested in ports in order to satisfy demands/needs of oil and aluminum companies

# Mozambique

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## ◉ Infrastructure

- Don't make much use of the roads
- Ample electricity, water
- Additional oil, gas and coal finds might overburden existing ports

## ◉ Banking

- Despite or perhaps due to large figures involved they've not had any difficulty in moving funds in or out of Mozambique

## ◉ Message – it pays to be big

- Also evident from other case studies

# Other General Findings

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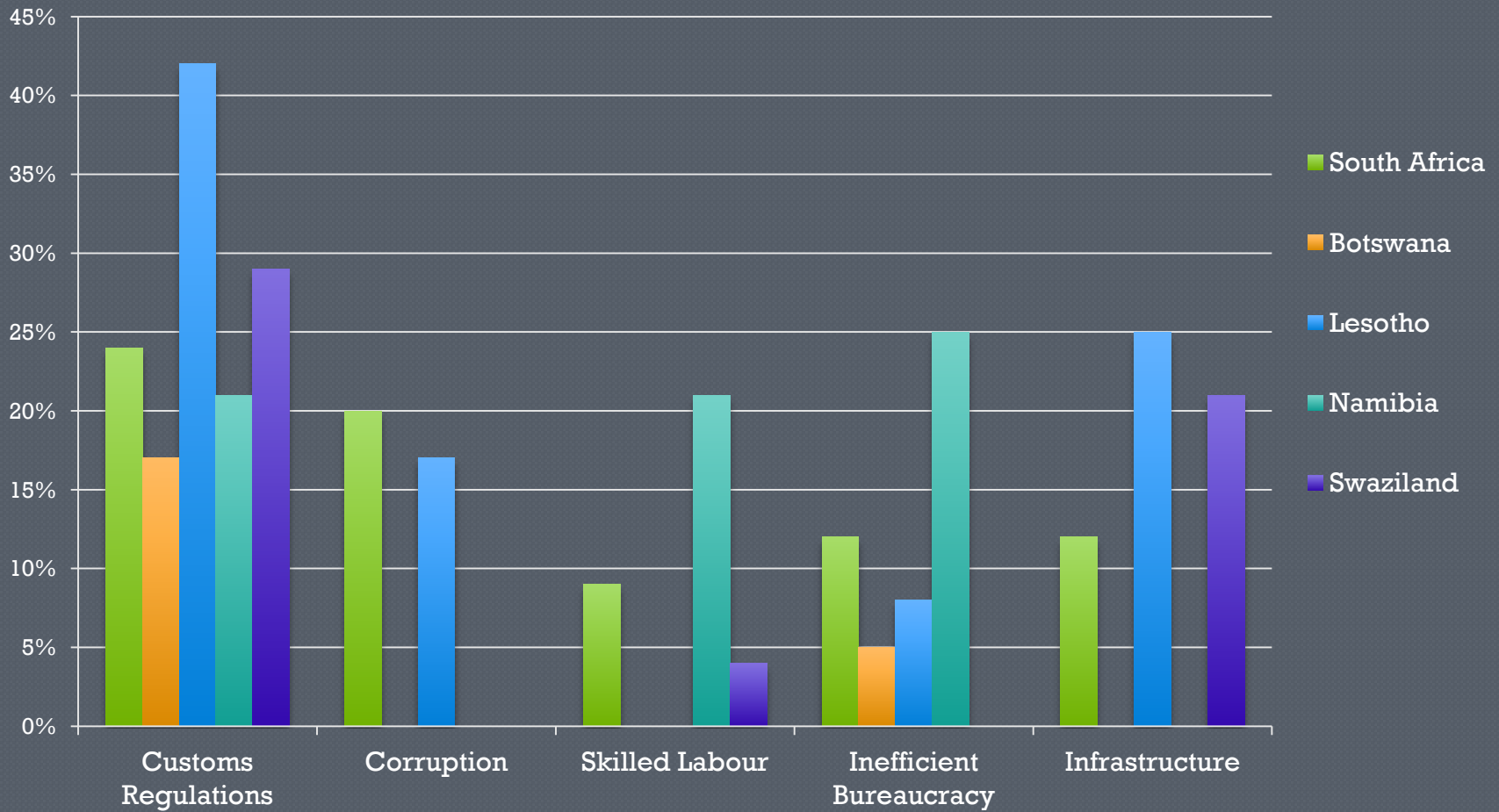
- Size matter as larger companies can outsource logistics, customs clearance or appoint in-house expertise
- Hierarchy of stumbling blocs associated with development
  - Banking, access to forex important barriers in DRC, Malawi not so in South Africa rest of SACU
  - Corruption headache for South Africans wanting to do business in DRC, for DRC locals accepted as normal costs associated with doing business

# Other General Findings

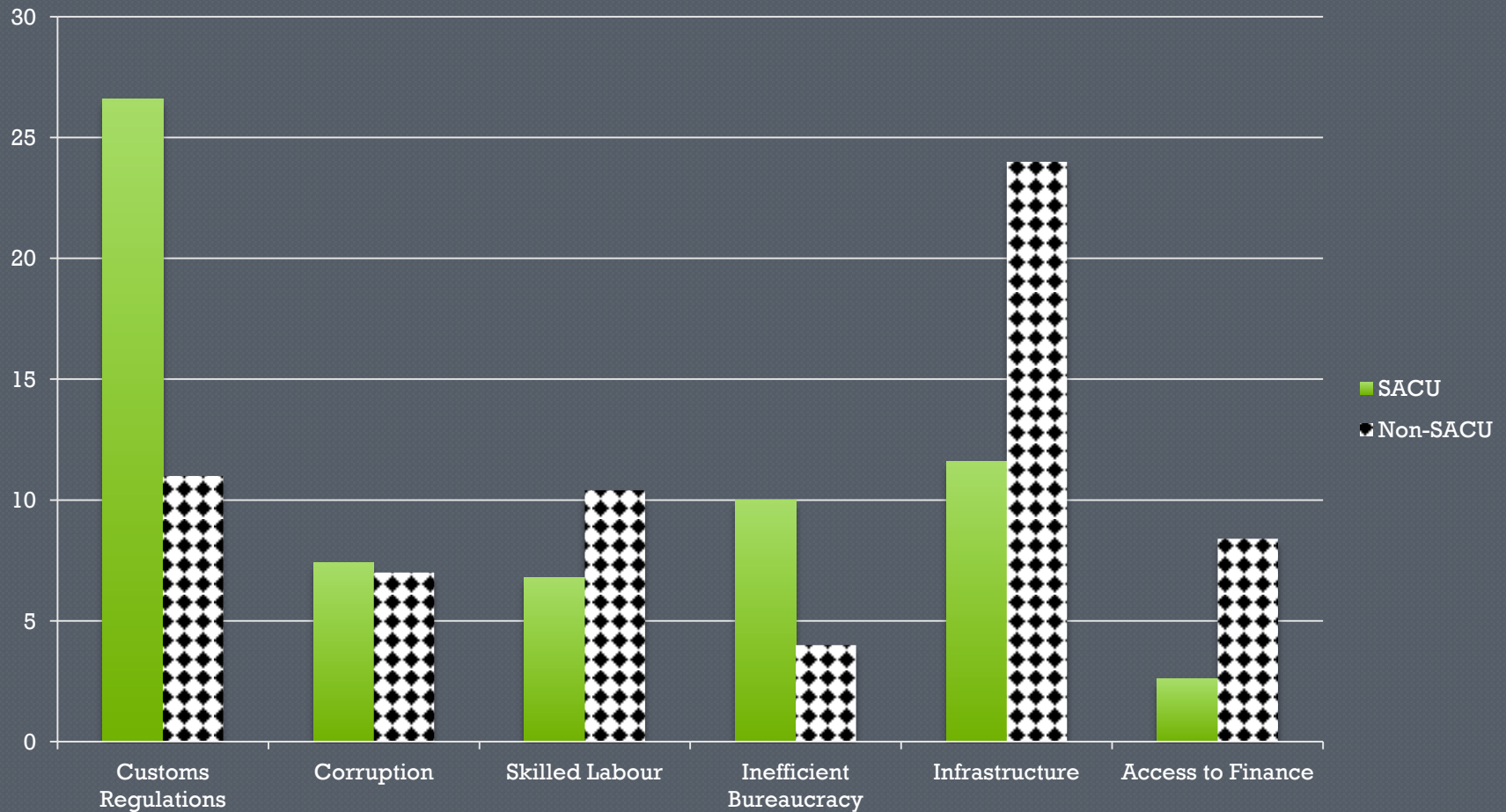
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- For SACU companies, greater focus on efficiencies and predictability
- Infrastructure in Southern-SADC has improved dramatically,
  - only mentioned in context of physical border infrastructure
- North still lagging far behind and weather dependent
  - Time to get goods across borders and to point of sale varies from shipment to shipment

# SACU

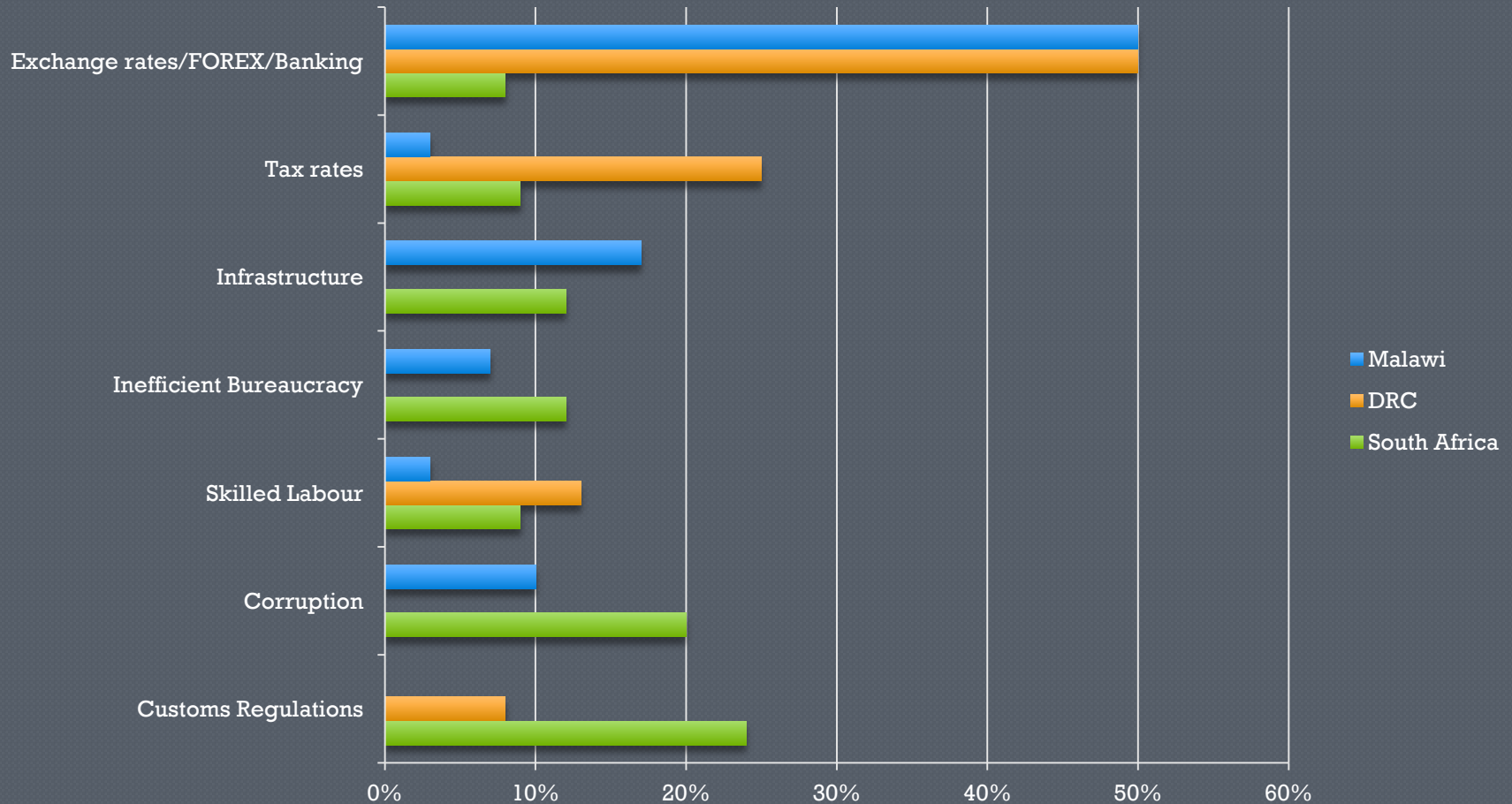


# SACU vs Non-SACU

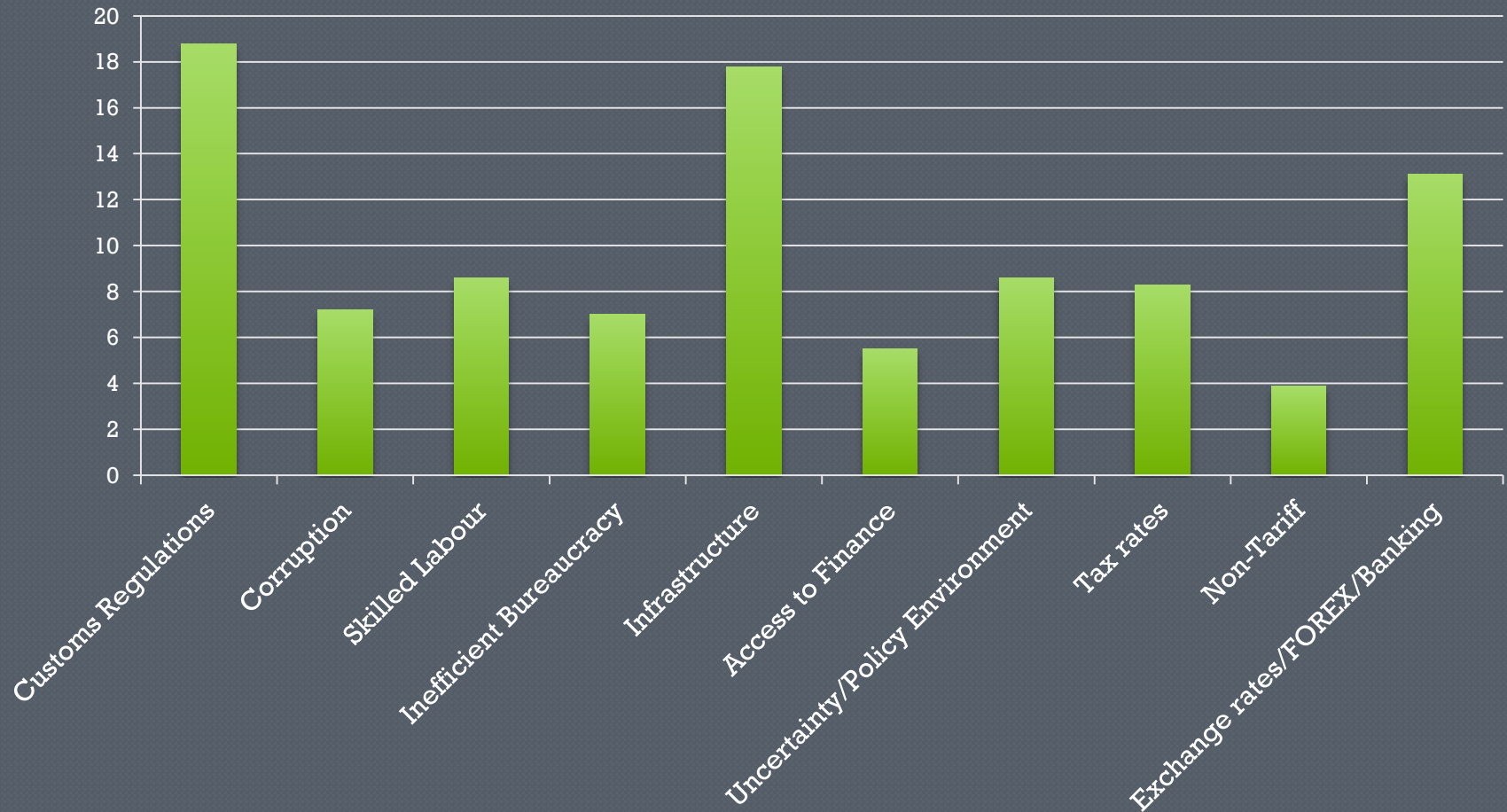




# SA, Malawi, DRC



# Aggregate



# Anecdotal Outcomes

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- Weighbridges most often mentioned as significant NTB
  - Readings differ, payment options limited, no security for trucks
  - Roadblocks – unpredictable, have to plan ahead to be corrupt
- Labour market – permit system
  - Mozambique very clear and efficient system
  - Other end of the scale – large sums but no pos result
  - Large companies rotate staff globally for skills training, but very difficult in Southern Africa

# Anecdotes

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- E-platform – recent introduction in SA
  - Welcomed by Road Freight Association
  - E-platforms frequently mentioned as solution to delays and corruption
  - BUT e-platform seems to have added to delays
    - Border officials still want to the paperwork
    - Infrastructure at borders problematic
- Paperwork for mixed consignment of fresh produce easily a foot deep

# Engagement

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- ◉ Very limited at the regional level
- ◉ National engagement as well as bilateral
  - Mixed results
- ◉ Exception is telecommunications that has effective tool in CRASA
  - Again, it pays to be big, telecom huge tax revenue and profits, mutual benefit in engagement

# Recommendations

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- ◉ SADC-wide business visa
- ◉ More effective SADC e-platform that gives regular updates on tariffs, excise and other developments
- ◉ SADC Rules of Origin certificates to become more easily obtainable
- ◉ Uniform regional weighbridge system and clearance

# Reminder

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- If any companies are present that have not done their case study, please approach me! I will still be here until mid-Wednesday.
- The more case studies we have the stronger our research outcomes become.