



The First COMESA BUSINESS COUNCIL (CBC)  
Transporters and Logistics Services Dialogue- Regional  
Positions of Industry

COMESA BUSINESS COUNCIL- Presentation to the Ninth  
Joint Meeting of the Committees on Transport and  
Communications-18-20th February 2016

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## **1. Introduction**

The COMESA Business Council (CBC) convened the 1st COMESA Transporters & Logistics Services Industries Regional Dialogue from the 17th-18th September, 2015 in Nairobi, Kenya. The Dialogue was held under the theme, “Towards improved trade facilitation and reducing the cost of doing Business in the Transport and logistics services industries.”

The objective of the dialogue was to engage key public authorities on private sector positions and recommendations on reducing transport costs to doing business in the region. The Dialogue focused on harmonizing common positions of the businesses in the Transporters and Logistics industry, through core discussions on pertinent issues that are directly and indirectly contributing to the high costs of business along the transport corridors.

The dialogue brought together more than sixty participants from associations and companies such as; freight forwarders, logistics companies, cargo handlers, transporters and truckers from 15 countries in the COMESA region. Below are the adopted positions of the CBC Transporters Workgroup, formed on the 18<sup>th</sup> September, 2015- during the above said Public Private Dialogue. Which form the position paper of the Transporters and Services Logistics Industry, to be presented to the **“Ninth Joint Meeting of the Committees on Transport and Communications, Information Technology and Energy.”**

### **On Investment in Rail-Road and Maritime infrastructure development**

The meeting noted the work has been done in mobilizing funds through Public- Private Partnerships at the continental and regional level for road, rail and maritime transport. It was also recognized that political will enables faster tracking of infrastructure corridors along Eastern and Southern Africa.

**The meeting recommended that;**

- **Member states are requested to use a balanced approach in allocating investment to both road and railway transport.**
- **Member states are requested to explore inclusive innovative financing mechanisms to mobilize funds for rail-road-maritime, infrastructure and inland waterways; for instance through levies among other models.**

### **On improving services efficiency along the borders**

The meeting noted some operational setbacks of the corridors have led to significant transport delays. Furthermore, increased transport costs hinge around differing regulations in some of the countries along the transit corridors. Some of the issues noted were i) non-harmonized customs border procedures and documents, inefficient border services i.e. un-harmonized weighbridge equipment, overload control certificates, differing axle load limits and vehicle dimensions between countries among others.

The meeting noted the need to have the COMESA member states move towards a customs union; and as such, begin the implementation of a Single Customs Territory. This would facilitate the removal of stumbling blocks and ensure the harmonization of customs processes and laws across the 19 countries, hence facilitating trade along the Corridors.

#### **The meeting recommended that;**

- **Member states are requested to adopt and implement the COMESA Virtual Trade Facilitation System; which provides a regional mechanism to cater for a number of key challenges on data management, strengthens risk management systems and leads to reduction of time and processes through a One Stop Shop system. The implementation of the COMESA Virtual Trade Facilitation system should take key cognizance of all stakeholders and ensure value for all stakeholders; including ensuring efficient service delivery.**
- **Member states are requested to ensure that the COMESA Virtual Regional Trade Facilitation System (CVTFS) has an inclusivity of cargo tracking along the rail systems. Further, recommends that the CVTFS should have a keen focus on transport efficiency, beyond focusing on illegal imports and embargos.**

### **On establishment on a Pan African Logistics Information hub/facility**

The meeting noted the information gaps businesses face when trying to put in place all the necessary documents needed to handle a consignment from country to country. Occasional delays are caused by requests for additional information and documents, which results in time and cost losses. There is need for a collective platform of information on customs documentation in the region.

#### **The meeting recommends that;**

- **Member states are requested to support the request for a Pan African Logistics information hub which will be a depository of documentation required for movement of goods between countries. The facility should be accessible to all corridor users and other stakeholders, ranging from manufacturers, logistics services.**

#### **On Accelerated Implementation of Regional Customs Bond Guarantee System**

The meeting noted the need to increase regional cooperation through the implementing of trade facilitation instruments as necessary for the reduction of costs. The **Regional Customs Transit Guarantee (RCTG)** was extensively discussed as an instrument that can reduce time, and huge costs incurred through the current transit bonds that countries still implement.

**The meeting recommended as follows;**

- **Member states are requested to move towards the full implementation of the RCTG system across the region to reduce costs for business. There should be an agreement to allow the phasing out of national transit bonds. The fees, levies and maximum threshold premiums should be standardized across the region and formally gazetted regionally.**

#### **On Access to Information on Trade Facilitation Instruments**

The meeting noted the clear relevance of having information sharing platforms such as the COMESA Transporters and Logistics Services Dialogue, which has raised awareness on key contentious issues and critical trade facilitation instruments that were not fully utilized due to the lack of adequate information on their benefits to business.

**The meeting made the following recommendations;**

- **Member states are requested to develop awareness mechanisms for the private sector on COMESA Trade Facilitation instruments; and for stakeholders to take advantage of the instruments likes the COMESA Yellow Card, regional Customs Bond Guarantee. Awareness mechanism should target all key stakeholders involved; border agencies, police, general public and private sectors.**
- **Member states are requested to develop key training modules for equipping operators and stakeholders along the corridors, as this ensures operational efficiency along the corridors.**

### **On uncompetitive Business Practices**

The meeting noted some of the challenges faced by inter- industry partners namely the manufacturers and logistics service providers. The meeting noted the need to ensure business compliance in standards requirements in addition to partnerships with legitimate companies.

**The meeting recommended as follows;**

- **Member states are requested to assist the private sector to ensure improved business practices through sound Service Level Agreements between manufacturers and transport and logistics services providers.**
- **Member states are requested to improve business services through training logistics services providers- with a specific focus on technology efficiency, value addition and integrating logistics services.**

### **On Port Efficiency and Cargo Handling**

The meeting noted that improving port efficiency is necessary to facilitate trade and transportation of goods, especially for the landlocked countries. There is need to adopt measures that increase port efficiency and cargo handling through use of upgraded technology, inter- agency coordination among other technical and skills capacity training. There is also the need to provide enough information to cargo handlers and partners on monitoring consignments along the corridor. The meeting noted that existing efforts to provide such a facility have not been performing efficiently.

**The meeting recommended as follows;**

- **Member states are requested to adopt 24/7 working systems at the ports, and this should be seamlessly done across the region. Being mindful that there should be collaboration across ports, to ensure efficiency in technology and a regional standardized approach to port management.**
- **Member states are requested to work with COMESA Secretariat to develop indicators on port collaboration to allow member states to monitor port performance, so as to move towards improved standardized, quality port management.**
- **Member states are requested to develop a One Stop Centre for all the agencies (clearing and forwarding procedures) at the port.**
- **Member states are requested to ensure transparency in the monitoring of consignments as they move along the corridor- by providing an open e-information sharing platform for the stakeholders. It should be noted that the existing tracking platforms provide limited information on this.**

### **On curbing Illicit Trade and counterfeits, and road safety requirements**

The meeting noted that there are various best practices at the international level which can be replicated within the region with regards to curbing illicit trade and road safety. The meeting recognized work done by the CBC on developing a regional framework as guidance on putting together a protocol on anti-illicit trade.

#### **On Road Safety; the meeting recommended as follows;**

- **Road safety**
- **Risk preparedness**
- **Corruption**

#### **On Illicit trade; the meeting recommended the following;**

- **Member states are requested to improve inter agency cooperation in areas of customs, law enforcement as well as anti-counterfeit standards, to ensure a coordinated and business friendly approach to curb illicit trade.**

*The above recommendations were adopted on the 18<sup>th</sup> day of September, 2015, at the 1<sup>st</sup> CBC Transporters and Logistics Services Dialogue, in Nairobi, Kenya.*