



Technical Report:

Mozambique WTO Trade Facilitation National Self-Assessment of Needs and Priorities

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ANNEX 1: PARTICIPANTS

EXECUTIVE SUMMARY:

Trade Facilitation has emerged as one of the areas where there has been some consensus in the Doha Development Agenda Negotiations. The World Trade Organization (WTO) Trade Facilitation Committee has sought the clarification of GATT Articles V, VII and X, by seeking proposals from the Member States. Within this context developing countries are provided technical assistance for assessing their level of compliance with respect to such proposals so as to identify their technical assistance needs and prioritize measures which they derive greatest benefits.

The WTO Trade Facilitation Assessment for Mozambique's needs and priorities highlighted the following areas where proposals relating to GATT Articles V, VIII and X were of particular importance to Mozambique and where Mozambique may need technical or local action to implement the proposals:

- Need for the development of information technology machinery and mechanisms to provide for effective publication of trade regulations on internet,
- Importance of coordination and cooperation between border agencies and between countries in the same regions.
- The acceptance of common regional transit regime and regional transit bond guarantee system.
- Need for legislative and administrative mechanism to comply with most of the proposals and provide guidance on most issues.
- Need for training in English as most materials were in Portuguese, in order to ensure publication in a WTO official language.
- Risk Management/Analysis: there was need to strengthen risk management system especially in the advent of electronic data interchange.
- Test Procedures: ensure that Mozambique had adequate laboratory equipment and internationally accredited laboratories.

INTRODUCTION:

The WTO made a request to the Southern Africa Global Competitiveness Hub (Trade Hub) to assist financially and technically in the WTO Trade Facilitation Self Assessment of Needs and Priorities in certain SADC Member States. The Trade Hub has already conducted WTO Trade Facilitation Needs Assessments in Swaziland and Lesotho using the WTO's Self Assessment Tool. The Mozambique WTO Trade Facilitation Needs Assessment was conducted jointly by Trade Hub staff and an official from Brazil Customs on behalf of the WTO – who was learning about the assessments. The assessment was funded jointly by the Trade Hub and the WTO.

OBJECTIVES:

- To ensure Mozambique can model their regulations, practices, and procedures in line with WTO Trade Facilitation proposals.
- To provide interpretation and clarity on the meaning and objectives of GATT Articles V, VIII and X , which relate to trade facilitation.
- Identification of compliance level for each proposed trade facilitation measure.
- Identification of a national negotiation position for each proposed measure.
- Identification of special and differential treatment, technical assistance and capacity building needs and priorities.
- To assess whether the proposals by different countries can actually be implemented by Mozambique in case they become part of the Agreement; and to find ways in which Mozambique could develop plans to effectively implement them.
- To recognize and explore areas where they may be need for technical assistance and find ways in which we may be able to assist with respect to Trade Facilitation.

- Development of the capacity to continue the assessment for each needs and priorities and provide more effective continued assistance to Geneva based negotiators as negotiations progress.

HIGHLIGHTS:

- The Trade Hub facilitators gave short presentations on WTO Trade Facilitation negotiations and outlined the Trade Facilitation Needs Assessment Guide developed by the WTO and World Customs Organization (WCO) to be used during the assessment.
- The team was assisted by Leonardo Macedo from Brazil Customs who had been appointed by the WTO to assist in the assessment.
- Thereafter, workshop participants undertook self assessments of Mozambique's needs and priorities with respect to Trade Facilitation.
- The workshop was closed by the Director in the Ministry of Trade, who greatly applauded the workshop for the work done. He thanked the Trade Hub and the WTO for the valuable support and reiterated the importance of trade facilitation in the region.

ISSUES AND RECOMMENDATIONS:

From the Self Assessment workshop, the following areas were of most significance;

- Need for the development of information technology machinery and mechanisms to provide for effective publication of trade regulations on the internet.
- Need for regular consultation amongst and between all stake holders on new or amended regulations pertaining to trade and trade related procedures.
- Importance of coordination and cooperation between border agencies and between countries in the same regions.
- Need for the establishment and improvement of already existing inquiry points.
- Need for the establishment and completion of initiatives relating to one stop border posts.
- The acceptance of common regional transit regime and regional transit bond guarantee system.
- Development of a risk management system.
- Need for post clearance audit.
- Need for appeal procedures and advance rulings.
- Need for legislative and administrative mechanism to comply with most of the proposals and provide guidance on most issues.
- Need for training in English as most material was in Portuguese.

Highlighted below are some of the main issues highlighted for improvement if Mozambique is to comply with WTO Trade Facilitation Proposals:

- Regional transit customs bond guarantee.
- Provision of Advance Rulings.
- Elimination of Pre-Shipment Inspection.
- Internet publication of the elements set out in Article X of GATT 1994;
- Prior consultation and commenting on new and amended rules;
- Acceptance of commercially available information and of copies;
- Expedited shipments;
- Risk management/analysis;
- Authorized traders;
- Establishment of enquiry points;

However, also highlighted were some of the reasons for non compliance or barriers, which hinder effective compliance, prominent amongst them were:

- English is not very widely used (while it is one of the official WTO languages).
- There is no legal obligation to publish laws on the internet.
- Lack of awareness.
- Lack of trained personnel for instance, to manage web sites.
- Information Technology (IT) infrastructure insufficient (Difficulties to “access internet”).
- Communications costs are fairly higher and this is an additional limitation to the volume of information and efficient running of such web pages.
- There is lack of publicity on where to get information services.
- Lack of Infrastructure - IT, border facilities etc.
- Inadequate skilled personnel.

Furthermore, the delegates also recognized some actions which they may take locally to comply with the outlined proposals, including:

- To capacitate and train people in English.
- To develop a legal instrument that will oblige to promptly publish all laws, on the Internet.
- Improve cooperation amongst all stakeholders and organizations within all ministries.
- Design administrative and legislative provisions to ensure internal coordination and cooperation among border agencies.
- Draft legal provisions and administrative guidelines.
- Establishment of valuation database.
- Develop a system to collect electronic cargo manifest.
- Develop and publish criteria for authorized traders.

Additionally, the delegates also highlighted areas where they will need technical assistance from relevant international and regional organizations such as the Trade Hub. These include:

- Assistance for translating key documents to English.
- Training including English, development of web pages and IT management.
- Awareness seminars, publication of pamphlets and information on best practices (sharing information with other countries experiences).
- Assistance for upgrading IT infrastructure.
- Technical assistance for developing a common framework for the development of technical regulations.
- Laboratory equipment.
- Feasibility Studies, Equipment and construction of infrastructure for One Stop Border Post (OSBP).
- There is a need to assist the government to acquire appropriate scanning equipment.
- Carry out another Time Release Study.

There were also areas where the delegates confirmed that Mozambique was in compliance and may not need to work on the measures. These include:

- Publication and notification of trade regulations and of penalty provisions.
- Disciplines on fees and charges imposed on or in connection with importation and exportation.
- Reduction/limitation of formalities/procedures and data/documentation requirements
- Use of international standards.
- Option to return rejected goods to the importer.
- Disciplines on restrictions to freedom of transit.
- Phasing out mandatory use of customs brokers.

- Pre-arrival processing.
- Separating release from clearance procedures.
- Objective criteria for tariff classification.

Also highlighted in the workshop were top negotiating priorities for Mozambique:

- Publication and notification of trade regulations and penalty provisions.
- Internet publication.
- Disciplines on fees and charges imposed on or in connection with importation and exportation.
- Acceptance of commercially available information and copies.
- Establishment of inquiry points.
- Test procedures.
- Single window/one time submission.

Furthermore, in view of working on the issues that were raised in the assessments, the following recommendations were made:

- To continue the discussions on this issues through the establishment of a National Committee for Trade Facilitation comprising Ministries of Trade, Agriculture, Plan and Development, Public Works, Home Affairs, Health, Chamber of Commerce (CTA) and Association of Forwarding and Clearing Agents (Customs Brokers).
- Need to send Mozambique Revenue Authority official to Geneva to participate in the negotiations.
- While the Doha round is being negotiated, it is important to get technical assistance in advance to make progress in the key trade facilitation issues.