

# **CHAPTER 1: Customs Administration at Ports of Entry: An Introductory Overview**

The Zimbabwe Revenue Authority is the customs administration institution created by an Act of Parliament in 2001 under Statutory Instrument No 21B of 2001. ZIMRA started operating on 19 January 2001 and derives its mandate from the Revenue Authority Act (Chapter 23:11) and other subsidiary legislation and is responsible for the collection of import duties and other taxes for treasury use; customs clearance of goods for importation, exportation and transit to ensure compliance with all statutory conditions and requirement; collection of trade data for national trade statistical compilation (Shayanowako, 2013). This study seeks to critically explore traffic congestion and its impact on performance of Customs at Ports of Entry.

Customs administrations worldwide face a plethora of challenges which ultimately hinder their performance and have a negative impact on service delivery (Mpumela, 2015). Moya (2012) argues that long wait times for privately owned vehicles, pedestrians and commercial vehicles to cross Ports of Entry is not a recent problem. Till the last quarter of 2008, the world economy has been experiencing an unparalleled explosion which resulted in an exponential increase in the number of cross-border movement of people and goods (Caesar, 2010). Notwithstanding the increase in trade volumes and cross-border movements, there has been less corresponding to the level of soft and hard infrastructure at Ports of Entry resulting in congestion (Mpogolo, 2013). Ports of Entry are the nodal points in a supply chain and any delays because of congestion can have any impact on all other processes (Kotut & Mugambi, 2014; Peungpradt, 2010). Khumalo (2014) posits that the land borders are rated according to the level of service provided at the border post. The United States Customs and Border Protection documented a need for an extra six billion dollars of infrastructure investment at the United States-Canada border crossings and non-governmental studies show that the United States and Mexican economies lose on several billion dollars of economic growth each year because of excessive congestion at the border (Wilson & Lee, 2015).

Cross-border movements in many developing countries face unpredictable and inordinate delays because of congestion (Walsh, 2006). Adebajo (2010) argues that borders within the African continent were arbitrarily drawn because of European colonial expansion into Africa. As a result, the structural configuration of the border posts continues to impact the efficient flow of cross border traffic across border posts (Khumalo, 2014). Since African countries gained independence in 1960s, the situation of railroads, roads and ports in each country have

deteriorated due to inadequate skills and funds for maintenance and damage to road surfaces caused by overloaded trucks. The use of containers was introduced in the early 1990s in Africa but the development of roads and ports to handle the physical distribution of large containers has not kept pace (Matsushita, 2013). According to the World Bank (2012), excessive check points along the routes, complicated port paperwork, delays in introducing information technology and lack of information sharing systems prolong the time for physical distribution and cause congestion at border posts and delays cargo transportation especially in countries like Burundi, Central African Republic, Chad, Niger, Rwanda and Zimbabwe.

The holding time at ports is 2-3 days for regions with efficient physical distribution systems, less than 7 days for Asia, North Africa, the Middle East and Latin America but 14 days on average for sub-Saharan region (World Bank, 2012). In recent years Southern Africa has witnessed an increase in the volume of commercial and private cross-border traffic. This has put pressure on inland Ports of Entry and seaports resulting in massive congestion (Munyanyi, 2015). According to Woodrow Wilson School of International and Public Affairs (2011), the cumbersome documentation and procedures are one of the most worrisome issues in the SADC region. The World Bank (2012) reports that document requirements accompanying each Shoprite truck as it crosses a SADC border can be up to 1600 documents.

Zimbabwe's recent economic trajectory and recovery has resulted in an increase in the importation of raw materials and other goods (Munyanyi, 2015). Similarly, the Parliament of Zimbabwe (2011) reported that there has been an increase in cargo passing through border posts due to the deepening of regional trade. The increase in the volume of cargo which is physically examined however causes congestion at the border post, thus creating a conducive environment for smuggling and other corrupt practices. Despite increase in the volumes of imports, there has been no significant upgrade to physical and other infrastructure despite trade agreements to develop shared physical infrastructure (Munyanyi, 2015). Zimbabwe has 14 border posts varying in size in accordance with the volume of traffic passing through them (Shayanowako, 2013). The South African Institute of International Affairs (2014) reported that over 400 trucks cross the Beitbridge border post every day. These trucks experience average delays of approximately three days crossing the border and each delay is estimated to cost \$400 per truck per day.

Khumalo & Chibira (2015) are of the view that congestion at the border post is made worse by the lack of hard and soft infrastructure and is further aggravated

by the fact that trucks share a lane with passenger buses. It is estimated that cross-border truck drivers must wait in queues at the border for 10 hours and then need to sleep the whole of the next day. The situation is aggravated by the fact that trucks share a lane with passenger buses. Border officials often let too many buses through at a time causing severe delays as each passenger needs to be cleared by immigration. The entrance to first customs checkpoint is a confusion of commercial and private vehicles, foot traffic, metered taxis and minibus taxis. Chirundu border post has not been resistant to sporadic episodes of dysfunction and the recent delays and successive chaos at the border were not isolated incidents. For example, In July 2013, the border post experienced congestion which resulted in queues of commercial trucks extending more than 5 kilometres. That occasion saw a brief demonstration by truck drivers, some of whom had forced to wait at the border for almost a week for clearance and necessitated a crisis meeting involving the Zimbabwe Revenue Authority, clearing agents and other border agencies (Woolfrey, 2013).

The level of traffic congestion at Ports of Entry is increasing and impairing the performance of Zimbabwe Revenue Authority. Traffic congestion at Ports of Entry in Zimbabwe has become a daily routing, delaying the movement of goods and people leading to massive losses. The loss is felt by all sectors in the form of wasted man hours, travellers and tourist getting stuck in traffic, excessive fuel consumption, and prolonged turnaround times for commercial vehicles which leads to various logistical inefficiencies for the Zimbabwe Revenue Authority. The level of transport infrastructure at Ports of Entry is no longer in keeping with the volumes of traffic. This has resulted in high cost of operation, reduced service levels and lost revenue leading to customer dissatisfaction and reduced productivity due to wasted man-hours. The Zimbabwean National Budget Statement (2016) reported that Beitbridge clears and average 450 000 travellers a month and there is no separation of commercial and non-commercial clearing points at the Border Post resulting in delays and traffic congestion. This has necessitated ZIMRA to focus on several other initiatives such as modernizing systems, separating lanes for commercial trucks from non-commercial freight flows and border expansion to increase efficiency and effectiveness of its services. However, the major bottleneck to the expansion programme at Ports of Entry is the lack of an appropriate transport infrastructure to facilitate cargo evacuation. If the current trends persist the performance of Customs at Ports of Entry will be severely compromised. This study therefore seeks to investigate traffic congestion and its impact performance of Customs at Ports of Entry.

The defined research objectives underlying and informing this study were:

1. To examine the causes of traffic congestion at Ports of Entry in Zimbabwe.
2. To identify the challenges faced by Customs in traffic clearance at Ports of Entry.
3. To determine the impact of delays in traffic congestion on performance of Customs at Ports of Entry.

The research questions were defined as follows:

1. What are the causes of traffic congestion at Ports of Entry in Zimbabwe?
2. What challenges are faced by Customs in traffic clearance at Ports of Entry?
3. How do delays in traffic congestion impact the performance of Customs at Ports of entry?

From a thorough review of publicly available relevant literature, this study is the first of its kind that examines the impact of traffic congestion on performance of Customs at Ports of Entry during the period 2013 to 2016. In addition, the research study will be expected to benefit the following stakeholder groups:

The study will assist ZIMRA in designing strategies to effectively and efficiently manage the flow of people and goods to reduce congestion at Port of Entry. This will play a crucial role in increasing revenue levels and creating a conducive environment to reduce smuggling and other corrupt practices at border posts.

The research will contribute to the ongoing discussions on traffic congestion which have become a canker in almost all Ports of Entries in developing countries. Researchers in all the universities and institutions in the country are gathering data to help propose policies to stakeholders and other interested agencies that are interested in improving the development of standards of the country.

This research work allows the researcher to assess the current condition and impact of traffic congestion on performance of Customs at Ports of Entry thereby building academic knowledge and provide base for further career improvement.

The research will be of great benefit to the ZIMRA and other customs authorities that have a similar problem of traffic congestion at Ports of Entry thus improving performance of Customs and Immigration Authorities.

The research findings will be of great importance to commercial vehicles operators in Zimbabwe as it will help them in policy formulation and efficient utilization of resources.

The assumptions underlie this study were:

- There is traffic congestion at Ports of Entry which therefore hinders the speed, simplicity and predictability of customs clearance procedures.
- The Zimbabwe Revenue Authority is generally dissatisfied with the level of traffic congestion at Ports of Entry and is likely to be increasingly dissatisfied if current trends persist.
- The questionnaire was validated by a pilot study and capture the required information.
- Data analysis does not lead to loss of required information.

The study was defined by its contextual rootedness, time and spatial contestations and geographical scope. The main subject covered was traffic congestion and its impact on performance of Customs at Ports of Entry. Geographically, the study was undertaken at Beitbridge Border Post which is the busiest regional transit link in Southern and Eastern Africa. The study covered respondents from ZIMRA's customs division, clearing agents and commercial vehicles. The study focused only on commercial vehicles covered under traffic heading 87:04 of the Statutory Instrument 154 of 2001. The study covered the period 2013 to 2016 with the year 2013 taken as the starting point because it is the period when the Beitbridge Border Post experienced excessive congestion because of an increase in cross-border movements.

This study was organised in five Chapters. Chapter 1 presented the background to the research problem, statement of the problem, research questions, research objectives, significance of the study, research assumptions, scope of the study, limitations, the definition of terms and the structure of the book. Chapter 2 focused on both theoretical and empirical literature related to the study area.

Chapter 3 explained the research methodology that was used for the study, which includes the research philosophy, research design, population and sample, data collection instruments, data collection procedures and the data presentation and analysis procedures. Chapter 4 contains presentation, analysis and interpretation of the study findings. In Chapter 5, a comprehensive summary of the entire study and with the conclusions and recommendation were made. This chapter was concluded by suggesting areas of future research.

This chapter gave an insight on the background of the study, statement of the problem, research questions, research objectives, and significance of the study,

assumptions, scope of the study, limitations and book structure thereto. The following chapter is going to focus on literature review related to the study area.