

BUSINESS PARTICIPATION IN THE NATIONAL COMMITTEE FOR TRADE FACILITATION SUBMISSION BY BUSINESS UNITY SOUTH AFRICA (BUSA)

19 MARCH 2018

INTRODUCTION

BUSA is a confederation of business organisations including chambers of commerce and industry, professional associations, corporate associations and uni-sectoral organisations. It represents South African business on macro-economic and high-level issues that affect it at the national and international levels. BUSA's function is to ensure that business plays a constructive role in the country's economic growth, development and transformation and to create an environment in which businesses of all sizes and in all sectors can thrive, expand and be competitive.

As the principal representative of business in South Africa, BUSA represents the views of its members in a number of national structures and bodies, both statutory and non-statutory. BUSA also represents businesses' interests in the National Economic Development and Labour Council (NEDLAC).

BACKGROUND

Article 23.3 of the WTO TFA states: Each Member shall establish and/or maintain a national committee on trade facilitation (NCTF) or designate an existing mechanism to facilitate both domestic coordination and implementation of the provision of this Agreement.

SARS and **the dti** established a working committee in 2017 and invited the private sector to the first engagement meeting on 19 February 2018. The dti and SARS as co-chairs of the committee will invite the private sector to two working sessions in a calendar year.

BUSA voiced its disagreement with this exclusion of the private sector from the NCTF and as requested, will table a possible solution for a reasonable working relationship.

DISCUSSION

The Trade Facilitation Agreement (TFA) sets out measures for customs compliance and effective cooperation between customs and other appropriate authorities among others. Real benefits can be realised when the implementation follows best practise as outlined in the 12 Articles. Elements such as the mandatory coordination with accurate timeous reporting in the supply chain could effectively address the 'red- tape' challenges through more scientific risk profiling methodologies.

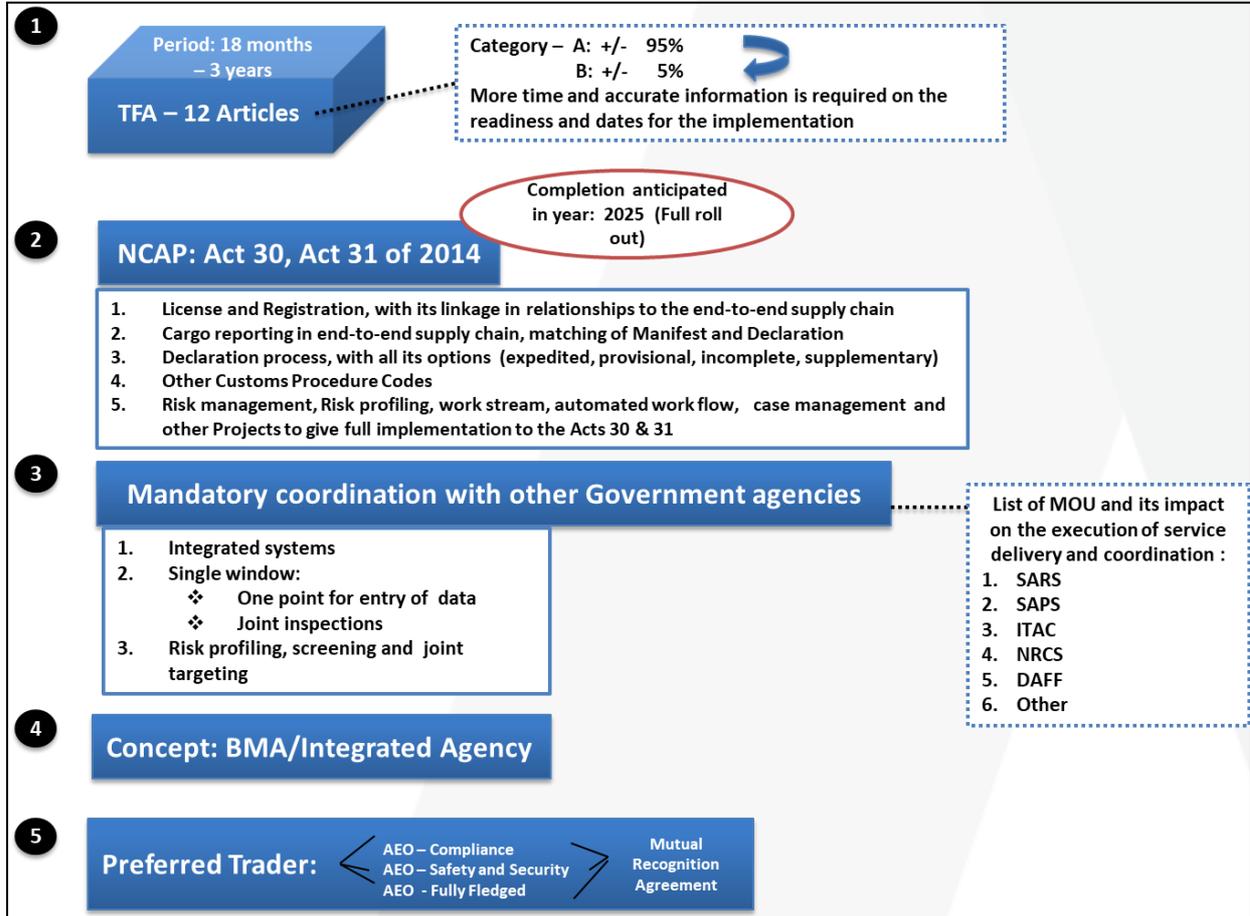
The linkage in the new and existing initiatives suggest a mapping table exercise for all the hi-level programs. The mapping program must be between the TFA and the new rollout of Act (31 of 2014), as it will define the role of the operators in the supply chain with training and technical data field reporting which relates directly to the Ease of Doing Business Index across borders. This speaks to the heart of coordination and efficiency of the TFA implementation.

The coherence between TFA implementation and the rollout of the new Act (31 of 2014) is crucial in linking the same to different Memoranda of Agreement between Government agencies and the service offering/charter. For the mapping to be meaningful, it needs to include the mandatory coordination role, integrated systems and ultimately, the execution of joint risk profiling, joint inspection and foresight of a fully integrated platform, as opposed to the Border Management Agency.

Private sector is collaborating with Government on the new Preferred Trader program which is the first pillar of the Authorised Economic Operator (AEO) scheme and is eager to work jointly to create a platform where Mutual Recognition Agreements can be negotiated on the African continent for the development of regional value chains.

The link in the current landscape is better illustrated by Diagram 1 below. Well-coordinated platforms that are aligned to different value-added initiatives result in an improved, compliant, safe, protected society that can facilitate growth, regional integration and global value chains in remote locations.

Diagram 1: Link in the current landscape



The value of participation by the private sector would ensure higher levels of commitment and accountability by both government and business.

Business recommends the following for a more efficient NCTF:

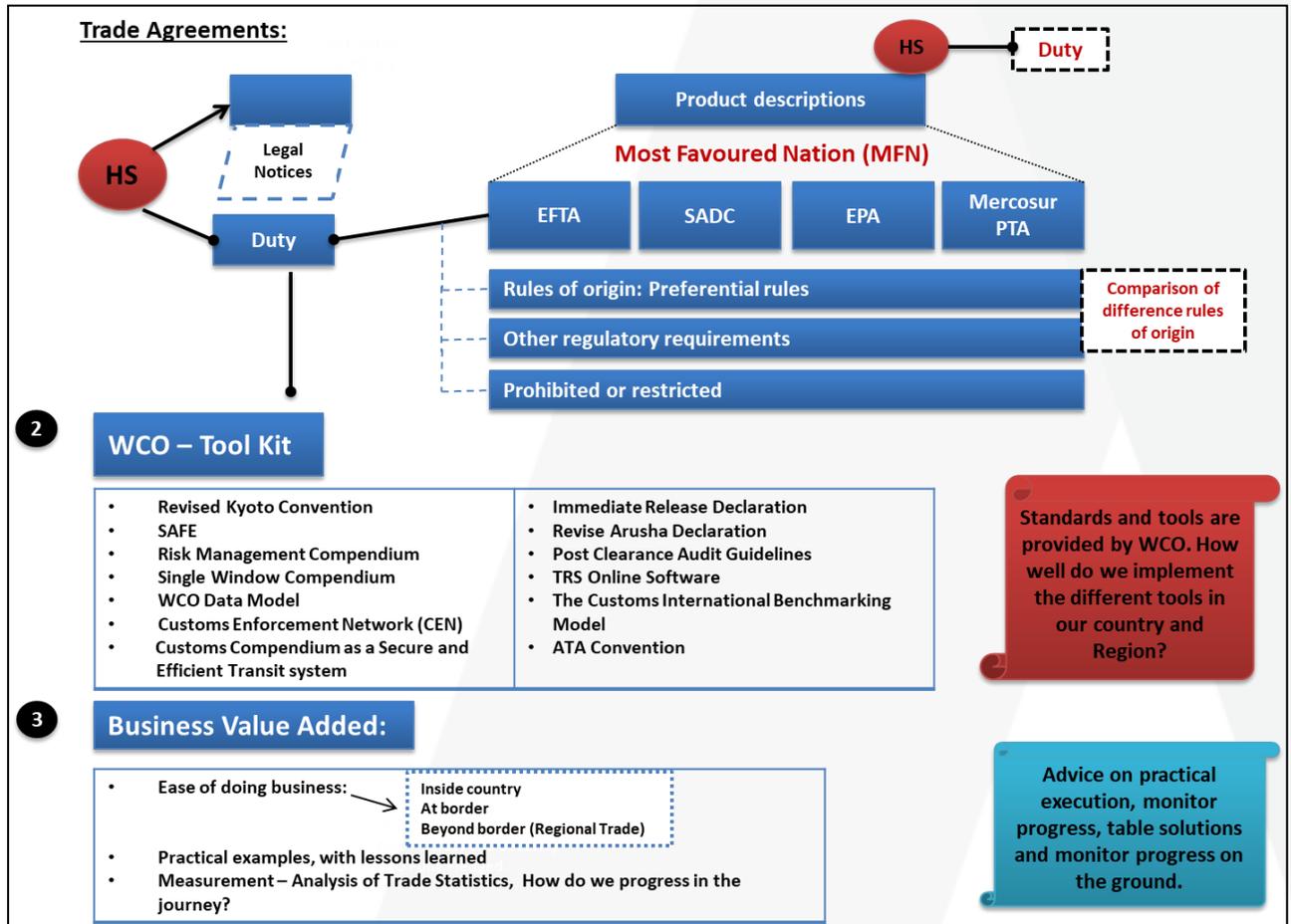
1. A working group that is composed of 25 national private sector associations representing diverse sectors
2. Quarterly meetings to focus on practical implementation and synergies to achieve optimal results
3. Existing networks that are more informal and information that is constantly generated to filter downwards to the Trade facilitation agenda to ensure more structured building blocks for improved coordination and efficiency;
4. Effective communication between all government organisations responsible for the

- application of import, export and transit requirements at the borders together with a built-in private sector consultation processes within the NCTF to ensure efficiency;
5. Identification and use of existing networks with that are more focused to achieve higher levels of coordination;
 6. High level government official participation with a mix of high and middle level officer participants from the Private sector;
 7. Transparency and timeous dissemination of information to create awareness among trade players. A more collaborative, strategic and focussed approach that continues to be a goal requiring a willing senior management leadership and fruitful dialogue among social partners;
 8. Creating opportunities for members to be more active participants by involving them in:
 - a. Work plan development,
 - b. Information sharing,
 - c. Setting of agendas,
 - d. Mapping expectations,
 - e. Measurable outcomes for deliverables,
 - f. Establishing realistic timelines,
 - g. Assigning deliverables to the industry.

While the Government's set priorities are key, smaller technical sub-committees or working groups can help with focused discussions on specific issues and find workable solutions to specialised areas of work. Regular meeting schedules set well in advance would ensure maximum participation.

Diagram 2 below illustrates the link between Trade, the WCO toolkit for the TFA as well as the value business can add to such a National Committee on Trade Facilitation structure.

Diagram 2: Link to Regional Integration



MEASUREMENT

A TFA readiness test which evaluates existing structures is necessary to assist in identifying the gaps that exist in the South African systems. The uptake and engagement on the TFA will be to accelerate establishment of key-indicators for trade facilitation and align the measures for successful implementation. It will also add value to the business environment for growth, coordination and efficiency.



CONCLUSION

South African government has a longstanding relationship with the Private Sector and other social partners. Business advocates for constructive engagements and to be allowed to play an active role in planning, shaping and implementation of the TFA.

Existing networks can be strengthened through an ongoing and well-coordinated approach to a public - private sector dialogue for higher business benefits.

Business appreciates the opportunity provided by government to submit input towards private sector participation in the NCTF. BUSA is available to provide additional information to the dti and SARS.