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SUCCESS STORY

Goods Clear Customs Faster

The Southern Africa Trade Hub works with Mozambican Customs to speed up processing of goods and reduce costs



Photo: Southern Africa Trade Hub

The Trade Hub's technical assistance programs have reduced the time for processing goods at Mozambique's international borders and ports from as many as 30 days to an average of 2-5 days and have been instrumental in reducing the transportation costs of goods into and from Mozambique. While the Hub continues to assist Customs in becoming more efficient, Mozambique has already seen the fruits of increased competitiveness.

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Mozambican Customs had been experiencing serious delays in processing goods – in some cases taking up to thirty days to clear and release a consignment. This provided fertile ground for the diversion of goods and corrupt practices; resulting in a considerable loss to fiscal revenue, higher costs of shipping and production, and uncompetitive prices for goods in both the domestic and international markets. Customs and the private sector disagreed as to the causes and extent of the problem which led to mounting tension.

The Mozambique Customs Administration (“Alfandegas de Moçambique”) was eager to improve its image and overhaul its bureaucracy. It turned to the Southern Africa Global Competitiveness Hub for technical assistance with the aim of speeding up the clearance of merchandise through Customs entry and exit points and resolving the tension with the private sector. The Hub facilitated a meeting between Customs and the private sector which brought together, for the first time, all stakeholders -- including freight forwarders, transporters and business associations, to discuss the issues, identify the problems and find solutions.

It was determined that delays were mainly due to cumbersome customs procedures and unnecessary administrative interventions, an obsolete computer system and a lack of common regional procedures and documentation. The Hub suggested several measures that would lead to significant immediate improvement, including the decentralization of some functions to regional offices, better communications within Customs itself, and the alignment of procedures with the World Customs Organization (WCO) Kyoto Convention.

A working group consisting of Customs and representatives of the private sector was also constituted to oversee a Time Release Study which will be implemented to assess the time elapsed at each stop in the cargo release process. The objective is to identify problem areas, remove bottlenecks and improve the procedures. As a result of the immediate improvements made by Mozambican Customs, the time for processing goods has been reduced from thirty days in extreme cases to approximately 2-5 days.