



# Challenges of LLDCs

## Case of Swaziland

# Presenter



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# The Kingdom of Swaziland



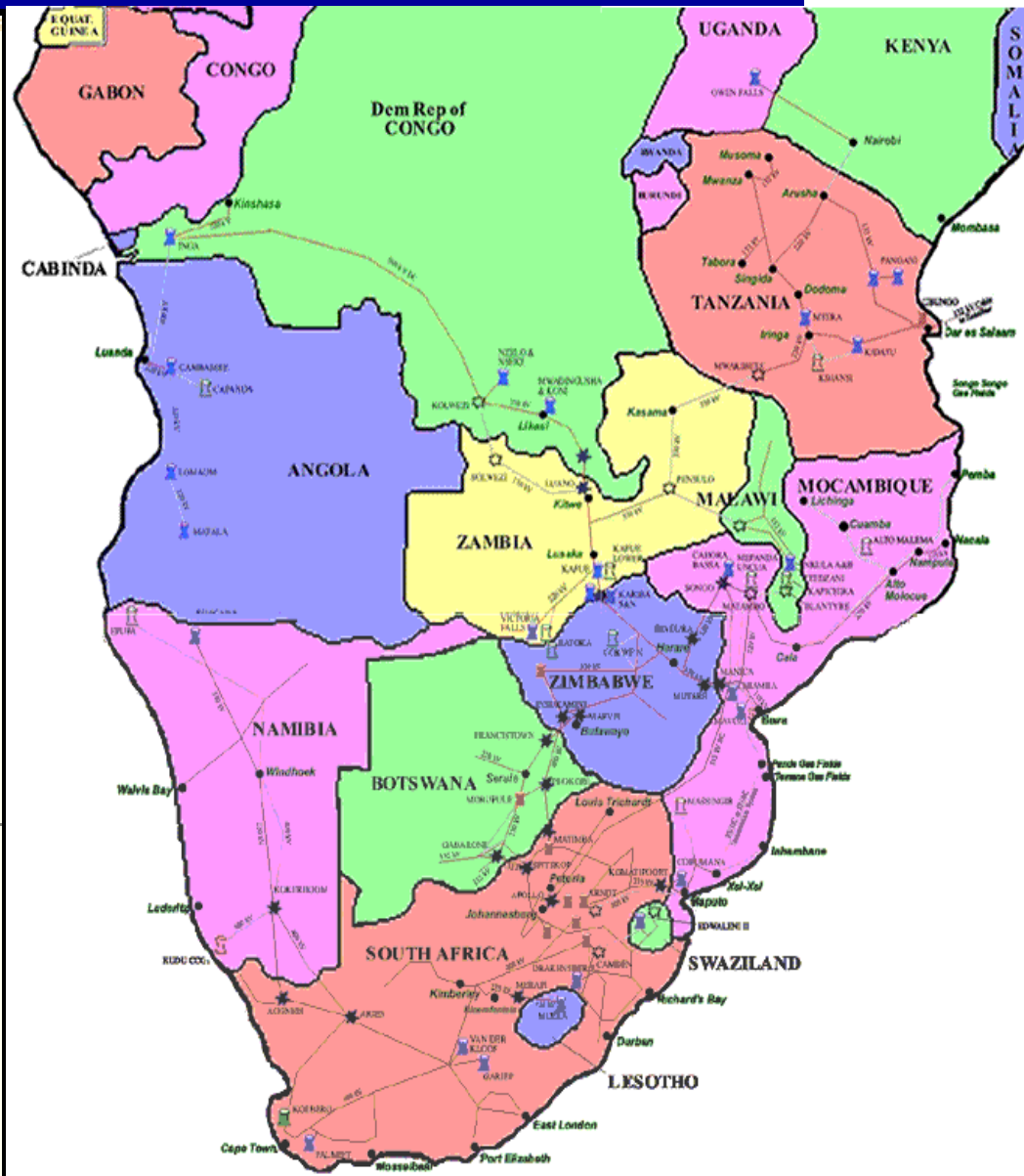
 Clickable Map

South Africa

Mozambique

South Africa

South Africa



# Challenge: Monetary Security



- Customs requires security for goods in transit to guard against any deviation into the local market;
- Depending on national rates of duties the cost of securities can be prohibitive;
- Each country calls for its security to cover the duration of transit;
- Unless automated reimbursement takes time delaying next shipments.

# Solution: Monetary Security



- Regional single security provided at port of origin & accepted across transit corridor;
- COMESA & SADC have been working on this project;
- Chambers of Commerce may be guarantors as for Istanbul Convention;
- Secured amount can be pegged at maximum revenue risk along the corridor;

# Solution: Monetary Security



- P<sub>RoO</sub> can be applied on transit goods to mitigate the security requirement;
- Value of security can be reduced against:
  - ✓ Use of sealed containers;
  - ✓ Use of trackable seals;
  - ✓ Levels of automated Customs tracking;
- Guarantors can build capability to monitor traders' compliance.

# Challenge: Inspections & Escorts



- Each country reserves the right to undertake compliance inspections on goods in transit;  
Reasons: Revenue; Security; Health & Safety.
- Automated risk engines may target transit goods;
- Goods in transit may be in demand on the local market;
- Customs have to ensure all goods leave their territory.

# Solution: Inspections & Escorts



- Agreements on Coordinated Border Management (CBM) leading to Single Windows along corridors;
- Introduction of Non-Intrusive Inspection (NII / X-Ray) equipment along the corridors;
- Use of containers + trackable seals through the Customs automated system;
- Data Exchange (incl. X-Ray images) among transit countries;
- Inspection will be left to exceptions.



# Challenge: Multiple Customs Declarations



- **Customs Laws require that a declaration be submitted to Customs;**
- **Each territory will demand such a declaration in line with her laws;**
- **Declaration processing may take days while cargo is held at borders;**
- **Customs brokers charge for such services.**

# Solution: Multiple Customs Declarations



## ICT connectivity for:

- Data Exchange (incl. X-Ray images) among transit countries;
- Data mapping to dispense of requirement for separate declarations at each port;
- Data mapping to detect deviations against set time frames;

Protocols required for acceptance of a single declaration along the corridors.

# Challenge: Congestion at borders



- **Inadequate infrastructure (bridges, parking area etc);**
- **Multiple controls by many agencies;**
- **Slow declaration processing;**
- **Manual inspections.**



# Challenges: Congestion at borders

- **Dedicated transit channels;**
- **Introduction of Non-Intrusive Inspection (NII) equipment along the corridors;**
- **Reliance on data exchange (including NII images) in risk management;**
- **Coordinated Border Management (CBM);**
- **Single Window System;**
- **One-Stop Border Posts.**

# Summary & Conclusion

# Solution to Trade Facilitation



RECs Agendas

CBM

AEO Schemes  
(for transit)

ICT Connectivity

Data Exchange

Data Mapping

NII Equipment

Regional Bond  
Guarantee

OSBP

Containerization

Trackable seals

Infrastructure

Transit Channels

Capacity Building

(Supply Chain  
Management &

Trade Facilitation)

Single  
Window

# Swaziland & Single Window



Swaziland presented a proposal for the development of a Single Window System the way UNCTAD developed ASYCUDA for developing countries to the 5<sup>th</sup> Ordinary Meeting of The African Union Sub-Committee of Directors General of Customs in Cotonou, Benin in September 2013.

This can be an all-inclusive solution.

# Donor Assistance Coordination



Opportunities offered by donors need to be coordinated into corridor-based programs to alleviate LLDCs' disadvantages.

## Examples:

- Trade Related Facility for SADC;
- Customs Development Program for SACU;
- Customs Modernization Program for SADC;
- Implementation of the WTO ATF.

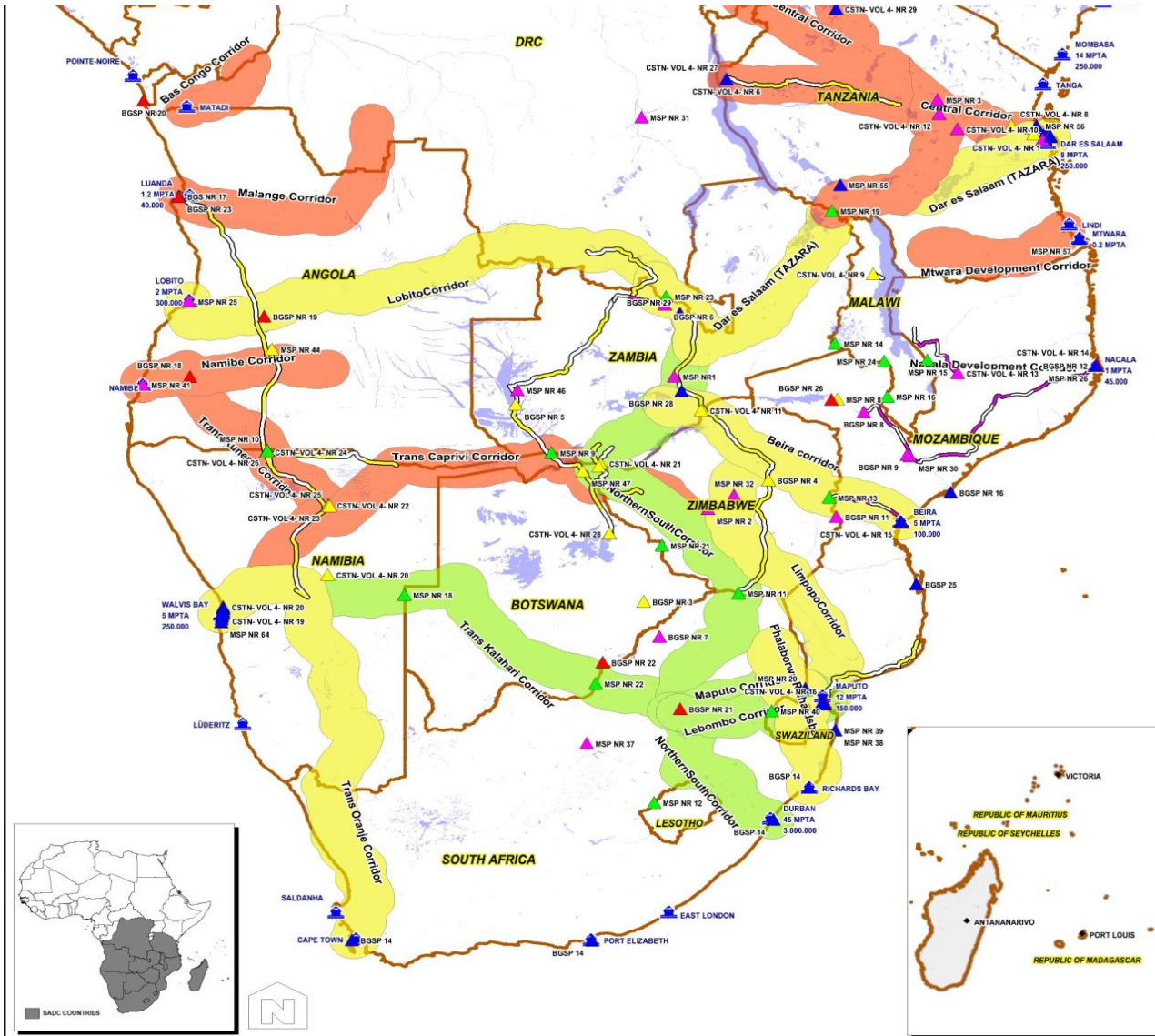


# Regional Co-operation



Administrations should have mutually beneficial Customs modernization objectives to promote regional transit corridors especially as they implement the ATF.

# East & Southern African Corridors



# THANK YOU/SIYABONGA

