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MULTI-YEAR EXPERT MEETING ON TRADE SERVICES AND DEVELOPMENT

ZIMBABWE; LEVERAGING ON TRANSPORT SERVICES TO BOOST ECONOMIC GROWTH AND NATIONAL DEVELOPMENT: PRESENTATION BY MR SASTON MUZENDA: DIRECTOR: INLAND WATERS CONTROL: MINISTRY OF TRANSPORT AND INFRASTRUCTURAL DEVELOPMENT: ZIMBABWE

INTRODUCTION

Zimbabwe is a land-linked country located on the Southern part of Africa. Due to its geographical location, Zimbabwe relies very much on Road, Railway and Air Transport for its trade. The road and railway transport infrastructure leads to the various regional Ports where the goods are ultimately transported by maritime transport. The Ports that Zimbabwe normally uses for its trade are the following:-

(i) Durban in South Africa which is 1 680 km away by road
(ii) Maputo in Mozambique which is 1 136,6 km by road
(iii) Beira in Mozambique which is 577 km by road
(iv) Walvis bay in Namibia, but to a lesser extent due to the distance as it is 2 291,6 km away by road from Harare.

Challenges for Developing Countries to enhance Productive Capacity

- The major challenge facing Developing Counties to enhance their productive capacity relates to the long distance to the Ports which makes their imports very expensive and their exports uncompetitive.

- The second factor in relation to challenges is the issue of Border delays. Most of the borders that Developing

Countries' goods to the market have to traverse through have multiple agencies duplicating regulatory functions thereby causing delays to movement of traffic. Coupled with this is the issue of border posts that have not been upgraded over the years and can no longer handle the volume of traffic passing through. This bottle-neck also exacerbates the border delays.

The other challenge faced by Developing Countries is the poor state of the road and railway infrastructure. This poor state of the transport infrastructure makes transportation very expensive because of servicing costs. The poor state of both road and railway infrastructure in most Developing Countries also inhibit productive capacity growth. This is so due to longer turn-around times for goods trains and trucks as a result of poor infrastructure.

Developing Countries that have no coastlines also face the challenge of high Port handling charges and port storage fees. This equally affects their productive capacity, as it makes the cost of doing business unsustainably high.

Within the spectrum of Ports, the other challenge for Developing Countries is the issue of congestion as some of the Ports. This congestion ultimately affects turn-around times thereby inhibiting the productive capacity of the concerned states.

Linkages between Transport Services and other economic sectors

- Transport is defined as an enabler of other economic sectors such as agriculture, mining and manufacturing, when transport services are available and efficient other sectors of the economy experience growth. Transport services, when provided efficiently, provides the necessary ingredients for bringing down the cost of doing business. For example in

Zimbabwe, the extraction of chrome ore and black granite have been curtailed in terms of full production levels due to constraints on availability of transport services in some areas. The two commodities are bulky in nature and would require to be transported by railway instead of road transport. Such lack of railway connectivity has led to limited capacity for uptake of the product by road transport, ultimately resulting in reduced production levels.

In order to improve the provision of the transport services in Zimbabwe, the country entered into Bilateral Road Transport Agreements with eight of the Southern African Development Community (SADC) Member States with whom we share transport services. The Framework allows for Transporters of other Member States to come and pick up goods destined to their territory or to a third country. To facilitate smooth flow of the transport service, the transporters need no further authorization except that which is issued in their territory of registration.

The other intervention has been the country's participation in the Common market for Eastern and Southern Africa (COMESA) transportation framework. Under the Framework each Member State issues its transporters with COMESA Carrier Licence which enables the transport to pick up goods or drop off goods and transverse any COMESA Member State with no need for any further authorization. This facility has enabled the smooth provision of transport services and facilitated trade among COMESA Member States.

Zimbabwe has also put in place a programme where there is duty waiver for importation of trucks that have carrying capacity of thirty tonnes and above. This facility is meant to encourage transporters to capitalise their fleet thereby increasing the availability of transport services in the country. Zimbabwe also does not enforce third country rule in an endeavour to encourage uptake of cargo from the country to various destinations. Zimbabwe is the only country in the SADC region to liberalize its transport services sector to that magnitude. This level of opening up of the transport services had enabled Zimbabwe manufacturers and producers of goods to have a wide selection of transport service providers at their disposal. This gives industry the opportunity to procure transport services that give them value for money and best service. The availability of various transport service providers also means producers can opt for the most competitive prices, thereby making savings in transport costs which they can plough back into further production.

For Trade in services to prosper there is need for close collaboration among Member States and this can only be achieved through International cooperation. International cooperation promotes the services sector through technology transfers, exchange of expertise and general capacity building initiatives. Developing Countries need a platform to exchange ideas and share country experiences, and this can only be achieved through international cooperation. Experiences learnt will be applied back home to improve the performance of the services sector.

Conclusion

- Most Developing Countries have a major limitation in that they do not have direct access to the sea. The host state should continue with facilitation of this important platform where countries exchange ideas and share experiences. The success stories of other Developing Countries will be taken note of and recommended for implementation back home and might lead to improved productive capacity. Countries should also learn from the success stories of other Developing Countries and review their regulatory and institutional policy frameworks to create conducive environment for economic growth through enhanced production.

Once again thank you very much UNCTAD and the host for providing this platform for experts to share ideas and this cross pollination of ideas and country experiences will immensely benefit my country Zimbabwe as we strive to be an upper middle income state by year 2030. I thank you.

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