

***Workshop Study Tour on Transport and trade Facilitation and Promotion  
of Intra -African Trade***

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# **Transport and Trade Facilitation & ICT : Challenge and Perspectives for Eastern Arica**

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# Outline of Presentation

- The background
- Why to use ICT in Trade and Transport Facilitation ?
- Regional Initiatives and perspectives
- Way Forward

# The background

- Trade and transport facilitation is becoming ever more crucial for developing countries
- Transportation infrastructure is particularly critical to developing Africa's domestic market
- Transportation and Logistics: Costs too High
  - Shipping a car from China to Mombasa costs US\$4,000, and from Mombasa to Kampala it costs an equal US\$4,000
- In Africa, infrastructure development and integration of its markets to the global economy are key to Africa's economic structural transformation

# The background

- Investments in hard infrastructure have to be accompanied by upgrading of the soft infrastructure tools
- **Complicated Border crossing procedures**
- Long processing times for commercial cargo
- Duplication of effort by various agencies
- **Diffuse information due to different databases**

- Incoherent enforcement strategies at country and regional level
- Increased cost of business
- Inefficient trade flow leading to lost opportunities
- Increased smuggling and non-compliance with procedures

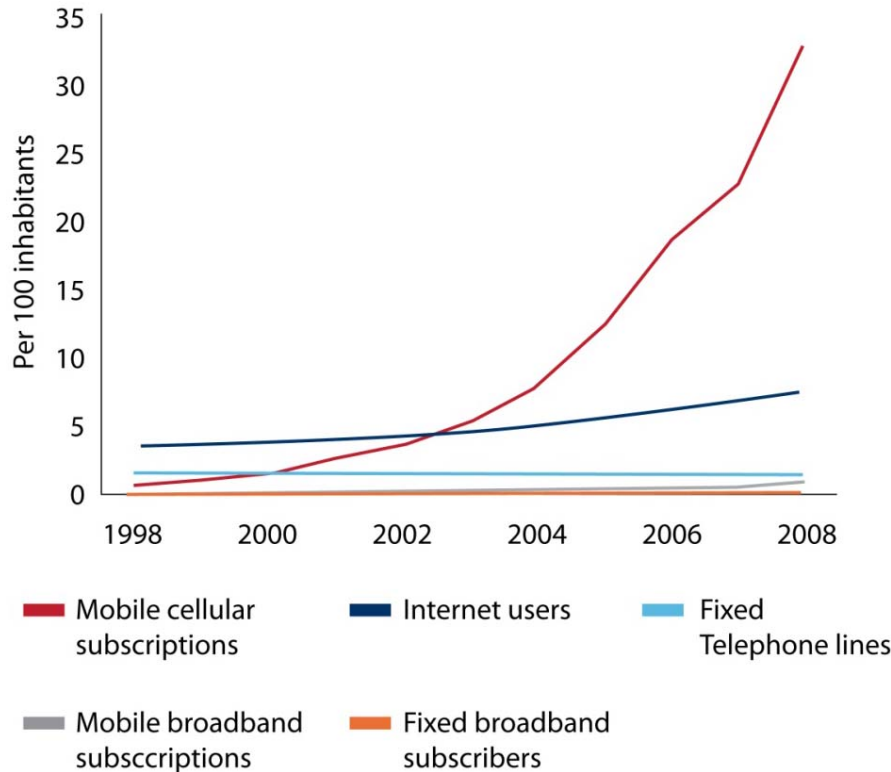
# Why to use ICT in Trade and Transport Facilitation ?

- Access to information through the internet leverages commercial activity and trade, though not widely deployed in developing countries
- The use of ICTs is becoming a crucial component of trade and transport facilitation
- ICT development which has lead to faster, cheaper and more efficient modes of trade and transport system such as Just in Time (JIT) management and e-commerce

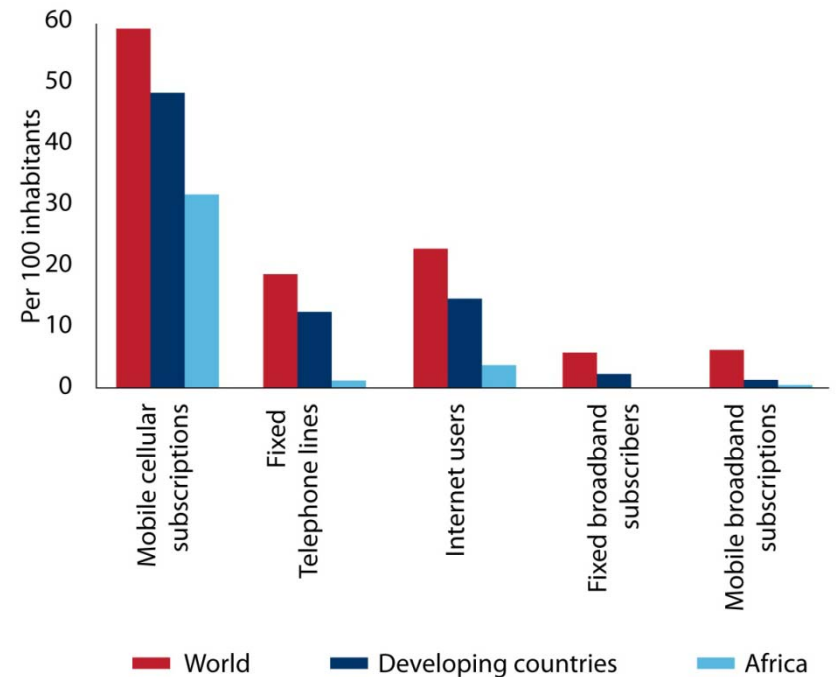
# Infrastructure Imperative: Lagging Behind

Although Africa has made impressive gains, it remains far behind the ICT penetration levels of the world

Between 2003 and 2008, Africa's number of mobile cellular subscriptions grew twice as fast as that of the world



ICT uptake in Africa, developing countries and the world, 2008



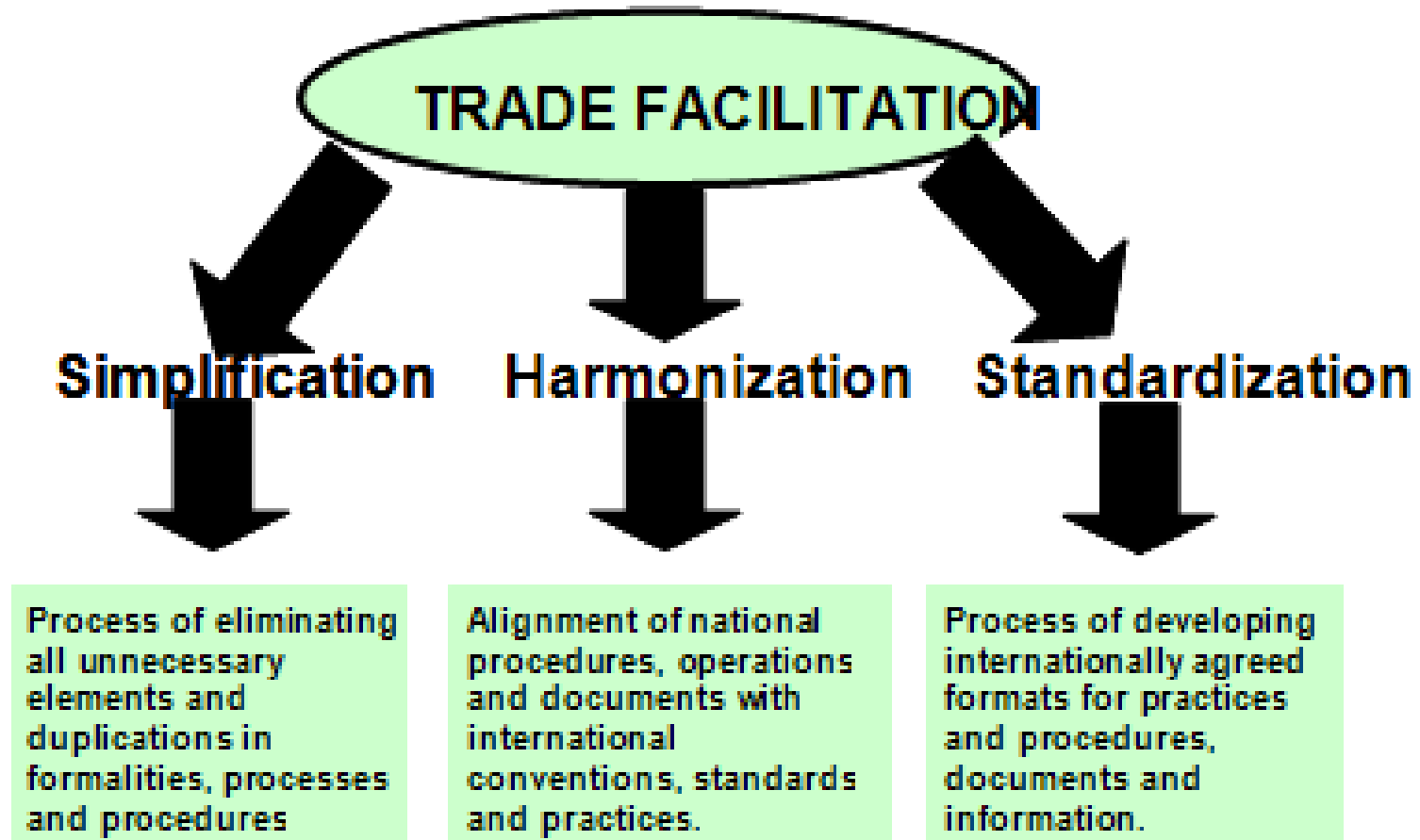
# ICT-enabled trade and transport facilitation measures include:

- Customs automation
- cargo tracking
- pre-arrival clearance
- risk analysis
- the electronic submission of documents
- information management
- terminal operations
- electronic single windows

# Opportunities

- ICTs to expedite customs clearance
  - The capacity of numerous ports today is effectively limited due to containers waiting for clearance
- ICTs to increase revenue collection
  - customs automation
  - reduction of corruption
  - reducing clearance times it facilitates trade
- ICTs to reduce costs of logistics
  - Logistics costs are mainly composed of transport and inventory holdings
  - increase handling speeds and reliability
  - reduce the cost of "involuntary" holding of inventory

Trade facilitation: standardization, harmonization and simplification of procedures



# Regional Initiatives and Perspectives

- The Automated Systems for Customs Data (ASYCUNDA)
- Transport Observatory
- Sub Regional Observatory
- Regional Cargo Tracking System
- Trade Facilitation CEPGL countries
- ECA/UNDP Knowledge Management Platform
- ICT master Plan Trade and Facilitation in East Africa
- Forum of development and transport Corridors

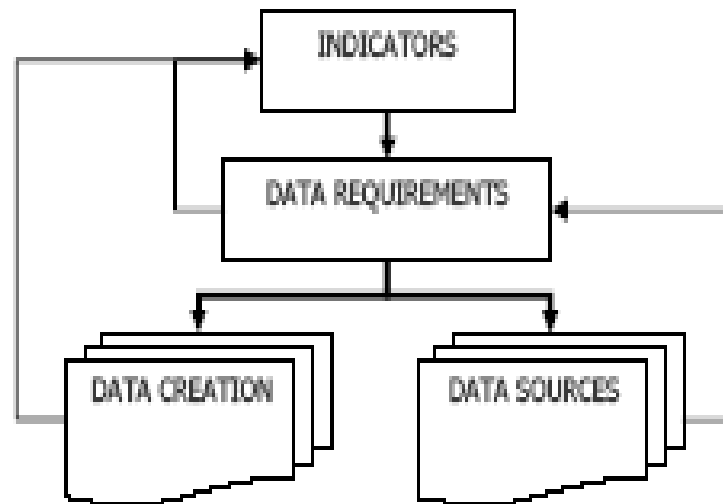
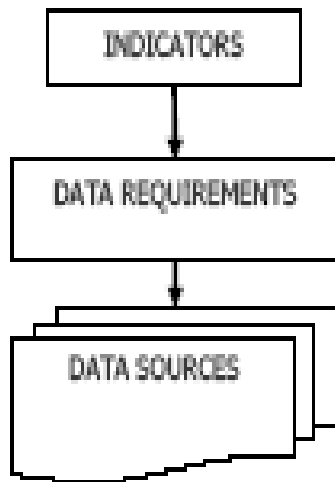
# Transport Observatory (NC)

- to facilitate trade and promote economic development through the reduction of transport costs
- the establishment of adequate Corridor management mechanisms,
- the establishment of performance monitoring schemes to assess the efficiency of the corridors

- Data collection mechanisms and scope of the indicators to monitor,
- to identify sources of relevant data among all operators:
  - Port authorities
  - Customs
  - Transport operators (road, rail, ICDs, Clearing and forwarding agents, ...)

# Methodology

- Mode of production of Indicators
- Determining the requirements in terms of data,
- Identify and collect the required data.

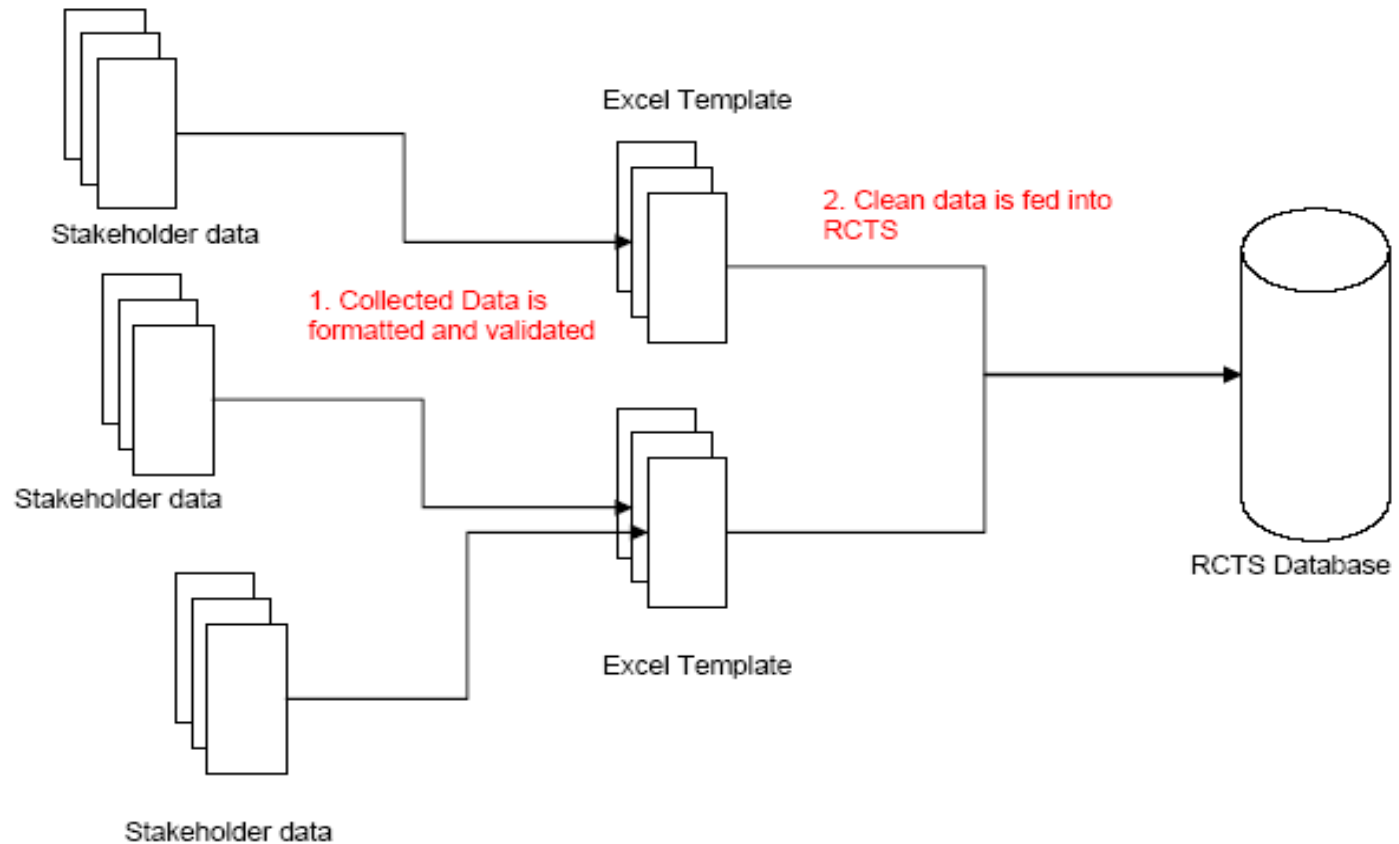


- Sub Regional Observatory for Integration
- Trade Facilitation & Trade Points : CEPGL countries
- ECA/UNDP : KM
- ICT Master Plan for Eastern Africa : Guideline and tools kits

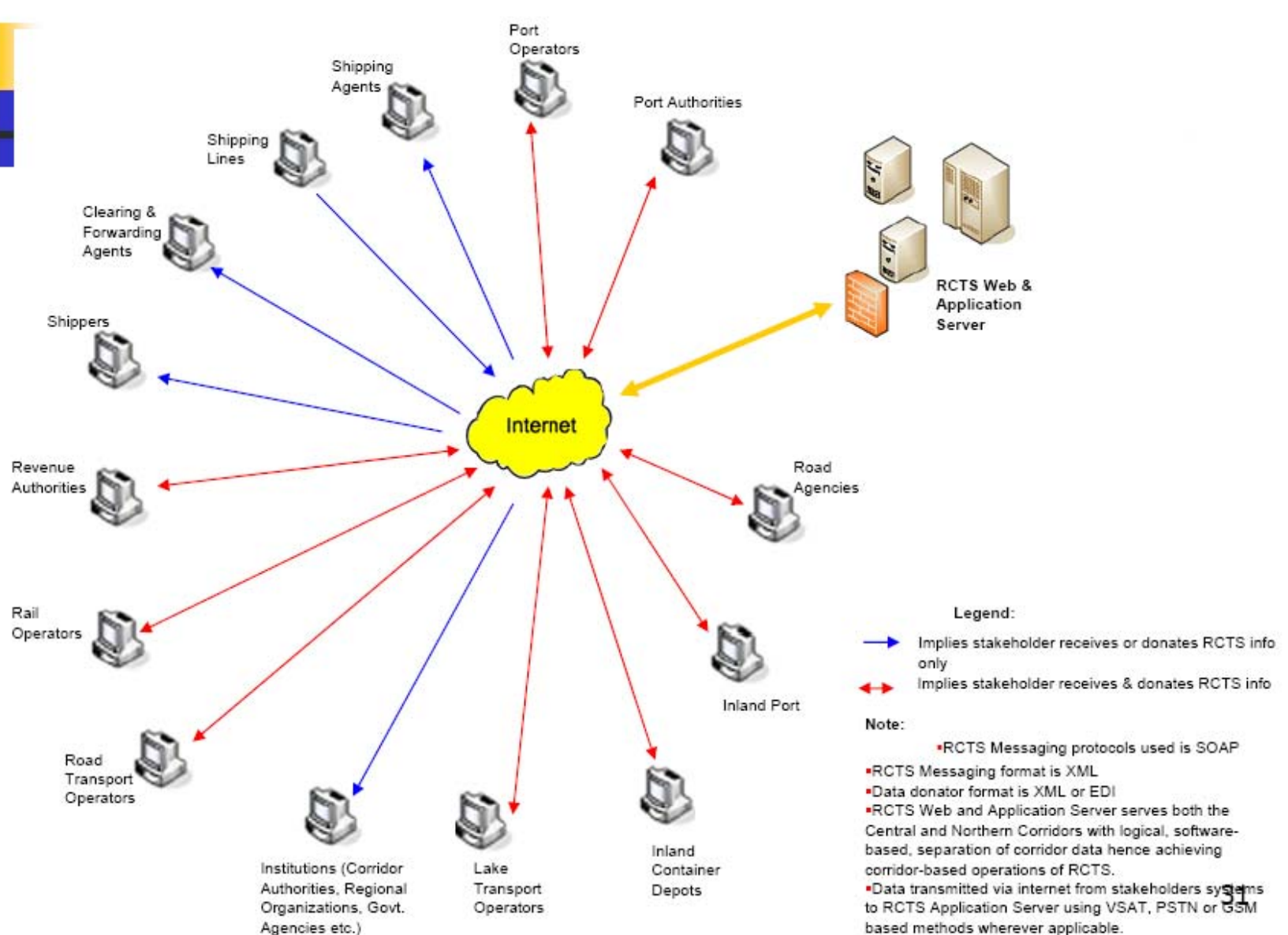
# Regional Cargo Tracking System (RCTS)

- Relevant-time cargo tracking system information
- Interconnection of existing system in order to provide information across modes of transport
- Statistical information to provide indicators along the corridors

# Overview on RCTS



## HIGH-LEVEL REGIONAL CARGO TRACKING SYSTEM (RCTS) ARCHITECTURE



# Way Forward and Perspectives

- Major service providers have to embrace ICT in order to improve their service delivery.
- Development of IT infrastructure to support data transfer and exchange
- Develop knowledge platform to facilitate dissemination and exchange of information among key stakeholders
- simplify the process of customs, border and professional inspection and control

- Simplify trade and transport documentation by creating network to transfer electro-documents, determining respective functions of government organizations and harmonize their activities
- simplify the trade and transport documents and use uniform standards and put into electro-format
- implement single electronic windows for foreign trade;

- Disseminate related data and information of trade and transport
- Create virtual environment strengthening public and private partnership
  - High Level meeting in Kigali : Forum of development and transport corridors
- Modernization and make use of Information Communication Technology
  - Stronger regional hubs are necessary for robust regional and global transport and trade
  - regional economic integration into larger trade and econ blocs are becoming a necessity