



# **MONITORING SMALL SCALE CROSS BORDER TRADE IN SOUTHERN AFRICA**

**A Report for the Regional Trade Facilitation Programme**

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- Campbell, E. and Mokhomane, Z. 2007. "Informal Cross-Border Traders in Botswana." University of Botswana.
- Green, T. 2007. "Small Scale Cross Border Trade Study: Lesotho Report." Sechaba Consultants.
- Tsoka, M. 2007. "Cross Border Trade Study: Malawi Report." University of Malawi, Centre for Social Research.
- Raimundo, I. and Cau, B. 2007. "Border Monitoring of Cross Border Trade: Mozambique." University of Eduardo Mondlane.
- Nickanor, N.M., Conteh, M. and G. Eiseb. 2007. "Unpacking Huge Quantities into Smaller Units: Small-Scale Cross Border Trade Between Namibia and her Northern Neighbours." University of Namibia.
- Zindela, N. 2007. "Informal Cross Border Trade in Swaziland." University of Swaziland.
- Mulenga, C.L. 2007. "Small-Scale Cross Border Trade between Zambia, Democratic Republic of the Congo, Tanzania and Zimbabwe." Institute of Economic and Social Research, University of Zambia.
- Tevera, D.S. and Tawodzera, G. 2007. "Cross Border Trade: The Case of Beitbridge, Forbes, Chirundu and Nyamapanda Border Posts." University of Zimbabwe.

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## **EXECUTIVE SUMMARY**

Small scale cross border trade, sometimes called informal sector cross border trade, is a significant feature of regional trade and border movements in southern Africa. This study, the largest of its kind undertaken in the region, shows that small scale cross border traders comprise a significant proportion of traffic through most of the twenty border posts in the region. It presents the results of a survey which monitored the activities of small scale cross border traders as they passed through twenty land border posts connecting eleven southern African countries. During the course of the study, over 205,000 people, including 85,000 traders were counted passing through these border posts. The transactions of over 5,500 traders with customs officials were monitored and over 4,500 traders were interviewed.

The survey was undertaken using a three-pronged approach. First, people crossing through the border posts were counted and the number of traders identified. Second, the interactions of traders with customs officials were observed and the types, value and volumes of goods declared and duties paid were recorded. Third, traders were interviewed using a short origin and destination survey. This report is based on the results of the country surveys and draws on the country reports produced by SAMP partners who undertook the research.

With the exception of the border posts of Botswana and Namibia and Nyamapanda, traders comprised over 30% of people going through the border posts surveyed and over 50% at Beit Bridge and almost 75% at Namaacha. Therefore, the movement and activities of small scale cross border traders are relevant to the development of effective and efficient border management policies and procedures.

The study also demonstrates that this sector of regional trade is complex and not reproduced uniformly across the region, or even through border posts of the same country. The volumes of trade and duties paid recorded as well as the types of goods and where they are produced, indicate that this sector of regional trade is of significant relevance to governments of the region as well as to the regional organisations of COMESA, SADC and SACU and their aims to promote development through growing intra-regional trade.

Demographically, the survey shows that women comprise a significant proportion of traders and constituted the majority of traders crossing through nine of the border posts surveyed including two of the busiest, Lebombo and Beit Bridge. Thus small scale cross border trade provides opportunities for both female and male small entrepreneurs in the region. Zimbabweans comprise the largest national block of traders interviewed (29%). Zambians (19%) and Mozambicans (14%) formed the next largest national cohorts of people who were interviewed.

The majority of traders are entrepreneurs who mostly travel frequently for short visits (often less than a day in length) to other countries to buy goods to sell in their home country, or who buy goods in their home countries to sell in another country. Only 13% respondents bought and sold goods when they travelled.

The types of goods carried by small scale cross border traders vary widely, but for most countries are dominated by food items which include the categories of groceries, fresh fruits and vegetables as well as meat, fish and eggs. New clothes, household and electrical goods comprise a significant proportion of the stock of other small scale cross border traders. Other kinds of goods traded identified in the survey include, petrol (particularly in the Namibian and Zimbabwean surveys), alcohol, car parts and construction materials.

Significantly for the aims of both SADC and COMESA to promote intra-regional trade, the overwhelming majority of goods carried by interviewees (93%) were made or produced in SADC countries. However, as in large scale regional trade, South Africa dominated being the country of production of 49% of traders goods.

The values of the loads of goods carried by traders indicate the complexity and diversity of this sector of trade. A significant cohort of traders appears to be survivalists. Many said they carried under R500 worth of goods. However, when considered with the frequency of travel and length of stay, it seems some of these traders may be travelling frequently with low value loads, rather than infrequently with high value loads. Most traders appear to travel with loads in the range of

R1,000-5,000. A small cohort of traders, some of whom could be considered as large scale traders travel with loads worth more than R15,000.

Although often called informal sector traders, and associated with the avoidance of regulatory frameworks and duties, this survey shows that they make a relatively significant contribution to duties collected at border posts. During the ten day survey period at the twenty border posts, R3,750,000 was collected in duties from 1,780 traders. Duties gathered from each trader varied between border posts and within border posts. For some country surveys i.e., Botswana (51%), Swaziland (34%) and Zimbabwe (44%) the value of duties paid per trader were less than R50. This raises questions as to the cost-effectiveness of gathering such small amounts.

No doubt, the presence of researchers reduced opportunities for either traders or officials to offer or solicit bribes to avoid paying duties. Researchers noted other ways traders avoid paying duties. These include breaking down their loads into smaller values and paying people to carry them through, or round the border post for them. However, small scale cross border traders are not alone in trying to avoid the payment of duties, as some large scale formal sector importers and exporters do the same. Some traders complained about corruption and called for corrupt officials to be punished indicating that at least some do not see it as a productive part of their businesses, but as a problem.

The study also showed that traders are willing to pay duties, but would like the amounts they have to pay to be reduced, and to be what they see as less arbitrarily applied. Others suggested that tariff rates for small scale traders should be lower than those of large scale traders. When asked for suggestions, only 1% of respondents to the question said duties should be abolished altogether, although a third called for them to be reduced.

Tariff regimes in the region are complex. About half of traders said they got information about duties payable to customs, most from customs itself, or from other traders. However some suggested that customs could issue leaflets and post information on notice boards to inform traders of their rights and responsibilities as well as tariff rates.

Although most traders buy their goods in the formal sector, few claim VAT on a regular basis. Traders in the Malawi (30%), Mozambique (33%) and Zimbabwean (19%) surveys were most likely to claim VAT. However the overwhelming majority of traders in the Lesotho (94%), Namibia (96%) and Zambian (95%) did not. So, these traders make a contribution to the government fiscus of the country in which they buy their goods. It seems that many do not know they can claim VAT while others indicated that the systems are too complex and time consuming, and that they find it difficult to cash the cheques issued.

Traders constitute a significant proportion of people who pass through the land border posts of the region. They travel on a variety of permits, and a significant proportion of traders travelling in the Botswana (68%), Malawi (93%), Zambian (22%) and Zimbabwean (16%) surveys said they did not have to obtain a permit. Others travel on local permits or border passes (Lesotho survey, 82%; Namibia, 79%; Zambia 47%; Zimbabwe, 27%). However travellers in the Mozambique (80%), Swaziland (90%) and Zimbabwe (51%) said they travelled on visitors permits. However, not all will have to obtain visitors visas before travelling, but can be issued permits at the border.

Despite the business of the border posts, and perhaps reflecting the nature of their permits to travel, their frequency of travel and the value of the loads they carry, traders spend relatively little time passing through the border posts. At most border posts more than half spent less than half an hour crossing the border. However, over a quarter said long queues, congestion and delays at border posts were a major problem. Suggestions to improve this situation included increasing staff, improving service and upgrading computer systems (where they exist).

Interviewees responses to questions about their opinion of the treatment they receive from officials at the border were generally positive but varied by border post, as well as within the border post of survey. Larger and busier border posts generally received less favourable reviews as did Malawian border posts and Namaacha. When asked about problems they faced 6% said that officials were rude, unfriendly and unhelpful. A disturbing 2% said that they sometimes faced beating and physical harassment at border posts. The responses of traders need some investigation to find out whether there are any patterns in the opinions of those who feel their

treatment by officials is bad or very bad. Allegations of physical harassment and beating also need to be investigated.

The patterns of trade undertaken by these small entrepreneurs are complex. They travel to a wide variety of destinations, large cities, small towns, and even villages. Large cities and towns comprise the majority of destinations, and despite the frequency of travel, border towns were less significant. The results show that small scale cross border trade forms a complex web of entrepreneurial interactions which extends across the region encompassing rural towns and large urban areas.

Most traders travel frequently, mainly on buses and taxis. Traders in the Mozambican (10%), Namibian (42%), Zambian (25%) and Zimbabwean (10%) surveys were most likely to travel everyday. Others travelled at least once a week (Lesotho survey (28%); Mozambique, 67%; Namibia, 47%; Zambia, 34%; Zambia, 19%). Others travel less regularly, but at least once a month (over 60% of respondents in all but the Namibian and Zambian surveys). As most are travelling to shop, they mainly make short visits of less than a week. Very few stayed more than a month in another country. They therefore make a significant contribution to the transport sector of the region.

They mainly buy their goods in the formal sector from wholesalers, retailers, manufacturers and commercial farms. Smallholder farmers do not seem to benefit from this sector of regional trade in fruits and vegetables and nor do marketing boards. Many traders appear to act as wholesale importers of goods as they sell the goods they carry across borders to vendors in informal markets (Lesotho survey, 27%; Mozambique, 55%; Zambia, 30%; Zimbabwe, 31%). A smaller proportion sells to retailers and restaurants in the formal sector. However, most traders sell their goods in the informal sector, whether on their own stalls, to other vendors, door to door, or to networks of family, friends and other individuals.

So, although small scale cross border trade is firmly located in the informal sector at the selling end of the business, it is firmly located in the formal sector at the purchasing end. Most traders negotiate the regulatory frameworks with migration permits, paying duties and paying VAT.

Thus, it seems small scale cross border trade straddles the first and second economies of the region.

The scale and scope of small scale cross border trade in the region uncovered by this study suggests that it makes a significant contribution to regional trade and the retail economies of the region. It is in-line with the aims of both the SADC and COMESA in regard to the promotion of intra-regional trade. The participation of small scale traders suggests that small scale cross border trade could, particularly if promoted provide a route to the development of pro-poor trade policies which could have a direct impact at the level of households. The significant participation of women in this sector of regional trade suggests too that it provides opportunities for the economic empowerment of women.

If trade policies for the region are to be successful, this study shows that the activities of these men and women entrepreneurs need to be included in planning processes. The range of values of duties collected and traders' comments on the collection of duties raise questions about tariff regimes in the region. The impact of the SADC Free Trade Protocol, when it comes into effect also needs to be considered. When devising plans to improve efficiency at land border posts the study suggests that their activities need to be taken into account, and that as regular users of border posts, their opinions could be of value. Overall, the study shows that small scale cross border trade comprises a significant component of regional economic activity for most countries in southern Africa. Furthermore, it demonstrates that this sector of regional trade sits firmly within the aims and objectives of the SADC and COMESA.

## 1. INTRODUCTION

Small scale cross border trade, sometimes called informal sector cross border trade, is a significant feature of regional trade and border movements in southern Africa. This paper presents the results of a survey which monitored the activities of small scale cross border traders as they passed through twenty land border posts connecting eleven southern African countries. During the course of the study, over 205,000 people, including 85,000 traders were counted passing through these border posts. The transactions of over 5,500 traders with customs officials were monitored and over 4,500 traders were interviewed.

The SADC and COMESA are committed to promoting regional development and alleviating poverty through regional cooperation and integration. Intra-regional trade has been identified as a key area in meeting these aims. The ratification of the SADC Free Trade Protocol and movement towards customs union in COMESA indicate the commitment of member states to promoting intra-regional trade. However, the focus of moves to liberalise trade and to promote development through trade in COMESA and the SADC, as well as research on trade in the region, have revolved around large-scale formal sector trade and not cross border trade undertaken by small entrepreneurs.

The area of small scale cross border trade in southern Africa is under-researched. Only three attempts have been made to monitor volumes of small scale cross border trade passing through border posts in the region. Two were undertaken in the late 1990s. The first looked at trade between Malawi and neighbouring states.<sup>1</sup> The second, focused on the Mozambique/South Africa border at Lebombo.<sup>2</sup> The third undertaken by Fewsnets in the 2000s, has looked at trade in grains across various border posts between, Zimbabwe, Zambia and Malawi.<sup>3</sup> All three of these studies were concerned with food security and concentrated on the movement of agricultural

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<sup>1</sup> Minde, I.J. & Nakhumwa, T.O. 1997. *Informal cross-border trade between Malawi and her neighbouring countries*, unpublished paper for the Regional Economic Development Support Office for Eastern and Southern Africa, USAID; paper for the Regional Economic Development Support Office for Eastern and Southern Africa, USAID.

<sup>2</sup> Macamo, J.L. 1998. *Estimates of Unrecorded Cross-Border Trade between Mozambique and Her Neighbors: Implications for Food Security (Final Report)*, unpublished.

<sup>3</sup> Fewsnets reports can be found on the website of the Southern African Regional Poverty Network (SARPN) @ [www.sarpn.org.za](http://www.sarpn.org.za). unpublished paper, 2004.

produce only. Although geographically limited in scope, these studies provide an indication of the value of monitoring the volume of small scale trade undertaken by small entrepreneurs, but cannot answer questions about the full scope of small scale cross border trade

The purpose of this research was to monitor all types of small scale cross border trade through selected border posts in the region. The border posts chosen were those where cross border trade was believed to constitute a significant proportion of traffic. The aims and objectives of this study were to:

- Monitor small scale cross border trade between selected countries in southern Africa.
- Identify the types and volumes of goods carried across land borders by traders.
- Identify the values of goods carried by small entrepreneurs through land border posts.
- Record the number of traders passing through selected border posts.
- Record the sex of traders.
- Record the origins and destinations of traders journeys.
- Record the type of transport used.
- Record the experiences of traders at border posts.
- Identify possibilities for policy change and streamlining at land border posts to ease congestion and promote managed movement through border posts.

Therefore this study fills some of the gaps in existing research, and provides a baseline from which further research can be undertaken as well as providing information for policy makers concerned with border management issues.

The study demonstrates that small scale cross border trade is complex and not necessarily duplicated across all border posts and that it involves a wide range of actors from the very small, to those who might be considered as large scale traders. It indicates that small scale cross border trade comprises a complex, and inextricable, web of economic interactions across the region which involve the formal and informal sectors, or, the first and second economies of countries in the region. The information provided in the survey can assist governments in improving efficiency at border posts. Furthermore, it provides insight into a significant sector of regional trade which may provide opportunities for development, the introduction of pro-poor policies and the refinement of trade policy. At the same time, it raises questions for further research.

The paper starts by providing a context to the study, outlining what is known about small scale cross border trade and some of the key arguments made in these studies and placing the survey in the context of the objectives of continental and southern African regional organisations. The methodology of the survey is then explained and the results of the survey presented. Starting with a short profile of traders this part of the paper moves on to outline the types and value of goods carried by traders monitored in the survey before presenting data on the experiences of traders at border posts, including payment of duties. The journeys of traders to the border and their businesses are then examined before the paper concludes with recommendations. The paper is based on the research undertaken by SAMP partners in their respective countries and draws on their country reports.<sup>4</sup>

## **2. BACKGROUND TO THE SURVEY**

### **2.1 Small Scale Cross Border Trade in Southern Africa**

Small scale cross border trade comprises a range of cross border entrepreneurial activity that ranges from small to micro and medium (SMME) sized enterprises. It encompasses what is sometimes referred to as informal sector cross border trade. However, this term masks the strong relationships between the formal and informal sectors in this element of regional trade.

Furthermore, some participants may be SME formal business owners who themselves undertake to go to other countries to locate and carry inputs to their enterprises.

Small scale cross border trade is of increasing interest to regional governments and regional organisations as its contribution to regional trade is increasingly being acknowledged. However, the area of small scale cross border trade remains relatively under-researched in the region and

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<sup>4</sup> Campbell, E. and Mokhomane, Z. 2007. "Informal Cross-Border Traders in Botswana"; Green, T. 2007. "Small Scale Cross Border Trade Study: Lesotho Report"; Tsoka, M. 2007. "Cross Border Trade Study: Malawi Report"; Raimundo, I. and Cau, B. 2007. "Border Monitoring of Cross Border Trade: Mozambique"; Nickanor, N.M., Conteh, M. and G. Eiseb. 2007. "Unpacking Huge Quantities into Smaller Units: Small-Scale Cross Border Trade Between Namibia and her Northern Neighbours"; Zindela, N. 2007. "Informal Cross Border Trade in Swaziland"; Mulenga, C.L. 2007. "Small-Scale Cross Border Trade between Zambia, Democratic Republic of the Congo, Tanzania and Zimbabwe"; Tevera, D.S. and Tawodzera, G. 2007. "Cross Border Trade: The Case of Beitbridge, Forbes, Chirundu and Nyamapanda Border Posts"; all unpublished reports for the Southern African Migration Project.

on the continent, so there is a paucity of evidence on which policy makers can rely. This is the first multi-country/multi-product study of these activities in southern Africa.

Various arguments have been put forward to explain the existence of small scale cross border trade. As Mulenga argues, assumptions are often made that “small-scale cross border trade is not due to the forces of demand and supply and economic opportunities or market niches, but rather a result of restrictions imposed on formal large-scale trade” which provide opportunities for small scale traders.<sup>5</sup> Restrictive policies cited include “high import tariffs, quotas, state trading monopolies and export restrictions, export licensing and foreign exchange control regulations.”<sup>6</sup> Price differentials, exchange rates and differing availability of commodities in countries in the region provide opportunities for traders.<sup>7</sup>

Four significant surveys of small scale cross border trade in agricultural products and food security have been undertaken in the region. Overall, they indicate that this trade generally has a positive impact on food security. Two studies undertaken in the 1990s monitored trade in agricultural products between Malawi and neighbouring countries, and Mozambique and South Africa.<sup>8</sup> They suggest that volumes of small scale cross border trade in agricultural products may exceed that of large scale trade at some border posts. They indicated therefore that such trade has implications for food security. A subsequent survey raises questions about the implications of the activities of small scale cross border traders for food prices and producer prices for smallholder farmers. It suggests that traders can manipulate prices when they act collectively. FEWSNET has undertaken a multi-year study which starting in 2004 which has monitored the movement of selected agricultural products and inputs through the borders of selected African countries including Malawi, Mozambique, South Africa and Tanzania.<sup>9</sup>

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<sup>5</sup> Mulenga, C.L. 2007. “Small-Scale Cross Border Trade...”; see also Ackello-Ogutu, C. and Echessah, P. 1997. Unrecorded Cross-Border Trade Between Kenya and Uganda Implications for Food Security, Technical Paper No. 59, SD Publication Series, Office of Sustainable Development, Bureau for Africa, USAID; Chirwa, J. B, Lungu, J. and H. Mkanda, 2001. *Impact of informal cross-border trade on price, production and intra-COMESA trade in eastern and Southern Africa an empirical analysis*, Lusaka: COMESA Regional Integration Research Network Series Publications.

<sup>6</sup> Mulenga, C.L. 2007. “Small-Scale Cross Border Trade...”

<sup>7</sup> Mulenga, C.L. 2007. “Small-Scale Cross Border Trade...”

<sup>8</sup> Minde, I.J. & Nakhumwa, T.O. 1997. *Informal cross-border trade...*; Macamo, J.L. 1998. *Estimates of Unrecorded...*

<sup>9</sup> Fewsnets@ [www.sarpn.org.za](http://www.sarpn.org.za).

Products monitored in the FEWSNET survey include maize, wheat flour, soy beans, sunflower seeds, groundnuts, potatoes, sorghum and fertilizer. Their study shows that small scale trade in these crops has increased and has responded to food shortages in various countries. They argue that this trade plays an important role in providing food as well as income for traders.

Other research on small scale cross border trade has examined the scope of their activities, the structure of their businesses and its impact on households.<sup>10</sup> These studies have tended to be localized and relatively small. They suggest that profits from these businesses have a significant impact on a household level, and that many small scale traders employ people in their businesses, and often not family members. They suggest that traders are committed to entrepreneurship and are looking for ways to grow their businesses. This range of surveys has also looked at the participation of women in small scale cross border trade.<sup>11</sup> It has highlighted the economic independence it provides for women entrepreneurs. Research has also been undertaken exploring the possible vulnerability of female cross border traders to HIV/AIDS.<sup>12</sup> It suggests that the rigours of trading and entrepreneurship do not necessarily put women at higher risk than their less mobile counterparts, however it does suggest that they may miss out on health education messages and health care.

Small scale cross border trade, perhaps because of its association with the informal sector and perceptions of it as a marginal activity is often associated in public discourse with irregular and illegal activity as well as believed to have a less than positive impact on trade, revenue collection

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<sup>10</sup> Peberdy, S. 2004. "Informal sector cross border trade in Southern Africa," unpublished paper for DFID; Pauw, H.C. and Petrus, T.S. (2003) Xenophobia and informal trading in Port Elizabeth, *Anthropology Southern Africa*, 26(3&4): 172-180; Peberdy, S. & Crush, J. 2001. "Invisible trade, invisible travellers: The Maputo Corridor spatial development initiative and informal cross-border trading," *South African Geographical Journal*, 83(2): 115-123; Muzvidziwa, V. 2001. 'Zimbabwe's cross-border women traders: multiple identities and responses to new challenges,' *Journal of Comparative African Studies*, 19(1): 67-80; Peberdy S. and Crush, J. 1998. *Trading Places: Cross Border traders and the South African Informal Sector*, SAMP Migration Policy Series No.6; Tekere M. et.al .2000. *Informal Cross-Border Trade: Salient Features and Impact on Welfare: Case Studies of Beitbridge & Chirundu Border Posts and Selected Households in Chitungwiza*, Trade Center, Harare; Mwaniki, John. 2003. 'The Impact of Informal Cross Border Trade on Regional Integration in SADC and Implications for Wealth Creation' unpublished paper IRED, East & Southern Africa, see also [www.sarpn.org.za](http://www.sarpn.org.za).

<sup>11</sup> Mwaniki, J. 2003. "The Impact of Informal Cross Border Trade..."

<sup>12</sup> Peberdy, S. with Boaventura Cau, Abel Chikanda, Ntombikayise Msibi, Alister Munthali, Oleosi Ntshebi, Ines Raimundo and Dan Tevera. 2006. "Female informal sector cross border traders and HIV/AIDS in Southern Africa", unpublished paper for SAMP and Phamsa.

and economies.<sup>13</sup> Yet, while further research may be needed to come to a definitive conclusion, this study suggests, that although there are some negative aspects associated with small scale cross border trade, it makes a significant contribution to regional trade in line with the aims of many national governments and those of the SADC and COMESA while contributing to food security. At the same time, existing research indicates that it has a positive impact on poverty alleviation at a household level.

## **2.2 Regional Organisations and Regional Trade<sup>14</sup>**

This survey and the activities of small scale cross border traders sit at the intersection of trade and migration policies as well as policies regarding the role of the informal sector in national economies. Trade and migration policy are formulated at inter-locking scales from the continental (AU/NEPAD) to regional and national levels. A major challenge is how these different levels of governance can develop an integrated approach to trade and migration policy development and management. A further challenge is that countries in Southern Africa may be members of more than one sub-regional organisation, each with different members, and although with often common aims, different schedules and processes to reach these aims.

Countries in Southern Africa may be members of one or more of five regional organisations, all of which are concerned with trade and migration as tools for development (Table 1). On a continental scale all countries in southern Africa are members of the African Union and NEPAD. Article 4 of the Abuja Treaty of 1991 which established the Organisation of African Unity (OAU, now the AU) African Economic Community, set as an objective the progressive removal “of obstacles to the free movement of persons, goods, services and capital and the right of residence and establishment.”<sup>15</sup> Article 43 of the Treaty also committed member states to

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<sup>13</sup> Chirwa, John B, Jeff Lungu and H. Mkanda (2001) Impact of informal cross-border trade on price, production and intra-COMESA trade in eastern and Southern Africa An empirical analysis, Lusaka: COMESA Regional Integration Research Network Series Publications.

<sup>14</sup> This section draws on Peberdy and Crush, forthcoming, “Migrating without borders: histories, realities and negotiating free movement in Southern Africa,” in A. Pecoud and P. de Guchteneire *Migration Without Borders*, UNESCO; Geneva.

<sup>15</sup> Oucho, J. and Crush, J. 2001. “Contra Free Movement: South Africa and SADC Migration Protocols,” *Africa Today*, 48(3):139-158: 142.

pursue this aim “at bi-lateral or regional levels.”<sup>16</sup> Ten years later, the OAU Council of Ministers in Lusaka in 2001, re-iterated this decision saying that member states should “work towards free movement of people and to strengthen intra-regional and inter-regional cooperation in matters concerning migration.”<sup>17</sup> NEPAD expresses similar aims.

Table 1. Membership of regional organisations by southern African states

Country	COMESA	SADC	SACU	CMA
Angola	Y	Y	-	-
Botswana	Y	Y	Y	-
DRC	Y	Y	-	-
Lesotho	Y	Y	Y	Y
Malawi	Y	Y	-	-
Madagascar	Y	Y	-	-
Mauritius	Y	Y	-	-
Mozambique	Y	Y	-	-
Namibia	Y	Y	Y	Y
Seychelles	Y	re-entering	-	-
South Africa	-	Y	Y	Y
Swaziland	Y	Y	Y	Y
Tanzania	Y	Y	-	-
Zambia	Y	Y	-	-
Zimbabwe	Y	Y	-	-

Since the reconstitution of the OAU as the AU there has been increased interest in migration issues. In 2004, a Draft Strategic Framework on Migration was drawn up and presented to the Executive Council.<sup>18</sup> The Draft Strategic Framework explores why migration is important to development in Africa. It suggests that migration has “untapped potential” for the continent.<sup>19</sup> It states that the objective of the framework is “to encourage Member States to implement and integrate migration issues into their national and regional agendas by developing national migration policies as stated in the Lusaka Decision.”<sup>20</sup> This means that the document asks member states to work towards freer movement of people on the continent. The Strategic Framework also recognizes the strong relationships between migration and trade on the continent. It encourages strengthened cooperation amongst and within regional economic

<sup>16</sup> Ibid.

<sup>17</sup> African Union Council of Ministers, 74<sup>th</sup> Ordinary Session, Lusaka, Zambia, *Decision CM/Dec 613(LXXIV)*, cited in African Union (2004:5).

<sup>18</sup> African Union. 2004. *Draft Strategic Framework for a Policy on Migration in Africa*, paper presented to the Fourth Ordinary Session of the Executive Council of the African Union Addis Ababa.

<sup>19</sup> Ibid.: 2.

<sup>20</sup> Ibid.: 7.

communities in the area of trade and migration. It also emphasizes the need for the ethical and humane treatment of non-nationals.

Countries of sub-Saharan Africa have established various regional bodies with the aim of enhancing economic integration and cooperation and promoting harmonization of policy and legislation. States of southern Africa may be members of two or more of four regional organisations which affect trading relationships, the Southern African Customs Union (SACU), the Common Monetary Area (CMA), the Southern African Development Community (SADC) and the Common Market for Eastern and Southern Africa (COMESA).

#### *SACU and the CMA*

The smallest and oldest Southern African organisation is the Southern African Customs Union (SACU) of Botswana, Lesotho, Namibia, South Africa and Swaziland. The remit of SACU refers only to trade between these countries and the setting of common tariffs imposed on imports from outside SACU. Duties on goods entering the SACU area are collected through South Africa and divided out according to a revenue sharing agreement. The Common Monetary Area includes Lesotho, Namibia, South Africa and Swaziland. Their currencies are tied to the South African rand and hold a 1:1 value against the rand. Reflecting historical SACU relationships, free movement of people was allowed between South Africa and Botswana, Lesotho and Swaziland until 1963 (with apartheid racial restrictions on movement once people had entered South Africa).<sup>21</sup> There was also relatively free movement between South Africa and South West Africa (now Namibia) until independence in 1990, while it remained a territory administered by South Africa.

#### *COMESA*

The largest regional organisation including southern African countries is the Common Market of Eastern and Southern Africa (COMESA). COMESA emerged in 1993 from the Preferential Trade Area for Eastern and Southern African States, which was formed in 1981. All countries in

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<sup>21</sup> Peberdy, S. 1999. "Selecting Immigrants: Nationalism and National Identity in South Africa's Immigration Policies, 1910-1998," unpublished PhD Thesis, Queen's University, Canada; Peberdy, S. 1998. "Obscuring History? Contemporary Patterns of Regional Migration to South Africa," in David Simon, (ed.), *South Africa in Southern Africa: Reconfiguring the Region*, Oxford, Athens and Cape Town: James Currey, Ohio University Press and David Philip: 206-221.

the SADC, with the exception of South Africa, are members of COMESA. COMESA has the stated aims of pursuing free trade and free movement of people through its member states.<sup>22</sup> In 1999, COMESA launched a free trade area, with the aim of guaranteeing the free movement of goods and services produced in the community and promoting the removal of tariff and non-tariff barriers to trade.<sup>23</sup> However, this has yet to become operational. The organisation also aims to free the movement of capital and investments within the community and to establish a customs union (with a single tariff rate for imports from non-COMESA countries) as well as a currency union and common currency.

COMESA has been relatively positive about the concept of freer movement of persons between member states, and the founding Treaty advocates the free movement of persons between member states. In 2000, the organisation stated that it intends to enable “the adoption of a common visa arrangement, including the right of establishment leading eventually to the free movement of *bona fide* persons.”<sup>24</sup> How such an aim will become operational is not clear, and nor is it clear what progress, if any, the organisation is making on this issue, although it has set a deadline for free movement of people and monetary union of 2025.

### *SADC*

The only organisation that encompasses all countries of southern Africa is the Southern African Development Community (SADC).<sup>25</sup> In 1979 southern African countries, excluding South Africa, came together to form the Southern African Development Coordination Conference (SADCC). The aim of the SADCC was to reduce the dependence of southern African states on the South African economy and transport network. In 1992, the SADCC was transformed into the Southern African Development Community (SADC) to accommodate South Africa. The Democratic Republic of the Congo and the Seychelles also subsequently joined.

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<sup>22</sup> Oucho, J. and Crush, J. 2001. “Contra Free Movement...”: 141.

<sup>23</sup> Ibid.

<sup>24</sup> Common Market of Eastern and Southern Africa (COMESA). 2000. *Background Information: Objectives of COMESA*, ([www.comesa.int/background/backobjv.htm](http://www.comesa.int/background/backobjv.htm)).

<sup>25</sup> Countries of the SADC are: Angola, Botswana, Democratic Republic of the Congo, Lesotho, Malawi, Mauritius, Mozambique, Namibia, South Africa, Swaziland, Tanzania, Zambia, Zimbabwe. Seychelles is in the process of withdrawing from the SADC.

Article 23 of the SADC Declaration of Treaty & Protocol of 1992 signed in Windhoek states that, “the SADC shall seek to involve fully, the peoples of the region and non-governmental organisations (NGOs) in the process of regional integration.”<sup>26</sup> And that the “SADC shall cooperate with and support the initiative of the peoples of the region and NGOs contributing to the objectives of this Treaty in areas of co-operation in order to foster closer relations among the communities, associations and peoples of the region.”<sup>27</sup>

The SADC has ratified a Protocol on the Free Movement of Goods and Capital. When the Protocol comes into force, it is likely to benefit traders who will have to pay less in duties. It has also moved somewhat towards ratifying the Protocol on the Facilitation of Movement of People. The ultimate objective of the protocol is “is to develop policies aimed at the progressive elimination of obstacles to the movement of persons of the Region generally into and within the territories of State Parties.” The Protocol has been formally adopted and signed by nine member states. However, for the Protocol to come into effect, at least nine member states need to have both signed and ratified it before an implementation framework can be drawn up. When it comes into effect, it will allow SADC citizens to spend a maximum of 90 days in any one member state as a visitor without obtaining a visa. This is likely to reduce time consuming (and sometimes expensive) regulatory obstacles for most traders, but for those who travel very frequently, even if for short times, and for those who sell in other countries, the time limit may be restrictive.

From the continental level of the African Union to the regional level of the SADC, organisations bringing together African countries seem to agree that the route to continental and regional development, cooperation and integration lies in freeing the movement of people, goods and capital. Most organisations have, as part of their founding documents a commitment to pursuing these aims. Some movement has been made on relaxing constraints on the movement of goods. Yet when it comes to the movement of people, less progress appears to have been made. However, the lack of progress creating zones of free movement of people, may reflect politicised

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<sup>26</sup> Mwaniki, J. 2003. “The Impact of Informal Cross Border Trade...”: 3.

<sup>27</sup> Ibid.

problems of implementation (Oucho and Crush, 2001; Mistry, 2000).<sup>28</sup> Membership of more than one regional organisation may be inevitable, but has the potential to delay implementation of policies as nation states grapple with different obligations to different regional groupings.

### *Bi-lateral agreements*

Countries in southern Africa have also entered into a multitude of bi-lateral agreements that cover both trade and migration. The networks of bi-lateral agreements in both areas are complex and may be highly specialized and localized.<sup>29</sup> So, they may affect the tariff regime on trade in a specific good between specific countries. Or, for instance, they may cover the movement of people who live within a specific distance from a specific border and how far they can travel when they cross the border. This is not the place to identify the range of bi-lateral agreements that exist in the region. However, it should be remembered that they are complex and that small scale cross border traders will encounter them as they move with their goods across borders. And, because of their complexity, it may be difficult for small scale traders to take advantage of opportunities offered by them. Whereas, large formal sector traders may be able to do so.

## **3. METHODOLOGY**

The research was undertaken by SAMP partners in participating countries. Prior to starting the research a workshop was held including all partners to determine the methodology, to design the research instruments and to make a preliminary selection of border posts. This was to ensure that partners used the same methodology and research instruments so the results would be comparable and the survey could be brought together in this regional report. Each partner has produced a country report referring specifically to the findings of the survey they undertook at the border posts in their country.

Prior to undertaking the research, the support of the SADC and COMESA was sought through the Regional Trade Facilitation Programme. For each in-country survey the support and

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<sup>28</sup> Oucho, J. and Crush, J. 2001. "Contra Free Movement..."; Mistry, P. 2000. "Africa's Record of Regional Cooperation," *African Affairs*, 99: 553-573.

<sup>29</sup> Crush, forthcoming, "Migrating without borders..."

permission of relevant government departments was sought by the country research partner. In all countries this necessitated seeking the support of government departments whose remits included immigration and customs and excise. Some countries also needed to elicit support from the police and army concerned with border security. The relevant departments in all countries supported the survey enabling it to take place. In some countries departments suggested changes to the originally identified border posts. Where relevant these changes were made.

### 3.1 Geographical Scope, Time Lines and Direction of Trade

The survey was undertaken by SAMP partners in eight countries at twenty border posts encompassing trade between eleven SADC countries (Table 2).

Table 2. Border posts monitored and implementing partners

Country	Border posts monitored	Countries of border post	Implementing partner	Lead researcher
<b>Botswana</b>	Ramokwebana Kazungula Tlokweng	Botswana/Zimbabwe Botswana/Zambia Botswana/RSA	University of Botswana	Professor Eugene Campbell
<b>Lesotho</b>	Maseru Bridge	Lesotho/RSA	Sechaba Consultants	Thuso Green
<b>Malawi</b>	Songwe Mwanza Dedza	Malawi/Tanzania Malawi/Mozambique Malawi/Mozambique	University of Malawi	Maxton Tsoka
<b>Mozambique</b>	Lebombo Namaacha	Mozambique/RSA Mozambique/Swaziland	University of Eduardo Mondlane	Ines Raimundo & Benjemin Cau
<b>Namibia</b>	Oshikango Wenela	Namibia/Angola Namibia/Zambia	University of Namibia	Dr Eunice lipinge & Ndeyapo Nickanor
<b>Swaziland</b>	Oshoek Lavumisa	Swaziland/South Africa Swaziland/South Africa	University of Swaziland	Dr Nomsa Zindela
<b>Zambia</b>	Livingstone Nakonde Chililabombwe	Zambia/Zimbabwe Zambia/Tanzania Zambia/DRC	University of Zambia	Professor Chileshe Mulenga
<b>Zimbabwe</b>	Beit Bridge Chirundu Nyamapanda Mutare	Zimbabwe/South Africa Zimbabwe/Zambia Zimbabwe/Mozambique Zimbabwe/Mozambique	University of Zimbabwe	Professor Dan Tevera

The research was undertaken in each country over a ten day period including at least one weekend. The research was undertaken between June and July 2006 in all countries but Zimbabwe where the research was undertaken in October. It was not possible to undertake the

research in each country at exactly the same time as implementation in some countries was delayed by the process of obtaining permission from the necessary authorities to conduct the research as well as other institutional delays.

With the exception of Namibia, the research assistants in the border monitors and origin and destination surveys recorded trade and interviewed traders entering the country. In the case of Namibia, trade and traders were recorded and interviewed as they were leaving the country. However, the origin and destination survey did ask traders questions about their activities when they were traveling in the opposite direction. Therefore it was possible to gain an understanding of trade in both directions through the border posts.

### **3.2 Literature Review and Key Interviews**

Literature reviews were undertaken in participating countries. The literature reviews included grey literature, journal articles and books, newspapers, and the internet. However, underpinning the importance of the survey, little relevant literature on small scale cross border trade in Southern Africa was found by the researchers as the field is under-researched.

Key interviews were undertaken with government officials of relevant government departments in each country. These included the Department of Customs and Excise/Revenue Authority, the Department of Home Affairs/Interior/Immigration and Border police services. Key interviews were also undertaken with officials stationed at the border posts under study as well as with traders and where applicable, traders associations.

### **3.3 Survey Instruments and Informed Consent**

The border monitoring was undertaken using three separate research instruments (Appendix A). These were a counting form, a border monitors form and an origin and destination (O&D) survey. Prior to interviewing using the O&D survey instrument the study was explained to participants and they were asked if they wanted to participate. They were clearly informed that they did not have to participate if they did not want to, that they could stop the interview at any

time, and did not have to answer any question they did not want to. Thus informed consent to participate was established prior to the interview taking place. Counters merely counted people and identified traders so informed consent was not necessary. The border monitors form was used by research assistants who were accompanying customs officials and recording their activities, therefore, again consent from participants was not necessary for this part of the exercise.

Table 3 shows how many interviews were undertaken in each country using each survey instrument and the total administered, as well as the number of people who were counted crossing the borders. Overall, over 205,000 people were counted crossing the border posts under question almost half of whom were counted at the borders of Zambia. Over 85,000 (41.6%) of these border crossers were identified as traders. The transactions of over 5,500 traders with customs officials were monitored and over 4,500 traders were interviewed using the origin and destination survey.

Table 3. Number of traders participating in surveys by country of survey

Country	Total Counted	Traders Counted	Traders as % of People Crossing Border	Border Monitors	Origin & Destination Survey
<b>Botswana</b>	10643	1048	9.9	781	681
<b>Lesotho*</b>	1922	660	34.3	201	67
<b>Malawi</b>	15142	6492	42.9	302	328
<b>Mozambique</b>	40826	21793	53.4	500	501
<b>Namibia</b>	14276	1601	11.2	807	675
<b>Swaziland</b>				790	471
<b>Zambia**</b>	103,026	44,824	43.5	766	643
<b>Zimbabwe</b>	20667	9412	45.4	1438	1170
<b>TOTAL SURVEY</b>	<b>206,502</b>	<b>85,830</b>	<b>41.6</b>	<b>5585</b>	<b>4536</b>

\* Due to the volume and type of traffic Lesotho experienced significant problems counting people crossing the border at Maseru Bridge therefore this number is tentative.

\*\* The Zambian survey counted 54,616 people entering Zambia of whom 27,518 (50.4%) were identified as traders. The remainder were counted leaving Zambia.

### *Counters form*

The counters form was a simple instrument which recorded the number of people crossing through the border and whether these people were traders or non-traders and their sex (Appendix A). Counters were placed in the area between national border posts, i.e., in the “no-man’s land” of the border. The purpose was to determine what proportion traders consist of traffic through the border post. Counters recorded the sex of traders and non-traders passing through the border post.

### *Border monitors form*

Border monitors were stationed with customs officials on the side of the border of the country of survey. The purpose of the border monitoring part of the survey was to record what duties were paid by traders, as well as the type, volume and value of goods on which they paid duties. They recorded:

- Sex of traders
- Nationality of traders
- Type of goods declared
- Volume of goods declared
- Value of goods declared
- Duties paid
- Other observations

The border monitors form can be seen in Appendix A.

### *Origin and destination survey*

The border monitors survey was supplemented by the administration of a short origin and destination (O&D) survey at border posts by researchers (Appendix A). The purpose of the O&D survey was to provide a profile of traders and to glean information that the research assistants monitoring traders with customs officials could not pick up.

Participants in the O&D survey were interviewed in queues while waiting to pass through the border as well as when they had left the border. Where the interviews took place depended on the border post as some found that it was not possible to interview in queues (especially where

they were short) and therefore at some border posts the interviews needed to take place as people left the border post.

Before seeking informed consent to undertake the interview, the researchers administering the O&D Survey first asked if the person was involved in cross border trade for their business to ensure those carrying goods just for personal consumption were not included in the survey. They recorded:

- The sex of the trader
- The origin and destination of the journey
- The purpose of their journey
- The type of goods carried by the trader in both directions
- The value of goods they were carrying
- The type of transport used
- The type of immigration permit used
- Whether they claim VAT
- Where they obtain information about customs duties payable
- The time usually taken to clear the border post
- Where delays occur at the border post
- Their opinion of their treatment at the border post
- Their suggestions for improved service

#### *Diaries:*

Researchers working as team leaders, border monitors and administering the O&D survey were asked to keep diaries. The diaries were used by researchers at the borders to record observations relevant to the study that did not fit into the border monitoring and O&D survey instruments.

### **3.4 Limitations**

A number of limitations in the implementation of the survey have been identified. It should also be noted, that because the purpose of the study was to monitor small scale cross border trade passing through the selected border posts, no attempt was made to ascertain the extent to which

some traders may avoid using border posts altogether and instead carry their goods across borders using alternative and irregular border crossing points. Nor was it possible to ascertain how many traders pay others to carry goods by these means and meet them on the other side of the border.

### *Counting*

While ostensibly an easy process, some problems were encountered when trying to count the number of people and the number of traders passing through each border post:

1. At borders where traffic is heavy it was difficult to count each person travelling through the border post (e.g., Beit Bridge, Maseru Bridge).
2. At border posts where large numbers of people use 6 month concession passes and local passports/border permits it was also difficult to count people as they move quickly through the border post.
3. It was not always possible to determine if people passing through the border were traders or not. This was particularly difficult for those counting at border posts where people use 6 month concession permits and local passports/border permits. It was also difficult where traders were travelling in cars and buses as it was not possible to determine which people were traders and which were travelling for other reasons. It was also not always possible to determine whether those travelling on foot were traders or people carrying goods for personal use. It is likely, therefore, that the number of traders may have been under-counted.

Notwithstanding these problems, the counting exercise does provide a good indication of the ratio of traders to non-traders crossing through the border posts under study.

### *Border monitoring*

The border monitoring exercise was undertaken successfully at all border posts. It was possible to determine what goods people were carrying and what duties they were paying. However, the process did introduce a number of limitations:

1. Because by necessity monitors were placed with customs officials, the process may have disrupted normal duty collection procedures as officials may have been more rigorous

knowing they were under the view of the monitors. This process may have also prevented the paying of bribes or other favours to avoid paying duties owed.

2. It was not possible to monitor every person travelling through the border post.
3. At some border posts (e.g., Lavumisa) both traders and customs officials were resentful of the process at times.
4. It was not possible to undertake a random sampling process as the monitors followed officials as they worked.
5. With the exception of the three border posts monitored in the Malawi survey and Lavumisa in Botswana, it was not possible to assess the contribution of duties paid by traders to the total amount of duties collected at each border post during the course of the survey. However, it was possible to assess the total amount of duties paid by traders whose interactions with customs officials were monitored during the course of the survey.

#### *Origin and destination survey*

The origin and destination survey was undertaken successfully at all border posts. Again there were a number of limitations:

1. It was not possible to undertake a fully randomised sampling of traders passing through the border posts.
2. The sample cannot claim to be fully representative as the survey itself was an attempt to undertake a baseline survey from which a basic profile of traders and their activities can be drawn.
3. It was not possible to interview traders at the same part of the process of crossing borders at each border post owing to differences in the operations of each border post.
4. At busy border posts where border traffic moves through quickly it was at times difficult to interview traders who were reluctant to be delayed on their journey by answering questions.
5. It was not possible to go through traders luggage therefore interviewers had to rely on the veracity of interviewees when describing what goods they were carrying and their value.

## **4. PROFILE OF TRADERS AND PURPOSE OF JOURNEY**

During the course of the study, over 85,000 traders and 120,000 non-traders were counted, the interactions of over 5,500 traders with customs officials were monitored and over 4,550 traders were interviewed. The survey shows that with the exception of the border posts of Botswana and Namibia, small scale cross border traders constitute a significant proportion of traffic through the border posts under survey, comprising over 40% of people crossing the borders and up to half at some (Table 3 above).

### **4.1 Sex and Nationality of Traders**

Smaller surveys and key interviews suggested that small scale cross border trade is dominated by women. Although, two surveys monitoring cross border trade in agricultural products, one of trade between Malawi and South Africa and Mozambique and one of trade between found that male traders constituted the majority of cross border traders between these countries.<sup>30</sup> This study suggests that the picture is complex with the ratio of male to female cross border traders varying between different SADC countries and border posts. Women constituted the majority of traders crossing over half of the border posts surveyed and the data suggests that women comprise the majority of small scale cross border traders in the region (Table 4). Men were only in the majority in the Lesotho, Malawi, Namibia and Zambia surveys.

Questions were asked about the nationality of traders by border monitors and in the origin and destination survey. Their nationalities not surprisingly reflected the location of the border posts and the countries they were travelling between (Table 5). However, the study indicates that nationals of Botswana, Namibia and South Africa are least likely to be participants in small scale cross border trade. Citizens of these countries comprised the smallest number of traders interviewed. It is also notable, that Zimbabweans were found in all surveys except those of Mozambique and Swaziland. In the case of Mozambique this probably just reflects the location of the border posts surveyed. This indicates that some Zimbabwean traders look for opportunities outside neighbouring countries and further across the region.

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<sup>30</sup> Macamo, J.L. 1998. *Estimates of Unrecorded Cross-Border Trade...*; Minde, I.J. & Nakhumwa, T.O. 1997. *Informal cross-border trade...*;

Table 4. Sex of trader by border post and country of survey

Country of survey	Border Post	Traders as % of border crossers	Male traders (%)	Female traders (%)	No of traders	Total counted
<b>Botswana</b>	Tlokweng	8.9	52.0	48.0	377	4,223
	Kazangula	13.7	10.2	89.8	315	2,299
	Ramokwebana	8.6	42.1	57.9	358	4,121
	<i>Total</i>	9.8	33.3	66.7	1,050	10,653
<b>Lesotho</b>	Maseru Bridge	34.3	52.0	48.0	660	1,922
<b>Malawi*</b>	Songwe	-	-	-	-	3,549
	Mwanza	-	-	-	-	9,758
	Dedza	-	-	-	-	1,835
	<i>Total</i>	42.9	68.0	32.0	6,492	15,142
<b>Mozambique</b>	Lebombo	49.5	29.0	71.0	16,795	33,948
	Namaacha	72.6	28.6	71.3	4,998	6,878
	<i>Total</i>	53.4	28.9	71.1	21,793	40,826
<b>Namibia</b>	Oshikango	11.5	60.6	39.3	1,149	9,949
	Wenela	10.5	74.4	25.6	452	4,327
	<i>Total</i>	11.2	64.5	35.5	1,601	14,276
<b>Zambia</b>	Livingstone	39.0	20.3	79.7	3,376	8,649
	Nakonde	46.2	85.9	14.0	34,659	74,949
	Kasumbalesa	34.9	65.2	34.8	6,789	19,428
	<i>Total</i>	43.5	77.9	22.1	44,824	103,026
<b>Zimbabwe</b>	Beit Bridge	50.1	45.8	54.2	8,299	16,572
	Chirundu	31.3	32.6	67.4	365	1,165
	Mutare	31.8	36.5	63.5	523	1,647
	Nyamapanda	17.5	45.8	54.2	225	1,283
	<i>Total</i>	45.5	44.8	55.2	9412	20667

Source: Counters survey.

Table 5. Nationality of traders by country of survey (%)

<b>Nationality of trader</b>	<b>Botswana Survey</b>	<b>Lesotho survey</b>	<b>Malawi Survey</b>	<b>Mozambique survey</b>	<b>Namibia survey</b>	<b>Swaziland survey</b>	<b>Zambia survey</b>	<b>Zimbabwe survey</b>	<b>TOTAL STUDY</b>
<b>Angola</b>	-	-	-	-	59.5	-	-	0.1	10.0
<b>Botswana</b>	16.6	-	-	-	-	-	-	-	2.7
<b>DRC</b>	-	-	-	-	0.1	-	29.2	-	4.5
<b>Lesotho</b>	0.4	83.6	-	-	-	-	-	-	1.5
<b>Malawi</b>	-	-	93.6	-	-	-	-	2.2	7.8
<b>Mozambique</b>	-	-	-	99.2	-	4.2	-	6	13.6
<b>Namibia</b>	-	-	-	-	3.9	-	0.3	-	0.5
<b>South Africa</b>	0.2	1.5	0.3	-	-	10.8	-	2.5	1.7
<b>Swaziland</b>	-	-	-	0.4	-	83.4	-	0.3	9.5
<b>Tanzania</b>	0.4	-	3.4	-	-	-	0.3	-	0.4
<b>Zambia</b>	21.1	-	0.3	-	34.6	-	56.6	4.5	18.6
<b>Zimbabwe</b>	61.0	14.9	1.8	-	1.9	-	29.2	84.4	29.0
<b>Other</b>	0.3	-	0.6	0.4	-	1.6	-	-	0.3

Source: Origin & destination survey.

## 4.2 Purpose of Journey

Over half of the small scale cross border traders interviewed could be classified as shoppers, i.e., they were crossing borders to buy goods to sell in their businesses, usually in their home countries (Table 6). So, over a half of traders said the purpose of their journey was to shop for their business. Almost a third said the purpose of their journey was taking goods to sell. A further 1.6% said they had finished selling and were going home. Only 13% said the purpose of their journey was to buy and sell goods for their business. This suggests that the majority of small scale cross border traders carry goods in one direction only.

However the picture is a little more complex than these overall figures suggest (Table 6). Patterns of trade, or the purpose of a journey for business, may be influenced by market opportunities and differences in the value of currencies. So, the patterns of purpose of journey vary between countries and border posts. Two thirds of those entering Botswana, where the currency (Pula) is the strongest in the region, were likely to be taking goods to sell, whereas only a quarter were entering to buy goods. However, traders do buy in countries with relatively strong currencies (Botswana, Namibia, South Africa and Swaziland) if the goods they can buy there are not available in the country where they sell, or are available more cheaply.

Table 6. Purpose of journey (%)

Country of Survey	Shopping for my business	Taking goods to sell	To sell and buy goods	Finished selling going home	Other
<b>Botswana</b>	25.2	65.9	6.9	0.2	1.8
<b>Lesotho</b>	80.6	19.4	-	-	-
<b>Malawi</b>	59.5	37.1	3.4	0	-
<b>Mozambique</b>	81.0	1.0	11.6	6.4	-
<b>Namibia</b>	54.4	44.1	1.5	0	-
<b>Swaziland</b>	88.5	7.9	1.3	1.7	0.6
<b>Zambia</b>	57.5	36.9	4.8	0.8	-
<b>Zimbabwe</b>	27.3	21.1	47.6	2.4	1.6
<b>TOTAL SURVEY</b>	53.0	31.6	13.2	1.6	0.6

Source: Origin and destination survey

Over 80% of traders interviewed entering Lesotho, Mozambique and Swaziland had been shopping for their business (Table 6). Almost 60% of traders entering Malawi had travelled to shop for their businesses, although over a third said they taken goods to sell in another country. Indicating the relative availability of goods in Namibia, over half of traders entering the country from Angola and Zambia were travelling to shop. However, suggesting both a market for goods from these countries, and the strength of the Namibian dollar, 44% were taking goods to sell. Almost 90% of traders entering Swaziland through South African border posts had travelled to buy goods for their businesses in Swaziland. However, traders travelling from Swaziland to Mozambique had been to buy goods in Swaziland, with less than 1% saying they sold goods in Swaziland.

Traders entering Zambia had more often than not been to shop for goods (58%). However, there were differences between border posts as almost all traders entering Zambia through Nakonde stated their purpose of visit as travelling to shop for goods, and were bringing those goods from Tanzania to Zambia. It appears that there are both buying and selling opportunities between Zambia and Zimbabwe and the DRC as there was more of a balance between traders entering Zambia who had been shopping and who were taking goods to sell.

Overall, relatively few traders bought and sold on their journey for business, as overall, only 13% said they did so. However, this masks a significantly different profile for Zimbabwean traders nearly half of whom said they had bought and sold on their journey. This was true for all the Zimbabwean border posts surveyed with the exception of Livingstone (5%). So, at Mutare two thirds of traders said they had bought and sold while at Nyamapanda 48% had, and at Beit Bridge 42% said the same while at Chirundu over one third had.

As it was only possible to station researchers on one side of the border post, traders were asked about their trading activities when they travelled in the other direction as well. Reflecting that only 13% of traders said they travelled to other countries to buy and sell goods, relatively few traders had anything to say about their activities when they travelled in the other direction as most were travelling without goods, but were on their way to buy goods (Table 7). However, almost half of Zimbabwean traders interviewed said they travelled to another country to buy and

sell, so 399 traders in the Zimbabwean survey reported on their trading activities when travelling in the other direction.

Table 7. Carry goods to sell when travelling in other direction (N).

Botswana survey	Lesotho survey	Malawi survey	Mozambique survey	Namibia survey	Swaziland survey	Zambia survey	Zimbabwe survey
176	1	22	105	32	26	67	399

Source: Origin and destination survey

The answers to these questions indicate that most small scale cross border traders act as either importers or exporters of goods for their businesses, but, unlike large scale traders, travel with the goods they wish to use as inputs for their businesses.

## 5. TYPES AND VALUE OF GOODS CARRIED

### 5.1 Types of Goods Carried

To understand better the types of trade engaged in by small scale cross border traders the study examined the types of goods carried by traders (Table 8). The O&D survey recorded the types of goods carried by traders. The border monitoring survey recorded the types of goods which traders declared and on which duties were paid to customs officials. The quantities of goods and amounts of duties paid were also recorded in the monitoring survey. The questions were asked in both surveys to see if there were differences in what traders declared to customs officials, and what they actually carried. There were not significant differences in the types of goods traders said they were carrying and the type of goods declared to customs officials therefore only the data from the O&D survey is shown here.

Food items, whether groceries or fresh foods, constitute a significant proportion of goods carried by small scale cross border traders to sell in their businesses. Table 8 shows that groceries were most likely to be carried by traders entering Mozambique and Zimbabwe (70% for both countries). This was particularly true of traders travelling through the Lebombo, Mutare, Nyamapanda and Beit Bridge border posts. Almost 30% of all traders entering Zambia, and over half (56%) of traders entering through Livingstone were carrying groceries. More than half of traders travelling between Namibia and Angola and Zambia were carrying groceries.

Table 8. Types of goods carried (%)\*

Border post	Groceries	Fresh fruit & vegetables	Meat/ fish/eggs	Electrical goods	Furniture	Household goods	New clothes/ shoes	Pre-owned clothes/ shoes	Handicrafts/ curios	Other
Tlokweng	4.5	30.3	-	0.9	-	2.7	49.1	2.7	-	9.8
Kazangula	19.4	36.6	4.0	0.9	-	6.8	8.0	7.4	2.9	12.6
Ramokwebana	4.0	19.7	0.2	0.7	0.7	22.0	9.0	1.7	15.4	26.6
<i>Botswana total</i>	<i>8.1</i>	<i>26.7</i>	<i>1.2</i>	<i>1.0</i>	<i>0.6</i>	<i>15.9</i>	<i>15.8</i>	<i>3.4</i>	<i>10.3</i>	<i>21.1</i>
<i>Lesotho total</i>	<i>10.4</i>	<i>31.3</i>	<i>1.5</i>	<i>-</i>	<i>-</i>	<i>6.0</i>	<i>13.4</i>	<i>4.5</i>	<i>10.4</i>	<i>23.9</i>
<i>Malawi total</i>	<i>17.7</i>	<i>7.0</i>	<i>0.3</i>	<i>20.4</i>	<i>1.2</i>	<i>22.6</i>	<i>37.5</i>	<i>-</i>	<i>0.3</i>	<i>23.9</i>
Lebombo	75.7	21.1	74.5	0.8	-	0.4	5.6	-	-	5.6
Namaacha	64.0	20.8	47.2	10.4	2.4	8.0	18.4	1.2	-	11.6
<i>Mozambique total</i>	<i>69.9</i>	<i>21.0</i>	<i>60.9</i>	<i>5.6</i>	<i>1.2</i>	<i>4.2</i>	<i>12.0</i>	<i>0.6</i>	<i>-</i>	<i>8.6</i>
Namibia total*	56.3	16.4	5.8	2.5	1.3	8.0	3.3	0.1	2.2	18.8
Oshoek	6.1	17.0	3.9	8.8	5.2	21.8	42.2	0.7	0.7	17.4
Lavumisa	2.5	2.2	0.3	0.9	-	19.3	62.4	12.1	1.2	6.6
<i>Swaziland total</i>	<i>3.6</i>	<i>6.8</i>	<i>0.4</i>	<i>3.4</i>	<i>0.6</i>	<i>19.4</i>	<i>56.1</i>	<i>8.5</i>	<i>1.1</i>	<i>10.3</i>
Livingstone	55.7	3.0	2.0	-	0.5	2.5	1.5	2.0	8.5	
Nakonde	14.1	1.5	2.0	5.6	0.5	9.1	52	32.8	1	
Kasumbalesa	19.7	32.0	16.8	4.9	0.4	10.7	13.5	13.5	0.8	
<i>Zambia total</i>	<i>29.2</i>	<i>13.5</i>	<i>7.6</i>	<i>3.6</i>	<i>0.5</i>	<i>7.6</i>	<i>21.6</i>	<i>15.9</i>	<i>3.3</i>	<i>15.5</i>
Beit Bridge	71.1	2.3	0.3	14.5	1.3	3.1	4.1	1.8	0	1.6
Mutare	88.7	1.0	4.4	-	-	1.0	1.0	-	0.5	3.4
Chirundu	36.8	1.4	1.4	3.5	-	2.8	37.5	5.6	-	4.2
Nyamapanda	72.6	-	-	1.4	-	8.2	9.6	-	-	0
<i>Zimbabwe total</i>	<i>69.5</i>	<i>1.6</i>	<i>1.5</i>	<i>7.7</i>	<i>0.6</i>	<i>2.9</i>	<i>9.8</i>	<i>1.9</i>	<i>0.1</i>	<i>3.1</i>

Source: Origin & destination survey

\*Note percentages may add up to more than 100% as multiple answers were allowed as traders may carry mixed loads.

When it came to perishable foods, fresh fruits and vegetables were most likely to be carried into Lesotho (31%), Botswana (28%) and Mozambique (21%). Meat, fish and eggs were also carried by traders, but mostly by those travelling to Mozambique where almost two thirds of traders carried one or more of these items (61%) and almost three quarters of those traders entering through Lebombo. This may in part be explained by the close proximity of farming and shopping areas in South Africa and Swaziland to the main destination of Maputo. Thus problems of decomposition are less onerous for these traders.

Clothing and shoes also comprise a significant proportion of the business of small scale cross border traders in the region. New items are more important than pre-owned. Again they were more important for some countries than others. So, over half of traders entering Swaziland (56%), and over a third entering Malawi (38%) and over a fifth entering Zambia (22%) carried new clothes and/or shoes. And, although overall, only 16% of traders entering Botswana carried new clothes, almost half entering through Tlokweng did so. The major market for pre-owned clothes appears to be Zambia (16% of traders entering the country) with traders crossing through Nakonde being most likely to be carrying them (33%).

Small scale cross-border traders in the region carry electrical and household goods as well as furniture. Those travelling to Malawi were most likely to do so, as over a fifth of traders carried electrical and household goods. These often heavy, bulky and expensive items were less important to traders crossing other border posts in the region with the exception of Swaziland where almost a fifth of traders carried furniture and household goods. Handicrafts and curios were not carried by many traders, but just over 10% of traders entering Botswana and Lesotho were sellers of these items.

Existing research indicated a range of goods that are carried by traders. These formed the basis of the categories included in the questionnaires. While traders carried these goods, this survey uncovered a range of other goods which are also carried by traders. These varied by country but included *chitenges* or *capulanas* and other types of fabric, liquor/alcohol, car parts, cars, hardware, construction materials and sundry assorted goods.

Table 9. Type of goods carried to sell when travelling in other direction (%)

Country of survey	Groceries	Fresh fruit & veg	Meat/ fish/eggs	Electrical goods	Furniture	Household goods	New clothes/ shoes	Old clothes/ shoes	Crafts/ curios	Other
Botswana	31.3	5.7	-	10.2	-	10.2	31.3	5.7	<0.1	9.7
Lesotho	n/a									
Malawi	13.6	4.6	13.6	4.6	9.1	-	27.3	-	13.6	18.2
Mozambique	39.5	33.3	-	-	-	-	3.8	5.7	1.9	-
Namibia	40.6	25	21.8	9.3	-	9.4	6.3	-	-	28.1
Swaziland	15.4	7.7	3.8	3.8		-	7.7	-	3.8	15.4
Zambia	22.4	26.9	22.4	-	-	11.9	19.4	5.9	-	4.5
Zimbabwe	31.8	12.5	3.8	1.8	1.8	9.3	11.5	0.5	19.3	7.5
<i>Beit Bridge</i>	20.4	4.8	7.5	1.4	4.1	10.2	5.4	1.4	42.2	2.7
<i>Mutare</i>	47.9	22.9	1.4	2.1	4.1	4.7	6.1	-	4.7	9.5
<i>Chirundu</i>	20.1	8.3	-	3.3	-	10.1	31.7	-	6.6	20.1
<i>Nyamapanda</i>	29.5	9.1	4.5	-	-	20.5	27.3	-	9.1	-

Source: Origin and destination survey

The Namibian survey revealed considerable trade in petrol being taken out of Namibia to Angola and Zambia, usually carried in the petrol tanks of vehicles rather than in jerry cans carried by traders. Because this trade goes unrecorded we are unable to provide accurate information on the scale, but it appears to be considerable. Petrol is also transported to Zimbabwe from Francistown in Botswana.

Traders were also asked what type goods they took to sell when they travelled in the other direction. For those that did (Table 7 above), they too were most likely to carry groceries and fresh fruit and vegetables (Table 9). So, it seems that traders exploit niches in different markets for these goods. With the exception of the Namibian and Zambian surveys where over a fifth of traders carried fresh meat, fish and/or eggs traders were less likely to carry these goods. New clothes were also popular items to be carrying to sell. Other items carried included petrol and alcohol. Table shows the estimated value of goods carried when travelling in the other direction.

## **5.2 Place of Production of Goods**

Participants in the O&D survey were asked where the goods they carried had been produced. However it was not always possible to ascertain this information as the traders did not always know and the interviewer was not always able to check. It is also possible that some people responded with the place the goods were bought as opposed to where they were actually produced. Although there may have been some confusion over the difference between where goods were bought and where they were made, when the types of goods carried are considered, it is probable that the responses were largely accurate.

Mirroring patterns of large scale and formal trade, the country most named by traders as the source of their goods was South Africa. Reflecting that some countries in the region are members of more than one regional block, there was confusion as to where countries which are members of both SADC and COMESA should be entered. When considered together, it is possible to see that SADC and COMESA countries were the source of most of the goods carried by traders. When added to the goods carried by traders from South Africa, this data suggests that

small scale cross border traders make a significant contribution to the regional economy, regional trade and the movement of goods produced in the region through the region.

At least two thirds of the goods recorded moving through the border posts under survey carried by small scale cross border traders were made or produced in SADC and/or COMESA countries (Table X). For most countries the proportion exceeded 75% of all goods carried. However, South Africa was the most likely SADC country named in the survey, even for non-neighbouring states. So, for instance, over half of traders interviewed at the Namibian border posts and nearly half at Malawian border posts said the goods they carried had been made in South Africa. Botswana was an exception with less than a fifth of goods entering the country coming from South Africa and almost two thirds from other SADC and COMESA countries.

Table 10. Country/area where goods carried were produced (%)

Country of survey	South Africa	Other SADC & COMESA	China	Other East Asia	Other/multiple places	Don't know
Botswana	18.5	64.0	2.1	-	2.1	13.0
Lesotho	68.7	17.9	7.5	-	-	6.0
Malawi	49.4	*17.7	24.0	5.8	1.5	2.7
Mozambique	52.7	33.1	-	-	2.9	11.3
Namibia	50.9	26.9	0.5	-	15.7	
Swaziland	46.5	6.6	9.6	1.5	4.0	32.6
Zambia	0.9	30.5	4.2	2.0	***17.9	44.3
Zimbabwe	48.5	**44.4	6.3	-	-	0.6

\*12.2% made in Tanzania

\*\* most made in Mozambique with significant contribution by goods made in Zambia

\*\*\* 50% made in Holland

### 5.3 Values of Goods Carried

The value of goods carried by traders was recorded in the O&D survey. The border monitors survey recorded the value and type of goods declared to customs officials. Table 10 below shows the value of goods that traders said they were carrying at the time of the O&D interview. The value of goods carried by traders varies between countries of survey as well as by border post. Underpinning these variations are the types of goods carried by traders and patterns of

trade. Traders travelling longer distances and less frequently are likely to carry larger values of goods than those travelling short distances and frequently.

Traders entering Botswana (80%), Lesotho (63%) and Zambia (44%) were most likely to be carrying goods worth less than R500 (Table 11). Those entering Mozambique and Zambia were most likely to be carrying goods valued at between R500-1000 and traders entering Malawi, Mozambique, Zambia and Zimbabwe were most likely to be carrying goods worth between R1000-5000.

Table 11. Value of goods carried (%)

Country and border post of survey	R1-500	R501-1000	R1001-2000	R2001-5000	R5001-10000	R10001-15000	over R15000
<b>Botswana</b>							
Tlokweng (N=81)	62.6	26.1	8.6	2.4	-	-	-
Kazangula (N=153)	71.7	17.0	6.0	3.9	0.6	-	-
Ramokwebana (N=393)	86.9	7.2	3.5	-	-	-	-
<i>Total (N=643)</i>	<i>80.3</i>	<i>12.2</i>	<i>4.8</i>	<i>1.3</i>	<i>0.2</i>	<i>-</i>	<i>-</i>
<b>Lesotho</b>							
<i>Total (N=67)</i>	<i>62.7</i>	<i>16.4</i>	<i>13.4</i>	<i>4.5</i>	<i>1.5</i>	<i>1.5</i>	<i>-</i>
<b>Malawi</b>							
<i>Total (294)</i>	<i>7.5</i>	<i>11.6</i>	<i>23.5</i>	<i>31.6</i>	<i>11.9</i>	<i>7.5</i>	<i>6.4</i>
<b>Mozambique</b>							
Lebombo (N=200)	46.0	18.0	23.0	10.5	1.5	1.0	-
Namaacha (243)	17.2	35.4	22.6	18.9	1.6	-	4.5
<i>Total</i>	<i>30.4</i>	<i>28.5</i>	<i>21.3</i>	<i>14.9</i>	<i>1.8</i>	<i>0.5</i>	<i>2.2</i>
<b>Swaziland</b>							
Oshoek (N=162)	17.9	19.8	30.2	11.7	6.8	-	13.5
Lavumisa (N=308)	2.6	72.1	14.0	2.9	3.2	-	5.1
<i>Total (N=470)</i>	<i>7.9</i>	<i>54.0</i>	<i>19.6</i>	<i>6.0</i>	<i>4.5</i>	<i>-</i>	<i>8.1</i>
<b>Zambia</b>							
Livingstone (N=177)	49.7	6.2	0.6	0.6	1.1	0.6	0.6
Nakonde (N=186)	0.5	3.8	4.3	35.5	39.8	10.2	5.9
Kasumbalesa (N=166)	43.4	21.7	15.6	10.9	6.0	0.6	1.8
<i>Total</i>	<i>44.0</i>	<i>10.3</i>	<i>6.6</i>	<i>16.0</i>	<i>16.3</i>	<i>4.0</i>	<i>2.8</i>
<b>Zimbabwe</b>							
Beit Bridge (N=375)	n/a	n/a	52.3	32.0	12.5	3.2	-
Mutare (N=193)	71.3	19.2	9.3	-	-	-	-
Chirundu (N=132)	n/a	29.5	44.7	25.8	-	-	-
Nyamapanda (N=65)	64.7	23.1	12.3	-	-	-	-
<i>Total (N=765)</i>	<i>23.6</i>	<i>11.9</i>	<i>36.7</i>	<i>20.2</i>	<i>6.1</i>	<i>1.6</i>	<i>-</i>

Source: Origin and destination survey

A relatively significant proportion of traders said they were carrying goods worth more than R10,000. These traders came mainly from Malawi, Mozambique and Zambia. Questions could be raised as to whether these traders can be counted as small scale cross border traders, particularly those carrying more than R20,000. Research with Mozambican female cross border traders indicates that some traders involved in relatively high volumes of trade are still operating in the formal and informal sector, buying in the formal sector, but selling in the informal wholesale sector.<sup>31</sup> The value of goods carried when travelling in the other direction is shown in Table 12 .

Table 12. Estimated value of goods taken to sell when travelling in other direction (%)

Country of survey	R1-100	R101-500	R501-1000	R1001-2000	R2000-5000	R5001-10000	Over 10,000
<b>Botswana</b>	12.9	65.5	14.6	3.5	3.5	-	-
<b>Lesotho</b>	n/a	-	-	-	-	-	-
<b>Malawi</b>	-	18.2	18.2	22.7	13.6	13.6	-
<b>Mozambique</b>	22.7	50.6	17.3	5.3	1.3	1.3	1.3
<b>Namibia</b>	37.5	18.8	6.3	3.1	3.1	6.3	15.6
<b>Swaziland</b>	7.7	38.5	19.2	11.5	-	7.7	7.6
<b>Zambia*</b>	n/a	-	-	-	-	-	-
<b>Zimbabwe</b>	1.2	33.1	11.5	32.8	7.8	1.5	0.6
<i>Beit Bridge</i>	-	-	-	53.1	21.2	10.1	4.1
<i>Mutare</i>	3.4	62.1	11.5	15.5	-	-	-
<i>Chirundu</i>	-	35	41.5	21.7	-	-	-
<i>Nyamapan</i>	-	43.1	9.1	38.6	-	-	-

Source: Origin and destination survey

\* Mean value of goods carried by traders in the Zambian survey was R3,444

The range of values of the goods carried by traders indicates that small scale cross border trade encompasses a wide range of entrepreneurs, from small scale survivalists, to relatively large scale traders. It suggests that there could be possibilities for bringing those at the high end of the spectrum into the formal sector, while raising questions about the costs of negotiating border regulations for those at the lower end of the spectrum.

<sup>31</sup> Peberdy, S. & Crush, J. 2001. "Invisible trade, invisible travelers..."

## **6. NEGOTIATING BORDER FORMALITIES**

### **6.1 Duties Paid by Traders**

The border monitoring exercise recorded the amount of duties paid by traders. During the ten day survey period at the 20 border posts, over R3,750,000 was collected from 1,780 traders and the average amount paid by each trader paying duties was over R2,100 (Table 13). If this data is extrapolated to 350 days of the year, when the high duty payers are excluded, at least R131,000,000 is collected annually from traders at these twenty border posts, or R375,000 per day. As researchers were not able to monitor all interactions between traders and customs officials, the amount collected during the survey period from small scale cross border traders is higher than these figures presented.

The mean amount of duties paid by traders was just over R2000. Table 14 shows the range of value of duties paid by country of survey and border posts. It shows that there was significant variation by border post and country. So, over half of traders entering Botswana paid between R1-50 in duties and three quarters paid less than R100. Similarly, almost 75% of traders who paid duty (only 39) paid less than R100. Close to 45% of those entering Swaziland and two thirds entering Zambia paid R100 or less. This raises questions as to whether the cost of collecting duties of these amounts is cost effective.

Table 14 shows that a relatively small proportion of traders paid over R2000 in duties. For most countries and border posts the majority of traders paid R500 or less in duties. Two thirds of traders entering Malawi 57% entering Zambia, and 32% entering Swaziland paid between R101-500. Variations in the amounts of duties paid can be explained, at least in part, by the type of trade taking place between border posts, as well as the patterns of trade. They may also be due, in part, to the vigour with which customs officials carry out their duties, as well as the means traders may use to evade paying duties that are owed.

Table 13. Total duties paid during study and mean duties paid per trader

Country and border post of survey	Duties paid (South African Rand)	Duties paid (own currency)	Mean duties paid per trader paying duties (own currency)
<b>Botswana (Pula)</b>			
Tlokweng (N=162/152)	15,724	13,840	87.04
Kazangula (N=204/58)	17,886	15,740	271.38
Ramokwebana (N=416/403)	29,721	26,155	64.74
<i>Total (N=782/613)</i>	<i>63,331</i>	<i>55,735</i>	<i>78.75</i>
<b>Lesotho (Maluti)</b>			
Maseru Bridge (N=201)	0	0	0
<b>Malawi (Kwacha)</b>			
Songwe (N=157/157)	140,582	2,545,956	16,216
Dedza (N=51/49)	33,228	601,763	12,035
Mwanza (N=94/94)	45,816	829,720	8827
<i>Total (N=302/300)</i>	<i>219,627</i>	<i>3,977,439</i>	<i>13,214</i>
<b>Mozambique (Netica)</b>			
Lebombo (N=233/29)	357,966	1,324,475	45,671
Namaacha (N=245/5)	143,288	530,168	106,033
<i>Total (N=500/34)</i>	<i>501,254</i>	<i>1,854,643</i>	<i>224,668</i>
<b>Swaziland (Emalangeni)</b>			
Oshoek (N=532/192)	76,565	76,565	398.77
Lavumisa (N=258/16)	6,242	6,242	390.12
<i>Total (N=790/208)</i>	<i>82,807</i>	<i>82,807</i>	<i>401.97</i>
<b>Zambia (Kwacha)</b>			
Livingstone (N=210/207)	31,648	15,887,342	76,750
Nakonde (N=371/370)	101,697	51,052,227	137,979
Kasumbalesa (N=202/9)	34.00	17,500	1,944.44
<i>Total (N=783/586)</i>	<i>133,379</i>	<i>66,957,069</i>	<i>114,261</i>
<b>Zimbabwe (Z \$)</b>			
Beit Bridge (N=750/2)	570	c. 20,000	10,000
Mutare (N=432/29)	1,514	c. 51,500	1,775.86
Chirundu (N=175/2)	428	c. 15,000	7,500
Nyamapanda (N=81/6)	1,470	c. 50,000	8,333.33
<i>Total (N=1438/39)</i>	<i>3,954</i>	<i>134,440</i>	<i>3,447</i>
<b>TOTAL SURVEY (ZAR)</b>	<b>3,754,154</b>		

Source: Border monitoring survey

Table 14. Range of value of duties paid per trader by border post (%)

Country of survey and border post	R1-50	R51-100	R101-250	R101-500	R501-750	R751-1000	R1001-2000	Over 2001
<b>Botswana</b>								
Tlokweng (N=159)	53.3	23.0	15.1	5.9	2.0	-	0.7	-
Kazangula (N=58)	63.8	6.9	6.9	5.2	1.7	3.4	6.8	5.1
Ramokwebana (N=403)	47.4	31.1	19.5	1.7	0.3	-	-	-
<i>Total (N=621)</i>	<i>51.4</i>	<i>26.8</i>	<i>16.3</i>	<i>3.1</i>	<i>1.0</i>	<i>0.2</i>	<i>0.9</i>	<i>0.5</i>
<b>Malawi</b>								
Songwe (N=157)	5.1	10.8	42.7	27.4	5.1	3.2	3.8	1.9
Dedza (N=49)	-	-	8.2	28.6	30.6	22.5	6.3	2.0
Mwanza (N=94)	-	1.1	30.8	35.1	16.0	8.5	5.3	3.3
<i>Total (N=301)</i>	<i>2.7</i>	<i>6.0</i>	<i>33.2</i>	<i>30.2</i>	<i>12.3</i>	<i>8.0</i>	<i>5.0</i>	<i>2.3</i>
<b>Mozambique</b>								
Lebombo (N=29)	-	-	6.9	6.9	13.6	6.9	3.4	62.1
Namaacha (N=5)	-	-	37.5	-	-	12.5	-	-
<i>Total (N=37)</i>	<i>-</i>	<i>-</i>	<i>13.5</i>	<i>5.4</i>	<i>10.8</i>	<i>8.1</i>	<i>2.7</i>	<i>56.8</i>
<b>Swaziland</b>								
Oshoek (N=162)	32.3	10.4	22.4	12.0	8.8	2.6	7.9	3.6
Lavumisa (N=16)	50.0	25.0	-	-	6.3	-	12.6	6.3
<i>Total (N=208)</i>	<i>33.7</i>	<i>11.5</i>	<i>20.7</i>	<i>11.1</i>	<i>8.7</i>	<i>2.4</i>	<i>8.1</i>	<i>3.8</i>
<b>Zambia</b>								
Livingstone	17.4	34.9	30.9	15.5	0.5	1.0	-	-
Nakonde (N=370)	1.6	22.2	38.1	28.4	4.8	3.5	1.1	0.3
Kasumbalesa (N=9)	100.0	-	-	-	-	-	-	-
<i>Total (N=586)</i>	<i>8.7</i>	<i>26.5</i>	<i>34.6</i>	<i>23.4</i>	<i>3.2</i>	<i>2.6</i>	<i>0.7</i>	<i>0.2</i>
<b>Zimbabwe</b>								
Beit Bridge (N=2)	-	-	-	100.0	-	-	-	-
Mutare (N=29)	58.6	41.4	-	-	-	-	-	-
Chirundu (N=2)	-	-	50.0	50.0	-	-	-	-
Nyamapanda	-	-	33.3	50	16.7	-	-	-
<i>Total (N=39)</i>	<i>43.5</i>	<i>30.8</i>	<i>7.6</i>	<i>15.4</i>	<i>5.1</i>	<i>-</i>	<i>-</i>	<i>-</i>

Source: Border monitors survey

The interactions of 2,932 traders (62.2% of all monitored) with customs officials were monitored, but they did not have to pay duties (Table 15). These traders were carrying goods below the personal allowance and/or tariff rate. Perhaps because of their presence, researchers did not report bribes being offered or taken when they were monitoring the interactions between customs officials and traders. They did however, record different methods to avoid paying duties. So, they reported that some traders pay people to carry goods across the border for them so the loads fall under the personal allowance limit. And, at some border posts, for instance Oshikango and Wenela (and no doubt others) traders hire people to take goods around the border post and meet them on the other side.

Table 15. Proportion of traders monitored not paying duties (%)

Country of survey	Border post of survey	Proportion of traders monitored not paying duties (%)
<b>Botswana</b>	Tlokweng (N=162)	6.2
	Kazangula (N=204)	71.6
	Ramokwebana (N=415)	2.9
	Total (N=781)	21.5
<b>Lesotho</b>	Maseru Bridge (N=201)	100.0
<b>Malawi</b>	Songwe (N=157)	-
	Mwanza (N=94)	-
	Dedza (N=51)	3.9
	Total (N=302)	0.3
<b>Mozambique</b>	Lebombo (N=233)	88.4
	Namaacha (N=245)	96.8
	Total (N=500)	92.6
<b>Swaziland</b>	Oshoek (N=532)	63.9
	Lavumisa (N=258)	93.8
	Total (N=790)	73.7
<b>Zambia</b>	Livingstone (N=210)	1.4
	Nakonde (N=371)	0.3
	Kasumbalesa (N=202)	95.5
	Total (N=780)	24.9
<b>Zimbabwe</b>	Beit Bridge (N=750)	99.7
	Mutare (N=432)	93.3
	Chirundu (N=175)	98.8
	Nyamapanda (N=81)	92.6

Source: Border monitors survey

## 6.2 Information re Duties Payable

Tariff regimes are complex in the region with different tariff rates for different goods. If traders are not informed about the amount of duties payable on goods, their lack of knowledge could be exploited by unscrupulous customs officials. Although there are relatively significant differences in levels of knowledge by country, there were not significant differences by border post (Table 16).

Traders entering Mozambique were the best informed with the overwhelming majority (92%) saying they got information about the duties which they are asked to pay by customs. Traders entering Swaziland, Botswana and Zambia were the least informed with less than half saying they got information about the duties they should pay.

Table 16. Trader gets information about duties payable at customs (%)

Country of Survey	Yes	No	Sometimes	Not answered
Botswana	44.9	37.8	11.2	6.2
Lesotho	46.3	53.7		
Malawi	73.5	23.2	3.4	-
Mozambique	92.0	7.4	0.6	-
Namibia	57.5	41.0	1.5	-
Swaziland	41.2	53.6	1.7	3.4
Zambia	49.9	44.9	3.8	-
Zimbabwe	64.4	30.6	5.0	-

Source: Origin and destination survey

Table 17. Where trader gets information about duties payable to customs (%)

Country of survey	Customs	Other traders	Traders association	Other	Not answered
Botswana	60.5	25.7	0.9	2.9	7.9
Lesotho	73.3	20.0	-	6.6	-
Malawi	51.2	39.3	3.9	6.6	-
Mozambique	75.0	16.7	1.4	6.9	-
Namibia	71.7	22.2	-	4.4	1.7
Swaziland	65.5	24.1	3.0	4.5	-
Zambia	51.5	37.2	5.8	5.5	-
Zimbabwe	76.3	19.4	4.2	-	-

Source: Origin and destination survey

Traders were also asked where they got their information from. For all countries over half said they got their information from customs (Table 17). However, in retrospect it was not clear from the questionnaire if this was when customs officials asked them to pay duties, or whether they received information in other ways from customs. Other traders were the second most important source of information, but traders associations were of negligible importance. Other sources included the media, town clerks and clearing agents.

### 6.3 Claiming VAT

Traders who carry goods with invoices are eligible to claim VAT when crossing borders. VAT is claimable from the country where the goods were bought. Various methods for claiming VAT exist in the region. Methods for claiming VAT can be complex and time consuming, and particularly between SACU countries. VAT refunds may be made out in cheques or deposits to credit cards. They are rarely available in cash.

Table 18. Interviewee claims VAT (%)

Country of survey	Yes	No	Sometimes	Not answered/ not applicable
<b>Botswana</b>	8.2	76.8	0.9	14.1
<b>Lesotho</b>	6.0	94.0	-	-
<b>Malawi</b>	30.2	66.5	2.1	1.2
<b>Mozambique</b>	32.5	63.9	3.0	0.6
<b>Namibia</b>	3.7	95.5	0.6	0.1
<b>Swaziland</b>	17.7	77.1	3.6	1.5
<b>Zambia</b>	2.0	94.4	0.3	3.3
<b>Zimbabwe</b>	19.3	77.1	3.6	-

Source: Origin and destination survey

Notwithstanding the methods for claiming and repayment, most traders do not claim VAT from the countries where they have bought their goods (Table 18). People entering Malawi (30%) and Mozambique (33%) were most likely to claim VAT. These countries also recorded the highest proportion of traders carrying relatively high values of goods. Therefore, VAT refunds would be likely to be relatively substantial and worth claiming. Almost all traders entering Namibia (96%) and Zambia (94%) said they did not claim VAT, while over three quarters interviewed in Botswana, Swaziland and Zimbabwe said they did not. There was some variation between

border posts, with traders using some of the larger border posts, e.g., Beit Bridge (39%) and Oshoek (33%) being most likely to claim VAT at least sometimes.

So, although most of these traders are often classified as informal sector traders and are therefore seen as lying outside the regulatory and tax framework, they do contribute to the tax base when they do not claim VAT which may be owing to them. As the majority of traders appear to buy their goods in the formal sector, many would be eligible to claim VAT (see below). When asked why they did not claim VAT most traders said they did not know they could claim or how to claim (Table 19). Other reasons given were that the process takes too long and is too complicated to make it worthwhile.

Table 19. Reasons why traders do not claim VAT (%)

Country of survey	Takes too long	Cannot cash cheque	Other	Don't know	Not applicable	Not answered
Botswana	1.5	0.5	4.8	47.7	38.6	6.9
Lesotho	-	-	1.6	98.4	-	-
Malawi	10.4	0.9	34.6	46.9	1.4	5.7
Mozambique	8.0	1.4	34.1	35.7	20.8	-
Namibia	14.3	1.2	1.2	80.0	3.3	0.9
Swaziland	15.3	-	16.9	60.3	7.5	-
Zambia	1.4	0.3	0.5	94.7	-	3.1
Zimbabwe	17.5	6.2	-	50.3	22.9	-

Source: Origin and destination survey

## 6.4 Immigration Permits

Traders were asked in the O&D survey what kind of immigration permits they used to cross the border. The majority of traders say they do not require a permit, use visitors permits or travel on local permits such as six month concession permits and border passes (Table 20).

Table 20. Kind of permit used to travel when going to another country on business (%)

Country of survey	No permit required	Visitors permit	Local permit	Permanent resident	Other	Don't know
Botswana	68.1	4.0	5.3	19.7	2.1	0.9
Lesotho	6.0	10.4	82.1	-	7.5	-
Malawi	92.9	4.9	-	-	2.1	-
Mozambique	0.6	80.4	0.8	-	18.2	-
Namibia	4.1	13.1	79.4	0.5	3	-
Swaziland	-	90.2	1.7	0.2	7.8	-
Zambia	22.2	18.8	47.0	1.1	10.3	-
Zimbabwe	16.4	50.5	26.6	2.5	1.5	-

Source: Origin and destination survey

Table 21. Restrictions on permit that affect business of trader (%)

Country of survey	Yes	No	Not applicable	Not answered	Don't know
Botswana	8.5	55.4	15.1	16.9	3.9
Lesotho	16.4	70.1	-	-	13.4
Malawi	5.2	2.7	90.5	0.3	1.2
Mozambique	38.6	51.2	1.8	0.4	8.0
Namibia	57.7	39.0	1.4	1.9	-
Swaziland	0.9	45.0	32.8	18.6	2.8
Zambia	27.7	66.6	-	2.0	3.7
Zimbabwe	29.9	63.3	-	-	7.6

Source: Origin and destination survey

Most traders reported that there were no restrictions on their permits that affected their business or that the question was not applicable to them (Table 21). Those traders that are travelling to a country other than their own to buy goods will not be breaking the terms of their permits, whether border passes, local permits, six month concessions, visitors or permanent residence permits. However, for those that wish to sell in a country other than their own, they are likely to be breaking the terms of visitors and local permits as well as six month border concession passes. There were some differences between respondents from different countries at different border posts. So, at Beit Bridge, Zimbabweans who were likely to be entering South Africa on visitors permits and to be buying and selling were aware that there were restrictions that affected their ability to sell legally in South Africa. Relatively few respondents said they did not know, while respondents in the Botswana and Swaziland surveys were reluctant to answer the question.

## 7. CROSSING THE BORDER

The counting of travellers crossing the border posts under survey shows that at the majority of border posts surveyed, traders constitute a significant proportion of traffic. Table 22 (above) shows that with the exception of the border posts of Botswana and Namibia, traders comprised at least 30% of people counted crossing the border posts under survey. For the border posts of Mutare and Mozambique, traders comprised over 50% of border traffic counted. This indicates that for most of the countries surveyed small scale cross border trade is a significant issue for effective management of traffic through border posts.

Table 22. Traders as a proportion of border crossers

Country of survey	Border post of survey	Traders as % of border crossers	Number of traders	Total counted
<b>Botswana</b>	Tlokweng	8.9	377	4,223
	Kazangula	13.7	315	2,299
	Ramokwebana	8.6	358	4,131
	<i>Total</i>	9.8	1,050	10,653
<b>Lesotho</b>	Maseru Bridge	34.3	660	1,922
<b>Malawi*</b>	Songwe	n/a	n/a	3,549
	Mwanza	n/a	n/a	9,758
	Dedza	n/a	n/a	1,835
	<i>Total</i>	42.8	6,492	15,142
<b>Mozambique</b>	Lebombo	49.5	16,795	33,948
	Namaacha	72.6	4,998	6,878
	<i>Total</i>	53.4	21,793	40,826
<b>Namibia</b>	Oshikango	11.5	1,149	9,949
	Wenela	10.4	452	4,327
	<i>Total</i>	11.2	1,601	14,276
<b>Swaziland</b>	Oshoek	n/a	n/a	n/a
	Lavumisa	n/a	n/a	n/a
	<i>Total</i>	n/a	n/a	n/a
<b>Zambia</b>	Chililabombwe	39.0	3,376	8,649
	Nakonde	46.2	34,659	74,949
	Livingstone	34.9	6,789	19,428
	<i>Total</i>	43.5	44,824	103,026
<b>Zimbabwe</b>	Beit Bridge	50.1	8,299	16,575
	Mutare	31.3	365	1,165
	Chirundu	31.8	523	1,647
	Nyamapanda	17.5	225	1,283
	<i>Total</i>	45.5	9,412	20,667

Source: Counters survey

## 7.1 Time Taken to Cross the Border and Hold-ups

Table 23. Length of time taken to cross border entering country of survey (%)

Country of survey	Border post	Less than 10 minutes	10-30 minutes	30 minutes to 1 hour	1 to 2 hours	More than 2 hours
<b>Botswana</b>	Tlokweng	2.7	71.8	21.8	3.3	-
	Kazangula	36.8	29.7	20.0	7.7	5.8
	Ramokwebana	4.1	13.3	41.8	26.3	14.5
	<i>Total</i>	<i>11.3</i>	<i>26.2</i>	<i>32.4</i>	<i>18.4</i>	<i>10.2</i>
<b>Lesotho</b>	<i>Maseru Bridge</i>	<i>50.7</i>	<i>43.3</i>	<i>4.5</i>	<i>1.0</i>	<i>-</i>
<b>Malawi</b>	Songwe	6.0	28.4	11.2	5.2	49.1
	Mwanza	-	2.3	6.3	16.4	75
	Dedza	-	11.9	-	1.2	86.9
	<i>Total</i>	<i>2.1</i>	<i>14.0</i>	<i>6.4</i>	<i>8.5</i>	<i>68.9</i>
<b>Mozambique</b>	Lebombo	22.8	34.0	22.4	14.0	6.8
	Namaacha	21.1	39.0	21.1	12.4	6.4
	<i>Total</i>	<i>22.0</i>	<i>36.5</i>	<i>21.8</i>	<i>13.2</i>	<i>6.6</i>
<b>Namibia</b>	<i>Total</i>	<i>61.5</i>	<i>25.8</i>	<i>7.8</i>	<i>3.6</i>	<i>1.3</i>
<b>Swaziland</b>	Oshoek	14.8	34.0	34.6	15.4	1.2
	Lavumisa	13.0	34.1	35.1	15.9	1.9
	<i>Total</i>	<i>13.6</i>	<i>34.0</i>	<i>34.9</i>	<i>15.7</i>	<i>1.7</i>
<b>Zambia</b>	Livingstone	9.5	21.1	29.6	15.1	24.6
	Nakonde	11.7	31.5	26.9	8.1	21.8
	Kasumbalesa	65.4	30.8	2.1	1.3	0.4
	<i>Total</i>	<i>31.3</i>	<i>28</i>	<i>18.4</i>	<i>7.7</i>	<i>14.6</i>
<b>Zimbabwe</b>	Beit Bridge	8.0	7.0	12.4	24.5	48.1
	Mutare	16.3	54.2	25.6	3.4	0.5
	Chirundu	18.1	34.7	30.6	8.3	8.3
	Nyamapanda	47.9	30.1	16.4	2.7	2.7
	<i>Total</i>	<i>15.5</i>	<i>25.9</i>	<i>19.3</i>	<i>14.4</i>	<i>24.9</i>

Source: Origin and destination survey

Traders were asked how long it usually took them to cross the border in both directions. This provides an indication of relative efficiency at border posts, pressure on officials processing border traffic, and may reflect pressure placed by small scale cross border traders on the efficiency of border posts.

Table 24. Biggest hold-up at border entering country of survey (%)

	Customs this side	Immigration this side	Customs other side	Immigration other side	Other	No hold up	Not answered/ Don't know
<b>Botswana</b>							
<i>Total</i>	44.9	40.8	3.1	2.4	8.8	-	-
<b>Lesotho</b>							
<i>Maseru Bridge</i>	35.8	-	4.5	4.5	3.0	50.7	1.5
<b>Malawi</b>							
Songwe	90.5	1.7	6.0	0.9	0.9	-	-
Mwanza	97.6	1.6	-	-	0.8	-	-
Dedza	97.6	1.2	-	-	1.2	-	-
<i>Total</i>	95.0	1.5	2.1	0.3	0.9	-	3.4
<b>Mozambique</b>							
Lebombo	31.2	39.2	4.4	20.4	0.8	-	4.0
Namaacha	70.7	22.9	4.4	2.0	-	-	-
<i>Total</i>	50.9	31.1	4.4	11.2	0.4	-	2.0
<b>Namibia</b>							
<i>Total</i>	35.8	20.3	9.6	8.2	19.4	-	6.7
<b>Swaziland</b>							
Oshoek	35.2	15.4	22.2	3.1	4.4	8.0	11.8
Lavumisa	57.1	4.9	10.7	1.0	3.9	16.9	5.5
<i>Total</i>	49.6	8.5	14.7	1.7	4.1	13.8	7.7
<b>Zambia</b>							
Livingstone	79.1	2.0	1.5	-	-	16.9	0.5
Nakonde	69.2	2.5	0.5	0.5	2.0	24.7	0.5
Kasumbalesa	10.1	33.2	-	0.4	5.0	39.9	11.4
<i>Total</i>	50.2	13.8	0.6	0.3	2.5	27.9	4.5
<b>Zimbabwe</b>							
Beit Bridge	80.1	11.1	5.9	2.6	-	-	0.3
Mutare	65.5	20.2	7.9	4.4	-	-	2.0
Chirundu	76.4	9.7	8.3	5.6	-	-	-
Nyamapanda	42.5	26.0	20.5	9.6	-	-	2.4
<i>Total</i>	72.4	14.5	8.2	4.2	-	-	0.7

Source: Origin and destination survey

Times taken to cross the border posts into the country of survey varied by country and by border post. Busier border posts tended to take longest to cross (Table 23 above). The border posts with the longest waits reported by interviewees were Songwe, Mwanza and Dedza entering Malawi, and Beit Bridge entering Zimbabwe. In contrast Maseru Bridge, Kasumbalesa entering Zambia, the Namibian border posts, Nyamapanda entering Zimbabwe and the Kazungula border

post entering Botswana were relatively fast, with significant proportions of respondents saying they spent less than 30 minutes to complete border formalities.

When asked where the biggest hold-up at the border was when entering the country of survey, perhaps not surprisingly as most were carrying goods with them, traders identified customs as the slowest part of the process of crossing the border post. This was particularly true for border posts which traders had identified as taking the longest to cross (Table 24 above). Immigration formalities appeared to pose less of a problem, except at the Botswana border posts and for those entering Zambia from the DRC at Kasumbalesa.

Table 25. Length of time to cross border in other direction (%)

Country of survey	Border post of survey	Less than 10 minutes	10-30 minutes	30 minutes to 1 hour	1 to 2 hours	More than 2 hours
<b>Botswana</b>	Tlokweng	5.5	79.8	12.9	0.9	0.9
	Kazangula	49.4	30.5	11.7	7.1	1.3
	Ramokwebana	7.2	42.4	25.6	17.6	7.2
	Total	15.8	44.8	20.1	12.7	4.9
<b>Lesotho</b>	Maseru Bridge	80.6	17.9	1.5	-	-
<b>Malawi</b>	Songwe					
	Muloza					
	Mwanza					
	Total	22.2	32.2	29.6	12.5	2.4
<b>Mozambique</b>	Lebombo	28.0	48.8	16.0	4.8	2.4
	Namaacha	53.8	37.1	6.4	2.4	0.4
	Total	40.9	42.9	11.2	3.6	1.4
<b>Namibia</b>	Total	52.6	33.2	6.9	4.7	2.6
<b>Swaziland</b>	Oshoek	34	37.7	19.8	5.6	3.1
	Lavumisa	43.5	45.5	8.1	1.3	1.6
	Total	40.2	42.8	12.1	2.8	2.1
<b>Zambia</b>	Livingstone	49.5	23.5	13	6.5	7.5
	Nakonde	76.8	15.7	4.5	1.5	1.5
	Kasumbalesa	52.1	44.1	2.9	-	0.8
	Total	59	28.8	6.6	2.5	3.1
<b>Zimbabwe</b>	Beit Bridge	16.3	34.9	38.7	37	13.3
	Mutare	44.3	39.4	13.3	3	-
	Chirundu	27.8	31.9	23.6	8.3	8.3
	Nyamapanda	49.3	31.5	13.7	5.5	-
	Total	28.4	35.2	22.6	7.9	5.9

Source: Origin and destination survey

When asked how long it usually took to cross the border post when travelling in the other direction, traders usually reported shorter times than when entering the country of survey (Table 25). This is not surprising, as traders interviewed were most likely to be carrying goods into the country of survey and not when travelling in the other direction. However, some border posts remained slow, particularly Beit Bridge.

Table 26. Biggest hold-up at border when travelling in other direction (%)

Country and border post of survey	Customs this side	Immigration this side	Customs other side	Immigration other side	Other	No hold up	Not Answered/ Don't know
<b>Botswana</b>							
<i>Total</i>	31.3	54.1	3.1	1.0	10.5	-	-
<b>Lesotho</b>							
<i>Maseru Bridge</i>	3.0	6.0	3.0	10.4	1.5	73.1	3.0
<b>Malawi</b>							
<i>Total</i>	8.3	64.2	10.4	4.0	12.6	-	0.6
<b>Mozambique</b>							
<i>Lebombo</i>	16.5	56.2	6.8	16.9	0.4	-	3.2
<i>Namaacha</i>	32.7	56.5	3.6	6.9	-	-	0.4
<i>Total</i>	24.5	56.3	5.2	11.9	0.2	-	1.2
<b>Namibia</b>							
<i>Total</i>	37.0	9.0	8.4	14.7	26.1	-	4.8
<b>Swaziland</b>							
<i>Oshoek</i>	20.4	17.9	12.0	4.3	0.6	21.6	20.9
<i>Lavumisa</i>	16.2	22.4	4.9	1.3	0.3	51.0	5.8
<i>Total</i>	20.9	20.9	7.7	2.3	0.8	40.9	11.1
<b>Zambia</b>							
<i>Livingstone</i>	29.9	13.4	14.9	2.0	-	39.8	-
<i>Nakonde</i>	12.2	6.6	1.0	0.5	0.5	78.7	0.5
<i>Kasumbalesa</i>	9.1	24.8	-	0.4	23.5	32.6	9.5
<i>Total</i>	16.6	15.6	5.0	0.9	9.1	49.1	3.8
<b>Zimbabwe</b>							
<i>Beit Bridge</i>	29.7	23.8	25.3	14.0	-	-	7.3
<i>Mutare</i>	43.3	20.7	24.1	11.3	-	-	0.5
<i>Chirundu</i>	19.4	23.6	27.8	22.2	-	-	7.0
<i>Nyamapanda</i>	41.1	20.5	17.8	19.2	-	-	1.4
<i>Total</i>	32.3	22.7	24.8	15.2	-	-	4.9

Source: Origin and destination survey

When reporting where hold-ups occurred when leaving the country of survey, somewhat counter intuitively, most said delays occurred when dealing with the formalities of leaving the country of survey rather than when entering the other side of the border (Table 26). Some 23.1% of those

surveyed at the Kasumbalesa border post said the delay occurred at a security checkpoint and not when going through the normal border formalities of customs and immigration.

## 7.2 Opinions of Treatment Received at Border

Traders were asked what they thought of the treatment they received from officials on both sides of the border post (Tables 27 and 28). Opinions varied by border post, by country, and even on an individual level. Unfortunately it was not possible given time limitations to explore why traders passing through the same border posts had opinions of their treatment that ranged from the very good to the very bad. There does seem to be a relationship between the ratings of treatment and the size of the border post with larger and busier border posts receiving more negative ratings.

Table 27. Opinion of treatment from officials on this side of border (country of survey) (%)

Country of survey	Border post of survey	Very good/ good	Average	Bad/ very bad
<b>Botswana</b>	<i>Total</i>	63.0	2.5	10.0
<b>Lesotho</b>	<i>Maseru Bridge</i>	71.6	20.9	7.5
<b>Malawi</b>	Songwe	25.0	57.8	17.2
	Mwanza	25.0	35.2	39.9
	Dedza	18.1	49.4	32.5
	<i>Total</i>	23.2	46.6	29.9
<b>Mozambique</b>	Lebombo	29.7	45.0	25.3
	Namaacha	1.4	16.3	71.3
	<i>Total</i>	21.0	30.6	48.4
<b>Namibia</b>	Total	84.2	12.0	3.8
<b>Swaziland</b>	Oshoek	69.8	24.7	5.6
	Lavumisa	68.7	20.9	10.5
	<i>Total</i>	69.0	22.2	8.8
<b>Zambia</b>	Livingstone	34.0	35.0	25.0
	Nakonde	35.0	32.0	27.0
	Kasumbalesa	84.0	7.0	3.0
	<i>Total</i>	55.6	25.0	19.4
<b>Zimbabwe</b>	Beit Bridge	41.6	37.7	20.6
	Mutare	75.8	16.7	7.3
	Chirundu	65.3	27.8	6.9
	Nyamapanda	89.1	11.0	-
	<i>Total</i>	58.7	28.3	13.0

Source: Origin and destination survey

Overall, traders opinions of the treatment they received from officials on the side of the border of interview were relatively favourable. Observations by research assistants indicate that officials and traders often know each other relatively well as they see each other often, in some cases nearly every day. Highest rated were officials whose treatment was rated as very good or good were found at the border posts of Nyamapanda (89%), Kasumbalesa (84%) and Mutare (76%). When considered by country officials of Lesotho (72%), Namibia (84%), Swaziland (69%) and Zimbabwe (59%) received ratings of good to very good. Border posts where the treatment by officials on the side of the border of interview was most likely to be rated as bad or very bad were Namaacha (71%), Mwanza (40%), and Dedza (33%). On a national basis, treatment by officials on the side of the border of the interview was rated as bad or very bad by 49% of traders in the Mozambique survey, 30% in the Malawi survey and almost a fifth of traders in the Zambian survey. Notwithstanding the answers to these questions, when asked to name the major problems they faced when crossing borders 25% of respondents cited delays and congestion at the border and a further 8% cited rude unhelpful officials and physical harassment and beating (see below).<sup>32</sup>

Traders opinions of the treatment they received by officials on the other side of the border to where the survey was taking place was a bit more favourable (Table 28). This could be because traders travelling in the other direction were less likely to be carrying goods and therefore less likely to have to engage with customs officials. Traders at the border posts of Kasumbalesa (84%), Lavumisa (81%), Songwe (81%) and Maseru Bridge (72%) were most likely to have rated treatment by officials on the other side of the border post as very good or good. At the other end of the spectrum, traders were most likely to rate treatment by officials on the other side of the border as bad or very bad at Livingstone (29%), Mwanza (20%) and Nyamapanda (17%).

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<sup>32</sup> See also: Mwaniki, John. Undated. 'The Impact of Informal Cross Border Trade...'

Table 28. Opinion of treatment from officials on other side of border (%)

Country of survey	Border post of survey	Very good/good	Average	Bad/very bad
<b>Botswana</b>	<i>Total</i>	63.8	27.7	8.1
<b>Lesotho</b>	<i>Maseru Bridge</i>	71.6	14.9	11.9
<b>Malawi</b>	Songwe	80.2	13.8	6.0
	Mwanza	61.7	18.8	19.5
	Dedza	65.5	20.2	14.3
	<i>Total</i>	69.1	17.4	14.2
<b>Mozambique</b>	Lebombo	47.6	44.4	8.1
	Namaacha	56.6	25.9	17.5
	<i>Total</i>	52.1	35.1	12.8
<b>Namibia</b>	Total	37.5	30.2	32.2
<b>Swaziland</b>	Oshoek	60.5	29.6	9.8
	Lavumisa	80.7	13.7	5.5
	<i>Total</i>	73.7	19.2	7.1
<b>Zambia</b>	Livingstone	36.8	33.8	29.3
	Nakonde	53.8	35.1	11.2
	Kasumbalesa	83.9	10.3	5.8
	<i>Total</i>	59.0	26.2	14.8
<b>Zimbabwe</b>	Beit Bridge	54.6	31.5	13.9
	Mutare	74.4	18.7	6.8
	Chirundu	62.5	21.5	16.0
	Nyamapanda	61.6	20.5	17.8
	<i>Total</i>	61.5	25.5	12.9

Source: Origin and destination survey

### 7.3 Major Problems Encountered by Traders

Interviewees were asked about the major problems they encountered when crossing borders. Over a fifth of traders (21%) said they encountered no major problems. The problems that were identified fell into three categories, customs related, immigration related, and general (Table 29). The latter category encompassed issues at the border posts as well as travel to and from them. Perhaps not surprisingly, over a quarter of traders said duties were too high, and a fifth of this category said sometimes the duties they have to pay are more than the cost of the goods they are carrying (Table 29). Other problems identified at customs were that the duties charged varied, and that customs officials seem to set charges arbitrarily. Almost 5% of traders said the confiscation of goods or detention of goods by customs officials was a problem. Some of these traders alleged that customs officials then sold their goods and implied this was for personal

gain. Traders at Kasumbalesa, Oshikango and Wenela complained about restrictions placed on the import of specific goods by the DRC (maize), Angolan (alcohol) and Zambian authorities (sugar and beer).

Table 29. Major problems encountered by traders

<b>Problem</b>	<b>N</b>	<b>%</b>
<b><i>Customs related</i></b>		
Duties paid are too high	741	26.6
Tariffs/duties always fluctuate/Customs set own prices	184	6.6
Lack of information on customs procedure	16	0.6
Unwarranted confiscation/detention of goods	135	4.9
Restrictions on import of goods (type and volume)	95	3.4
VAT claim cumbersome/issuing of cheques is problem	13	0.5
Other customs related	42	1.5
<b><i>Immigration related</i></b>		
Lack of permits/high cost of permits	76	2.7
Days allowed in recipient country are too few	28	1.0
<b><i>General</i></b>		
Long queues/congestion/delays	701	25.2
Too much corruption	189	6.8
Staff unfriendly/rude/impatient/unnecessary questioning	164	5.9
Physical harassment/beatings/violation of human rights	64	2.3
Bureaucracy/service/computer breakdown causes delays	43	1.5
Poor infrastructure/lack of toilets/bad toilets	19	0.7
Checkpoints cause delays	52	1.9
Security poor/border unsafe because of criminals	28	1.0
Transport problems/poor road networks/transport prices high	137	4.9
Other	55	2.0
<b><i>Total</i></b>	<b>2782</b>	<b>100</b>

Source: Origin and destination survey

Immigration formalities seemed to pose less of a problem for traders (Table 29). When considered that a significant proportion of interviewees are not required to hold permits to travel to other countries where they do business this is perhaps not surprising. Complaints related to the cost of permits, application procedures and the length of stay allowed when permits are issued.

Problems in the category of general relate to the border post. Although most traders at most border posts are able to complete formalities in less than half an hour, delays and congestion at

the border were identified as a major problem by over a quarter of traders (Table 29). Corruption was also identified as a problem by 8% of traders. These respondents were most likely to have been interviewed in the Mozambican, Namibian and Zimbabwean surveys.

Unfriendly, rude, impatient officials were identified as a major problem by 6% of respondents (Table 29). Disturbingly a further 2% (64 traders) complained of physical harassment and beating.<sup>33</sup> These traders were most likely to be found in the Namibian and Zambian surveys.

Some traders reported problems with the infrastructure of the border posts, these included problems with the layout of border posts. Lack of toilet facilities or poor toilet facilities were mentioned by a number of traders (Table 29). Some complained about the breakdown of computers, however this only applies to some of the border posts under survey as not all are computerised. Transport was also raised as an issue. Travellers at Wenela and Kasumbalesa referred to poor road networks, Zimbabweans to the high cost of transport, and others to the problems of transporting their goods.

#### **7.4 Suggestions for Improvements**

Having asked interviewees about the major problems they faced, they were then asked to make suggestions for improving border services at the border. Just over a fifth (21%) of traders had no suggestions to make. Again their suggestions fall into the three categories of customs related, immigration related and general (Table 30). Some 30% of respondents said customs duties should be reduced. Interestingly, however, only 1% suggested that they should be scrapped altogether. This suggests that traders accept they may have to pay duties, but it is the rate that is a problem for them. Others (2.2%) suggested that small scale traders should pay duties at a lower rate than large scale traders and some (1.6%) that duties for small traders should be charged at a fixed rate. Some (2%) respondents indicated that pamphlets and notice boards could be introduced to inform traders about customs procedures and tariff rates as well as their rights and obligations.

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<sup>33</sup> See also: Mwaniki, John. Undated. 'The Impact of Informal Cross Border Trade...'

Table 30. Suggestions to improve service at border posts.

<b>Suggestion</b>	<b>N</b>	<b>%</b>
<b><i>Customs related</i></b>		
Reduce customs duties	635	29.6
Eliminate customs duties	25	1.2
Apply duties for small traders at lower rates than large	47	2.2
Charge fixed amount	35	1.6
Pamphlets and notices to inform on customs procedures/clarify rights and obligations	40	1.9
Training of customs officials for better assessment of goods	7	0.3
Stop filling of forms and search of luggage	7	0.3
End corruption/punish corrupt officials	83	3.9
Other customs/VAT	81	3.8
<b><i>Immigration related</i></b>		
Increase no. of days allowed in recipient country	19	0.9
Free entry and exit between countries	19	0.9
Other immigration	3	0.1
<b><i>General</i></b>		
Better customer care/stop harassment	127	5.9
Employ more staff to expedite service/improve service	638	29.8
Improve security	31	1.5
Make separate queues for traders/non-traders/locas	15	0.7
Upgrade computer system	52	2.4
Improve infrastructure to increase efficiency (including toilets)	26	1.2
Government should intervene	35	1.6
Improve road network/transport services	86	4
Other	133	6.2
<b><i>Total</i></b>	<b>2144</b>	<b>100</b>

Source: Origin and destination survey

Service also figured significantly in respondents suggestions (Table 30). Indicating that corruption may not be to the benefit of at least some traders, 4% called for an end to corruption and the punishment of corrupt officials. Another 6% suggested better customer care and an end to harassment. Reflecting their frustrations with delays at the border posts, 30% suggested that service be improved with many of these traders calling for an increase in staff to expedite service. A further 2% suggested computer systems be upgraded. Also related to efficiency at the border post, some suggested separate queues for traders, non-traders and locals. Others recommended separate traffic queues for trucks/lorries and light vehicles. Other suggestions for improving facilities at border posts were that foreign exchange facilities should be introduced so they can change their money and that an enquiry desk be established. Indicating that children

may be involved in small scale cross border trade, one trader called for an end to their involvement.

Anticipating moves in COMESA and the SADC, 1% (19) of respondents called for free movement between countries and one trader said that laws for the region should be standardised (or harmonised). Overall, the problems and the solutions identified by traders indicate that, on the whole, they are willing to pay duties, but are concerned about the rate of tariffs, as well as what they see as their sometimes arbitrary application. The latter problem may be because they are ill-informed about tariff regimes. Corruption is also identified as a problem indicating that although some traders are complicit in corruption at border posts, many traders are not willing participants.

## **8. MAKING THE JOURNEY TO BUY AND SELL**

### **8.1 Mode of Transport to and from Border**

Table 31 below shows that a variety of means of transport are used to travel to and from border posts. Types of transport used are influenced by the distances to be travelled and the location of border towns. The mode of transport used by traders may also be affected by which direction they are travelling in and depend on the volume of goods they are carrying and the charges levied by the transport carrier for carrying those goods. Some traders use one method to travel to the border and another to leave the border.

The most commonly used forms of transport used by traders in the region are buses and minibus taxis. Given the volume of traders travelling in the region, this suggests they make a significant contribution to the private sector transport industry. Traders travelling on foot and car were most likely to be missed by interviewers. The former often travel quickly through border posts as they are likely to be in possession of border passes, and many do small volumes of trade so may be difficult to identify as traders. Car and other vehicle users also move quickly through border posts, particularly at Maseru Bridge if they hold six month concession permits, and traders can be difficult to distinguish from other travellers as their goods may not be visible.

Table 31. Mode of transport to and from border (%)

Country of survey	Direction of travel	Foot	Bus/taxi	Car/van	Truck	Bicycle	Train
<b>Botswana</b>	To border	14.5	77.7	7.6	0.1	-	-
	From border	0.9	91.2	7.8	0.1	-	-
<b>Lesotho</b>	To border	-	64.2	35.8	-	-	-
	From border	-	64.2	35.8	-	-	-
<b>Malawi</b>	To border	-	96.3	1.2	2.1	0.3	-
	From border	0.3	90.2	3.4	5.5	0.3	0.3
<b>Mozambique</b>	To border	10.2	73.5	7.6	1.4	-	7.4
	From border	16.6	76.4	4.6	1.2	-	1.0
<b>Namibia</b>	To border	46.4	32.2	6.2	0.8	14.2	-
	From border	39.9	39.3	5.9	0.6	14.2	-
<b>Swaziland</b>	To border	2.3	70.7	20.6	6.4	-	-
	From border	5.6	50.0	39.5	4.9	-	-
<b>Zambia</b>	To border	26.7	68.3	0.9	0.3	0.9	2.8
	From border	17.7	78.8	1.1	0.9	0.8	0.6
<b>Zimbabwe</b>	To border	4.0	76.0	11.6	7.7	0.7	-
	From border	2.6	77.5	11.4	7.6	1.0	-

Source: Origin and destination survey

## 8.2 Frequency of Travel and Length of Stay

Small scale cross border traders show a complex variety of travel patterns, even through the same border posts (Table 32). Traders travelling through border posts where border towns and shopping areas are in relatively close proximity travel frequently with some crossing the border more than once a day on a regular basis (for instance Livingstone, Kasumbalesa, Mutare and Namaacha). Others make their journey a couple of times a week (again, Livingstone, Kasumbalesa, Mutare and Namaacha).

Others, usually those using border posts where distances to buying and selling areas are longer, tend to travel once a week, bi-monthly or once a month (Table ). Reflecting distances travelled, traders entering Malawi were most likely to say they travel bi-monthly or monthly. This was also true for traders entering Zimbabwe through Beit Bridge, Nyamapanda and Chirundu. A smaller proportion of traders interviewed travel only a couple of times a year or less. However this was true of almost a fifth of traders entering Malawi and traders entering Zambia through Nakonde.

Table 32. Frequency of travel to another country for business (%)

Country and border post of survey	Country and border post of survey	Once a day or more	Couple of times a week	Once a week	Twice a month	Once a month	Couple of times a year or less
<b>Botswana</b>	<i>Total</i>	2.9	12.5	7.6	13.5	53.5	9.2
<b>Lesotho</b>	<i>Maseru Bridge</i>	4.5	22.4	6.0	17.9	44.8	1.5
<b>Malawi</b>	<i>Total</i>	1.8	2.4	5.8	36.6	33.5	19.8
<b>Mozambique</b>	Lebombo	6.0	21.3	36.9	13.3	21.3	1.2
	Namaacha	14.4	54.6	21.9	3.6	4.4	1.2
	<i>Total</i>	10.2	38.0	29.4	8.4	12.8	1.2
<b>Namibia</b>	<i>Total</i>	41.5	30.8	16.6	3.4	4.9	2.6
<b>Swaziland</b>	Oshoek	3.8	13.0	15.4	19.1	39.5	9.3
	Lavumisa	0.6	2.6	4.9	17.8	62.8	11.3
	<i>Total</i>	1.6	6.2	8.5	18.3	54.8	10.7
<b>Zambia</b>	Livingstone	32.8	40.3	10.4	5.0	6.5	5.0
	Nakonde	1.0	2.0	5.1	2.4	46.7	18.8
	Kasumbalesa	36.5	32.0	9.8	11.1	7.0	3.7
	<i>Total</i>	24.5	25.4	8.6	13.9	19.0	8.8
<b>Zimbabwe</b>	Beit Bridge	2.3	4.4	5.9	19.9	43.4	24
	Mutare	32.5	28.6	12.3	6.9	17.7	2.0
	Chirundu	1.4	4.2	6.9	28.5	28.9	20.1
	Nyamapanda	8.2	13.7	9.6	15.1	41.1	12.4
	<i>Total</i>	10.3	11.3	8.1	17.7	35.9	16.7

Source: Origin and destination survey

Not surprisingly, the length of stay of traders in the countries they go to for business tends to be short (Table 33). Patterns of stay reflect patterns of travel, i.e., where traders are likely to travel frequently, their length of stay tends to be short. Obviously traders who say they travel everyday spend a day or less in another country doing business. However, most traders were likely to spend a less than a week in another country with most of this cohort spending only two to three days in another country. Other research indicates that traders are reluctant to spend too long in another country, especially if they are there to shop and not to sell as well. This is because they worry about their security and that of their goods and money. Furthermore, accommodation can be expensive and/or uncomfortable.<sup>34</sup>

<sup>34</sup> Peberdy, S. et al. 2006. "Female informal sector cross border traders..."; Peberdy, S. & Crush, J. 2001. "Invisible trade, invisible travelers..."

Table 33. Length of stay in country travel to for business (%)

Country of Survey	Border post of survey	Whole day or less	2-3 days	4-7 days	1-2 weeks	3-4 weeks	1 month and over
<b>Botswana</b>	<i>Total</i>	27.3	15.6	9.9	40.9	3.1	3.2
<b>Lesotho</b>	Maseru Bridge	61.2	22.4	6.0	4.5	4.5	1.5
<b>Malawi</b>	<i>Total</i>	17.0	24.1	23.8	21.6	7.0	6.4
<b>Mozambique</b>	Lebombo	52.8	31.6	10.8	3.2	1.2	0.5
	Namaacha	80.3	10.5	8.5	-	0.8	-
	<i>Total</i>	66.5	21.1	9.6	1.6	1.0	0.2
<b>Namibia</b>	<i>Total</i>	93.2	3.2	0.5	1.2	1.4	0.7
<b>Swaziland</b>	Oshoek	44.5	44.4	3.1	6.2	1.2	0.6
	Lavumisa	24.3	72.2	1.3	1.6	0.3	0.3
	<i>Total</i>	31.2	62.6	1.9	3.2	0.6	0.4
<b>Zambia</b>	Livingstone	85.8	6.1	5.6	2.0	0.5	-
	Nakonde	79.3	14.6	3.5	1.0	0.5	1.0
	Kasumbalesa	68.9	12.3	11.5	2.0	3.3	2.0
	<i>Total</i>	77.4	11.1	7.2	1.7	1.6	1.1
<b>Zimbabwe</b>	Beit Bridge	13.9	32.3	13.4	20.9	11.9	5.5
	Mutare	60.6	31.0	2.5	4.4	0.5	1.0
	Chirundu	18.8	41.7	22.2	14.6	1.4	1.4
	Nyamapanda	28.7	15.1	21.9	28.8	2.7	2.8
	<i>Total</i>	25.4	32.1	13.0	16.4	6.3	4.3

Source: Origin and destination survey

### 8.3 Origins and Destinations of Journeys

Traders were asked where their journeys had started and where they ended. They were also asked where they bought and sold the goods they carried. Their responses indicate that small scale cross border trade creates a complex web of buying and selling across the region that encompasses major cities and towns as well as smaller towns and even villages. Table 34 shows where traders in the survey bought and sold their goods. These will have been influenced by the border posts under survey.

Table 34. Cities and towns where goods were bought and sold by country (%)

Country	City/town	Goods bought or sold % country	Country	City/town	Goods bought or sold % country	Country	City/town	Goods bought or sold % country
Angola	Lubango	4.8	Botswana	Francistown	23.8	DRC	Kinshasa	6.8
(N=373)	Luanda	1.3	(N=627)	Gaborone	23.3	(N=265)	Lubumbashi	58.1
	Ondjiva	23.3		Kasane	19.8		Other	35.1
	Other	70.5		Other	33.2			
Lesotho	Maseru	67.6	Malawi	Blantyre	34.5	Mozambique	Beira	1.5
(N=71)	Other	32.4	(N=374)	Lilongwe	34.8	(N=934)	Chimoio	5.4
				Karonga	3.5		Cuchamano	1.7
				Mzuzu	10.4		Machipanda	7.6
				Zomba	3.2		Manica	22.2
				Other	13.6		Maputo	42.2
							Other	19.5
Namibia	Windhoek	2.5	South Africa	Durban	17.3	Swaziland	Big Bend	2.8
(N=758)	Oshakati	1.2	(N=1779)	Johannesburg	40.7	(N=722)	Lavumisa	2.9
	Karasburg	9.9		Musina	6.4		Matsapha	9.1
	Other	86.4		Nelspruit	1.8		Mbabane	11.6
				Pholokwane	5.4		Manzini	32.6
				Pretoria	4.1		Siteki	3.3
				Other	24.3		Other	37.6
Tanzania	Dar es Salaam	14.8	Zambia	Chililabombwe	8.9	Zimbabwe	Beit Bridge/Chiredzi	1.6
(N=243)	Mbeya	11.9	(N=2029)	Kitwe	3.0	(N=1479)	Bulawayo	11.4
	Other	73.3		Livingstone	12.0		Gweru	14.5
				Lusaka	12.2		Harare	29.7
				Mpika	18.0		Masvingo	6.7
				Other	45.9		Mutare	3.2
							Victoria Falls	12.5
							Other	20.5

Source: Origin and destination survey

Table 35 shows that major cities, depending on their distances from the border posts under survey are centres of business activity for cross border traders. Surprisingly, particularly given the frequency of travel of many traders, border towns did not figure significantly. However, towns and villages in border areas may have fallen in the category of “other”. The strength of the category of “other” for most countries indicates the complexity of small scale cross border trade and suggests that these traders may be important suppliers and purchasers of goods from smaller towns and villages across the region.

Table 35. Country where goods are bought and sold

Country of survey	Goods bought (N=4075)	Goods sold (N=4085)
Angola	<0.1	8.6
Botswana	1.8	13.5
DRC	5.1	5.2
Lesotho	<0.1	1.6
Malawi	0.8	7.9
Mozambique	6.0	12.5
Namibia	15.0	1.1
South Africa	35.7	1.3
Swaziland	6.7	10.7
Tanzania	5.7	0
Zambia	6.6	16.0
Zimbabwe	16.1	19.3
Multiple places	0.5	2.3

Source: Origin and destination survey

Table 35 shows the countries where goods were bought and sold. It should be remembered that the results shown in the table are skewed by the country of survey and the direction of travel of traders. Therefore, for instance, no goods are shown as being sold in Tanzania, because traders were monitored when they were entering Zambia and Malawi from Tanzania. However, only ten traders in the survey said they ever sold goods in Tanzania. Table X indicates that South Africa is the country where most traders in the survey bought their goods (38%) followed by Zimbabwe (16%) and Namibia (15%). Goods were most likely to be sold in Zimbabwe (19%), Zambia (16%), Botswana (14%) and Mozambique (13%). If traders responses to the question which asked where they sold goods when travelling in the other direction, the share of Zambian destinations increases to 28%.

## 9. BUYING AND SELLING

### 9.1 Where Goods are Bought

Table 36 shows where traders said they bought the goods they were carrying for their businesses. Their responses indicate that traders contribute to the formal sector wholesale and retail economies of the countries where they buy their goods.

Table 36. Type of outlet where goods were bought (%)\*

Country and border post of survey	Wholesaler	Retailer	Informal market	Commercial farm	Smallholder farm	Other
<b>Botswana</b>						
<i>Total</i>	18.5	11.9	23.7	4.4	15.9	23.7
<b>Lesotho</b>						
Maseru Bridge	16.0	42.0	3.0	25.0	1.5	9.0
<b>Malawi</b>						
<i>Total</i>	64.3	40.9	15.9	0.9	0.9	7.3
<b>Mozambique</b>						
Lebombo	28.4	46.4	7.2	23.2	0.8	4.0
Namaacha	49.0	64.5	1.6	-	-	1
<i>Total</i>	38.7	55.5	4.4	11.6	0.4	2.4
<b>Namibia</b>						
<i>Total</i>	79.1	23.4	3.0	0.3	0.1	2.6
<b>Swaziland</b>						
Oshoek	30.9	32.1	16.4	6.7	2.4	11.5
Lavumisa	13.4	35.4	46.5	1.8	0.3	2.8
<i>Total</i>	18.5	34.4	37.6	3.2	0.9	5.4
<b>Zambia</b>						
Livingstone	69.7	11.5	23.9	-	0.5	3.0
Nakonde	40.4	24.2	60.6	-	1.0	0.5
Kasumbalesa	49.2	13.1	37.7	-	3.7	2.0
<i>Total</i>	52.9	15.6	40.4	-	1.9	2.8
<b>Zimbabwe</b>						
Beit Bridge	32.6	60.7	3.9	0.8	0.8	1.3
Mutare	16.3	60.9	20.3	1.0	1.0	0.5
Chirundu	14.8	57.0	26.0	-	-	2.2
Nyamapanda	14.7	57.4	25.0	-	-	2.9
<i>Total</i>	23.8	59.8	13.6	0.6	0.6	1.4

Source: Origin and destination survey

\* Note totals may add up to more than 100% as respondents could provide multiple answers.

The majority sourced their goods from formal sector wholesalers and retailers. Some also sourced their goods directly from the manufacturers. They also contribute to the second economy as a significant proportion bought their goods from informal markets. Although some obviously bought agricultural products from formal and informal sector retailers, some sourced their goods from commercial and smallholder farms. It seems however that with the exception of those taking agricultural produce to Botswana, traders were more likely to buy from commercial farmers than smallholder producers. Given that most traders do not claim VAT refunds it suggests that small scale cross border traders add to the VAT tax base of the countries where they buy their merchandise.

## **9.2 Where Goods are Sold**

While traders make a significant contribution to the formal sector when buying their goods for their businesses, they contribute to the informal sector when selling them (Table 37). Some traders sell their goods in their own shops. These may be formal or informal sector businesses. They are however more likely to sell their goods on their own stall in informal markets than in their own shops. Others sell informally door to door or through networks of friends, family members and other individuals.

Some traders act as wholesalers supplying retail businesses in the informal and formal sectors. They are most likely to sell to sellers in informal markets, but some also sell to formal sector retailers and restaurants (Table 37).

Table 37. Outlets for goods carried by cross border traders (%)

Country & border post of survey	Own shop	Own stall in informal market	Sellers in informal markets	Door to door	Friends/ family/ networks	Retailers/ shops restaurants	Other
<b>Botswana</b>							
<i>Total</i>	2.7	20.2	12.1	29.8	24.6	3.4	5.2
<b>Lesotho</b>							
<i>Maseru Bridge</i>	1.5	17.9	26.9	31.3	22.4	0	0
<b>Malawi</b>							
<i>Total</i>	56.7	7.9	12.2	16.2	17.1	14.6	9.7
<b>Mozambique</b>							
Lebombo							
Namaacha	10.8	53.0	26.7	1.2	6.4	5.2	5.2
<i>Total</i>	7.8	54.9	19.6	8.6	5.6	6.8	8.6
<b>Namibia</b>							
<i>Total</i>	23.4	39.3	31.4	13.8	8.9	1.0	1.7
<b>Swaziland</b>							
Oshoek	19.1	12.5	16.1	18.5	30.4	3.6	-
Lavumisa	6.1	15.8	4.1	19	50.6	3.8	0.6
<i>Total</i>	10.4	14.7	8	18.8	43.9	3.7	2.6
<b>Zambia</b>							
Livingstone	3.5	12.9	45.3	11.4	12.4	11.9	7
Nakonde	10.1	41.9	4.0	7.1	53.5	6.1	0.6
Kasumbalesa	2.5	18.4	38.1	0.8	49.6	17.6	-
<i>Total</i>	5.1	24.0	29.9	6.1	39.2	13.9	1.0
<b>Zimbabwe</b>							
Beit Bridge	7.0	6.2	34.9	7.2	37.7	6.2	0.8
Mutare	0.5	6.9	33.7	5.0	46.5	5.9	1.5
Chirundu	4.4	12.6	24.4	6.7	37.0	14.8	-
Nyamapanda	-	14.7	14.7	16.2	39.7	14.7	-
<i>Total</i>	4.3	8.2	31.1	7.3	40.0	8.3	0.8

Source: Origin and destination survey

Table 38. Outlets where traders buy goods taken when travelling in other direction (%)

Country of survey	Wholesaler	Retailer	Informal market	Commercial farm	Smallholder farm	Factory	Other
<b>Botswana</b>	35.2	55.4	3.9	2.3	1.1	1.7	5.1
<b>Malawi</b>	31.8	4.6	45.5	4.5	-	4.5	4.5
<b>Mozambique</b>	13.3	12.4	25.7	33.3	8.6	2.9	2.8
<b>Namibia</b>	65.6	21.8	28.1	-	6.3	-	6.3
<b>Swaziland</b>	-	11.5	65.4	-	3.8	15.4	23.1
<b>Zambia</b>	35.8	10.5	47.6	-	5.9	-	-
<b>Zimbabwe</b>	13.1	35.3	40.9	1	3	5.3	5.8
<i>Beit Bridge</i>	12.9	18.4	59.2	-	3.4	6.1	6.1
<i>Mutare</i>	12.8	48.0	29.1	2.7	3.7	2.7	4.1
<i>Chirundu</i>	16.7	45.0	28.3	-	3.3	6.7	6.7
<i>Nyamapanda</i>	9.1	36.4	45.5	-	-	9.1	9.1

Source: Origin and destination survey

Table 39. Points where traders sell goods in country when travelling in other direction (%)

Country of survey	Own shop	Own stall in informal market	Sellers in informal markets	Door to door	Friends/ family/ networks	Shops	Other
<b>Botswana</b>	8	25.7	4.6	21.7	34.3	4.6	1.7
<b>Malawi</b>	4.5	-	40.9	4.5	45.5	22.7	-
<b>Mozambique</b>	-	20.9	32.4	15.2	9.5	8.6	-
<b>Namibia</b>	18.8	9.4	65.6	9.4	15.6	6.3	3.1
<b>Swaziland</b>	7.7	18.5	23.1	26.9	7.6	15.4	3.8
<b>Zambia</b>	2.9	10.5	46.7	5.9	40.3	17.9	1.5
<b>Zimbabwe</b>	2.3	4.8	43.3	18.1	22.1	8.3	1.5
<i>Beit Bridge</i>	2.7	4.8	36.1	29.3	19.7	7.5	-
<i>Mutare</i>	-	6.8	51.4	9.5	25.7	5.4	1.4
<i>Chirundu</i>	-	3.3	38.3	13.3	21.7	20.0	3.3
<i>Nyamapanda</i>	11.4	-	45.5	15.9	18.2	4.5	4.5

Source: Origin and destination survey

Similarly, the majority of traders source the goods they buy to sell when travelling in the other direction from outlets in the formal sector (Table 38). Although, 65% of traders interviewed in the Swazi survey, 47% in the Zambian and 46% in the Zimbabwean source their goods in the informal sector. When at their destination, the majority sell in the informal sector (Table 39). While some have their own stalls, the majority supply sellers in the informal sector, thus acting as wholesalers to the informal sector. Others sell informally through networks of individuals, friends and family as well as door to door.

## 10. CONCLUSION

This study, the largest of its kind undertaken in the region, shows that small scale cross border traders comprise a significant proportion of traffic through most of the twenty border posts in the region. With the exception of the border posts of Botswana and Namibia and Nyamapanda, traders comprised over 30% of people going through the border posts surveyed. Traders constituted half of border crossers at Beit Bridge and almost three quarters at Namaacha. Therefore, the movement and activities of small scale cross border traders are relevant to the development of effective and efficient border management policies and procedures.

The study also demonstrates that this sector of regional trade is complex and not reproduced uniformly across the region, or even through border posts of the same country. The volumes of trade and duties paid recorded as well as the types of goods and where they are produced, indicate that this sector of regional trade is of significant relevance to governments of the region as well as to the regional organisations of COMESA, SADC and SACU and their aims to promote development through growing intra-regional trade.

Demographically, the survey indicates that women comprise a significant proportion of traders and constituted the majority of traders crossing through nine of the border posts surveyed including two of the busiest, Lebombo and Beit Bridge. Thus it seems cross border trade provides opportunities for both female and male small entrepreneurs in the region. Zimbabweans, who other research has revealed have been long-term participants in cross border trade comprise the largest national block of traders interviewed (29%). Zambians (19%) and Mozambicans (14%) formed the next largest national cohorts of people who were interviewed.

The majority of traders are shoppers, i.e., entrepreneurs who mostly travel frequently for short visits (often less than a day in length) to other countries to buy goods to sell in their home country, or who buy goods in their home countries to sell in another country. Only 13% respondents bought and sold goods when they travelled, however, this was true of nearly half of Zimbabwean respondents. Only 18% of respondents in the O&D survey said they carried goods to sell when they travelled in the other direction.

The types of goods carried by small scale cross border traders vary widely, but for most countries are dominated by food items which include the categories of groceries, fresh fruits and vegetables as well as meat, fish and eggs. New clothes, household and electrical goods comprise a significant proportion of the stock of other small scale cross border traders. Other kinds of goods traded identified in the survey include, petrol (particularly in the Namibian and Zimbabwean surveys), alcohol, car parts and construction materials.

Significantly for the aims of both SADC and COMESA to promote intra-regional trade, the overwhelming majority of goods carried by interviewees (93%) were made or produced in SADC countries. However, as in large scale regional trade, South Africa dominated being the country of production of 49% of traders goods. A note of caution should be introduced, as traders may have thought goods were produced in the countries where they bought them, when they may in fact have been produced elsewhere.

The values of the loads of goods carried by traders indicate the complexity and diversity of this sector of trade. A significant cohort of traders appears to be survivalists. When asked in the O&D survey about the value of the goods they were carrying, many said they carried under R500 worth of goods. However, when considered with the frequency of travel and length of stay, it seems some traders may be travelling frequently with low value loads, rather than infrequently with high value loads. Most traders appear to travel with loads in the range of R1,000-5,000. A small cohort of traders, some of whom could be considered as large scale traders travel with loads worth more than R15,000.

Although often called informal sector traders, and associated with the avoidance of regulatory frameworks and duties, the activities of the small scale cross border traders in this survey suggest they make a relatively significant contribution to the duties collected at border posts. During the 10 day survey period at the 20 border posts, R3,750,000 was collected in duties from 1,780 traders. Duties gathered from each trader varied between border posts and within border posts. For some country surveys i.e., Botswana (51%), Swaziland (34%) and Zimbabwe (44%) the

value of duties paid per trader were less than R50. This raises questions as to the cost-effectiveness of gathering such small amounts.

No doubt, the presence of researchers reduced opportunities for either traders or officials to offer or solicit bribes to avoid paying duties. Notwithstanding this, the survey suggests that small scale traders make a contribution to duties collected and recorded at land border posts. Researchers also noted other ways traders avoid paying duties. These include breaking down their loads into smaller values and paying people to carry them through, or round the border post for them. However, as the author of the *Zambian report* notes, small scale cross border traders are not alone in trying to avoid the payment of duties, as some large scale formal sector importers and exporters do the same (Mulenga, 2006).

The study also showed that traders are willing to pay duties, but would like the amounts they have to pay to be reduced, and to be what they see as less arbitrarily applied. Others suggested that tariff rates for small scale traders should be lower than those of large scale traders. When asked for suggestions, only 1% of respondents to the question said duties should be abolished altogether, although a third called for them to be reduced. Some traders also complained about corruption and called for corrupt officials to be punished indicating that they do not see it as a productive part of their businesses, but as a problem.

Tariff regimes in the region are complex. About half of traders said they got information about duties payable to customs, most from customs itself, or from other traders. However some suggested that customs could issue leaflets and post information on notice boards to inform traders of their rights and responsibilities as well as tariff rates.

Although most traders buy their goods in the formal sector, few claim VAT on a regular basis. Traders in the Malawi (30%), Mozambique (33%) and Zimbabwean (19%) surveys were most likely to claim VAT. However the overwhelming majority of traders in the Lesotho (94%), Namibia (96%) and Zambian (95%) did not. So, these traders make a contribution to the government fiscus of the country in which they buy their goods. It seems that many do not know

they can claim VAT while others indicated that the systems are too complex and time consuming, and that they find it difficult to cash the cheques issued.

Traders constitute a significant proportion of people who pass through the land border posts of the region. They travel on a variety of permits, and a significant proportion of traders travelling in the Botswana (68%), Malawi (93%), Zambia (22%) and Zimbabwean (16%) surveys said they did not have to obtain a permit. Others travel on local permits or border passes (Lesotho survey, 82%; Namibia, 79%; Zambia 47%; Zimbabwe, 27%). However travellers in the Mozambique (80%), Swaziland (90%) and Zimbabwe (51%) said they travelled on visitors permits. However, not all will have to obtain visitors visas before travelling, but can be issued permits at the border.

Despite the business of the border posts, and perhaps reflecting the nature of their permits to travel, their frequency of travel and the value of the loads they carry, traders spend relatively little time passing through the border posts. At most border posts more than half spent less than half an hour crossing the border. However, over a quarter said long queues, congestion and delays at border posts were a major problem. Suggestions to improve this situation included increasing staff, improving service and upgrading computer systems (where they exist).

Traders responses to questions about their opinion of the treatment they receive from officials at the border were generally positive but varied by border post, as well as within the border post of survey. Larger and busier border posts generally received less favourable reviews as did Malawian border posts and Namaacha. When asked about problems they faced 6% said that officials were rude, unfriendly and unhelpful. A disturbing 2% said that they sometimes faced beating and physical harassment at border posts. The responses of traders need some investigation to find out whether there are any patterns in the opinions of those who feel their treatment by officials is bad or very bad. Allegations of physical harassment and beating also need to be investigated.

When it comes to their businesses the patterns of trade undertaken by these small entrepreneurs are complex. They travel to a wide variety of destinations, large cities, small towns, and even

villages. Large cities and towns comprise the majority of destinations, and despite the frequency of travel, border towns did not figure as large as destinations as might have been expected. The results show that small scale cross border trade forms a complex web of entrepreneurial interactions which extends across the region encompassing rural towns and large urban areas.

Most traders travel frequently, mainly on buses and taxis. Traders in the Mozambican (10%), Namibian (42%), Zambian (25%) and Zimbabwean (10%) were most likely to travel everyday. Others travelled at least once a week (Lesotho (28%), Mozambique, 67%, Namibia, 47%, Zambia, 34%, Zambia, 19%). Others travel less regularly, but at least once a month (over 60% of respondents in all but the Namibian and Zambian surveys). As most are travelling to shop, they mainly make short visits of less than a week. Very few stayed more than a month in another country. They therefore make a significant contribution to the transport sector of the region.

They mainly buy their goods in the formal sector from wholesalers, retailers, manufacturers and commercial farms. Smallholder farmers do not seem to benefit from this sector of regional trade in fruits and vegetables and nor do marketing boards. Many traders appear to act as wholesale importers of goods as they sell the goods they carry across borders to vendors in informal markets (Lesotho survey, 27%; Mozambique survey, 55%; Zambia survey, 30%; Zimbabwe survey, 31%). A smaller proportion sells to retailers and restaurants in the formal sector. However, most traders sell their goods in the informal sector, whether on their own stalls, to other vendors, door to door, or to networks of family, friends and other individuals.

So, although small scale cross border trade is firmly located in the informal sector at the selling end of the business, it is firmly located in the formal sector at the purchasing end. Most traders negotiate the regulatory frameworks with migration permits, paying duties and paying VAT. Thus, it seems small scale cross border trade straddles the first and second economies of the region.

The scale and scope of small scale cross border trade in the region uncovered by this study suggests that it makes a significant contribution to regional trade and the retail economies of the region. It is in-line with the aims of both the SADC and COMESA in regard to the promotion of

intra-regional trade. The participation of small scale traders suggests that small scale cross border trade could, particularly if promoted, provide a route to the development of pro-poor trade policies which could have a direct impact at the level of households. The significant participation of women in this sector of regional trade suggests too that it provides opportunities for the economic empowerment of women.

If trade policies for the region are to be successful, this study shows that the activities of these men and women entrepreneurs need to be included in planning processes. The range of values of duties collected and traders' comments on the collection of duties raise questions about tariff regimes in the region. The impact of the SADC Free Trade Protocol, when it comes into effect also needs to be considered. When devising plans to improve efficiency at land border posts the study suggests that their activities need to be taken into account, and that as regular users of border posts, their opinions could be of value. Overall, the study shows that small scale cross border trade comprises a significant component of regional economic activity for most countries in southern Africa. Furthermore, it demonstrates that this sector of regional trade sits firmly within the aims and objectives of the SADC and COMESA.

## **11. RECOMMENDATIONS**

### **Trade**

1. Small scale cross border trade comprises a significant component of regional trade therefore the activities of small scale cross border trade should be considered in national and regional trade policy initiatives.
2. The impact and implications of initiatives such as the SADC Free Trade Protocol and the customs union of the COMESA on small scale cross border trade should be considered.
3. The impact and effectiveness of restrictions on the import of selected goods to selected countries should be explored and consideration given to their removal.

4. The implications of GAT Mode 4 for and on small scale cross border trade should be investigated.

### **Customs & Excise**

1. The implications and costs to government of implementing complex tariff regimes in the context of the activities of small scale cross border trade should be considered. This could include consideration of introducing differential tariff rates, or fixed tariff rates for small scale cross border traders.
2. The cost-effectiveness of collecting small amounts of duties (for instance, less than R100) should be reviewed and the possibilities for eliminating the collection of these small amounts be explored. The collection of these amounts comes at a cost to government and the trader and the benefits to traders of their elimination may out way the cost to government.
3. Information on tariff regimes and the rights and obligations of traders should be provided in the form of leaflets and on notice boards at border posts. This could remove allegations of arbitrary application of duties.
4. Corrupt officials and traders should be punished.
5. Allegations regarding the confiscation of goods are of some concern. There may be legitimate reasons for such action, but the procedures for confiscation and disposal of goods need to be explored and be transparent.
6. Consideration could be given to introducing lower tariff rates and even differential tariff rates for small traders although these could be difficult to implement.
7. Procedures for claiming VAT need to be explored and where possible, simplified.

8. Consideration should be given to the harmonisation of procedures in SADC and COMESA.

### **Immigration**

1. Immigration formalities do not seem to be a problem for most traders. However, where traders are required to have visitors permits consideration should be given to issuing multiple entry permits which allow traders to stay in other countries for sufficient time for them to undertake their business.
2. On the face of it, the SADC Facilitation of Movement Protocol (when it comes into force) will ease movement through the region by allowing visa free entry to other SADC countries for traders. However, the clause which says that this will apply to only 90 days per year could actually limit the activities of many small scale cross border traders who spend many more days than that in another SADC country, even if they do not spend the night. Consideration will need to be given in national immigration legislation to ensure that the provisions of the Protocol do not limit movement by traders.
3. Consideration could be given to the introduction of a traders migration permit in SADC, or even a special document. This could allow traders to pass speedily through the border posts, freeing up space for other travellers.

### **Border Management**

1. Traders constitute a significant proportion of traffic through border posts. Planning for better border management to reduce delays and congestion at border posts should include consideration of their activities and the role they may play in adding to congestion. This is particularly true when planning the introduction of on-stop border posts.

2. Traders made a number of complaints about the service they receive at border posts. Consideration should be given to training front-line officials in customer service and apprising them of the value of small scale cross border traders to the regional economy.
3. Allegations of physical harassment and beating at certain border posts should be investigated, and if true, acted upon. It is not acceptable to use physical methods to control or punish people at border posts. Human rights and diversity training could benefit officials at border posts.
4. Consideration should be given to updating computer systems and introducing them where they do not exist. This has the potential to expedite movement through border posts with the added advantage of allowing for better data collection.
5. Computer systems used by customs and excise as well as immigration should be harmonised to allow for data sharing between countries in the region.

### **Border Infrastructure**

1. The activities of small scale cross border traders and their contribution to border traffic should be considered when designing and re-designing border posts.
2. Separate queues at immigration and customs could be introduced for traders.
3. Consideration could be given to establishing an enquiry desk at each border post which would be able to provide information on customs, VAT and immigration formalities, as well as information about transport and accommodation facilities in the country. This would be to the benefit of all travellers.
4. Large trucks and lorries should be separated from light vehicles in traffic management at border posts (where physically possible).

5. Clean toilet facilities should be available at all border posts for the benefit of all travellers.
6. Foreign exchange facilities should be available at all border posts. These could be provided by the private sector.
7. Where queues can be long, consideration food vendors should be allowed to work outside the border post. Vending machines for drinks could be available inside the facility.

### **Further Research**

This study has provided a significant amount of information about the scale and scope of small scale cross border trade and its contribution to regional trade. However, it also raises questions which suggest a need for further research.

1. Food products comprise a significant proportion of small scale cross border trade in the region. What is the impact of these imports on domestic producers of these imports? IN particular, what is the impact of small scale cross border trade on:
  - a. food security
  - b. food prices
  - c. trade in food products
  - d. smallholder agricultural production.
2. Small scale cross border trader involves people on a scale of entrepreneurship that ranges from the micro to medium. What impact does small scale cross border trade have on the household economies of these traders, and what is its contribution to poverty alleviation, or otherwise?
3. While this study provides some information about the activities of small scale cross border trade, little research has been undertaken on the actual businesses of these traders. Therefore further research on their activities and the structure of their businesses could

help in the development of policies to reduce the negative impacts of their businesses and enhance the positive aspects.

4. Both the SADC and COMESA are undertaking initiatives which are attempting to free trade and reduce the payment of duties as well as to facilitate the movement of people in the region. What will be the impact of these initiatives on small scale cross border trade? How can their activities be included in these policies?
5. This survey provides some basic information on where regional small scale cross border traders source and sell the goods they carry across borders. Further research into production and consumption chains in this area of small scale cross border trade could be of use to policy makers.
6. Evidence suggests that some small scale cross border traders now use air travel to undertake their business, and some have extended their geographical scope outside the region to the rest of the continent as well as to the Indian sub-continent and East Asia. Further research on the activities of these traders would be of interest.
7. The contribution of small scale cross border traders to local economies needs further exploration, particularly in the places they go to shop.
8. The activities of small scale cross border traders provide insight into the interconnectivity of countries in the region, trade and migration. They provide fuel to the need to further explore the possibilities for harmonising trade and migration policies and procedures in the region, whether on a regional basis (through SADC, COMESA and SACU) or through bi-lateral arrangements.

## **APPENDIX A**

### **RESEARCH INSTRUMENTS**

1. Counters Form
2. Border Monitors Form
3. Origin and Destination Survey





<b>DATE:</b> <b>BORDER POST :</b> (and which side and direction) <b>NAME OF MONITOR:</b>
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**CROSS BORDER TRADE MONITORS FORM (name of country)**

No.	SEX (pre-code)	RACE (pre-code)	GOODS TRADED			Amount of Duties paid	Nationality (precode)
			Type of goods	Declared Quantity	Declared Value		
			1. Groceries				
			2. Fresh fruit & veg				
			3. Meat/fish/eggs				
			4. Electrical goods				
			5. Furniture				
			6. Household good				
			7. New clothes/sho				
			8. Old clothes/sho				
			9. Handicraft/curio				
			10. Fabric/textiles				
			11. Cosmetics				
			12. Other				
			1. Groceries				
			2. Fresh fruit & veg				
			3. Meat/fish/eggs				
			4. Electrical goods				

			5. Furniture				
			6. Household good				
			7. New clothes/sho				
			8. Old clothes/sho				
			9. Handicraft/curio				
			10. Fabric/textiles				
			11. Cosmetics				
			12. Other				
			1. Groceries				
			2. Fresh fruit & veg				
			3. Meat/fish/eggs				
			4. Electrical goods				
			5. Furniture				
			6. Household good				
			7. New clothes/sho				
			8. Old clothes/sho				
			9. Handicraft/curio				
			10. Fabric/textiles				
			11. Cosmetics				
			12. Other				
			1. Electrical goods				

			2. Groceries				
			3. Agric products				
			4. Clothing				
			5. Other				
			1. Electrical goods				
			2. Groceries				
			3. Agric products				
			4. Clothing				
			5. Other				

**Note on coding of goods:**

- 1 Groceries: processed foods, tinned goods, oil, sugar
- 2 Fresh fruit & vegetables: seems pretty clear
- 3 Meat/fish/eggs: all fresh animal, chicken, fish, shellfish including eggs & milk
- 4 Electrical goods: all appliances from CD players to fridges
- 5 Furniture: things like plastic tables & chairs, beds, mattresses
- 6 Household goods: pots, pans, cutlery, tableware, glasses, bedding, blankets, duvets
- 7 New clothes/shoes: pretty clear I hope!
- 8 Old clothes/shoes: i.e., second hand clothes for resale
- 9 Handicraft/curios: carvings (wood & stone), paintings etc. but also, wire for wirework/wirework, crochet work, “traditional dresses”
- 10 Fabric: capulanas, kikois other types of fabric not sewn
- 11 Cosmetics: shampoo, creams etc.



## ORIGIN AND DESTINATION SURVEY

**Country:** .....

**Border post:** .....

Are you involved in cross border trade, by that I mean buying or selling goods in different countries?

- **if NO stop interview NOW**

Will you be or have you been buying or selling on this trip?

- **if NO stop interview NOW**

### **INFORMED CONSENT**

I am working on a study about the contribution of small scale traders to regional trade in Southern Africa. We are also looking at the patterns of travel and experiences at the border of traders like you. We have randomly selected you to participate in the study. We would like to ask you a few questions. We do not need to know your name and we will ensure that all the information you give me is kept confidential and will not be linked to you. There are no right or wrong answers to the questions – we are only interested in your experiences. Please answer only the questions you are comfortable with. If you do not want to answer a question, just say so and we will skip it. If at any time during the interview you decide you would no longer like to participate, please say so and the interview will stop.

**Do you have any questions? Are you willing to be interviewed?**

**Agreed to be interviewed ?**                      **Yes.....**                      **No.....**

**1. Sex?    1 Female      2 Male**

Date	Border Post	Research Assistant	Self-check	Supervisor Check
	1. 2.			
<b>Direction: 1. To Country X    2. From Country Y</b>			<b>Data entry check:</b>	
<b>2. Nationality</b> <b>INSERT AS APPROPRIATE FOR YOUR COUNTRY, E.G., USING NATIONALITY PRE-CODING LIST</b>	<b>3. Mode of transport to border</b>	<b>4. Mode of Transport from border</b>	<b>5. Where was the very beginning of this journey for business?</b> <b>INSERT AS APPROPRIATE FOR YOUR COUNTRY/BORDER POST – USING CITY PRE-CODING LIST.</b>	
	1 Foot	1 Foot		
	2 Bus/taxi	2 Bus/taxi		

	3 Car	3 Car			
	4 Truck	4 Truck			
	5 Train	5 Train			
	6 Bicycle	6 Bicycle			
99 Other (ADD CODE or specify)	99 Other (specify)	99 Other (specify)		99 Other (specify)	
<b>6. What is your destination? INSERTAS APPROPRIATE FOR YOUR COUNTRY USING CITY PRE-CODE CODE LIST.</b>			<b>7. What was the purpose of this journey?</b>		
			1. Shopping for my business		
			2. Taking goods to sell		
			3. To sell goods and buy goods		
			4. Finished selling going home		
			5.		
		99 Other (specify)	99. Other (specify)	.	
<b>8. How often do you travel to another country for your business</b>	1. More than once a day	2. Every day	3. Couple of times a week	4. Once a week	
	5. Once a month	6. Twice a month	7. Couple of times a year	8. Once a year or less	
<b>9. How long do you usually stay in the country where you go to do business</b>	1. Half a day or less	2. Whole day	3. 2-3 days	4. 4-7 days	
	5. 1-2 weeks	6. 3-4 weeks	7. 1 to 3 months	8. Six months or more	
<b>10. How long does it usually take you to cross this border in this direction?</b>	1. Less than 10 Minutes	2. 10 to 30 Minutes	3. 30 minutes to 1 hour	4. 1 to 2 hours	5. More than 2 hours
<b>11. Where is biggest hold-up at border in this direction?</b>	1. Customs this side	2. Immigration this side	3 Customs the other side	4 Immigration the other side	99 Other (specify) 98. Don't know 97. Not answered
<b>12. How long does it usually take you to cross this border in the other direction?</b>	1. Less than 10 Minutes	2. 10 to 30 Minutes	3. 30 minutes to 1 hour	4. 1 to 2 hours	5. More than 2 hours
<b>13. Where is the biggest hold-up at the border in when you travel in the other direction?</b>	1. Customs	2. Immigration	3 Customs the other side	4 Immigration the other side	99 Other (specify) 98. Don't know 97. Not answered

<b>14. Type of good carried on this trip</b>	1. Groceries	2. Fresh fruit & veg	3. Meat/fish/ eggs etc	4. Electrical goods	5. Furniture
	6. Household goods	7. new clothes/shoes	8. old clothes/ Shoes	9.handicraft Curios	99.Other (specify)
<b>15. Estimated value of goods carried on this trip (to be estimated by trader)</b>		98 Don't know	97 Not answered	97 Not applicable	
<b>16. Which town, city, area/s did you buy these goods CODE SELECT AS APPROPRIATE FOR YOUR COUNTRY(AS IN CITY CODE LIST)</b>				97 Not answered	99 Other (please specify)
<b>17. Where were the goods bought? (MULTIPLE ANSWERS ALLOWED)</b>	1. Wholesaler	2. Retailer	3. Informal market	4. Commercial farm	5. Small holder farm
	6. Marketing board	7. Manufacturer/ factory	99. Other (specify)	97. Not answered	96. Not applicable
<b>18. Where will you sell the goods: (MULTIPLE ANSWERS ALLOWED)</b>	1. Own shop	2. Own stall in informal market	3. To retailers/shops/ restaurants	4. To sellers in informal market	5. Door to door
	6. To friends/family /network of individuals	7. Marketing board	99. Other (specify)	97. Not answered	96. Not applicable
<b>19. Which town, city area will you sell the goods in? (MULTIPLE ANSWERS ALLOWED) CODE AS IN TOWNS ON PRE-CODE LIST AS APPROPRIATE</b>					99 Other

20. Where were the goods carried made?	1. South Africa	3. China	4. Other SADC	4. Other COMESA	99. Other (please specify)  98 Don't know
21. What kind of permit do you travel on when going to another country where you do business?	No permit required	Visitors permit	Local permit/ 6 months/ border passes	Permanent resident	99 Other (please specify)
22. Do you know if there are there any restrictions on your permit that affect your business	1 Yes	2 No	98 Don't know	97 Not answered	
23. What kind of goods did you take to sell in the country you are leaving (origin of journey)?	1. Groceries	2. Fresh fruit & veg	3. Meat/fish/ eggs etd	4. Electrical goods	5. furniture
IF NOT APPLICABLE GO TO QUESTION 28	6.household goods	7. new clothes/shoes Capulanas/ kangas	8. old clothes/ Shoes	9.handicraft/ curios/ crochet work	99.Other (specify)  96 Not applicable (doesn't carry goods)
24. What was the estimated value of goods you took to sell in the country you are leaving? (to be estimated by trader)	a.	98 Don't know	97 Not answered	96 Not applicable	
25. Which towns, city, areas did you sell these goods in the country you are leaving? <i>CODE SELECT AS APPROPRIATE FOR YOUR COUNTRY(AS IN CITY CODE LIST)</i>	1.	2.	3.	96 Not applicable	99 Other (please specify)
26. Where did you buy the goods that you took with you? (MULTIPLE ANSWERS ALLOWED)	1. Wholesaler	2. Retailer	3. Informal market	4. Commercial farm	5. Small holder farm

	6. Marketing board	7. Manufacturer/factory	99. Other (specify)	97. Not answered	96. Not applicable
<b>27. Where did you sell the goods you took to the country you are leaving? (MULTIPLE ANSWERS ALLOWED)</b>	1. Own shop	2. Own stall in informal market	3. To retailers/shops/restaurants	4. To sellers in informal market	5. Door to door
	6. To friends/family/network of individuals	7. Marketing board	99. Other (specify)	97. Not answered	96. Not applicable
<b>28. Do you ever claim VAT back?</b>	1 Yes	2 No	3 Sometimes	97 Not answered	
<b>29. If does not claim VAT – Why not?</b>	1 Takes too long	2 Can't cash cheque	98 Don't know	99 Other (please specify)	
<b>30. Do you ever get information about duties you have to pay to customs?</b>	1 Yes	2 No	3 Sometimes	97 Not answered	
<b>31. If gets information – Where do you get information?</b>	1 Customs	2 Other traders	3 Traders association	99 Other (please specify)	
<b>32. What is your opinion of the treatment you receive from officials on this side of the border?1</b>	1 Very good	2 Good	3 Average	4 Bad	5 Very bad
<b>33. What is your opinion of the treatment you receive from officials on the other side of the border?</b>	1 Very good	2 Good	3 Average	4 Bad	5 Very bad

34) What is the major problem you usually encounter when crossing the border? \_\_\_\_\_

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**35) What do you think should be done to improve cross border movement by traders like you?**

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