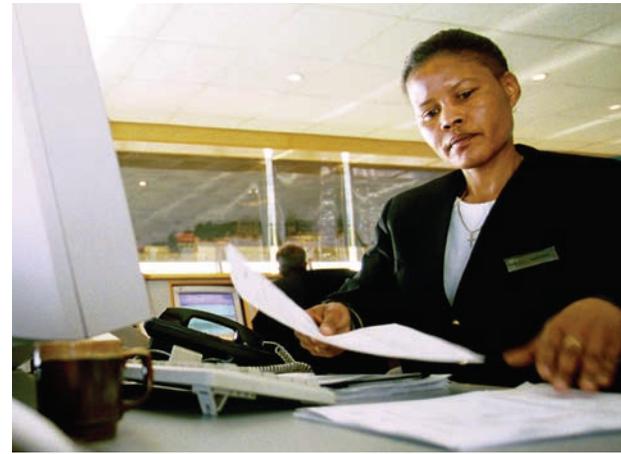




South Africa



Trade Facilitation and Gender Dimensions in South Africa

Survey findings and recommendations



WORLD BANK GROUP

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Acknowledgements

This report summarizes the main challenges that women and men cross-border traders and customs agents (including customs brokers and freight forwarders) are facing at the firm-level while undertaking import, export, and transit processes and procedures in South Africa. This report also includes recommendations to address the challenges identified, primarily within the scope of the World Trade Organization's Trade Facilitation Agreement (WTO TFA).

The WBG team would like to recognize the government of South Africa – South African Revenue Service (SARS), for its invaluable contribution to the project with regards to stakeholder sensitization and engagement with the trade sector. The WBG team would also like to acknowledge the support of South African public and private institutions for this study (Annex 1).

The study was led by the World Bank Group (WBG).¹ Rollout of the survey and preliminary analysis was conducted by Surveya Global.²

¹ The WBG team was led by June Ghimire (Private Sector Specialist, WBG) and a team of consultants – Mariyam Raziyeva, Aileen Yang, and Zachary Ochola Ochieng (sampling statistician). The team benefited from review and comments from colleagues across the WBG, specifically Ernani Argolo Checcucci Filho, Charles Kunaka, Bruce Ellison, and William J. Gain.

² The team from Surveya Global was led by Tandi Kolbe (Director, Surveya Global) and a team of technical experts Lawrence Edwards, Refilwe Lepelle, and Catherine Grant Makokera.

South Africa

Estimated population of firms trading across borders (2017): 28,101³

Capital (executive): Pretoria

Capital (legislative): Cape Town

Capital (judicial): Bloemfontein

Region: Sub-Saharan Africa

Income category: Upper-middle income⁴

Population (2020): 59,308,690⁵

GDP (current US\$ thousands, 2020):
301,923,639.27⁶

**Est. GNI per capita female/male
(2019 based on 2017 PPP\$):** \$9,248/\$15,095⁷

**Labor force participation rate (% of total pop.
ages 15–64, 2019) female/male:** 49.6/62.7⁸

Merchandise trade (% of GDP, 2020): 56.3⁹

Top exports by value (2021): natural or cultured pearls, precious or semi-precious stones, precious metals, metals clad with precious metal and articles thereof, imitation jewelry, coin; mineral products; vehicles, aircraft, vessels and associated transport equipment; base metals and articles of base metal; products of the chemical or allied industries¹⁰

Top imports by value (2021): machinery and mechanical appliances, electrical equipment, parts thereof, sound recorders and reproducers, television image and sound recorders and reproducers, and parts & accessories of such articles; mineral products; products of the chemical or allied industries; vehicles, aircraft, vessels and associated transport equipment; special classification of original equipment components/parts for motor vehicles¹¹

WTO Trade Facilitation Agreement ratification date: November 30, 2017

³ Estimates of the universe of trading firms in South Africa distributed by firm size category, major product traded, and location were constructed using anonymized South African Revenue Services administered data for 2017 that covered firms that pay Corporate Income Tax (CIT), are registered to export or import, and submit the IRP5 Employee Income Tax Certificates.

⁴ GNI per capita between \$4,096 TO \$12,695 (World Bank Data)

⁵ World Development Indicators database

⁶ Ibid.

⁷ Human Development Report, UNDP

⁸ World Development Indicators database

⁹ Ibid.

¹⁰ Data for the second quarter of 2021. Department of Trade, Industry and Competition

¹¹ Ibid.

The Environment for Working Women in South Africa

South Africa scored 88.1 out of 100 – higher than the regional average of 71 – in the 2021 Women, Business and the Law index, which is structured around the lifecycle of a working woman.¹² South Africa introduced nearly 20 reforms increasing women’s economic inclusion between 1990 and 2020 by removing restrictions on women’s work, increasing paid maternity leave, and protecting women from domestic violence and sexual harassment.¹³ In 2013, the South African government adopted the Women Empowerment and Gender Equity Bill to accelerate the empowerment of women and 50/50 gender parity.

Despite these advances in legal and regulatory framework, labor force participation remains low in South Africa, with only 49.6 percent of women aged 15–64 in the labor force compared to 62.7 percent of men in the same age group.¹⁴ According to the 2018 World Bank research on gender in South Africa, women face numerous constraints, many of which are underpinned by social norms.¹⁵ For instance, unequal responsibility for childcare and the insufficient supply of childcare services remains one of the main challenges to women’s labor force participation despite introduction of the Child Support Grants and the standardization of the Old Age Pension in the 1990s. In addition, while there is a small or even reversed gender gap in education, South African women tend to be more concentrated in low skilled, low-paying, and more vulnerable sectors and jobs. One of the reasons for this might be the gender gap in STEM¹⁶ subjects during the formal education. Additionally, a large number of women are engaged in domestic work, which remains a vulnerable sector despite progress in legal protections extended in this sector.

A 2018 study by the International Finance Corporation also found that the small, medium, and micro enterprise (SMME) sector in South Africa has been relatively stagnant, with



significantly declining female ownership over the past decade (from 48 percent in 2008 to 38 percent in 2017). Female ownership is concentrated in micro and small businesses with 41 percent of micro enterprises being women-owned, and among medium-sized enterprises women own only 27 percent while men dominate 73 percent of ownership. Black and female ownership of SMMEs is more prevalent in the informal sector, where the majority of micro enterprises are concentrated.¹⁷

¹² The World Bank Group. 2021. *Women, Business, and the Law 2021. Report*. Washington, D.C.: World Bank

¹³ *Ibid.*

¹⁴ *World Development Indicators database.*

¹⁵ Kirkwood, Daniel. 2018. *Gender in South Africa*. World Bank, Washington, DC. World Bank.

¹⁶ *STEM as Science Technology Engineering Mathematics.*

¹⁷ International Finance Corporation (IFC). 2018. *The Unseen Sector: A Report on the MSME Opportunity in South Africa.*

Key recommendations based on survey findings

Initial findings demonstrate an opportunity to improve the design of trade facilitation interventions to better address traders' needs (women in particular), e.g., by:



Improving access to and understanding of official border regulations and procedures



Identifying and addressing reasons for delayed release of goods



Introducing and/or strengthening formal trade consultations between the government and the private sector



Using technology to enhance trade facilitation, including through implementation of a Single Window



Promoting the NTFC and making it more effective, accountable, and inclusive



Publicizing official grievance procedures



Streamlining and improving consistent application of border processes and procedures



Improving safety and security at the borders

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South African female entrepreneurs
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Executive Summary

Access to international markets plays a critical role in an economy's growth and development. Trade facilitation – the simplification, modernization, and harmonization of export and import processes – has therefore emerged as an important issue for countries, as is reflected in the World Trade Organization Trade Facilitation Agreement (WTO TFA), which came into effect on 22 February 2017.

Increasingly, it is recognized that women traders face particular challenges when undertaking cross-border trade, such as lack of information and knowledge of cross-border regulations and procedures, lack of physical security at border crossings, exposure to harassment and gender-based violence at borders, and corruption. Non-tariff measures such as standards and regulations and lengthy port-handling or customs procedures raise costs of trading, which are particularly burdensome for smaller businesses. This has a disproportionate impact on women-owned businesses because they are smaller in size. However, there is still a lack of data and research that quantifies the exact nature of the challenges that women traders face at the firm-level. Even less research is available on the gendered impact of trade facilitation reforms. Generally speaking, trade facilitation measures in WTO TFA are non-discriminatory because they are intended to apply to all traders in their design; however, these measures are gender blind as the agreement does not take into consideration gender sensitivities, and hence it may not necessarily impact or benefit all traders in similar ways.

This report presents the results of a survey on trade facilitation challenges faced by traders and customs agents (customs brokers and freight forwarders) in South Africa. Between July 5 and September 9, 2021, a survey of 204 trade firms and 78 customs agents was carried out across the country after a pilot was conducted in June 2021. The objective of the survey was to identify whether women traders and customs agents experience different challenges to border processes and procedures than their men counterparts. The survey also explored trade facilitation challenges related to COVID-19.

Survey respondents include:

- **Traders** engaged in cross-border import and/or export of goods (at the firm level and disaggregated by the gender of the respondent who is either the owner or manager)
- **Customs agents** (includes customs brokers and freight forwarders) providing cross-border services to traders (at the firm level and disaggregated by the gender of the respondent in some cases)

Some of the key findings on trade facilitation and COVID-19-related challenges faced by surveyed traders and customs agents, regardless of gender, include:

- Ninety percent of traders and customs agents reported that COVID-19-related challenges affected their ability to undertake cross-border trade, with firms experiencing increases in the number of hours devoted to complying with customs and border agency inspections and document requirements.
- Most surveyed traders (76 percent) and customs agents (58 percent) report that they are not, or only irregularly, consulted on legislative changes to official cross-border trade processes and procedures. Approximately half of consulted trading firms do not feel that their feedback is taken into consideration (51 percent traders).
- Awareness of the South African National Trade Facilitation Committee among traders is low, with only 11 percent of traders and 27 percent of customs agents aware of its existence.
- Fifty-one percent of the surveyed traders report that clearance of export/import declarations, cargo inspection procedures, and compliance procedures and documentation (e.g., phytosanitary requirements) are not consistently applied.
- While 53 percent of customs agents have their imports released from Customs within half a day of submitting the customs declaration, 40 percent of traders report that it takes three or more days to clear their goods through Customs.
- Of those customs agents that find explanations on penalties/appeals easy to access from government entities, the majority (51 percent) do not find the formal complaint or grievance procedures effective.
- Only eight percent of traders and 32 percent of the interviewed customs agents regularly visit the border.¹⁸ When visiting borders, about half of the respondents felt unsafe, mainly because the border lacks clear organization and/or is over-crowded.

The survey finds that women traders and customs agents experience greater challenges in several aspects compared to their men counterparts. These include:

- More women traders have experienced declines in trade flows (69 percent for exports and 68 percent for imports) compared to men traders (51 percent for both exports and imports) as a result of COVID-19 pandemic.

¹⁸ It is not mandatory for traders and agents to be physically present at the border for their goods to be cleared by customs because documentary inspections are coordinated centrally and electronically.

- Only about a quarter of women traders and 35 percent of men traders responded that all information on official regulations and procedures related to cross-border trade is easy to find.

- More women traders (45 percent) compared to men traders (34 percent) find access to information challenging because government information mechanisms are not user-friendly.

- Half of the surveyed women customs agents compared to 31 percent of men customs agents report that access to information is challenging because not all agencies have comprehensive information available.

- More women traders (45 percent) find the official regulations and processes difficult to understand than men traders (29 percent).

- A slightly higher share of women traders (72 percent) use personal networks and customs agents as sources of information compared to men traders (66 percent).

- Fewer women traders (40 percent) than men traders (56 percent) find that border processes and procedures are consistently applied.

- Of those traders finding border processes inconsistently applied, a quarter of women traders find payment of fees/duties processes inconsistently applied in comparison to only two percent of men traders.

- Of the traders that have had goods detained, fewer women traders (35 percent) compared to men traders (60 percent) have had their goods detained because of problems with customs declaration, classification, and valuation.

- Of the customs agents that have had goods detained, more women customs agents have had goods detained because of problems with licenses, permits, certificates of origin or authorizations to import (55 percent) and problems with plant quarantine/animal health (36 percent) than their men counterparts (28 percent and 13 percent respectively).

- Among customs agents that regularly visit the border, all the women respondents felt unsafe at some stage compared to 38 percent of men respondents.

Initial findings demonstrate an opportunity to improve the design of trade facilitation interventions to better address traders' needs (women in particular), by implementing the following key recommendations. These have been discussed and elaborated in section five of the report, however, some gender-specific recommendations include the following:

- Improving access to and understanding of official border regulations and procedures by centralizing all trade-related information from all border agencies in a user-friendly manner, such as through the establishment of a Trade Information Portal. It is critical that information is presented in an easy-to-understand style for the common operator, particularly small, medium, and micro enterprises. In addition, it is recommended for SARS to implement joint awareness and education programs with local chambers of commerce, industry associations, customs agent associations, and import/export councils on trade facilitation issues, with specific targeting of women traders.

- Promoting the National Trade Facilitation Committee (NTFC) and making it more effective, accountable, and inclusive. Reviewing the membership structure of the NTFC is critical to allow for more direct representation by the private sector through business organizations and strategically target a diversity of firms, including those represented by women and those focused on women entrepreneurship, to participate in workshops and consultations held by the NTFC. The NTFC should include a gender component in the NTFC roadmap and specific indicators associated with gender participation in its monitoring and evaluation mechanism to ensure gender mainstreaming is part of the trade facilitation agenda. In addition, the NTFC and SARS should invite Departments of Small Business Development and of Women, Youth and Person with Disabilities to participate in the NTFC and in the design of trade facilitation reforms, and most importantly, strengthening the capacity of these agencies is required to participate in trade-related discussions.

- Streamlining and improving consistent application of border processes and procedures to provide traders and customs agents with more predictability and certainty when engaging in their cross-border trade activities. Consistency can be improved in various ways, including through implementation of one stop border posts while taking into consideration concerns of small traders and women-led businesses, and promotion of the Authorized Economic Operator (AEO) program with an exploration of options for its use as an instrument to promote more equitable gender participation at firm level.

- Using technology to enhance trade facilitation, including through implementation of a Single Window. A more simplified, electronic process will also encourage greater participation and reduce the entry barriers, especially for smaller firms, where women engage in larger numbers, according to the survey results. Increase education and training on the usage of the automated customs system, including the electronic payment functionalities on electronic payment platforms, especially for women traders.

- Improving safety and security at the borders. Actively promoting gender balance within the border workforce and provide gender-sensitive training for customs and border management officials is critical as officials cited as the main perpetrators of negative behavior at the border. It is also recommended to improve the design and maintenance of infrastructure and services at the border by providing appropriate sanitation facilities, adequate lodging on either side of the border, and well-lit walkways in the border area.
- SARS to work closely with trade and industry associations, especially those that focus on women entrepreneurs and SMEs, to strengthen formal trade consultations.
- Identifying and addressing reasons for delayed release of goods by undertaking Time Release Studies (TRS) on a regular basis with a scope that includes all border agencies. It is also recommended that the findings from the TRS are widely publicized among stakeholders (ensuring women-led firms are reached through appropriate platforms such as a more inclusive NTFC and women trade associations).
- Publicizing official grievance procedures. The responsiveness of official grievance procedures should be promoted eventually through the NTFC. The government, including through the NTFC, should publicize more broadly the official channels for appeal to all stakeholders.



Meeting of South African female business owners
© Pexels/Christina Morillo

1 Description of Sample and Methodology

The target population of the survey was privately-owned firms that trade goods across South Africa's land, air and sea borders. This study was conducted through the assistance of South African Revenue Service (SARS) as the nodal point to engage with trade. A quota sampling approach was adopted to ensure that responses were collected across region, firm size, and industry for both women and men traders.¹⁹ A sample target of 384 firms was set, with a minimum of 30 firms per quota subgroup.²⁰

Estimates of the universe of trading firms in South Africa distributed by firm size category, major product traded, and location were constructed using anonymized SARS administration data for 2017. The share women ownership and top management in trading firms according to firm size category was estimated using data from the South Africa 2020 Enterprise Survey conducted by the World Bank. Using these data sources, the population of firms with positive sales and employment data that trade across borders was estimated at 28,101, with 40 percent of these owned or managed by women (see Annex 2 for further details).

Given that a complete list of cross-border traders and contact details needed to undertake the survey could not be disclosed by official authorities due to the Protection of Personal Information Act (POPI), a consultative approach was adopted to encourage survey participation (see Annex 2 for further details). This included i) SARS solicited the assistance of trade, business, and industry associations to market the

survey amongst their members, ii) SARS emailed firms directly using its mailing directories, iii) Surveya contacted a list of firms sourced from private suppliers of databases, websites, and directories, iv) Surveya worked closely with national, provincial, and city departments, and business associations to inform firms about the study, and v) a social media campaign was launched by the WBG, SARS, and Surveya to encourage firm participation. Others were encouraged to participate through the SARS Customs and Excise National Operations Forum (CENOSF) where a presentation on the Trade Facilitation Survey was made to 42 attendees representing 16 trade, business, and industry associations. A list of customs agents was obtained from various websites of associations as well as through the assistance from SARS. By adopting this approach diverse stakeholders were encouraged to participate in the survey.

This process led to a combined list of 4,203 firms with contact details. These firms were contacted telephonically or via email to request participation in the survey via completion of a consent form.²¹ In total, 78 customs agents and 204 traders were interviewed either telephonically (148) or through a self-administered online survey (134) between July 5 and September 9, 2021. For trading firms, all surveys were administered to either the owner or a top manager, whereas in the case of customs agents three of the respondents were employees. Of the trading firms interviewed, 122 are led by men and 82 are led by women, while 24 of the 78 customs agent respondents are women (Table 1).²²

Table 1. Breakdown of Trader and Customs Agent Survey Respondents by Gender and Size of Firms

	Trader Survey Respondents			Customs Agent Survey Respondents		
	Women-led	Men-led	Total	Women-led	Men-led	Total
Micro (fewer than 5 employees)	17	16	33	11	17	28
Small (6–19 employees)	16	27	43	4	21	25
Medium (20–99 employees)	24	26	50	6	9	15
Large (100 employees and above)	25	53	78	3	7	10
Grand total	82	122	204	24	54	78

¹⁹ Trading firms were categorized by the firm size (micro – 0–4 employees, small – 5–19 employees, medium – 20–99 employees, and large – 100 or more employees), location (Western Cape, Gauteng, Eastern Cape and Kwazulu-Natal, and rest of South Africa), Harmonized System (HS) Section grouping of main product traded (HS Sections 1–4 (animal, vegetable products, beverages, tobacco, etc.), HS Sections 5–10, 13–15 (mineral, chemicals, rubber, leather, wood, paper products, stone, glass, precious stones, metals, etc.), HS sections 16–19 (machinery, transport equipment, medical instruments, ammunitions), HS sections 11–12, 20–21 (textile, footwear, artwork/collectors' pieces/antiques and miscellaneous manufactured articles)), and gender of owner or manager.

²⁰ The sample population was computed using the Cochran formulae, assuming maximum variability (P=0.5), 95% confidence level, and 5% precision (ME).

²¹ All firms were requested to first complete a consent form to establish eligibility and the quota category applicable to the firm. In total, 421 completed consent forms were received.

²² The gender of the respondent, who is either the owner or manager, is used to define whether a trading firm is women-led or men-led. The terms trader and customs agent are used to denote the firm, while the terms men/women trader and men/women customs agent refer to the gender of the respondent.

The survey questionnaire was designed to identify constraints firm-level traders face in cross-border trade, particularly as it relates to border processes and procedures. Since the study is primarily focused on trade facilitation within the scope of the WTO TFA, the questionnaire only covers trade in goods and not services. The sample also only covers firms that currently engage in international trade, and the perspective of firms that do not trade internationally, potentially because of trade facilitation-related challenges, is therefore not captured.²³ These caveats should be borne in mind when interpreting the results of the survey.

To correct any imbalances between the survey sample and the population, the trader responses were weighted to ensure that the distribution of traders across size and gender quota categories in the sample mimic their distribution in the population. Given the non-probabilistic quota sampling approach employed, inferences about the population of trading firms based on the survey results are not made. The findings in this report, therefore, are based on the views of the interviewed respondents.

Sections two to four present the survey findings in detail, and section five provides recommendations to address the identified challenges.

23 *The survey does not cover informal cross-border trade, which accounts for a high share of trade between Southern African countries. Women are estimated to comprise over 70 percent of informal cross-border traders in the Southern African region. See Rae Blumberg, Joyce Malaba, and Lis Meyers, "Women Cross-Border Traders in Southern Africa. Contributions, Constraints, and Opportunities in Malawi and Botswana," AECOM International Development & Banyan Global for USAID Southern Africa, 2016.*



QUAY FOUR

CAPE

UNION

MAR

Cape Caprice

DAWN

Cape Town harbor
© Pexels/Pixabay



Central business district
© Pexels/Blue Ox Studio

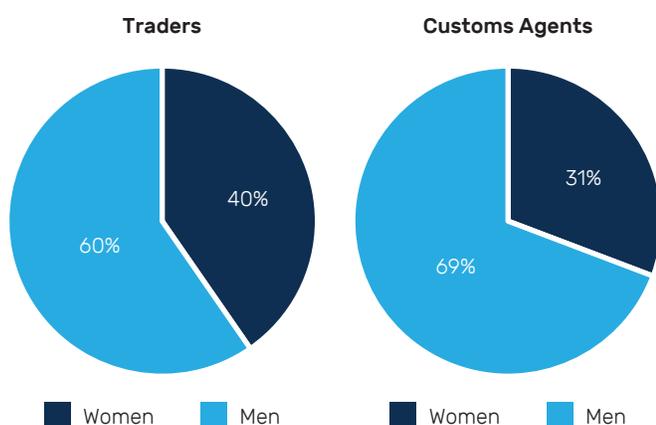
2 General Trader and Customs Agent Findings

This section presents an overview of general findings for traders and customs agents. All findings are in relation to the interviewed traders and customs agents.²⁴

Profile of Traders and Customs Agents

■ **Most cross-border trading firms in South Africa are led by men.** As shown in Figure 1, forty percent of trading firms are led by women. Of all the customs agents surveyed, 31 percent of the respondents are women.²⁵

Figure 1. Share of Trading Firms and Customs Agents by Gender

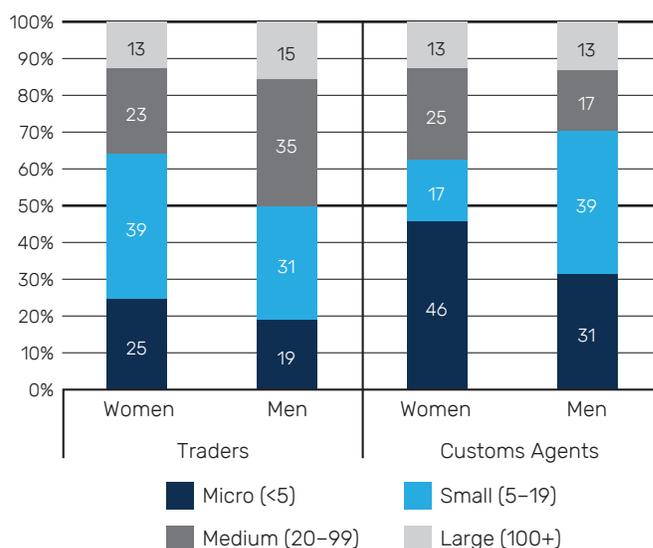


²⁴ To identify whether responses differed by gender a two-prong approach was followed. Figures of survey responses were first assessed for noticeable differences by gender of respondent. Pearson Chi-square tests were then used to test for independence of responses across gender categories. Given the non-random sampling approach and low number of observations, these tests were used as illustrative guides on potential relationships. Based on these two approaches, a conclusion was drawn on whether the gender association was large enough to report.

²⁵ The survey results showed that fewer firms have women owners, CEOs, or majority shareholders (25 percent) than women managers (40 percent).

■ **Men are more likely to lead large and medium-sized trade firms compared to women** (Figure 2). For example, fifty percent of men traders lead large or medium firms compared to 36 percent of women traders. On the other hand, twenty-five percent of women traders lead micro firms compared to 19 percent of men traders.²⁶ Among customs agents, a higher share of women customs agents lead micro firms (46 percent) compared to men customs agents (31 percent).

Figure 2. Breakdown of Respondents by Gender and Firm Size

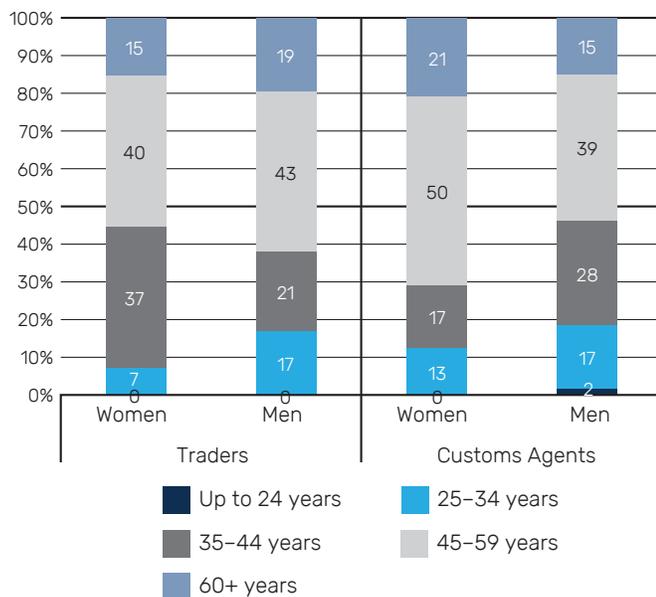


Note: Due to rounding to the nearest whole number, totals may exceed or be less than 100 percent.

²⁶ Study in the Sub-Saharan region found similar outcomes (see Mary Hallward-Driemeier, *Enterprising women: Expanding economic opportunities in Africa* (Washington DC: World Bank, 2013).

■ **There are no major differences in age profiles across men and women traders.** The largest cohort of men and women traders is between 45 and 59 years old, with 43 percent of men traders and 40 percent of women traders falling in this age category (Figure 3). Few traders are younger than 35 years of age (7 percent women traders, 17 percent men traders), with only one male respondent younger than 25 years of age. Among the men and women customs agents interviewed, women are older with 71 percent of respondents older than 44 years of age, compared to 54 percent of men customs agents. No association is found between age of the respondent and firm size.

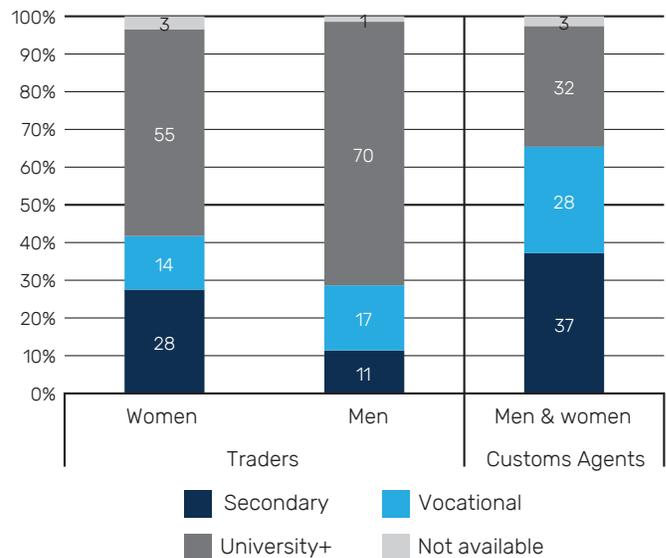
Figure 3. Breakdown of Respondents by Age and Gender



Note: Due to rounding to the nearest whole number, totals may exceed or be less than 100 percent.

■ **A higher share of men traders than women traders have attained a university level education or above (70 percent of men compared to 55 percent of women)** (Figure 4). Differences in educational attainment can also be seen in terms of the higher share of women traders with only secondary education (28 percent) compared to men traders (11 percent). Educational attainment of the respondents varies across the size of trading firm with a higher share of traders of micro firms (78 percent) with a university level education or above compared to traders of small (53 percent), medium (65 percent), or large (66 percent) firms. Looking at the customs agents, there are no major differences in the educational profiles of women and men-led firms.

Figure 4. Breakdown of Respondents by Education and Gender

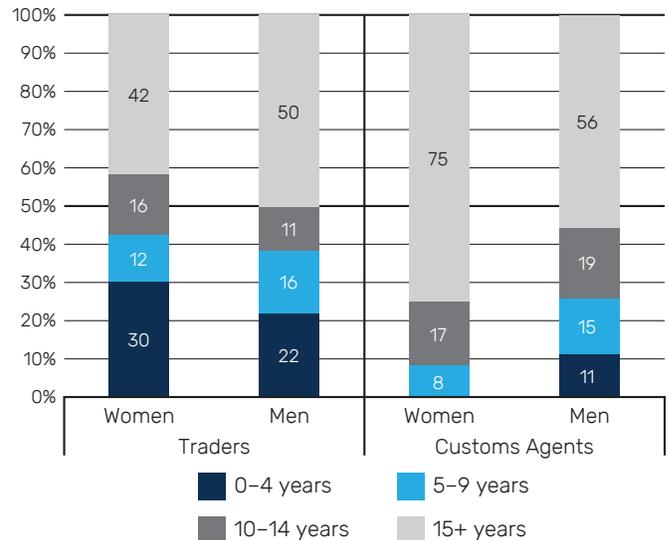


Note: Due to rounding to the nearest whole number, totals may exceed or be less than 100 percent. The legend 'Not available' refers to those respondents that selected the response option 'Prefer not to say'.

■ **Men traders have more years of experience in engaging in cross-border trade than women traders.** A lower share of women traders (42 percent) compared to men traders (50 percent) have been engaged in cross-border trade for 15 years or more, whereas a higher share of women traders have four or fewer years of experience (30 percent) compared to men traders (22 percent) (Figure 5). Among customs agents, most men agents (56 percent) and women agents (75 percent) have been engaged in cross-border trade for 15 years or more. Very few of the men and women customs agents have four or fewer years of experience in trading across borders (11 percent for men, zero percent for women).

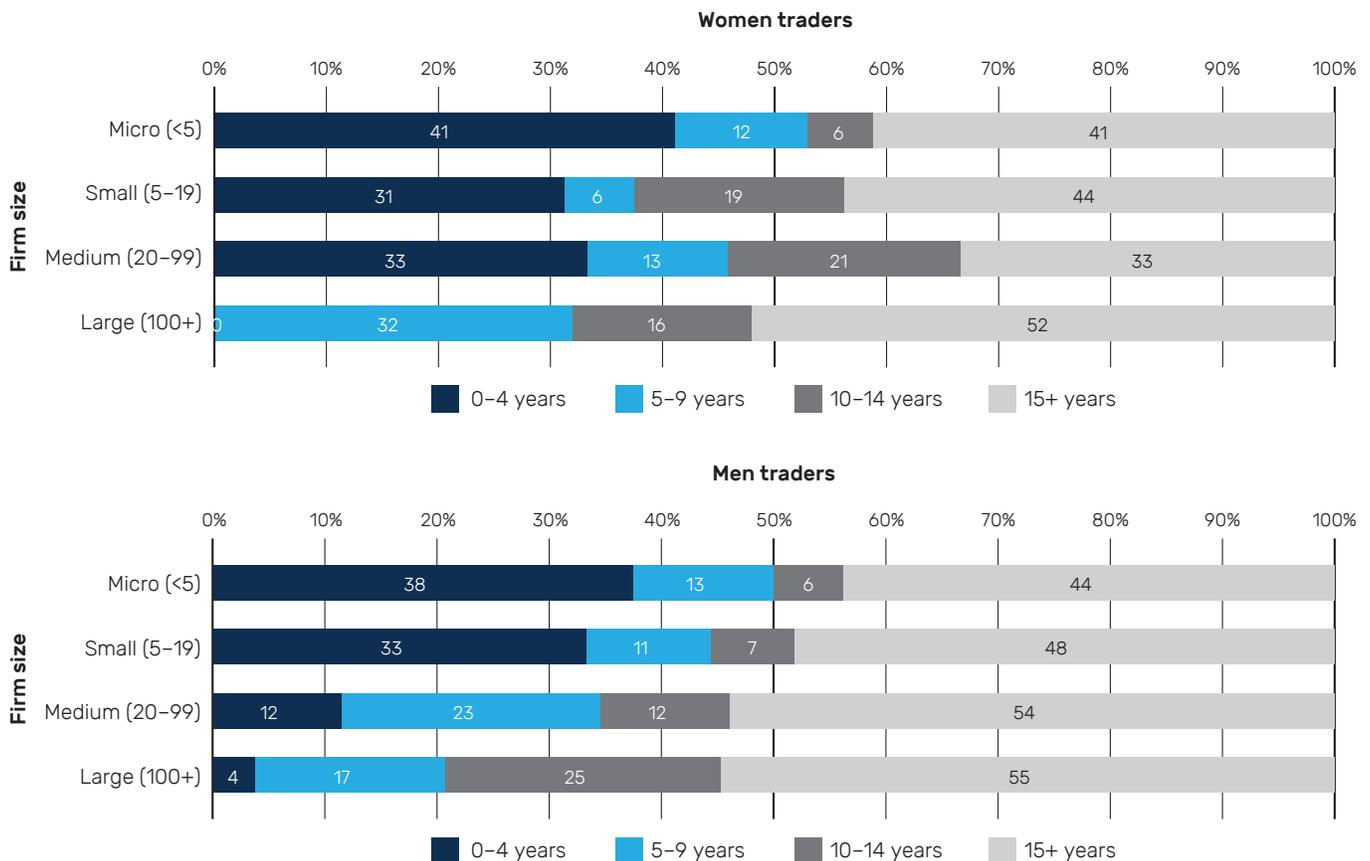
■ **Traders with more experience in cross-border trade lead larger firms** (Figure 6). Thirty-eight percent of men traders leading micro firms have four or fewer years of engagement in cross-border trade, whereas only four percent of men traders leading large firms have similar years of cross-border trade experience. Among women traders, the main difference is found with respect to leading large firms, where no women with four or fewer years of cross-border trade experience lead large firms.

Figure 5. Breakdown of Respondents by Years of Experience and Gender



Note: Due to rounding to the nearest whole number, totals may exceed or be less than 100 percent.

Figure 6. Years of Cross-border Trade Experience and Firm Size by Gender



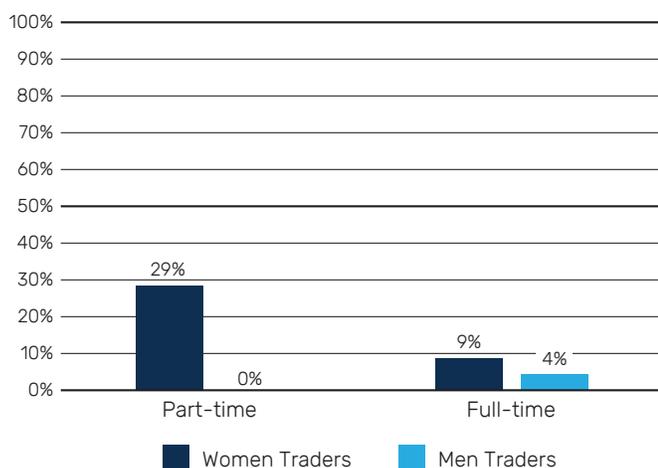
Note: Due to rounding to the nearest whole number, totals may exceed or be less than 100 percent.

- **Women traders, particularly those below 44 years of age, spend fewer hours working in the business than men traders.** While most men and women traders work full-time (over 35 hours per week), 10 percent of women traders compared to two percent of men traders spend 35 hours or less per week working in the business. The share of women traders working part-time is higher at 20 percent for women that are 25 to 34 years old and 17 percent for women that are 35 to 44 years old. Only six percent of women traders within the 45–59 years old age cohort and none of the interviewed women traders within the 60 years or older cohort work part-time.

- **Caretaking responsibilities affect the ability of women traders to trade across borders, but mostly for part-time workers.** The survey results reveal that 29 percent of women traders that work part-time find that caretaking responsibilities impact their ability to trade across borders compared to nine percent of women traders that work full-time (Figure 7). Caretaking responsibilities also affect more women traders in the age cohorts of 25–34 years (20 percent) and 35–59 years (12–13 percent) than in the age cohort of 60 or older (zero percent).

- **Overall, the survey results indicate that compared to all other traders, women traders of ages 25–34 years are more likely to work part-time and have caretaking responsibilities that affect their ability to trade across borders.** This finding broadly corresponds with other empirical evidence on women involved in trade, including in Africa.²⁷

Figure 7. Share of Men and Women Traders with Caretaking Responsibilities Affecting Their Ability to Trade Across Borders by Part-time and Full-time Work Status



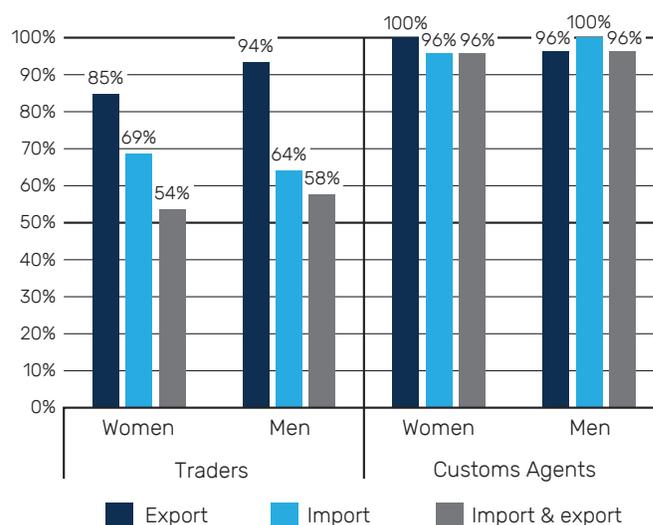
²⁷ Josaphat Kweka and Mahjabeen Haji, "Trade and Gender in Tanzania: What Matters—Participation or Outcomes?" Chapter 9 in *Women and trade in Africa: Realizing the potential*. Edited by Paul Brenton, Elisa Gamberoni and Catherine Sear (Washington DC: World Bank, 2013); Louis Njie Ndumbe, "Unshackling Women Traders: Cross-Border Trade of Eru from Cameroon to Nigeria." Chapter 3 in *Women and trade in Africa: Realizing the potential*. Edited by Paul Brenton, Elisa Gamberoni and Catherine Sear (Washington DC: World Bank, 2013); Kate Higgins, *Gender Dimensions of Trade Facilitation and Logistics: A Guidance Note*, Washington DC: World Bank.

Trading Activities

This section provides a brief overview of the import and export characteristics of traders and customs agents. A limitation with regards to the survey sample is that it may not be representative of the population of traders across major Harmonized System Section traded product, and, consequently, the survey outcomes by traded product should be used with caution.^{28,29} Some key results from the survey include:

- **Ninety percent traders are engaged in exports compared to imports (66 percent), although most traders (56 percent) both import and export (Figure 8).** Of the interviewed customs agents, 97 percent provide export services, 99 percent provide import services, and 96 percent provide both import and export services. There are no major differences in these shares across men-led or women-led traders or customs agents.

Figure 8. Share of Men and Women Traders and Customs Agents Exporting and Importing by Gender



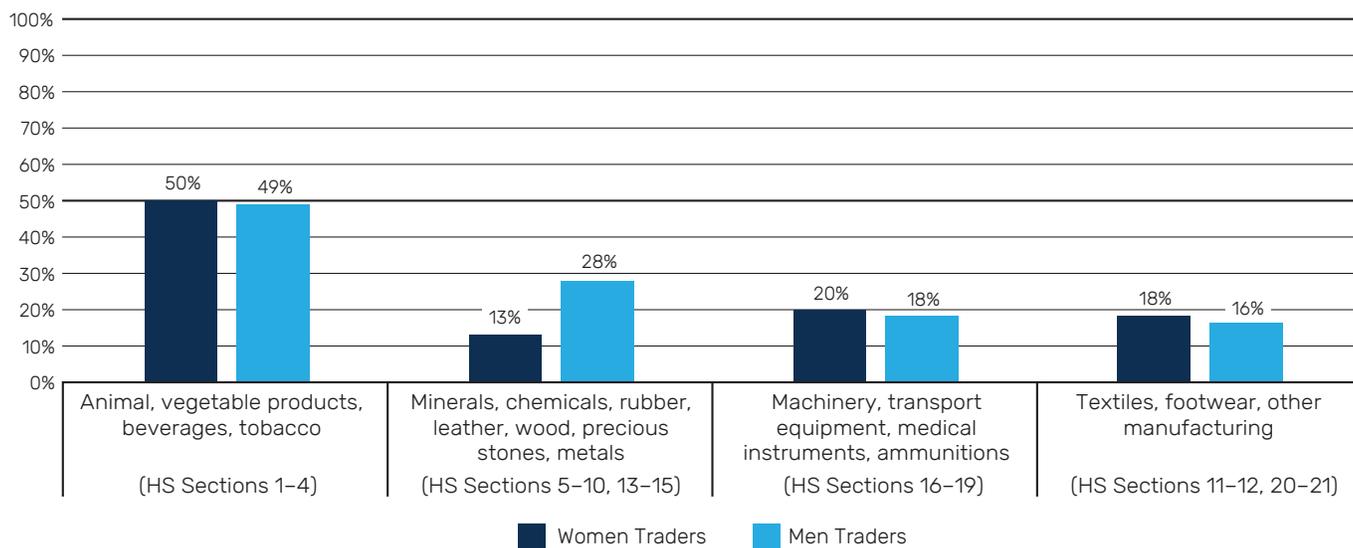
²⁸ The Harmonized System is an international nomenclature for the classification of traded goods. At the international level, goods are classified according to a six-digit code system, but these product items can also be aggregated into 21 section headings. These section headings are used to define the product groupings used in the survey.

²⁹ For example, the HS sections 1–4 (agriculture and food) is identified by trading firms as the most product grouping in which trade occurs, accounting for 41 percent of all surveyed traders, compared to nine percent for the population of trading firms.

■ **A substantially higher share of men-led trade firms compared to women-led trade firms export and import minerals, metals, and chemical products.** For example, among traders that export, 28 percent of men compared to 13 percent of

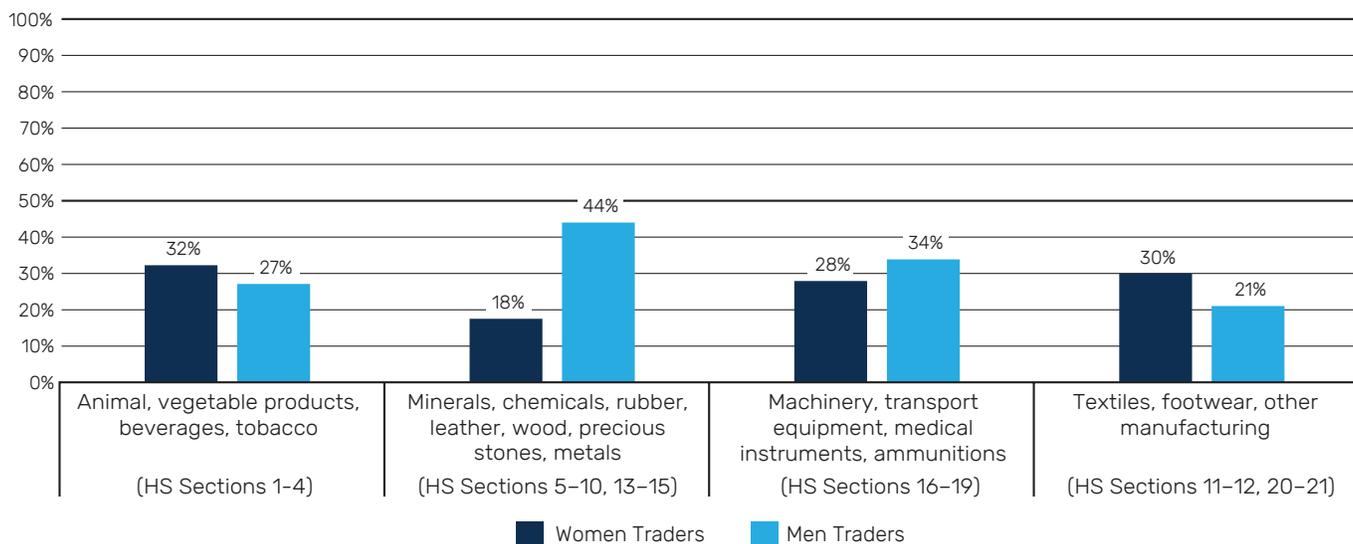
women traders export minerals, chemicals, rubber, leather, wood, precious stones, and metals (Figure 9). Similarly, for importers, 44 percent of men-led firms import products from this grouping compared to 18 percent of women-led firms (Figure 10).³⁰

Figure 9. Share of Traders According to Main Products Exported by Gender



Note: Responses are not weighted. Respondents can identify multiple HS Section categories in which products are traded. Consequently, the shares do not sum to one across HS Section category.

Figure 10. Share of Traders According to Main Products Imported by Gender

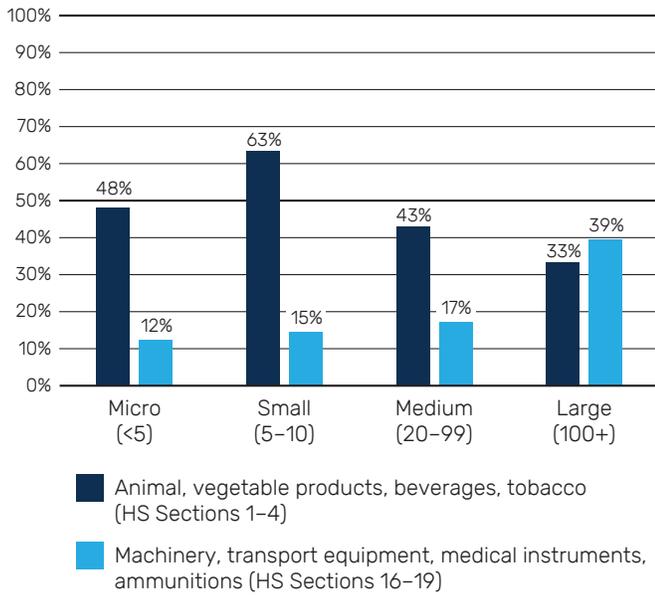


Note: Responses are not weighted. Respondents can identify multiple HS Section categories in which products are traded. Consequently, the shares do not sum to one across HS Section category.

³⁰ See HS Nomenclature 2017 edition for details on the types of products that fall into each HS category (Online: <http://www.wcoomd.org/en/topics/nomenclature/instrument-and-tools/hs-nomenclature-2017-edition/hs-nomenclature-2017-edition.aspx>).

■ In relation to firm size, more small and micro firms export agricultural products, beverages, tobacco than larger exporting firms (Figure 11). In contrast, 39 percent of large firms reported exporting machinery, transport equipment, medical instruments, ammunitions in comparison to 12 percent for micro traders.

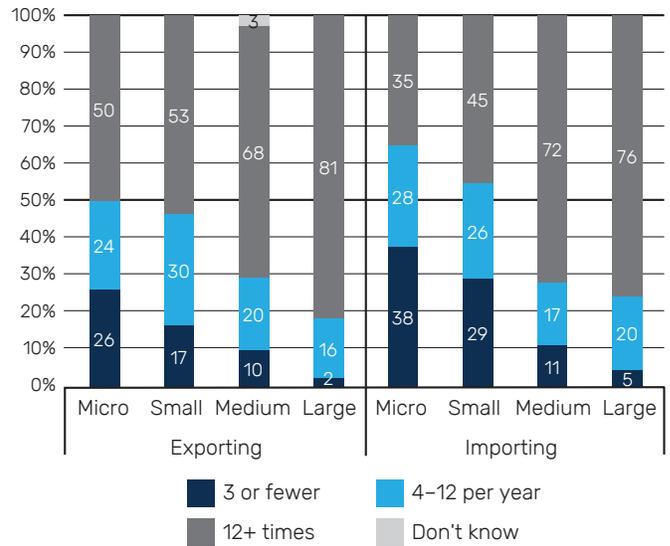
Figure 11. Share of Traders Exporting Agriculture Products and Machinery, Transport and Other Equipment Products by Size



Frequency of Trade

■ More than half of firms trade 12 or more times per year, with larger firms trading more often than smaller firms (Figure 12). Eighty-one percent of large exporters and 76 percent of large importers trade 12 or more times per year. In contrast, a lower share of micro traders (50 percent of exporters and 35 percent of importers) trade that frequently. Micro firms are more likely to trade three or fewer times per year compared to large firms. For example, 26 percent of micro exporters export three or fewer times per year compared to only two percent of large exporters. No significant difference in the frequency of trade was observed between women-led and men-led firms.

Figure 12. Frequency of Trading by Firm Size, Traders Only

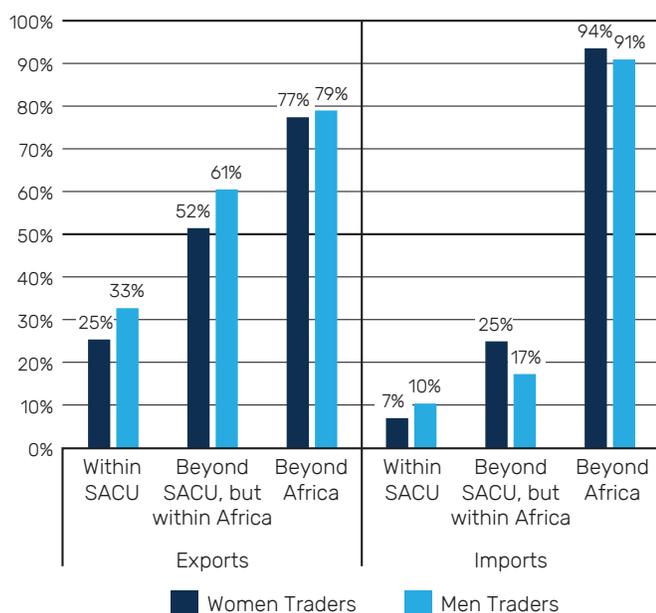


Note: Due to rounding to the nearest whole number, totals may exceed or be less than 100 percent.

Destination and Origin of Traded Goods

■ **Africa is an important export market with 65 percent of traders that export selling goods to destinations within the continent.** Further, 85 percent of surveyed customs agents provide services to traders exporting goods to African countries. There are no notable gendered differences in this participation for the surveyed traders or customs agents. Looking at regions within Africa, a lower share of exporters sells goods to countries within the Southern African Customs Union (SACU) (30 percent) than to the rest of Africa (57 percent) (Figure 13), although most of the traders exporting to SACU also export to the rest of Africa.³¹ The majority of exporters also export goods beyond Africa (78 percent).

Figure 13. Share of Traders by Destination of Exports and Origin of Imports by Gender

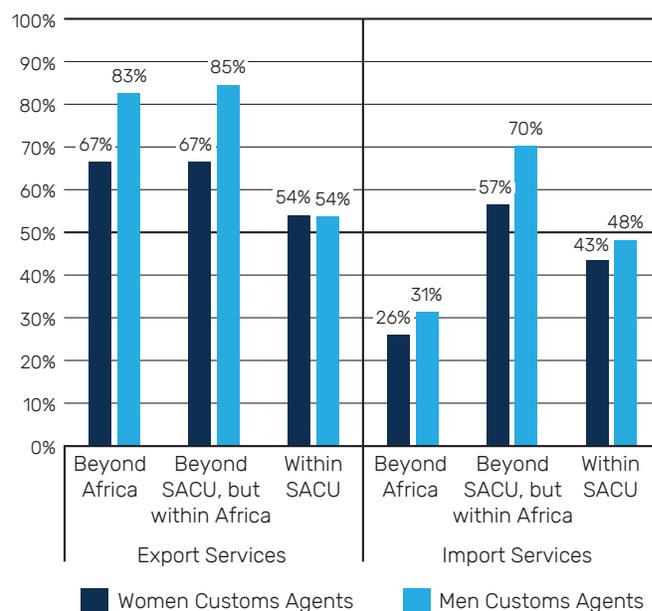


Note: Values depict share of exporters and importers that trade with the specified region. Firms can trade with multiple regions, so the values do not sum to 100%.

³¹ SACU is a customs union including South Africa, Botswana, Eswatini, Namibia and Lesotho.

■ **Looking at import origins, the majority of importers (92 percent) source goods from outside of Africa,** with a lower share of importers sourcing goods from Africa (24 percent). Within Africa, only nine percent of importing firms source goods from SACU while 21 percent source goods from the rest of Africa (Figure 13). Among customs agents, 47 percent provide services to traders importing from SACU, and 66 percent to traders importing from the rest of Africa (Figure 14). Fewer of the customs agents provide services for imports from beyond Africa (30 percent). The sample of customs agents surveyed are, therefore, more oriented towards providing services to facilitate trade from Africa than from beyond Africa.³²

Figure 14. Provision of Services by Customs Agents to Traders According to Destination of Exports and Origin of Imports by Gender



Note: Agents can provide services to trade with multiple regions, so the values do not sum to 100%. The apparent differences across gender are not statistically significant.

³² One potential explanation for the high share of customs agents providing services to traders importing goods from Africa compared to the low share of traders importing goods from Africa is that many smaller customs agents may work regionally, while the fewer larger customs agents manage trade internationally. There is some support for this in the data: the share of micro customs agents providing services to firms importing from Africa is 52 percent compared to 40 percent for medium and large firms.

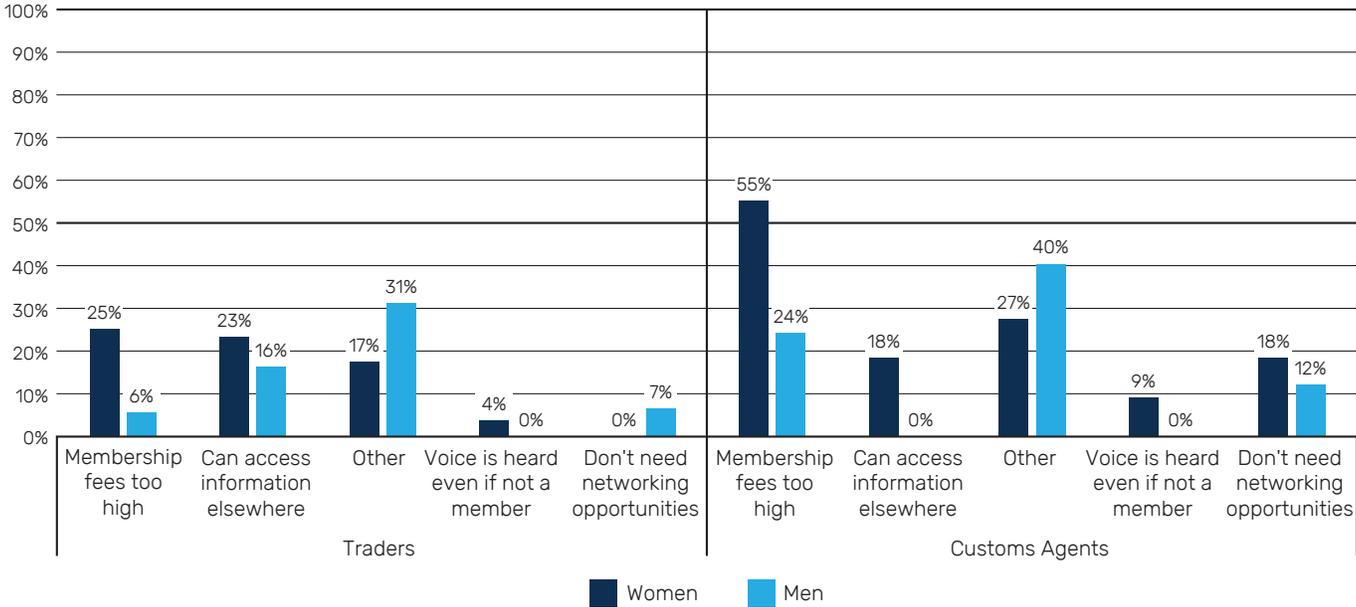
Membership in Trade Associations

- **Almost half of the surveyed customs agents (46 percent) report not being members of trade associations**, with no substantive difference across gender. However, membership of trade associations is higher among traders (63 percent for women traders and 66 percent for men traders), although 10 percent of the respondents do not know the firm’s membership status.
- **More than half of women customs agents compared to almost a quarter of men customs agents cited high membership fees as the reason for not being a member of an association.** Similarly, 25 percent of women traders compared to only six percent of men traders viewed membership fees as too high (Figure 15).

For women traders, ability to access information elsewhere (23 percent) and other reasons (17 percent) were also mentioned. For men traders, access to information elsewhere (16 percent) and other reasons (31 percent) are the primary reasons for non-membership. Other reasons provided by respondents include the lack of an industry association to join, no need for an association, and that the firm is too small or in the start-up process.³³

For women customs agents, other reasons (27 percent), not needing networking opportunities (18 percent), and ability to access information elsewhere (18 percent) were also cited as reasons for non-membership. Men customs agents reported not needing networking opportunities (12 percent) and other reasons (40 percent) for non-membership.³⁴

Figure 15. Reasons for Not Being a Member of an Association by Gender



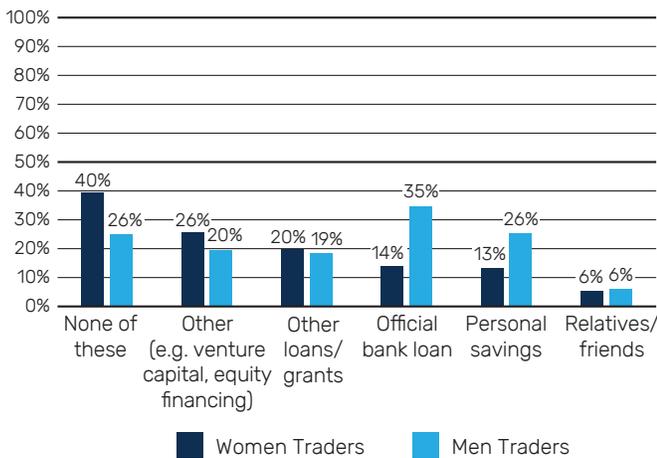
³³ These responses are drawn from the responses to open-ended questions.

³⁴ Thirty-six percent of surveyed agents selected other reasons for not being a member of an association but did not provide details.

Sources to Finance Business Related to Cross-Border Trade

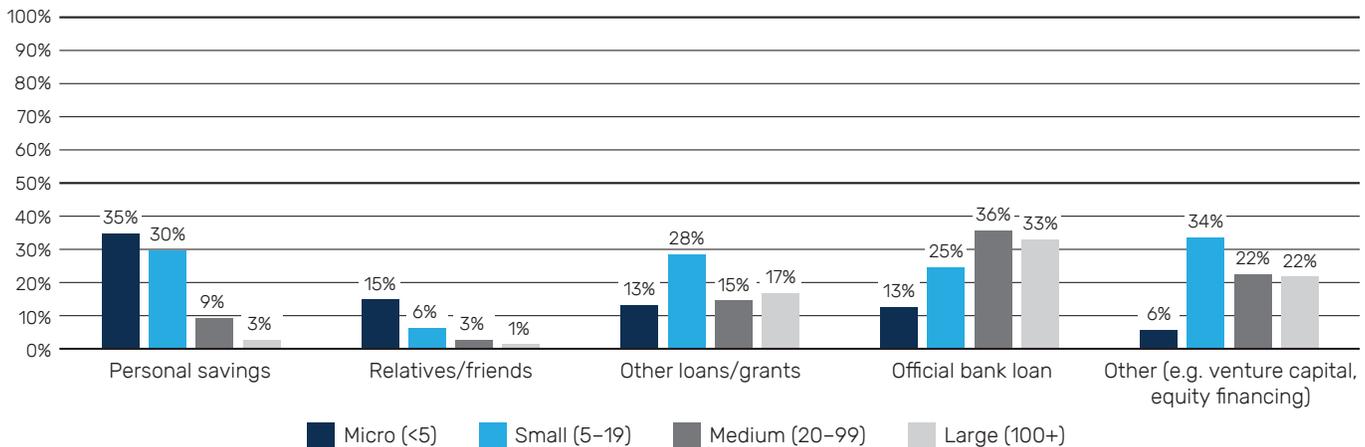
■ **Traders use a range of options to finance their businesses** (Figure 16). Men traders source finance through official bank loans (35 percent), personal savings (26 percent), other options such as venture capital and equity financing (20 percent), other loans/grants (19 percent), and relatives/friends (six percent). In comparison, fewer women traders source finance

Figure 16. Sources to Finance Business Related to Cross-Border Trade by Gender



Note: Respondents could choose more than one category, so totals add to more than 100 percent.

Figure 17. Sources to Finance Business Related to Cross-Border Trade by Firm Size



Note: The option 'None of these' has been excluded from the figure as there is no association with the size of the firm.

from official bank loans (14 percent) and personal savings (13 percent), but more women use other sources options such as venture capital and equity financing (26 percent). Forty percent of women traders do not use any of the above-mentioned sources to finance their business related to cross-border trade.

■ **Sources of finance differ according to firm size, where more traders of large (33 percent) and medium-sized (36 percent) firms obtain finance from official bank loans compared to small (25 percent) and micro (13 percent) firms** (Figure 17). In comparison, more traders of micro (35 percent) and small (30 percent) firms obtain finance from personal savings compared to traders of medium (nine percent) and large (three percent) firms. Friends and relatives are also a relatively important source of finance for traders of micro firms (15 percent) compared to traders of small (six percent), medium (three percent), and large (one percent) firms. Friends and relatives are also a relatively important source of finance for traders of micro firms (15 percent) compared to traders of small (six percent), medium (three percent), and large (one percent) firms. Finally, the respondent's years of experience in cross-border trade is also related to their sources of finance, with only 10 percent of women and men traders with four or fewer years of experience accessing official loans compared to 32 percent for those with experience of 15 years or more.



Container ship leaving the port of Cape Town
© Shutterstock/Chris Troch

3 Trade Facilitation-Specific Findings

The general findings of the survey show that cross-border trade firms vary by firm size, main product-traded, gender of manager/owner, years of experience in cross-border trade, among others. Findings from the survey confirm international empirical research which shows that the challenges firms face in trading across borders may be associated with these differences in firm characteristics. For example, publication and availability of information on clearance for exporting and importing are ranked highly by small and medium enterprises, while large firms are more concerned with issues relating to transparency of controls and inspections³⁵ The empirical evidence also reveals that while generally all trading firms gain from improved trade facilitation, the relative effects on small and large firms can vary according to the type of trade facilitation measure. For example, information availability in destination countries has been shown to benefit both small and large exporters, while other measures like advance ruling, appeal procedures, and the automation of border formalities in destination countries have been found to favor large exporters.³⁶ Studies also suggest that women-led firms face disproportionately more challenges to cross-border trade compared to men-led firms, including lack of knowledge of customs processes, lack of security at the borders, and corruption such as payment of bribes.³⁷

This heterogeneity of how trade facilitation measures impact firms informs the analysis of the survey data. This section presents trade facilitation-specific findings from the survey, focusing on how these challenges vary by firm size and gender of the respondent.

Moving Goods and Use of Intermediaries

Customs brokers, freight forwarders, and other agents help facilitate customs clearance and other import/export processes and procedures for traders. These service providers are known to be knowledgeable of trade regulations and have experience with trade supply chains. WTO TFA Article 10.6 stipulates that measures mandating the use of customs brokers shall not be introduced after February 22, 2017 (the date of the agreement's entry into force). The use of customs agents to import goods into, or export goods from, South Africa is not mandatory, except for traders physically located outside of the country.³⁸ These traders are required to use a registered customs agent to conduct cross-border trade into or out of the country.

Related survey findings include:

- **Almost all traders make use of custom agents for import or export border processes and procedures, with no difference in usage across men and women traders (92 percent and 93 percent respectively).** Usage of customs agents does not differ substantially across firm size or major industry in which the firm trades. However, firms that import make greater use of customs agents (97 percent) than firms that do not import (87 percent).

A key implication of these findings is that the experiences and challenges faced by traders and customs agents in trading across borders differ. Few traders conduct the trade themselves, or go to the border regularly, whereas customs agents have more direct experience in navigating the customs processes and procedures required to move goods across borders.

³⁵ Javier López González and Silvia Sorescu, "Helping SMEs Internationalise Through Trade Facilitation." OECD Trade Policy Papers, No. 229. OECD Publishing, Paris, 2019.

³⁶ Lionel Fontagné, Gianluca Orefice, and Roberta Piermartini, "Making Small Firms Happy? The Heterogeneous Effect of Trade Facilitation Measures," Review of International Economics 28, no. 3 (2020): 565–598.

³⁷ Kate Higgins, *Gender Dimensions of Trade Facilitation and Logistics: A Guidance Note*. Washington DC: World Bank.

³⁸ In accordance with section 59A of the Customs and Excise Act No. 91 of 1964 (the Customs & Excise Act), no person may import goods into, or export goods from, the Republic of South Africa unless that person, except a traveller, is registered as an importer or exporter; and is represented by a registered agent, in the case of an importer or exporter not located in the Republic. See <https://www.gov.za/documents/customs-and-excise-act-31-jul-1964-0000>

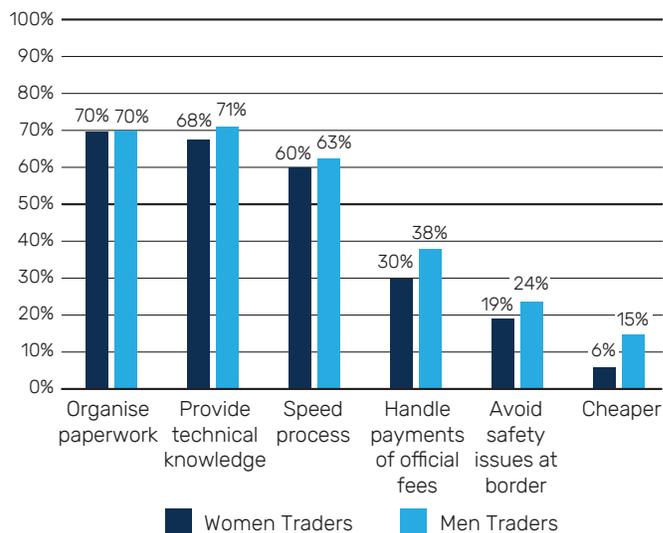
■ The main benefits of using customs agents as highlighted by traders are organizing and presenting the paperwork (70 percent), providing technical knowledge to address complex procedures/regulations (68 percent women traders, 71 percent men traders), and speeding up the process (60 percent women traders, 63 percent men traders) (Figure 18).

Other key reasons for using customs agents provided in the open-ended responses by the traders include:

- Customs agents have contacts and wide networks in international markets enabling firms to use the same customs agent in multiple countries.
- Communications and access to shipping lines and containers.
- Expertise, knowledge of customs laws and processes, and a relationship with customs.
- Required by law, for example, foreign-based importers or exporters are required to be represented by a registered customs agent.

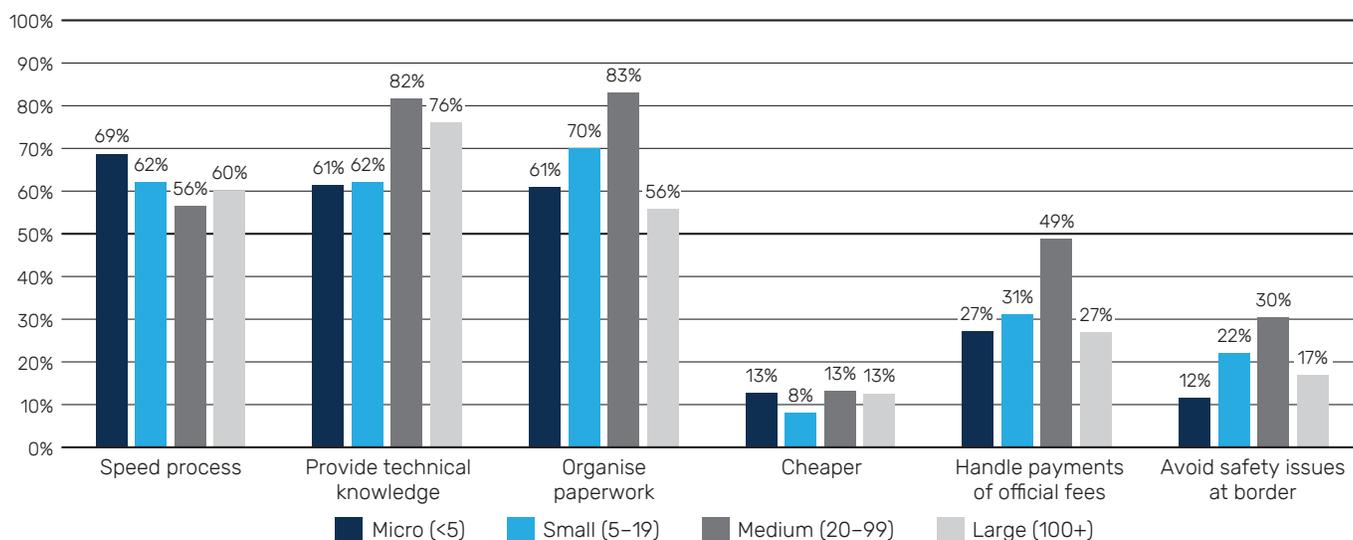
■ There are several associations between trade firm size and their reasons for using customs agents (Figure 19). More traders of medium-sized and large-sized firms (82 and 76 percent, respectively) use customs agents to provide

Figure 18. Reasons for Using Customs Agents by Gender of Trader



technical knowledge than traders of small and micro firms (62 and 61 percent, respectively). Further, more traders of medium-sized firms (83 percent) use customs agents to organize paperwork than traders of large (56 percent), small (70 percent), and micro (61 percent) firms. Traders of micro and small firms do not differ from the average trader across all firms in their reasons for using customs agents.³⁹

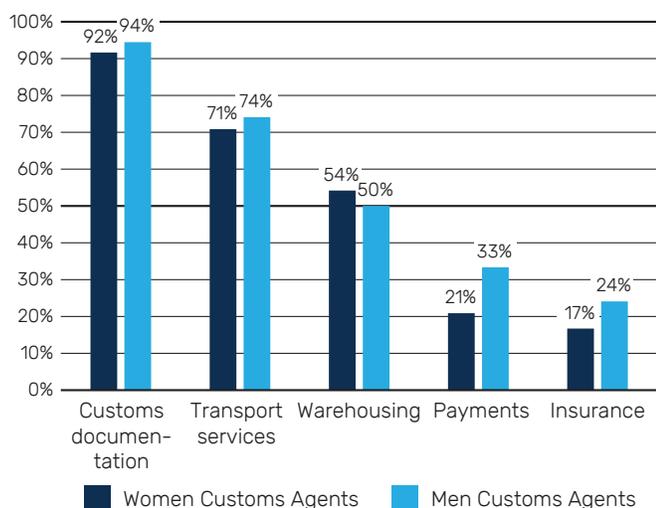
Figure 19. Reasons for Using Customs Agents by Firm Size and Gender of Trader



³⁹ Associations between reasons for use of customs agents and whether the firm was an exporter or an importer were also assessed, but no statistically significant relationships were found.

■ The main services provided by the customs agents are customs documentation services (92 women customs agents, 94 percent men customs agents), transport services (71 percent women, 74 percent men), warehousing services (54 percent women, 50 percent men), payment services (21 percent women, 33 percent men), and insurance (17 percent women, 24 percent men) (Figure 20). There are no distinctive differences across size, gender, age, and years of experience with respect to services provided by the customs agents, with the exception of warehousing and transport services. Warehousing services are more frequently offered by large (90 percent) and medium-sized (73 percent) customs agent firms compared to small (48 percent) and micro (29 percent) customs agent firms. Transport services are more frequently provided by the large (100 percent), medium (73 percent), and small (80 percent) customs agent firms than the micro (57 percent) firms.

Figure 20. Main Services Customs Agents are Hired for by Gender



Access to and Understanding of Official Border Regulations and Procedures

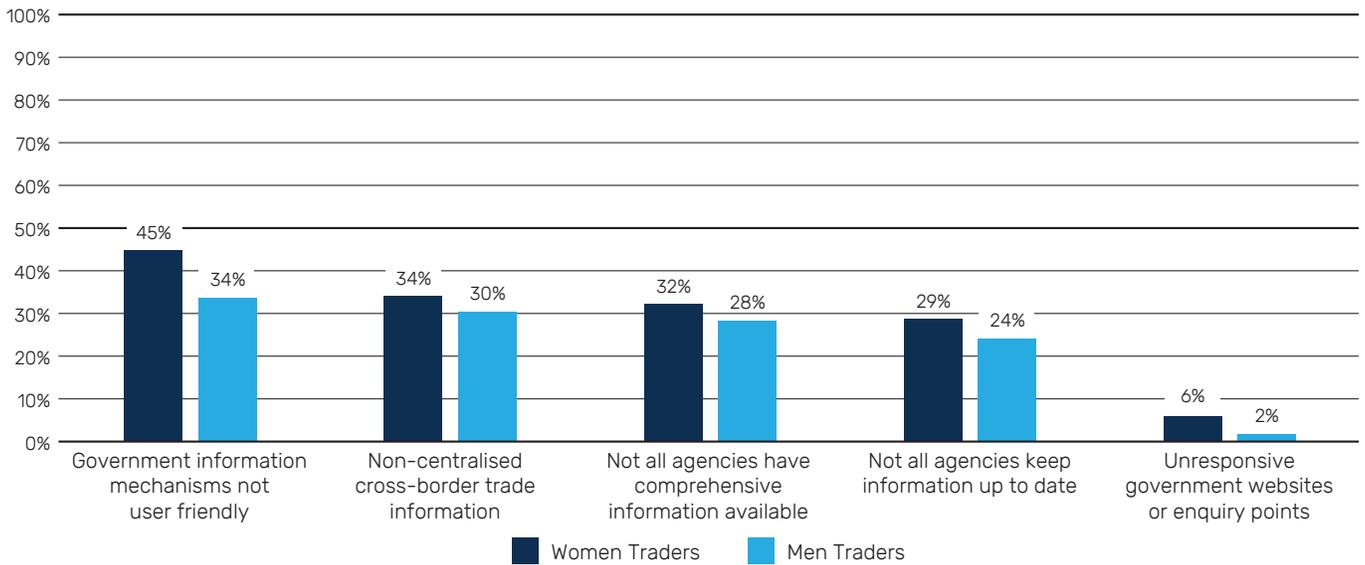
Challenges in accessing and understanding official information on border regulations and procedures raise costs of cross-border trade. Improving the availability and publication of information on customs processes in an easy-to-understand language, as well as dissemination of such information, including through consultations, are shown to be important trade facilitation measures to improve participation by women traders and traders of small firms in cross-border trade.⁴⁰ WTO TFA Article 1 covers publication and availability of information, including the prompt publication of general trade-related information in a non-discriminatory and easily accessible manner, as well as publication of practical guides, forms and documents, relevant trade laws, and enquiry contract points on the internet.

Related survey findings include:

■ **A high share of surveyed traders report challenges in obtaining information on official regulations and procedures related to cross-border trade.** Only 24 percent of women traders and 35 percent of men traders responded that all information is easy to find, with these shares not differing substantially across firm size. Among the surveyed customs agents, 22 percent find all information easy to find, with no major differences across firm size or years of experience in cross-border trade.

⁴⁰ International Trade Centre (ITC), *Unlocking Markets for Women to Trade (Switzerland: International Trade Centre, 2015)*. World Bank and World Trade Organization, *Women and Trade: The Role of Trade in Promoting Gender Equality (Washington DC: World Bank, 2020)*; Javier López González and Silvia Sorescu, "Helping SMEs Internationalise Through Trade Facilitation." *OECD Trade Policy Papers, No. 229*. OECD Publishing, Paris, 2019.

Figure 21. Challenges Traders Faced when Looking for Information on Official Border Regulations/Procedures by Gender



■ **More women traders find access to information challenging because government information mechanisms are not user-friendly** (45 percent women traders, 34 percent men traders) (Figure 21). Almost a third of all traders also noted that cross-border trade information is not centralized (32 percent of traders) and not available from all agencies (30 percent). In addition, agencies failing to keep all information up to date is mentioned as a challenge to accessing information (26 percent). Very few traders (four percent) find unresponsive government websites or enquiry points a challenge to obtaining information.

■ **Half of the surveyed women customs agents compared to 31 percent of men customs agents report that access to information is challenging because not all agencies have comprehensive information available** (Figure 22). Men customs agents find access to information challenging because government information mechanisms are not user-friendly (43 percent men customs agents, 29 percent women customs agent) and because cross-border information is not centralized (37 percent men traders, 21 percent women traders). Close to a third of customs agents also note that not all agencies keep cross-border regulation/procedure information up to date.

Figure 22. Challenges Customs Agents Faced when Looking for Information on Official Border Regulations/Procedures by Gender

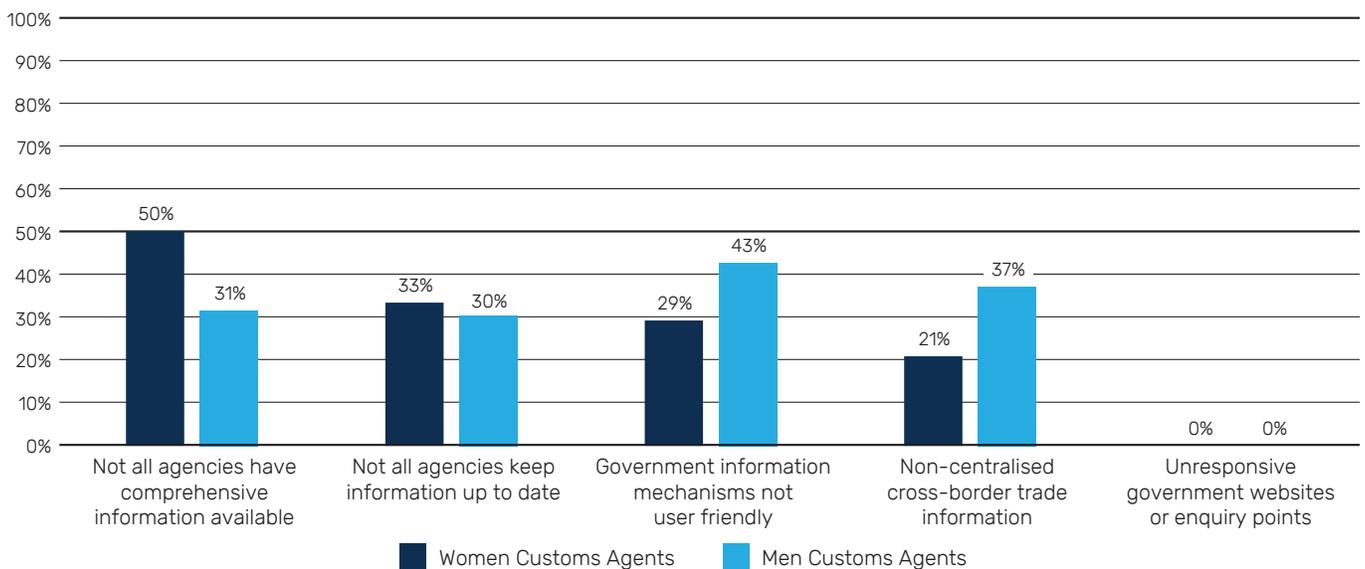
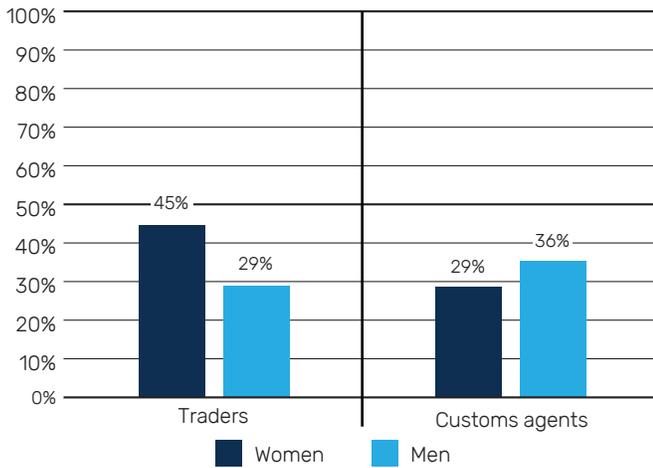


Figure 23. Share of Respondents that Find Regulations Difficult to Understand by Gender



■ **More women traders (45 percent) find the regulations and processes difficult to understand compared to men traders (29 percent)** (Figure 23). Traders with four or fewer years of experience are also more affected (43 percent) compared to traders with 15 or more years of experience (28 percent). Among the customs agents, 29 percent

of women customs agents and 36 percent of men customs agents report that they do not understand the regulations and processes.

■ **Personal networks and customs agents are the main sources of information on border processes and regulations for traders, while government websites/official communications are the most common source of information for surveyed customs agents.** A slightly higher share of women traders (72 percent) use personal networks and customs agents as sources of information compared to men traders (66 percent) (Figure 24). Thirty-eight percent of traders source information from government websites/official communication, while most customs agents (72 percent) obtain information from this source. A low share of traders (10 percent) and customs agents (29 percent) obtain their information from government officials at border points, which corresponds with the low numbers of firms that regularly visit the border (Figure 25). Traders and customs agents also make use of online non-government websites (19 percent traders, 33 percent interviewed customs agents), with more interviewed male customs agents (41 percent) making use of this source compared to female customs agents (17 percent). Other sources of information include radio, TV, and newspapers (fewer than six percent in each case), and industry associations (23 percent for traders and 36 percent of interviewed customs agents).

Figure 24. Source of Information for Traders on Official Border Regulations/Procedures by Gender

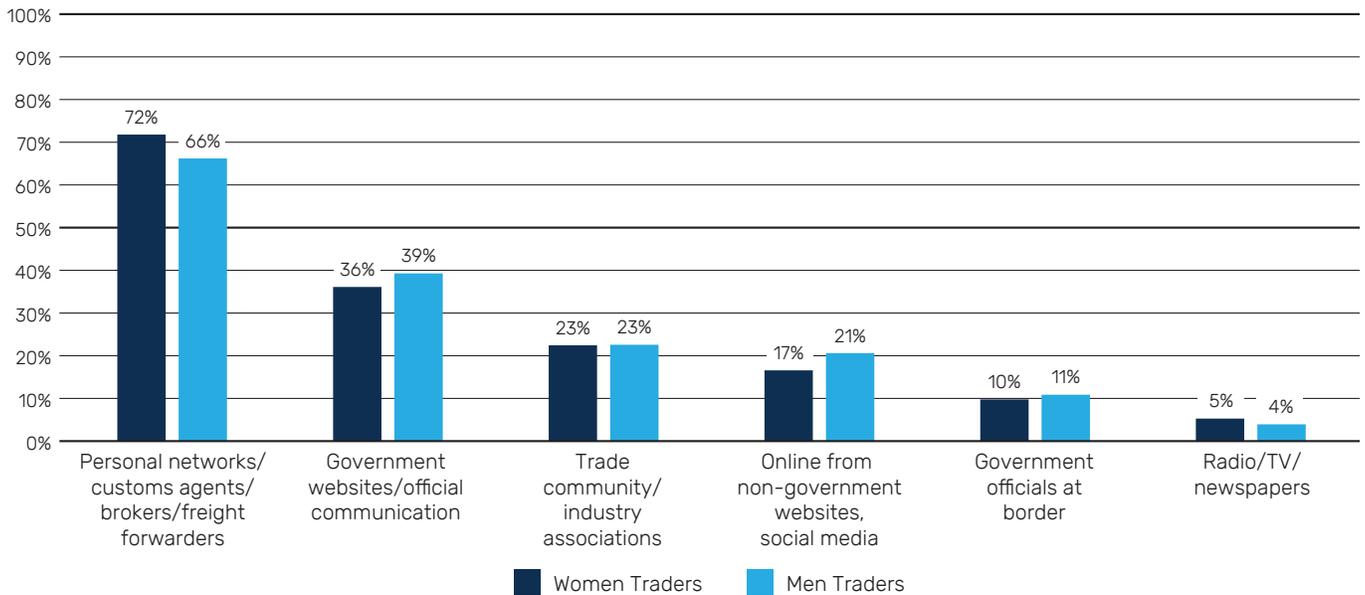
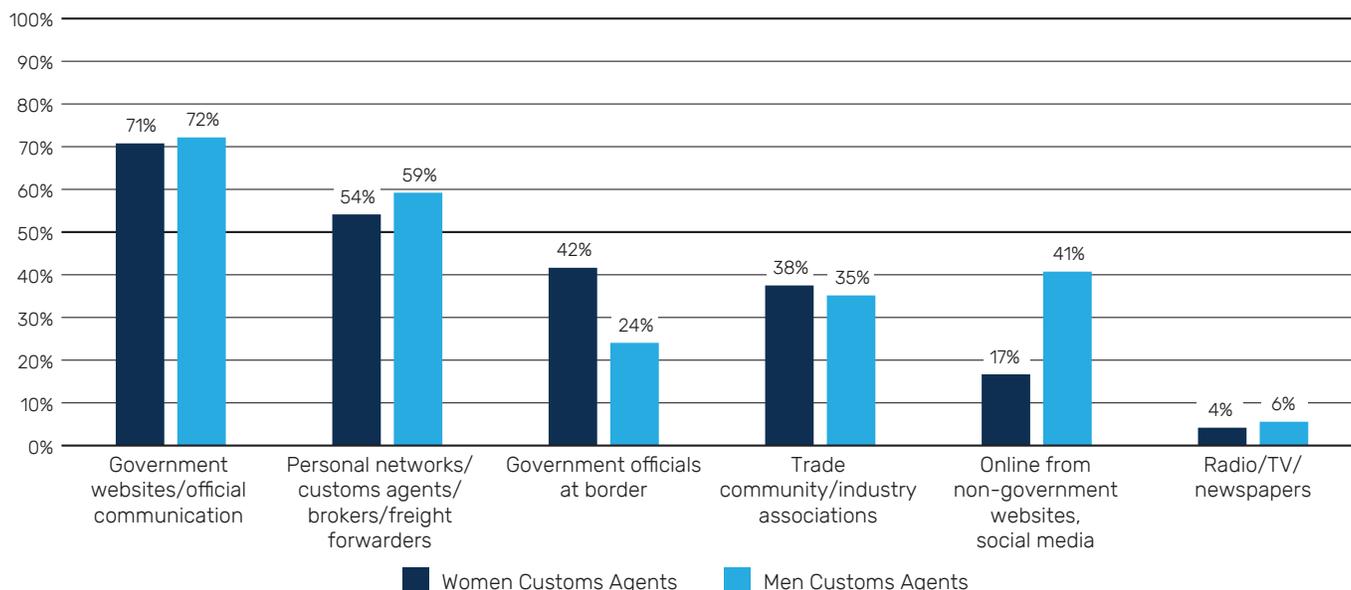


Figure 25. Source of Information for Customs Agents on Official Border Regulations/Procedures by Gender



Consultation Mechanisms

Mechanisms whereby stakeholders are consulted on any changes to official border processes and procedures can alleviate misinformation regarding planned changes related to their cross-border trade activities and can improve compliance. Equally important is a consultation mechanism that takes into consideration the feedback provided by stakeholders before any changes are implemented. Article 2.2 of the WTO TFA calls regular consultations between border agencies, traders, and other stakeholders. Article 2.1 states that stakeholders must be given an opportunity and time to comment on proposals for new or amendments to trade-related regulations and customs law.

Related survey findings include:

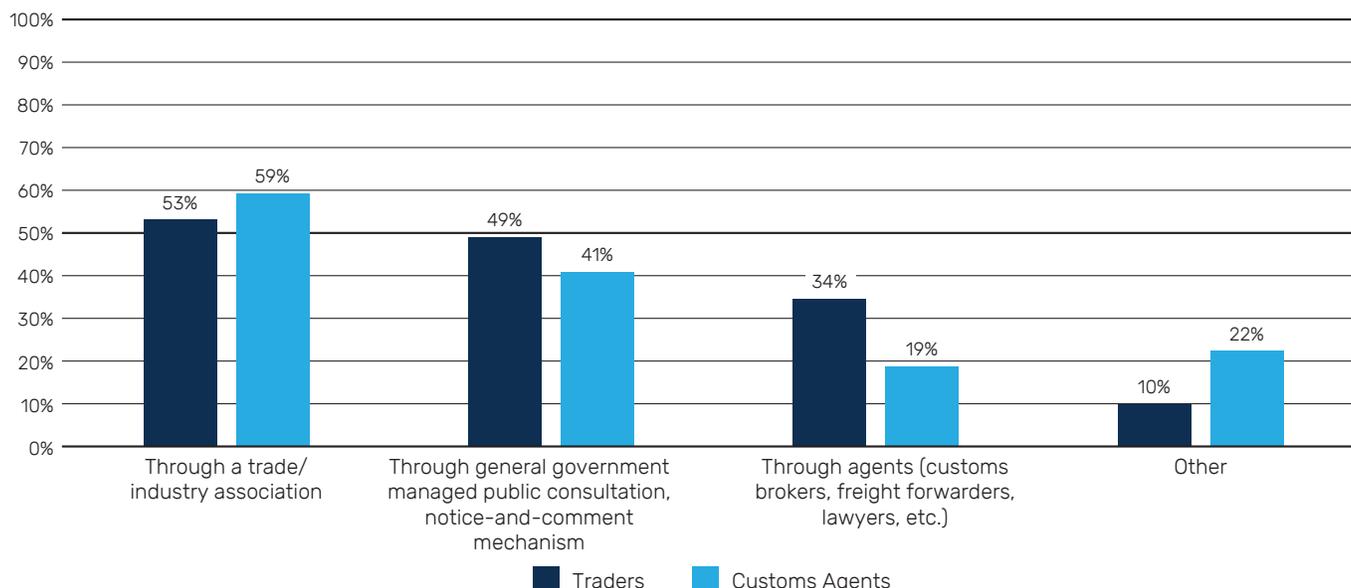
- **Most traders (76 percent) and customs agents (58 percent) reported that they are not, or only irregularly, consulted or have been provided opportunities to submit comments on legislative changes to official cross-border trade processes and procedures** (Figure 26). There are no

major differences in the number of firms consulted by gender. Among customs agents, more micro (68 percent) and small (48 percent) customs agents are not consulted compared to medium (15 percent) and large (33 percent) customs agents. In addition, years of experience in cross-border trade matters: more traders (72 percent) and interviewed customs agents (100 percent) with zero to four years of experience are not consulted compared to traders (49 percent) and customs agents (40 percent) with 15 or more years of experience.

- **The majority of traders (53 percent) and customs agents (59 percent) that are consulted through trade and industry associations** (Figure 26). Government-managed public consultations and notice-and-comment mechanisms are the second most common mode of consultation reported by consulted traders (49 percent) and customs agents (41 percent). Customs agents are also an important mode of consultation for traders (34 percent), reflecting the high use by traders of customs agents to conduct cross-border trade.

- **Majority of consulted trading firms do not feel that their feedback is taken into consideration (51 percent traders).** Forty-one percent customs agents share this perception. There is also a high level of uncertainty among firms on whether their feedback is even considered (38 percent of traders and 33 percent customs agents).

Figure 26. Methods of Consultation on Changes to Official Trade Processes and Procedures



Note: Too few observations are available to analyze the responses by gender, size, years of experience or industry of most traded product.

National Trade Facilitation Committee

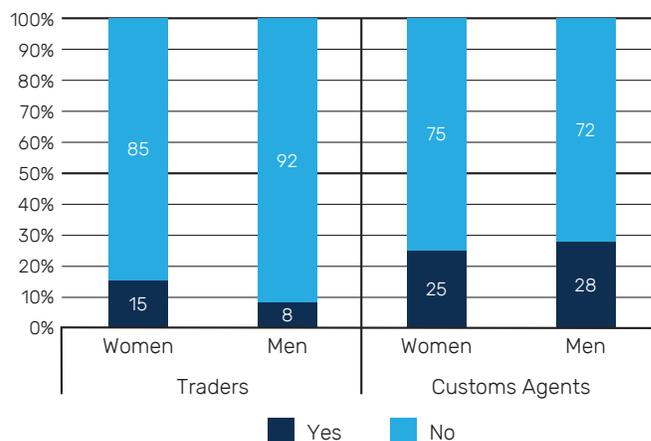
WTO TFA Article 23 stipulates that each WTO Member should establish and/or maintain a national committee on trade facilitation or designate an existing mechanism to facilitate domestic coordination and implementation of the WTO TFA. The South African National Trade Facilitation Committee (NTFC) was established in 2016 and comprises of several government departments and agencies.⁴¹ Private associations and entities are also represented in the NTFC through the National Economic Development and Labor Council (NEDLAC). NEDLAC acts as a representative for organized labor, business, and community groupings at a national level. The NTFC has a narrow mandate related to supporting the implementation of two category B provisions of the WTO TFA, i.e., those relating to the National Single Window and Advanced Rulings. The limited mandate does not support collaborative engagement of stakeholders on a broader national trade facilitation agenda and does not allow the NTFC to position itself as the coordinating body to drive trade facilitation reforms.

⁴¹ The Department of Trade, Industry and Competition (DTIC); the South African Revenue Services (SARS); the International Trade Administration Commission (ITAC); the Department of Agriculture, Forestry and Fisheries (DAFF); the National Regulator for Compulsory Specifications (NRCS); the Department of Health (DOH); the Department of Transport (DOT); the Department of Justice and Constitutional Development (DOJ&CD); Home Affairs; the Department of Environmental Affairs (DEA); and the South African Police Services (SAPS).

Related survey finding include:

■ **Awareness of the South African NTFC among traders is low, with only 15 percent of women and 8 percent of men traders being aware of the existence of the NTFC.** This share is higher among the customs agents with 25 percent of women and 28 percent of men indicating that they were aware of the existence of the NTFC, with no major difference across gender (Figure 27). However, more traders of

Figure 27. Awareness of Existence of the NTFC in South Africa by Gender



large firms (24 percent) are aware of the NTFC than traders of medium (17 percent), small (two percent), and micro firms (eight percent). Awareness is also higher among traders and customs agents with 15 years or more of experience in trading (15 percent for traders, 31 percent of customs agents) compared to those with four or fewer (seven percent traders, zero percent agents) and between five and nine years of experience (nine percent traders, 20 percent customs agents).

Application of Border Processes⁴²

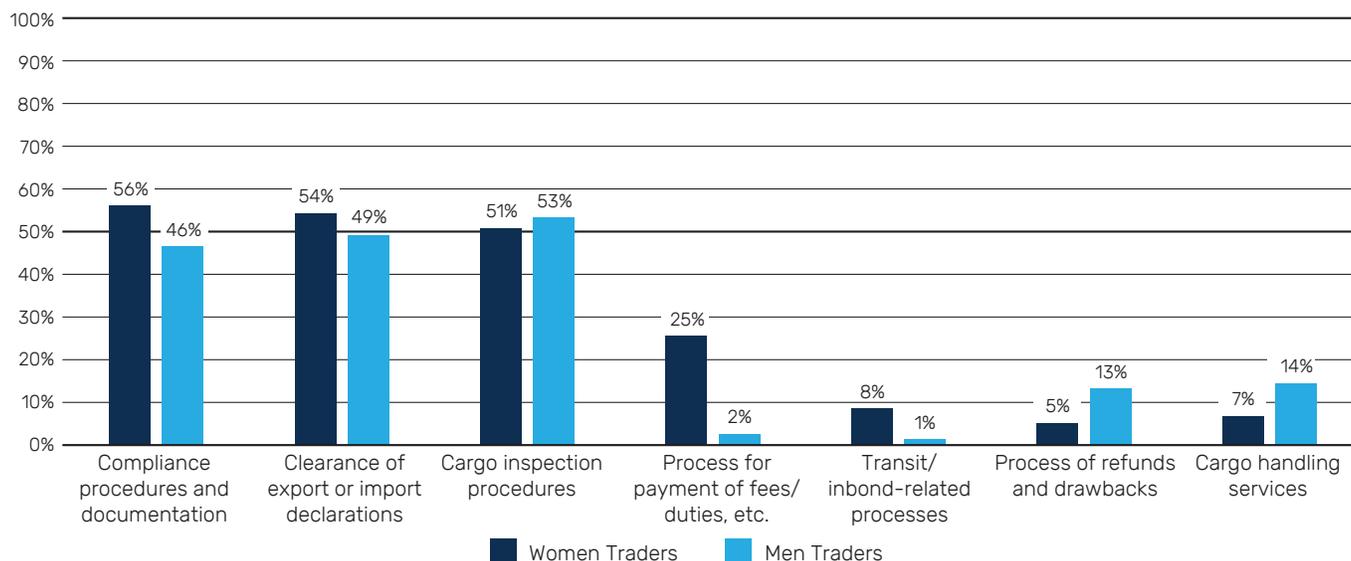
Consistency in application of border procedures by customs authorities reduces uncertainty for firms trading across borders, thus reducing waiting times and costs associated with delays. Further, consistency in application of border procedures plays an important role in enabling firms to plan stock levels, reducing the need to hold large inventories and structure production processes around accessing key intermediate inputs, as is required of firms integrated into global value chains.

Related survey findings include:

- **Fewer women traders (40 percent) than men traders (56 percent) find that border processes are consistently applied.** A further 10 percent of men traders and 13 percent of women traders find that border processes are only sometimes consistently applied. The findings vary according to the number of times the firm trades with fewer traders that export three or less times per year (21 percent) finding the border processes consistently applied compared to traders that export 12 or more times per year (67 percent). Many traders (23 percent) are also unsure whether the processes are consistently applied.

- **Of those traders finding border processes inconsistently applied, the majority find compliance procedures and documentation, such as phytosanitary requirements (46 percent men, 56 percent women), clearance of export/import declarations (49 percent men, 54 percent women), cargo inspection procedures (53 percent men, 51 percent women) as being problematic** (Figure 28). Fewer traders face problems with the consistency in the application of cargo handling services (7 percent women, 14 percent men), refunds and drawback processes (5 percent women, 13 percent men), and transit/inbond-related processes (8 percent women, 1 percent men).

Figure 28. Border Processes and Procedures that Traders Find are Not Consistently Implemented by Gender



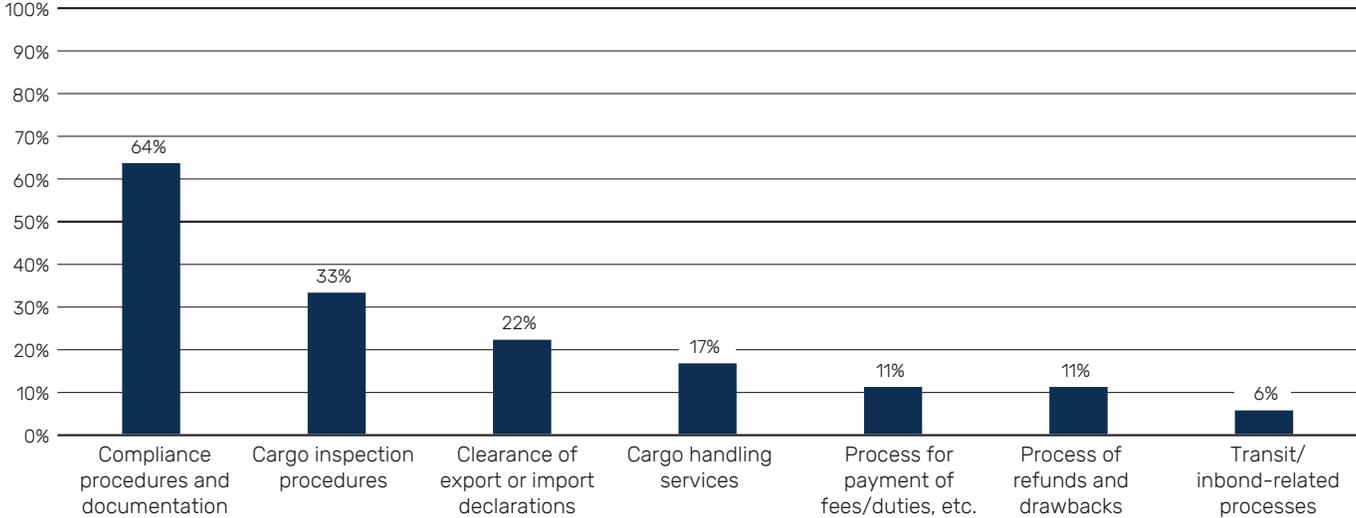
Note: The percentage values reflect the number of traders selecting each item as a share of those that declare that border processes and procedures are not or sometimes consistently applied.

⁴² For information on the customs modernisation programmes implemented by SARS from 1980 see <https://www.sars.gov.za/customs-and-excise/about-customs/modernisation/>.

■ Of those traders finding border processes inconsistently applied, a quarter of women traders find payment of fees/duties the processes inconsistently applied in comparison to only two percent of men traders.

■ Of those customs agents finding border processes inconsistently applied, the majority identify compliance procedures and documentation (64 percent) as not being consistently applied, followed by cargo inspection procedures (33 percent) and clearance of export/import declarations (22 percent) (Figure 29).

Figure 29. Border Processes and Procedures that Customs Agents Find are Not Consistently Implemented



Note: The percentage values reflect the number of customs agents selecting each item as a share of those that declare that border processes and procedures are not or sometimes consistently applied. There are too few observations to analyze the responses by gender.

Border Post Operating Hours

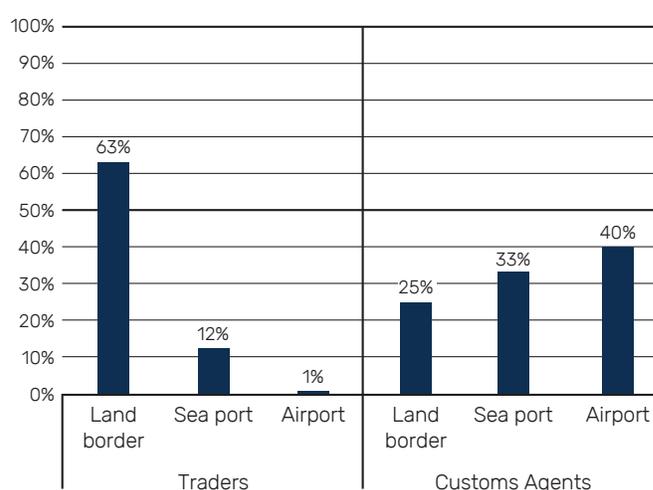
Restrictive border post operating hours or mismatches between foreign and domestic border post opening hours add delays and costs to crossing borders. This can have a negative impact on participation by firms in global supply chains, affecting firms that use imported intermediate goods in production as well as exporters of both final and intermediate goods. Delays associated with crossing borders have been shown to raise transport costs and reduce trade flows, with the effects stronger on time-sensitive goods, such as perishable agricultural products.⁴³

Related survey findings include:

- The majority traders (77 percent) and customs agents (67 percent) do not find that border post operating hours restrict their ability to trade.**⁴⁴ For those traders and customs agents that find border post operating hours restrictive, more identified differences in operating hours of border agencies within the country (60 percent agents, 48 percent traders) to be the major source of the problem, rather than different operating hours at neighboring border post (20 percent agents, 37 percent traders). There are no distinctive differences in responses across gender, firm size, and years of trading experience.

- The restrictiveness of border post operating hours differs across land borders, seaports, and airports.** Over half of the traders (67 percent) and customs agents (62 percent) use seaports as their main channel for cross-border trade, with 12 percent of traders and 33 percent of customs agents finding that seaport operating hours restrict their ability to trade (Figure 30). With respect to land borders, 63 percent of traders and 25 percent of customs agents regard border post operating hours as restrictive. Looking at airports, very few traders (one percent) find operating hours restrictive in contrast to 40 percent of customs agents.

Figure 30. Share of Firms Facing Restrictive Border Post Operating Hours



⁴³ Simeon Djankov, Caroline Freund, and Cong. S. Pham, "Trading on Time", *The Review of Economics and Statistics* 92, no.1 (2010): 166–173. For the impact of delays on trade flows in Southern Africa see Anna Ngarachu et al., "Border Economies: Linkages to the Development of Trade Corridors and Regional Value Chains in SADC", *CEG Africa Discussion paper* (November 2018).

⁴⁴ The operating hours of the different border posts in South Africa vary with some operating for 24 hours (e.g., BeitBridge) and others fewer hours per day (e.g. 06h00–22h00 for Grobler's Bridge). For further details on border post operating hours see: <https://www.sars.gov.za/customs-and-excise/customs-offices-and-contacts/border-posts/>

Time to Release Goods

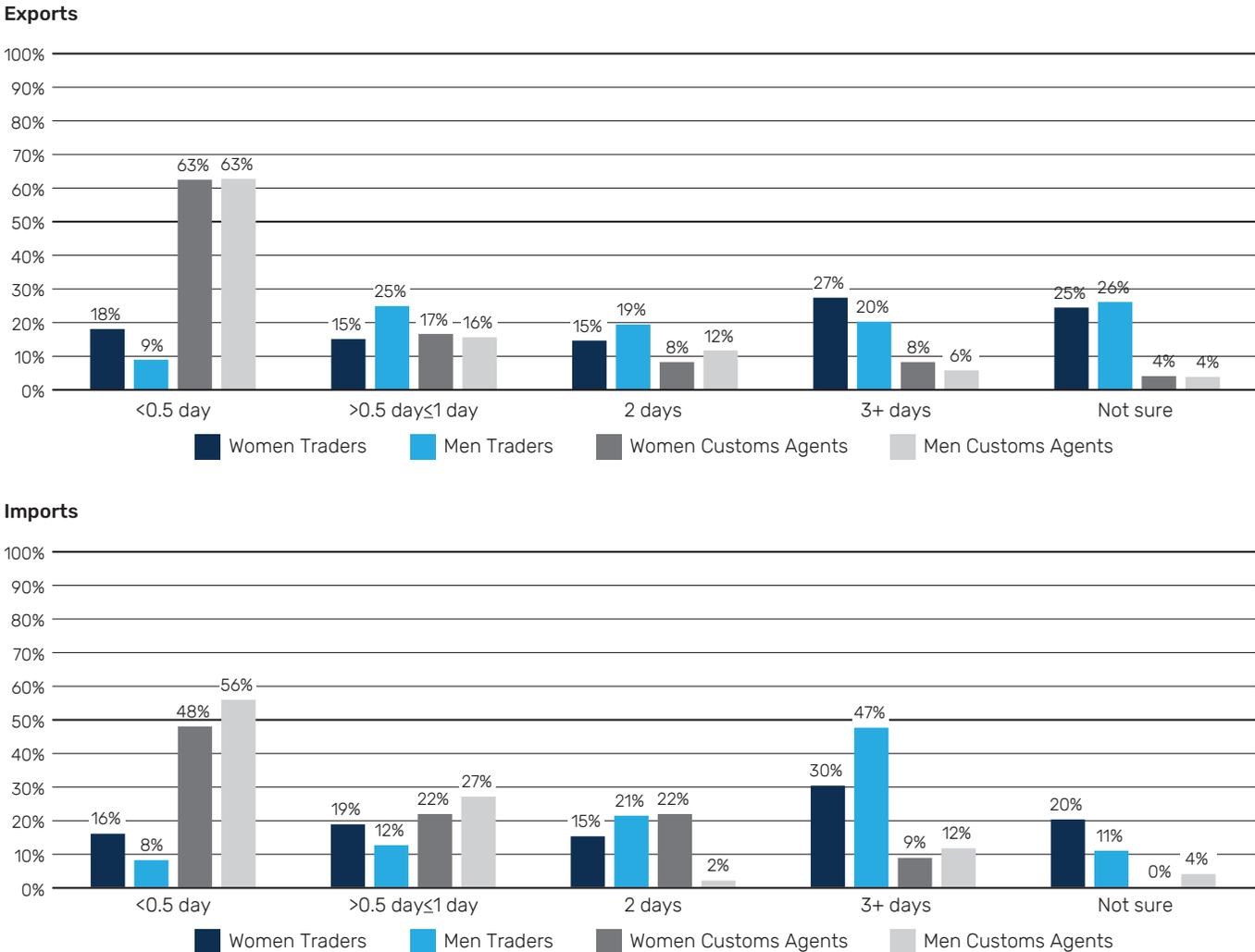
Delays in releasing goods from customs after submission of customs declarations can further increase the time required for goods to cross borders. The time for goods to be released depends on the efficiency, effectiveness, and synchronization of the various steps in the customs process, including compliance (electronic processing of documentation, revenue collection, manual compliance inspections) and enforcement should compliance requirements not be met. Generally, some of these functions (electronic processing of documents, payments) can be performed prior to arrival at the border, whereas others (manual inspections of cargo, inspections of supporting documentation) occur at the border. Delays in releasing goods from customs can result in additional costs, such as

demurrage charges, and charges for the use of storage space on terminal grounds, inside a warehouse or at the container yard. Regular time release studies with publication of average times to release goods, as reference in Article 7.6 of the TFA, is a useful tool for traders to plan production, stock levels, and transportation services involving cross-border trade activities.

Related survey findings include:

- **Twenty-seven percent of men traders and 20 percent of women traders report that customs take three or more days to release their goods for export after submission of the customs declaration** (Figure 31). Higher shares of interviewed women (30 percent) and men (47 percent) traders report that it takes three or more days to clear imports (Figure 31). Only 13 percent of exporting and 11 percent of importing trade firms report having their goods cleared within half a day.

Figure 31. Time for Exports and Imports to be Released from Customs after Submission of Customs Declaration by Gender



■ **The experiences of surveyed customs agents contrast sharply with those of traders, with high shares of customs agents having goods cleared within half a day (63 percent for exports and 53 percent for imports) (Figure 31).** Differences between traders and customs agents are also evident in the number of firms that do not know how long it takes to clear goods through customs. Twenty-six percent of traders do not know how long it takes to clear goods through customs for exports (15 percent for imports), compared to three to four percent of customs agents. This difference may reflect that customs agents are more familiar with clearing goods through customs, while the responses of traders may include the entire process, including for the customs agent services and for the logistic arrangements for receiving the cargo. With respect to gender, little differences were found among customs agents clearing exports, while for clearance of imports more women customs agents (22 percent) had goods cleared in two days compared to men customs agents (2 percent).

In the open-ended questions, several respondents note that customs clearance times are very quick because of the electronic submission of documents. Other respondents note that delays can be long when there is a customs query and if goods are inspected at the border.

Detention of Goods

Goods may be detained at the border post if they are prohibited goods, counterfeit goods, or restricted goods for which the appropriate permit, certificate, or letter of authority from the relevant government department is not provided.⁴⁵ Further, goods may be detained if documentation is missing, there are queries on the classification and/or valuation of the product, or additional information is required. Random checks of transport vehicles and cargo can also lead to detention of goods for inspection purposes. The effect of detainment can cause delays, raise costs, and uncertainty for cross-border traders and create opportunities for extraction of speed money to facilitate release of goods. Best practice is to promptly inform traders that their goods have been detained for inspection as covered in Article 5.2 of the TFA, thus reducing uncertainty and accelerating the process whereby firms are able to resolve the problems leading to the detention of the goods.

Related survey findings include:

■ **Majority of firms that had goods detained were promptly informed of the detention (Figure 32).** Ninety-two percent of women and 85 percent of men customs agents have had goods detained, while almost half of the trade firms have

Figure 32. Share of Firms Having Goods Detained, and Share Promptly Informed



⁴⁵ For a list of prohibited goods and restricted goods, including the required permits or certificates, see the South African Revenue Services (SARS) web site: <https://www.sars.gov.za/customs-and-excise/prohibited-restricted-and-counterfeit-goods/>. The SARS list of customs status response codes that provide details on possible reasons for detention of goods can be obtained from <https://www.sars.gov.za/wp-content/uploads/Docs/CandE/Status-Code-Chart-October-2019.pdf>.

had goods detained (47 percent for men traders and 45 percent for women traders). In most cases, traders (79 percent) and customs agents (78 percent) were promptly informed that their goods had been detained. Seven percent of traders and 17 percent of interviewed customs agents have had goods detained without being promptly informed. For the firms not promptly informed, this occurred less than half of the time for most traders (97 percent) and over the half customs agents (62 percent).

- **Of those traders and customs agents that had goods detained, more men relate detention to problems with customs declaration, classification, and valuation, with 60 percent of men traders and 63 percent of men customs agents affected compared to 35 percent of women traders and 50 percent women customs agents (Figure 33).**

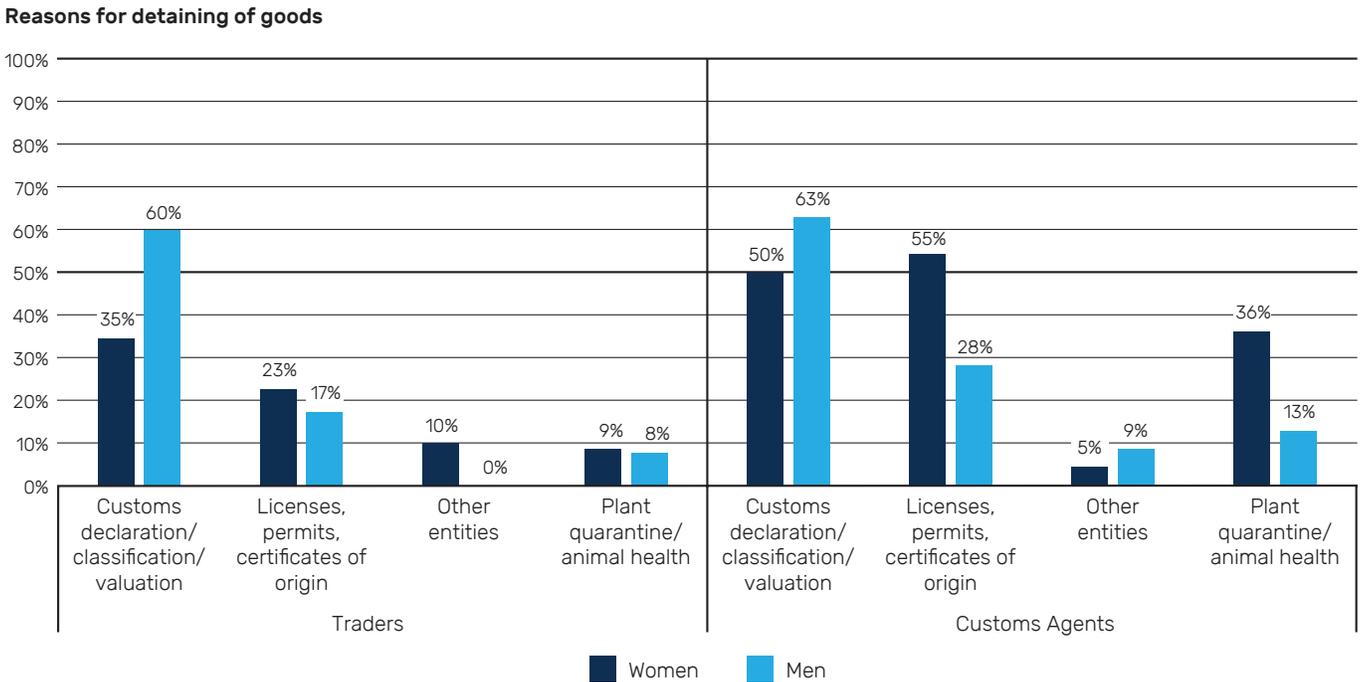
- **Of the customs agents that had their goods detained, more women cited problems with licenses, permits, certificates of origin or authorizations to import (55 percent women compared to 28 percent men) and plant quarantine/**

tine and animal health (36 percent of women compared to 13 percent of men). Other common reasons cited by customs agents and traders for detention of their goods include inspections of trucks and cargo related to searches for illicit goods/drugs, ghost entries (goods declared but not actually traded), random checks, and reference pricing queries.

- **Firms that face challenges in accessing information on official regulations and procedures appear to be associated with the likelihood of their goods being detained.**

For example, customs agents that experience problems with plant quarantine/animal health are more likely than other customs agents to report that they face challenges in obtaining information as a result of not all agencies having comprehensive information (64 percent vs. 33 percent) and because they do not keep information up to date (64 percent vs. 19 percent). Lack of comprehensive information by all agencies is also associated with more customs agents (60 percent) and traders (47 percent) experiencing detention of goods because of problems with licenses, permits, and certificates than other customs agents (28 percent) and traders (27 percent).

Figure 33. Reasons for Detention of Goods by Gender



Note: The percentage values reflect the number of traders customs agents selecting each item as a share of those that have had goods detained.

Penalties, Grievance Procedures, and Payment of Speed Money

Traders that have their goods detained or disagree with an administrative decision by customs have the right to appeal the decision according to WTO TFA Article 4. To appeal a decision according to the SARS guidelines, the person is first required to consult directly with the customs officer to resolve the uncertainties, but a formal internal administrative appeal is also permitted.⁴⁶ This must be submitted within 30 days of the decision, and customs is expected to provide reasons for a decision within 45 days from the date of acknowledgement of receipt of the appeal. The trader or customs agents has further recourse to appeal through the Alternative Dispute Resolution process. The existence of an effective appeal procedure enables a better and fair enforcement of the rule of law at the border and reduces uncertainty on the possibility of being rejected at the border.⁴⁷

Related survey findings include:

- **Fewer women traders (23 percent) than men traders (30 percent) find the guidance and explanations on penalties and how to make an official appeal easy to access from government entities**, although more traders (51 percent of women and 38 percent of men) simply do not know whether the information on penalties and appeal processes is easy to access (Figure 34).⁴⁸ Among agents, more women (63 percent) compared to men (46 percent) find the relevant information on penalties and making an official appeal easy to access.

- **Of those customs agents that find explanations on penalties/appeals easy to access from government entities, the majority (51 percent) do not find the formal complaint or grievance procedures effective** (Figure 35). Of the traders that find explanations on penalties/appeals easy to access from government entities, 41 percent find the formal grievance

Figure 34. Clear and Easy to Access Guidance and Explanations on Penalties and Making Official Appeals

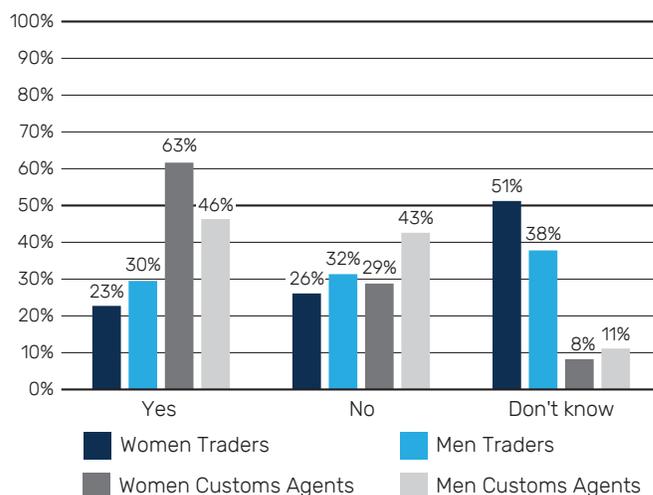
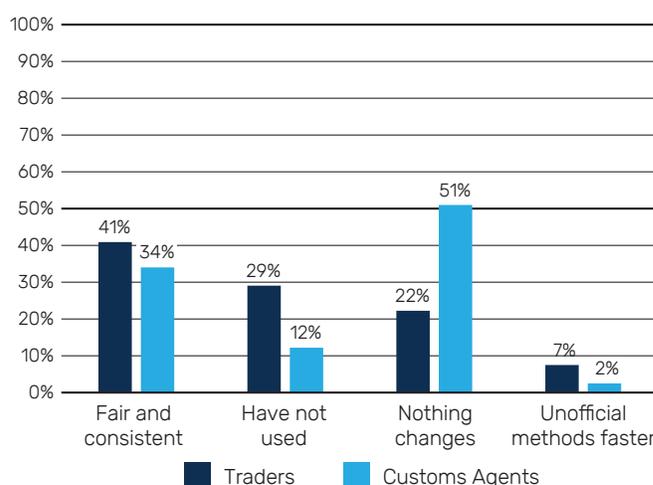


Figure 35. Effectiveness of Formal Complaints/ Grievance Procedures in Addressing Concerns



Note: Responses are not presented according to gender given low numbers. Sample only includes firms that stated that the guidance and explanations on penalties was easy to access from government entities.

⁴⁶ For further details see Appeals available from SARS (Online: <https://www.sars.gov.za/customs-and-excise/offences-penalties-and-disputes/appeals/>).

⁴⁷ Lionel Fontagné, Gianluca Orefice, and Roberta Piermartini, "Making Small Firms Happy? The Heterogeneous Effect of Trade Facilitation Measures," Review of International Economics 28, no. 3 (2020): 565–598, 2020.

⁴⁸ Forty-six percent of respondents that have **not** had goods detained or **were** promptly informed "did not know" whether the information on penalties and appeal processes is easy to access. These traders are more likely to not to know than other firms, indicating they may not know because they have not had to use the processes.

ance processes fair and consistent, 22 percent claim that nothing changes, while 29 percent have not used the formal complaint/grievance procedures to address their concerns.

■ **Few of the interviewed firms appear to use unofficial methods such as payments of speed money to resolve complaints.** For example, only seven percent of traders and two percent of agents state that unofficial methods are faster to resolve complaints, while one percent of traders and 12 percent of customs agents claim to have paid speed money to government officials or private agents to facilitate the release of goods in the prior year. The number of those who claim to have paid speed money is very low, so it is not possible to precisely assess the frequency in which speed money is paid, or the value of these payments as a percentage of the value of goods traded.⁴⁹

Electronic Submissions of Declaration and Electronic Payments

Article 10.4 of the WTO TFA stipulates that WTO Members shall endeavor to establish or maintain a Single Window and to the extent possible, use information technology to support the Single Window. The introduction of electronic document submission systems can benefit traders by simplifying customs processes and procedures and reducing the amount of documentation required. This results in faster clearance times, reduced submission errors and costs related to paperwork and procedures, transparent and predictable processes, and less bureaucracy for the firms. Electronic payments also reduce the need for traders to use cash for payments, and thus the risk of theft and threats to personal safety. The gains from implementing electronic submissions and payments

⁴⁹ The responses by the agents indicate that of those that pay speed money to government officials, 38 percent pay half of the time or more frequently to release goods, with 67 percent noting that payments make up less than five percent of the value of goods.

⁵⁰ Javier López González and Silvia Sorescu, "Helping SMEs Internationalise Through Trade Facilitation." OECD Trade Policy Papers, No. 229. OECD Publishing, Paris, 2019.

have been shown to be advantageous for small and medium-sized companies.⁵⁰

SARS introduced electronic customs declarations via the Electronic Data Interchange (EDI) system in 2000, with electronic payments introduced at a similar time. However, it is not mandatory for firms to submit declarations to customs electronically as hard copy documents are accepted at the customs branch. Upon receipt of hard copy documents, customs creates the electronic submission into the system. In practice, most declarations are submitted electronically. For payments, traders and customs agents have several options to pay electronically (through the SARS eFiling channel, bank transfer, SARS branches, commercial banks), and they are also able to pay using credit cards or cash at dedicated payment kiosks in the customs area.⁵¹

Related survey findings include:

■ **More surveyed customs agents compared to traders are aware that all land, sea, and airport border entities/agencies have systems that accept electronic forms and documents.** For example, sixty-five percent of customs agents report that it is possible to submit documents electronically compared to 48 percent of traders.

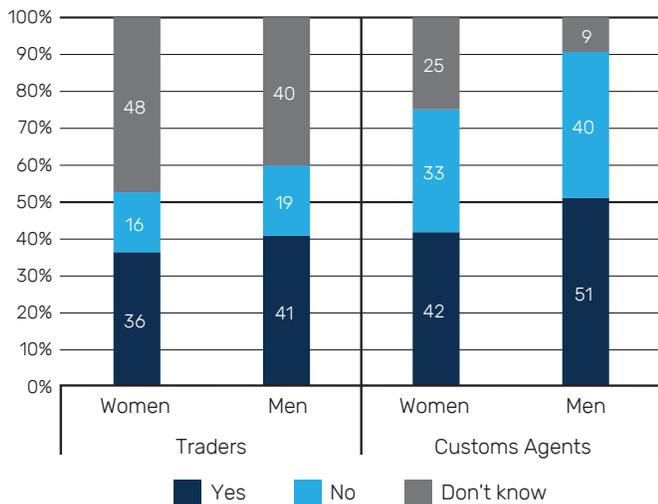
■ **Uncertainty regarding electronic submission of documentation is high among traders,** with 24 percent women and 26 percent men simply not knowing whether paper forms are submitted or whether documents can be submitted electronically (compared to less than one percent of customs agents). A notable share of customs agents (36 percent) and traders (27 percent) still submit some paper forms and documents to customs or non-customs agencies. The incidence of submitting paper to non-customs agencies is higher (32 percent) among traders that trade mainly in agriculture products. While customs is fully electronic, other cross-border regulatory agencies (CBRAs) may still require or have the option to manually submit documentation.⁵² In other cases, e.g. phytosanitary certificates for the importation of controlled goods, the documentation may be required at the border.⁵³

⁵¹ Direct correspondence with SARS. For further details Electronic Data Interchange available from SARS (Online: <https://www.sars.gov.za/customs-and-excite/registration-licensing-and-accreditation/electronic-data-interchange-edi/>).

⁵² For example, permits for freight road transport operators can be applied for both electronically or in-person from the Cross-Border Road Transport Agency (Online: <https://www.cbrta.co.za/permits>).

⁵³ See Apply For a Plant Import Permit from the South African Government (Online: <https://www.gov.za/services/export-permits-import/phytosanitary-permit#Forms>)

Figure 36. Can Official Fees be Paid Electronically in a Single Payment?



■ **More customs agents are aware that all official fees can be paid electronically in a single payment (i.e., not separate payments by agency) than traders.**⁵⁴ For example, 48 percent of women traders and 40 percent of men traders compared to nine percent of women customs agents and 25 percent of men customs agents report that they simply do not know that all official fees can be paid electronically in a single payment (Figure 36). Looking at the other responses, fewer than half of customs agents (42 percent women, 51 percent men) and traders (36 percent women, 41 percent men) report that all official fees can be paid electronically in a single payment.⁵⁵ Thirty-eight percent of customs agents indicated that it was not possible to pay fees electronically in a single payment.

⁵⁴ This survey question asks whether all official fees can be paid electronically in a single payment. It cannot be used to infer whether firms actually pay all official fees in a single payment, or whether they are aware that some fees can be paid electronically.

⁵⁵ While fewer women traders (36 percent) and women agents (42 percent) report that all official fees can be paid electronically in a single payment compared to men (41 and 51 percent, respectively), the difference is not statistically significant.

Safety and Security

In visiting the borders, safety and security issues may arise from various forms of harassment, including verbal harassment, intimidation, physical violence, and sexual harassment, among others. These behaviours create and foster hostile or offensive environments that may impact a trader's ability or desire to undertake trade.

Related survey findings include:

■ **The surveyed trading firms and customs agents do not regularly have to visit the border (land border, seaport, or airport) to undertake import and/or export processes and procedures in South Africa.** Only ten percent of women traders and six percent of men traders regularly visit the border (Figure 37). The share of customs agents that visit the border regularly is higher (32 percent), with more men customs agents (37 percent) visiting regularly than women customs agents (21 percent). By firm size, regardless of gender, customs agents of large firms visit the border regularly compared to 64 percent for micro and 60 percent for small firms.⁵⁶

Figure 37. Share of Firms that Visit the Borders Regularly



⁵⁶ Traders and agents typically are not required to be in attendance at the border for their goods to be cleared by customs because documentary inspections are coordinated centrally and electronically. Where a physical inspection of a shipment is required, the customs agent will generally coordinate any necessary follow-up with inspectors on behalf of the trader.

■ **Although the sample of the customs agents and traders that regularly visit the border is small,⁵⁷ a high proportion of them have felt unsafe.** All the women customs agents and 38 percent of the men customs agents that visit the border regularly have felt unsafe (Figure 38). Among traders, 65 percent of men traders and 38 percent of women traders have felt unsafe.

■ **The main reason both customs agents (23 percent) and traders (18 percent) have felt unsafe is that the border lacks clear organization,** with overcrowding (19 percent of customs agents and 11 percent traders) and harassment by

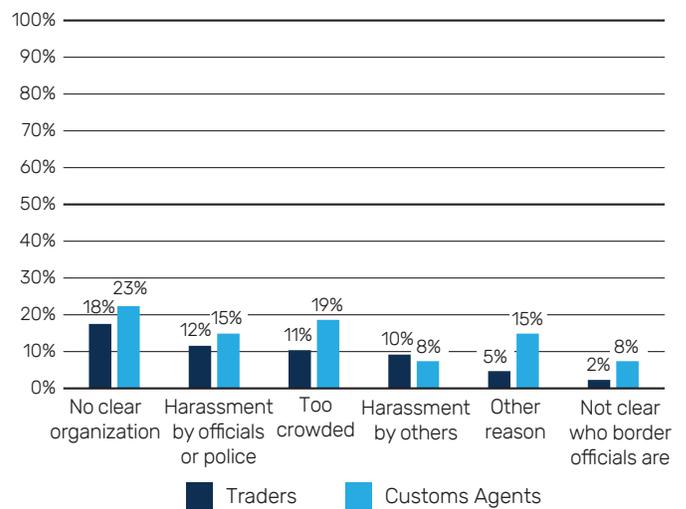
officials and police (15 percent of customs agents and 12 percent of traders) being the other common reasons (Figure 39). Among those that have experienced harassment, intimidation is the more commonly experienced harassment (23 percent of customs agents and 23 of percent traders), followed by verbal harassment or threats (15 percent of customs agents).

■ **The main perpetrators of this harassment appear to be border officials** for all women customs agents and 78 percent of men customs agents. Police are also cited as perpetrators by 27 percent of the customs agents and 42 percent of the traders that experienced harassment at the border.

Figure 38. Share of Traders and Customs Agents Reporting to have Felt Unsafe when Visiting the Border



Figure 39. Reasons for Feeling Unsafe at the Border



⁵⁷ Only 24 agents and 17 traders regularly visited the border. Of these, five women agents, seven men agents, and five men and two women traders have felt unsafe.

Main Challenges

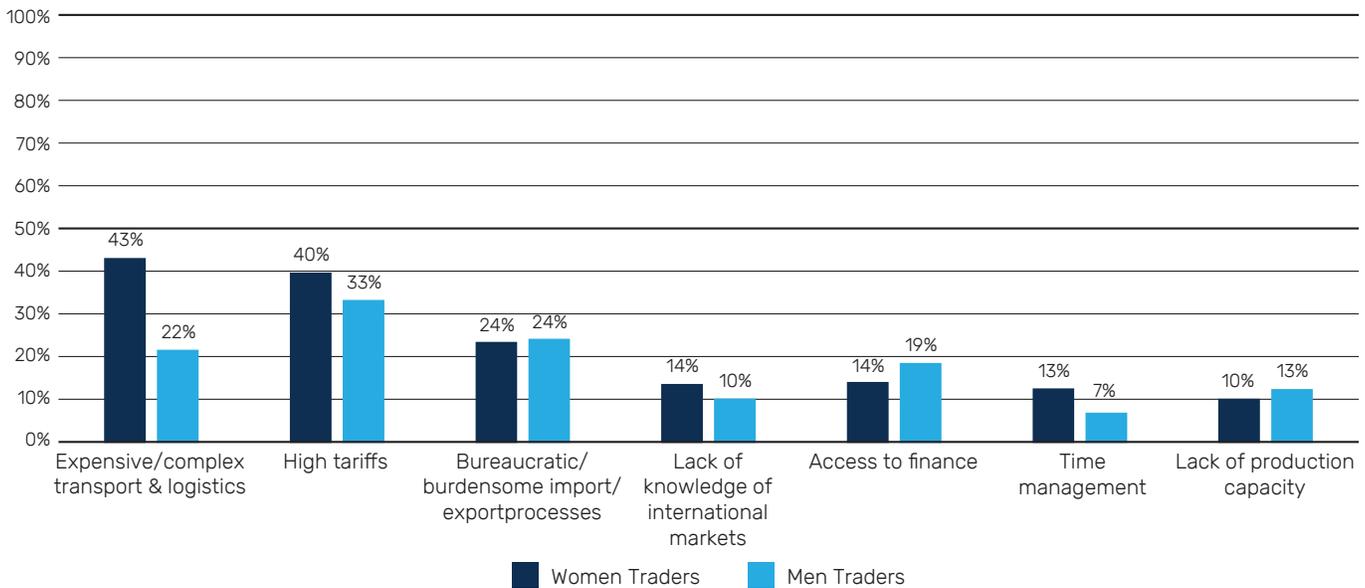
The survey asked respondents to rank the severity to which certain factors pose a challenge to the firm’s ability to expand their business in international markets. The respondents were requested to rate each potential challenge on a scale of zero (not a challenge) to five (‘highest’ and ‘severe’ challenge). Figure 40 presents the proportion of firms that selected the option ‘five’ according to each of the potential challenges affecting the firm’s ability to expand trade in international markets.

■ **The major challenges to expansion of traders into international markets are (i) expensive and complex transport and logistics services, (ii) high tariffs, and (iii) bureaucratic and burdensome import/export processes** (Figure 40). Forty percent of women traders and 33 percent of men traders find that high tariffs severely affect their ability to expand trade, while 43 percent of women traders and 22 percent of men traders find expensive and complex

logistics and transport services a severe challenge.⁵⁸ Twenty-four percent of traders find bureaucratic and burdensome import/export processes a severe challenge. Lack of capacity to increase production, time management, lack of knowledge of international markets, and access to finance pose less of a challenge to expansion for traders, with fewer than 17 percent of traders rating these as the highest challenge. Among customs agents, access to finance (28 percent of firms), high tariffs (27 percent), and burdensome import/export processes (18 percent) are also identified by the firms as severe challenges.

■ **Traders of micro and small firms are more severely challenged in further expanding their business in international markets than traders of large or medium firms** (Figure 41). For example, over 34 percent of traders that lead micro and small firms find bureaucratic and burdensome import/export processes a challenge, compared to fewer than 13 percent of medium and large firms. Bureaucratic and burdensome import/export processes are shown to be the second most challenging issue (after high tariffs) for micro and small firms. This is specifically important from a gender perspective, given that a

Figure 40. Factors Severely Affecting Traders and Customs Agents Ability to Expand Trade in International Markets

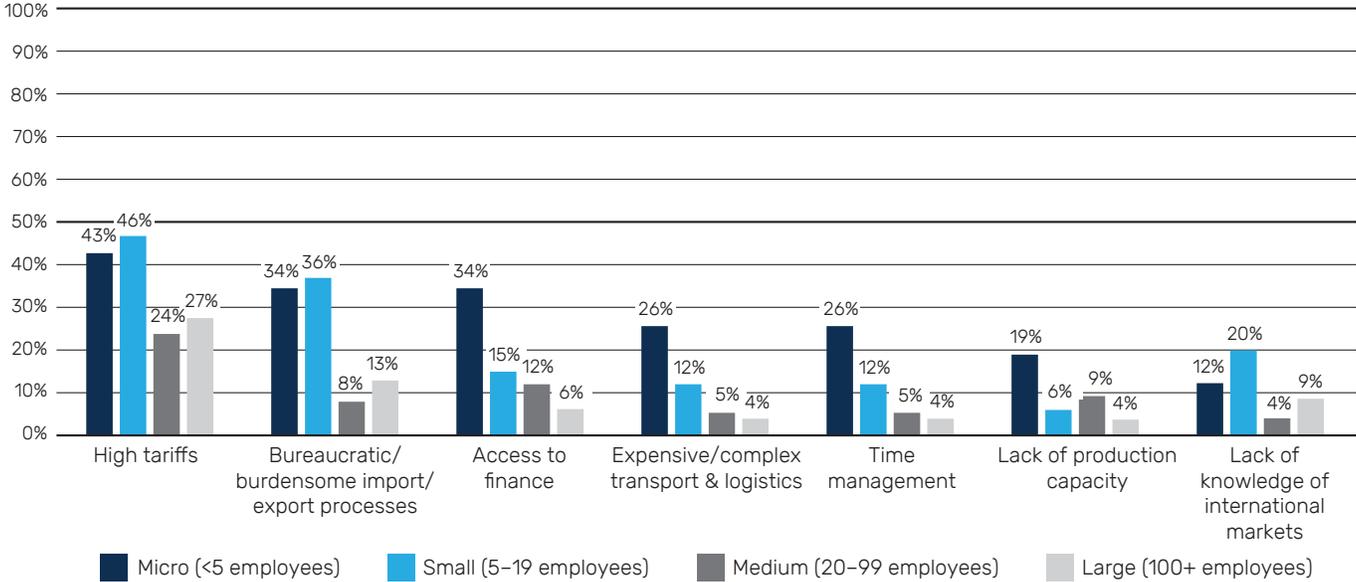


⁵⁸ The relatively high share of women traders identifying tariffs as a high challenge to expanding their business is consistent with the implicit bias or “pink tariff” that puts women at an economic disadvantage as both producers and consumers as shown by World Bank and World Trade Organization, *Women and Trade: The Role of Trade in Promoting Gender Equality* (Washington DC: World Bank, 2020)

higher share of women respondents lead micro and small firms (64 percent) compared to men respondents (50 percent). A higher share of micro and small firms are also more severely challenged than large firms with respect to paying high tariffs, lack of access to finance, high transport and logistics costs, lack of productive capacity, and time management.

Traders and customs agents also identified several other issues posing severe challenges to expanding their business, including: (i) congestion at border, (ii) inefficient and expensive port services, (iii) availability of air and sea cargo options, and (iv) non-tariff barriers covering standards and labeling requirements.

Figure 41. Share of Traders Facing the Highest Severity of Challenge in Expanding Business to International Markets by Firm Size.



Note: Survey respondents were requested to rate their responses to each item according to the scale zero for no challenge to 5 for highest challenge. The figure presents the share of firms selecting 5 for each challenge.



Businesswoman in mask walking in
Johannesburg's business district
© Pexels/Ono Kosuki

4 COVID-19-Related Findings

Maintaining trade flows as much as possible during the COVID-19 pandemic and recovery is crucial to limit the negative impacts of the pandemic on human health and the economy. Trade facilitation measures can contribute to responding to the crisis by expediting the movement, release, and clearance of goods, including goods in transit. During this crisis, implementing measures contained in the WTO TFA can contribute to ensuring that trade of critical supplies and essential goods proceeds smoothly and safely, thereby contributing to food security and the health of citizens.

The survey was conducted during the COVID-19 pandemic period and therefore, included several questions on impact of the pandemic on cross-border trading firms.

Related survey findings include:

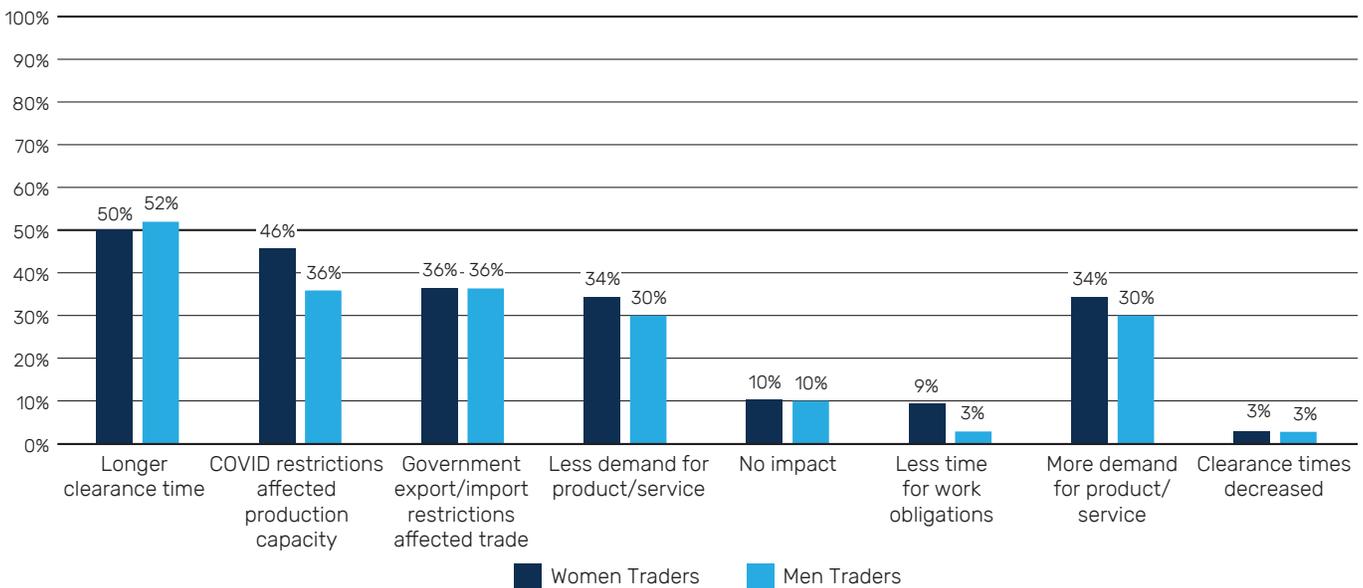
- **The COVID-19 pandemic has affected the ability of almost all surveyed firms to undertake cross-border trade,** with only 10 percent of both women and men traders not affected (Figure 42). Traders are affected in several ways, with few differentials across gender and firm size. Fifty-one percent of traders have experienced longer clearance times for reasons such as additional health controls at the South African border. Cross-border trade has also been affected by COVID-19-related restrictions that impacted production capacity (40 percent), government-imposed export/import restrictions (36 percent), and less demand for products (32 percent). Very few firms (three percent) have experienced reduced clearance times due to simplified processing that were not available prior to the pandemic. More women traders (nine percent) than men traders

(three percent) have less time for work obligations because of increased family care and household obligations, with this effect concentrated among women traders that lead small and micro firms at 13 percent and 18 percent, respectively. A higher share (36 percent) of traders in micro and small firms have experienced less demand for products than traders in medium (30 percent) and large firms (18 percent). Finally, not all firms are adversely affected by the COVID-19 pandemic. Some surveyed traders, more men (14 percent) compared to women (three percent), have experienced increases in demand for their product.

The response by customs agents to the impact of the COVID-19 pandemic on their ability to provide services is broadly similar to that of traders, with most firms affected by longer clearance times (65 percent), followed by impacts on productive capacity (53 percent), less demand for services (40 percent), particularly among micro agents (57 percent), and then government restrictions on exporting/importing (27 percent).

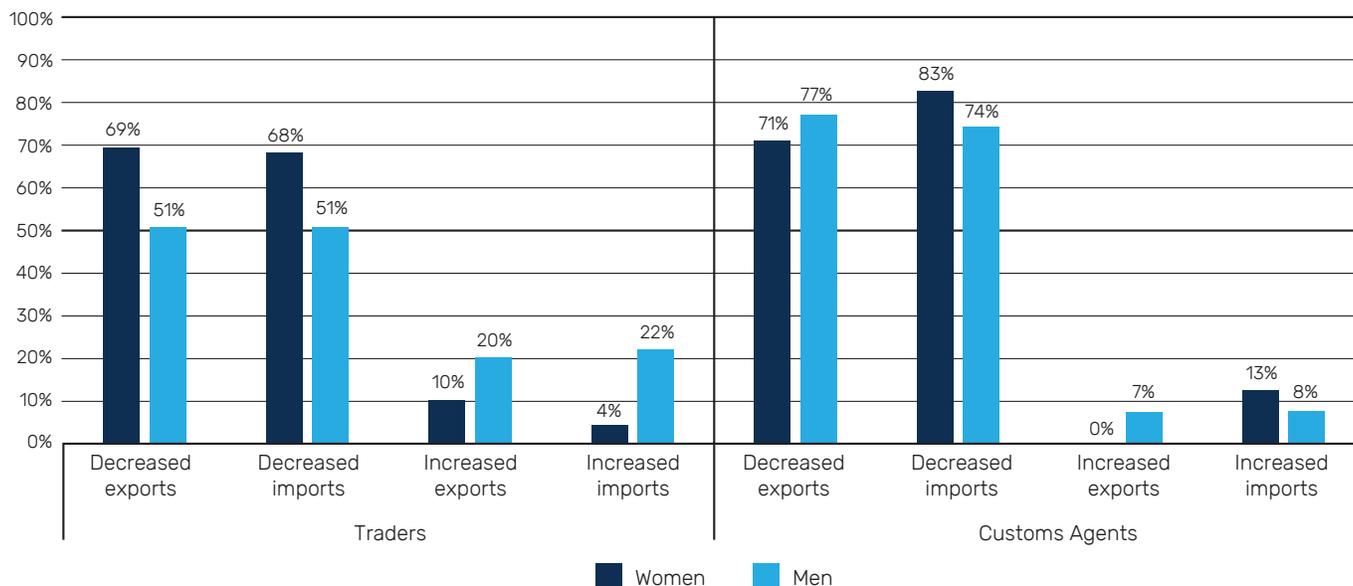
- **The COVID-19 pandemic has had a dramatic negative impact on trade flows, with surveyed women traders and, in some cases, smaller trade firms more adversely affected.** Both men and women traders have experienced declines in exports and imports, but more women traders (69 percent for exports and 68 percent for imports) have experienced these outcomes compared to men traders (51 percent for both exports and imports) (Figure 43). A few traders have seen increases in exports and imports during the COVID-19 pandemic, with fewer women traders (10 percent for exports and four percent for imports) experiencing increases than men traders (20 percent for exports and 22 percent for imports).

Figure 42. Government export/import restrictions affected trade by Gender, Traders



Note: The values presented reflect the percentage of the respondents selecting the option. Multiple options were allowed, as such the sums may exceed 100%.

Figure 43. Share of Surveyed Traders and Customs Agents by Gender Experiencing Impacts of COVID-19 Pandemic on Trade Flows



■ **The COVID-19 pandemic has had different impacts across firm size categories and major product traded.**

More traders of large and medium firms (25 percent) have experienced no impact on exports compared to traders of small (18 percent) and micro firms (all firms were affected), with no difference by gender. The overall decline in imports by women traders is attributable to the high number of women led micro (60 percent) and small (90 percent) trade firms experiencing declining imports. By product categories, fewer firms (53 percent) whose major traded products is agriculture experienced declines in imports compared to HS Sections 11–12, 20–21 (textiles, clothing, other) (74 percent). This may be because food products were declared an essential good and were therefore less subject to restrictions on trade during the pandemic.⁵⁹

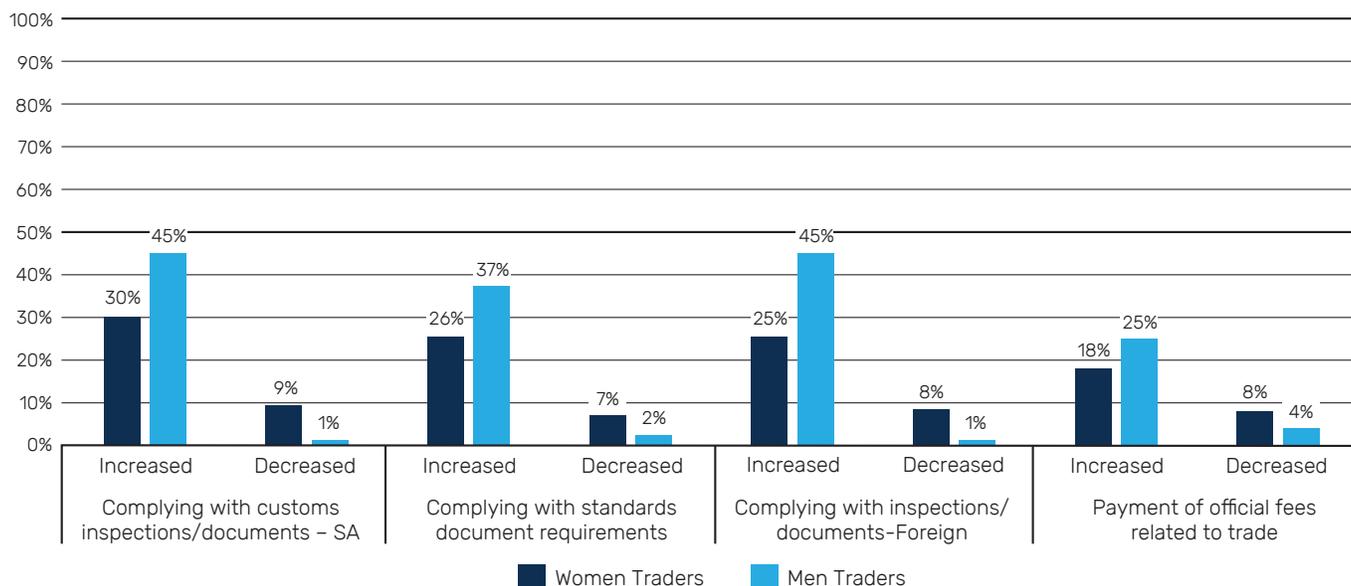
■ **A high proportion of surveyed customs agents have also experienced decreased imports (77 percent) and decreased exports (71 percent) with no major difference by gender.** For the decline in imports, more micro (85 percent)

and small (80 percent) customs agents are affected than medium (67 percent) and large (60 percent) firms. Looking at increases in trade flows, as with traders, few of the customs agents surveyed have experienced increased exports (nine percent) and increased imports (five percent).

■ **In response to the COVID-19 pandemic, surveyed traders have increased the number of hours devoted to complying with customs inspections and documentary requirements at South African and foreign borders** (Figure 44). More male traders (45 percent) have increased hours devoted in this regard compared to women traders (30 percent for South African borders and 25 percent for foreign borders). Time devoted to complying with standards documentary requirement have also increased for many traders (37 percent for men traders and 26 percent for women traders) as has time devoted to payment of official fees (25 percent for men and 18 percent for women). Some traders, particularly women traders, have experienced decreased number of hours devoted to these activities, but the number of observations in each case is very low.

⁵⁹ South African Government, Government Gazette, No. 43148 (25 March 2020) (Pretoria: Government Printers, 2020) (Online: https://www.gov.za/sites/default/files/gcis_document/202003/4314825-3cogta.pdf)

Figure 44. Share of Traders by Gender that Report Changes in Hours to Undertake Certain Activities.



For customs agents, the patterns are similar to those of traders, with a high share of firms indicating that they have increased hours devoted to complying with customs inspections at South African borders (52 percent) and foreign borders (57 percent), as well as with standards documentary requirements (45 percent), and payments (26 percent). Sixteen percent of customs agents report having experienced reduced hours dedicated to payments, and 10 percent have experienced reduced hours complying with South African customs processes.

■ Additional COVID-19 related challenges identified by traders and customs agents that affect their ability to trade include testing requirements, mismatches between border times and curfew times, challenges with working and conducting trade activities remotely, lack of border personnel together with closure of borders raising wait times, and difficulties in securing containers and berths on ships.⁶⁰

■ While some firms find the dissemination of information by the government on changes to import and export processes and procedures due to the pandemic, clear and easy to understand (37 percent of surveyed customs agents, and 41 percent of traders),⁶¹ many also find the information confusing and contradictory between regulatory agencies (55 percent of surveyed customs agents and 40 percent of traders). There are no clear differences in responses across men and women traders/customs agents. However, fewer traders of micro firms (28 percent) find the information clear and easy to understand compared to traders of small (42 percent), medium (43 percent), and large (54 percent) firms. Access to information, therefore, appears to be a greater challenge for smaller firms.

⁶⁰ These responses are based on the open-ended survey questions regarding COVID-19 related challenges.

⁶¹ This includes respondents that indicated the information was clear, but late (six percent for agents, 9.5 percent for traders).



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5 Recommendations Based on Survey Responses

This section of the report presents several recommendations based on the survey responses. The recommendations are organized around common themes addressed in the WTO TFA – including transparency, technology solutions, simplification of processes and procedures, and institutional arrangements and beyond the WTO TFA, such as safety and security.

Recommendation 1: Improve access to and understanding of official border regulations and procedures. (WTO TFA measures 1.1 on Publication, 1.2 on Information Available Through Internet, 1.3 on Enquiry Points)

SARS publishes all customs regulations and extensive information on trade processes online.⁶² They also offer call centers and walk-in helpdesks. There is, however, still a need for additional guidance and material that are clear to follow for traders and customs agents. A high share of the respondents to the survey indicated that they find it challenging to obtain information on customs processes, with women traders more affected. Further, many women traders (45 percent) find the official regulations and processes difficult to understand, and an equivalent percent find government information mechanisms not to be user-friendly. Many customs agents (34 percent) also report that they do not understand the regulations and processes, despite them managing cross-border trade for most traders. The survey results also show that challenges in finding information are associated with higher likelihood of having goods detained.

Specific recommendations include:

1.1 Implement a Trade Information Portal to allow more user-friendly and streamlined access to information for and direct communication with traders. More women traders (45 percent) than men (34 percent) are challenged by access to information because government information mechanisms are not user friendly. South Africa does not have a dedicated site, such as a Trade Information Portal (TIP), in place to centralize all the official information on trade processes and procedures, including required documentation, and present the information in an easy-to-understand style for the common operator, particularly small, medium, and micro enterprises (SMMEs). While SARS operates extensive communication channels on customs issues, there is no integration with the electronic or manual systems of other government departments involved in trade and border control. The information from SARS can also be complicated to navigate for those with limited trade experience or understanding of the processes and

⁶² The Customs & Excise website, for example, provides links to pages dealing with Clearance Declaration, Customs Query Resolutions process, Inspection, Legislative Framework, New Customs Legislation update, and Offences, Penalties and Disputes, amongst others. See Customs and Excise from SARS (Online: <https://www.sars.gov.za/customs-and-excise/>)

procedures. With the implementation of a TIP, traders could access information at one digital location, thereby reducing the time spent by traders engaging with multiple government office on the rules and regulations related to importing and exporting. It would also assist in overcoming the information asymmetries that smaller firms face, including by those led by women.

1.2 While a TIP is yet to be established, urgently centralize all information regarding customs processes and requirements related to the COVID-pandemic.

Over half the surveyed customs agents and 40 percent of traders found the information from the government on changes to import and export processes and procedures caused by the pandemic to be confusing and contradictory between regulatory agencies, with small firms particularly affected. SARS publishes information online on port closures and changes to customs processes,⁶³ but a dedicated site centralizing all relevant information, including from other cross-border regulatory agencies, can help reduce uncertainty for traders and customs agents, and may assist in reducing the increased number of hours firms are currently devoting to complying with customs inspections and documentary requirements at South African borders during the pandemic.

1.3 SARS to reinforce existing communication channels, such as call centers and helpdesks. SARS already has a number of these strategies in place, but there could be a targeted communication strategy for women to increase awareness.

1.4 SARS to expand education programs for traders and customs agents, such as the Small, Medium and Micro Enterprises (SMMEs) Traders and Travelers Webinar aimed to increase compliance in accordance with customs clearance procedures.⁶⁴ This could include offering focused tutorials on official government websites and social media platforms as well as disseminating simplified brochures (physical and virtual) with instructions on how to access information available on border processes and procedures. Finally, providing targeted information sessions for women traders and customs agents on how to access online resources can assist in overcoming the gender divide in the use of online websites as a source of information on customs processes and procedures. In-person workshops on customs processes and procedures can be offered at the local SARS branch offices to ensure broad geographical coverage.

⁶³ See Customs and Excise from SARS (Online: <https://www.sars.gov.za/customs-and-excise/>)

⁶⁴ This webinar was offered by SARS in August 2021 (Online: <https://www.sars.gov.za/latest-news/webinar-customs-smme-traders-and-travellers/>).

1.5 SARS to implement joint awareness and education programs with local chambers of commerce, industry associations, customs agent associations, and import/export councils on trade facilitation issues, with specific targeting of women traders.

Activities that could be rolled out with associations include those outlined in recommendation 1.3 as well as the provision of material to the associations that gives accurate and accessible information on official legislation.

Gender-specific recommendations:

- Improve access to and understanding of official border regulations and procedures by centralizing all trade-related information from all border agencies in a user-friendly manner, such as through the establishment of a Trade Information Portal.
- Present information in an easy-to-understand style for the common operator, particularly small, medium, and micro enterprises, of whom women tend to constitute the larger proportion.
- SARS to expand education programs and targeted information sessions for women traders and customs agents on how to access online resources which may assist in overcoming the gender divide in the use of online websites as a source of information on customs processes and procedures. In-person workshops on customs processes and procedures can be offered at the local SARS branch offices to ensure broad geographical coverage
- SARS to implement joint awareness and education programs with local chambers of commerce, industry associations, customs agent associations, and import/export councils on trade facilitation issues, with specific targeting of women traders.

Recommendation 2. Introduce and/or strengthen formal trade consultations between the government and the private sector (WTO TFA measures 2.1 Opportunity to Comment and Information Before Entry into Force, 2.2 on Consultations)

The survey found that the majority of traders and customs agents consider that they are not, or only irregularly, consulted on legislative changes to official cross-border trade

processes and procedures. Further, when consulted, most do not feel that their feedback is taken into consideration. Additionally, among customs agents, more micro and small customs agents reported not to be consulted compared to medium and large customs agents. Currently, SARS uses a publication and comment process for changes to customs regulations and legislation, but the survey results suggest that there is room to improve trade facilitation consultation mechanisms, especially for micro and small traders. This could include a feedback loop that provides feedback on the results of the consultation processes to both traders and customs agents. SARS can work closely with trade and industry associations, especially those that focus on women entrepreneurs and SMMEs, to strengthen formal trade consultation as the survey results show that the majority of traders and customs agents are consulted through these associations.

Gender-specific recommendation:

SARS to work closely with trade and industry associations, especially those that focus on women entrepreneurs and SMEs, to strengthen formal trade consultations. The trade facilitation agreement requires that the private sector is informed and given the opportunity to comment on any legislative/procedural changes before they are entered into force.

Recommendation 3: Promote the NTFC⁶⁵ and make it more effective, accountable, and inclusive (WTO TFA Article 23 on Institutional Arrangements)

Awareness of the South African National Trade Facilitation Committee (NTFC) established in 2016 is very low among the surveyed traders and customs agents, suggesting that the NTFC is not fully realizing its goal to be a national focal point and platform to facilitated domestic coordination and implementation of the WTO TFA. In addition, it has a narrow mandate limited to supporting the implementation of the TFA measures, particularly the two category B provisions, i.e. those relating to the National Single Window and Advanced Rulings. The limited mandate does not support collaborative engagement of stakeholders on a broader national trade facilitation agenda and does not allow the NTFC to position itself as the coordinating body to drive trade facilitation reforms. A well-functioning NTFC can serve many functions, including

⁶⁵ For details on the South African NTFC see UN Repository on National Trade Facilitation Committees: South Africa, 2017 (Online: https://unctad.org/system/files/non-official-document/TFC_ZA_EN.pdf).

planning and implementing trade facilitation reforms, communicating trade-related information to stakeholders, and providing a mechanism for consultations with the private sector.⁶⁶

Specific recommendations include:

3.1. Review the membership structure of the NTFC to allow for more direct representation by the private sector through business organizations, including those focused on women and women entrepreneurship. This will assist in improving communication channels between firms and the public sector in South Africa on trade facilitation issues, as well as providing for more effective and regular consultations.

3.2. Legally expand the scope of the NTFC's mandate so that it has power to convene other agencies. Additional appropriate governance structures should also be established to drive trade facilitation reforms. The structures could include a ministerial forum, with vertical reporting structures to a collaborative committee that includes public and private sector stakeholders (including a decent proportion of women-led firms) and coordinates with technical working groups that can develop co-creative trade facilitation solutions and support interactive customer/stakeholder facing strategies to support trade and economic growth.

3.3. The NTFC can establish and publicize a national roadmap with clear timelines for the implementation of TFA provisions⁶⁷ and other related activities. The national roadmap should contain a breakdown of the individual government authorities' responsibilities involved in TFA implementation. The roadmap can assist in coordinating activities across government agencies and members of the NTFC. The roadmap should also include a gender component to ensure gender mainstreaming is part of the trade facilitation agenda. Further, publicizing the roadmap can help create greater awareness of the NTFC, assist in communicating trade-related information to stakeholders, provide guidance to firms

on future changes to customs processes and procedures, and help make government accountable for the implementation of the TFA.

3.4. Establish an efficient monitoring and evaluation mechanism for the NTFC (along with a results framework) that is aligned with the sequenced trade facilitation activities identified in the roadmap. This can assist in the continuous assessment of and accountability for the trade facilitation performance of the country (e.g., alignment of processes and procedures with international standards, publication of release times and other relevant indicators, traders' satisfaction reports⁶⁸). The results framework should also include specific indicators associated with gender participation in international trade.

3.5. Strategically target a diversity of firms, including those represented by women and those focused on women entrepreneurship, to participate in workshops and consultations held by the NTFC. This may require developing new communication channels to reach a broader audience.

3.6. Invite the Departments of Small Business Development and of Women, Youth and Person with Disabilities to participate in the NTFC and in the design of trade facilitation reforms and strengthen the capacity of these agencies to participate in trade-related discussions

3.7. Ensure that there is a transparency mechanism in place for the NTFC so that decisions and action points are recorded, shared, and monitored, including efforts towards gender mainstreaming. If the NTFC clearly demonstrated its ability to progress trade facilitation reforms in South Africa, there is likely to be a greater buy-in from private sector traders and customs agents to support the trade facilitation reforms. Such efforts towards transparency could also include creating a dedicated website or webpage that captures the objectives and activities of the NTFC.

⁶⁶ See WCO, *National Committees on Trade Facilitation: A WCO Guidance Article 23.2 of the WTO Trade Facilitation Agreement, 2016* (Online: <http://www.wcoomd.org/-/media/wco/public/global/pdf/topics/wto-atf/national-committees-on-trade-facilitation/guidance/nctf.PDF?db=web>).

⁶⁷ For details on a three-phased approach (diagnostic, strategic planning and implementation, and monitoring and evaluation) associated with the establishment and implementation of a roadmap see the *Introduction to the WCO Implementation Guidance for the TFA* (Online: www.wcoomd.org/en/topics/wco-implementing-the-wto-atf/atf.aspx).

⁶⁸ At SARS offices and borders there are electronic points where customers say if they are satisfied with the service.

Gender-specific recommendations:

- Review the membership structure of the NTFC to allow for more direct representation by the private sector through business organizations and strategically target a diversity of firms, including those represented by women and those focused on women entrepreneurship, to participate in workshops and consultations held by the NTFC.
- Include a gender component in the NTFC roadmap to ensure gender mainstreaming is part of the trade facilitation agenda.
- Ensure that monitoring and evaluation mechanisms of the NTFC (for example, result frameworks) include specific indicators associated with gender participation in international trade.
- Invite Departments of Small Business Development and of Women, Youth and Person with Disabilities to participate in the NTFC and in the design of trade facilitation reforms, and most importantly, strengthen the capacity of these agencies to participate in trade-related discussions.
- Ensure that there is a transparency mechanism in place for the NTFC so that decisions and action points are recorded, shared, and monitored, including efforts towards gender mainstreaming.

Recommendation 4: Streamline and improve consistent application of border processes and procedures (WTO TFA measures 7.7 on Trade Facilitation Measures for Authorized Operators, Article 8 on Border Agency Cooperation, measures 10.3 on Use of International Standards, 10.7 on Common Border Procedures and Uniform Documentation Requirements, Article 12 on Customs Cooperation).

While half of the surveyed traders agreed that border processes in South Africa are consistently applied, there was a difference between the experience of men and women. Only 40 percent of women traders find that there was consistent application of border processes by border officials compared to 56 percent of men traders. Additionally, surveyed traders reported that

one of the top challenges to expansion into international markets is bureaucratic and burdensome import/export processes. This was also cited to be a more severe challenge for of micro and small firms (34 percent) compared to medium and large firms (13 percent each).

Specific recommendations include:

4.1 Improve coordinated border management and integrated risk management by expediting implementation of the Border Management Authority (BMA).

BMA was set up a single implementing entity under one executive authority⁶⁹ to improve the levels of collaboration between regulatory agencies, between the BMA and customs, and between South African borders and their neighboring country regulatory agencies. Currently, the regulatory agencies are generally working separately, and this is adding to delays and the cost and complexity of trade.⁷⁰ The survey shows that among those traders and customs agents that find border post operating hours restrictive, most identified differences in operating hours of border agencies within the country to be the major source of the problem, rather than different operating hours at neighboring border post.

Coordinated border management involving better coordination of activities and collaboration on information exchanges for purposes of verifying export/import declarations, between different national border agencies together with ICT platforms to ensure connectivity, can unlock synergies between the agencies pre-border, at the border, and post-border. There are opportunities to share risk management approaches pre-clearance and align on the targeting of high-risk entries, thus reducing time to trade by having low risk goods cleared through green lanes. Border agencies can improve their coordination of inspections and control of goods conveyances and passengers, and there are also opportunities to leverage on collective post-clearance audit controls.

4.2 Speed up implementation of One Stop Border Posts (OSBPs) to increase coordination at border posts, both between South African agencies and with authorities in neighboring countries, and streamline

⁶⁹ Border Management Authority (BMA) was established through the BMA Act which signed into law in July 2020. The law requires coordination with government bodies and border communities under the leadership of the Department of Home Affairs (DHA).

⁷⁰ SARS have since started working with other government stakeholders through BMA on collaboration in developing a Single Government AEO (SGAEO) Programme wherein a National SGAEO workshop was successfully conducted in March 2021.

procedures.⁷¹ Also important when implementing the OSBPs is the harmonization of operating hours among the neighboring countries. According to the survey, amongst those firms that find border operating hours restrict their ability to trade, 20 percent of agents and 37 percent of traders attributed this constraint to differing operating hours at neighboring border posts. Harmonization of trade hours can reduce the time needed to trade for the private sector.

The draft policy on OSBPs is currently being finalized and there are plans to roll it out at six priority borders.⁷² In implementing the OSBPs, the concerns of small traders and women-led businesses need to be factored in, both in terms of the procedural reforms as well as any changes to the physical infrastructure (see recommendation 8.3 below).⁷³

4.3 Fast track expansion of the AEO program and explore options for its use as an instrument to promote more equitable gender participation at firm level. The AEO was established by SARS to expedite the movement of goods through more efficiently coordinated inspections at ports of entry, while also establishing a more secure trade process.⁷⁴ Actively encouraging greater participation by women traders in the AEO program can be done through awareness programs and targeted in-person engagements. Promoting the new AEO program in South Africa can be beneficial to support not only the improvement of cargo flows through borders,

but also the supply chain as a whole. A specific intervention to support SMME participation in the AEO program is being considered by SARS, and this should be fast-tracked. Promoting and implementing this program will allow for easier automation of customs procedures, such as declaring cargo and identifying high-risk consignments, leading to a simplified process for certified traders. It will also allow for more targeted and effective cargo inspections that can gain increased benefits by deployment of initiatives to develop a Single Government AEO certification and recognition. It is important to communicate the benefits of the AEO program widely going forward in order to actively incentivize firms to apply to be certified AEOs. This promotional effort should be done in partnership with relevant business associations.

4.4 SARS to increase engagement and consultation with the private sector on changes to customs processes and procedures to reduce the impact of the COVID-19 pandemic on cross-border trade. The survey results show that many traders have experienced longer clearance times and increased hours devoted to complying with customs inspections/documentary requirements at South African and foreign borders. Time devoted to payment of official fees has also increased for many firms. To obtain a clear view of the challenges that both sides face, increased engagement with the private sector is needed, thereby enabling customs and other border agencies to develop policies and processes that are fit for purpose.⁷⁵

⁷¹ This complements improvements in the customs systems interconnectivity, through the WCO SACU Connect project, for example. At present the SACU countries use different computerized customs management systems: Lesotho, Namibia and Eswatini use UNCTAD's Automated System for Customs Data (ASYCUDA World), South Africa uses Interfront Customs and Border Management Solution (ICBS), and Botswana uses Crimson Logic. See Nxumalo Dalton, *Customs Systems Interconnectivity: The Challenges and Opportunities for Customs Administrations in the SACU Region*, WCO News 85 (February 2018) (Online: <https://mag.wcoomd.org/magazine/wco-news-85/interconnectivity-sacu-region/>.)

⁷² These ports of entry include Beit Bridge (Zimbabwe); Lebombo (Mozambique); Oshoek (Eswatini); Kopfontein (Botswana); Maseru Bridge (Lesotho); and Ficksburg (Lesotho).

⁷³ While the survey does not cover external border agency cooperation, the OECD Trade Facilitation Indicators identify this as an area of relative weakness in South Africa's trade facilitation performance (<https://www.oecd.org/trade/topics/trade-facilitation/>). The establishment of OSBPs will assist in improving border agency co-operation between SA and its neighboring countries.

⁷⁴ The AEO program is a voluntary program for the private sector administered by SARS. There are two levels of accredited client status provided for: Level 1 – Authorized Economic Operator (Compliance) and Level 2 – Authorized Economic Operator (Security). The benefits differ according to level of certification, but include, for example, fewer documentary and physical inspections for compliance risks, prioritizing of requests for tariff and valuation determinations, prioritizing and expediting of inspections, expedited processing of refund and drawback applications (Level 2 only), exemption from security payments (Level 2), and exemption from customs supervision in relation to specified activities (Level 2), amongst others. For further details, see South African Government, *Customs and Excise Act of 1964, Amendment of Rules*, Government Gazette No.44884 of 2021-07-23 (Pretoria: Government Printers). See also <https://www.sars.gov.za/customs-and-excise/registration-licensing-and-accreditation/accreditation/authorised-economic-operator-programme/>

⁷⁵ See Pope, Steven, *COVID-19 and its Impact on Customs and Trade*, 2020 (Online: <https://mag.wcoomd.org/magazine/wco-news-92-june-2020/covid-19-and-its-impact-on-customs-and-trade/>).

Gender-specific recommendations:

Streamlining and improving consistency of border procedures can provide traders and customs agents with more predictability and certainty when engaging in their cross-border trade activities. Inconsistent application of processes and procedures by border officials can incur additional costs of complying with regulations for traders; thereby, contributing to an increase in the time and costs of international trade. Transparent and predictable border crossing procedures are expected to reduce vulnerabilities faced by small traders and women traders who typically face asymmetry in power between officials and traders.⁷⁶ Consistency can be improved in various ways, including through improved coordinated border management, implementation of one stop border posts, and promotion of the Authorized Economic Operator (AEO) program:

- Ensure that in the implementation of OSBPs the concerns of small traders and women-led businesses are factored in, both in terms of the procedural reforms as well as any changes to the physical infrastructure.
- Fast-track expansion of the AEO program with an exploration of options for its use as an instrument to promote more equitable gender participation at firm level.
- SARS to increase engagement and consultations with the women traders and SMEs on changes to customs processes and procedures to reduce the impact of the COVID-19 pandemic on cross-border trade.

Recommendation 5. Identify and address reasons for delayed release of goods (WTO TFA measure 7.6 on Establishment and Publication of Average Release Times)

Undertake Time Release Studies (TRS) on a regular basis with a scope that includes all border agencies. This includes expediting the current TRS conducted in Durban Harbor and rolling this

out to other ports of entry with lessons learnt. A TRS can be used to measure and publish, on a periodic basis, the average time it takes to release goods and can help to better pinpoint specific bottlenecks and inefficiencies in border processes by measuring actual time from arrival to the physical release of goods. Further, TRS will assist the NTFC in identifying and understanding constraints to cross-border trade at national borders, thereby enabling the committee to monitor TFA implementation progress. Border agencies should regularly conduct and publish TRS results, as well as implement the associated recommendations to address bottlenecks in the border processes.

Gender-specific recommendation:

As discussed above, transparent and predictable border crossing procedures reduce vulnerabilities faced by small traders and women traders. It is recommended that regular TRS is undertaken to pin-point inefficiencies in the border processes and make improvements while also widely publicizing the findings among stakeholders (ensuring women-led firms are reached through appropriate platforms such as a more inclusive NTFC and women trade associations). It is also recommended that findings of this survey and other gender studies in the country are taken into consideration while identifying bottlenecks that will be captured in the future TRSs.

Recommendation 6: Use technology to enhance trade facilitation, including through implementation of a Single Window (WTO TFA measure 6.2 on Specific Disciplines on Fees and Charges and 7.2 on Electronic Payment, 10.4 on Single Window).

SARS has implemented a fully automated customs process, including a payment mechanism with multiple channels. However, the survey reveals that 52 percent of traders are not aware that all border entities/agencies have systems that accept electronic forms and documents, or whether docu-

⁷⁶ WBG, WTO. 2015. *The Role of Trade in Ending Poverty*

ments can be submitted electronically. Furthermore, 43 percent of traders do not know whether all official fees can be paid electronically in a single payment.

Specific recommendations include:

6.1. Increase awareness of the pre-arrival processing system as greater use of pre-declarations will ensure traders and customs agents are able to take full advantage of customs automation and its benefits of expedited release. This could be complemented by advancement of pre-clearance of shipments through separation of clearance and final determination.

6.2. Increase education and training on the usage of the automated customs system, including the electronic payment functionalities on electronic payment platforms, especially for women traders. This may assist in reducing the payments of unofficial fees to speed up processes at borders, as seven percent of traders report that they had paid speed money.

6.3. Implement a Single Window (SW) system to integrate the electronic or manual systems of SARS and other government departments involved in trade facilitation. This could be combined with the trader focused information portal in Recommendation 1. With the implementation of a Single Window, traders could access information at one location and also submit all import, export, and transit documentation and supporting information required by regulatory agencies through one digital platform rather than submitting the same information multiple times to the different regulatory agencies. Making the process of submitting documentation intuitive and easy to comply with will raise the option for traders to conduct trade themselves without needing to make use of customs agents. A more simplified, electronic process will also encourage greater participation and reduce the entry barriers, especially for smaller firms, where women engage in larger numbers, according to the survey results. Existing actors will benefit from the time and costs saved but there will also be the space for greater competition.

Gender-specific recommendations:

Research suggests that facilitating trade using digital solutions particularly benefit SMMEs – many of them women-led businesses – which tend to be overly impacted by cumbersome and lengthy import, export, or transit procedures.⁷⁷ Therefore, it is recommended that an electronic single window system is implemented in South Africa. A more simplified, electronic process will also encourage greater participation and reduce the entry barriers, especially for smaller firms, where women engage in larger numbers, according to the survey results. In addition, it is recommended to increase education and training on the usage of the automated customs system, including the electronic payment functionalities on electronic payment platforms, especially for women traders. Increasing awareness of the pre-arrival processing system as greater use of pre-declarations will ensure traders and customs agents are able to take full advantage of customs automation and its benefits of expedited release.

Recommendation 7. Publicize official grievance procedures (WTO TFA measure 4 on Procedures for Appeal and Review).

Around a quarter of traders and just over half of the customs agents find the guidance and explanations on penalties and how to make an official appeal easy to access from government entities, although more traders (43 percent) simply do not know whether the information on penalties and appeal processes is easy to access. Of those customs agents that find explanations on penalties/appeals easy to access from government entities, the majority (51 percent) do not find the formal complaint or grievance procedures effective.

The right to appeal decisions made by customs officials or officials of other border agencies in administrative decisions or judicial proceedings should be provided in a non-discriminatory manner, and customs, other border agencies. The government should review the appeal and review procedures to ensure

⁷⁷ Sijia Sun and Alexandre Larouche-Maltais, "Digital Trade Facilitation for Women Cross-border Traders". Article No. 66. UNCTAD Transport and Trade Facilitation Newsletter N°88 – Fourth Quarter 2020.

that they are effective in addressing the litigation emerged with the private sector. The responsiveness of official grievance procedures should be promoted eventually through the NTFC. The government, including through the NTFC, should publicize more broadly the official channels for appeal to private stakeholders.

Gender-specific recommendation:

Research suggests that a transparent border crossing procedure are expected to reduce vulnerabilities faced by small traders and women traders including where there is a lack of functioning complaint and dispute mechanisms.⁷⁹ Accordingly, it is recommended that the official channels for appeal is publicized widely to all stakeholders.

Recommendation 8: Improve safety and security at borders

Of the customs agents surveyed that regularly visit the border,⁷⁹ 100 percent of the women have felt unsafe, with border officials cited as the main perpetrators of negative behavior at the border. Customs agents have also cited feeling unsafe

while visiting the borders due to the lack of clear organization (23 percent) and overcrowding (19 percent).

Specific recommendations include:

8.1. Actively promote gender balance within the border workforce by recruiting and retaining more women within border agencies workforce.⁸⁰

8.2. Provide gender-sensitive training for customs and border management officials, ensuring gender issues and issues in relation to what constitutes discrimination, harassment and sexual exploitation, abuse are covered in training and operation manuals and codes of conduct for border officials is critical. In addition, border points should have a focal point to respond to concerns raised by women engaging in cross-border trade and in addition, actively police and prosecute harassment at border crossings.

8.3. Improve the design and maintenance of infrastructure and services at the border by providing appropriate sanitation facilities, adequate lodging on either side of the border, and well-lit walkways in the border area. There is an opportunity to build in these improvements from the outset of the design of the proposed One Stop Border Posts.

⁷⁸ WBG, WTO. 2015. *The Role of Trade in Ending Poverty*.

⁷⁹ Eight percent of traders and 32 percent of the interviewed customs agents regularly visit the border

⁸⁰ The World Customs Organization (WCO) has several tools focused on gender, including a e-learning module on "advancing gender equality in Customs". See Johanna Törnström, *WCO Releases New Customs Tools to Advance Gender Equality and Diversity*, WCO News 89 (June 2019) (Online: <https://mag.wcoomd.org/magazine/wco-news-89/wco-releases-new-customs-tools-to-advance-gender-equality-and-diversity/>).



Female business owner
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Port of Durban
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6 Remaining Analytical Gaps

The survey was limited to identifying constraints that existing traders face. Exploring the reasons of non-engagement in cross-border trade would require a deeper assessment of why non-trading women firms do not trade, which goes beyond the scope of this survey and likely also the WTO Trade Facilitation Agreement.

The survey only focused on firm-level traders, leaving out a group of traders often referred to as small-scale and informal traders that undertake trade that is unrecorded in official statistics and is carried out by small businesses. In many countries, many small-scale and informal traders are women. Due to the limited scope of this survey, the gaps between men and women firm-level traders may or may not be representative of small-scale and informal traders. In addition, while the survey collected data in areas not directly related to trade facilitation, such as access to finance and participation in certain commodities, the main focus of the study was related to cross-border and trade facilitation challenges. As such, a deeper assessment will be needed to research gendered gaps in the above-mentioned areas.

While the survey provided a wealth of new data on the gaps between men and women traders and customs agents in South Africa, it did not offer explanations to most of the gendered differences. Any explanation to the gaps that were identified would be based on assumptions, and in most cases, deeper analysis would be needed to confirm exactly why there are gaps between men and women in certain areas. This information could likely best be obtained through more in-depth surveys and research.

This survey is a companion piece to other research being conducted by the World Bank and South African government. The SARS is in the process of undertaking a Time Release Study at the Durban Harbor to measure the actual clearance times of containers being imported and exported from the port. This survey will provide the trading community's viewpoint on the bottlenecks that will be captured in the TRS and offer greater insights on the findings alongside other studies undertaken with SARS by the World Bank, World Customs Organization, and other partner organizations.



Business meeting
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Annex 1

Acknowledged
South African Public and
Private Institutions

Government Institutions

- South African Revenue Services (SARS)
- South African National Treasury
- The Department of Trade, Industry and Competition (DTIC)
- WESGRO – Cape Town & Western Cape Tourism, Trade, and Investment
- Nelson Mandela Bay Business Chamber
- North West Development Corporation (SOC) Ltd
- Western Cape Department of Agriculture
- Trade and Investment KwaZulu-Natal
- East London Industrial Development Zone (SOC) Ltd (ELIDZ)
- Gauteng Industrial Development Zone (GIDZ)
- Gauteng Growth and Development Agency (GGDA)
- Johannesburg Chamber of Commerce and Industry
- South African Broadcast Commission (SABC)
- Trade Bulletin – International Trade Administration Commission of South Africa

Private Institutions

- Global Trade Solutions (GTS)
- Women in Trade a Business Unity South Africa (BUSA) Initiative
- South African Association of Freight Forwarders (SAAFF)
- Business Unity South Africa (BUSA)
- South African Fruit & Vegetable Canners' Export Council (SAFVCEC)
- Fresh Produce Exporters' Forum South Africa (FPEF)
- South African Aerospace, Maritime and Defence Export Council (SAAMDEC)
- Transport Forum
- South African Chamber of Commerce and Industry (SACCI)
- Road Freight Association (RFA)
- South African Express Parcel Association (SAEPA)
- Consumer Goods Council of South Africa (CGCSA)
- Johannesburg Chamber of Commerce and Industry (JCCI)
- South African Liquor Brand Owners Association (SALBA)
- South African Boat Builders Export Council (SABBEX)
- Automotive Business Council (NAAMSA)
- Aluminium Federation South Africa (AFSA)
- International Steel Fabricators of South Africa (ISF)
- South African Iron and Steel Institute (SAISI)
- South Africa Stainless Steel Development Association (SASSDA)
- South African Wire Association (SAWA)
- Steel Tube Export Association of South Africa (STEASA)
- South African Electrotechnical Export Council
- Plastics South Africa
- Publishers Association of South Africa
- South African Furniture Initiative (SAFI)
- Cosmetic Export Council of South Africa (CECOSA)
- The Jewellery Council of South Africa
- South Africa Footwear & Leather Export Council
- Wines of South Africa
- South Africa Equine Trade Council
- Abalone Export Council (AEC)
- South African Antique, Art and Design Association (SAADA)
- Cova-Advisory
- Growth Diagnostics
- NEPAD Business Foundation
- Consumer Goods and Services OMBUD
- Policy Lab



Meeting with South African business owners
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Annex 2

Methodology

A major challenge in conducting this survey was obtaining reliable and comprehensive universe estimates of firms engaged in cross-border trade.⁸¹ Given restrictions in accordance with the Protection of Personal Information Act (POPIA), it was not possible to obtain from official sources, such as Statistics South Africa, South African Revenue Services, and the Department of Trade, Industry and Competition, a list of firms that trade, together with their contact details and quota category information on industry, size, location, and gender of owner. Consequently, a multi-pronged approach was pursued in constructing the sample frame, and reliable universe estimates.

Sampling and Survey Implementation

The survey target population comprised of privately owned (non-state-owned) firms (traders and agents) that engage in cross-border trade and transit of goods (not services) across any international land, air, or sea border of South Africa. For this purpose, a sample frame containing a complete and updated list of firms plus information on the quota categories (size, major industry, gender of ownership/management, and province) was needed to draw the sample. The inability to obtain an official comprehensive database containing this information, required a multi-pronged approach to be implemented to establish the sample frame and secure firm participation in the survey.

First, SARS and Surveya worked closely with government departments, provincial/city departments, and Business Associations (see Annex 1) to request the distribution of invitations to firms to participate in the survey.⁸² Second, firm contact details were sourced from external databases, websites and directories.⁸³ Thirdly, an online/social media marketing program was initiated to encourage firm participation. All firms

were required to complete a consent form to verify eligibility and provide contact details to schedule an interview.⁸⁴

Estimates of the universe of trading firms in South Africa distributed by firm size category were constructed using anonymized South African Revenue Services (SARS) administrative data for 2017 that covered firms that pay Corporate Income Tax (CIT), are engaged in cross-border trade in goods, and submit the IRP5 Employee Income Tax Certificates.⁸⁵ Using this data, the population of firms with positive sales and employment data that trade across borders was estimated at 28,101.

The data used to construct population estimates did not contain information on the gender of the firm owner or top manager. Consequently, the South Africa 2020 Enterprise Survey conducted by the World Bank was used to estimate the share of traders with female top managers according to four firm size categories: micro firms (0–4 employees), small firms (5–19 employees), medium firms (20–99 employees) and large firms (100 or more employees). These shares were then applied to the universe data to obtain estimates of the distribution of the population of traders by gender of top manager and firm size.

The population estimates, nevertheless, suffer potential biases. Not all customs and excise registered entities that exported or imported, or employee can be matched to the CIT data. Employment data is also missing for 19 percent of the CIT firms engaged in international trade in 2017. Further, the 2020 South Africa Enterprise Survey excludes firms in the agricultural and mining sector (plus some business services), firms located outside of the Eastern Cape, Gauteng, KwaZulu-Natal, and Western Cape, and firms with five or fewer employees. The one implication is that smaller firms may be under-represented in the population estimates. Finally, it was not possible to exclude government-owned firms from the population estimates.

Table 2 presents a breakdown of the population estimates of South African firms that traded in 2017 according to several quota categories. Small firms make up 34 percent of

⁸¹ Similar challenges were experienced in the conducting of the South Africa 2020 Enterprise Survey (<https://www.enterprisesurveys.org/content/dam/enterprisesurveys/documents/country/South-Africa-2020.pdf>).

⁸² In total, 34 Trade Associations, 21 Export Councils, 15 Provincial Agencies, 22 Trade Agencies, 3 Government Departments, and 9 other organizations were contacted. These key stakeholders were provided with survey pamphlets to email to members and firms within their networks.

⁸³ This includes, a firm database obtained from "Who Owns Whom", lists of firms from the online directory <https://www.listofcompaniesin.com/south-africa/import-export/>, and details for agents obtained from <https://saaff.org.za/member-directory/>.

⁸⁴ The screening process was used to establish: (i) that the business is not-state owned, (ii) that the business is involved in cross-border trade (import/export/transit) (iii) where the business is located, its size, and the category of products the business trades in, (iv) whether the business is owned or managed by a male or female, (v) willingness of the owner/manager to participate in the survey, and (vii) contact details used to interview the respondent.

⁸⁵ Full details on the database and its construction are provided by Duncan Pieterse, Friedrich C. Kreuser, and Elizabeth Gavin, "Introduction to The South African Revenue Service and National Treasury Firm-Level Panel", WIDER Working Paper 2016/42 (Helsinki: UNU-WIDER, 2016.)

Table 2. Breakdown of Trader Population Estimates by Gender and Size of Firms, HS Section Category and Province

	Share female-led	Female-led (Number)	Men-led (Number)	Total (Number)	Share total (percent)
Total	0.35	9,926	18,175	28,101	100
<i>By size</i>					
<5	0.47	2,814	3,223	6,037	21
5–19	0.47	4,470	5,121	9,591	34
20–99	0.31	2,635	5,826	8,461	30
100+	0.36	1,426	2,586	4,012	14
<i>By province</i>					
W Cape	0.44	2,751	3,472	6,223	22
Gauteng	0.38	5,760	9,401	15,161	54
E Cape & KZN	0.33	1,559	3,110	4,669	17
Rest of SA	0.33	684	1,364	2,048	7
<i>HS Section grouping</i>					
HS 1-4 (Agriculture, food)	0.27	665	1,757	2,422	9
HS 5-10, 13-15 (Minerals, chemicals, metals)	0.31	2,935	6,490	9,425	34
HS 16-19 (machinery, transport, medical instruments, etc.)	0.40	5,035	7,591	12,626	45
HS 20-21, 11-12 (Other)	0.38	1,379	2,249	3,628	13

Notes: Population estimates based on Customs Transaction data, Corporate Income Tax data, IRP5 Employment Tax data, and the 2020 South Africa Enterprise Survey. The total column of each quota category sums to the total number of firms. However, given that the CIT and Enterprise Survey data have different population distributions across the quota categories, the sum of firms by gender of manager differ for each quota category.

the population of trader firms, followed by medium sized firms (30 percent), micro firms (21 percent) and large firms (14 percent). Micro and small firms have the highest share of female ownership or management at 47 percent, followed by large firms (36 percent) and medium sized firms (31 percent). Across provinces, 54 percent of trader firms are located in Gauteng, 22 percent in Western Cape, 17 percent in Eastern Cape & Kwazulu-Natal (17 percent) and 7 percent in the rest of South Africa. The major HS Section category in which traders fall is HS 16-19 (Machinery, transport, medical instruments) (45percent), followed by HS 5-10, 13-15 (Minerals, chemicals, metals, etc.) (34 percent), HS 20-21, 11-12 (Other) (13 percent), and HS 1-4 (Agriculture and food products) (9 percent).

Interviews with the owners or managers of the firm were conducted either telephonically with enumerators or using a self-administered online survey. Table 3 presents further details on the number of firms contacted and the surveys completed. A total of 2,698 firms were contacted telephonically to encourage their participation and obtain their consent. An additional 1,505 firms were emailed the survey pamphlet directly. Of the firms contacted telephonically, the contact details were incorrect for 1,008; 874 were unobtainable, 192 refused to participate, and 205 consented to the interviews.⁸⁶ A total of 421 consent forms were received. However, not all these firms were eligible or, when contacted, agreed to participate in the survey. In total, 78 agents and 204 traders were surveyed. The firms surveyed comprised of 148 telephonic interviews and 134 online interviews.

⁸⁶ Firms were declared unobtainable if the firm could still not be contacted telephonically after three attempts.

Table 3. Summary Details of Firms Contacted and Surveys Completed

Category	Count
Firms contacted telephonically	2,698
<i>Ineligible firms</i>	419
<i>Incorrect listed numbers</i>	1,008
<i>Unobtainable firms</i>	874
<i>Refusals</i>	192
<i>Total firms consented via phone</i>	205
Additional firms emailed	1,505
Total firms contacted telephonically and/or via email	4,203
Total firms submitting consent forms	421
<i>Of which were not eligible or refused to participate</i>	139
Total firms surveyed	282
<i>Firms interviewed telephonically</i>	148
<i>Firms completing online survey</i>	134
Customs agents surveyed	78
Traders surveyed	204

Note: Firms are declared unobtainable only after at least three attempts were made to contact the firm telephonically.

Profile of Respondents

Table 4 presents a breakdown of surveyed firms by gender, firm size, major commodity traded, and province of location. Of the 204 traders interviewed, 82 of the respondents, who were either owners or managers of the firms, identified themselves as women. Looking across province, the Western Cape, with 38 percent of all interviews, was over-represented relative to its population share (22 percent). The next largest number of traders interviewed were in Gauteng (41 percent), followed by Eastern Cape & Kwazulu-Natal (KZN) (12 percent) and then the rest of South Africa (8 percent).

Large firms with 100 or more employees were also over-represented accounting for 38 percent of total interviews of traders (compared to 14 percent of the population), followed by medium firms (26 percent vs. 30 percent population share), micro firms (21 percent vs. 35 percent population share), and small firms (16 percent vs. 21 percent population share).

Looking over the commodity categories, 41 percent of the traders interviewed mainly trade in agricultural and food products (HS Section 1-4: animal, vegetable products, beverages, tobacco, etc.), compared to a nine percent population share. This high share arises from the relatively high number of interviews of firms in the Western Cape that trade in agricultural products.⁸⁷

⁸⁷ 60 percent of traders interviewed in the Western Cape trade mainly in agricultural products.

Table 4. Breakdown of Trader and Customs Agent Survey Respondents by Gender and Size of Firms, Major Commodity Traded, and Province of Firms

	Trader Survey Respondents			Customs Agent Survey Respondents		
	Women-led	Men-led	Total	Women-led	Men-led	Total
Total	82	122	204	24	54	78
<i>By size (number of full-time employees)</i>						
<5	17	16	33	11	17	28
5-19	16	27	43	4	21	25
20-99	24	26	50	6	9	15
100+	25	53	78	3	7	10
<i>By province</i>						
Western Cape	32	51	83	3	5	8
Gauteng	14	31	45	14	31	45
Eastern Cape & KZN	22	26	48	2	10	12
Rest of South Africa	14	14	28	5	8	13
<i>Main commodity traded</i>						
HS 1-4 (agriculture, food)	32	51	83	4	8	12
HS 5-10, 13-15 (minerals, resource-products, metals)	14	31	45	5	16	21
HS 16-19 (machinery, etc.)	22	26	48	10	22	32
HS 20-21, 11-12 (other)	14	14	28	5	8	13



Containers at the port of Durban
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MAX.GROSS 30 480 KGS
67.200 LBS
TARE 3 840 KGS
8.465 LBS
NET 26 640 KGS
58.735 LBS



Female business owner
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Annex 3

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