

**2007 UPDATE SURVEY OF NON  
TARIFF BARRIERS TO TRADE:  
NAMIBIA**

**FINAL REPORT**

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**Prepared for: Regional Trade Facilitation Programme**



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## CHAPTER 1: EXECUTIVE SUMMARY

Namibia's trade in the SADC region is heavily skewed towards South Africa, which accounts for 98.5% of SADC imports into Namibia and 75% of Namibian exports to the region. Other important export markets for Namibia include Angola and the Democratic Republic of Congo. Namibia is an important producer in the region of meat, fish, beverages (of which Namibian premium lager), semi-precious stones and precious metals, and (natural sea) salt. Although vehicles imported from South Africa top the list of regional imports, Namibia's main regional imports largely reflect its industrial landscape with limited own production capacity of inputs for industry and consumables: equipment and machinery for industry, inputs for industry (plastics, paper and fuels), pharmaceuticals, foodstuffs and clothing and apparel. The only import of significance from outside of South Africa is the import of sugar from Zimbabwe accounting for nearly 24% of total SADC-imports under HS17.

The assessment of Non-Tariff Measures, some of which constitute Non-Tariff Barriers due to their inefficient and/or non-transparent administration, should be viewed against the background of SADC's – with the single and very important exception of South Africa – relative insignificance both as a destination of exports and source of imports. Trade with South Africa is governed by the Southern African Customs Union (SACU), a fully-fledged customs union, and of the Common Monetary Area (CMA), both greatly facilitating the cross-border movement of goods between these countries.

This is not so say that the Namibian Government and private sector are not continuously exploring new markets for Namibian products and new sources of foodstuffs, consumables and inputs for industry in the region. The Trans-Kalahari Highway into Botswana and Gauteng, the Trans-Caprivi Highway into Zambia and the DRC and the Trans-Cunene Highway into Angola are instrumental in the drive for diversification of trade partners.

However, the process of regional trade diversification is slow for – *inter alia* – the following factors:

- Similarity in production patterns and competitive advantages across Southern Africa (excluding South Africa);
- Limited variety of Namibian home-grown/produced goods fit for the SADC market;
- Access to premium export markets for Namibian beef, fish and grapes (EU);
- Infant stage of development of the manufacturing sector in Namibia, with limited input requirements;
- High transport costs, also due to cabotage law applied by SADC member states which does not allow an empty truck to carry back a load from a third country<sup>1</sup>

Thus the inherent structural features of the Namibian economy in relation to the wider SADC region would appear to be more of an obstacle to trade than tariff or non-tariff barriers to trade.

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<sup>1</sup> For example a South African truck dropping off a load in Namibia may not pick up a load in Namibia destined for Botswana, even though this truck is using the Trans Kalahari Highway, linking the three countries.

A number of NTBs are identified that could affect trade in the region, however, the core NTBs identified for urgent action includes:

- A review of general import and export licensing with a view of abolish.
- Establishment of sunset clauses for specific import quotas and restrictions
- Establishment of Single Focal Point for all import and export related licensing, including SPS, technical and other specialized licensing.
- Strict monitoring of the measures introduced for industry protection and/or import substitution purposes.
- Introduction of Single Administrative Document (SAD) for all SADC trade.
- Facility for automated pre-clearance by traders/freight forwarders in all ASYCUDA and other customs clearance systems utilized by SADC countries.
- Computerization to speed up immigration control at SADC borders.
- Establishment of a SADC Bureau of Standards, with presence in each SADC country (absorbing existing capacity of individual country bureaux).
- Introduction of strong SADC institutional capacity to enforce expediently anti-dumping measures and other measures against unfair trade practices.

## CHAPTER 2: OVERVIEW OF INTRA-SADC TRADE

Namibia's trade with the SADC region continues to be dominated by trade with South Africa.

In 2003, 97.7% of total SADC-imports were sourced from South Africa and by 2006<sup>P</sup> this share was even as high as 98.5%. In exports, the initial diversification towards Angola with nearly half of total SADC-exports destined for that country in 2003 has taken a sharp turn with only 17% of SADC-exports recorded for Angola by 2006<sup>P</sup> to the benefit of South Africa re-emerging as the top destination within SADC for Namibian exports (75% by 2006). A small yet growing destination for Namibia's exports is the Democratic Republic of Congo. Otherwise, exports to the SADC region are minimal. Namibia's imports from the region have been growing steadily over the last four years. Regional imports are almost entirely sourced from South Africa (Table 1 and 2).

In terms of overall trade, South Africa is more important to Namibia in terms of its imports than its exports which are more diversified and include mineral, meat and fish exports to world destinations, mainly the European Union.

*Table 1: Intra SADC Imports by Country by Value, 2003-2006, USD*

	2003	2004	2005	2006 <sup>P</sup>
<b>TOTAL</b>	<b>1,983,825,966</b>	<b>2,094,018,841</b>	<b>2,138,127,318</b>	<b>2,407,018,508</b>
ANGOLA	3,551,537	3,191,452	3,303,264	1,372,481
BOTSWANA	3,463,610	5,436,792	5,531,579	7,013,692
DRC	648,177	16,478	13,132	11,086
LESOTHO	19,569	21,834	24,927	13,819
MALAWI	46,858	24,475	119,749	14,528
MAURITIUS	750,852	155,993	195,263	240,234
MOZAMBIQUE	84,750	407,338	10,698	4,807
SEYCHELLES	437,256	14,606	8,761	13,771
SOUTH AFRICA	1,938,987,963	2,057,375,825	2,104,285,630	2,370,495,371
SWAZILAND	1,736,812	7,164,272	2,612,827	6,809,699
TANZANIA	69,123	119,688	81,218	511,725
ZAMBIA	2,744,646	1,298,765	1,372,913	1,618,998
ZIMBABWE	31,284,813	18,791,323	20,567,357	18,898,296

**Table 2: Intra SADC Exports by Country by Value, 2003-2006, USD**

	2003	2004	2005	2006 <sup>P</sup>
<b>TOTAL</b>	<b>882,138,573</b>	<b>912,820,917</b>	<b>1,008,020,080</b>	<b>1,156,058,214</b>
ANGOLA	419,403,030	236,729,214	180,265,959	195,765,878
BOTSWANA	14,298,969	12,244,079	11,873,306	15,715,800
DRC	6,281,635	10,250,299	11,653,410	45,999,295
LESOTHO	3,992	80,797	194,713	179,064
MALAWI	89,980	108,539	100,991	391,487
MAURITIUS	724,164	492,961	244,120	227,268
MOZAMBIQUE	3,032,567	8,921,179	17,961,397	19,312,135
SEYCHELLES	396,212	73,353	6,928	987
SOUTH AFRICA	426,135,337	630,219,068	765,737,967	864,004,256
SWAZILAND	1,367,186	381,662	685,668	1,397,140
TANZANIA	760,974	641,636	858,285	852,651
ZAMBIA	5,976,253	9,134,410	12,982,464	7,217,952
ZIMBABWE	3,668,276	3,543,720	5,454,874	4,994,302

The composition of trade with SADC in 2006 – dominated by trade with South Africa – is reflected in Table 3 and Table 4 where the top 10 products exported and imported to SADC countries are shown. Further country specific details can be found in Annexures 1 and 2.

**Table 3 Top 10 Products Exported to SADC Countries by Value, 2006 (HS2), USD**

<b>Top 10 export products (at HS2 level):</b>	
49	Printed books, newspapers, pictures and other products of the printing industry; manuscripts, typescripts and plans
02	Meat and edible meat offal
03	Fish and crustaceans, mollusc and other aquatic invertebrates
22	Beverages, Spirits and Vinegar
01	Live animals
71	Natural or cultured pearls, precious or semi-precious stones, precious metals, metals clad with precious metal and articles thereof; imitation jewellery; coins
87	Vehicles others than railway or tramway rolling-stock, and parts and accessories thereof
84	Nuclear reactors, boilers, machinery and mechanical appliances; parts thereof
25	Salt, sulphur; earths and stone; plastering materials, lime and cement
85	Electrical machinery and equipment and parts thereof; sound recorders and reproducers, television image and sound recorders and reproducers, and parts and accessories of such articles

Of these, vehicles are largely in the category of re-exports, mainly to Angola. Namibia is no major producer of vehicles other than army-related. In HS84 and HS85 the exports mainly comprise of temporary exports of machinery to South Africa for repairs and re-exports to Angola.

It should be noted that the value of exports under HS code 49 (printed books, etc.) is inflated by the return of South African bank notes as per the Common Monetary Area arrangement

between Namibia and South Africa. According to this arrangement, the Namibian Dollar is pegged to the South African Rand (ZAR) and the ZAR is legal tender in Namibia. Periodically, the ZAR bank notes are returned to South Africa and recorded as “exports”.

For the other export categories, Namibia is an important producer in the region of meat, fish, beverages (of which Namibian premium lager), semi-precious stones and precious metals, and (natural sea) salt (see Table 3).

**Table 4: Top 10 Products Imported from SADC Countries by Value, 2006 (HS2), USD**

87	Vehicles others than railway or tramway rolling-stock, and parts and accessories thereof
84	Nuclear reactors, boilers, machinery and mechanical appliances; parts thereof
85	Electrical machinery and equipment and parts thereof; sound recorders and reproducers, television image and sound recorders and reproducers, and parts and accessories of such articles
30	Pharmaceutical products
22	Beverages, Spirits and Vinegar
39	Plastics and articles thereof
48	Paper or paperboard; articles of paper pulp, of paper or paperboard
17	Sugar and sugar confectionery
27	Mineral fuels, mineral oils and products of their distillation; bituminous substances; mineral waxes
61	Articles of apparel and clothing accessories, knitted or crocheted

Vehicles imported from South Africa top the list. Otherwise, the list reflects Namibia’s industrial landscape with limited own production capacity of inputs for industry and consumables: equipment and machinery for industry, inputs for industry (plastics, paper and fuels), pharmaceuticals, foodstuffs and clothing and apparel.

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Namibia and South Africa are both members of the Southern African Customs Union (SACU), a fully-fledged customs union, and of the Common Monetary Area (CMA), both greatly facilitating the cross-border movement of goods between these countries.

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## **CHAPTER 3: NTB MEASURES DIRECTLY AFFECTING EXPORTS**

### Institutional Framework

The Namibian Government has been talking for a good number of years about an Export Credit Guarantee Facility, an Export Promotion Agency and a Namibian Standards Bureau yet these plans have yet to reach the end of the pipeline. These institutions are expected to facilitate and encourage exports and export diversification.

The Namibia Trade Forum (NTF), a public-private partnership established in 2005 to promote and facilitate trade, is not performing according to industry expectations and appears to be without clear direction and resources. The NTF and its sub-committees could be a powerful forum to influence trade policy and assist in addressing NTBs and other obstacles to trade.

The outdated general import and export licensing system, which was scrutinized in detail already in 1998, is awaiting the establishment of the Namibia Board of Trade (NBT) for its urgent and much needed streamlining. The NBT is to be established as per Article 14 of the 2002 SACU Agreement. NBT's main functions are management of import/export and trade remedies (anti-dumping, countervailing, safeguard and infant industry protection measures). These functions are currently not appropriately represented in Government.

The NBT will be established by an Act of Parliament. The Ministry of Trade and Industry (MTI) is, however, exploring legal ways of having the NBT operational during a transitional period, given that the Act may take time to pass. The NBT's main source of funding is expected to be the Government budget. There is budgetary provision for NBT to start operation as from April 2007 and MTI plans to have it up and running over the course of the coming financial year (2007/2008). The envisaged structure is to start with a lean institution with a head and two to three business units, staffed with technical experts. The functions of import/export management currently performed by the Unit in the Ministry will gradually be transferred to the institution. The Act will specify how the Board of directors will be appointed, and from which sector. The final specifications in the Act will be a result of national consultation and finally parliamentary deliberation. In the interim, however, the Minister of Trade and Industry will be the appointing authority, and will consider representation of both public and private sector.

**Table 5: WTO NTB Categorisation Codes / Exports**

<b>INVENTORY CATEGORY</b>	<b>DESCRIPTION</b>				
<b>Part I</b>	<b>Government Participation in Trade and Restrictive Practices Tolerated by Governments</b>				
	<i>WTO Inventory Code</i>	<i>Problem Area</i>	<i>Description of most severe NTBs</i>	<i>Impact of NTB to business and trade</i>	<i>Responsibility/Source of NTB</i>
	C	Promotion of local manufacturing and SME development	Price preferences for Namibian manufacturers	Limited	Ministry of Finance, Tender Board
	E	Parastatal monopoly in fixed line telecommunications	Telecom Namibia is sole provider of fixed telecom services	Lack of competition results in relatively high consumer prices and limited service package	Ministry of Works, Transport and Communications and Namibia Communications Commission
<b>Part II</b>	<b>Customs and Administrative Entry Procedures (Licensing)</b>				
	<i>WTO Inventory Code</i>	<i>Problem Area</i>	<i>Description of most severe NTBs</i>	<i>Impact of NTB to business and trade</i>	<i>Responsibility/Source of NTB</i>
	B/C	ASYCUDA Compatibility	Namibia's ASYCUDA system allows for direct inputs by both local and foreign traders and communicates well with customs clearance systems used in the region (mostly ASYCUDA). South Africa has, years after Botswana and Namibia introduced it, introduced the SAD500 (Single Administrative Document) for customs clearance system yet does not allow for direct input by traders/freight forwarders not registered in South Africa into its system (not ASYCUDA). In response, Namibia since early 2007 now also disallows South African traders' direct access to its system.	Serious negative impact on customs clearance on trade between Namibia and South Africa.	Ministry of Finance, Customs and Excise

INVENTORY CATEGORY	DESCRIPTION				
	G	Unpredictable duration of border customs clearance in Angola and DRC	Extended and unpredictable turn-around time and additional costs of trucking into Angola and DRC.	Most Namibian trucking companies prefer not to cross into Angola and DRC but rather off-load in bond in Oshikango (northern Namibia) and Kitwe (Zambia). In Zambia, this brings the additional problem of high in-transit bond fees.	Angolan and DRC customs authorities
		High incidence of bribery at Angola and DRC borders			

INVENTORY CATEGORY	DESCRIPTION				
	H	No single focal point for export licensing	There are no less than six ministries, the Namibian Police, two marketing boards and a statutory board involved in the management of imports and exports. The onus is upon the applicant to collect all relevant permits/ certificates from line ministries and other bodies, before a commercial import/ export permit application can be made to MTI. For certain goods, up to three different points of control apply.	Unlevelled playing between SACU and non-SACU SADC trade.	Ministry of Trade and Industry, and other stakeholders involved in export licensing.
		General Export Licensing	For all non-SACU SADC exports an export license is required, even if product does not feature on the positive list. No general export licensing applies to SACU trade.		
		Rationale for general export licensing is unclear	<p>General export licenses are issued for all non-SACU export. They are not captured in any systematic way and the relevance of these permits is questioned. All export permits are processed by hand.</p> <p>There is no interface between the MTI permit system and ASYCUDA<sup>++</sup>.</p> <p>The system is unpredictable, with ever-changing procedures as per the SACU Agreement's Jacobsens' Index.</p> <p>The IEM requirements are not widely known, especially among incidental traders.</p> <p>There is limited capacity at MTI to handle and process the import and export permits. At present only one official is handling the permits. HS codes need to be obtained from Customs and Excise since MTI is not equipped to assist in this.</p>	<p>This bureaucratic procedure does not appear to add any value to the import and export management system and is unnecessary red-tape.</p> <p>Permits have to be filled in by hand and faxed to MTI for issuing. This is an outdated <i>modus operandus</i> for business.</p>	Ministry of Trade and Industry
		Oysters destined for South	In 2004, the South African authorities	This measure is viewed by the	Ministry of Trade and

INVENTORY CATEGORY	DESCRIPTION				
		Controlled petroleum products	<p>The export of controlled petroleum products is also subject to a permit. Since Namibia is not presently a producer of these products, they concern re-exports in-bond mainly to Angola. In line with the policy of self-regulation advocated by MME in the sector, the Export Permit is subject to the following conditions:</p> <ul style="list-style-type: none"> <li>- A trade permit shall be obtained from the Ministry of Trade and Industry, a copy of which is to be supplied to this Ministry</li> <li>- The oil company involved and prices quoted shall be revealed in writing to this Ministry</li> <li>- The price shall include all basic purchase costs, transport, sea leakage, insurance, wharfage and bridging costs</li> <li>- Trades on an "In Bond" basis shall be cleared with Customs and Excise for the relief of the fuel taxation as well as customs and excise levies by the relevant oil company</li> <li>- All foreign permits or restrictions in terms of containers or transport will be the responsibility of the oil company and shall be adhered to</li> <li>- A letter of agreement for the said transaction from the foreign company shall be supplied to this Ministry</li> <li>- No financial losses shall occur to the Namibian Government at any time.</li> </ul>	<p>Some 10 applications are processed per year with a relatively high estimated rejection rate of 20%. Problems experienced by MME in the management of controlled petroleum products are approval from foreign governments to export from Namibia, customs clearance procedures and compliance with container requirements.</p>	Ministry of Mines and Energy, Directorate Petroleum and Gas

INVENTORY CATEGORY	DESCRIPTION				
			<p>Non-adherence to these conditions can result in the products being seized by the Customs authorities. There is no penalty as such provided for.</p> <p>The criteria for review of the application are the product specifications, mode of transport, customs clearance, and political embargos. The Permanent Secretary or the Minister of Mines and Energy approves or disapprove the application.</p>		
	I	Physical inspection for exports into Angola and DRC.	In order to obtain the SGS certificate and related PIP no. required for exports into Angola, customs officials will require full inspection. This inspection is carried out by a private company contracted by the Angolan authorities. DRC has recently introduced the PIP system.	Considerable delays, resulting in most Namibian trucking companies refusing to cross into Angola but instead choose to off-load at Oshikango. Idem for DRC, with off-loading in Kitwe (Zambia)	Angolan and DRC customs authorities
<b>Part III</b>	<b>Technical Barriers to Trade</b>				
	<i>WTO Inventory Code</i>	<i>Problem Area</i>	<i>Description of most severe NTBs</i>	<i>Impact of NTB to business and trade</i>	<i>Responsibility/Source of NTB</i>
	B/C	SABS	Namibian exports to South Africa need to meet South African Bureau of Standards (SABS) standards.	Namibian producers are well tuned into the SABS system, yet there is limited local SABS presence. For specialized testing (e.g. oysters) samples are sent to South Africa and this delays trade. The establishment of the Namibian Standards Bureau has been on the cards for years but is yet to materialize.	SABS, South Africa Ministry of Trade and Industry, Internal Trade

INVENTORY CATEGORY	DESCRIPTION				
Part IV	<b>Sanitary and Phytosanitary Measures (SPS)</b>				
	<i>WTO Inventory Code</i>	<i>Problem Area</i>	<i>Description of most severe NTBs</i>	<i>Impact of NTB to business and trade</i>	<i>Responsibility/Source of NTB</i>
	B/C	Ostrich exports	Micro-chipping requirement for exports of ostriches.	According to ostrich breeders in Namibia the micro-chipping is too expensive.	Ministry of Agriculture, Water and Forestry – Division Law Enforcement (Agricultural Extension and Engineering)



INVENTORY CATEGORY	DESCRIPTION				
<b>Part V</b>	<b>Specific Limitations</b>				
	<i>WTO Inventory Code</i>	<i>Problem Area</i>	<i>Description of most severe NTBs</i>	<i>Impact of NTB to business and trade</i>	<i>Responsibility/Source of NTB</i>
	G	Export of live sheep	To increase local value added, a restriction on the export of live sheep was introduced in July 2004 whereby for each live sheep exported, one sheep should be offered to a local abattoir for slaughter (1:1). In March 2005, the ratio was increased to 1:2 and by September 2006 1:6.	Anticipating a severe drought in 2007, many farmers wish to sell more of their small stock to reduce risks. Yet the local abattoirs do not have sufficient capacity to handle the large number of sheep offered. To amend the current 1:6 ratio will require legislative measures and the industry fears that by the time the regulation is adjusted, the drought will be over and the industry will have suffered severe losses.	Ministry of Agriculture, Water and Forestry
	J	Export of live goats	A temporary exemption of the export of live goats from the 15% export levy was granted for 2 years in 2003 and extended by 1 year in 2005.	The export market for live goats is a premium market, driven by religious demand. The introduction of the 15% export levy would disadvantage this export niche market.	Ministry of Agriculture, Water and Forestry
		Export of weaners	A temporary exemption of the export of live weaners from the 30% export levy was granted for 3 years in 2003.	The industry is not ready to bring all weaners to slaughter-ready (mature, >450kg) cattle due to lack of local feedlots. A medium- to long-term strategy is proposed.	Ministry of Agriculture, Water and Forestry
		Export levy on hides and skins	Namibian tanneries only have capacity to process sheep and goat skins up to pickled stage and the current regulations provide a disincentive to process the raw skins up to pickled stage with the export levy on both raw and pickled hides being the same (15% for sheep and goat skins since 2003).	The Keetmanshoop Abattoir and Tannery, which is specialized in sheep and goat processing, is due to this regulation severely under-utilized.	Ministry of Agriculture, Water and Forestry

INVENTORY CATEGORY	DESCRIPTION				
<b>Part VI</b>	<b>Charges on Exports</b>				
	<i>WTO Inventory Code</i>	<i>Problem Area</i>	<i>Description of most severe NTBs</i>	<i>Impact of NTB to business and trade</i>	<i>Responsibility/Source of NTB</i>
<b>Part VII</b>	<b>Other</b>				
	<i>WTO Inventory Code</i>	<i>Problem Area</i>	<i>Description of most severe NTBs</i>	<i>Impact of NTB to business and trade</i>	<i>Responsibility/Source of NTB</i>
	C/D	Business culture and practices in Angola hamper trade and establishing of businesses by Namibians in that country.	Legal procedures required to register a business, language and lack of trade and investment facilitation agencies outside Luanda	A number of Namibian businesses have aborted their attempts to establish businesses in Angola and trade with that country; many would not even attempt.	Angolan authorities
		Registration fees for foreign businesses in Zambia	A deposit of USD50,000 in a non-interest bearing government facility is required for Namibian companies to register a business in Zambia.	Threshold for business registration in Zambia is too high for SME companies. This affects decisions relating to distribution infrastructure.	Zambian authorities
	E	Lack of uniform axle loads and Gross Vehicle Mass (GVM) standards in SADC	A truck legally loaded according to Namibian axle load and GVM regulations may not be legally loaded in other SADC countries.	Inefficiencies in transport planning.	SADC countries
		Excessive bond registration fees	Bond registration fees are generally high in all SADC countries.	High demand on cash flow of trading/freight forwarding companies. Especially when cargo transits in two countries the bond registration fees become a constraint.	SADC countries

***Table 6: Specific Regulations Affecting Exports***

WTO Inventory Category	Product Group	Government Controlling Agency	Regulatory Procedure
<b>Part II, H</b>	<ul style="list-style-type: none"> <li>- medicine and related substances;</li> <li>- live animals and genetic materials;</li> <li>- all ostrich breeding material (eggs, chicks, birds);</li> <li>- meat and game products;</li> <li>- CITES protected species (fauna/flora);</li> <li>- plants, plant products and propagating materials;</li> <li>- firearms, explosives, etc.;</li> <li>- diamond, gold and other minerals;</li> <li>- coins and bank notes;</li> <li>- works of art which have been in Namibia for more than 50 years, national monuments, archaeological findings etc.;</li> <li>- oysters.</li> </ul>	<p>Ministry of Health and Social Services</p> <p>Ministry of Agriculture, Water and Forestry</p> <p>Namibia Agronomic Board</p> <p>Meat Board of Namibia</p> <p>Ministry of Environment and Tourism</p> <p>Namibian Police</p> <p>Ministry of Mines and Energy</p> <p>Diamond Board</p> <p>Ministry of Youth, National Service, Sport and Culture</p> <p>National Monuments Council</p> <p>Ministry of Fisheries and Marine Resources</p>	<p>These product groups feature on the <u>positive list</u> subject to non-automatic export licensing procedures. Exporters need to approach the relevant ministry or Government Agency and apply for the relevant permit. In some cases this permit needs to be accompanied by the general export permit issued by the Ministry of Trade and Industry; in other cases the specific export permit suffices.</p>
	White maize, yellow maize and wheat	Namibia Agronomic Board	<p>All exports of white maize, yellow maize and wheat, i.e. the controlled agronomic crops, are subjected to an export permit from the Namibian Agronomic Board.</p> <p>The Official in the NAB dealing with the export permits is the Inspector. The application has to be made to the offices of the secretariat of the NAB while the Inspector reviews the application with the final decision taken by him. Levies and permit fees have to be paid before any export permit can be issued.</p> <p>The NAB process on average 5 export permit applications per month and the rejection rate is reportedly zero per cent.</p>
	Live animals	Meat Board	<p>The export of all live animals (calves, weaners, slaughter cattle, breeding cattle, sheep and goats) are subject to an export permit issued by the Meat Board of Namibia.</p> <p>The permits are by farmer and per consignment resulting in a large number of permits issued annually. To facilitate the process, the Meat Board has decentralized the implementation and contracted agencies country-wide under strict control procedures. The agency is subject to a NAD25,000 bank guarantee and a new permit book will only be issued to agencies upon submission to the Meat Board of a completed permit book. At agency level, permit books are used yet all permits issued are entered into a computerized system for record, control and statistical purposes. The Meat Board also has personnel at</p>

WTO Inventory Category	Product Group	Government Controlling Agency	Regulatory Procedure
Part III, B/C	Radio-active materials	Ministry of Health and Social Services and Ministry of Mines and Energy	<p>The Atomic Energy and Radiation Protection Act was passed in May 2005. The legislation aims to establish the regulatory framework for the control of nuclear/radioactive material and all sources of ionizing and non-ionizing radiation.</p> <p>The same Act will establish the creation of an Atomic Energy Board (as advisory body to Government and other Agencies on atomic/nuclear energy matters) and a Regulatory Body (to service as an inspectorate and licensing body for all substance relating to radiation)</p> <p>Currently there are no charges to import/export licensing, however fees will be charged for this function as soon as the Act is made operational, which should be in the very near future.</p> <p>The legislation governing the controls nuclear/ radioactive materials was repealed by the Minerals Act without substituting appropriate legislation. However the Ministry of Health and Social Services through the National Radiation Protection Services uses administrative measures for the control of the import/export of nuclear/ radioactive material until such time that the Atomic Energy and Radiation Protection Act comes into operation.</p>
	Diamonds	Ministry of Mines and Energy Diamonds Board	<p>Namibia is a founder member of the KPCS. The scheme has been fully implemented in Namibia since its inception. Namibia is compliant with the requirements of the KPCS and was last year audited by a KPCS peer review Team which gave a positive assessment.</p> <p>Diamonds mined in the country are evaluated by a Government Diamond Valuator and all diamonds exported are issued with a forgery proof KP Certificate. The Industry is properly regulated through the Diamond Act of 1999 which also established a statutory position of Diamond Commissioner with diamond inspectors based in Windhoek and in field offices in the diamond restricted areas. The Diamond Commissioner is the focal person for Namibia's KPCS.</p>

WTO Inventory Category	Product Group	Government Controlling Agency	Regulatory Procedure
<b>Part IV, B/C</b>	All live specimens, parts and derivatives of wild fauna and flora	Directorate of Parks and Wildlife Management and Division of Wildlife Trade and Permit Control in Ministry of Environment and Tourism	<p>The Subdivision Wildlife Trade, Permit Control and CITES Management is charged with the management of permits for export of all live specimens, parts and derivatives of wild fauna and flora. All applications are evaluated individually and the management of the trade by this Ministry is not guided by a positive list<sup>3</sup>. In terms of export prohibitions, commercial quantities as per CITES Appendix I listed species are not allowed for exports. Applications are made at the Permit Office, located in Windhoek and are to be supported by the following documents: possession permit, import permit from country of destination, capture permit, trophy hunting permit or letter of gift from landowner or receipt from curio shop.</p> <p>The Convention on the International Trade in Endangered Species of Wild Flora and Fauna (CITES) is the guiding international agreement for intervention by MET. MET is further supported in its decisions by the National Botanical Research Institute, within the Ministry of Water, Agriculture and Rural Development, the National Museum within the Ministry of Basic Education and Culture. There is an agreement with MAWF that a veterinary permit for game and its products and a phytosanitary certificate for plants and their parts (both for imports and exports) can only be issued once a MET permit has been granted.</p> <p>Evaluation criteria include (1) conformity with existing legislation, MET Policy, the Nature Conservation Ordinance and CITES, and (2) that the transaction is "in the best interest" of wildlife conservation.</p> <p>Some 400 export permits are issued monthly.</p>
	Breeding Animals & Genetic Materials	MAWF – Division Law Enforcement (Agricultural Extension and Engineering)	<p>The exports of live animals are subject to sanitary requirements guided by the Paris based International Organization Epizootic (OIE) standards. The Registrar of Livestock Improvement and the sanitary officer jointly make a recommendation to the Livestock Improvement Board who decides on the application of which some 60 for export are processed per month on average. Only few applications are rejected. Nominal fees are applicable.</p> <p>Supporting documentation required in the case of exports include:</p> <ul style="list-style-type: none"> <li>- in the case of ostrich live exports a certificate of recommendation of the Ostrich Breeders Association of Namibia (OBAN) which is a private sector based association;</li> <li>- in the case of ostrich live exports, a micro-chip list (for easy identification the birds, eggs, chicks have to be tagged with a micro-chip);</li> <li>- in case of specific breeds, a certificate of recommendation from the relevant breeders society, if any;</li> <li>- in the case of re-exports, the original import permit/certificate;</li> <li>- in case of protected species, permit/certificate from the Ministry of Environment and</li> </ul>

WTO Inventory Category	Product Group	Government Controlling Agency	Regulatory Procedure
<b>Part IV, C</b>	Meat, livestock and game	<p>Directorate of Veterinary Services in Ministry of Agriculture, Water and Forestry</p> <p>Directorate of Parks and Wildlife Management and Division of Wildlife Trade and Permit Control in Ministry of Environment and Tourism</p> <p>Meat Board</p>	<p>Only upon request of the exporter, will the Directorate of Veterinary Services involve itself in regulating exports. The Directorate may certify an export consignment in order for the exporter to meet the importing country's conditions of import. Such certification is conditional upon approval by the Meat Board, Live Stock Improvement certificate for breeding stock and Ministry of Environment and Tourism permit for game. The local state vet reviews the export certificate application. Over 200 certificates are sought on a monthly basis. This includes certification of exports to South Africa which is a major destination for Namibian meat and livestock. The exporter pays for the services of the Veterinary Services according to standardized rates for the provisional fee, transport, testing, vet's professional time, etc. The importing country will decide whether the Namibian certification is adequate, a decision beyond the immediate control of the Namibian Veterinary Services. The Directorate does not experience any problems in the management of export certificates. At the EU certified abattoirs, the Directorate has stationed staff to facilitate the certification. All veterinary permits are computerized.</p> <p>It should be noted though that the EU import regulations are very strict and compliance is an on-going challenge and cost factor for the industry. Regional and local sales are benefiting from the extremely high standards that are applied in the four export abattoirs of Namibia that slaughter about 75% of all livestock.</p>
<b>Part V, A</b>	Diamonds	Ministry of Mines and Energy and Diamond Board	Percentage of "cuttable" diamonds (those larger than 1.25 carats) will as from 2007 be offered to local diamond cutting companies under a new marketing agreement between the Government of Namibia and De Beers signed on 30 January 2007.
	Strategic minerals	Ministry of Mines and Energy	Some quantitative export restrictions apply to strategic minerals.

<sup>3</sup> An indicative listing is given related to the CITES Appendix I and II to include: (I) black and white rhino, Nile crocodile, leopard, cheetah and green turtle and (II) African elephant, Hartmann's mountain zebra, Hippopotamus, Pangolin, Lion, Cape fur seal, dwarf python, rock python, any Namibian tortoise species, and any parrot and related birds.

<sup>4</sup> This is very important and is applicable to all agricultural exports.

WTO Inventory Category	Product Group	Government Controlling Agency	Regulatory Procedure
Part V, B	<ul style="list-style-type: none"> <li>- selected CITES protected species and products thereof<sup>5</sup>;</li> <li>- products prohibited under the Montreal Convention;</li> <li>- products prohibited under the IAEA;</li> <li>- opium;</li> <li>- raw vegetable materials used primarily for dyeing or tanning, i.e. silver wattle bark and other selected types of bark.</li> </ul>	Various	These product groups are totally <b>excluded</b> from exports.
	White maize meal and wheat flour	Namibia Agronomic Board	The re-exports of white maize meal and wheat flour is prohibited.
Part V, J	Live animals	Meat Board	Meat Board collects a levy on export permits (NAD12 for a head of cattle and NAD1.44 for small stock) which proceeds are used to finance the operations of the Meat Board.

<sup>5</sup> The Jacobsen's' Index makes specific reference to ivory, tortoise shells, whalebone and hair, horns, antlers, hooves, nails, claws and beaks, tusks of elephants and hippo's, horns of game animals No specific reference is made to rhino horns.



## **CHAPTER 4: NTB MEASURES DIRECTLY AFFECTING IMPORTS**

### Institutional Framework

Reference is made to Chapter 3, where the Import and Export Management System and the planned Namibia Board of Trade (NBT) are discussed.

**Table 7: WTO NTB Categorisation Codes / Imports**

INVENTORY CATEGORY	DESCRIPTION				
<b>Part I</b>	<b>Government Participation in Trade and Restrictive Practices Tolerated by Governments</b>				
	<i>WTO Inventory Code</i>	<i>Problem Area</i>	<i>Description of most severe NTBs</i>	<i>Impact of NTB to business and trade</i>	<i>Responsibility/Source of NTB</i>
	C	Promotion of local manufacturing and SME development	Price preferences for Namibian manufacturers	Limited	Ministry of Finance, Tender Board
	E	Parastatal monopoly in fixed line telecommunications	Telecom Namibia is sole provider of fixed telecom services	Lack of competition results in relatively high consumer prices and limited service package	Ministry of Works, Transport and Communications and Namibia Communications Commission

INVENTORY CATEGORY	DESCRIPTION				
<b>Part II</b>	<b>Customs and Administrative Entry Procedures (Licensing)</b>				
	<i>WTO Inventory Code</i>	<i>Problem Area</i>	<i>Description of most severe NTBs</i>	<i>Impact of NTB to business and trade</i>	<i>Responsibility/Source of NTB</i>
	B/C	ASYCUDA Compatibility	Namibia's ASYCUDA system allows for direct inputs by both local and foreign traders and communicates well with customs clearance systems used in the region (mostly ASYCUDA). South Africa has, years after Botswana and Namibia introduced it, introduced the SAD500 (Single Administrative Document) for customs clearance system yet does not allow for direct input by traders/freight forwarders not registered in South Africa into its system (not ASYCUDA). In response, Namibia since early 2007 now also disallows South African traders' direct access to its system.	Serious negative impact on customs clearance on trade between Namibia and South Africa.	Ministry of Finance, Customs and Excise
	H	No single focal point for import licensing	There are no less than six ministries, the Namibian Police, two marketing boards and a statutory board involved in the management of imports and exports. The onus is upon the applicant to collect all relevant permits/ certificates from line ministries and other bodies, before a commercial import/ export permit application can be made to MTI. For certain goods, up to three different points of control apply.	Unlevelled playing between SACU and non-SACU SADC trade.	Ministry of Trade and Industry, and other stakeholders involved in export licensing.
		General Import Licensing	For all non-SACU SADC imports an import license is required, even if a product does not feature on the positive list. No general import licensing applies to SACU trade.		
		Rationale for general	General import licenses are issued	This bureaucratic procedure	Ministry of Trade and Industry

INVENTORY CATEGORY	DESCRIPTION				
Part III	<b>Technical Barriers to Trade</b>				
	<i>WTO Inventory Code</i>	<i>Problem Area</i>	<i>Description of most severe NTBs</i>	<i>Impact of NTB to business and trade</i>	<i>Responsibility/Source of NTB</i>
	B/C	SABS	Namibia applies the South African Bureau of Standards (SABS) standards. SABS standards are required for most local tenders, including Government tenders.	<p>The diversification of import sources is not promoted by the sole application of SABS standards.</p> <p>For example, the Zimbabwe Standards Authority is accredited in South Africa and Zimbabwean timber is exported to that country. This timber finds its way to Namibia only once it is certified according to the SABS standards. Instead, direct imports of timber could be facilitated by accrediting the Zimbabwe Standards Authority also in Namibia.</p> <p>Namibian producers are well tuned into the SABS system, yet there is limited local SABS presence. For specialized testing samples are sent to South Africa and this delays trade. The establishment of the Namibian Standards Bureau has been on the cards for years but is yet to materialize.</p>	SABS, South Africa Ministry of Trade and Industry, Internal Trade

INVENTORY CATEGORY	DESCRIPTION				
Part IV	<b>Sanitary and Phytosanitary Measures (SPS)</b>				
	<i>WTO Inventory Code</i>	<i>Problem Area</i>	<i>Description of most severe NTBs</i>	<i>Impact of NTB to business and trade</i>	<i>Responsibility/Source of NTB</i>
	In the meat sector Namibia applies NTMs with regards to imports and exports. On the import side there are (stringent) SPS measures in place for live animals, meat products, as well as for hides and skins. These are applied to protect Namibia's FMD-free status and it is enforced and administered by the Directorate Veterinary Services. This is a necessary precaution to protect the country's export markets (especially the EU) and as such does not constitute NTBs.				

INVENTORY CATEGORY	DESCRIPTION				
<b>Part V</b>	<b>Specific Limitations</b>				
	<i>WTO Inventory Code</i>	<i>Problem Area</i>	<i>Description of most severe NTBs</i>	<i>Impact of NTB to business and trade</i>	<i>Responsibility/Source of NTB</i>
	A/G/J	Infant industry" protection - grains - flour - pasta - horticulture products - dairy products	Import quotas are imposed for maize and wheat and its products though on a seasonal basis only. Wheat and maize require an import permit by the Namibian Agronomic Board. White maize meal and wheat flour are excluded from imports and a ban on the imports of yellow maize meal (for animal consumption) has been effective since 1 November 2004.	While these initiatives have achieved marked successes in promoting the local production of staple grains and fruits and vegetables <sup>6</sup> and the local processing capacity for grain and dairy products, these infant industry protection measures should have a clear sunset clause	Namibia Agronomic Board Ministry of Trade and Industry
	<p>A 40% import levy applies to UHT milk, for the next 6 years.</p> <p>As part of the National Horticulture Development Initiative (NHDI), the "Namibian Horticulture Market Share Promotion" is being pursued. This import permit system requires importers to buy a minimum percentage of their horticulture purchases from local producers before they are allowed to import such produce. This percentage may be adjusted over time and was initially (2004) set for 3%. By 2007 the share has increased to 17.5%. To facilitate the local purchases, the NAB has developed a comprehensive database and information system on local producers of fruits and vegetables.</p> <p>The NAB is responsible for the issuing of import permits for horticulture produce imports and the collection of the 1.2% levy on such imports<sup>7</sup>. The permits are by the horticulture officer and are valid for three months.</p> <p>An import levy is charged on all fresh produce (fruits and vegetables) imports. This levy is applicable since 2002. The funds so generated are used to finance the Horticulture department of the NAB. The levy is part of the National Horticulture Development Initiative (NHDI), housed in the Namibian Agronomic</p>			<p>This is presently not the case. In the medium- to long-term such import substitution measures may result in sector-level inefficiencies and reduced competition.</p> <p>Recently (March 2007) local dairy producers demanded a VAT exemption on locally produced milk to keep their product competitive. It may further be argued that the grain producing and milling industry, being in existence for decennia, does no longer qualify as an infant industry. These are pure import substitution, protectionist measures. Yet, this is common the world over.</p>	

<sup>6</sup> Local sourcing by wholesalers, mostly SA owned, has gone up from 5% in 2003 to 27% in 2006, this increase has been achieved in co-operation between local producers and importers.

<sup>7</sup> Important to note is that this levy is applicable to all sales, whether imported or locally produced. National Treatment under the WTO rules is applied.

INVENTORY CATEGORY	DESCRIPTION				
<b>Part VI</b>	<b>Charges on Imports</b>				
	<i>WTO Inventory Code</i>	<i>Problem Area</i>	<i>Description of most severe NTBs</i>	<i>Impact of NTB to business and trade</i>	<i>Responsibility/Source of NTB</i>
<b>Part VII</b>	<b>Other</b>				
	<i>WTO Inventory Code</i>	<i>Problem Area</i>	<i>Description of most severe NTBs</i>	<i>Impact of NTB to business and trade</i>	<i>Responsibility/Source of NTB</i>
	E	Tender allocation for fuel imports	There has been controversy about the transparency and fairness in the allocation of a multi-million import tender for fuels to Namibia Liquid Fuels, for onward sale to fuel distributors in Namibia.	Transparency in the allocation of these type of tenders is crucial for the competitiveness of an industry which is already heavily controlled.	Ministry of Mines and Industry
		Excessive bond registration fees	Bond registration fees are generally high in all SADC countries.	High demand on cash flow of trading/freight forwarding companies. Especially when cargo transits in two countries the bond registration fees become a constraint.	SADC countries

***Table 8: Specific Regulations Affecting Imports***



WTO Inventory Category	Product Group	Government Controlling Agency	Regulatory Procedure
<b>Part II, H</b>	<ul style="list-style-type: none"> <li>- medicine and related substances;</li> <li>- chemicals;</li> <li>- frozen, chilled fish and meat, including game;</li> <li>- live animals and genetic materials;</li> <li>- pornographic materials;</li> <li>- controlled agronomic products (maize/wheat and products);</li> <li>- horticultural produces (fresh fruits and vegetables);</li> <li>- controlled petroleum products;</li> <li>- firearms, explosives, etc.;</li> <li>- diamond, gold and other minerals;</li> <li>- coins;</li> <li>- all second hand and used goods<sup>8</sup>.</li> </ul>	<p>Ministry of Health and Social Services</p> <p>Ministry of Agriculture, Water and Forestry</p> <p>Namibia Agronomic Board</p> <p>Meat Board of Namibia</p> <p>Ministry of Environment and Tourism</p> <p>Namibian Police</p> <p>Ministry of Mines and Energy</p> <p>Diamond Board</p> <p>Ministry of Youth, National Service, Sport and Culture</p> <p>National Monuments Council</p> <p>Ministry of Fisheries and Marine Resources</p>	<p>These product groups feature on the <u>positive list</u> subject to non-automatic import licensing procedures. Importers need to approach the relevant ministry or Government Agency and apply for the relevant permit. In some cases this permit needs to be accompanied by the general import permit issued by the Ministry of Trade and Industry; in other cases the specific import permit suffices.</p>
	White maize, yellow maize, wheat and maize and wheat flour <sup>9</sup>	Namibia Agronomic Board	<p>All imports of white maize, yellow maize and wheat, i.e. the controlled agronomic crops, are subjected to an import permit from the Namibian Agronomic Board (NAB). The import of white maize meal and wheat flour (the latter under a bilateral agreement with South Africa only – wheat flour may be imported from elsewhere) is prohibited. The ban on the imports of yellow maize meal is in force since 1 November 2004. During the harvesting season which runs from the 1<sup>st</sup> of May till the end of August/September (depending on the size of the local harvest) the imports of all white maize is prohibited, though subject to availability of local supply. The Ministry of Agriculture, Water and Rural Development (through the Plant &amp; Plant Protection Unit) and the Ministry of Health and Social Services both have to inspect grain imports for phytosanitary and food health reasons respectively.</p> <p>The NAB decided not to register agents for white maize imports anymore. The permit fee is now NAD51.00 per permit and the permit is valid for a specific period (one month) only. The permit further stipulates the use of the controlled agronomic grain imports. A separate permit is</p>

WTO Inventory Category	Product Group	Government Controlling Agency	Regulatory Procedure
Part III, B/C	Radioactive Materials and Listed Electronic Products	Ministry of Health and Social Services and Ministry of Mines and Energy	<p>The Atomic Energy and Radiation Protection Act was passed in May 2005. The legislation aims to establish the regulatory framework for the control of nuclear/radioactive material and all sources of ionizing and non-ionizing radiation.</p> <p>The same Act will establish the creation of an Atomic Energy Board (as advisory body to Government and other Agencies on atomic/nuclear energy matters) and a Regulatory Body (to service as an inspectorate and licensing body for all substance relating to radiation)</p> <p>Currently there are no charges to import/export licensing, however fees will be charged for this function as soon as the Act is made operational, which should be in the very near future.</p> <p>The legislation governing the controls nuclear/radioactive materials was repealed by the Minerals Act without substituting appropriate legislation. However the Ministry of Health and Social Services through the National Radiation Protection Services uses administrative measures for the control of the import/export of nuclear/radioactive material until such time that the Atomic Energy and Radiation Protection Act comes into operation.</p> <p>The NRPS receives and processes applications for the imports of listed electronic products and radio-active materials. The main categories of these listed electronic products (per the 1974 Hazardous Substances Ordinance no.14 of 1974) are:</p> <ul style="list-style-type: none"> <li>- any electronic product generating x-rays or other ionizing beams, electrons, neutrons or other particle radiation;</li> <li>- any electronic product generating electro-magnetic radiation in the ultra-violet region;</li> <li>- any electronic product emitting coherent electro-magnetic radiation produced by stimulated emission;</li> <li>- any electronic product emitting electro-magnetic radiation in the infra-red region;</li> <li>- any electronic product, emitting microwaves, radio or low-frequency electro-magnetic radiation;</li> <li>- any electronic product, emitting ultra-sonic vibrations;</li> <li>- any electronic product used for medical, dental, veterinary or industrial applications and for biological, agricultural, academic or other research employing radioactive nuclides;</li> <li>- any high risk electronic product used for medical, dental or veterinary applications;</li> <li>- any medium risk electronic product used for medical, dental or veterinary applications.</li> </ul> <p>The procedures are elaborate and include the submission of manufacturer's specifications, safety assessment reports, safety manuals, diagrams, etc. and physical inspections. The NRPS</p>

<sup>8</sup> Used textiles and vehicles are regarded as particularly sensitive products for imports requiring close scrutiny.

<sup>9</sup> From South Africa only.

WTO Inventory Category	Product Group	Government Controlling Agency	Regulatory Procedure
Part IV, B/C	Dairy products	Directorate of Veterinary Services in Ministry of Agriculture, Water and Forestry	Dairy product imports are subject to a Veterinary Permit.
	Live Animals and Meat Products	MAWF – Directorate of Veterinary Services	The Directorate of Veterinary Services issues the requirements for a Veterinary Health Certificate by the Exporting Country which is to accompany all imports of animals and animal products. Depending on the disease situation in the exporting country, imports of certain animals and/or products from that country are prohibited or restricted. The permit applications are made with the Directorate in Windhoek and are processed by the Import Control Vet, sometimes in consultation with his/her supervisors. The assessment is guided by the regulations issued by the OIE and the issue of a permit/certificate is conditional upon a Meat Board Permit for meat imports, a Ministry of Environment and Tourism permit for game and a Livestock Improvement Board certificate for breeding stock. Only a small portion of the applications is rejected. The number of applications varies considerably; some 20-80 per month. The permit is in principle issued for free, though when the permit is conditional upon quarantining or sealing (for transit imports) the related, standardized costs are payable by the applicant. Problems experienced in the management of import permits for animals and animal products are reportedly limited to the late submission of applications.
	All live specimens, parts and derivatives of wild fauna and flora	Directorate of Parks and Wildlife Management and Division of Wildlife Trade and Permit Control in Ministry of Environment and Tourism	<p>The Subdivision Wildlife Trade, Permit Control and CITES Management is charged with the management of permits for import of all live specimens, parts and derivatives of wild fauna and flora. All applications are evaluated individually and the management of the trade by this Ministry is not guided by a positive list<sup>10</sup>. Applications are made at the Permit Office, located in Windhoek and are to be supported by the following documents: certificate from exporting CITES management authority.</p> <p>The Convention on the International Trade in Endangered Species of Wild Flora and Fauna (CITES) is the guiding international agreement for intervention by MET. MET is further supported in its decisions by the National Botanical Research Institute, within the Ministry of Water, Agriculture and Rural Development, the National Museum within the Ministry of Basic Education and Culture. There is an agreement with MAWF that a veterinary permit for game and its products and a phytosanitary certificate for plants and their parts (both for imports and exports) can only be issued once a MET permit has been granted.</p> <p>Evaluation criteria include (1) conformity with existing legislation, MET Policy, the Nature Conservation Ordinance and CITES, and (2) that the transaction is “in the best interest” of wildlife conservation.</p> <p>Some 20 import permits are issued monthly.</p>
	Breeding Animals & Genetic	MAWF – Division Law	The imports of live animals are subject to sanitary requirements guided by the Paris based

WTO Inventory Category	Product Group	Government Controlling Agency	Regulatory Procedure
Part V, A	Horticulture Products: fruits & vegetables	Namibia Agronomic Board	Namibian Horticulture Market Share Promotion – 17.5% (as of 01 January 2007) of the horticulture produce purchases need to be locally sourced before any imports are allowed. This regulation is in effect as from October 2004.
	Dairy Products	Ministry of Agriculture, Water and Forestry, Directorate of Planning	<p>For dairy products which qualify for duty rebates, the Directorate of Planning in MAWF manages a quota system in concurrence with a provisional arrangement agreed by the SACUA contracting parties.</p> <p>Criteria used in the allocation of import licenses for dairy products under rebate are:</p> <ul style="list-style-type: none"> <li>- importer is a Namibian based, local company;</li> <li>- Namibia is the final destination of the consignment;</li> <li>- availability of quotas.</li> </ul> <p>Some 20-25 licenses are processed monthly with a zero rejection rate. Problems experienced in the licensing of dairy products for rebate purposes as stated by the Directorate of Planning are (1) consignments arriving after the expiry date of licenses and (2) the partial utilization of the allocated quota only, thereby denying others the opportunity to import under the rebate provision.</p> <p>The dairy import license issued by the Directorate of Planning is additional to the permit/certificate required from Veterinary Services in MAWF and the general import license issued by MTI.</p>
Part V, B	<ul style="list-style-type: none"> <li>- white maize meal;</li> <li>- yellow maize meal;</li> <li>- wheat flour (from South Africa);</li> <li>- nuclear and toxic waste;</li> <li>- prison- and penitentiary-made goods;</li> <li>- unlawful reproductions of works protected by copyright;</li> </ul>	Various	These product groups are totally <b>excluded</b> from imports, largely guided by SACU-wide restrictions.

<sup>10</sup> An indicative listing is given related to the CITES Appendix I and II to include: (I) black and white rhino, Nile crocodile, leopard, cheetah and green turtle and (II) African elephant, Hartmann's mountain zebra, Hippopotamus, Pangolin, Lion, Cape fur seal, dwarf python, rock python, any Namibian tortoise species, and any parrot and related birds.

WTO Inventory Category	Product Group	Government Controlling Agency	Regulatory Procedure
	<ul style="list-style-type: none"> <li>- chemical bleaching agents for flour other than peroxide, hydrogen and chlorine;</li> <li>- goods which are undesirable as per the Publications Act;</li> <li>- articles, devices or applications used or likely to be used for adulteration;</li> <li>- foodstuffs containing any food additive not permitted by regulation;</li> <li>- articles of food in unlabelled containers;</li> <li>- buttered and other fats and oils derived from milk containing less than 80% of milk fat;</li> <li>- honey and bee's eggs from overseas and African sources, except when imported through South Africa;</li> <li>- pollen;</li> <li>- certain, specified live plants;</li> <li>- fresh apricots, cherries, peaches, plums and sloes from overseas destinations;</li> <li>- coffee beans which have been coloured, polished, steamed or coated or with</li> </ul>		

WTO Inventory Category	Product Group	Government Controlling Agency	Regulatory Procedure
	<ul style="list-style-type: none"> <li>- additives;</li> <li>- coffee substitutes containing less than three-quarters of its mass of coffee;</li> <li>- illegal drugs;</li> <li>- smoking pipes and appliances for smoking opium, Indian hemp or dagga or ntsangu;</li> <li>- wines, other fermented, beverages, spirits and vinegar not conforming to the provisions in the Liquor Act;</li> <li>- cigarettes with a mass of more than 2 kg's per 1,000 cigarettes;</li> <li>- disinfectants not labeled as required by the Foodstuffs, Cosmetics and Disinfectants Act;</li> <li>- sole leather and leather in the piece;</li> <li>- wool products if for the purpose of manufacture or sale, except under certain specified conditions;</li> <li>- arms without the manufacturer's serial number or any other number for identification.</li> </ul>		
<b>Part V, J</b>	Horticulture Products: fruits & vegetables	Namibia Agronomic Board	An import levy of 1.2% of the landed cost (cost price plus transport) is collected by the NAB/NHDI.



## CHAPTER 5: KEY ISSUES FROM INTERVIEWS AND DESK RESEARCH

As was noted in Chapter 2, intra-SADC trade is not of high importance to the Namibian economy with the exception of trade with South Africa, within the South African Customs Union. Trade within SACU is relatively easy with only minor obstacles and some concerns related to dumping by large South African businesses. Namibia's private sector would like to see a more pro-active approach by Government to unfair trade practices and dumping and have been calling for such action for many years now. It was anticipated that the new SACU Secretariat, which institutionalizes a more democratic governance of the customs union and more equal decision-making power between its five member states (Botswana, Namibia, Lesotho, South Africa and Swaziland), would be performing this intermediary function but to date there is little evidence of that.

Given the trade patterns, Namibian industry and industry associations are not too concerned with trade related regulations and NTBs affecting intra-SADC trade. Most obstacles to trade can and are dealt with by the industry, with or without the professional support of freight forwarding agencies.

The main constraint to increased engagement of Namibia into intra-SADC trade is the structural features of the Namibian economy as detailed in Chapter 2.

Key issues highlighted by industry are the following:

- (1) The pressure on cash flow inflicted by each SADC country demanding a separate bond for cargo in transit. A SADC single bond for cargo in transit is advocated.
- (2) Streamlining of customs clearance documentation, following the initiative in SACU of the SAD500 customs clearance form, in SADC would greatly reduce cross border transit times. Coupled to this the inter-linkage of computerized customs clearance system is opportune, allowing for direct trader access for pre-clearance purposes.

Other observations included:

- Visa requirements for travel by Namibians into Zambia (and *vice versa*) present a real hassle for Namibian (and Zambian) transport companies.
- The presence of country-specific bureaux of standards is affecting intra-SADC trade. A Southern African Standards Body would ensure cost-efficient compliance.
- Import of sugar from the SADC sugar producing countries has been monopolized by South African companies who buy up the entire SACU quota resulting in limited access for Namibian importers to Zimbabwean sugar. The SADC Trade Committee has insufficient muscle to address this unfair trade practice. In Namibia, there is also no institution fit to deal with unfair trade practices, including dumping.
- South Africa's dominance in the regional beer industry hampers the export of Namibian premium lager. The South African Breweries (SAB) has a stake in most local beer producing outlets in the region.
- The delays and additional costs introduced by the Zambian requirement for exports of frozen Brazilian chicken in transit from Namibia to the DRC reportedly for SPS reasons. These escorts should be abolished with immediate effect.



- The performance of the Namibia Trade Forum (NTF), a public-private partnership in trade promotion and facilitation, is disappointing.
- There are concerns about the long-term negative impact of extended “infant industry” protection measures. Consumers are also dissatisfied with the 2004 ban on second-hand vehicles which are seen as pure protectionist.
- In addition to the various NTBs and unlawful payment practices (bribery), transport infrastructure shortcomings, including the absence of handling facilities, hamper trade especially with Angola and the DRC.
- The archaic general import and export management (IEM) system administered by the Ministry of Trade and Industry is regarded by industry as superfluous and adding inefficiency to their business. A single focal point for IEM is long overdue.
- MTI has no measures in place to deal with “under-invoicing” to avoid C&E duties, especially when it concerns vehicles.
- The Rules of Origin applied to intra-SADC trade do not appear to pose any obstacle to trade.

## **CHAPTER 6: ASSESSMENT OF PROCEDURES FOR HARMONIZATION OF TRANSIT TRAFFIC BETWEEN NAMIBIA AND THE REGION**

A reduction in transport costs will greatly enhance the global competitiveness of producers in Namibia and the region, where transport costs make up a disproportionate share of production costs. Cutting the cost of doing business will have a positive impact on economic development and poverty alleviation.

A number of transport corridors link Namibia to the SADC region. The routes of the Walvis Bay Corridor (WBC) are the Trans-Kalahari Corridor (TKC) connecting Namibia and Botswana to South Africa's industrial heartland (Gauteng), the Trans-Caprivi Corridor (TCC) into Zambia and further on to the DRC, and Trans-Cunene Corridor (TCuC) linking into Southern Angola. A further corridor is the traditional North-South route from Windhoek to South Africa. The cost-effectiveness and efficiency of the transport corridors, linking Namibia to the SADC region, are determined by their weakest link(s).

Such weakest links come in all forms and shapes. It may be found in the physical infrastructure – a narrow bridge, a sharp bend, no passing lanes, bad road markings, etc. – but more frequently in the transport corridor “software” – limited institutional support for corridor development and marketing, extended delays in customs and immigration clearance, low standard of service delivery of national railway operators, sub-optimal interfacing between operators of various transport modes, etc..

Namibia, through its WBC development programme which is run by Public-Private Partnership, is addressing these weakest links through:

- Strengthened institutional framework for the WBC, resulting from increased capacity of the WBCG and the WBC MCs and expanded presence of the WBCG in all WBC countries.
- Improved transport, cross-border and other related service delivery for WBC users, making the route more attractive and cost-effective.
- Reduced transport costs from reduced transit times and number of accidents along the WBC through infrastructure improvements.

High costs and inefficiencies are imposed on the transport sector by the cabotage (“third country”) rule applied by most if not all SADC countries, disallowing empty trucks to take a return load not destined to its country of origin. In addition, the difference in axle load and Gross Vehicle Mass (GVM) regulations in SADC is regarded as a serious barrier to trade. SADC should fast-track the introduction of uniform truck loading limits in its member countries.

Progress is slow, not in the least due to the large number of sovereign states involved. Namibia (Government and industry) would like to see progress on:

- Abolishment of the cabotage (“third country”) rule.
- Introduction of Single Administrative Document (SAD) for all SADC trade.

- Introduction of a SADC single bond for cargo in transit.
- Uniform axle loads and GVM in SADC.
- Uniform cross-border transport charges system for SADC.
- Introduction of One-Stop-Border-Posts (OSBP).
- Facility for automated pre-clearance by traders/freight forwarders in all ASYCUDA and other customs clearance systems utilized by SADC countries.
- Computerization to speed up immigration control at SADC borders.
- Infrastructure development to enhance cargo handling and improved safety along SADC routes.

## **CHAPTER 7: RECOMMENDED ACTIONS ON NOTIFICATIONS, MONITORING AND ELIMINATION OF NTBS**

Sensitization on the potential impact of NTBs on trade in general and intra-SADC trade in particular should feature high on the agenda. In many instances, authorities may not even be aware that the regulations they are enforcing and the manner in which they are enforcing them could impose a NTB. A national level screening of all NTBs and related measures should be undertaken with a view to simplify and harmonize.

A number of institutions are already in existence in Namibia that could be actively involved in the process of notification, monitoring and elimination of NTBs. These include the Namibia Trade Forum (NTF), the Namibia Chamber of Commerce, and the soon to be established Namibia Board of Trade (NBT), and the Agricultural Trade Forum (ATF). The ATF has volunteered to be the national focal point for NTB notification for the private sector.

### Annex 1: Top 10 Products Exported to SADC Countries by Value, 2006 (HS2), USD

	HS CODE AND DESCRIPTION	COUNTRY	2006 <sup>P</sup>
№ 1	49:Printed books, newspapers, pictures and other products of the printing industry; manuscripts, typescripts and plans		<b>303,450,882</b>
		ANGOLA	61,225
		LESOTHO	2
		SWAZILAND	9
		TANZANIA	1,760
		SOUTH AFRICA	303,310,164
		ZAMBIA	29,187
		ZIMBABWE	258
		BOTSWANA	48,277
№ 2	02:Meat and edible meat offal		<b>129,940,548</b>
		ANGOLA	3,427,125
		SOUTH AFRICA	125,812,324
		ZAMBIA	501,602
		ZIMBABWE	171,080
BOTSWANA	28,418		
№ 3	03:Fish and crustaceans, mollusc and other aquatic invertebrates		<b>115,152,234</b>
		ANGOLA	3,845,430
		DRC	38,168,800
		MAURITIUS	139,592
		MALAWI	22,561
		MOZAMBIQUE	19,174,721
		SEYCHELLES	8
		SWAZILAND	14,745
		SOUTH AFRICA	51,411,688
		ZAMBIA	570,595
ZIMBABWE	1,477,143		
BOTSWANA	326,951		
№ 4	22:Beverages, Spirits and Vinegar		<b>108,675,753</b>
		ANGOLA	31,412,968
		DRC	7,496
		LESOTHO	158,214
		MOZAMBIQUE	32,013
		SWAZILAND	1,124,640
		TANZANIA	219,709
		SOUTH AFRICA	71,465,379
		ZAMBIA	573,879
		ZIMBABWE	248,157
BOTSWANA	3,433,297		
№ 5	01:Live animals		<b>99,381,152</b>
		ANGOLA	690,682
		MALAWI	15
		MOZAMBIQUE	122
		SWAZILAND	37,157
		SOUTH AFRICA	98,536,714
ZAMBIA	9,414		

	HS CODE AND DESCRIPTION	COUNTRY	2006 <sup>P</sup>
		ZIMBABWE	206
		BOTSWANA	106,841
<b>Nº 6</b>	<b>71:Natural or cultured pearls, precious or semi-precious stones, precious metals, metals clad with precious metal and articles thereof; imitation jewellery; coins</b>		<b>55,024,212</b>
		ANGOLA	39,838
		SOUTH AFRICA	54,984,111
		ZAMBIA	71
		BOTSWANA	192
<b>Nº 7</b>	<b>87:Vehicles others than railway or tramway rolling-stock, and parts and accessories thereof</b>		<b>53,044,537</b>
		ANGOLA	29,124,917
		DRC	126,443
		LESOTHO	3,054
		MAURITIUS	33,614
		MALAWI	326,712
		MOZAMBIQUE	26,723
		TANZANIA	45,210
		SOUTH AFRICA	21,895,339
		ZAMBIA	549,191
		ZIMBABWE	45,659
		BOTSWANA	867,676
<b>Nº 8</b>	<b>84:Nuclear reactors, boilers, machinery and mechanical appliances; parts thereof</b>		<b>32,980,618</b>
		ANGOLA	9,430,118
		DRC	42,379
		MAURITIUS	290
		MOZAMBIQUE	4,196
		TANZANIA	41,987
		SOUTH AFRICA	20,931,988
		ZAMBIA	671,982
		ZIMBABWE	25,458
		BOTSWANA	1,832,220
<b>Nº 9</b>	<b>25:Salt, sulphur; earths and stone; plastering materials, lime and cement</b>		<b>22,835,277</b>
		ANGOLA	3,536,282
		DRC	1,054,744
		LESOTHO	2,370
		MAURITIUS	15,401
		SOUTH AFRICA	16,154,845
		ZAMBIA	1,574,546
		ZIMBABWE	349,629
		BOTSWANA	147,459
<b>Nº 10</b>	<b>85:Electrical machinery and equipment and parts thereof; sound recorders and reproducers, television image and sound recorders and reproducers, and parts and accessories of such articles</b>		<b>21,579,676</b>
		ANGOLA	10,828,078
		DRC	1,213

	<b>HS CODE AND DESCRIPTION</b>	<b>COUNTRY</b>	<b>2006<sup>P</sup></b>
		LESOTHO	1
		MAURITIUS	22,429
		MALAWI	39,206
		MOZAMBIQUE	15,271
		SWAZILAND	813
		TANZANIA	5,106
		SOUTH AFRICA	9,881,738
		ZAMBIA	268,126
		ZIMBABWE	13,359
		BOTSWANA	504,336

## Annex 2: Top 10 Products Imported from SADC Countries by Value, 2006 (HS2), USD

	HS CODE AND DESCRIPTION	COUNTRY	2006 <sup>P</sup>
№ 1	87:Vehicles others than railway or tramway rolling-stock, and parts and accessories thereof		<b>386,392,223</b>
		ANGOLA	132,765
		LESOTHO	13,743
		MALAWI	5,528
		MOZAMBIQUE	2,168
		SWAZILAND	244,700
		TANZANIA	4,689
		SOUTH AFRICA	385,428,970
		ZAMBIA	34,767
		ZIMBABWE	131,145
BOTSWANA	393,749		
№ 2	84:Nuclear reactors, boilers, machinery and mechanical appliances; parts thereof		<b>289,135,674</b>
		ANGOLA	44,183
		MAURITIUS	20,981
		MOZAMBIQUE	63
		SWAZILAND	29,466
		TANZANIA	4,772
		SOUTH AFRICA	287,983,317
		ZAMBIA	11,162
		ZIMBABWE	570,194
BOTSWANA	471,537		
№ 3	85:Electrical machinery and equipment and parts thereof; sound recorders and reproducers, television image and sound recorders and reproducers, and parts and accessories of such articles		<b>179,715,225</b>
		ANGOLA	77,208
		LESOTHO	76
		MAURITIUS	17,521
		MOZAMBIQUE	233
		SWAZILAND	119
		TANZANIA	72
		SOUTH AFRICA	178,827,079
		ZAMBIA	4,137
		ZIMBABWE	13,746
BOTSWANA	775,034		
№ 4	30:Pharmaceutical products		<b>82,080,446</b>
		DRC	8
		MOZAMBIQUE	2,343
		TANZANIA	2,813
		SOUTH AFRICA	81,846,425
		ZAMBIA	3,948
		ZIMBABWE	70,384
BOTSWANA	154,525		
№ 5	22:Beverages, Spirits and Vinegar		<b>72,416,452</b>



	HS CODE AND DESCRIPTION	COUNTRY	2006 <sup>P</sup>
		ANGOLA SOUTH AFRICA ZIMBABWE BOTSWANA	683,377 71,640,478 73,193 19,405
<b>№ 6</b>	<b>39:Plastics and articles thereof</b>	ANGOLA DRC MALAWI TANZANIA SOUTH AFRICA ZAMBIA ZIMBABWE BOTSWANA	<b>67,168,343</b> 9 21 130 481 66,717,662 2,143 1,251 446,644
<b>№ 7</b>	<b>48:Paper or paperboard; articles of paper pulp, of paper or paperboard</b>	ANGOLA MAURITIUS SOUTH AFRICA ZAMBIA ZIMBABWE BOTSWANA	<b>61,041,555</b> 138 2,865 60,964,754 13,620 2,286 57,892
<b>№ 8</b>	<b>17:Sugar and sugar confectionery</b>	SOUTH AFRICA ZAMBIA ZIMBABWE BOTSWANA	<b>53,133,339</b> 40,253,101 57,065 12,658,945 164,219
<b>№ 9</b>	<b>27:Mineral fuels, mineral oils and products of their distillation; bituminous substances; mineral waxes</b>	TANZANIA SOUTH AFRICA ZAMBIA ZIMBABWE BOTSWANA	<b>47,836,593</b> 31 47,543,825 160 46 292,531
<b>№ 10</b>	<b>61:Articles of apparel and clothing accessories, knitted or crocheted</b>	ANGOLA DRC MAURITIUS MALAWI TANZANIA SOUTH AFRICA ZAMBIA ZIMBABWE BOTSWANA	<b>46,398,016</b> 988 107 343 12 2,678 46,339,852 2,167 36,770 15,099