



# **SFAAZ 2022 ANNUAL CONFERENCE REPORT**



**Dates:** 28 & 29 July, 2022

**Venue:** Holiday Inn, Mutare

**Theme:** *Industry repositioning in a changing environment*

**Compiled by:** SFAAZ Secretariat

## **GENERAL REMARKS**

The association hosted the 16<sup>th</sup> annual conference in Mutare. We were honoured to have the Hon. Minister of Information and Publicity as our guest of honour. She also took time during the evening of the 29<sup>th</sup> to attend our awards function. On average the conference was attended by about 140 delegates (both days combined). The general organisation, the presentations and discussions proved to be a huge success.

The overall Master of Ceremonies was Mrs (Paidamoyo Munhenga) Jakachira. She led delegates to a moment of silence at the beginning of the conference in honour of all our dear departed including the late Commissioner of Customs and Excise Mr Kuzvinzwa and the late Mr Mudungwe, who was an honorary member of the association.

This was followed by a self-introduction of the delegates. This was very important in the networking and mingling that happened throughout the conference.



Guest of honour with Customs, SFAAZ and NHS leadership.

## **PRESENTATIONS**

The individual presentations are attached (in full) to this report. We, hereunder, cover the pertinent points:

### **SFAAZ Chairman**

The chairman, Mr Muswere, opened the conference by giving a run-down of what to expect. His speech was punctuated by the positives that the covid pandemic had brought in that:

- Physical interaction between Government officials and clients was reduced to a minimum. Most communication and meetings turned virtual.
- Physical handling of paper was significantly reduced as some processes became paperless.
- Physical examination of goods was reduced and this allowed quicker movement of cargo.
- Some processes were streamlined in line with COVID requirements. There was a realisation that modernization of processes should not be restricted to customs processes only but must incorporate other border agencies as well, including other Government and private institutions that facilitate border operations.

### **Ministry of Industry and Commerce**

The Ministry was represented by Dr Runyowa, its Chief Director, commerce. He gave apologies from Dr Sibanda, the Permanent Secretary, who could not attend the conference due to other commitments. In his speech, Dr Runyowa pointed out that:

The Ministry aimed to revive ailing industries, modernise existing industries and create new industries. In 2019, he said, about 46% of the manufacturing industry was domiciled in Harare. This had driven the ministry to look at setting up rural industries in order to decongest the cities.

Clearing and Forwarding agents belonged to the commerce side of industry. The logistics sector was a key enabler of industry and the ministry was cognisant of this through the setting up of structures such as the Border

Efficient Management System (BEMS), the e-licensing facility and the Consignment Based Conformity Assessment (CBCA). CBCA had done away with applications for exemption. Exemptions are being given only to national projects.

He called upon clearing and forwarding agents to co-operate with Government in implementing the CBCA programme. He said that Government was prepared to listen to any concerns and/or suggestions. He took note of the need to audit CBCA certifying companies. He also committed to consult industry on future SIs to do with the CBCA programme.

On licensing, he pointed out that online licence applications were aimed at improving turnaround time of applications. Where there are delays in processing, Dr Runyowa's office is there to assist. Responses to online applications should be received within 3 days.

During the discussion that followed, the Chief Director took note of the fact that there was often misalignment of legislation with the practicalities on the ground. This usually happens in interpretation of the legislation by ZIMRA and clearing agents. Dr Runyowa (pictured below).



## **Manicaland Resident Minister**

Minister Matsikenyere was represented by Mr J. Misi, a Deputy Director in her office.

In her speech, the Minister noted that:

- Forbes border post is very key to trade as it offers the shorter and cheaper route to the sea.
- The limited size of the border restricts turnaround time and its redesigning will address the challenges.

## **Transport Operators Association of Zimbabwe (TOAZ)**

TOAZ made a presentation through their general manager, Mr W. Ramwi.

He pointed out that TOAZ was formed in 1948. It had a current membership of 125 transporting companies, the majority being SMES.

Some concerns raised by TOAZ are:

- Lack of financial resources. As a result the Zimbabwean transporter was less competitive especially when it comes to recapitalising.
- Need for tax regime to be more manageable.
- Need to reduce Government levies in order to allow transporters to be competitive.
- Need for reequipping of transport sector.
- Neighbouring countries such as Zambia have introduced indigenous measures to favour their own transporters. There is need for Zimbabwe to impose similar policies.
- Fuel should be collected from the NOIC pipeline and exported from there – not from Beira. Zimbabwean transporters should be prioritised in this arrangement.
- Lowering of the RBZ retention from 80% to 60% for transporters. This is despite the fact that transporter charges are paid monthly in forex.
- Regional transporters (not Zimbabwean) are not affected by the constraints that Zimbabwe registered truckers face. Some transporters have, therefore, left the regional market and gone local.
- Approximately 90% of cargo is moved by road but face border delays. About 70% of truck delays are attributable to borders. Such delays negatively impact on transport business. There is, therefore, need for improvement of border post procedures.
- Long transit periods:

- Beira to Kasumbalesa is 1500km and journey takes 11 days.
- Dar es Salaam to Kasumbalesa is 2090 km and takes 10 days.
- Walvis Bay to Kasumbalesa is 2420km and takes 6-7 days.

As a result, although the North-South corridor is the preferred route, situation is changing because of the border delays.

- Other transporters have opted to use Walvis Bay and Dar es Salam sea ports as opposed to Durban in order to avoid transiting through Zimbabwe.
- Zimbabwean transporters missing on Just in Time deliveries.
- Cost of seals is too much at USD30. This cost must be borne by ZIMRA as it is part of their internal control measures. TOAZ does not, however, condone transit fraud.
- Electronic cargo tracking seals are a good measure but have not stopped smuggling.
- TOAZ members usually face situations where drivers misbehave but they are let free and authorities such as ZIMRA target the companies instead.
- Fuel tankers are subjected to 100% physical examinations (P/Es) on exit at Chirundu.
- Waiting for 3 days for seals and a further 4 days for P/E at Chirundu is not attainable.
- Transporters have no choice but to charge demurrage on delays as this is a contractual obligation.



Mrs Mashiri presents a token of appreciation to Mr Ramwi

## **Environmental Management Agency (EMA)**

The EMA presentation was made by Messrs Vincent Chatendeuka and Decent Ndlovu, a Provincial Environmental Manager. In the presentation it was pointed out that:

- EMA licence applications are now being done online.
- A prepaid facility is now in place.

## **Green Motor Services (GMS) t/a Mutare Dry Port**

The Operations manager, Mr Dhliwayo presented on “The role of Inland Facilities in Supporting Corridor Growth”. He and the General Manager, Mr Takawira, who was also present, explained the “business” relationship that existed between ZIMRA and GMS. GMS merely offered convenient facilities for ZIMRA to perform various functions in response to the limitation of space at the border.

## **National Handling Services (NHS)**

NHS was represented by a team led by its chairman, Mr Mukarakate, and the CEO, Mr Marawanyika. Mr Marawanyika made the presentation on the advantages of using the Walvis Bay Dry Port facility, situated in Namibia. This is against the background that the country was promoting use of the dry port in trading with the Americas, Europe and the part of Africa bordered by the Pacific Ocean (Central, West and Northe Africa). The Government had mandated NHS to manage/operate the dry port.

NHS indicated that they were engaging ZIMRA with a view to house them at the dry port in order to reduce clearing time for imports.

## **Corporate Governance**

A presentation was made by Mr Kayereka, a very senior member of the industry and a specialist on corporate governance issues.

## **Corporate Branding**

This topic was ably delivered by a motivational speaker, Mr Zimunya. A lot of insights were shared on how businesses could improve through branding.

## Customs Session

This was a very popular session, as usual. An opening presentation was made by Mr Nyaruwanga, the SFAAZ Chairman of the Technical and Customs Affairs Committee. Mr Chadzingwa, the Commissioner of Customs and Excise also gave a presentation before the session was opened for discussion. Mr Chadzingwa was assisted by Mr Chamboko, a ZIMRA manager at Mutare, during the deliberations.

Mr Nyaruwanga Highlighted the following challenges in dealing with ZIMRA:

- Appeal process very slow at times.
- Senior staff tends to uphold decisions made by their subordinates.
- Validation of incompetent F45s.
- Reliance on websites by ZIMRA during valuation at the expense of the legislated valuation methods.
- ZIMRA fining model not good for industry.

Mr Chadzingwa noted concerns that were raised and emphasised that Customs and Clearing agents needed to work closely together since the two were close partners.

Of note, Mr Chadzingwa pointed out that:

- As of 1 July ZIMRA had introduced 3 DPC managers in order to improve service delivery.
- The 3<sup>rd</sup> quarter meeting (in Mutare) between clearing representatives and the Commissioner should take the full day rather than the half day that was done before. Clearing agents' licence renewals for 2023 should also be discussed.
- ZIMRA had 3 sealing points for tankers, namely Forbes, Beitbridge and NOIC.
- HS 2022 was ready for gazetting. This will happen sooner than later.
- Challenges to do with bond penal sums should also be discussed during the Mutare meeting.
- There are too many physical examinations because of the following:
  - Too many controls.
  - Risk management engines.
  - History of the clearing agent and other importing parties.



## GUEST OF HONOUR

The Guest of Honour, Hon. Mrs Mutsvangwa, Minister of Information and Broadcasting Services, gave her speech at the end of the conference, a departure from the norm!!!

She emphasised Government's commitment to the industry and expressed hope that business will pick up, particularly on exports. Before officially closing" the conference, she promised to be back for the awards dinner.



Group photo with the Guest of honour (in red jacket)

## AWARDS

For, the first time in the history of the association, the following awards were presented:

### 1) Early Payment (2022 membership) Awards

These were awarded to the following member companies:

- a) Incofreight
- b) Speedlink Cargo
- c) Amolas Agencies

## 2) Feedback Awards

These are the people that have been very active in communication with the association on various matters. They responded every time they were required to do so.

a) Mr W. Mushove

b) Mr H. Walaza

c) Ms L. Matonisa

d) Mr E. Ngwenya

## 3) Training appreciation Awards

These members were prominent in sponsoring their employees to the various training courses that the association offers.

a) Southern Business Services

b) Freight World

c) Paramount Exports

d) Logistica Shipping

e) Allen Wack and Shepherd

f) DHL International

g) Freight Solutions

h) Speedlink Cargo

## 4) SFAAZ Trainers Awards

The following are the trainers that continue to do us proud and have been doing so over the years in the various courses that we offer. They were all represented by Mrs Mangena, a member of SFAAZ Training committee.

a) Wellington Mugabe

b) Denford Zambezi

c) Alec Nyambudu

- d) Peter Makarimayi
- e) Danisile Kusano (Mrs)
- f) Abel Rumbwere
- g) Johannes Remegio

- h) Lovemore Bhande
- i) Simon Kayereka
- j) Zhuwau Zhuwau
- k) Jocelyn Gweshe (Mrs)
- l) Marvelous Nyamurowa
- m) Tinashe Chiwanza
- n) Tatenda Maworere (Miss)
- o) Tarisayi Jayirayi
- p) Musafare Chabuda
- q) Sikhumbuzo Hadebe

#### **5) National Recognition Award**

Ms Lizwe Bunu received this award. She is a current SFAAZ board member who has served very successfully in the ZINARA board. She is the current vice chairperson of the ZINARA board where she was reappointed for a second term. Before that she served in the board as acting chairperson for more than a year. To receive her award (in her absence) was her daughter and husband (pictured below with the Guest of honour).



## 6) Executive International Recognition Awards

There were two recipients:

a) Sheila Mashiri (Mrs)

Mrs Mashiri is a current member of the Airfreight Affairs Institute of FIATA, the global body where she is serving the institute for the second term. She was also elected to be vice chairperson of RAME, one of the 4 regional bodies of FIATA.

b) Joseph Musariri

Mr Musariri is a current member of the Validation Task Force of the Logistics Institute of FIATA. He is involved in the global validation programmes of the FIATA International Diplomas. Previously he belonged to the Advisory Body on Vocational Training of FIATA. Mr Musariri is one of the only two members from Africa who are part of the Fiata Logistics Institute.

In addition, he serves as a member of the SADC Business Council. He is also a member of the World Customs Organization, East and Southern Africa Regional Private Sector Group (WCO-ESA-RPSG).

## 7) Honorary membership

This award is given for outstanding contribution to the association.

Before the conference, SFAAZ only had 2 surviving honorary members, namely Messrs Christopher Noble and Victor Ferreira. There were 2 other members who are now late. These were Mr Peter Brewis and Mr Elwyn Mudungwe.

The member, who was honoured with full approval of the SFAAZ board in terms of clause 8.15 of the constitution, was Mr Juren Mtemeli.

- Mr Mtemeli is aged 67 years.
- He served as a Customs officer in the then department of Customs and Excise from April 1978 to November 1994. During this period he trained 2 officials who rose through the ranks to become Commissioners of Customs and Excise. These are the late Mr Kuzvinzwa and his successor, Mr Chadzingwa, who happened to be present.
- He left Customs in 1994 at the level of Assistant Director and founded Cilo Freight in 1995.
- Cilo Freight immediately went on to join SFAAZ.
- He is a past SFAAZ chairman.
- During his tenure as chairman he was influential in getting SFAAZ back into FIATA, the global family of freight forwarders.
- He was also a driving force in getting SFAAZ to enter the YIFFA competition. So far SFAAZ has won 5/7 regional awards of the past global competitions.
- He has served in several SFAAZ committees including the Ethics committee and Training committees.

## CONCLUSION

The conference was a huge success, judging from the comments of those that attended. Indeed it managed to put the clearing and forwarding industry into the limelight.



SFAAZ Chairman, Mr Muswere, handing over a bouquet of flowers to Minister Mutsvangwa. Looking on is the conference master of ceremonies, Mrs Paidamoyo Munhenga-Jakachira.