OECD Trade Facilitation Indicators – South Africa

To help governments improve their border procedures, reduce trade costs, boost trade flows and reap greater benefits from international trade, OECD has developed a set of trade facilitation indicators that identify areas for action and enable the potential impact of reforms to be assessed.

Estimates based on the indicators provide a basis for governments to prioritise trade facilitation actions and mobilise technical assistance and capacity-building efforts for developing countries in a more targeted way.

OECD analysis shows that trade facilitation measures can benefit all countries in their role as exporters as well as importers, allowing better access to inputs for production and greater participation in the international trading system.

South Africa’s trade facilitation performance

- South Africa performs better than the averages of Sub-Saharan African and upper middle-income countries in advance rulings, appeal procedures, automation, simplification and streamlining of procedures, information availability, involvement of the trade community and border agency co-operation (internal and external), according to OECD trade facilitation indicators.
- South Africa’s weakest performance is in the area of harmonisation and simplification of documents.

Analysis is based on TFIs latest available data as of January 2013 and the set of TFIs as constructed in “Trade Facilitation Indicators: The Potential Impact of Trade Facilitation on Developing Countries’ Trade” (OECD Trade Policy Paper No. 144, 2013). “Best performance” denotes the average for each of the trade facilitation areas covered, across all countries within the database.
Areas for action in trade facilitation

OECD quantitative analysis for the group of upper middle income countries, which includes South Africa, shows that the areas with the greatest impact on increasing bilateral trade flows and lowering trade costs are: **formalities (procedures, documents, automation), governance and impartiality, and information availability.** The indicators of **involvement of trade community, advance rulings, fees and charges** also have a significant impact on trade flows. These indicators have a strong impact at the manufacturing trade level as well.

Taking into account the trade flow increase and cost reduction potential of the policy areas highlighted by OECD analysis, South Africa could draw considerable benefits in terms of trade volumes and trade costs from significant improvements in the area of **harmonising and simplifying documents.** Continued efforts in the area of **fees and charges** would bring further benefits.

**OECD Trade Facilitation Indicators**

OECD has developed the following indicators to assess trade facilitation policies.

- **Information Availability**: Publication of trade information, including on internet; enquiry points.
- **Involvement of the Trade Community**: Consultations with traders.
- **Advance Rulings**: Prior statements by the administration to requesting traders concerning the classification, origin, valuation method, etc., applied to specific goods at the time of importation; the rules and process applied to such statements.
- **Appeal Procedures**: The possibility and modalities to appeal administrative decisions by border agencies.
- **Fees and Charges**: Disciplines on the fees and charges imposed on imports and exports.
- **Formalities-Documents**: Simplification of trade documents; harmonisation in accordance with international standards; acceptance of copies.
- **Formalities-Automation**: Electronic exchange of data; automated border procedures; use of risk management.
- **Formalities-Procedures**: Streamlining of border controls; single submission points for all required documentation (single windows); post-clearance audits; authorised economic operators.
- **Internal Co-operation**: Co-operation between various border agencies of the country; control delegation to Customs authorities.
- **External Co-operation**: Co-operation with neighbouring and third countries.
- **Governance and Impartiality**: Customs structures and functions; accountability; ethics policy.

**Further reading**

Read about the methodology, sources and findings from the OECD trade facilitation indicators in these two papers, available on our website: [oecd.org/trade/facilitation](http://oecd.org/trade/facilitation)

- **Trade Facilitation Indicators: The Potential Impact of Trade Facilitation on Developing Countries’ Trade** (OECD Trade Policy Paper No. 144, 2013)