

TRANSCENDING BORDERS

The official Publication of the
Cross-Border Road Transport Agency
March 2018

SADC launches a Regulators Forum



Celebrating

20

1998 - 2018

YEARS OF SERVICE



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FROM THE CEO'S DESK



Dear Readers,

Allow me to welcome and introduce you to this edition of our external publication, **Transcending Borders**. The publication provides a platform for the C-BRTA to inform the cross-border road transport industry about initiatives and programmes which are championed by the Agency.

The release of this publication coincides with our financial year end as the Agency and this presents an opportunity for the Agency to reflect on the past financial year and also map the programme for our next financial year. I am delighted to announce that the year 2018 marks 20 years since the establishment of the C-BRTA. Our Agency was established in 1998 and this year marks 20 years of our existence. As the Agency, we are planning a variety of celebrations to mark this milestone. Please lookout for the upcoming editions of this publication to find out what the Agency has in store in relation to these celebrations. This milestone provides an opportunity for us as the C-BRTA family to conduct an introspection of the journey thus far with the ultimate goal of shaping the new C-BRTA.

In this edition, we have covered events and activities which occurred over the past few months. These consist of our engagements with industry stakeholders in South Africa and other parts of the African continent. For instance, we hosted delegates from several SADC member states from 22 to 23 March as part of the SADC Cross-Border Road Transport Regulators' Forum. We have also hosted an Operator Compliance Accreditation Scheme (OCAS) workshop which mainly meant with an objective to update the Department of Transport and its Road Entities about the work done so far about on this initiative.

We have also held several operator forums with the passenger, tour and freight operators to discuss issues which affect the industry and thereby hamper the free flow of passengers and goods in the SADC region and the rest of the continent.

As an Agency, our work revolves around intensive stakeholder engagement because it is through communication with our industry partners that we can achieve our goal of "spearheading the unimpeded flow of interstate operations thereby facilitating sustainable social and economic development."

The cross-border road transport industry is a multi-partner industry with each partner playing different roles and it will be difficult, if not impossible for each stakeholder to achieve their individual goals without working hand-in hand with others. It is precisely for this reason that stakeholder engagement is at the core of our operations as the Agency. We hold the belief that it is only when we work in unison that we can fundamentally address the industry challenges.

As the C-BRTA we will continue working with our industry partners in our continued resolve to drive a meaningful change in the cross-border road transport industry.

I hope you will enjoy the read!!!

Warm regards,

Siphon Khumalo
CEO: Cross-Border Road Transport Agency



The C-BRTA updates stakeholders **about OCAS**



The C-BRTA in conjunction with the Department of Transport and other Roads Entities held a workshop on Monday, 26 March 2018 to give progress update of one of the C-BRTA's ground-breaking projects, the Operator Compliance Accreditation Scheme (OCAS).

This scheme is an intelligent risk-based regulatory tool composed of systems, processes, procedures and standards that will be used for certifying and licencing cross-border operators. It is anchored on risk-based management processes as underpinned by ISO 39001, which is the standard for Road Traffic Safety Management System. It is founded on safety and quality management principles for reducing the risk of accidents and providing incentives for regulatory compliance.

Furthermore, the scheme was conceptualised and developed by C-BRTA in 2011 as one of the tools to enable the Agency to live up to its mandate of improving the unimpeded flow by road of freight and passengers in the region; to reduce operational constraints for the cross-border road transport industry as a whole; and to empower the cross-border road transport industry to improve safety, security, reliability, quality and efficiency of services.

This meeting followed a wide consultation which was ordered by the former Minister of Transport, Ms Dipuo Peters with the sole purpose of strengthening the scheme to make sure that it becomes a South African solution to cross-border road transport challenges in Africa.

The CEO of the CBRTA, Spho Khumalo defined OCAS as, “a

tool designed to address many regulatory gaps facing regulators in the region such as fragmentation and lack of harmonisation of the regulatory requirements, processes, procedures and standards that hinder seamless regulation of cross-border road transport, and challenges facing cross-border operators such as long delays along regional corridors leading to longer journey times, reduced fleet productivity and high cost of doing business. Ultimately, it will enable us to improve trade with our counterparts in the region.”

He also shared the evolution of the concept to its current status and explained that it drew inputs from different role players to ensure that it becomes effective. “The Agency developed the OCAS concept which was shared extensively with government and industry stakeholders. Through the advice of the former Minister of Transport, Ms. Dipuo Peters, we went on to consult with our counterparts in the SADC region who endorsed the concept and viewed the Scheme as a regional system that should be adopted by Member States,” said Khumalo.

Following this, the Agency established a task team of road agencies that has looked at the concept and this meeting of stakeholders was meant to present OCAS as a refined product which contained inputs from all role players.

The meeting resolved that OCAS is an innovative programme that will ultimately unlock the potential of transport toward the integration of the region and the continent in line with the Continental Free Trade Agreement that the continent agreed to implement.





SADC MOVES WITH SPEED

to launch the Cross-Border Road Transport Regulators Forum



A delegation representing the Cross-Border Road Transport Agency (C-BRTA) participated in the two-day inaugural meeting of the SADC Cross-Border Road Transport Regulators Forum which was held from 22 to 23 March 2018 at the Capital Hotel in Menlyn, Pretoria.

This meeting followed a workshop convened by the SADC Secretariat in collaboration with the Cross-Border Road Transport Agency to review the road transport provisions (Chapters 5 and 6) of the Protocol on Transport, Communications and Meteorology on 10 October 2017. Among the resolutions of the meeting was the need to establish the SADC Cross-Border Road Transport Regulators Forum.

When addressing the delegates, the CEO of the C-BRTA, Mr Siphon Khumalo indicated that the gathering was a milestone and a step in the right direction in terms of consolidating different and fragmented regional regulatory efforts into one to ensure that the region speaks in one voice when it comes to regulatory matters. He encouraged the delegates, who came from various SADC member states, to work jointly in ensuring that the forum delivers on its intended purpose.

“My own expectation of this forum is that it will drive, fast-track and influence a number of regional programmes that have an impact on the unimpeded flow of passengers and goods in our region. Some of these initiatives include the conclusion and operationalisation of the Multilateral Cross-Border Road Transport Agreement, the roll-out of the Tripartite Transport and Transit Facilitation Programme, and the implementation of the Linking Africa Plan that is the output of the International Road Transport Indaba of the SADC Member States held in October last year,” said Khumalo.



As part of the meeting, the meeting held elections of the interim committee which will see the work of the forum for two years. South Africa was elected to be the chair of the committee with Zambia occupying the deputy chairpersonship. Other countries will have representatives in the committee. The work of the committee will include, amongst others, prioritising urgent matters which and coming up with a plan on how to track and implement the resolutions of the Cross-Border Road Transport Regulators Forum. In other words, the committee will be the implementing agents of the resolutions of the forum.

PARTNERS WITH STUDENTS



As part of the Cross-Border Road Transport Agency's (C-BRTA) initiative of establishing knowledge partnerships with the academia to prepare students for the work of building a better Africa in respect of transport and trade, the Agency launched a series of Knowledge Seminars with students at various universities in the country.

The first in the series of these seminars was held at the University of Johannesburg on 16th March 2018 with the College of Business and Economics. The seminar, which was attended by C-BRTA Officials, the academic staff as well as 80 students mainly in the transport and logistics field provided a good platform for the C-BRTA to engage students about the practical realities of driving transport and trade initiatives in the continent. As part of the programme, there were various presentations on the role of transport as an enabler of trade. The C-BRTA also gave a presentation on career opportunities in the Agency as well as in the transport industry as a whole.

At the end of the seminar, the C-BRTA and the representatives of the University of Johannesburg agreed to formalise the relationship

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between both institutions by working on a Memorandum of Understanding (MoU) which will be signed at a later stage.

The focal points of the MoU will include, but not limited to, the following:

- The C-BRTA to initiate a mentorship programme for the students,
- Both institutions to exchange information in respect of transport and trade,
- Both institutions to identify collaborative programmes to expose students to the work of the Agency,
- To allow the C-BRTA's research and Development Division to exchange information with the researchers at the university.

As part of this initiative, the C-BRTA will engage other academic institutions to make sure that this initiative reaches as many students as possible who are studying towards a qualification in the field of transport, trade or logistics.



THE APPLICATION OF SMART TRANSPORT TOOLS IN THE CROSS-BORDER ROAD TRANSPORT ENVIRONMENT IN SADC

BY BEVUYA MDLANKOMO

The article defines STT's as those advanced information technologies that can connect object to object and object to institutions and institutions to institutions through internet capabilities. For example, this entails enabling transportation objects such as vehicles, roads and objects to become intelligent by embedding them with tags, transmitters and sensors and empowering them to provide real-time reporting capabilities through wireless technologies. In essence, STT's are not only about the application of innovative technology devices. Their scope is much wider as they seek to ensure that there is interconnectedness between novel technology systems and physical objects as well as the virtual environment for purposes of improving information sharing on aspects such as driver's safety, performance levels and transport productivity. In countries where such fusion has been deployed, significant improvements in the transportation system performance have been witnessed, including increased safety, improved vehicle tracking and monitoring, improved routing and reduced congestion (Parulekar, Desai and Gupta, 2000; Loce, Bernal, Wu and Bala, 2017).

In addition to the proceeding thematic discussions, this article seeks to explore the utilization of innovation technologies for purposes of seamlessly collecting, processing, storing and transmitting data to a central platform. It is, however, key to note that the collection process is envisaged to be seamless and transparent without requiring additional functions that would cause delays. This deep shift in operation is envisaged to have the potential to play a meaningful role towards: increasing efficiency in moving goods across borders, improving the quality of cargo due to better efficiency and safety measures, and generating intelligence on the movement of vehicles and cargo along the corridor

TECHNICAL CONTEXT OF SMART TRANSPORT TOOLS

The ascendancy of, what is termed today, the digital revolution or the fourth revolution has transformed the way each discipline undertakes its activities and operations. What sets this revolution apart from the previous one, is its ability to integrate the application of various technologies, ranging from computing, internet to technology systems/elements, through smaller and powerful sensors. There are examples that empirically indicate that the rise of the digital revolution has also transformed many industries and areas, from cities,



health care to government, making them safer and more integrated (Amy and Suan, 2015; Stimmel, 2015). However, it is important to note that such impacts have also sprawled to disciplines such as transport, whereby new breakthroughs have emerged. For example, such breakthroughs include roadside camera recognition, geofencing systems, and the application of the internet of things (IoT) through sensors, radio frequency identification (RFI) and a global positioning system (GPS), which all seek to enhance safety levels, productivity and efficiency in moving goods. Furthermore, such developments have continued to underpin the role of the digital revolution in improving the growth of transport from one sphere to another. It is against this backdrop that regional government institutions, regulatory entities, corridor institutional bodies and border agencies should align their operations with this revolution for purposes of ensuring that they deliver on their mandate efficiently and effectively.

WHY THE NEED FOR SMART TRANSPORT TOOLS IN THE REGION

Despite the fact that the use of information technology (IT) is widespread in the region, it is important to note that all stakeholders currently operating within the cross-border radar have their own systems which are not interconnected and provide no interaction as a result. Stakeholders can only obtain information when they request information through email, telephonically or other conventional methods. The current operational complexities ultimately result in challenges, some of which are outlined below:

- High levels of inefficiencies: The current disintegrated systems contribute to inefficiency levels in that they fail to provide real-time information to all stakeholders, which would enable them to make better decisions that could optimise their operations.

- Lack of accurate data: Currently, only limited accurate information is available on the traffic volumes moving along corridors. Such a challenge has restricted the ability of border posts and other nodal points of the corridors to plan for demand requirements from an infrastructure orientation and also for daily operational activities such as peak daily hours and peak days.
- Slow clearance of cargo: This is due to the fact that member states use different customs management software. Currently a number of customs processing systems (e.g. ASYCUDA and TIMS) are employed by member states. Even in cases where countries use the same software, they are reluctant to share customs data and information due to legal and technological considerations. These challenges culminate in late clearance of cargo at the border leading to late delivery of stock and ultimately resulting in customers paying more for goods.
- Poor monitoring of cross-border traffic: The inability to provide real-time information through navigation tools on issues pertaining to driver safety whilst in transit and possible breakdowns along the journey, also compromise the gains of the industry.

It is important to note that the cross-border road transport environment is characterised by the above limitations, which negatively impact on the gains that could be derived from the trade and transport sector. The productivity of transport and trade, in particular road transport, is directly related to how integrated and interactive digital systems are. Therefore, it is evident that poor digital connectivity between government, private sectors, corridor institutions and border agencies should be addressed before the region can succeed in responding to the low levels of intra-regional trade.

STEPS TOWARDS ADOPTING STT'S IN THE REGION

The introduction of STT's opens up a number of opportunities. These include reforming the modus operandi of regulating the cross-border road transport industry through the application of smart tools. The following steps are deemed to be critical towards the realization of the benefits that are associated with the application of STT's.

- Firstly, there is a need for the region to establish an ecosystem framework which unpacks collaboration arrangements amongst cross-border stakeholders. The idea is twofold. Firstly; it is important to ascertain how existing institutional systems and technologies can be refined for purposes of facilitating systems integration in the cross-border environment. The second aspect relates to the development of technical specifications for future systems. The latter is envisaged to go a long way in terms of ensuring that all novel systems have the interoperability

capabilities and the capacity to accommodate new developments within the digital environment.

- Secondly, there is a need to develop a sector orientated digital strategy that will articulate the state and maturity of digitalization in the transport environment. The ultimate objective is to develop a cross-border road transport digital strategy that will support efficiency and safety levels, information sharing, better planning and improved regulation that is informed by reliable data.
- Thirdly, there is a need for regulatory institutions at member state level to encourage a new operational regime that is anchored on integrating their systems with those that are currently used by the private sector to improve visibility as vehicles move along the corridor, advanced route notification for purposes of ensuring that regulation prescripts, in essence, underpin efficiency.
- Lastly, there is a need to integrate permit requirements with technology capabilities for purposes of providing member states with reliable data. For example, currently permits are not configured to have capabilities such as bar codes and chips that can interface with installed sensors at strategic points along corridors. This gap undermines the ability of the cross border road transport operation to generate data that can be processed into intelligence through the fusion of permit capabilities with smart devices. The status quo is exacerbated by the fact that this shortcoming has further affected the accuracy and integrity of the information that informs planning. The realisation of this opportunity is highly possible, especially since countries have started the process of tracking containers moved by sea through using sensors, transmitters and tags along the supply chain (Schwab, 2016). It is therefore important to note that the opportunities presented by the application of STT could be considered to be a game changer,

SUMMARY

When assessing the global picture, there is an indication that digitalization is reshaping industries across the board. The road transport sector industry is also changing rapidly. Over the past decade, the trend has been towards installing technology to vehicles to monitor key aspects such as, route adherence, fuel consumption and carbon emission amongst other things. However, in the case of SADC, the cross-border road transport has yet to fully tap into the potential of the digital era. This can be largely attributed to the fact that member states have systems in place which are not integrated to take advantage of the gains presented by the technological capabilities. What is more concerning is that the state of digital maturity differs in the region. There are regions that are more developed than others which complicates the process of sharing data electronically as some countries are still paper based.

THE COST OF DOING BUSINESS IN THE CROSS-BORDER ROAD TRANSPORT INDUSTRY

The Cross-Border Road Transport Agency (C-BRTA) embarked on a study to ascertain the cost of doing business in the cross-border road transport industry. The study took three years to complete, commencing with the bus route-based study, followed by the data refinement and completion with the model refinement (any information on the process to justify the number of years) upon completion in 2017 its findings have been shared with the cross-border road transport operators. In order to gain more information about this study and how it will impact the cross-border road transport industry, Transcending Borders caught up with the Researcher who championed this study, Makibinyane Thoso. Below is what he said about the study;

- **WHY DID THE C-BRTA EMBARK ON THE STUDY?**

The C-BRTA embarked on this study in order to develop model to estimate the cost of doing business on the North South Corridor by the bus operators.

- **WHAT ARE THE CHALLENGES FACED BY THE OPERATORS?**

Doing cross-border commercial transport in the Southern African Development Community (SADC) region is characterised by high costs, long distances and high levels of uncertainty. Although geographic features such as low road density contribute to costs, time, and uncertainty, other factors include regulation, market structure, administrative barriers, and corruption.

Vehicle operating costs in SADC region are higher due, in part, to poor road infrastructure. The poor quality of roads is also an impediment to trading across the SADC region and to integrating poor and remote areas with larger markets, meaning that the road system is critical. Thus, the costs and time required for operators to reach markets significantly reduces their profits.

Corruption in the form of illegal bribes and fees is endemic in the cross-border road transport sub-sector in the SADC region. These costs impose significant constraints on operators' ability to trade and they also result in increased prices for consumers.

- **CAN YOU EXPLAIN HOW THE OUTCOME OF THIS STUDY IS GOING TO BENEFIT THE OPERATORS?**

The cross-border road transport is a challenging and ever-changing business environment. It is important that managers/operators have valid and reliable information to make operational and strategic decisions regarding their organisations. In many cases, the information required to make these decisions is cost-related. Cost models are tools that help managers/operators gain insight into an organization's cost structure, which can be vital to informed decision-making. For example, cost models provide organisations with a historical "snapshot" of the costs of providing products or services over a specific time period. Organizations can use such information to conduct profitability analyses, develop operating budgets, and project costs for future business undertakings, such as offering new products or services, changing sourcing strategies, or expanding operations.

- **ARE THERE ANY BENEFITS FOR THE C-BRTA AND THE CROSS-BORDER INDUSTRY IN GENERAL?**

Regarding the C-BRTA, this model can be used as an advisory tool to the Regulatory Committee prior to issuance of passenger permit. For instance, it will allow the committee to assess whether the route that an operator applied for with the respective vehicle size is profitable or not.

- **ARE YOU PLANNING TO CONDUCT SIMILAR STUDIES IN OTHER CORRIDORS? IF YES, WHICH ARE THESE AND WHEN ARE YOU PLANNING TO CONDUCT THESE STUDIES?**

Other routes like Malawi, Maputo and Namibia have been conducted to refine the model. Therefore, the cost model can be used in any route whether cross-border, interprovincial or local passenger transport. Moreover, during the 2018/19 the model shall be updated in routes like Trans-kalahari Corridor, Maputo Corridor and North-South Corridor to Malawi.

C-BRTA REACHES OUT TO TOURISM SECTOR THROUGH

Cross Border Tour Operator Road Shows



The Cross-Border Road Transport Agency (C-BRTA) hosted the Cross-Border Tour Operators Forum on 16 February 2018 at Centurion Lake Hotel, Pretoria.

The purpose of the forum was to afford the C-BRTA an opportunity to engage the cross-border tour operators about issues affecting their business operations and the cross-border road transport industry in general.

The CEO of the Agency, Sipho Khumalo explained the important role that transport plays in the enabling and promotion of tourism both domestically and internationally. He further explained that the C-BRTA is a creature of statute established by the Cross-Border Road Transport Act No. 4 of 1998, as amended, to facilitate the free-flow of passengers and goods across the SADC region.

“The Agency achieves this mandate by regulating cross-border movements through issuing permits, which enable cross border road transport operators to cross borders into our neighbouring countries,” he said.

As part of this mandate, the C-BRTA issues permits to cross-

border road transport operators in respect of freight, bus, taxi and tourism.

The CEO explained that the cross-border road transport tourism operations have increased in recent times and that there was a need for the Agency to partner with the operators in this industry to promote and drive development in the industry.

“In the quarter ending December 2017 (October to December 2017), the C-BRTA issued six hundred and ninety six (696) tourist permits, which represents a 3.3% increase from the same period in the 2016/17 financial year. I must admit that as an Agency, our support to the cross-border tourism industry in the past has been limited. However, the increase in the applications we receive indicates that more and more cross-border tour operators realise the value of having a cross-border permit, which requires that we honour our responsibility towards this sub-sector of our clientele,” said Khumalo.

The forum formed part of the Gauteng Province's leg of the Agency's nationwide roadshows. The Agency has already visited Western Cape, Kwa-Zulu Natal and North West Provinces as part of the roadshows. Other provinces will be visited during the course of this year.

BE COMPLIANT

CROSS-BORDER

GET YOUR PERMIT TODAY!

At the heart of the Cross-Border Road Transport Agency (C-BRTA) is a proud history of providing dedicated service to cross-border road transport operators, in the form of licensing commercial operators to convey passengers or goods as well as providing the necessary support to the rapidly growing small and medium cross-border road transport businesses. The C-BRTA has remained the driving force behind the cross-border business focus, regardless of the challenges it has faced over 19 years.

Established by the Cross-border Road Transport Act 4 of 1998, the C-BRTA caters for co-operative and co-ordinated provision of advice, regulation, facilitation and law enforcement in respect of cross-border road transport. This is underpinned by the Agency's wholehearted belief in its mission of spearheading social and economic development within the SADC (Southern African Development Community)

region through facilitating unimpeded cross-border goods and passengers.

In order to regulate the Cross-Border Road Transport Industry, the C-BRTA offers permits for both cross-border passenger and freight operators. There are different types of cross-border permits and these can be found on the C-BRTA website. Permits are currently issued at the C-BRTA office in Pretoria.

Alternatively, permit application forms can be downloaded from the C-BRTA website, and completed applications can be emailed to permits@cbrta.co.za.

For more information on permits

call (012) 471 2000 or visit www.cbrta.co.za

