



Media release
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Informal Cross Border Traders' Association Formed to Raise Voices of Poor Traders in Policy Development in Southern Africa

Informal traders make a major contribution to the growth of economies in southern Africa. Informal trade is a source of livelihood for many poor people – especially women. But it is often invisible in national policies and regional development strategies, and the voices of informal traders are seldom heard in discussions about regional trade in southern Africa. As a result, regional trade integration is often seen to be irrelevant to poor people in southern Africa. To address this gap, the Southern Africa Cross Border Traders Association was formed at a regional meeting held on 9-10 July 2009 in Victoria Falls, Zimbabwe, with the support of the Southern Africa Trust.

Speaking at the regional meeting, the Provincial Head at the Ministry of Small and Medium Enterprise Development of Zimbabwe, Ms Beatrice Mutumbwa said, "70 percent of the population in Zimbabwe constitutes small and medium enterprise, and at one time, the economy of Zimbabwe would have completely collapsed. But the traders stood firm and imported the much needed inputs which were able to sustain the economy."

Mutumbwa encouraged the meeting to work hard in keeping the regional platform alive for the benefit of regional development. She encouraged the traders to build warehouses that would serve as one stop shops for trade and guarantee safety for women, who constitute the majority of informal traders.

The Southern African Development Community (SADC) declared a Free Trade Area in August 2008, a welcome initiative that should result in more recognition and support for informal trade within the regional trade protocol.

The informal traders in the new regional Association articulated the challenges they still face at borders that stifle the growth of the sector.

According to Felix Daka, the Chairperson of Cross Border Traders Association in Zambia, "even with the SADC Free Trade, the disparities in tax or customs duties at different borders within the region makes it hard for us to make profit. Some borders are easier to access for trade but others have high tax rates that make it difficult for the poor to survive, leading to unnecessary smuggling of goods." Daka embraced the formation of the regional Association as he expects that it will open space to engage with government officials at a regional level.

Sudekar Novella from the Mozambique Informal Cross Border Traders Association, MUKHERO, said, "in Mozambique the border officials expect 52% tax on imported goods. We have tried to negotiate reduction of taxes but it is not happening. As a result, the traders end up bribing the officials. Even that does not guarantee easy access because as you proceed, you meet other officials along the way who will also expect more money. Traders can't survive as they can't pay so much".

Themba Mhlongo, Head of Programmes at the Southern Africa Trust, encouraged the cross border traders to harmonise the national associations for the regional association to be effective and speak with one voice. He said the Southern Africa Trust supports regional engagement but the national associations have to be organised and recognised by their governments. Mhlongo further said that it is important for the traders to inform their governments of their experiences at the borders so that they get assistance as well as get better informed on trade policies.

The meeting ended with the adoption of a constitution and a comprehensive business plan with Zambia nominated as the president of the Association. The regional meetings was attended by representatives from Mozambique, Zambia, Zimbabwe, Malawi, Lesotho and Swaziland informal cross border traders' associations.

The Southern Africa Trust is an independent non-profit agency that supports deeper and wider regional engagement to overcome poverty in southern Africa.

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