UNIVERSITY OF KWAZULU-NATAL

Challenges of Transporting Retail Goods into a Landlocked Country: The Case of Importing into Zimbabwe

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DECLARATION

I, Thabani Tembani Sithole, do hereby declare that

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T. T. Sithole Date

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ABSTRACT

Landlocked countries over the world are presented with vast challenges in the import market. Importing goods, especially business-to-consumer goods come with a list of matters such as, transport costs, fluctuating exchange rates and fixed procedures and regulations that make the process complex, strenuous and slow.

The main purpose of this study was to examine the challenges of transporting retail goods into landlocked countries with special attention to logistical activities involved in transporting into Zimbabwe. Zimbabwe depends on its neighboring countries to receive its merchandise. This dependency involves a lot of regulations, procedures, costs and several other factors that make it a challenge to be a landlocked country. This study reveals all the requirements, and the major challenges that Zimbabwe faces to receive foreign merchandise. Most of the literature that has been conducted on this study focuses on the general challenges of being landlocked. Every landlocked country faces different challenges and therefore the literature in this study was closely related to the country of study.

Due to the nature of the topic that was studied, data was collected using qualitative methods. This was done in the form of personal and online interviews, field notes and visual diaries. Data was collected from both South Africa and Zimbabwe, and this resulted in a lengthy period in data collection process. From the findings of the study, it was clearly evident that Zimbabwe faces many challenges in receiving foreign merchandise. The issue of delays due to border complications, insufficient trucks to manage the delivery of merchandise as well as expenses that have to be incurred as a result of each of the complications to mention a few were some of the challenges outlined in the research.

The study focused on the issues surrounding the transportation of retail goods into Zimbabwe, a landlocked country. The research objectives were achieved as the results reflected that indeed landlocked countries are disadvantaged compared to maritime countries when it comes to easily accessing world markets. The study finally recommended that cross border trading regulations need to altered so that they can be more lenient towards landlocked countries.

TABLE OF CONTENTS

LIST OF FIGURES

LIST OF TABLES

ACRONYMS

AFDB -	African Development Bank
AFRAA-	African Airlines Association
AU -	African Union
ATPC -	African Trade Policy Centre
CIA -	Central Intelligence Agency
COMESA -	Common Market for Eastern and Southern Africa
CIF -	Cost, Insurance, Freight
CSIR -	Council for Scientific and Industrial Research
DBSA -	Development Bank of Southern Africa
DWT -	Dead Weight Tonnage
EAC -	East African Community
EU -	European Union
EDI -	Electronic Data Interchange
FDI -	Foreign Direct Investment
FOB -	Free on Board
GFP -	Global Facilitation Partnership for Transport and Trade
ICT-	Information Communications Technology
IMF -	International Monetary Fund
LLDC -	Landlocked Developing Countries
MDC -	Movement for Democratic Change
NRZ -	National Railways of Zimbabwe
OECD-	Organisation for Economic and Cooperation Development
OSBP-	One Stop Border Post
RORO -	Roll on, Roll Off
SARS -	South African Revenue Services
SADC -	Southern African Development Community
UN -	United Nations
UNCTAD -	United Nations Conference on Trade and Development
UNECA-	United Nations Economic Commission for Africa

UNDP-	United Nations Development Programme
VAT -	Value Added Tax
VIF -	Variation Inflation Factor
WTO -	World Trade Organisation
WCO -	World Customs Organisation
ZANU PF -	Zimbabwe African National Union (Patriotic Front)
ZIMRA-	Zimbabwe Revenue Association
ZINARA-	Zimbabwe National Road Association

Chapter One – Introduction to the Research

1.1 Introduction

Landlocked countries over the world are presented with vast challenges in the import market. Importing goods, especially retail goods come with a list of implications that hinder the process and make it more complex, strenuous and slow.

The main purpose of this study is to examine the challenges of transporting retail goods into landlocked countries with special attention to logistical activities involved in transporting into Zimbabwe. This chapter aims to define the research problem, present a background of the study, research objectives, scope and plan of the study.

1.2 Background

According to The Oxford Handbook of the Law of the Sea (2015:331), landlocked countries are defined as countries that do not have a sea-coast. This means landlocked countries do have access to the sea or a bordering body of water.

On the other hand, maritime countries are the opposite of landlocked countries. Maritime countries are countries that have access to the sea and rely on the use of their ports for commerce, transport or any maritime activities (Maritime Boundary Definitions, 2015).

Technological improvements in transport have not reduced or eliminated the challenges landlocked countries continue to face in order to access world markets (Faye, McArthur, Sachs and Snow, 2004:1). Due to this fact; there is a gap between landlocked countries and their maritime neighbours in general when it comes to the level of economic growth and external trade. Landlocked countries had an average growth in per capita GDP of 1.23%, between 1988 and 2010, while their maritime neighbours grew at 1.20%. The poor growth spill overs in landlocked countries result from a lack natural resources to manipulate and miniature markets involved in these countries (Dunne, 2012:5).

According to Faye, et al., (2004:1), "The business besides which any nation can carry on by means of a river which does not break itself into any greater number of branches or canals, and which runs into another territory before it reaches the sea, is never favourable. This results from

the power of the nations who possess that other territory to obstruct the communication between the upper country and the sea."

Smith (1976:138) argued that, "due to the difficulty of trade, geographically remote areas have difficulty realising gains to specialisation and associated benefits." His analysis was centred on the struggle surrounding land transportation over great distances – a problem that, regardless of all the technological advances, it still remains today. High transportation costs typically place landlocked countries at a distinct disadvantage relative to their coastal neighbours when competing in global markets.

While being far from the coast contributes to how landlocked countries perform economically, this research explores aspects other than dependence that pose as disadvantages. "Landlocked countries not only face the challenge of distance, but also the challenges that result from a need for means of access through an independent passage country, one through which trade from a landlocked country must pass in order to access the international shipping market" (Faye, et al., 2004:1).

The main disadvantage to being landlocked is that transportation costs are often determined by their geographical standpoint. Landlocked countries have to incur hefty costs for land transportation because their products have to pass through borders which is yet another hurdle (Hausman, 2001:13). Almost one-third or fifteen countries in Africa are landlocked and have no access to the sea. The high costs of transport are influenced by the countries with maritime access. There are several challenges that landlocked countries encounter, these include border delays, tax and tariffs. However, the challenges of being landlocked can be minimised by governments amending regulations to favour landlocked countries. Further means are going to be explained in the final chapter under recommendations.

Figure 1.1: Landlocked Countries in Africa

Source: Google Images of Landlocked Countries, 2013

Zimbabwe is one of the landlocked countries in Southern Africa, bordered by Botswana, Mozambique, South Africa and Zambia (SADC, 2012). It is exclusively dependent on its neighbouring countries for imported goods. Currently Zimbabwe's main merchant of merchandise is South Africa. Zimbabwe's commodity imports from South Africa get up to 60.1% and food merchandises constitute more of that percentage (Gunning, 2007:157). The study will be focusing on Zimbabwe as its case study country.

Zimbabwe has access to certain corridors that they can use to receive imported freight. It mainly used Safmarine NV Container Lines as one of its major transporters (Safmarine, 2012) and (Vehicle Inquiry ZINARA, 2015). Safmarine NV Container Lines mainly uses the Durban corridor to transport goods into Zimbabwe. Elite Global Logistics, another transporting company transports goods from the Durban port to the Zimbabwean border. The whole course includes a series of procedures that present complexities and, unlike South Africa, Zimbabwe waits for the delivery of goods from another country through another country or countries. Furthermore, South Africa has its own coastline spanning more than 2500km and awaits the delivery of its merchandise at its own ports.

This research therefore investigates the challenges of transporting imported retail goods into Zimbabwe, a landlocked country in comparison to its coast located neighbour, South Africa.

1.3 Motivation for the Study

The motivation to perform this study is to establish the extent and scope of challenges that landlocked countries encounter from ordering business-to-consumer goods to the point of delivery. The strain involved in continuously having to depend on neighbouring countries to deliver products from countries with coastal access sometimes during political, economic and labour unrest is exasperating.

Depending on their location, landlocked countries have certain corridors that they utilise to receive their goods. The corridors are agreed upon within the governments of each country and committees representing them like the Southern African Development Community (SADC) and African Union (AU) (Bauer and Taylor, 2011:217).

For over fifty years, the African Union (AU) has been implementing strategies on integrating all African countries in order to transform their economies. (AFDB, 2012). The corridors each country employs entails going through border posts, Revenue Authorities – Customs, Immigration, Security – Police, Ministry of Agriculture, Ministry of Health and Bureau of Standards amongst others. Due to the aforementioned cumbersome procedures, issues of delays and costs are more challenges that landlocked countries have to stumble upon (AFDB, 2012).

1.4 Problem Question

Do landlocked countries encounter more transporting challenges in accessing world market merchandise in comparison to maritime countries?

This research explores the challenges of transporting retail goods into a landlocked country from South Africa to Zimbabwe.

The purpose of this study was, therefore, to examine the challenges that landlocked countries encounter that maritime countries do not. This was done in order to understand the different hurdles importers go through so that recommendations could be made to prospective buyers and government to ensure that they find solutions to curb these challenges.

1.5 Research Objectives

- To understand how and why coastal countries are more advantaged as compared to landlocked countries.
- To investigate which retail goods are mainly imported and transported into Zimbabwe and why?
- To examine how retail goods are transported into Zimbabwe; the transport systems, procedure, time taken to transport and the legislation involved.
- To identify the channels and corridors Zimbabwe has to depend upon to receive its imported merchandise.
- To analyse the risks and encounters involved in transporting goods up to the Zimbabwean borders and the ultimate destinations.
- To understand the dynamics of related time frames, logistical complications from point of order to point of delivery and the effect these have on buyers.
- To investigate how transporting container lines move goods to Zimbabwe and the involvement of Safmarine and Elite haul lines as major third party players in the Supply Chain process.

Landlocked countries face unique challenges in receiving business-to-consumer goods from world markets. "While rivers were a common form of trade transit, the principle of dependence on neighbours applies equally to the more modern transport modes of roads and railways" (Smith, 1976: I38). This dependence comes with different challenges some which are less deliberate than politics as suggested Smith (1976:139). The above mentioned objectives need to be reached so that there is full understanding and answers to the research question. Qualitative and exploratory means will be employed in order to achieve the research goals and this will be elaborated in Chapter 4.

1.6 Limitations of the Study

The limitation of the study are:

- Due to time and financial constraints, only a few participants within the specific areas of expertise were interviewed. One specific driver who drives from the Durban Port to

Zimbabwe (via the Beitbridge border post) was interviewed. The driver has been with Safmarine NV Container Lines for fifteen years and has driven this route for ten years. On the list of participants are two well-renowned clearing agents working for Elite Global Logistics, one based at the Durban Port and one at the Beitbridge border post. The opinions of these participants can in no way be generalised to represent the larger population within the same field.

- The research area was restricted to Elite Global Logistics Durban Plant South Africa, Elite Line Haul Johannesburg South Africa and Safmarine Harare Plant Zimbabwe due to the nature of the research. Though the interviewees had extensive knowledge of their fields, challenges of landlocked countries vary from one country to another as evidenced by differing political, economic and structural situations. Both the choice of selecting Safmarine, Elite Global Logistics Durban and Elite Line Haul for this research and the choice by Zimbabwe to utilise the same will also be elaborated in the research.
- Due to the wide variation of business-to-consumer goods imported into Zimbabwe, this study will focus on selected goods highly demanded by the majority of the population, and normally transported by the companies selected for the study. Even though there will be interviews with individuals who deal with the importation of specific products, this study also aims to demonstrate how the challenges being discussed differ from product to product.

1.7 Scope of Study

This research study is essentially an exploratory study; "finding out what is happening; seeking new insights; asking questions that enable the assessment of phenomena in a new light" (Saunders 2003:96). The study serves to realise the challenges encountered by landlocked countries when importing business-to-consumer goods. With Safmarine NV Container Lines having been in existence for almost sixty years and Elite Global Logistics for almost thirty years, their combined experience assists this research in obtaining substantial, reliable and viable information for the study. Logistics is a complex function and accurate information is essential. Interviews will thus be conducted with several key individuals within the logistics field to gain sufficient expertise details on the subject. This part of the research exercise will form the basis of understanding and acknowledging the process involved from those that manage it.

1.8 Plan for Dissertation

In the first chapter, the problem is introduced, a background to the problem and the need for the study is explained. The objectives of the research are proposed and the research methodology and scope are briefly discussed.

In Chapter two, a literature review and the theoretical framework are compiled from the information available on the challenges of being a landlocked country and transporting goods into that country. There are several matters that countries without port access encounter and chapter two seeks to explain this aspect of the study in detail.

Chapter three will provide the background information on the country under study – Zimbabwe. It will look at Zimbabwe's geographical structure, economy, transport systems, corridors and infrastructure.

Chapter four constitutes a detailed explanation of the research methodology that will be used to achieve the aims and objectives of the study.

Presentation of data collected will be presented in chapter five.

Chapter six will provide the discussion of the findings from the interviews, visual diaries and field notes obtained from the data collection. The data collected will be discussed in its relation to the literature presented in chapter two and three.

Ultimately, chapter seven will present the conclusion and recommendations.

1.9 Conclusion

This chapter serves to provide both a background and information on the subject of the challenges of transporting goods into a landlocked country and to combine, connect and relate both the theoretical information together with the empirical research undertaken. Subsequently, it restates the primary point of view presented in this introduction and a summary of the research objectives and, motivation of the research, limitation of the study and the structure of the study. The dissertation statement is reinforced here and recommendations suggested as to whether there are any improvements and hope in sight for the landlocked Zimbabwe or whether the current situation will remain for a long time to come.

The following chapter presents a comprehensive literature review and a theoretical framework. These will, in the first instance, provide information on landlocked countries and the nature of challenges they face in this context; – the dependence on neighbouring maritime countries to bring products from other parts of the world through their borders. It will also give insight on logistics and transporting structures utilised in Africa as well as the documented procedures and limitations.

Chapter Two - Zimbabwe: The Country Overview

2.1 Introduction

Chapter one presented the introduction to the study. The chapter also provided an overview of the research objectives as well as the research problem. Since the topic focuses on Zimbabwe as the landlocked country case study, and in order to deal with that focus of the topic effectively, there is the need to present an overview examination of Zimbabwe as a country. This chapter will highlight Zimbabwe's features that are relevant to this study as an introduction to what the following chapters will engage in.

2.2 Country Structure

Zimbabwe is situated in the Southern part of Africa, it is a land locked country bordered by South Africa in the South, Zambia in the northwest, Botswana towards the southwest and Mozambique towards the east. The main rivers in the country are Limpopo River and Zambezi River. The Limpopo River separates the country from South Africa. The country is bordered by the Zambezi River in the northwest (Central Intelligence Agency, 2012: 97).

Figure 2.1: Map of Zimbabwe and its Neighbouring Countries

Source: Google Images

2.3 Zimbabwe as a Landlocked Country

According to the Oxford Dictionary of current English (2009) a landlocked country is defined as a country almost or entirely surrounded by land; having no coastal line or seaport. These countries have the disadvantageous situation of needing to rely upon neighbouring countries for access to seaports (Hooson 1994:264).

Landlocked countries have to follow certain corridors that deliver their goods. These corridors are agreed upon within the governments of each country. Zimbabwe's merchandise goes through several corridors before it is delivered in the country. Zimbabwe follows the following corridors: Maputo Corridor, Beira Corridor, Tete Corridor, Durban Corridor, Dar es Salaam and the Walvis Bay Corridor.

2.4 Trading in Zimbabwe

Zimbabwe has trading relationships with almost every country in the world depending on commodity. Zimbabwe is ranked 101 with an economic complexity (ECI) of -0.618508. Table 2.1 shows Zimbabwe's main exports and imports.

Table 2.1: Zimbabwe's Exports and Imports

Top 5 products exported by Zimbabwe	Diamonds (18%), Gold (18%), Raw Tobacco (13%) Nickel Mattes (9.9%) and Ferroalloys (7.3%)
Top 5 Products Imported by Zimbabwe	Refined Petroleum (17%), Cars (7.2%), Delivery trucks (5.4%), Corn (3.4%) and Raw Tobacco (2.2%)
Top 5 Export Destinations of Zimbabwe	South Africa (41%), United Arab Emirates UAE (14%), China (10%), Mozambique (6.7%) and Italy (3.2%)
Top 5 Import origins of Zimbabwe	South Africa (42%), United Kingdom (15%), United States (7.6%), Zambia (6.4%) and China (5.7%)

Source: Atlas Media, 2014

Zimbabwe has close ties with South Africa when it comes to trade imports and exports. Due to the economic difficulties that Zimbabwe encountered most of the countries' formerly produced goods had to be imported (Atlas Media, 2014).

2.5 Zimbabwe's Transport Structures

Zimbabwe is a landlocked country with an area of about 391,000 square kilometres. Zimbabwe's geographic location is the main factor that has had a profound influence on the spatial and modal development of the transport system in Zimbabwe (World Bank, 2008).

In the early 1990s, the coverage and quality of the basic infrastructure of Zimbabwe was among the best in the region. In the past decade, there has been a substantial deterioration in the quality of these infrastructure assets. As things now stand, the amount and quality of the country's infrastructure is roughly in line with that of other Southern African countries, but as with many other Sub-Saharan countries, Zimbabwe now lags behind most other regional groupings in the world in infrastructure service coverage and quality (World Economic Forum, 2009).

Zimbabwe does have one of the largest road and rail networks in the Southern Africa region. Although airport density is low and the related infrastructure dilapidated, railways, roads, and access to ports are somewhat better relative to conditions in other countries in the region (African Development Fund, 2010). Ever since 2009, the Zimbabwean government has been allocating funds to ZINARA, so that they can develop the main highway routes in Zimbabwe. The recent completed project is the Airport Road. However there is still slow but progressive development with other roads which still need major improvements (State of Roads in Zimbabwe ZINARA, 2015).

2.6 Zimbabwe's Economy

Clemens and Moss, (2005:2) state that economic growth is necessary in every country for progress purposes. In countries where the minimum wages are low and poverty rates are high, the economy's growth is important as it assists in reduces poverty and increases consumption. Economic growth is also necessary as it assists in the acceleration of improvements in health, education and the quality of life. This is because an expanding economy provides the resources,

opportunities and incentives for improving other indicators of welfare, such as schooling and health (Clemens & Moss, 2005:2).

Zimbabwe was Southern Africa's most alive and developed realm, outstripping all the neighbouring countries in both tourism facilities and visitor numbers, with the possible exception of larger South Africa. The economy was optimistic and the country was aptly labelled 'the breadbasket of Southern Africa' (Murray, 2010:19).

The situation changed dramatically in 2000 with the violently enforced implementation of the 'Land Reform programme', which predetermined the transfer of white-owned farming land to black Zimbabwean residents. Gross mismanagement of the project caused a dramatic decline in agricultural exports (one of the country's largest sectors), followed quickly by hyperinflation, elevated unemployment levels, and fuel and consumer shortages. These problems accompanied by worldwide negative media coverage brought Zimbabwe's economy to a sudden halt (Murray, 2010: 19).

By March 2006, annual inflation exceeded 900% and Zimbabwe dollars were becoming useless. By early 2009, on average prices were doubling every 1.3 days under an almost unfathomable inflation rate and the final issue of Zimbabwe dollars saw banknotes with a denomination of 100 trillion dollars. Shop shelves were routinely empty and people resorted to barter (Murray, 2010:23).

The Reserve Bank of Zimbabwe (RBZ) was forced to revalue the Zimbabwean dollar, three times in a space of less than three years, because of uncontrolled hyper-inflation in the country (IMF 2009).

While a number of hyperinflation definitions exist, the widely used and most adopted definition is that of Cagan (1956). Cagan defined
"Hyperinflation as beginning in the month the rise in price exceeds 50 percent and as ending in the month before the monthly rise in prices drops below that amount and stays below for at least a year"(p.25).

*"*In August 2006, in an operation called 'Sunrise 1', the RBZ removed 3 zeroes from Zimbabwe's currency and promised to initiate a new currency in the near future" (IMF 2009). According to the IMF, (2009) "In August 2008, exactly two years after the first revaluation, the RBZ slashed a further 10 zeroes from Zimbabwe's currency, calling this 'Sunrise II'.

Rampaging hyper-inflation forced the government to remove another 12 zeroes in early February 2009."

"This was 'Sunrise III'. Thus, a staggering 25 zeroes had been slashed from the Zimbabwean currency within a space of only three years. The hyper-inflation was just flawed, and when the Zimbabwean dollar was legitimately shelved in March 2009, the highest single denomination was a 100 trillion dollar note. When the 100 trillion dollar note, see Figure 2.3 was introduced on 16 January 2009, it was worth the equivalent of US$ 30 on the parallel market" (IMF 2009).

2.7 Zimbabwe's Political Standpoint

2.7.1 Country Political Profile

Zimbabwe, colonially known as Rhodesia, for the past thirty years decades been tied to President Robert Mugabe, the prior independence activist who took control from the small British community and became the country's first black leader (Coltart, 2008:7).

Only up until the rise of the biggest opposition party in Zimbabwe, the Movement for Democratic Change (MDC) led by Morgan Tsvangirai, Zimbabwe was a one-party state governed by President Mugabe's ZANU-PF (Ploch, 2009:12). After the most controversial elections, a power sharing agreement in 2008 caused a stir in Zimbabwean politics. The coalition government was hostile but they both agreed to a new constitution which was approved before the following elections in 2013. However, after these elections, ZANU-PF gained two-thirds majority claiming victory over MDC and that was the end of the coalition government (Power, 2003:48).

To date, President Mugabe still runs the country but the economic standpoint is dismal due to poverty, unemployment, political dissention and suppression. Zimbabwe had unsteady relations with the Commonwealth to the extent that was suspended and then it voluntarily pulled out for good (Power, 2003:48).

2.7.2 Sanctions

According to the Office of Foreign Assets Control belonging to the United States of America (USA) Department of Treasury, Zimbabwean Sanctions began on the 7th of March in 2003. These sanctions were imposed against individuals and entities in Zimbabwe, as a result of the actions and policies of certain members of the Government of Zimbabwe. These members were violating human rights, harassing democratic institutions or processes in the country. Following these findings, the President of the USA gave orders that whoever was linked to any of these actions within the government of Zimbabwe be put under sanctions. The list of sanctioned targets were to include immediate family members of those persons as well as those persons providing assistance to any such individual (OFAC, 2013).

On July 25, 2008, the President of the United States once again extended the existing sanctions as a result of the undemocratic election in Zimbabwe held on June 27, 2008. There were acts of violence and other human rights abuse against political opponents. The prior sanctions were then amended and new criteria were added mainly targeting senior officials of the Government of Zimbabwe. The sanctions are the current sanctions on Zimbabwe that block:

- The senior officials of the Government of Zimbabwe
- Any state owned or controlled directly or indirectly by the Government of Zimbabwe, or an official or officials of the Government of Zimbabwe
- Anyone that engaged in actions or policies that undermined Zimbabwe's democratic process
- Anyone who was responsible for, or have participated in human rights abuses related to political repression in Zimbabwe
- Anyone that engaged in, or have engaged in activities facilitating public corruption
- Spouses or dependent children of any person whose interest lies with the Government of Zimbabwe
- Anyone who materially assisted, sponsored or provided financial, material, logistical or technological support to the Government of Zimbabwe
- Anyone owned, controlled, or acting on behalf of the Government of Zimbabwe (OFAC, 2013).

Together with USA, the European Union also imposed restrictive measures on Zimbabwe, including others matters, a freeze on the assets of selective member of the Government and individuals linked with them. The council regulation according to the European Union placed 81 individuals and 8 entities under sanctions. These restrictive measures are amended annually in case there are changes that need to be reciprocated (Commission Regulations European Union, 2014).

2.7.3 Look East Policy

Due to the above mentioned sanctions placed on Zimbabwe by the United States and the European Union, the country faced immense economic turmoil in all sectors. However, these sanctions were not the base of Zimbabwe's economic collapse. The Zimbabwean government chose to invade white owned farms, and when there was no production, the country came to a halt economically. There were severe food shortages, no water, fuel, and electricity supply. At that time most Zimbabweans started looking for refuge in neighbouring countries like South Africa, and others went as far as seeking asylum in 2008 in European countries (Kaminski and Ng, 2011:24).

The look east policy was implemented in 2003 just after the first sanctions were imposed on Zimbabwe. This policy was a reaction to the economic requirements in the absence of benefactor support from the West (Stiftung, 2004:12). The Chinese saw this as an opportunity because just in 2000 they had implemented the China-Africa Cooperation Forum. This on its own was a strategy that looked at multilateralism and an alliance as a means to attain restructurings in the international system.

This cooperation has lasted unlike contrary beliefs, as most of the country developments are being run by the Chinese presently as seen in figure 2.2. Most new malls that are being built, infrastructures are being managed by the Chinese including road signs and these are even written in Chinese. Recently, President Mugabe visited China seeking over US$10 billion in which the Chinese ambassador responded that the Chinese could only extend US$4 billion that should be used towards building and refurbishing schools and hospitals in Zimbabwe (Zimbabwe Independent, 2014).

Figure 2.2: Looking East Policy

Source: Researcher, 2014

As much as the look east policy has assisted Zimbabwe in some way, it still has not created results that have assisted the locals. Most business projects have now been given to the Chinese especially stake in the Marange Diamonds. A new mall that was built on the main highway from Harare to Bulwayo collapsed due to poor construction and not considering the land audit issues. The Zimbabwean government might have regarded this as a means to an end but should the existing challenges continue, the country might plunge into another disaster (Stiftung, 2014:10).

2.7.4 51% Local Ownership

Like the Black Economic Empowerment in South Africa, a law was enforced in Zimbabwe that compelled foreign companies to cede 51% ownership to black locals. This law was put into force by the Ministry of Youth Development, Indigenisation and Empowerment. The regulations was aimed at indigenous Zimbabweans to hold a controlling interest in every (bbcnews, 2010).

This law was passed in 2008 in seeking to control all companies including mines and bank to black Zimbabweans. However this was unsettling for foreign investors and damaged an already wounded Zimbabwean economy. Only recently did the Minister of Finance in Zimbabwe, Patrick Chinamasa elaborate on this law. He mentioned that the country decides how much foreign companies local banks should own in different sectors. Big mining companies like Anglo Platinum and Aquarius Platinum obliged to the law however this has not stirred the economic situation around (Bbcnews, 2010).

2.8 Zimbabwe's Currency – Dollarization

Dollarization is the real demonstration of Hayek's program of choice in currency, by changing a currency. This is an indirect acknowledgement of the role of money as private property. In Hayes *Choice in Currency* (1976), he explained how a change is currency assists in stopping inflation.

Zimbabwe's inflation reached an all-time high of 231 million percent in 2008 quickly corroding the purchasing power of the currency. At the peak of the hyperinflation, prices were escalating making it difficult for Zimbabweans to keep their cash resources. Businesses were forced to constantly change prices several times in a day to accommodate the fluctuating inflation. Taxi drivers would charge a different fare in the evening compared to the morning fare (Globalisation and Monetary Policy Institute, 2011:6). The hyperinflation resulted in the constant printing of money with high denominations see Figure 2.3. Zimbabwe reached a point where there were trillion dollar notes but amazingly this note could not purchase much.

Hyperinflation quickly rescinds the value of a currency. When there is no means of raising returns like tax, the government is forced to borrow from the central bank without limitations. Zimbabwe had to find a means of stopping the escalating situation by applying Hayek's choice of currency as a means of halting inflation (Hayek, 1976:30).

The Zimbabwean government decided to initially adopt the South African currency (the Rand) in attempt to reduce inflation early 2009. However the country needed a stronger currency in order to make drastic changes in the country and therefore came the dollarization. Dollarization

enabled Zimbabwe to reduce inflation radically and re-establish monetary credibility (Noko, 2009:339).

Figure 2.3: One Hundred Trillion Dollar Note

Source: Noko, 2009:340

Dollarization rescued Zimbabwe from its monetary and inflation dilemma. Individuals went back to using banks and their rights were protected as they could now access their money and purchase goods. Choosing a different currency is what assisted Zimbabwe's economic situation from worsening. According to Noko, (2009:340) the fact that governments are reluctant to adopt a foreign currency because they fear issues of inefficiencies, theft and distortions is not true because as a matter of fact in allows more efficiency.

Due to the former issue of hyperinflation, Zimbabwe had to constantly change prices and computer registers therefore the adoption of another currency was more of a benefit to the country as opposed to a cost. However recently due to the Chinese involvement in Zimbabwean development, more currencies have been adopted and are now being utilised like the Indian Rupees, Japanese Yen and Chinese Yuan and the Australian dollar. This has now resulted in more confusion in the country as companies and stores have to deal with tedious transactions. As it stands the country is struggling to deal with change as there are no coins, and instead customers are given a credit note, sweets or stationery. In essence, the dollarization was the right way of ending hyperinflation, clarifying prices, rebirthing financial divisions, stabilising businesses and policy formulation (Noko, 2009:351).

2.9. Conclusion

The first part of the literature review in this chapter looked at the country under study, Zimbabwe. This Chapter was elaborating on the country's geographical, economic and political standpoint. When it comes to trading, it is important to understand all aspects that surround the transportation of goods from another country to another. It was also important to elaborate on the basic information like the country's current situation regarding currencies and trading aspects. The following chapter now looks at the research methodology.

Chapter Three - Literature Review

3.1 Introduction

This chapter will be looking at the literature that supports the topic being studied. All the elements that are involved in transporting retail goods into Zimbabwe will be explored and elaborated in this chapter. In this chapter, the literature will be characterised as follows:

- Transport
- Logistics
- Challenges of being a Landlocked Country
- Retail Industry
- Economic Implications

3.2 Transport

Given that the topic explores and examines challenges confronting the process of landing goods in a landlocked country from various sources, in this case, putting greater focus of the study on Zimbabwe, dealing with **transport** as one of the primary characteristics or mechanisms of landing the goods into Zimbabwe for ultimate retail distribution. Segmented into five sections; **Air, Rail, Road, Sea and Pipeline**, this part of the literature deals with the primary modern day modes of transport mostly relevant to Zimbabwe and explores how and how much each contributes to the objectives of the topic; *Challenges of Importing Retail Goods into a Landlocked Country.*

3.2.1 Transporting Systems

The transportation of goods between origins and destinations, primarily recognised as cargo transportation, is regarded as an imperative activity and usually the foremost cost element within business logistics. Goods may be clustered conferring to the stage they have reached in the succession of procedures within the supply chain, ranging from primary production to consumption or final use. These groups are raw materials, semi-finished goods and finished goods. This grouping allows one to match the physical characteristics of the goods with the

appropriate transport (Pienaar, 2005:189). The main retail goods imported into Zimbabwe are finished products required for consumption or final use.

The four basic modes of transport are: air, land and water transport. The two forms of surface transport, i.e. land and water transport can be further divided into sub-forms or modes of transport distinguished by the physical right of way (or the fixed route the mode must travel and the technology on which they rely). Land modes are represented by road, rail and pipeline transport while water carriage can be grouped into sea transport and inland water transport (Alderson, 1989).

3.2.1.1 Air

Transporting freight by air is called air cargo or air freight. Transporting goods by air is regarded the most expensive means of transporting goods. It is mainly expensive because it enables the swift movement of cargo with much shorter transit times. The time for cargo operations depends on four major factors: customs clearance procedures, cargo inspection procedures, the efficiency of cargo handlers, and the layout of the storage facilities (World Bank, 2009: 25).

Transporting by air has a competitive advantage. Companies buying goods overseas for resale can order larger quantities in order to easily replenish stock if there is a high demand for these goods. The major problem with countries like Zimbabwe that are landlocked and developing is that there is not enough movement to appeal air cargo services that are regular and competitively priced. Due to the cost of air cargo services, most companies do not prefer this means of transporting goods as they can only afford small shipments. On the other hand passengers on flights also have limited luggage and do not have the freedom to load as much as they would want and this is a challenge (World Bank, 2009: 26).

Although air freight offers delivery in speed, (in-transit time is short), security and accuracy, and no geographical restrictions, it comes at a high cost which makes it quite difficult for companies to use this means. Zimbabwe does not have a busy airport, and has a very small inflow and outflow of airlines therefore deliveries of products through this means in the country

is very limited. It is mainly used by the government to ship emergency products (Characteristics of International Cargo, 2009).

Figure 3.1: Harare International Airport

Source: Google Images of Harare International Airport

3.2.1.2 Road

Road transport plays an important part in a country's transport system as they are the most convenient means of transporting goods even to the rustic parts of any country. Road transportation has stretched and developed over the past 50 years. A significant amount of money has been put into the development of road infrastructure in almost every country in the world, but largely in the USA and Europe. The growth of road freight transport was triggered by the trade between different countries. This allowed the loading capacity of vehicles to accommodate the transportation of bulk freight from other countries like perishables, fuel, construction materials and vehicles. The only major issues with road transportation is vehicle fuel consumption, road accidents, traffic congestion, vehicle insurance, vehicle maintenance, and other environmental externalities (Rodrigue, Comtois and Slack, 2006: 102).

Road transport also known as road haulage or road freight is the most utilised means of transport in African countries especially when it comes to importing and exporting in landlocked countries like Zimbabwe. Road freight is not only applicable to large amounts of exports and imports within Africa but as well as landlocked cities within countries to move goods from factories to wholesale companies. The most common factor that makes road transport popular is because regardless of whichever means is used whether, sea, air or rail,

road transport will be used. That is why road haulage is an important aspect of transportation and logistical preferences in any country (Rodrigue, Comtois and Slack, 2006: 102).

Road transport like any other means also has restrictions when it comes to weight. The haulage trucks that transport containers have to go through Weigh Bridge to check the weight of the trucks. According to the Motor Law South African Road Traffic and Road Transport Legislation Act No. 93 of 1996, haulage trucks have a limit as to how much they can carry. This act was revised after South Africa gained independence in 1994 and the changes are elaborated in the table 3.1 (CSIR, 2009).

Table 3.1: Weight Restrictions for Haulage Trucks

Axle/Axle unit Description	**Maximum permissible mass before 1 March 1996 (kg)**	**Maximum permissible mass after 1 March 1996 (kg)**
Single axle with four wheels	8 200	9 000
Tandem axle unit (four wheels per axle)	16 400	18 000
Tridem axle unit (two or four wheels per axle)	21 000	24 000
Any group of axles (bridge formula)	2 100 L + 15 000	2 100 L + 18 000
Max. Combination mass	None	56 000

Source: CSIR (2009)

3.2.1.2.1 Road Transport Services and Infrastructure in Zimbabwe

Zimbabwe is a landlocked country and the transport connectivity runs from ports through different borders into Zimbabwe. However the state of the roads in Zimbabwe has deteriorated because the government has failed to observe regular maintenance. The share of road network of almost 90,000 km that was fairly in good condition has deteriorated by 73% since 1995. The additional 12,800km of road transport was reclassified to poor condition and requires complete rehabilitation at a cost of $1.1 billion at 2009 prices (AFDB, 2009).

The continuous deterioration in the quality of road infrastructure resulted from inadequate levels of finances. The continuous deterioration of quality of this infrastructure is currently risking the functionality of the local and national links. The roads infrastructure in Zimbabwe is relatively dense with high traffic density. The traffic density has increased over the years because Zimbabwe's increased level in imports (AFDB, 2009).

3.2.1.2.2 Plan for Development

The 2012 Regional Infrastructure Development Master Plan, SADC agreed to 72 projects. These projects focus on road infrastructure and transportation development for over a period of 25 years. The implementation of these projects are occurring mostly in the three main corridors that link African countries to ports: the North-South Corridor, the Maputo Corridor and the Dar-es-Salaam corridor. By 2027 the following projects are anticipated for operation:

- Dar-es-Salaam
- Kazungula Bridge
- Nata – Kazungula road upgrading
- Beitbridge – Chirundu road upgrading
- Tete toll bridge
- Western Corridor road in Zambia

These developments are all essential as they will assist in an easier flow of merchandise through better infrastructure. The current upgrade of roads in Zimbabwe forms part of this infrastructure development plan. The Zimbabwean borders are the busiest in Africa and it is important that improvements take place. This needs to be done by securing adequate financing to support the much-needed road maintenance and rehabilitation and addressing the major border delays that prevent effective functioning of regional road corridor (Pushak and Briceno-Garmendia, 2011:29).

3.2.1.3 Rail

Rail transport is defined as "a means of transporting people, livestock, and general goods using a vehicle or loaded tankers mounted onto a rail system. The well-known means of rail transport is known as a railroad or railway. One of the older forms of transportation, rail transportation for freight and people, continues to be one of the most sustainable and dependable form of moving from a point of origin to a point of destination" (What is Rail Transport, 2014).

Rail transportation was initially introduced during the industrial era, and it played an essential part in the development of Europe, North America and Japan economically where these systems were implemented. The introduction of rail in transportation was a massive development in land transport and it challenged the movement of goods and passengers. The implementation of rail transport did not come as a winner only because of its ability to carry substantial amounts of weight since maritime transportation was doing well initially, but because of it advanced level of ubiquity and speed. Rail transportation systems intensely upgraded the time-travel and reliable transportation of freight within consistent schedules that helped with the economic activities like production and distribution. The logic behind economic activities and social interaction were immensely improved (Rodrigue, Comtois and Slack, 2006: 102).

The first steam engine was introduced in 1829, which was another form of land transportation. However, geography determined the part in which the nature and function of the first rail systems were to be established. Geographical settings determined how railway lines were to be established. According to Rodrigue, Comtois and Slack, (2006:103) "Rail lines were built differently because there were different objectives to be realised. These were to access resources (penetration lines), service regional economies (regional networks) and to achieve territorial control (transcontinental lines)." The first rail lines to be built were portage segments within canal systems or routes aiming at complementing existing canals and filling their service gaps. Rail transport became a favourable means of transportation because of its cost saving and time advantages (Rodrigue, Comtois and Slack, 2006:103)

Rail transportation, like roads, has an important relationship with space, since it is the transport mode the most controlled by physiography. A way to reduce transport costs is to invest in inter-linked rail and port infrastructure, supported by road. Railway technology suits the transportation of bulk commodities over long distances at low prices, yet only 11.3 percent of freight was transported by rail in 2009 (31 percent of ton-kilometres), with the remainder being transported by road (DBSA, 2011).

3.2.1.3.1 Rail status in Zimbabwe

Zimbabwe's railway systems is not as well-run and active as it used to be. The government has not upgraded or maintained the system in several years and it is now nearing a state where it will no longer be utilised. There are a few locomotives in operations and the delivery of goods is not guaranteed on time due to the failing rail system (Moyo, 2013).

However, in recent news, the Chinese have given the government of Zimbabwe a lump sum of money to fix the railway systems infrastructure in Zimbabwe. This is essential as rail system transportation is essential. Goods spend time by the Zimbabwean border waiting for the few remaining locomotives to come and collect the goods and this is a major drawback for businesses that rely on this means of transportation (Zimbabwe Report, 2010).

Contrary to reports from independent institutions on the idle and passive rail system in Zimbabwe, the National Railways of Zimbabwe (NRZ) reports that there is only a 20% decline in the train use countrywide. In 2012 they recorded that at least 5 trains were being utilised in transporting goods from the various Zimbabwean borders. However they also admit that these statistics have dropped over the years (Moyo, 2013).

Figure 3.2: National Railways of Zimbabwe

Source: Google Images of National Railways of Zimbabwe

3.2.1.4 Sea or Water Transportation

In the case of Zimbabwe, due to the fact that it is landlocked, water transportation does not form part of its transport system. However, it is relevant as most of its imported retail goods come from overseas. There is just no direct access to the sea but uses neighbouring countries to access goods from the rest of the world (United Nations, 2002, 11).

Sea or water transportation is shipping using water, oceans, as well as rivers and lake routes. Water transportation is used in mainly international transportation for huge shipments but at no cost to the users. In many water transportations according to national regulations, the use of sea is free although cabotage trade is not included. Sea or water transportation uses ships to move cargo from one port to another. These ships vary in sizes and carry large cargoes but take days from one port to another. For example a ship travelling from the port of Shanghai China to the port of Durban, South Africa takes 35 to 36 days (Rodrigue et al., 2006: 106).

Shipping by sea is cheapest means of transportation but it has two major disadvantages. Firstly, it travels at slow speeds of 15 knots which converts to 26km/h on average. Secondly, the issue of delays once the ship docks at ports which may involve days of handling (Rodrigue et al., 2006: 106).

There are four types of ships involved in the world when it comes to sea transportation. The ones relative to this study are firstly the bulk carriers which are ships designed to carry specific commodities, and can either be liquid bulk or dry bulk vessels. These transport grain, ore, wood chips in most cases. The second type of ships are the general cargo ship which are designed to carry cargoes that are not in bulk but in singular items like parcels or dissembled units on pallet boards. (Miller, 2013). These are not very common as they do not accommodate much weight, the maximum it initially used to carry was 10, 000 deadweight tonnage (dwt). However there are now new developments involving efficiency that have increased the dwt to 80,000. These kind of ships are the ones that may have refrigerated spaces for perishable cargo (Miller, 2013).

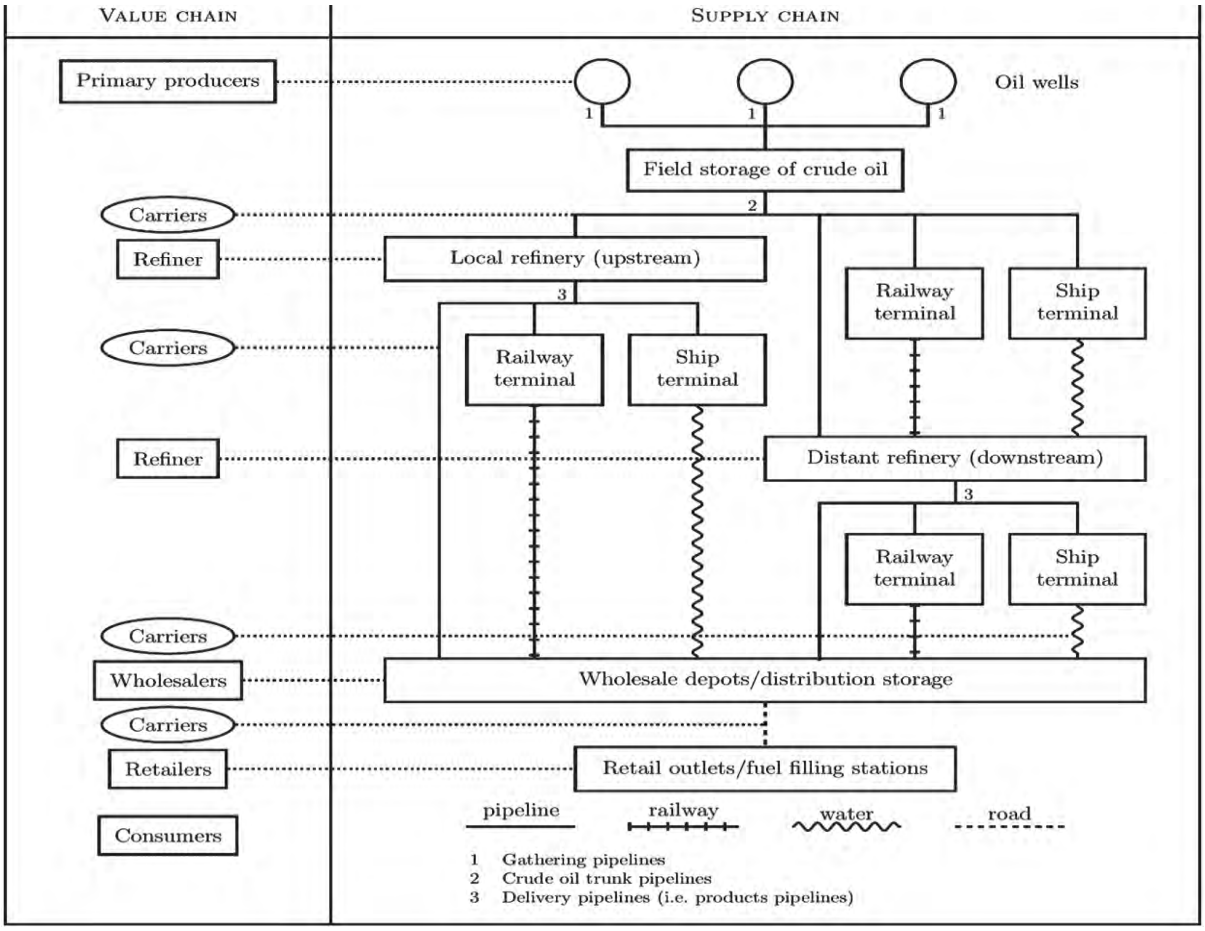
The third type which is the one mainly used are container ships. These are ships designed to carry large steel containers that are usually 20 to 40 tonnes in weight. These ships are loaded and off loaded by large cranes to and from haulage trucks. The advantage of using container ships is that all the cargo in the container will be transported from the port to a location as it by

either road or rail. This does away with the issue of dealing with warehousing. The last one is known as the roll on – roll off (RORO) vessels also known as the auto carriers which are designed to carry large shipments like cars, trucks and trains. These are the largest carriers that transport vehicles from assembly plants to markets (Rodrigue et al., 2006: 106).

3.2.1.4 Pipeline

Pipeline transport is the only mode of transport that differs from the others. Pipeline transport uses the 'pipe' and expedites carriage movement, as both the way and the vehicle, and it is always linked to terminals, which enable freight storage. This feature makes it the only mode of transport that does not need any materials or goods handling (Pienaar, 2009). Compared to normal surface modes like road and rail, pipelines do not require the return of empties to the starting point and as such are ideal for in-directional traffic. Pipelines are also insensitive to weather conditions. The agreement made by an organisation regarding a product's supply chain is called a value chain. Figure 3.3 depicts the value chain of petroleum products in the left column, while the physical aspects of the supply chain are in the right column.

Figure 3.3: The Value and Supply Chain of Petroleum Fuel Products



(Source: Pienaar & Vogt, 2009).

Pipeline transports natural gas, water, chemicals, slurry products and mainly petroleum products. There are three ultimate non-vegetable sources of petroleum products and these are: crude-oil wells in manufacturing sites, natural gas fields and coal mines (the latter especially in South Africa).

In Figure 3.3 the sources of oil production are indicated in the (top right). Then (bottom right of Figure 3.3) is where consumers purchase their fuel at fuel stations and this is the point of consumption.

There are three elementary types of fuel pipeline transport systems (Leonard, 1982):

1. Gathering pipeline systems
2. Crude-oil trunk pipeline systems
3. Refined-products pipeline systems

Together, these structures are responsible for an incessant connection between extraction, dispensation, dissemination and wholesalers' depots in areas of consumption.

3.2.1.4.1 Gathering pipeline systems

As crude oil is extracted in production fields, gathering systems collect and carry it from the wells to central locations by means of a network of small-diameter low-pressure pipelines. Gathering encompasses a short-haul group function, generally amalgamating many tributaries into ground storage tanks for later transfer to trunk lines (Schumer, 1974).

3.2.1.4.2 Crude-oil trunk pipeline systems

Trunk lines are used to transport crude oil. These pipelines take delivery of crude oil from storage tanks, gathering systems, ships, barges or other trunk pipelines. Similar to gathering pipelines, the abovementioned pipelines form part of the inbound logistics within the petroleum-product supply chains.

A trunk line carries more volumes of crude oil but only delivering to less delivery points. Normally, the trunk system operates in 'fungible' mode meaning the shipper obtains the equivalent value of the product that it submitted for transport, but not the same molecules. However, the delivering line delivers in 'batch' mode where the shipper obtains the equivalent that it meant to be transported (Allegro Energy Group, 2001).

3.2.1.4.3 Refined-products pipeline systems

Products pipelines are delivery systems that carry refined petroleum products from refineries and seaports to wholesale depots in market areas, whence the products are usually moved by truck to retail outlets and large-scale consumers. Refined-product delivery systems are a converse image of crude-oil gathering systems. Instead of small streams flowing into high-volume trunk pipelines via tank farms, products pipelines originate as large-capacity systems at tank farms at refineries, and branch into smaller-capacity pipelines to service dispersed delivery points – usually wholesale depots in market areas. Products pipelines form part of the physical distribution or outbound logistics portion of petroleum-product supply chains (Pienaar & Vogt, 2009).

3.2.1.5 Multi-modal transportation of Goods

Multimodal transport is the movement or transportation of goods and products under a single contract but using more than one mode of transport. The person to whom the single contract is assigned is named as carrier in a legal sense, who is responsible for overall transportation of goods and products even if is transported with several different modes of transport like rail, air and road. It is not necessary that the carrier must be in the possession of all of the means of transportation and in most cases it does not happen that way. The carrier mostly uses sub-carriers to perform the transportation. The carrier that is responsible for the entire carriage is called as a Multimodal Transport Operator (UNCTAD, 1993).

The main function of multimodal transportation system is to integrate different modes of transportation according to the necessity of transportation and time to best match the requirements of the transport route. Reducing time and cost of supply chain is very necessary and for this purpose the transportation system i.e. multimodal transportation system should be very efficient and effective. To meet such objective the transportation route is incorporate with different modes of transport like Rail, Road, Air and Sea so that time and cost both are minimized to lower possible level (Adams, Koncz and Vonderhoe, 2001:45).

Such transportation system is important for Zimbabwe to transport its goods to all parts of the country at right time and right cost, because most of the perishable items and goods are wasted due to delay in supply chain which is caused by delay in transportation system (Zimbabwe Report, 2010: 15). Therefore incorporating different transport systems can allow the quick movement of goods especially perishable goods before they become a waste. Multimodal transport is also essential when it comes to the issue of loads. Not every means is able to carry a certain type of load. There are specialised containers that need specific means in order to preserve or protect the nature of products being transported (Rondinelli and Berry, 2000:16).

Containers, according to Woxenius (1998) ensured the unitised transportation of cargo from point of origin to the final destination. Containers enabled multimodal transport systems to become the most adaptable means of transporting cargo. Containerisation is the biggest form of unitisation. The containers are loaded with products, sealed and carried to the delivery point.

Containerisation contributes to a higher efficiency in the development of multimodal transport operations.

3.2.1.5.1 Modal Choices

There are three key types of institutions that are involved in determining cargo transport modal choice — the government, the carrier and the shipper. Researchers' emphasise the significance of understanding the decision-making processes of players involved in freight modal choice (Caulfield, 2004 and Roberts, 2009).

Most models can be encompassed under two main dominant customs. Firstly, there is the economic positivism which is model that assumes that the modal choice is based on some form of short-term cost optimization by the shipper. This approach assumes that the modal choice is determined by the economic or cost variables (Gray 2007). Secondly, there is a model which assumes that the choice of a transport mode is derived from the relationship between physical aspects of the transport system (e.g. speed, frequency) and physical aspects of the product (e.g. perishability, value-weight ratio). According to Gray (2007), this approach is termed technological positivism since it assumes that modal choice is determined by technological variables. There is an additional approach of modal choice called perpetual approach. This is based on the perceptions of transporting companies and based on preferential choices.

In essence, multimodal transport then places the responsibility for transport activities under one hand, who manages and coordinates the total task from the shipper to the point of delivery (Table 3.2) ensuring that there is continuous movement of goods by using the best routes, most efficient and cost-effective means to meet the shippers' requirements. Multimodal transportation is all organised in one electronic system such as Electronic Data Interchange (EDI) and this allows for simpler documentation (Hayuth, 1987).

Table 3.2: Components of a Multimodal Transport System

Origin/Supplier ⟶ Destination/Customer

Physical Base	Depot	Road/Rail	Terminal	Sea Trunk/Leg	Terminal	Road/Rail	Depot		
Commercial System	Cost and Delivery	Pack	Inland Movement	Papers	Port to Port	Papers	Inland Movement	Unpack	Cost and Delivery
Management and Coordination	Packing	Container Positioning	Inland Movement	Terminal Operations	Ship Stowage/Route Scheduling				
Flow of Information	Booking	Waybill	Invoice	Manifest	Delivery Instructions	Release of Cargo			
Liability Network	Forwarder	Road	Rail	Terminals	Sea	Forwarder			

Source: Adapted from D'Ester (1996)

3.2.1.6 Transportation: Critical link in the Supply Chain

Transportation plays a pivotal role in fostering improved supply chain integration (Coyle., Novack, Gibson and Bardi, 2011: 12). There are certain critical service characteristics that are related to supply chain transportation like transit time, reliability of transit time, accessibility, capability and security. The demand for transportation services to move cargo to an ultimate destination depends on the existence of demand to use the transportation means at that location. The role of transportation in supply chain arises from one key principle:

- Product flow is two way

Transportation systems back in the day were one way flow, meaning cargo had to be delivered at a certain destination and then returning back to the initial point of departure. However modern supply chain principles now pin transport to a two way flow, where cargo is delivered at point A, loaded with more cargo to return with to the initial departure destination (Coyle, Novack, Gibson and Bardi, 2011:15).

3.2.1.7 Transporting Corridors

Zimbabwe uses the following corridors: Maputo Corridor, Beira Corridor, Tete Corridor, Durban Corridor, Dar es Salaam and the Walvis Bay Corridor. Below is a detailed table (table 3.3) that illustrates the corridors utilized by Zimbabwe. The logistics channels allow goods to come from several parts of the world and dock at maritime countries and then transported through these corridors to Harare Zimbabwe (Mbohwa, 2006:8).

Table 3.3: Zimbabwean Corridors

Corridor	**Route**	**Means of Transport**	**Distance**
Beira	Beira – Mutare Mutare – Harare Harare - Chirundu	Road	296km 269km 354km **Total** 919km

Dar es Salaam	Dar es Salaam – Tunduma (Tanzania) Tunduma – Lusaka (Zambia) Lusaka – Chirundu (Zimbabwe) Chirundu – Harare	Road	1005km 997km 135km 354km **Total** 2491km
Durban	Durban – Johannesburg- Beitbridge Beitbridge – Harare Harare – Chirundu Durban – Johannesburg – Lobatse (RSA) Lobatse- Gaborone- Plumtree (ZW)	Road Rail	1113km 578km 354km 895km 625km **Total** 3565km
Maputo	Maputo – Ed Mondlane Ed Mondlane - Harare	Rail	521km 709km **Total** 1230km
Tete	Harare – Lilongwe (via Blanytre)	Road	**Total** 929km
Walvis Bay	Walvis Bay – Gobias (Namibia) – Francistown (Botswana)- Plumtree (Zimbabwe) - Harare	Road	**Total** 2409km

Source: Adzibgey., Kunaka and Mitiku, 2007

As the corridors might seem easy to understand and self-explanatory, there are a lot of costs, procedures, which are involved to get the final products from bay to country. As much as all the corridors are accessible to all African countries, there are restrictions on which corridors are accessible to which African countries according to the bilateral agreements between neighbouring states (SADC Report, 2013).

3.2.1.8 Zimbabwe's Main Corridor

3.2.1.8.1 Bilateral Agreements in Corridor Management

Bilateral agreements between neighbouring countries are still the common forms of corridor management. These are the ones that were initially implemented by the Northern Corridor linking landlocked countries in the Eastern and Central Africa and then also implemented by SADC. According to Arnold, Oliver and Arvis (2005) define a corridor as a route or routes formed for transportation networks of neighbouring countries restricted by accesses. Countries are not limited to one corridor, they can be multi-modal and have multiple border crossings. The main reason for designating these corridors is to allow the improvement on the quality of transport and logistical related issues in the corridor. The quality of a corridor is measured by the time in transit and the cost of the shipment of goods whilst using that corridor. On the other hand, the reliability of a corridor is measured by the transit time and the elasticity provided in terms of mixture of services offered on multimodal routes.

In the case of Zimbabwe, since it falls under SADC, it uses the North – South Corridor. This is a recent development that links the north corridors with the south corridors as a means of unlocking the economic potential of landlocked countries in southern and eastern Africa (SADC, 2013). The North-South Corridor links the port of Durban to the Copper belt in Democratic Republic of Congo and Zimbabwe and has links to the port of Dar es Salaam, Zambia and Malawi as well. The COMESA – EAC – SADC multilateral lead this programme as a means of speeding up the flow of imported or exported goods. The intention was also to reduce the costs of trading between countries. The countries involved are Botswana, Democratic Republic of Congo (DRC), Malawi, Mozambique, South Africa, Tanzania, Zambia and Zimbabwe. The road network has a total of 8599km in all seven countries and 600km of

rail network that is being upgraded at a cost of US$800million (Infrastructure Consortium for Africa, 2014). However prior to the new North – South Corridor, Zimbabwe relied on the Durban corridor for access to its' imported goods as shown in Figure 3.4.

Figure 3.4: Zimbabwe's Main Corridor

Source: AFDB, 2012:11

3.2.1.8.2 Future Corridor Developments

The North – South Corridor requires major construction, rehabilitation and maintenance. SADC aims to attain funding from the World Bank, African Development Bank and the Development Bank of Southern Africa in order to migrate to One Stop Border Post (OSBP) Layout and related infrastructure and Information Communications Technology (ICT) (SADC Report, 2014). This funding is needed in order to develop the Beitbridge Border Post (South Africa and Zimbabwe) so it becomes an OSBP. Funding is also required in order to upgrade the following roads in Zimbabwe:

- Livingstone – Hwange 110km
- Hwange – Bulwayo 331km
- Bulawayo – Gwanda 120km
- Gwanda – West Nicholson 62km
- West Nicholson – Beitbridge 148km
- Harare – Murewa 106km
- Murewa – Nyamapanda 172km

(Makumbe, 2014).

This development is essential as most of the road infrastructure in Zimbabwe has deteriorated. This has made transporting goods by road difficult for most haulage trucks according to the SADC Report (2013) and ADB Report (2012). The development of proper infrastructure makes it easier to transport goods and decreases transit times. The Durban – Harare corridor is one of the busiest and the development of the road is important as it facilitates ease of travel and reduces transit times (SADC Report, 2013).

3.2.1.9 Costing and Pricing of Transportation

Transport costs in Africa are not as high in comparison with developed and most developing countries (Teravaninthorn and Raballand, 2008:5). Transport prices are the rates charged by a transport company or a cargo forwarder to the shipper or importer. Normally transport prices are calculated as follows:

- Transport Costs (TCs) + Operator's Overheads and Profit Margin
- Transport Costs (TCs) = Vehicle or Mode Operating Costs (VOCs) + indirect costs such as license, insurance, road toll, and roadblocks payment
- VOCs include several direct cots to operate a given mode, notably maintenance, fuel, tires, labour and capital costs (Teravaninthorn and Raballand, 2008:5).

Transport costs include a lot of elements such as market entry barriers which include access restrictions, technical restrictions, customs regulations and cartels. However, there are also unforeseen costs that have become an integral part of costing when it comes to transportation, like corruption, bribes, protectionism and inefficient trucking services. These have to be taken

into account as most of the systems in Africa are not efficient. In one case, an importer had brought in goods that were prohibited in a certain country. Certain payments had to be made to the customs officials just to ensure that these goods were transported from the harbour to the consignee. Therefore the cost of transportation is not as basic and open as seems. There are so many other elements that are now included in the costing and pricing of transportation (Teravaninthorn and Raballand, 2008:6).

Transport prices however differ from region to region. Southern Africa has the lowest spread in transport prices as compared to the Northern parts of Africa. This is due to the fact that are many transport companies in the Southern region as compared to the other parts of Africa. The availability of competition and various modes of transport allows prices to be low. In a case where rail is the cheaper option the consignee will opt for that. In some instances, multimodal means become a cheaper option. The most expensive transport mode is air, followed by road and then rail. Therefore in a situation where the importer has difficulty deciding, transit time is a good indicator of the quality of the transportation mode (Teravaninthorn and Raballand, 2008:21).

3.2.1.9.1 Transport Costs Determinants Modal Choices

The pricing of transportation mainly depends on:

- The fleet size – the bigger the container, ship or trip reduces the transport costs as opposed to shipping smaller sizes (UNCTAD, 2009:1).
- Type of cargo (type and value of goods) – An increased value in the goods transported by 1% mean that the transport cost increases as well as the insurance costs (UNCTAD, 2009:3).
- Distance – Double the distance leads to an increase in cost of transport. An example can be the cost of transporting cargo from Durban to Harare in comparison with Durban to Malawi (UNCTAD, 2009:4).
- Economies of Scale – moving 20 000 tons instead of 200 in one transaction reduces the unit cost by a high margin (UNCTAD, 2009:5).
- Competition
    - Competition with land transport – If countries are neighbouring countries with the same infrastructure, costs are likely to be lower

    - Competition between carriers – Receiving bounteous cargo transport costs go down.
- Imbalances – the difference between the supply and demand, inbound and outbound, import and exports determine the costs. It costs a lot of money to transport a container to a destination but then it returns empty (UNCTAD, 2009:8).
- Destination characteristics – Transportation costs become higher if there are major differences in infrastructure. In a case where cargo is being transported to a destination where there are bad road, the costs become higher to accommodate the costs for the tyres, depreciation and insurance for the haulage truck (UNCTAD, 2009:10).

3.2.1.10 Transport Regulations

Table 3.4: Main Regulatory Barriers in Sub - Saharan Africa

	West Africa	Central Africa	East Africa	Southern Africa
		Market Entry		
Licenses	Not Restrictive (especially for Nationals)	Not Restrictive (especially for Nationals)	Not Restrictive (especially for Nationals)	Not Restrictive
		Market Access		
Bilateral Agreement	Yes	Yes	No	Yes
Quotas/Freight Allocation	Yes	Yes	No	No
Queuing System	Yes	Yes	No	No
Third-Country Rule (this allows operation of trucks registered in a third-party country to transport goods between two other countries).	Prohibited	Prohibited	Prohibited	Allowed in some countries (South Africa and Zimbabwe on a reciprocal basis) and (Malawi, during a defined period of time).
Technical regulation (road-user charges, axle load, vehicle standard, import restriction)	Problem of harmonisation of axle-load regulation	Problem of harmonisation of axle load enforcement	Problem of harmonisation of axle load regulation, delays at weighbridges	Prohibition of second-hand imports in South Africa
Customs Regulation	Cumbersome transit procedures including border-crossing delays	Cumbersome transit procedures inducing border-crossing delays	1. Prohibition for trailers in transit to pick up backloads in Kenya. 2. Cumbersome transit procedures in inducing border-crossing delays	Cumbersome transit procedures inducing border-crossing delays.

Source: Study Team Compilation of Data from Various Source

Table 3.4 above, summarises the transport regulations for the sub-Saharan region. These differ from region-to-region however it shows that there are stern regulations that do not just allow the free movement of cargo to and from any country.

3.3 Logistics

According to Farahani, Rezapour and Kardar (2011), "Logistics is…the positioning of resources at the right time, in the right place, at the right cost and at the right quality" (Chartered Institute of Logistics and Transport, UK, 2007). The council of Logistics Management 2009 elaborates the definition further by stating that logistics is that essential part of the supply chain process that focuses on planning, implementing and controlling the efficient and effective forward and reverse flow as well as the warehousing of goods, services and relative information between the point of origin and the point of consumption on order to meet the customers 'needs.

3.3.2 The Importance of Logistics

Large amounts of money are spent annually on logistical activities across the world. According to the World Logistics Performance Index (LPI), (2011), South Africa is rated 28th out of 155 countries. The World Bank Report (2012) stated that improving a country's logistics performance, has a positive effect on that country's economy. The importance of efficient logistics for trade and growth is widely acknowledged. Efficient logistics performance is associated with trade expansion, export diversification, ability to attract FDI and economic growth (Ittman and King, 2011:20).

3.3.2.1 The Role of Transport in Logistics

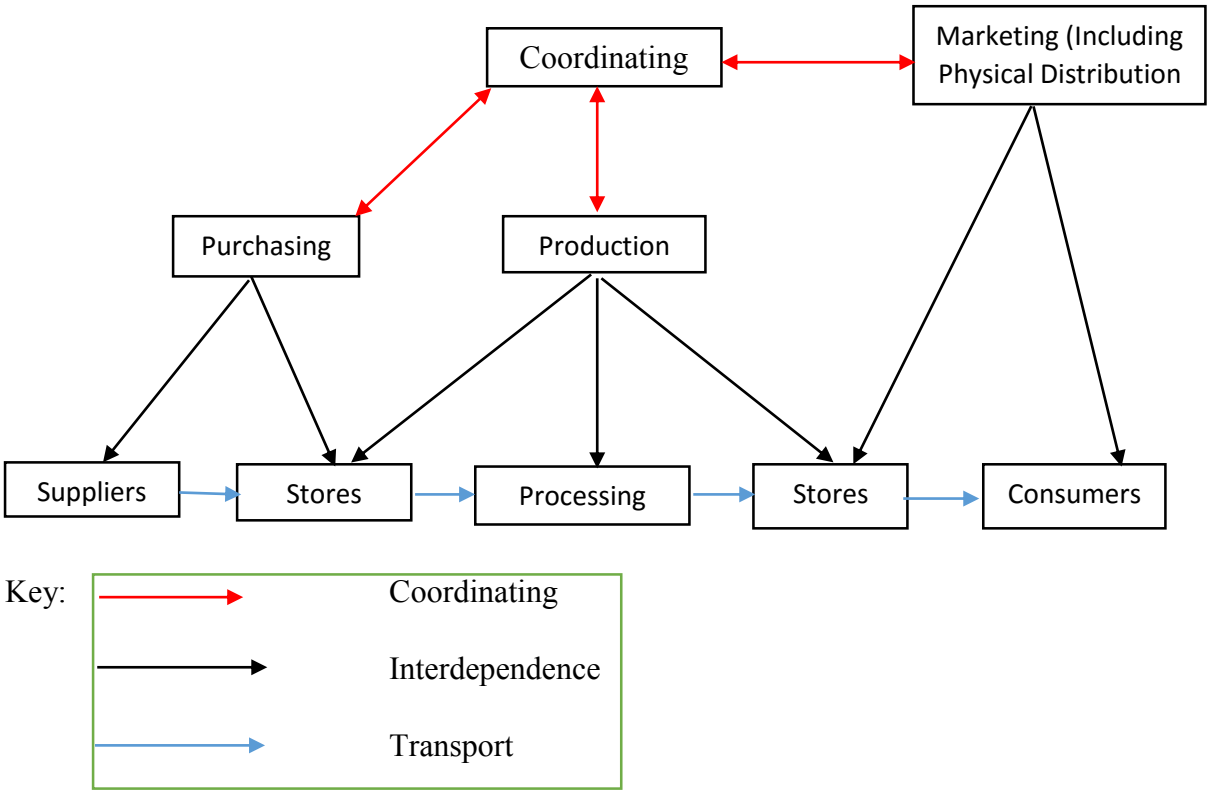
In light of defining logistics, the following paragraphs will outline the role of transportation in logistics management and costs involved in importing. The components and activities of the logistics costs will also be discussed with reference to logistics.

As mentioned in chapter one, the transportation of goods into a landlocked country takes place between countries with completely different geographical locations. Transfer costs do not only encompass local transport costs shown by the production costs and international transportation costs as shown in supply chain costs, but also includes logistics costs. These include

warehousing costs and other incidental costs such as damage of goods, pilferage and deferral costs (Kasilingam, 2008:216).

The role of transport in logistics can be understood by noting the level of frequency of transporting decisions made on a daily basis. The figure 3.5 below shows that transport is utilised in every decision, and it is involved in the flow of production (from raw materials, semi-finished and finished products), but also indirectly involved in the management of a number of activities in the logistics systems (Gubbins, 2003:73).

Figure 3.5: The Role of Transport in Logistics



Source: Gubbins, 2003:74

Transport is not only limited to the physical movement, but it also carries direct impact on the overall decisions made throughout the logistics system (Johnson and Wood, 2006:104). Transport costs are determined by the location of a company's factory, where the warehouses are as well as their suppliers and customers. The form of transport used is in most cases determined by the nature of the products, i.e. packaging of the product, materials handling required for the loading and off-loading of the cargo as well as the design of the docks.

Although transport is relatively the most important aspect within logistics, it should only be regarded as the sub-function of logistics. Transport, together with warehousing, materials handling and inventory control are the most important activities in logistics.

3.3.3.1 Warehousing

Warehousing is often defined as the storage of cargo. This definitions covers a wide variety of facilities that are provided by warehousing, including storage of goods in open areas, storage of finished products in the production facility and the storage of raw materials, industrial goods and finished goods due for transportation (Coyle, 2013:281).

The nature and importance of warehousing comes from the role it plays. Warehousing creates time utility for all types of products. The ability for companies to operate within certain proximities of the market allows them to serve customers with shorter lead times. Table 3.5 elaborates the roles of warehousing by showcasing the two main focal areas under the logistics systems (Lee, 2008).

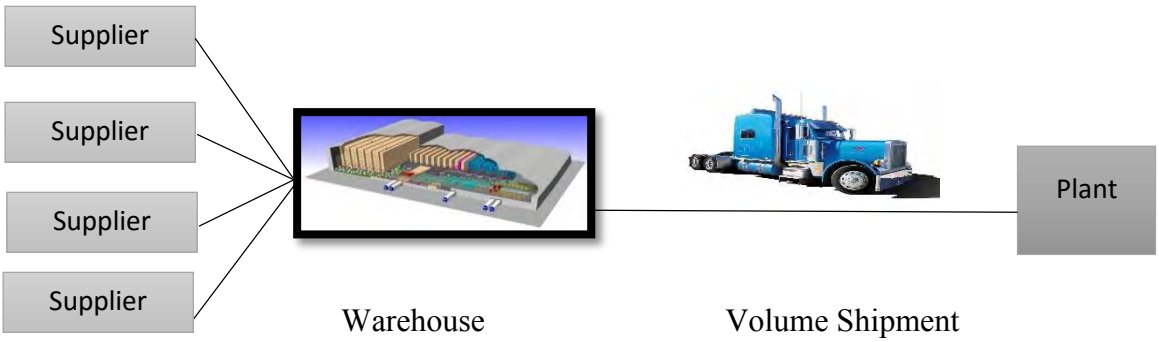
Table 3.5: The Roles of Warehousing in Logistics

Value-Adding Roles	**Trade-Off Areas**
Consolidation	Transportation
Product Mixing	Order Filling
Service	Lead Time
Contingency Protection	Stock outs
Smooth Operation	Production.

Source: Lee, 2008

Warehousing becomes an important element when it comes to transporting goods into a land locked country because it allows product protection should there be issues with customs. However the customer incurs a charge for storage per day the goods are kept in the warehouse. This also brings the second point that transportation is the biggest aspect in warehousing because regardless of what is stored, in needs to be transported out of the warehouse (Coyle, 2013: 220). Figure 3.6 shows the transportation consolidation which is one of the activities under warehousing. Transportation is the focal area in this research because it is looking at the transportation of retail goods into a land locked country.

Figure 3.6: Activities of Warehouses: Transport Consolidation



Source: Adapted from Coyle, 2013:290

Transport consolidation follows a certain method. The client or importer in the case of this research places an order and it arrives at the port. Several truck loads are moved from the port to the warehouse where they are stored until they are cleared or needed. The cargo is then transported to the customer using strategic transportation modelling system as summarised in figure 3.6 (Warehousing Consolidation Systems, 2015). The transportation models chosen are based on the customers' decision.

3.3.2 Third Party Logistics (3PL)

Third party logistics (3PL) can be simply defined as a company that outsources shippers to manage their logistics operations. As mentioned in the paragraph above, logistics includes several elements such as warehousing, transportation, management software, freight rate negotiation to mention a few. All these facets are big aspects under logistics umbrella, and when a company outsources all these services it means they use third party logistics (Conely and Galeson, 2000). There are several 3PLs in the market that use different models to perform different tasks. Some 3PLs specialise in specific industries, for example frozen foods or perishable foods. 3PL is defines as the activity of outsourcing activities related to logistics and distribution. The 3PL businesses offer logistics solution providers and business process support.

3.4 The Challenges of Being a Landlocked Country

By dealing with the modes of transport listed above, the study will be able to reveal what specific challenges encompass the dynamics of landlocked importation for retail purposes. This part of the literature will examine findings on ready-to-consume, half-processed and raw materials for retail manufacture type of importations and derive at different categories of challenges for observation (Faye, McArthur, Sachs and Snow, 2004:33).

Landlocked countries have no territorial access to the seas, limited border crossings and transit dependence create the biggest challenges for landlocked countries (Faye et al, 2004:34).

3.4.2 Overview of Landlocked Countries

Due to their remoteness, landlocked countries are dependent on neighbouring transit countries for their external trade and suffer from high trade transaction costs. Huge transport costs, inadequate infrastructure and bottlenecks connected with importation and exportation requirements can have major drawbacks to becoming part of the global economy, prejudicing export effectiveness or attracting Foreign Direct Investment (FDI) (Global Facilitation Partnership for Transportation and Trade (GFP, 2006).

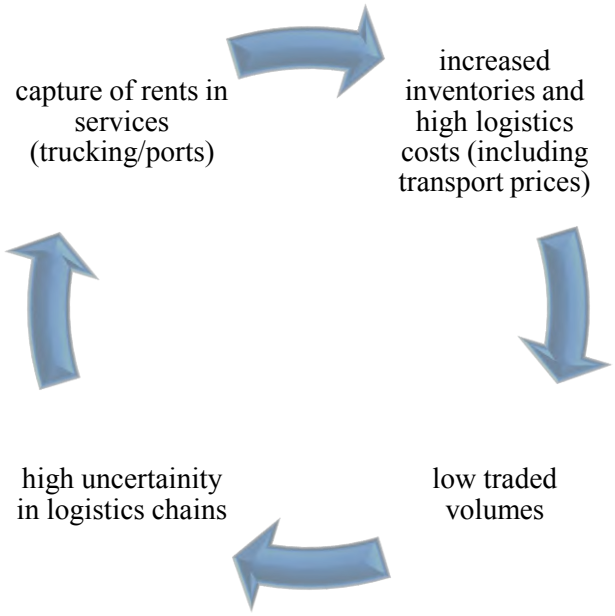
According to Faye, McArthur, Sachs and Snow (2004), there are 31 landlocked developing countries (LLDCs) world-wide: of which 15 are in Africa, 12 in Asia, 2 in Latin America and 2 in Central and Eastern Europe. According to the World Bank (1999), LLDCs are paying around 50 percent more in transport costs than coastal countries, and have up to 60 percent lower volumes of trade. Inefficient customs and transit transport procedures are considered to be the main cause of delays and high transport costs and represent a greater obstacle to trade for LLDCs than tariffs.

As a result of the LLDCs marginalization in global trade, the amount contributed by LLDCs to developing countries' share of global exports has exhibited a consistent decline. Their proportion of developing country exports has fallen from an already small portion of 2.4 percent in 1990 to only 2 percent in 2000, representing a yearly decrease of 2.1 percent. In contrast, the share accounted for by transit developing countries rose from 53 percent to 60 per cent, which was an annual increase of 1.1 percent. This trend attests to the marginalization of LLDCs that has been taking place in the world economy (World Bank, 1999).

3.4.2 Problems Landlocked Countries Encounter

The main problems landlocked countries have to encounter are shown in the diagram:

Figure 3.7: Problems Landlocked Countries Encounter



Source: Amjadi and Yeats, 1995

The main challenge is the transporting factor. Landlocked countries are obliged to create transporting systems that will allow them to have access to their products, and these transporting means come with a cost. Mandrup and Very (2015), pointed out that "the incidence of transport costs heavily affects the landlocked countries because they have to adjust their selling prices to world prices." Gallup, Sachs, and Mellinger (1999) proposed two reasons landlocked countries may be disadvantaged in terms of transport:

• Coastal countries may have political or economic incentives to impose costs on landlocked countries.

• Infrastructure development across national borders is more difficult to arrange than similar investment within a country.

Despite the transport factor, there are unpredictable transit times that add to the cost of having no direct coastal access to the sea. Supply chain mechanisms follow a specific method of ordering and delivering. However in the case of landlocked countries, due to the fact of reliance methods like "just in time" which means ordering for the time the products are needed are not

practical due to the fact that there is no certainty of when the goods will actually arrive (Muller, 2011:7). Another draining factor for landlocked countries is the regulatory arrangements and their inability to freely trade what they need and want. Some goods are not allowed in certain countries and due to different country regulations, some goods have to be opened up to be checked before they are allowed entry into the deposit country (Aryeetey, 2012:64).

3.4.3 Costs incurred by Landlocked Countries

Landlocked countries face different challenges at different stages of the importing process. There are different challenges that arise at different stages of the importing process. The initial challenges are costs. These costs are exclude the costs of importing goods from a different. These costs include:

Transport costs – this is the price paid to the carrier for the transportation of goods and merchandise by sea, road or rail from one place to another.

Agents cost – An agent is a person authorised to transact business for and in the name of a buyer. The buyer then pays the agent for their services.

Duty and Tariffs – A publication setting forth the charges, rates and rules of transportation.

Insurance – this is paid so that there is a policy or certificate that normally covers the shipments of merchandise from the time they leave the warehouse at the shipping point until they reach the ultimate destination (Customs Valuation Encyclopedia, 2003:469).

3.4.3.1 Customs Procedures

Due to globalisation, the world economy had placed pressure on the world's customs regulations. Customs works as a government agency because it is a primary source of revenue for them. Lane (1999) stated that the mission of customs is:

- To ensure that all imports and exports are in compliance with the laws of the specific country
- To expedite the entry of all valid products into the country

Traditionally customs practices were not favourable for trade purposes. The system then had stringent policies that made trade difficult. However, over the years due to the elimination of

borders through the introduction of SADC and EU, customs has reduced their work by mainly focusing on intelligence rather than profile policing. Table 3.6 shows a review of traditional customs operations contrasted with the more modern approach.

Table 3.6: Customs Procedures

Customs Procedure or Practice	Traditional Customs	Modern Customs
International Standards of the World Customs Organisation (WCO) and World Trade Organisation (WTO)	Non-conformance or only partial conformance.	Full conformance with all international Customs standards for classification, value and procedure.
Customs Automation	No or only partial	Full automation
Measures of Performance	Limited output measures and process measures and frequently the wrong measures.	Full measures of compliance and facilitation leading to improved performance.
Tariff System	Complex and high duty rates	Simplified and reduced duties
Revenue Collection	Prior to entry of goods	Entry and collection separate. Duties paid after entry
Enforcement and Compliance Approach	Characterised by manual inspections and nearing 100% and paper reviews	Minimal inspections and paper documentation
Information	Provided at time of entry	Advance and historical information prior to arrival of goods and conveyance
Personnel	Poorly trained and low skilled	Highly trained and professional
Appeals of Customs Decisions and Transparency	Limited and unknown appeal process, limited	Fully defined appeals process within and beyond

	publication notice of rules and practices	Customs, full transparency and co-operation with trade
Results:	Low and unknown compliance, high cost for government and industry and poor facilitation	High and measured compliance, lower costs for government and industry, vastly improved facilitation and framework for continued improvement.

Source: Compiled from http://www.wcoomd.org

Regardless of the fact that customs has loosened the regulations over the years, there are still documents required to ensure that there is uniformity when it comes to importing and exporting.

3.4.3.2 The UN Almaty Programme of Action

Africa has 15 landlocked countries that face specific challenges. Botswana, Burkina Faso,

Burundi, Chad, Central Africa Republic, Ethiopia, Lesotho, Malawi, Mali, Niger, Rwanda, Swaziland, Uganda, Zambia, and Zimbabwe have no direct coastal access to the sea and thus also to maritime trade and therefore face very specific challenges. The lack of territorial access to the sea, remoteness and isolation from world markets and high transit costs continue to impose serious constraints on the overall socio-economic development of landlocked developing countries (ATPC, 2010:1).

Aiming to address the constraints facing landlocked countries, an International Ministerial Conference of Landlocked and Transit Developing Countries was held in Almaty, Kazakhstan, from 25-29 August 2003 (ATPC, 2010:1). It was the first venue that provided the international community the opportunity to organise international support and partnership to address the special needs of landlocked countries (ATPC, 2010:2). At its successful conclusions, the Ministerial Conference adopted The Almaty Ministerial Declaration and the Almaty Programme of Action: Addressing the Special Needs of Landlocked Developing countries within a New Global Framework for Transit Transport Cooperation for Landlocked and Transit Developing countries (ATPC, 2010:3). The Almaty Programme of Action, as is commonly referred to, was adopted as a global framework for action for developing efficient transit transport systems in landlocked and transit developing countries. The Programme aims to:

1. Secure access to and from the sea by all means of transport for landlocked developing countries according to applicable rules of international laws;
2. Reduce costs and improve services so as to increase the comprehensiveness of their exports;
3. reduce the delivered costs of imports;
4. address problems of delay and uncertainties in trade routes;
5. develop adequate national networks;
6. reduce loss, damage and deterioration en route;
7. Open the way for export expansion; and
8. Improve safety of road transport and security of people along the transport corridors (ATPC, 2010:6).

In order to reach those objectives, the Almaty Programme of Action highlighted five priority policy areas for landlocked and transit countries to address:

- Transit policy and regulatory frameworks: landlocked and transit countries to review their transport regulatory frameworks and establish regional transport corridors.
- Infrastructure development: landlocked countries to develop multimodal networks (rail, road, air, and pipeline infrastructure projects).
- Trade and transport facilitation: landlocked countries to implement the international conventions and instruments that facilitate transit trade (including the WTO).
- Development assistance: the international community to assist by providing technical support, encouraging foreign direct investment, and increasing official development assistance.
- Implementation and review: all parties to improve their monitoring the implementation of transit instruments and conducting a comprehensive review of their implementation in due course (ATPC, 2010:9).

The Almaty Programme of Action emphasizes that efficient transit transport systems can be strengthened through strong partnerships between landlocked and transit developing countries and their development partners at all levels including partnerships between public and private sectors. It is important that such partnerships are based on the mutual understanding that all stakeholders would undertake specific actions that have been agreed to in the Programme so as to establish efficient transit transport systems. Moreover the international community, including financial and development institutions and donor countries, are called upon to

provide financial and technical support to support landlocked and transit countries to address effectively transit transport challenges and requirements (ATPC, 2010:15).

3.5 The Retail Industry

Given the vastness of the retail industry products, the limited nature of this study will restrict the examination of all of the retail products of a landlocked country. To that end, vehicles/automobiles, rice, electronic goods, clothing goods and footwear of various fabric including leather. Mainstream (established factories and retailers in the private and public sector) and small scale individual importers and resellers make up the retail industry.

The retail industry is functional based on the level of organisation in the distribution market. The retail industry can be explained by looking at two different manners (Liebmann and Zentes, 2001 – cited in Kotzab and Bjerre, 2005) which are:

- The retail industry or retailing is a group of tasks that contribute to the value of products and services which are then sold to customers.
- Retailing are specific organisations that perform retail functions (Kotzab and Bjerre, 2005).

3.5.2 Logistics in the Retail Industry

Logistics in the retail industry is the delivery of goods to customers through the management of the flow of goods and associated merchandise from seller to customer. Managing logistics is important in the retail industry as it requires companies to perform a balancing means that simultaneously meets several needs.

Effective logistics management must consider coordinating all different pieced of the supply chain in order to maintain the quality and customer satisfaction while aiming to minimise costs. Reducing stocks, lowering operational costs, ensuring product availability and customer satisfaction are all benefits of good logistics management. Due to the challenges known to land locked countries it is important for retail companies to factor in any issues that might hinder the above mentioned points of good logistics management (Plazibat and Brajevic, 2009:134).

3.5.3 Distribution

Distribution is part of the logistics process that focuses on delivering retail goods to their required destination. It is defined as the as the physical trail from the production of goods to consumption. In the case of Zimbabwe, individuals have their own retail outlets and the total sum of activities related to such outlets are numerous. In essence, distribution activities as mentioned earlier under logistics in the retail industry, are the flow of activities and refer to the flow of products as well (Specht, 1998- cited Kotzab and Bjerre, 2005).

3.5.4 Retail Implications

As seen above, the cost of transportation is determined by so many elements like the distance to be travelled. These costs increases all because the cargo is crossing the border. This in turn has an impact on the cost of the goods when they are sold. The final price of the goods is inclusive of all the charges that incurred up till they were delivered.

In table 3.7 is an importer who purchases goods from China, it shows an illustration and breakdown of how much it costs to purchase goods, the costs incurred from point of ordering to delivering and the final costs of the goods.

Table 3.7: Quote - Beijing to Durban Port

Price quoted in Beijing	US$ 100, 000
+ Sourcing agent fee (10%)	US$ 10, 000
+ Transportation Cost to the Durban Port	US$ 4, 000
+ Insurance Cost	US$ 700
+Handling Fees	US$ 500
Transaction Value at Durban Port	US$ 115, 200
+ Import Duties/Customs (7%)	US$ 8, 064
+ Transportation cost to factory	US$ 200
Transaction Value Liable to VAT	US$ 123, 464
+ VAT (20%)	US$ 24, 693
Gross Transaction Price	US$ 148, 157

Source: Researcher, 2015

The above illustration shows an example of what importers have to pay every time they purchase cargo from world markets. These costs have to be incurred on top of the transport costs, duty, tariffs and all the other regulations that have to be met in order for these retail goods to be delivered at their ultimate destination.

3.6 Economic Implications

Arising from the questions asked and dealt with in the previous section in the literature concerning challenges confronted in the importation of goods for retail consumption, a revelation of a variety of economic implications is acknowledged and pursued below. Implications will range from the pricing patterns of transportation itself to the pricing pattern of retail products as influenced by the challenges to the pragmatic solutions designed to alleviate the challenges.

3.6.1 Economic and Developmental Challenges

Modern economic progress requires rapid, reliable and cost-effective international trade. Freedom of transit is thus vital for landlocked countries that are working to progress toward trade diversification and economic development but are obstructed by the distance to the sea and the resultant high transportation costs. Transportation costs are not, however, the only problem landlocked countries face (Abate, 2013:64).

Considering that the internal regions of huge coastal countries like Brazil, for instance, are also very far from the maritime coasts sometimes distance between these regions and the sea is greater than between some landlocked country and a sea coast. But there is an important difference: While products originating in the internal regions of coastal countries must only cross the territory of a single country, their own, the import or export trade of countries lacking direct access must cross territories of a foreign sovereign. The likely legal and administrative hurdles lead to a series of economic and political problems. Doubly landlocked countries (those contiguous to other landlocked countries) are in a still worse situation, because their

international relations may be complicated by having to deal with several transit countries at a time (Uprety, 2006:40).

A 1970s study by the UN Conference on Trade and Development (UNCTAD) noted that lack of access to the sea continues a major obstacle for economic and social development. Not surprisingly the majority of all the landlocked countries have some of the lowest growth rates in the world. Because of their productive activities are not sufficiently diversified, their export revenues depend on a limited number of products. Moreover, their lack of direct access to the sea entails additional expenses because of the costs of transporting goods through a transit country, resulting in a less competitive international trade and causing delays or even interruptions in their development and economic growth (UNCTAD, 2013).

In this context, the 1970 study pointed out that because there was not uniform criterion for evaluation the additional transport costs, comparisons are often based on a hypothetical difference, the term "additional" meaning that the evaluation concerns only the transport costs directly related to the fact that the country in question is deprived of a coastline, the definition thus covers only those expenses relating directly to international exchange. As world trade continues to increase rapidly, so does the need for economically efficient and environmentally sound national and international transport (UNCTAD, 2013).

With increased competition in major markets forcing businesses to adapt to just-in-time production and management systems, the commercial success of any export oriented industry in developing countries is bound to depend more and more on its ability to satisfy customer demand for speed, reliability and flexibility in deliveries of goods: Speed, because the faster transport operations are carried out, the less time products – and therefore capital – are tied up; flexibility, because transport logistics must be able to adapt to variations in consumer demand and unforeseen circumstances; and reliability, because minimizing breakdowns in the supply or distribution of goods reduces the need for buffer stocks (UNCTAD, 2013).

3.6.2 Transport Implications

Transportation, which is critical in all economies, is doubly important in the economy of a landlocked country, whose foreign trade, and therefore its economic development, is contingent on its ability to access the sea. It is no accident that that the majority of economically weak landlocked countries are situated in regions that have only rudimentary

transport networks. In most cases, their neighbouring are also developing countries, with similar deficiencies in transportation networks and economic structure. In general, the trade between landlocked countries and their transit neighbours is rarely important because their economies do not complement each other. Rather, both groups often inter into competition with each other for international resources (AFDB, 2010).

In the international market the handicap of being without access noticeably hinders the trade of landlocked countries, although this is not easily measurable in economic terms. Landlocked countries are also burdened with increased costs arising from the necessity of warehousing stocks, delays in ports, expenditures in the change of routes (often indispensable), and losses on exchange rates when transport costs must be paid in convertible currencies. Clearly, the landlocked countries must heavily depend on the transport policies of transit countries. According to Jeffrey Sachs, a landlocked country is in the distant, distant periphery of economic development. Being landlocked is a major barrier to international trade because the costs are simply much higher. Sachs further noted that generally, coastal countries do not like to help their landlocked neighbours. The weaker the better is often the reasoning, from a military point of view. So they do not build the roads, they do not give access to ports (AFRAA, 2013).

The transit costs are often so high that the export-products of developing landlocked countries cannot compete with products from other developing countries in the international market. The UN Economic Commission for Africa (ECA) confirmed this in the early 1960s and a report prepared by a UNCTAD Expert Group in the early 1970s noted that the average cost of access to the sea would be somewhere between 5 to 10 percent of the value of landlocked countries imports and exports. For the majority of these countries, lack of access is exacerbated by the major obstacles encountered by all landlocked countries: with low revenue and productivity, the have weak institutions and a heavy dependence upon export of a limited variety of products. The result is generally a balance of payments deficit (UNECA, 2010:4).

Moreover, in many landlocked developing countries, notably in Africa, inland transport accounts for more than half the total door-to-door transport time and cost of imports and

exports. There is a correlation between this lack of direct access to major markets and economic underdevelopment. Countries whose populations are farther than 100 kilometres from the sea grow 0.6 percent slower per year than those in which the entire population is within 100 kilometres of the coast. Recent studies show that shipping goods over one more kilometre of land costs as much as shipping them over seven extra kilometres of sea. Land transportation is especially costly for landlocked countries whose products need to cross borders, a much more costly hurdle (ECA, 2012).

The highest cost of international trade falls on Africa, which has 15 landlocked countries. In 1997, while freight costs averaged approximately 4 percent of Cost, Insurance and Freight (C.I.F) import values of developed countries and 7.2 percent of C.I.F import values of developing countries, for West Africa they were about 12.9 percent and for East Africa about 13.8 percent. Within those regions, transport costs for landlocked countries were of course higher than average. Freight costs for Mali (West Africa), for example, were 29.6 percent and for Malawi (East Africa) 39.4 percent. Excessively high transport costs inflate the consumer price of imported goods in landlocked countries and undermine the competitiveness of their exports in foreign markets. They are thus a serious barrier to trade (NEPAD, 2013:5).

These problems, which can be generalised for all landlocked countries except for a few in Europe, determine the posture landlocked countries take in the international arena and explain why, for decades, some have formed a distinct group of nations (a political bloc) within the international system. The grouping was based on the commonality of problems their geographical position engendered in international law and relations and in trade and economic development (NEPAD, 2013:5).

In a World Bank article published in 2004, the authors note:

Adam Smith (1776) observed that the inland parts of Africa and Asia were the least economically developed areas of the world. Two hundred and twenty-six years later, the human development report 2003 still painted a stark picture for most of the world's landlocked countries. Nine of the twelve countries with the lowest human development index scores are landlocked, thirteen countries are classified as low human development, and not one of the

non-European landlocked countries is classified as high human development (World Bank, 2004).

The landlocked developing countries face additional transport bottlenecks in international trade. The distances from their principal towns to the main ports vary from 670 kilometres to 2, 000 kilometres. The international trade of these countries is dependent on the transit transport infrastructures and services along the routes through their transit neighbours over which they have little control. Furthermore, the ability of the transit countries to improve, from their own resources, transit-transport infrastructures and services in the ports and along the transit corridors is very limited because many of them are themselves developing countries. This increases the need for international support for improving the transit-transport in these developing countries (ECA, 2013:3).

Transport costs (which include storage costs along the transit routes, insurance costs, costs die to extra documentation, and so forth) are in many cases quite significant because the facilities available are inadequate. Because high transportation costs reduce export earnings and increase import cost, landlocked countries must promote cooperative arrangements with their transit neighbours so as to make transit-transportation systems more efficient. The implications of being landlocked are severe because production, input use, consumption, and exportation are greatly influenced by the cost and reliability of transport to and from the outside world. There are indeed some landlocked countries that are not technically LDCs, but their situation is not easy either (ECA, 2013:3).

In general, then, the majority of landlocked countries are among the poorest countries of the world. The absence of seacoast and their distance and isolation from international markets aggravate their economic situation and constitute the main reason for their underdevelopment (Uprety, 2006:20).

The 1974 UNCTAD study concluded that the "actual experience proves that the absence of access to the sea constitutes a major obstacle for economic and social development." General growth in the developing landlocked countries, the study found, is based on import substitution by local production and the development of exports or mobilisation of capital. Realising this growth necessitates international transfer services, which often entail higher costs for

landlocked countries; without such services the development of the country is delayed, if not completely stopped. Clearly, it is not just mere fate that developing landlocked countries are the poorest in the group of developing countries, with a quasi-systematic diminishing growth rate per capita. Although some 'privileged' developing landlocked countries like Zambia and Uganda do possess raw materials for which there is high demand in the international market, the relatively well-off developing landlocked countries are so small a minority as to be negligible (UNCTAD, 2013).

3.7 Conclusion

The purpose of this chapter was to understand the literature that supports the research study. The literature looked at all the elements within the topic under study, the transport modes and costs, logistics, challenges of being landlocked, economic implications and the retail industry. The literature was also focusing on the case country Zimbabwe. The following chapter now presents the research methodology.

Chapter Four - Research Methodology

4.1 Introduction

The objective of this Chapter is to outline the methods of data collection and analysis by highlighting the concepts of applied research methodology, and describing their application to the research that is being conducted in this study. This Chapter aims to provide an explanation of the methods the researcher has utilised to gather the necessary data required to address the research problem.

The type of research methodology that was used for this study was dictated by the type of data that the researcher aimed to obtain. The chapter aims to give a full account of data collection methods, data analysis, reliability, validity as well as all the ethical considerations that were taken into account while conducting the study. It will also explain the limitations to the study and the study's anticipated contribution to the relevant field.

4.2 Research Design

A research design is a planned structure that aids in closing the gap between research inquiries and putting into practice. It defines the strategies that monitor the management of aspects for the collection and analysis of data in a way that speaks to the research question (Terre Blanche et al, 2006:34).

Research design mainly focuses on what kind of study is being planned and the results aimed at. It also looks at the point of departure and focuses on the logic of the research: what evidence is required to address the question adequately?

The following are three different ways in which research categories can be defined:

- Explanatory, descriptive and exploratory
- Applied and basic research
- Qualitative and quantitative research

This research is of an exploratory and descriptive nature. Descriptive research can be used in conjunction with exploratory research in the study. Exploratory and descriptive research aims

to describe phenomenon and provide casual explanations of the phenomenon (Terre Blanche et al, 2006:44). This research is exploratory because it seeks to observe the challenges landlocked countries face and understand more about these challenges. An exploratory research it used in this study to further examine if what is being observed can be explained by current existing theories. Exploratory research allows this initial research to be explored further through other research work that can be done in future (Purposes of Research, 2015:30)

In order to achieve the specific aims of this study, a case study will be done on Safmarine Durban plant in South Africa, Safmarine Harare plant in Zimbabwe, Elite Global Logistics and Elite Line Haul. Yin, (2003:23) defines case study research as "an empirical inquiry that investigates a contemporary phenomenon within its real-life context, when the boundaries between phenomenon and context are not clearly evident, and in which multiple sources are used". It was decided that the best technique for carrying out this research would be a qualitative design.

4.3 Qualitative Research

Qualitative research follows a descriptive approach which aims to describe, decode and translate the meaning of naturally occurring phenomena (Welman et al, 2005:193). It can be used in the description of groups, small communities and organizations with extreme efficacy. Qualitative research is best described as an approach rather than a particular design (Welman et al, 2005:188). Data obtained by means of qualitative design is obtained by means of tests and interviews (Terre Blanche, 2006:47). This study will use qualitative methods for data collection. Creswell, (2003) notes that qualitative methods refer to case studies, phenomenology, ground theory and ethnography among other methods of research.

This study is of a qualitative nature and the sampling strategy with a small number of participants. These participants are purposefully chosen to involve those who are experienced in the concepts of the investigation being conducted in order to cover a wide spectrum of viewpoints on the topic. At the outset the researcher predicts that land locked countries face many challenges when receiving goods from maritime countries. It is for this reason that well-informed individuals from Safmarine NV container Lines within the transporting, operations, logistics and shipping division will be interviewed. The tools used to generate data for

qualitative research include a maximum of 10 face-to-face and 3 online interviews as illustrated in Table 4.1, which will be implemented in the study.

Table 4.1: Interview Participants

Name	**Company**	**Position**	**Date**	**Time Taken**
Participant 1	Safmarine Harare			45 minutes
Participant 2	Tamangani Boutique	Shop Owner		45 minutes
Participant 3	Safmarine Durban	Managing Director		30 minutes
Participant 4	Car Dealership	Owner		1 hour
Participant 5	Electronic Goods Shop	Shop Owner		25 minutes
Participant 6	Rice Buyer	Sales Manager		45 minutes
Participant 7	Chemical Buyer	Chemical Engineer		35 minutes
Participant 8	Elite Line Haul	Branch Manager		30 minutes
Participant 9	Elite Global Logistics	Branch Manager		1 hour
Participant 10	Safmarine	Haulage Driver		45 minutes
Participant 11	ZIMRA	ZIMRA Customs official		1 hour
Participant 12	Independent	Clearing Agent		30 minutes
Participant 13	Flossy's	Clothing Shop Owner		45 minutes

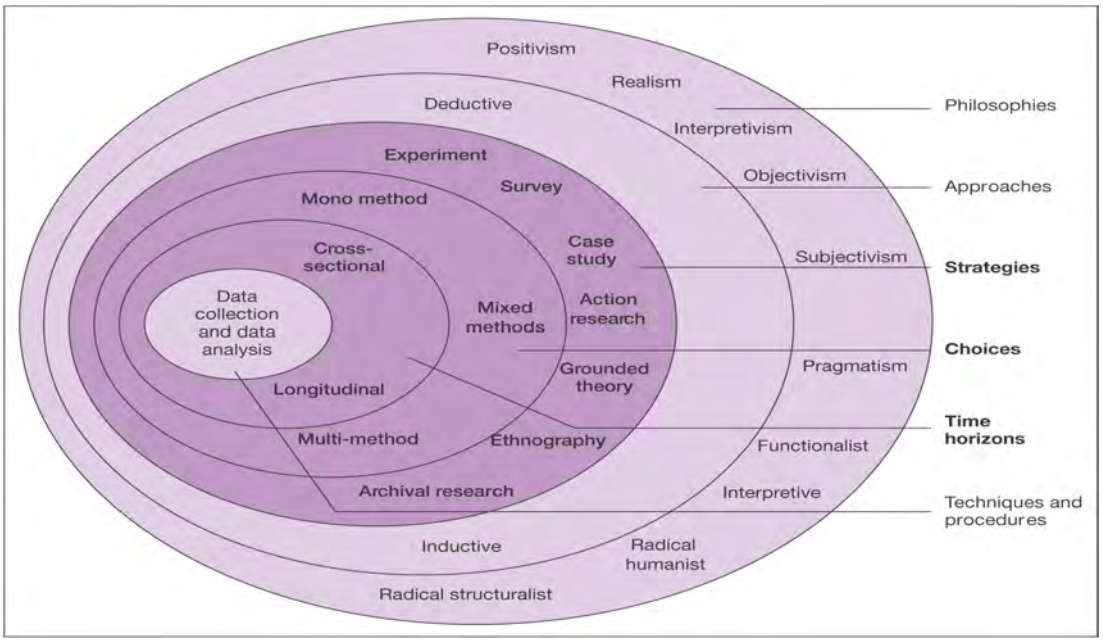
Source: Researcher, 2015

The decision was made in this study to gather information in a qualitative manner by making use of semi-structured interviews. Semi-structured interviews offer versatility in the data collection method. Qualitative data generation techniques require that data collection be "rich in description' of events and phenomena (Dye, 1990:169).

4.4 The Research Philosophy

The research onion (see Figure 4.1), illustrates the different layers and approaches that are available and must be consistently used when conducting research (Saunders et al., 2007:132).

Figure 4.1: The Research Onion



Source: Saunders., Lewis., and Thornhill., Research Design and Tactics, 2009: 132

When choosing a technique to collect data, it is important to accommodate the assumptions essential to each set of tools. Quantitative tools that emphasize on measuring and counting are regarded as the positivism approach, whereas qualitative tools that are regarded as realism or naturalism because they entail observing and questioning. Together, the assumptions are known as research paradigms or research philosophies (Saunders et al., 2007:132).

4.5 Research Strategies

As research students we have ample options available when it comes to fundamental research strategies. Every strategy is different from the rest in two distinct ways: the way in which the question is asked and the means used to answer it. For example, if a student wants to know the number of cars that pass a certain freeway at a certain period of time, the researcher may use the form of observation and record the results differently from a researcher that is using

qualitative means to find out in-depth information on the effectiveness of project management systems in an organisation (Ratner, 2007:13). In the case of this study phenomenological research strategies were adopted as the most suitable way to answer the research question because of the sample size, as well as the geographical constraints.

4.5.1 Phenomenological Research Strategies

Phenomenological research approaches entail case studies, ethnography and the use of grounded theory amongst others. These methods are explained briefly below, however not all these methods were used as they costly, time consuming and not relevant to this study.

4.5.2 Case Study

Case study research designs focus on a small group, project or organisation. The focus is mainly on a specific aspect. In the case of this study, the research is not only limited to one case. The country under observation Zimbabwe is a case on its own, as well as the companies selected for this study. A case study was essential in this study because it is dealing with how and why questions that are rooted in real life contexts. The data collection methods applied in case study research are and not limited to focus groups, direct or participation observation and in-depth interviews (Sekaran, 2000:123).

4.5.3 Population and Sampling

The term population refers to the components being studied. This includes individuals, groups, organizations, human products and events or conditions which they are exposed to (Welman et al, 2005:52). By utilizing the qualitative methods, it gives the researcher the ability to ask the "same question to every respondent but adapt the way in which the terminology in used". This qualitative study will be limited to a small number of participants due to the nature of the research. Conducting the semi-structured interviews by consulting one company in different locations allows the researcher to determine the challenges of transporting goods into a land locked country.

4.5.4 Target Population

In order to collect data from the selected sample, the researcher will be conducting interviews and visual diaries with management members of Elite Global Logistics Durban, Elite Line Haul

Johannesburg and Safmarine Zimbabwe, designated drivers, clearing agents and customs officials. The researcher chose these companies as well as the selected individuals because of the knowledge they have in the industry and their well renowned reputation. The companies frequent transporting goods into Zimbabwe and the designated driver has been working with Safmarine for 10 years.

Permission to conduct these interviews will be sought from the intended participants by the researcher. Although interviews can be limited in terms of the number of participants and analysing data, this is the most suitable method for the study. The depth of the issue under study requires understanding the underlying and everyday practices within the corridors of transporting goods in a landlocked country. Unsaid and hidden issues are captured during field notes and interviews.

4.5.5 Sampling

Selecting a sample in a logical way is important as it ensures that external parties can perceive it as a trustworthy and analytical sample (Patton and Cochran, 2002:11). Sampling uses two methods; non-probability sampling and probability sampling. It comprises a selection of a number of study units from a distinct population (Patton and Cochran, 2002:13). In the probability sampling technique, the researcher needs to ensure that every person has the chance to be selected and this is achieved through randomisation. On the other hand, non-probability sampling does not give individuals the equal opportunity to be selected within the population. Individuals within a non-probability sample are normally selected bases on the researcher's approval (Welman et al., 2005:64).

With reference to this study, the population was estimated to have been 20 participants (for both personal and online interviews), 10 people to take part in the field notes, however, the sample only had 17 participants. 17 participants were selected because these were the numbers accessible to the researcher. The rest of the target population did not reply to the invitation to be participants for the research and others declined. Since the research is using multiple methods the number sufficed in terms of information to be attained from the participants.

4.5.6 Kind of Sampling

Non-probability, maximum variation sampling method was selected for this study as the aim is to target individual within the supply chain and logistics industry. Statistical analysis was

not utilised in this study as participants were carefully selected because they would generate in-depth information regarding the topic. Purposeful sampling strategies for qualitative studies are mainly used when only focusing on a certain number of participants who are selected because they are knowledgeable about the topic being discussed (Marlow, 2010:140).

4.6 Research Instrument

Qualitative research uses several means to collect data (Schurink, 2008:1). The methods used in this study were:

4.6.1 Semi-structured interviews

The semi – structured interviews and yet open – ended were in line with the literature review and were related to the research objectives. The interviews were conducted using an interview guide. This was done in order to ensure that all the important elements were recorded during the interviews. The interviews were all recorded with the approval of the participants. Recording interviews makes the capturing of data more accurate as opposed to writing them down. However, in some instances the recording medium can stop working therefore using a recording device does not always guarantee effective outcomes. Therefore writing down responses becomes a means of backing up information.

The interview questions were different depending on the participant. This is because all the participants had different job titles in different industries, therefore their knowledge differed from specialty to specialty. There were four different interview guides categorised into Branch Managers, Buyers, Shop Owners and Drivers. These interviews were categorised in this manner in order to attain knowledge from the participants that were well-informed of their industries.

4.6.2 Online Interviews

Online interviews were conducted with participants that were not within the reach of the researcher. Therefore these were done through online chatting and some via Skype however, secure internet connections are not always available. Due to poor network connections the interviews had to be continued after several attempts or days or months later at times where

the connections was more reliable. The responses were always written down to ensure that no information would not be recorded. The issue of time differences with some participants made it difficult to schedule times to conduct the interviews and some participants took time to reply to the questions.

4.6.3 Visual Diaries

Visual diaries are images taken from the areas that are applicable to the study. This study is looking at the challenges of transporting retail goods into Zimbabwe. Therefore images of the port, Zimbabwe border post, the corridors used by Zimbabwe, the goods being transported and the different destinations to which the goods are being delivered had to be taken in order to show exactly what happens. The researcher, a clearing agent, a driver and one of the buyers took pictures. The researcher used multiple methods to gain as much understanding of the research study as shown in Table 4.2.

4.6.4 Field Notes

Field notes are summaries that are taken at certain places of interest and relative to the study. The field notes in this study were taken at the Durban Port and at the Beitbridge border post. These were the two ideal places that could explain the challenges on transporting imported goods into Zimbabwe. There were supervising authorities that assisted the researcher on both sites to attain the required information. The other sources of information came from books, journals and internet sources mainly secondary data. The researcher asked the supervising authorities questions on site. There was no check list since this was an unfamiliar place for the researcher. Both supervisors explained in detail the procedures and processes that occur at the port and at the border.

4.7 Pilot Study

A pilot study was done among 6 members from the Supply Chain division at Safmarine NV Container Lines. This pilot study was done to ensure that the methods used to collect data was accurate. This assisted in correcting the interview questions before engaging all the other 17 participants. There were no changes made to the interview guide but more questions were added.

4.8 Companies Selected for Study

The researcher selected the following companies because they were convenient as the information could be easily accessed. Safmarine is a large Belgian shipping company that specializes in sea transportation of cargoes between Africa, the Middle East and the Indian Subcontinent as well as operating in other trades. Because of Safmarine's reputation the researcher found it ideal to gain information from a company that has extensive experience and knowledge in the field of study.

The second company is a fast growing company that was just established in 1963, Elite Global Logistics. Elite diversified its' operations from freight forwarding to becoming a logistics provider. It was one of the companies that started offering logistics offers through the internet. In 2004, Infocomm Development Authority of Singapore (IDA) awarded Elite an award for its prominent E-Business Industry. Because of Elite's well known accreditation, it was important to gain information from a company that is well vexed about the study.

The third company is a small company that was established in 1985, Eline Line Haul. Elite Line Haul has most of its operations running from Johannesburg and has recently opened offices in all the port areas of South Africa. This growing company is well known for its competitive prices and is now popular in Zimbabwe for trucking and transporting over the years.

4.9 Trustworthiness

Just as a quantitative study cannot be valid unless it is reliable, a qualitative study cannot be accurate unless it is credible, and it cannot be credible unless it can be trusted. Trustworthiness demonstrates the truth value of a study. The basic issue in relation to trustworthiness is to persuade the audience that the findings of the study are worth to be considered (Siegle, 2002:14). According to Lincoln and Guba (2000), there are four elements that need to be considered in qualitative research in search of a trustworthy study:

4.9.1 Credibility (Truth value)

Credibility looks at if there is well-matched link between actualities that are in existence and the responses from participants. This makes sure that the research actually discloses what is proposed (Lincoln and Guba, 2000).

4.9.2 Transferability

This is external validity. It looks at the extent which findings can be practical in other contexts (Lincoln and Guba, 2000).

4.9.3 Strategies for Transferability

4.9.3.1 Thick Description

Transferability depends on the comparisons between sending and getting situations. The researcher collects in – depth of information within the situation under study and records them in detail to allow the reader to make their own independent judgements about transferability (Lincoln and Guba, 2000).

4.9.3.2 Purposive Sampling

Unlike random sampling, naturalistic research aims to capitalize on information that can be attained from and about the situation by deliberately selecting locations and participants that are different (Lincoln and Guba, 2000).

4.9.4 Dependability

This is the same as reliability in quantitative research which shows that in a case where the same research methods were used with different participants within the same industry, the findings would be repeated (Lincoln and Guba, 2000).

4.9.5 Confirmability

Confirmability seeks to eliminate bias. This is ensure that the findings are results from the data collected and not the bias of the researcher. Lincoln and Guba (2000) suggested that six classes of raw data needed to be reviewed to ensure confirmability.

- Raw Data – Recorded interviews, written field notes
- Data Reduction and Analysis – Write up of field notes and images confirming visual diaries
- Data Reconstruction – Themes that were developed and findings
- Process Notes – Trustworthiness notes
- Material Relating to Intentions and Dispositions – Personal notes and inquiries to the participants
- Instrument and Development Information – Pilots, forms and schedules

The researcher ensured that the study was trustworthy by incorporating correct operational measures for the concepts being studied.

4.10 Data Collection

In order to answer the research question the researcher used qualitative design using multiple methods. This design was useful in ensuring that all the information was attained in detail. This helped to investigate and get a concise understanding of the study being investigated. The researcher used standardised measuring instruments collated into online-depth interviews, in-depth interviews, field notes and visual diaries format (see Table 4.2). The participants were interviewed individually. The interviews lasted about 45 minutes to an hour both within the online and offline environments. The interviews were tape-recorded and transcribed for future reference and legitimacy purposes. The researcher listened to the recordings and wrote them down to ensure that the recorded data was reliable and viable. The use of all these multiple methods was to capitalize on the benefits of each method.

Table 4.2: Data Collection Methods

Research Phase	Data Source	Size/Quantity
Stage 1	Visual Diaries	4 participants each to take 10 pictures.
	Personal Interviews	10 face-to-face interviews will be conducted.
Stage 2	Field Notes	These will be taken at the Elite Durban Plant.
	Online Interviews	3 Online Interviews will be conducted.

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Source: Researcher, 2014

According to (Patton 1990 - cited in Dye et al, 2000:169), "the qualitative analyst's effort at uncovering patterns, themes and categories is a creative process that requires making carefully considered judgements about what is really significant and meaningful data." In other words, it lies on the researcher's shoulders to determine what information gathered through qualitative research can be described as 'interesting' as opposed to what information is 'necessary' in the investigation.

The first step of this study will be a review of literature related to the challenges of being landlocked. After this, interview questions will be drawn up and dates will be set with the participants for the actual interviews, dates for field notes and collection of visual diaries. This will be done once ethical clearance has been granted by the ethics committee of UKZN.

4.11 Data Analysis

Data analysis is the process of providing a detailed description and interpretation of the data that was collected. The type of analysis selected for this qualitative study was 'content analysis.' According to Smith (1992:4) content analysis assesses the characteristics or experiences of persons, social groups or historical periods. Gorman and Clayton (2005:213) describe content analysis as "classifying textual material by reducing it to more relevant and manageable bits of data".

The tape recording will be converted to CD format and the researcher will be able to access all the important factors raised by the semi structured questions that will be used in the interview. Visual diaries will be printed (pictures taken by camera) and will be kept for future reference. Themes will be identified which occur throughout all the interviews and these popular themes will then be discussed in detail in the following chapter. The direct responses from the individual participants will be used as quotes in the research findings chapter.

4.12 Ethical Considerations

Every research that is conducted must be reviewed on ethical grounds. The purpose of ethics is to make sure the research process and the research itself are morally acceptable. To ensure that the study is ethical, the proposal will be sent to UKZN's ethical clearance committee. The research will have to wait for clearance before continuing to collect data. Part of the ethical clearance procedure requires the researcher to have every participant that is being interviewed to sign consent from clearly stating that their participation in this study is entirely voluntary and that they have the right to withdraw from the study when they see fit. This consent document will also be used to inform the participants that their involvement in the study is entirely confidential. Pseudonyms will be utilized to secure the participants of the confidentially clause. A conscious effort was made to ensure that none of the recorded data was misinterpreted in any way to make the research findings seem more dramatic or appealing to any viewers of this research. This was done by recording the collected data as is and understood by the researcher. In support of ethical considerations the handling of the recorded data is restricted to the researcher and the supervisor.

4.13 Informed Consent

All the participants in the research study were freely consented to participation. A formal-written request was sent to all participants, explaining to them what participation entails, and reassuring them that declining would not affect any services they receive.

4.14 Elimination of Bias

In qualitative research, bias occurs naturally and it will be avoided by all means in this research be ensuring that all responses are recorded accordingly. In order to eliminate bias, this study ensured that the research participants' responses were respected in order to observe the ultimate principles of ethics. All the ethical factors were taken into consideration by ensuring that everything was written down according to what was recorded and not leaning towards personal opinions.

4.15 Ensuring no Harm to Participants

Measures were taken to ensure that there was no harm to the participants to the interview during and after the study. Personal responses and opinions were recorded and this did not implicate the participants in any way whatsoever. This was done in order to ensure that all sides are given a fair consideration in order to ensure fair balance between objectivity and subjectivity, through a correct application of the sampling method for this research.

4.16 Ensuring Confidentiality and Anonymity

Measures were taken to protect the identities of the participants. The identities of the participants were protected at all times and no information would be left un-protected. The participants were informed that their participation is anonymous and their response results would not be shared with the readers as a group response as opposed to individual responses.

4.17 Ensuring that Permission was obtained

For this particular research, the permission for voluntary participation in the interviews was obtained with a view of ensuring that the research is conducted in accordance with the

organisational guidelines. Gatekeepers' letters from Safmarine and Elite were attained as well as informed consent forms.

4.18 Conclusion

The main aim of the research was to identify the challenges that come with being landlocked. The main focus of this chapter was on the research design and methodology techniques that were used for data collection during the research process. The context of the case study company was discussed in line with the case study research; one cannot make generalizations about the challenges in one country to be the same overall as the dynamics and reasons for differ. Furthermore, the researcher has tried to reduce subjectivity and bias, but that is difficult to not experience. The study adopted a qualitative method of analysing data by using multiple methods as a means of data collection. This was done in order to add substantial and sufficient information to back the study.

The following chapter looks at the analysis and presentation of findings of the primary data which was obtained through methods of research.

Chapter Five - Data Analysis and Presentation of Results

5.1 Introduction

There is vast secondary data, however not an adequate amount of it is published and available to researchers. The multiple methods used to collect data in this study may be used as substantiation in the future. The information gathered during the course of this study maybe private and classified to other organisations and might not be accessible to external researchers (Cooper and Schindler, 2003:153). The purpose of using multiple methods was to search for information from the actual sources with people that are experienced within the area being researched. The interviews were conducted with people that are knowledgeable and are involved with supply chain. The interviews were used to see if the participants are all in consensus that there are challenges in transporting retail goods into a landlocked country.

The semi – structured interviews were all conducted in different places. Some interviews were conducted in Harare Zimbabwe and the other interviews were conducted at Elite Global Logistics Offices in Durban, and Elite Line Haul Offices in Johannesburg. As all participants were not based in one central location, this sanctioned that some interviews be personal face to face interviews and others be online interviews. Not all participants were available for interviews at the requested time, therefore telephonic interviews were conducted in order to lodge those that were not available at the time. These interviews were conducted between October 2014 and June 2015.

The data collected was mainly focused on the elements surrounding transporting retail goods into Zimbabwe. The participants of this research study were all individuals that have expertise and knowledge of the subject studied. The interview questions were sent out to the participants prior the actual interviews. The responses were written down during the interview some were recorded transcribed by listening to the interviews post recording them and noting down the essential information.

5.2 Presentation

The objectives of the multiple methods of research were to confirm the following:

- To find out if indeed coastal countries are more advantaged compared to landlocked countries

- To understand how retail goods are transported into Zimbabwe, the transport systems, procedures, transit times and the regulations involved.
- To identify the channels and corridors that are used by Zimbabwe
- To determine the challenges involved in transporting retail goods into Zimbabwe
- To understand how the companies selected for the study are involved in the transportation of the cargo.

The collection of data was done with the assistance of the participants' knowledge of the area being analysed and their ability to access that information.

5.3 Description of Participants

"The shipping of goods on its own is a hefty job. It entails countless procedures and requires knowledge on how to do it." Interviewee 1 stated that importing goods from countries like China, Japan, Dubai and the United Kingdom has a collection of requirements and costs. Zimbabwe's dependency on neighbouring countries to deliver its' merchandise is an additional challenge to the already existing challenges in the supply chain process. Interviewee 1 is mainly involved in the shipping process of cargo from overseas.

Interviewee 2 stated that the biggest challenge in transporting cargo is freight forwarding. The cost, time and amount of procedures and regulations involved in freight forwarding is tedious. It is however minimal as the structures are now changing and things are now being more capital intensive on the South African side. This is not the case when you get to the Zimbabwean borders however. The processes become more tedious as you get closer to the delivery destination as almost everything is labour intensive. The Zimbabwean border is a difficult place as the levels of corruption and bribery are the only way one can easily and swiftly move cargo across without delay.

To fully understand the operations of the movement of cargo, one has to witness the processes according to Interviewee 3. They stated that as much as credit is given to the South African ports in terms of organisation, there are so many back door activities that happen and result in a failed system. In essence transporting goods to any country or place far from the port has so many challenges but if systems were regulated were followed throughout the continent, challenges would be minimal. Interviewee 3 also believes that the South African roads and rail

are experiencing high volumes of haulage on a day. Therefore the cost of transportation will only get higher to accommodate high usage of these roads and rail systems.

Interviewee 4 leaned towards the issue of poor infrastructure in Zimbabwe. If the same standard of roads, rail systems were to be implemented in Zimbabwe, some of the challenges would be eradicated. There are so many discrepancies that hinder the smooth flow of transporting goods from South Africa to Zimbabwe. The issue of narrow roads from Bietbridge border post, lack of road lights and few locomotives when it comes to rail transport. The other issue that inflates costs when transporting goods is the issue of policemen in the roads. There unsurmountable road blocks in Zimbabwe and the only way to avoid delay is to pay them, which is bribery.

It is very obvious that landlocked countries experience more challenges when it comes to the transportation of retail goods from a second country. All the taxes, duty, tariffs that are paid are all related to the fact these goods had to pass another country to enter another. South Africa receives its cargo and is cleared the same day. Delivery is mainly dependant on how busy the port is but in terms of all the other regulations and costs they are not included. Interviewee 5 was in agreement that coastal countries suffer less compared to landlocked countries in so many regards.

Interviewee 6 was mostly concerned with the transit times from the point of ordering to point of delivery. With running a business and consumers having certain demands and expectations it is difficult to constantly explain the issues of delays. It would have been easier if Zimbabwe did not depend on neighbouring countries because the extra number of days it takes is what costs most businesses in Zimbabwe.

The issue of roads is the major drawback when it comes to transporting goods into Zimbabwe according to Interviewee 7. The roads in Zimbabwe make is difficult to travel smoothly. At the same time the issue of border delays, extra costs that are paid to the policemen in Zimbabwe that stop you for no apparent reason, then ZIMRA officials that accuse of transporting cargo that is not regulated in Zimbabwe and then once you pay them they change the statement altogether make it difficult to transport goods to Zimbabwe. The system is so corrupt and the border is not safe. There have been cases of theft that have occurred and there is also the issue of accidents. The job entails long hours of driving and there is no guarantee that you will make it to the delivery destination whether you are experienced or not.

Interviewee 8 disputed most of the allegations that are related to the Zimbabwe Revenue Association. They stated that sometimes drivers and agents come with insufficient

documentation and this results in a hold until all the requirements are met. Some of these individuals have specific officials that they go to so they can be allowed to cross the border without all the documentation. This then creates a flawed system altogether. The political situation is major contributor to the inconsistent system. Most of the delays are not related to customs hold up, but there are cases where individuals are trying to escape the requirements and this definitely creates delays. In some instances, it's the haulage trucks that are not properly registered and these cannot be allowed to cross the border.

Automobiles are a different industry altogether so there is never an issue of delay or inconvenience in that case according to Interviewee 9. The industry is so flooded in Zimbabwe that there are ample option in so many places around the capital. Interviewee 9 stated that in the automobile industry customers come to view what they already want to buy. It is different from specific car showrooms where consumers are after the brand. In Zimbabwe, Japanese cars are popular because of the low costs and whether or not prices are fluctuated due to shipping costs, there is still a market for them.

It is more expensive to transport high value goods according to Interviewee 10. One needs to be operating on a large scale to benefit from the economies of scale but that is not the case if you are a small business. Electronic goods require specialised containerisation that warrant their safe arrival. They have to be packed in a specific way and transported with caution. Other than issues of taxes and duty, having to pay that extra money for the exact same shipment from the Durban Port to Zimbabwe poses as a challenge.

Interviewee 11 stated that with special cargo like chemicals, there is more documentation and procedures required therefore delays are actually the norm. Transporting special cargo attracts a lot of attention. The involvement of South African maritime services and special agents just to check whether these chemicals are in compliance with South African regulations is a challenge because had Zimbabwe had their own port none of these procedures would take place.

The biggest challenge Zimbabwe faces is the issue of inefficient rail systems according to Interviewee 12. Grain products that come into Zimbabwe are transported from the port by Transnet (rail services). On the Zimbabwean side, a train can take up to 8 days until it gets back to the border to collect shipment as Transnet does not transport goods into Zimbabwe. Zimbabwe has to use its own locomotives.

The last respondent, Interviewee 13 stated that when it comes to purchasing cars from Japan, there is no way one cannot bribe officials by the border. There are cases where people escape paying duty and trucks are offloaded prior their arrival at the Zimbabwean border. Now with such a failed system what guarantee do you have that all the required procedures will take place at any given time? If small areas like managing and controlling the operation of haulage trucks is failed then there is no way any other system will operate efficiently. The challenges are not only in the costs, accessibility to the port, they are in the irregularities of the systems. If these were managed well, most of the challenges would be minimal.

5.4 Thematic Analysis

The data analysis process started once the raw data was transformed from recorded audio to transcribed data. Data reduction began with reading the recorded data.

The interpretation of results have been presented according to themes. These themes were identified from the data and were established as follows: (a) major retail goods being imported into Zimbabwe (b) the challenges of transporting retail goods into Zimbabwe, (c) the procedures, laws and regulations that restrict the flow of imported goods, (d) Different Infrastructure battles, (e) Different Cargo, Different Challenges, (f) Noticeable challenges that can be avoided. The development of themes elaborated by the participants in this research study showed their knowledge on the subject of supply chain and the challenges involved when transporting goods into Zimbabwe. The presentation of data below shows the thoughts as voiced by the participants and are the key outcomes that materialised in accordance to the themes. They are presented in the order of when the imported merchandise arrives at the port to the time they reach the point of delivery to show exactly the stages involved according to the participants'.

5.5 Presentation of Data

The pages that follow show the opinions, thoughts and experiences as stated by the participants and the finding that resulted in line with the themes.

5.5.1 Major Retail Goods Imported into Zimbabwe

After the economic collapse in Zimbabwe in 2008, the country faced serious complications in every regard. The biggest challenge was accessing major commodities, basic and otherwise. The country experienced serious turmoil and this then forced the majority of the population to try all avenues in order to make a means of living. As it stands presently, most of the individuals in Zimbabwe are entrepreneurs as they could not rely on the government (Interviewee 2, 2014).

The biggest contributing factor towards Zimbabwe importing a lot of products overseas is because of the lack of these products within the country. There is limited production in the country as present therefore clothing and footwear have to be imported from different countries. Most of the foreign shops closed down after the sanctions that were imposed on the country. Zimbabweans are a diverse people and they like being exposed to different products from the world and clothing and footwear are one of the biggest imports into the country presently (Interviewee 6, 2014).

According to interviewee 13 and Interviewee 9 Japanese cars are the current trend in Zimbabwe. Almost every car being driven in Zimbabwe was imported from Japan. This business has grown over the years and these cars are one of the most imported retail goods in Zimbabwe. South African manufactured automobiles are expensive to purchase therefore buying second hand vehicles from Japan is regarded as a much cheaper option.

Interviewee 12 and Interviewee 3 stated that the need for basic commodities in Zimbabwe was once the major import. When food stuffs were now becoming easily accessible and Zimbabwe once again started producing only a few food products like rice continued to be imported. Zimbabwe imports rice from China as they have developed a relationship – “the look east policy”.

Zimbabwe did not have any stores that sold electronic goods like televisions, refrigerators, and kitchenware like most established countries do in stores like Samsung and LG. The self-developed entrepreneurs manipulated the gap and started importing electronic goods into the

country. Over the years demand has increased as the population has started to be exposed. (Interviewee 10, 2014).

5.5.2 The Challenges of Transporting Retail Goods into Zimbabwe

Transporting goods comes with different challenges, however there are added challenges when it comes to transporting goods into a landlocked country (Faye et al., 2004:33). Although so a lot of changes have been implemented over the years, it is still difficult to a flawless system that manages the supply chain process without any hindrances. The retail goods that are related to this study are, clothing, electronic goods (i.e. flat screen televisions, cell phones, refrigerators and kitchenware to mention a few), rice, motor vehicles and water chemicals.

5.5.2.1 Handling of Cargo

According to interviewee 1, the shipping of cargo is normally handled by the shipping company based in the country of purchase. Safmarine has offices worldwide and their primary core business is shipment. Unfortunately from the time cargo is being packed into containers, to the time it arrives at the port, most of the handling is done by the ship carrying the cargo and the freight forwarders. Therefore as shipping agents' cargo handling is not part of the company's responsibility.

"Cargo handling is important especially for high end goods like electronics" (Interviewee 10, 2014). The bill of laden might state that when the goods were packed and shipped were in good state but upon arrival it might be a different story. There is always no guarantee that goods like electronics will arrive in the state that they were loaded and shipped in according to interviewee 10. This poses as a challenge and loss for business owners because should these goods arrive in a different state there is nothing to sell.

Sometimes there are unforeseen circumstances like accidents that can occur and this not does not necessarily mean that cargo was not handled properly (Interviewee 7, 2014). In most cases such instances cause the whole container to lose the value of its contents. This costs the company transporting the goods and the consignee a lot of money as the whole shipment is lost.

In agreement with interviewee 7, was interviewee 3 who stated that sometimes cargo handling is difficult especially when customs want to investigate the contents of the container. The packing and unpacking of fragile goods is very delicate and problematic and requires special handling. During such a phase, anything can happen that can cause the breakage of such merchandise. So sometimes it is not the issue of improper cargo handling but the regulations that make it difficult to ensure that the cargo is still in the same state it was delivered in. It is much easier to handle cargo like clothing materials and merchandise that is not fragile as it does not require special attention.

5.5.2.2 Transit times and Delays

In most cases, delays are the norm and inevitable when it comes to forwarding freight. Customs officials have to check that everything is in order in terms of documentation. Sometimes when cargo is queried the delay takes longer as certain verifications have to be made (Interviewee 2, 2014). The issue of delays also depends on what is being transported, normal and frequent commodities do not take as much time as these are cleared more quickly and do not entail a lot of paperwork and validation.

Interviewee 11 however had a different take on both transit times and delays. They stated that due to the complexity of the product being transported, the process is longer. South African regulations have a hold on chemicals that enter the country and at certain times these have to be tested to check if they are in compliance with the country's regulations. These checks are also done to verify whether or not the chemicals that are entering the country are indeed the ones stated. Such complexities could take up to weeks and such delays have serious consequences as water chemicals are of paramount importance in Zimbabwe regarding the water situation (Interviewee 11, 2014).

In addition to delays, there is also the issue of transit times when it comes to transporting chemicals. Once they get clearance at the port they also have to be cleared at the Zimbabwean border. Chemicals are inflammable and to ensure their delivery cautious transportation is required and to ensure this, taking time on the road is of the essence. A lot of money is put into the purchase of these chemicals as they service the whole country. Therefore since this is a challenge, it had to be seen that orders are made in bulk to accommodate these challenges (Interviewee 11, 2014).

Interviewee 4 stated that transit times depend on the modes of transport being used. In a case where the consignee decides which modes to use depending on the cost transit times can be more or less. In a case where air is used, it is quicker as opposed to using rail but all these options come at a cost. Obviously transit times have an impact on lead times especially for manufacturing companies or companies that intend on selling the products being shipped. The challenge lies in waiting for goods to be moved to the port, that on its own is disadvantage because that extra distance that has to be covered comes with many elements that can affect the delivery time (Interviewee 2, 2014).

Interviewee 4 and Interviewee 5 agreed that transit times pose as a major challenge. However, Interviewee 5 (2014) stated that it is a bigger problem is the client imposing pressure because they do not understand the complexities that come within the supply chain process. They do not understand that delays and transit times are inevitable.

5.5.2.3 Theft and Hijacking

In some cases you find that during customs checking, some items are stolen. Theft is mainly common at the Zimbabwean border because of the time that is taken by the ZIMRA officials to clear the goods. Sometimes you are informed that the goods are prohibited to enter and they confiscate them and in most cases for their personal use. At certain instances, the charges one has to incur are ridiculous and constantly having to negotiate is tiring so if there fails to be an agreement ZIMRA will hold those goods until you can pay for them (Interviewee 5, 2014).

“Being a manager and not being in control of certain things on the road or during the transportation process is difficult because there are some circumstances that you have no control over. Over the past year, the biggest challenge that Elite Line Haul experienced was the issue of drivers selling some of the merchandise within the containers. We only then receive complaints from the consignee complaining that they did not receive all of their goods” (Interviewee 4, 2014).

Interviewee 7 however felt differently about the issue of theft and their responsibility in the issue as said by interviewee 4. They stated that there are issues of hijacking that occur on the road. “Over the years that I have been with Safmarine, I was once stopped in South Africa near Musina. Not being aware of what was happening I got out of the truck so I could understand the situation only to feel a gun behind my back and I was given the directive to open the container so they could empty it.” It is not always the case that hijacking occurs but these things happen on the road with goods in transit and sole responsibility cannot always fall on the driver (Interviewee 7, 2014).

Theft is always worrying challenge as it results in major setbacks and losses. What becomes the most frustrating issue is that as a consignee you are always given the option of paying insurance thinking that will warrant the safety of your merchandise but it does not make a difference because in most cases it does not cover the losses you incurred (Interviewee 10, 2014).

5.5.3 Costs of Transporting Retail Goods into Zimbabwe

The most common challenge when it comes to transporting goods are the shipment costs. There are extra costs involved because of the extra distance that has to be travelled from the port to the country of delivery.

5.5.3.1 Transport Costs

Interviewee 3 stated that a lot of money was spent on the transportation of goods into different countries. The cost also increased depending on the mode of transport chosen. In most cases, cargo being shipped to Zimbabwe is mostly transported by road using haulage trucks. There is also the option of multimodal means where rail can be used from South Africa to the Beitbridge border post and then the goods are transferred to haulage trucks into Zimbabwe due to the issue of slow rail service in Zimbabwe. The South African roads are heavily burdened presently and on average 38% of the haulage trucks a day are transporting cargo to Zimbabwe (Interviewee 3 and Interviewee 4, 2014).

Transport costs are inevitable and this is where importers actually realise the challenges of being a landlocked country. Had Zimbabwe been a coastal country transport costs would have been minimal since transportation would only have to be charged from the port. The extra 1 680km from the port to Harare for instance is the biggest cost that importers have to incur (Interviewee 4, 2014).

In order to reduce lead times and ensure that stocks are always available, sometimes the choice of the mode of transport has to be expensive. Transporting goods by air is the fastest and yet the most expensive. Due to the current market in Zimbabwe, meeting demand is very important. You will have to incur the cost to have a successful business operation. After the economic downfall in Zimbabwe everyone was forced to be an entrepreneur, but its' those that go the extra mile to ensure the availability of goods are available that succeed. So whether or not costs are a challenge, as a business owner you have to incur those costs in order to survive (Interviewee 10, 2014).

The government of Zimbabwe does not have a choice as this cost falls part of the country's budget. Zimbabwe does not have the capability and resources to manufacture chemicals locally therefore it has to be transported into the country from different countries. The biggest challenge with transport cost is having to change haulage companies when seeking more reliable ones'. Over the years the water supply authority has had to change transporters because of inefficiency. This costs large amounts of money and has repercussions on the service delivery (Interviewee 11, 2014).

Interviewee 6 also agreed with interviewee 10 adding that when it comes to retail goods, one does not have an option. Transport costs are inevitable and it comes with the territory of firstly being an importer and a business owner. Had the port been at Zimbabwe's disposal as stated by Interviewee 4, transport costs would have been minimal (Interviewee 6, 2014).

Interviewee 5 however stated that depending on the agreement between the seller and buyer transporting costs are not always hefty. The buyer has the option of either selecting several options for transportation. Free On Board (FOB) is favourable for buyers as the seller has the obligation to deliver the merchandise at a place for transfer to a carrier. However with high end goods some buyers will feel the need to incur all the costs to ensure proper handling of the goods. In such a case the buyer incurs the cost, insurance and freight (CIF), the seller is only liable for the carriage of goods by sea to a desired port of destination by the buyer (Interviewee

5, 2014). Invariably so, buyers are not knowledgeable about some of these options available to them so that is why freight forwarders are important.

5.5.3.2 Taxes, Tariffs and Duty

According to Interviewee 8, ZIMRA has standard laws that specify how taxes, tariffs and duty are paid in all aspects dealing with customs and importing into Zimbabwe. Interviewee 8 narrated and supplied information from the ZIMRA documentation.

Customs Duty is charged on imported goods in terms of the Customs and Excise Act of Zimbabwe [Chapter 23:02] whilst Excise Duty is charged on goods that are manufactured locally, some goods that are imported under the "Trade Agreements" and other specified goods in terms of the same Act. The rates of Customs and Excise Duties can be found in the customs tariff, which is in book form of a constitutional apparatus (ZIMRA, 2014).

The applicable rates of duty depend of the category of goods. The ZIMRA official website provides a search function to inquire on the duty rates. The following information looks at all the different retail goods that were selected for this study:

5.5.3.2.1 Commercial Importations

5.5.3.2.1.1 Calculation of Duty

Duty is always calculated on the basis of cost, insurance and freight (CIF) value of the imported goods. The CIF value of these imported goods is an aggregate of the cost of goods, insurance, freight and any other charges incurred outside Zimbabwe (ZIMRA, 2014). This is applicable to motor vehicles, electronic goods, rice and clothing.

When goods are imported within the SADC region, COMESA or any state which Zimbabwe has a trade agreement with, favoured rates of duty apply only if the rightful certificates are provided (ZIMRA, 2014).

Duty for Passenger Motor Vehicles is different however. Refer to Appendix 1.

5.5.3.2.2 Goods Imported by Organisations

5.5.3.2.2.1 Calculation of Duty

Duty for goods imported by organisations is calculated also based on the Cost, Insurance, and Freight (CIF) value of the goods imported (ZIMRA, 2014).

5.5.3.3 Bribes and Corruption

Interviewee 5 and Interviewee 2 stated that bribing is the fashion at the Beitbridge border post. For one to ensure the quick clearance of goods by the border you will have to bribe someone by the border. It is not always the case but in most instances you will always have to pay an insider within ZIMRA.

Interviewee 11 mentioned that it is quite unfortunate that organisations now have to incorporate such expenses within their budgets. The corrupt system has caused so many inconveniences especially when it comes to additional costs. Being landlocked is a problem on its own and now human error adds more. It makes it very difficult to even value your goods. For government organisations it becomes easy because it states that it is a 'state purchase' so in that case they will withdraw bribery and corruption with the fear that this might cause problems in the future (Interviewee 11, 2014).

"Corruption does not only end by the border" (Interviewee 7, 2014). It starts at the port, through the border and as you drive towards the delivery destination. This is because the authorities just make it simply difficult at times and they genuinely inform us that they are looking for money. However the corruption is worse on the Zimbabwean side as there are roadblocks everywhere. On average from Beitbridge to Harare, one might encounter 7 road blocks of which one will have to pay the policemen because they will accuse of you a different crime from one roadblock to another (Interviewee 7, 2014).

5.5.3.4 Accidents and Unforeseen Circumstances

Interviewee 7 stated that sometimes the extra costs comes from unforeseen circumstances like accidents. Being on the road makes it inevitable for one to encounter delays due to certain unforeseen circumstances accidents. There is no guarantee that these will not occur on the road

or a driver will not be involved in one. Fortunately when working within this line of work, transporting organisations are well vexed about these situations. From the office manager to the security that checks the trucks, everyone acknowledges that being on the road comes with risks. It does not necessarily mean that the consignees are receptive towards the bad situations but the management teams tries to inform of the way forward.

According to (Interviewee 3, 2014) when accidents occur or goods are damaged by fire or other unforeseen circumstances the insurance covers excess. It is not always bad news for the consignee, but in most cases they would have preferred to have received their goods without any complications as these circumstances result in more costs.

Interviewee 13 stated that from experience they had to become more understanding towards situations regarding accidents as they lost their goods to accident.

5.5.4 The Clearance Procedures, Laws, Regulations and Documentation Requirements

For retail goods to cross the border, other than paying duty there are certain laws, procedures, regulations and documents that they have to comply with. The information below was summarised by Interviewee 8 and Interviewee 3 as they work within the areas regarding Custom Laws in Zimbabwe and South Africa.

5.5.4.1 South African Port Procedures

Freight that is going to be delivered by road from Durban to Zimbabwe must be covered by a Customs Bond and therefore a copy of the Bill of Lading, Commercial Invoice and Packing List must be submitted to South African Revenue Services (SARS). However there are no requirements for the submission for documents for cargo being transported by rail as rail cargo is directly transported from the port and delivered to the final destination.

5.5.4.1.1 Customs Requirements

5.5.4.1.1.1 Documentation

Ocean Bill of Lading:

- Must be copy of the original
- Vessel and Voyage number
- Port of Load
- Ocean Bill of Lading number
- Container number
- Seal Number/s (including seals fixed at location
- Container type
- Net and gross weight of cargo
- Number of Packages
- Description of Cargo
- Shipped on board Data

Table 5.1: Commercial Invoice and Packing List

CHEMICALS (Some commodities can be challenging as they are high risk in South Africa. Therefore cargo like chemicals have compulsory requirements and these are:	**CLOTHING**	**MOTOR VEHICLES** (Cars, Trucks, Motorcycles)	**FOOD** (Milk, plant products – dried products/ rice/ flour etc)	**FOOTWEAR**
• Commodity technical name (branded names not accepted) • Description of end use e.g. pesticides, fertilizer and animal feed • International Harmonised Customs tariff to be provided • Packing list.	• New or Used – Must be stated per item type • New – Per items type: quantity and Net weight • Used: Net Weight • Net weight per item type • Description e.g. male/female garments, underwear/outwear, hosiery, skirts • New garments must state the type and composition of fabric • Certificate of Origin	• Make • Model • Year of Manufacture • Engine Number • Cubic Capacity of Engine • Petrol or Diesel Driven • Classification (grams per km) • Chassis Number • Passenger carrying Capacity • Colour, Weight • New or Used • Fully Built or Knocked down • Value • If landed on own wheels L * W * H dimensions required	• Phyto – sanitary certificate required in most cases for plant products.	• Full description/ composition (men's/women's/children's) of upper and outside soles e.g rubber, leather, synthetic etc • New Shoes: Number of Pairs • Used Shoes: Net Weight • Packing List

Source: ZIMRA, 2014

Interviewee 3 added that when it comes to the importation of motor vehicles, engine and chassis numbers appear on the Bill of Lading as well as the commercial invoice. However if these are not available then the Vehicle Identification Number (V.I.N) is to be provided.

5.5.4.2 Zimbabwean Border Procedures

The list below will refer to the retail goods selected for this study

5.5.4.2.1 Documentation

Documentation Required when Clearing Commercial Importations

- Bill of Entry (Form 21)
- Supplier's Invoice
- Export or Transit Bill of Entry from the Country of Export (where applicable)
- Bill of Lading (where applicable)
- Value Declaration Forms
- Rail Advice Note
- Port Charges Invoices (where applicable)
- Agent/Importer's Worksheet
- Original Permits, Licences, Duty Free Certificates, Rebate Letters, Value Rulings (where applicable)

5.5.4.2.2 Clearance Procedure

Clearance is done by a registered clearing agent. Interviewee 5 stated that the following procedure is what is in compliance with ZIMRA:

- A Bill of Entry (form 21) is registered with Burco or on DTI for those agents with facility
- Two sets of documents must be submitted and clearly marked "ZIMRA Copies" and "Importer's" or "Exporter's Copies".
- All supporting documents must be attached
- A clearance fee (prescribed amount) is paid to Burco) currently the minimum is USD$6, 00 for a one line entry and USD$1, 00 on each addition

- The documents should then be submitted through the Cash Office together with the payment of duty due.

Payments are made either by cash deposits into the ZIMRA accounts, or cash payments at the cash office or through the bank (Interviewee 8, Interviewee 5 and Interviewee 2, 2014).

Interviewee 2 then further stated that this process is what causes most delays as the border is always busy and sometimes the ZIMRA officials are just difficult. However Interviewee 8 opposed this and stated that should all these documents be available then there are no restrictions that prohibit a fast clearing of these goods. Interviewee 5 stated that in some cases, clients are not knowledgeable of all the procedures as there are new clients all the time. Having to explain that there is an additional cost of a certain amount could result in a delay as they want to verify these.

5.5.4.2.2.1 Documentation Required when Clearing Goods Imported by Organisations

The same documentation and procedures required for commercial importations apply for goods imported by organisations (Interviewee 8, 2014).

5.5.5 Different Infrastructure Battles

Interviewee 7 mentioned that differences in infrastructure layouts between South Africa and Zimbabwe is a challenge when it comes to transporting goods. They stated that the bad road maintenance in Zimbabwe makes it difficult to transport goods. The narrow roads from Beitbridge into Zimbabwe are very difficult to travel on. On a busy day where there are many haulage trucks crossing over delays are inevitable because it is important to ensure the safety of those on the road. Travelling from the Durban port to Beitbridge is a different story altogether as the South African roads are very smooth and allow the ease of travel.

The fact that Zimbabwe has a poor rail system is also another challenge when it comes to transporting goods into Zimbabwe. Transet (South African Rail System) cannot cross the border due to poor rail networks in Zimbabwe. Therefore that is yet another hold because NRZ has a few locomotives and these take days to return to an initial destination. This makes rail a lesser favourable option when it comes to transporting retail goods. Zimbabwean importers have chosen however the option of multimodal means by using the South African rail system and road transport from the Beitbridge border post onwards (Interviewee 2, 2014).

Interviewee 12 mentioned that due to the nature of the food products that is being transported, rail is more preferable. They mentioned that rice comes in ample amounts and from the Durban port, it is loaded into specific trains. Interviewee 12 has made a plea with the Zimbabwean to at least the frequency of the rail system in Zimbabwe. This will make is easier to transport products of such nature.

Interviewee 3 stated that since they subcontract their haulage trucks, it is entirely up to the company to either agree or disagree to go on a certain route. The Zimbabwe route is the busiest and makes a lot of revenue therefore whether or not there are major differences in infrastructure they will not forgo business just because of a few potholes in Zimbabwe.

The fact that chemicals are hazardous and require different containerisation the issue of infrastructure is not much of an issue. Interviewee 11 stated that it requires an individual that is always on the route to acknowledge the major differences. They mentioned that they did not regard it as a drawback since most of their cargo arrives. Interviewee 11 felt that if the roads were so bad then no cargo would arrive to the delivery destination. “They are not the best of roads, but I have not heard issues regarding delivery failure due to poor roads” (Interviewee 11, 2014).

Interviewee 4 stated that the introduction of E-Tolls in South Africa are more of a bigger challenge than the narrow roads in Zimbabwe. There are some aspects that only apply on either side of the border and incorporating all these elements is quite a difficult job. Having to comply with different regulations is a big challenge as you always have to be in the know of how things operate on either side.

5.5.6 Different Cargo, Different Challenges

All cargo is different and the challenges also differ depending on cargo type. When clearing clothing and footwear, the requirements are quite minimal. They also become easier as one gets used to clearing a number of imported goods. Electronic goods however are a different story. There is a lot of documentation involved and it makes the clearing a lengthy procedure. Clearing agents are tasked to deal with these procedures but it does not make it any easier because different cargo comes with its own challenges (Interviewee 5, 2014).

The clearing of motor vehicles is difficult in the sense that there can only be a limited number that can enter the country depending on the truck carrying the motor vehicles. As most cars entering into Zimbabwe come from Japan, the vehicle trucks can only carry so many per load.

Unfortunately, this is the case everywhere. It would not have been any different had the cars been imported from United States of America or Brazil. The same principles will apply as long as they are travelling by road (Interviewee 9, 2014).

Interviewee 10 and Interviewee 13 mentioned that fleet size was also a contributing factor to the challenges you face when transporting retail goods into Zimbabwe. The bigger the cargo, the more one has to pay and the more documents you need. It would have been easier according to Interviewee 10 if there were no restrictions to size and there were challenges in crossing the cargo over. That way goods for resale would be easier to sell in Zimbabwe. Unlike clothing, electronic goods are standard, new products are introduced after a certain period of time so that gives one time to sell while they wait to the next new productions.

Interviewee 2 agreed with Interviewee 5, adding further to their statement stating that due to the incompetency's and corrupt systems that govern the laws of importation at the Zimbabwean border all cargo comes with different hurdles. In a perfect world where certain things were handled with uniformity there would not be difficulties whether it is materials coming in or footwear. As long as the cargo that is coming in has all the requirements everything else should not be difficult.

5.5.7 Noticeable Challenges that can be avoided or improved

Interviewee 1, Interviewee 2 and Interviewee 9 all agreed that the biggest challenges came from the corrupt system within Zimbabwe. If that had to be regulated through government intervention then most of the challenges would be minimal. Obviously procedure and protocol need to be followed on either end of the supply chain but there are some loopholes within the line. Unfortunately most of the changes that can be implemented to ensure that the supply chain is free of corruption have to be government enforced. Without that importers will continue facing the current and more challenges in the future.

Interviewee 13 stated that most of these challenges were inevitable and there is no way of avoiding them. They added that it came with the territory. "For a cycle to be complete, one has to go through all the stages and unfortunately, regardless of how difficult the challenges of transporting goods into a landlocked country are, they have to be encountered.

Since South Africa and Zimbabwe both fall under SADC and COMESA, effort should be put into ensuring that proper rail systems and roads are developed throughout Zimbabwe's main roads (Interviewee 4, 2014). This will help improve the movement of cargo and eliminate unnecessary delays. Interviewee 3 also added that there should be a centralised system that records all the information of cargo coming into a country. Eliminating all the extra people within the chain makes the process easier and much more efficient.

Interviewee 5 disagreed however with Interviewee 3 stating that the amount of cargo that comes in on a daily basis is bounteous. Eliminating the current system and creating a new one will complicate things as people are still finding it difficult to understand the status quo. The only thing that can curb these challenges is to create one centralised system for all the countries using one corridor so that there are no double stops i.e. Durban Port and then Beitbridge Border Post. It would be ideal to just have one post that clears and deals with all the procedures then all the cargo can be on the way.

The biggest challenge that cannot be escaped are costs. Whether or not there are major improvement in all the sectors of the supply chain process, incurring costs is unavoidable. Interviewee 6, Interviewee 10 and Interviewee 12 both were in agreement that all the challenges all go back to the central focus which is costs. One has to incur costs to purchase, clear at the port, at the border and to transport. If those costs would have been minimal then the biggest challenge would be resolved.

5.5.8 Visual Diaries

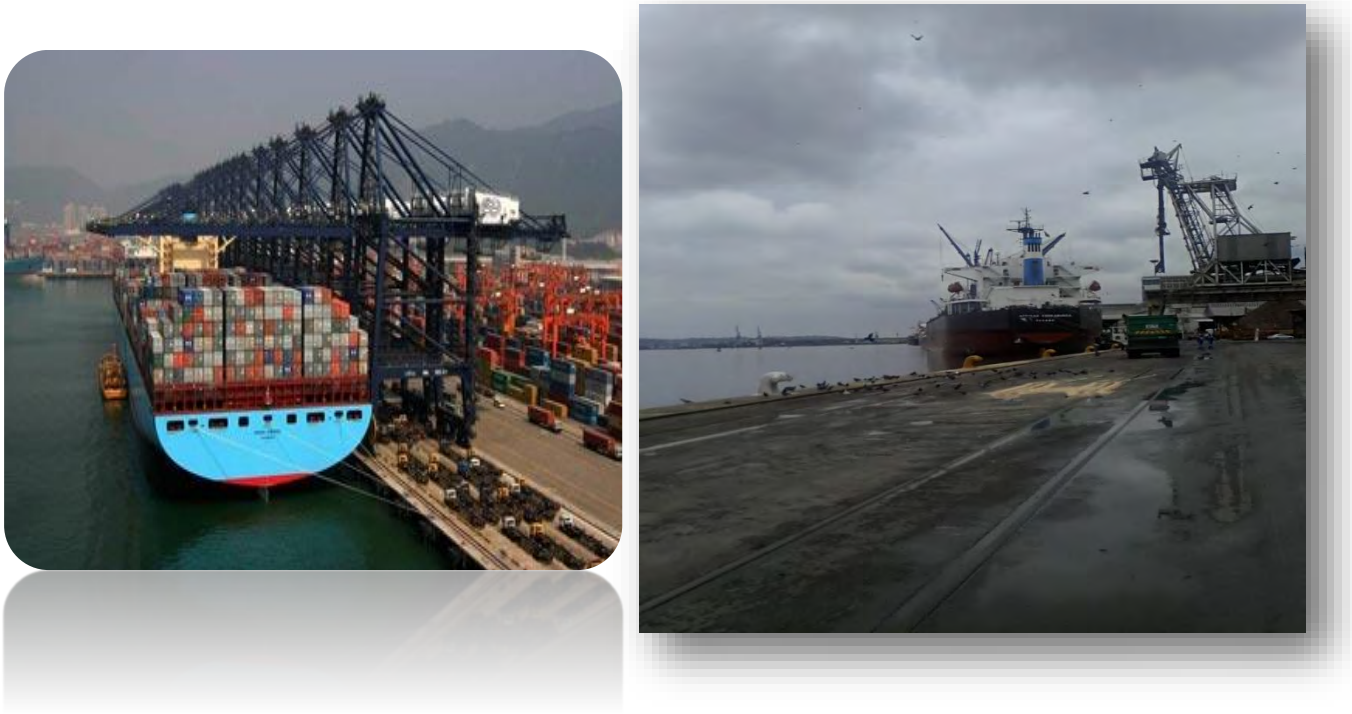
The visual diaries presented below were all taken by different participants that took part in this research. These participants agreed and were tasked to take this visual diaries as these images are a reflection of what occurs in their line of work. The researcher however managed to take visual diaries at the Durban port under the supervision of one of the participants as entry is restricted.

Figure 5.1: Goods Packed from Country of Purchase

Source: Interviewee 5, 2014

One of the major challenges that Zimbabwe faces as a landlocked country is the limitation in terms of quantity. Containers have specific sizes and using the biggest size 40' high cube container, goods up to 33 000kg of merchandise can be transported. These containers are specifically loaded with the goods to be shipped and there are different containers for different goods. The above image is a reflection of how goods are packed and prepared for shipping from the country of purchase.

Figure 5.2: Shipping and Ship Docking



Source: Interviewee 5, 2014

The first Image shows the shipping process. Most of the respondent in this study buy retail goods from China, Dubai and Japan. The biggest challenge with shipping is that the consignee does not have any control of this process. Accidents are also inevitable when goods are being shipped. The biggest challenge is the wait. Shipping goods from China can take a minimum of up to 15 days also depending on the time. During busy seasons like Christmas it takes long as there is a lot of traffic on the waters. Therefore added to the issue of delays and waiting is also the issue of having to wait for the shipment to arrive.

However, after the number of days specified by the shipping company, the ship arrives at the Durban port as seen on the second image. The ships docks and it is given a limited time to clear off all the containers it is carrying or else they are charged demurrages. These costs are charged to the shipping line. Interviewee 3 stated that sometimes due to bad weather conditions there will be delays. The container lifters will be burdened if there are strong winds and this might result in either the machine breaking or the container dropping.

Figure 5.3: Offloading Cargo and Customs Procedures

Source: Interviewee 3, 2014 and Researcher, 2014

Offloading cargo from the ship onto the haulage truck is not much of a big task (Interviewee 4 and Interviewee 5, 2014). There are automated machines that carry out this task. However the biggest challenge is dealing with customs clearance. This could be the reason for delays and certain hold ups especially when the cargo is going to be thoroughly examined. The other

problem with dealing with customs is the issue of numbers. There is so much cargo coming in using the Durban – Beitbridge – Harare corridor. This is the main and busiest corridor as other ports tend to be much further (Interviewee 5, 2014).

Figure 5.4: Loading Containers onto Trains or Haulage Trucks

Source: Researcher, 2014

Once having completed all the requirements with customs and all goods are cleared the transport companies assigned to transport goods over the border then come to collect the containers. In a case where the goods are being transported by rail, there is a train depot where containers are placed on the locomotive. Once the train has been fully loaded then it can then convey the cargo from the port. Transporting using haulage trucks however is a slower process

as a haulage truck can carry a maximum of two 20 tonne containers. So should a consignee have more than two containers then several trips will have to be made (Interviewee 7, 2014).

Figure 5.5: Beitbridge Border Post

Source: Interviewee 7, 2014

Once cargo is on the road from Durban it will pass several weigh bridges, toll gates and e-tolls. All of these are extra expenses especially if they do not comply with the regulations of weight restrictions. The next stop is the Beitbridge border post where the driver or the clearing agent has to get the cargo cleared yet again by a ZIMRA official. The cargo is checked again and all the dues have to be paid before they can cross the border. All the regulations that have been mentioned above have to be met for the goods to carry on towards the point of delivery (Interviewee 8, 2014).

Delivery and Warehousing

Depending on the agreement between transporting company and consignees, containers are offloaded at the delivery destination. The role of the transporting company as a third party between the transactions is to ensure that the goods are delivered to the consignee. However for big commercial organisations that buy in bulk, sometimes these containers have to be held in storage until needed. In some cases offloading of the contents within the container is done at the transport company for security reasons (Interviewee 1, 2014).

Figure 5.6: Delivery and Warehousing

Source: Interviewee 7, 2014

5.5.9 Field Notes

Field notes were taken at the Durban port under the supervision of an authorised superior who explained the procedures that occur at the port. The notes that were taken will be summarised below in point form.

- Not every individual is allowed into the Durban port. Entry is allowed only if you have permission to enter and if you have any business that you will be conducting within the port. Individuals that enter the port need a pair of safety boots, a helmet and a reflector jacket. This is done for safety reasons.as Transnet will not be held liable for trespasser negligence.
- There are certain restricted areas that are only accessible to truck haulage drivers, clearing agents and customs officials. This is done to ensure that the rightful people handle cargo and ensure that procedures are observed.
- There were several individuals that had been at the port for three consecutive days that were declined to collect their cargo to Zimbabwe due to the fact that the cargo did not comply with South African regulations.
- Most of the transporting companies are subcontracted by the freight forwarding companies.
- There are designated depots for cargo going to different places and areas. This makes is easy for the flow of cargo going out of the harbour.
- Transnet has adopted a new computerised system that is now engaging all the ships and cargo information coming into the port. This was apparently supposed to make the times spent at the harbour minimal but it has caused serious delays.
- There were a lot of stationary empty trucks at the port. Port managers explained that this is because of containers will be held after customs inspections and this will result in a hold Therefore trucks would rather be stationed within and wait until everything is sorted.
- A lot of time was taken from the time a container was cleared by customs to the time the haulage truck departed.
- Most of the customs payments are not done within the port but outside at the SARS office.

5.6 Conclusion

The purpose of this chapter was to present the data collected from the multiple methods used for data collections. Data was collected using personal and online interviews, field notes and visual diaries. Data from the personal interviews was transcribed and written down. All the information from the interviews was all put together by using themes so that it follows a certain flow.

The following chapter explores the analysis and interpretation of data. The findings from the results will be discussed and elaborated to establish whether the objectives of the study were achieved.

Chapter Six - Discussion of Results

6.1 Introduction

This chapter expounds on the relations between some of the results and the literature, revisits the objectives of the study and shows whether or not the objectives were achieved from the data findings. In order to address these aspects in full this chapter is divided into two sections. The first section discusses the interpretation of data in order to show how the findings helped answer the research question. In addition to the discussion of the results, the findings from the literature and its relation to the results from the study.

6.2 Interpretation of Data

The objectives of this study were to:

- To understand how and why coastal countries are more advantaged as compared to landlocked countries.
- To investigate which retail goods are mainly imported and transported into Zimbabwe and why?
- To examine how retail goods are transported into Zimbabwe; the transport systems, procedure, time taken to transport and the legislation involved.
- To identify the channels and corridors Zimbabwe has to depend upon to receive its imported merchandise.
- To analyse the risks and encounters involved in transporting goods up to the Zimbabwean borders and the ultimate destinations.
- To understand the dynamics of related time frames, logistical complications from point of order to point of delivery and the effect these have on buyers.
- To investigate how transporting container lines move goods to Zimbabwe and the involvement of Safmarine Elite Global Logistics and Elite haul lines as major third party players in the Supply Chain process.

The important outcomes of the multiple methods of data collection conducted regarding the challenges of transporting retail goods into a landlocked country were the following:

- Some of the challenges that landlocked countries encounter are inevitable, they come with the territory of transporting and importing goods into a country without a coast (Interviewee 1, 2014), (Interviewee 2, 2014), (Interviewee 3, 2014), (Interviewee 4, 2014) and (Interviewee 5, 2014).
- Due to the economic situations in Zimbabwe there are specific products that began to be majorly imported into the country. These products were enforced by the lack of production in Zimbabwe and the closure of most foreign franchises. These retail goods include electronic goods, clothing, footwear, Japanese manufactured automobiles and rice (All participants, 2014).
- Shipping from different countries has different shipment times. These are some of the challenges that are inevitable when it comes to transporting into landlocked countries (Interviewee 3, 2014) and (Interviewee 4, 2014).
- The biggest challenge comes from dealing with the required regulations and procedures at either the port or at the Bietbridge border post. The problem is that regulations are not always consistent and they differ from time to time. If these systems and procedures were to be regulated then some of the challenges would be minimal (Interviewee 4, 2014), (Interviewee 5, 2014) and (Interviewee 8, 2014).
- Again, according to all the participants, different cargo comes with different challenges. Imported automobiles for instance have more required documentation and different calculation of duty as opposed to grain products like rice (Interviewee 13, 2014). This then implicates automobile importers as they have to incur extra cost and more added challenges.
- Interviewee 11 (2014), Interviewee 10 (2014), Interviewee 9 (2014), Interviewee 6 (2014) stated that there were extra costs that could be avoided only if cargo was handled well. Cargo handling is important and ensuring that goods are delivered in the state they were bought in eliminates a lot of extra costs.
- However there are certain unforeseen circumstances that occur during the shipping, loading, offloading, transporting process like accidents, bad weather conditions and negligence. It is difficult to always be under the assumption the transportation process will be flawless. Situations differ every time during the supply chain process.
- Retail goods into Zimbabwe are mainly transported by road and rail. However due to the poor rail system in Zimbabwe and the unavailability or several locomotives, road

transport is more favourable. The bad road conditions in Zimbabwe also make transporting goods difficult as the roads are narrower and poorly maintained.

- The most common route that Zimbabwe uses to receive its cargo from different parts of the world is the Durban – Beitbridge route. This route became favourable as it covers a shorter distance from the port.
- There are numerous risks involved when transporting goods to their ultimate destinations. According to interviewee 7 (2014), there are issues of theft, hijacking and piracy that can occur during the transportation process. There is also the issue of accidents, there is no guarantee that the journey will be errorless and the goods will arrive at the ultimate destinations without any hindrances. It is unfortunate that these risks cannot be predicted and be communicated in advance, it is a matter of just ensuring that the best is done until the goods are delivered.
- Transit times are the biggest challenge when it comes to transporting goods into a landlocked country. Cargo can take up to at least a minimum of 25 days for them to reach their ultimate destination. This affects buyers mainly if they are running a business that entirely depends on replenishing stock frequently. Buyers cannot rely on the exact dates they have been given as they differ from time to time depending on the occurrences of transporting process.
- Interviewee 6 (2014), Interviewee 9 (2014), Interviewee 10 (2014), Interviewee 11 (2014), Interviewee 12 (2014 and Interviewee 13 (2014) all stated that the procedures, laws and regulations that govern the transportation of goods into a country through another country are numerous. These regulations start from the port up to the border post and they have to comply with them to allow the release and transportation of these goods. The biggest challenge is that the procedures that require payments change at certain intervals especially at the Beitbridge border post. This is because officials are bribed to ensure the quick release of cargo so they can be transported as soon as possible.
- Safmarine NV Container Lines, Elite Line Haul and Elite Global Logistics all play an important role as they transport the cargo from the port to the ultimate destinations. The transporting companies are assigned by the buyers as third party logistics in the supply chain process. They have to ensure that the cargo is transported and delivered to the consignee. Safmarine NV Container Lines is a shipping company and they subcontract the haulage trucks. Therefore their sole importance is ensuring that the goods land at

the Durban port. Elite Line Haul and Elite Global logistics unlike Safmarine NV Container Lines are major transporting companies. All these companies are well-known in Zimbabwe and they are the most used transporting companies in the country (Interviewee 1, 2014), (Interviewee 4, 2014) and (Interviewee 3, 2014).

- Some of the challenges that are noticeable can be avoided through a more efficiently run system. All the participants stated that bribery and corruption were some of the extra unnecessary costs that had to be incurred.

From the research that was conducted, it shows similar results with the main concern being that the challenges of transporting goods into a landlocked country are inevitable. However according to the research findings, there is a reflection that some of these noticeable challenges can be avoided or be minimal if there is proper supervision, regulated systems and government intervention.

The visual diaries and field notes clearly indicate the processes that are involved in the transporting of cargo from the port. They illustrate all the elements involved from the port to the point of delivery. The challenges that buyers in Zimbabwe encounter and as recipients of cargo in a landlocked country are highlighted through the extra mileage that haulage trucks have to travel from the port to the point of delivery. In a case where Zimbabwe was a coastal country, there was not going to be a need of depending on another country as passage route to receive their imported cargo.

In addition to the extra distance that has to be travelled the problem of having to deal with many elements such as South African Customs, Tax for using the Durban port (Port Charges) and South African toll gates is yet another challenge on the cost factor. If Zimbabwean buyers only had to incur charges based on their actual cargo, the costs would have been far less. South Africa has certain regulations about certain goods that enter their country. Zimbabwe might not have any laws prohibiting certain goods entering the country but South Africa might have restrictions. This then poses as a challenge as they goods have to be confiscated.

From the results gathered one can conclude that indeed Zimbabwe is disadvantaged as a landlocked country.

The dependency factor might be inevitable due to the geological structure of Zimbabwe, but, if government from both the South African and Zimbabwean side could ensure that systems are regulated to allow uniformity some of the challenges would be minimal. The poor

infrastructure in Zimbabwe is also a contributing factor and buyers also lean on the government to at least upgrade or maintain the road and rail system. Corruption, bribery and negligence are also challenges that are imposed on buyers that require serious scrutiny.

6.3 Findings from the Literature Review

The purpose of this descriptive study was to understand the challenges that landlocked countries encounter when they transport retail goods. The study central focus was based on understanding the benefits of being a coastal country in comparison to a landlocked country. The research was done under several companies and individuals who experience the actual environment.

Previous studies have shown the challenges of landlocked countries in general, elaborated on the laws that hinder these countries the freewill of accessing the world market. These studies have also studied landlocked countries as a cluster and not individually. Since this study focuses on one specific country, Zimbabwe, the studies that have been conducted show that landlocked countries do face challenges however they differ from country to country. Countries that are further from coastal countries encounter more challenges and the challenges are not the same as those encountered by Zimbabwean buyers.

Other researchers have not gone to explore the certain goods that are imported into landlocked countries and there is a generalisation on that aspect. Cargo that is transported is different and with different cargo comes different challenges. This study highlighted specific retail goods that are transported into Zimbabwe and the specific transporting companies that are used to transport these goods. This helped to analyse whether the challenges were only encountered by certain buyers or it was every buyer's problem.

There are various literatures that support the study and show explain the disadvantages of being a landlocked country. Most if not all the literature mainly focuses on certain areas as highlighted above. However, not much research has been done primarily based on the challenges of transporting retail goods into a landlocked country, focusing on Zimbabwe.

Following the objectives of the study, the following was supported by the literature:

- There are standard procedures like customs clearance, tariffs that landlocked countries have to experience regardless of what the circumstances maybe. These are laws were placed in order to create control on what enters the country. The issue of state security is important and therefore some challenges that might be hindrances to Zimbabwean importers are placed to secure the state of another country.
- Landlocked countries have a dependency on the passage country they have to enter in order to receive their goods. They use these corridors depending on the agreements they have with the route country.
- The retail goods that are being majorly imported into Zimbabwe were because of the sanctions that were imposed on Zimbabwe and the lack of production in Zimbabwe. The economic meltdown in Zimbabwe resulted in every other indigenous to become an entrepreneur. Due to the gap in many markets, importing these retail goods from different countries became the biggest business in Zimbabwe
- There has been serious decline in the levels of infrastructure in Zimbabwe, the road system is poorly maintained with many potholes and there are a few locomotives. Some of the challenges of transporting retail goods come from the poor infrastructure standards in Zimbabwe. The road network in Zimbabwe is very poor and government has been planning for years to upgrade and maintain it.
- Multimodal transport is a common means of transporting goods into Zimbabwe. It starts from the shipping vessel, to the haulage trucks or the train. This is very common in Zimbabwe as this becomes a cheaper option than using one mean from the port.

Other sources of literature were used in order to understand the challenges of being a landlocked country. The multiple methods that were structured were the means used to collect data. The preliminary phase of the research study was to discover categorised and external literature to apprehend the challenges of transporting retail goods into Zimbabwe.

In order to get information from the rightful people who are knowledgeable and have experience in supply chain, structured interviews, visual diaries and field notes had to be used as a means of data collection. Several interviews were conducted with people that are knowledgeable in the supply chain field to determine the processes and procedures that occur during the transportation of goods into Zimbabwe. These structured interviews were conducted October 2014 to June 2015 in Zimbabwe and South Africa with the different participants.

The challenges of transporting goods into a landlocked are seen through the journey of transporting these goods from the port until the delivery destination. These challenges always occur during the course of the transporting process and this is a clear indication that landlocked countries are more disadvantages compared to maritime countries (Interviewee 4, 2014).

Landlocked countries have no territorial access to the seas, limited border crossings and transit dependence create the biggest challenges for landlocked countries (Faye et al, 2004:34). All the interviewee participants stated that if Zimbabwe had a coast it was going to be fairly easier to trade with other countries without any transit dependence.

Due to their remoteness, landlocked countries are dependent on neighbouring transit countries for their external trade and suffer from high trade transaction costs. Huge transport costs, inadequate infrastructure and bottlenecks connected with importation and exportation requirements can have major drawbacks to becoming part of the global economy, prejudicing export effectiveness or attracting Foreign Direct Investment (FDI) (Global Facilitation Partnership for Transportation and Trade (GFP), 2006). Most of the participants agreed that transport costs are one of the biggest challenges that landlocked countries have to incur and they are costly because of the extra distance that has to be covered from the port to the ultimate delivery destination.

Although being landlocked is a challenge it is not a destiny. There are useful solutions to many of the difficulties faced by landlocked countries ranging across comprehensive approaches to transit corridors (ATPC 2010). Some of the challenges that landlocked countries encounter are inevitable. However this does not mean that these challenges will always remain that way. With government intervention and assistance, some of the challenges can be reduced to a minimal. There are always new policies that are being implemented to create more favourable transporting systems for landlocked countries.

6.4 Conclusion

This chapter was presenting the discussion of result from the data findings. The aim of this chapter was to show whether the objectives of the study were achieved. It also showed if the literature that was presented supported the findings from study. The following and final chapter presents the conclusion and future recommendations.

Chapter Seven - Conclusion and Recommendations

7.1 Introduction

This chapter clarifies whether the research problem was answered. The aim of this study was to compare between coastal countries and landlocked countries and understand why coastal countries are more advantaged as opposed to coastal countries. This chapter further addresses the limitations of this study and proposes the recommendations for future and further research as this is a valuable study.

7.2 Discussion of the Study

This aim of this study was to gain an understanding on the challenges of transporting retail goods into Zimbabwe. Before summarising the results of the study it is important to come back to the research question positioned for this study. The research question was "Do landlocked countries encounter more transporting challenges in accessing world market merchandise in comparison to maritime countries." The results of this were achieved by conducting interviews with people that are knowledgeable about the supply chain processes, visual diaries and field notes. From the findings of the research study, the objectives were achieved as the results reflected the following:

- While some of the challenges of being landlocked are inevitable, some of them can be avoided.
- There are different challenges, procedures and documentation for different cargo
- There are certain procedures and regulations that have to be met during the transportation process
- There are certain costs that have to be paid during the supply chain process like transport cots, tariffs, duty and tax.
- There are however certain challenges that can be avoided like costs incurred to bribe officials and extra costs due to negligence.
- There are certain unforeseen circumstances that can occur during the supply chain process like road accidents and bad weather conditions.

As the literature and this research prove, being a landlocked country poses as a disadvantage compared to countries with maritime access (Faye et al., 2004:35).

7.3 Study Limitations

This study only examined the opinions of 13 participants from different areas of expertise. While the number of semi-structured interviews give enough information, it does not give a broad view of the larger population. 3 third party logistics companies, 6 importers, 1 clearing agent, 1 freight forwarder, and 1 ZIMRA official and 1 driver do not represent the diversity that is found in the supply chain field, nor do they represent the experiences of others within the same situations.

Due to the restrictions imposed in some of the areas of research, visual diaries could only be captured by the individuals within the field. This does not give a personal account on how things operate in all the areas captured. There could have been other areas that explored had the researcher had done the visual diaries. People sometimes capture what is appealing to them, what they deem relevant or what they are simply tasked to do.

Due to the fact that there was company involvement some of the information could not be obtained it was confidential. The information obtained had to be limited to what the company was allowed to expose. This limits on the depth of the responses given from the interviews.

In addition, the research was being conducted in two separate countries with people that are constantly on the move. Information could only be obtained at a time suitable for the respondent. This was another limitation as sometimes the interviews had to be done partly and rescheduled for another time or the responses would be sent via email or online interviews.

Lastly, participants could have projected themselves differently in order to protect themselves. It is possible that some participants may have responded in a manner that protected their job or image. It is also possible that some of the participants might have been bribed before, might have bribed officials, stolen or have been negligent but did not lead the researcher to believe so. Therefore so that they do not implicate themselves or their position, they responded differently from the actual experiences.

7.4 Recommendations

From the research findings of this study, the subsequent recommendations are realistic and useful contributions towards minimising the challenges that Zimbabwean importers encounter.

7.4.1 Creating Uniformity

As seen from the results, there are instances where some of the compulsory obligations are omitted. This then creates a flawed system. Uniformity should be applied from the beginning to the end where the cargo is delivered to the buyer. Certain principles cannot apply on a certain day and then change the following.

7.4.2 Government intervention

So much can be done by the individual buyers that import goods from across the world. Ideally, most of these challenges have to be relayed to the government so they can find solutions to the existing problems. Issues like corruption need government to create monitoring systems that govern exactly what transpires at all the stages during the supply chain processes.

7.4.3 Upgrading to reliable systems

All the procedures at the Beitbridge border post are done manually. At the South African Durban port a new system was created that is not working efficiently as it has resulted in more severe delays. The implementation of a new system that consolidates all the information that is required at the port and at the Beitbridge border post would be ideal to minimise the times spent at these depots. As transit times are one of the biggest challenges, why not create a reliable system that documents and highlights that all the required procedures have been complied with then cargo can be transported without having to go through the same process twice.

7.4.4 Maintaining the Road and Rail Systems

Since Zimbabwean cargo is mainly transported by either road or rail, it is important to ensure that these systems are always maintained and upgraded to eliminate issues of transit delays. The Zimbabwean government has been receiving funding from China and it should be one of the country's objectives to ensure that transport systems are in good condition. This minimises some of the challenges that buyers encounter when buying goods from across the world.

7.5 Future Research

Landlocked countries encounter challenges when it comes to accessing world markets. Whether it is through transport cost, port delays accidents and procedures all these hinder the landlocked countries from freely buying merchandise from different parts of the world. But what exactly is government doing to assist landlocked countries? In order to understand fully what governments are doing to curb these challenges it would be beneficial to know if there are any plans in place to assist these situations. The goal of this study was to examine the challenges landlocked Zimbabwe encounters when importing goods from overseas countries. While some participants mentioned that the government needs to upgrade and maintain roads and rail systems in Zimbabwe, finding out what the governments are doing to minimise these challenges would provide insight that could help prospective and current buyers.

Retail goods are very important in Zimbabwe and after the economic turmoil in the country buying and selling became every citizen's core business. Research into all the other merchandise other than electronic goods, automobiles, rice, water chemicals and clothing would add valuable information in future. These are not the only goods that are imported into Zimbabwe, there are many more and it would be helpful if future research looks at other general and retail goods.

This study mainly focused on Zimbabwe as the country of study. It focused on the challenges that Zimbabwe and Zimbabwean importers experience. Future research should also look at all

the other landlocked countries in Africa and compare to see if the challenges are the same or they differ from country to country, port to port or certain goods.

7.6. Conclusion

The purpose of this study was to understand the challenges of transporting retail goods into landlocked Zimbabwe. The objectives of the study were achieved by initially studying existing literature that supports the topic. The research methodology that was adopted was appropriate for the study as it required participants knowledgeable about the supply chain field, visual diaries to prove that these situations are existent and field notes to justify the evidence from the participants. The findings validate the study; that landlocked countries encounter more challenges when it comes to accessing world markets compared to maritime countries. There are also recommendations that were suggested that could be implemented to curb the challenges that landlocked countries encounter.

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Appendices

Appendix I

Interview Questions

Questionnaire for the Small Buyer (clothing)

- I believe that you appointed Safmarine/Elite for undertaking your shipping and clearing for automobiles that ship from Japan, is that true?
- How long have you been in business (the one where you have to import) for?
- Why did you choose to go into this business?
- How did you find out about Safmarine/Elite?
- What influenced you most to appoint/choose Safmarine/elite to handle your shipments?
- How regular do you have shipments come in from Japan or any other place?
- What are the advantages of using Safmarine/Elite?
- Why did you choose Japan and was that choice influenced by anything related to cost and the time it takes to receive the goods in time for your re-sale/customers?
- What challenges do you face in importing goods/cars from Japan?
- Would the challenges be different if you were importing from somewhere lets, say, Germany or china?
- Do you think these challenges that you mention could be improved?
- Who do you think needs to take the first steps to make those improvements?
- What sort of volume, if i may ask, in terms of orders, do you bring through Elite/Safmarine each month/year
- Would this volume be different if the challenges were less than those you expressed?
- Knowing these challenges, have you ever thought of moving your business to a country where you don't have to deal with clearing goods though Beitbridge?
- Do these challenges make you a better importer than those in South Africa or Mozambique and Malawi, or indeed any country with coastlines?
- May I ask what period it takes for an order to arrive here with you from the time you place the order?
- Can you give me an example of the longest it has taken for an order to arrive here from the date you place the order to the date it is in your full control (to sell or keep)?

- Can you give me an example of the shortest it has taken for an order to arrive here from the date you place the order to the date it is in your full control (to sell or keep)?
- Why did the shortest delivery take a short time?
- Why did the longest delivery take so long?
- Are any of the systems, procedures that are in place on both the South African side and the Zimbabwean side costly to your business?
- How do these systems, procedures and regulations affect your business (positively and negatively)?
- How do these systems, procedures and regulations affect your relationship with your shipping agents?
- Among all these procedures, systems and regulations, which one(s) do you find most hindering to your business?
- Do you see things changing in the near or long term future?
- How?
- From all the discussions we had, what would like to see most urgently changed if it was possible?
- Do these challenges become easier with time and experience?
- How?
- Were you aware of the challenges that we discussed when you went into this business?
- At what point do you decide to go and collect goods from Dubai for yourself?

Questions for Chemical, Rice, Car and Electronic Goods Buyers

- I believe you have to import chemicals for the treatment of water?
- How difficult is it to import them?
- How do they come into the country from the time you place the order?
- Do you use any shipping agents to move your orders and who are the shipping agents if i may ask?
- What challenges do they say they face to bring in your goods/orders?
- Would the goods arrive earlier if Zimbabwe did not have to rely on the South African coast/ports to receive consignments?
- What are the hurdles you face in importing these chemicals?
- Do they require special handling in comparison to, for example, cars and heavy machinery?
- Of the hurdles that you face, which mostly affect your needs to receive the products on time?
- Have you ever had to stop water treatment due to a delay of an order to arrive?
- What do you say about the procedures, processes and regulations that govern the importation of goods into Zimbabwe, particularly those that you need for water treatment or, to put it in general, to run your operations smoothly?
- Is it a consensus among buyers of different products that the import procedures and the regulations that put them in place could do with some changes?
- What specific changes would you like to see implemented?
- Do you think the same company as yours in South Africa has less to deal with in terms of importing the same product?

Questions for the Haulage Driver

- How long have you been a driver taking loads through the borders for?
- Of those years, how many have you been doing cross-border errands via Beitbridge customs?
- What do you find most difficult or frustrating bringing goods through he border into Zimbabwe?
- Are these difficulties the same all the time or are there times when they are better?
- Why does it become different?
- Do you also carry loads TO South Africa FROM Zimbabwe?
- Are there any differences when you take loads from Zimbabwe and when you take loads from South Africa when you go through customs?
- Why do you think there are those differences?
- Do you think the procedures, rules, and processes that you have to go through to take a load through are necessary?
- How many loads do you take through each week?
- Do the people in the office know that this is what you go through all the time when bring a load?
- What do they say about it?
- Do you think they feel the same pressure in the office?
- What makes you say so?
- How often do people in the office come to the border to see what you have to go through to pass with a load?
- Has anyone in the office ever taken the journey with you from where you pick up until you off-load?
- Do you think some of these procedures should change?
- Which ones do you think should change?

Questions for Elite Line Haul Branch Manager Johannesburg/Safmarine Director and Elite Global Logistics Manager

- Elite Line Haul has been in business for several years now, how long have you been with them?
- In those years you have been with them, have you always been on the clearing side?
- Most buyers tell me that it is quite a challenge importing goods, what is your say on that?
- Among those challenges, which one(s) do you consider the most challenging of them all?
- Do you feel that if Zimbabwe had a coastline it would be easier to import what you import?
- How easier?
- Do you think customs procedures could improve at the border and here in Harare to secure your imports?
- What sort of relationships do you have with your clients (the different buyers)?
- Do they understand what you have to do in terms of documentation processes and the time it takes for each set of documentation to be completed and what determines the completion of those documents?
- You are based in a town where haulage trucks on a daily basis to deliver goods to Zimbabwe and most action takes place at the port, how is the communication between your office here and the Durban office?
- How in touch are you with the drivers that drive the haulage trucks between Zimbabwe, Johannesburg and the Port?
- Where else do they deliver apart from Harare and Bulawayo
- Are the drivers from Zimbabwe or South Africa or both?
- Do the haulage trucks belong to Elite Line Haul or you sub-contract?
- Does it make a difference if the haulage trucks were owned by and run by Elite Line Haul and if they were from contractors?
- Does the control and tracking differ when it is a contractor's haulage trucking moving the goods?
- What do you think of the road infrastructure with relevance to your line of business to deliver goods to clients?
- How much, if at all, do you get involved in making policy for how road infrastructure is managed?

- How difficult is it to make your clients or the government understand what challenges you face in the process of moving goods for ultimate delivery?
- Do they understand?
- Do they understand that there are controls and regulations required as standard by the world trade organisation and that tariffs with which they import goods should be according to the general agreement on tariffs and trade?
- Do you run any workshops or seminars in conjunction with the Zimbabwe trade and commerce to educate buyers on the changes that take place within the area of movement of goods, especially imports coming from abroad through bordering countries?
- With all procedures that you explain, what do you think is the most challenging one in the process of moving goods into this landlocked country?
- Do you think it would be easier if Zimbabwe didn't have to rely on South Africa's and Mozambique's ports to bring in goods from abroad?
- How do the drivers cope with these regulations and procedures?
- Of the drivers that you know, how long has the longest serving served and do they say why they are able to tolerate such stringent controls for so long?

Questions for ZIMRA Official

- Being a ZIMRA official what does your job entail?
- What are the biggest challenges you face regarding your job?
- What government controlled regulations make your job difficult?
- Do you deal with specific merchandise or deal with any?
- What merchandise take longer to process and why?
- Do you think that the delays that occur in some instances are because of you?
- If yes, why?
- Please explain a normal procedure for clearing a car from UK, South Africa into Zimbabwe?
- How does this differ from clearing clothing, materials, chemical or any other imported products?
- Compared to the South African side, do you think your job is more difficult compared to theirs as SARS officials? If yes, why?

Appendix ii

Informed Consent Form

UNIVERSITY OF KWAZULU-NATAL
School of Management, IT and Governance

Dear Respondent,

M Com Research Project

Researcher: Thabani T. Sithole (+27 79 568 6334)

Supervisor: Dr. M.A. Phiri (+27 33 260 5843)

Research Office: Ms P Ximba 031 2603587

I, **Thabani Tembani Sithole** am an**MCom** student in the **School of Management, IT and Governance**, at the University of KwaZulu-Natal. You are invited to participate in a research project entitled: **The Challenges of Transporting Retail Goods into a Landlocked Country: The Case of Importing into Zimbabwe**.

The aim of this study is to: *recognize the extent and scope of the challenges that landlocked countries encounter from ordering retail goods to the point of delivery.*

Through your participation I hope to understand how and why coastal countries are more advantaged compared to landlocked countries and to investigate the procedures and regulations that landlocked countries have to comply with from point of order to delivery. The results of this survey are intended to contribute to individuals, small businesses and companies that intend on trading.

Your participation in this project is voluntary. You may refuse to participate or withdraw from the project at any time with no negative consequence. There will be no monetary gain from participating in this research project. Confidentiality and anonymity of records identifying you as a participant will be maintained by the School of Management, IT and Governance, UKZN.

If you have any questions or concerns about participating in this study, please contact me or my supervisor at the numbers listed above.

It should take you about 30 minutes/s to complete the interviews. I hope you will take the time to complete the interview.

Sincerely

Investigator's signature_____ Date_____

This page is to be retained by participant

UNIVERSITY OF KWAZULU-NATAL
School of Management, IT and Governance

M Com Research Project

Researcher: Thabani T. Sithole (+27 79 568 6334)
Supervisor: Dr. M.A. Phiri (+27 33 260 5843)
Research Office: Ms P Ximba 031 260 3587

CONSENT

I_____(full names of participant) hereby confirm that I understand the contents of this document and the nature of the research project, and I consent to participating in the research project. I understand that I am at liberty to withdraw from the project at any time, should I so desire.

I consent/do not consent to having this interview audio-recorded. *Please delete whichever is NOT applicable.*

_____ _____

Signature of Participant Date

This page is to be retained by researcher

Appendix iii

Ethical Clearance

UNIVERSITY OF KWAZULU-NATAL
INYUVESI YAKWAZULU-NATALI

13 October 2014

Ms Thabani Tembani Sithole 207513538
School of Management, IT and Governance
Pietermaritzburg Campus

Protocol reference number: HSS/1300/014M
Project title: Challenges of Transporting Retail Goods Into A Landlocked Country: The Case of Importing Into Zimbabwe

Dear Ms Sithole

Expedited Approval

In response to your application dated 09 October 2014, the Humanities & Social Sciences Research Ethics Committee has considered the abovementioned application and the protocol have been granted **FULL APPROVAL.**

Any alteration/s to the approved research protocol i.e. Questionnaire/Interview Schedule, Informed Consent Form, Title of the Project, Location of the Study, Research Approach and Methods must be reviewed and approved through the amendment/modification prior to its implementation. In case you have further queries, please quote the above reference number.

Please note: Research data should be securely stored in the discipline/department for a period of 5 years.

The ethical clearance certificate is only valid for a period of 3 years from the date of issue. Thereafter Recertification must be applied for on an annual basis.

I take this opportunity of wishing you everything of the best with your study.

Yours faithfully

.....
Dr Shenuka Singh (Chair)

/px

cc Supervisor: Dr MA Phiri
cc Academic Leader Research: Professor B McArthur
cc School Administrator: Ms D Cunynghame

Humanities & Social Sciences Research Ethics Committee
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Appendix iv

Duty calculations for Passenger Motor Vehicles

The duty to be paid on importation of motor vehicles into Zimbabwe is based on the Cost, Insurance and Freight (CIF) value plus other incidental charges and expenses incurred in the purchase of the vehicle and its subsequent transportation up to the first point of entry into Zimbabwe. This CIF value and the other charges constitute what is known as the Value for Duty Purposes (VDP). Such other charges include, inter alia, and where applicable:

• Port handling charges, e.g. at Durban Port, Walvis Bay, Beira, Dar es Salaam;

• Storage charges; and

• Any other special handling fees, if not already included in the CIF Value. The charges that are levied are Customs duty, Surtax and Value Added Tax (VAT). 25% Surtax is only charged on passenger type motor vehicles that are more than five (5) years old at the time of importation. Please note that both Customs duty and Surtax (where applicable) are calculated on the Value for Duty Purposes (VDP). VAT of 15 % is calculated on the total of VDP plus the calculated Customs duty payable. This value is known as the Value for Tax Purposes (VTP).

The table below shows the rates of customs duty for the different classes of private motor vehicles.

Type of Private Motor Vehicle	Customs Duty Rate
Passenger motor vehicle	40%
Double Cabs	60%
Single Cabs & Panel vans of a Payload exceeding 800kg but not exceeding 1400kg	40%

Below is a table showing examples of how to calculate duty payable on the most commonly imported private motor vehicle types using arbitrary CIF values.

**NB: All values are in US$

Year of Manufacture/ Type of Vehicle	**Engine Capacity/ Payload**	**CIF Value**	**Other Charges $**	**VDP $**	**Duty $**	**Surtax $**	**VTP $**	**VAT $**	**Total amount Payable $**
2012 Sedan/Station Wagon	1495cc	6 000	-	6 000	@40% = 2 400	-	8 400	@15% = 1 260	3 660
2005 Sedan/Station Wagon	1495cc	4 000	1 200	5 200	@40% = 2 080	@25% = 1 300	7 280	@15% = 1 092	4 472
2001 Sedan Station Wagon	1800cc	5 000	900	5 900	@40% = 2 360	@25% = 1 475	8 260	@15% = 1 239	5 074
2011 Sedan/Station Wagon	3000cc	10 000	600	10 600	@40% = 4 240	-	14 840	@15% = 1 239	6 466
2004 Pick-up truck	Payload of up to 900kg	3 000	1 000	4 000	@40% = 1 600	-	5 600	@15% = 840	2 440

2005 Pick-up truck	Payload of more than 1300kg	4 000	1 200	5 200	@40% = 2 080	-	7 280	@15% = 1 092	3 172
2007 Double Cab	2500cc	7 000	1 500	8 500	@60% = 5 100	-	13 600	@15% = 2 040	7 140

**NB: Please note that ZIMRA at entry points may re-assess values of the motor vehicles if the declared values do not reflect a true market price in the country from where they were bought.

What is the Value for Duty Purposes (VDP)?

This is the value which forms the basis for the calculation of duty and includes the cost of the vehicle and any other charges or expenses incidental to the purchase of the vehicle and its transportation up to the place of importation. The following is a list of charges that are included in the calculation for duty purposes:

• selling commission,

• Brokerage,

• Storage,

• Handling,

• Documentation,

• Port charges,

• Freight and insurance.

2. What is surtax?

Surtax is levied at the rate of 25% of Value for Duty Purposes on motor vehicles which are more than five years old.

3. How is Value Added Tax (VAT) calculated?

Value Added Tax is charged at a rate of 15% on the Value for Tax Purposes (VTP) which is Value for Duty Purposes (VDP) plus customs duty payable.

4. How is valuation of the motor vehicle done?

Physical Examination of the vehicle is carried out. ZIMRA reserves the right to accept or decline the declared value. Reassessment of the value may be done where necessary.

7. What factors are considered in the valuation of a motor vehicle?

The condition of the vehicle, mileage, year of manufacture are some of the factors used in the valuation of a motor vehicle.

8. Can an individual engage a clearing agent to clear their motor vehicle?

Yes. Clients may only engage registered clearing agents as ZIMRA only deals with bona fide clients and registered clearing agents