



FIRST AFRICAN FORUM FOR NATIONAL TRADE FACILITATION COMMITTEES;

**Session:
Trade Facilitation efforts and prospective in Africa**

UNECA's Conference Center, Addis Ababa, Ethiopia

27-29 November 2018

Key issues for discussions

- key factors for successful TF reforms, highlighting the unique African approach, and how to overcome the challenges.
- Leveraging trade facilitation reforms to spur economic growth and development.
- The African Trade Facilitation Agenda for the next ten years in the new era of the digital economy.

Who We Are



- **Trade and Markets East Africa (TMEA)** - not-for-profit AfT agency
- Multi-donor funded - Belgium, Canada, Denmark, Finland, Netherlands, Ireland, Norway UK & USA

US\$
450
m

Budget
2017-2022

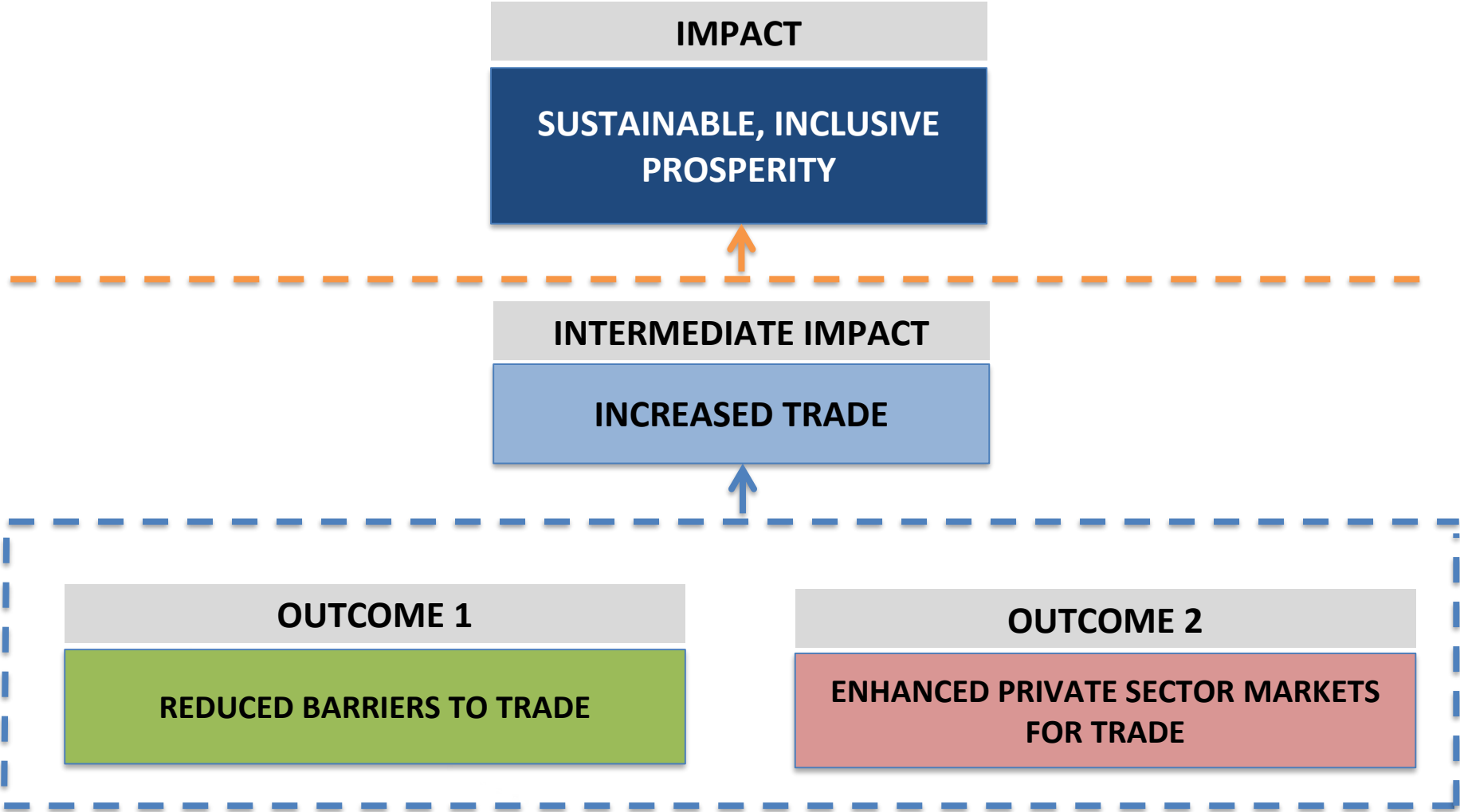
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Offices in six
Eastern Africa

100

Active projects
TMEA supports

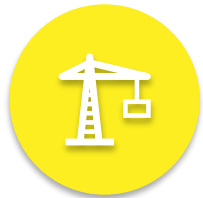
What our Strategy proposes to deliver Sustainable inclusive impact.....



Barriers to trade in East Africa

- 1. Increased Time to Trade: Delays at roadblocks and borders** - 21 days from Mombasa to Kigali (1682Kms) and 18 days from Mombasa to Kampala (1,170Kms) in 2010.
- 2. Added cost** of doing business; sometimes exceeding the tariff equivalents – estimated at **USD 8m** per year due to delays in trade processes
- 3. Result – Costly and very unpredictable trade.**

TMEA Response



Investment in hard infrastructure to improve efficiency;



Soft interventions – regulatory reforms/Institutional strengthening;



Improved process and procedures;



Harnessing the power of technology e.g. customs and other trade agency automation;



Private sector engagement to drive reform

Modernization of Ports – Mombasa/Dar

Improved productivity

- Gates expanded.
- Yard 5: Faster ship-to-shore movement, improve cargo transit times

Improved Import times:

from 11.2 days (2013) to 6.97 days (2015)



70% average reduction in border clearance time



Kagitumba (Rwanda/Uganda)



Taveta (Kenya/Tanzania)



Busia (Uganda/Kenya)



Kobero (Burundi/Tanzania)



Mutukula (Tanzania/Uganda)



Elegu (South Sudan/Uganda)



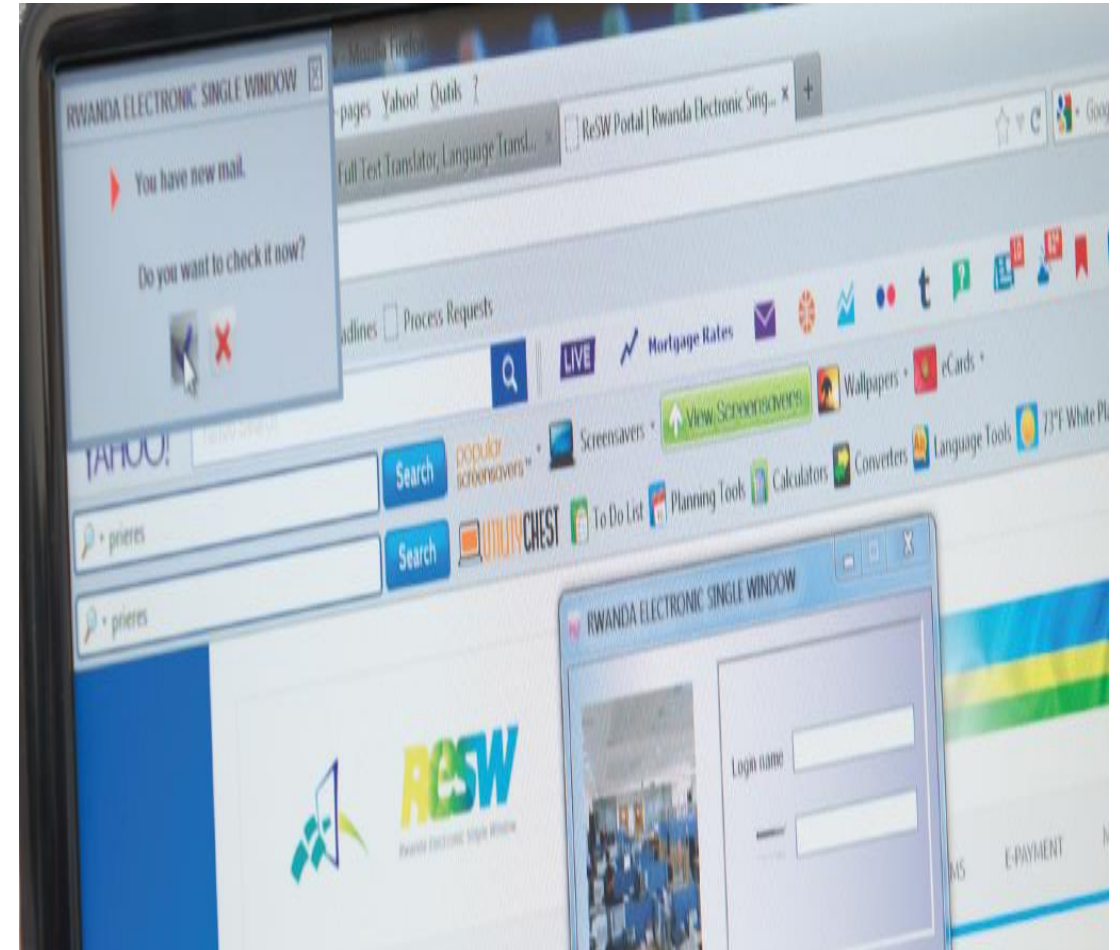
Innovative technology to Facilitate Trade

Rwanda Electronic Single Window
Reduction from 11 days to 1 day to
clear goods leading to \$40m
savings pa

Uganda Customs Modernisation

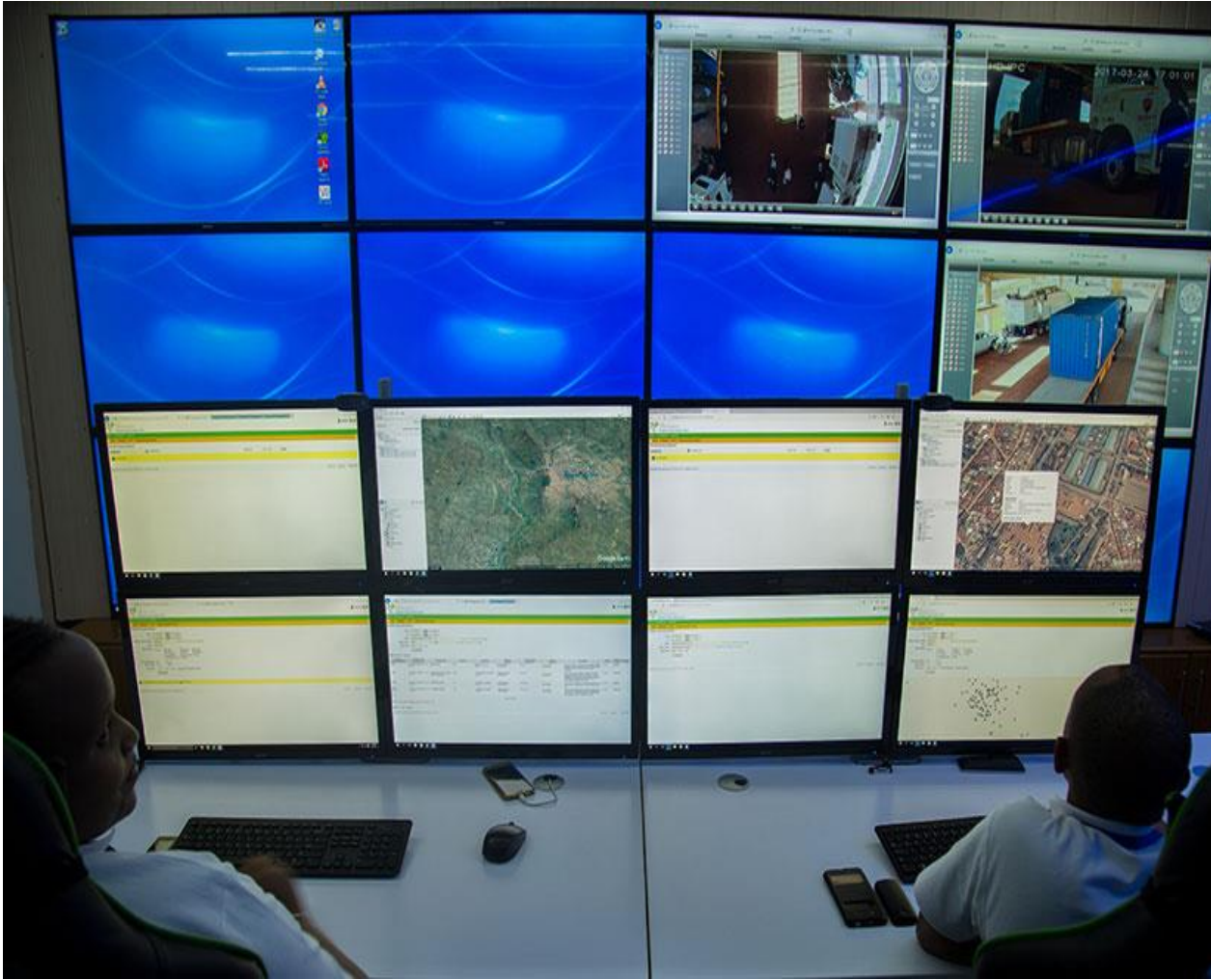
- ASYCUDA World
- AEOs scheme

U\$56m savings pa



Improved Management of Transit Cargo –

70% reduction in transit times



Automation of Trade Processes (SWIFTS)



Tanzania Food and Drug Authority



Time taken to issue import and export trade permits has reduced **from 2 days to 2 hours**

Tea Board of Kenya



Tea export verification & payment processes have reduced **from 8 days to 1.5 days**

NTB Reporting Mechanism – Before & After

1. Complaint Box & Physical Reporting

- Physical visit to relevant Ministries
- Inefficient – Time consuming and costly
- Few NTBs reported
- No assurance of response/resolution

2. NTBs resolution ‘brokers’

- Dependent on personal relationships
- Environment for corruption and extortion

NTB Resolution Mechanism & SMS Reporting

- Procedural NTBs resolved almost instantly
- Overall, resolution time for all NTBs reduced from 24 to 8 months – 67%



Harmonization of Standards

- 83 standards adopted and harmonised across the EAC accounting for **US\$1 billion** of EAC's annual trade basket and reduced standard related delays at borders from 38 days to 0.5 days
- Accreditation and modernisation of Bureaus of Standards testing laboratories has led to 60% reduction in cost of testing.



The Single Customs Territory

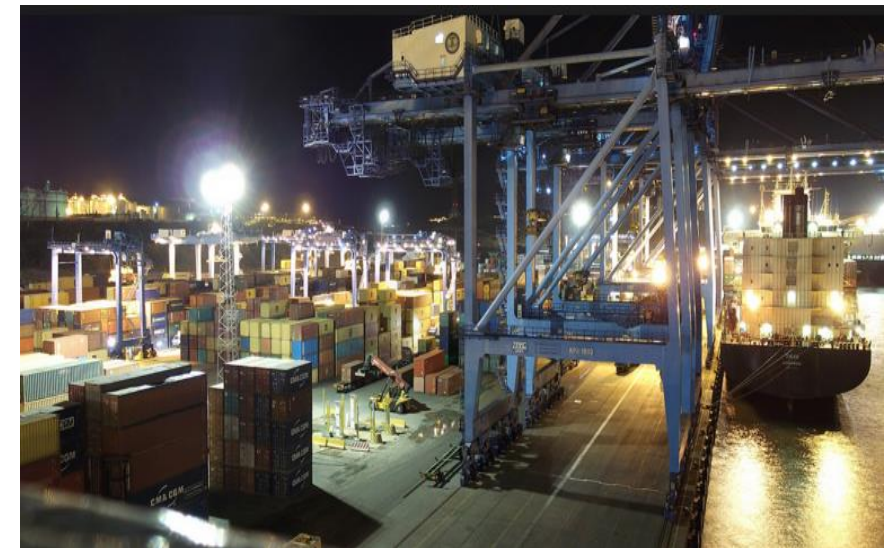
Simplified cargo clearance from first port of entry with single customs document & integrated systems

Cargo clearance reduced

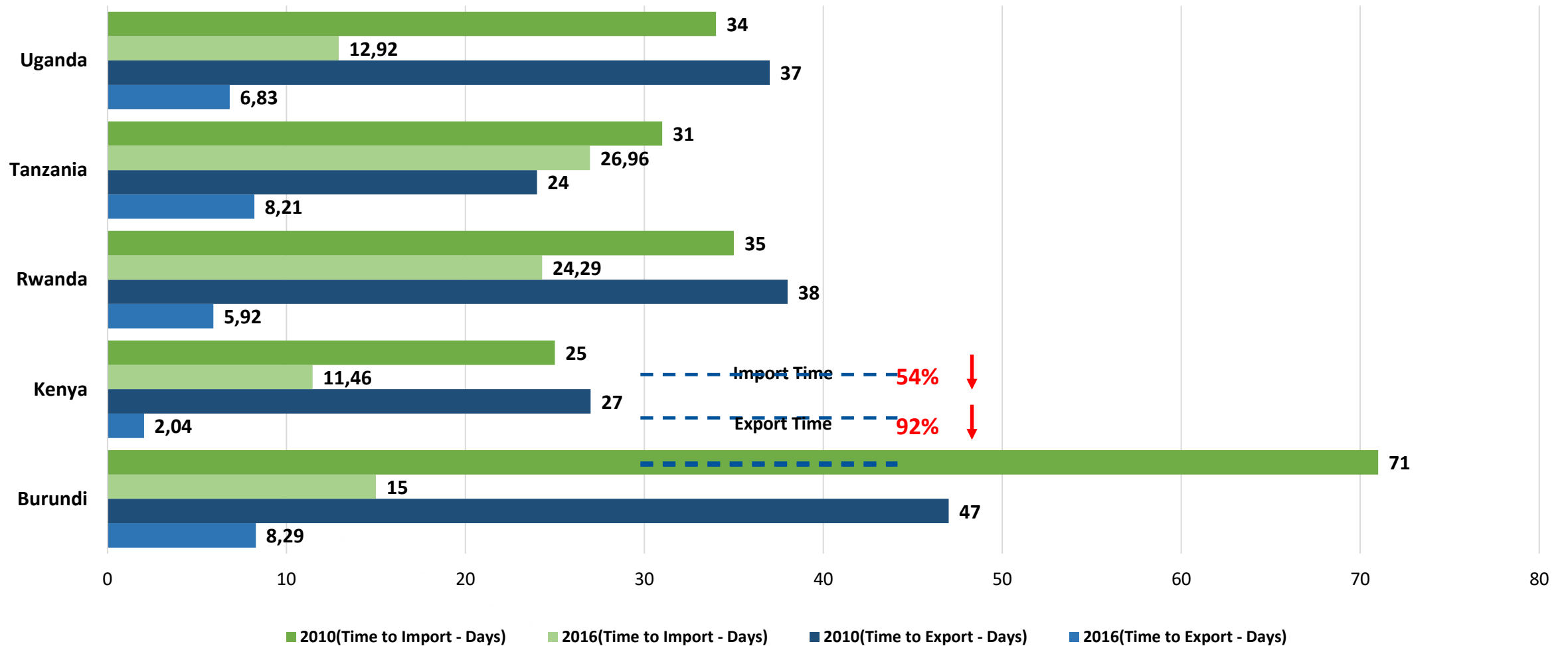
- Fuel: 3 days to 8 Hrs
- Other products: 3 days to 12 Hrs

Improved truck turnaround

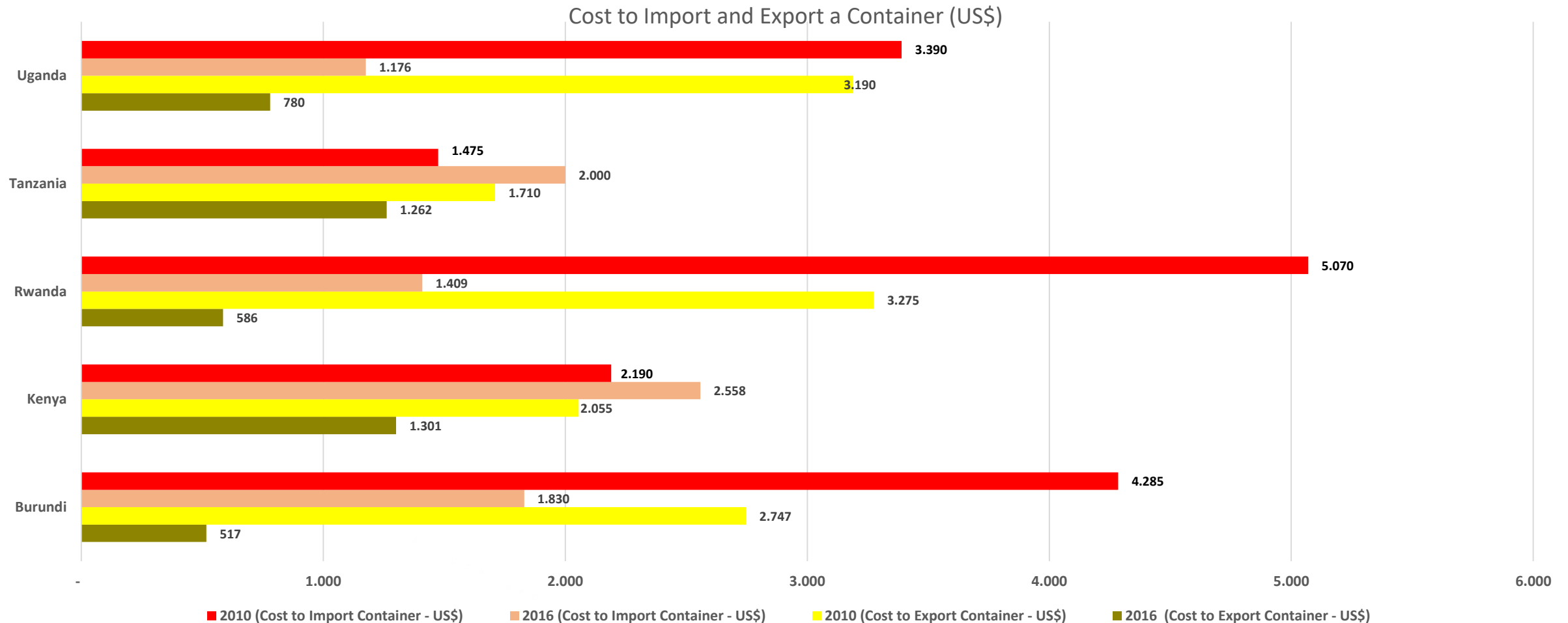
- Dar -Kigali: 25 days to 4
- Msa- Kla: 18 days to 4
- Msa- Kigali: 21 days to 6



Time to Import and Export (Days) – Doing Business Report Ranking 2010 -2016



Cost to Import and Export a container (US \$) – Doing Business report 2010 - 2016



Logistics Performance Index ranking of EAC Countries: 2014 - 2016



Country	Rank 2016	Rank 2014	Number of Places Climbed
Kenya	42	74	32 places higher
Tanzania	61	138	77 places higher
Uganda	58	Not ranked	
Rwanda	62	80	18 places higher
Burundi	107	107	No change

What lessons have we learnt?

- Political will and commitment critical to making real progress in improving trade;
- EAC provides a regional framework to implement good practice trade facilitation measures under the Customs Management Act and Single Customs Territory.
- TFA Agreement has also provided an important framework and process particularly through the TF Committees to focus attention and generate quick wins which in turn can create virtuous circles of commitment and further implementation
- Think Regional act Nationally – Implementation happens at the national level but when combined with regional initiatives this can have widespread impact e.g. regional e-cargo tracking and SCT information sharing interface.
- Combination of Hardware-software facilitates quick wins and high impact which creates virtuous circles of momentum and commitment to results (e.g. OSBPs/IBM)
- Bringing the Private Sector along is critical to results e.g. ECTS, AEO, Single window.
- Effective co-ordination and Partnerships e.g. NTFCs and UNCTAD/IOM/ITC

Going forward



- Deepening Trade Facilitation work to continue to streamline procedures and improve efficiencies for seamless exchange of information will help create more sustainability and improve performance.
- Rolling out more regional initiatives such as the SCT will enhance cross border sharing of information and no stop borders
- Developing digital corridors through Trade Logistics Information Pipeline (TLIP) - through blockchain technology developing digital corridors and sharing information at country of origin e.g. cut flowers NL and coffee (Belgium)
- Widening to neighbouring countries - In countries which are not part of a REC setting up Trade and Transit Agreements critical? COMESA and EAC.

Enkosi
Ngiyabonga
Amesege'nallo'
Zikomo Kwambiri
Siyabonga kakulu
Thank You
Asante sana
Ndatenda
Murakoze
N'itumezi
Masvita
Kea leboha
Zikomo