

DEEPENING REGIONAL INTEGRATION AND PROMOTING COOPERATION

"...the Horn of Africa Initiative provides a suitable platform for countries to act decisively and in a more coordinated manner."



HORN OF AFRICA INITIATIVE



Workshop on Trade Facilitation and Regional Integration

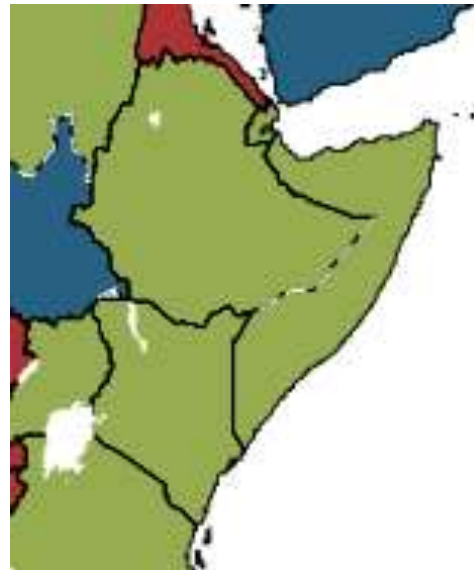
Nairobi, April 6-7, 2022

Danilo Desiderio

Intra-regional trade in the HoA Region

- Low Intraregional trade: 6% against the continental average of 16%.
- Size of informal trade unknown. Most informal traded goods are agricultural products and livestock
- Most of HoA countries are commodity-dependant: more than 60% of their exports are agricultural or (in the case of Eritrea) mineral commodities.

Camels	Somalia - Kenya
	Ethiopia - Somalia
Cattle	Somalia - Kenya
	Ethiopia - Somalia
Goats	Somalia - Kenya
	Ethiopia - Somalia
Sheep	Somalia - Kenya



Key Commodities & Cash Crops by Country



Maize & Maize Flour:
Ethiopia, southern Somali,
Kenya



Beans:
Consumed throughout East Africa



Wheat & Wheat Flour:
Consumed throughout East Africa and
is particularly important in urban areas



Rice:
Consumed throughout East Africa



Sorghum & Sorghum Flour:
Sudan, South Sudan, Northern
Ethiopia, Central and Northern Somalia



Sesame:
An important cash crop for certain
livelihoods in Ethiopia and Sudan

Key trade issues in the HoA Region

Prevalence of informal trade at HoA borders

- Size of informal trade unknown.
- Lack of Informal Cross Border Trade (ICBT) surveys.
- Need to understand the reasons why traders go informal.
- Need to simplifying formalities and requirements for low-value transactions, in particular for small scale traders, so to encourage them to declare their import/export transactions.

Limited road connectivity

- poor quality infrastructure.
- roads are few and congested: disruptive events can alter significantly trade flows in the region.
- limited multimodal integration.
- Low containerisation rates, majority of products traded are in bulk and are of low-value. Storage and handling facilities are also limited.

Unbalanced trade flows

- Many empty trips (Ethiopia, average import to export ratio: 5)
- Low truck turnaround time on most HoA corridors.

Key trade issues in the HoA Region

Large presence of NTBs and behind-the-border domestic regulatory barriers

- Identification of NTBs in the region remains a challenge.
- Reduced use of existing web platforms for reporting trade obstacles.
- Lack of robust dialogue mechanisms between public and private stakeholders for NTB identification and elimination.

Low trade complementarity

- Similarities of productions.
- Weak inter-industry linkages.
- No regional value chains.

Linguistic barriers at borders

- Traders face challenges in communicating with border officials due to linguistic differences.

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Thanks for your attention