Workshop on Trade Facilitation and Regional Integration

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Intra-regional trade in the HoA Region

- Low Intra-regional 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.

### Key Commodities & Cash Crops by Country

<table>
<thead>
<tr>
<th>Commodity</th>
<th>Countries</th>
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<tbody>
<tr>
<td>Maize &amp; Maize Flour</td>
<td>Ethiopia, southern Somali, Kenya</td>
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<tr>
<td>Beans</td>
<td>Consumed throughout East Africa</td>
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<tr>
<td>Wheat &amp; Wheat Flour</td>
<td>Consumed throughout East Africa and is particularly important in urban areas</td>
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<tr>
<td>Rice</td>
<td>Consumed throughout East Africa</td>
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<tr>
<td>Sorghum &amp; Sorghum Flour</td>
<td>Sudan, South Sudan, Northern Ethiopia, Central and Northern Somalia</td>
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<tr>
<td>Sesame</td>
<td>An important cash crop for certain livelihoods in Ethiopia and Sudan</td>
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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.
Thanks for your attention