Looking forward
TMEA’s Ambition to 2013

Trade & Development Forum
28th February 2018
Strategy 2 Challenges

• **Transport Costs still too high & unpredictable** - NC transport costs have fallen by an average of 33% from US$2.93/Km in 2011 to US$1.8/Km in 2016 (less so on the Central Corridor by 17%) – but need to fall to middle income countries average of US$1/Km (**80% reduction from here**)

• **Africa is still less than 5% of world trade** – need large scale boost in **exports** needed to correct trade & budget deficits & move East Africa into middle income status (**trade needs to double at least, more with rest of Africa**)

• **High unemployment**– East Africa has to create millions of jobs to raise incomes, requires billions of dollars of investment & relocation of industrial clusters (**20 million jobs need to be created**)
Strategy 2 Objectives

OUTCOME 1
REDUCED BARRIERS TO TRADE

OUTCOME 2
ENHANCED BUSINESS COMPETITIVENESS

INTERMEDIATE IMPACT
INCREASED TRADE

IMPACT
SUSTAINABLE, INCLUSIVE PROSPERITY
Outcome 1.1 Transport & Logistics

1.1. IMPROVED EFFICIENCY & CAPACITY OF TRANSPORT & LOGISTICS
1.2. IMPROVED TRADING STANDARDS & REDUCED NTBS
1.3. IMPROVED AND MORE TRANSPARENT TRADE PROCESSES & SYSTEMS
1.4. IMPROVED TRADE REGULATORY ENVIRONMENT

REDUCED BARRIERS TO TRADE
Improved Intermodal Linkages
Capacity Planning for Growth
Reduced Trade Costs

Transport Costs Northern Corridor ($tonne/km)

- 2010: 3.0
- 2017: 2.0
- 2023: 1.0
Efficient Maritime & Lake Ports
Outcome 1.2 Standards & NTBs

REDUCED BARRIERS TO TRADE

1.1. IMPROVED EFFICIENCY & CAPACITY OF TRANSPORT & LOGISTICS
1.2. IMPROVED TRADING STANDARDS & REDUCED NTBS
1.3. IMPROVED AND MORE TRANSPARENT TRADE PROCESSES & SYSTEMS
1.4. IMPROVED TRADE REGULATORY ENVIRONMENT
Cheaper, Faster & Reliable Testing

East Africa Unified

Food Safety

Export Quality

HACCP
Outcome 1.3 ICT for Trade

1.1. Improved Efficiency & Capacity of Transport & Logistics
1.2. Improved Trading Standards & Reduced NTBS
1.3. Improved and More Transparent Trade Processes & Systems
1.4. Improved Trade Regulatory Environment
Road to Seamless Paperless (Electronic) Trade

Adapted from: “Roadmap towards paperless trade”, UNECE, 2006
Automation boosts competitiveness

BBC EAST AFRICA IN TOP 20 GLOBALLY
TRADE REFORMS BOOST DB RANKINGS
Outcome 1.3 ICT for Trade

- **REDUCED BARRIERS TO TRADE**
- **1.1. IMPROVED EFFICIENCY & CAPACITY OF TRANSPORT & LOGISTICS**
- **1.2. IMPROVED TRADING STANDARDS & REDUCED NTBS**
- **1.3. IMPROVED AND MORE TRANSPARENT TRADE PROCESSES & SYSTEMS**
- **1.4. IMPROVED TRADE REGULATORY ENVIRONMENT**
Red Tape is still a problem
Simplify & Reduce Trade Paperwork

Business Daily

Trade Documentation Slashes

Kenya Trade Information Portal Reduces trade documents

www.trademarkea.com
Outcome 2.1. Advocacy

ENHANCED BUSINESS COMPETITIVENESS

2.1. BETTER PRIVATE SECTOR-LED ADVOCACY FOR TRADE

2.2. INCREASED EFFICIENCY IN PRIVATE SECTOR LOGISTICS SERVICES

2.3. INCREASED EXPORT CAPACITY OF EAST AFRICAN BUSINESSES

2.4. GREATER INCLUSION OF WOMEN AND SMALL BUSINESS IN TRADE
Private Sector Voice Critical

Business News

Private Sector report damns governments on red tape

The East African

EAC Abolishes all Excluded Goods

International Moose Count Underway

www.tradearkea.com
Outcome 2.2. Efficient Logistics

ENHANCED BUSINESS COMPETITIVENESS

2.1. BETTER PRIVATE SECTOR-LED ADVOCACY FOR TRADE

2.2. INCREASED EFFICIENCY IN PRIVATE SECTOR LOGISTICS SERVICES

2.3. INCREASED EXPORT CAPACITY OF EAST AFRICAN BUSINESSES

2.4. GREATER INCLUSION OF WOMEN AND SMALL BUSINESS IN TRADE
More Efficient Logistics
Deepening of Supply Chains

Complexity of distribution

- Network design optimization
  - 2,500+ suppliers
  - 43,000+ products (SKUs)
  - 30 distribution centers

- Inventory optimization
  - 250+ crossdock centers

- Vehicle loading and routing optimization
  - 26,000+ customers

Source: IDC Manufacturing Insights

TradeMark East Africa
Growing Prosperity Through Trade

Network design optimization
- 2,500+ suppliers
- 43,000+ products (SKUs)
- 30 distribution centers

Inventory optimization
- 250+ crossdock centers

Vehicle loading and routing optimization
- 26,000+ customers

Product Design
Semiconductors Fab & Packaging
Components & Subsystems
Final Assembly

Source: Materials Oecobloc.com
Outcome 2.2. Enhanced Export Capacity

2.1. Better Private Sector-Led Advocacy For Trade

2.2. Increased Efficiency In Private Sector Logistics Services

2.3. Increased Export Capacity Of East African Businesses

2.4. Greater Inclusion Of Women And Small Business In Trade
GUCCI’s new deal with East Africa’s garment giants

East Africa rules in fashion

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Nairobi Fashion Week Opens 2020
Higher Value Exports
Trade & Logistics Clusters
Trade & Logistics Clusters
New Mombasa Industrial Park opens

Kenya: Millions of Kenyans are oblivious to the dangers posed by some materials used in the construction of their homes and work environments with negative implications for their health and wellbeing.

One such material, used extensively in the 1950s and 1960s is asbestos. It is the name given to a group of minerals that occur naturally in the environment as bundles of fibres that can be separated into thin, durable threads. Resistant to heat, fire, and chemicals asbestos does not conduct electricity, hence its wide use in many industries.

Although the Government of Kenya banned the use of asbestos in 2006, nearly all government institutions, educational facilities and county government estates built in the 1950s and 60s still have asbestos roofs.

Popular in the construction, manufacturing, shipbuilding and automotive industries asbestos has been used for strengthening cement and plastics as well as for insulation, roofing, fireproofing, and sound absorption. Asbestos has also been used in ceiling and floor tiles; paints, coatings, and adhesives.
Outcome 2.2. Enhanced Export Capacity

2.1. Better private sector-led advocacy for trade

2.2. Increased efficiency in private sector logistics services

2.3. Increased export capacity of East African businesses

2.4. Greater inclusion of women and small business in trade
Women Open new Vegetable Wholesale Market in Busia
Strategy 2 Impact

IMPACT

SUSTAINABLE, INCLUSIVE PROSPERITY

INTERMEDIATE IMPACT

INCREASED TRADE

OUTCOME 1

REDUCED BARRIERS TO TRADE

OUTCOME 2

ENHANCED BUSINESS COMPETITIVENESS
Middle Income East Africa
$420m Budget Results

1.7m- Reduction in people below the poverty line

0.7m+ Jobs created / sustained

1.1bn+ Increased trade for EAC region

5% - AVERAGE COST to transport Container from Msa/ Dar Ports to RW/ BUR

10% - TIME REDUCED average trip in EATN

25% + Value of Exports in key sectors from the EAC region
Millions of Jobs
GDP Growth
TradeMark EA Partner of the Year 2020

Kampala

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Asanteni Sana

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