



EAST AFRICAN COMMUNITY

**STATUS OF ELIMINATION OF
NON TARIFF BARRIERS
IN THE EAST AFRICAN COMMUNITY**

VOLUME 4 – NOVEMBER 2012



One People. One Destiny

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FOREWORD

I take this opportunity to present to the readers and especially the policy makers of EAC Partner States the 4th publication on the status of elimination of Non Tariff Barriers (NTBs) within EAC region as at November 2012.


The publication highlights what EAC has achieved in the area of removing NTBs as per the 8th EAC Regional Forum which reviewed the EAC Time Bound programme on elimination of identified NTBs. The review shows that the region continues to face the problems of NTBs despite the decisions which were made by the 1st EAC Dedicated Ministerial meeting on NTBs in March 2012. The report of the 8th EAC Regional Forum on NTBs was considered by the Sectoral Council on Trade, Industry, Finance and Investment on 1st November, 2012, in Arusha, Tanzania. The glaring picture is that the Sectoral Council noted status of elimination of NTBs as follows:

- **Thirty five** NTBs were reported as unresolved;
- **Ten** new NTBs had been reported; and
- **Thirty six** NTBs were reported as resolved.

I have no doubt that the decisions of the Sectoral on elimination of NTBs which among other directed Partner States to provide evidence on new reported NTBs and to eliminate unresolved NTBs in the EAC Time Bound Programme on elimination of identified NTBs will go a long way in redressing NTBs in the region.

I note with appreciation that the study on the development of a legally binding enforcement mechanism on elimination of identified NTBs has been finalized and call upon the Partner States to submit their comments as directed by the Sectoral Council on Trade, Industry, Finance and Investment in order to find a long lasting way of redressing NTBs In the region.

I commend the efforts by the National Monitoring Committees on NTBs and the EAC Regional Forum on NTBs on their uphill task of redressing the NTBs affecting Intra-EAC Trade. The challenge to EAC Partner States is to eliminate the Non-tariff barriers in accordance with the EAC Time Bound Programme. I also cannot forget the support we are getting from the relevant stakeholders and the Development Partners in redressing the NTBs in the region. It is my hope that this partnership will continue to grow stronger in future.



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GLOSSARY

CFS	Container Freight Services
COMESA	Common Market for Eastern and South African
EAC	East African Community
EU	European Union
EWURA	Energy, Water and Utilities Regulation Authority
FTA	Free Trade Area
GVW	Gross Vehicle Weight
KEBS	Kenya Bureau of Standards
KEPHIS	Kenya Plant Health Inspectorate Services
KRA	Kenya Revenue Authority
ICDS	Inland Container Depots
NTBs	Non Tariff Barriers
NMCs	National Monitoring Committees
PCCB	Prevention and Combating of Corruption Bureau
SADC	South African Development Community
TCM	Transport, Communications and Metrology
SPS	Sanitary and Pyhtosanitary
UNBS	Uganda National Bureau of Standards
TRA	Tanzania Revenue Authority
TANROADS	Tanzania Roads Authority
RRA	Rwanda Revenue Authority
URT	United Republic of Tanzania



Kenyan President Mwai Kibaki (center), then Chair of the Summit, Tanzanian President Jakaya Kikwete (right), Burundian President Pierre Nkurunziza (left), Rwandan Prime Minister Rt. Hon. Pierre Damien Habumuryemi (far left) and Ugandan State Minister for EAC Hon. Shem Bageine (far right) in a group photo after launching the Arusha-Namanga-Athi River Road. 28 November 2012.

1.0

INTRODUCTION

This is 4th quarterly publication on the status of elimination of Non Tariff Barriers in the EAC region after the meetings of 8th EAC Regional Forum on elimination of NTBs which was held on 17th- 19th September, 2012, Entebbe, Uganda and Sectoral Council on Trade, Industry, Finance and Investment held on 1st November, 2012, Arusha, Tanzania. The publication contains:

- (i) Reports of the National Monitoring Committees on Non Tariff Barriers;
- (ii) Updated the EAC Time Bound Programme on elimination of NTBs; and
- (iii) Progress report on the development of a legally binding enforcement on elimination of identified NTBs.

2.0

REPORTS OF THE NATIONAL MONITORING COMMITTEES (NMCS) ON NON TARIFF BARRIERS

Partner States presented the following NMCs reports on elimination of NTBs:

UGANDA

Uganda informed the meeting that TMEA had supported them in the development of a National Response Strategy on elimination of NTBs. The meeting was also informed that Uganda held a bilateral meeting with Kenya on trade on beef and beef products and the way forward for improving trade in these products between the two Partner States and the Ministers decided that Kenya reviews Legal Notice No. 69 of 1996 to include enforcement procedures for the control of BSE.

The following new NTBs were reported:

- (i) Re-introduction by Kenya of a cash bond on vehicles above 2000 cc and sugar transiting from Mombasa to Uganda;
- (ii) Requirement by the Kenya Revenue Authority that tea from Uganda destined for Mombasa auction market should be stored at the Customs Bonded warehouses in Mombasa. This had raised the cost of transactions due to the additional expenses incurred at the Customs Bonded Warehouses and delays often experienced in making deliveries due to the limited working hours of the Customs Bonded Warehouses;
- (iii) Tanzania has re-imposed a visa charge of between U.S\$ 200-250 on Ugandan business persons travelling to Tanzania;
- (iv) Kenya Ports Authority has signed a service level agreement with Maersk Ltd and other CFSs where transit cargo is transferred upon arrival at the port. As a result, businessmen are incurring a cost of over US\$ 300 for transferring these containers to these CFSs.

TANZANIA

The United Republic of Tanzania reported that she had held two NMCs meetings since June, 2012. The last NMC meeting updated the EAC Time Bound Programme and considered the Draft Study Report on development of legally binding mechanism on elimination of NTBs. URT also reported that a bilateral meeting was held with Kenya where the following NTBs were addressed:

- (i) Kenya import levy of Ksh: 2 per kg of agricultural products from URT;
- (ii) Restriction of cut flowers from URT for re export to the European and Russian market;
- (iii) Requirement by URT that cigarettes manufactured in Kenya and exported to URT should have 75% local tobacco extract content ;
- (iv) Beef and Pork products from Kenya Farmers Choice are charged 25% CET; and
- (v) Non recognition of the EAC certificate of origin by TRA of furniture manufactured in Kenya.

Regarding the issue of re-imposing a fee of US\$ 200 – 250/300 as reported by Uganda and Kenya, Tanzania clarified that the fee charged was not for visa or business visa as reported but for a pass issued to persons entering the country on temporary assignment and short term business activities. Tanzania further reported that the said fee has been abolished for EAC Partner States citizens entering the country for short term business activities.

RWANDA

Rwanda reported that she had held two Meetings in July and September, 2012. The first meeting considered the ITC report on NTMS affecting Rwanda while the Second Meeting was held with the EAC Secretariat to update the Time Bound Programme. In addition, a bilateral meeting was scheduled with Tanzania but did not take place. Rwanda has developed a new NMC Website on NTBs.

The following new NTBs were reported:

- (i) Requirement for payment of cash bonds on high valued goods by Kenya Revenue Authority;
- (ii) Requirement for original documentation at the port of Mombasa and Dar es Salaam for clearance of goods;
- (iii) Ban of import of fresh fruits from Burundi to Rwanda.

BURUNDI

Burundi reported that her NMC had meets frequently.

The following new NTBs were reported:

- (i) Delays in the clearing of goods at the Ports of Mombasa and Dar-Es-Salaam;
- (ii) Requirements for cash bonds by the Kenya Revenue Authority prior to clearance of certain goods.

KENYA

Kenya reported that her NMC had held two meetings since the last NTBS Regional Forum. During the meetings, the NMC considered all NTBs on the Time Bound Programme. Kenya had a bilateral meeting with Uganda which addressed restriction on export of beef and beef products to Uganda. In addition Kenya held a bilateral meeting with URT and agreed on the way forward on the following NTBs:

- (i) Kenya import levy of Ksh 2 per kg of agricultural products from URT;
- (ii) Restriction of cut flowers from URT for re export to the European and Russian market;
- (iii) Requirement by URT that cigarettes manufactured in Kenya and exported to URT should have 75% local tobacco extract content ;
- (iv) Beef and Pork products from Kenya Farmers Choice are charged 25% CET; and
- (v) Non recognition of the EAC certificate of origin by TRA of furniture manufactured in Kenya.

The following new NTBs were reported:

- (i) Requirement by Tanzania Food and Drug Authority (TFDA)for registration, certification and testing of products in URT before they are imported into their country despite certification by Kenya Bureau of Standards;
- (ii) Charges levied by Tanzania of U.S\$ 200-500 on Kenyan business persons for entry visas;
- (iii) General duties imposed by Tanzania on products originating from Kenya which are assumed to have benefited from duty drawback; and
- (iv) Imposition of 75% CET/US\$ 200 per metric ton for rice wholly produced in Kenya and exported to Uganda.
- (v) Kenya reported that she had abolished the requirement for cash bonds for sugar and other products.

3.0

UPDATED EAC TIME BOUND PROGRAMME ON ELIMINATION OF NTBs AS PER NOVEMBER, 2012

The EAC Time Bound Programme was updated during the meetings of 8th EAC Regional Forum on NTBs and Sectoral Council on Trade, Industry, Finance and Investment which were held on 17th – 19th September, 2012, Entebbe, Uganda and 1st November, 2012, Arusha, Tanzania.

	NTB summary description	Affected countries	NTB source & Ministry/ Department/ Agency for action	Impact to businesses	Prioritized Action	Bottlenecks or Success Factor	Status / Recommendations	Time-frame
1.	Delays in transit bonds cancellation.	Uganda, Rwanda and Burundi.	Kenya Revenue Authority and Tanzania Revenue Authority.	Added costs for transit traffic incl. customs bonds.	Prompt cancellation of transit bonds.	Likelihood of increase of dumping of goods in transit. Goodwill from Partner States Revenue Authorities.	The Ministers decided that the Partner States implement the electronic cancellation of bonds within 24 hours. Kenya reported that she is cancelling the bonds manually within 24 hours. Kenya further reported that she is in the process of upgrading the Simba system to enable her to cancel the bonds within 24 hours. URT Reported that they have complied with the 24 hour electronic cancellation.	December, 2012
2.	Numerous institutions involved in testing goods.	All EAC Partner States	Statutory agencies.	Time wasted.	Need to invest in One-Stop-Centres and electronic single window systems at border stations. Develop and implement mutual recognition instruments.	Insufficient financial resources for investment in buildings, facilities and IT system/ equipment. Success Factor Collaboration of all institutions into fast-tracking the procedures under the same roof.	Regulations were adopted by the Council and referred to SCLJA for legal input following which will come into force The Ministers decided that: (i) Collaboration among the regulatory agencies be enhanced; (ii) Agencies operate under one stop centres as is currently being done between Kenya and Uganda; (iii) Agencies collaborate at the national borders with a view to fast tracking clearance of goods at border entry points; and (iv) Mutual recognition of certificates issued by agencies be implemented. STATUS: TANZANIA: reported that Dar Es Salaam port had started implementing electronic single window system. MALABA BORDER: between Kenya and Uganda is operating one post border centre. RWANDA: has introduced an electronic single window through which most testing bodies share information through the system electronically. UNBS: is introducing an electronic single window through which information is shared electronically.	By end of December, 2012

	NTB summary description	Affected countries	NTB source & Ministry/ Department/ Agency for action	Impact to businesses	Prioritized Action	Bottlenecks or Success Factor	Status / Recommendations	Time-frame
3.	Existence of several weigh-bridge stations in the Central and Northern Corridors.	Rwanda Uganda and Burundi	Kenya - Ministry of Transport Tanzania -TANROADS	Time lost at the weigh-bridges leads to loss of business as goods do not reach their destination in time.	Reduction of weighbridges to two, one at the port of entry and the other at the port of exit.	Political goodwill from the Partner States.	EAC Secretariat informed the meeting that Draft EAC Vehicle Load Control Bill, 2012 was adopted by a Multi-Sectoral Council in February 2012. The number of weigh bridges should reduce to three in Tanzania and Kenya. In case of Uganda, Burundi and Rwanda to be two. The Ministers decided: (i) to reduce the weighing requirement for transit traffic to two, one each at the entry and exit points; (ii) Tanzania to await the outcomes of the studies on the optimal number of weighbridges in the region's trunk road network.	Burundi, Kenya, Uganda and Rwanda by June 2012, Rwanda has no weigh-bridge; Uganda cargo is weighed at point of entry and exit; Burundi, no weigh-bridges; Kenya has four weighbridges and is reducing to two for transit cargo by December 2012
4.	Ugandan restriction of beef & beef products from Kenya	Kenya	Uganda Departments of Veterinary Services; Ministries of livestock development and Agriculture	Ban on market entry and loss of potential markets.	Political goodwill to mutually recognise inspection procedures, inspection reports and certificates	Pressure from businesses not to recognize products from within EAC due to fear of loss of markets. Success Factor Political goodwill to recognize EAC as a single market area.	A bilateral meeting between Kenya and Uganda was held on 11 th April, 2012. The Ministers directed that a verification of beef and beef products be undertaken in the two Partner States. The verification was carried out between 22 nd to 24 th April and the report of the verification exercise will be considered after the budget speeches.	August, 2012 The Republic of Kenya to review the legal notice No. 69 to address the issues of the BSE disease by December 30 th , 2012

	NTB summary description	Affected countries	NTB source & Ministry/ Department/ Agency for action	Impact to businesses	Prioritized Action	Bottlenecks or Success Factor	Status / Recommendations	Time-frame
5.	Several Police roadblocks along Northern and Central Corridors, estimated at 36 between Mom-basa-Kigali and 30 between Dar Es Salaam to Rusumo border	All EAC Partner States Rwanda Uganda Burundi	EAC Partner States Police Departments.	Delays in transport. Bribes, estimated at US\$ 0.55 per road-block per truck on Ugandan side and US\$ 1.3 Kenyan side, or USD 25.70 on the Northern Corridor per truck. USD 7.5 per road-block per truck	Issue clear guidelines on reasons for stopping commercial vehicles, a daily record of vehicles stopped, reasons and measures taken.	Resistance to remove roadblocks on argument they are mounted for security reasons. Success Factor Follow-up on political decision to remove roadblocks	Kenya reported that she has reduced the road blocks from 36 to 9. Rwanda removed all road blocks in November 2008. Uganda has 9 roadblocks between Malaba and Gatuna/ Katuna. Burundi has removed all road blocks. Tanzania has reduced road-blocks from Dar es Salaam to Rusumo from 30 to 15. Tanzania has advertised tender for introduction of electronic cargo tracking. Also Tanzania has introduced: (i) Fleet management system where transporters are required to stop/report at the identified centers. This done between Tanzania police force and investment climate facilities project that started last year. (ii) Identify check points along Dar es Salaam to Rusumo with all necessary communication facilities to ease the movement of goods. The Ministers decided that: (i) EAC Partner States undertake to explore measures (ii) to exempt transit traffic from inspection at the police road blocks; and (iii) Harmonized electronic cargo tracking system should be adopted. STATUS: TANZANIA: has suspended the Electronic Tracking System due to implementation challenges until mid October KENYA: has introduced highway patrol along the Northern Corridor.	December, 2012

	NTB summary description	Affected countries	NTB source & Ministry/ Department/ Agency for action	Impact to businesses	Prioritized Action	Bottlenecks or Success Factor	Status / Recommendations	Time-frame
6.	Lengthy procedures for issuing of work permits vary among EAC Partner States	All EAC Partner States	Uganda, Tanzania and Kenya Immigration departments	Lost business time while waiting for processing of work permits. As per BCI 2008 business take between 1-5 months to acquire work permits for workers sourced from another EAC country. Immediate Businesses are forced to employ locals who may lack required skills.	Political goodwill to facilitate cross-border movement of people while waiting for finalization of relevant Protocol.	Political resistance on need to safeguard national security Success Factor Political goodwill to accept EAC as a single market area	The procedure for issuing work permit has been simplified in Rwanda, Burundi, Kenya and Uganda. Tanzania is in the process of reviewing relevant laws on work/residence permit, in line with the EAC Common Market Protocol. EAC Secretariat to facilitate harmonization of classification of work/resident permits, fees, forms and procedures. These are among the outstanding schedules which were supposed to be negotiated by December 2012	December, 2012.
7.	Charges of plant import permit (PIP) at Malaba for Ugandan tea destined for auction at Mombasa.	Uganda, Burundi	Kenya Plant Health Services (KEPHIS)	Adds cost of doing business.	Abolish charges.	Resistance from issuing authority	Kenya informed the meeting that the charge is a legal requirement for tea destined for Mombasa Auction. The issue will be addressed once EAC SPS protocol is concluded and ratified by Partner States. The draft protocol will be considered by the Sectoral Council on Legal and Judicial Affairs in March, 2012. The Ministers decided that Partner States should recognize certificates issued by accredited institutions of other Partner States	December, 2012.

	NTB summary description	Affected countries	NTB source & Ministry/ Department/ Agency for action	Impact to businesses	Prioritized Action	Bottlenecks or Success Factor	Status / Recommendations	Time-frame
8.	Non recognition by Kenya for SPS certificates issued by Uganda for tea destined for Mombasa auction.	Uganda	Ministry of Agriculture Kenya	Uganda to identify	Mutual recognition of SPS certificates	Resistance from issuing authority.	The meeting noted that the issue will be resolved once EAC protocol on SPS is in place.	December, 2012.
9.	Lack of interface within the customs' systems in the Revenue Authorities in Partner States.	Partner States	Burundi Revenue Authority	Partner States to identify impact. When customs systems are not interfaced, it delays clearance of goods under customs control hence increases cost of doing business and loss of market.	Interfacing of the systems	RADDEX system has interfaced Rwanda, Uganda and Kenya. Rwanda is using ASYCUDA world and is interfacing with systems in Kenya, Uganda and Burundi, except Tanzania.	The system has been rolled out in Burundi and staff is undergoing training on Asycuda world. Tanzania reported that she already operates on RADDEX system with Kenya and Uganda. She is updating its system from version 1.1 to 2.0. The RADDEX 2.0 system in the five Partners States is currently in its testing stages and should be rolled out by December 2012, The Ministers noted the ongoing work on interfacing of computer systems. For the Partner States revenue authorities are developing RADDEX 2 to be ready by December, 2012	January, 2013 December, 2012
10.	Lack of harmonized port procedures manual.	Partner States	TPA and KPA	Varying grace periods makes the importers to pay demurrage charges which increases cost of doing business in the region	TPA and KPA to harmonize port procedures manual grace periods.	Investments by port authorities	The Ministers decided that port procedures manuals should be harmonized. EAC Secretariat to facilitate the harmonization through the Sectoral Council of Transport, Communication and Metrology(TCM). The issue is under consideration of the TCM	December, 2012

	NTB summary description	Affected countries	NTB source & Ministry/ Department/ Agency for action	Impact to businesses	Prioritized Action	Bottlenecks or Success Factor	Status / Recommendations	Time-frame
14.	Corruption along the Northern and Central Corridors (police roadblocks, weighbridge and border gates).	Partner States	Police, Customs, Anti-corruption agencies and Private Sector.	Increased cost of doing business	Implementation of policies, regulations and actions that will combat corruption	Lack of goodwill from all parties	<p>The Ministers decided that Partner States should:</p> <p>(i) Sensitize their stakeholders;</p> <p>(ii) Enforce sanctions for offenders;</p> <p>(iii) Expedite the introduction of electronic tracking of cargo; and</p> <p>(iv) Increase highway patrols as preference over road blocks.</p> <p>STATUS</p> <p>KENYA: Deployed 10 vehicles doing highway patrols to ensure security; ethics and anti corruption commission.</p> <p>TANZANIA: PCCB to sensitize all government department against corruption;</p> <p>Each institution has a budget line for Sensitization of corruption in Ministries; Cargo tracking system</p> <p>UGANDA: dealing with issues of corruption by fitting cameras to monitor activities at the borders, weighbridges etc; police officers have been arraigned in court with cases of corruptions; hotlines to report corruption cases by the public.</p> <p>RWANDA: hotline; cameras; anti corruption commission; police anti corruption campaign; print media against corruption</p> <p>BURUNDI: Anti corruption bureau and a hotline</p>	Ongoing

	NTB summary description	Affected countries	NTB source & Ministry/ Department/ Agency for action	Impact to businesses	Prioritized Action	Bottlenecks or Success Factor	Status / Recommendations	Time-frame
15.	Lack of Verification sheds and parking yards at border posts	Partner States	Partner States Revenue Authorities and Ministries of Works	Loss of business and spillages of cargo	Provision of sheds and parking yards	Inadequate financial resources	<p>The Ministers urged Partner States to hasten construction of one stop border post.</p> <p>Kobero/kabanga ; kagitumba/mirama hills; taveta/holily; tunduma; kobero/kabanga sfunded by TMEA;</p> <p>Rusumo/Rusumo; Malaba/Malaba; Lungalunga/horohoro funded by AfDB</p>	24 months
16.	Charges by Container Freight Stations vary from port charges	All Partner States	Kenya Ports Authority	Increased cost of doing business	Kenya reported that the port charges by ICDs and CFS should be the one approved by port authorities		<p>The Ministers decided that port charges should include the charges of the CFS so that the one charge fee cuts across all aspects.</p> <p>Kenya Ports Authority signed a service level agreement to guide charges by CFS.</p>	Immediately
17.	Exports of plastic products from Kenya are subjected to 10% and 25% CET rate.	Kenya	Tanzania Revenue Authority.	Increased cost of doing business	The exports to be charged 0% as per the EAC schedule on the elimination of internal tariffs.		<p>The Ministers recommended that EAC fast tracks the verification mission of plastic products in the region.</p> <p>The verification mission was carried out between 11th and 22nd June 2012 in the region. The report of the verification mission will be considered by the next meeting of SCTIFI</p>	June, 2012
18.	No movements of Cargo Trucks beyond 6:00 pm within Tanzania	Rwanda, Burundi & Uganda	Ministry of Infrastructure, Tanzania	Time lost	Removal of the requirement		<p>The Ministers decided that Partner States should:</p> <p>(i) Expedite implementation of cargo tracking system;</p> <p>(ii) Invest more in railway network; and</p> <p>(iii) Increase highway patrols</p> <p>URT working on the issue and some trucks are already moving after midnight; to report in details by December.</p>	December, 2012

	NTB summary description	Affected countries	NTB source & Ministry/ Department/ Agency for action	Impact to businesses	Prioritized Action	Bottlenecks or Success Factor	Status / Recommendations	Time-frame
19.	TRA has introduced check points in the Central Corridor with timeframes and imposed charges for the delays to reach the destinations	Rwanda Burundi, Uganda.	Ministry of infrastructure, Tanzania and TRA	Time lost	Removal of check points	Delays goods for the market.	Removal of the check points. The Ministers took note of the Tanzania report that she had reduced most of the check points and no fee is charged for the existing ones. The NMCs to continue engaging each other in pursuit of solving the NTBs. Introduction of tracking systems.	September, 2012
20.	Kenya Import levy of Kshs 2 per Kg on Agricultural Products from Tanzania	Tanzania	Kenya	Loss of business.	Abolition of the import levy.		The Ministers decided that a bilateral meeting between Kenya and Tanzania to deliberate on the issue be scheduled for April 2012. The meeting is now scheduled to be held before August.	August, 2012
21.	Requirement for OTS (Open Tender System) for bulk Fuel Procurement System	Burundi	Bulk Fuel Procurement System	Stock out of Fuel	Abolition of the requirement		Republic of Burundi to provide more information Burundi to write formally re-submit adequate information to URT for consideration.	By July, 2012
22.	Congestion at the Ports DAR and Mombasa	Rwanda	KPA and TPA	Delays in cargo clearance	Increase the capacity of ports	Lack of financial resources	The ports to acquire in the short run new equipment to offload and load goods Decongestion of KPA will be redressed by end of June and Tanzania by end of 2012 Kenya constituted a cabinet sub- committee which has addressed the matter URT expanding the port of Dar es Salaam and is in the process of constructing a new port at bagamoyo to decongest the port of Dar es Salaam.	June and December 2012
23.	Non-harmonized road user charges / road tolls	All Partner States	Ministries of Transport and Infrastructure	Additional cost to doing business	Harmonize the road user charges / road toll		Harmonize the road user charges /road toll The NTBs is being handled by TCM.	April, 2013

	NTB summary description	Affected countries	NTB source & Ministry/ Department/ Agency for action	Impact to businesses	Prioritized Action	Bottlenecks or Success Factor	Status / Recommendations	Time-frame
24.	Weighing of empty trucks in Tanzania	Rwanda and Burundi	TANROADS	Unnecessary delays for trucks going to load in ports	Reverse the weighing of empty trucks	Resistance of TANROADS to amend the Road on Safety regulations	Consider reversing the process of weighing of empty trucks URT still considering the way forward on how to handle the issue	September, 2012
25.	Delays in issuing bonds at Kenya border with Uganda for tea meant for auction in Mombasa	Rwanda	IRA	Increase in the cost of doing business	To allow more companies to issue the bonds	Fear of loss of revenue	Kenya to consult and report during the next Regional Forum in September.	September, 2012
27	Requirement by KRA for transporters to have introductory letters from URA on certain products / consignments, e.g. tyres and spirits	Uganda	KRA		Abolish the requirements	Fear of dumping	Abolish the Kenya requires a letter for importation of tyres; letter for methanol because it is diverted into Kenya; Sugar because of high risk of it being dumped into the country. This is in accordance with customs management In accordance with section 204 and 247 of the customs management act. Uganda and Kenya to take it up bilaterally	August, 2012
28.	Cut-flower from Tanzania for re-exports to Europe and Russia blocked by Kenya	Tanzania	KEPHIS	Loss of market to Europe and Russia	To harmonize the protocol on SPS	Delays act section Partner States to harmonize SPS protocol	KEPHIS to have mutual recognition with her counterpart in Tanzania Kenya in the process of undertaking an analysis of the standards of cut flowers The meeting recommended that the issue be considered during the bilateral meeting by August ,2012	August, 2012

	NTB summary description	Affected countries	NTB source & Ministry/ Department/ Agency for action	Impact to businesses	Prioritized Action	Bottlenecks or Success Factor	Status / Recommendations	Time-frame
29.	Lack of recognition of CTH criteria in the EAC ROO for motor vehicles	Kenya	Tanzania, Uganda and Rwanda	Loss of business	Recognition of CTH Criteria in the EAC Roles of Origin		TRA, URA and RRA requested to recognize the CTH criteria and allow vehicles manufactured in Kenya to their market <i>EAC Secretariat to provide a status report on the subject in conformity with the Council decision.</i>	December, 2012
30.	Cigarettes manufactured in Kenya exported to Tanzania required to have a local 75% tobacco content	Kenya	Tanzania	Loss of business	Abolition of the requirement	Resistance from the private sector.	The NTB was considered during the Bilateral meeting between Kenya and United Republic of Tanzania on 7 th September, 2012. Kenya provided on the NTB and URT undertook to study it report back at end of September, 2012.	December, 2012
31.	Tourist vans not allowed entry to URT	Kenya	Tanzania	Loss of business	Allow Kenyan tourist vehicles to enter Tanzania	Abolition of the requirement	Tanzania to abolish the requirement The meeting recommended that Kenya to get relevant information from the Ministry of Tourism and report back.	October, 2012
32	Payment of double handling charges at the ICDS and at the Dar Es Salaam port	Burundi	Dar Es Salaam	Adds to cost of doing business.	Abolition of the double handling charges		The meeting recommended that Burundi provides more information on the NTB to enable URT to investigate it before the next Regional Forum.	December, 2012
33	Beef and Pork from Kenya Farmers Choice being charged 25% because the company is in the duty remission scheme despite the products not benefiting from the duty remission scheme.	Kenya	Tanzania	Adds to cost of doing business.	Abolition of the CET charge of 25%.		The NTB was considered during the Bilateral meeting between Kenya and United Republic of Tanzania and the Ministers agreed that a Regional Committee be constituted to propose how to treat products which use small proportions of imported inputs under the EAC duty remission scheme.	November, 2012

	NTB summary description	Affected countries	NTB source & Ministry/ Department/ Agency for action	Impact to businesses	Prioritized Action	Bottlenecks or Success Factor	Status / Recommendations	Time-frame
34	TRA imposes a duty of 25% of EABL products exported to its subsidiary Serengeti breweries limited in Tanzania.	Kenya	TRA	Adds to cost of doing business.	Abolition of the 25% duty charge		Tanzania undertook to consult and report back during the next Regional Forum	September, 2012
35	Non recognition of EAC certificate of origin by TRA for furniture products manufactured in Kenya	Kenya	TRA	Adds to cost of doing business.	Recognition of EAC CoO.		The NTB was considered during the Bilateral meeting between Kenya and United Republic of Tanzania and the Ministers agreed that Kenya provides further information on the NTB by 30 th September, 2012 enable URT to investigate it.	September, 2012.



NTB summary description	Affected countries	NTB source & Ministry/ Department/ Agency for action	Impact to businesses	Prioritized Action	Bottlenecks or Success Factor	Status / Recommendations	Time-frame	
NEW NON TARIFF BARRIERS								
1.	Re -introduction of cash bond by Kenya	Uganda, Burundi and Rwanda	KRA	Adds to cost of doing business.		<p>Kenya reported during the meeting of Sectoral Council on Trade, Industry, Finance and Investment that the cash bond requirements had been withdrawn and replaced with particular bonds.</p> <p>The Sectoral Council on Trade, Industry, Finance and Investment</p> <p>(i) Took note of the withdraw of the cash bond requirement and its replacement by particular bond;</p> <p>(ii) Requested the Republic of Kenya to revert to the use of general bond for ease of doing business;</p> <p>(iii) Directed that Uganda Revenue Authority and Kenya Revenue Authority jointly develop a monitoring mechanism for the application of the general bond in order to ensure that the facility is not abused by unscrupulous business persons;</p> <p>(iv) Urged The Republic of Kenya to waive all port charges and customs warehouse rent accrued as a result of application of the cash bond; and</p> <p>(v) Directed Secretariat to develop operational rules for the application of all types of bonds.</p>	Immediate	
2.	Imposition of 75% CET duty or \$200 per metric ton on rice wholly produced in Kenya by Uganda	Kenya	URA	Loss of market to Kenyan Farmers and Traders	Uganda to respond	Consign-ment recalled back to the country	URA to respond	December, 2012

	NTB summary description	Affected countries	NTB source & Ministry/ Department/ Agency for action	Impact to businesses	Prioritized Action	Bottlenecks or Success Factor	Status / Recommendations	Time-frame
3.	Tanzania food and Drugs Authority requires companies exporting to URT to register the products before exporting	Kenya	TFDA	Loss of market	Abolition of the requirement		East African Standards Committees to handle the NTB	December, 2012
4.	Requirement by the Kenya Revenue Authority that tea from Uganda destined for Mombasa auction market should be stored at the Customs Bonded warehouses in Mombasa.	Uganda	Kenya	Increase in cost of doing business	Abolition of the requirement		Kenya to abolish the requirement	Immediate
5.	Tanzania has re-imposed a visa charge of between U.S\$ 200-250 on Ugandan business persons travelling to Tanzania;	Uganda and Kenya	Tanzania	Increase in cost of doing business	Abolition of Visa requirement		Regarding the issue of re-imposing a fee of US\$ 200 – 250/300 as reported by Uganda and Kenya, Tanzania clarified that the fee charged was not for visa or business visa as reported but for a pass issued to persons entering the country on temporary assignment and short term business activities. Tanzania further reported that the said fee has been abolished for EAC Partner States citizens entering the country for short term business activities.	December, 2012
6.	Kenya Ports Authority has signed a service level agreement with Maersk Ltd and other CFSs where transit cargo is transferred upon arrival at the port	Uganda	Kenya	Increase in cost of doing business	Port charges should include charges by CFSs		Port charges should include charges by CFSs	Immediate

	NTB summary description	Affected countries	NTB source & Ministry/ Department/ Agency for action	Impact to businesses	Prioritized Action	Bottlenecks or Success Factor	Status / Recommendations	Time-frame
7.	Requirement for original documentation at the port of Mombasa and Dar Es Salaam for clearance of goods	Burundi	Kenya and URT	Increase in cost of doing business	Abolish the requirement		Abolish the requirement	December, 2012
8.	Ban of import of fresh fruits from Burundi to Rwanda.	Rwanda	Burundi	Increase in cost of doing business	Lift the ban		Lift the ban	Immediate
9.	Requirements for cash bonds by the Kenya Revenue Authority prior to clearance of certain goods.	Uganda	Kenya	Increased cost of doing business	To abolish the requirement		To abolish the requirement	December, 2012



NTB summary description	Affected countries	NTB source & Ministry/ Department/ Agency for action	Impact to businesses	Prioritized Action	Bottlenecks or Success Factor	Status / Recommendations	Time-frame
RESOLVED NON TARIFF BARRIERS							
1. Tanzania requires cash bonds for transportation of sugar to Rwanda.	Rwanda	TRA	Adds to cost of doing business	Abolition of the requirement	Resistance from TRA because of possible dumping of sugar.	Tanzania reported that she is now using bonds rather than normal bonds.	Resolved
2. Burundi charges entry fee for vehicles from other Partner States.	Kenya, Uganda, Tanzania & Rwanda	Burundi Customs	Adds to cost of doing business	Abolition of the charge		Burundi reported she had abolished the charge.	Resolved
3.0 Varying application of axle load specifications	All Partner States	Kenya Ministry of transport TANROADS Uganda Ministry of transport	Unnecessary time loss at the weigh-bridges Corruption	Introduce weigh-in motion systems and harmonization of axle load limits and gross vehicle mass (GVM) in the region	Insufficient financial resources Political disagreements on whether to adopt COMESA or SADC specifications	The meeting of the session of permanent secretaries of the sectoral council of transport, communications and metrology was held on 16 th – 19 th August 2011 in Nairobi to consider the matter. The session recommended that a meeting technical expert be convened by EAC Secretariat to develop supportive legal, Intuitional and operative framework for approval by the Council by April 2012.	April, 2012 Resolved
4. Imposition Visa to Burundians entering Tanzania	Burundi	Immigration Department of Tanzania	Restriction of entering.	Removal of visa		Tanzania reported that the issue was handled by the relevant Government body (Issue has been Resolved)	Resolved
5. Delays at the Ports of Mombasa & Dar Es Salaam, which affect imports and exports through the ports.	All EAC countries through use of Northern & Central corridors	Kenya Ports Authority, Tanzania Ports Authority Kenya Revenue Authority, Tanzania Revenue Authority, Kenya Railway Corporation, Tanzania Railways Corporation and Uganda Railways Corporation	3-4 days lost at Dar Es Salaam port, 7-10 days at Mombasa port. Surcharge by shipping lines of USD 12.5 per day after 4 days of ship arrival. KPA charge of USD 20 for 20ft and USD 40 and 40ft containers after 15 days. KPA stripping levy of USD 75 per container.	Implement Community based systems (CBS) to ensure information. Flow between ports and customs along corridors. Implement one-stop documentation centers to speed up clearance of containerized cargo. Continue ports modernization including computerization of procedures to ensure faster clearance.	Insufficient financial resources for investment in modern cargo handling equipment at the ports, rail wagons and communication technology. Success Factor Sufficient budgetary Allocation.	The ports of Mombasa and Dar es salaam are implementing National single window system to redress delays at the ports	1 – 3 Years Resolved

	NTB summary description	Affected countries	NTB source & Ministry/ Department/ Agency for action	Impact to businesses	Prioritized Action	Bottlenecks or Success Factor	Status / Recommendations	Time-frame
13.	Requirement for executing a bond for import taxes before being issued with stamps for excise duty purposes in Tanzania.	Kenya	Tanzania Revenue Authority	An extra cost to doing business	Abolition of the requirement	Resistance from the Revenue Authority	Tanzania no longer demands execution of bonds.	Resolved
14.	Requirement by Tanzania that BAT cigarettes should have 75% local tobacco content.	Kenya	Tanzania Revenue Authority	Loss of Business	Application of non-discriminatory excise duty regime	Resistance from TRA	The issues of 75% local content for BAT cigarettes have been removed.	Resolved
15.	Holding, re-testing milk and milk products bearing Uganda National Bureau of Standards quality marks and imposition of import quotas.	Uganda and Tanzania	Kenya's Ministry of Fisheries and Livestock Development, Kenya Dairy Board and Kenya Bureau of Standards.	Denial of market entry and loss of potential markets.	Political goodwill to mutually recognise inspection procedures, inspection reports and certificates	Pressure from businesses not to recognize products from within EAC due to fear of loss of markets Success Factor Political goodwill to recognize EAC as a single market area	The issue has been resolved	Resolved
16.	Kenyan ban on Ugandan day old chicks	Uganda	Ministries of Livestock Development and Agriculture	Ban on market entry and loss of potential markets.	Political goodwill to mutually recognise inspection procedures, inspection reports and certificates	Pressure from businesses not to recognize products from within EAC due to fear of loss of markets Success Factor Political goodwill to recognize EAC as a single market area	The issue has been resolved.	Resolved

	NTB summary description	Affected countries	NTB source & Ministry/ Department/ Agency for action	Impact to businesses	Prioritized Action	Bottlenecks or Success Factor	Status / Recommendations	Time-frame
17.	Cumbersome testing procedures for food exports and imports into Tanzania	Kenya	Tanzania Food and Drug Authority (TFDA)	Cost & time incurred in testing & certification procedures	Need to harmonize national export/import procedures under one technical body	Resistance from authorities currently in charge of exports/imports inspection (TFDA)	The issue has been resolved. TBS is the sole body for quality assurance and standards	Resolved
18.	Verification & classification goods(green, yellow, red)	EAC Partner States	Partner States Revenue Authorities	Corruption during verification. Credible importers of goods classified under red channel have to undergo physical verification on each consignment	Joint verification of goods at border posts.	Lack of verification sheds. Goodwill from Partner States Revenue Authorities.	Partner States Revenue Authorities are implementing Risk Management Systems.	Partner States are in the process of implementing Risk management System.
19.	EAC Standards Bureaus have varying procedures for issuance of certification marks, inspection and testing.	All EAC Partner States	National Bureaus of Standards EAC Ministries of industry.	Time and cost of complying with testing and certification procedures in the target export country	SQMT Protocol demonstrates political goodwill within EAC. Domestication of the protocol. Mutual recognition of standards marks. Continued harmonization of EAC standards	Lack of financial resources to set up facilities for certification Success Factor Sufficient funding to develop capacity in testing and certification at national and regional level	Mutual recognition of quality marks issued by Bureaus of Standards in accordance with the decision of the Council at its 7th meeting (EAC/CM7/2004) EAC Secretariat is in the process of finalizing procedures and regulations of testing in order to speed up implementation of SQMT Act 2006	Harmonization of EAC standard is still on-going.
20.	Non-recognition of EAC Rules & Certificates of Origin	Kenya Uganda Tanzania	Partner States Revenue Authorities	Cost of organizing verification missions. Delays in processing mission reports of between 1-2 months. Lost of business opportunities	Adherence to EAC Rules of Origin Criteria of 30% local value added	Pressure from domestic businesses due to fear they will lose domestic markets. Success Factor Goodwill to treat EAC as a single market area.	Partner States are now recognizing certificate of origins and verification missions undertaken where origin criteria is doubted.	Resolved

	NTB summary description	Affected countries	NTB source & Ministry/ Department/ Agency for action	Impact to businesses	Prioritized Action	Bottlenecks or Success Factor	Status / Recommendations	Time-frame
21.	Charging 6% withholding tax by URA	Kenya	Uganda dairy Board	Increased cost of doing business	Harmonization of internal withholding tax in the regional		Uganda informed the meeting this was a domestic tax. Resolved	Resolved
22.	Charge of 1.5% dairy levy	Kenya	Uganda dairy Board	Increased cost of doing business	Abolition of the levy	Resistance from Uganda dairy board.	Uganda informed the meeting this was a domestic tax. Resolved	Resolved
23.	The Ministries of Roads collect road toll at the entry and exit points.	Uganda, Kenya, Tanzania, Burundi and Rwanda	Ministries responsible for Roads	An extra cost to doing business	Harmonization of transit charges		There is need to harmonization of toll charges in the region. Has been resolved	Partner States are in process of harmonization of toll charges
24.	Uganda's certification procedures on exports of milk from Kenya		Uganda dairy board	Denial of market entry and loss of potential markets. Loss of potential market valued at USD 1 million for one Kenyan milk processor.	Political goodwill to mutually recognise inspection procedures, inspection reports and certificates.	Pressure from businesses not to recognize products from within EAC due to fear of loss of markets	The milk is allowed as long as it has certification.	Resolved
26.	Release of cargo manifest	All Partner States	Shipping lines	Increased cost of doing business	To release the manifest 72 hours before the ships dock.	Resistance from the shipping lines	CMA 2004 has been amended to allow submission of cargo manifest electronically by shipping lines within 72 hours.	Resolved
27.	Requirement that to export Herbal products to Tanzania you either be a member of Tanzania herbalists or to declare their formulas.	Uganda	Tanzania Herbalists organization	Ban of products	Abolition of the requirement		Tanzania has already passed some regulations to be adhered to all Tanzanians Herbalists organization. Tanzania to avail the regulations to Uganda to ease trade in herbal medicine.	Resolved

	NTB summary description	Affected countries	NTB source & Ministry/ Department/ Agency for action	Impact to businesses	Prioritized Action	Bottlenecks or Success Factor	Status / Recommendations	Time-frame
28.	Reduction of grace period for transit cargo at Dar es Salaam Port from 30 to 14 days	All Partner States	TRA	More cost			The reduction is in conformity with the EAC Management Act 2004 section 34.	Resolved
29.	Delays at Malaba border for trucks driving to Uganda	Rwanda	KRA	Delays in clearance of goods	Decongest the border	Lack of facilities at the border	Kenya has reported that the issue has been addressed.	Resolved
30.	Kenya has introduced Cash Bond on used clothes and shoes / other items considered of high value	Uganda	KRA	Restricts business transaction	Abolish the cash bonds	Fear of loss of revenue	Abolish the cash bonds on used clothes and shoes Kenya reported that it was removed in April, 2012	Resolved
31.	Kenyan Trucks entering into Tanzania are charged a levy of US\$ 200 each	Kenya	Tanzania Border Authorities	Loss of business	Removal of the levy		United Republic of Tanzania to remove the USD 200 levy on Kenya trucks. TANZANIA has reported that the charge was abolished in June, 2012	Resolved
32.	Lack of availability of simplified certificate of origin issued by Tanzania	Kenya	Tanzania Border Authorities	Loss of business	Avail simplified certificates of origin.	Implementation of EAC customs union.	Tanzania reported that certificates of origin had been dispatched to all border posts.	Resolved
33.	Non-implementation of EAC harmonized documents.	All Partner states.	Revenue Authorities	Delays in using the harmonized documents	Implement the EAC harmonized documents	Resistance from Revenue Authorities and Business Community in the Partner States.	Secretariat to cross check and report whether the Partner States are implementing EAC harmonized documents. BURUNDI, KENYA and RWANDA have submitted documents used by Revenue Authorities. The Ministers decided that other Partner States submit by the set time frame. <i>This issue is resolved since the EAC harmonized procedures manual has been adopted.</i>	Resolved

	NTB summary description	Affected countries	NTB source & Ministry/ Department/ Agency for action	Impact to businesses	Prioritized Action	Bottlenecks or Success Factor	Status / Recommendations	Time-frame
34.	Lack of harmonized procedures manual.	EAC Partner States	EAC Secretariat Partner States Revenue Authorities	Delays in of clearing imports Varied application of tariff duties	Harmonize export/ import documentation.	Revenue authorities may feel the procedures are sufficient. Success Factor Political goodwill at Council of Ministers level to apply harmonized procedures.	<i>The EAC harmonized procedures manual was adopted during the meeting of SCTIFI on 30th May, 2012.</i>	May, 2012 Resolved
35.	Visa charges of US\$ 250 for businessmen.	Uganda, Kenya, Rwanda, and Burundi	TRA	Cost to business	Abolition of the Visa.	The Ministers took note of the explanation of the steps Tanzania has taken to effect the implementation of the agreement to remove the fee STATUS URT Government has dispatched a gazette notice abolishing the fee to all border posts.	Resolved	
36	Re-introduction by Kenya of a cash bond on vehicles above 2000 cc and sugar transiting from Mombasa to Uganda;	Kenya	Uganda, Burundi and Rwanda	Cost of doing business	Abolition of the requirement	Kenya reported that she has abolished the requirement	Resolved	

4.0

PROGRESS REPORT ON THE DEVELOPMENT OF A LEGALLY BINDING ENFORCEMENT ON ELIMINATION OF IDENTIFIED NTBS.

The final draft study report was considered during the 8th EAC Regional forum on NTBs between 17th – 19th September, 2012 in Entebbe, Kampala. The Forum made the following comments:

- i.* Commended the Consultant for incorporating the comments made during the 7th EAC Regional Forum on NTBs;
- ii.* The draft study should include a table of comparison on efficiency and effectiveness of NMCs;
- iii.* The Study should propose a common regional approach on how to legalize NMCs Committees in the Partner States;
- iv.* Burundi does not acknowledge the statement that she exports arms, ammunition and aircraft within EAC Partner States;
- v.* The draft bill should include an article on how the private sector can seek redress in EACJ;
- vi.* Under the Interpretation Article, the Bill should include a Definition Article on the national coordinator and, the focal point;
- vii.* The draft bill on the legally binding mechanism should not be subjected to NTBs related to infrastructure and on laws and regulations which have not been harmonized;
- viii.* The Bill should have an Article on which party to meet the cost of litigation at EACJ;
- ix.* The issue of perishable good to be reflected in stage one of the resolution procedures; and
- x.* Need for national workshops to consider the draft bill on the legally binding mechanism;

The Forum recommended that:

- i.* The Consultant revises the Draft Study Report and the Bill taking into account the above comments;
- ii.* The revised Study Report and the Draft Bill be submitted to the forthcoming Extra-Ordinary meeting of the Sectoral Council on Trade, Industry, finance and investment for adoption;
- iii.* The Draft Bill thereafter be subjected to national stakeholders workshops;
- iv.* EAC Secretariat sources for the funds for the National Stakeholders Workshops; and
- v.* The Consultant to withdraw from the Draft Report, the statement in IV above on arms, ammunitions and aircrafts being exported to EAC Partner States.

The EAC Secretariat informed the meeting of the Sectoral Council on Trade, Industry, Finance and Investment was informed that consultant has revised the final draft report and the draft bill. The Sectoral Council considered the final draft study report and noted that there was need for Partner States to internalize the final draft study report before it is forwarded to Council for approval.

The Sectoral Council:

- i.* Took note of the progress made on the development of a legally binding enforcement mechanism on the elimination of identified NTBs; and**
- ii.* Directed Secretariat to submit the final draft study report to Partner States for comments by 15th November, 2012 and the comments to be forwarded by 15th January, 2013.**



One People . One Destiny

VISION

A prosperous, competitive, secure, stable and politically united East Africa

MISSION

To widen and deepen Economic, Political, Social and Culture integration in order to improve the quality of life of the people of East Africa through increased competitiveness, value added production, trade and investments

EAC CORE VALUES

*Professionalism
Accountability
Transparency
Teamwork
Unity in Diversity
Allegiance to EAC Ideals*

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