



World Customs Organization East & Southern Africa Region Regional Private
Sector Group Webinar

Practically tackling NTBs in the ESA Region

12th Webinar – 24 February 2022, 14h00 to 15h30 (CAT; UCT +02:00)

Introduction

On paper, a massive trading expansion is set for Africa, yet the continent still grapples with various obstacles inhibiting inclusive growth, little more so than non-tariff barriers (NTBs). Indeed, the AfCFTA is set to bring together 1.2 billion people with a combined gross domestic product (GDP) of more than 2 trillion USD. The AfCFTA entered into force in June 2019 after reaching the required level of ratifications. The online mechanism for reporting, monitoring, and eliminating trade barriers has been a significant element of the AfCFTA. According to UNCTAD, African countries could gain USD 20 billion in GDP growth by tackling such barriers at the continental level¹. In COMESA, 82% of NTBs (Non-Tariff Barriers) are operational and easy to monitor, while "behind-the-border" type of NTBs are posing to be more complex².

The share of African exports to the rest of the world fluctuated from 80% to 90% in 2000 –2020. The only other region with a higher export dependence is Oceania. Fortunately for regional growth, since 2008, Africa and Asia have been the only region with a rising trend in intra-regional trade. Intra-African exports in 2017 represent approximately 16.6% of total exports, compared with 68.1% in Europe, 59.4% in Asia, 55.0% in America, and 7.0% in Oceania³.

This WCO-ESA-RPSG webinar – *the 12th of its kind* – aimed to encourage a more comprehensive discussion around practically resolving NTBS in the ESA Region by bringing together various experts specializing in the field of NTBs and trade liberalization. The webinar was chaired by Fred Seka (WCO ESA-RPSG Vice-Chair), with technical support by Jacob van Rensburg (WCO ESA-RPSG Executive Coordinator) and joined by the below expert panelists:

1. **Kuena Molapo** – *Senior Expert of NTB/TPT/SPS, AfCFTA Secretariat*
2. **Trudi Hartzenberg** – *Executive Director, t r a l a c – Trade Law Centre NPC*
3. **Alexander Hammond** – *Director, Initiative for African Trade and Prosperity (IATP)*
(Unfortunately, Alexander could not join us due to personal links in Ukraine, which required his full attention due to the current humanitarian threat)

Outline of the agenda:

1. **Welcome & rules of engagement:** Fred Seka

¹ UNCTAD. [AfCFTA support Programme to eliminate non-tariff barriers, increase regulatory transparency and promote industrial diversification](#)

² Tralac. 15/07/2020. [82% of NTBs in COMESA are operational and easy to monitor: but behind-the-border type of NTBs are more complex](#)

³ UNCTAD. 26/06/2019. Press Release. [Fact and Figures](#)



2. **Panelist discussions:**
 - a. Kueno Molapo
 - b. Trudi Hartzenberg
3. **Question and Answer opportunity**
4. **Closure and final thoughts**

1. Welcome and rules of engagement

A warm welcome note was extended to the distinguished panelists and all participants with a stake in customs and trade-related matters in the ESA region. Participants were encouraged to mute their microphones and use the chat box monitored throughout the discussion. Panelists switched on their videos when presenting. It was noted that the presentations with all relevant information and the video concerning the webinar would be made available on the [WCO ESA RPSG's website](#). Attendees were encouraged to visit the website and read through the information.

2. Panelists' discussions

a. AfCFTA online NTB tool – Kueno Molapo

I. Background:

Kueno Molapo expressed her gratitude for being able to share some insights into the online mechanism designed by the AfCFTA to register, monitor, and finally eliminate any NTBs on a continental level. She is currently responsible for implementing Annexures 5, 6, 7 and specifically around technical barriers of the AfCFTA.

In negotiating the AfCFTA, as part of the provisions, there was a need for an instrument that allows for the reporting, monitoring, and elimination of non-tariff barriers (NTBs). As a result, Annex 5 was negotiated as part of the agreement's legal text. The agreement's objective in Annex 5 is to facilitate how governments extend their hand to the private sector to address the challenges arising during the deal's implementation. As we all know, with trade liberalization, technical and other barriers to trade tend to occur in forming a trade agreement. For this reason, it was critical for the Secretariat to develop such a tool.

In addition, Annex 5 defines the scope of NTBs. Article 3 and Appendix 1 specify what is considered an NTB, as not all hurdles are classified as an NTB. For example, there are technical barriers to trade that deal with standards, technical regulations, and conformity assessment. There are also sanitary and phytosanitary measures and customs-associated administrative and entry procedures. Finally, other government-related barriers come into play between various countries.

Furthermore, Annexure 5, Article 12 stipulates the need for an NTB reporting and eliminating mechanism. This work has been done with the help of UNCTAD and is currently owned and managed by the AfCFTA. It is intended to reduce the time governments respond to some of the private sector's potential problems. It further aims to help the private sector report any challenges quickly online, not being bound to a specific place or administrative burden. It is also a platform where different nationals or national focal points can exchange valuable information. The system is based on the Tripartite online tool developed to report and eliminate NTBs. The AfCFTA online reporting mechanism allows for the



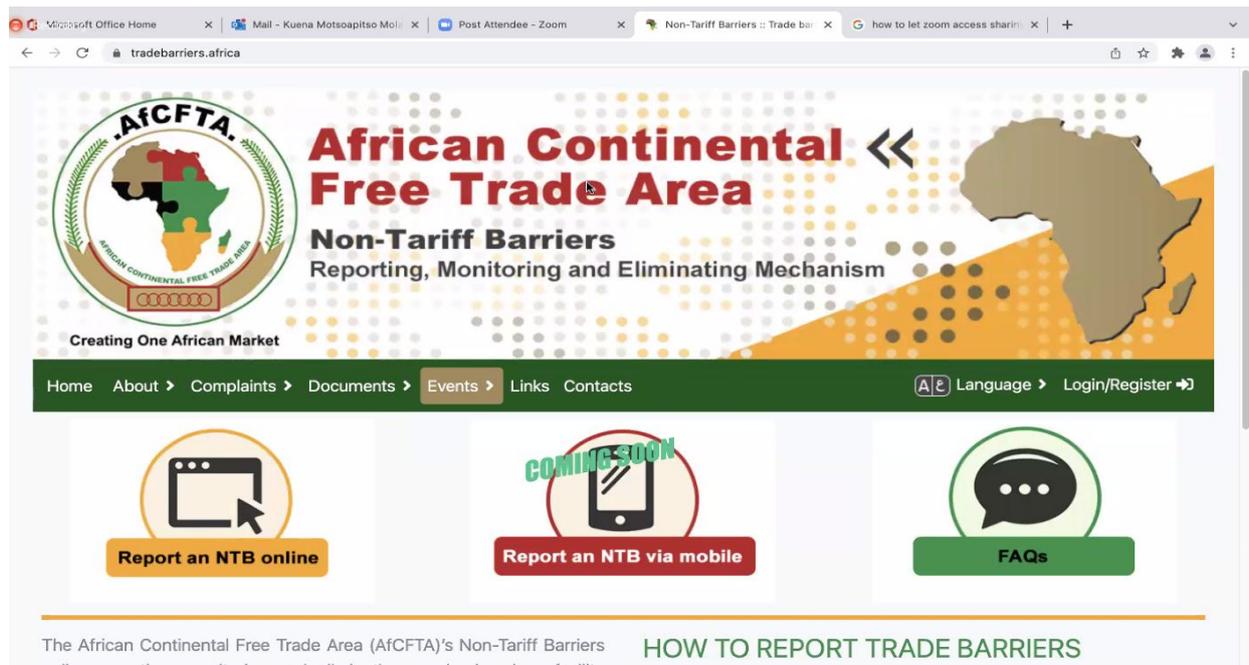
reporting of NTBs at the national level, including all ratified countries in Africa falling outside the Tripartite region.

Annexure 5 also provides national focal points to monitor and resolve relevant NTBs. Each state party is expected to have a national focal point and national monitoring committees as national institutional arrangements for resolving NTBs. Most countries have appointed their national focal points, and some training has been provided in the past two years.

Kuena Molapo further took the opportunity to acknowledge Vonesai Hove, who has spearheaded this project in the Tripartite region and now on a continental level, which has proven to be very successful.

II. The AfCFTA online NTB reporting, monitoring, and elimination tool:

Kuena Molapo demonstrated the online NTB reporting, monitoring, and elimination tool that was established by the AfCFTA secretariat in a quest to eliminate current or upcoming NTBs that may arise during the formation of the AfCFTA. The website can be found following the link: www.tradebarriers.africa and the website's home page looks as per below:



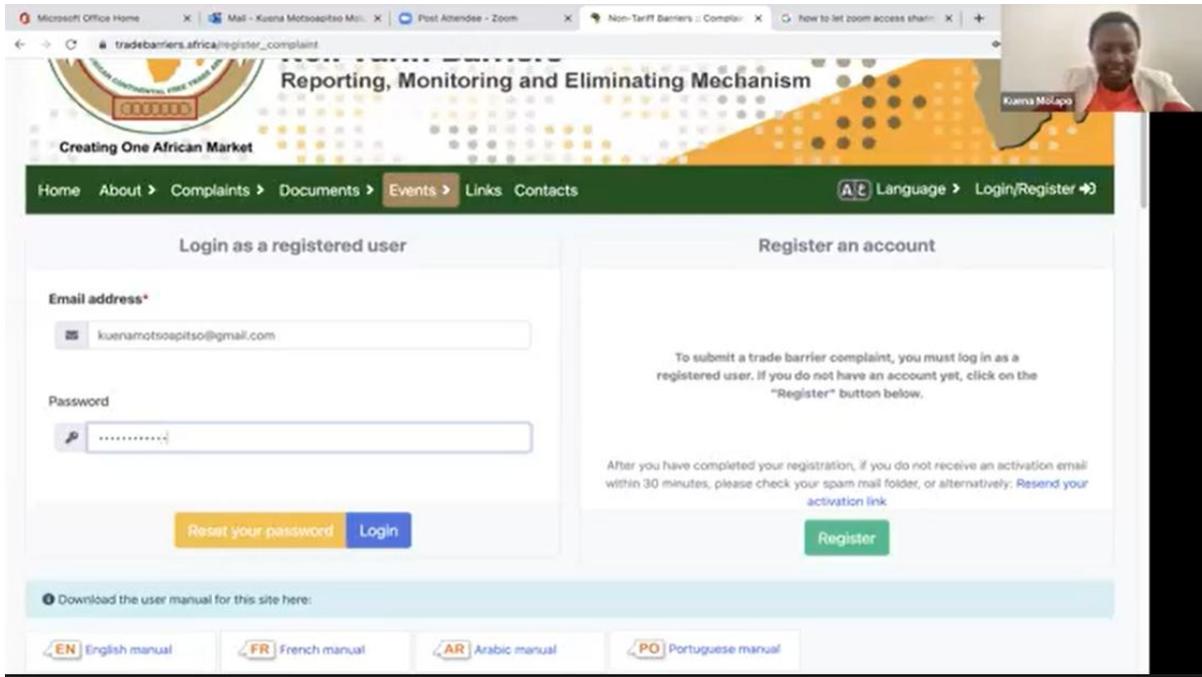
The mechanism is accessible via computer or smartphone. The definition of NTBs and NTB Categories is available under the tab "About". At "Complaints", a drop-down appears for options to register a complaint or to have a look at active or resolved complaints. Under "Documents", a drop-down offers you options to have a look at NTBs/NTMs (Non-Tariff Measure) studies and other relevant AfCFTA or REC (Regional Economic Communities) documents. Various previous webinars held by the AfCFTA can be found under "Events", with the relevant links under "Links".

III. How to register a complaint:

If an NTB within a country falls out of the COMESA-EAC-SADC Tripartite region, it will have to be logged onto the AfCFTA online mechanism. Go to "Complaints" and click on "Register a complaint". The next page will appear:



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After the NTB has been logged online, a notification will be sent to the AfCFTA Secretariat. After evaluating the NTB to determine if the NTB falls within the scope of Annexure 5, will it be transferred to the relevant national focal points to address. The expectation is that the national focal point of the reporting country and the national focal point of the reported country will start to address and resolve the NTB as quickly as possible.

Complaint number	NTB Type	Date of incident	Location	Reporting country or region	Status	Actions
AfCFTA-000-012	5.1. Embargoes and other restrictions of similar effect	2021-11-22	Kenya: Poultry products from Uganda have been banned from entering the Kenyan market.		Transferred	View
Complaint: The government of Kenya without giving any reason arbitrarily banned all poultry products from Uganda from accessing the Kenyan market. It is not clear when the ban will end or if it will end. My clients have lost and continue to lose a lot of money thanks to this arbitrary and protectionist measure by the government of Kenya going against all the principles of the International Trade especially Kenya's obligations as a part of the East African Community Customs Union.						
AfCFTA-000-011	2.5. Rules of origin	2020-12-05	Kenya: Namanga	Tanzania, United Republic of	Transferred	View
Complaint: Republic of Kenya has denied importation of glass products from Tanzania Company Kioo limited.						
AfCFTA-000-004	2.5. Rules of origin	2020-06-16	Niger: Gaya	Benin	New	View
Complaint: Le Certificat d'origine (CO) qui accompagne la marchandise est signé par la Directrice de la Promotion Industrielle (Direction Générale du Développement Industriel) conformément aux exigences pour l'exportation des produits industriels. Malheureusement les Services des douanes nigériens exigent un CO signé par la Direction Générale du Commerce.						
AfCFTA-000-002	7.1. Transport, Clearing and Forwarding Policy/Regulatory	2020-01-12	Senegal: Karang	Gambia, The	In process	View
Complaint: Passenger buses traveling from Banjul to Dakar , are denied entry into Senegal by the Senegalese Transport Union. Both the 11 and 12th of January , buses are denied entry into Senegal by drivers Union at Karang in Senegal.						

A list of all NTBs submitted will emerge after your specific NTB has been submitted. Important to note is the status of the NTBs, specifically the ones indicating "Transferred". This situation means that the specific NTB has been reported between countries that belong to the same REC. Therefore, the AfCFTA will not engage as it is accepted that REC-level mechanisms are in place to resolve and respond to those NTBs. Therefore, these NTBs are effectively transferred from the AfCFTA-level to the REC level. The AfCFTA or continental level will address those countries that do not have any REC-level mechanisms.

IV. Reporting an NTB via a mobile

In conclusion, the AfCFTA recognizes the requirement for some private sector representatives who need access to the tool via a smartphone due to various border crossings not being properly connected. In addition, many small-to-medium enterprises do not have access to a computer with internet connectivity. Therefore, the AfCFTA is working on establishing a mobile application aimed to be ready by the end of this year. There will also be an option to report an NTB via SMS.

Concerning turnaround time, the AfCFTA further recognizes the need to respond quickly to the needs of the private sector, as those responsible in the government and via the AfCFTA Secretariat. The AfCFTA understands that any delays of products at a specific border constitute substantial revenue losses. In addition, some barriers are based on legislation that requires governments to change certain provisions, which could take an extended period to resolve. There are also the issues that



resemble a lack of knowledge on specifications or conformity prerequisites. The AfCFTA, therefore, encourages the need to disseminate as much NTM information via all possible avenues. This type of information has been made available by the AfCFTA. In addition, information on the various appointed national focal points has also been drafted and will be shared in due course via the media.

b. Intra-Africa trade: non-tariff barriers and trade costs - Trudi Hartzenberg

I. Intra-Africa Trade:

Intra-Africa trade is low by global standards. When we track Africa's intra-Africa trade performance since the early 2000s, we can see that it falls between 10%-20% of Africa's total trade. Since 2007 intra-Africa trade was steadily increasing until 2015, when it reached a peak at 21% and started to decline significantly (averaging at 18% annually since 2019), especially as the pandemic hit the continent in 2020. In 2020 intra-Africa trade stood at 16% of Africa's total trade, mainly attributed to Covid-19 -related supply chain disruptions. Total intra-Africa trade in 2020 was USD61 billion, having declined 5% over the last five years.

The top ten traded product groups in Africa are as follows from most to least:

1. Mineral products
2. Chemical products
3. Food and Beverages
4. Base metals
5. Machinery
6. Transport equipment
7. Vegetable products
8. Precious stones and semi-precious stones
9. Plastic products
10. Textile & clothing

Mineral products, primarily oil, are the top traded product by value in Africa, albeit accounting for only 10% in intra-Africa trade, with 90% leaving the continent. Manufactured products mostly dominate the Intra-Africa trade. Agricultural products account for only 23% of total intra- Africa trade.

It has also become evident that intra-Africa trade is mainly dominated by trade within the different neighborhoods. Therefore, African countries trade much more with their immediate neighbors than countries further afield on the African continent. This situation is partly due to high trade costs and the long-established commercial development across borders within various Regional Economic Communities (RECs).

II. Non-Tariff Barriers in East and Southern Africa:

The first online NTB-reporting, monitoring, and eliminating tool was established by the SADC-COMESA-EAC Tripartite and went online in 2004. Since then, it has recorded over 700 successful resolved NTBs in the region. At that time, the aim was to join the countries under COMESA, SADC, and the EAC regions. For registering an NTB within this region, please visit the website: www.tradebarriers.org

It is critical that private sector representatives who wish to report an NTB fully understand what an NTB is and the different categories of an NTB. This information is available on both websites.



Furthermore, by following the established trade regime, private sector representatives must know which NTB-reporting portal to use. For example, suppose there is a trade barrier between two countries under the COMESA-SADC-EAC Tripartite region. In that case, the NTB will need to be submitted following the COMESA-SADC-EAC-Tripartite online NTB portal (www.tradebarriers.org). On the other hand, if there is an NTB between a member country and a country falling outside this region, the NTB will need to be submitted following the AfCFTA – online NTB portal (www.tradebarriers.africa).

South Africa has also established its own Export Barrier Monitoring Mechanism (EBMM), specifically via the dtic (Department of Trade, Industry, and Competition). A private sector representative can write an email to ExportBarriers@thedtic.gov.za or use the (soon to be available) online form on the dtic website. An official is assigned for each barrier and acts as your representative in government for the specific challenge. Barriers registered with the EBMM guide engagements and forums with foreign partners. When multiple firms report similar barriers, that reporting cluster received additional support via a cross-cutting intervention.

We must continue efforts to eliminate NTBs between trading partners or neighbors. It will help improve a country's competitiveness and its effectiveness to trade with any other future trade party. Moreover, if a country's customs- and border management and governance processes are improved, it has a broad multiplier effect in terms of positive gains for futuristic trade.

III. Non-tariff Trade Costs:

There is relatively limited data available in terms of non-tariff trade costs. There is, however, a valuable trade database available called the ESCAP-World Bank Trade Cost Database that showcases a collection of non-tariff costs within an index (transport costs, dwell time, and the like). The non-tariff trade costs are expressed in a percentage in a tariff equivalent. The AVE (Ad Valorem Equivalent) is the uniform tariff that would apply to importing a product due to the presence of the NTMs. For example, suppose the AVE is 140% for agricultural products in a specific country. In that case, a trader will pay 140% (representing non-tariff measures in place) of the tariff by trading with an agricultural product. In terms of the average inter-REC and intra-REC non-tariff trade costs for goods between 2015 -2019, it is clear that non-tariff trade costs are lowest within RECs, i.e., intra-REC trade.

The EAC (East African Community) has the lowest average intra-REC non-tariff trade costs at 140% (average), followed by ECOWAS (Economic Community of West African States) at an average of 195% AVE, SADC (Southern African Development Community) at an average of 230% AVE and finally COMESA (Common Market for Eastern and Southern Africa) at 281% AVE. ECOWAS- EAC average non-tariff trade costs are as high as 400% AVE. Kenya is the largest economy in the EAC and has an intra-EAC average (117% AVE) which is 22% lower than the overall intra-EAC average non-tariff trade cost of 140% (AVE). The bulk of Kenya's Intra -African trade is with EAC and COMESA members. The COMESA-EAC average non-tariff trade costs are 235% (AVE). Beyond COMESA & EAC, Kenya's two main trading partners are Nigeria and South Africa. The bilateral non-tariff trade costs are 343% (AVE) & 116% (AVE) respectively.

The bilateral trade costs excluding tariffs are sourced from the ESCAP-World Bank trade cost database. They include all additional expenses other than tariffs involved in trading goods bilaterally between trade partners rather than domestically. These trade costs include transport costs, costs associated



with completing trade procedures, and the time to obtain necessary information. When comparing manufacturing trade costs and agriculture trade costs, on average, the agriculture-non-tariff trade costs were higher than manufacturing non-tariff trade costs by 102% AVE annually from 2015-2019. Ghana-Zambia agricultural trade in 2019 had the highest non-tariff trade costs at 926% AVE. Namibia – South Africa had lower agricultural non-tariff trade costs at 51% AVE in 2019. Within the manufacturing industry, trade between Botswana and Chad in 2019 had the highest non-tariff trade costs, recorded at 934% AVE, while trade in the manufacturing industry trade between Namibia and South Africa had the lowest at 40% AVE. Landlocked countries or island countries tend to have much higher non-tariff trade costs. Overall, South Africa has the lowest average non-tariff trade costs (at just over 150% AVE) on the continent, followed by the Congo, Zambia, Ivory Coast, Seychelles, Tunisia, Mauritania, Morocco, Egypt, and Liberia. Eliminating these costs to trade will improve the overall trade environment and strengthen cross-border value chains.

Compared to previous years, the average inter-regional contract freight rates have increased on almost all routes. This situation was revealed in a recent study conducted by UNCTAD using TIM Consult Market Intelligence data. The data provides regional averages for forty-foot container dry cargo freight rates, as negotiated for routes where rates were available for at least five shippers and at least five shippers 500 TEUs per year on a port-pair basis. These rates decreased just before 2020 when the markets were distorted in various developed countries, and rates rose exponentially.

Excessive time spent in a port is seen as a non-tariff trade cost. In the same study, UNCTAD used data provided by MarineTraffic to determine the average time vessels spend inside a port. Note that these vessels had to have 1,000 gross tonnage and above. Where countries have improved on the time vessels spent inside the port, it has been noted that there is a reconfiguration of trade routes in response to the improved efficiencies. Moreover, there has been a considerable decrease in demand from 2017 in the overall demand and supply of commodities in container shipping. Furthermore, the demand has accelerated exponentially in 2020, which has been expected due to the pandemic. Demand suddenly increased with the onset of recovery, where supply has been lagging. This lack of sufficient supply ultimately leads to high trade costs.

3. Questions and Answers

- 1. What is the success factor or success rate in resolving the NTBs logged at the national level? What is the turnaround time? And lastly, what do you see as the evolution of this online tool?**

The turnaround time differs in terms of the type of NTB reported. For example, the turnaround time would be very reasonable if the issue relates to a verification process that needs to be followed by making a few calls. But, if there is an issue that requires specific government intervention or more consultation, the turnaround time could take much longer. According to Annex 5, an NTB should be resolved within a total of 60 days.

In terms of success, most of the NTBs recorded have been successfully resolved, which is a very positive outlook. However, there are measures or regimes in place in certain countries governed by a law that needs to be complied with, which will then remain unresolved.

- 2. Is there any member state that the AfCFTA applies to, or does it include the whole continent and who is sponsoring the AfCFTA?**



The AfCFTA has 42 African countries that have ratified the agreement. Moreover, there are 54 signatories to the deal. As a result, the 42 ratified countries will now trade with each other as state parties on the specific terms set out by the AfCFTA agreement.

The AfCFTA is a project belonging to the AU (African Union), so the AU member states ultimately fund it. The AU has established the operational budget, while various specific projects are sponsored by different entities interested in certain areas.

3. Are there any problems stemming from various interpretations due to the different languages in Africa?

Yes. In the AfCFTA, the official languages are English, French, Arabic, Portuguese, and Swahili, which also form the official languages within the African Union. Therefore, from an official point of view, the AfCFTA endeavors to communicate in those languages as much as possible. However, if there are any queries raised in any other language, it becomes the responsibility of the national authorities to handle the matter.

4. Closing remarks

In conclusion, all the panelists were thanked for their participation. Additionally, the RPSG notes the growth and contribution of the AfCFTA in terms of trade liberalization within the continent. Indeed, the Tripartite and AfCFTA -online NTB reporting, monitoring, and elimination tool is instrumental to improving intra-regional trade in Africa. The region is optimistic regarding the traction and expected indirect advances that are still to be recorded using these tools.



WCO ESA RPSG: Practically tackling NTBs in the ESA Region Webinar



Seka – WCO ESA-RPSG Vice-Chair

WEBINAR on "Practically tackling NTBs in the ESA Region"
 24 February 2022, 14h00 – 15h30 (CAT,UCT +02h00)

To join the event, follow this link:
<https://us02web.zoom.us/j/81375636581>

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Zoom

Speakers:

Kuena Molapo
 Senior Expert NTB/TBT/SPS, AfCFTA Secretariat

Trudi Hartzberg
 Executive Director, t r a l a c - Trade Law Centre NPC

Alexander Hammond
 Director, Initiative for African Trade and Prosperity (IATP)

Content on our website:

- COVID-19 Situation reports
- Newsletters
- Projects (including NTBs)
- Previous webinars
- International resources

Housekeeping:

- Please mute your microphone & switch off your video.
- Please make use of the chat function to ask questions.
- Facilitators will be on video during their presentations.
- All presentations (6, 10/10) will be shared on the website.
- Further questions?

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AfCFTA
 Creating One African Market



Kuena Molapo - Senior Expert of NTB/TPT/SPS, AfCFTA Secretariat

AfCFTA African Continental Free Trade Area
 Non-Tariff Barriers Reporting, Monitoring and Eliminating Mechanism

Creating One African Market

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HOW TO REPORT TRADE BARRIERS



Trudi Hartzberg – Executive Director, t r a l a c – Trade Law Centre NPC

intra-Africa trade update AFRICA 2020

Intra-Africa trade performance (2001 - 2020)

USD 61 bn (2020)
 CAGR (2016-2020) 3%

Top 10 traded product groups (2020)

89% Share of total

intra-Africa trade peaked at 21% in 2015 and averaging 16% annually until 2019. In 2020 intra-Africa trade was down to 16% mainly attributed to Covid-19 related supply chain disruptions. Total intra-Africa trade in 2020 was USD 61 billion having declined 5% over the last 5 years.

Mineral products mostly oil is the top traded product by value, albeit only accounting for 10% in terms of intra-Africa trade with 90% being the Continent. Intra-Africa trade mostly dominated by manufactured products. Agricultural products account for only 23% of total intra-Africa trade.

