

CHALLENGES AND PROSPECTS OF TRACKING INFORMAL CROSS BORDER TRADE IN EASTERN AND SOUTHERN AFRICA (ESA)

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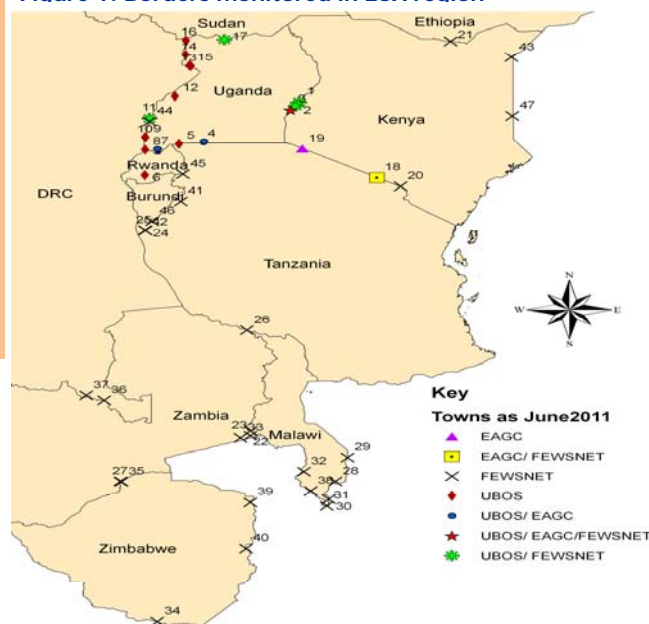
Introduction

- Informal cross border trade (ICBT) refers to unrecorded business transactions undertaken across the borders. It includes goods moved through unofficial and official trade routes through under-invoicing and mis-declarations of cargo.
- Agencies monitoring ICBT have focused on only goods passing through unofficial trade routes
- ICBT constitutes a major proportion of regional total trade (almost over 40%) (see Figure 3).
- Data on ICBT is very scant though important for trade policy decision making.

Current efforts to collect informal cross border trade data

- There is very minimal investment in the collection of ICBT in the ESA region.
- Currently, ICBT data is collected on continuous basis by Uganda Bureau of Statistics (UBOS) and the Market Analysis Subgroup (MAS) partnership consisting of Eastern Africa Grain Council (EAGC), Famine Early Warning Systems Network (FEWS NET), World Food program (WFP) and Food and Agriculture Organization (FAO).
- Figure 1, indicates borders that are currently monitored.
- ICBT data is collected through various methods: Border observation or monitoring, Tracking and Stock taking techniques.

Figure 1: Borders monitored in ESA region



Town Names

- 1=Lwakhakha; 2= Malaba; 3= Busia; 4= Mutukula; 5= Kikagati; 6= Cynika 7= Katuna; 8= Bunagana; 9= Ishasha DRC; 10= Ishasha; 11= Mpondwe; 12= Ntoroko; 13= Goli; 14= Vurra; 15= Paidha; 16= Oraba; 17= Nemule; 18= Namanga; 19= Isabania; 20= Oloitoktok; 21= Moyale; 22= Mchinji; 23= Songwe/ Kasumuru; 24= Mulungu/ Kigoma; 25= Zombe/ Kaseya; 26= Nakonde/ Tunduma; 27= Chirundu; 28= Muloza (Mulanje district); 29= Nayuchi; 30= Tengani; 31= Marka; 32= Mwanza; 33= chadiza; 34= Beitbridge; 35= Chirundu; 36= Momkambo; 37= Kasumbalesa; 38= Mkumaniza; 39= Nyamapanda; 40= Machipanda; 41= Kibondo; 42= Kigoma; 43= Elwark; 44= Mpondwe; 45= Rusumo; 46= Manyovu; 47= Doblely

Figure 2: Informal trade in selected countries (2010, nominal values US\$ 1000)

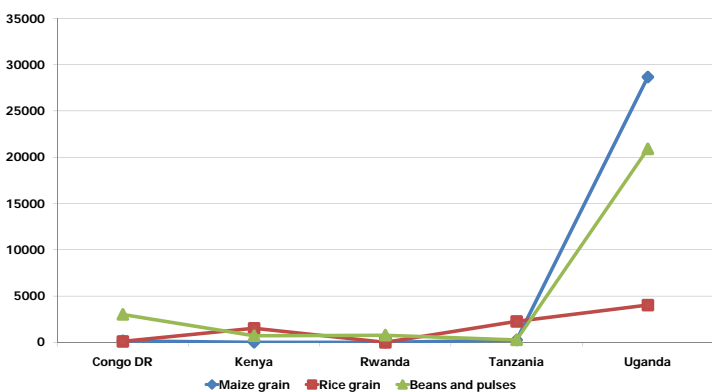
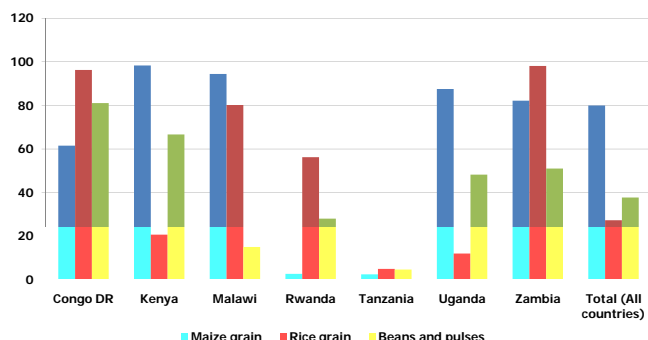


Figure 3: Proportion (%) of informal Volumes to total trade volumes of selected commodities (2009)



Challenges of monitoring informal trade data

- Available informal trade data is collected by only a few agencies.
- Data is mostly incomplete in terms of commodities or borders, and is often based on sample case studies and estimates from particular borders.
- Not all components of informal trade are captured (*'panyas'*; night trade)
- Methodological methods and tools used by agencies differ
- Which borders to monitor, what to monitor and ideal time of monitoring is not well defined
- Not all agricultural commodities are monitored

Recommendations

- Identify representative borders for monitoring
- Prioritize main agricultural staples for monitoring: volumes, value, proportions.
- Improved methodology of monitoring- standardized methodology
- Implement continuous capacity building through a harmonized program
- Use international harmonization codes
- Strengthen partnership among agencies



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