

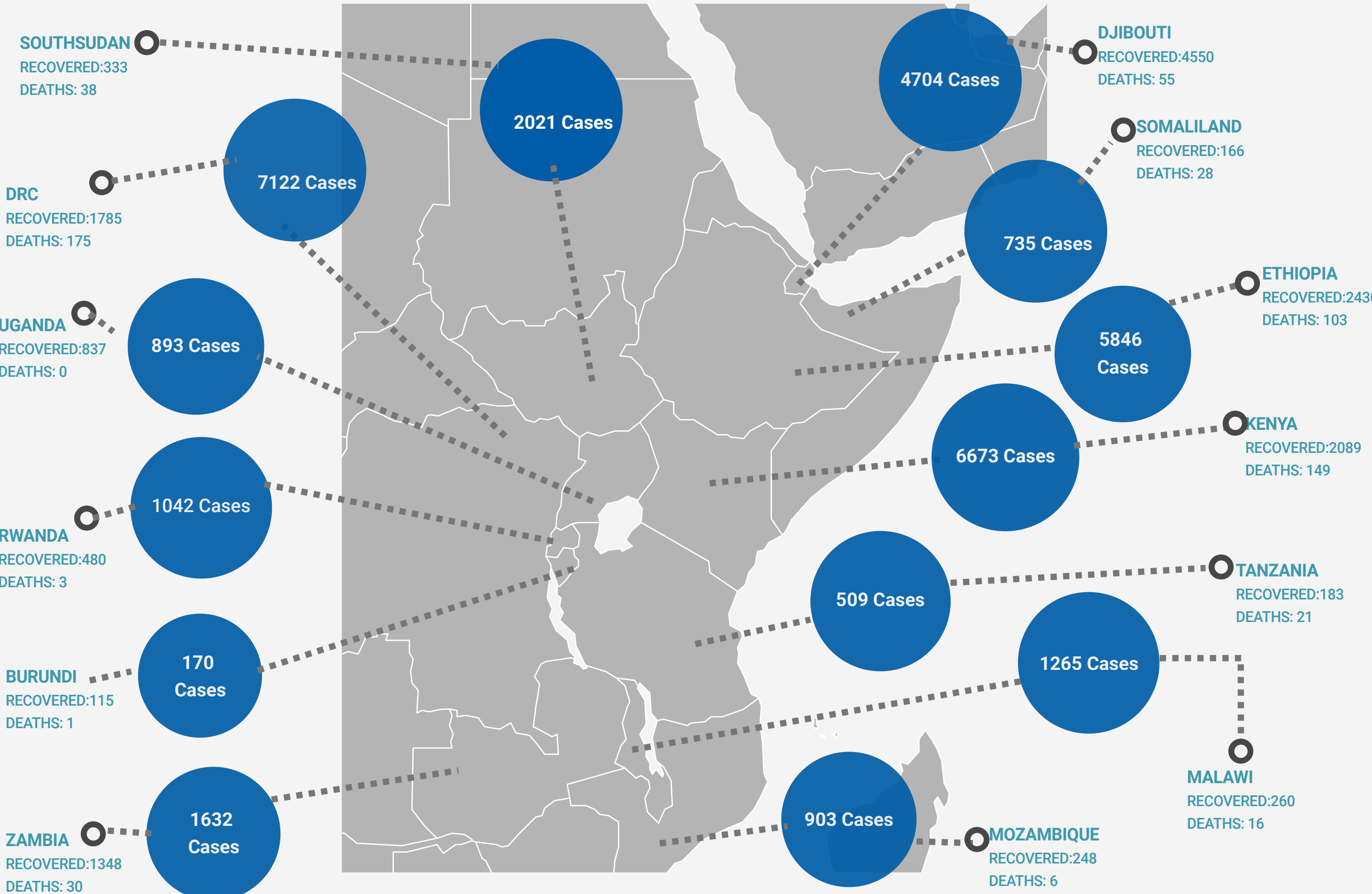
# Impacts of COVID-19 on Eastern Africa Trade, Transit and Borders

June 29th-3rd July 2020

## Introduction

TradeMark East Africa works closely with Government and Private Sector partners across the region. The following is a weekly compilation of the dynamic situation on the ground due to the current COVID-19 crisis. TMEA has captured daily updates as they became known to us through our partner contacts, as well as from media reports (links provided). Please note that TMEA has not independently verified the media reports, and that the details below change rapidly and may become obsolete or overtaken by events as quickly as it is distributed.

Source of data is from Johns Hopkins Resource Centre  
Here, Worldometers Here and Africa CDC Here  
\*Source from Govt situation database. Here  
(Data last update 30.06.2020)  
\*\* Tanzania last reported new cases on 29 April 2020



DISCLAIMER: The maps in this report are for illustrative purposes only. Representations and the use of boundaries and geographical names on these maps may include errors and do not imply judgment of the legal status of a territory, nor official recognition or acceptance of these boundaries by TMEA.

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## Situation Overview

1.1 The Shippers Council of Eastern Africa has highlighted the effect on Covid-19 to increase transport costs and time as shown in Table 1 below. The Council foresees a number of transport companies withdrawing their services or increasing their freight rates, and there are already signs of a shortage of trucks.

Table 1: Average Transport Costs Pre- and During Covid-19 (January-June 2020)

|                                                                                    |                                                                                     | Destination and Distance                     | Pre COVID rates (USD) | Current rates March-June (USD) | Pre COVID average transit time (Days) | Current average transit time March-June (Days) | Extra costs @ Usd 200 per day* |
|------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|----------------------------------------------|-----------------------|--------------------------------|---------------------------------------|------------------------------------------------|--------------------------------|
|    |    | Mombasa – Kampala<br>1145km                  | 2300                  | 2500                           | 2-4                                   | 7-9                                            | \$1000                         |
|    |    | Mombasa – Kigali<br>1652km                   | 3400                  | 3800                           | 7-8                                   | 14-16                                          | \$1400                         |
|  |  | Mombasa – South Sudan<br>1600km              | 3600                  | 4500                           | 9-10                                  | 21- 26                                         | \$2800                         |
|  |  | Mombasa – Bujumbura<br>2000km through Rwanda | 4900                  | 5900                           | 9 – 10                                | 19-20                                          | \$2000                         |
|  |  | Mombasa – DRC Butembo<br>(1900km)            | 5000                  | 6000                           | 20-21                                 | 30-45                                          | \$3400                         |
|  |  | Nairobi- Zambia                              | 6000                  | 7000                           | 10-12                                 | 30-32                                          | \$4000                         |

\* Indicates financial cost implication on increased transit/truck turnaround time

1.2 Prospects for recovery of the tourism sector was in discussion this week through a webinar co-hosted by TMEA and the East Africa Tourism Platform (EATP). The webinar's output includes the need to increase private and public sector investment in intra-regional and continental tourism promotion (research indicates that international travel will take longer to return to pre-COVID 19 levels), build private sector capacity and support an enabling environment. The EATP programme was launched during the webinar.



8HRS

Time it takes to release truck drivers' Covid-19 test results at Malaba border



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1.3 International reports this week have highlighted major trends in the economic impacts of the coronavirus across the continent:

-  **BBC** : Delayed and cancelled flights, increased freight costs and a huge fall in demand had initially brought some major Eastern African export sectors, such as the flower trade, to a virtual standstill. The pandemic has also disrupted another prominent business model on the continent of importing finished and reselling at a high mark-up, and it has opened the eyes of African entrepreneurs to the reality that local manufacturing needs to become a priority. [Read more](#)
-  The Central Bank of Kenya recently reported that flower exports picked up in June as destination markets continue to open after Covid-19 lockdowns, going up 12.4% and hitting 95 percent of the volumes seen in the similar timeframe in 2019. [Read more](#)
-  **New York Times** : From Kenya to Nigeria, South Africa to Rwanda, the pandemic is decimating the livelihoods of the once-stable workers who were helping to drive Africa's economic expansion. [Read more](#)
-  African Development Bank expert says that if policymakers act fast to seize the opportunities that the AfCFTA, Brexit and Covid-19 triangle of events offer, and reset UK-Africa trade relations, a win-win partnership can emerge. [Read more](#)

## Country and Regional Updates

### *Burundi*

- Burundi's new President has declared Covid-19 the country's "biggest enemy", in a major turnaround of the government's approach to the pandemic. [Read more](#)

### *Djibouti*

- According to the World Bank, oil importing economies in the Middle East and North Africa –including Djibouti – are expected to experience a 0.8% average fall in GDP this year, compared to the 5% average contraction projected for oil exporters in the region. [Read more](#)



12.4%

Rise in flower exports in June after reopening of markets after Covid-19 lockdowns

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### DRC

- Trade and movement of goods between the two border towns of Rusizi on the Rwandan side and Bukavu in DRC are the main source of new coronavirus cases. [Read more](#)
- DRC relies on food imports as insecurity stalls local agriculture during Covid-19 pandemic. [Read more](#)

### Ethiopia

- Of the five biggest economies in sub-Saharan Africa, only Ethiopia is projected to expand this year, according to a revised outlook from the International Monetary Fund. [Read more](#) However, the IMF has cut the country's 2020 growth forecast in half to a little over three percent. [Read more](#)

### Kenya

- Travel restrictions will soon be lifted following the launch of the Tourism and Travel, Health and Safety Protocols. [Read more](#)
- The tourism industry has lost Sh80 billion in the first six months of the year. [Read more](#)
- Mombasa port's hits and misses in the face of Covid-19 crisis. [Read more](#)
- An estimated 1.1 million Kenyans have lost their jobs nationally since the pandemic began. [Read more](#)
- Kenya Railways said it will provide discount rates for cargo clients who use the Mombasa-Naivasha Standard Gauge Railway (SGR) freight service. [Read more](#)
- Kenya's economy has been bouncing back since May owing to increased exports in tea, flowers, vegetables. [Read more](#)
- Ministry of EAC and Regional Development, EAC, KEPSA and TMEA co-organised the Kenya National Key E-Commerce Stakeholders Forum on June 29th. As part of the Kenya Supporting E-commerce Ecosystem Development (SEED) programme, TMEA in partnership with the EAC Secretariat has held country stakeholder sessions to gather information and perceptions on e-commerce ecosystem and what can be done to boost cross-border ecommerce.

### Mozambique

- The Mozambican President announced the extension of the state of emergency for another 30 days for the third time, with some measures relaxed. [Read more](#)



**Ksh. 80 billion**

Loss of revenue in Kenya's tourism industry



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### Rwanda

- Rwanda resumes conference tourism amid Covid-19. [Read more](#)
- Why border districts are more prone than others. [Read more](#)
- Rwandan importers are pushing for talks to resolve a longstanding problem of cargo that has overstayed at Tanzanian and Kenyan ports. Read more TMEA is engaging with the Shipper's Council of East Africa on the issue.
- Rwanda's Tourism Showing Signs of Revival. [Read more](#)

### Tanzania

The Tanzania and Kenya border disputes over Covid-19 testing could have been avoided. [Read more](#)

### Uganda

- Health officials have asked government to renew the contract awarded to Bencity Holdings to continue disinfecting cargo trucks at six border points -- Busia, Malaba, Elegu, Mutuka, Lwakhakha and Mirama hills. [Read more](#)

### Zambia

- The Tanzania Chamber of Commerce, Industry & Agriculture has called on its members and non-members to submit challenges affecting businesses due to Covid-19. [Read more](#)
- Kenya, Tanzania agree on Covid-19 testing and cross-border movement. [Read more](#)

### Regional Eastern Africa

- EAC intra-trade volumes have reduced to about 40 per cent due to Covid-19 measures. [Read more](#)
- The most serious desert locust outbreak in 70 years could leave nearly 5 million people in East Africa facing starvation, according to the International Rescue Committee (IRC). It comes as many of the countries in the region are already struggling to manage food insecurity caused by the pandemic. [Read more](#)
- Burundi, Rwanda and Kenya are among 15 members of the Common Market for Eastern and Southern Africa (Comesa) ready to pilot the Comesa Electronic Certificate of Origin (eCO) system. [Read more](#)



40%

Reduction in intra-trade volumes in  
the EAC region