

## **Boosting Border Trade: Enhanced Infrastructure and Streamlined Border Procedures Can Cut Costs and Boost Efficiency**

The Northern Corridor encompasses the transport system of roads, railways, inland waterways, and pipelines linking the Port of Mombasa with the economies of Uganda, Burundi, Rwanda, DRC, South Sudan, and Kenya. This Corridor is East and Central Africa's busiest trade transit route, carrying more than 26 million tonnes of cargo annually, as per the World Bank, and is projected to grow to above 66.1 million tonnes by 2040. The transit of this cargo involves the annual processing of approximately 500,000 SCT Customs declarations for goods entering and leaving the Northern Corridor through the Port of Mombasa.



Malaba- Uganda Border

Since 2013, the Northern Corridor Heads of State have championed various trade facilitation initiatives to enhance the free movement of goods within the region. The accession of Kenya, Uganda, Rwanda, and the DRC to the Revised Kyoto Convention provided a significant boost by simplifying customs procedures and promoting smoother cross-border trade. However, challenges remain, including communication gaps and irregular meetings within Joint Border Committees (JBCs), which hinder effective collaboration. Previous studies have also highlighted persistent challenges along the Northern Corridor, including Non-Tariff Barriers (NTBs) that contribute to the high cost of importing and exporting due to inefficiencies. As early as 2005, border procedures, weighbridges, and general infrastructure were identified as bottlenecks in the movement of goods to and from the Port of Mombasa. Additionally, differing national priorities among member states, limited infrastructure capacity due to inadequate financing, and governance issues continue to impede progress. The slow pace of regional integration further complicates efforts. To unlock the full potential of the Northern Corridor, addressing these challenges through better coordination, investment in infrastructure, and stronger governance is essential for creating a more integrated and efficient regional trade environment.

Differing national priorities, limited infrastructure investment, and governance issues further impede progress, while the slow pace of regional integration complicates efforts. To unlock the full potential of the Northern Corridor, addressing these challenges with improved coordination, investment in infrastructure, and stronger governance is essential for creating a more integrated and efficient trade environment. The East Africa Single Customs Territory (EAC SCT) and its single customs declaration represent significant steps toward more efficient goods movement. The EAC also introduced a Competition Policy and Law to promote free trade and exempted exports from duties. However, these measures alone are insufficient to address border delays. Reform efforts are underway, but varying stages of customs modernization in each country and inconsistent implementation of the EAC SCT create challenges. To be fully effective, these reforms need to extend to the DRC and other non-EAC countries.

Without a seamless and standardized approach to border operations, documentation delays will persist, raising the cost of business and inflating prices for goods and services. Streamlined border operations could significantly increase intra-EAC trade volumes and boost international trade. The Northern Corridor has the potential for greater economic growth by reducing waiting times at border crossings. Efficient container turnaround is also crucial. Containers must be returned promptly to designated locations to ensure they are reused for further cargo transport. With enhanced infrastructure and streamlined border procedures, the Northern Corridor can increase efficiency, reduce costs, and promote stronger regional and international trade.