

**EFFECTS OF NON-TARIFF BARRIERS ON INTRA-REGIONAL TRADE IN THE
EAST AFRICAN COMMUNITY, A CASE OF NAMANGA ONE-STOP-BORDER-POST**

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DECLARATION

I hereby declare that this is my original work, submitted after a thorough field and book research on this topic and that it has been submitted in its original form without any erasure whatsoever.

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DEDICATION

I dedicate this research work to my mother Ms. Beatrice Nyagaki Kimenyi, my partner Dennis Ochieng', my children Lervinah Wambui and Hoffnung Dennis Jr. Thank you all for the continued support and prayers.

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ABSTRACT

This study is being conducted with the aim of investigating the effects of non-tariff barriers on intra-regional trade in the EAC, a case study of the Namanga OSBP. An inferential research design was adopted with a study population of 68 respondents; the study achieved its objectives. Non-tariff barriers have been a common discussion point during the meetings of EAC member states while discussing trade in the region. Other regional integration blocks like the ECOWAS are working on removing all the non-tariff barriers in their regions to facilitate free trade in their regions. Continuous meeting get conducted in the EAC region to completely eliminate all non-tariff barriers to trade. However, not all the measures taken to eliminate the barriers are implemented by the partner states in the time stipulated at the meetings held to make free trade in the region easy and efficient. The independent variables to be studied are safety and quality standards, import restrictions and, customs and trade facilitation measures. The dependent variable for this study was intra-regional trade in the EAC. A research through the literature review demonstrated that there is little reliable information on the subject topic's independent variables, in relation with the levels of intra-regional trade. Also, most of the information available dates back to the years beyond 2010, yet major changes have been implemented over recent years. This study therefore aims at also adding to the available information. In this study, the target population was customs officers at the OSBP, traders and Clearing and Forwarding agents operating at the OSBP. 94 questionnaires were administered to collect the data but only 68 were responsive. However, analysis of data from other relevant authorities such as the World Trade Organization and the Kenya Bureau of Statistics also played a vital role in giving the researcher the needed information for achieving the study objectives. The study established that the three independent variables (safety and quality standards, imports restrictions and customs and trade facilitation measures) are directly related and influence the dependent variable (intra-regional trade in the EAC)

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LIST OF ABBREVIATIONS AND ACRONYMS

COMESA	Common Market for East and Southern Africa
EAC	East African Community
ECOWAS	Economic Community of West African States
FTA	Free Trade Area
NTBs	Non-Tariff Barriers
OSBP	One-Stop-Border-Post
SADC	Southern African Development Community
UNCTAD	United Nations conference on Trade and Development
WCO	World Customs Organization
WTO	World Trade Organization

DEFINITION OF TERMS

Non-tariff barriers- trade barriers that use other measures other than tariffs to restrict imports or exports (Grundke, & Moser, 2019).

Intra-regional trade- trade that focuses on economic exchange between countries within the same region and in a regional block (Imbruno, 2016).

Import restrictions- a government order that forbids a particular type of import or imports from a particular country (Peters, Vanzetti, & Knebel, 2015).

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

The world has become a global village with the use of technology. International trade got practiced in the old days where different territories exchanged goods and services. Today, with the use of technology trade is more efficient and effective. Countries have joined together to form trade agreements. The trade agreements enable countries to trade together without any trade restrictions. Countries that are within the same region have formed regional blocks to help them trade among themselves. Trade between countries within the same region is known as intra-regional trade. Trading within a region is mostly characterized with the elimination of tariffs. In international trade tariffs are generally low. However, the trade is regulated by Non-Tariff Barriers (NTBs).

According to the Southern African Development Community (SADC) non-tariff barriers are obstacles that hinder international trade that are not import or export duties. They take the form of regulations or legislative barriers. Import quotas, pre-shipment inspection, technical barriers and total ban are some examples of non-tariff barriers. The non-tariff barriers prevent trade from happening in a region. The United Nations conference on Trade and Development (UNCTAD) (2013) defines NTBs restrictions that are not related to tariffs resulting to quotas, imports licensing systems, regulations, prohibitions, specific market conditions and requirements that make importing and exporting products difficult or costly. The World Trade Organization (WTO) defines non-tariff barriers as agreements that deal with bureaucratic or legal issues that cause hindrances to trade between countries. The WTO list of non-tariff barriers include import

licensing, rules of origin and pre-shipment inspection. Non-tariff barriers help in regulating how resources move across borders. The non-tariff barriers are also known as non-tariff measures. NTBs are mostly imposed by countries as a protective measure. However, they have a wide range of effects to intra-regional trade.

1.1.1 Global Perspective of Non-Tariff Barriers

In the United States it is unclear whether the enforcement of the standards of products be protectionism. The United States had refused imports between the years 2002 and 2014 (Grundke, & Moser, 2019). The country had put standards on the products that enter the country. The country faced a 6% decrease in exports due to this factor. Many developing countries could not trade with the United States because of the barriers. Some countries faced stricter analysis of products than others. Besides, some countries still produced the same quality of products as before the restriction. After the restriction the same products were not allowed in the country. Therefore, non-tariff barriers to trade affected business in the United States (Grundke, & Moser, 2019).

China is known as a manufacturing country and is a major exporter in the world. The country had to adopt the minimization of tariffs in order to grow its imports. According to Imbruno, (2016) imports in the agricultural sector increased due to the elimination of licenses. The liberalization of license increased the number of countries that traded with China thus increasing their average imports per country (Wilson, Mann, & Otsuki, 2003). The country also focused on removal of quotas leading to increase of imports from other countries. Gradual removal of NTBs in China has led to increase in trade in China. However, China still implements some NTBs to protect against foreign-owned firms (Imbruno, 2016).

According to Byrne, & Rice, (2018) Brexit affected the trade between Ireland and the United Kingdom. The two countries were no longer in any trade agreement, therefore; there was an increase in NTBs. The United Kingdom exiting the European Union led to a decrease in imports coming from the region by 9%. Countries from the region also experienced longer border waiting times. The United Kingdom imposed some NTBs and the goods that were greatly affected were fresh foods and beverages. The reason for the NTBs was to protect the local industries from foreign firms (Uzzaman, and Yusuf, 2016).

1.1.2 Regional Perspective of Non-Tariff Barriers

The Economic Community of West African States (ECOWAS) has successfully reduced and eliminated all the tariff barriers. However, the region still faces NTBs to intra-regional trade. According to research the NTBs are more harmful to trade than the tariff barriers. The NTBs faced in the region include cumbersome customs procedure, lengthy documentation, lack of proper information and weak institutional quality. The combination of these NTBs has made it difficult for the region to trade freely thus ECOWAS cannot achieve its full trade potential. The region lacks the ability to achieve its goals which is; to increase trade within the region. It is important to note that NTBs are one of the hindrances to trade within the ECOWAS region (Odebiyi, & Alege, 2019).

The Southern African Development Community (SADC) is made up of 15 countries. The main objective is regional integration. From the year 2000, the member countries have successfully eliminated all the tariff barriers to trade. However, there is challenge in completely eliminating the NTBs (Peters, Vanzetti, & Knebel, 2015). SADC common NTBs include; quality control measures, technical regulations, certification procedures, government procurement, phyto-

sanitary measures and intellectual property rights. These measures have slowed down the rate of intra-regional trade in the region. According to the plan, it was expected that the levels of intra-regional trade will increase gradually. However, the presence of these NTBs has caused the levels of trade to remain the same over periods of time (Peters, Vanzetti, & Knebel, 2015).

According to Sibangilizwe, & Jeffrey, (2019) NTBs exist in the Common Market for East and Southern Africa (COMESA) Free Trade Area. In the region the NTBs have led to trade impediments in the region. There is less growth in the region and low investment levels because of the existence of NTBs. The FTA uses NTBs for protecting infant industries and health issues. In Zambia and Zimbabwe bilateral agreements were important with the objective of eliminating all NTBs that hinder trade between the two countries. The NTBs found in the FTA included; lengthy customs procedures, lengthy documentation, technical barriers and government procurements. These measures hindered the flow of trade in the region. Most countries did not engage in intra-regional trade because of these measures. There was also lack of adequate information between the countries. This fact also served as an NTB because traders did not understand how to go about carrying out business (Chanthunya, 2017).

1.1.3 Local Perspective of Non-Tariff Barriers

The East Africa economic integration was established in 1967, it later collapsed in 1977 (Reith & Boltz, 2011). The economic integration involved Kenya, Uganda and Tanzania. In 1993, an initiative to revive the economic integration was born. A Declaration on closer East African Cooperation was signed. In 1999 the treaty for the establishment of the East African Community (EAC) was created. The aim of the treaty was a greater unity for Kenya, Uganda and Tanzania. According to the treaty the events were to follow a particular sequence of events. The events

were, establishing a customs union, then a common market, a monetary union and lastly apolitical federation. The political federation will become the last stage of economic integration meaning that the region was fully integrated (Reith & Boltz, 2011). Rwanda and Burundi later joined the regional integration (Okumu & Nyankori, 2010). The main aim of the regional integration was to allow free flow of goods and services within the region.

Generally, tariff barriers have declined globally because of multilateral, bilateral and regional trade agreements. The EAC was successful in the removal of tariff barriers to trade. Trade within the region is faced with very minimal tariff barriers. The region has implemented the Common External Tariff, meaning that the partner states impose taxes on goods that do not come from the region. Trade between member states is efficient because of the lack of tariff barriers. Citizens from partner states can freely work in any country within the region (Riedel & Slany, 2018). The integration of countries within the region has necessitated economic growth in the region. Intra-regional trade has improved because traders do not have to pay taxes for transactions across borders.

Reduction of tariff barriers through round trade negotiations and trade agreements, NTBs become a challenge to the region. Article 20 of the WTO General Agreement on Trade and Tariffs allows members to put measures that protect human, plant and animal health or life. Such measures should not discriminate against any member state (Beghin, 2006). In the EAC removal of NTBs helps in reducing the cost of doing business and improving the welfare of the partner states.

The EAC Elimination of NTB Act, 2017, defines NTBs as regulations, laws, technical and administrative requirements other than tariffs that are imposed by partner states which affect

trade. The EAC Elimination of NTB Act, 2017 has an objective of providing a legal framework for removal of NTBs. The Act also aims at providing a process that identifies and monitors the removal of this NTBs. Removal of these restrictions will create a single market in the EAC region.

1.2 Statement of the Problem

Kenya exports to other EAC partner states. From the year 2017, exports to other EAC have dropped. The export sector faced a drop of 2.5%, from \$1.31 billion in 2017 to \$1.29 billion in 2018 (Atieno, 2019). Data from the Kenya Bureau of Statistics showed that trade between Kenya and EAC partner states slowed down in the year 2018. However, according to the Economic Survey of 2019, Kenyan exports to Tanzania increased by 4.3%. The value of exports to Tanzania rose to \$298 million. Therefore, it is evident that Tanzania is trading actively with Kenya. There are many reasons as to the decrease of Kenyan imports to the EAC. It is therefore, important to study the effects of NTBs on intra-regional trade in the EAC.

Namanga One-Stop-Border-Post (OSBP) is an entry and exit point for goods and services that enter or leave Kenya for Tanzania (Riedel &Slany, 2018). Therefore, it is the best point to assess the NTBs that affect trade between the two countries within the same region. The two countries have eliminated tariff barriers but some NTBs still exist and they affect business between the two countries. Evidently, Namanga OSBP is significant in understanding how NTBs affect trade in the region. There is little information that helps policy formulators, scholars, academia, the government and traders about the NTBs.

Kenya exports majorly to the EAC. However, the research conducted showing relationship between NTBs and intra-regional trade are very little. In other regions such as the COMESA,

ECOWAS and SADC there is information about NTBs affecting the regional trade. There also exists general information by the World Trade Organization on the NTBs. A research by Anyal (2017) addresses the Kenyan exporters and how they are affected by NTBs. However, the research does not relate to any border station.

The EAC region is not majorly affected by other barriers to trade because there is the existence of the common external tariffs that governs how goods within the region should get taxed. The greatest hindrance to the trade between Kenya and Tanzania are the non-tariff barriers. The two countries are currently in good regional relations and there may not exist other factors that might push the non-tariff barriers (Paul, 2009). However, in case of other factors the difference comes from the definition of non-tariff barriers by the World Trade Organization.

The EAC partner states hold NTBs review meetings. In the meetings new NTBs are reported and the old ones are resolved. However, there is no enough information about how the NTBs were resolved and how to avoid their reoccurrence. The problem therefore, lies in identifying the NTBs and their extent in affecting trade within the region. A country also needs to device the ways and abilities to overcome the barriers. There are three main non-tariff barriers that affect trade between Kenya and Tanzania: restricted imports, quality and safety standards and customs and trade facilitation measures. Therefore, it is important to study and understand the effects of the non-tariff barriers on intra-regional trade. This study seeks to address the effects of the non-tariff barriers: A case of Namanga One-Stop-Border-Post.

1.3 Research Objectives

1.3.1 General Objective

The study aims at investigating the effects of non-tariff barriers on intra-regional trade in the East African Community, a case of Namanga One-Stop-Border-Post.

1.3.2 Specific Objectives

1. To find out the effects of quality and safety standards on intra-regional trade in the EAC at the Namanga One-Stop-Border-Post.
2. To examine the effects of import restrictions on intra-regional trade in the EAC at the Namanga One-Stop-Border-Post
3. To determine the effects of customs and trade facilitation measures on intra-regional trade in the EAC at the Namanga One-Stop-Border-Post.

1.4 Research Questions

The following three research questions are formulated to help in achieving the study objectives mentioned above:

1. How do quality and safety standards affect intra-regional trade in the EAC at the Namanga One-Stop-Border-Post?
2. How do import restrictions affect intra-regional trade in the EAC at the Namanga One-Stop-Border-Post?
3. How do customs and trade facilitation measures affect intra-regional trade in the EAC at the Namanga One-Stop-Border-Post?

1.5 Justification of Study

According to Gahigi (2017) African countries have great growth potential through international trade. However, African countries are performing poorly in international trade. Kenya's Vision 2030 envisions the country as a globally competitive and prosperous offering it citizen high quality of life. International trade is important for any country to become globally competitive. Non-Tariff Barriers act as hindrance to Kenya growing through international trade.

It is important to learn the NTBs that exist at the Namanga border as they either encourage or discourage intra-regional trade. Small and medium sized enterprises will benefit from the study thus improving the cross-border trade. The study is also beneficial to policy makers as they become aware of the NTBs that exist within the region. The policy maker can work on eliminating these NTBs and making intra-regional trade more efficient. Exporters also benefit from this study because they are aware of what trade barriers they are likely to face. The exporters can devise ways to deal with the NTBs. They also become fully aware of the role they can play to help reduce NTBs. Future researchers can also see how the issue was dealt on in the past and bring out a new dimension of conducting the research.

1.6 Scope of the Study

The scope of the study involves investigating the effects of non-tariff barriers on the levels of intra-regional trade in the East African Community. Therefore, the study will be conducted at the Namanga One-Stop-Border-Post on the Kenya-Tanzania border. The study will use data collected from 50 customs officers stationed at the border, 150 clearing agents operating along the border and 60 traders who conduct cross-border trade. The choice of the study area

is justifiable because Namanga is a very busy border in Kenya. It is also easy for the researcher to collect data using questionnaires because it is a small focus area.

1.7 Limitation of the Study

This study was confined to the Namanga One-Stop-Border-Post and it sought to find out the effects of non-tariff barriers on intra-regional trade. Due to limited time and finances the study only dwelt with three non-tariff barriers; customs and trade facilitation measures, quality and safety measures and import restrictions. Therefore, the study was not able to quantify other non-tariff barriers that hinder trade in the region. The study was restricted to the goodwill and of the respondents to give accurate information.

CHAPTER 2

LITERATURE REVIEW

2.1 Introduction

According to Fink (2013) literature review is an explicit, reproductive and systematic method of identifying, evaluating and synthesizing work that already exists and that is recorded and completed by scholars or researchers. Literature review is a summary of previous work about a particular topic (Machi & McEvoy 2008). Literature review involves surveying articles, scholarly books and other sources to get information about the topic under study. Literature review draws conclusion from the original work of other scholars and researchers (Fink, 2013). Literature review is important in justifying a particular study because it shows the gaps and flaws of the previous studies. Literature review shows how the current study will add value to the already existing knowledge and understanding the study topic deeper (Machi & McEvoy 2008). This chapter covers review of previous studies relating to non-tariff barriers. The chapter will discuss the different non-tariff barriers and how they are applied. Specifically the chapter will cover theoretical review, conceptual framework and empirical review, critique of existing literature relevant to the study, research gaps and a summary of the literature.

2.2 Theoretical Review

Theoretical framework involves concepts, their definitions and relevant scholarly literature of existing theories that relate to a particular study. According to Labaree (2013) a theory is a formulation that explains, predicts, and understands a phenomena and challenges and adds value to already existing knowledge within limits of critical bounding assumptions. Therefore, theoretical review involves review of the theories identified and illustrating the relationship

between the relationship between the theories and the variables. The significance of the theoretical review is it serves as a lens for evaluating the research problems and research questions.

2.2.1 Crosby's Theory

Philip Crosby developed a total quality management theory. He developed a concept that defined quality and quality improvements practices. According to Crosby spending money on improving quality is the best way to spend money in a firm. The four absolutes to Crosby's theory were; first, quality is defined as adherence to the requirements set. Secondly, quality is best assured through preventing defects. Third, having zero defects or mistakes is the quality standard performance. Lastly, quality is measured by the price non-conformity. Crosby further added that the management sets the initiative about quality from the top. This theory focuses on prevention of low quality of products and not inspection and cure (Neyestani, 2017).

In intra-regional trade one of the NTBs is quality and safety standard. Tanzania may not allow Kenya to export goods that have not met a particular standard. Tanzania has a duty to protect its citizens from sub-standard goods. Therefore, the goods coming from Kenya must conform to a particular level of standards set by the partner state. Kenya has a duty to prevent any defects on the goods it produces. Having goods that meet the standards set by the importing country will reduce this NTB. By producing goods that are safe and of high quality ensures that the levels of trade increase across the border. Goods from one country will have access in the other partner state because they meet the required set standards. The management of the exporting country should emphasize on quality standards.

2.2.2 Theory of Mercantilism

This theory was developed by Adam Smith it states that a country should encourage exports and discourage imports. The theory states that the wealth of a country depends on the difference between the imports and exports. This theory encourages countries to encourage exports and discourage imports by using measures such as subsidies and taxes. During the time of developing this theory, gold was used between countries for trade. By exporting the country earned more gold, therefore, it was beneficial to the country. However, importing was not beneficial to a country because the country used its gold to pay for the commodities (LaHaye, 2017).

In the trade that takes place on the Namanga border some goods are restricted to cross to the other country. For instance, in August 2018, carrots from Kenya were not allowed in Tanzania. The reason behind the restriction was because Tanzania farmers had harvested their carrots. Therefore, importing carrots from Kenya made the country use resources to pay for the carrots yet the carrots were available locally. Restricting imports from Kenya means that Tanzania does not want to spend on goods from Kenya. Therefore, the restrictions discourage cross-border trade between the two countries. Mercantilism theory discourages international trade and so do import restrictions.

2.2.3 Facilitation Theory

This theory was developed by Carl Rodgers in the 1980s. This theory views the teacher as the facilitator to learning. The teacher's relationship with the student affects the performance of the students. The teacher needs to establish a conducive learning atmosphere in the classroom to facilitate learning. Acquiring new ideas and reducing the negative effects that would be brought about from external forces. A facilitative teacher is always open to new ideas and pays attention

to building relationship with the students. In facilitation theory the teacher does self-evaluation to test whether the practices adopted are working. The teacher also uses feedback from the classroom to make improvements (Robson & Beary, 2017).

Customs and other relevant bodies play a role in facilitating the cross-border trade. Customs and Border control Department of the Kenya Revenue Authority has the mandate for allowing goods in and out of the country. These customs and trade facilitation measure help in protecting against poor quality and low standards of goods. However, these customs and trade facilitation measures cause an increase in the cost of doing business. The monitoring, trade facilitation enforcement measures and customs rules are costly on trade. These facilitation measures discourage traders thus reducing the levels of intra-regional trade.

2.2.4 The Theory of Customs Unions

International trade relations were developed after the post-war period. Countries divided themselves into regional trade groupings. Countries in the same region formed regional integration blocks and a customs union was the primary form. The regional economic integration takes different form and they represent different degrees of the process of integration. The stages are named; free trade area, customs, union, common market, economic union and complete economic integration. A customs union is formed when member countries have an agreement about common tariffs on imports from member countries. Goods can circulate within the region with ease. The member countries create a joint outer wall on goods from outside the regional block. Goods from the member states may not get taxation. However, goods from outside the trade block are taxed at a common rate accepted by all the member countries. A customs union graduates to a common market when it reaches an agreement to remove the factors of immobility

within the region. It means factors of production can freely move within the region, there are fewer restrictions (Molle, 2017).

The East African Community is a regional integration block. The theory of customs union supports intra-regional trade. Trade within the region faces less restrictions especially tariff wise. Intra-regional trade means that the trade takes place within the region. The East African Community has moved to a common market. It means goods and services as well as factors of production can move freely within the region.

2.3 Conceptual Framework

According to Maxwell (2005) the conceptual framework is a system of concepts, expectations, beliefs, assumptions and theories that informs or supports the research. A conceptual framework is also defined as the visual or written product, used to explain either graphically or in narrative form the main things to be studied. According to Maxwell (2005) the conceptual framework shows the key factors, concepts, or variables of the study. It shows how the researcher best understands the topic under study and the relationship between the variables. The importance of the conceptual framework is to help the readers understand the variable from the perspective of the researcher.

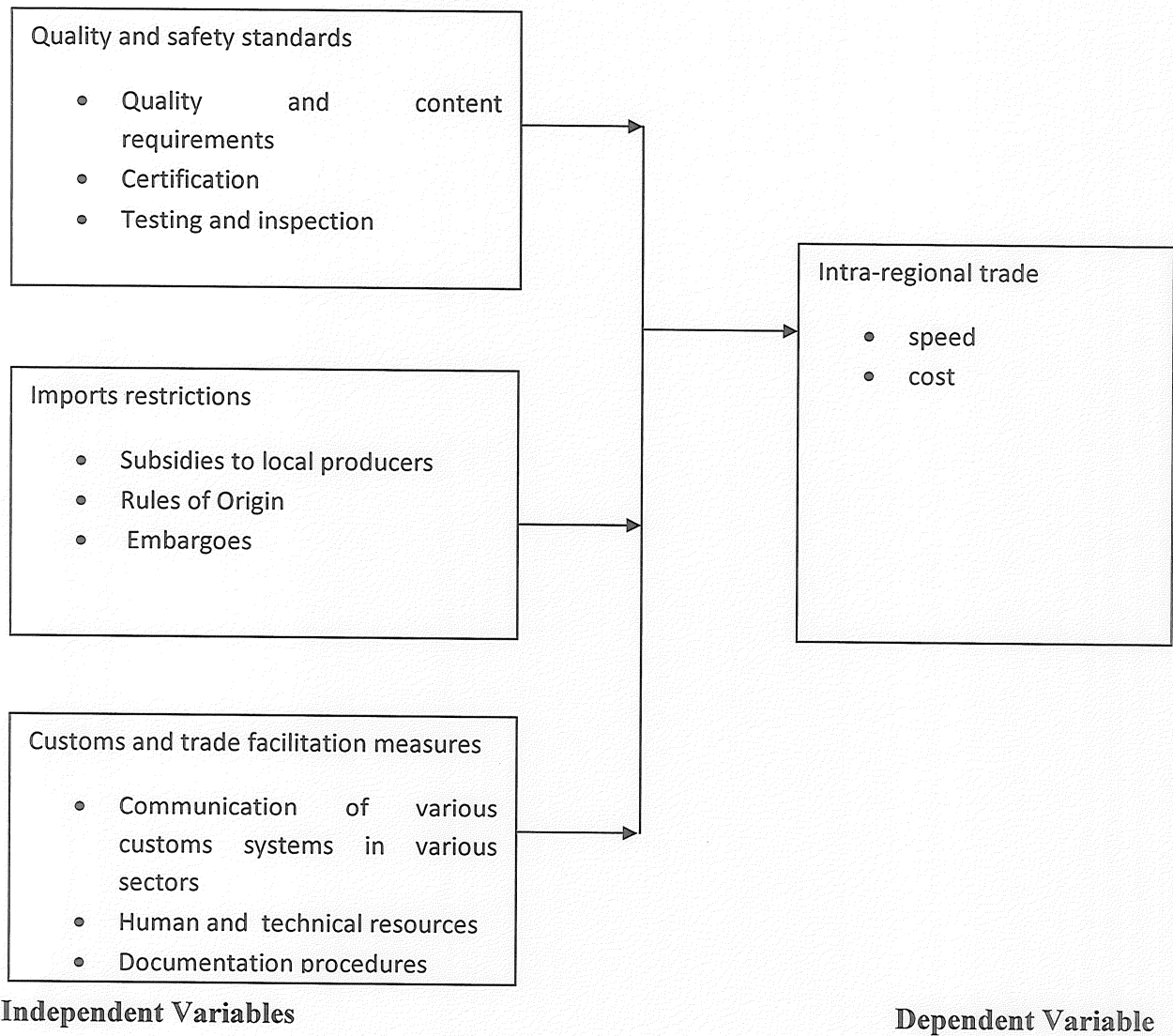


Figure 2.1 conceptual Framework

2.3.1 Quality and Safety Standards

When a country is exporting or importing goods across the borders it is vital to check their standards. Ensuring the correct standards for the goods ensures that the people using the products are protected from any harm. UNCTAD describes this non-tariff barrier as technical measures. It is important to ensure that all goods that will be used in the other country have undergone

inspections and inspection to ensure quality. This NTB deals with ensuring safety and preventing spread of diseases and pests. Through the NTB products produced using certain substances may not be allowed in other countries. Therefore, the levels of intra-regional trade are affected. Traders need to meet the standards and get certification to do the trade. The content and quality requirements must be met at all times in order to improve the levels of intra-regional trade.

2.3.2 Import Restrictions

Import restrictions affect the levels of intra-regional trade because it lowers what one country exports to another. It is very crucial for countries within the same regional block to remove or minimize licenses that relate to the importation of goods. The licenses act like import restrictions because they are lengthy and complicated for traders. Traders opt to export other products that do not have strenuous import licenses. Rules of origin forms of import restrictions deal with the measures that restrict products based on their country of origin and their inputs. Embargoes are restriction on a particular product from a particular country. Countries in the same region may impose embargoes on each other and it may reduce the levels of trade in the region. Import restrictions are also put in the form of a government offering subsidies to domestic industries. The subsidies make the cost of production to lower hence the costs of the products will be low. Therefore, the country discourages importing from other countries within the region.

2.3.3 Customs and Trade Facilitation Measures

Customs department act as cross-border trade facilitators. However, lengthy procedures for documentation act as barriers to trade. Most traders shun from cross-border trade because they avoid the documentation procedures. Customs have put in place a lot of measure to trading across the borders thereby lowering the levels of trade. Information inadequacy is also a

hindrance to the trade. Traders are not well informed about the trade facilitation and customs measures across the border. Traders are faced with a lot of difficulties when they start engaging in the cross-border trade as a result of lack of knowledge on customs and trade facilitation measures. The communication of customs systems in various sectors also affects the levels of intra-regional trade. If the communication is slow trade will take place at a low rate. If the communication is fast the trade will be efficient and effective. Human and technical resources can affect the levels of intra-regional trade. Lack of these resources slows down the levels of trade.

2.3.4 Intra-regional Trade

According to world trade report, the significance of business has been recognized by most people recently. Small and medium enterprises want to engage in trade across the borders because they increase their earnings. Additionally, regional trade creates employment, drive innovation, create competition and promote the economy of the country. In the recent years trade between Kenya and partner states has increased because of the knowledge of gains that come with the regional trade. The regional trade needs to be encouraged so that it can create more economical gains for the country. Kenya needs to engage more in international trade. Business consistency is important in order to increase the levels of intra-regional trade. In order to promote intra-regional trade all the factors that affect and lower the levels need to be addressed. Through addressing the matters there will be ease and the levels will improve. One of the issues that need to be addressed is the NTBs.

2.4 Empirical Review

Empirical research deals with research that is based on observed and measured phenomena. The research derives knowledge from actual experience and not from theories. It entails going through studies about the topic from books and reports. Empirical evidence can be analyzed qualitatively or quantitatively. Empirical review involves looking at studies about the different variables and the relationship with the researcher's topic. The review is important in giving the researcher insights about the experiences of other researchers and their findings on the variables.

2.4.1 Safety and Quality Standards

According to Hobbs, (2010) there are public and private quality and safety standards for food. The public standards are mandatory. The public standards come as a result of responding to a perceived market failure. Quality standards involve restrictions on harmful products, mandatory assessment of risks procedures and appropriate labeling. The public standards that lead to challenges between trading partners are reported to the WTO and dealt with the WTO SPS and TBT Agreements. Hobbs, (2010) further states that private standards are very common in international trade. The private standards include third-party standards, proprietary and consensus. However, the WTO has no jurisdiction over private standards. The private standards reduce and divert trade.

A study was conducted by Crivelli, & Gröschl (2016) to investigating the impacts of sanitary and phytosanitary (SPS) measures on trade patterns. The study revealed that the SPS measures were obstacles to agricultural and food trade consistency to exporters. The SPS measures hindered market entry because of the conformity assessments. Trade flow was only enhanced when the standards were met. The quality and safety measures also affect the value of goods Cadot, &

Gourdon (2016). The traders spend a lot of resources to meet the standards these costs are translated into the value of the goods.

2.4.2 Import Restrictions

In Nigeria import prohibition on food is used as a policy that protects domestic industry from foreign competition. The restrictions are also used to reduce the dependence on imports for the country Dabalen, & Nguyen (2016). The study argues that the prohibitions and restrictions have negative effects to consumers because the local firms take advantage and increase the prices. The trade policies affect the vulnerable households the most. Dabalen & Nguyen (2016) argue that the elimination of import bans will reduce the rates of national poverty by 2.6 percent. The restrictions hinder international trade; therefore, the prices of restricted imports are higher than they would be if the restriction was absent.

Williams et al. (2016), talks about the implications of the sea food prohibition in the U.S. Countries that will be exporting seafood to the U.S. must comply with the U.S. Marine Mammal Protection Act (MMPA). The prohibition is likely to cause economic hardships on developing economies that export seafood to the U.S. Poor communities in the U.S. will also not be able to afford the locally available seafood because it will be costly. In Tanzania an import restriction on coal was imposed in 2016. The restriction was supposed to protect TANCOAL and give it monopoly powers. Tanzanians were not allowed to import coal from any other country but source it from TANCOAL. TANCOAL could not hold the increase in demands and therefore it affected the economy a great deal. Most of the companies that depend on coal for production faced shortages leading to low production hence high prices. Some companies shut down due to this restriction (Jacob 2019)

2.4.3 Customs and Trade Facilitation Measures

Peterson, (2017) in his study states that countries have undertaken customs reforms in order to facilitate trade. For example, the single window system is used to reduce customs paperwork and improve transparency in the customs department. The World Customs Organization and the World Trade Organization Trade Facilitation Agreement gave the guidelines for promoting customs efficiency. All these are efforts used to speed up customs clearance and harmonize the customs processing in a region. Fontagné, Orefice, & Piermartini (2016) in their study assessed the effects of Trade Facilitation Agreements (TFA) policies on exporters. The study used a database of Trade Facilitation Indicators (TFIs) released by the Organization for Economic Cooperation and Development (OECD). The study showed that information availability on the trade facilitation and customs measure help in improving trade. The simplification of customs procedures helps facilitate trade because even smaller firms can participate in the trade without many restrictions.

Facilitating trade involves making international trade easier. It involves simplifying trade procedures, harmonizing commercial rules and transparency in information and procedures. Customs play a very important role in ensuring trade facilitation is implemented. The involvement of customs in trade facilitation comes with costs as well as benefits. Removal of administrative barriers is important in ensuring trade facilitation (Zaki 2017).

2.4.4 Intra-regional Trade

Geda, & Seid (2015) conducted a study to examine the potential for intra-Africa trade. The study revealed that Africa has a significant potential for increase in levels of regional trade. However,

Africa faces challenges such as poor infrastructure and low export supply. These factors make intra-regional trade in Africa strenuous and less effective. There is need for innovation and diversification. Trade enhancing institutions and improvement of infrastructure are the measures that will help promote the trade. Intra-regional trade involves production of goods and services and selling them to partner states. A region must adopt good communication and technological advancements to promote the trade (Jussawalla & Lamberton, 2017). Good relations between the countries help in promoting regional trade because talks can be held and an agreement reached.

Intra-regional trade is effective when countries are within the same region. The partner states should exercise political stability for the trade to be consistent at all times. Trade flow is important because it helps the economies of the partner states to grow. The countries need to share ideologies so that they will have similar interests and targets for growth. It increases the potential of growth in the region (Jussawalla & Lamberton, 2017).

2.5 Critique of the Literature Review

Safety and quality standards applied in intra-regional trade have gained extensive study. The standards are very significant in the practice of international trade. Quality and safety requirements have been studied though not extensively to a particular region. Hobbs, (2010) in his study discusses only the mandatory measures imposed by the WTO. The researcher does not go into specific barriers available in a region. The specific standards only applicable to the region are the real NTBs because they affect the trade in the region. Crivelli & Gröschl (2016) talks about agricultural products only on issues that deal with standards. However, standards apply even in the manufacturing sector and it is important to discuss such standards.

Import restrictions have not been discussed exhaustively in many researches. Most literature does not conduct an in-depth study about the import restrictions. Researchers have not answered the question on why the restriction was imposed and for how long. Most of the research found only discusses the impact of the restrictions. Dabalen & Nguyen (2016) in their study the negative effects of the restriction. The researchers did not show how long the restriction has been in place and why the government is not lifting the restriction despite the negative effects.

Customs and trade facilitation measure have been discussed as a way to improve international trade. Most research found shows the positive role of customs in promoting regional trade. According to Peterson, (2017), customs reforms have improved trade within regions. Zaki (2017) also states that customs is a tool for promoting trade. It is true that customs facilitates trade in a region by ensuring fast clearance of goods. However, in the East African community it is considered as a non-tariff barrier.

2.6 Summary of Literature Review

Scholars and researchers have studied NTBs and their effects in intra-regional trade. Some have studied NTBs independently; (Peterson, 2017) and (Hobbs, 2010), others have discussed the effects of intra-regional trade in relation to exporters (Anyal, 2017) while others have discussed intra-regional trade in other regions but not the East African Community. The literature review present shows that little information exists showing the relationship between NTBs and intra-regional trade. Most of the information available on this topic is from before the year 2010. Therefore, the information is not reliable because of the continuous solving of NTBs. Also, no conclusive research has been conducted to show how the NTBs affect trade at the Namanga One-Stop-Border-Post.

2.7 Research Gaps

Most research available give a general view of NTBs. The researches do not go into the specific NTBs that affect trade in the EAC. NTBs cannot be generalized because they are different and are applied differently. A trader can face one NTB and not face another. Therefore, it is important to study a specific NTB and how it affects trade. It is important to look at the Namanga station because Kenya and Tanzania are the two largest economy in the region hence trade between them is very important.

CHAPTER THREE

RESEARCH METHODOLOGY

This chapter presents the research methodology of the study. It describes the methods and procedures that got used in order to collect data that answer the research questions. The chapter is presented in the following sections namely, research design, study population, sampling procedures, sample size, data collection instruments, data collection procedures, pilot testing, and data analysis.

3.1 Introduction

Research methodology refers to the way a research problem can be solved in a logical manner (Davies & Hughes, 2014). Research methodology is the process that is used to collect information and data for the purpose of solving a research problem (Creswell&Creswell, 2017). The methodology may include publication research, interviews, surveys, and other research techniques (Hair, Wolfinbarger, Money, Samouel, & Page, 2015). This chapter involved presenting the choice of method of collecting and analyzing data, from a practical point of view, comparing relative advantages and disadvantages of other alternative methods that may be more or less appropriate to the context of this study with the aim of finding answers to the research questions.

3.2 Research Design

A research design is a plan and structure of the investigation so concessive to obtain answers to research questions (Davies & Hughes, 2014). It's an outline of what an investigator or researcher will do from writing hypothesis or objectives to the found data analysis. A research design

constitutes the blueprint for collection, measurement, and analysis of data (Hair *et al*, 2015). It's the measurement of condition for collection and analysis of data in a manner that aims to combine relevance with the following of procedure (Creswell&Creswell, 2017). Therefore, research design provided answers to the research questions that the researcher investigated. The researcher used a descriptive research design which included collecting information by administering questionnaires to customs officers, traders and clearing and forwarding agents to be able to compile, analyze and interpret the data from the contents and measuring tools to authenticate the research study.

3.3 Target Population

Hair *et al*(2015) refer to the population as all members of interest that the researcher aims to assess. Target population, is also defined by Creswell&Creswell (2017), as an entire group of individual or objects having the common observable characteristic. A Target population carries all the aspects possible, hence significant for research. Therefore, depending on the sampling technique, the target population can yield all possible variables. The study took all the significant stakeholders who are directly involved in the cross-border trade at the Namanga OSBP. The target population included customs officers, traders and clearing and forwarding agents. The target population was organized as shown in table 3.1.

Table 3.1: Target Population

Target population	Number of respondents
Customs officers at Namanga OSBP	50
Traders conducting cross-border trade	240
Clearing and forwarding Agents	180
Total	470

3.4 Sampling Technique and Sample size

A sample is defined as the subject of a population that has been selected to represent characteristics of a population. Creswell&Creswell, (2017) indicate that a sample is a set drawn from the entire population. A stratified random sampling was employed to obtain a suitable unit representative of analysis. A stratified sampling technique was stratified into three (3) units at the Namanga OSBP, this included: Customs Officers based at the OSBP (50), Traders (240), and Clearing and forwarding Agents based at the Namanga OSBP (180). This is because of the heterogeneity of the population and all respondents had an equal opportunity for participation. As Davies &Hughes(2014) expresses, a sample size between 10% and 20% is considered adequate for in-depth studies. The sample size for this study was 20%. The sample size was organized as shown in table 3.2:

Table 3.2: Sample size

Target population	Number of respondents	Sample Size (20% of respondents)
Customs officers at the Namanga OSBP	50	10
Traders conducting cross-border trade at the OSBP	240	48
Clearing and forwarding Agents	180	36
Total	470	94

3.5 Data Collection Instrument

The instrument that was employed for data collection in this research was a questionnaire. Davies & Hughes (2014) defined a questionnaire as a research instrument consisting of a series of questions for the purpose of gathering information from respondents. Creswell&Creswell, (2017) also defined questionnaire as a list of research or survey questions asked to respondents and designed to extract specific information. Hair *et al*(2015) noted that a questionnaire serves four basic purposes to collect the appropriate data, make data comparable and amenable to analysis, minimize bias in formulating and asking a question and make questions engaging and varied.

Likert scale questionnaire was administered to the respondents.

3.6 Data Collection Procedure

According to Hair *et al*(2015), there are many procedures of data collection. The choice of procedure one can use depends mainly on the attributes of the subjects the main interest in data collection and possible alternatives. Davies & Hughes, 2014 notes that the drop and pick later method is often considered and yields best results. The method has proven to offer flexibility in response to the respondents, and the researchers get high levels of responses from the questionnaires (Hair *et al*2015).Secondary data was also used with focus on already existing data (publications).

3.7 Pilot Testing

It is important that all surveys are tested before the actual survey is conducted (Davies & Hughes, 2014). This is done to ensure that the questionnaire is clear to respondents and can be completed in the way the researcher wishes (Hair et al, 2015). Pilot testing is an activity that will help this study in determining whether there are errors, limitations, or other weaknesses within the design and will allow the researcher to make necessary adjustments and corrections before embarking on the survey (Creswell & Creswell, 2017). A pilot study was undertaken on five percent of the target population. The five percent pilot testing sample was not involved in the sample size, though the members were directly involved with operations of the border to test the reliability and validity of the questionnaire.

3.7.1 Reliability Test

Davies & Hughes (2014) reliability is defined as a measure of how consistent a research method is. Pre-testing the questionnaire would also help in gaining the reliability of the test instrument the questionnaire. The pre-test tested the clarity of the questions and any ambiguity was removed

and corrected (Hair et al, 2015). A measure is said to have a high reliability if it produces similar results under consistent conditions. In research, the term reliability means repeatability or consistency (Creswell & Creswell, 2017). In this study, Cronbach alpha will be used to measure internal consistency, that is, how closely related a set of items are as a group.

3.7.2 Validity Test

Davies & Hughes (2014) states that validity indicates the degree to which an instrument measures what it is supposed to measure. Validity ensures accuracy and meaningfulness of inferences based on the research results and makes sure that analysis of the data actually represents the phenomenon under study (Hair et al, 2015). Validity refers to the degree to which a test is truly measuring what it purports to measure (Creswell & Creswell, 2017). In this study, the test and retest technique was used in order to test for validity at the pre-testing point.

3.8 Data Analysis and Presentation

According to Creswell & Creswell (2017), data analysis is the computation of certain measures along with searching for patterns of relationships that exist among data groups. Data was thoroughly examined and checked for consistence, comprehensibility, completeness. It was then be coded and analyzed for a conclusion. Descriptive analysis was conducted using the Microsoft Excel and the Statistical Package for Social Sciences (SPSS). Inferential analysis was as well conducted using Analysis of Variance (ANOVA), Multiple regression analysis, correlation analysis, co-efficiency analysis and regression analysis.. Both quantitative analysis and regression analysis were used as a data analysis technique. The data collected was run through various models so as to clearly bring out the factors which determine intra-regional trade. The

researcher used a multivariate regression analysis to determine the relationship between the independent variables and the dependent variable. The findings were presented on a table.

The regression equation was:

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \varepsilon$$

Where

Y = Dependent variable (Intra-regional trade)

β_0 = constant

β_1 , β_2 and β_3 = the regression coefficient

X = Independent variable

X_1 - safety and quality standards

X_2 - import bans

X_3 – customs and trade facilitation measures

ε = Stochastic term or error term

An error term is a variable in a statistical or mathematical model, which is created when the model does not fully represent the actual relationship between the independent variables and the dependent variables. The error term is also known as the residual, disturbance or remainder term (Hair et al, 2015).

CHAPTER FOUR

RESEARCH FINDINGS AND DISCUSSIONS

4.1 Introduction

The empirical findings and results of the research are represented in this chapter. The details of the chapter are presented in terms of the response rate, background information of the respondents and the findings of each individual specific objective. With regard with the background information of the respondents, the parameters were gender, age, level of education, place of work, and number of years respondents have been working with the organization. Descriptive statistics and ANOVA were used to analyze the findings.

4.1.1 Response Rate

Table 4.1: Response Rate

Questionnaire	Frequency	Percentage
Filled	68	72.3
Not Filled	26	27.7
Total	94	100

A total of 94 questionnaires were administered for the research. 68 were completely filled and returned representing a 72.3% response rate. According to Mugenda&Mugenda (2013), a response rate that is more than 70% is very good. Therefore, the response rate for this research was very good.

4.1.2 Pilot Study Results

The reliability and validity of the research instruments were tested by a pilot study. The study used 10% of the sampled population for pilot testing. 10 percent of 94 equates to approximately 10 respondents. The study used random sampling to select 10 respondents who were not included in the main survey. The result shows that the Cronbach's alpha for levels of intra-regional trade constructs is 0.827 with a total of 9 items. This implies that the items included in measuring cross-border trade facilitation constructs are indicative of the same underlying disposition. The Cronbach's alpha for quality and safety standards, import restrictions, and customs and trade facilitation measures were 0.872, 0.886 and 0.787 respectively implying that the items in the construct are indicative of the same underlying disposition. Nunnally (2015) recommends that instruments used in research should have reliability of at least 0.70 or above. The results are as shown in table 4.2;

Table 4.2: Reliability Test Results

Variable	Number of Items	Cronbach's Alpha
Quality and safety standards	9	0.872
Import restrictions	9	0.886
Customs and trade facilitation measures	9	0.787
Intra-regional trade	9	0.827

4.2 Demographics of Respondents

4.2.1 Gender Distribution

Table 4.3: Gender of the Respondents

Gender	Frequency	Percentage
Male	39	57.4
Female	29	42.6
Total	68	100

The descriptive statistics of the study indicates that 39 (57.4%) of the respondents were male, and 29 (42.6%) were female as shown in table 4.3. This implies that male respondents participated more in answering the questionnaires.

4.2.2 Age of the Respondents

Table 4.4: Age of the Respondents

Age	Frequency	Percentage
18 – 28 years	11	16.2
29 – 38 years	24	35.3
39 – 48 years	16	23.5
Above 48 years	17	25.0
Total	68	100

The finding shows that 16.2% of the respondents are aged between 18-28years, 35.3% of the responsive interviewees were aged between 29-38 years, 23.5% of the respondents were between 39-48years, and 25% were above 48years.

4.2.3 Education Level

Table 4.5: Level of Education

Level of Education	Frequency	Percentage
Post Graduate	7	10.3
Graduate	12	17.7
Diploma	19	27.9
Certificate	16	23.5
O Level	14	20.6
Total	68	100

The descriptive statistics shown in table 4.5 implies that 10.3% of the respondents were post-graduates, 17.7% were graduates, 27.9% were diploma holders, 23.5% had certificate level of education, and 20.6% studied to O-Level.

4.2.4 Type of Organization or Occupation

Table 4.6: Type of Organization or Occupation

Organization Type	Frequency	Percentage
Customs officers	9	13.2
Clearing and Forwarding Firms	34	50.0
Cross-Border Traders	25	36.8
Total	68	100

The finding revealed that 9 (13.2%) of the respondents were customs officers, 34 (50.0%) of the respondents came from clearing and forwarding firms, and 25 (36.8%) were cross-border traders. This implies that majority of the responses were from clearing and forwarding agents.

4.3 Descriptive Analysis

The research used the Likert Scale which ranges from 5 to 1. The highest level of agreement was marked by 1, while the strongest level of disagreement was marked by 5. Therefore, the answers of the respondents regarding the questionnaires were rated as follows: 1 = Strongly Agree, 2 = Agree, 3 = Indifferent, 4 = Disagree and 5 = Strongly Disagree. Additionally, the mean, standard deviation and coefficient of variation for the research were analyzed based on this rating scale.

4.3.1 Quality and Safety Standards

The research wanted to establish the effects of non-tariff barriers on levels of intra-regional trade in the East African community. The first objective of the research was to find out the effects of quality and safety standards on intra-regional trade in the EAC at the Namanga One-Stop-Border-Post. In carrying out this task the study used table of means, standard deviations and coefficient of variation to help interpret the results. A 5-point Likert Scale was used to determine the effects of quality and safety standards on intra-regional trade in the EAC at the Namanga One-Stop-Border-Post.

4.3.1.1 Quality and Content Requirements

Table 4.7 Mean, Standard deviation and Coefficient of Quality and Content Requirements

Statements	Mean	Standard Deviation	Coefficient of Variation
Strong quality and content requirements exist in the East African Community	4.1758	0.7149	0.1712
Quality and content requirements makes trade across borders efficient	4.5833	1.0522	0.2296

Respondents were required to respond to set questions related to quality and content requirements and give their opinions. The respondents who were in agreement that strong quality and content requirements exist in the region had a mean of 4.1758, standard deviation of 0.7149

and a low dispersion of 17.12% signifying a high level of agreement. Opinion on whether quality and content requirements makes trade across borders efficient was positive with a mean of 4.5833, standard deviation of 1.0522 and a dispersion of 22.964% signifying a high level of agreement.

4.3.1.2 Certification

Table 4.8 Mean, Standard deviation and Coefficient of Variation of Certification

Statements	Mean	Standard Deviation	Coefficient of Variation
The certification process for traders is			
fast and efficient	4.5278	0.5623	0.1242
Most traders have the required certificates	4.1756	0.7656	0.1833

Respondents were required to respond to set questions related to certification and give their opinions. The opinion in agreement that The certification process for traders is fast and efficient had a mean of 4.5278, standard deviation of 0.5623 and a low dispersion of 12.42% signifying a high level of agreement. The finding also indicates that the right certification can improve intraregional trade with a mean of 4.1756, standard deviation of 0.7656 and a dispersion of 18.33% signifying a high level of agreement.

4.3.1.3 Testing and Inspection

Table 4.9 Mean, Standard deviation and Coefficient of Variation of Testing and Inspection

Statements	Mean	Standard Deviation	Coefficient of Variation
Officers in-charge of conducting testing and inspections are always available	4.1667	1.4446	0.3467
Testing and inspection is conducted jointly by customs authorities from both countries	4.17221	0.6941	0.1664

Respondents were required to respond to set questions related to testing and inspections and give their opinions. The opinion in agreement of the availability of the officers conducting testing and inspections had a mean of 4.1667, standard deviation of 1.4446 and a dispersion of 34.67% signifying a high level of agreement. The opinion whether testing and inspection is conducted jointly by customs authorities from both countries was positive with a mean of 4.1722, standard deviation of 0.6941 and a dispersion of 16.64% signifying a high level of agreement. This is supported by World Trade organization that suggested that use of joint testing and inspection to improve the efficiency of trade between countries.

4.3.2 Restricted Imports

The second objective was to determine the effects of restricted imports on intra-regional trade. In carrying out this task the study used table of means, standard deviations and coefficient of

variation to help interpret the results. A 5-point Likert Scale was used to determine the effects of restricted imports on intra-regional trade.

4.3.2.1 Subsidies to Local Producers

Table 4.10 Mean, Standard deviation and Coefficient of Variation of Subsidies to Local Producers

Statements	Mean	Standard Deviation	Coefficient of Variation
Partner states are offering subsidies to local producers	4.3056	0.7077	0.1644
Exporting certain goods to partner states suffer from the offering of subsidies	4.0566	0.7538	0.1858

Respondents were required to respond to set questions related to subsidies to local producers and give their opinions. The opinion in agreement that partner states are offering subsidies to local producers had a mean of 4.3056, standard deviation of 0.7077 and a dispersion of 16.44% signifying a high level of agreement. The finding also indicates that exporting certain goods to partner states is affected by the offering of subsidies with a mean of 4.0566, standard deviation of 0.7538 and a dispersion of 18.58% signifying a high level of agreement. The issue of offering subsidies to local producers is in agreement with World Customs, WCO (2016) that trade facilitation is affected by when countries offer subsidies hence hindering other countries from exporting to the nation. Therefore, subsidies affect the levels of intra-regional trade.

4.3.2.2 Rules of Origin

Table 4.11 Mean, Standard deviation and Coefficient of Variation of Rules of Origin

Statements	Mean	Standard Deviation	Coefficient of Variation
Checks to determine the rules of origin of products and the inputs are conducted often	3.8611	1.0731	0.2779
Products that have not met the rules of origin requirements are rejected	4.2778	1.0032	0.2345

Respondents were required to respond to set questions related to rules of origin and give their opinions. The opinion in agreement that checks to determine the rules of origin of products and the inputs are conducted often had a mean of 3.8611, standard deviation of 1.0731 and a dispersion of 27.79% signifying a high level of agreement. The finding also indicates that Products that have not met the rules of origin requirements are rejected had a mean of 4.2778, standard deviation of 1.0032 and a dispersion of 23.45% signifying a high level of agreement. Rules of origin procedures are in agreement with Saaty (2013) who notes that to ensure high rate of intra-regional trade, goods must meet the required rules of origin set. By having the right percentage of materials used to produce a commodity there will be efficient intra-regional trade.

4.3.2.3 Embargoes

Table 4.12 Mean, Standard deviation and Coefficient of Variation of Embargoes

Statements	Mean	Standard Deviation	Coefficient of Variation
Embargoes exist and are used to impose import bans in the EAC	4.1389	1.1012	0.2661
Does exporting certain goods to partner states suffer from the offering of subsidies	3.7500	1.0522	0.2806

The finding indicates that embargoes exist and are used to impose import bans in the EAC had a mean of 4.1389, standard deviation of 1.1012 and a dispersion of 26.61% signifying a high level of agreement. The opinion whether exporting certain goods to partner states suffer from the offering of subsidies was positive with a mean of 3.7500, standard deviation of 1.0522 and a dispersion of 28.06% signifying a high level of agreement. This study agrees with WCO (2015) which has developed a methodology to measure the impact of restriction of imports such as embargoes on intra-regional trade.

4.3.3 Customs and Trade Facilitation Measures

4.3.3.1 Communication of Various Customs Systems on Various Sectors

Table 4.13 Mean, Standard deviation and Coefficient of Variation of Communication of Various Customs Systems on Various Sectors

Statements	Mean	Standard Deviation	Coefficient of Variation
Real time communication of various customs systems in various sectors has limited the difficulties relating to customs formalities	3.9801	0.5656	0.1421
Customs has eased measures hence ensuring efficient trade facilitation	4.3451	0.9755	0.2245

Respondents were required to respond to set questions related to customs and trade facilitation measures and give their opinions. The opinion in agreement that real time communication of various customs systems in various sectors has limited the difficulties relating to customs formalities had a mean of 3.9801, standard deviation of 0.5656 and a dispersion of 14.21% signifying a high level of agreement. The opinion whether customs has eased measures hence ensuring efficient trade facilitation was positive with a mean of 4.3451, standard deviation of 0.9755 and a dispersion of 22.45% signifying a high level of agreement. This study is in agreement with Robin (2014) who notes that that eased customs measures enhances efficient trade activities across borders.

4.3.3.2 Human and Technical Resources

Table 4.14 Mean, Standard deviation and Coefficient of Variation of Human and Technical Resources

Statements	Mean	Standard Deviation	Coefficient of Variation
Proper maintenance of human and technical resources have increased trade facilitation measures	4.0161	0.5088	0.1262
Competence of human resources, in relation to the available technical resources, reduces the difficulties relating to customs formalities	4.1463	0.6336	0.1528

The finding indicates proper maintenance of human and technical resources have increased trade facilitation measures with a mean of 4.0161, standard deviation of 0.5068 and a dispersion of 12.62% signifying a high level of agreement. The opinion whether competence of human resources, in relation to the available technical resources, reduces the difficulties relating to customs formalities was positive with a mean of 4.1463, standard deviation of 0.6336 and a dispersion of 15.28% signifying a high level of agreement. The study concurs with WTO (2016) secretariat that produced a checklist of the main issues and solutions of the symposium into five broad areas namely: documentation requirements; availability of human and technical resources;

automation and use of information technology; transparency, predictability and consistency; and modernization of border crossing administration.

4.3.3.3 Documentation Procedures

Table 4.15 Mean, Standard deviation and Coefficient of Variation of Documentation Procedures

Statements	Mean	Standard Deviation	Coefficient of Variation
There is enough and readily available information about the documentation procedure	4.0247	0.5240	0.1302
The documentation procedures do not affect the trade	4.1672	0.9053	0.2174

Respondents were required to respond to set questions related to the documentation procedures and give their opinions. The opinion in agreement that there is enough and readily available information about the documentation procedure had a mean of 4.0247, standard deviation of 0.5240 and a dispersion of 13.02% signifying a high level of agreement. The finding also indicates the documentation procedures do not affect intra-regional trade with a mean of 4.1672, standard deviation of 0.9053 and a dispersion of 21.74% signifying a high level of agreement. This study agrees with Steenken et al (2014) that the availability of information on the documentation procedures helps enhance regional trade.

4.3.4 Intra-Regional Trade

Table 4.16 Mean, Standard deviation and Coefficient of Variation of Intra-Regional Trade

Statements	Mean	Standard Deviation	Coefficient of Variation
The quality and content requirements set by EAC affects the speed of intra-regional trade	3.8643	0.5360	0.1387
Testing and inspection at the borders affect the speed of intra-regional trade	4.2014	1.0301	0.2453
The rules of origin have an effect on the speed of intra-regional trade	4.1271	0.5539	0.1342
Subsidies to local producers affect the cost of intra-regional trade	3.9013	0.6437	0.1650
Communication of various customs systems in various sectors influences the cost of intra-regional trade	4.0833	1.0788	0.2642
Documentation procedures at the borders affect the cost of intra-regional trade	4.3512	0.8185	0.1881

On intra-regional trade respondents were required to respond to some items related to the same. Respondents' opinions on the statement that quality and content requirements set by EAC affects the speed of intra-regional trade was indicated by a mean of 3.8643, standard deviation of 0.5360 and a dispersion of 13.87%. Testing and inspection at the borders as indicated by a mean of 4.2014, standard deviation of 1.0301 and a dispersion of 24.53%. Respondent's opinions indicate the rules of origin have an effect on the speed of intra-regional trade by a mean of 4.1271, standard deviation of 0.5539 and a dispersion of 13.42%. In addition Subsidies to local producers were found to affect the cost of intra-regional trade as indicated by a mean of 3.9013, standard deviation of 0.6437 and a dispersion of 16.50%. The opinion in agreement that communication of various customs systems in various sectors influences the cost of intra-regional trade had a mean of 4.0833, standard deviation of 1.0788 and a dispersion of 26.42% signifying a high level of agreement. The finding also indicates documentation procedures at the borders affect the cost of intra-regional trade with a mean of 4.3512, standard deviation of 0.8185 and a dispersion of 18.81% signifying a high level of agreement. This study agrees with Imbruno (2016) who noted that the set quality standards, available import restrictions, and existing trade facilitation measures affect the speed and cost of intra-regional trade.

4.4 Inferential Analysis

Inferential statistics involves making prediction or inferences about a given population. The study conducted inferential statistics. The study also conducted correlation analysis, regression analysis and ANOVA to make inferences on the factors influencing intra-regional trade, with a case of Namanga OSBP. Pearson correlation analysis was used to assess the relationship between the variables while multiple regressions was used to determine the predictive power of factors

(quality and safety standards; restricted imports; and customs and trade facilitation measures) and inter-regional trade.

4.4.1 Correlation

A correlation is a number between -1 and +1 that measures the degree of association between two variables. A positive value for the correlation implies a positive. A negative value for the correlation implies a negative or inverse association. After the descriptive analysis, the study conducted Pearson correlation analysis to assess the strength of the association between the predicted and explanatory variables or among the latter. It thus helps in determining the strengths of association in the model, that is, which variable best explained the relationship between intra-regional trade with a focus on Namanga OSBP.

Table 4.17: Correlation Analysis

[i] [ii]	[iii]	[iv]			
Intra-regional Trade	Pearson Correlation Sig. (2-tailed) N68686868	1 .042 68	.216* 1 68	.346.657** 1 68	
Quality and Safety Standards	Pearson Correlation Sig. (2-tailed) N	.216* .042 68	1 68	.451** .000 68	.229* .008 68
Restricted Imports	Pearson Correlation Sig. (2-tailed) N	.657** .717 68	.208 .000 68	1 68	.383** .008 68
Customs and Trade Facilitation Measures	Pearson Correlation Sig. (2-tailed) N	.433** .000 68	.229* .031 68	.398* .000 68	1 68

*. Correlation is significant at the 0.05 level (2-tailed).

**. Correlation is significant at the 0.01 level (2-tailed).

Column [i] Intra-regional Trade

Column [ii] Quality and Safety Standards

Column [iii] Restricted Imports

Column [iv] Customs and Trade Facilitation Measures

From the correlation analysis in the table 4.18, the study found that there is a positive relationship between quality & safety standards and intra-regional trade, where the correlation coefficients was 0.216 and a p-value of 0.042. The study also found that restricted imports and intra-regional trade at Namanga correlate positively with correlation coefficients of 0.346. However, the relationship is significant as the p-value (0.017) is less than the significance level (0.05). The study further established that there is a positive significant relationship between customs & trade facilitation and intra-regional trade with a correlation coefficient of 0.657 and p-value of 0.000. This infers that customs and trade facilitation measures were influencing inter-regional trade at Namanga OSBP most, followed by restricted imports and quality & safety standards.

4.4.2 Multiple Regression Analysis

In this study, a multiple regression analysis was conducted to test the influence among predictor variables. The research used Analysis of Variance (ANOVA) to code, enter and compute the measurements of the multiple regressions. The model summary able provides information about the regression line's ability to account for the total variation in the dependent variable. The results are displayed in the table below.

Table 4.18: Regression Model Summary

Model	R	R Square	Adjusted R Square	Std Error of the Estimate
1	.779	.773	.770	16.15625

- a. Predictors: (Constant);quality and safety standards; restricted imports; customs and trade facilitation

Table 4.18 provides the R and R² values. The R value represents the simple correlation and is 0.779 which indicates a high degree of correlation. The R² indicates how much of the total variation in the dependent variable, inter-regional trade, can be explained by the independent variables, (quality and safety standards; restricted imports; customs and trade facilitation). In this case, 77.3% can be explained, which is relatively large. Table 4.18 shows the regression model summary indicating the coefficient of determination R Square as 0.770. This means that 77.0% of the relationship is explained by the identified three factors namely quality and safety standards; restricted imports; customs and trade facilitation. The rest 23.0% is explained by other factors at Namanga OSBP not studied in this research. In summary the three factors studied namely; quality and safety standards; restricted imports; customs and trade facilitation explain or determine 77.0% of the relationship while the rest 23.0% is explained or determined by other factors such as examination of goods by other government agencies at the borders.

4.4.3 Analysis of Variance

Table 4.19: Analysis of Variance

Model		Sum of Squares	df	Mean Square F		Sig
1	Regression	34.909	5	8.7272	10.909	.000
	Residual	44.763	63	.658		
	Total	79.672	68			

- a. Dependent Variable : Intra-regional Trade
- b. Predictors: (Constant), quality and safety standards; restricted imports; customs and trade facilitation

As illustrated in table 4.19 above, the significance value in testing the reliability of the model for the relationship between quality and safety standards; restricted imports; customs and trade facilitation with intra-regional trade at Namanga was obtained as 0.000 which is less than 0.05 the critical value at 95% significance level. Therefore the model is statistically significant in predicting the relationship between dependent (intra-regional trade) and the independent variables of the study (quality and safety standards; restricted imports; customs and trade facilitation). The F value from the table is 10.909 indicating a significant model for the relationship as given by the regression coefficients. This shows that the overall model was statistically significant and reliable in explaining the influence of the predictor variables to the intra-regional trade at Namanga OSBP.

The un-standardized coefficients indicate how much the dependent variable (intra-regional trade) varies with an independent variable when all other independent variables (quality and safety standards; restricted imports; customs and trade facilitation) are held constant.

Table 4.20: Regression Coefficient Intra-regional Trade

Model	Un-standardized Coefficients		Standardized Coefficients		
	B	Std. Error	Beta	t	Sig
1 (Constant)	19.658	6.136		3.204	.007
Quality and Safety Standards	.768	.177	.282	4.339	.010
Restricted Imports	.746	.215	.159	3.470	.040
Customs and Trade Facilitation Measures	.776	.321	.485	2.417	.000
Dependent Variable: Intra-regional Trade					

The study used the following regression model:

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \varepsilon$$

Where:

Y = Dependent variable (Intra-Regional Trade)

β_0 = constant

β_1, β_2 and β_3 = the regression co-efficient

X = Independent variable

X_1 - Quality and Safety Standards

X_2 - Restricted Imports

X_3 – Customs and Trade Facilitation Measures

ε = Stochastic term or error term

Therefore;

Intra-Regional Trade= 19.658 + 0.768 Quality and Safety Standards+ 0.746 Restricted Imports
+ 0.776 Customs and Trade Facilitation Measures

The findings shown in table 4.20 indicate that all the variables had a positive and significant influence on intra-regional trade at Namanga OSBP, since all the predictors were significant predictors of intra-regional trade at Namanga OSBP because their P-values were less than 0.05. According to the results, quality and safety standards had a significant influence on intra-regional trade as shown by the coefficient ($B = 0.768$, $t = 3.194$, $p > 0.007$). This finding is consistent to that of Hobbs, (2010) who stated that quality and safety standards are very common in international trade. Restricted imports also showed a significant influence on intra-regional trade with the coefficients ($B=0.746$, $t = 2.950$, $p > 0.010$) indicating a positive effect on intra-regional trade. An increase in import restrictions affects intra-regional trade between the two nations (Jacob, 2019). Similarly, customs and trade facilitation measures indicated a significant positive influence on intra-regional trade with coefficients ($B = 0.776$, $t = 4.111$, $p > 0.000$). The findings are congruent to those of Zaki (2017), who posited that removal of administrative barriers is important in ensuring trade facilitation.

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter deals with the summary of the findings and provides conclusions of the findings in relation to the study. It also highlights recommendations and suggestions for further study.

5.2 Summary of the Study

From the findings in chapter four, the study was able to determine the effects of non-tariff barriers on three variables of quality and safety standards, import restrictions and customs and trade facilitation measures. These variables have a direct effect on intra-regional trade in the EAC at the Namanga OSBP. The correlation analysis indicates the coefficient of correlation, r equal to 0.768, 0.646 and 0.776 safety and quality standards, import restrictions and customs and trade facilitation measures. This indicates a very strong positive relationship between the dependent variables, safety and quality standards, import restrictions and customs and trade facilitation measures and the dependent variable intra-regional trade in the EAC. This implies that the studied independent variables namely safety and quality standards, import restrictions and customs and trade facilitation measures have significant effect on intra-regional trade at the Namanga OSBP.

5.2.1 Quality and Safety Standards

The study established that quality and safety standards directly influence intra-regional trade especially on; quality and content requirements, certification and testing and inspection. This study therefore recommends that the relaxable and less strict standards to improve the intra-

regional trade. The study further established that Namanga OSBP should be expanded to allow adequate space capacity to conduct the quality and safety standards procedure. The study further recommends a constant rule on the testing and inspection for goods going through the Namanga OSBP. The study recommends that the certification process get automated to allow more traders have the certification and save time and cost.

5.2.2 Import Restrictions

The study established that imports restrictions affect intra-regional trade in the EAC. Import restrictions imposed by other partner states affect the speed and cost of doing business in the region. Most traders are used to trading a particular commodity through the Namanga OSBP, when a restriction is imposed the business of the trader is affected. The trader suffers a major loss if the goods are perishable. The traders may not sell their products at the required time and are forced to incur additional costs for storage of their commodities once the restrictions are imposed. The study found out that removal of the import restrictions will benefit intra-regional trade in terms of costs and speed.

5.2.3 Customs and Trade Facilitation Measures

The study established that customs and trade facilitation measures affect intra-regional trade directly through human and technical resources, documentation procedures and communication of various customs systems in various sectors. This study established that Namanga is not fully equipped with the technical and human resource capital to handle the work brought about by checking for non-tariff barriers to trade.

5.3 Conclusion of the Study

From the research findings, the study concluded all the independent variables studied have significant influence on intra-regional trade in the EAC as indicated by the strong coefficient of correlation and a p-value which is less than 0.05. The overall influence of the analyzed factors was very high as indicated by the coefficient of determination. The overall P-value of 0.00 which is less than 0.05 (5%) is an indication of relevance of the studied variables, significant at the calculated 95% level of significance. This implies that the studied independent variables namely quality and safety standards, import restrictions and customs and trade facilitation measures have significant influence on intra-regional trade in EAC at the Namanga OSBP.

5.4 Recommendations

The non-tariff barriers affecting intra-regional trade in the EAC at the Namanga OSBP are quality and safety standards, import restrictions and customs and trade facilitation measures among others. The study therefore recommends that meeting to strategize on the ways to completely eliminate non-tariff barriers in the region get conducted often so as to remove the non-tariff barriers as soon as they appear. The study identifies quality and safety standards as an important factor in facilitating trade and enhancing efficiency. The government has to ensure traders adhere to the standards to enable their goods to get accepted in Tanzania. Traders need to get sensitized on the importance of meeting the standards and what is the cost effective way of meeting this standards to ensure traders are always in business. legal action should be taken against unscrupulous traders who do not adhere to that quality and safety standards because they affect business in the region. The government should employ more technical and human resources to make the trade in the region speedy and less time consuming.

5.5 Areas for Further Research

The study sought to find out the effects of non-tariff barriers on intra-regional trade a case of Namanga OSBP. Future research can be based on other factors that affect trade at the border post. The study could be extended to other border points over time, because it was based only on Namanga OSBP for the period of the study. The results can then get compared to determine whether there are similar results across all border stations in East Africa Community. More studies can also be conducted on technical barriers to trade to capture what other factors affect trade in the region apart from non-tariff barriers. The study can further get extended to cover a single variable, for example, effects of safety and quality measures on intra-regional trade in the East African Community.

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APPENDIX I:

INTRODUCTORY LETTER TO THE RESPONDENT

Date:

To: Whom It May Concern

RE: REQUEST FOR DATA COLLECTION FOR AN ACADEMIC RESEARCH PROJECT

The bearer of this questionnaire is a post graduate diploma in customs administration student in the department of economics, accounts and finance, of the University of Jomo Kenyatta University Agriculture and technology. The subject research project is on the effects of non-tariff barriers on levels of intra-regional trade in the East African community. My interest in the study is to add up to the existing knowledge, as activities in international trade are continually being realized broadly. As the research, I will be grateful if you could take some time to respond to my questionnaire for this study. The information you will give will be treated confidentially and used solely for the purpose of this study.

Thank you for your assistance

Yours sincerely,

Emma Wanjiku Nyagaki

Student (KESRA/JKUAT)

Mobile Number: +254 (0) 799837062

Email Address: nyagakie93@gmail.com

APPENDIX III

QUESTIONNAIRE

This questionnaire is designed to help with data collection of the effect customs clearance procedures have on the cost of doing business in Kenya. I, therefore, request that you respond to the following questions, honestly, by ticking on the most appropriate responses.

NOTE: All information provided in this questionnaire will be used with confidentiality, and will only be used for academic purposes.

SECTION A: BACKGROUND INFORMATION OF RESPONDENTS

1. Sex of Respondent: (A) Male {} (B) Female {}
2. Age of Respondent: (A) 18-28 years {}
(B) 29- 38 years {}
(C) 39-48 years {}
(D) Above 48 years {}
3. Level of education attained
(A) O-Level { } (B) Certificate { }
(C) Diploma { } (D) Graduate { }
(E) Post-Graduate { }
4. What is your area of work?
Customs Officer []
Clearing agent []
Trader []

SECTION B: QUALITY AND SAFETY STANDARDS

a) Quality and content requirements

Indicate your level of satisfaction on the statements below by ticking in the most appropriate box, where; 1= Strongly Agree, 2= Agree, 3= Indifferent, 4= Disagree, 5= Strongly Disagree

	Parameters	5	4	3	2	1
I	Strong quality and content requirements exist in the East African Community					
II	Quality and content requirements makes trade across borders efficient					

b) Certification

Indicate your level of satisfaction on the statements below by ticking in the most appropriate box, where; 1= Strongly Agree, 2= Agree, 3= Indifferent, 4= Disagree, 5= Strongly Disagree

	Parameters	5	4	3	2	1
I	The certification process for traders is fast and efficient					
II	Most traders have the required certificates					

c) Testing and Inspection

Indicate your level of satisfaction on the statements below by ticking in the most appropriate box, where; 1= Strongly Agree, 2= Agree, 3= Indifferent, 4= Disagree, 5= Strongly Disagree

	Parameters	5	4	3	2	1
I	Officers in-charge of conducting testing and inspections are always available					
II	Testing and inspection is conducted jointly by customs authorities from both countries					

SECTION C: RESTRICTED IMPORTS

a) Subsidies to Local Producers

Indicate your level of satisfaction on the statements below by ticking in the most appropriate box, where; 1= Strongly Agree, 2= Agree, 3= Indifferent, 4= Disagree, 5= Strongly Disagree

	Parameters	5	4	3	2	1
I	Timely declaration process decreases truck turnaround time					
II	Timely declaration process improves truck punctuality					

b) Rules of origin

Indicate your level of satisfaction on the statements below by ticking in the most appropriate box, where; 1= Strongly Agree, 2= Agree, 3= Indifferent, 4= Disagree, 5= Strongly Disagree

	Parameters	5	4	3	2	1
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I	Checks to determine the rules of origin of a products and the inputs are conducted often					
II	Products that have not met the rules of origin requirements are rejected					

(a) Embargoes

Indicate your level of satisfaction on the statements below by ticking in the most appropriate box, where; 1= Strongly Agree, 2= Agree, 3= Indifferent, 4= Disagree, 5= Strongly Disagree

	Parameters	5	4	3	2	1
I	Embargoes exist and are used to impose import bans in the EAC					
II	Exporting certain goods to partner states suffer from the offering of subsidies					

SECTION D: CUSTOMS AND TRADE FACILITATION MEASURES

(a) Communication of various customs systems in various sectors

Indicate your level of satisfaction on the statements below by ticking in the most appropriate box, where; 1= Strongly Agree, 2= Agree, 3= Indifferent, 4= Disagree, 5= Strongly Disagree

	Parameters	5	4	3	2	1
I	Real time communication of various customs systems in various sectors has limited the difficulties relating to customs formalities					
II	Customs has eased measures hence ensuring efficient trade facilitation					

(b) Human and Technical Resources

Indicate your level of satisfaction on the statements below by ticking in the most appropriate box, where; 1= Strongly Agree, 2= Agree, 3= Indifferent, 4= Disagree, 5= Strongly Disagree

	Parameters	5	4	3	2	1
I	Proper maintenance of human and technical resources have increased trade facilitation measures					
II	Competence of human resources, in relation to the available technical resources, reduces the difficulties relating to customs formalities					

(c) Documentation Procedures

Indicate your level of satisfaction on the statements below by ticking in the most appropriate box, where; 1= Strongly Agree, 2= Agree, 3= Indifferent, 4= Disagree, 5= Strongly Disagree

	Parameters	5	4	3	2	1
I	There is enough and readily available information about the documentation procedure					
II	The documentation procedures do not affect the trade					

SECTION E: LEVELS OF INTRA-REGIONAL TRADE

Indicate your level of satisfaction on the statements below by ticking in the most appropriate box, where; 1= Strongly Agree, 2= Agree, 3= Indifferent, 4= Disagree, 5= Strongly Disagree

	Parameters	5	4	3	2	1
I	The quality and content requirements set by EAC affects the speed of intra-regional trade					

II	Testing and inspection at the borders affect the speed of intra-regional trade					
III	The rules of origin have an effect on the speed of intra-regional trade					
IV	Subsidies to local producers affects the cost of intra-regional trade					
V	Communication of various customs systems in various sectors influences the cost of intra-regional trade					
VI	Documentation procedures at the borders affect the cost of intra-regional trade					

END OF QUESTIONARE

Thank you very much for your cooperation

APPENDIX III

WORK PLAN

Activity	Start Date	End Date	Duration
i). Seek permission from potential respondents and the relevant offices			
ii). Conduct a reconnaissance of the study area			
iii). Acquisition of the data collection instruments and procedures			
iv). presenting the questionnaires to the respondents			
v). Collection of data from secondary sources			
vi). Picking the questionnaires from the respondents			
vii). Pooling all the data collected from both the primary and secondary sources			
viii). Analyzing, representing, and interpreting the research findings			

APPENDIX IV
BUDGET PLAN

	COST(KES)	TOTAL(KES)
A. Acquisition of Data Collection Tools		
i). Acquisition of secondary data	3,500	
ii). Typing and printing of questionnaires	3,000	
iii). Making photocopies	1,500	
		8,000
B. Transport		
i). Traveling costs	14,000	
ii). Miscellaneous	3,000	
		17,000
C. Presentation of Proposal		
i). Stationary	1,000	
ii). Printing	3,000	
iii). Photocopy	1,500	

iv). Binding

1,500

7,000

32,000