

**THE IMPACT OF NON- TARRIFF BARRIERS ON TRADE IN THE EAST AFRICA
COMMUNITY.**

A CASE STUDY OF FREE TRADE BETWEEN KENYA AND TANZANIA

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TECHNOLOGY**

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DECLARATION

I declare that this is my original work and has not been submitted to any other college, institution or university.

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HDB336-C016-2452/2016

This research project has been submitted for examination with my approval as the university supervisor

.....

Date.....

Dr. Francis Njunguna

DEDICATION

I dedicate this research project to my family, friends and colleagues for their ever growing support in my life especially during the process of my studies at Kenya School of Revenue Administration.

ACKNOWLEDGEMENT

Special thanks to the following persons for their devoted time to make this research project a success; I acknowledge my supervisor, Dr Francis Njunguna.

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LIST OF ACRONYMS AND ABBREVIATIONS

AMU :	Arab Maghreb Union
ASEAN :	Association of South East Asian Nations
CET :	Common External Tariff
CMP :	Common Market Protocol
CMS :	Common Market Scorecard
COMESA :	Common Market for Eastern and Southern Africa
EABC :	East Africa Business Council
EAC :	East African Community
EACM :	East African Common Market
EACU :	East African Customs Union
EACUP :	East African Customs Union Protocol
ECCAS :	Economic Community of Central Africa States
ECOWAS :	Economic Community for West African States
EU :	European Union
KEBS :	Kenya Bureau of Standards
KIPPRA :	Kenya Institute for Public Policy Research and Analysis
KNBS :	Kenya National Bureau of Statistics
KRA :	Kenya Revenue Authority
LPI :	Logistics Performance Index
NTBs	Non-Tariff Barriers

DEFINITION OF TERMS

Common External Tariff	Means an identical rate of tariff imposed on goods imported from foreign countries.
Free trade area	Refers to the region encompassing a trade bloc whose member countries have signed a free-trade agreement. Such agreements involve cooperation between at least two countries to reduce trade barriers, import quotas and tariffs and to increase trade of goods and services with each other.
Non-tariff barriers	Mean laws, regulations, administrative and technical requirements other than tariffs imposed by a Partner State whose effect is to impede trade.
Regional integration	Refers to the process of states coming together to sign agreements where they agree to cooperate in certain areas common to them key among them trade matters.

ABSTRACT

Many world economies have been embracing regional integration as strategy towards achieving an accelerated economic development, which is a key agenda for many states and promise given to electorates every time they elect the leaders. Despite globalization gaining prominence as countries are increasingly becoming borderless, available literature indicates that international trade is still faced with a myriad of challenges among them non-tariff-barriers (NTBs) with EAC not being an exception. This research project titled “non-tariff barriers in East African Community and free trade between Kenya and Tanzania” therefore endeavored to assess the status of implementation of the East Africa Common Market (EACM) Protocol goals, examine the existing trade barriers in East Africa Common Market, and explore how NTBs affect Kenya-Tanzania free trade and the EAC in general. Exploratory research adopted for this study where data collected from the sampled 25 key informants, various publications and annual reports were quantitatively analyzed and presented. The study was be guided by the following specific objectives:-To investigate the effect of Customs and Administrative Entry and Passage Procedures on trade in the East African Community, to find out the effect of Documentation Procedures on trade in the East African Community, to investigate the effect of Multiple Police Road Blocks and Mobile Control on trade in the East African Community. The study sample size was 25. This study used primary data collected through questionnaires. A pre-test on a different sample was carried out to give a Cronbach’s alpha greater than 0.7 for all the variables as a rule of thumb. Data analysis were done by descriptive statistics and inferential statistics using Standard statistical techniques including Pearson correlation coefficient and regression analysis employed in the analysis. All the analysis was done using the statistical package for social sciences (SPSS Version.24). Analysis of variance (ANOVA) was used to establish if there is a statistical significance between the observed and expected values with the Pearson Chi square giving the degree significance of the relations, hence establishing the hypotheses. In multivariate analysis, multiple regression analysis models were used to determine the type of the relationship that existed between independent and dependent variables. The status of non-tariff barriers within the EAC reveal that efforts to eliminate NTBs are being made by the member states albeit riddled with conflicting national interests that make their success slow and sometimes unsuccessful. There is need to put more efforts in eliminating NTBs since findings indicate that they still persist.

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

The East African Community (EAC) is the regional intergovernmental organization of the republics of Kenya, Uganda, Tanzania, Burundi, and Rwanda, with its headquarters in Arusha, Tanzania. Originally founded in 1967, the EAC collapsed in 1977, but was revived in 1999. The Treaty for the re-establishment of the East African Community was signed on 30 November 1999 and entered into force on 7 July 2000 following its ratification by the original three partner states: Kenya, Uganda, and Tanzania. The republics of Rwanda and Burundi acceded to the EAC Treaty on 18 June 2007 and became full members of the community with effect from 1 July 2007, creating a regional block of 120 million people, a land area of 1.85 million square kilometers, and a combined gross domestic product (GDP) of about US\$41 billion (EAC 2009). The EAC aims at widening and deepening cooperation among the partner states in several areas including the political, economic, and social fields for their mutual benefit.

1.1.1 Global Perspective

The East African Community (EAC) introduced a Customs Union in 2005 and a Common Market in 2009, to achieve free circulation of goods, people, services and capital among the five East African Partner States. However, trade in East Africa is still riddled with a number of non-tariff barriers to trade (NTBs).

The EAC defines NTBs as quantitative restrictions and specific limitations that act as obstacles to trade (EACS, 2009). In 2009, the EAC agreed to establish a Monitoring Mechanism of NTBs that would lead to the swift identification of NTBs in the region and to their subsequent removal. Moreover, it was foreseen that this would allow for a more strategic approach to the removal of NTBs, focusing first on the ‘low-hanging fruit’ while allowing for the removal of politically more sensitive barriers in a more gradual fashion. To this end, the East African Community Secretariat (EACS) was tasked with maintaining a regularly updated inventory list of resolved and unresolved NTBs affecting regional trade. The resulting series of reports providing quarterly updates on the evolution of this list constitutes a living document on how NTBs have evolved in the East African region. While these reports do not provide specific evidence on how NTBs have been resolved, they reveal the type, country of responsibility and sector coverage of both resolved and unresolved NTBs. As of June 2016, 25 NTBs continued to restrict intraEAC trade; 104 had been removed since the establishment of the NTB Monitoring Mechanism. This policy brief draws on the reports mentioned above, through an analysis of 16 (from March 2012 to June 2016) covering NTBs from 2009 to 2016. We compare the key characteristics (type, country of responsibility and coverage) of resolved and unresolved NTBs in the EAC and draw a series of key policy lessons to accelerate the removal of the remaining NTBs affecting trade in the region.

In an effort to achieve these aims, the EAC countries established a Customs Union in 2005 and are working towards the establishment of a common market by 2010, a monetary union by 2012 and ultimately a political federation of the East African states (EAC 2009). Over time, the EAC has also created an East African Legislative Assembly and a Court of Justice.

Under the Customs Union, intra-EAC tariffs were abolished while a common external tariff (CET) was established for goods and services imported from non-EAC countries. The EAC CET has three applicable tariff bands on imports originating from third countries (0 percent on raw materials, 10 percent on intermediate products, and 25 percent on finished products), although rates above 25 percent apply to a number of “sensitive” products. However, Kenya, the region’s largest exporter, continues to pay duties on its goods entering the other four countries until 2010 based on a declining scale (Karugia et al. 2008a; EAC 2009). The three founding member states have a long history of regional integration. The three countries share a common history, culture, and infrastructure, and have relatively uniform agroclimatic conditions (UNCTAD 2005). Unlike Kenya and Tanzania, Uganda is landlocked and relies on the other two countries for access to sea ports. The three countries are members of the World Trade Organization and other trading arrangements. However, while Kenya and Uganda are members of the Common Market for Eastern and Southern Africa (COMESA), Tanzania is member of the Southern African Development Community (SADC). Trade between among the three countries is carried out through both formal (regulated and recorded) and informal (unregulated and unrecorded) channels (RATES 2003). Informal trade accounts for over 95 percent of trade in livestock and up to 60 percent for staple grains (Ackello-Ogutu and Echessah 1997; Little 2007). Moreover, informal regional trade brings much gain in terms of regional food security and efficiency in resource allocation. The creation of the EAC Customs Union is expected to increase trade and investment flows between member states and at the same time create a large market for the East African people.

The expanded trade and cooperation of the partner states offers the prospect of economic growth and prosperity for East Africans. However, for these outcomes to be realized the Customs Union must urgently eliminate all obstacles that act as impediments to the realization of smooth trade and investment flows in the region.

These obstacles include both tariff and non-tariff barriers (NTBs) 4 to trade, whose removal reduces the cost of doing business and ultimately improves welfare. Within Eastern and Southern Africa, tariffs play a much less important role as a barrier to crossborder trade than NTBs do (EABC 2005). Under the EAC Customs' Union Protocol, partner states have committed themselves to eliminate "with immediate effect" all existing NTBs on intra-EAC trade and to refrain from introducing new ones. However, trade between the EAC countries is still being hampered by the existence of NTBs that are variously applied by the member states (EABC 2005). Within the community, the main types of NTBs include customs documentation and administrative procedures, immigration procedures, quality inspection procedures and transiting procedures that are cumbersome, unstandardized, and costly (EABC 2005). Thus, EAC trade liberalization and associated welfare gains would depend primarily on the elimination of policies and procedures linked to structural NTBs. Economists generally agree that NTBs are detrimental to regional trade. These barriers diminish the potential benefits of trade preferences such as regional trading arrangements. Moreover, NTBs are a serious impediment to the growth of intraregional trade and their associated benefits. The existence of NTBs increases the cost of doing business, which ultimately leads to huge welfare losses (EABC 2005).

However, the cost of these NTBs and their trade and welfare implications within the EAC are not well understood. This paper quantifies the cost of various types of NTBs and evaluates their welfare impacts on formal trade in maize and in beef cattle in Kenya, Uganda, and Tanzania using a spatial equilibrium model (SEM). The data used in this study were derived from a regional survey of formal traders undertaken within the EAC border points in 2007. They are complemented by secondary data on maize and beef production, consumption, prices, and elasticity parameter estimates that were adopted from earlier studies in the region. The information generated from this study would be of interest to EAC maize and beef cattle traders, policymakers, and development agencies.

Many world economies have been embracing regional integration as strategy towards achieving an accelerated economic development, which is a key agenda for many states and promise given to electorates every time they elect the leaders. In East Africa, economic integration involving Uganda, Kenya and Tanzania was established in 1967, but collapsed in 1977 (Reith & Boltz, 2011). In 1993, the initiative was revived with the signing of a Declaration on Closer East African Cooperation. The treaty for the establishment of the East African Community (EAC) of 1999 set out a vision for the eventual unification of Kenya, Tanzania, and Uganda. The sequence of events laid out comprised the establishment of a customs union, followed by a common market, a monetary union, and eventually a political federation (Reith & Boltz, 2011).

The overall objective of EAC was to develop policies and programs aimed at widening and deepening cooperation among the partner states in political, economic, social and cultural fields, research and technology, defence, security, and legal and judicial affairs for their benefits.

Currently membership to EAC includes Uganda, Kenya, Tanzania, Burundi and Rwanda (Okumu & Nyankori, 2010). As part of the process of realizing full benefits of economic integration, the regional block further agreed to establish a customs union, common market, monetary union and finally a political federation. In March 2004, the EAC heads of states signed a protocol on establishment of the East African Community Customs Union (EACCU). The protocol came into effect on January 2005. Article 3 of the protocol of (Community, 2004) outlines four key objectives of the customs union as: to liberalize trade within the customs area for the benefit of all member states, promote production efficiency within the customs union, attract investments into customs union area, and stir up economic development and industrialization in various sectors.

The main instrument for trade liberalization provided under the customs union was the elimination of tariffs and non-tariff barriers (NTB), within the partner states in order to increase economic efficiency and create political and cultural relationships among the partner states (Nzuma, 2007). NTBs refer to the wide and heterogeneous range of policy interventions other than border tariffs that affect and distort trade of goods, services, and factors of production. Common taxonomies of NTBs include market-specific trade and domestic policies such as import quotas, voluntary export restraints, restrictive state-trading interventions, export subsidies, countervailing duties, technical barriers to trade, sanitary and Phytosanitary (SPS) policies, rules of origin, and domestic content requirement schemes. Extended taxonomies also include macro-policies affecting trade (Beghin, 2006).

Globally, tariffs have been declining as a result of multilateral, regional and bilateral trade liberalization.

At the same time though, many countries have instituted alternative protectionist mechanisms, NTBs, which are ever changing and are threatening international free flow of goods and services (Beghin, 2006).

As tariff barriers continue to reduce for instance at the multilateral level through various rounds of trade negotiations; and at the regional and bi-lateral levels through various trade arrangements, the issue of non-tariff measures becomes more important in accessing markets (Reith & Boltz, 2011). The World Trade Organization (WTO) General Agreement on Trade and Tariffs under Article 20, allows members to implement measures to protect human, animal or plant life or health, provided no discrimination or disguised protectionism arises (Beghin, 2006). In addition, WTO agreements of Sanitary and Phytosanitary measures (SPS) and Technical Barriers to Trade (TBT) deal with food safety and animal and plant health and safety, as well as product standards in general.

The importance of these measures cannot be underscored, since they are necessary for inter alia environmental protection, health safety, and national security to consumers (Reith & Boltz, 2011). However with a multiplicity of such measures imposed by countries, accessing markets of interest has become challenging and costly for producers and exporters. In many instances the measures are difficult to track and conform to given their diversity, hence the need to analyze these issues and map out possible solutions to overcome the challenges they present in accessing markets of interest (Nzuma, 2007).

The creation of the EAC Customs Union is expected to increase trade and investment flows between member states and at the same time create a large market for the East African people (Reith & Boltz, 2011). The expanded trade and cooperation of the partner states offers the prospect of economic growth and prosperity for East Africans. However, for these outcomes to be realized the Customs Union must urgently eliminate all obstacles that act as impediments to the realization of smooth trade and investment flows in the region (Mmasi and Ihiga, 2007).

These obstacles include both tariff and non-tariff barriers (NTBs) to trade, whose removal reduces the cost of doing business and ultimately improves welfare. Within Eastern and Southern Africa, tariffs play a much less important role as a barrier to cross border trade than NTBs do (EABC 2005). Under the EAC Customs' Union Protocol, partner states have committed themselves to eliminate, with immediate effect, all existing NTBs on intra-EAC trade and to refrain from introducing new ones. However, trade between the EAC countries is still being hampered by the existence of NTBs that are variously applied by the member states (EABC 2005). Within the community, the main types of NTBs include customs documentation and administrative procedures, immigration procedures, quality inspection procedures and transiting procedures that are cumbersome, un-standardized, and costly (EABC 2005). Thus, EAC trade liberalization and associated welfare gains would depend primarily on the elimination of policies and procedures linked to structural NTBs.

Economists generally agree that NTBs are detrimental to regional trade. These barriers diminish the potential benefits of trade preferences such as regional trading arrangements. Moreover, NTBs are a serious impediment to the growth of intraregional trade and their associated benefits.

The existence of NTBs increases the cost of doing business, which ultimately leads to huge welfare losses (EABC 2005). However, the cost of these NTBs and their trade and welfare implications within the EAC are not well understood. The EAC region has increasingly become the major market for Kenya's exports, whose value grew from USD 1.54 Billion in 2001, to USD 1.7 Billion in 2002, 1.8 Billion in 2003, 2.06 Billion in 2004 and to 2.68 Billion in 2005. The region therefore took the lion's share of Kenya's exports during the period, representing 56% between 2001 and 2003, growing to 58% in 2004, and dropping slightly again to 56% in 2005. This was an average of 57% market share over the period 2001 to 2005. The country's sister partners within the EAC region took the bulk of exports to COMESA, with Uganda taking an average of 41% over the period 2001-05 and Tanzania taking an average 19% of the market share (Ihiga, 2007).

Statistics from the East African Business Council show that Kenya's ten leading exports to the EAC during the period 2006-2011 were Tea which took 17%; Articles of iron and steel which took 6.5%; and Essential oils, perfumery, soap and polishing preparations which took 6% of Kenya's exports to EAC/COMESA. Other products in the category of ten major exports were Petroleum products, Paper and paperboard, Salt and Cement; Textile yarn, fabrics and garments; Cigarettes; Glass and glassware; and un-milled maize (Ihiga, 2007).

1.1.2 Kenya Perspective

Non-tariff barriers such as SPS and TBTs have affected Kenya's access to markets for commodities such as fish and horticulture. The Uruguay Round of Negotiations contains three important elements of which SPS is a major one. These mandate that SPS be applied only to the

extent necessary to protect food safety and animal and plant health. This however can constitute unfair technical barriers to trade when used indiscriminately.

Provision is also made for possible technical assistance for developing countries to comply with SPS standards of importing countries (Mmasi & Ihiga, 2007). Apart from tariff barriers, Kenya's exports to developed countries markets have been barred by instances of arbitrary imposition of sanitary and phytosanitary (SPS) measures and the most affected sub-sectors include horticulture and fisheries. Besides, there have been cases where sub-standard commodities that do not meet SPS standards have been dumped in the country. Kenya's positions on SPS is for transparency in implementation by developed countries and for provision of technical support to enable the country undertake risk analysis and participate in international meetings for setting standards (Nogueira, 2008).

In Kenya, market access has also been affected by SPS, where fish exports to the European Union faced a ban in 1999 to 2000. This was because Kenya and other East African Countries were unable to meet the EU's hazard analysis critical control points (HACCP) requirement. Although the ban was later lifted, the SPS creates barriers to agricultural trade.

The minimum residual pesticide requirement by the EU countries on horticulture produce also poses barriers to trade for Kenyan exports. In general, food standards are used extensively by developed countries to block entry into their markets of agricultural products from developing countries. Unfortunately, developing countries consider the standards set by developed countries not to be transparent. Furthermore, fair implementation of SPS agreement requires both financial and technical resources which Kenya lacks (EAC, 2009).

An acute problem is the lack of appropriate scientific and technical expertise with little technical assistance being given to developing countries. The challenge facing both developed and developing countries is for collaboration of one with the other to reach accommodation and reconcile the disparate preoccupations relating trade and those relating to the protection of human, animal and plant health and the environment (Nzuma, 2007).

Non-tariff barriers (NTBs) remain a key challenge to east African integration since the establishment of Custom Union (CU) Protocol in 2005. It is clear that trade liberalization is the central objective of East Africa Community (EAC) and it cannot be achieved with the continuous persistence of old and emergence of new NTBs.

NTBs are restrictions that result from prohibitions, conditions or specific market requirements that make importation or exportation of products difficult and/or costly. The EAC Elimination of NTB Act, 2017, also defines NTB as laws, regulations, administrative and technical requirements other than tariffs imposed by a partner state, whose effect is to impede trade. The objectives of EAC Elimination of NTB Act, 2017, are to provide a legal framework for removal of NTBs, provide a process for identification and monitoring the removal of NTBs.

The removal of all restrictions to trade will create a truly single market in the region with a market of close to 184 million people. There are several initiatives in place to address NTBs in the EAC. First, the main instrument was the EAC Time-Bound Programme for Elimination of Identified NTBs (EACS, 2009). The strategy of EACS, 2009, was to come up with a list of NTBs reported by partner states and update them during quarterly NTB review meetings.

During the meeting new NTBs are reported and the resolved ones are moved to the end of the list. However, the report does not explain how the NTBs have been resolved or how to ensure that the resolved NTBs do not recur.

NTBs generally fall under four broad categories, namely, (1) measures having equivalent effect to custom duties and tariff, (2) quality and safety standard issues, (3) direct import ban and (4) custom and trade facilitation measures. According to the EAC Common Market Scorecard 2016, the unresolved NTB were distributed as follows: Measures having equivalent effect to custom duties and tariff were 40 percent, customs and trade facilitation measures were 28 per cent, quality and safety standards were 24 percent and direct import ban were eight percent.

The EAC CU Protocol came into effect throughout the EAC territory in July 2009, having been ratified by Kenya, Tanzania and Uganda in 2004, and later by Rwanda and Burundi in 2008. The EAC CU is the first stage in the four-step EAC regional integration process and it is envisaged that a fully operational CU will consolidate East Africa into a single market with uniform policies and a market of 184 million people and a GDP of \$ 187 billion as per 2018 estimates.

The objectives of the EAC CU Protocol as captured by article 3 are: the formation of single market territory, elimination of internal tariffs and NTBs, and harmonization of external tariff by establishment of a Common External Tariff (CET) for imports from third countries. The current CET rates are: zero percent for raw material, 10 percent for intermediate products and 25 percent for finished products. Currently EAC partner states are engaged in renegotiating new CET and I hope that the new CET will be aligned with the region's industrialization agenda and vision.

It is also envisaged that the CU will promote efficiency in production and offer EAC consumers a variety of products at competitive prices due to economies of scale, enhance domestic, cross-border and foreign investment, harmonize trade processes and custom procedures with the net effect of increased trade and poverty alleviation. Hence the elimination of NTBs is properly anchored in the EACCU Protocol.

Globally, when tariff levels went down after coming into force of the General Agreement on Tariff and Trade (GATT 1947 and GATT 1994), the NTBs went up and have remained a challenge even in the global arena since then. The number of possible NTBs globally is almost infinite and have continuously changed over time.

1.1.3 The East African Community

The East African Community (EAC) which comprises of Tanzania, Kenya, Uganda, Rwanda and Burundi is a regional intergovernmental organization headquartered in Arusha, Tanzania. The treaty that led to establishment of the organization was signed in 1999 but came into action in 2000 almost 9 months later after it was ratified by three of the member states; Tanzania, Kenya and Uganda. The other member countries joined the organization in 2007.

The aim for formation of EAC was to establish a prosperous, competitive, secure, stable and politically region that provides a platform for deeper and wider Political, Economic, Social and Culture integration. This was with a view of improving the quality of life of its members through increased value added, competitiveness, trade, production, and investments (Shinyekwa & Othieno, 2013).

The strengthening of EAC assembly and the proposal towards the use of one currency and some of the efforts which have been put to increase and harmonize trade regulatory framework in the region. The movement of people across the member countries has been relaxed and the citizens are expected to produce a national identification card to cross the borders instead of passport making it easy for traders to access market for their products.

The East African Common Market was founded so as to boost intra trade among the founding members by creating a free trade zone. Member states, therefore, progressively enacted various laws in order to attain the common market. To begin with, members established the EAC Treaty which they signed in 1999 and later in 2000; it was operationalized after heads of the three founding Partner States endorsed it. The Treaty envisaged integration through the creation of one single operating area governed by same laws. The Treaty also centered on harmonization of strategies to promote regional trade and investment, facilitate cross border trade activities, development of infrastructure, and improvement of both human and technological capacity, (EACM, 2010).

The EAC Treaty was closely followed by the formulation of EACU Protocol, the second improvement strategy covering the period 2001-2005. The purpose of the Protocol included easing regional trade laws to mutually benefit all the member states, advance prompt production of goods within EAC, and also promote economic growth and industrial expansion.

Reardon and Barrett (2010) also state that the Protocol provided for the investigation and suppression of custom offenses, setting up of the CET and adopting a constant procedure of valuing goods while collecting duty.

Article 5(2) of the EAC Treaty provided that after the Customs Union, member states were to advance to a Common Market.

Therefore in 2009, the EACM Protocol was approved and came into being in July 2010 after the approval by the heads of state of the five-member states - Kenya, Uganda, Tanzania, Rwanda and Burundi. The EACM Protocol of 2010 stipulated free movement of products, people, and services among others and also guaranteed EAC citizens the right to reside anywhere within the Community. The Protocol also explained other areas of collaboration by partner states, laws governing competition among members, public procurement and grants to traders. This can be said to have been among the initial steps taken by EAC to cement the EACM conglomerate.

Braude (2008) notes that the EACM aimed at easing mobility of people by introducing an East African passport, approving a single immigration entry by operationalizing use of special passes for border communities, setting up laws that will ensure that, services, labour, and capital move freely within the Community; and that citizens have a right to reside in any of the EAC countries.

It also purposes to attain harmonization of monetary laws through easing controls on exchange rates and interest rates, similar investment inducements, and joint capital markets development policy. Jackson (2009) however takes note that regardless of advances being enlisted in the abrogation of levies, most nations have initiated other protectionist components like NTBs which are regularly changing and are undermining the soul of the EACM and by extension the universal free stream of merchandise and ventures.

1.2 Statement of the Problem

Trade barriers have become an important trade policy issue among the member states of the East African Community. Trade barriers both Non-Tariff and Technical Barriers have an effect of reducing the gains from trade liberalization arising from the reduction of tariffs.

Due to their unpredictability and persistence, they continue to influence trade patterns and restricting market access to regional exporters thus denying consumers' welfare enhancing opportunities, which arise from access to, reasonably priced regional imports (COMESA, 2009).

NTBs refer to the wide and heterogeneous range of policy interventions other than border tariffs that affect and distort trade of goods, services, and factors of production. Common taxonomies of NTBs include market-specific trade and domestic policies such as import quotas, voluntary export restraints, restrictive state-trading interventions, export subsidies, countervailing duties, technical barriers to trade, sanitary and Phytosanitary (SPS) policies, rules of origin, and domestic content requirement schemes. Extended taxonomies also include macro-policies affecting trade (Beghin, 2006).

Universally, NTBs lessen the potential advantages that could be accrued from the trade agreements offered through RIAs. The EAC scenario seems not to be an exception. Among the benefits of free trade is better access to member state markets, expanded trade volumes and better prices, enhanced economic welfare, job creation opportunities, and realization of quick economic growth. The implementation of EACM might be a positive step in the development of the socio-economic and political integration of the EAC.

One of the main goals of the Protocol is to hasten economic growth and development of the member states by ensuring that goods, persons, capital, labor and services move freely across borders; and that the rights of EAC citizens to reside in any of the countries are not violated, (EACM, 2010 Article 4). However, studies carried out from 1999 to date, on the progress of the EA Common Market integration revealed that goods within the community do not move freely as envisaged in the EACM.

Studies also seem to indicate that trade barriers and specifically NTBs, are among the factors hindering free movement of goods across borders. The NTBs appear to be persistent and multifaceted in nature despite attempts by stakeholders to resolve them. A portion of the examined NTBs exist in the general areas of business enlisting and permitting, customs processes, police checks, road axle limits, and documentation requirements. Nevertheless, there seems to be a gap in terms of a detailed study scrutinizing the goals of the EACM, the existing trade barriers and establishing how these barriers are applying to a trade setting of two countries within the RIA. This study therefore sought to explain the EACM goals, the existing trade barriers within the EACM and the effects of NTBs on Kenya-Tanzania free trade and EAC in general.

The thrust was that an understanding of the prevailing status and an elaboration of links would be useful to scholars of international relations in general and trade and regional integration in specific.

1.3 Objectives of the Study

The general objective of this study was to establish the effect of non- tariff barriers on trade in the East African Community.

1.3.1 Specific Objectives

The specific objectives of this study were to

1. To investigate the effect of Customs and Administrative Entry and Passage Procedures on trade in the East African Community.
2. To find out the effect of Documentation Procedures on trade in the East African Community.
3. To investigate the effect of Multiple Police Road Blocks and Mobile Control on trade in the East African Community

1.4 Research Questions

1. What is the effect of Customs and Administrative Entry and Passage Procedures on trade in the East African Community?
2. What is the effect of Documentation Procedures on trade in the East African Community?
3. What is the effect of Multiple Police Road Blocks and Mobile Control on trade in the East African Community?

1.5 Significance of the Study

The study may be of benefit to a number of stakeholders. These include:

1.5.1 Policy Makers

Policy makers will be enlightened on the trade barriers existing within the East African Community and are in a position to get solutions to the issues raised. They will also be able to understand and employ the measures suggested to facilitate exportation within the East African Community.

1.5.2 Kenyan Exporters

Kenyan exporters will be in a position to understand the trade barriers affecting their trade and are in a position to devise ways to counter the issues affecting their business. They will also be able to understand what measures they can undertake to help the situation.

1.5.3 Upcoming Kenyan Exporters

Upcoming Kenyan exporters will be able to understand the export business within the East African Community and know what to expect even before they indulge in the same. They will be enlightened on the trade barriers they should expect as they embark on exportation within the East African Community.

1.5.4 Researchers

The future researchers will be able to assess how the past research would have dealt with the problem and be able to come up with new dimensions that they can research on.

1.6 Scope of the Study

The scope of this study was restricted to the effects of Non-Tariff Barriers on Kenya-Tanzania free trade and EACM in general. This study focused on movement of goods within EAC. The study covered the period 2014 to 2017 because this is the period this study was conceptualized.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter reviews literature on the impact of effect of non- tariff barriers on trade in the East African Community. It first looks at the theoretical framework and then presents an empirical literature based on the study objective.

2.2 Theoretical Framework

2.2.1 Rational Choice Theory

Proponents of Rational Choice Theory (RCT) like Gary Becker and Duncan Snidal understand Rationality in terms of the optimization of values under constraints in choosing alternatives that will optimize on previously determined goals. Frank (2014) also notes that RCT is a framework for understanding and often formally modeling social and economic behavior. It is widely used as an assumption of the behavior of individuals in microeconomic models and analysis of human decision-making. Thompson (2010) too explains rationality in terms of how actors in the international system act in their rational self-interest whereby gather sufficient information to make rational calculations and pursue an option that will benefit them most using the least resources.

The Rational Choice Theory of International Politics therefore offers a more realistic alternative to the realist school of thought, which holds the view that the anarchic structure of the international trading system consistently forces both the regional and global powers to seek security by outdoing each other, (Shapiro, 2011). Further, the Rational Choice Theory highlights that having options when pursuing an agenda is fundamental to what strategy the actor adopts. RCT will therefore be useful to explain why EAC member states have joined other regional arrangements and why they continually strive to do away with NTBs. Besides, the theory explains why international interactions among actors sometimes favor cooperation over competition, (Snidal, 2012).

Rational Choice Theory takes the state actors as the core unit of analysis, and inter-state relations as the basis for analysis. The state is seen as a monolithic unitary actor, which has the ability to make rational decisions based on ranking of available options then carrying out a profit maximization audit before adoption. According to this theory, states are the key actors in the international regimes, and they adopt the rational decision making process in their foreign policy choices, (Snidal, 2012). This is because the underlining hypothesis is that governments are unified and rational and they opt for carefully planned and well defined foreign policy goals, (Hosny, 2013).

This theory is thus useful because it offers an ideal framework for understanding why EAC states still generate NTBs despite frameworks to eliminate them being in place. Accordingly, the theory has been useful in this study because its assumptions are often correct and a crucial guide to the formulation of Foreign Policy. Lastly, the theory is modest enough to explain trade trends and the persisting issue of NTBs in EACM integration.

2.2.2 International Trade Theory

International Trade theory was formulated as a result of success of free trade in England in various industries and trade (Viner,1937). This was at a time when division of labor, in the nascent large-scale industries which provided the base for reducing labor costs thus effectively necessitating competition across countries. The theory argues that possible dilemmas that call for the need of monetary adjustments for countries having continuous trade surplus can be evaded through the use of automatic adjustment brought about by price-specie flow mechanism. Production efficiency, according to this theory is achieved through existence of free trade as opposed to the use of mercantilist policies of protection.

The theory considers a number of production factors such as labor hours as inputs in a large scale. The absolute advantage which was considered both necessary and sufficient to ensure mutually gainful trade across nations. This calls for arranging a complete specialization in the specific commodity in order to harness advantage in terms of labor hours measured against a unit of output (Baumol, 2007).

2.3 Conceptual Framework

This conceptual framework shows the relationship between the dependent variables and the independent variables. The independent variables are Customs and Administrative Entry and Passage Procedures, Documentation Procedures and Multiple Police Road Blocks and the dependent variable is free trade as illustrated in the conceptual framework presented in figure 2.1

Independent Variables

Dependent Variable

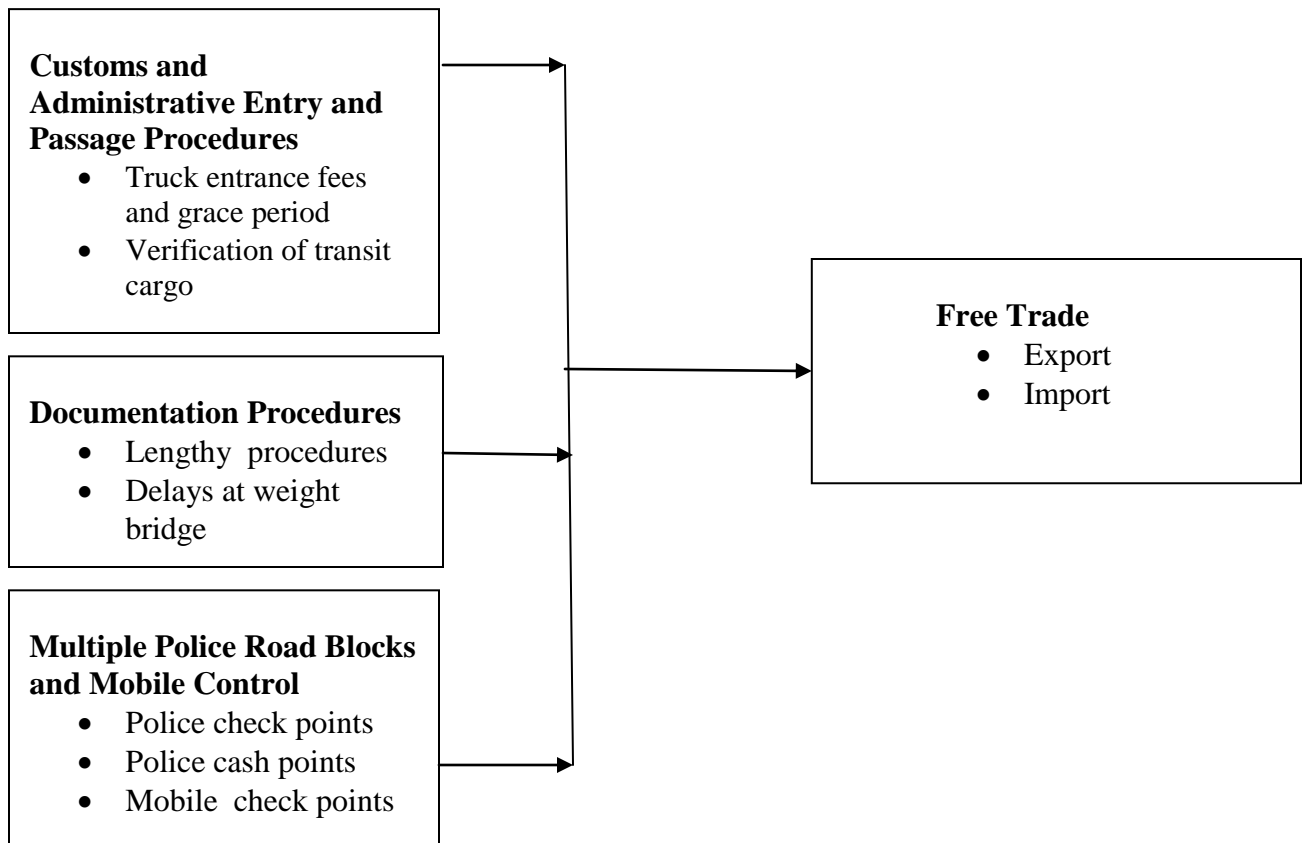


Figure 2.1 Conceptual Framework

2.4 Empirical Literature

2.4.1 Customs and Administrative Entry and Passage Procedures

Several sessions, forums and meetings have been undertaken by the EAC Council of Ministers with the aim of simplifying and synchronizing customs documentation, formalities and procedures at the border posts.

Many member states are undertaking donor-funded customs modernization programs, but the focus and content of such national efforts remain largely uncoordinated across the EAC. Planned improvements in administering border posts have been slow, mostly bilateral, and with somewhat varying results to date. Duplication of processes continues to add to monetary costs and loss of time. Unequal treatment according to the country of origin of the goods and/or truck and opportunities for fraudulent behaviour is frequent, as are the allegations of such “unfair” treatment and corruption (World Bank, 2008).

2.4.2 Documentation Procedures

A task commissioned by the countries to check on the factors that hinder trade within the EAC found out there were varying systems of import declaration, payment of applicable duty rates, and standards applied, as well as limited/varying working hours at the customs posts. Lengthy procedures and inadequate information to enable customs officials make pertinent decisions at the border posts seem to plague the EAC-wide system. To implement customs procedures for entry processing, cargo control, transit, warehouse control, and accounting, four member countries have opted to use various versions i.e. Automated Systems for Customs Data (ASYCUDA - is a computerized customs management system developed by UNCTAD to help reform the customs clearance process), while Kenya has chosen to use Similarity Based Complex Analysis System (SIMBA) an electronic real time trading system for international markets. To date, the linkage between these two systems has not been smooth. Delays in processing export papers are widespread. Before transporters leave their departure point, they must file export papers with the revenue authority (at the capital) to be sent to the border post.

Kenya and Uganda have a bilateral legal framework for joint control at their common border posts, creating a one-stop post at each border crossing, starting with Malaba. They also have an agreement to introduce 24-hour services at their common border posts. It takes about one week for process at Kenya Revenue Authority to be completed which too many exporters is perceived to be a long and strenuous exercise. It gets worse, when goods move to other countries, which as documented in the report by World Bank (2008) different procedural arrangements on these borders slow down business.

2.4.3 Multiple Police Road Blocks and Mobile Control

Unrelated with weighing or clearing the cargo, police roadblocks are constantly cited by traders and transporters as location for rent seeking and transit delays (EABC 2004). The roadway along the Northern Corridor is particularly noted for such practices, especially on the Kenyan part. “Police check points have become ‘police cash-points’ as they no longer serve their intended purpose of security but are being used as medium of soliciting money from transit trailer trucks, especially those with foreign registration numbers,” said one irritated transporter. For example, there are about 10 police/local government roadblocks from Mombasa to the Uganda border (down from about 27 about four to ten years ago). In addition, there are mobile checkpoints, more frequent in Kenya, run by the revenue authorities of the respective countries, such as the Revenue Protection Department in Rwanda. It is estimated that 12 percent of checks of commercial vehicles take one to two hours. In some cases, these roadblocks cause delays even for returning vehicles not carrying any goods. Along the Central Corridor, 26 checkpoints were reported between Rusumo and Dar es Salam (distance 1,480kms), and 5 in Rwanda between Rusumo and Kigali (168 kms distance).

What bothers transporters is that there is a general lack of coordination among the police in carrying out their duties, such that a truck is subject to similar checks at all traffic stops. This creates room for the police to openly press for petty bribes—for example, in Tanzania, commonly referred to as “kahawa,” meaning a cup of coffee (World Bank 2008).

2.4.4 Trade Impact

A research by World Bank, (2008) recommends for need to make choice on the basis of the NTB’s trade restrictiveness, including the following elements: number of private sector complaints, value of export/import affected, and difference between domestic and world prices for consumer. There is need to prioritize these constraints based on the major stake holders who are affected, for the Kenyan case, majority of Kenyan exporters who fall in the private sector, complaints in the EAC are the strongest about poor infrastructure. This is followed by corruption/fraudulent behavior. They also complain about the limited human skills and technical capacity of the trade/transit facilitators and national government officials in the EAC. Further the World Bank (2008) report strongly suggest the need to assess the total value of export/import affected by a particular NTB, this could be done by listing the top goods by value traded in the EAC. For most EAC members, these goods are also the most important ones in the value share of overall trade. Hence, prioritizing the NTBs that apply specifically to these goods will yield added benefits from expansion of EAC’s global trade. Further investigation may be needed, to determine the extent to which the NTMs increase the consumer prices of these goods

2.5 Critique of the Study

According to a report by Okumu and Okuk, (2011) the public, (citizens of the EAC countries) is not fully aware and involved in the process of EAC integration. Most people involved in business within the region don't have enough education on what needs to be done so as to improve their businesses. Education on the NTBs, how to handle cross-border customs and the like, is not given and that has a great impact on the entire regional trade (Hangi, 2010). The EAC states with full involvement of the private sector associations and civil society organizations should intensify public awareness campaigns about customs union and its economic opportunities. Every effort should be made to reach out to the entire population of the EAC countries.

Braude (2008) notes that the EACM aimed at easing mobility of people by introducing an East African passport, approving a single immigration entry by operationalizing use of special passes for border communities, setting up laws that will ensure that, services, labor, and capital move freely within the Community; and that citizens have a right to reside in any of the EAC countries. It also purposes to attain harmonization of monetary laws through easing controls on exchange rates and interest rates, similar investment inducements, and joint capital markets development policy.

Jackson (2009) however takes note that regardless of advances being enlisted in the abrogation of levies, most nations have initiated other protectionist components like NTBs which are regularly changing and are undermining the soul of the EACM and by extension the universal free stream of merchandise and ventures.

The East African Community (EAC) which comprises of Tanzania, Kenya, Uganda, Rwanda and Burundi is a regional intergovernmental organization headquartered in Arusha, Tanzania. The treaty that led to establishment of the organization was signed in 1999 but came into action in 2000 almost 9 months later after it was ratified by three of the member states; Tanzania, Kenya and Uganda. The other member countries joined the organization in 2007. The aim for formation of EAC was to establish a prosperous, competitive, secure, stable and politically region that provides a platform for deeper and wider Political, Economic, Social and Culture integration. This was with a view of improving the quality of life of its members through increased value added, competitiveness, trade, production, and investments (Shinyekwa & Othieno, 2013).

2.6 Research Gap

A series of EAC trade studies (Ihiga 2007; Mmasi and Ihiga 2007) reported some major NTBs that included customs and administrative entry procedures barriers; sanitary and Phytosanitary measures; technical barriers to trade, standards, inspection time spent, un-harmonized procedures for issuance of certification and other distribution related obstacles. Some of these regulations or NTBs, while justified on the basis of health, safety and security, among others, have implications on production, consumption, economic efficiency and trade flows (Okumu and Okuk, 2011).

Arising from identification of NTBs, EAC time-bound programmes for their elimination have been prepared (EAC Secretariat 2009). These include abolishing charges, corruption, discriminatory charges, landing fees, entry requirements; application of non-discriminatory excise duty regime, EAC Rules of Origin, WTO valuation rules; adherence to EAC Rules of Origin Criteria of 30 percent local value added; modernization including computerization of procedures to ensure faster clearance, systems interfacing, and weigh-in-motion systems.

2.7 Summary of the study

From the foregoing literature review, the main goal of EACM is to ensure socio-economic development among the Partner States as a result of deepening cooperation. To achieve this, free movement of goods from one state to another is imperative. However, studies indicate that this goal has not been fully realized and it seems that the existing trade barriers are among the hindrances that have delayed full realization of free trade within the EACM. This study therefore sought to assess to what extent EACM Protocol goals have been implemented and to scrutinize how the trade barriers have hindered the full realization of free trade in EACM.

CHAPTER THREE

RESEARCH DESIGN AND METHODOLOGY

3.1 Introduction

This chapter covers the methodology that governs the study. It entails the research design, data collection procedures and data analysis. The methods of data presentation are also discussed. This section also discusses the source and type of data to be collected, the model showing the relationship between the independent and dependent variables and the operationalization of the variables.

3.2 Research Design

This study was conducted using the exploratory research design, and employed qualitative methods of data collection as well as referencing to existing quantitative data. According to Malhotra (2010), exploratory research equips the researcher to choose the best research design, data collection method and selection of subjects. It also helps the researcher to draw definitive conclusions only with extreme caution besides exploring and expounding on what exists. The design was also appropriate in focusing on current affairs of EAC free trade, thereby giving insights and familiarity for later investigation on NTBs and their effects on regional trade.

Qualitative research method seeks to find out the individuals' own accounts of issues in question, as well as their attitudes, motivations and behavior. It is used to address social and economic problems because of its in-depth analysis of variables under study (Kothari, 2004).

Data was collected through interviews that were conducted on key informants to obtain the required data. Qualitative method was ideal in this study since it enabled collection of data based on subjective assessment of attitudes, opinions and behaviour of actors within the community.

3.3 Target Population

Ngechu (2004) defines a population as a group of individuals, elements or events being investigated. This research therefore included in its target population for the study key informants who are professionals in EAC trade matters, as well as traders who are directly involved in import-export trade activities within EAC. Respondents were identified from the Ministry of Foreign Affairs and International Trade, Traffic Police Department, KEBS, KRA, the EAC Secretariat and the EAC Trading Community. They consisted of 3 customs officers, 3 Kenya Bureau of standards officers, 2 EAC Secretariat administrators, 7 Trade officers, 7 EAC traders and 3 traffic policemen. The target population in this study was identified on the basis of the survey of existing literature on NTBs in the various RIAs.

Table 3.1 Target Population

Category	Target Population
Ministry of Foreign Affairs and International Trade	6
Traffic Police Department	3
KEBS	3
KRA	3
EAC Secretariat	2
EAC Trading Community	7
Total	25

3.4 Sample and Sampling technique

Cooper and Schindler (2003) describe sample or sample size as a subject of a population that is studied through a research study and generalized into the entire populations. The study adopted a systematic sampling technique. A sample size was drawn from the study population using key informant and convenience sampling techniques. The strata included key stakeholders in trade within EAC and in particular Kenya and Tanzania, who included officials from Ministry of Foreign Affairs and International Trade, the EAC Secretariat, KEBS, KRA and the EAC Trading Community. The study sample size comprised of twenty five (25) respondents from the targeted institutions. The study adopted census method because the study target population was less than 100.

3.5 Data collection methods

The study adopted primary data to collect information. Primary as data observed or collected from first-hand experience (Cooper & Schindler, 2008). Data was collected from primary sources using closed structured questionnaires through likert scale.

3.6 Data Collection Instruments

The questionnaire was designed to capture the essential information needed for analysis. It captured respondents' general information and specific information arising from the various objectives of the study. A letter of introduction was attached to the questionnaires explaining to the respondents the reason for the study and assuring them of their confidentiality.

3.7 Data Collection Procedures

The relevant data was collected from the field with the aid of a research assistant, as the questionnaires will be distributed on a drop and pick later method to allow the respondents time to sufficiently go through them and give feedback.

3.8 Pilot Study

The researcher will carried out a pilot study in order to pre-test the validity and reliability of data to be collected using the questionnaire. Validity is defined as the degree to which a test measures what it is supposed to measure (Key, 1997). The tendency towards consistency found in repeated measurements is referred to as reliability (Bryman & Bell, 2003).

The researcher selected ten respondents from the target population for pilot testing in order to test the validity of the research instrument. The clarity of the instrument items to the respondents is necessary to enhance the instrument's validity and reliability. Furthermore, the aim is to correct inconsistencies arising from the instruments, which are to ensure that they measure the intended result.

3.8, 1 Reliability of Research Instruments

Validity is the degree to which an instrument measures what it's supposed to measure. According to Winsterstein (2008), comprehensive literature reviews on measurement approaches are critical in guiding the selection of measures and measurement instruments. Reliability is increased by including many similar items on a measure, by testing a diverse sample of individuals and by using uniform testing procedures. In order to test the reliability of the instruments, internal consistency techniques will be applied using Cronbach's Alpha.

The alpha value ranges between 0 and 1 with reliability increasing with the increase in value. According to (Mugenda, 2008), a coefficient of 0.6-0.7 is a commonly accepted rule of thumb that indicates acceptable reliability and 0.8 or higher indicated good reliability

3.8.2 Validity of Research Instruments

Reliability refers to a measure of the degree to which research instruments yield consistent results after repeated trials. In this study, reliability will be achieved by selecting a sample and testing it for accuracy from the database. A test-retest will be carried out and reliability coefficient computed. The results obtained will assist in revising the measurement instrument to ensure it covers the objectives of the study.

Though the records are reliable, there are often inconsistencies and inaccuracies, therefore there is a need also to examine the method by which the data were collected and try to ascertain the precision needed by the original (primary) user(Saunders et al., 2009). To assess the validity of the documents, the research will make a quick assessment of the source of the data and assessing the authority or reputation of the source. If the records reflects the original information as gathered from the primary sources, the data collection instruments can therefore be considered have validity due to their nature.

3.9 Data Analysis and Presentation

Data analysis is a research technique for the objective, systematic and qualitative description of the manifest content of a communication (Cooper & Schindler, 2008). In order for research quality in this study, quantitative methods of data analysis were used. Descriptive statistics involves a process of transforming a mass of raw data into tables, charts, with frequency distribution and percentages, which are a vital part of making sense of the data (Denscombe, 2006d). The research data was analyzed using Statistical Package for Social Sciences (SPSS) program and presented using tables to give a clear picture of the research findings at a glance.

Key among the quantitative tools that was employed were descriptive statistics, which included measures of central tendencies, such as means, standard deviation, frequencies, and percentages. These tools of analysis used for instance to determine views of commonality and deviations from commonality. Correlation was another useful statistic that described the degree of relationship between variables used and was employed to see if such relationships existed among variables being studied.

Regression model was used to assess variables that are considered in assessing the factors that influence taxation of the informal sector. Regression Analysis is a statistical modeling technique will be used to identify meaningful, stable relationships among sets of data. The application of analytical procedures is based on the premise that, in the absence of known conditions to the contrary, relationships among information may reasonably be expected to exist. Regression measures the causal relationship between one dependent and one independent variable. Multiple regression analysis measures the effects of multiple independent variables on one dependent variable.

The study adopted a multi regression model

$$Y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4 + \varepsilon$$

Where:

Y = Free Trade

β_0 = Constant Term

β_1 = Beta coefficients

X1 = Customs and Administrative Entry and Passage Procedures

X2 = Documentation Procedures

X3 = Multiple Police Road Blocks and Mobile Control

ε = Error term

3.9 Measurement of Variables

Table 3.2: Measurement of Variables

Variable	Indicators/measures	Likert scale
Customs and administrative entry for passage procedures	Verification of cargo	5 points
Multiple police road blocks	Police checks points Police cash points Mobile check points	5 points
Documents procedures	Lengthy procedures Delay at Weight Bridge	5 points

CHAPTER FOUR

RESEARCH FINDINGS AND DISCUSSION

4.0 Introduction

This chapter represents the analysis, presentation and interpretation of the findings. In addition the findings are also discussed in relation to literature reviewed. It gives the empirical findings and results following the application of the variables using the techniques mentioned in chapter three in methodology.

4.1 Response Rates

Research's data collection instruments (questionnaires) were administered within a period of three weeks. Out of 25 questionnaires administered the researcher ensured a 98% response rate by personally administering the questionnaires with the help of research assistant. A total of 22 questionnaires were successfully completed and returned. Bailery, (2000) asserts that a response rate of 50 is considered good, and response greater than 70% is considered very good, therefore the response was very good. The findings are presented in Table 4.1.

4.2General Information

4.2.1 Nature of Business

The study inquired about the nature of their business owned by the respondents and the response in Figure 4.1 shows that: 34.9% were wholesalers/ suppliers, 25.6% were manufacturers, 20.9% were automobile dealers, and 18.6% were service providers.

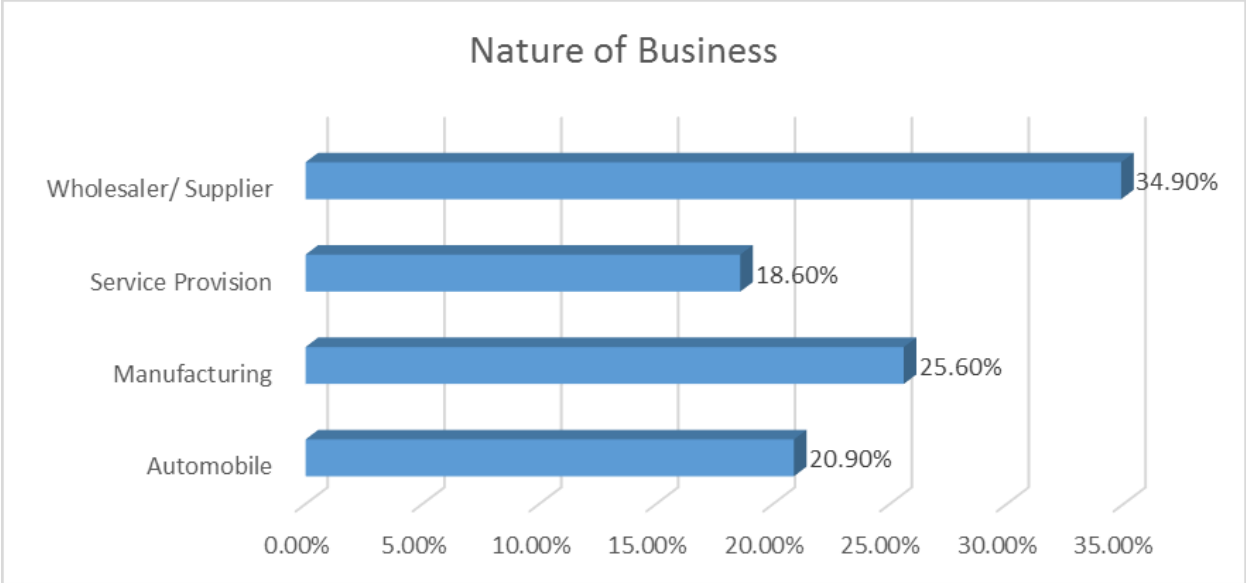


Figure 4.1 Nature of Business

4.2.2 Trade Barriers Encounter

The study sought to determine whether the exporters had experienced any trade barriers in their business and the response in Figure 4.2 shows that: 77.1% had encountered barriers in export trade, while 22.9% had not. These results show that majority of exporters in Kenya experience trade barriers.

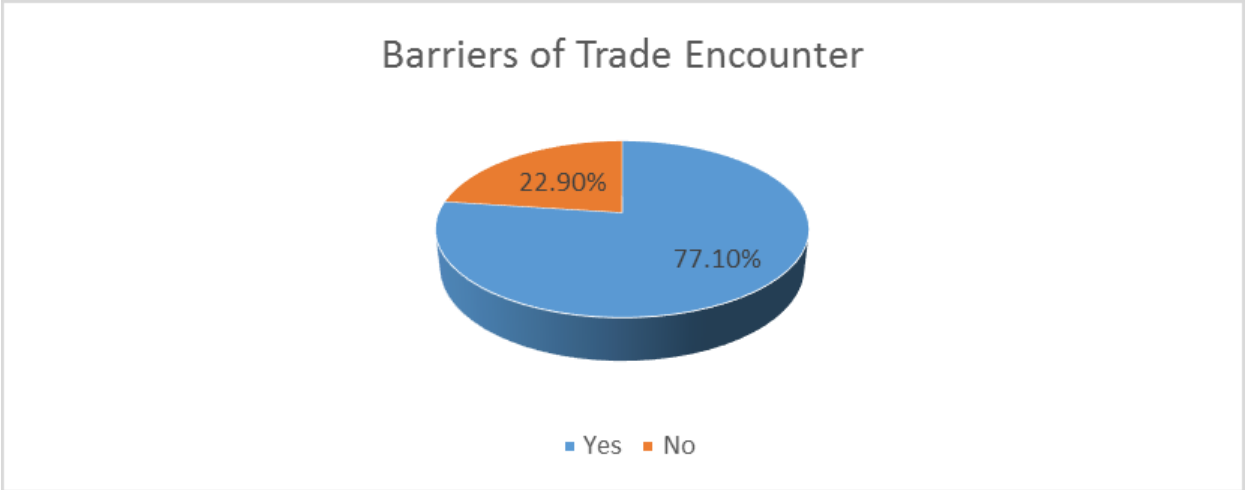


Figure 4.2 Trade Barriers Encounter

Table 4.3: Response Rate

Response Rate	Frequency	Percent
Returned	22	98%
Unreturned	3	3%
Total	25	100

4.2 Reliability test results

Reliability is measure of the degree to which a research instrument yields consistent result after repeated trials (Mugenda & Mugenda, 2003). The results are depicted in tale 4.2 below.

Table 4.3: Reliability tests results

Constructs	Reliability Cronbach's alpha	Comment
Customs and administrative entry for passage procedures	0.713	Accepted
Multiple police road blocks	0.731	Accepted
Documents procedures	0.741	Accepted
Trade	0.733	Accepted

The results of the reliability test produced an overall Cronbach Alpha correlation coefficient of 0.801 while specific findings indicated that, Customs and administrative entry for passage procedures had a coefficient of 0.713, Multiple police road blocks had a coefficient of 0.731, Documents procedures had a coefficient of 0.741, and Trade had a coefficient of 0.733. Table 4.3 shows that all the study variables yielded Cronbach alpha coefficients values of more than 0.7, which is the recommended value.

4.3 Test of Assumptions of the Study Variables

When the assumptions of the linear regression model are correct, ordinary least squares (OLS) provides efficient and unbiased estimates of the parameters (Long & Ervin, 1998). To ensure that there was no violation of the assumptions, this study tested for multicollinearity, autocorrelation and normality test.

a) Multicollinearity

To determine whether multicollinearity existed, collinearity test was conducted using, tolerance, and variance inflation factor (VIF). The collinearity results are presented in Table 4.3.

Table 4.3: Multicollinearity Test Results for the study of independent variables

Model	Collinearity Tolerance	Statistics VIF
Customs and administrative entry for passage procedures	.806	1.136
Multiple police road blocks Documents procedures	.830	1.161
Trade	.815	1.142

a. Dependent Variable: Trade

Table 4.3 shows that the variables have a VIF that is less than 10 and tolerance value more than 0.1 ruling out the possibility of multicollinearity. Therefore, the results imply that there was no multicollinearity problem among the variables.

b) Autocorrelation test

Autocorrelation was tested using Durbin Watson test. This tested whether there is a (linear) correlation between the error term for one observation and the next. A Durbin Watson test value (d) takes on values between 0 and 4. A value of $d = 2$ means there is no autocorrelation.

Table 4.4: Autocorrelation test

Model	Durbin-Watson
1	2.021

a. Predictors: (Constant), Customs and administrative entry for passage procedures, Multiple police road blocks and Documents procedures

b. Dependent Variable: Trade

Autocorrelation was tested using Durbin Watson test in Table 4.4. This tested whether there is a (linear) correlation between the error term for one observation and the next. A Durbin Watson test value (d) takes on values between 0 and 4. A value of $d = 2$ means there is no autocorrelation.

d) Normality test)

Normality was tested by use of The Shapiro-Wilk Test to test whether the score of the samples were normally distributed with the same mean and standard deviation.

If the test is significant ($P < 0.05$) then the distribution is not significantly different from a normal distribution, but if the test is non – significant ($P > 0.05$) then the distribution of the sample is significantly different from a normal distribution (Kilungu et al., 2015). The results was significant.

Table 4.5: Tests of Normality

	Shapiro-Wilk		
	Statistic	df	Sig.
Customs and administrative entry for passage procedures	.921	155	.193
Multiple police road blocks	.933	155	.233
Documents procedures	.942	155	.022
Trade			

Normality was tested by use of Shapiro-Wilk test as shown in Table 4.5. The tests results showed that the p-values for the variables > 0.05 as shown in table above illustrating that the standardized residuals were significantly normally distributed.

4.4 Descriptive statistics.

4.4.1 Customs and administrative entry for passage procedures

The study sought to examine the rating of non-tariff barriers in trade by using the scale Strongly Agree, Agree, Neutral, Disagree, and Strongly Disagree. The response received was as indicated in Table 4.1.

Table 4.6 Customs and administrative entry for passage procedures

Statement	SA	A	N	D	SD	MEAN	SD
Delays at weighbridges	50%	31.2%	14.6%	4.2%	0%	1.73	.868
Too many agencies involved in overall export inspection and certification in the region	39.6%	35.4%	14.6%	10.6%	0%	1.95	.988
Verification of transit cargo	44.7%	29.8%	10.6%	10.6%	4.3%	2.00	1.179
Lack of harmonization in working hours at the border posts	20.8%	43.8%	22.9%	8.3%	4.2%	2.31	1.035

Delays at weighbridges was a barrier as strongly agreed to by 50%, agreed to by 31.2%, 14.6% were neutral, and disagreed to by 4.2%; the results had a mean of 1.73 and a standard deviation of 0.868. Too many agencies are involved in overall export inspection and certification in the region was a barrier as strongly agreed to by 39.6%, agreed to by 35.4%, 14.6% were neutral, and disagreed to by 10.6%; the results had a mean of 1.95 and a standard deviation of 0.988. Verification of transit cargo was a barrier as strongly agreed to by 44.7%, agreed to by 28.9%, 10.6% were neutral, 10.6% disagreed, and 4.3% strongly disagreed; the results had a mean of 2.00 and a standard deviation of 1.179. Lack of harmonization in working hours at the border posts was a barrier as strongly agreed by 20.8% , agreed by 43.8%, 22.9% were Neutral, 8.3% disagreed, and 4.2% strongly disagreed; the results had a mean of 2.31 and a standard deviation of 1.035. The study findings are supported by a number of studies which includes Okumu and Okum (2011).

4.4.2 Table 4.7 Multiple police road blocks and mobile control

On a scale of: (1) Strongly Agree, (2) Agree, (3) Neutral (4) Disagree and (5) Strongly Disagree;

Please tick the numeric value corresponding to your personal opinion for each statement

Statement	SA	A	N	D	SD	MEAN	SD
Truck entrance fees and grace period	41.7%	29.2%	22.9%	6.2%	0%	1.94	.954
Business registration	12.5%	33.3%	29.2%	8.3%	16.7%	2.83	1.260
Use of immigration and visa procedures	25%	29.6%	16.7%	14.6%	4.2%	2.33	1.136
Insecurity/ highway crimes/loss of goods at the container freight stations	24%	26.6%	15.7%	14.6%	4.2%	2.55	1.166
Frequent police check point	33.5%	33.3%	29.2%	4.3%	16.7%	2.83	1.444
Frequent police cash point	35%	29.6%	33.7%	3.6%	4.3%	2.44	1.166

Business registration was a barrier as strongly agreed to by 12.5%, agreed to by 33.3%, 29.2% were neutral, 8.3% disagreed, and 16.7% strongly disagreed; the results had a mean of 2.83 and a standard deviation of 1.260. Use of immigration and visa procedures was a barrier as strongly agreed to by 25%, agreed to by 29.6%, 16.7% were neutral, 14.6% disagreed, and 4.2% strongly disagreed; the results had a mean of 2.33 and a standard deviation of 1.166. Insecurity/ highway crimes/loss of goods at the container freight stations was a barrier as strongly agreed to by 24%, agreed to by 26.6%, 15.7% were neutral, 14.6% disagreed, and 14.2% strongly disagreed; the results had a mean of 2.55 and a standard deviation of 1.166. Police check point was a barrier as strongly agreed to by 33.5%, agreed to by 33.3%, 29.2% were neutral, 4.3% disagreed, and 16.7% strongly disagreed; the results had a mean of 2.83 and a standard deviation of 1.444.

Police cash point was a barrier as strongly agreed to by 35%, agreed to by 29.6%, 33,7.4% were neutral, 3.6% disagreed, and 4.3% strongly disagreed; the results had a mean of 2.44 and a standard deviation of 1.166. The study findings are supported by a number of studies which includes Braude (2008).

4.4.3 Table 4.8 Documentation and Procedures

On a scale of: (1) Strongly Agree, (2) Agree, (3) Neutral (4) Disagree and (5) Strongly Disagree;

Please tick the numeric value corresponding to your personal opinion for each statement.

Statement	SA	A	N	D	SD	MEAN	SD
too many agencies involved in overall export inspection and certification and certification in the region	31.2%	37.5%	27.1%	4.2%	0%	2.04	.874
Truck entrance fees and grace period	47.9%	25%	20.8%	6.2%	0%	1.85	.967
East Africa Community transit licenses for goods	27.1%	27.1%	25%	8.3%	12.5%	2.52	1.321
Delays at weighbridges	35.4%	30.1%	25%	4.3%	12.1%	2.33	1.223

Table 4.1 shows that too many agencies involved in overall export inspection and certification and certification in the region were a barrier as strongly agreed to by 35.4%, agreed to by 34.5.2%, 18.8% were neutral, and disagreed to by 8.3%; the results had a mean of 2,06 and a standard deviation of 1.039.

Truck entrance fees and grace period was a barrier as strongly agreed to by 41.7%, agreed to by 29.2%, 10.4% were neutral, 22.9% disagreed, and 6.2% strongly disagreed; the results had a mean of 1.94 and a standard deviation of 0.954.

Delays at weighbridges was a barrier as strongly agreed to by 35.4%, agreed to by 30.4%, 25% were neutral, 4.3% disagreed, and 12.1% strongly disagreed; the results had a mean of 2.33 and a standard deviation of 1.223. The study findings are supported by a number of studies which includes Shinyekwa and Otieno (2013).

4.4.4 Non-Tariff Barriers on Trade (NTBs)

On a scale of: (1) Strongly Agree, (2) Agree, (3) Neutral (4) Disagree and (5) Strongly Disagree; Please tick the numeric value corresponding to your personal opinion for each statement.

Statement	SA	A	N	D	SD	MEAN	SD
Too many agencies are involved in overall export and import inspection and certification in the region	35.4%	30.1%	25%	4.3%	12.1%	2.33	1.223
Verification of transit cargo import and export	27.1%	28.9%	25%	8.3%	12.5%	2.52	1.321
Lack of harmonization in working hours at the border posts affect imports and exports	20.8%	43.8%	22.9%	8.3%	0%	1.85	.967
Delays at weighbridges of imports and exports	41.7%	29.2%	29.9%	6.2%	1.94%	2.83	0.954

Table 4.1 shows that too many agencies are involved in overall export inspection and certification in the region was a barrier as strongly agreed to by 35.4%, agreed to by 30.1%, 25%

were neutral, and disagreed to by 4.3%; the results had a mean of 2.52 and a standard deviation of 1.223. Verification of transit cargo was a barrier as strongly agreed to by 27.1%, agreed to by 28.9%, 25% were neutral, 8.3% disagreed, and 12.5% strongly disagreed; the results had a mean of 2.52 and a standard deviation of 1.321. Lack of harmonization in working hours at the border posts was a barrier as strongly agreed to by 20.8%, agreed to by 43.8%, 22.9% were neutral, 8.3% disagreed, and 0% strongly disagreed; the results had a mean of 1.85 and a standard deviation of .967. Delays at weighbridges was a barrier as strongly agreed to by 41.7%, agreed to by 29.2%, 22.9% were neutral, and 6.2% disagreed; the results had a mean of 1.94 and a standard deviation of 0.954..

4.5 Correlation Analysis

4.5.1 Correlation results on independent variables

Correlation shows the relationship existing between variables in the study. The study's dependent variable is EAC Trade and the independent variables consist Customs and administrative entry for passage procedures, multiple police road blocks and mobile control and Documentation and Procedures.

The results depicted in table 4.9 below

Table 4.9: Correlation between independent variable and dependent variable

Variables		EAC Trade	Customs and administrative entry for	Multiple police road blocks and mobile	Documentation and Procedures.
EAC Trade	Pearson Correlation	1			
	Sig. (2-tailed)				
Customs and administrative entry for passage procedures	Pearson Correlation	0.445	1		
	Sig. (2-tailed)	0.002			
Multiple police road blocks and mobile control	Pearson Correlation	0.444	.3421	1	
	Sig. (2-tailed)	0.001	.0014		
Documentation and Procedures.	Pearson Correlation	0.432,	.3330	.1222	1
	Sig. (2-tailed)	0.000	.0033	.0031	

In an attempt to show the relationship between the study variables and their findings the study used the Karl Pearson's coefficient of correlation (r). According to the findings as indicated in table 4.9, it was clear that there was a positive correlation between EAC Trade and Customs and administrative entry for passage procedures as depicted by a correlation value of 0.445. This implies that Customs and administrative entry for passage procedures was linearly related to EAC Trade. The study also depicted that there is a positive correlation between Multiple police road blocks and mobile control and EAC Trade with a correlation value of 0.444. Another positive correlation was between Documentation and Procedures and EAC Trade with a correlation value of 0.432 This shows that there was a positive correlation between Customs and administrative entry for passage procedures, Multiple police road blocks and mobile control and Documentation and Procedures and EAC Trade. The study findings are supported by a number of studies which includes Shinyekwa and Otieno (2013).

4.6 Regression Analysis

A multiple regression analysis was conducted to investigate the joint causal relationship between the independent variables and dependent variable EAC Trade. This is represented by the overall model $Y = \beta_0 + \beta_1 x_1 + \beta_2 x_2 + \beta_3 x_3 + \beta_4 x_4 + \epsilon$

The coefficient of multiple determinants denoted by R Squares is a measure of proportion of the variation of the regress and explained and by the corresponding explanatory variables. The values of R squared lies between zero and unity, $0 < R^2 < 1$. A value of unity implies that 100% of the variation of Y has been explained by the explanatory variables.

a) Customs and administrative entry for passage procedures

To evaluate the effect Customs and administrative entry for passage procedures and EAC Trade.

Table 4.10: Model Summary of Customs and administrative entry for passage procedures

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.427 ^a	.176	.184	.67526	1.944

a. Predictors: (Constant), Customs and administrative entry for passage procedures

b. Dependent Variable: EAC Trade

The R square value in table 4.10 in this case is 0.176 which clearly suggests that there is a strong relationship between Customs and administrative entry for passage procedures and EAC Trade as indicated in table above. This indicates that Customs and administrative entry for passage procedures share a variation of 17.6% of EAC Trade.

Table 4.11: ANOVA of Customs and administrative entry for passage procedures

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	20.892	3	22.892	14.162	.000 ^b
	Residual	32.767	22	.763		
	Total	52.648	25			

a. Dependent Variable: EAC Trade

b. Predictors: (Constant), Customs and administrative entry for passage procedures

The ANOVA result in Table 4.11 showed that the overall model was a good fit since (F-value =14.162 and p-value=0.000<0.05).

Table 4.12: Coefficients of Customs and administrative entry for passage procedures

Model		Unstandardized Coefficients		Standardized Coefficients		Sig.
		B	Std. Error	Beta	t	
1	(Constant)	.238	.115	-	2.222	.022
	Customs and administrative entry for passage procedures	.404	.103	.422	2.765	.000

a. Dependent Variable: EAC Trade

Table 4.12 indicates that the regression weight for Customs and administrative entry for passage procedures was positive and significant ($\beta = 0.404$, $t = 2.765$, $p < .05$). Therefore, the null hypothesis was rejected at $P < 0.05$ level of significance implying that Customs and administrative entry for passage procedures has a significant relationship with EAC Trade.

The regression estimate for Customs and administrative entry for passage procedures was 0.404; this indicates that a unit increase in Customs and administrative entry for passage procedures would result in 40.4% increase in EAC Trade.

b) Multiple police road blocks and mobile control

To find out the effect of Multiple police road blocks and mobile control on EAC Trade.

Table 4.13: Model Summary of Multiple police road blocks and mobile control

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.477 ^a	.217	.207	.85515	2.006

a. Predictors: (Constant), Multiple police road blocks and mobile control

b. Dependent Variable: EAC Trade

The R square value in Table 4.13 was 0.217 which clearly suggested that there is a strong relationship between Multiple police road blocks and mobile control and EAC Trade. This indicates that Multiple police road blocks and mobile control share a variation of 20.7% of EAC Trade.

Table 4.14: ANOVA of Multiple police road blocks and mobile control

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	11.886	1	11.987	12.033	.000 ^b
	Residual	42.643	24	.749	22.033	
	Total	54.648	25			

a. Dependent Variable: EAC Trade

b. Predictors: (Constant), Multiple police road blocks and mobile control

The ANOVA Table in 4.14 indicates that the overall model was a good fit since (F-value=13.033 and p-value=0.000<0.05).

Table 4.15: Coefficients of Multiple police road blocks and mobile control

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	.233	.104	-	2.041	.047
		.444	.114	.468	4.001	.000

a. Dependent Variable: EAC Trade

Table 4.15 indicates that the regression weight for Multiple police road blocks and mobile control was positive and significant ($\beta = 0.444$, $t = 4.001$, $p < .05$). Therefore, the null hypothesis was rejected at $P < 0.05$ level of significance implying that Multiple police road blocks and mobile control has a significant relationship with. The regression estimate for Multiple police road blocks and mobile control and EAC Trade was 0.444; this indicates that a unit increase in Multiple police road blocks and mobile control would result in 44.4% increase in EAC Trade.

c) Documentation and Procedures.

To investigate the effect of Documentation Procedures and EAC Trade.

Table 4.16: Model Summary of Documentation and Procedures

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.421 ^a	.174	.170	.87898	1.995

a. Predictors: (Constant), Documentation and Procedures

b. Dependent Variable: EAC Trade

The R square value in Table 4.16 is 0.174 which clearly suggests that there is a strong relationship between Documentation and procedure and EAC Trade as indicated in table above. This indicates that Documentation and Procedures share a variation of 17.4% of EAC Trade.

Table 4.17: ANOVA of Documentation and Procedures

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	10.617	1	10.608	11.732	.00 ^b
	Residual	44.035	24	.754		
	Total	54.647	25			

a. Dependent Variable: EAC Trade

b. Predictors: (Constant), Documentation and Procedures

The ANOVA able in 4.17 indicates that the overall model was a good fit since (F-value=11.732 and p-value=0.000<0.05).

Table 4.18: Coefficients of Documentation and Procedures

Model		Unstandardized Coefficients		Standardized Coefficients		Sig.
		B	Std. Error	Beta	t	
1	(Constant)	.258	.115	-	2.235	.022
	Documentation and Procedures	.433	.108	.442	2.708	.000

a. Dependent Variable: EAC Trade

Table 4.18 indicates that the regression weight for Documentation and Procedures was positive and significant ($\beta = 0.408$, $t = 2.708$, $p < .05$).

Therefore, the null hypothesis was rejected at $P < 0.05$ level of significance implying that Documentation and Procedures has a significant relationship with Implementation EAC Trade. The regression estimate for Documentation and Procedures was 0.433 this indicates that a unit increase in Documentation and Procedure would result in 43.3% increase in EAC Trade.

Table 4.19: Model Summary for independent and dependent variables

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.422 ^a	.402	.453	.71722	2.001

a. Predictors: (Constant), Customs and administrative entry for passage procedures, Multiple police road blocks and mobile control, Documentation and Procedures

b. Dependent Variable: EAC Trade

From the model summary The R square value in Table 4.19 is 0.402 which clearly suggests that there is a strong relationship between Customs and administrative entry for passage procedures, Multiple police road blocks and mobile control, Documentation and Procedures and EAC Trade and as indicated in table above. This indicates that Customs and administrative entry for passage procedures, Multiple police road blocks and mobile control, Documentation and Procedures share a variation of 40.2% of EAC Trade in Kenya .

The overall goodness of fit was obtained through regressing the goodness of fit for all the independent variables. The results of the multiple regression indicate $R^2 = .402$ and adjusted $R = .453$ as shown in Table 4.19. This is an indication that there is a strong relationship between independent variables and EAC Trade

Table 4.19: ANOVA for independent and dependent variables

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	28.376	1	5.466	11.448	.000 ^b
	Residual	28.262	24	.513		
	Total	45.629	25			

a. Dependent Variable: EAC Trade

b. Predictors: (Constant), Customs and administrative entry for passage procedures, Multiple police road blocks and mobile control, Documentation and Procedures

The overall model significance was presented using the ANOVA test table. The results in Table 4.19 shows that the overall model was a good fit since (F-value=11.448 and p-value=0.000<0.05) for all independent variables meaning that null hypothesis is rejected and concludes that there is a relationship between different independent and dependent variables. The findings there imply that all independent variables were statistically significant in explaining EAC Trade in Kenya. ANOVA was used to test whether the regression analysis model used is fit or the relationship of the variable just occurred by chance.

Significance of F ratio is used to determine whether model used was fit or not. If the F ratio is significant the model used is considered fit and vice versa. A P - value of less than 0.05 indicates that the F statistics is high and that the null hypothesis of independent needs to be rejected since it's not true. In this case the F ratio (F=11.338, P=.000^b) was found to be significant hence the model used for analysis was fit.

Table 4.20: Coefficients of Overall Regression Model

Model		Unstandardized		Standardized		Sig.
		B	Std. Error	Beta	t	
1	(Constant)	.195	.096	-	2.054	.044
	Customs and administrative entry for passage procedures	.312	.096	.234	2.266	.016
	Multiple police road blocks and mobile control	.241	.098	.355	3.560	.043
	Documentation and Procedures	.296	.096	.314	3.061	.022

a. Dependent Variable: EAC Trade

$$Y = \beta_0 + \beta_1 x_1 + \beta_2 x_2 + \beta_3 x_3 + \beta_4 x_4 + \varepsilon \dots \dots \dots$$

$Y = 0.195 + 0.312X_1 + 0.241X_2 + 0.296X_3$ were significant with p- values of 0.044, 0.016, 0.043 + 0.022, respectively.

The regression equation above has established that taking all factors into account (Customs and administrative entry for passage procedures, Multiple police road blocks and mobile control, Documentation and Procedures) the findings reveals that assuming other variables are at zero a unit change (increase) in Customs and administrative entry for passage procedures will lead to a 0.312 increases EAC Trade; a unit increase in Multiple police road blocks and mobile control will lead to a 0.241 increases EAC Trade; a unit increase in Documentation and Procedures will lead to a 0.296 increases EAC Trade as shown in table 4.20. This infers Customs and administrative entry for passage procedures influences EAC Trade to a great extent followed by Documentation and Procedures while Multiple police road blocks and mobile control influence to a little extent EAC Trade.

The regression coefficient results indicate a positive significant effect between Customs and administrative entry for passage procedures, multiple police road blocks and mobile control, Documentation and Procedures and EAC Trade.

4.7 Discussion of key Findings

The key findings of the study are discussed in this section as per study objectives.

4.7.1 Customs and administrative entry for passage procedures

Customs and administrative entry for passage procedures was assessed using five measures and the overall mean score or responses regarding Customs and administrative entry for passage procedures were 2.2 on a 5-point scale which indicates that majority of the respondents agreed that Customs and administrative entry for passage procedures on EAC Trade in Kenya. The average overall standard deviation of 0.7 infers that 68% of the response was spread within one standard deviation of the overall mean. Further collinearity analysis was done and the results showed that Customs and administrative entry for passage procedures had positive and significantly related to EAC Trade ($r = 0.427$, $p\text{-value}=0.00<0.05$).

4.7.2 Multiple police road blocks and mobile control and EAC Trade

Multiple police road blocks and mobile control was assessed using five measures and the overall mean score or responses regarding Multiple police road blocks and mobile control were 1.6 on a 5-point scale which indicates that majority of the respondents agreed that Multiple police road blocks and mobile control affects the EAC Trade. The average overall standard deviation of 0.0.66 infers that 68% of the response was spread within one standard deviation of the overall mean. Further collinearity analysis was done and the results revealed that Multiple police road blocks and mobile control had a positive and significantly related to EAC ($r = 0.477$, $p\text{-value}=0.00<0.05$).

4.7.3 Documentation and Procedures

Documentation and Procedures *was* assessed using four measures and the overall mean score or responses regarding Documentation and Procedures were 2.5 on a 5-point scale which indicates that majority of the respondents agreed that Documentation and Procedures affects the EAC Trade. The average overall standard deviation of 0.74 infers that 68% of the response was spread within one standard deviation of the overall mean. Further collinearity analysis was done and the results showed that Documentation and procedures had a positive and significantly related to EAC Trade ($r = 0.422$, $p\text{-value}=0.00<0.05$).

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.0 Introduction

This chapter presents the summary of findings of the research, conclusions and the recommendations. The study also gives suggestions for further research.

5.1 Summary of Findings

The findings of the study have been summarized below as per the study objectives. The findings were supported by the frequencies of the responses

5.1.1 Customs and administrative entry for passage procedures

The first objective of the study was to evaluate the effect Customs and administrative entry for passage procedures on EAC Trade. Methods used to arrive at the findings included descriptive statistics, analysis of variance and regression analysis. The study found out that Customs and administrative entry for passage procedures had a significant positive influence on EAX Trade. The overall mean score of responses regarding Customs and administrative entry for passage procedures indicated that majority of the respondents agreed that Customs and administrative entry for passage procedures affects the EAC Trade.

The reliability analysis results showed that all the coefficients of the constructs were positive and significant.

5.1.2 Multiple police road blocks and mobile control and EAC Trade

The second objective of the study sought to find out` the effect of Multiple police road blocks and mobile control and EAC Trade on EAC Trade.

Descriptive statistics, regression analysis and analysis of variance were conducted. The study found out that Multiple police road blocks and mobile control had a significant positive influence on EAC Trade.

The overall mean score of response regarding Multiple police road blocks and mobile control and EAC Trade collection indicated that majority of the respondents agreed that Multiple police road blocks and mobile control affects the EAC Trade. Correlation results indicated that there was a positive and significant relationship between Multiple police road blocks and mobile control affects the EAC Trade and EAC Trade. It was therefore concluded that multiple police road blocks and mobile control has significant positive effect on EAC Trade.

5.1.3 Documentation and Procedures

The third objective of the study sought to investigate the effect of Documentation and Procedures on EAC Trade. Descriptive statistics, regression analysis and analysis of variance were conducted. The study found out that Documentation and Procedures had a significant positive influence on EAC Trade.

The overall mean score of response regarding Documentation and Procedures and EAC Trade indicated that majority of the respondents agreed that Documentation and Procedures affects the EAC Trade. Correlation results indicated that there was a positive and significant relationship between Documentation and Procedures and EAC Trade. It was therefore concluded that Documentation and Procedures has significant positive effect on EAC Trade.

5.2 Conclusions

The aim of the study was to determine effect of the impact of non-tariff barriers on trade in the East Africa Community. Data collected and analyzed through both descriptive and inferential statistics established that all independent variables had significant effects on EAC Trade.

5.2.1 Customs and administrative entry for passage procedures

The study found out that Customs and administrative entry for passage procedures had a significant positive influence on EAC Trade. The overall mean score of responses regarding Customs and administrative entry for passage procedures indicated that majority of the respondents agreed that Customs and administrative entry for passage procedures affects the EAC Trade. The reliability analysis results showed that all the coefficients of the constructs were positive and significant.

5.2.2 Multiple police road blocks and mobile control and EAC Trade

The study found out that Multiple police road blocks and mobile control and EAC Trade had a significant positive influence on EAC Trade. The overall mean score of response regarding Multiple police road blocks and mobile control and EAC Trade indicated that majority of the respondents agreed that Multiple police road blocks and mobile control affects the EAC Trade. Correlation results indicated that there was a positive and significant relationship between Multiple police road blocks and mobile control and EAC Trade. It was therefore concluded that Multiple police road blocks and mobile control has significant positive effect on EAC Trade.

5.2.3 Documentation and Procedures

The study found out that Documentation and Procedures had a significant positive influence on EAC Trade. The overall mean score of response regarding Documentation and Procedures *and* EAC Trade, majority of the respondents agreed that Documentation and Procedures affects the EAC Trade. Correlation results indicated that there was a positive and significant relationship between Documentation and Procedures and EAC Trade. It was therefore concluded Documentation and Procedures *has* significant positive effect on EAC Trade

5.3 Recommendations.

The status of non-tariff barriers within the EAC reveal that efforts to eliminate NTBs are being made by the member states albeit riddled with conflicting national interests that make their success slow and sometimes unsuccessful. There is need to put more efforts in eliminating NTBs since findings indicate that they still persist. Some of these NTBs have reportedly been addressed, but this is just on paper as the respondents attested. NTBs are escalating due to lags in policy and legislative implementation, and also mistrust among partner states due to the collapse of the 1st EAC in 1977.

From the findings, it emerged that majority of the traders are not well versed with the Common Market operations. This study therefore proposes that the EAC secretariat in partnership with the media and the private sector should conduct routine public awareness exercises to sensitize the traders and other stake holders on what a Common Market is, how it works, its benefits to traders importing and exporting within the Community and other actors, for example boosting economic growth and creation of opportunities for exploitation by the people of EAC.

It was also established that The EAC Committee on Trade Remedies under Article 24 of the Customs Union is weak and should therefore be strengthened to make it more effective. One of the key steps is to create an effective Non-Tariff Barriers Legal Framework and mechanisms for identifying and verifying information about NTBs and prioritizing and ensuring their elimination. The Committee on Trade Remedies also needs to set up its own investigating arms which will work independently unlike currently where they rely on the investigating arms of the partner states that risk being manipulated by their governments.

Findings also indicated that partner countries have formed the NMCs to address the issue of NTBs at national levels and report back to the EAC secretariat annually. However, they still face challenges of fully addressing NTBs since the reported ones are more often general and not thorough enough to outline concrete action plans to resolve them. The monitoring of elimination of NTBs should therefore be strengthened in order to avoid having “resolved NTBs” simply being replaced by other restrictive measures. There is need too for member states to come up with a policy that gives the NMCs powers to take disciplinary action on the various entities generating the NTBs to make them more effective.

There is need too to operationalize a legally binding NTBs regulatory mechanism given that the current one is based on political goodwill. EAC member countries should approve the NTB Act. The NMC report of 28th- 30th June 2016 meeting indicated that the NTB Act had been signed by Tanzania and Kenya and the other members were yet to sign. Finally, the EAC partner states should introduce international best practice with respect to national technical regulatory frameworks, which should include the adoption of the principles applied in multilateral trading system in line with WTO agreement.

5.5 Suggestion for further research

This study focused on investigating the effects of non-tariff and technical barriers to trade within East African Community. The study recommends that similar studies be carried out in neighboring countries like Uganda and Rwanda so as to have a better understanding of the trade barriers that exporters from the EAC region face, and this will help policy makers formulate better recommendations.

Further research is recommended on how member states are taking advantage of the provision of Rules of Origin in Article 14 of the EACU Protocol to generate NTBs within the EACM. This is because, findings from this study indicate that member states are using Rules of Origin to favor their domestic industries while denying access of similar goods from other member states into their territory.

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APPENDICES

APPENDIX 1: LETTER OF INTRODUCTION

Phoebe Chemosop

P.O BOX 10034-00100

NAIROBI

Dear Sir/ Madam,

RE: DATA COLLECTION

I am a post-graduate student undertaking a post graduate diploma in custom administration at Jomo Kenyatta University in the department of Economics, Accounts and Finance. I am carrying out a research on the effect of non- tariff barriers on trade in the East African Community. You have been selected to contribute in my study. This is to kindly request you to respond to fill the questionnaire with honesty and to the best of your knowledge. The information provided will be used solely for academic purposes and be treated with utmost confidence.

A copy of the final report may be availed to you upon your request. Your assistance will be highly appreciated.

Yours faithfully,

Phoebe Chemosop

HDB336-C016-2452/2016

APPENDIX 2: QUESTIONNAIRE

Introduction

This questionnaire is designed for the sole purpose of gathering information on the effect of non-tariff barriers on trade in the East African Community. The information obtained will only be used for academic purposes and shall be treated in utmost confidence. You are requested to complete this questionnaire as honestly and objectively as possible.

Please tick in the appropriate box and also fill in the blank spaces provided for those questions.

Use the space at the back of this questionnaire if you need more space for your responses.

APPENDIX 2: QUESTIONNAIRE

SECTION A: GENERAL INFORMATION

Kindly answer all the questions either by ticking in the boxes or writing in the spaces provided.

1. Nature of your business

Automobile

Manufacturing

Agricultural

2. Do you encounter any trade barriers in your area of trade?

Yes

No

Section B:

1. Customs and administrative entry for passage procedures

On a scale of: (1) Strongly Agree, (2) Agree, (3) Neutral (4) Disagree and (5) Strongly Disagree;

Please tick the numeric value corresponding to your personal opinion for each statement.

Statement	1	2	3	4	5
Delays at weighbridges					
Too many agencies involved in overall export inspection and certification in the region					
Verification of transit cargo					
Lack of harmonization in working hours at the border posts					
Delays at weighbridges					

4.4.2 Table 4.7 Multiple police road blocks and mobile control

Please tick the numeric value corresponding to your personal opinion for each statement

On a scale of: (1) Strongly Agree, (2) Agree, (3) Neutral (4) Disagree and (5) Strongly Disagree;
Please tick the numeric value corresponding to your personal opinion for each statement

Statement	1	2	3	4	5
Truck entrance fees and grace period					
Business registration					
Use of immigration and visa procedures					
Frequent police check point					
Insecurity/ highway crimes/loss of goods at the container freight stations					
Frequent police cash point					

11. Documentation and Procedures

On a scale of: (1) Strongly Agree, (2) Agree, (3) Neutral (4) Disagree and (5) Strongly Disagree;
Please tick the numeric value corresponding to your personal opinion for each statement

Statement	1	2	3	4	5
Too many agencies involved in overall export inspection and certification in the region					
Truck entrance fees and grace period					
Lack of harmonization in working hours at the border posts					
Delays at weighbridges					
East Africa Community transit licenses for goods					
Truck entrance fees and grace period					

4.4.4 EAC Trade (NTBs)

On a scale of: (1) Strongly Agree, (2) Agree, (3) Neutral (4) Disagree and (5) Strongly Disagree;

Please tick the numeric value corresponding to your personal opinion for each statement.

Statement	SA	A	N	D	SD	MEAN	SD
Too many agencies are involved in overall export and import inspection and certification in the region							
Verification of transit cargo import and export							
Lack of harmonization in working hours at the border posts affect imports and exports							
Delays at weighbridges of imports and exports							

APPENDIX 111: BUDGET

DESCRIPTION	COST PER ITEM	TOTAL AMOUNT (Kshs)
Stationery		20,000.00
Photocopying papers	10 reams @600/=	
Pens, pencils, rubbers		
Ink cartridge (Printer)		
Files (12 rim binders)		
Personnel		20,000.00
Questionnaires administrators		
Stastician		
Transport and subsistence		20,000.00
Vehicles		
Subsistence allowance		
Communication		20,000.00
Telephone		
Internet		
Other Services		40,000.00
Library services		
Purchase of periodicals and books		
<u>Total expected cost</u>		<u>160,000.00</u>

APPENDIX 1V: WORK PLAN

ACTIVITY (2018)	DECEMBER(2018)	FEBRUARY(2019)	SEPTEMBER(2019)
Draft proposal			
Proposal presentation			
Designing the research instrument			
Proposal defense			
Field work & data Collection			
Data Entry / Analysis			
Report Writing			
Presentation of 1 st draft			
Presentation of 2 nd draft			
Submission of final report			