



Meeting Report

Meeting Title: “PRIVATE - PUBLIC SECTOR STAKEHOLDERS’ DIALOGUE: PRIVATE SECTOR CHALLENGES IN ACCESSING THE EAC MARKET”

Meeting Date: 19th April 2017

Venue: Metropole Hotel, Kampala

Background

The overall objective of the EAC Common Market Protocol (CMP) is to widen and deepen cooperation among the partner states in the economic and social fields through removal of restrictions on the movement of goods, persons, labour, services and capital and the rights of establishment and residence. However, the implementation of the Common Market Protocol faces challenges. For instance, while according to the 2016 EAC Time Bound Program (TBP) on elimination of NTBs in the region some NTBs have been resolved, many remain unresolved and new ones continue to manifest resulting into hindrances to the free movement of goods in the EAC region.

One of the challenges that has continuously manifested has been that denial of access (Port Passes) into the Port of Mombasa under the Single Customs Territory for Ugandan goods to be cleared within Kenya. Normally the Port Authorities insist on allowing only Licensed Kenyan Clearing Firms and their staff and occasionally the owners of the goods. They also experience a lot of difficulty in trying to obtain Port Passwords and the

Passwords for Simba System. Shipping Lines also do not allow containers to be released from port to Ugandan Clearing Firms since they demand either bank guarantees or cash deposits whereas the Kenyan Clearing Firms have access to guaranteeing by Cheque deposits or on the basis of agreements; and. Arbitrary Auctioning of Ugandan goods and harassment of Ugandans at the Port of Mombasa.

The efforts by Ugandans to petition the Kenya High Commission and Kenya Ports Authority representative in Uganda have not yielded substantial results to solve the problem. There is need for commitment from the Kenyan government to do away with any measures that affect access to the Port by other Partner States: specifically allow clearing agents and shipping lines access to the Port of Mombasa and desist from arbitrary auctioning of Ugandan goods.

It is against this background that SEATINI Uganda in partnership with the East African Trade and Investment Hub is organizing a private public stakeholder dialogue to;

- i. To raise awareness on the opportunities within the EAC Common Market protocol for increased intra-regional trade and investment flows.
- ii. To raise awareness of the stakeholders on the existing NTBs that inhibit Ugandans' access to Mombasa Port.
- iii. Engage the policy makers and the line MDAs on the possible way to solve this NTB.

Agenda of the meeting: (as per the Program)

- Prayer
- Self-introduction
- Welcome remarks
- Updates on implementation of the EAC Common Market protocol: challenges and opportunities
- Discussion of issues arising with regard the challenges in accessing the EAC market by Ugandan private sector in the logistics, forwarding and clearing sector
- Way forward

Issues & Recommendations

Issue Discussed	Challenges	Recommendations	Responsibility	Timeframe
The 2016 EAC Time Bound Program (TBP) on elimination of NTBs in the region shows that while some NTBs have been resolved, many remain unresolved and new ones are imposed which results	Slow progress in elimination of NTBs and non-conforming measures in various laws. Limited government commitment. Certain bureaucrats appear to be	Broaden the spectrum of analysis of existing legal frameworks with potential non-conforming measures. For example, the	MEACA Ministry of Works and Transport	

<p>in hindering free movement of goods in the region.</p>	<p>benefiting from existing loopholes and frameworks.</p> <p>Desire by partner states to protect their nationals' interests i.e. sovereignty.</p>	<p>meeting identified that there is need to amend the Toll Act of Uganda.</p>	<p>Ministry of Finance, Planning and Economic Development</p> <p>Uganda Revenue Authority</p>	
<p>The Ministry of East African Community affairs has a mandate to boost trade in the EAC. This can be fully achieved by ensuring smooth trade among all partner states. The council has provided for an arrangement for airing out issues. All countries can engage on a common table under the Sectoral Council of Trade, Industry, Finance and Investment (SCTIFI) in order to address any obstacles. This platform provides an opportunity for the partner states to discuss and agree on ways to eliminate NTBs that disrupt the free movement of goods and services.</p>	<p>High port charges levied by the Kenya Ports Authority</p> <p>Inefficiency of the shipping lines as well as clearing agents.</p> <p>There is lack of evidence to support complaints presented to the concerned authorities to further investigations on cases at hand.</p> <p>Ugandan based firms can't easily operate at Mombasa except by entering into partnership with a Kenyan firm.</p> <p>Shipping Lines do not allow containers to be released from the Mombasa port to Ugandan clearing firms since they demand either bank guarantees or cash deposits whereas the Kenyan clearing firms have access to guaranteeing by Cheque deposits or on the basis of agreements.</p>	<p>The meeting recommended that there is need for the government of Uganda to undertaken bilateral negotiations to undress some of these anomalies</p> <p>Private sector should present their complaints with clear evidence of experience and impact</p> <p>Harmonize and improve communication and information flow between weigh bridges to allow for re-weighing of trucks that have damaged seals.</p> <p>Amend the Toll Act of Uganda</p>	<p>Government of Uganda – MEACA</p> <p>Uganda National Roads Authority</p> <p>Ministry of Works and Transport</p>	

	<p>Arbitrary Auctioning of Ugandan goods and harassment of Ugandans at the Port of Mombasa.</p> <p>Difficulty in obtaining Port and Simba System.</p> <p>High toll charges for Ugandan vehicles of up to \$200 compared to the \$50 which is charged on Kenyan trucks.</p> <p>Time wastage at weigh bridge stations which has proven to be a major NTB.</p>			
<p>It should be noted that Uganda being a landlocked country, entirely depends on the ports of Mombasa & Dar es Salaam for her import trade.</p> <p>There is need for amendment of the Toll Act to ensure that toll fees are reduced and that these fees are harmonized across the bloc.</p>	<p>Currently, there is incoherence in the calculation of port charges. This increases the uncertainty in trade further presenting an NTB. In Dar es Salaam for example, port charges are derived on the basis of the CIF. On the other hand, in Mombasa, the charges are fixed. There is therefore need for the partner states to discuss and agree on a harmonized mechanism to ensure to ease trade.</p>	<p>There is need for Bilateral negotiations to be undertake by the Government of Uganda with the Government of Kenya and United Republic of Tanzania to harmonize the mechanisms for calculating port fees in Mombasa and Dar es salaam.</p> <p>Cargo transport on Lake Victoria should be revamped as this could bring down the cost of transportation from the both ports to port bell in Luzira.</p>		

		<p>Kenya Ports Authority should avail a clear procedure for waiver applications. This will help in reducing charges & penalties on private sector as a result of delays at the port.</p> <p>The private sector should take note of the report mechanism through *201# which can be used to report NTBs such as delays at weigh bridges, Standards inspections, Customs, Immigration, Police road blocks, Business registration & License, Plant and Animal Inspection.</p>		
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Appendixes

Appendix I: List of stakeholders engaged

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| 1. Alex Abonye | Uganda Shippers' Council |
| 2. Hussien Kidde | Uganda Freight Forwarders' Association (UFFA) |
| 3. Faith Lumonya | SEATINI Uganda |
| 4. Henry Nyakoojo | Private Sector Foundation Uganda (PSFU) |
| 5. Kenganzi Annette Namara | MEACA |
| 6. Duncan Makumbi | Broswest Logistics |
| 7. Morris Muhindo | Union Logistics |

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| 8. Ogaka Geoffrey | Uganda Revenue Authority |
| 9. Nathan Iumba | SEATINI |
| 10. Bwire Fredrick | UFFA |
| 11. Diana Karimba | PSFU |
| 12. Nasereje Akaziah | Ministry of Trade Industry and Cooperatives |
| 13. Obbo Richard | Afrofrieght |
| 14. Ivan Mutasingwa | Afrofreight |
| 15. Ateikeiz Emmanuel | Matek Int UFFA |
| 16. Nasser Muhammad | Afrofrieght |
| 17. Jane Nalunga | SEATINI |
| 18. Joseph Bukenya | SEATINI |
| 19. Muhoozi Paul | SEATINI |
| 20. Shoba Ismael | Union Logistics |

Appendix II: Program/Agenda

08:00am	Arrival and Registration of participants
08:30 - 08:40am	Self-introductions
08:40 - 08:50am	Welcome remarks, By SEATINI UGANDA
08:50-09:00am	Opening remarks, By Ms. Annette Namara, Assistant Commissioner, Economic Affairs, MEACA
09:00 – 09:30am	Presentation on the challenges faced by Ugandan clearing and forwarding agents in accessing the East African Market. By Kassim Omar, Chairman, UCIFA
09:30 - 10:30am	COFFEE BREAK By HOTEL
10:30-10:40am	Discussant Mr. Hussien Kiddedde, UFFA
10:40-10:50am	Discussant Mr. Alex Mbonye, Uganda Shippers' Council
10:50 - 11:20am	Way forward
11:20am - 11:30am	Closing remarks By URA Customs Department

11:30 -12:00 pm	Networking and departure.
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