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RATIONALIZATION OF INTERNATIONAL TRADE AND INVESTMENT AGREEMENTS: CASE OF EAST AFRICAN COMMUNITY

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ABSTRACT

Global and regional trends in economic, political, and social cooperation through international trade and investments agreements have continued to create closer integration between countries and regions. For many years, international trade has been set in bilateral and multilateral treaties between nations. For the last few decades, this regulatory framework has evolved to facilitate international business through international trade and investment agreements between countries and between regional intergovernmental organizations to cover a large number of markets, thus promoting economic globalization as well.

This research conducts an investigative and comparative analysis on international trade and investment agreements - the case of the East African Community (EAC). It examines their implications on cross-border and regional trade and investment patterns within the EAC region and with the rest of the world. The findings bespeak that the organisation has made significant achievements and has increased its trade by breaking down within barriers, mostly unilaterally. The EAC regional integration process agenda has been instigated and backed up by economic, political, and social development frameworks through partnership. The EAC trading in goods and services, as well as the movement of people and capital resources, continue to grow dramatically, thanks to the accelerated sharing of technology that escalate economic development and modernisation across national and regional borders. Investment and trade both within the organisation and with the rest of the world remain the fundamental pillar to promote its economies of scale and sophisticated production and increase its presence at the international level.

The final conclusion reflects the initial contribution this study yields to the base of knowledge on the topic in question. It adds new evidence and documentation in the existing literature on international trade and investment by examining the performance of inter-regional and international trade and investment activities based on the treaties that encompass the EAC countries.

Key words: International trade and investment agreements, East African Community, growth in partnership, regional economic community, intergovernmental organisations.

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LIST OF ABBREVIATIONS

Abbreviations	**Explanation**
ACP	African, Caribbean and Pacific
ADB	African Development Bank
ADSL	Asymmetric Digital Subscriber Line
AEC	African Economic Community
AGOA	African Growth and Opportunity Act
AIB	Academy of International Business
AIBS	American Institute of Biological Sciences
AIDI	Africa Infrastructure Development Index
ARII	Africa Regional Integration Index
ASEAN	Association of Southeast Asian Nations
ASYCUDA	Automated System for Customs Data
AU	African Union
AUC	African Union Commission
BIT	Bilateral Investment Treaty
BLEU	Belgium-Luxembourg Economic Union
BREXIT	British Exit
BTIA	Bilateral Trade and Investment Agreements
CASSOA	Civil Aviation Safety and Security Oversight Agency
CBR	Central Bank Rate
CEPGL	Communauté Économique Des Pays Des Grand Lacs
CEPR	Centre for Economic and Policy Research
CET	Common External Tariff
CETA	Comprehensive Economic and Trade Agreement
CFA	Chartered Financial Analyst
CIA	Central Intelligence Agency
CMI	Capital Markets Infrastructure
CNDD - FDD	Conseil National Pour La Défense De La Démocratie – Forces Pour La Défense De La Démocratie
COGERCO	Compagnie De Gérance Cotonnière
COMESA	Common Market for Eastern and Southern Africa

COVID	Corona Virus Disease
CPF	Country Partnership Framework
DDA	Doha Development Agenda
DOD	Disbursed and Outstanding Debt
DRC	Democratic Republic of The Congo
EAC	East African Community
EAHRC	East African Health and Research Commission
EAKC	East African Kiswahili Commission
EAMU	East African Monetary Union
EASTECO	East African Science and Technology Commission
EBA	Everything-But-Arms
ECA	Economic Commission for Africa
ECCAS	Economic Community of Central African States
ECGLC	Economic Community of The Great Lakes Countries
ECS	Europe And Central Asia
EDPRS	Economic Development and Poverty Reduction Strategy
EMI	European Movement International
EPA	Economic Partnership Agreements
EU	European Union
EUROSTAT	European Statistics (Statistical Office of the European Union)
FDI	Foreign Direct Investment
FEPA	Framework for Economic Partnership Agreement
FTA	Free Trade Agreement
FY	Fiscal Year
FYDP	Five-Year Development Plan
G20	Group of Twenty -International Forum for the Governments and Central Bank Governors from 19 Countries and the European Union (Argentina, Australia, Brazil, Canada, China, France, Germany, India, Indonesia, Italy, Japan, Republic of Korea, Mexico, Russia, Saudi Arabia, South Africa, Turkey, The United Kingdom, The United States, and The European Union.
GDP	Gross Domestic Product
GI	Geographical Indications

GIZ	Gesellschaft für Internationale Zusammenarbeit (German Corporation for International Cooperation)
GNI	Gross National Income
GSP	Generalised Scheme of Preferences
GSTP	Global System of Trade Preferences
HDI	Human Development Index
HIV/AIDS	Human Immunodeficiency Virus / Acquired Immunodeficiency Syndrome
IATA	International Air Transport Association
ICC	International Criminal Court
ICT	Information and Communications Technology
IFS	International Financial Sector
IGAD	Inter-Governmental Authority for Development
IGO	International Governmental Organization
IMD	Institute for Management Development
IMF	International Monetary Fund
IOR - ARC	Indian Ocean Rim-Association for Regional Cooperation
IOSR	International Organization of Scientific Research
ISSN	International Standard Serial Number
ISTEEBU	Institut De Statistiques Et d'Etudes Economiques Du Burundi
ITIA	International Trade and Investment Agreement
KFW	Kreditanstalt Für Wiederaufbau (Credit Institute for Reconstruction)
KNBS	Kenya National Bureau of Statistics
LCN	Latin America And the Caribbean
LDC	Least Developed Countries
MDG	Millennium Development Goals
MEA	Middle East & North Africa
MFN	Most Favoured Nation
MNC	Multinational Corporation
MNE	Multinational Enterprise
MoU	Memorandum of Understanding
MVA	Manufacturing Value Added
NAC	North America Continent

NAFTA	North American Free Trade Agreement
NBER	National Bureau of Economic Research
NBS	National Bureau of Statistics
NCA	National Construction Authority
NEER	Nominal Effective Exchange Rate
NEMA	National Environment Management Authority
NEPAD	New Partnership for Africa's Development
NISR	National Institute of Statistics of Rwanda
NRM	National Resistance Movement
NTB	Non-Tariff Barrier
NVIVO	A software program used for qualitative and mixed-methods research
ODM	Orange Democratic Movement
OEC	Observatory of Economic Complexity
OECD	Organization for Economic Cooperation and Development
OUP	Oxford University Press
PAD	Pre-Arrival Declaration
PCF	Purple Community Fund
PCI	Product Complexity Index
PIB	Produit Intérieur Brut (French)
PNU	Party of National Unity
PPG	Public and Publicly Guaranteed
PPP	Public-Private Partnerships
QOL	Quality of Life
REC	Regional Economic Community
REER	Real Effective Exchange Rate
RIFF	Regional Integration Facilitation Forum
RPF	Rwandan Patriotic Front
RTA	Regional Trade Agreement
RTPA	Restrictive Trade Practice Act
SADC	Southern African Development Community
SAIDI	System Average Interruption Duration Index
SAIFI	System Average Interruption Frequency Index
SAS	South Asia

SCD	Systematic Country Diagnostic
SME	Small and Medium Enterprise
SPLA	Sudan People's Liberation Army
SPLA-IO	Sudan People's Liberation Army-In-Opposition
SPLM	Southern People's Liberation Movement
SPS	Sanitary and Phytosanitary Measures
SPSS	A software package used for interactive statistical analysis
SSA	Sub-Saharan Africa
SSCCSE	Southern Sudan Centre For Census, Statistics and Evaluation
TANCIS	Tanzania Customs Integrated System
TBT	Technical Barriers to Trade
TFTA	Tripartite Free Trade Area
TIFA	Trade and Investment Framework Agreement
TIPP	Transatlantic Trade and Investment Partnership
TNC	Transnational Corporation
TPP	Trans-Pacific Partnership
TPR	Trade Policy Review
TRALAC	Trade Law Centre
TRIPS	Trade-Related Aspects of Intellectual Property Rights
TTRI	Total Trade Restrictiveness Index
UBOS	Uganda Bureau of Statistics
UK	United Kingdom
UN	United Nations
UNCTAD	United Nations Conference on Trade and Development
UNCTADSTAT	United Nations Conference on Trade and Development Statistics
UNDP	United Nations Development Programme
UNECA	United Nations Economic Commission for Africa
UNHCR	United Nations High Commissioner for Refugees
UNIDO	United Nations Industrial Development Organization
UNITEE	New European Business Confederation
UNSD	United Nations Statistics Division
UNU	United Nations University
US	United States

USA	United States of America
USD/US$	United States Dollar
USIP	United States Institute of Peace
USTR	US Trade Representative
VAT	Value Added Tax
WB	World Bank
WESP	World Economic Situation and Prospects
WFP	World Food Programme
WHO	World Health Organization
WITS	World Integrated Trade Solution
WLD	World
WTO	World Trade Organization
YOY	Year-Over-Year

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CHAPTER 1:

INTRODUCTION TO THE RESEARCH

1.1. Introduction

This research investigates the extent and impact of the international trade and investment agreements in the East African Community (EAC) countries. It examines the trade linkages among the member States of the EAC as well as the trade and investments treaties between the EAC as an intergovernmental organization and other governments such as Trade and Investment Framework Agreements (TIFAs) with the United States and China, other intergovernmental organizations such as Economic Partnership Agreements (EPAs) with European Union, and among others.

To begin with, this chapter presents the context of the study that gives meaning to the research and states the problem that exists. It outlines the research objectives, the research questions guiding the study and the scope of the study covering the Member States of the EAC. It determines the importance of study leading to the illustration of the impact of international agreements on trade and investment and as well as the provision of scholarly knowledge on issues that limit trade and investment policies in the EAC.

1.2. Background of the study

Developing economies, i.e., countries with economies that have a low GDP, has understandably become the focus of increasing investment and attention since the beginning of this century. Wealthy firms have piled into emerging markets in the past three decades (Jeffrey, 1997) and (Emerging Markets Monitor, 2010). The latest figures, real gross domestic product (GDP) growth of 4.9% for the emerging and developing economies, 2% for the advanced economies, and 3.7% for the world in general, (IMF, 2017), appear at first view to assert the idea of stronger management of the past three decades: that companies should expand in fast-growing emerging economies. Emerging markets have increased two times faster than developed markets (Henry & Kannan, 2008). And despite the recession and sluggish recovery of developed markets, emerging and developing markets generally were more resistant to the global crisis and should continue to grow twice more than the rate of the advanced market over the next twenty years because of the exponential expansion of a middle class in full swing and the ability to jump to legacy technologies (Jeffrey, 1997). Given that the rate of economic growth in most developing countries is expected to exceed the growth rate in the developed countries for many years, the typical discussion assumes that long-term developments in emerging markets will also outpace those in developed markets (Malkiel and Mei, 1998), and (Mobius, 1994).

Figure 1. 1: GDP growth in emerging and advanced economies

Source, IMF 2017

Despite Africa's GDP growth in general (3.8%, IMF 2018) that is up-swinging (World Bank, 2017), in considering its achievements and goals, although as a result, Africa has a greater need than other continents for supranational power structures, it has made far less progress toward regional unity and development in general (Davoodi, 2012). But understandably, as the whole African continent, the East African Community region has been the subject of rising investment and attention since the turn of this century (Bridges Africa, 2015). The EAC region has shown recently to have potential business and trade opportunities for long-term investments. This makes the region becoming the market of interest that attracts many multinationals and wealthy countries due to its significant growing population and the immense quantity of natural minerals such as cassiterite (tin ore), coltan, gold, methane, wolframite (tungsten ore), tantalum, oil and among others.

1.3. Motivation to the Research

Cross-border trade and investment activities that are based primarily on existing mechanisms and initiatives encounter a challenge involving a lack of regional market expertise. The findings presented in this study indicate that the international trade and investment agreements have a beneficial effect on EAC member states' trade regimes.

The motives behind this research study include - the interest to identify problems and to find solutions to uncertainties to improve the efficiency of cross-border procedures in the EAC region.

The desire to provide support in promoting significant growth in economies of the EAC countries by making needed data available.

The interest in defining the regional trade and investment environments of the EAC countries, by providing a general understanding of the regional market and enhancing the conditions that cross-border trade and investment activities operate in.

The yearning to increase knowledge and contribute to the cognisance in the field of international trade and investments through co-operations and partnerships.

1.4. Statement of the research problem

The regional economic communities are established for the reason of the expected benefits between them (Iyoha, 2005). Based on monitoring instruments, such as the Africa regional integration index (2016) and US chamber of commerce reports (2015), the EAC is one of Africa's most successful regional integration attempts and the most promising trading partners with the United States and EU on the African continent. Even so, the organization is still facing significant challenges or issues that need to be considered and investigated. Although, speaking these issues:

According to IMF reports (2012, 2014, 2017), there are (a) a problem of balancing the prospective benefits of a broader common market compared to the greater complexity that accompanies with more diverse membership composition. Tanzania is part of the East African Community (EAC) and the Southern African Development Community (SADC) at the same time. Rwanda, Burundi, Kenya and Uganda being part of the East African Community (EAC) and the Common Market for Eastern and Southern Africa (COMESA) at the same time as well); (b) concerns of different interests among EAC member states from other trade agreements such as TIFA (with the USA), EPA (with EU) and others.

Baruti (2017) reinforced the multiple commitments problem, stating that this leads to hardship for EAC partner states in honouring their obligations with other organizations at the same time and complicates the contexts of the EAC integration agenda.
Also, based on the same IMF reports and Davoodi (2012), relatively even there are some increases GDP, the organization has been ineffective in promoting trade and attracting Foreign Direct Investment (FDI) due to its lack of transparency, weak complementarity of resources between partner states, poor infrastructure, lack of suitable transport means, inequality in the distribution of natural resources revenues among citizens and weak of institutional constructions.
Based on the German Corporation for International Cooperation (GIZ) reports, the EAC experiences challenges of having a functioning common market for all partner countries (GIZ-EAC, 2016). Here we can say that each country has problems adhering and fitting into the organization and let this act in most parts on its behalf get in the way of what is essential. Most of the EAC countries express the ambition to reach the status of upper-middle-income countries and substantially reduce poverty by the end of this decade (The EAC Vision 2050). Nevertheless, according to Drummond and Williams (2015), the recent growth will not be enough to fulfil that goal. Even the EAC has become among the fastest rising regions in sub-Saharan Africa.
It was recorded that the EAC countries compare favourably with the group of solid growth countries - macroeconomic and government stability, favourable business climate and strong institutions - but according to McAuliffe, Sweta and Masafumi (2012), significant differences that affect their economies negatively remain, especially in Burundi – the poorest country in the organization.

1.5. Research questions

Generally, international trade and investment issues introduce three types of questions for economists (Morgan & Katsikeas,1997). The first is based on trade flows explanations between at least two countries. The second lies in the extent and nature of gains or losses to an economy. And the last question involves the trade policies effects on an economy.
The current research questions to be answered at its completion are listed as follows:

Question 1: What are the impacts of international trade and investment agreements on the quality of living for the citizens of the East African Community countries?

Question 2: In which way do international trade and investments agreements exert influence on the East African community trade policies?
Question 3: Does income from international trade and foreign direct investments become devoted to solving issues concerning political stability in the area of the East African Community?
Question 4: What are the inputs of international trade and investment agreements to improve economic sectors, solve gender inequalities and promote equal growth in the EAC member countries?
Question 5: What is the impact of international trade and investment agreements on the integration process of the East African Community as an intergovernmental organization?
Question 6: What are the constraints of cross border trade and investments agreements in the EAC area?

1.6. The aim of the research

Current research draws the potential welfare effects of the trade and investment treaties on citizens of the EAC countries. It also entails other factors other than enhanced trade and investment that might influence EAC countries' policymakers in pursuing international integration. These include international cooperation in "behind the border" reforms and the provision of public goods.
Therefore, the main purpose of this study is to examine the implication of international trade and investment agreements to each partner State of the East African Community (EAC), and to the EAC organization as a Regional Economic Community (REC).

1.7. The research objectives

The objectives of the current study are presented below.

a) To understand the nature of the East African Community's economic growth through international trade and strategic investment into partnership.
b) To assess the prospects and potential constraints for EAC countries in translating their recent growth into sustained future growth through international trade and investment agreements; by drawing on the methodologies established by other countries that have accelerated and maintained growth.
c) To foster the improvement of economic cooperation, good governance, and institutional building to attract higher foreign direct investments (FDI) in the EAC region.

d) To provide suggestions and recommendations that will foster the effectiveness of the EAC organization integration towards a successful regional economic community.

1.8. Working hypotheses

Based on the literature review on the EAC, the following hypotheses are made concerning the current research questions. Hypotheses are formulated to suit our research topics – "Rationalization of international trade and investment agreements: Case of East African Community Countries".

Hypothesis 1: Important determinants that foster the promotion of international trade and investments in the East African Community comprise ameliorated trade and investment policies and trade facilitation. These actively support openness to foreign entries into their domestic markets.

Hypothesis 2: Trade and investment agreements between EAC member countries have increased their economic growth and development and the living conditions of their citizens substantially, through the accomplishment of the free movement of persons and labour, free movement of goods, free movement of services and capital, and the rights of residence and establishments.

Hypothesis 3: The countries of the EAC has increased bargaining power throughout the organization while negotiating trade and investment treaties with the rest of the world, and their economic purchasing power has a little bit elevated based on their respective Gross National Income (GNI).

Hypothesis 4: Through trade and investment agreements between the EAC (as an intergovernmental organization) with other standalone countries and with other intergovernmental organisations, the EAC many economic sectors are being promoted. The manufacturing sector is improving in producing elevated quality products to face the regional scale competition. The mining sector is being enhanced due to a large number of the sector's exports to foreign markets.

Hypothesis 5: The dominant trade determinants to EAC countries include (a) **on the importations side** - petroleum products and manufactured goods including machinery and mechanical appliances, equipment and spare parts, vehicles, and pharmaceuticals; (b) **on the exportation side** - coffee, minerals, cut flowers, tobacco, tea, fish, and vegetables.

1.9. Scope of the research

This research examines how international trade and investment agreements interact with governments and intergovernmental organizations to influence regional investment patterns. Using retrieved data, it evaluates business exchange for sustainable development, and tests selected indicators of concerned regions (e.g., EAC-Europe, EAC-Asia, EAC- U.S.A) to demonstrate the impact of international economic agreements on foreign direct investment flows. A complete inventory will be prepared and will form the basis for detailed case study reviews.

1.10. Brief of the research methodology

The research methodology constitutes the specific procedures and techniques used to identify, process, select, and analyse the information about the topic of "international trade and investment agreements in general and then specifically in East African Community region". It allows the reader (audience) to evaluate the study's overall validity and reliability critically. The qualitative method is utilized for conducting the current study. This involves the data collection, analysis and interpretation using the qualitative method in answering current research questions. The qualitative approach is preferred because it is advantageous for understanding views and perceptions from the research participants. It importantly offers the ability to respond to the research problem and helps in developing concepts and theories for the current qualitative research. In addition, the qualitative method proved to help discover new thoughts and individual views, together with the analysis to look deeper into problems. Therefore, the subject materials are evaluated with greater detail, and the research frameworks are fluidic and based on available or incoming data. The data is analysed using NVivo and SPSS programs. The inductive technique is applied and justified since the concepts for interpreting this research are not pre-established but instead come from the collected data.

1.11. The plan of work

This thesis is divided into seven chapters which are presented as follows:
Chapter one describes the general introduction of the whole study. It specifies the background of the study, the motive of the study, strategy formulation, the statement of the research problem, related research questions, research purpose and objectives, the research methodology, the structure of the study, and it closes with its summary.

Chapter two consists of the evaluation report of information found in the literature related to the topic of “international trade and investment agreements in emerging economies”. It encompasses the thematic subtitles of defining terms of international trade and emerging economies, different theories related to international trade and foreign direct investment (FDI), development of a new theory of international trade, and critical review on the background of international trade and investment agreements in emerging economies. It also covers the importance of international trade to a nation’s economic growth, benefits or impacts of trade and investment on emerging economies, a shortened review on the impact of FDI to emerging economies, the necessity of economic integrations in African emerging economies, and the chapter summary.

Chapter three briefly discusses the overview of the East African Community (EAC). It presents, in short, the economic indicators of each EAC member state, a summary of their socio-political contexts to understand better the integration of the organization, and a review of the key findings that have been addressed in various reports and work studies on the EAC. It displays the history of the EAC; economic, social, and political characteristics of the EAC Partner States; understanding the EAC’s dominant economic sectors; economic growth in the EAC; different EAC trade and investment agreements; and it ends with the chapter summary.

Chapter four comprises the conceptual framework and addresses in detail the research methodology. The conceptual framework demonstrates the linkage between the concepts and reflects the nature of the study while understanding the framework. This includes a theoretical structure of dependents, independents, and standalone variables. The research methodology details the approach used for the data gathering, which is qualitative approach design. It presents the structural design of the current research, collection and presentation of the research data, interpretation of the findings and ethical consideration. The chapter concludes with its summary.

Chapter five comprises a detailed presentation and analysis of the primary qualitative data collected through postcards (questionnaires), telephone/skype and face to face interviews, and the secondary data collected from existing resources. The collected data is processed and consolidated through transcription after translation (when necessary), cleansing and labelling to be usable, and presented through tabular (tables), graphical (charts) and textual (proses). Then it closes with the chapter reflection.

Chapter six discusses the research findings and addresses fulfilment for each research objective, and suggests answers to the research questions. It explains the meaning and importance of the findings and rotates the new findings comparing them with the other findings from previous studies or literature on the same issue. Lastly, it closes with the chapter summary.

Chapter seven comprises a summary of the key findings in the way that respond to the level of achievement of research aim and objectives. It describes recommendations retrieved from the study findings that exert potential promising solutions, fulfilment, or outcomes to the research beneficiaries. It states the acknowledgement of the study limitations. It points out the contribution of the research study to knowledge (its significance in detail) and highlights the suggestions for further future studies in the same area of the research. Lastly, it closes with the final research conclusion.

1.12. The study limitations

The accounted limitations during current research include the absence of needed data, large area for the collection of primary data, COVID-19 pandemic restrictions, and the insecurity in some areas of the EAC (especially in South Sudan).

The absence of needed data in most EAC countries is the major limitation of the current study, especially in South Sudan. There is little previous research that has been undertaken at an academic level to investigate the involvement of the international trade and investment agreements towards the EAC as an intergovernmental organization. To solve the problem, I had to well-plan the way of collecting the data. I carefully encouraged participant enrolment to gather as much information I could get to reduce the amount of the missing data and to avoid invalid conclusions.

The second limitation is the vast area for the primary data collection. The data was collected from six countries of the EAC, which was challenging to reach all participated research respondents. I had to send many personalised emails and make phone calls directly to some research participants on their mobile phones to cover all targeted countries in a reasonable time.

The third limitation is the COVID-19 pandemic. The pandemic started when I was in the middle to collect data and prevented me from continuing collecting data as scheduled due to the border closing of most of the EAC countries except Tanzania. Many countries were not allowing travellers from abroad to enter their territories for many months. Where I could not reach for face-to-face interviews, I managed to use alternative ways of reaching the research participants, including postcards, social media, emails, and phone calls.

The fourth limitation is the insecurity in some areas of the EAC, especially in South Sudan. Because of insecurity and wars between the country government and the rebellions, it was impossible to reach many places I needed to collect data. However, I managed to get participants in insecure areas through local connections on the field.

1.13. Conclusion

This chapter focuses on the introduction of the current research. It describes the research context, which comprises the overall overview, motivations, benefits, and impact of the study. It discusses the plan structure of the current research and illustrates the objectives and questions of the research, and summarises the employed research methods. It describes further the study scope and its potential impacts as well. The next chapter will discuss the literature review on international trade and investment agreements in emerging economies.

CHAPTER 2:

THEORETICAL REVIEW OF INTERNATIONAL TRADE AND INVESTMENTS

2.1. Introduction

Trade and investment-induced market integration has led to deeper forms of economic interdependence among nations as a growing number of developing and former centrally planned economies have become more closely linked to the global economy. International trade and investment are the necessary major engine to developed and emerging economies. Vibrant and open markets for international trade and investment are a prerequisite that is necessary for generating new economic growth and job creation opportunities for an economy (Barbara,1999).

Nowadays, most of the world's economies are open to international trade and investment. But the openness level is, however, variable. The openness of an economy is usually defined in macro-economic terms by the degree of trade of a nation in goods, services, and financial assets. The economic size and openness have shaped each country's development path. They create unique trade and investment patterns, industry policies and industrial structures (Maitland and Nicholas, 2002). The Economy size, development level and openness differentiate small economies from large economies or, in other words emerging economies from developed economies.

This chapter discusses the literature reviews related to international trade and investment agreements in emerging economies and their links to the current study objectives. The necessity of economic integrations in the African emerging economies subsection explains why EAC is necessary to promote development and growth for its member countries. The literature review question presented in this chapter comprises "International Trade and Investments".

In defining the scope of the review, the topics of *international trade and foreign direct investments* in emerging economies were narrowed and explored. Terms were clearly defined as well. The reviews in this chapter are systematic and integrative. The review involves sources collecting, assessing, criticizing, and synthesizing so that the topic can be addressed in an integrated way.

In selecting review sources, inclusion/exclusion criteria are used, and this includes the article/publication type (to determine whether the source is reliable), interest exposure (to determine experienced situations), geographical location (to target specific area and countries) and time (for determining actuality of the data in the source). The chapter subsection topics from the review search questions and the inclusion/exclusion criteria set their limits.

2.2. Characteristics of Emerging and Less Developed Economies (EEs and LDEs)

Although the word "emerging economy" is a term often used in the literature of international business, most authors do not define the EEs, probably knowing that it is known. But there is no commonly accepted definition of EEs. Certain authors concentrate on different aspects of EE. Emerging economies, also known as emerging markets or developing countries, are countries that have the drive to invest in more productive capacity.

EEs demonstrates potential opportunism for the future. Based on Cavusgil, EEs countries are fast-growing developing countries that represent attractive business opportunities for Western companies. Further, EEs share remarkable characteristics in potential economic terms (Cavusgil, 1997).

According to R. Miller, despite individual differences, all EEs have similar future growth potential. It is the opportunities for future market expansion that most distinguish an emerging economy from an economy normally associated with a lower level of economic development (less developed countries - LDs). Both these economies (emerging and less developed) express almost the same characteristics. Their stimulus - including attracting new technologies, foreign investment or external participation to their business affairs manifest themselves only in countries where policies are advantageous to increased growth (Miller, 1998). Miller continued by stating that even every EE is a unique one, the most common EEs characteristics could be outlined in the following way:

Physical properties - in terms of insufficient business infrastructure and inadequacy of all other physical infrastructure aspects (communication, transport, power generation, etc.).

Socio-political characteristics – this includes political instability, weak social discipline, insufficient legal framework and reduced technological level, apart from unique cultural features.

Economic characteristics - in the limited personal income form, centrally monitored currencies with an influential role for the government in economic life, expressed alongside others to control the process of transition to a market economy.

Arnold and Quelch stated that there could be defined three aspects related to an economy of a country and often underlie various definitions: the first aspect is the economic development absolute level, which refers to less developed countries (LDs). The second is the economic development relative pace. The third is the market governance system which is the stability and extent associated with the free-market system if the country is in the economic liberalization process. It is sometimes specified as a "transition economy" (Arnold & Quelch, 1998).

Table 2. 1: Comparison between Emerging and Developed economies

Dimensions	Developed Economies	Emerging Economies
Level of economic development	High	Low/ Medium
State of economy (and society)	Developed/ Stable	Transitional/ Unstable (Economic/Political reforms)
Macroeconomic framework	Developed/ Stable	Undeveloped - being created
Economy institutions	Developed	Undeveloped - being built
Economy conditions	Stable	(Un)/stable
Economy infrastructure	Developed	Undeveloped - being built
Governmental involvement	Not so high	Relatively high
Cultural resistance to the market economy	Low	Higher
Rate of growth	Low	High
Room for growth	Narrow - matured markets	Huge - undeveloped markets
Source: Arnold & Quelch, 1998 and World Economic Situation and Prospects		

Nevertheless, countries in emerging economies typically present a characteristic of weak investor protections. Although corporate governance practices are improving, Bekaert and Harvey provide several examples of the weaknesses found in emerging countries: Management uses its control for perquisite consumption, company shares are owned by another company that exerts control, creditor rights are often strong to the detriment of shareholders, etc. (Bekaert and Harvey, 2003).

2.3. Theories of International Trade and Foreign Direct Investment (FDI)

For economists, issues related to international trade generally pose three types of questions. The first refers to trade flows explanations between two or more nations. The second concerns the nature and magnitude of gains or losses for an economy. Finally, the third problem relates to trade policies effects on an economy. Most international trade theories are devoted to the first question. Attention will now be directed to the theoretical answers to such a question in the form of international trade perspective - classical trade theory, theory of factor proportion and the product life cycle theory, and foreign direct investment rubric - market imperfections theory, international production theory and internalization theory.

The classic theory of trade discusses the extent to which a country imports and exports is related to its trade structure with other countries. Countries become able to gain if everyone spends resources on the production of goods and services in which they have an economic advantage (Ricardo, 1817, Smith, 1776). Therefore, classical trade theory effectively describes the scenario in which a country produces goods and services in which it has an advantage for indigenous consumption and then exports the surplus. Therefore, it is wise for countries to import those goods and services with an economic disadvantage. The economic advantages and disadvantages may arise from differences of the country in factors such as available resources, labour, capital, technology, or entrepreneurship. Also, classical trade theory argues that the basis of international trade may come from differences in the characteristics of production and resource endowments that are based on national differences in natural and earned economic advantages. However, beyond such a general overview of international trade, the classic theory of trade is unable to explain what causes differences in relative advantages.

The theory of factor proportions, contrary to classical trade theory, can explain the differences of advantage shown by trading countries. According to this theory, countries will tend to produce and export goods and services that exploit large quantities of abundant factors of production that they own while importing goods and services that require significant quantities of inputs which may be relatively rare (Hecksher and Ohlin, 1933). Therefore, this theory extends the economic advantage concept by considering the endowment and the costs of the factors of production.

These two theories have proved insufficient to explain the more recent models of international trade. For example, the 1960s were marked by significant technological advances, and the rise of the multinational enterprise resulted in calling for new theories of international trade to reflect changing trade realities (Leontief, 1966). At that time, the international trade theory of product life cycle was found helpful in explaining and predicting international trade trends and the expansion of multinational enterprises as well. This theory suggests that a business cycle emerges when a product is produced by a parent company, then by its foreign affiliates and finally anywhere in the world where costs are at their lowest possible (Vernon, 1966, 197) and (Wells, 1968, 1969). In addition, it explains how a product can emerge as an export from a country and operate throughout the life cycle to eventually become an import. The essence of the international product lifecycle is that market expansion, and technological innovation are critical issues in explaining international business models. In other words, technology is a key factor in the creation and development of new products, while the size and structure of the market influence the determination of the type and scale (extent) of international trade.

However, even these theories are insightful, recently, many modern theories of international trade have emerged, and they consider other important considerations such as government involvement and regulation. Yet, it remains that these theories make several assumptions that undermine their potential importance and their contribution to international business. For example, they assume that: production factors are immobile between countries; traditional import and export is the only mechanism for the transfer of goods and services across national borders; and perfect information for international trade opportunities exists (Bradley, 1991).

Some theorists have attempted to address the limitations of theories of international trade under the FDI rubric. The following is the discussion concerning the theory of market imperfections, the theory of international production and the theory of internalization.

The theory of market imperfections indicates that companies are constantly looking for market opportunities. Their decision to invest abroad is explained as a strategy to take advantage of certain capabilities not shared by foreign competitors (Hymer, 1970). The firm's advantages or capabilities are explained by the market imperfections of the products and factors of production. In other words, the theory of perfect competition requires that firms produce homogeneous products and enjoy the same access to factors of production. However, the reality of imperfect competition, which is reflected in the theory of industrial organization (Porter, 1985), determines that firms obtain different types of competitive advantages and each to varying degrees. Nevertheless, the theory of market imperfections does not explain why foreign production is considered the most desirable means to exploit the advantage of the firm. Dunning and Fayerweather have addressed this issue and developed what may be called the theory of international production (Dunning, 1980) and (Fayerweather, 1982).

The theory of International production proposes that the firm propensity to start foreign production will depend on the specific attractions of its home country, to the resource implications and advantages of locating in another country. This theory explicitly shows that not only do the resource differentials and the firm advantages play a role in determining foreign investment activities, but that the actions of foreign governments can significantly influence the gradual attractiveness and entry conditions for firms. According to Buckley and Casson intensive studies, a related aspect of this theory of foreign investment is the internalization concept (Buckley, 1982, 1988); (Buckley and Casson, 1976, 1985).

The theory of internalisation is based on the idea that companies aspire to develop their own internal markets whenever transactions can be made at a lower cost within the company. Thus, internalisation theory implies a vertical integration form bringing new operations and activities, previously conducted by intermediate markets, under the ownership and management of the firm.

However, much of this research has adopted the intergovernmentalism approach as a unit of analysis. It includes the process that preceded the level of international trade and investment between nations and intergovernmental organizations. This research, in response to a dynamic process-oriented perspective, defines internationalization throughout trade and investment between nations as a recognition key for successful economic integration. Published research on internationalization, nowadays, forms a significant part of the international business literature.

2.4. Development of New Theory of International Trade

"Bi-intergovernmentalism approach"

The bi-intergovernmentalism approach is defined as an international trade agreement between two intergovernmental organizations with the common goal of promoting cooperation among them.

Bi – it comes from Latin, combining form of *bis*, a combining form meaning two, twice, double, doubly, once every two," etc. (Collins English Dictionary, 1998). It is used in the formation of compound words: such as bilateral, bifacial, etc.

Intergovernmentalism - intergovernmentalism concerns, in particular, States and national governments as the primary actors in the integration process. It represents a way for powers conferral upon supranational institutions, halting the emergence of common policies. Its significance becomes enormous due to its recognition and impacts on international politics, socio-economic cooperation, military integrations, etc., upon governmental preferences.

- The regional integration best-known examples are the European Union (EU), a political and economic intergovernmental organisation made of 28-member states, all in Europe.
- The East African Community (EAC) is an economic and political intergovernmental organization of 6- member states, all in East Africa.
- The Southern African Development Community (SADC), socio-economic cooperation and integration, is an intergovernmental organization of 16-member states, all in Southern Africa.
- Economic Cooperation Organisation (ECO) is a Eurasian political and economic intergovernmental organization, formed by 3-member states, all in Middle East Asia.
- The Association of Southeast Asian Nations (ASEAN), a regional intergovernmental organisation that promotes Pan-Asianism cooperation agenda and facilitates political, economic, military, cultural and educational integration amongst its members and Asian states. Made of 10-member states, all in Southeast Asia.
- Etc.

This study presents the "bi-intergovernmentalism approach" as a new international trade theory because of its representation with a new form of trade cooperation. It defines trade operations between two intergovernmental organizations in terms of bi-regional trade partnerships, i.e., EPA, which is a trade partnership between the EU and the EAC.

2.5. A critical review of the background of international trade and investment agreements in emerging economies

International trade and investment agreements influence economic growth patterns in emerging economies. According to Klaus and Rottig (2016), in their article "*International Trade and Investment Agreements: Sovereignty at Bay in the 21st Century?*", international trade and investment agreements bring implications related to sovereignty loss for the host nation-states in the 21st century, in giving examples of the Pacific Rim's Trans-Pacific Partnership (TPP), the US-EU Transatlantic Trade and Investment Partnership (TIPP) and the EU-Canada Comprehensive Economic and Trade Agreement (CETA). In his book "*In the Hurricane's Eye*", Vernon (1998) supported Klaus and Rottig ideas, stating that due to increasing starvation for commercial and political power, multinational enterprises have led to a decrease in national sovereignty and, consequently, to the weakening of nation-states.

However, even those implications may occur, international trade and investment agreements have been shown to impact all involved parties positively. Although, countries or organizations need international trade and investment agreements with others to generate economic benefits for promoting their economic growth and development through partnership. And yet, governments all over the world have engaged in committing to many treaties and organizations to remove trade barriers. Agreements have aroused both at the regional and global levels.

Based on Laura and Gonzalo (2017), "*Geography, International Economic Agreements, and Foreign Direct Investment: Evidence from Emerging Markets*", trade and investment agreements seem to interact differently with distance and in unfamiliar market environments. But in many cases where long distances exist, host governments agree to provide guarantees to investors and show signals of creditable commitment. The international trade and investment agreements ease and mitigate the uncertainty and higher transaction costs associated with investing in distant and unfamiliar markets. Even yet, the effectiveness of the investment attraction of preferential trade agreements fades with distance; the world has become small or shorter in many ways for the new era of international trade and investments due to improved transport means (such as enhanced commercial and cargo aeroplanes; bettered ships for the transport of goods that are faster and secure in closing the world's water and enhanced 21st-century information communication). Many countries have worked or are working towards fostering international partnerships in many domains as well, such as military for security, environment for a green world, etc.

According to Goetzmann, et al. (2005), in their article "*Long-Term Global Market Correlations*", emerging markets have demonstrated the potential of offering both lower correlations and an expanded number of markets to invest in.

In fact, for the last few decades, investors in the developed economies have shown increasing appetite or attention to emerging economies because of their higher economic growth and potentially higher returns. As it is documented well, the benefits related to international diversification within developed economies have declined over time because of increasing correlations. Also, Eun and Lee (2010) supported this idea in their article "*Mean-Variance Convergence around the World*", confirming that even the emerging markets are still more distinct from one another than developed markets are, but they are still providing diversification benefits to the global investor. And although, emerging economies performance is converging to that of developed economies.

Based to Sullivan (2008), in his article "*Taming global village risk*", the emerging economies' ability to provide benefits to the developed world on a global macroeconomic level is increasing the exposure for future investments.

Indeed, if stronger economic growth in emerging markets implies higher stock returns, then the developed world should allocate more capital to them. This increased investment would strengthen emerging market currency values and market capitalizations. As a result, their representation in a well-diversified global portfolio and their importance in the global economy would increase in the future.

Some emerging countries hold back or get threatened when entering into international trade and investment agreements with the rest of the world. As stated by Read (2004) in his article "*The implications of increasing globalization and regionalism for the economic growth of small island states*", in considering the gradual development of globalization, many emerging economies are threatened; furthermore, there is a possibility that they can become more isolated in case they become unsuccessful in keeping on for globalization process.

Hogenbrirk and Narula (1999) and Stiglitz (2004) support the discussion in confirming that globalization has affected emerging economies to a large scale than developed economies due to the size of emerging economies which is often small. In addition, small economies become most of the time more internationalised than larger economies.

However, international trade, which presented enormous growth in recent decades, has been both a major cause and an effect of globalization. The world trade volume has increased 27-fold, from 296$ billion in 1950 to 8$ trillion in 2005 (WTO, 2007).

In his book, "*New Perspectives on Investing in Emerging Markets*", Schill (2008) stated that despite the attractiveness of emerging economies, trading and investing in them has many challenges and associated risks that are not found in developed economies. He continues arguing that in the past several years, a great deal of research has been conducted on emerging market issues. The most prominent areas are those concerning nonnormality and synchronicity in returns, corporate governance, contagion, changes from integration and liberalization, return factors, institutional investor and analyst performance, political conflicts, and currency issues.

Nevertheless, considering those challenges that emerging economies face, we may ask ourselves the following question: how emerging economies can manage to sustain their economic growth and become wealthy? It is not simple to answer this question considering their characteristics and related trade and investment risks. The current research study is, however, conducted to better respond to the above question, basing on the East African Community as a case study. Therefore, as an answer, emerging economies must significantly take part in globalization by being open and competitive to progress in entering into more beneficial trade and investment agreements, especially with other economies that express much to offer. In addition, they must adhere, in diapositive ways, to successful economic integrations in both regionally and internationally throughout international trade and investment agreements.

For supporting the above statement, based on the UNITEE reports (2015), "*The positive effects of international trade on emerging countries*", between 2000 and 2008, GDP per capita increased from $325 to over $625 in Least-Developed Countries. Much of this can be attributed to an increase in trade and foreign investment.

For that reason, international investment and trade are huge engines of growth in both developing and developed economies. They are the essence that boosts development and reduces poverty by generating growth through increased investments and trade (commercial) opportunities, as well as stretching the productive base through the development of the private sector.

2.6. The importance of international trade to a nation's economic growth

The international trade importance for a nation's economic well-being and development has been abundantly documented in the economic literature for many decades now. In his book "An Inquiry into the Nature and Causes of the Wealth of Nations", Adam Smith has pioneered investigation into the nature and causes of the nation's wealth (Adam,1776).

The logic behind this relationship suggests that economies must export goods and services to generate revenue to finance imported goods and services that cannot be produced locally (Coutts and Godley, 1992).

One of the broadest indicators of a nation's economic strength can probably be measured from its gross domestic product (GDP), as this measure is a value estimation of goods and services produced by an economy during a given period (Tayeb, 1992). The theory on which international trade can influence GDP has been explored by several economic theorists (Marin, 1992; Meier, 1984) and has led to the thesis of export-led growth. The underlying premise of this research volume is that, as export sales increase, all other things being equal, a country's GDP will increase and stimulate improvements in economic well-being and societal prosperity. How this relationship can be translated suggests that export performance has a stimulating effect on a country's economy in the form of technological spill-overs and other related favourable externalities. (Marin, 1992). Export movements can exert these influences because the exposure to international markets requires enhanced efficiency and supports product and activities of process innovation, while improvements in specializations favour cost-effective exploitation of economies of scale (Temple, 1994).

Another mechanism by which exports are linked to sustainable economic growth is the balance of payments. The balance of payments constraint can be defined as follows. In general, economic growth develops a variety of demands that cannot be met solely by domestic production. Therefore, beyond a certain level, the higher the rate of domestic demand, the faster the growth of imports (Abdel-Malek, 1969). However, any excess of imports over exports requires that the trade deficit be financed either by government borrowing from abroad or by drawing on the stock of assets of the economy. If this situation persists, it becomes vital for the government to address the issue of such an imbalance of trade (Hornby, 1994).

2.7. Impacts of Trade and Investment on Emerging Economies

Investment and trade are huge engines of growth in both developing and developed economies. They are the essence that boosts development and reduces poverty by generating growth through increased investments and trade (commercial) opportunities, as well as stretching the productive base through the development of the private sector.

> *Between 2000 and 2008, GDP per capita increased from $325 to over $625 in Least-Developed Countries. Much of this can be attributed to an increase in trade and foreign investment (UNITEE, 2015).*

International investment and trade are powerful stimulants for efficiency. Investment and trade improve competitiveness by helping developing countries reduce inputs costs, obtain finances through investments, increase their products value-added, and uprise the global value chain.

> *Thanks to increased trade, emerging economies like China, Brazil, India, and South Africa are steadily catching up with developed countries. The GDP per capita increase of G20 developing countries stands at 115% for the decade 2000-2010 (OECD, 2008).*

Trade helps in extending the ability to export and promotes access to markets of developed countries. It encourages and facilitates export diversification by allowing developing countries access to new markets and new materials that open up new production opportunities.

India cut import duties from an average of 90% in 1991 to 30% in 1997. This gave Indian manufacturers access to a variety of intermediate and capital goods. Imports of intermediate goods increased by 227% over the period. Two-thirds of the intermediate goods imported were products that Indian producers could not buy before 1991. As a result, industrial output grew by 50%, with new products accounting for 25% of the total (OECD, 2008).

Trade and investment stimulate innovation by facilitating the exchange of knowledge, technology and investment in research and development through foreign direct investment (FDI).

Investment and trade have facilitated the deployment of information and communication technology, with mobile cellular coverage reaching 86% of the world's population in 2008, including 69% of the African population (Rodrik, 2018).

Trade and investment strengthen regional economic integration by providing support to countries in addressing supply-side efficiency constraints. Trade openness extends business opportunities for local businesses by launching new markets, eliminating unnecessary barriers, and facilitating their exports. Trade and investment expand choice and lower prices for consumers by broadening supply sources of goods and services and enhancing competition.

Business-enabling reforms were implemented in 36 Sub- Saharan African economies in 2010/2011. Of these, Mauritius ranks 23rd out of 183 countries in the World Bank's Ease of Doing Business Report, ahead of several EU member states (OECD, 1999).

Trade performs a role in improving labour, quality, and environmental standards through pushed up competition and best practices exchange among trading partners, thereby strengthening the capacity of the industry and product standards.

Through its Aid for Trade, the EU has helped South Asian countries like Bangladesh and Sri Lanka benefit from the improvement of quality standards for textiles and other exports. Over the last decade, Bangladesh has increased its exports by more than 80% (OECD, 2008).

Trade helps to reduce the spending of the government by widening sources of supply of goods and services and reinforcing competition for government procurement.

Government procurement is an essential aspect of international trade, given the considerable size of the procurement market (often 10-15% of GDP) and the benefits for domestic and foreign stakeholders in terms of increased competition (Executive Office of the President - US Council of Economic Advisers, 2009).

To prosper, countries have to support relationships with other countries so that they can expand their contacts with other needed key economies. Trade strengthens the links between nations by bringing people together in mutually and peaceful beneficial exchanges and, as such, contributes to peace and stability.

A study undertaken by the Centre for Economic Policy Research on empirical data showed that the probability of disputes escalating to conflict is lower for countries that trade more because of the opportunity cost associated with the loss of trade gains (Coşkun, 2018).

Trade endorses inclusive economic growth. It facilitates integration into the global economy, which has been a powerful way for countries to promote development, societal and economic growth, as well as poverty reduction. It establishes employment opportunities by stimulating economic sectors that produce stable jobs and generally higher incomes, thus ameliorating livelihoods.

Manufacturing workers in open economies received pay rates 3 to 9 times greater than those in closed economies, depending on the region. In Chile, a worker in a sector open to trade and investment gains an average of €1,100 more per year than a worker in a relatively closed sector (OECD, 2005).

Trade also permits companies in emerging economies to integrate and become part of international production networks and supply chains. As a result, they expand beyond manufacturing in exploiting the next level of services as well.

2.8. A review on the impact of Foreign Direct Investment (FDI) on emerging economies

For emerging economies, foreign direct investment (FDI) and trade flows are important sources of foreign capital. Due to their limited assets and the increasing competitiveness pressures they face, emerging economies become encouraged to access created assets such as brands, distribution networks and managerial skills in foreign countries through mergers and acquisitions or other types of assets that increase FDI. The impact of FDI that is outlined below aims to show how international trade and investment contribute to receiving economy.

Figure 2. 1: Organizational Framework for FDI Impact in Emerging Markets

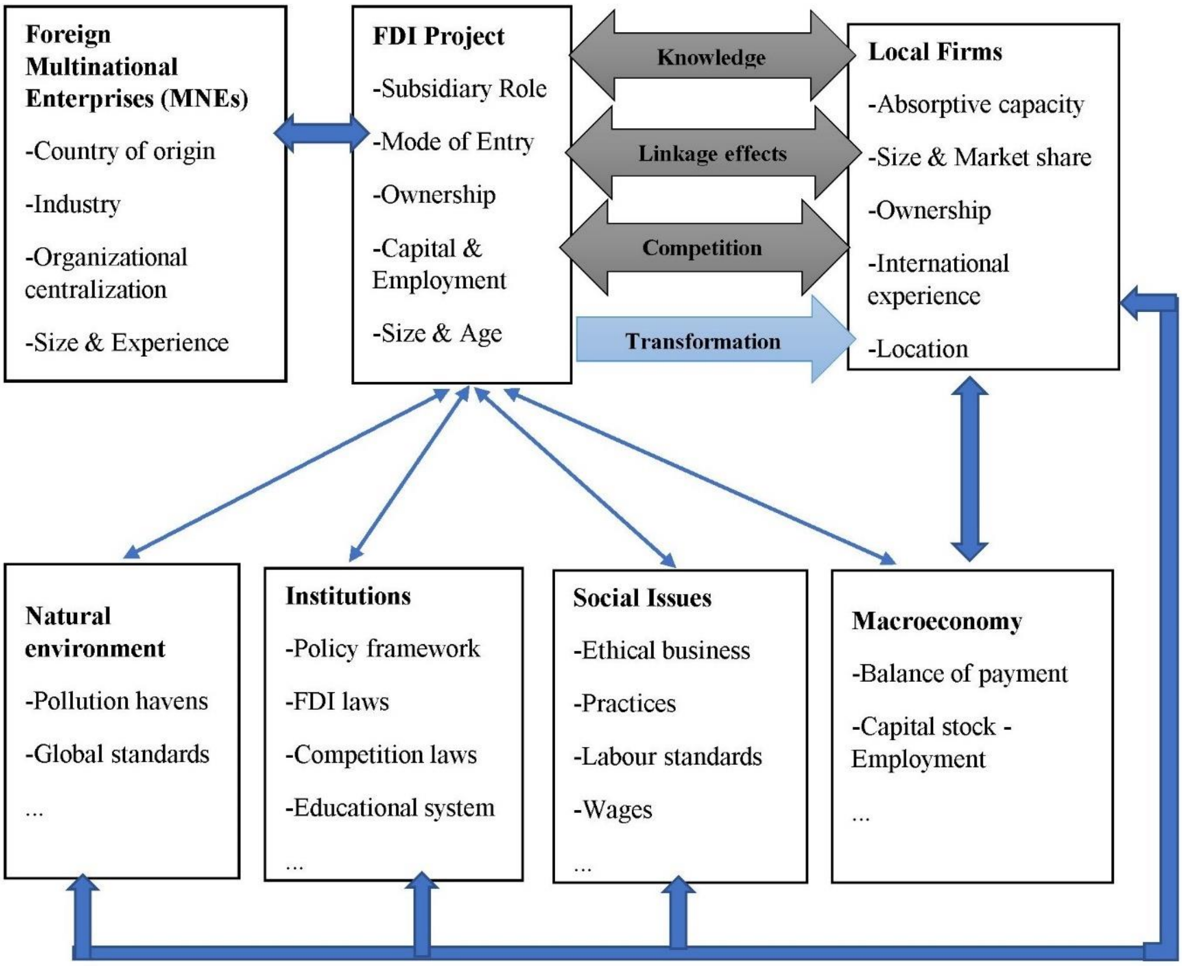

Figure 2.1 above demonstrates the channels which are outlined in the interaction between foreign multinational enterprises with local firms and as well as local economies. Thus, the review on respectively knowledge spill-overs, linkage effects and other interaction of foreign investors with local firms.

From a macroeconomic perspective, the first FDI macroeconomic effect is related to its character. FDI is a capital transfer across borders, allowing the receiving or host economy to increase investment further. Development economics has traditionally focused on the concept related to the action of adding to the capital stock as an essential contribution of foreign investment to economic development (Lall and Streeten, 1977). FDI increases the balance of payment and employment for every type of economy. The UNCTAD world investment report assesses and examines trends in the impact of FDI on the country’s balance of payments. For instance, repatriated gains relative to new FDI in the 1990s range from 75% in Africa, 33% in Asia, 29% in Latin America, to 6% in Eastern Europe (UNCTAD, 1999).

FDI is a particular source of capital that is very valuable because it presents a long-term character than portfolio investment, and direct investors are more committed to the host economy. It cannot be retracted quickly even if the unstable environment is experiencing an economic downturn, such as the exchange rate crises in East Asia in 1997 (Ross, 1998), Mexico in 1995 (Musacchio, 2012), or Russia in 1998 (Cooper, 1999), etc. However, the involvement of foreign investors has a price. In the long run, these investments lead to capital outflows in the form of surplus transfers or interest payments, which are reflected in other balance of payments positions.

The second FDI macroeconomic effect is its impact on the trade balance. Multinational companies have a competitive advantage in accessing global markets for importing their products into local markets. The ability to produce in central locations with large economies of scale and supply markets in several countries is a basic strategy in many manufacturing MNEs.

In recent years, researchers' attention has focused on the impact of international trade and FDI on economic growth in the receiving economy through productivity effects. For example, intermediate products imports and capital goods or apprenticeship about advanced technologies contribute to the basic foundations of economic growth (Grossman and Helpman, 1991). The “new growth theory” models with endogenous technological progress in macroeconomic models state a positive relationship between FDI and technology transfer, generally assuming a linear relationship (Wang, 1990 and Walz, 1997).

The social issues to account for when examining the impact of FDI on an economy include issues related to ethical business, practices, labour standards and wages, etc. On the institutional impact, the FDI generally influences policy framework, laws, competition laws, educational system, etc. With effects on the natural environment, the FDI accelerates the pollution havens, global standards, etc.

2.8.1. Knowledge benefits

Knowledge contributes to the economy as an economic development tool in the process of knowledge transfer and technology transfer.

Knowledge transfer

Knowledge transfer has been acknowledged as the competitiveness foundation at the national and enterprise level, and knowledge-based spill-overs have been at the heart of recent studies on the benefits of multinational corporations. Host countries, particularly emerging economies, aim to develop indigenous technological capabilities such as skills (technical, managerial, and institutional) that enable productive enterprises to use efficient equipment and technical information. (Lall, 1996). Some technologies are encoded in blueprints or embedded in machines and can be easily used in the host economy. It is more difficult to transfer more complex capabilities, such as skills to evaluate available technologies and choose the most appropriate ones or managerial skills to improve organizational arrangements. Such abilities are often posed and live not only in the company but also in its environment, for example, in the form of links with other companies. Transfers of such knowledge are subject to various types of market failure.

Foreign investors are unquestionably a potential source of knowledge at the systematic and technical level. They can not only contribute to the transfer of information but also directly or indirectly stimulate the generation of new knowledge in the host country, for example, by putting in place rules and institutions in the local organization. The generation of integrated knowledge depends on the specific rules and institutions of the firm and the environment around it and follows evolutionary development paths (Nelson & Winter, 1982). The transferred knowledge contributes to the range of new practices experimentation in the host economy. Investment from diverse sources offers an extensive range of experiences, thus promoting the development of indigenous peoples and locally adapted capacities (Kogut, 1996).

Ultimately host countries desire that local agents learn or acquire new skills in interaction with multinationals. However, multinationals are profit-oriented, and therefore they do not wish to form knowledge transfer to their environment without obtaining appropriate matching returns. By definition, spillovers are advantages or benefits acquired by others without necessarily paying the full price. Therefore, knowledge transfer is a scope area with potential mutual benefits, but also with conflicting interests as well (Kogut, 1996).

Technology transfer

The new technology transfer from the multinationals - the foreign economy is essential to host agents -receiving economy especially when it is being originated from developed economy to emerging economy to boost both their economies. Knowledge spillovers within an industry are often expected from the effects of demonstration (also known as imitation effects or contagion effects). Those demonstration effects operate through direct contact between local agents and multinationals, which operate at different levels of technology (Kokko, 1992).

With product innovation observations or a new organisational form adapted to local conditions, the entrepreneurs of the local economy can recognize the viability and thus attempt to imitate them. Prior to this experience, local entrepreneurs would not have enough or might be limited in getting information about the costs and benefits of the new methods. As a result, they can experience the investment risk as relatively high. As local businesses connect to existing users, technology information becomes disseminated, uncertainty is reduced, and imitation levels are increased. (Blomström, Zejan & Kokko, 1994).

Learning through observation affects not only technological innovation - significant technological changes of products and processes, but also new techniques of management and new ways of anchoring the labour division. The existing evidence of viable development pathways become introduced by FDI as well (Kogut, 1996). This demonstration effect has quasi-public beneficial qualities, as firms can observe the result of organizational innovations from successful companies. There is a rapid growth of empirical studies in evaluating the impact of intra-industry spillovers on local firms, and reviews of this literature have emerged such as (Strobl & Görg, 2001), etc.

Absorptive Capacity

A related theoretical work line focuses on the recipient's own initiatives capabilities. A widening consensus proposes that countries need some level of indigenous human capital for being in the position to benefit from knowledge transfer by multinational firms (i.e., Lall 1992). This argumentation has been promoted with reference, in theory, to the concept of “absorptive capacity” (Cohen & Levinthal, 1989) and (Cohen & Levinthal 1990).

Absorptive capacity is the ability of the enterprise to recognize valuable new knowledge, integrate it into the enterprise, and use it productively (Lane & Lubatkin, 1998).

To be able to use the knowledge gained from interactions with foreign investors, private companies must invest in research and development and employee training and adapt the organizational structures that enable innovation. Businesses must have the appropriate absorptive capacity to select, acquire and integrate knowledge from other sources. Preliminary knowledge, as well as the structural characteristics of the organization, contribute to the absorptive capacity of the company. In other words, to acquire appropriate knowledge, firms may need to develop adequate absorptive capacity (Cohen & Levinthal, 1990).

Based on empirical research, absorptive capacity has been measured as an essential element at the firm and industry levels. And by it, both areas of focus emphasize the importance of

aboriginal human capital. Fundamentally, foreign presence positively affects the labour productivity of domestic firms in an industry (Liu & Siler & Wang & Wei, 2000).
As a conclusion about the impact of knowledge within the industry, we must recognize that two of the concepts widely used in the theoretical literature fail to garner convincing empirical support. The evidence on the impact of intra-industry knowledge is, if the appropriate data and methodology are used, low (except in transition economies). Similarly, the hypothesis of the technological gap failed the empirical test. However, the evidence is very favourable to the importance of the absorption capacity. Outcomes arise if local firms develop decoding, interpretation, and knowledge translation capabilities, for example, by investing in organizational structures and human capital that support learning. Thus, future research should focus more on the absorptive capacity to involve while broadening the research agenda on the conditions in which spill-over effects emerge.

2.8.2. Linkage effects

The Effects of Inter-Industry Linkage

Direct and clear linkages between businesses in vertically related industries have long been recognized as the main pipe for potential spill-overs. The literature of spill-overs has investigated the nature of “backward and forward linkages”, while the scholars of the management have begun analysing “international production networks” as a dominant competitive mode in a globalizing world economy. Recent empirical studies have demonstrated such vertical connection effects based on the level of the firm's fixed data.

Backward and Forward linkages

The linkages of backward and forward are formed throughout various kinds of cooperation between local suppliers and foreign investors. The degree of a transaction between them determines the level of knowledge being exchanged. However, whether this produce spill-overs count upon the related bargaining power among partners as well. Also, on the other hand, it depends on the capabilities and resources that the company contribute to the relationship. Suppliers who manufacture intermediate goods with an economy of scale and/or technological specialization possess bargaining power and a certain degree of autonomy.
On the other hand, however, domestic suppliers who supply products based on the low cost of labour obverse less favourable conditions, while suppliers performing within peak periods of demand must be extremely flexible in dealing with high uncertainty (Altenburg, 2000).

Backward and forward connections can lead to an increase in productivity spill-overs in foreign investor-related industries. Foreign companies often purchase goods intermediaries from domestic suppliers because of, for example, high transportation costs and/or uneasy local content requirements.

The backward and forward links generate spill-overs through multiple mechanisms (Lall & Streeten, 1997 and Smarzynska, 2002), including technical assistance and training to employees (Lall, 1978), Imposition of higher requirements for product quality and service that leads to improved product quality and production processes, and increased competition which forces local firms to modernize, (Meyer, 2000). Also, through marketing and training support (Altenburg, 2000), to providing information related to international quality standards and market trends (Altenburg, 2000), and to allocating benefits from products for further processing, i.e., ores or agricultural products. However, due to the little evidence confirming that suppliers of raw material could influence their customers, this effect can be theoretical (Altenburg, 2000).

The structure of foreign investors' incentives proposes that spill-overs on related industries are more likely than in the same industry. Within the same industry, multinational companies hold incentives to hinder spill-overs, as they may strengthen their competitors. There are no such competition problems that are exerted to backward and forward linkages.

Entrance to International Production Networks

Business-to-business linkages have heightened in recent years as networks for international production, rather than multinational corporations, dominate the globalizing global economy (Hagström & Chandler & Sölvell, 1998), (Borrus & Haggart & Ernst, 2000) and (Rugman & d'Cruz, 2000). This has significant implications for how multinational companies interact with local businesses and, therefore, on the economic development of emerging economies. Multinational companies are at the heart of a network of production which is transplant network structures during the foreign direct investment realization. Their global supply transforms the nature of market transactions in the industry and increases entry barriers for potential new suppliers, even when a new plant of foreign direct investment is initiated.

In their article, Markusen and Venables (1999) imply that, theoretically, vertical spill-overs[1] can make improvements to a strong local supplier industry, which in return produces a foundation for new participants into the downstream industry. As these developed participants continue to rise, the possibilities to drive away the original investors increase. For example, automobile-makers use outsourcing and modular production extensively to reduce internal value-added to focus on developing, marketing, and coordinating external business relationships (Dicken, 1998) and (Nichiguchi & Anderson, 1995). They arrange their supply chain throughout a long-term business relationships network, choosing suppliers with organizational and technological capabilities to meet their needs. On their supply side, the number of interfaces that automobile-makers administrate become reduced by the outsourcing of large modules rather than only parts and creating multiple layers of vendors. The industrial value chains disintegration (Borrus & Zysman, 1998) and vertical specialization conduct or contribute to increasingly complex interfaces.

The international production networks evolution as the dominant mode of industrial activity coordination transforms the competitive challenge for local companies in the emerging economy to provide a global player.

The interaction or the collaboration with key network partners is vital to an organization's growth and profitability. It creates new challenges for management in terms of strategic flexibility and capacity building (Birkinshaw & Hagström, 2000).

Network organizations play a fundamental role in the advancement of industrial clusters, and thus in industrial development (Chandler & Sölvell & Hagström, 1998). Investments from leading companies can attract other members of the network to the same site and thus create greater impact than the inceptive investment alone (Rugman & d’Cruz, 2000) and (Meyer, 2000).

The long-term supplier relationships nature and the global scope of established big businesses (incumbents) increase entrance barriers for small businesses in emerging economies. Even when processes of competitive bidding are employed, incumbents benefit from their long-standing relationship, reputation, and global production network, that provides customer-specific expertise. In addition, large companies can guarantee better quality and delivery services in time.

[1] Horizontal spill-overs are manifests between firms in similar stages of the production chain, while vertical spill-overs occur between firms in customer and supplier relationships.

Empirical Evidence for Inter-Industry Spill-overs

Inter-industrial effects result from the interaction between firms in different industries, including through supplier-buyer relationships. In his article, Dunning discussed that at the time the available studies were unanimous on the fact that the presence of FDI has helped boost the productivity and standards of many local suppliers and that this has often had advantageous effects of spill-overs on the rest of their operations (Dunning, 1993). However, the empirical evidence of these benefits is to be established as this requires industry-level knowledge of input-output relationships.

According to recent studies, Smarzynska (2002) finds that there is a positive relationship between the productivity of supplier industries and industries with a strong foreign presence while finding no evidence of spinoffs or spill-overs within the same industry. She demonstrated the existence of backward linkages in Lithuania. In addition, Smarzynska shows that the effect of productivity is greater when foreign investors are oriented and directed to the domestic market rather than to export but finds no variation in the spill-overs between joint ventures and wholly-owned subsidiaries. In a similar study for Indonesia, Blalock (2001) found strong evidence of FDI spill-overs in vertically related industries, while FDI in the same sector has no significant effect.

Kugler (2001) uncovered that the most important impact of multinationals in Colombian manufacturing is on the other side (domestic firms) rather than within the own industries of subsidiaries. Harrison and Aitken (1991) found that in Venezuela, forward-linkages have had positive effects, but still backwards-linkages seem less beneficial, which they assign to the high propensity of foreign firms to import. Similarly, Schoors and Van der Tool (2002) found that backwards-linkage binding effects were positive and significant at the same time they surprisingly found that the effects of forward-linkage were negative and significant.

In their study, Belderbos, Fukao and Capannelli (2001) applied an innovative approach to study vertical linkages. They managed to analyse domestic content ratios of Japanese manufacturing affiliates abroad in 14 countries to determine the interaction extent of project-specific and country-specific determinants with domestic suppliers. They discovered that there are more linkages for older affiliates, joint ventures, and acquisitions, and in less developed countries, as well FDI by less R&D in-depth investors. Locally variables that increase local content are the development of the infrastructure and the industry size of the indigenous supplier. This backs up the arguments regarding the made above absorptive capacity. In addition, domestic content requirements seem to have a positive effect, while FDI set to overcome tariff barriers have lower domestic content.

In conclusion, there exist broad consensus and equitable econometric evidence to support forward and backward linkages. Further research is expected to link research on international production networks with empirical studies related to spill-overs of horizontal and vertical productivity.

2.8.3. Competition and the Crowding-Out[2] Effect

Entry from abroad usually increases competition in many things into economies' markets. This raises many questions for impact assessment, including the following two: is increased competition good or bad for domestic businesses and consumers? And how does competition affect rent distributions into the industry?

Economists generally point out that increased competition would benefit consumers because of lower prices and higher quality of the products and services. For tradable products, the transparency and openness of the regime of international trade may be good enough in generating competition. However, the acquisition entry does not raise the competitor's number on the market, but it can change the interaction pattern among competitors. In his article, Caves Richards E. has thus argued that in any situation of a market, at the same initial scale, the entrance of a foreign subsidiary likely produces more active rivalrous behaviour and brings improvement in the performance of the market than the domestic entrance to the market (Caves, 1971).

With the same thoughts or spirit, Wang and Blomstrom (1992) and Glass and Saggi (1998), in their spill-overs models, asserted the significance of competition. Foreign firms' entry into the host economy market can lead to the augmentation of the competition and push inefficient local firms to employ more efficiently the existing technology or to seek new technologies, while lower-performing firms may be excluded from the market. The remaining local firms would acknowledge that to be able to manage concurrence with foreign firms; they must invest more in advanced technologies to increase their output.

And yet, foreign investors can dominate the local industry, especially when, in their favour, there is a significant difference in technology between them and their domestic competitors. This can be beneficial to consumers in getting higher quality products and services at lower

[2] When the economy is operating near capacity, government borrowing to finance an increase in the deficit causes interest rates to rise. Higher interest rates reduce or "crowd-out" private investment, and this reduces growth.

prices. However, local businesses can be squeezed out, and the stakeholders of these companies, especially employees, can lose their investments in specific industries. Although, empirical evidence on the link between competition and spill-overs is inconclusive. Haddad and Harrison found no proof of technological spill-overs in their evidence from panel data for Morocco, but increased competition from foreign investors appears to be pushing domestic firms to the frontier of best practices in low technology industries (Haddad & Harrison, 1993). It has been shown by Blomstrom, Zejan and Kokko in their study that in Mexico, domestic competition is positively correlated with technology imports by multinationals. This effect is stronger and pervasive in the consumer goods industry, which became known to request the least advanced technologies (Blomstrom, Zejan and Kokko, 1992).

Consequently, increased competition from foreign entry would, in most cases, benefit customers, but in the same industry, the firms' effects depend upon the structure of the industry. Theoretically, some arguments imply that a positive effect of encouraging domestic competitors to enhance their efficiency and induce improvement in their technology is feasible if the difference is not too significant. If local businesses are weak, foreign entrance may lead to their exit eventually.

2.8.4. Transformation: Impact on Society

The foreign direct investment literature on the social impact has largely developed separately from the literature on economic impact since neither management specialists nor economists seem to be particularly interested in social issues, with attainable institutions exceptions that facilitate a market economy[3]. In this section, I briefly outline certain arguments and evidence regarding the impact on the verge of non-economic aspects related to the host society.

Institutional development

Foreign Direct Investment can engage in the institutions' development that facilitate a market economy functioning. By lobbying, foreign investors can press or lay stress on local governments to alter the institutional framework to meet the market economy needs. The intent of FDI attraction can encourage governments not only to liberalize laws of foreign investments but also to initiate general laws that rule the relationships related to business and

[3] A market economy is a system where the laws of supply and demand direct the production of goods and services.

thereby lead to more comprehensive reforms of the legal system. In interacting closely with the administration, large investors influence the interpretation of the new laws, if not the laws themselves as well. They can also assist in the enforcement of international laws and the establishment of the necessary administrative procedures. During the early years of economic transition, those types of leverages or influences were particularly welcomed in Eastern Europe (McMillan, 1993).

And yet, foreign investors pressurize on their own interests and in the functioning market economy interest. Investor inquiries may not always be in the interest of host societies. For example: looking to tariff protection, tax exemptions or local content requirements.

FDI in services and infrastructure business generate another type of institutional advantage. For example, for economies in transition, to invest in the financial sector helps to overcome the sector's fragility and weaknesses (Anderson et al., 1996). Nowadays, foreign investment in telecom operators pushes major domestic technology improvements and efficient competition in the sector. For instance, the development of mobile telephone technology, internet distribution infrastructure, the transmission of information, etc. This eventually, in the long run, decreases the costs of communication for actors in the society (people, businesses and institutions) and therefore increase their productivity. The same positive effects risen from FDI occur in other public services, such as energy distribution, motorways, health services, airport projects, etc. (Anderson et al., 1996).

The host society and natural environment

The literature related to the environmental and societal impacts of foreign direct investments has largely developed separately from the literature on economic impact due to lack of interest by the field's scholars as well. But many aspects of the host society are influenced by FDI. The multinationals impact on the host economies society and natural environment can be negative or positive (Dasgupta et al., 2002), (Zarsky, 1999) and (Chudnovsky & Lόpez, 2002).

Many findings insist on the positive effect that in transferring modern and environmentally unharmful technologies and production processes to host societies, multinationals ameliorate the standards in force in respective economy - this is called "**the halo effect**[4]". On the

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[4] Many scholars assume or hypothesize that FDI has a positive environmental impact that is very similar to its positive impact on productivity. These positive externalities are large since

contrary view, however, when multinationals prefer to transfer outdated harmful or unfriendly production processes and technologies to places where environmental regulations are less stringent – this is called "**the pollution haven effect**[5]".

Multinationals present two motives in transferring advanced technologies that are environmentally friendly to host emerging economies, even there exists a loss within local legal or ethical standards. First, multinationals using their global technology and procedures can save money on engineering standards in design, equipment purchase and maintenance; and they incorporate global production and logistics so that they can reduce the potential liability for regulatory change (Hart, Dowell, and Yeung, 2000). The second motive is related to the reputation desire for being considered, in the eye of others, to be acting ethically, or, more specifically, from the potential dangers of damaging the global brand with major scandals. In emerging economies, globalization is also increasing institutional and customer pressures on businesses to outpace domestic requirements.

With pollution halo effects, foreign investors become more energy-efficient users (Harrison and Eskeland, 1997). This is an important positive aspect of environmental impact. The international linkages of firms take part in their adaptation related to the industry standards of self-regulation (Christmann & Taylor, 2001). In addition, other studies indicate that pressure from the local communities is more important than ownerships to explain environmental performance (Hettige et al., 1996) and (Zarsky, 1999).

In environmental circles, on the other hand, the pollution haven effect has become a major preoccupation where multinational companies are worried about evading rigid environmental standards in the host economies. This would set and trigger a race-to-the-bottom in host economies respective environmental standards. Empirical proof proposes that running away from environmental regulations is not MNEs essential motive for offshoring production as compliance costs are mostly low relative to total production costs and alternations of legal

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FDI has the potential to transfer higher technologies from more developed economies to less developed economies. This assumption is often called the "halo effect" of the FDI.

[5] Based on the assumption that multinational enterprises (MNEs) can harm the environment if they seek to exploit the existence of lax environmental regulations of host countries and the pursuit of a "pollution haven". This strategy is also known as the race to the bottom hypothesis.

systems in developing countries which have reduced regulatory differences that may have endured in recent years (Jaffe et al., 1995), (Zarsky, 1999) and (Dasgupta et al., 2002).

Business ethics and social-political environment

Social-political impact refers, however, to characteristics of the host economy and the role that multinationals play in the economy's social and political development. With interaction with consumers in local communities, government institutions as well as the private sector, multinationals may raise many ethical issues that can ruin the host country's economy. Some raised issues include:

Corruption **-** In many emerging economies, corruption is a significant issue. Foreign investors face a trade-off or compromises between "doing the same as locals" and losing potential business opportunities. With the foreign investors' entrance, however, the amounts of money available to grab or collect become too much, and consequently, the potential damage caused by the practices of corruption to the local economy becomes high (Mauro, 1995).

Ethical issues related to marketing - Due to the use of modern means of marketing to present their products often to uninformed consumers, foreign investors sometimes cross the line of respecting existing domestic norms and standards. Where consumer protection is not well developed, this raises ethical marketing issues. For instance, cinematology marketing when involves sexual graphics, clothing marketing when they do not cover well sensible parts of the human body (e.g., women breasts and sex organs when advertising bras and knickers), etc. (Khairnar, 2004 and Barry, 2002).

Dictatorship promotion - In many emerging economies, multinational companies often face governments leaders that can be called democratically elected. However, the called elected leaders hold power over businesses and people as well as the entire legal, economic, and political systems. But on the contrary, in economies with mature democracies, all sovereign power is based on the people, but multinationals often have more economic power than host economies (Rauch J, 2000).

2.9. The Necessity of Economic Integrations in African Emerging Economies

For many countries in Africa, especially sub-Saharan Africa (SSA), participation in regional trading blocs appears to be a logical decision considering their markets small size, the isolated (landlocked) nature of many countries on the continent, and infrastructure issues. Regional economic integrations seem to provide a way to conquer these limitations by offering opportunities to exploit economies of scale and access to bigger markets through the diminution of tariff and non-tariff barriers. Countries should exploit the trade benefits through intraregional trade between members of the same REC (Regional Economic Community) and, in doing so, "learn by exporting" in anticipation of entry into foreign markets. This should also facilitate investments in cross-border infrastructure that would otherwise be impossible (considering the individualism nature) for different countries. Convergence between member States is also an anticipated outcome as small countries attain access to and relay (build) on already developed capacities in the largest partner states. According to Todaro and Smith (2006), the trade hypothesis of developing countries should go beyond greater trade with one another and move in the direction of economic integration. “The basic economic rationale for the gradual integration of the less developed is a long-term dynamic one: Integration provides the opportunity for industries that have not yet been established as well as for those that have to take advantage of economies of large-scale production made possible by expanded markets” (Todaro and Smith, 2006). It is these benefits, and particularly the success of other regional arrangements like the European Union, that has caused countries in Africa and other parts of the world to sweep into regionalism. The theory of economic integration can be regarded as the commercial policy of discriminatively reducing or eliminating trade barriers (technical and non-technical barriers) only between the states joining together (Salvatore, 2004). The main inspiration is the political and economic preferences among the members. Regional economic groups eliminate or reduce trade tariffs (and other trade barriers) among the Partner States while maintaining tariffs or barriers for the rest of the world (non-member countries). The lowest level of collaboration in regional arrangements, by and large, involves at least trade, but deeper integration goes further and covers issues other than trade. “In some respects, the United States is the perfect example of economic integration - the largest economy comprised of fifty states in the continental United States plus Alaska and Hawaii, a common currency, and a perfect labour and capital mobility and however it is just a one (check reference) country” (Daniels et al., 2004).

Regional economic integration in Africa has a long history, but indeed, it has not been so effective, and it faces some challenges such as overlapping memberships due to the multiplicity of its economic communities. Geographical proximity, cultural, historical, and ideological similarities, competitive or complementary economic linkages, and a common language among the partner States are among the desirable conditions for effective economic integration. The similarity and smallness of the African countries together with the competition between each other in the global market for the same agricultural products, are among the reasons responsible for the past lack of success in the economic integration in the continent. Regional Economic Integration offers many benefits to the participating member countries. However, these benefits are not pre-determined, and they depend, among other things, on the internal design of the integration, including the degree of political commitments by the Member States (UNCTAD, 2004 and Daniels et al., 2004).

The necessity and the benefits related to effective economic integration for developing countries of Africa can better be understood from other successful regional intergovernmental organizations as case studies, such as the EU and others.

2.10. The conclusion of the chapter

This chapter resumes the literature review of the international trade and investment agreement in emerging economies. It has been shown that new economic integration relationships occupy a substantial palace for the economic growth and development of emerging countries. The regulations created through international trade and investment agreements and multilateral organizations present potentially keen implications for foreign direct investment and multinational companies' operations.

The outcomes from international trade and investment agreements impact emerging market economies through direct and indirect spill-overs effects. These effects arise through the exchange between foreign firms and domestic ones when the participating countries adopt the new trade and investment agreements, respectively. The rulemaking of international trade and investment is becoming highly multi-faceted, multi-layered, and fragmented, and its amendment has become a "must". This requires negotiators, policymakers, civil society, and other stakeholders to become more well informed about international trade and investment agreements, foreign direct investment, and their effects on sustainable development.

International trade and investment throughout regional economic integration organizations are a necessity for countries in all continents, especially Africa. This is because they play a substantial role in establishing key links and relationships between countries. The following third chapter discusses the literature review related to the East African Community (EAC).

CHAPTER 3:

UNDERSTANDING THE EAST AFRICAN COMMUNITY IN THE CONTEXT OF INTERNATIONAL TRADE

3.1. Introduction

This chapter briefly provides an overview of the countries forming the East African Community (EAC). This is a dynamic and vibrant Political-Economic Community that has set ambitious goals to deepen its integration. It is a regional intergovernmental organization headquartered in Arusha, Tanzania. It is a considerable achievement in investments and trade-related in the East African region, and it is promoted as an economic, social, and political integration agenda among six-member states, including Burundi, Kenya, Rwanda, South-Sudan, Tanzania, and Uganda.

The EAC economies depend mainly on exports of agricultural products, although industrial production, especially manufacturing, has recently started ascending in all the countries making up the trading bloc. At the same time, the service sector has developed mainly in the areas of tourism, ICT, and financial services (EAC Secretariat, 2017). The review within this chapter provides data in fulfilling the achievement of the current study's objectives. The review includes numerous reports prepared by agencies, business reviews, researched findings and as well as publications conducted by independent observers.

The literature review question in this chapter is "*International Trade and Investments agreements in Emerging Economies of the East African Community*".

The reviews consist of systematic and integrative reviews. They involve data collection, interpretation, and syncretization from localized sources to address the topic in an integrated manner.

The inclusion/exclusion criteria become determined after setting up the search questions. The topics of chapter subsections form the review search questions. If there is not enough accurate data, exploratory research shall be conducted to determine the appropriate criteria. The criteria include the article/publication type (to determine whether the source is reliable), interest exposure (to determine experienced situations), geographical location (to target a specific area and countries) and time (for assessing the actuality of the data in the source – mostly from 2000 to 2016 in this chapter). With inclusion and exclusion criteria, the limits were set and applied to each subsection.

3.2. A Brief History of the EAC

Since its creation, the organizations started as Customs Union for future co-operation between Kenya and Uganda in 1917, and then Tanganyika (currently Tanzania) joined later in 1927. The organization experienced a continuous change over time. It became the East African High Commission from 1948 to 1661, the East African Common Services Organisation from 1961 until 1967, the former East African Community from 1967 to1977, the East African Co-operation from 1993 until 2000 and then the current East African Community since 2000 up to now.

The organisation possessed the same name as today (East African Community) in 1967 until its dissolution in 1977. Then, the tripartite member States negotiated a mediation agreement with Assets and Liabilities passion, which they signed in 1984. Subsequent meetings between the three Heads of States (Kenya, Tanzania, and Uganda) culminated in signing the agreement which established the Permanent Tripartite Commission for East African Cooperation on November 30, 1993.

In considering the need to consolidate and strengthen the regional cooperation, the three Heads of State of East African cooperation, on 29 April 1997, at their second summit in Arusha - Tanzania, solicited the Permanent Tripartite Commission to start the process of improving the agreement. From April 1998, a draft treaty for the East African Community establishment was launched by the Permanent Tripartite Commission in Arusha, Tanzania. After one year and a half, on 30 November 1999, the treaty establishing the East African Community was signed in Arusha. Then, eight months later, on 7 July 2000, the treaty establishing the EAC entered into force.

As mentioned above, EAC was formed originally as a preferential trade agreement between Tanzania, Uganda, and Kenya. But the organization continued to grow over time, Rwanda and Burundi joined in 2007, and South-Sudan became the sixth member State later in March 2016. Three steps towards integration have been launched: The Customs Union in 2005, the Common Market in 2010 and the Monetary Union in 2013. Currently, the five participating countries are seeking to introduce a single currency by 2024. The heads of states in the East African community consider these changes as essential to achieving the supreme goal of a political federation, on the understanding that it generates not only the free flow of services, goods, and capital in the region, but also improves the overall well-being of the general population through sustained and inclusive growth (EAC, 2019).

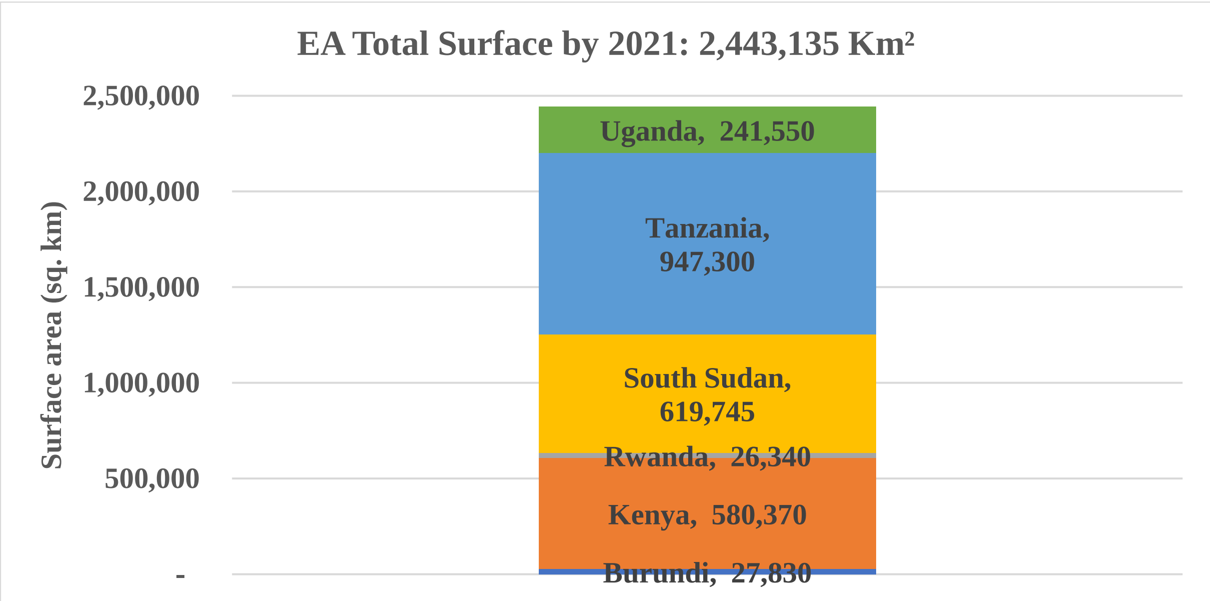
The EAC is considered as a large market, counting its population of more than 190.07 million people in 2019 (World Bank data, 2019 and EAC, 2017), including South Sudan. The people of EAC share a common history, language, culture, and infrastructure. These advantages provide the partner States with a unique framework for regional cooperation and integration. According to the EAC establishment treaty, this envisaged framework in the community is broad-based, covering: first - trade, investments and industrial development; second- monetary and fiscal affairs; third - infrastructure and services; fourth - human resources, science and technology; fifth - agriculture and food security; sixth - environment and natural resources management; seventh - tourism and wildlife management; and eighth - health, social and cultural activities (EAC Establishment Treaty, 2002).

3.3. Basic Facts of the EAC Partner States

3.3.1. The Total Area of the EAC

The EAC intergovernmental organisation consists of six countries, including Burundi, Kenya, Rwanda, South Sudan, Tanzania, and Uganda.

Figure 3. 1: the total surface of the EAC



Source: World Bank Data 2021

Figure 3.1 above indicates the totality of the EAC surface by 2021. The surface totals 2 443 135 Square kilometres, consisting of 27 830 km² (for Burundi), plus 580 370 km² (for Kenya), plus 26 340 km² (for Rwanda), plus 619 745 km² (for South Sudan), plus 947 300 km² (for Tanzania), and lastly plus 241 550 km² (for Uganda).

The localization of the EAC member countries is presented on the following map.

3.3.2. East African Community (EAC) map

Figure 3. 2: EAC Map

Source KFW Development Bank

3.3.3. Key Facts for BURUNDI

Country Overview

The country of Burundi is small landlocked with 27,830 km² with a tropical climate. The country counted 11.53 million in population in 2019. It is among the last world five of poorest countries. It is defined as Africa second-most densely populated country (with 470 inhabitants / km²). According to the Human Development Index (HDI), approximately 65% of people in Burundi lives below the poverty line, thus this classifies Burundi at the place of 180th out of 186 countries. (HDI, 2017). In this country, poverty has a massive impact on small rural farmers. The economy of Burundi is highly dependent on the agricultural sector. Despite the presence of extreme insufficient of arable land, the agriculture sector employs 90% of the population alone (World Bank reports, 2017). Its climate and its fertile soil give Burundi a comparative advantage in certain agricultural subsectors.

Political Context

As an independent country, the history of Burundi has been marked by strong political instability and lasting violence. However, Since the 2000 Peace Agreement in Arusha (Tanzania) between the Burundian government and its rebels, the country has enjoyed relative steady peace stability, cobbling the way for economic recovery. Even so, due to the re-election of Burundian President Pierre Nkurunziza after bending the country constitution in 2015, another political crisis got triggered and claimed the lives of hundreds of people. UNHCR registered 410,000 refugees and as well asylum seekers who fled their home country. Burundi decided to withdraw from the International Criminal Court (ICC) on October 27, 2017. The economic-political power is dominated by the ruling party, The National Council for the Defence of Democracy–Forces for the Defence of Democracy (CNDD–FDD). This has strengthened its control over the government. In April 2017, UN Secretary-General appointed a new special envoy to Burundi led by Michel Kafando (former Burkina Faso transitional president), and its first report was to recommend more inclusive dialogue and respect for the Arusha Peace Agreement and noted that the current constitutional revision could lead to risks related to radicalizing the positions of the various political actors (World Bank reports, 2017).

Social conditions

Most of the Burundian population continue to be affected by poverty, especially those living in rural areas. With Burundi ranking last on the World Hunger Index 2013, the alarm for food insecurity remains persistent. Nearly one in two households (about 4.6 million of the population) suffer and present high insecurity in the food supply. Furthermore, more than half of children are growth retarded (WFP, 2014 and 2016). Access to particular basic infrastructure such as water, sanitation, etc., is minimal and less than 5% of the Burundians have electricity (World Bank, 2016).

According to evidence from World Bank reports (2017), the efforts of poverty reduction in Burundi are hindered by innumerable challenges such as a weak, fragile rural economy, a high dependency on development aid, an economic policy that does not permit for equal resources distribution, a vulnerability to unfavourable events related to the environment, and high rate of the fertility of persisting 6.3 and 5.8 births per woman in 2010 and 2015 respectively (Statistica, 2019), which cause uncontrolled population growth counting the country extent even it is slowly decreasing.

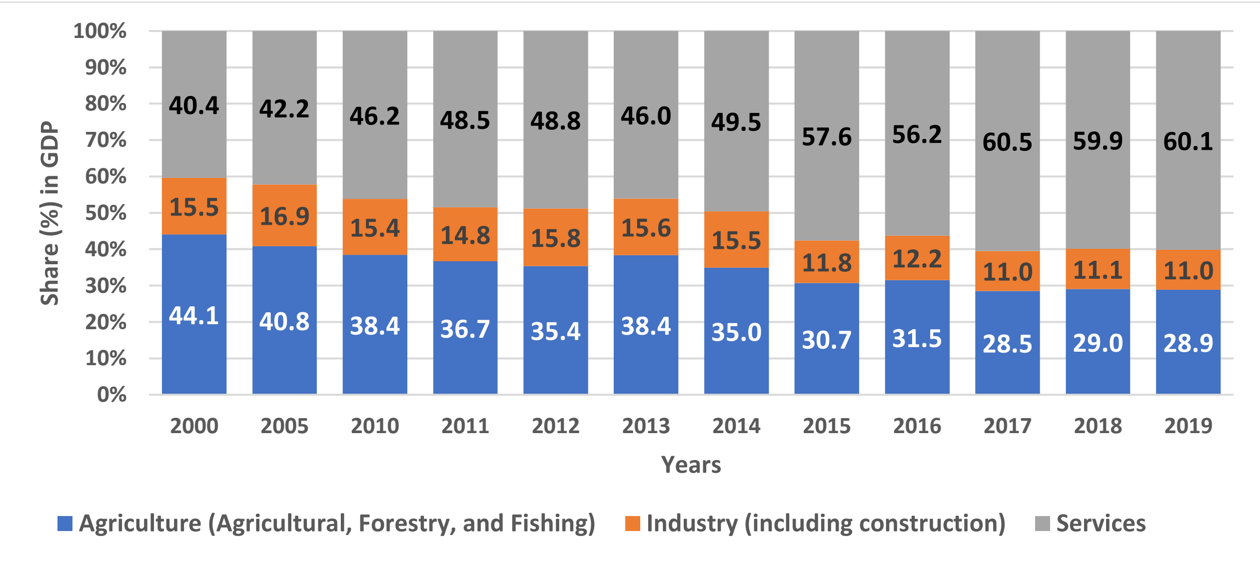
Economic features

According to the World Bank reports (2019), the recession keeps on plaguing Burundi due to the fragile economic and political environment and low levels of private consumption caused by down-swinging food production linked to climate impacts and obliged migration (internal displacement of persons and refugees). In the Burundian economy, inflation stays moderate at about 6%, below the convergence level of 8% agreed in the East African Community (EAC) regional integration agreements. Burundi possesses some amount of mineral wealth, including coltan (columbite-tantalite), nickel, cassiterite, vanadium and gold.

The foreign exchange reserves, which are extremely low, limit significantly imports, including medical drugs and fuel, which are considered by the government as a priority. The authorities are trying to strengthen domestic resources to compensate for the external budget support loss (UNDP – Human development reports, 2019).

The pressures of exchange rate continue to persist, despite the Burundian Central Bank interventions in the foreign exchange market, including injections of the liquidity and foreign exchange restrictions, reducing the official exchange rate depreciation to 5.5% in 2016. But the parallel Statistical Capacity score (Overall average) winged its way up from 55.6 in 2015 to 62.2 in 2016 (Appendix 3.1, World Bank, 2019).

Figure 3. 3: Share of Economic Sectors in GDP of Burundi from 2000 -2019



Source: World Bank, 2020

Figure 3.3 above shows the statistics of the share of economic sectors in the gross domestic product (GDP) in Burundi from 2000 to 2019. In 2019, the share of agriculture in Burundi's gross domestic product was 28.9 per cent, the industry contributed approximately 11.0 per cent, and the services sector contributed about 60.1 per cent. The service sector contributed much more than the Agricultural sector, and even this employs more than 90% of the population.

Trade Performance

Burundi's trade (exports and imports) pattern has not moved significantly since the country's previous Trade Policy Review (TPR) in 2003. The balance of payments of Burundi shows a chronic current account deficit due to a low rate of import coverage by exports and a relatively large deficit in the services account. The share of trade to GDP accounted for 29.7% in 2005 and 35.4% in 2019. The ratio of exports to GDP declined from 9.4% down to 6.2 in 2011, while the proportion of imports to GDP increased rapidly from 16.2% in 2000 up to 31.9 in 2016, resulting in a continuing external trade deficit of US $ 772.04 million in 2016, or 25.7% of the GDP. The resulting current account deficit was partially financed by the increase in total external debt stocks (DOD), which averaged 751.6 US$ million or 24.99% of GDP between 2000 and 2016 (Appendix 3.1, World Bank, 2019).

Foreign Direct investment

Despite its legislative efforts, Burundi is still faced with difficulties in attracting Foreign direct investment (FDI) due to the characteristics of its infrastructure, economic-political policies, its instability issues, and related other business services. Based on Appendix 3.1, per capita, FDI inflows are even lower in Burundi than in all other EAC countries, although they have been increasing since 2009, from 0.35 million in 2009 up to 116.73 million in 2013 81.75 million in 2014 and 49.62 million in 2015. But the FDI inflows decreased dramatically down to 0.06 million in 2016. The FDI represented on average 1.3% of GDP between 2009 and 2015, compared with almost zero between 2001 and 2008. According to UNCTAD, in 2010, the FDI estimated stock reached 6% of GDP compared to FDI stock estimates for Kenya (7%) and Rwanda (8%). The Doing Business 2012 report refers to recent advances and reforms in investor protection. Nevertheless, Burundi's ability to attract FDI can be improved by reducing high production and transaction costs, as well as by improving energy infrastructure, political stability, and other basic business services (Appendix 3.1 and UNCTAD, 2017).

Trade Agreements and Arrangements

From 23 July 1995, Burundi became a member of the World Trade Organization (WTO), and the country belongs to the Least Developed Countries (LDCs) Group during Doha and G-90 multilateral trade negotiations. Burundi as a Least Developed Country has gained in implementing several provisions of various WTO agreements, such as the Customs Valuation Agreement, Agreement on import licensing procedures and the TRIPS Agreement. But even so, Burundi met a various number of challenges due to capacity lack in implementing the WTO Agreements (UNCTAD, 2010).

As on regional and bilateral agreements, Burundi is part of EAC (since July 1, 2007); Common Market for Eastern and Southern Africa (COMESA); the Economic Community of Central African States (ECCAS) and the Economic Community of the Great Lakes Countries (ECGLC). Under the EAC, since 2007, Burundi has participated in Economic Partnership Agreements (EPAs) negotiations as well. Other bilateral agreements that Burundi is involved in include BLEU (Belgium-Luxembourg Economic Union) - Burundi (1989), Burundi - Comoros (2001), Burundi - Egypt (2012), Burundi - Germany (1984), Burundi - Kenya (2009), Burundi - Mauritius (2001), Burundi - Netherlands (2007), Burundi - Turkey (2017), Burundi - United Kingdom (1990), (UNCTAD, 2018).

3.3.4. Key Facts for KENYA

Overview of the country

As a key regional prominent actor in East Africa, Kenya is an essential communications and logistics hub, with a major important Indian Ocean port and strategic land borders with Uganda, Ethiopia, Tanzania, South Sudan, and Somalia. With a mostly tropical climate, the Republic of Kenya covers an area of 580,370 km² on the east coast of Africa. It counted about 52.57 million inhabitants in 2019.

Social conditions

Kenya is a country of lower-middle income with a GDP per capita of 1,455.4 USD in 2016 and a Human Development Index (HDI) of 0.555 in 2014 (classifying Kenya to the place of 146 out of 187 countries). This explains the fact that More than 40% of Kenyans live below the poverty line, with less than USD1.25 a day (world bank, 2016). The most vulnerable people are families and children living in slums, mostly in urban areas, in northern Kenya arid lands and in-country most affected areas by HIV/AIDS. They are also areas with high infant mortality and lower enrolment in schools (UND-HDI, 2019)

In terms of social development, Kenya has achieved some of the Millennium Development Goals (MDGs), including the reduction of child mortality, near-universal enrolment in primary schools, and the reduction of gender gaps in education. Increased interventions and spending on health and education are paying off. Despite the challenges faced by the health system, decentralized healthcare and free maternal care in all public healthcare facilities will enhance healthcare outcomes and ameliorate a more impartial healthcare system.

The young and growing population of Kenya, the vibrant private sector, the highly skilled workforce, the improved infrastructure, the renewed constitution, and the central role in the East African region give Kenya the aspiring hope to be one of the best and great successes of Africa. It is planned that the fight against poverty, inequality, biased governance, and skills gap (between requirements of the market and the education program) to be major objectives, as well as issues related to climate change, low productivity and low investment (World Bank, 2017).

Political Context

Until late 2007, Kenya was considered one of the most stable countries in Africa. But the late December 2007 presidential election between the incumbent Mwai Kibaki (Party of National Unity - PNU) and Raila Odinga (Orange Democratic Movement - ODM) triggered violence outbreaks across the country that killed more than 600 people. Decentralization is the biggest gain of the 2010 constitution, transforming political and economic governance and strengthening the accountability and public services delivery at the local level. However, the main development challenges remain, including poverty, inequality, and climate change. However, Kenya is still suffering from an atmosphere of political uncertainty created by controversial elections between President Uhuru Kenyatta and his main rival, Raila Odinga. This contributed to a blockage of the economy. And political environment tensions in Kenya are also worrying its neighbours, who use the Kenyan Mombasa port as a transit point for their imports and exports (World bank reports, 2017) and (Trade Law Centre - TRALAC, 2017).

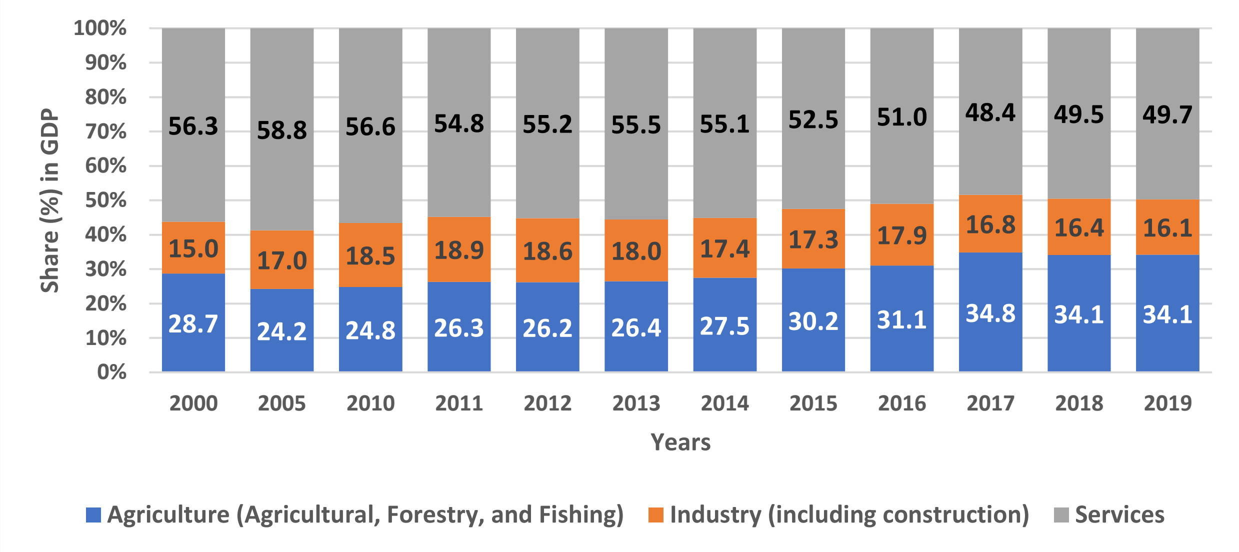
The Conditions of Kenya's Economy

After declining in 2008, Kenyan economic growth resumed, reaching 5.8% in 2016 to place Kenya among the fastest growing economies in sub-Saharan Africa. This expansion was boosted by the stability of the macroeconomic environment, low oil prices, the rebound in tourism, significant inflows remittances and government-led infrastructure development initiatives (UNDP, 2017). Kenyan short-term GDP growth decreased in 2017 to 4.8% due to dryness, weak growth of credit, concerns related to security and rising oil prices. According to World Bank reports and World Development indicators, Kenya is classified as Not-Least Developed Countries (Not-LDC) group. The same reports state that Kenyan GDP growth for the medium term is expected to rebound respectively to 5.8% in 2018 and 6.1% in 2019

(Word Bank, 2017), depending on the ongoing infrastructure projects completion, the slow credit growth resolution and as well as the global economy strengthening and tourism.
In 2008, Kenya adopted a long-term Vision 2030 development plan covering the period 2008-2030. The vision aims to make Kenya a middle-income country by 2030, according to the Kenyan authorities. It is implemented through five medium-term plans. The first one covers the 2008-2012 period and focuses on establishing economic growth and employment as a critical factor in reducing poverty. It also stipulates specific measures to address the disparities and inequalities of income among households and regions in Kenya while paying particular attention to good governance and capacity building.
The GDP growth rate was 5.8% in 2016, compared to 5.7% in 2015 (Appendix 3.2). This is due to widespread growth in many economic sectors, spurred by the Economic Recovery Strategy (ERS) for the creation of wealth and jobs. As a result of the consistent political uncertainty, the Kenyan GDP growth rate declined dramatically, respectively, to 1.5% and 3.3% in 2008 and 2009 (World Bank, 2011).

The government has taken several economic directives to tone down these shocks impact on the country's economy. It has implemented an economic recovery program by financing public projects in the fields of agriculture, infrastructure, services, education, and health. In continuing to support economic activity by facilitating private sector access to affordable credit, the Kenyan government through the Central Bank of Kenya has gradually adjusted the Central Bank Rate (CBR) from 8.5% in January 2009 to 6% in July 2010. Furthermore, in the first half of 2009, it has reduced the reserve requirement ratio from 5.0% to 4.5%. These macroeconomic directives helped the economy to recover, in collaboration with the recovery in international markets and mended rainfall with an 8.4% GDP growth rate in 2010. However, high international prices of oil and food impacted this new dynamic growth negatively by decreasing GDP growth to 6.1% in 2011 (World Bank Reports, 2017 and Appendix 3.2).
The Human Development Index rose to 0.555 in 2014 from 0.473 in 1990, placing Kenya at the threshold of classification as a country with medium human development. However, poverty and inequality remain major development challenges, which are compounded by a demographic youth bulge that poses significant development challenges for the labour market.

Figure 3. 4: Share of Economic Sectors in GDP of Kenya from 2000 -2019



Source: World Bank, 2020

Figure 3.4 shows the statistics of the share of economic sectors in the gross domestic product (GDP) in Kenya from 2000 to 2019. In 2019, the share of agriculture in Kenya's gross domestic product was 34.1 per cent, the industry contributed approximately 16.1 per cent, and the services sector contributed about 49.7 per cent.

Investment Performance – Foreign direct investment

The performance of Kenya foreign direct investment (FDI) is still weak compared to its neighbour countries. The main challenges related to this week FDI performance include insufficient infrastructure and complex administrative procedures. Based on the World Bank reports, the ranking of Kenya is 109th in 2016 (respectively 106th in 2011) out of 183 economies to facilitate business. The same reports stipulated that starting an enterprise in Kenya requires an average of 33 days and 11 different administrative procedures.

During the reporting period, due to the processes of privatisation and new investments in mobile phone companies, Kenya has benefited from significant FDI flows. With the upsurge in 2007, the entry of new mobile operators and the Telkom Kenya privatization attributed to the amounting up to the US $ 729 million. The primary sources of FDI in Kenya include Australia, China, Germany, India, and the United Kingdom (Appendix 3.2 and World Bank report, 2016).

Trade Performance

Between 2009 and 2016, trade in goods and services accounted for an average of 51.3% of GDP (Appendix 3.2), most of which was attributable to imports (over 32% on average). Kenya's share of total world trade kept low, averaging 0.05 per cent over the same period. The increase in the import bill became large due to the rise of imports related to oil, transport, machinery, and telecommunications equipment, reflecting the increased infrastructure development as well (WTO, 2016)

The value of Kenya' importations increased significantly between 2005 and 2016, from US$ 6.7 billion to US$ 16.5 billion with an apogee of 20.3 billion in 2014 (Appendix 3.2) and as well with a significant share of manufactured goods (over 60% of the value of imports on average). The overall composition of importations has also remained essentially unchanged. However, merchandise trade (% of GDP) increased from 38.1% (in 2000) up to 49.5% (in 2005) and 49.0% (in 2011), and then consistently declined down to 28.1 in 2016 (Appendix 3.2 and UNCTADSTAT, 2017).

The main Kenyan exports are agricultural products, whose share in total exports increased significantly between 2005 and 2010. The main agricultural exports include coffee, tea and horticultural products. Exports of fuel, which accounted for some 18.3% of total exports in 2005, fell sharply over the period to 4.2% (WTO, 2017)

Asia supplies about 42% of Kenya's total imports and remains Kenya's largest source of imports, led by China and India. Europe is also a major source of imports, accounting for 20.6% of total imports (18.6% for EU countries). Imports of Kenya from Africa remain low, and its leading supplier in South Africa on the continent. The United States' share of Kenya's imports has declined significantly over the period, (UNCTADSTAT, 2017).

Trade and investment agreements

For the WTO DDA negotiations, Kenya is an active member, as well as in the regular work of the Organization. Up today, Kenya has submitted several notifications to the WTO. Kenya is aligning its negotiating positions under the DDA with those taken by African and ACP groups, as well as by other groups, depending on the issues to be resolved. Kenya coordinated the African group in 2011, and it was (and stays) the focal point for Africa on market access negotiations for non-agricultural products and for ACP on agriculture and services.

Kenya is a founding member of many organizations, including the EAC, the Association of the Indian Ocean Region for Regional Cooperation (IOR-ARC), the Inter-Governmental

Authority for Development (IGAD) and the Common Market for Eastern and Southern Africa (COMESA). Kenya has also initialized negotiations on Economic Partnership Agreement (EPA) with the EU until its finalizing day on October 16, 2014. Under the EAC, Kenya is currently negotiating the EAC-COMESA-SADC Tripartite FTA. Kenya also participates in the U.S - AGOA agreement and GSP schemes from developed partners, including Canada, the EU, Japan, Norway, Switzerland, and the United States. It is also involved in the trade and investment framework agreement between the U.S and the EAC. Kenya also is involved in the following bilateral agreements Burundi - Kenya BIT (2009), China - Kenya BIT (2001), Finland - Kenya BIT (2008), France - Kenya BIT (2007), Germany - Kenya BIT (1996), the Islamic Republic of Iran - Kenya BIT (2009), Italy - Kenya BIT (1996), Japan - Kenya BIT (2016), Kenya - Korea, Republic of BIT (2014), Kuwait - Kenya BIT (2013), Kenya - Libya BIT (2007), Kenya - Mauritius BIT (2012), Kenya - Netherlands BIT (1970), Kenya - Qatar BIT (2014), Kenya - Slovakia BIT (2011), Kenya - Switzerland BIT (2006), Kenya - Turkey BIT (2014), Kenya - United Arab Emirates BIT (2014), and Kenya - United Kingdom BIT (1999), (UNCTAD, 2018)

3.3.5. Key Facts for RWANDA

Overview of the Country

The Republic of Rwanda is a small and landlocked country with a tropical climate. Covering an area of 26,340 square kilometres, Rwanda is fertile and hilly, with a dense population of approximately 12.63 million people in 2016. This makes Rwanda be the most densely populated country in Africa. The country is the main source of the famous river Nile and is localized in central and eastern Africa and borders the much richer and larger Democratic Republic of Congo in the west, as well as its nearest neighbours Tanzania in the east, Uganda in the north and Burundi in the south. With a GDP per capita of US $ 702.8 and current GDP of US $ 10.1 billion in 2019, the country remains a least developed country. However, according to the International Monetary Fund (IMF) and the World Bank supports, the country has been able to undertake necessary structural and economic reforms and to maintain its economic growth rates (GDP annual growth) over recent years (Appendix 3.3 and World Bank reports, 2017).

Political Context

Rwanda has maintained its political stability since the end of about five years of war in 1994. The parliamentary elections held in September 2013 attributed women to occupy 64% of the seats (UNDP, 2014). This made Rwanda be the first country with a large number of women in leadership positions. The Rwandan Patriotic Front (RPF) maintains dominance in Rwandan governance and with an absolute majority in the Chamber of Deputies. In December 2015, an amendment to the constitution paved the path for President Paul Kagame re-election in August 2017 for a third seven-year term in office.

Social conditions

In Rwanda, the strong economic growth has been accompanied by the achievement of most of the objectives of the Millennium Development Goals (MDGs) by the end of 2015. These include the eradication of extreme poverty and hunger, the achievement of universal primary education, the promotion of gender equality and women empowerment in many sectors and the reduction of child mortality (with a two-thirds drop in infant mortality). The focus on local policies and initiatives has contributed to a substantial improvement in securing access to services and human development indicators. The Human Development Index (HDI) of Rwanda is 0.498, which place the country in the 159th out of 187 countries. The poverty rate decreased from 44 per cent in 2011 to 39 per cent in 2014, while inequality (measured by the Gini coefficient) decreased from 0.49 to 0.45 (UNDP, 2014).

Economic features

Rwanda is still a rural economy, and its urban areas host only 19% of the population. About 80% of the population are employed by the agriculture sector and constitutes about one-third of the country GDP. The activities in the agricultural sector are primarily subsistence crops, and agricultural production is mainly in the informal sector, with a third still produced in the non-monetary economy (World Bank, 2017).

The long-term development goals and objectives are set out in Rwandan -Vision 2020, which is a strategy to transform the country from an agriculture-based and low-income economy into a service-oriented and knowledge-based economy. The vision is targeted to alter Rwanda into a middle-income country by the year 2020. To this end, the Rwandan Government has developed a medium-term strategy - the second Economic Development and Poverty Reduction Strategy (EDPRS 2), which sets out its overall goal of accelerating growth and poverty reduction through four thematic areas: rural development, youth employment and productivity and accountable (responsible) governance. The EDPRS 2 objectives are, first to increase per capita gross domestic product (GDP) up to US$ 1000, second to decrease to less than 30% of the population percentage that lives under the poverty line and lastly to reduce to less than 9% of the population percentage living in extreme poverty. These goals build on outstanding development achievements over the past two decades, including high growth, reduced inequality, and rapid reduction of poverty. During the period 2009 to 2016, the real GDP growth averaged about 7.2 per cent yearly (Word Bank, 2017 and Appendix 3.3).

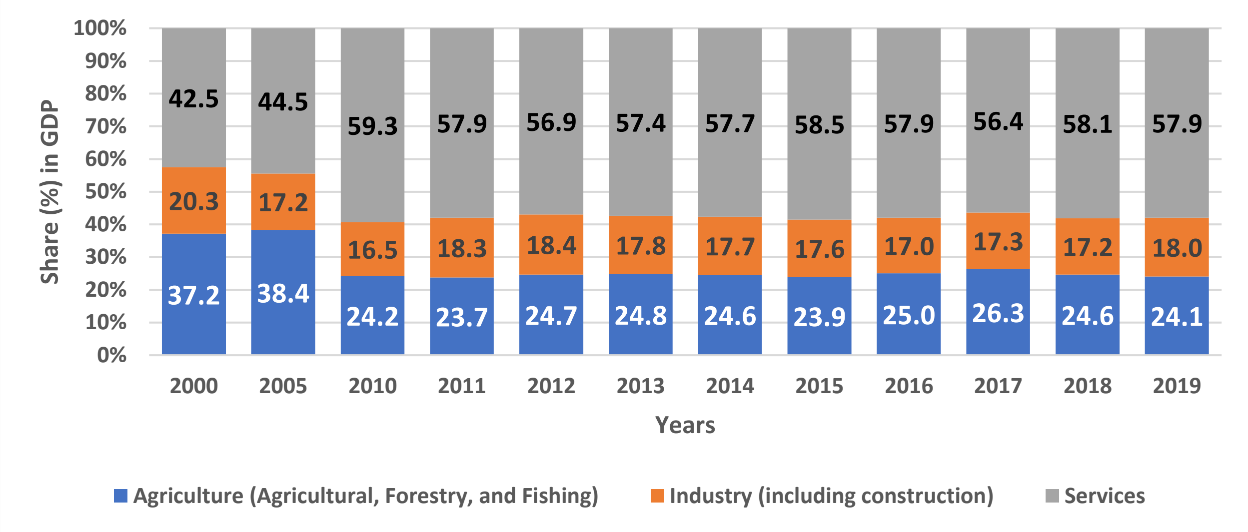
Trade Performance

The Rwandan exports are dominated by agricultural products (including coffee and tea) and mining products. The share of exports of goods and services in GDP increased from 11.5% in 2005 to 15.1% in 2016. Total exports growth accounted for 13% in 2016, from 10.9% in 2005 with huge rebounding (22.6%) in 2011 (Appendix 3.3). The goods share in total merchandise trade increased from 15.2% to 36.3% during the same period; this reflects on Rwanda's efforts to transfer its raw materials and commodities exports to processed products. Other machinery and transport equipment (5.4%) and consumer goods (5.6%) are the main exports of manufactured goods (World Bank, 2017).

Imports grew faster than exports during the period under review, partly reflecting the increase in international prices for food and oil products. With the fuel of imports and the partially substantial donor inflows funding, the total final consumption expenditure scored 98% of GDP (WTO, 2016). As a result, the trade deficit increased during the period. Transportation services imports increased particularly speedily as well as government services. The imports share, over the same period, has risen from 24.8% in 2000 up to 33.2% in 2016 (Appendix 3.3). While the overall balance remained in surplus, the current balance on goods and services accounted deficit for ten years period, which expanded from 13.8% in 2005 up to 20.8% of GDP in 2015 (Appendix 3.3). The coverage of international reserves remained above five months of potential imports.

Although, tourism is the main element of trade in services in Rwanda. It became one of the largest foreign exchange earners for the country even this remains in deficit for trade in services (WTO, 2016).

Figure 3. 5: Share of Economic Sectors in GDP of Rwanda from 2000 -2019



Source: World Bank, 2020

Figure 3.5 above shows the statistics of the share of economic sectors in the gross domestic product (GDP) in Rwanda from 2000 to 2019. In 2019, the share of agriculture in Rwanda's gross domestic product was 24.1 per cent, the industry contributed approximately 18.0 per cent, and the services sector contributed about 57.9 per cent.

Development Challenges

As an enclaved or landlocked economy, Rwandan trading costs are very high. Furthermore, there is a heightened vulnerability to external shocks for the country's economy due to its narrow export base, high dependence on foreign aid and rapidly rising international fuel prices. Its exports have been condensed on a few commodities and minerals on few markets, although diversification efforts and progress have recently been made. It is considered by many actors such as World Bank, IMF, African Development Bank (ADB), Rwandan Authorities, and others that the constraints to private investments include poor infrastructure especially rural transport links, high costs of energy, the lack of access to credit and poor organization for the rural sector, the absence of good agricultural practices and export-related standards to empower diversification in processes of agricultural industries, poor manufacturers competitiveness and the absence of product diversification. In the future, the country's private sector will have to perform a greater part in ensuring Rwandan economic growth.

Foreign Direct Investment (FDI) Performance

Between the years 2005 and 2010, the inflows of foreign direct investment (FDI) rose significantly from US$ 10.5 to US$ 250.5 million, which probably reflects the improvement in the business climate, including lower business costs. However, as a result of the global economic crisis, FDI inflows declined dramatically in 2011, down to 119.1 million, but it was rebounded in 2014 up to 314.74 million. In fact, it looks like FDI increased significantly after Rwanda acceded to the EAC. The capital formation growth rose from 10.9% in 2011 up to 21.1% in 2012 and dramatically declined to 8.2 the following year. In 2016 the overall country growth of capital formation decreased again down to 8.5% from 17.8% (Appendix 3.3 and World Bank reports, 2017)

Trade and Investment Agreements

Rwandan trade and investments agreements include the World Trade Organization (WTO) agreement and as well as regional and bilateral trade agreements.

With the agreements with WTO, Rwanda was a key negotiator under Doha Development Agenda, where it coordinated the African Group during the negotiations on trade facilitation and as well as sharing common positions with other groups such as ACP Group and the LDC Group.

For regional and bilateral trade agreements, Rwanda became a full member of the East African Community (EAC) on July 1, 2007. Rwanda started implementing the EAC Customs Union in July 2009 and the Common Market in July 2010. It is also the Common Market for Eastern and Southern Africa (COMESA) member. It is one of the key initiators for the interim Economic Partnership Agreement with the European Union (EU) in November 2007, in the framework of the East African Community. Rwanda is also part of the Economic Community of Great Lakes Countries (French: CEPGL) (WTO, 2016).

Bilateral agreements that Rwanda is involved in include BLEU (Belgium-Luxembourg Economic Union) - Rwanda (1983) revised in (2007), Germany - Rwanda (1967), Korea, Republic of – Rwanda (2009), Mauritius - Rwanda (2001), Morocco - Rwanda (2016), Rwanda - South Africa (2000), Rwanda – Turkey (2016), Rwanda-United Arab Emirates and Rwanda - United States of America (2008). (UNCTAD, 2018)

3.3.6. Key Facts for SOUTH SUDAN

Country overview

South Sudan, known officially as the Republic of South Sudan, is one of the newest countries that joined the continent of Africa. The country gained its independence from Sudan on 19 July 2011 with Capital Juba. With a population of 11.6 million in 2019, South Sudan is a landlocked country covering 644,330 sq. km. Encountering a hot tropical climate, the country is localized in North-Eastern Africa with highlands in the south along the border with Kenya and Uganda and plains in the centre and north.

Ranking the 181st out of 187 countries with 0.418 of Human Development Index (HDI), South Sudan does not have a broad and substantive history of many development indicators from which the country information can easily be developed at this time. The Republic of South Sudan borders Sudan from the north, the Central African Republic from the west, Ethiopia from the east, Uganda, Kenya, and the Democratic Republic of the Congo from the south.

Social and political condition

South Sudan gained independence in 2011, as mentioned above. It was under the leadership of the leading liberation movement, the Southern People's Liberation Movement (SPLM). Its national army (SPLA) and the SPLM were and still are, however, various militias and political entities fragile coalitions that often have been fighting against each other during the previous war. President Salva Kiir has done an admirable part in bringing together almost all these militias and factions during the race towards independence. Even political alliances were covered, but this did not settle the competition about political claims among factions completely. Both the military and the leading party have been unable to keep under control the competing ambitions and dissensions that have now appeared.

Even the political situation has been remained tense, in August 2015, the parties to the civil conflict in South Sudan signed an agreement of peace, guided by the Inter-Governmental Authority on Development (IGAD). A key milestone in this peace agreement was a unity government formation, which was finally announced on April 29, 2016. However, it did not take long, and new fighting erupted between the SPLA-IO opposition forces and the South Sudanese army (SPLA) on 7th July 2016, which has opened recent political conflicts and violence wave in the country.

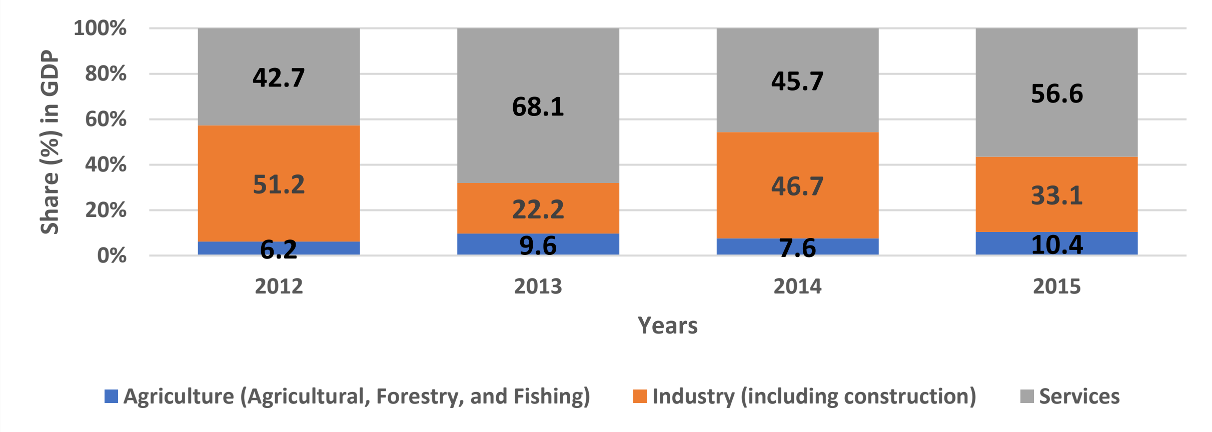
The general humanitarian situation keeps sharply being deteriorated. As of November 2016, an estimated 1.67 million people were still internally displaced, while more than 1 million became obliged to leave the country to neighbouring countries. In addition, more than 201,997 were seeking UN-United Nations shelter. According to the UN reports, there is a persistent famine in many areas, particularly in the Unity State parts. The same reports state that an estimated 4.8 million people are suffering from emergency food insecurity. The crisis of food and population displacement are expected to worsen if insecurity persists.

Economic and Trade Performance

As a result of the civil war, the economic performance in South Sudan is still being deteriorated continuously. This has impacted the country oil production, which led to its sharp decline and the global oil prices collapse. This means that the government still is incapable to mobilise the resources needed to finance the related costs of peace. From this point of fact, as approved by the assembly, the actual funding of the 2015-2016 regular budget remains a significant challenge. The fragile political situation of the country continues to harm the macroeconomic performance as well. Also, the economic growth went down by 32% in 2015, and the country GDP fell briskly from 13.3 to 9 billion (Appendix 3.4, Word Bank Reports, 2017).

When it comes to trade performance, South Sudan is the world most oil-dependent country, which almost all exports are accounted for by oil. About 60 per cent of its gross domestic product (GDP) and more than 95 per cent of government revenue in previous years are formed by oil revenue. The country suffered the most as well when the global oil prices fell from US$ 110 in 2014 to US$ 30 before returning to around US$ 50 a barrel in early 2017 (WTO, 2017). In 2015/2016, It was expected that net oil revenues to be only 17% of the previous year oil revenues. This harmed economic performance; was the reason for the rapid fall in foreign exchange reserves; and was the source of the increase in domestic and external debts, the parallel exchange depreciation, and the consumer inflation acceleration (world bank, 2017).

Figure 3. 6: Share of Economic Sectors in GDP of South Sudan from 2012 -2015



Source: World Bank, 2017

Figure 3.6 above shows the statistics of the share of economic sectors in the gross domestic product (GDP) in South Sudan from 2012 to 2015. In 2015, the share of the agriculture sector in South Sudan's gross domestic product was 6.2 per cent, the industry sector contributed 33.1 per cent, and the services sector contributed about 56.6 per cent.

However, it was awaited that GDP would have fallen by 13.1% in 2016 (still waiting for data). The country's economic outlook and prospects remain gloomy and will depend on the global oil prices significative recovery, the successful peace accord implementation and the effective implementation of announced economic and fiscal measures (world bank, 2017).

Foreign Direct Investment (FDI) Performance

The conditions of trade and investment in South Sudan are not favourable to foreign films and the economic situation of the country, and even the country is rich in natural resources, has fertile land and shares the different varieties of fish of the Nile. The country continues to welcome foreign investment, but the ongoing civil conflict and poor financial management make South Sudan a challenging climate of investments to attract attention to foreign direct investment (World Bank, 2017). Looking at Appendix 3.4, the Gross capital formation (% of GDP) did not change much since the country’s creation which was 9.5% in 2011, 11.2% in 2012, 10.6% in 2013, 10.4% in 2014 and 11.2% in 2015.

Trade and Investment Agreements

From March 2016, South Sudan became the sixth member State of the East African Community. South Sudan currently maintains trade and political agreements with the African Union, the European Union, and the United States. on January 1, 2013, and South Sudan became eligible for the African Growth and Opportunity Act (AGOA), in 2014 South Sudan became, however, dropped from AGOA and declared ineligible 2015, due ethnic conflicts that have resulted in a large number of civilian deaths. In April 2016, South Sudan signed agreements with Turkey to improve economic cooperation and trade between the two countries. South Sudan is currently in negotiating process with COMESA (The Common Market for Eastern and Southern Africa).

3.3.7. Key Facts for TANZANIA

Overview of the country

The United Republic of Tanzania is comprised of the mainland of Tanzania and several offshore islands, including Zanzibar (Unguja), Pemba, and Mafia in the Indian ocean. It encounters a tropical climate in mainland Tanzania and a warm equatorial climate on its Zanzibar island. It is located within the African Great Lakes region and on the eastern coast of Africa. It has a coastline on the Indian Ocean about 1424 kilometres long. It covers an area of 947300 km2, of which arable land is about 46%. It borders to the west the Democratic Republic of Congo, Rwanda and Burundi; to northern Uganda and Kenya; in the southern Mozambique, Malawi and Zambia; and the Indian Ocean in the east. Dodoma is its capital, whereas the commercial and business centre in Dar es Salaam. The overall population of the country reached 55.6 million in 2016 (by 2040, it is expected to reach 100 million), and 74% of them live in rural areas. In 2010, about 44.4% of Tanzanians were aged 0-14 years, and its annual population growth rate was 3% (Tanzanian Bureau of Statistics, 2017, World Bank, 2017 and UNDP, 2016).

Social and Political Context

In sub-Saharan Africa (SSA), the United Republic of Tanzania is among the most socially cohesive and politically stable countries. The first president of Tanzania, Julius Nyerere (1961 to 1985), chose to adopt social policies that forged a strong Tanzanian national identity that remains a priority over ethnic, regional, or linguistic identities, but the socialist economic policies of the time have resulted in slow economic growth and poverty levels.

Since the coming into power of the fifth phase of the Presidency in 2015, President John Pombe Joseph Magufuli’s government has prioritized efforts to curb corruption, manage public resources effectively and enhance public administration to improve social outcomes. On the regime of the new administration, 72% of Tanzanians say that corruption has "slightly" or "a lot" decreased, compared to 13% of the previous year (in 2014). Similarly, 71% say the government is fighting corruption "enough good "or" very good " compared to 37% in 2014 (Afrobarometer, 2017). The Country Partnership Framework (CPF) covering FY18-FY22 recognizes the vital link between climate change and poverty reduction in Tanzania and attaches great importance to tackling the climate change effects. Universal education and abolishing the fees for primary and secondary schools have significantly increased enrolment in primary schools.

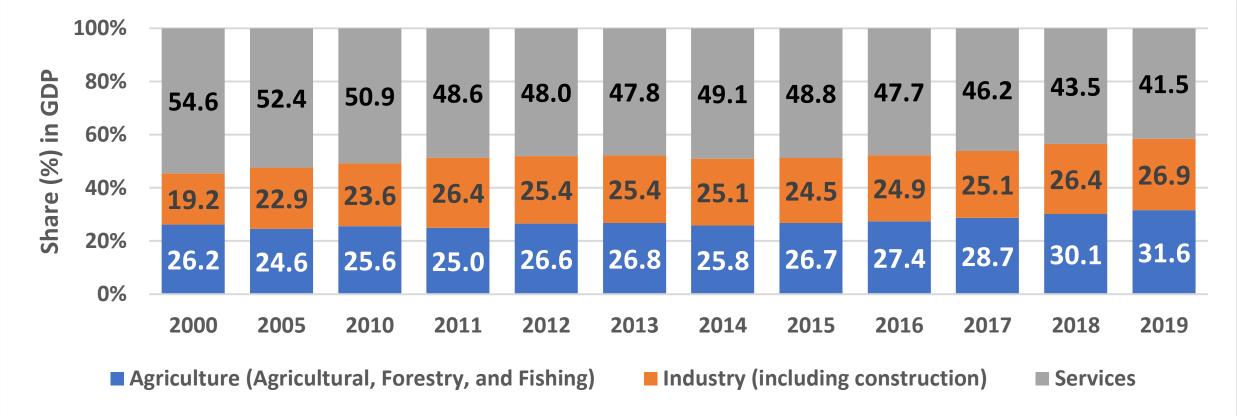
Economic Overview

The Tanzanian economic recent growth has benefited from economic liberalization and high accumulation of capital in the 1990s and 2000s, and the reform program has been complexing since then. The government has solicited to rebalance its role in leading the agenda of economic development. The government has been at the forefront of driving the country's industrialization agenda through FYDP II (Tanzania's Second Five-Year Development Plan) with an active role of the state in economic governance. Thanks to new policies and legislation, a strong impetus has been given to promoting domestic value creation and domestic owned industries.

The private sector keeps segmented, with a small number of large firms dominating the formal economic markets. As the country moves into a new economic development regime, mutual trust between the private sector and the government must be restored. Tanzania has experienced relatively high economic growth over the last decade, averaging 6-7% per annum. With a 7% growth rate in 2016, the Tanzanian economy has grown rapidly, standing near the top of the fastest-growing economies in sub-Saharan Africa. However, this expansion eased in the last quarter of 2016 and continued to do so in 2017 (World Bank, 2017).

The inflation rate continuously remained down at 5.2% in 2016 (Appendix 5) and close to the government's medium-term inflation rate target of 5%. This recent drop in global inflation (6.4% in March / April) was driven by lower energy and food prices. While the Tanzanian poverty rate has decreased, its absolute poor people number has not due to its high growth rate of the population (World Bank Reports, 2017). Even though the poverty rate in Tanzania decreased from 60% in 2007 to about 47% in 2016 (Word Bank, 2017), based on the global poverty line of US $ 1.90 per day, approximately 12 million Tanzanians continue to live in extreme poverty with less than 0.60 USD per day of earnings. As well as most others live a little bit over the poverty line and are at risk of falling back into poverty if happen the event of a socio-economic shock.

Figure 3. 7: Share of Economic Sectors in GDP of Tanzania from 2000 -2019



Source: World Bank, 2020

Figure 3.7 shows the statistics of the share of economic sectors in the gross domestic product (GDP) in Tanzania from 2000 to 2019. In 2019, the share of the agriculture sector in Tanzania's gross domestic product was 31.6 per cent, the industry sector contributed 26.9 per cent, and the services sector contributed about 41.5 per cent.

Country development performance and Challenges

The Tanzanian Systematic Country Diagnostic (SCD) pinpoints three avenues to take advantage of the country's benefits to attain the national development goals: (a) structural transformation to take advantage of the natural assets of Tanzania and seize latent comparative advantage to produce more jobs; (b) spatial transformation to take advantage of the country’s geographical advantages and reach the apogee of the country’s spatial integration and agglomeration benefits; and (c) improving public institutions and organizations, supported by macroeconomic stability, human capital expansion, and gender equity.

The country’s economic prospects depend on investing in more infrastructure, ameliorating the business environment, rising agricultural productivity in adding its value, improving the delivery of services (construction of a healthy and skilled workforce) and urbanization management. With around 800,000 young people entering the labour market every year, it is essential to create a vibrant private sector to provide productive employment.

Tanzania has started its second five-year development plan (FYDP II), 2016/2017 to 2020/2021, which includes the interventions that belonged under MKUKUTA II and FYDP I. Referring to a realistic and credible financing plan, the Tanzanian fiscal and debt sustainability will be preserved. The private sector can also be taken advantage of, not only as a means to fund the FYDP II program through public-private partnerships (PPPs) but also as an actual industrialization driver.

Transport connectivity is a bigger challenge in Tanzania. The country has an extensive network of main roads, but few rural roads and only 5% of them are tarred (paved), and more than half are passable or bad. To improve connectivity between rural areas and urban centres, the Purple Community Fund (PCF) program intends to support the construction of the rural and secondary roads by employing a strategic spatial approach to discover priority areas of production where roads are very needed.

In general, the unique characteristics of Tanzania include its socio-political stability, its strategic location at the regional scale and its rich and varied natural resources. It has the potential to drive trajectory its growth through its location and preferential multilateral trade agreements as well. These attributes offer the country many opportunities for a diverse range of growth-enhancing investments that can boost job creation and poverty reduction in Tanzania. The development of regional corridors has the potential to improve competitiveness and generate revenue not only in Tanzania but also in the EAC region as a whole.

Trade performance

During most of the review period, except in 2005 and 2011, Tanzania's overall balance of payments was in surplus (Word Bank, 2017 and Appendix 3.5). However, there was also a decrease in the current account deficit in June 2016 to approximately US $ 2.3 billion (tantamount to 4.8 per cent of GDP), compared with about US $ 0.99 billion (equivalent to 2.1 per cent of GDP) in June 2015. The exports value fell by 2.2% of GDP compared to the year ending June 2015 (21.6% in 2015 and 19.5% in 2016), while the imports value to GDP decreased from 33.1% in 2012 to 22.6% in 2016 (Appendix 3.5).

The current account deficit was mainly attributable to the traditional deficit in the balance of merchandise trade, which has increased as a result of recurrent increases in the imported food and fuel prices during the period under review. On the other hand, the trade balance of services showed a positive trend during the period considered, but it was not sufficient to offset the merchandise trade deficit. It was the expansion of the capital and financial accounts that compensated the balance of the current account deficit.

Tanzanian trade (imports and exports) of goods and services increased to 54.4% of GDP in 2012 (up from 33.5% in 2005), reflecting the growing importance of trade for the economy. But it fell to 42.1% in 2016. Tanzania ranked 90th among the world's exporters of goods in 2010 (considering the EU as a single entity and excluding intra-EU trade) and 75th among importers. In trade in commercial services, Tanzania ranked 77th as an importer and 65th as an exporter (Word Bank, 2017).

The structure of export in Tanzania was diversified during the period under review. The foreign exchange earnings predominant part has shifted to non-traditional exports, such as minerals (mainly gold), manufacturing and non-traditional agricultural products (fish products and floriculture and horticulture products), from traditional agricultural products such as coffee, tobacco, tea, etc. According to the UN Comtrade figures and word bank reports, the contribution of the traditional export to total merchandise exports fell from 24% to 12%, while the non-traditional exports share was 72% in 2016.

Investment Performance

Tanzania has continued to receive significant inflows of foreign direct investment (FDI) during the review period (2000 to 2016 years) thanks to natural gas discoveries across the country, despite a slight contraction in 2009 and 2016. The 2009 FDI inflows fall of 2.2 % of GDP comparing the previous year figures was due to the moderating effects of the global financial crisis, and the 2016 FDI inflows fall was due to the decline of the exports value, which was dropped by 2.2% the same year. The mining sector (particularly gold) has attracted most FDI, although the manufacturing sector has recently benefited from an increase in FDI inflows. Other economic activities (such as finance, transport, and communications) and commodities (iron ore, gas, coal, and uranium) are attracting more and more foreign investors (UNCTAD -World Investment Report, 2017)

According to Appendix 3.5 and UNCTAD statistics data, FDI inflows into Tanzania increased from an annual average of US$1.57 billion from 2009 to 2016. The overall average of the FDI annual growth counted 3.99% for the same period. The capital formation to GDP increased up to 30.3 % in 2013 and dropped to 24.6% in 2016, but positively the participation of domestic investments in capital formation was increased (Appendix 3.5). Tanzania's FDI inward stock represented 32% of GDP in 2010; this was above the average for East African countries (24%) but slightly below the average for the whole of Africa (33%).

For the same year (2010), Tanzania was placed on the 59^{th} out of 141 countries in UNCTAD's FDI Performance Index, up from 83 in 2008. For the UNCTAD index of potential FDI inflows, it ranked 115^{th} in 2009 (118^{th} in 2008).

Trade Agreements

Tanzania is actively a participating member of the World Trade Organization (WTO). This is proven in the DDA negotiations as well as in the regular work of the Organization in joining the LDC, African and ACP groups. The country is part of multiple Regional Trade Agreements (RTAs), including Common Market for Eastern and Southern Africa (COMESA), East African Community (EAC), Global System of Trade Preferences (GSTP) among developing countries, Southern African Development Community (SADC). It is also in partnership with other Agreements such as the U.S. AGOA, the GSP schemes (with Australia, Canada, Japan, and New Zealand) and EU – through Eastern African Community (EAC) EPA.

Tanzania, as an LDC, is a beneficiary of the EU's Everything-but-Arms (EBA) initiative. The country is also engaged in negotiations for the EAC-COMESA-SADC Tripartite FTA. It also participates in the EAC - USA Trade and Investment Framework Agreement.

Bilateral agreements between the United Republic of Tanzania with other countries include Canada (2013), China (2013), Denmark (1999), Egypt (1997), Finland (2001), Germany (1965), Italy (2001), Jordan (2009), Korea, Republic of (1998), Kuwait (2013), Mauritius (2009), Netherlands (2001), Oman (2012), South Africa (2005), Sweden (1999), Switzerland (1965), Switzerland (2004), Turkey (2011), United Kingdom (1994), and Zimbabwe (2003), (UNCTAD, 2018).

3.3.8. Key Facts for UGANDA

Country overview

The Republic of Uganda is a landlocked country located in the Great Lakes region of Africa and as well in the East African region by the river Nile basin, with Kampala as its capital. Its varied landscape encloses the snow-capped Rwenzori Mountains and the enormous Lake Victoria, which shares with Kenya and Tanzania. Its population reached 41.5million in 2016, and it covers an area of 241,038 km 2 (93,072 square miles). With an equatorial climate, the country is surrounded by Tanzania to the south, Rwanda to the south-west, the Democratic Republic of the Congo to the west, South Sudan to the north and Kenya to the east.

Social and Political Context

From 1894, the territory was governed by the British as a protectorate, who settled administrative law across most of the region (including Kenya and Tanzania). From Britain, Uganda acquired independence on October 9, 1962. The ensuing period was marked by intermittent conflicts, including a long civil war against the Lord's Resistance Army in the country’s northern region.

In 1986, after the end of the armed conflict, the National Resistance Movement (NRM), headed by President Yoweri Museveni, brought several structural reforms and investments that led to a period of strong growth and reduction of poverty between 1987 and 2010. Uganda has, similarly, posed ambitious reforms over the public sector for the last three decades. This resulted in creating a strong system of formal governance and contributed to improving institutional quality and public-sector management. However, voice and accountability, which were improved between 2003 and 2008, have declined since. Legal frameworks and policies keep improving, especially through the Public Financial Management Law (2015), although gaps remain in implementing procurement and anti-corruption.

Economic Overview

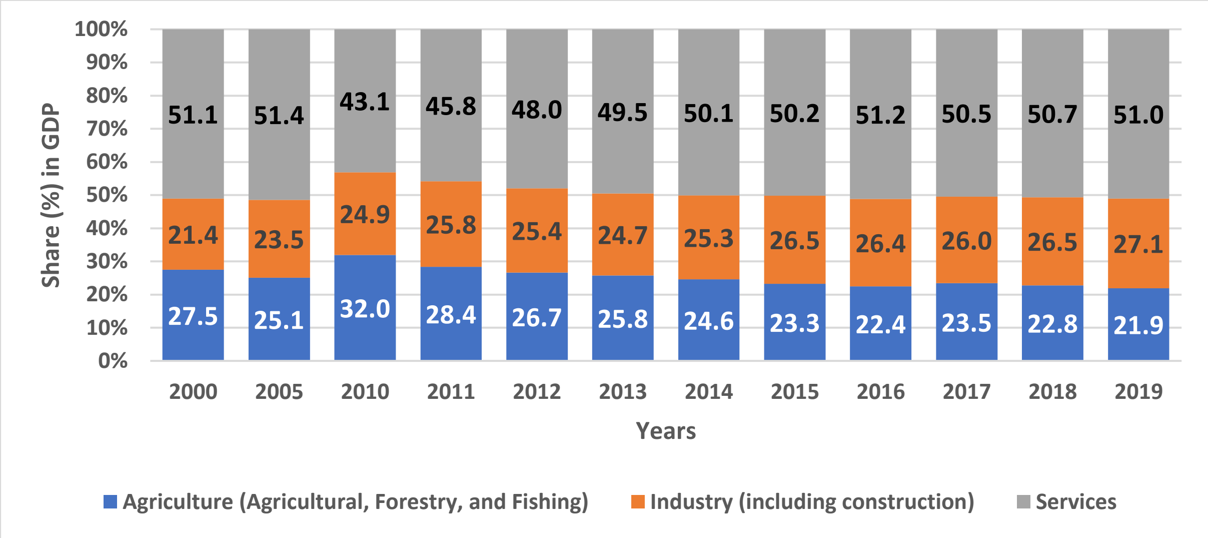
The Ugandan economy has grown more slowly in recent years, diminishing its impact on poverty. The country average annual growth was 4.5 per cent in five years ending in 2015-16, compared to 7 per cent in the 1990s and early 2000s. The economic deceleration was mainly caused by adverse weather conditions, unrest in Southern Sudan, private sector credit constraints and poor public-sector projects execution. Amidst these factors, and due to fiscal stimulus un-realization, growth has further slowed to 3.5 per cent 2016/17 (World Bank, 2017).

One of the economic strengths of Uganda includes its tourism industry. This is one of its biggest sources of foreign exchange. Improving infrastructure and investments in this sector could increase its revenues and unlock its potential. The country's GDP growth was 6.163% in 2018 and 6.803% in 2019 (World Bank, 2020). Meantime, the country's weak business confidence, the ongoing conflicts in South Sudan and its control of export segments, as well as high credit costs, keep on weighing on private domestic investment. However, together with private foreign investment in the oil sector could provide support to the resumption of growth following the exploration permits issuance (Word Bank, 2017).

The most related critical risk to Uganda prospects is the regional instability, especially in South Sudan and any election-related disruption that often occurred in Kenya. The rainfed agriculture reliance remains a negative risk for real GDP growth, the income of the poor and export earnings as well. The latter could be affected by an upsurge of conflicts in South Sudan and by the influx of new refugees that would add to the estimations of 1 million South Sudanese who are already present in the country. Meanwhile, productivity is still being prevented by further delays in completing public investment programs.

Even though agriculture continues to dominate the Ugandan economy, accounting for 25.8% of total agricultural value added to GDP in 2016, its contribution to GDP and employment continues to decrease compared to its contributions of 24.4% in 2000 and 28.3% in 2010.

Figure 3. 8: Uganda - Share of Economic Sectors in GDP of Uganda from 2000 -2019



Source: World Bank, 2020

Figure 3.8 above shows the statistics of the distribution of the gross domestic product (GDP) across economic sectors in Uganda from 2000 to 2019. In 2019, agriculture contributed around 21.9 per cent to the GDP of Uganda, 27.1 per cent came from the industry and 51.0 per cent from the services sector.¨

Economic challenges

Uganda confronts several challenges mainly related to its landlocked position. The country biggest constraint to economic growth is inadequate infrastructure. This includes a low capacity of electricity generation, energy and transport. Only a quarter of the Ugandan national road system, which represents the main means of the country's transportation, is paved. This is the cause of higher costs in the transport of goods, including agricultural raw materials, and the reason for rising prices of the final products on the consumer markets. Ugandan high population growth rate is a challenge to its economy as well. For eight years period, from 2009 to 2016, the average of the country's population annual growth rate was 3.38%, which is one of the world's highest.

Half of the country's population is under the age of 15, putting pressure on social services and youth unemployment, and even more, a high number of ender-age people under-employment. The country predominant agricultural informal sector generates non-monetary transactions that are significant to tax, and this makes Uganda being a low tax revenue base. Small and

medium-sized merchants do not keep proper accounts which brings more difficulties in their monitoring, and they have low levels of tax compliance.
The country's narrow export base makes it vulnerable to fluctuations in commodity prices. Low productivity of the vast agricultural sector, barriers to value-added, regulatory hardness or constraints and trade taxes (tariffs of import and taxes of export) that favour non-competitive industries hamper exports. External risks affect the country's economy as well, such as the neighbouring countries security situations (which impacts the regional trade and remittances), as well as conditions of weather and drought (which have a strong influence on the performance of the agricultural sector)
According to the World Bank reports, Uganda is placed the 123rd out of 183 (back Kenya and Rwanda, and ahead of Burundi and Tanzania). As a remedy, the country's regulatory reform and investment in infrastructure and social services are essential for economic growth and support Ugandan objectives for development. These to be realized, Uganda must achieve its stated goal of transforming the country from the group of the Least Developed Countries (LDC) into middle-income status (World Bank reports, 2017).

Trade performance

In 2016, Uganda imported goods and services of $6.45 billion equivalent, making the country the 125th largest importer globally. The main top imports are originated from India, China, Kenya, the United Arab Emirates and Japan. Uganda exports of goods and services reached 4.86 billion in 2015 and 4.5 billion in 2016, making the country the 127th world's largest exporter. Its main export destinations in 2009-2016 include the EU, Kenya, South Sudan, Rwanda, the Democratic Republic of the Congo and Italy (Appendix 3.6 and OEC, 2018). Despite certain diversification, coffee, fish, tea, and other food products keep on dominating the merchandise exports of Uganda, accounting for more than 50% of total merchandise exports in 2016 (word bank, 2017)
After a slight surplus in 2005, Uganda has consistently recorded a deficit in its external current account over the reviewing period. After declining slightly in 2009, the current account deficit increased to about 9% of GDP in 2010 (World Bank, 2017 and Appendix 3.6). The increase in exports during the period has not kept pace with the sharp rise in imports due to rising world prices for food and commodities. Before the 2008 global financial crisis, the country was able to finance its current account deficits with sizeable foreign capital inflows. However, since then, flows from foreign capital to Uganda became stagnated due to

the declaration of real economic activity in developed and advanced economies, as well as increased investor caution.

Investment Performance

During the considered period, Uganda has become an increasingly enticing destination for foreign direct investment (FDI), with rising inflows from US$ 379.8 million in 2005 to US$ 894.3 million in 2009 and US$ 1.2 billion in2012; before declining down to US$ 522.7 million in 2016.

According to UNCTAD statistics, Uganda's FDI inflows to the country GDP increased from an annual average of 3.4% for the period 2000-2005 to 3.9% for the period between 2010 to 2015 (Appendix 3.6). In 2010, the country's FDI inward stock reached 32% of GDP, above the East African countries average (24%), but just under average for all Africa (33%). In 2016, Uganda's gross capital formation reached 25.5% of GDP, making an 8.6 % annual growth of the gross capital formation. By 2010, based on the UNCTAD FDI inflows index, the republic of Uganda ranked 41st out of 141 economies, compared with 64th place in 2008. The country ranked 120th in the UNCTAD index of potential FDI inflows for 2009 (125th for 2008). The country is expected to draw attention, in attracting more FDI in oncoming years, particularly in the oil, agricultural and mining industries, due to the imminent production of crude oil and its spill-overs effect (UNCTAD, 2017).

Trade Agreements

World Trade Organization (WTO):

Uganda is an active member of the World Trade Organization (WTO) and has participated actively in the Doha Development Agenda (DDA) negotiations, where it shared the position of the African Group, the LDC Group and the ACP Group. Uganda's main interests in the DDA deliverables are: granting duty-free and quota-free market access to developed and emerging countries for products of interest to the country and other LDCs; the simplification and transparency of the preferential rules of origin; non-tariff barriers elimination; an accord on cotton to attain an ambitious, timely and specific outcome on the trade aspects of cotton, including eliminating the domestic support measures and export subsidies; and a sustainable resolution related to tariff escalation and other market access issues and special treatment in cases there is preferential tariff erosion.

Regional and bilateral trade agreements

Uganda is an active founder member of the East African Community (EAC) block. It participates in the block of the Common Market for Eastern and Southern Africa (COMESA). It signed the Economic Partnership Agreement with the EU and the U.S. Trade and Investment Framework Agreements (TIFA) under the East African Community. It is eligible for non-reciprocal preferential treatment in the Generalized System of Preferences (GSP) and the US Growth and Opportunity Act (AGOA). Uganda is not a signatory to the Agreement on the Global System of Trade Preferences between Developing Countries (GSTP). Individually, Uganda signed trade treaties with other countries such as UK Trade (Goods Only) in 2004, China (six agreements) in 2006 and the government of India. Uganda is involved in the following bilateral agreements: BLEU (Belgium-Luxembourg Economic Union) - Uganda (2005), China - Uganda (2004), Cuba - Uganda (2002), Denmark – Uganda (2001), Egypt - Uganda (1995), Eritrea - Uganda (2001), France - Uganda (2003), Germany - Uganda (1966), Italy - Uganda (1997), Netherlands - Uganda (2000), Netherlands – Uganda (1970), Nigeria – Uganda (2003), South Africa - Uganda (2000), Switzerland - Uganda (1971), Uganda - United Kingdom (1998), Uganda - Zimbabwe (2003), (UNCTAD, 2018)

3.4. Understanding the EAC’s Dominant Economic Sectors

The potential economic growth in EAC requires continued focus on improving infrastructure and sectoral productivity across the region. Enhanced infrastructure such as information technologies, regional transportation, construction, energy and others are essential determinants for the success of the EAC regional integration, given their importance in facilitating activities such as agriculture, trade, tourism, the labour movement and others. Therefore, improved economic sectors, together with a well-educated and skilled labour force, and as well as a better business environment provide potential prospects to reduce EAC’s costs of production and facilitate the region higher-value exports.

3.4.1. Agriculture Sector

The agriculture sector in EAC englobes agricultural, livestock farming, forestry, and fishing activities. The organisation main objective for the sector is to enhance food security and rational agriculture and livestock farming in the Community through the agricultural policies harmonization and joint programs for effective and efficient production (EAC, 2017) Agriculture is the main of the most important economic sectors in the East African community, with approximately 80 per cent (World Bank) of the region's population living in rural areas and depending on agriculture for their everyday livelihoods. The agricultural sector is overpowered by small mixed livestock, cash (commercial) crops, food crops, fisheries, and aquaculture.

The main food crops are potatoes, maize, bananas, rice, cassava, vegetables, beans, sugar, sorghum, wheat, millet, and legumes. Commercial crops include tea, cotton, coffee, sugar cane, pyrethrum, sisal, cloves, horticultural crops, oilseeds, tobacco, cashew nuts and coconut. The sub-sector of livestock includes cattle, goats, sheep, and camels mainly to produce meat and milk; pigs for white meat; poultry for meat and eggs; and skins and hides for industrial processing and export. Fishery products include freshwater fish (from rivers, lakes, and dams) and marine fish (from the Indian Ocean). Forest products include fruits, honey, medicinal plants, wood, and wood as fuel.

As well as most other parts of Africa, many challenges and constraints have persistently impeded the agricultural sector in EAC. These constraints have hindered the potential of the regional rural economy to reduce poverty through job creation and income generation; to control growing needs for food (due to the rapid growth of population and urbanization); to boost overall economic growth (speaking that agriculture is the most crucial potential sector for growth and development); and preserve natural resources, (IMF, 2016).

According to the world bank reports, as challenges and constraints, the agricultural productivity in the EAC is widely handicapped by:

Natural factors - natural resources degradation, the unpredictability of the climate and weather.

Infrastructure - Poor physical infrastructure (roads, machinery, etc.).

Inadequate access to production resources – utilities, electricity, other energy-related.

Technologies adoption - Inadequate research, extension services and training; pests and diseases prevalence.

Policies - inadequate legal and regulatory frameworks, poor governance, insecurity, lack of autonomy in decision making, inadequate participation of local communities, weak institutional framework, low public expenditure.

3.4.2. Industry Sector

The industry sector in EAC englobes many sub-sectors, including information and communication technology (ICT), mining, manufacturing, energy, trade, transport, and tourism. The EAC member countries aim to transform their economies to an industrialised and modern status that can sustainably contribute with the generation of sufficient outputs to be enough for both cross border and domestic markets and at the same time rapidly increasing per capita incomes to improve the standards of living for their population.

The Sub-sector of Information and Communication Technology (ICT)

There has been a major development in the construction of communication infrastructure during the last two decades in the EAC countries. In the area, building, quality engineering and architectural design services are swiftly available. Low-cost housing to meet the needs of growing populations in peripheral and urban areas were built abundantly, but still in need of more due to rapid growth in the population of the EAC countries.

The development of bigger construction projects has been made as well, including the construction of new (or reparations of existing) roads, airports, and bridges. The East African Community has as well started the construction of the East Central Corridor railway line that will connect the landlocked countries of the region to the port of Dar es Salaam (EAC reports, 2015)

EAC member States opened up the telecommunications sector to investors after liberalization measures were introduced in the 1990s. This has enhanced communication infrastructure, especially mobile telephony. The EAC's ICT opportunities include processing accounting data, incipient e-business services, printing and publishing media and television, logistics management, ICT infrastructure and training (including an extension to rural areas), provision of internet-related hardware and software, provision of value-added services in voice and imaging products, teleconferencing, data capture and processing, call centres, radio paging and broadband wireless internet services, (EAC reports, 2017).

Through rapid development in cellular phones technology, an increasing number of the EAC population have present access to internet services, and they can use it in their everyday-life activities such as communication (via social media), financial services (through mobile bank and mobile money services), online education, etc.

The Sub-sector of Mining

The EAC countries are richly endowed, within their territories, with enormous valuable natural resources, high mountains, large permanent deserts, lakes (alkaline and non-alkaline - some with gas eruptions), inactive and active volcanoes, swamps, deep forests, and savannas. The mining sector is a very significant source of income for the EAC countries and plays a substantial role in the region exportation field.

Based on the EAC investment reports, the EAC countries minerals resources comprise, by country: In Burundi, with deposits of coltan, cassiterite, nickel, gold, vanadium, uranium, rare earth oxides, niobium, peat, cobalt, tin, copper, platinum, tantalum, tungsten, limestone, kaolin, etc. Also, in the country, it was recently discovered oil under Lake Tanganyika and the river of Rusizi.

In Kenya with four minerals belts - the belt of gold greenstone (in western Kenya with extension in Tanzania), the belt of Mozambique (which is the source of the country's unique gemstones and passes through central Kenya), the belt of Rift (which possesses a variety of resources such as diatomite, soda ash and fluorspar) and the coastal belt (which accounts titanium). There are potential petroleum deposits in Kenya that lie in four largish sedimentary basins: Lamu, Anza, Tertiary Rift and Mandera.

In Rwanda, with deposits of cassiterite, wolframite, coltan, nickel, gold, vanadium, uranium, rare earth oxides, niobium, peat, cobalt, tin ore (which is a very significant electronics component ingredient), platinum, tantalum, kaolin, tungsten, limestone, and others. It has also been discovered, in the country, some semi-precious stones, including topaz, agate, tourmaline, amethyst, corundum, chiastolite, and opal. It has been identified as well in North-Western Rwanda, potential hydrocarbon existing deep-under Lake Kivu.

In Tanzania, with a wide variety of minerals such as diamonds, nickel, cobalt, copper, niobium, apatite, iron ore, coal, base metals gold, gemstones (with the unique Tanzanite mineral) and several industrial minerals (including mica, phosphates, quartz, gypsum, graphite, limestone, and vermiculite). Substantial gas discoveries were made in the country, on the Songo Songo Island coasts shores and Mnazi Bay. The commercial gas operation for electricity generation began in 2004. Also, petroleum seismic coverage (for the public domain) is about 52,000 km, 52% offshore and 48% onshore rift basins.

In Uganda with a variety of mineral resources as well, including columbite-tantalite (coltan), cassiterite, nickel, gold, phosphates vanadium, uranium, niobium, limestone, cobalt, tin, copper, platinum, tantalum, tungsten, limestone, kaolin, iron ore, tungsten, beryllium, salt, diatomite, clays, silica sand, feldspar, glass, sand gravel, and materials of construction such as gneisses and granites. In 2006, Oil was finally discovered after seventeen years of exploration in western Uganda. This discovery is expected to significantly boost the country's economy.

In South Sudan, with a vast number of minerals including petroleum oil, gold, copper, manganese, zinc, silver, lead, iron, tin, marble, dolomite, limestone, kaolin, asbestos, clay, etc. The variety of mineral resources in EAC countries has a wide range of applications domestically in the processes of the manufacturing industry (such as tile-making, glass manufacturing, salt, etc.), for the construction and building industry (steels materials, ceramics, brick, pottery, etc.), for agriculture (such as phosphates and others) and pharmaceuticals. Most of the minerals are internationally exported (EAC reports, 2017).

The Sub-sector of Manufacturing

As well as other sectors such as manufacturing is an important sector in the community. The sector offers a wide range of opportunities in EAC member States, and these have been trying for a long-time to promote manufacturing as a way of diversifying their economies.

In characterizing the national and industrial development for the EAC member countries, the sector is seen as a means of improving productivity, broadening the employment base and, ultimately, achieving economic growth and poverty reduction.

Referring to the EAC 2017 Industrial Competitiveness Report, growth performance measured by the manufacturing value added (MVA) and manufacturing trade became below some of the targets set in the EAC industrialization policy. The report indicates that the last 10 - 15 years have revealed upward convergence signs between member states in terms of manufacturing trade and MVA values, pointing that Tanzania, Uganda and Rwanda have grown significantly faster than Kenya. The report points out also that the per capita growth of the manufacturing export capacity of the EAC is high but has decreased from 22.5% (2000-2005) down to 1.7% annually (2010-2014).

The report states that the growth rate of the manufacturing sector in the EAC region is well above the world average of 1.1% (UNIDO, 2017) between 2010 and 2015, but low compared to other alike Sub-Saharan African countries and other prosperous developing countries.

India and China, as the main trading partners of the EAC, dominate the list of developing countries benefiting from the lucrative EAC market through imports of goods that the sub-sector of manufacturing can produce (WTO, 2016).

The Sub-sector of Trade

The trade integration of the East African Community region is the cornerstone of the organization partner States trade policies. This implicates strengthening public institutions and private sector organizations engaged in export promotion. The characteristics of the EAC domestic trade comprises a small number of enterprises (big and small), industries, wholesale, and retail trade. Enterprises conduct mostly imports and exports of goods and

services (e.g., household’s everyday merchandise, wood products, construction materials, automobile replacement parts, services, etc.). They sell the imported goods to wholesalers, industries, authorities, retail customers or intermediaries. They export goods bought from farmers (e.g., agricultural and cattle products, etc.), industries (to export into the EAC or regional markets, such as foodstuffs, construction materials, etc.), mineral deposits, and as well as from gas and petroleum companies.
Industries manufacture products or goods which are in large number consumed locally, with a small number being exported into the Community or to other regional and international markets (e.g., coffee, tea, minerals, construction materials, textiles, etc.).
Wholesale traders purchase goods from enterprises and industries for storing and reselling to other wholesalers, intermediaries, professionals (industrial or commercial), retail customers, authorities or final consumers (households). Retailer traders buy products from enterprises, industries, or wholesalers for reselling to final consumers.

The market size: the EAC market comprises the domestic market and external market (more than 2/3 of EAC countries participate in other organizations such as COMESA and SADC). The domestic market comprises the 6-member States of the EAC and has approximately 145.5 million consumers. The external market which involves the Common Market for Eastern and Southern Africa (COMESA) that comprises 20-member States with more than 460 million inhabitants, whereas Rwanda, Kenya, Uganda, and Burundi are all the bloc members; and part of the Southern African Development Community (SADC) that comprises 15-member States among which Tanzania is the bloc member.
The EAC market access: Uganda, Rwanda, Burundi and Tanzania are protected by the EU's Everything But Arms initiative, where all products from least developed countries (LDC), except for weapons and ammunition, have preferential access to the EU market. Also, EAC partner States, together with other countries in sub-Saharan Africa, enjoy duty-free access to the US market under the African Growth and Opportunity Act (AGOA), except for Burundi, whose eligibility has been revoked with effect from January 1, 2016.
There are other various markets in the developed world that products from EAC countries can have access to via the Generalized System of Preferences (GSP), which provides preferential treatment to several products originating in developing countries. Products from EAC member states, through African, Caribbean and Pacific States membership and GSP, are enabled to benefit from preferential tariffs on exports to other countries members. Burundi

also participates in the Economic Community of the Central African States, which its main purpose is to establish a common market in Central Africa.

Measures to enhance trade in the EAC: certain measures have been taken at the community level to strengthen trade, including the common market protocol (entered into force on July 1, 2010), trade and investment framework agreements (adopted in 2011), trade facilitation, anti-dumping measures, competition policy and law, re-export of goods, removal of non-tariff barriers to trade, standards, and measures (EAC,2017).

The Sub-sector of Transportation

The transport sector, in the EAC, is composed of five modes of transportation - road, air, railways, marine (water) and oil pipeline, which are classified into three means of transport systems (land, water and air). The land transport system englobes roads, railways, and oil pipelines. The water transport system includes inland lakes and two major ocean ports in Mombasa (Kenya) and Dar es Salaam (Tanzania). The air transport system encompasses many international airports and several access points of local airports dispersed into the EAC territories (in each member State) ready to serve the organization.

The EAC Member States have managed to implement sectoral reforms to provide efficient services with the ultimate goal of significantly reducing the high cost of transport in the region. In addition to supporting national economic development, the transportation system in Tanzania and Kenya performs a vital transit network for the neighbouring countries with land-locked characteristics (countries in the Lake Victoria basin region), including Burundi, Democratic Republic of Congo, Uganda, Ethiopia, Rwanda, South Sudan.

The region will also benefit from New Partnership for Africa's Development (NEPAD)'s infrastructure development program, which covers transport, energy, water and sanitation, ICT. From the construction of roads, railways, and port facilities to the installation of air navigation infrastructure, there are many opportunities for investment in infrastructure in the EAC region (EAC, 2017).

The Sub-sector of Tourism

East African Community has made impressive achievements in the field of tourism through the EAC Partner States conscious efforts to work together to promote growth in the tourism sector. The sector success has been availed from the huge investments of the private sector in hotels, products development and marketing, transportation, and as well as the government's dedicated conservation efforts (EAC, 2017).

Among some successes in the sector encompass the following:

The formation of the unique region by EAC partner states (since 2008) and the togetherness participation in international tourism fairs such as the World Tourism Market (in the UK), the Tourismus- Börse in Berlin (Germany) and Casa Africa Investor (in Spain).

East Africans uniform rates into the whole EAC region.

The creation of the Agency for Coordination of Tourism and Wildlife in East Africa.

The EAC travel magazine launch called Travel Around East Africa; and

Regional tourism and wildlife conference, which is rotationally held annually in the EAC region.

The challenges that the sector suffers enclose narrow range and poor tourism products, unsuitable financial and human resources, inefficient and inadequate infrastructure, insecurity, lack of harmonised strategies and policies, insufficient research and development (R&D), absence of a common approach to the implementation of international and regional accords and treaties, and limited activities for investments, (World Bank, 2017).

3.4.3. Service sector

The EAC member countries have all committed to liberalizing the sector into seven sub-sectors. The seven key sub-sectors consist of business services, distribution services, communication services, education services, financial services, transport services, and tourism and travel-related services.

The service sector occupies a significant place in the economic growth of the organisation. The sector has been the catalyst for the growth of the EAC economies in partnership. Travel services play a key role in services exports to EAC partner countries while transport services dominate the category for imports. According to the world rankings, tourism and other travel segments from the EAC appear to be not so much competition and ranks very low. The basis for these solutions could be a way to prevent tariffs imposed to increase service trade barriers as approved by EAC member countries, Mbithi and Chekwoti (2014).

3.5. Economic Growth in the East African Community

The rapid economic growth that the East African Community experienced during the last decade has been more impressive (IMF, 2016). The EAC has become among the fastest rising regions in sub-Saharan Africa. Nevertheless, recent growth will not be enough to reach the status of the middle-income country and substantially reduce poverty by the end of this decade, as it is the ambition of most of the region′s countries. Despite the rapid growth, EAC countries encounter a smaller exports share, the lowest domestic savings levels, a lower financial deepening degree, greater reliance or dependency on donor aids, a limited and narrow physical and cultural infrastructure, and a limited human capital. In addressing these shortcomings, through well-developed effective policy choices, the EAC can make a difference and determine whether it is following the path of sustained growth or following other countries where growth has collapsed later (McAuliffe, Sweta and Masafumi, 2012). In measuring the economic growth of the EAC organization, the components of GDP growth, trade, and investment performance, as well as organizational behaviour, are addressed.

3.5.1. The real GDP in the EAC

Based on Appendix 3.7, the data retrieved from the World Bank global economic database, the EAC real GDP raised remarkably in 2011 with $106.4 billion from $49.8 billion in 2005. This is due to the admittance of Rwanda and Burundi into the community in 2006. It was very high in 2012 after admitting South Sudan into the community as well. The real EAC GDP had an upward tendency over the period.

3.5.2. Share of Economic Sectors in the GDP of the EAC

Appendix 3.8 demonstrates the share of sectors in EAC GDP growth for the period 2010 to 2019. The Service sector contributes much more than others, with almost ½ of the entire GDP. It is followed by the agriculture sector and the industry at last. For the period under review, the overall share for each sector is almost constant, and there is not much change over the years. The service sector experienced an increasing trend in its share from 49.8% in 2010 to 52.3% in 2019. The industry sector performed with no significant change during the studied period. The agriculture sector experienced a declining trend from 30.6% in 2010 to 28.1% in 2019, and this signifies that people moved from agriculture activities to the service sector.

3.5.3. Employment by Economic Sectors

Appendix 3.9 shows the employment overview in the EAC by sector from 2005 to 2020. As the figure demonstrates, the agriculture sector decreased its employment by 6.2% of the working population (people above 15+ years), from 73% in 2005 to 66.8% in 2020. The service sector increased its employment by 5.7, from 19.9% in 2005 to 25.6 in 2020. The industry sector increased its employment by 0.6%, from 7% in 2005 to 7.6% in 2020. These figures show that the EAC population still depends too much on agricultural activities, which generally have low income. When looking at the agriculture sector, it employs more than 66% of the population on averagely and represents less than a third of the yearly GDP share of the EAC. Compared to the service sector, the agriculture sector represents its half. This means that fewer people in service (about 26% of the population) produce more than the much many people in the agriculture sector. This is critical for the EAC countries, and they need to mobilise or create more rentable jobs for their people in the agricultural sector.

3.5.4. Comparison of the EAC, regional and world GDP growth

The table below presents world, regionals and EAC real GDP growth from 2010 to 2019.

Figure 3. 9: World, Regionals and EAC GDP growth

GDP Growth (annual %)											
Regions		**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**
World	**WLD**	**4.3**	**3.1**	**2.5**	**2.7**	**2.8**	**2.9**	**2.6**	**3.3**	**3.0**	**2.5**
East Asia & Pacific	**EAS**	**7.1**	**4.6**	**4.7**	**4.8**	**4.2**	**4.2**	**4.1**	**4.8**	**4.2**	**3.8**
Europe & Central Asia	**ECS**	**2.6**	**2.4**	**0.3**	**0.9**	**1.8**	**2.1**	**1.9**	**2.8**	**2.2**	**1.5**
Latin America & Caribbean	**LCN**	**5.9**	**4.4**	**2.8**	**2.8**	**1.0**	**0.1**	**-0.3**	**1.8**	**1.6**	**0.8**
Middle East & North Africa	**MEA**	**5.1**	**3.7**	**3.9**	**2.7**	**2.9**	**2.4**	**5.0**	**1.7**	**2.4**	**1.8**
North America	**NAC**	**2.6**	**1.7**	**2.2**	**1.9**	**2.5**	**2.7**	**1.5**	**2.3**	**2.8**	**2.3**
South Asia	**SAS**	**7.7**	**5.1**	**5.5**	**6.1**	**7.0**	**7.5**	**7.8**	**6.8**	**6.1**	**4.8**
Sub-Saharan Africa	**SSA**	**5.4**	**4.7**	**4.0**	**5.0**	**4.7**	**2.8**	**1.2**	**2.5**	**2.4**	**2.3**
East African Community	**EAC**	**6.6**	**7.0**	**4.5**	**4.8**	**5.2**	**2.3**	**3.2**	**3.4**	**4.9**	**4.9**

Source: World Development database

Table 3.10 indicates that in 2019 the GDP growth of the East African Community (EAC) of 4.9% was higher than the other regionals GDP growth, including the World (WLD) with 2.5%, East Asia and Pacific (EAS) with 3.8%, Europe and Central Asia (ECS) with 1.5%, Latin America and the Caribbean (LAN) with 0.8%, Middle East and North Africa (MEA) with 1.8%, North America (NAC) with 2.3%, South Asia (SAS) with 4.8%, and Sub-Saharan Africa (SSA) with 2.3%. Over the review period, the GDP growth in EAC did not change for both years 2018 and 2019 (4,9%).

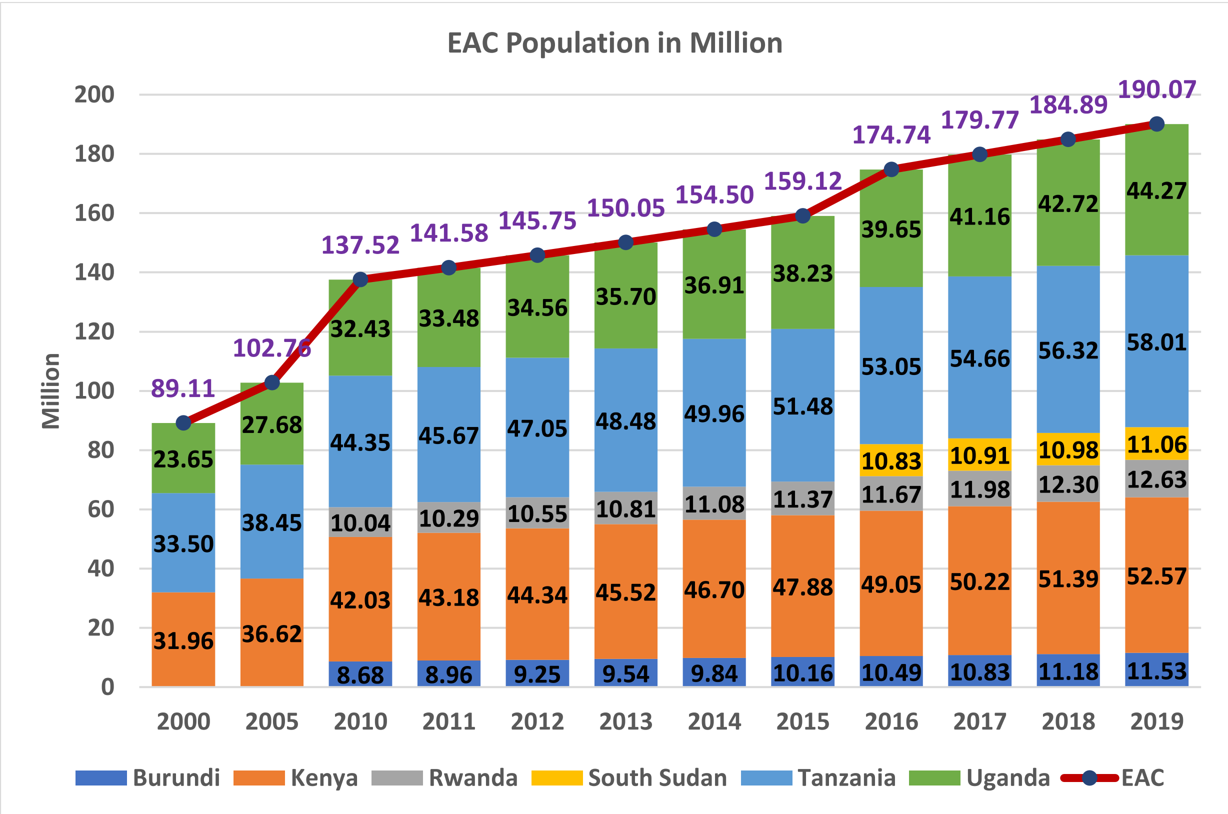
3.6. EAC Demography

The East African Community counted a current population of 190.07 million as of 2019, based on the latest data from World Bank and United Nations databases, making the EAC, if considered as a single entity, the ninth-largest population in the world. Some EAC member

states are listed as the world's highest population density, given to their respective land (agricultural) areas. The region counts agricultural land of 2 350 140 square kilometres. The EAC population is categorized as young people. In 2019, the people aged 1-14 were 42,62% of the total EAC population, the people aged 15-65 were 54.67% of the total EAC population, and the people aged 65 and above were 2,62% of the total EAC population.
Based on the World Factbook (2019), by 2016, the average median age in the EAC was 17.65 years (with Burundi 17 years, Kenya 19.5 years, Rwanda 19 years, South Sudan 17.1 years, Tanzania 17.6 years and Uganda 15.7 years). According to the latest WHO and World Bank data published in 2020, the EAC population life expectancy was 63.65 years in 2018 (with 61.25 years in Burundi, 66.34 years in Kenya, 68.70 years in Rwanda, 57 years in South Sudan, 65.02 years in Tanzania and 62.97 years in Uganda).

3.6.1. EAC Total Population

Figure 3. 10: EAC Total Population (2000-2019)



Source: WHO and World Bank data, 2020

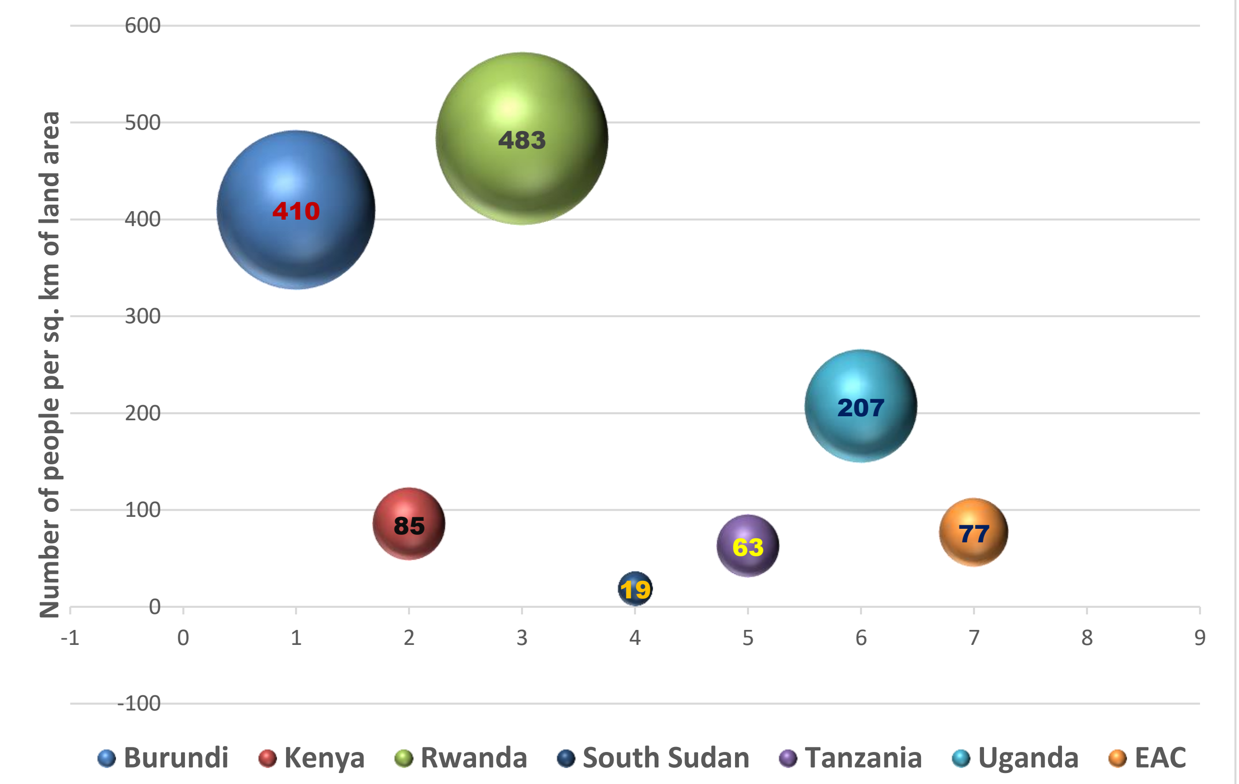
Figure 3.11 above demonstrates the total population in millions of the EAC and its member countries. It shows that the EAC population increased from 89.11 million in 2000 up to 137.52 million in 2010 (after the admittance of Burundi and Rwanda), up to 174.74 million in

2016 (after the admittance of South Sudan), and up to 190.07 million in 2019. The population grows by approximately (2.55% annually) 4.85 million every year, which is too high a growth rate.

3.6.2. EAC Population density

The population density is the measure of population per unit area (km^2); it is a key geographical term to determine if the land is enough to support its inhabitants. It is frequently applied (most of the time) to humans.

Figure 3. 11: Population density of the EAC - 2016



Source: Word Development Indicators

Based on figure 3.11 above, the population density in EAC reached 77 people per sq. km of land area from 2016. When looking at each EAC member states individually, for the same year, Rwanda had the region's highest population density (people per sq. km of land area) with 483 people/sq.km, followed by Burundi with 410 people/sq.km, followed by Uganda with 207 people/sq.km, followed by Kenya with 85 people/sq km, followed by Tanzania with 63 people/sq.km and then lastly South Sudan with 19 people/sq.km. However, the EAC (with 77 people/sq.km) is not too high in population density. Given the large unused lands in South

Sudan, Tanzania, Kenya and some in Uganda, the community still stand to support its population in terms of habitation and feeding.

3.7. Governance structure in EAC intergovernmental organisation

The EAC is governed by seven principal organs, including the Summit, the Secretary, the Council of Ministers, the Coordination Committee, the Sector Committees, the East African Court of Justice, and the East Africa Legislative Assembly (EAC, 2018).

The summit is composed of the Heads of Governments of the EAC member States. their main role is to provide a strategic direction towards achieving the EAC goals and objectives.

The Secretariat is composed of Secretary-General, four Deputy Secretaries-General, the Community Council, and other EAC staff members. The secretariat serves as an executive body of the Community and as the EAC treaty guardian. It assures the correct application of the regulations and directives adopted by the Council and makes sure of their effective implementation.

The Council of Ministers (the Council) is the central body of EAC governance and decision making. It is composed of ministers or secretaries of the Cabinet of the Member States whose roles are responsible for regional cooperation. They meet two times a year, One after the Heads of Governments meetings. The Council is led by the Chairperson, who is one of the Ministers or cabinet Secretaries and elected by them for a one-year office term.

The Coordinating Committee serves under the Council and is the main responsible for regional cooperation and coordinates the activities of the sectoral committees. It recommends as well to the Council Board the establishing, composing, and functioning of those sectoral committees. It is composed of permanent secretaries / senior officials responsible for the regional cooperation of the Member States.

The Sectoral committees' main role is to conceptualize EAC programs and monitor their implementation. They are established by the Council on the Coordination Committee recommendation. Sectoral committees meet as often as necessary to carry out their functions properly.

The East African Court of Justice (the Court) is the EAC principal judicial organ that ensures compliance with the law in the interpretation and application of the respect of the EAC Treaty. It was established from the EAC Treaty under Article 9. It is seated temporally in Arusha – Tanzania, until the Summit says otherwise. The Court comprises ten judges (appointed by the Summit) and a Registrar (appointed by the Council of Ministers).

The East African Legislative Assembly is the EAC legislative body that acts as a cardinal function to pursue the objectives of the EAC through its legislative, representative and supervisory mandate. It was established under Article 9 of the EAC Treaty as well. The Assembly is composed of 52 members: including 45 elected members (nine from each Member State) and seven ex-officio members (the Minister or Secretary to the Cabinet responsible for EAC affairs of each Member State, the Secretary-General and the Council of the Community.

3.8. Employment Performance in EAC Countries

The employment performance of the EAC population is defined or seen as the proportion of the population of the EAC countries, all together, that is employed. This population proportion comprises the people aged 15 and over who are generally considered to be the working-age population. According to the Common Market Protocol of the EAC, workers from any partner State are allowed to work in any other EAC country without nationality discrimination (except the public sector, which is excluded unless permitted by the particular partner State). They have the right to social benefits from social security schemes (where their employments are located), and they can be accompanied by their families. The citizens of the Community are also allowed to establish their businesses or companies in any other Member State without restrictions following national laws and rules of the destination Member State.

3.8.1. Overview of the EAC employment conditions

The agenda for poor and growing countries is usually based on job creation for young people entering the labour market. Previous studies were based in Asian countries on job creation, such as India (Mahendra and Venkatanarayana, 2011), where active enforcement measures were exercised based on micro-finance, monitored developments and education.
Appendix 3.10 specifies the employment condition in EAC countries. For the period under review from 2008 to 2020, the EAC countries performed well according to the World Bank data. Burundi performed with increasing employment, recording 77.9 in 2008 and 78.2 in 2020. Kenya recorded upward employment with 66.8 in 2008 and 69.8 in 2020. Rwanda recorded the second-highest employment, but with a downward trend with 83.9 in 2008 and 79.2 in 2020. South Sudan counted downward employment also, with 64.6 in 2008 and 60.9 in 2020. Tanzania encountered the first highest employment condition, but with a downward

trend as well, from 85.4 in 2008 to 81.4 in 2020. Uganda recorded descending employment from 68.8 in 2008 to 65.3 in 2020.

Based on the same appendix 3.10 and based on the possible application to the case for Nigeria, which has been analysed in (Teal, 2014), the EAC agricultural sector creates more jobs than other sectors. Furthermore, this indicates that works in rural area development seem to create more jobs than the urban ones in EAC.

3.8.2. Unemployment conditions in the EAC countries

The macro-economic development impact measures on the EAC labour market is a subject that has not been the subject of in-depth review and has received little attention for countries participating in the EAC labour market. Existing studies have mostly focused on developed economies leaving aside potential candidates from the emerging economies, in particular from East African Community.

In the EAC, there are no major specialized works on unemployment, given the working environment characteristics. However, the problem has been recognized and analysed since 1968 (Franc R, 1968), where the weak urban development has been the blame. Sub-Saharan labour markets have been studied in similar works complications (De Vreyen and Roubaud, 2013). The findings indicate that urban unemployment is similar around the whole of Africa. The age, ethnic, and gender discriminations are still high on the job market in Africa and the EAC, and there is a lack of sustainability in many economic aspects.

Appendix 3.11 demonstrates the unemployment condition in the EAC countries for the percentage of the total labour force. It shows that Burundi, which performed well during the review period, encountered a double reduction in the unemployment rate of 0.8%, from 1.6% in 2008 to 0.8% in 2020. Kenya had the second-highest unemployment in EAC, with ascending rate from 2.7% in 2008 to 3% in 2020. Rwanda increased its unemployment rate by 0.5% from 0.9% in 2008 to 1.4% in 2020. South Sudan has been experiencing a high unemployment rate over the review period, which reached 12,7% in 2020 from 12.5% in 2014. Tanzania experienced a declining unemployment rate from 2.6% in 2008 to 2.2% in 2020. Uganda reduced its unemployment rate by 0.5% from 2.9% in 2008 to 2.4% in 2020. World Development Indicators, 2020.

The unemployment numbers in Appendix 3.11 refer to the share of the labour force (15+ of the population) without work but available for and seeking employment.

3.9. East African Community Trade and Investment Agreements

3.9.1. Treaties and Protocols between the EAC Member States

The treaties and protocols between the EAC Member States include the new treaty establishing the EAC, EAC common market protocol, EAC monetary union protocol, protocol on the establishment of the East African customs union, protocol on the establishment of the East African health and research commission (EAHRC), protocol on the establishment of the East African Kiswahili Commission (EAKC), protocol on the establishment of the East African Science and technology commission (EASTECO), and the East African trade negotiations act 2008.

The New Treaty establishing the East African Community

The New Treaty establishing the EAC was concluded and signed on November 30, 1999. It came into effect on July 7, 2000, and became amended on December 14, 2006, and August 20, 2007. It is stated in the treaty's Article 2 paragraph (1) that the Contracting Parties shall establish an East African Community between themselves, in referring to the organization as a "Community". Paragraph 2 (under paragraph 1 above) declares that an East African Customs Union and Common Market shall be established by the Contracting Parties as transitional stages and the Community integral parts.

Article 5 paragraph (1) of the Treaty stipulates that, for their mutual benefit, the Community objectives shall be developing policies and programs aimed at broadening and deepening cooperation between the Partner States, including the following fields: economic, political, social and cultural, research, technology development, security, defence, legal and judicial affairs.

Article 5 paragraph (2) of the Treaty specifies that, under the paragraph (1) provisions, and following the Treaty provisions, the Partner States among themselves undertake to initiate a customs union, a common market, later-subsequently a monetary union and, thereafter, a political federation to strengthen and regularize the partner states commercial, cultural, industrial, infrastructural, political, social and as well as other relations so that these shall become equitably shared, (EAC, 2002).

EAC Common Market Protocol

The EAC Common Market Protocol was initiated in 2009 and entered into force in 2010, noting that the establishment of the Common Market for the East African Community is under the EAC Treaty provisions. It specifies the EAC free movement of people, goods and services, workforce, and capital. The protocol's main aim is to boost significantly trade and investment in making the EAC region much more productive and prosperous (EAC, 2009).

EAC Monetary Union Protocol

The East African Monetary Union (EAMU), which is a substantial step in the EAC process of regional integration, was adopted in conformity with the EAC Treaty and entered into force on 30th November 2013. It posed its foundations for a monetary union within ten years (planned 2024) and enabled the EAC member States to gradually converge their currencies into a single currency for the whole East African Community. The objective behind the protocol was to achieve a single currency, and the EAC Partner States aim to harmonize the monetary and fiscal policies; financial reporting and accounting practices; financial, payment and settlement systems; attune policies and standards on statistical information; and create an East African central bank, (EAC, 2013).

Protocol on the Establishment of the East African Customs Union

The Customs Union protocol was the first step towards regional integration and the essential foundation of the East African Community (EAC). As specified by the Treaty establishing the Community, the protocol was adopted on March 02, 2004, and it has been in force since 2005. This means that the EAC member States reached an agreement to establish free trade (or zero duty) on goods and services among themselves and have agreed on a Common External Tariff (CET), whereby imports from countries outside the EAC area are subject to the same tariff from when sold to any EAC member State. In addition, goods must comply with the EAC's rules of origin and some provisions of the Protocol Establishing the East African Community Customs Union when moving freely in the Community (EAC, 2004).

Protocol on the Establishment of the East African Health and Research Commission (EAHRC)

Following the provisions of Article 118 of the EAC Treaty, the Partner States decided to cooperate in the field of health by establishing the East African Health Research Commission

(EAHRC) as the Community institution. The EAHRC Protocol was signed by the EAC member States' Heads of State in 2008 and pronounced a new era for close cooperation on health in the region.

EAHRC's vision is high-quality health research to improve the health and well-being of the people of East Africa. The EAHRC's mission is to coordinate, lead and promote the health research conduct in the region, and in being the source, gathering and disseminating research findings for practice and policy formulation (EAC, 2008)

Protocol on the Establishment of the East African Kiswahili Commission (EAKC)

The East Africa Kiswahili Commission (EAKC) was established in 2007 in compliance with the EAC treaty as an institution of the East African Community (EAC). It is responsible for coordinating and promoting the development and use of Kiswahili languages in the EAC region and beyond. The Commission is responsible as well for ensuring the development of Kiswahili as a regional and international interaction language for political, social, economic, cultural, scientific, educational, and technical development for the EAC member States. the Commission objectives and functions include enhancing and strengthening the political, social, and economic unity within the East African Community, and as well as meeting local, national and regional development needs, (EAC, 2007).

Protocol on the Establishment of the East African Science and Technology Commission (EASTECO)

The East Africa Science and Technology Commission (EASTECO) was established in 2007 in conformity with Article 103, exhibit (a) of the EAC Treaty. In undertaking to promote co-operation in the development of science and technology within the Community, the EAC Member States initiated the EASTECO as a semi-autonomous EAC institution.

The main EASTECO's mission is to foster the promotion and coordination of the science and technology management, development, and application in the EAC member States, in integrating innovative, competitive and integrated organization of the EAC and in promoting the welfare of its people. The Commission main objective is to be the lead regional institution in promoting and coordinating the science and technology development and application for sustainable socio-economic development in the partner states of the EAC (EAC, 2007).

The East African Trade Negotiations Act 2008

The East Africa Trade Negotiations Act 2008 makes provisions for an East African trade regime development and an Eastern Africa Trade Commission. The act specifies a mechanism on which the EAC member States joint trade negotiating team was established, for bilateral, regional, and multilateral trade treaties. It is stipulated, therefore, under the provision of the act's article 3 that the member States shall/must negotiate as a bloc on all matters related to regional and multilateral trade. Furthermore, paragraph 3 of the same article states that each EAC member State may initiate a National Trade Negotiations Committee, which shall develop a national position on each issue or element to be negotiated at the regional and multilateral level (EAC, 2008)

3.9.2. EAC Trade and Investment Agreements with the Rest of The World

The global economy under trade facilitation plays a substantial role in unlocking the growth of countries' economies. Based on the EAC framework prescribed in its establishing Treaty (the legal framework enabling partner States to develop and adopt an East African trade regime and to cooperate in the liberalization of trade), the EAC has initiated important trade facilitation initiatives. It is therefore not surprising that it has been ranked the most successful Regional Economic Community in terms of trade integration,
(AU, AfDB and UNECA, 2016).

EAC Participation in the WTO Agreements

Five EAC member States, including Burundi, Kenya, Rwanda, Tanzania, and Uganda, are active members of the WTO (World Trade Organization), and they are subjected to respect and observe its rules. Except for South Sudan, which is currently considering becoming an observer status and entering into full membership negotiations with the World Trade Organization (WTO).

With WTO negotiations under the Doha Development Agenda (DDA), in 2004, which were linked to the original mandate accorded at the Doha Ministerial Conference in 2001, the areas of priority for the EAC countries enclose: to enhance market access for their agricultural products through duty-free and quota-free access, and the lifting of other non-tariff barriers, domestic support and export subsidies; to reduce tariff escalation and high tariffs on products of interest to LDCs and developing countries; to secure greater opportunities in services, especially through natural persons movement (including less skilled workforce); extending GI (Geographical Indications) coverage beyond spirits and wines to preserve the indigenous export products related identity; to strengthen the Special and Differential (S&D) treatment provisions; and to provide significant technical assistance, including capacity building, that will enable developing countries and LDCs to effectively take part fully in all negotiations to overcome, in addressing supply-side constraints and taking advantage of opportunities provided by the multilateral trading system.

EAC-US Agreements

The East African Community (EAC), together with the United States of America, concluded and signed a Trade and Investment Framework Agreement (TIFA), on 16 July 2008, in Washington, DC. The objective of the TIFA is to reinforce and boost EAC-US trade and investment relationships, extend and variegate their bilateral trade, and enhance the business climate between US and East African Community companies. Following, on 25 February 2015, the USA signed a cooperation agreement with the EAC to move up trade-related capacity in the EAC region and deepen economic ties between the East African Community and the United States. This Cooperation Agreement is supposed to build capacity in three fundamental areas, including Technical Barriers to Trade (TBT), Trade Facilitation, and Sanitary and Phytosanitary Measures (SPS) (USTR, 2018).

The exports from the U.S. to the EAC include aircraft, machinery, optical and medical instruments, special other (repairs), electrical machinery, and agricultural products such as (wheat, vegetable oils (excluding soybeans), pulses, and coarse grains). The imports from the EAC to the U.S. comprises woven apparel, coffee, tea & spice, knit apparel, edible fruit & nuts, ores, slag, and ash or titanium.

Comprehensive free trade agreements with China (EAC-China FTA)

The trade between Burundi and China: the imports from China to Burundi include mostly manufactured products. The export from Burundi to China consists of minerals (untreated) and vegetables (such as coffee and tea)

The trade between Kenya and China: Exports to Kenya from China consist primarily of industrial and agricultural tools, household electric appliances, textile goods, building materials, pharmaceutical products, commodities for daily use, etc. The import from Kenya to China include black tea, leather goods, coffee, etc.

The trade between Rwanda and China: the imports from China to Rwanda include electronic products, industrial products and machinery. Exports to China from Rwanda consist of minerals (such as gold, tantalum tin, vanadium, coltan, zirconium ore, cassiterite, niobium, wolfram, tungsten), animals′ products (such as hides and skin), and vegetables (such as coffee, tea, and pyrethrum (a flower used to make insecticide).

The trade between South Sudan and China focuses on oil, education, capacity building, public health, infrastructure, construction, and services (including real estate), public facilities, agriculture modernisation, environment protection. The imports from China to South Sudan include raw sugar, cereal flours, medicines, air transportation, and vehicles.

The trade between Tanzania and China: the exports to Tanzania from China include foodstuff, textiles, vehicles, chemical products, light industrial products, mechanical equipment, steel, and electric appliances. The imports from Tanzania to China comprise dry seafood, coarse copper, raw leather, log, and wooden handcrafts.

The trade between Uganda and China: exports to China from Uganda comprise mostly untreated minerals, agricultural products (coffee, cotton, and oilseeds), animal products (leather, tortoiseshell and horns, and fish - fresh and dried). The imports to Uganda from China include footwear, blankets, telecommunications equipment, medical equipment, textiles, electronic equipment, batteries, motorcycles and parts, fabrics and textiles, bags and cases, pharmaceuticals, furniture, bicycles, and padlocks and keys.

EAC-EU Economic Partnership Agreement

On 16 October 2014, the East African Community (EAC), composed of Burundi, Kenya, Rwanda, Tanzania, and Uganda, finalized negotiations for region to region (using the Bi-Intergovernmentalism approach) an Economic Partnership Agreement (EPA) with the European Union. South Sudan did not start the negotiations because it became the sixth member of the EAC in September 2016.

The European Council authorized, on June 20, 2016, on behalf of the EU, the EPA signature and provisional application between the EU and the five EAC member States. The EPA ratification discussions were expected to be concluded by the EAC Partner States by February 2017 (EAC, European Commission, 2017).

The Economic Partnership Agreements (EPA) main purpose is to promote sustained growth, increase production and supply capacity, foster structural transformation and diversify the group of African, Caribbean, and Pacific countries′ economies in supporting their regional integration initiatives.

When initialling the Framework for Economic Partnership Agreement (FEPA) with the European Commission (EC) in 2007, the EAC Partner States committed to fully liberalize their market for 82.6% of European Union (EU) only goods imports over 25 years period commencing from 2010 until to the end of 2035. The Partner States are estimated to retain from trade with the European Union (EU) a list of exclusion accounting for 17.4% (European Commission, 2015). Therefore, on the other hand, the European Union has offered duty-free and quota-free market access, with exceptions for ammunition and transitional arrangements for sugar and rice.

The agreement is balanced and fully compliant with the common external tariff for the EAC. It prohibits unjustified or discriminatory import and export restrictions, which serve to contribute to the efforts of the EAC for eradicating non-tariff barriers (NTBs) in intra-EAC trade. It supports the ambitious regional integration agenda of the EAC organization and presents all of what is needed to foster development into the Community (European Commission, 2018).

The Parties of the EU-EAC EPA: Initially, the preface of the EPA inscribes the EAC member countries (excluding South Sudan), the EU itself as signatories to the EPA and the 28 EU Member States individually. As defined in the EPA's article 132, the contracting parties of the Economic Partnership Agreements (EPA) include, on the one hand, the Treaty establishing the East African Community (EAC Treaty), and on the other hand, the EU, or/and its Member States.

EU-BREXIT - Concerns of the EAC: The EAC-EU EPA was initially scheduled to be signed in October 2016. Yet, several EAC LDCs have been reticent or showing less enthusiasm to do so, adducing (presenting) concerns over Brexit - the recent decision of the United Kingdom to leave the EU - and the negative economic and development effects that the EPA might experience. The EAC LDCs are particularly worried about greater tariff liberalization than ever before that they can undertake, especially given the highly competitive and advanced industries in the EU. In addition, the EAC LDCs expressed their concerns about EU agricultural subsidies, the EPA ban (prohibitions) on export taxes and how MFN (Most Favoured Nation) and the standstill clauses might limit their policy space and their ability to protect or safeguard their infant industries from EU exports.

COMESA-EAC-SADC Tripartite Agreement

The negotiations on establishing a Tripartite Free Trade Area (TFTA) among the East African Community (EAC), the Common Market for Eastern and Southern Africa (COMESA), And the Southern African Development Community (SADC) was started in October 2008 during the A Memorandum of Understanding (MoU) which underpinned the tripartite process legal and institutional framework. In December 2010, a revised draft of the agreement and annexes were finalized, and the agreement and annexe text on principles for negotiations having been revised in June 2011. As planned on 12 of June 2011, the three Regional Economic Communities (RECs) Heads of State and Government got together and signed a declaration to launch negotiations for the creation of the Tripartite (COMESA-EAC-SADC) Free Trade Area (TFTA). Finally, the agreement was signed in June 2015 and made a further step for the involved RECs towards continent-wide integration.

The Tripartite comprises 26-member countries altogether. The ultimate objective of the Tripartite is to contribute to the African Union broader goals which are to accelerate the continent economic integration and achieve sustainable economic development that leads to poverty reduction and improved quality of life for populations in the region of Eastern and Southern Africa (COMESA-EAC-SADC Tripartite, 2015).

Others Trade and Investments with the EAC

Cotonou Agreement, and the Everything-but-Arms (EBA) Initiative of the EAC, African Growth and Opportunity Act (AGOA), African Economic Community (AEC) and the African Union (AU), Regional Integration Facilitation Forum (RIFF), Intergovernmental Authority on Development (IGAD), Indian Ocean Rim-Association for Regional Cooperation (IOR-ARC), and Generalized System of Preferences (GSP).

3.10. Gaps identified during the EAC review in the context of international trade

One of the main objectives of the EAC is to enhance trade in co-operating and simplifying trade information, as well as facilitating trade in goods among EAC countries and with the rest of the world (EAC treaty 2000 & the East African Trade Negotiations Act 2008). And among others. The following are the identified gaps from the literature review.

Undetermined willingness level to the facilitation of trade

Based on the EAC and the Word Bank reports, the willingness to cooperate and trade facilitation between the EAC member states are undetermined and in question. For example, Tanzania and Burundi did not respond well to others when the EPA agreement with the EU was being negotiated. This implicates lack of transparency, delaying some trade and investment projects, and low prioritization of programs related to infrastructure development that targets EAC market integration, i.e. the Ugandan fuel pipeline project from Hoima (Uganda) to Dar-es-Salaam (Tanzania) has been delayed for more than four years now, and the planned train routes projects connecting Dar-es-Salaam and Mombasa ports with other community's landlocked countries to Bujumbura joining up via Kigali were just rested in talk, except a small part from Mombasa to Nairobi. This research aims to determine the willingness level of each EAC member state in answering the commitment questions.

The consequence of multiple belongingness to various RECs

Each EAC member presents membership composition in many various RECs. Tanzania is at the same time part of the Southern African Development Community (SADC). Rwanda, Burundi, Kenya, and Uganda are also members of the Common Market for Eastern and Southern Africa (COMESA). And Kenya, South Sudan and Uganda are part of the Inter-Governmental Authority on Development (IGAD). Among others.

Consequently, an organization that presents those types of membership characteristics accounts for some complications in its functionality. The current study intends to address this gap by outlining different consequences that the EAC confront because of the multiple belongingness of its members to many various RECs, in providing some recommendations.

Gaps in surveillance

There is no known legal and institutional surveillance for supporting compliance and enforcement to trade and investment agreements among the EAC Partner States and those with the rest of the world. This study intends to profile different surveillance categories in the EAC and provide recommendations where necessary.

Mismatch in development planning

The mismatch between EAC regional development planning and each Partner State's development planning cause funding issues and bad distribution of interests. Current research aims to document each EAC member state’s development planning with the intent to reduce the mismatch.

Gaps related to institutional building

In EAC countries, most of the institutional capabilities are inadequate at the national and regional levels to domesticate regional policies about trade and investment. For example, parliamentary institutions, local governments, among others. The current research study will outline pitfalls related to not having an adequate institutional building in EAC.

Impact of Insufficient and power infrastructure on international trade and investment

In all EAC countries, there are low levels of economic and social infrastructure development which handicap trade and investment facilitation, i.e., insufficient electricity, inadequate roads, power ICT infrastructure, etc. Current research intends to define the EAC infrastructure level and advise its related effects on international trade and investment and potential recommendations.

Lack of trusted originality and quality certification institutions

The is a small number of institutions in the EAC that can offer originality certifications on service and goods, and many of those institutions are not equipped enough to offer trustworthy services. The current study aims to determine the characteristics of institutions for originality and quality certification and outline how these can increase the quality of the products produced within the EAC.

Fear of loss of sovereignty

Many EAC countries are afraid to lose their sovereignty when conducting international trade and investment. They think that their respective states are weakening. The study will figure out the level of fear of losing sovereignty that the EAC countries present when entering into international trade and investment agreements. This will determine the commitment behaviour related to each partner state of the EAC.

3.11. The conclusion of the chapter

The current chapter discusses the EAC in the literature review. It presents a short resumé of the history of the East African Community as an inter-governmental organization. It shortens the economic, political, and social characteristics of each EAC member state. It describes the organization enthusiasm to facilitate trade and cooperation among its member countries, given to the EAC Treaty and protocols discussed above. The chapter outlined the East African Community economic growth and performance. It presented as well the EAC trade factsheets with other countries such as the U.S and others, and other inter-governmental organizations such as the EU, COMESA, SADAC, among authors.

In conclusion, it has been demonstrated that despite its progress and achievements throughout the past years, the EAC is still experiencing challenges in implementing the EAC Customs Union and hardness in progress towards one Political Federation.

The EAC countries are of abundant natural resources, but the nature of their economies depends mainly on exports of agricultural products and a small proportion of industrial production. Burundi presents a fragile economic and political environment and low levels of private consumption. Kenya has entered into the new decade with renovated and strengthened than expected growth. Rwanda's economy has shown an acceleration in its growth in transforming the country from an agriculture-based and low-income economy into a service-oriented and knowledge-based economy. The South Sudan economic performance still being deteriorated continuously as a result of the civil war. Tanzanian economy has shown pliability amid increasing growth. Uganda's economy has grown at a slower pace recently, thus reducing its impact on poverty.

Migration as regulated in the implementation of the Common Market Protocol the rights and freedoms of citizens has been realised including integrated border management adaptation, ease of cross border movement of persons, removal of restrictions on other movements (of goods, capitals, labour, services), and the right of establishment, and residence.

Trading and investing within the EAC has become very easy and possible for all citizens of the Community. Production systems are mostly traditional, although there are a few intensive reforms around every country member of the organisation. The following fourth chapter discusses the current Conceptual Framework. This is the key structure that links together the concepts and ideas explained within this study.

CHAPTER 4:

CONCEPTUAL FRAMEWORK AND METHODOLOGY OF THE RESEARCH

4.1. Introduction

This chapter describes the conceptual framework, methodology, research design and details of the fieldwork. The literature reviews on international trade and investments and on the East African Community contributed towards identifying the key components of the conceptual framework focusing on the topic of research. The conceptual framework (Figure 4.1) puts forth that the ITIAs play a key role in the EAC economic, social and political development. The conceptual framework is presented in three sections: independent, dependent and standalone valuables.

The research followed an interactive process with qualitative research design and indictive reasoning approach to assess and investigate the impact of international trade and investment agreements in the economies of the East African Community (EAC). The aspects of the design were developed and emerged to the needs of the research fieldwork. Documented processes and procedures adopted in the study, as well as the data collection strategy, are presented.

The considerations of ethical issues within the followed procedures in collecting this research data are discussed at the end of the current chapter. The entire process is spanned with moral duty and obligations referring to the norms or standards of conduct when deciding how to act, especially in distinguishing acceptable and unacceptable behaviour.

4.2. Conceptual Framework

The developed conceptual framework is a system of concepts, theories, assumptions, and expectations, and it is designed to provide support and understanding in communicating current research. It maps out and identifies key concepts of this study which are required variables in this research investigation, and establishes the relationships among those concepts. It points out intervening independent, standalone, and dependent variables (McGaghie, Bordage, and Shea, 2001).

Figure 4. 1: Conceptual Framework for current research

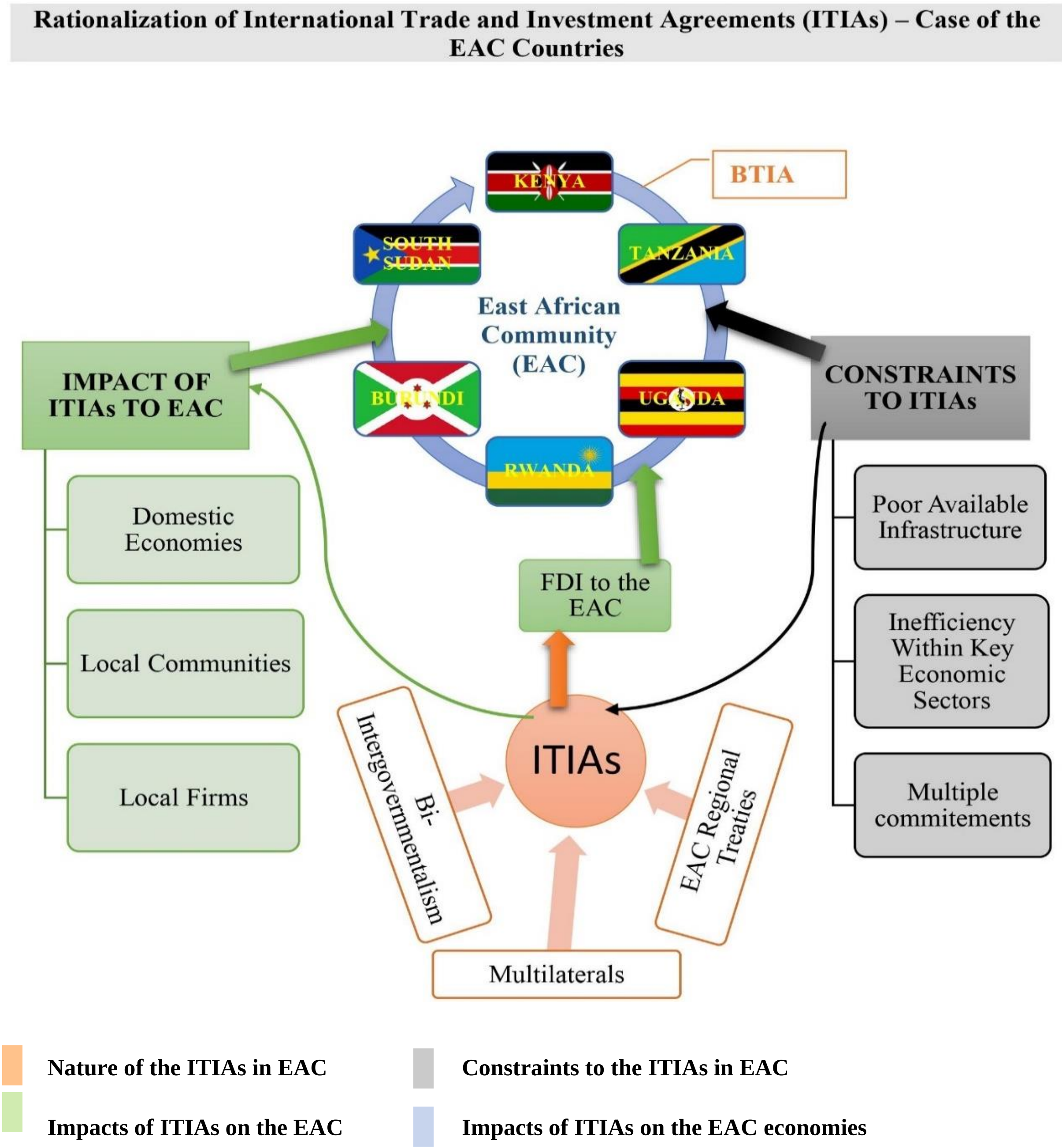


Figure 4.1 above is the conceptual framework representation of this research study. It is explained in three sections, including independent variables (in orange colour), dependent variables (in light green and light blue colours) and standalone valuables (in light black colour).

4.2.1. Independent variables

The first section of the conceptual framework details independent variables (in orange colour) that takes direct impacts on domestic economies and societies of the East African Community (EAC). These are considered to impact trade and investment projects, FDI mobilisation, knowledge Transfer, linkage effects and transformation effects. They are also the main concepts of this conceptual framework and the key motivation for conducting this research. The independent variables include:

Regional trade and investment agreements (among EAC member states)

Regional trade and investment agreements among EAC member states include the Treaty establishing the East African Community, EAC protocols (EAC Common Market, East African Monetary Union, East African Customs Union, East African Health and Research Commission, East African Kiswahili Commission, and East African Science and Technology Commission) and trade act (trade negotiation for Eastern Africa Trade Commission)

Bi- intergovernmental trade and investment agreements

Bi- intergovernmental trade and investment agreements include the agreements between EAC as an intergovernmental organization with other intergovernmental organizations such as EPA (EAC-EU Economic Partnership Agreement) and the Tripartite Agreement (COMESA-EAC-SADC).

Multilateral trade and investment agreements

Multilateral trade agreements consist of trade and investment agreements with other standalone countries and organisations. These include the agreements with World Trade Organization (WTO), Trade and Investment Framework Agreement (TIFA) with the U.S.A, African Growth and Opportunity Act (AGOA), the comprehensive free trade agreement with China (EAC-China FTA), among others.

Bilateral trade and investment agreements (BTIA)

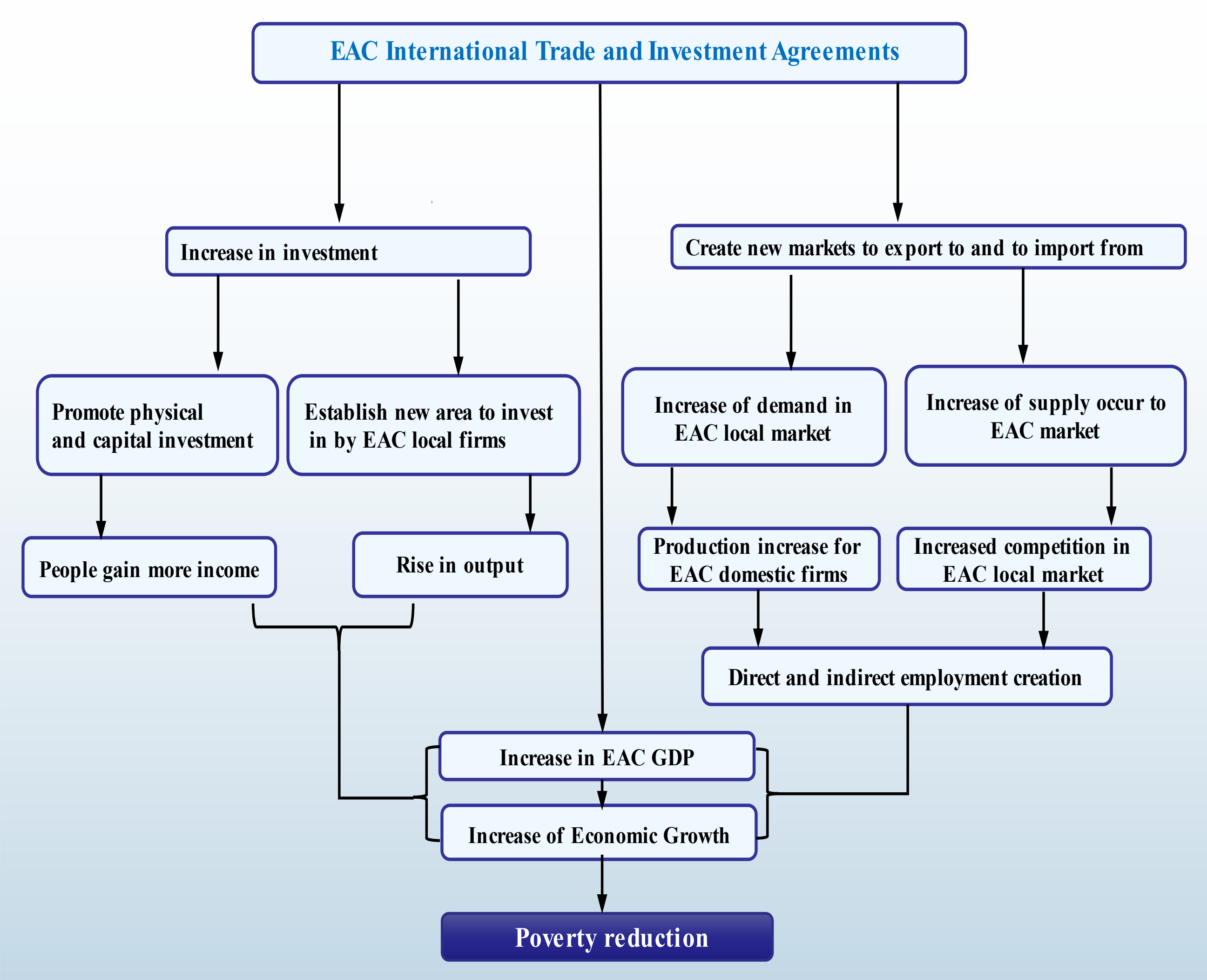
The bilateral trade and investment agreements are agreements made by each country member of the EAC alone (not as the community as a whole). Those agreements are established on a country level with other countries or organizations.

4.2.2. Dependent variables

The second section of the conceptual framework outlines the dependent variables (in light green and light blue colours), which comprises the impacts (outcomes) of the economic and societal impacts in each EAC partner State. The dependent variables comprise:

Impacts of international trade and investment agreements on local EAC economies

Figure 4. 2: impacts of international trade and investment agreements within the EAC



Impacts from trade and investment agreements to the EAC local communities

- Economic aspects
- Political aspects
- Social aspects
- Infrastructure aspects
- Industrial aspects
- Environmental aspects
- Natural resources aspects

Table 4. 1: Benefits from ITIAs to local films in EAC through Multinationals (MNEs)

Knowledge Benefits	Linkage Effects	Transformation Impacts
Knowledge transfer Technology transfer Absorptive capacity	The effects of inter-industry linkage Backward and forward linkages Entrance to international production networks Inter-industry spill-overs Competition and crowding-out effect.	Impact on society Institutional development Natural environment effects Business ethics Social-political environment

4.2.3. Standalone variables

The third section of the conceptual framework details stand-alone variables (in light black colour). These consist of: Infrastructures, Commitment characteristics and Areas to promote trade and investments.

Infrastructures: means to support trade and investment projects in EAC countries

Land transport - Roads

Water transport: Dar-es-Salaam port (Tanzania) and Mombasa port (Kenya)

Telecommunication networks: ICT infrastructure

Air transport: international and local airports, which are dispersed into each EAC member country.

Multiple commitments characteristics of the EAC countries

EAC countries are characteristically part of multiple commitments at the same time. This can bring issues of honouring those commitments in the manner that leads to benefitting with effective outcomes. The EAC member states participate in the following commitments:

Tanzania is part of the East African Community (EAC) and the Southern African Development Community (SADC) at the same time.

Rwanda, Burundi, Kenya, and Uganda are part of the East African Community (EAC) and the Common Market for Eastern and Southern Africa (COMESA) at the same time as well.

Basic infrastructure and economic sectors to promote trade and investment in the EAC

Figure 4. 3: Areas of economic sectors that need more interventions in the EAC

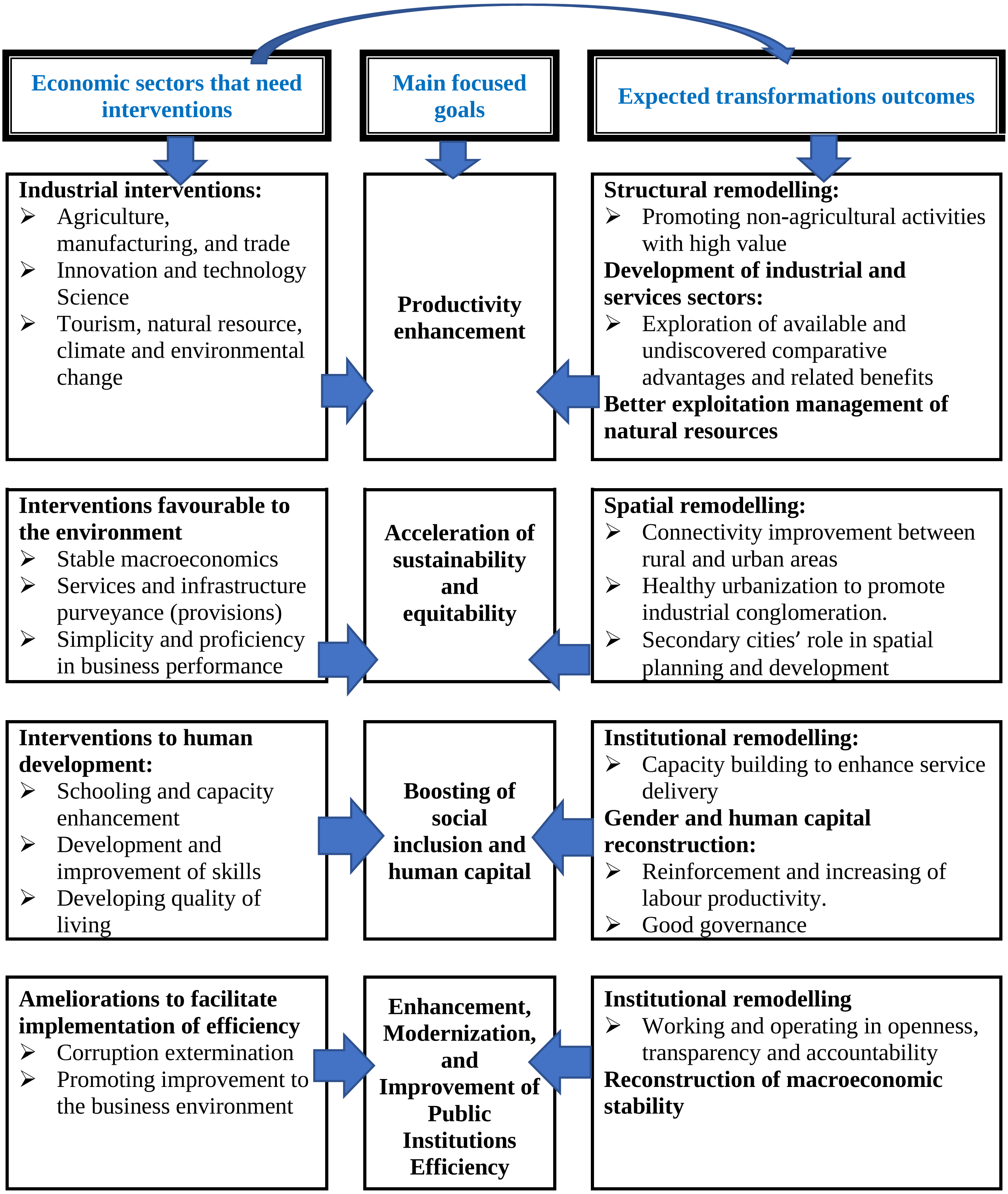


Figure 4.3 above demonstrates the areas of economic sectors in the EAC that need more interventions to promote trade and investments and their expected transformation (remodelling) and reconstruction. The key economic sectors for promoting trade and investment in the EAC region include agriculture (agricultural, forestry and fishing

activities), service (business, distribution, communication, education, financial, tourism and travel-related, and transport services), industry. The key social infrastructure to promote trade and investment in the area contains services and tools that meet local and relevant needs and make a positive contribution to quality human development.

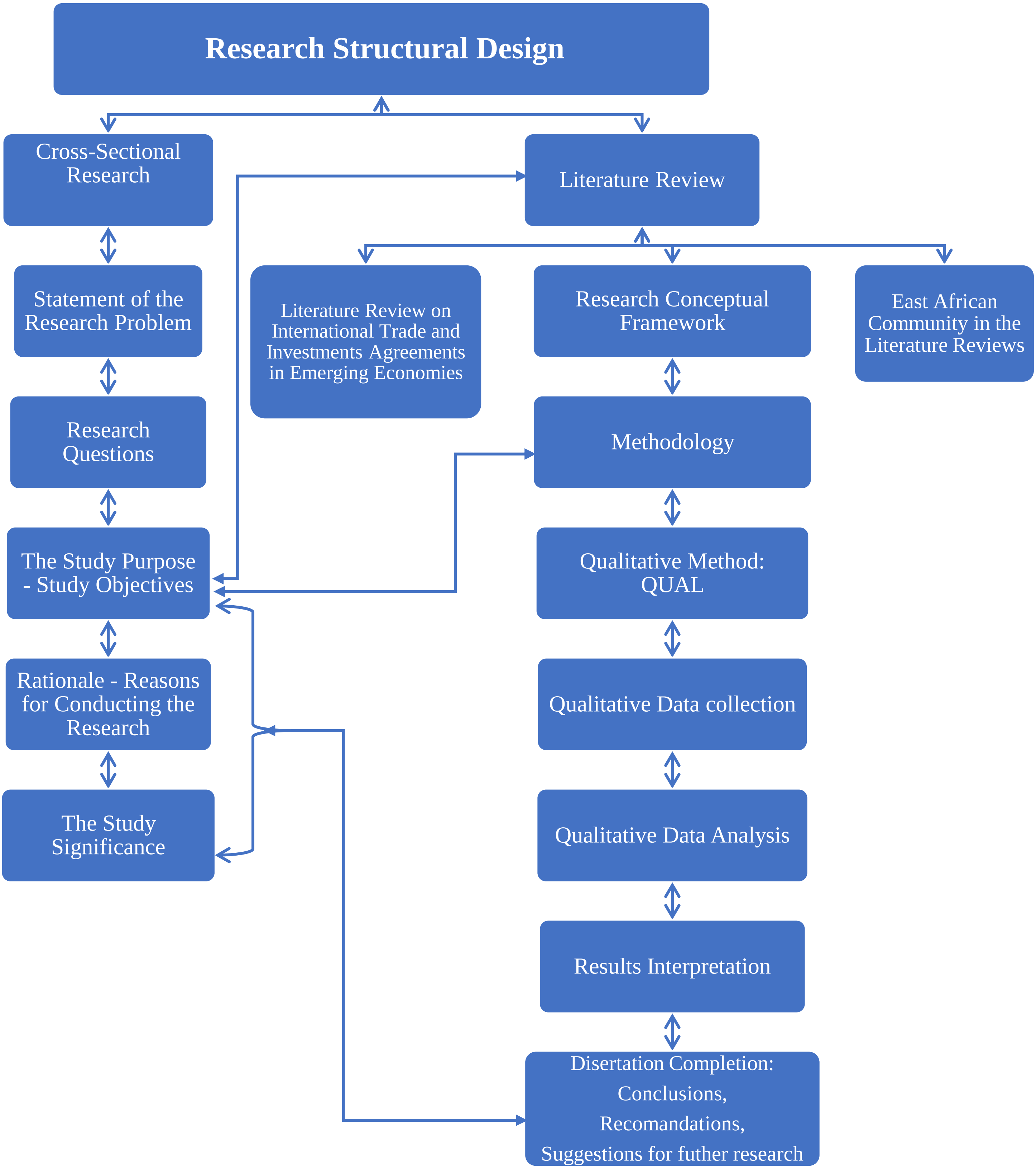
4.3. The Methodology of the Research

The used methodology while conducting the current research presents specific procedures and techniques that are there to identify, process, select, and analyse the information about the topic of "international trade and investment agreements in emerging economies in general and then specifically in East African Community region". The performed process (research structural design) and methods used for the collection, presentation, analysis, discussion, and interpretation of the study data, allow the reader (audience) to evaluate and understand the study's overall validity and reliability.

4.3.1. The Structural Design of the Research

Current research is designed in the structure that outlines the process of the expected work to be conducted, from the beginning (the introduction stage) until the end (the dissertation stage). The different parts in this research are pictured in the ways that demonstrate step-by-step how they all end up in fulfilling the study objectives and in justifying the study purpose, which is its significance.

Figure 4. 4: Current research structural design



The structure 4.4 above demonstrates the research design. It presents the process of the expected work to be conducted, from the introduction to the dissertation stage. It also shows the interrelationships between the different parts of this research study structurally.

4.3.2. The research method - Qualitative Approach

The qualitative method is utilized for conducting the current study. This involves the data collection, presentation, analysis, and interpretation using the qualitative approach in answering current research questions.

The qualitative analysis leads to rich descriptive data that presents an in-depth picture of the results from the study participants. Seipel and Rieker (2003) discuss the qualitative research strength, which is its ability of knowledge creation about not existing phenomena and complex interrelationships that have not yet been thoroughly researched or even not at all. Therefore, this method is notably useful for understanding the context of how international trade and investment agreements influence the EAC region.

This method was preferred due to its provision of assistance in exploiting the how and the why questions through interviews to focused groups. And it importantly offers the ability to respond to the research problem and helps in developing concepts and theories for the current research. In addition, the qualitative method proved to help discover new thoughts and individual views, together with the analysis to look deeper into problems. Therefore, the subject materials are evaluated with greater detail, and the research frameworks are fluidic and based on available or incoming data.

Figure 4. 5: Qualitative method design

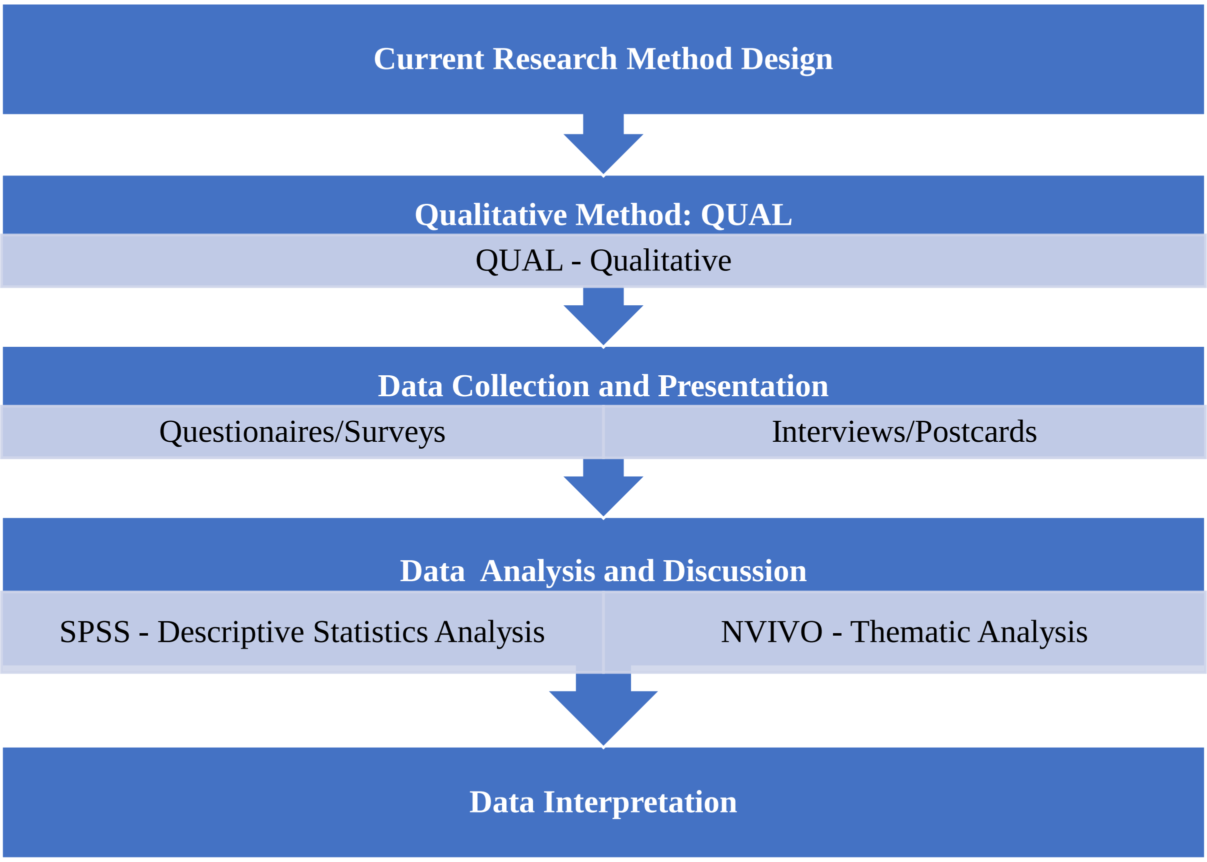


Figure 4.5 above illustrates the research design of the current study. The qualitative method research design is used to effectively administrate the survey questionnaire and structured interviews as research tools to collect respectively qualitative data. Qualitative data (the results from the survey and interview) are coded and analysed to support the questionnaire findings.

4.3.3. The selection of the research participants

The current study is qualitative research, and selecting participants is purposeful. The participants are chosen to enhance the phenomenon understanding under the study and to best inform the research questions. The participants are grouped into two categories, **Individual** participants and **Business** participants. Individual participants include residents of the EAC, members of the EAC secretariat, policymakers, members of the Council of Ministers, members of private sectors bodies, and area experts in each EAC member country. Business participants are representatives of businesses operating in the EAC region.

a. The population of the research participants

The population is composed of the participants able to provide accurate data based on the research questions, theoretical perspectives, and evidence informing the study. The population include Individual participants on one part and Business Participants on the other part. They were all selected following the requirements in the table below.

Table 4. 2: Population characteristics for the research participants

Individuals Participants	Category	Requirements	Locations
EAC Residents	EAC Habitants	Being 18 years of age and above	Each of the EAC Member States
Members of the EAC Secretariat	EAC key departments	Having an understanding level about the EAC processes	Arusha Tanzania
Members of Council of Ministers	Country representatives	Having advanced knowledge level about the EAC and participating in trade agreements negotiations	Each of the EAC Member States
Policymakers	Country Representatives / Delegates	Having advanced knowledge and/or participating in negotiations of trade and investment agreements in the EAC	Each of the EAC Member States
Members of private sectors bodies	Representatives of the bodies	Having an understanding level on the impacts of the EAC trade policies	Each of the EAC Member States
Area experts	Experts	Having a basic level of knowledge about the impacts of the EAC trade policies	Each of the EAC Member States
Business Participants	**Category**	**Requirements**	**Locations**
Domestic and multinational companies	Representatives of businesses	Participating in trade transactions across the area of the EAC	Each of the EAC Member States

Table 4.2 above explains the characteristics of both Business and Individual research participants. It shows how they are categorised, the requirements they must fulfil and their area of localisations.

b. Sample characteristics for the research participants and sample design

The quota and purposive sampling techniques are used to identify appropriate participants from the potential population. The sample size is not predetermined; therefore, the participants' number depends upon the required number necessary to fully inform the research questions and to all the phenomenon important elements being studied. However, the sample size reached its satisfaction when additional surveys or interviews did not result in identifying new concepts.

Quota sampling is used in dividing the population into categories and ultimately selecting a random sample from formed categories using purposive sampling. Purposive sampling is used for approaching people who meet the criteria of being part of the decision-making process for the EAC intergovernmental organisation, and the criteria of being part of the negotiation process when negotiating or re-evaluating the international trade and investment agreements.

The participants were approached or recruited through an e-recruitment tool called LinkedIn. This is an e-platform that is mainly used for professionals’ connections and networking. It helped to construct the sample for this research using quota and purposive sampling techniques to identify appropriate participants from the potential population. I managed to send out six hundred invitations to potential Business and Individuals participants. Four hundred invitations were sent to Individual respondents, but only two hundred twenty-three of them agreed to participate. Also, two hundred invitations were sent to Businesses representatives, but only one hundred twenty-seven of them agreed to participate. Among the Business and Individuals participants, twenty-eight agreed for telephone interviews, eleven responded through face-to-face interviews, and the rest of them responded by postcard interviews.

The methods used to select the sample provided results that are reliable and credible. The selected samples permit to generalise the study findings throughout the whole population. Therefore, the used samples are populations representative to avoid bias and are large enough to provide rich and enough information that avoids errors and imprecisions. This gives current research both significance and vital credibility. This resulted in getting a heterogeneous sample and thus contrasting views. The respondents responded with diversity in opinions and perceptions, in terms of discussing different experiences about international trade and investments agreements in EAC. Generally, all participants managed to contribute to the high behavioural response.

4.3.4. The collection of the research primary data

The qualitative primary data gathering involves postcards (in the form of questionnaires), face-to-face, and telephone/skype interviews. To reach the proposed research objectives, the researcher gathered data using the qualitative approach. The qualitative method offered a dynamic approach to current research, where I had the opportunity to follow up on answers given by respondents, generating valuable conversation around the topic. With the preparation of collecting the primary data of the research, the first stage was constructing the ideal questionnaire design by incorporating the most relevant information about international trade and investment agreements in EAC. The second stage was distributing post-cards (questionnaire) through emails as a method of communication. The third stage was conducting face to face interviews with the few accepted participants. The last stage was to conduct skype and telephone interviews with participants who opted to be reached by telephone. The interviews were designed in the way that participants have the freedom to express their views without any clues or influence from the interviewer in response to the asked questions.

Six hundred invitations to participate in the research were distributed to potential Business and Individuals participants. Four hundred invitations were sent to Individual respondents, but only two hundred twenty-three of them agreed and consented to participate. Also, two hundred invitations were sent to Businesses representatives, but only one hundred twenty-seven of them agreed and consented to participate.

a. Post-cards interview as a method of collecting primary data

The post-card method purpose was to collect data in the form of interviews. The participants agreed to describe their experiences and thoughts as interviews' conversations. This particular method made it possible to collect information while respondents remained anonymous if necessary. Due to the longitudinal nature of the data collection and the problem of maintaining direct communication between the researcher and the often-large number of participants, the data collected by postcards were not too long but rich in contextual information about the topic.

The postcards interviews were designed in the manner of efficiently gathering data from the selected respondents to produce illustrative information that serves in measuring the knowledge amongst participants about international trade and investment agreements, as well as their impact level on the EAC population. The data collected through electronic post-card was anonymous.

The Post-cards were distributed electronically with Online surveys (formerly Bristol Online Survey, BOS) to the e-mails of participants. The participants were invited to provide responses in an electronic post-card form. E-mails were sent to participants inviting them to reply to the "electronic post-card" on the prepared questions designed to be responded to and to answer the research questions focussing on the research objectives. Reminder emails were sent to participants on a weekly interval and programmed to stop after they had provided their responses. The process was scheduled to last three months but extended to five months because of the COVID-19 pandemic.

The postcards consist of small-scale written focused questionnaires to participants with included space that allow them to write their answers in their own words. Among the Individual participants, 205 of them opted for postcard interviews. Among Business participants, 115 agreed to postcard interviews as well.

b. Face-to-face, Skype and Telephone interviews

Interviews administrate face-to-face, Skype and Telephone were semi-structured interviews. These involved a combination of both structured and unstructured interviews. This means that a list of questions to be asked in the interviews was prepared beforehand, and also some follow-up questions to get deeper detail or explanation from the respondent could be asked based on the respondent response. This type of interview in qualitative research helps the participants to provide accurate information. While conducting the interviews, it was important for the researcher to design interviews in such a way so that they will yield as much information about the research topic as possible and also don't abandon the purpose of the research.

Before starting each of the interviews, I explained to the respondents the study objectives and the reasons they were sampled to participate. In addition, respondents received copies of the "Participant Information Sheet" for their records. I also informed the participants of their right to withdraw from the study at any time without explanation. It was clearly disclosed about the Participants Information sheet indicating that research participation was purely voluntary. Finally, all respondents were being asked to sign participant consent forms before the start of each interview. This was to ensure that participants understood their role in this study and that the ethical requirements had been met. All interviews were conducted in English as all respondents could speak the language.

Among the Individual participants, seven agreed to face to face interviews, and eleven of them agreed to telephone interviews. Among Business participants, only four of them agreed to face to face interviews, and eight agreed to Skype interviews. All the research participants that have accepted the invitations for face-to-face, Skype and Telephone interviews did not accept to be recorded. The following process was followed to administrate effective face-to-face, Skype and Telephone interviews.

Planning and preparation - It was important to me to have read and known about the participant before starting an interview. I had to prepare questions and understand what is wanted to learn during the interview. It was also helpful to set a time limit for the interview.

Understanding the purpose of the interview – It was important for me to define the goal of the interview beforehand. This made it easier to ask the right questions.

Connecting with the respondent - Most people become nervous at interviews, and it was essential for the researcher to set the respondents at ease by talking with them and explaining the interview process so they can put their best in the interview. I always started interviews with questions that respondents feel comfortable talking about rather than sensitive or difficult to answer questions. By this, I could make the respondents feel comfortable, building up their confidence so that they can provide quality data.

Active listening – The researcher wanted to learn about the respondent, so active listening was very important. This encouraged the respondents to share more information as much they could without holding back.

4.3.5. Questionnaire development

To avoid long, biased, and vague questions, the questionnaire was designed carefully. Primary development was based on the factor that the subject-related curriculum being pursued, identified in the review of the literature, and analysed in detail in the developmental dimension in chapter five. On the top of each questionnaire is located a privacy notice statement explaining to the respondent the study objectives and asking them whether they consent to voluntary participation in the study. The bellow factors formed the foundation of the design of the questionnaire, and the following question formats were adopted.

a. Open-ended questions

The questions asked during interviews in this research were open-ended (that means the respondents were able to provide answers more than just Yes or No), understandable, and sensitive in nature. These types of questions were implemented to give respondents the chance to provide information using their own words, and they offered me the possibility to avoid the collection of false responses. However, these types of questions were identified to be complex to analyse and more time consuming for both the research and respondents. Therefore, a small number of questions of this type were asked.

b. Non-committal answers

To avoid the state on which the respondents may feel forced to respond and select untruthful and incorrect responses (DeVaus, 2002), an alternative option was put in place, "Have nothing to say' or 'Neutral". This provided the respondents to option to select this in circumstances where they were not willing to answer the question or simply could not provide any information about it. This did indeed avoid collecting false and invalid information.

c. Testing of the questionnaire

The questionnaire was designed carefully, and the questions were assessed, reviewed, and agreed on by two research supervisors (academic experts in the research area, appointed by the Anglia Ruskin University to supervise current research activities). Their opinions and feedbacks were of much importance and were considered in the final sent out questionnaires to the research participants.

4.3.6. Qualitative secondary data

The secondary data is retrieved from pre-recorded (existing) sources, including web databases of international organizations, related government departments and institutions, public and private institutions, and independent area experts.

The International organizations include the World Bank (WB), International Monetary Fund (IMF), World Trade Organization (WTO), United Nations Development Programme (UNDP), East African Community (EAC), Statistical Office of the European Union (EUROSTAT), Organization for Economic Cooperation and Development (OECD), European Union (EU), United Nations Conference on Trade and Development (UNCTAD),

United Nations Industrial Development Organization (UNIDO), Human Development Index (HDI) for countries, United Nations Statistics Division (UNSD), among others.
The EAC Governmental departments and institutions include each EAC member State's Ministry of Finance, National bank, National Bureau of Statistics and others.
Public and private institutions include Observatory of Economic Complexity (OEC), Trade Law Centre (TRALAC), German Corporation for International Cooperation (GIZ), African Development Bank (AfDB), U.S. Chamber of Commerce, International Institute for Management Development (IMD), among others.

4.3.7. The consolidation and presentation of the collected data

The data collected are processed and consolidated through transcription after translation (when necessary), cleansing and labelling to be usable, and presented through tabular (tables), graphical (charts), and textual.
Tables are utilised for presenting a full set of numbers. Charts are used for highlighting patterns on the identity of the selected data values in columns, axes, or rows.
The qualitative data collected are organized, consolidated, and presented through transcription after translation (when necessary), cleansing and labelling.
Data transcription is employed for transcribing the meaning of the data into written form for closer study. Data translation is used for interpreting the meaning of data into used research language without losing any. Data cleansing is utilised for matching files of the data, scoring tests, selecting cases, and making other tasks needed for data analysis. And data labelling is for structuring and familiarising the collected data.

4.3.8. The Analysis of the Collected Data

The data analysis of the collected data is objectively, logically, and systematically organized and analysed utilizing statistical and logical techniques for describing, demonstrating, recapping, condensing, and evaluating the information to draw conclusions on international trade and investments agreements in East African Community. The analysis is the breaking up process of the whole research into its constituent categories parts accordingly to the asked questions that are specific in answering the study problem statement. As explained by Resnik and Shamoo (2003), diverse data analytical procedures offer a means of deriving inductive inference from the data and of differentiating the phenomenon of interest (the signal) from the statistical fluctuations (noise) that may be present in the data.

As stated above, the data in this research are analysed through descriptive statistics using SPSS and through thematic analysis using NVIVO to support structuring and coding the data into groups and themes. The collected data are grouped into categories so that they can be visualised, then summarized and presented in the way that best informs their content. The involved procedures and techniques are consistent with the philosophical view underpinning current research.

a. Qualitative primary data thematic analysis

The gathered data was transcribed manually first and then through the NVivo program. NVivo is a valuable and effective tool, but it has its limitations, as per any other means of data analysis. As Ishak and Bakar (2012) stated: "NVivo is just another set of tools that will assist a researcher in undertaking an analysis of qualitative data". However, regardless of the type of software being used, the collected data must be made sense of because it is the responsibility of a researcher without damaging the context of the phenomenon being studied.

Table 4. 3: Phases of Thematic Analysis

Phases of the thematic analysis	**Process Description**
Familiarisation with the data	Data transcription and repeated reading
Initial codes generation	Systematically collating data relevant to each code
Potential themes	Collating codes into potential themes, gathering all data to each potential theme
Initial themes (reviewed themes)	Checking if themes collaborate with both the codes and the overall data to generate a thematic map of the analysis
Defining and naming themes	Generating themes that tell a story of the whole data
Report production	Presenting the data linking it to the research questions and existing literature

Table 4.3 above shows the phases of the thematic analysis in the current study. The collected data was firstly prepared and organised after being gathered. Secondly, the data was reviewed and explored carefully to get a clear sense of what it contains. Thirdly, initial codes were created by highlighting keywords to connect and categorize the data. Fourthly, codes were

reviewed, revised, and combined into themes based on the respondents' answers. Then lastly, the data was presented following the themes in a cohesive manner in chapter 5, considering the audience, the purpose of the study, and what content should be included to best tell the story of the data. This process was effective and allowed me not to miss any element in participants' answers, but it was time-consuming.

b. Data Analysis using SPSS program.

Analysing data using SPSS statistical program involves descriptive statistical analysis techniques that provide the means to establish a sense of and draw inferences from the collected data in summarizing and explaining the information to illustrate a significance. The statistical technique used while analysing the qualitative data of this research includes tables and figures (graphs).

Figures (graphs or bar charts) in grouping and summarizing the data. This is important because it gives an immediate overview (the picture) of the data and immediately tells if the data is grouped, dispersed (spread about), tending to high or low values, or clustered around a central point. It also shows if the data have outliers (do not fit the pattern - very high or very low data values) that can be excluded from the analysis or that can be revisited to make sure they are correct at least.

Tables in current research are ways of presenting the collected data effectively. They are sketched in a way that simply, clearly, and neatly allow and inform the reader to understand the elements that comprise the tables.

4.3.9. The Interpretation and Discussion of the Findings

Through perceptiveness and creativity, the findings of current research are interpreted and discussed. Firstly, by tying them up together in both application and theory, by extracting together the conceptual framework, the literature review, and the potential significance of the study for application. Secondly, by critically examining, summarizing, interpreting, and justifying the findings in drawing inferences.

The findings are interpreted by applying the techniques of summarizing (or concluding), interpreting, integrating, theorizing and other alternatives as well.

Summarizing or concluding to enable the reader to get the whole picture of the results in summarised form. Also, for helping orient the reader towards the discussion that follows.

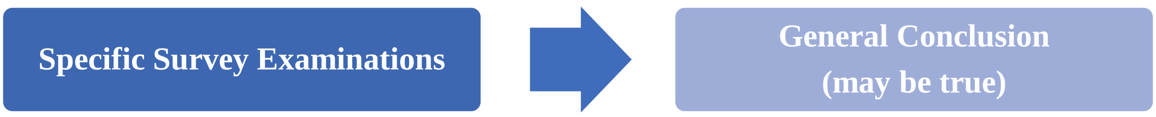
Interpreting for providing answers, justifications, and interpretations (clarifications) to the questions on the meaning of the methodology, the findings, and the unexpected results. But also to provide clarification on the study shortcomings and limitations.
Integrating for the attempt of putting all pieces of the findings together in extracting meaning and principles.
Theorizing to forming related findings into theories.
Applying alternatives for **inductive interpretation** from thematic analysis.

Generally, these techniques help in, firstly, integrating the study findings into the principle, secondly, integrating a theory into the findings, then lastly, using the findings for the formulation of the original theory. The component design is used to combine the evaluated and analysed data so that the interpretation of the data can be made at the end while writing the report.

4.3.10. The Use of Indictive Reasoning Technique

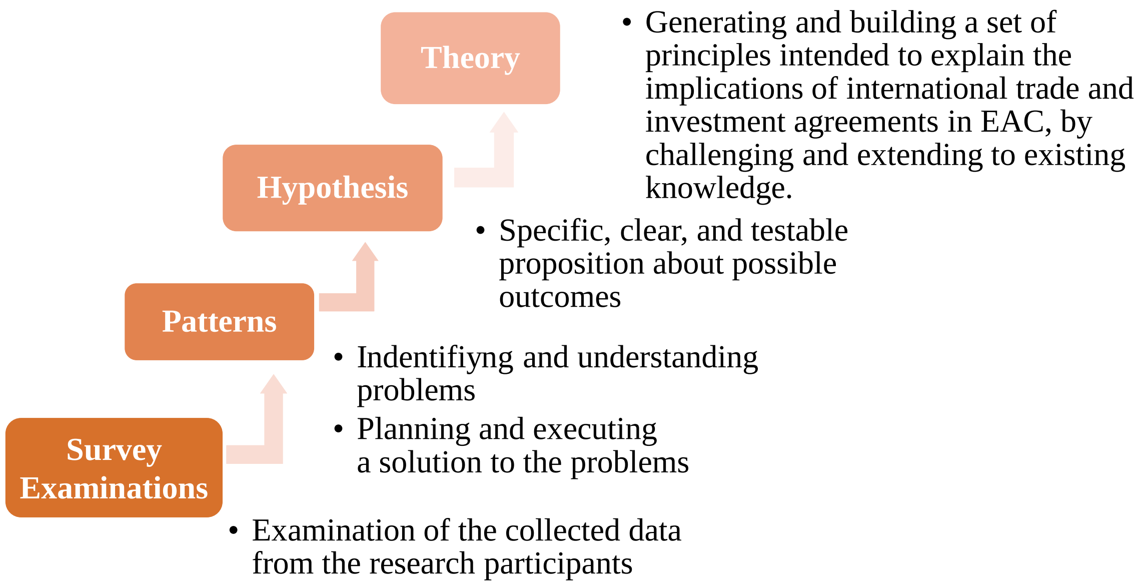
With this research, the inductive technique is used for drawing conclusions and constructing explanations using existing data and knowledge. And for interpreting concepts that are not pre-established; but instead come from the collected data. For the support to the study, the use of this reasoning technic is to assist for more precisely and accurately respond research questions that cannot be fully resolved or answered by the qualitative method solely (Lincoln and Denzin, 2000). Therefore, with the inductive reasoning technique, the current research process is benefited, and substantially its subject matter is interpreted comprehensively. Its implication and application ultimately lead to conducting the study fieldwork effectively. Inductive reasoning, also called the "bottom-up" approach, implicates working from survey examinations (in exploring a phenomenon) to inference and works in the direction from specific concept examination to broader generalization theories. Even this technic provides highly valuable insights, and it presents the behaviour of basing on examinations set, which can sometimes not be complete. Therefore, abductive reasoning is there to settle this weakness.

Figure 4. 6: Inductive reasoning direction



During the current study, using inductive reasoning, the interpretations of the concepts are not pre-established; instead are driven from the collected data. With the bottom-up movement, it is exploratory and more open-ended in nature. It starts with specific concepts examinations and proceedings (gathering evidence limited within the scope), then detecting patterns and models, then formulating tentative hypotheses that can be explored, and ultimately developing theories or general conclusions in explaining what is discovered.

Figure 4. 7: The movement of inductive reasoning



In using inductive reasoning, not all arguments can employ explanations directly. Table 4.3 below illustrates the primary use of inductive reasoning technics in logic, generalizability, use of data and theory terms.

Table 4. 4: The use of inductive reasoning

Arguments	**Inductive**
Logic	Use of known premises for the generation of untested conclusions
Generalizability	From the specific to the general
Use of data	Use of data collection in exploring a phenomenon, identifying themes and patterns, and creating a conceptual framework (theory)
Theory	Generating and building the theory

4.3.11. Ethical consideration

As stated by Bryman and Bell (2007), current research follows the general principles relating to ethical consideration. The following statements about the research participants express ethical consideration with this research project:

They are not subjected to harm in any way whatsoever, considering their cultures, norms, gender, religions, and political and economic realities. Their respect for dignity is being prioritized. Their full consent is obtained before the study. Their privacy protection is assured and guaranteed. Their guarantee related to an adequate level of confidentiality for research data is provided and respected. The anonymity of individuals, businesses and organizations involved in the research are guaranteed. Any deception (or exaggeration) about the research goals and objectives is avoided. There are no affiliations, in any form, to funding sources (or any other conflicts of interest) to declare. All means of communication-related to research are being done with honesty and transparency. And current research avoids representing primary data in a biased manner, and there is no misleading information of any type.

Furthermore, guidance is provided accordingly, and generally, this research project is conducted referring to the norms or standards of conduct when deciding how to act, especially in distinguishing acceptable and unacceptable behaviour.

a. Dealing with ethical issues

Ethical issues have been recognized and considered since it involves participants in filling surveys and responding to interviews. Nevertheless, the ethical concerns are managed because this research project is overt research which consists of collecting data with the knowledge and consent of all involved respondents.

Participants in the current research are anonymous. Participants personal data was not required at any stage of this research project. Therefore, the participant information could not be identified. The results were written up in a completely anonymised format, which means that participants personal data was not included in dissemination. Participation in this research was voluntary. So, a participant might choose to withdraw from participation at any stage by contacting the research conductor. All data are be anonymised, and the research is disseminated in a resource’s website, conferences, and journal publications. The data will be kept securely in a controlled environment on Anglia Ruskin University’s intranet.

To comply with any local laws considering the provenance of the participants, the current research was conducted respecting the Social-Behavioural Research Standards, and there is not any local ethical approval required as current research was not involving animals and

habitats that might be under the age of 18 or incapacitated. In addition, the research conductor was familiar with the cultural norms and language(s) of the East African Community countries.
Current research also complies with the ethical standards of Anglia Ruskin University and adhere to the GDPR requirements with regards to data storage. It has been approved by the School Research Ethics Panel (SREP) under the terms of Anglia Ruskin University's Research Ethics Policy and relevant sections of the Code of Practice for ethical related at Anglia Ruskin University (hereafter referred to as the Code of Practice). The approval was ratified by the Faculty Research Ethics Panel (FREP).

b. Research biases

Biases in current qualitative research were avoided by asking quality questions that kept participants active. Remaining aware and focused on sources of bias enabled the truest respondents' perspectives and ensured the highest qualitative standards. The research biases include respondent and researcher biases which have been recognised during the current study.

Table 4. 5: the types of potential research biases and how to deal with them

Respondent biases	**The way they have been dealt with**
Acquiescence bias or friendliness bias – which occurs by agreeing with the interviewer without carefully weighing the asked questions.	The questions that imply that there is a right answer have been replaced by those that focus on the true point of view of the respondent.
Social desirability bias - which involves answering questions in a manner that the respondent can think, may lead to being liked and accepted.	It has been focused on unconditional positive regard to minimising the bias. This involves showing it is alright to answer in a way that is not socially desirable while phrasing questions.
Habituation bias - which occurs when the same answers are provided to questions that are worded in similar ways.	The engagement conversational had to be kept and continued to vary the wording of the questions to minimize habituation.
Sponsor bias - which can be manifested as respondents feeling and opinions when they get to know or suspect the sponsor of the research	The independent status has been kept, and a neutral stance was maintained to avoid conflict related to this type of bias and to get positive, unbiased respondent feedback.
Researcher bias	**The way they have been dealt with**
Confirmation bias - which occurs when a researcher forms a belief and uses information from respondents to confirm that belief.	Respondent's impressions, pre-existing assumptions and hypotheses have continually been re-evaluated and challenged to avoid such type bias
Culture bias - which occurs by advancing assumptions about influences and motivations based on cultural relativity.	Individuals' beliefs and activities have been understood while conducting the current study. By showing unconditional positive regard and being cognizant of own cultural assumptions, it has been moved toward cultural relativism
Question-order bias - which is when one question can influence answers to subsequent questions.	The general questions have been asked before specific ones, positive before negative, and unaided before aided to minimize the bias.
Leading questions and wording bias - which refers to elaborating on the answers of respondents or putting words in their mouth while leading questions trying to confirm a hypothesis.	The avoid such type of bias, it has been asked questions that use the language of the respondents. Implications about the thoughts and reactions of the respondents are inquired and considered. Avoided summarising what was responded into own words

4.4. Chapter conclusion

The conceptual framework model in this chapter is proposed to discuss intervening variables that are involved in communicating better the expectations and objectives for the current study. To conceptualize the contextual specificity of the implications of international agreements on trade and investment in the East African Community, a framework is suggested in which the impacts on EAC economies and societies are described in the process of the mentioned three sections. The main factor of independent variables is that they directly influence the domestic economies of the EAC countries. International trade and investment agreements largely impact local society and domestic economic sectors in the host countries; therefore, dependent variables in this conceptual framework model abridge the outcomes of the economic and societal impacts in each member country of the Community. Standalone variables encompass existing factors in the EAC that ease or facilitate the actions of doing business and establishing investments into the region. The following chapter discusses the methodology of the current research.

The research methodology is explained in this chapter as well. The general research design structure determines each step in the process towards dissertation completion. The model of the qualitative method was utilised for the research data to explain phenomena although the collection of data through postcards, telephone/skype, and face to face interviews. The data were analysed using statistical and thematical based methods in providing in-depth information from study participants. The SPSS and NVivo programs were preferred for the analysis of the study primary and secondary data.

The chapter also discusses the kind types of participants in this research, thus, however, demonstrates how ethical is considered in dealing with potential issues or traits that might occur by ensuring participants for their security, respect, anonymity, and confidentiality after they have fully consented to participate in responding the research questionnaires and interviews. Research biases, including respondents and researcher biases, have also been considered, and the manner to deal with them has been explained. The following fifth chapter discusses the presentation and analysis of the research data.

CHAPTER 5:

PRESENTATION AND ANALYSIS OF DATA

5.1. Introduction

The main purpose of current research is to study and evaluate the implications of international trade and investment agreements in the East African Community (EAC) and to examine the trade linkages among the member countries of the organization. The first focuses on the presentation and analysis of the primary data collected from fieldwork conducted within each member country of the East African Community (EAC). The second centres on the presentation and analysis of the secondary data gathered from pre-recorded (existing) sources, including web databases of the EAC organization, other international organizations, and related government institutions and private institutions in the EAC member countries. The collected data is processed and consolidated through transcription after translation (when necessary), cleansing and labelling to be usable, and presented through tabular (tables), graphical (charts) and textual (proses). Also, the collected research data is presented and analysed accordingly to the research questions, in a way that brings order creatively and systematically, structure and meaning to the collected data to avoid the ambiguous and time-consuming process.

5.2. Description of the research participants

As stated in chapter four, the research participants were sampled according to their country of residence in the East African Community (EAC) region. They were categorised into two groups, Individual participants and Business participants. Individual participants included residents of the EAC, members of the EAC secretariat, policymakers, members of the Council of Ministers, members of private sectors bodies, and area experts in each EAC member country. Business participants were representatives of businesses operating in the EAC region. They were all selected satisfying the requirements in table 4.2. The number of participants and their area of localisation is presented in the table below.

5.2.1. The demography of the research participants

Table 5. 1: Demographic information about the research participants

Country	Category	Number of participants	Percentage
Burundi	Individuals	26	12%
	Businesses	19	15%
Kenya	Individuals	45	20%
	Businesses	11	9%
Rwanda	Individuals	75	34%
	Businesses	13	10%
South-Sudan	Individuals	7	3%
	Businesses	4	3%
Tanzania	Individuals	34	15%
	Businesses	26	20%
Uganda	Individuals	36	16%
	Businesses	54	43%
Total	**Individuals**	**223**	
	Businesses	**127**	

Source: The Author - Current research data

Table 5.1 above demonstrates the number of participants in current research and their area of localisation. The category column shows the type of participated respondents. The number of participants column indicates the number of participants in each country of the EAC. And the percentage column indicates the percentages of participated respondents based respectively on their country of origin.

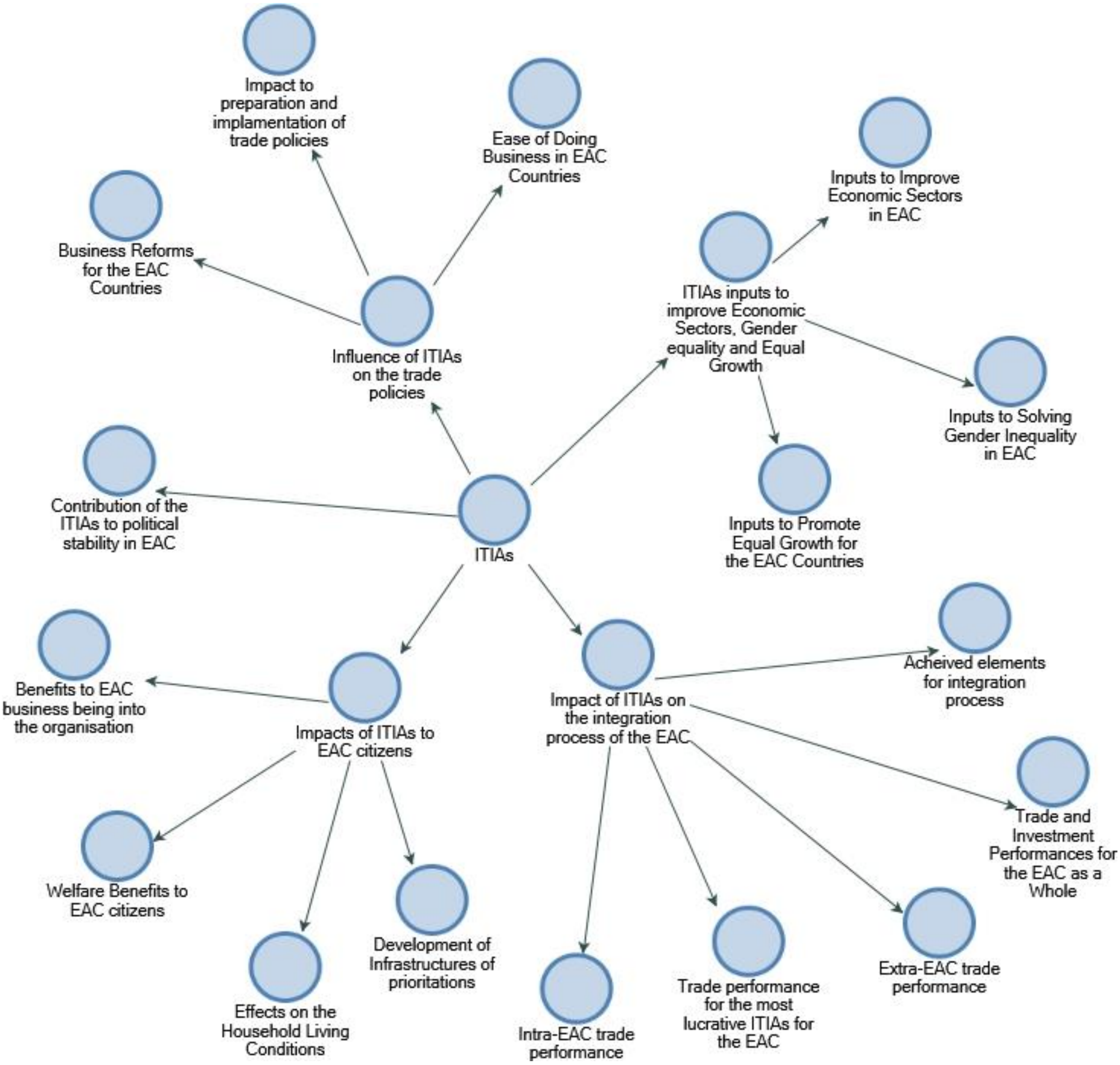
Rwanda dominated Individual participants with 34%, followed respectively by Kenya with 20%, Tanzania with 15%, Burundi with 12%, and lastly South Sudan with 3%. Uganda dominated Businesses Participants with 43%, followed respectively by Tanzania with 20%, Burundi with 15%, Rwanda with 10%, and lastly South-Sudan with 3%.

5.3. Background of the qualitative data

The presented qualitative data in this section involves collected data from primary and secondary sources. The primary data was retrieved from gathered information provided by research participants through completed postcards (in the form of questionnaires) and administrated face to face and skype/telephone interviews. The secondary data in this research were recorded from existing sources, which include web databases of international organizations, related governmental departments, and institutions in the EAC, public and private institutions. The themes developed in analysing the collected data were answering the research questions and relating to research objectives. The following themes were emerged and will be discussed during this section.

The themes involved in finding answers to the research first question include an overview of economic development in the EAC and the impacts of ITIAs on the quality of living for the citizens of the EAC countries. The theme involved in finding answers to the research second question includes the influence of ITIAs on the trade policies in the countries of the EAC. The theme involved in finding answers to the third research question consists of the contribution of the ITIAs in solving issues of political stability in EAC. The themes involved in finding answers to the fourth research question include the ITIAs inputs to improve economic sectors, solve gender inequality and promote equal growth for the EAC member countries. The themes involved in finding answers to the fifth research question include the impact of ITIAs on the integration process of the EAC, constraints to ITIAs and related activities in the EAC, the intra-EAC trade performance, trade performance of the EAC countries with the rest of the world - Extra-EAC trade depiction for each country, recapitulation of trade and investment performances for the EAC as a whole, and trade performance for the most lucrative ITIAs for the EAC as a REC.

Figure 5. 1: The Thematic Map of Analysis



5.4. Overview of economic development in the East African Community

The EAC total real GDP, as presented in Appendix 3.7, the EAC real GDP increased from $32.3 billion in 2000 up to $106.7 billion in 2010 due to the admission of Rwanda and Burundi and up to $217.6 billion in 2019. For each member country of the EAC in 2019, Kenya is the highest GDP mobiliser with $95.5 billion, followed by Tanzania with $63.2 billion, followed by Uganda with $34.4 billion, followed by South Sudan with $11.4 billion, followed by Rwanda with $10.1 billion and then lastly Burundi with $3.0 billion. The real GDP of the EAC experienced an ascendant trend from the period 2000 to 2019.

The Annual Growth of the EAC GDP, which is calculated using is calculated as the percentage change in the real GDP per capita between two consecutive years at market prices, considering constant local currency. The economic growth of the EAC is presented using the formulas of "GDP growth Rate" and "GDP Weight" based on the various sources from existing and newly collected data to analyse the regional economic growth.

The EAC GDP annual growth using the real GDP growth rate formula, adopted by the World Bank to calculate the percentage of annual growth at market prices based on constant local currency.

$$\textbf{Growth Rate } (R_\gamma) = \left\{\frac{GDP_\gamma}{GDP_{\gamma-1}} - 1\right\} * 100$$

Whereas:

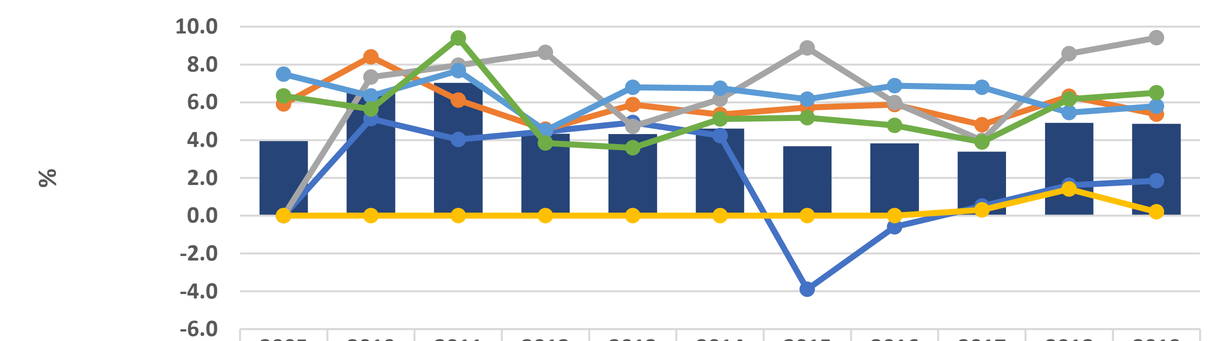
γ *represent the year of growth rate calculations,*

R_γ *is the growth rate,*

GDP_γ *is the real GDP in the year of growth rate calculations,*

$GDP_{\gamma-1}$ *is the real GDP in the earlier year of growth rate calculations.*

Figure 5. 2: The GDP Growth of the EAC from 2005 to 2019



	2005	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
EAC	3.9	6.6	7.0	4.3	4.3	4.6	3.7	3.8	3.4	4.9	4.9
Burundi		5.1	4.0	4.4	4.9	4.2	-3.9	-0.6	0.5	1.6	1.8
Kenya	5.9	8.4	6.1	4.6	5.9	5.4	5.7	5.9	4.8	6.3	5.4
Rwanda		7.3	8.0	8.6	4.7	6.2	8.9	6.0	4.0	8.6	9.4
South Sudan									0.3	1.4	0.2
Tanzania	7.5	6.3	7.7	4.5	6.8	6.7	6.2	6.9	6.8	5.4	5.8
Uganda	6.3	5.6	9.4	3.8	3.6	5.1	5.2	4.8	3.9	6.2	6.5

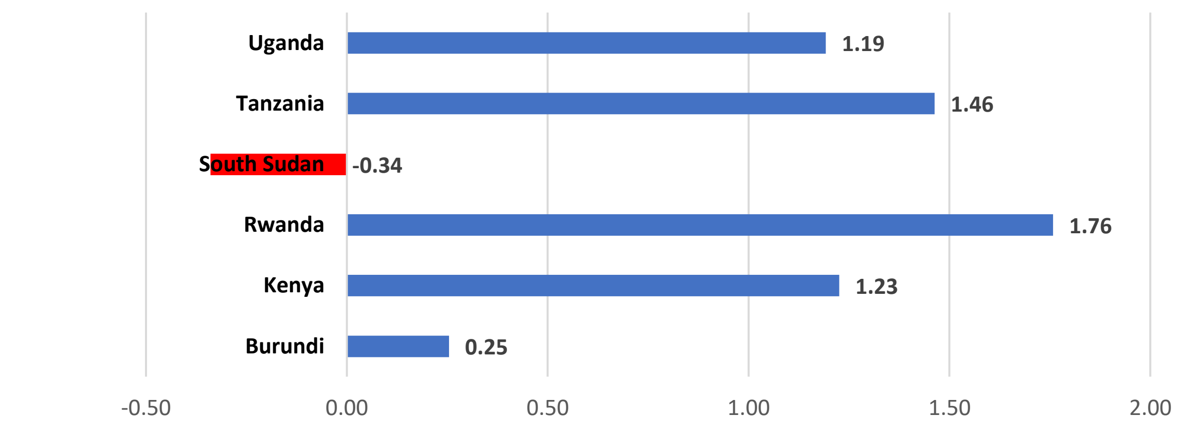
Source: Author calculations, EAC Member Governments statistical reports (200-2019), and World Bank data (2020)

Figure 5.2 shows the annual percentage growth of the GDP of the EAC countries from 2005 to 2019. The figure shows that the EAC annual GDP growth increased to 6.60% in 2010 compared to 3.9% in 2005. However, the GDP growth decreased significantly to 4.3% in 2012 and 3.7% in 2015 (due to negative growth in Burundi and South Sudan) comparing the previous years (7.0% in 2011 and 5.4% in 2014). It increased to 4.9% in 2018 and the same in 2019.
The EAC GDP Weight by Country, adopted by the World Bank to calculate the average percentage of the GDP weight of given countries and regions.

$$\mathbf{GDP}\ \boldsymbol{Weight} = \frac{\mathbf{GDP\ of\ country}}{\boldsymbol{GDP\ of\ region}}$$

Whereas the region in GDP weight is the EAC region

Figure 5. 3: Average of the GDP Weight for the EAC countries



	Burundi	Kenya	Rwanda	South Sudan	Tanzania	Uganda
Average	0.25	1.23	1.76	-0.34	1.46	1.19

Source: Author calculations, EAC Member Governments statistical reports (200-2019), and World Bank data (2020)

Figure 5.3 above shows the average percentage of the GDP weight for the EAC countries. The figure indicates that Rwanda performed well with an average GDP weight of 1.76, followed by Tanzania with 1.46, followed by Kenya with 1.23, followed by Uganda with 1.19, followed by Burundi with less performance of 0.25, and lastly South Sudan with very poor performance with -0.34.
Based on the data from Appendix 5.1, for the period under review, Rwanda was the first performer in GDP weight within the EAC countries with the highest performance during the

years 2000 with 2.65%, 2005 with 1.56%, 2012 with 1.91%, 2015 with 3.79%, 2018 with 1.74%, and 2019 with 1.94%. Tanzania was the second performer in GDP weight within the EAC countries with the highest performance during the years 2014 with 1.40%, 2016 with 2.18% and 2017 with 2.01%. Kenya was the third performer in GDP weight within the EAC countries with the highest performance during the year 2010 with 1.28%. Uganda was the first performer in GDP weight within the EAC countries with the highest performance during the year 2011 with 1.34%. Burundi and South Sudan were the fewer performers in GDP weight within the EAC countries.

5.5. The Impacts of ITIAs on the quality of living for the citizens of the EAC countries

International trade and investment agreements impact the EAC citizens in many different ways by taking advantage of provided benefits, gaining access to modernised basic infrastructures, and gaining improved democracies and freedoms.

5.5.1. Welfare Benefits from International Trade and Investment Agreements

The individual respondents disclosed that they gain the following benefits from international trade and investment agreements in the EAC.

Some of the participants responded with the following statements:

"The benefits we profit from international trade and investments agreements among the EAC member countries themselves, include free movement of goods, services and persons, freedom for labour/workers, borderless for capitals and properties, right of establishment and residence, non-discrimination, equal treatment, low price goods and the bigger job market."

"The benefits we profit from international trade and investments agreements between EAC (as intergovernmental organization) and the rest of the world (e.g., with other standalone countries, or other organizations) include quality products, new jobs, an increase of income, GDP increase, better living conditions and increased of competitive advantage."

Other participants enclosed that the ITIAs in EAC contribute to *"Hunger reduction – Vast area to find work and invest"; "Quality education – students get access to many highly qualified universities in EAC as those in their home country"; "Clean water and sanitation – Interaction and collaboration strengthening on the regional and national levels"; "Conflicts* *prevention – in initiating a coherent regional structure for peace and security in EAC"; "Promotion for peace and security – regional strategy for increased security, crisis prevention and political corroboration and unification in EAC countries"; "Economic growth and prosperity – reinforced economic integration"; "Infrastructure innovation – common greater competitive capacity"; "Reduced gender inequality – in supressing household violent conflicts and promoting women in higher-level governance positions"; "Growth in local communities – people can easily move and live in other community in a different country."; "Poverty reduction – value-added, trade and investment possibilities"; "Better medical conditions – peoples in one country with poor medical facilities can access easily to better ones in other EAC country";* and *"Cultural integration – in promoting culture diversification in the region."*

Table 5.2 below presents the recorded data from sampled individuals about the benefits from international trade and investments agreements in EAC to the people of the EAC.

Table 5. 2: Welfare Benefits to the EAC population

Individuals Respondents	**ITIAs within the EAC organization**	**ITIAs with the rest of the world**
151 (68%)	Free movement of goods, services, and persons Freedom for labour/workers Borderless for capitals and properties Right of establishment and residence Non-discrimination Equal treatment Low price goods Bigger job market	Quality products New jobs Increase of income GDP increase Better life condition Increased competitive advantage
72 (32%)	Do not know the benefits	

These satisfy the research second hypothesis in chapter 1 and provide means to answer the first research question and to achieve the first research objective to understand the nature of the East African Community's economic growth through international trade and strategic investment in a partnership.

The interviewed business representatives to collect information about the benefits they account from international trade and investment agreements in their area of operation (EAC) disclosed the following.

"Among EAC member countries, the experienced benefits include Flow of goods and services, freedom for labour/workers, big market benefits, borderless for capitals and properties, new markets of exportations, new markets of importations, increased of competitive advantage, sustainable investing and connected regional electronical stock markets, free zone regime for investments."

Table 5. 3: Benefits to local businesses in the EAC area.

Businesses Respondents	**ITIAs within the EAC organization**	**ITIAs with the rest of the world**
74 (58%)	The flow of goods and services Freedom for labour/workers Big market benefits Borderless for capitals and properties New markets of exportations New markets of importations Increased competitive advantage Sustainable investing Connected regional electronic stock markets	New markets of exportations New markets of importations Knowledge transfer Increase of revenue Increased competitive advantage Free zone regime for investments Technology transfer Tariff reductions
53 (42%)	Do not know the benefits	

Table 5.3 above presents the recorded data about the benefits from international trade and investments agreements in EAC to businesses operating in EAC. The above information also satisfies the research second hypothesis in chapter 1 and provide as well means to answer the first research question and to achieve the first research objective.

5.5.2. Infrastructures to be prioritized to promote beneficial trade and investment agreements in EAC

Both individuals and business representatives were asked, according to their points of view, to point out infrastructures they consider to be prioritized to promote beneficial trade and investment agreements in EAC. Many participants stated that transport infrastructure, communication infrastructure and utility infrastructure to be prioritised. The provided information satisfies the fourth research hypothesis in chapter one and provides means to answer the fourth research question and to achieve the first research objective to understand the nature of the economic growth of the EAC.

"Transport infrastructure including roads, railways, water, and air are the most that need to be worked on", "Communication infrastructure (ICT communications) is the most necessary, but also others like roads, water supply..." and *Basic utility infrastructure comprising water supply, electricity, others."*

Table 5. 4: Infrastructures to be prioritised in the EAC region.

Individuals	**Businesses**	**Infrastructures to be prioritised**	
134 (61%)	62 (49%)	Quality and bigger roads	Most parts of the roads are bad and narrows and the most used.
57 (25%)	45 (36%)	Railways	Lack of the transports type in some EAC countries.
		ICT	Currently at a low level and used by more people.
		Electricity	A lot of shortage of electricity in all countries in the EAC.
32 (14%)	20 (15%)	Water and ports infrastructure	Still underdeveloped and poor, provide services in a long time.

Table 5.4 above presents the recorded data about infrastructures to be prioritised in the EAC area from both respondents' categories (individual and Business).

The information about the EAC economic sector can be found in chapter three, pages 71 to 78 and Appendix 5.2, which outlines the status and level of the development of basic infrastructures in the EAC region. The same appendix indicates that the general condition of the infrastructures of priority presented in Table 5.4 above is of bad quality in South Sudan, low level in Burundi, and medium level in Kenya, Rwanda, Tanzania, and Uganda.

5.5.3. The effects of ITIAs on the household living conditions for the local communities in EAC countries

The effects of international trade and investment agreements on the household living conditions for the local communities in the EAC area include civil liberties, good governance, hunger reductions, access to basic infrastructure (e.g., clean water, capacitated hospitals, paved roads, etc. Below are some of the recorded information.

"With regard to impacts of international trade and investment agreements on the quality of living for the citizens of the East African Community countries, all EAC partner states are being impacted positively, but not on the same level. South – Sudan is being left behind in many domains, because of the hardness of living and doing business in a country with a high level of insecurity.

"Through ITIAs, I have gotten the opportunity to travel inside all EAC member countries without restrictions, visa, and passport."

"As a business owner, I can get reduced goods from other EAC countries on reduced taxes tariffs."

"It is easier for me to study in another EAC country without a student visa."

"For me, I can go to work and make money in the country I want inside the EAC region."

"As EAC citizen, I find myself in a big vast region with many different opportunities related on to do business, finding jobs, travelling and residing without limits, etc."

This confirms what was reviewed in chapter three of this research (pages 86 to 90), the EAC residents have the freedom to travel within the community without a visa and passport. They can live, work, and move capitals to another country of the organisation without restrictions. This gives insights into the first research question and first research objective.

Table 5. 5: Effects of ITIAs effects on Local Communities of the EAC

Individuals	Businesses	ITIAs effects to local communities of the EAC
75 (34%)	32 (25%)	Hunger reduction, increased quality of basic public services
38 (17%)	35 (28%)	Conflict prevention, increase cooperation, promote the rule of law
52 (23%)	13 (10%)	Promote infrastructure innovation
45 (20%)	27 (21%)	Partnership in the fight against cross-border criminality
13 (6%)	20 (16%)	Improve cultural integration, freedom of expression, and belief

Table 5.5 above presents information provided by both individuals and business representatives on the effects of international trade and investment agreements on the household living conditions for the local communities in the EAC countries.

5.5.4. Civil Liberties

The ITIAs also provide civil liberties to citizens of the EAC. The civil liberties index in EAC countries evaluates associational and organizational rights, freedom of expression and belief, the rule of law, and personal autonomy and individual rights. The rating is ranged from 1 (strong liberties) to 7 (no liberties). The data presented in Appendix 5.3, Burundi counted five from 2010 to 2014 and counted six from 2015 to 2019. Kenya got 3 in 2010 and 2011 and counted 4 in 2012 to 2019. Rwanda counted 5 in 2010, 2011, and 2013, and counted 6 in 2012 and 2014 to 2019. Tanzania counted 3 in 2010 to 2014, counted 4 in 2015 to 2018 and counted 5 in 2019. Uganda counted 4 in 2010 to 2013, got 5 in 2014 to 2017, counted 4 in 2018 and counted 5 in 2019, World Bank (2020). The respondents expressed the following information when they were asked how they see themselves in EAC as an intergovernmental organisation.

"We get access to a large market and clientele."

"Free movement within the EAC, increased freedom and rights."

"Having much to offer more than others and being better off alone.

The above-provided data confirms the benefit of cooperation for growth in partnership as it is the main aim of the EAC, chapter 3 of current research page 79 to 81 and Figure 3.9. However, some people expressed the information that they are taken advantage of.

"O*n my side, I see the international trade and investment agreements increased competition, risks of not be discovered among others."*

"Because of the ITIAs, poor countries are taking advantage of richer countries in the organisation."

Table 5. 6: The way people see themselves "in EAC

Individuals	Businesses	The way people see themselves in EAC
	84 (66%)	Gain value, rights, and freedom.
	28 (21%)	Lose value, rights, and freedom.
122 (55%)		Gain advantage, rights, and freedom.
87 (39%)		Taken advantage of and lose value.
14 (6%)	17 (13%)	Responded, saying they do not know.

Both individuals and business representatives provided information about the way they see themselves in EAC as an intergovernmental organization and pointed out the following statements in Table 5.6 above. These respond to the first research question and the first and second research objectives.

5.5.5. Governance Effectiveness - Democracy Advancement in EAC

The Governance Effectiveness index in EAC captures and seizures the perceptions of the member countries public services quality, the civil service quality, and its degree of independence from political pressures, the policy formulation and implementation quality, and the government commitment credibility to these policies.

The index of Government Effectiveness in EAC counties is shown in Appendix 6.4. It shows that the governance effectiveness is mostly under zero (mostly not good) for most EAC countries except Rwanda, which counted a little bit over zero from 2016 to 2019. From 2016 to 2019, Rwanda recorded a Government Effectiveness score of 0.1 in 2016 and 0.19 in 2019. Kenya recorded -0.32 in 2016 and -0.38 in 2019. Uganda scored -0.57 in 2016 and -0.59 in 2019. Tanzania scored -0.55 in 2016 and -0.88 in 2019. Burundi encountered -1.44 in 2016 and -1.33 in 2019. South Sudan scored last with -2.35 in 2016 and -2.45 in 2019, World Bank data (2020).

Below are the statements provided by both categories of research respondents expressing their knowledge and experiences. First, about getting communicated whether they want to enter into international trade and investment agreement. Second about having a choice whether the EAC population get the opportunity to choose whether to enter or not to enter into international trade and investment agreement.

Many of the respondents stated that they don't get communicated, and this is one of the setbacks of the EAC democracies. Some participants of both categories said the following:

"Not at all! We do not get communicated at all from any means of communications".

"What I know is that Governments decide without asking the public about their opinions (we hear about EAC programs after they have happened)."

Others expressed that people get to hear about the EAC programs and directives in the media. And others said that some of the countries of the EAC do inform people sometimes.

"We get informed through press conferences, social media means, and news broadcasts."

"Maybe in some countries, they try to let people know, but not always. For example, Tanzania sometimes"

Table 5. 7: Getting communicated and having a choice whether to/not to enter into international trade and investment agreement

Individuals	Businesses	Respondents Statements
Getting communicated about new ITIAs before they happen		
49 (22%)	47 (38%)	Get informed indirectly
158 (71%)	74 (58%)	Do not get informed
Having a choice whether to/not to enter into new ITIAs		
9 (4%)	12 (9%)	Get an opportunity to choose
150 (67%)	78 (61%)	Do not get opportunity to choose

Table 5.7 above indicates information about whether the EAC people get communicated, have voice choice and liberties when entering into new international trade and investments agreements. These responses inform the sixth research question and the fourth research objective. They also confirm that there is a lack of democracies in the EAC governments, as demonstrated in the reviews on the organisation democracy in chapter three, pages 42 to 71, and Appendix 6.3, where all of the EAC countries are beyond 4 in 2019.

5.6. Influence of ITIAs on the Trade Policies in the Countries of the EAC

The international trade and investment agreements in EAC exert influence on the formulation and implementation of the EAC trade policies in promoting business reforms and ease of doing business in EAC Countries.

The following are some of the participants' responses about ITIAs influence on trade policies in the EAC.

"The international trade and investment agreements are pathways in harmonising trade policies in many economic sectors. They support in the ease of doing business."

"The international trade and investment agreements facilitate trade and investments between the EAC member countries and beyond to the rest of the world."

"The ITIAs participate in elaborating the size of markets for the production of the EAC firms."

As recorded in Table 5.8 below, both categories of the participants, individuals, and business representatives provided information about the effect of international trade and investment agreements on the preparation and implementation of the EAC trade policies.

Table 5. 8: ITIAs Influence on Trade Policies in the EAC

Individuals	Businesses	ITIAs influences
83 (37%)	49 (39%)	Promote ease of doing business in EAC Countries.
74 (33%)	40 (31%)	Trigger business reforms to promote economic development in EAC.
59 (27%)	29 (23%)	Influence both foreign and domestic trade and investment of the EAC.

The recorded information above responds to the second research question and first and second research objectives. It is also confirmed in the research first and second hypotheses.

5.6.1. Ease of Doing Business in EAC Countries

The ease of doing business is calibrated and measured to illustrate the performance economies concerning the regulatory best practice across the analysed economies together, demonstrating the proximity to the performance of best regulatory on each indicator of doing business. The ease of doing business is measured based on the following ten indicators of business regulation.
Starting a business: with starting a business indicator, it has been considered the elements of procedures, cost, time, and minimum paid-in capital to start a limited liability company.

Dealing with construction permit: this involves the elements of time, procedures, and cost of completing all the formalities of building a warehouse and quality control and safety mechanisms in the building permit system.

Getting electricity: it involves procedures, cost, and time for getting connected to the electrical grid, the electricity supply reliability, and the transparency of tariffs.

Registering property: it has been considered time, procedures, and cost related to transferring property and the land administration system quality.

Getting credit: getting credit involves credit information systems and movable collateral laws.

Protecting minority investors: this involves the rights of minority shareholders in related-party transactions and corporate governance.

Paying taxes: this involves payments, time, contribution rate, and total tax for a firm to comply with post-filing processes as well as all tax regulations.

Trading across borders: this considers cost and time to export comparative advantage products and import needed nondomestic made products (such as auto-parts, etc.).

Enforcing contracts: this involves the quality of judicial processes and the time and cost for resolving a commercial dispute.

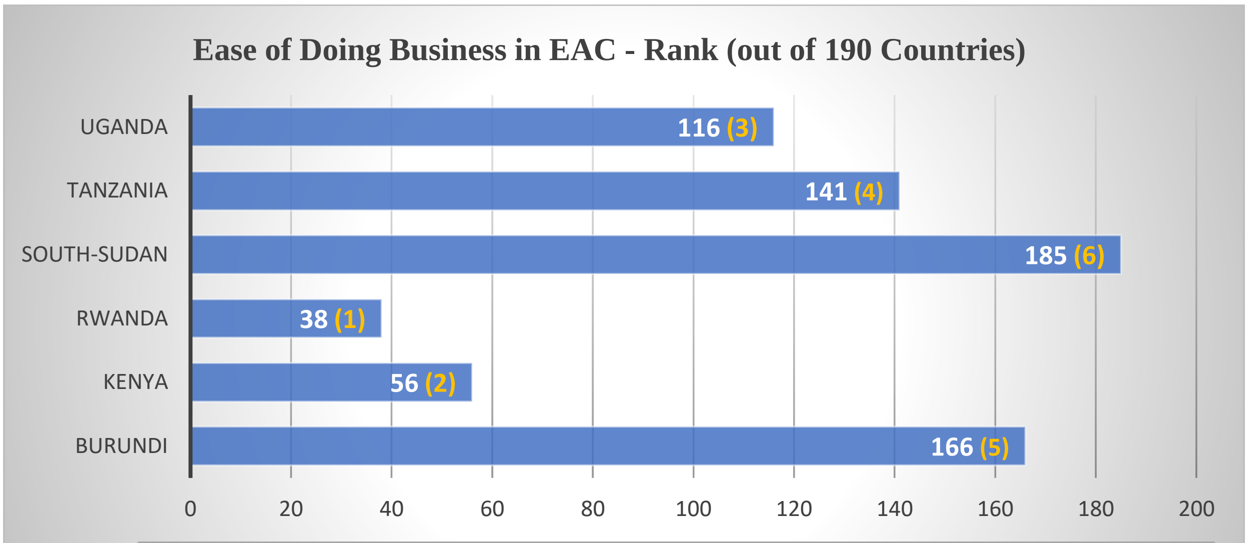
Resolving insolvency: this involves cost, time, the strength of the legal framework for insolvency, and outcome and recovery rate for commercial insolvency.

The countries (Economies) are ranked based on their ease of doing business based on the above ten business regulation indicators, from 1–190, where 190 are the number of studied countries (economies). The lower the rank, the better ease of doing business.
Also, countries are scored by sorting the aggregate scores on the ten business regulation indicators. The higher the score, the best regulatory performance. The lower the score, the worst regulatory performance.

Rankings of the EAC Countries in the Ease of Doing Business

The ranking performance of EAC Economies in the Ease of Doing Business is measured compared to the ranking of studied countries worldwide from 1 to 190, and the ranking within the EAC member countries from 1 to 6, with first-place being the best. A high ranking (a lower numerical rank) means the best regulatory environment for conducting business operations. It is presented from Appendix 5.5 the rank of the ten business regulation indicators basing on analyses made among 190 countries worldwide.

Figure 5. 4: Ease of doing business rank for the EAC Countries



	Burundi	Kenya	Rwanda	South-Sudan	Tanzania	Uganda
Series1	166	56	38	185	141	116

Source Doing Business database

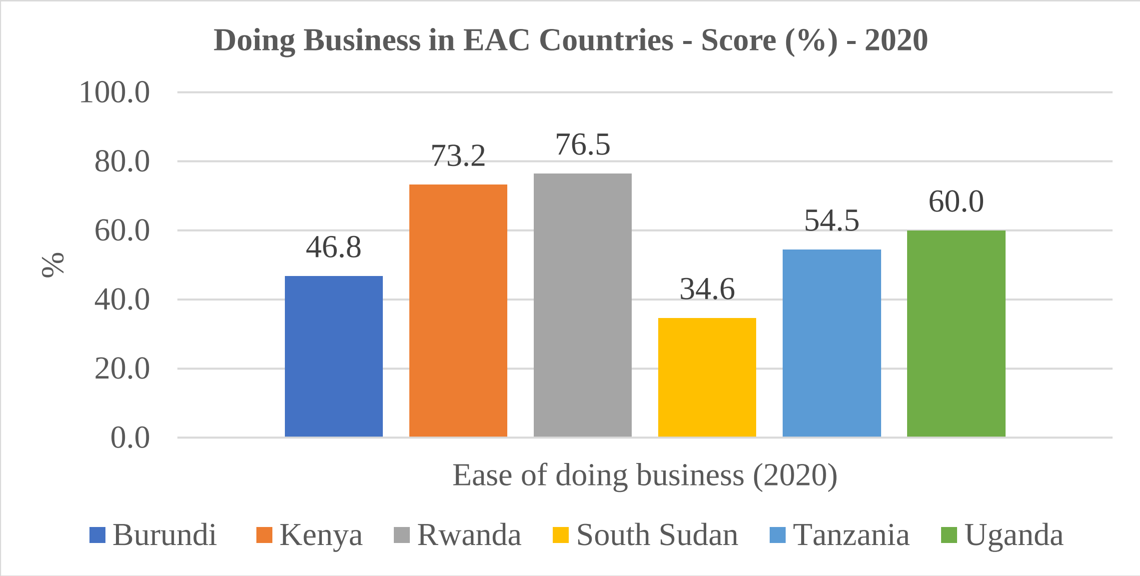
Figure 5.4 above and Appendix 5.5 indicate that in EAC organization, Rwanda performed better in the ease of doing business with the rank of 38 worldwide and 1 in EAC, followed by Kenya with the rank of 56 worldwide and 2 in EAC, followed by Uganda with the rank of 116 worldwide and 3 in EAC, then followed by Tanzania with the rank of 141 worldwide and 4 in EAC, followed by Burundi with the rank of 166 worldwide and 5 in EAC and then lastly South Sudan with the rank of 185 worldwide and 6 in EAC.

Scores of the EAC Countries in the Ease of Doing Business

The score performance of EAC Economies in the Ease of Doing Business is measured compared to the percentage score of studied countries worldwide and the score percentage within the EAC member countries. The higher the score (in percentage), the first place is the best and the best regulatory environment for conducting business operations.

The score (%) about how each country of the EAC performed accordingly with the ten business regulation indicators is expressed in Appendix 5.6.

Figure 5. 5: Ease of doing business scores for the EAC Countries



Source: Doing Business database

Figure 5.5 above shows the score performance of the ease of doing business for the EAC economies. Those scores are the average of the scores for each component indicator. Rwanda scored first in EAC with 76%, Kenya scored second in EAC with 73.2%, Uganda scored third in EAC with 60%, Tanzania scored fourth in EAC with 54.5%, Burundi scored fifth in EAC with 46.8% and lastly, South Sudan scored sixth in EAC with 34.6%.

Table 5. 9: Environment of doing business in the EAC region

Businesses Respondents	
75 (59 %)	Indicated that the ten indicators of business regulation got hardened and became longer to process.
42 33%)	The environment of doing business is being simplified, harmonised and favourable to all involved actors.

Table 5.9 above shows the recorded information about the environment of doing business in the EAC area.

The business research participants expressed the information about the environment they experience while doing their everyday business activities. A large number of the research participants (59%, table 5.9) indicated that doing business in EAC did not get eased and still many obstacles to it. Only participants in the Business category were asked about the environment of doing business in the EAC. They indicated the following information.

"Nowadays, there exist costlier and more bureaucratic procedures in EAC area."
"Because of togetherness, corruption and embezzlement activities have increased."
"Due to many rules and procedures resulting of combining systems from many countries, there exist long process to deal with construction permits, start a business, register property."
"I am in the transport industry, I transport goods across borders from Mombasa and Dar es Salaam to Nairobi, Kampala, Kigali, and Bujumbura and eastern RDC (Republic Democratic of Congo), but to declare cross borders goods and pay taxes has become long and complicated. This long process creates corruption possibilities."
"Doing business is easier than before the agreements, but still some countries impose difficult, complex procedures to traders and investors."
However, below fifty per cent (43%, table 5.9) of Business participants indicated that doing business is being simplified from time to time. The following is their recorded responses.

"Doing business was simplified, significantly when intra-EAC trade got expanded through better trade harmonization, coordination, liberalization, and facilitation across the community. "

"Doing business is easier than before the agreements and the 1999 treaty, but still some countries impose difficult, complex procedures on traders and investors."
"It is very simplified since the single regional market was created for goods and services to facilitate trade."
"There have happened many trade reforms in each EAC country since the organization has been relaunched. Some ease to do business and others harden doing business as well."
"Doing business was eased especially with the free movement of businesspersons, capitals, and investments."

5.6.2. Business Reforms for the EAC Countries

The business reforms are determined from the studied ten business regulation indicators in the ease of doing business section. They include - Starting a business - Dealing with construction permits - Getting electricity - Registering property - Getting credit - Protecting minority investors - Paying taxes - Trading across borders - Enforcing contracts, - and resolving insolvency. According to Appendix 5.7 to Appendix 5.12, the business reforms in EAC countries from 2008 to 2020.

As recorded in the same appendices, most of the business reforms in Burundi are in favour to ease doing business in the country, and only one made it difficult for doing business in 2018. Most of the business reforms in Kenya are in favour to ease doing business, and some few made it difficult for doing business in the country as well. In Rwanda, the business reforms were mostly in favour to ease doing business in the country, and some few made it difficult for doing business. In South Sudan, no recorded data can clarify the business reforms in favour to ease doing business in the country; however, few were adopted to make it difficult for doing business in 2014 and 2018. The business reforms in Tanzania were mostly in favour to ease doing business in the country, but without forgetting the ones that made it difficult for doing business as well. In Uganda, the data shows that most parts of the adopted business reforms were in favour to ease doing business in the country, but some were implemented in solidifying doing business as well.

The following is the information provided by the research participants about business reforms through ameliorated trade policies.

"The international trade and investment agreements provide a positive effect in harmonising trade policies and adopting more responsible trade and investment policies."

"While implementing trade policies, the international trade and investment agreements help with the process."

"The ITIAs assist in regulating monetary and exchange rate policies into EAC member countries."

"Under trade and investment agreements, countries the EAC have improved policies related to cross-border trade and foreign investment in promoting economic development and intra-regional trade liberalization."

"ITIAs are the key promotor to the formulation and implementation of agricultural policies in promoting modern agricultural activities that include agriculture, forestry, livestock, and fishing activities."

"By allowing people to work and invest in all EAC countries freely, the ITIAs has promoted the development strategy guidelines and increased food security in EAC countries."

The above-provided information about the environment of doing business in the EAC informs the second and fifth research questions. It also provides insights into the second and third research objectives—this test the second research hypothesis in chapter one to be true.

5.7. The contribution of ITIAs in solving issues of political stability in EAC

The political stability index on EAC countries is presented in Appendix 5.13. The index outlines freedom from conflicts, violence, and terrorism. It also measures likelihood perceptions that the government can be overthrown or destabilized by violent or unconstitutional means, such as rebellion conflicts, violence, and politically-motivated terrorism.

According to the same Appendix, the political stability in 2019, Burundi experienced -1.65, Kenya with -1.12, Rwanda counted 0.12, South Sudan presented a high level of political instability with -2.56, Tanzania with -0.36. Uganda with -0.65 (Word Bank data, 2020).

The research participants indicated that international trade and investment agreements exert many contributions to solve issues concerning political stability in the EAC area, as presented below.

"The international trade and investment agreements contribute to solving political stability issues in the EAC area. Through the agreements, the EAC member countries have accorded together to crisis prevention, small arms and light weapons control, conflict resolution, and good governance promotion."

"I think the agreements are assisting political stability in EAC, but there are some efforts that are hindering their progress."

"Looking at some countries' actions, the political instability in the EAC became worsened. Firstly, Rwanda and Uganda have traded accusations of interference in each other's affairs from 2017 until now. The situation resulted in closing both countries borders. And each country advises its people not even to try crossing each other's border because of the tensions. The effects of the border disruptions are extremely personal for local communities in each country. Secondary, from 2018, Burundi declared that it no longer considers Rwanda as a partner but an enemy. Due to differences which were lasting many months accusing Rwanda to meddling into Burundian internal affairs, it was inevitable to prevent the eruption of possible political conflicts between those countries."

Table 5. 10: The way ITIAs solve issues of political instability in the EAC area

Individuals	Businesses	The way ITIAs solve issues of political instability	
139 (62%)	67 (53%)	ITIAs contribute to solving political stability issues in the EAC	Accords to crisis prevention, small arms and light weapons control, conflict resolution, promotion of good governance, and economic development in partnership.
43 (19%)	42 (33%)	**(1)** The political conflicts in the EAC became somehow bad after the regional trade and investment agreements were signed.	Some actions of some countries (such as accusations of interference in each other's affairs) increase political instability in the EAC area
		(2) The ITIAs increase dominance for some countries over others	Some leaders in EAC develop the behaviour thinking that they are above others.
26 (11%)		There is an increase in cross border criminality.	Committing offences in one country then go to hide in others. Cross border smuggling of stolen products.
	14 (11%)	There is an increase in corruption in some EAC countries.	Less control of EAC protocols, regulations, formal directives, and decisions due to the vast area of judication create and ease the growth of corruption at a high level.

Table 5.10 presents the recorded data from both respondents' categories, individuals and business representatives, about the way international trade and investment agreements are devoted to solving issues concerning political stability in the EAC region. This information responds to the third research question and the third research objectives because stability attracts higher foreign direct investments

5.8. The ITIAs Inputs to Improve Economic Sectors, Gender Equality and Equal Growth in the EAC Member Countries

The international trade and investments agreements contribute to improving the EAC broad economic sectors, including agriculture, industry, and services. They provide unmeasurable assistance in promoting gender inequalities with inclusive growth. They also act as key elements to the EAC partner countries in sharing the economic and non-economic benefits (outcomes) from the other outside world equally.

5.8.1. Inputs of ITIAs in Solving Gender Inequality in EAC

International trade and investment agreements play a major role in promoting gender equalities within the EAC region by increasing women in business and promoting inclusion in employment. The respondents expressed the following information.

"When considering international trade and investment agreements, the number of women in leading administrative positions has increased in some countries after they have signed them."

"It is included in many international trade and investment agreements in EAC that member countries are expected to treat their citizen in the same manner."

"Women have gotten the same treatment as men in doing or running a business."

Table 5. 11: The Role of ITIAs to Solve Issues of Gender Inequality in the EAC Area

Individuals	Businesses	The role of international trade and investment agreements
105 (47%)	48 (38%)	Help to empower women
92 (41%)	69 (54%)	Assist in equal treatment in social, political, and economic activities

Table 5.11 above presents the recorded information about the role of international trade and investment agreements in resolving issues of gender inequalities among the EAC citizens. Appendix 5.14 shows that there is a significant number of women in the employment sector in EAC countries. Appendix 5.15 indicates the number of women in employment compared to men in 2019 in EAC countries. This information responds to the fourth research question and the first and third research objectives.

5.8.2. Inputs of ITIAs to promote equal growth for the EAC countries

The research participants expressed their knowledge about whether the benefits from the outside world are scattered or shared in the same way among the EAC member countries.

"The ITIAs promote equal growth among the EAC countries; however, those countries are not on the same level to satisfy cross border demand."

"International trade and investment agreements assist in establishing equal growth in the countries of the EAC, but there is insufficiency of needed infrastructure."

"Yes, of course, the international trade and investment agreements promote equal growth within the EAC countries as they are expected to obey the agreements in the same manner."

Table 5. 12: ITIAs Inputs to Advance Equal Growth among the EAC Countries

Individuals	Businesses	International trade and investment agreements inputs
147 (66%)	61 (48%)	ITIAs help in general, but benefits still are not scattered in the same way
34 (15%)	56 (44%)	ITIAs help and benefits are scattered in the same way

Table 5.12 above presents the captured data on whether the ITIAs help on the way the benefits from the outside world are shared among the EAC countries. The above provide information to respond to the research question and the first research objectives in chapter one.

5.8.3. Inputs of ITIAs to Improve Economic Sectors in EAC

The economic sectors include agriculture, industry, and service. The sector of agriculture comprises agricultural, forestry, and fishing subsectors. The industry sector comprises the subsectors of manufacturing, mining, health and safety, tourism, transport, and others. The sector of services corresponds to services in trade, transport, government, financial, professional, and personal services such as education, health care, and real estate.

Table 5. 13: The inputs of ITIAs to improve economic sectors of the EAC

Individuals 214 (96%) and Businesses 113 (89%) indicated that the ITIAs is impacting the EAC economic sectors as presented below.
The agriculture sector
By assisting farmers in producing more and quality harvests, eliminating traditional farming methods, and introducing exemplary lead farms for places of training
The industry sector
Manufacturing subsector, with the introduction of the regional industrialization strategy, by providing support to modern industrial plant units and providing increased supports for processing companies to efficiently produce quality products. Trade and investment subsector, by increasing markets for buying and selling goods and services either on the domestic (wholesale and retail) markets and on the international (import and export) markets. Mining subsector - by fostering co-operation in the efficient joint management of natural resources within the EAC and providing a pathway in the efforts towards developing harmonised mining regimes and mineral policies. Health and safety, by undertaking joint action in the prevention of transmissible diseases Finance - by introducing cooperation in monetary and fiscal matters to establish monetary stability within the EAC Education, with the establishment and support of scientific and technological research in the EAC. Tourism, by promoting and marketing the EAC as a Single Tourist Destination whereas ensuring and conserving the sustainable use of wildlife and other tourist sites. Culture and sports, with the enhancement and promotion of diverse cultural and sports activities by preserving original cultures of EAC member countries.
The Service sector
By triggering commitments to enhance the sector and liberalize it into the seven key subsectors.

Table 5.13 above presents the registered information on how the international trade and investment agreements contribute to the development of the EAC economic sectors.

Share of the Economic Sectors in GDP of the EAC as a whole and their Respective Employment Percentage to Population

Economic sectors play an important role in the GDP and economy of the EAC as a whole. The data presented below is the share of each economic sector in the GDP of the EAC and the related population percentage of total employment in each of the sectors.

As a recall, Appendix 3.8 (Chapter 3) indicates that the agriculture sector contributed to the GDP of the EAC around 30.6% in 2010 and 28.1% in 2019. The industry share was 19.5 per cent in 2010 and the same in 2020. The share of the service sector was 49.8% in 2010 and 52.3% in 2019.

In EAC, as demonstrated in Appendix 3.9, employment in the agriculture sector fell from 73.0% in 2005 to 66.8% in 2019. Employment in the industry sector raised from 7.0% in 2005 to 7.6% in 2019. And employment in the service sector raised from 19.9% in 2005 to 25.6% in 2019.

For the whole studied period, the employment in EAC is dominated by the agriculture sector with 71% in 2010 and over 67% in 2020. The second is the service sector, with over 22% in 2010 and over 26% in 2020. The third is the industry sector, with over 7% in 2010 and over 7% in 2020.

Share of the Agriculture Sector in GDP of Each Country the EAC and its Respective Employment Percentage to Population

The presented information in Appendix 5.17 indicates the total contribution of the agriculture sector in the national GDP and the total employment of each member country of the EAC. As a recall, the agriculture sector corresponds to the agricultural, forestry, livestock, and fishing activities.

Based on the same Appendix, for Burundi, the agriculture sector contribution to the country GDP decreased from 40.85% in 2005 to 28.9% in 2019. For Kenya, the agriculture sector contribution to the country GDP increased from 24.24% in 2005 to 34.15% in 2019. For Rwanda, the agriculture sector contribution to the country GDP decreased from 38.39% in 2005 to 24.07% in 2019. For South Sudan, the agriculture sector contribution to the country GDP increased from 6.18% in 2012 to 11.60% in 2019. For Tanzania, the agriculture sector contribution to the country GDP increased from 24.65% in 2005 to 29.8% in 2019. For Uganda, the agriculture sector contribution to the country GDP decreased from 25.07% in 2005 to 21.92% in 2019.

In 2020, the agriculture sector employed 92% of the population in Burundi, 53.8% of the population in Kenya, 61.7% of the population in Rwanda, 56.9% of the population in South

Sudan, 64.9% of the population in Tanzania, and 72.4% of the population in Uganda. The sector dominates other sectors in employment for each country of the EAC.

Share of the Industry Sector in GDP of Each Country the EAC and its Respective Employment Percentage to Population

The outlined data in Appendix 5.18 is the information about the total contribution of the industry sector in the national GDP and the total employment of each member country of the EAC. As a recall, the sector encompasses the data for the subsectors of the industry sector, comprising manufacturing, mining, telecommunications, energy, tourism, transport subsectors, and others.

The same appendix 5.18 indicates that in Burundi, the share of the industry sector to the country GDP decreased from 16.93% in 2005 to 10.96% in 2019. In Kenya, the share of the sector to the country GDP decreased from 17.01% in 2005 to 16.15% in 2019. In Rwanda, the share of the sector to the country GDP increased from 17.16% in 2005 to 18% in 2019. In Tanzania, the share of the sector to the country GDP increased from 22.94% in 2005 to 25.82% in 2019. In Uganda, the share of the sector to the country GDP increased from 23.51% in 2005 to 27.07% in 2019, Figures 5.14 and World Bank data (2020). There is no available data for South Sudan.

The information on the manufacturing subsector is presented information in Appendix 5.19. The subsector earnings for Burundi decreased from $10.6 million in 2012 to $9.4 million in 2017, Kenya manufacturing earnings increased from $56.4 million in 2012 to $61.8 million in 2017, Rwanda manufacturing earnings increased from $11.5 million in 2012 to $11.7 million in 2017, Tanzania manufacturing earnings decreased from $18.9 million in 2012 to $18.1 million in 2017, Uganda manufacturing earnings decreased from $34.1 million in 2012 to $17.9 million in 2017. There is no available data for South Sudan.

The data about the mining, oil and gas subsector is presented in Appendix 5.20. This Appendix indicates that the earnings from the subsector for Burundi decreased from $7.8 million in 2012 to $5.9 million in 2017. For Kenya, the subsector earnings decreased from $28.7 million in 2012 to $17.6 million in 2017. For Rwanda, the subsector earnings increased from $41.5 million in 2012 to $50.70 million in 2017. For Tanzania, the subsector earnings decreased from $17.1 million in 2012 to $3.7 million in 2017. For Uganda, the subsector earnings decreased from $7.7 million in 2012 to $6.8 million in 2017.

The data for the telecommunications subsector is shown in Appendix 5.21. This indicates that the subsector is dominated by mobile telephone communication. In 2019, Uganda dominated the mobile telephone communication in EAC with a high level of users of 97% of the country population, followed by Kenya 92%, then Rwanda with 90% of the country population, then Burundi and Tanzania with 60% of their population. Tanzania dominates internet subscribers with 0.09 per 100 inhabitants, and Kenya dominates broadband subscribers with 0.05 per 100 inhabitants.

The data on the energy subsector is presented in Appendix 5.22. This includes biomass, electricity, and petroleum. The data shows that all countries of the EAC increased access to electricity: Burundi increased access to electricity from 5.3% of the population in 2010 to 11% in 2018. Kenya increased access to electricity from 19.2% of the population in 2010 to 75% in 2018. Rwanda increased access to electricity from 9.7% of the population in 2010 to 34.7% in 2018. Tanzania increased access to electricity from 14.8% of the population in 2010 to 35.6% in 2018. Uganda increased access to electricity from 12.1% of the population in 2010 to 42.7% in 2018.

The information about the tourism and wildfire subsector is shown in Appendix 5.23. The subsector is one of the main sources of foreign exchange for almost all EAC countries, specifically Kenya, Rwanda, Tanzania, and Uganda. Following the data in the same Appendix, for the year 2019, the tourism earnings in EAC, Tanzania earned higher with $2.34 billion, followed by Kenya with $926 million, Uganda with $918 million, Rwanda with $438 million, and lastly, Burundi with $2 million. There is no available data for South Sudan.

Overview of transport sub-sector in EAC

An overview of the characteristics of the transport subsector in the EAC area is outlined in Appendix 5.24. There are five types of transport systems that are operated in the EAC area consisting of road transport, air transport, rail transport, water transport, and pipeline transport.

Share of the Service Sector in GDP of Each Country the EAC and its Respective Employment Percentage to Population

It is demonstrated in Appendix 5.25 the information about the total contribution of the service sector in the national GDP and the total employment of each member country of the EAC. As a recall, the sector encompasses seven subsectors business services, distribution services, education services, communication services, financial services, tourism and travel-related services, and transport services.

The same Appendix indicates the share of the service sector to the GDP of the EAC countries and the employment in the sector (% of total employment) from 2005 to 2019 and 2020. In Burundi, the share of the service sector to the country GDP increased from 42.2% in 2005 to 60.1% in 2019. In Kenya, the share of the sector to the country GDP decreased from 58.8%

in 2005 to 49.7% in 2019. In Rwanda, the share of the sector to the country GDP increased from 44.5% in 2005 to 57.9% in 2019. For South Sudan, the sector share increased from 42.7% in 2012 to 56.6% in 2015, and there is no available data for South Sudan afterwards. In Tanzania, the share of the sector to the country GDP decreased from 52.4% in 2005 to 41.5% in 2019. In Uganda, the share of the sector to the country GDP decreased from 51.4% in 2000 to 51.0% in 2019.

5.9. Impact of ITIAs on the integration process of the EAC

The Treaty for the Reestablishment of the EAC and other international trade and investments agreements played and still playing a significant role in promoting the organization integration process in the region. They promoted the establishment of other measures and protocols to strengthen the EAC institutions as well. The measures and protocols comprise the Customs Union Protocol, the Common Market Protocol, Trade and Investment Framework Agreements, Trade Facilitation, Interconnecting Trading Systems, Anti-Dumping Measures, Competition Policy and Law, Removal of Non-Tariff Barriers to Trade, and other Standards and Measures.

Figure 5. 6: General knowledge about the 1999 Treaty for the Reestablishment of the EAC

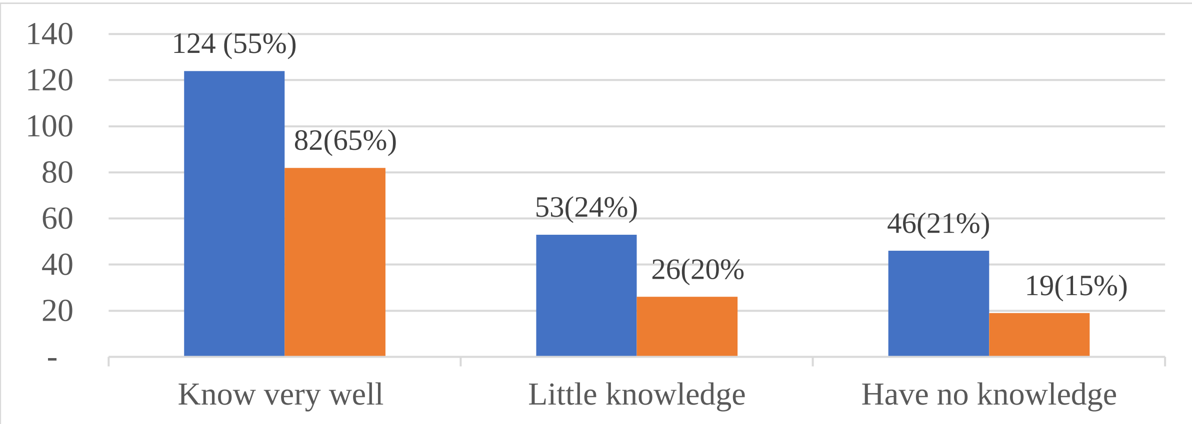


Figure 5.6 above presents information from research participants about the way international trade and investment agreements participate in advancing the integration process of the EAC.

About the general knowledge about the 1999 treaty for the reestablishment of the East African community, for the category of Individuals (223 respondents), 124 disclosed that they know very well about the treaty, 53 of them know little about the treaty, and 46 of them have no knowledge. For the category of Businesses (127 respondents), 182 of them disclosed that they know very well about the treaty, 26 of them know little, and 19 of them do not know.

The research participants provided the information below about how ITIAs promote the EAC integration process.

"The international trade and investment agreements are the key promotors of the seven stages of the integration process including the preferential trading area, free trade area, customs union, common market, economic union, economic and monetary union (coming - under review), and political federation."

"The ITIAs grant access to the markets within the EAC countries themselves and in other countries worldwide."

"International trade and investment agreements are the tools for reducing inter-and intra-state conflicts in EAC."

"ITIAs promote peace within the EAC area. They create the path where countries discuss how to work together to prevent regional activities that can create insecurity."

Table 5. 14: The way ITIAs advance the EAC integration process

Individuals	Businesses	ITIAs Effects
121 (54%)	47 (37%)	Are tools to the continual improvement of the economic integration of the EAC
67 (30%)	41 (32%)	Are the main key for disseminating the EAC as a regional economic community (REC)
29 (13%)	33 (26%)	Serve as conflicts prevention between countries

Table 5.14 above presents the recorded data about the way international trade and investment agreements promote the integration process of the EAC as an East African regional economic community (REC). The above provided helpful information to answer the fifth research question and the fourth research objective.

5.10. Constraints to ITIAs and Related Activities in the EAC

There exist many constraints that the ITIAs face achieving their maximum potential effects in improving the economic and political environment between the EAC countries. Both categories of the research participants were asked to provide their experience and views about the hindrances of cross border trade and investments agreements in the EAC area.

5.10.1. Insufficient Communication

Insufficient communication is one of the main constraints to cross border trade and investment agreements and activities in the EAC region. The information provided in this section makes available for use to the research second objective and the sixth research question. The research participants provided information on whether new trade directives and regulations that are about or newly implemented in the EAC zone are communicated adequately to all involved stakeholders. Some statements from research respondents were recorded as follows:

"There is not enough information communication about tax and regulatory systems in EAC countries". "We have a problem of not being communicated fixed procedure to calculate the toll charges".

"We get problems when we meet already taken decisions in the roads without being informed in advance. For example, when Kenya banned the importation of sugar, brown sugar and raw cane from Uganda, a lot of trucks were stuck on at the border waiting solution".

"Many regulations get communicated through respective government gazettes only. However, this means of communication is not enough alone. While they have sometimes been made available somehow, access to the information is not as easy or straightforward as it seems, car, not all people get the opportunities to possess tools that can read those gazettes".

Figure 5. 7: Communication of trade directives and regulations in EAC

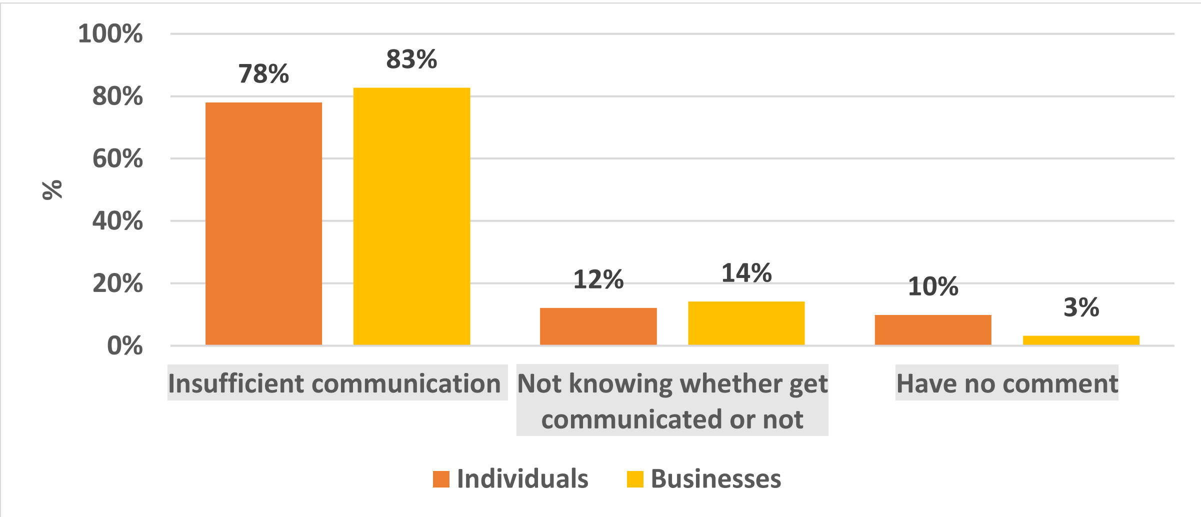


Figure 5.7 above presents the recorded data from both individuals and business representatives about how new trade and investment directives and regulations are

communicated in the EAC area. Also, considering the provided information on the governance effectiveness section, the communication of trade directives and regulations in EAC is insufficient.

5.10.2. Impacts of Natural Disasters and Pandemic Diseases

Natural disasters are natural events that cause a loss of life or great damage. The EAC suffers from natural hazards and human-induced disasters. The natural disasters in EAC consist of droughts, floods, earthquakes, landslides, lightning, etc. The human-induced disasters in EAC consist of conflicts, environmental degradation, urban fires, etc.
Many pandemic diseases occurred and crossed country boundaries affecting a large number of people over the EAC area. The main of these diseases consist of COVID-19, Ebola Virus, and others. These diseases cause the closing of national borders. The respondents revealed the following information about the effect of natural disasters and pandemic diseases in EAC.

"Because of Covid-19, many border posts (including land and airports) in the EAC became blocked by respective authorities that suspended all movements in an attempt to prevent the spread of coronavirus. This resulted in leaving stranded hundreds of passengers who were crossing through borders into either country.

"For two weeks period, Burundi closed the borders with Rwanda to fight against the spread of the coronavirus pandemic, except to vehicles transporting goods."

Because of COVID 19, many people had to stay outside their country of residence in EAC, and they were not allowed to cross the borders. Many of these people were businessmen and women that were outside their countries in trade affairs. Others were people visiting their relatives residing in other EAC countries."

"The COVID19 brought hunger in people. The activities that helped people sustain their families were stopped completely, and everyone was obliged to stay home. Shops and other businesses became closed. People markets gathering were suspended for many months because it is hard to keep social distancing between people mostly villagers in those markets."

Table 5. 15: Impacts of disasters and pandemic diseases to cross border trade in the EAC

Individuals	Businesses	Natural and Human-induced disasters
121 (35%)	47 (28%)	**Natural hazards disasters -** most are droughts, floods, earthquakes, landslides, lightning, etc. Drought from much rain is the most common in all EAC countries. It kills and destroys many things.
67 (56%)	41 (64%)	**Human-induced disasters -** most are conflicts, environmental degradation, urban fires, etc. They can result in border closing.
There are inadequate resources and capacities put aside to effectively prepare, respond, and prevent disasters in the EAC. The EAC disaster management mechanisms mostly focus on disaster response rather than disaster risk reduction.		
Individuals	**Businesses**	**Pandemic diseases**
29 (64%)	33 (50%)	**Covid-19, Ebola, Cholera, among others,** have highly impacted the EAC negatively like other parts of the rest of the world. COVID 19 caused the closure of all the EAC countries except Tanzania. It increased hunger in people. It made people be stranded outside their country of residence.
29 (30%)	33 (28%)	COVID19 and other diseases brought hunger to people. And many companies in EAC become underequipped to handle the incident management plans specific to pandemic crises and struggle to recover from them.
Covid-19, Ebola, Cholera, among others, negatively affected the activities with financial implications in EAC countries such as cross border trade and employment.		

Table 5.15 above states the types of natural disasters and pandemic diseases and how they impact cross border trade and investment in the EAC region.

5.10.3. Economic and political conflicts between the EAC member countries

The research participants indicated that there are still conflicts or some activities that create conflicts between the organisation member countries.

"Some countries make it difficult to trade affairs from others. For example, Rwanda closed borders to people and goods from Uganda since March 2019."

"Across the regions, entrepreneurs in EAC economies face sometimes challenging regulatory environments that are less business-friendly."

"The economic conflicts make some leaders in EAC prioritise the interests of their own countries instead of thinking of the organization as a whole."

"The conflicts in the EAC which became worsened recently. They prevent EAC people from enjoying some benefits and causing unpleasant situations. Country borders get sometimes closed as well."

Table 5. 16: Economic and Political Issues in the EAC Countries

Individuals	Businesses	Statements and Explanations
165 (73%)	81 (64%)	The political issues prevent good governance and economic development in the region.
49 (22%)	42 (33%)	There is an increase of disputes between some countries of the EAC

Table 5.16 above provides information from both categories of research participants on how economic and political conflicts between the EAC member countries are constraints to cross border trade and investment in the EAC region.

5.10.4. Corruption in the Countries of the EAC

There is an increase in corruption in some EAC countries. Less control of EAC protocols, regulations, formal directives, and decisions due to the vast area of judication create and ease the growth of corruption at a high level (Table 5.10). One of the research participants stated that there still are activities that encourage the behaviour of corruption.

"There exist costlier and more bureaucratic procedures, corruption and embezzlement activities, long process to deal with construction permits, start a business, register property, declare cross borders goods, and pay taxes. But the problem is not just cost or red tape."

Appendix 5.16 presents the corruption control index in EAC that was provided by tracking down the extent perceptions to which public power is exercised for private purposes (private gains or benefits), including both large and small forms of corruption, as well as the seizure of the state by elites and private interests.

The same Appendix demonstrates the environment of corruption in EAC countries with ratings ranging from -2.5 (weak) to 2.5 (strong). Burundi encountered -1.17 in 2010 and -1.46 in 2019. Kenya experienced -0.91 in 2010 and -0.78 in 2019. Rwanda performed with 0.35 in 2010 and 0.56 in 2019. South Soudan counted -1.28 in 2012 and -1.77 in 2019. Tanzania performed -0.54 in 2010 and -0.39 in 2019. Uganda counted -0.92 in 2010 and -1.17 in 2019, Word Bank, (2020), Transparency International report, 2020.

5.10.5. Not honouring the ITIAs the same way by the EAC countries

The research participants expressed their knowledge on how the EAC regional trade and investments agreements are honoured by each of the organisation member countries.

Figure 5. 8: Respect of Regional Trade and Investments Agreements

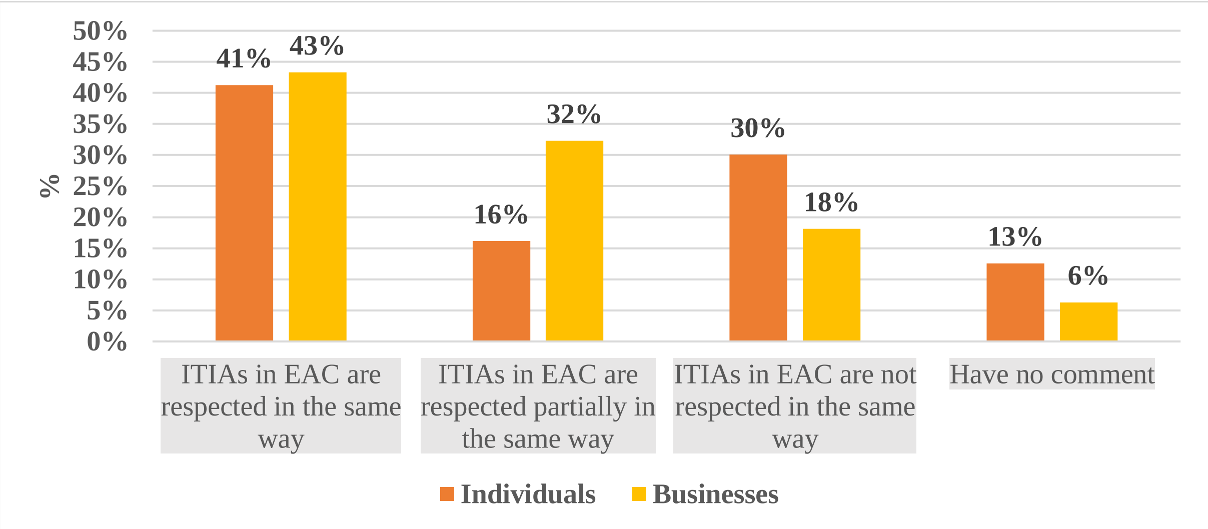


Figure 5.8 above presents the recorded information on whether regional trade and investments agreements within the EAC receive the same respect by each country of the organization.

5.11. The intra-EAC Trade Performance

This section provides a detailed analysis of the characteristics and statistics of the intra-EAC trade by country. It synthesises and analyses the outcomes for trade flows (exports and imports) in the region and provides a platform to appraise trade status evaluate the development of trade impact on EAC economies. The information in this section provides insight in responding to the first research question and the first and the third research objectives.

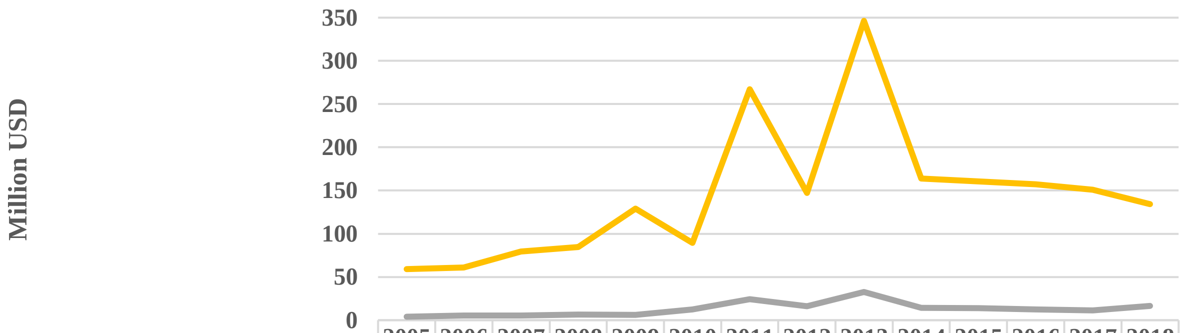
Below is the analysis of intra-EAC trade performance for each country based on the data from Appendix 5.26.

5.11.1. Intra-EAC Trade characteristics for Burundi

Figure 5.9 below presents the Burundi total exports and imports to and from the EAC. It shows that the country counted more than double exports to the EAC for three consecutive years, from $6 million in 2009 to $12.6 million in 2010, to $24.4 million in 2011 and $32.6 million in 2013.

The country counted a higher increase in imports from the EAC for the years 2009, 2011 and 2013, and a remarkable fall in its imports from the EAC from 2014 and years thereafter.

Figure 5. 9: Burundi Total Intra-EAC Trade from 2005 to 2018

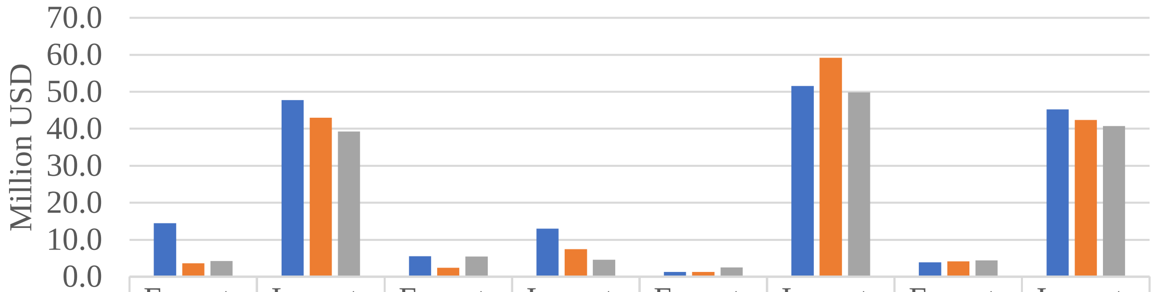


	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Burundi Total EAC Exports	4	6	6	7	6	13	24	16	33	14	14	12	12	17
Burundi Total EAC Imports	59	61	80	85	129	89	267	147	346	164	161	157	151	134

Source: The Author Calculation, World Bank Data 2020, and Trend Economy 2020

Figure 5.9 indicates that the exports to the EAC increased from 4$ million in 2005 to 17$ million in 2018. The imports from the EAC increased from 59$ million in 2005 to 134$ million in 2018.

Figure 5. 10: Burundi Intra-EAC trade by Country 2016-2018



	Kenya		Rwanda		Tanzania		Uganda	
	Exports	Imports	Exports	Imports	Exports	Imports	Exports	Imports
2016	14.4	47.8	5.5	13.0	1.3	51.6	3.9	45.2
2017	3.6	43.0	2.4	7.4	1.3	59.2	4.2	42.4
2018	4.2	39.2	5.4	4.5	2.5	49.8	4.4	40.8

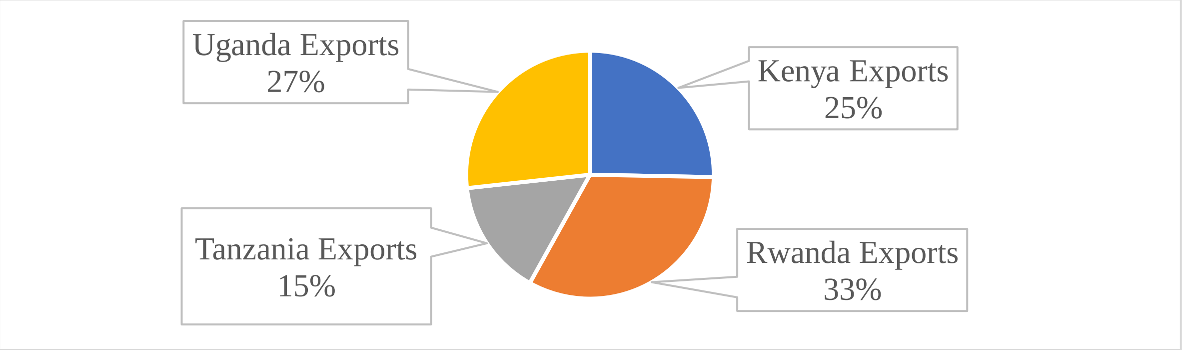
Source: The Author Calculation, World Bank Data 2020, and Trend Economy 2020

Figure 5.10 above shows the characteristics of the intra-EAC trade (exports and imports) for Burundi in the period of 3 years from 2016 to 2018. There is no trade data between Burundi and South Sudan.

With Burundi imports from the EAC, for the examined period, the figure shows that Tanzania toped all the three years; Kenya seconded in 2016 and 2017 and third in 2018; Uganda was the third in 2016 and 2017 and second in 2018; and lastly, Rwanda which bottomed all the three years.

With Burundi Exports to the EAC, for the examined period, the figure shows that Rwanda seconded 2016 and 2017 and toped 2018; Uganda was third in 2016, toped 2017 and seconded 2018; Kenya toped 2016, seconded 2017 and 2018; and Tanzania bottomed all the three years.

Figure 5. 11: Burundi Exports to the EAC in 2018 - (%)



Source: The Author Calculation, World Bank Data 2020, and Trend Economy 2020

The value of exports from Burundi to Kenya totalled $3.62 million in 2017 and $ 4.19 million (25.45% of its exports to the EAC) in 2018. Grows of exports from Burundi to Kenya was $571 thousand in 2018. This reached an increase of 15.7%, likened to 2017.

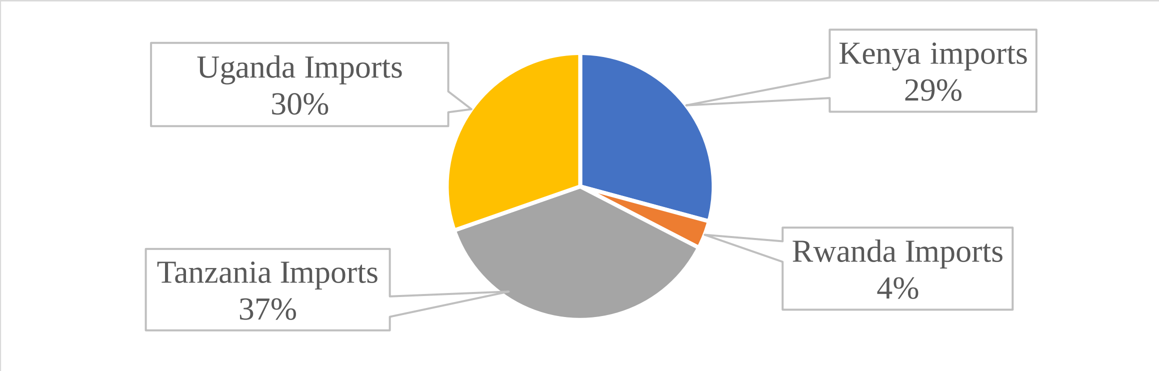
The value of exports from Burundi to Rwanda totalled $2.44 million in 2017 and $ 5.43 million (32.73% of its exports to the EAC) in 2018. Grows of exports from Burundi to Rwanda was $ 2.99 million in 2018, which is an increase of 122% compared to 2017.

The value of exports from Burundi to Tanzania totalled $1.29 million in 2017 and $ 2.51 million (15.15% of its exports to the EAC) in 2018. Grows of exports from Burundi to Tanzania reached 93% of the increase, comparing 2017. Goods exports grew up by $ 1.21 million in 2018.

The exports value from Burundi to Uganda totalled $4.17 million in 2017 and $ 4.43 million (26.67% of its exports to the EAC) in 2018. The growth of exports from Burundi to Uganda reached $ 257 thousand in 2018 in 2018, an increase of 6.17% compared to 2017.

For Burundi Intra-EAC Exports in 2018, Rwanda was the first importer from Burundi with 32.7%, followed by Uganda with 26.8%, then Kenya with 25.4% and then Tanzania with 15.1%. Exports data between Burundi and South Sudan is not available.

Figure 5. 12: Burundi Imports from the EAC in 2018 - (%)



Source: The Author Calculation, World Bank Data 2020, and Trend Economy 2020

The value of imports to Burundi from Kenya were $43 million in 2017 and $ 39.25 million (29% of its imports from the EAC) in 2018. The imports to Burundi from Kenya decreased by $ 3.75 million in 2018, making it a decrease of 8.73% YoY (Year-Over-Year).

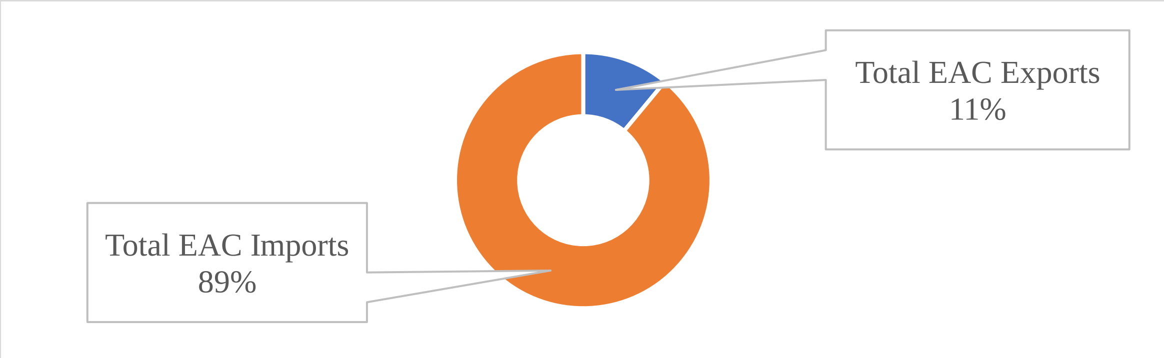
The value of imports to Burundi from Rwanda totalled $7.44 million in 2017 and $ 4.54 million (4% of its imports from the EAC) in 2018. The imports to Burundi from Rwanda decreased by $ 2.89 million in 2018, making it a decrease of 38% YoY.

The imports value to Burundi from Tanzania were equal to $59.2 million in 2017 and $ 49.8 million (37% of its imports from the EAC) in 2018. The imports to Burundi from Tanzania decreased by $ 9.42 million in 2018, which is a decrease of 15.9% YoY.

The value of imports to Burundi from Uganda mounted $42.4 million in 2017 and $ 40.8 million (30% of its imports from the EAC) in 2018. The imports to Burundi from Uganda decreased by $ 1.65 million in 2018, which is a decrease of 3.9% YoY.

In 2018, Burundi Intra-EAC imports were dominated by Tanzania with 37%, followed by Uganda with 30%, then Kenya with 29%, then Rwanda with 4%. Imports data between Burundi and South Sudan is not available.

Figure 5. 13: Burundi Total Intra-EAC Trade in 2018 - (%)



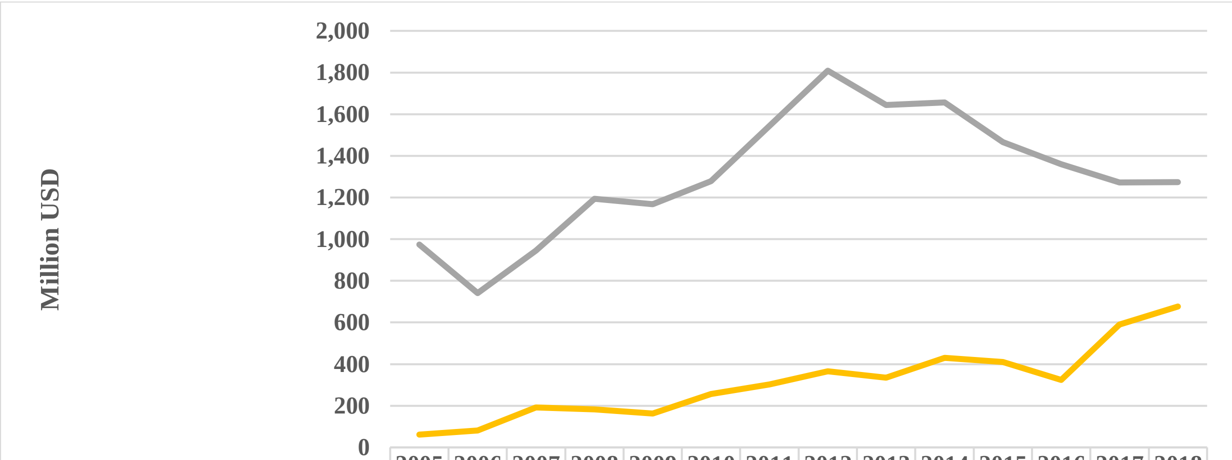
Source: The Author Calculation, World Bank Data 2020, and Trend Economy 2020

Figure 5.13 above demonstrates that for the year 2018, the Burundi total exports to the EAC equalled 11% ($17 million), while the total imports from the EAC counted 89% ($ 134 million).

5.11.2. Intra-EAC Trade characteristics for Kenya

Figure 5.14 below presents Kenya total exports and imports to and from the EAC. With exports to the EAC, the country experienced an increasing trend from 2006 to 2012, then a decrease course from 2012 to 2017. With imports from the EAC, the country experienced an upward trend in the examined period.

Figure 5. 14: Kenya Total Intra-EAC Trade from 2005 to 2018

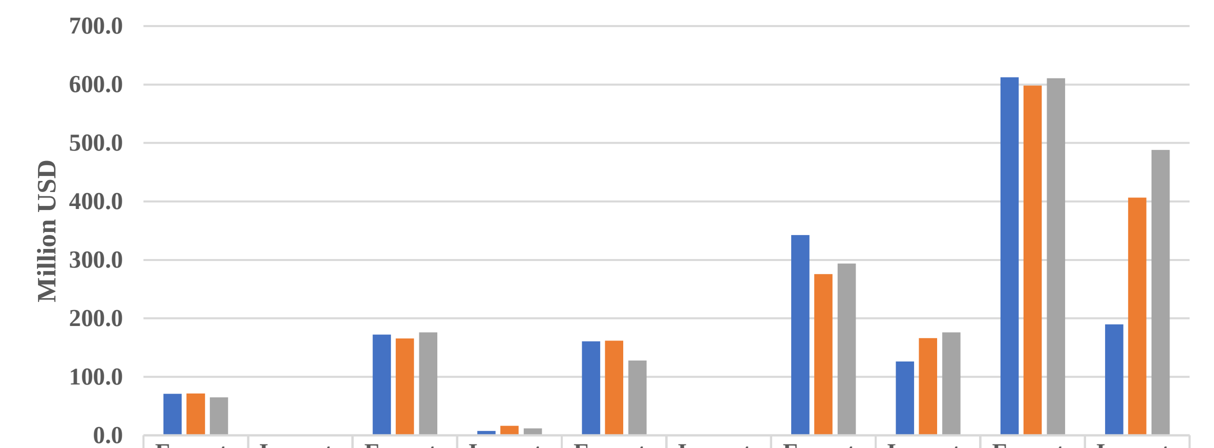


	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Kenya Total EAC Exports	974	741	946	1,193	1,167	1,279	1,545	1,809	1,645	1,656	1,465	1,360	1,273	1,274
Kenya Total EAC Imports	62	81	192	182	162	257	303	365	335	431	410	324	590	676

Source: The Author Calculation, World Bank Data 2020, and Trend Economy 2020

The figure indicates that the exports to the EAC increased from 974$ million in 2005 to 1,274$ million in 2018. The imports from the EAC increased from 62$ million in 2005 to 676$ million in 2018.

Figure 5. 15: Kenya Intra-EAC Trade by Country 2016-2018



	Burundi		Rwanda		South Sudan		Tanzania		Uganda	
	Exports	Imports	Exports	Imports	Exports	Imports	Exports	Imports	Exports	Imports
2016	71.3	0.7	172.4	7.6	160.8	0.1	342.8	126.2	612.4	189.9
2017	71.4	0.6	165.7	16.3	162.1	0.2	275.9	166.2	598.0	406.7
2018	65.1	0.7	176.1	11.7	127.9	0.2	293.7	175.9	610.8	488.1

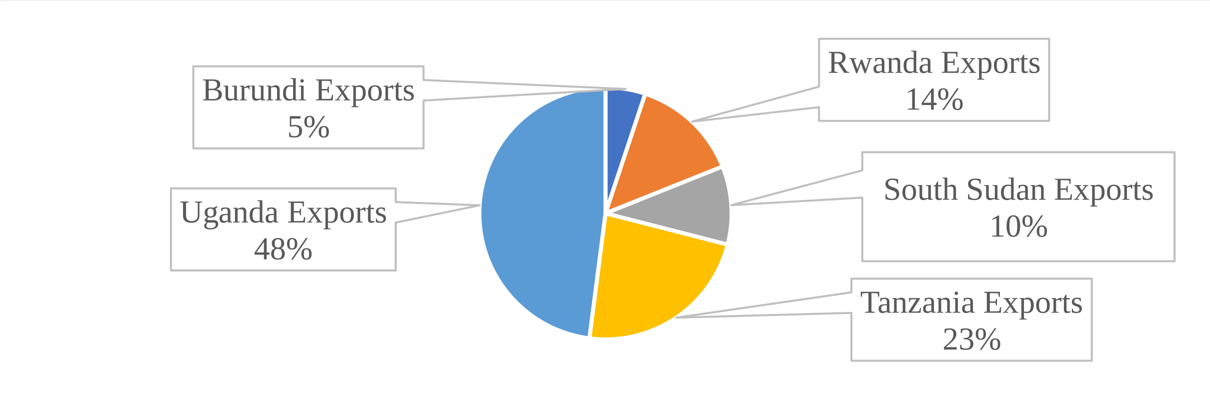
Source: The Author Calculation, World Bank Data 2020, and Trend Economy 2020

Figure 5.15 above presents the intra-EAC trade (exports and imports) characteristics for Kenya, in the period of 3 years from 2016 to 2018.

With Kenya exports to the EAC, for the examined period; the figure shows that Uganda toped all the three years, Tanzania seconded all the three years, Rwanda was the third in all three years, South Sudan was the fourth in all three years, and Burundi bottomed all the three years.

With Kenya imports from the EAC, for the examined period; the figure demonstrates that Uganda toped all the three years, Tanzania seconded all the three years, Rwanda was the third in all three years, Burundi was the fourth in all three years, and South Sudan bottomed all the three years. The figure also demonstrates that Kenya imported very little from Burundi and South Sudan in all examined three years.

Figure 5. 16: Kenya Exports to the EAC* in 2018 - *(%)



Source: The Author Calculation, World Bank Data 2020, and Trend Economy 2020

The value of exports from Kenya to Burundi totalled $71.3 million in 2017 and $ 65 million (5% of its exports to the EAC) in 2018. Exports from Kenya to Burundi decreased by $ 6.33 million in 2018, equal to 8.86% YoY.

The exports value from Kenya to Rwanda totalled $165.6 million in 2017 and $ 176 million (14% of its exports to the EAC) in 2018. Exports grow from Kenya to Rwanda reached $ 10.4 million in 2018, equivalent to 6.32% compared to 2017.

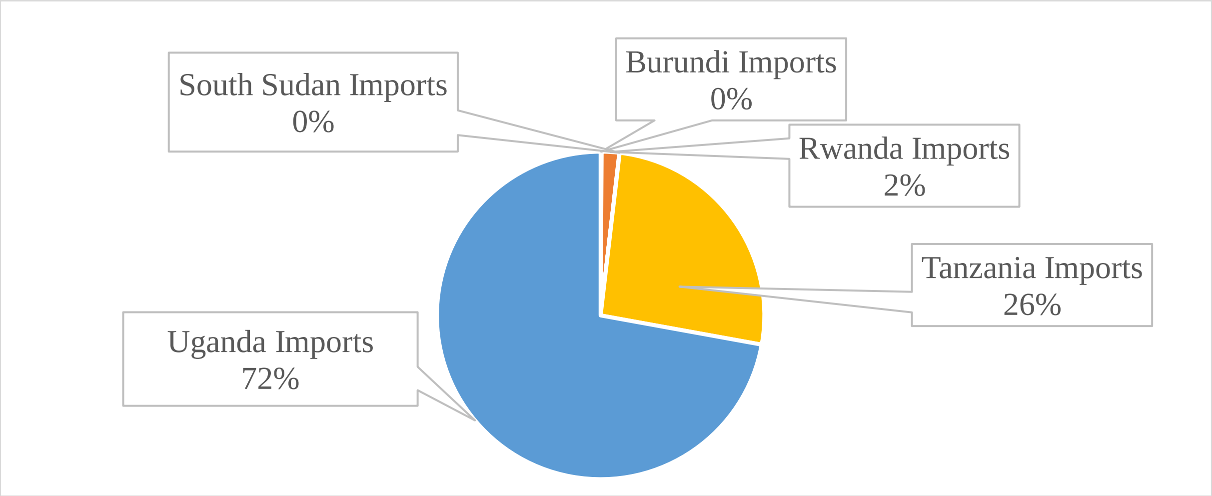
The value of exports from Kenya to South Sudan equalled $162 million in 2017 and $ 128 million (10% of its exports to the EAC) in 2018. The exports from Kenya to South Sudan decreased by $ 34 million in 2018, equivalent to 21% YoY.

The exports value from Kenya to Tanzania totalled $275.9 million in 2017 and $293.6 million (23% of its exports to the EAC) in 2018. Grows of exports from Kenya to Tanzania was $17.7 million in 2018, equal to 6.44% compared to 2017.

The exports value from Kenya to Uganda totalled $598 million in 2017 and $610.8 million (48% of its exports to the EAC) in 2018. Grows of exports from Kenya to Uganda attained $12.8 million in 2018, equivalent to 2.14% compared to 2017.

The overall Intra-EAC Exports for Kenya in 2018, the first country to export to was Uganda with 48%, followed by Tanzania with 23%, then Rwanda with 14%, then South Sudan with 10% and lastly Burundi with 5%.

Figure 5. 17: Kenya Imports from the EAC in 2018 - (%)



Source: The Author Calculation, World Bank Data 2020, and Trend Economy 2020

The value of imports to Kenya from Burundi mounted $575 thousand in 2017 and $668 thousand (0.12% of its imports from the EAC) in 2018. Grows of imports to Kenya from Burundi reached $ 93 thousand in 2018, equal to 16.2% compared to 2017.

The Imports value to Kenya from Rwanda totalled $16.2 million in 2017 and $11.7 million (1.8% of its imports from the EAC) in 2018. The imports to Kenya from Rwanda decreased by $ 4.57 million in 2018, equivalent to 28% YoY.

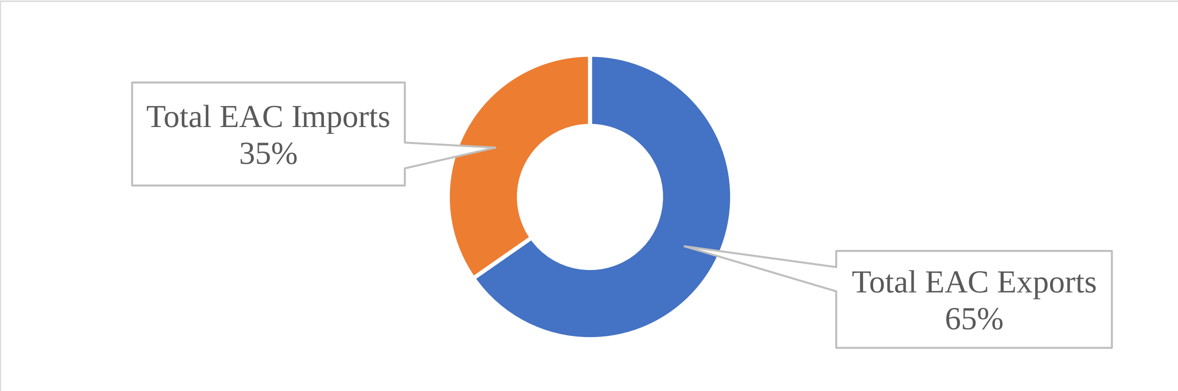
The imports value to Kenya from South Sudan totalled $243 thousand in 2017 and $161 thousand (0.08% of its imports from the EAC) in 2018. Imports to Kenya from South Sudan decreased by $82 thousand in 2018, equal to 33% YoY.

The value of imports to Kenya from Tanzania totalled $166 million in 2017 and $175 million (26% of its imports from the EAC) in 2018. Grows of imports to Kenya from Tanzania reached $ 9.72 million in 2018, equivalent to 5.85% compared to 2017.

The value of imports to Kenya from Uganda totalled $406 million in 2017 and $488 million (72% of its imports from the EAC) in 2018. The growth of imports to Kenya from Uganda attained $81 million in 2018, equal to 20% compared to 2017.

For Kenya Intra-EAC imports in 2018, Uganda dominated with 72%, followed by Tanzania with 26%, then Rwanda with 1.8%, then Burundi with 0.12%, and lastly, South Sudan with 0.08%.

Figure 5. 18: Kenya Total Intra-EAC Trade in 2018 - (%)



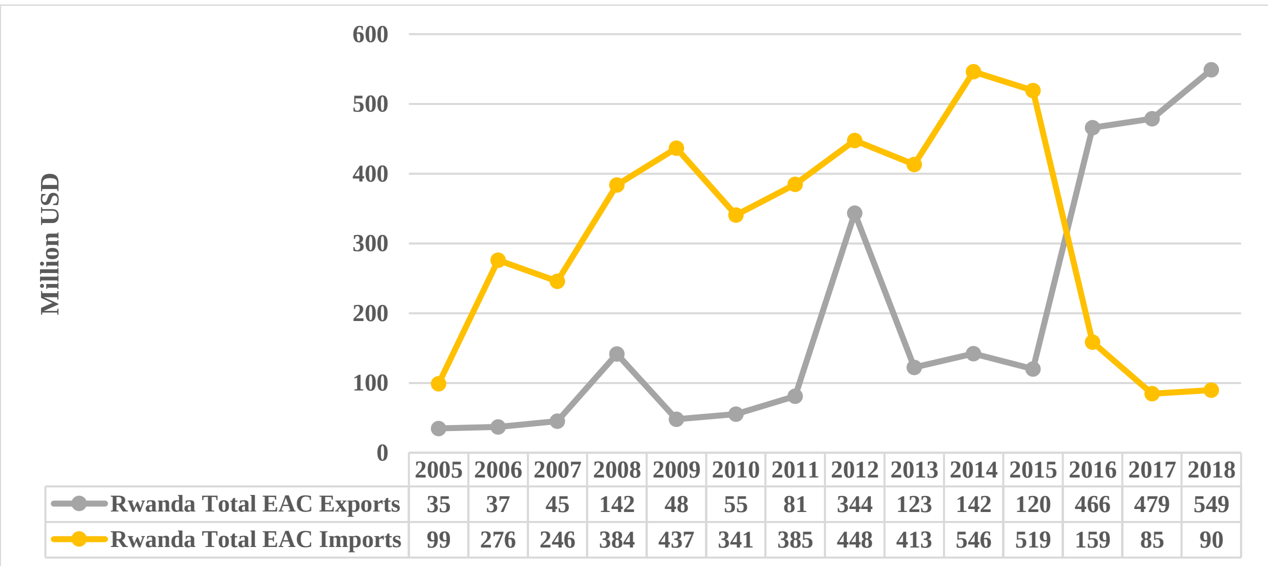
Source: The Author Calculation, World Bank Data 2020, and Trend Economy 2020

Figure 5.18 above demonstrates that in 2018, Kenya total exports to the EAC were 65% ($1.3 billion), while the total imports from the EAC counted 35% ($ 676 million).

5.11.3. Intra-EAC Trade characteristics for Rwanda

Figure 5.19 below presents total exports and imports for Rwanda to and from the EAC. Rwanda exports to the EAC experienced an upward tendency from 2006 to 2018, a with huge full in 2009 and 2013 considering their respective previous years. The Rwanda imports from the EAC experienced a rising trend from 2006 to 2015 and an extensive fall starting in 2016.

Figure 5. 19: Rwanda Total Intra-EAC Trade from 2005 to 2018

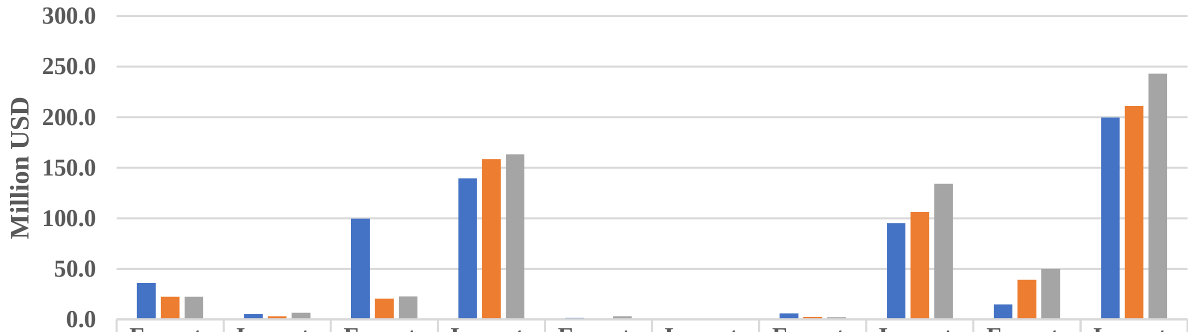


	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Rwanda Total EAC Exports	35	37	45	142	48	55	81	344	123	142	120	466	479	549
Rwanda Total EAC Imports	99	276	246	384	437	341	385	448	413	546	519	159	85	90

Source: The Author Calculation, World Bank Data 2020, and Trend Economy 2020

The figure shows that the exports to the EAC increased from 35$ million in 2005 to 549$ million in 2018. The imports from the EAC increased from 99$ million in 2005 to 90$ million in 2018.

Figure 5. 20: Rwanda Intra-EAC Trade by Country from 2006 to 2018



	Burundi		Kenya		South Sudan		Tanzania		Uganda	
	Exports	Imports	Exports	Imports	Exports	Imports	Exports	Imports	Exports	Imports
2016	35.9	5.2	99.5	139.4	1.3	0.0	5.9	95.0	14.6	199.8
2017	22.2	3.0	20.4	158.5	0.7	0.0	2.3	106.2	39.1	210.9
2018	22.5	6.5	22.7	163.1	2.9	0.0	2.1	134.2	50.0	243.0

Source: The Author Calculation, World Bank Data 2020, and Trend Economy 2020

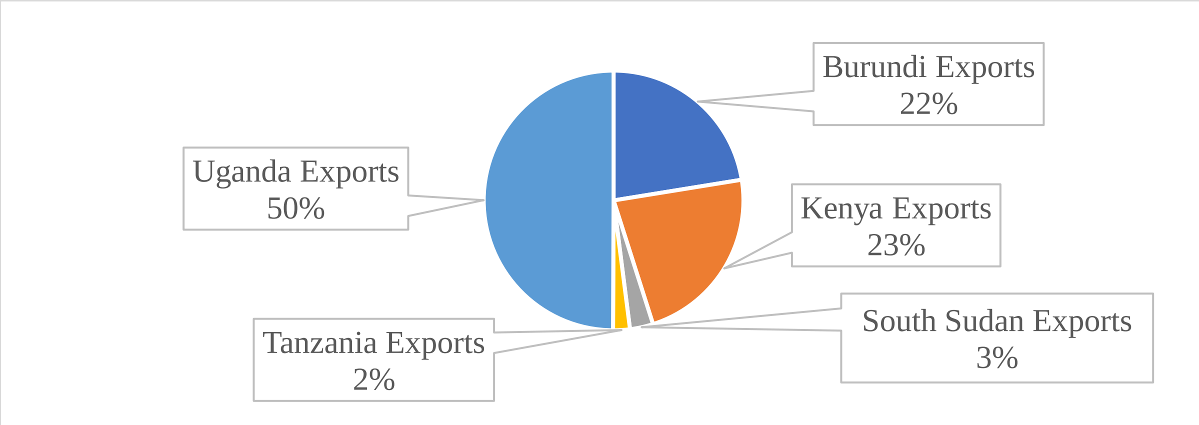
Figure 5.20 above presents the intra-EAC trade (exports and imports) characteristics for Rwanda in the period of 3 years from 2016 to 2019.

With Rwanda exports to the EAC, for the examined period; the figure shows that Kenya toped 2016, third 2017, seconded 2018 and fourth 2019; Burundi seconded first two years and 2019, and third 2018; Uganda was third in 2016 and topped all three last years; Tanzania was the fourth in all three years; South Sudan bottomed all the three first years and third in 2019.

With Rwanda imports from the EAC, for the examined period, the figure shows that Uganda toped all first three years and third in 2016, Kenya seconded toped 2019 and seconded all the three first years; Tanzania was third in all three first-years and seconded 2019; Burundi was the fourth in all four years; South Sudan bottomed all four years.

The figure demonstrates that Rwanda imported little from Burundi and almost nothing from South Sudan over the examined period.

Figure 5. 21: Rwanda exports to the EAC in 2018 - (%)



Source: The Author Calculation, World Bank Data 2020, and Trend Economy 2020

The value of exports from Rwanda to Burundi totalled $22.2 in 2017 and $22.5 million (22% of its exports to the EAC) in 2018. The exports from Rwanda to Burundi grew up by 0.3 million in 2018, equivalent to 1.35% compared to 2017.

The exports value from Rwanda to Kenya totalled $20.4 million in 2017 and $22.7 million (23% of its exports to the EAC) in 2018. The growth of imports to Kenya from Rwanda was $2.3 million in 2018, equal to 11.3% compared to 2017.

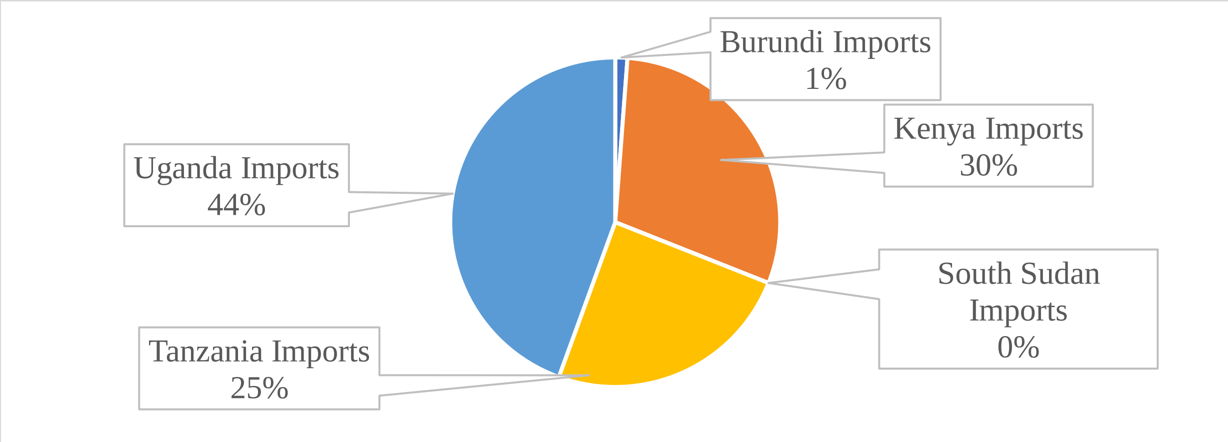
The value of exports from Rwanda to South Sudan mounted $0.7 in 2017 and $2.9 million (3% of its exports to the EAC) in 2018. Exports grew from Rwanda to South Sudan quadrupled to 2.2 million in 2018, equivalent to 314.3% compared to 2017.

The exports value from Rwanda to Tanzania totalled $2.3 million in 2017 and $2.1 million (2% of its exports to the EAC) in 2018. The imports to Tanzania from Rwanda decreased by $0.2 million in 2018, equivalent to 8.7% YoY.

The exports value from Rwanda to Uganda totalled $39.1 million in 2017 and $50 million (50% of its exports to the EAC) in 2018. The growth of imports to Uganda from Rwanda was $10.9 million in 2018, equivalent to 27.9%, likened to 2017.

The overall Intra-EAC exports from Rwanda in 2018, Uganda dominated with 50%, followed by Kenya with 23%, then Burundi with 22%, then South Sudan with 3%, lastly Tanzania with 2%.

Figure 5. 22: Rwanda imports from the EAC in 2018 - (%)



The value of imports to Rwanda from Burundi totalled 3.0 million in 2017 and $ 6.48 million (1% of its imports from the EAC) in 2018. The growth of imports reached $3.5 million, which was more than double in 2018, equal to 116% compared to 2017.

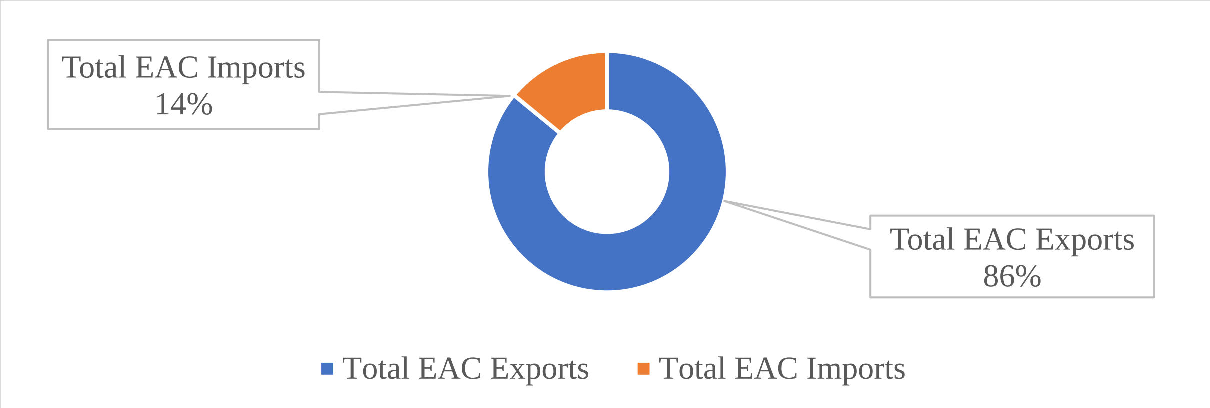
The value of imports to Rwanda from Kenya totalled $158.5 million in 2017 and $ 163.1 million (30% of its imports from the EAC) in 2018. The imports from Kenya to Rwanda grew up by $4.6 million in 2018, equal to 2.9% compared to 2017.

The value of imports to Rwanda from Tanzania totalled 106.2 million in 2017 and $ 134.2 million (25% of its imports from the EAC) in 2018. The growth of imports reached $28 million in 2018, equal to 26.4%, likened to 2017.

The value of imports to Rwanda from Uganda totalled $210.9 million in 2017 and $243 million (44% of its imports from the EAC) in 2018. The imports from Uganda to Rwanda grew up by $32.1 million in 2018, equal to 15.2% compared to 2017.

The overall Intra-EAC imports to Rwanda in 2018, the first imports country was Uganda with 44%, followed by Kenya with 30%, then Tanzania with 25%, and lastly Burundi with 1%. There is no import data from South Sudan to Rwanda in 2018.

Figure 5. 23: Rwanda Total Intra-EAC Trade in 2018 – (%)



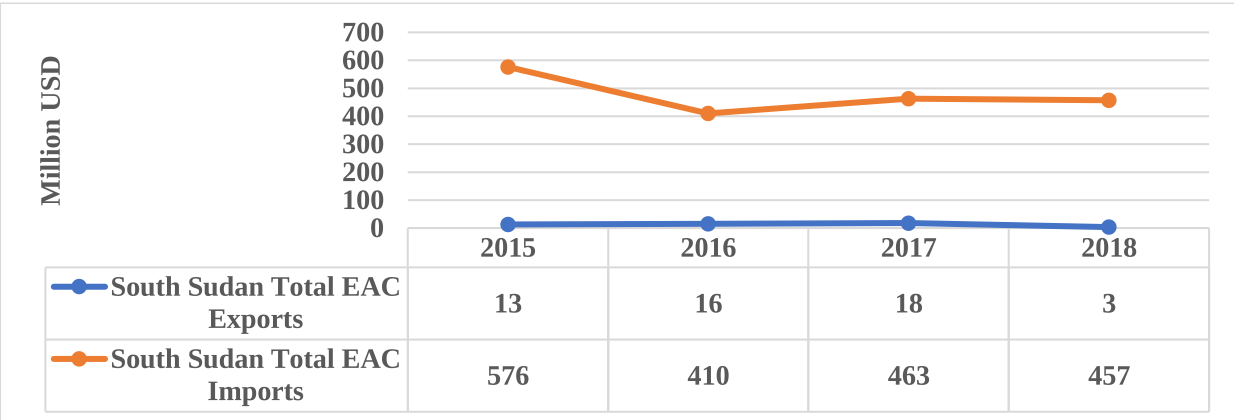
Source: The Author Calculation, World Bank Data 2020, and Trend Economy 2020

The above figure 5.23 shows Rwanda exports and imports to and from the EAC in 2018. The total exports to the EAC were 86% ($549 million), while the total imports from the EAC counted 14% ($ 90 million).

5.11.4. Intra-EAC Trade characteristics for South Sudan

The data in Figure 5.24 below indicates total exports and imports for South Sudan to and from the EAC. South Sudan trade data with the EAC started in 2015 due to the lack of data for previous years since the country was founded in 2011.

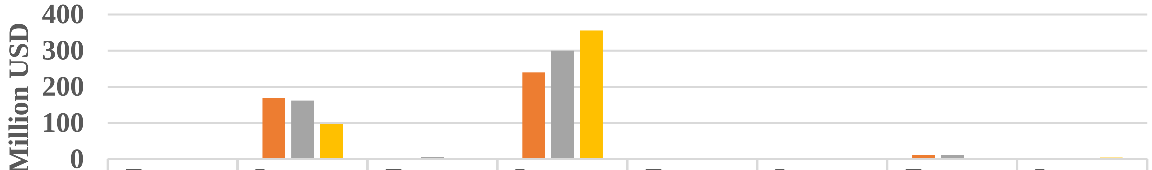
Figure 5. 24: South Sudan Total Intra-EAC Trade from 2015 to 2018



Source: The Author Calculation, World Bank Data 2020, and Trend Economy 2020

The figure shows that the exports to the EAC decreased from 13$ million in 2015 to 3$ million in 2018. The imports from the EAC decreased from 576$ million in 2015 to 457$ million in 2018.

Figure 5. 25: South Sudan Intra-EAC trade by Country from 2016 to 2018



	Kenya Exports	Kenya Imports	Uganda Exports	Uganda Imports	Tanzania Exports	Tanzania Imports	Rwanda Exports	Rwanda Imports
2016	0.2	169	2.5	239.6	0.9	0	12.1	1.4
2017	0.2	162	5.6	299.9	0	0	12.1	0.6
2018	0.2	96.9	3.2	355.8	0	0.2	0	4.3

Source: The Author Calculation, World Bank Data 2020, and Trend Economy 2020

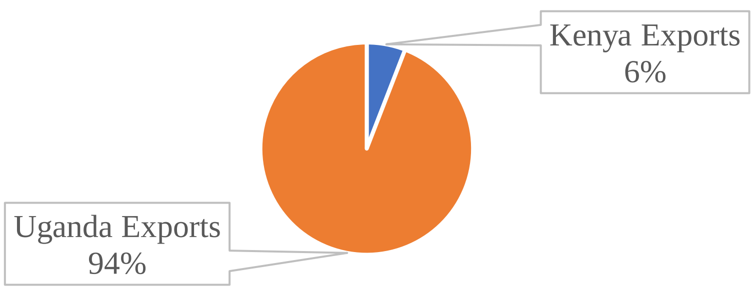
Figure 5.25 above shows the intra-EAC trade (exports and imports) information for South Sudan, in the period of 3 years from 2016 to 2018.

With South Sudan exports to the EAC, for the examined period, Rwanda topped all the first two years and nothing in 2018; Uganda seconded the first two years and toped 2018; Kenya with a constant amount ($0.2 million) bottomed 2016 and was third in the last two years; Tanzania was the third in 2016 and nothing during the last two years; no exports data between South Sudan and Burundi.

With South Sudan imports from the EAC, for the examined period, the figure shows that Uganda toped all three years, Kenya seconded all three years; Rwanda was fourth in all three years; and Tanzania bottomed 2018, with no imports data in 2016 and 2017; no imports data between South Sudan and Burundi.

The figure demonstrates that South Sudan exports and imports almost nothing to or from Tanzania.

Figure 5. 26: South Sudan exports to the EAC in 2018 – (%)



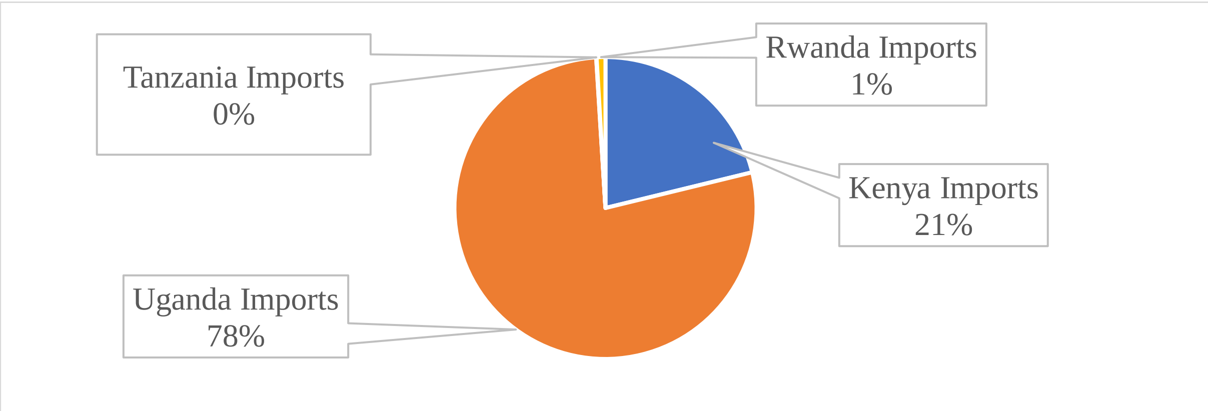
Source: The Author Calculation, World Bank Data 2020, and Trend Economy 2020

The exports value from South Sudan to Kenya totalled $0.2 million in 2017 and $ 0.2 million (6% of its exports to the EAC) in 2018. The was no Grows in exports from South Sudan to Kenya in 2018.

The value of exports from South Sudan to Uganda totalled $5.6 million in 2017 and $3.2 million (94% of its exports to the EAC) in 2018. Exports from South Sudan to Uganda decreased by $2.4 million, equal to 42% YoY.

The exports value from South Sudan to Rwanda mounted $12.1million in 2017. The overall Intra-EAC exports from South Sudan in 2018, Uganda dominated with 94% and seconded by Kenya 6%. No available data for exports from South Sudan to Tanzania and Burundi.

Figure 5. 27: South Sudan imports from the EAC in 2018 – (%)



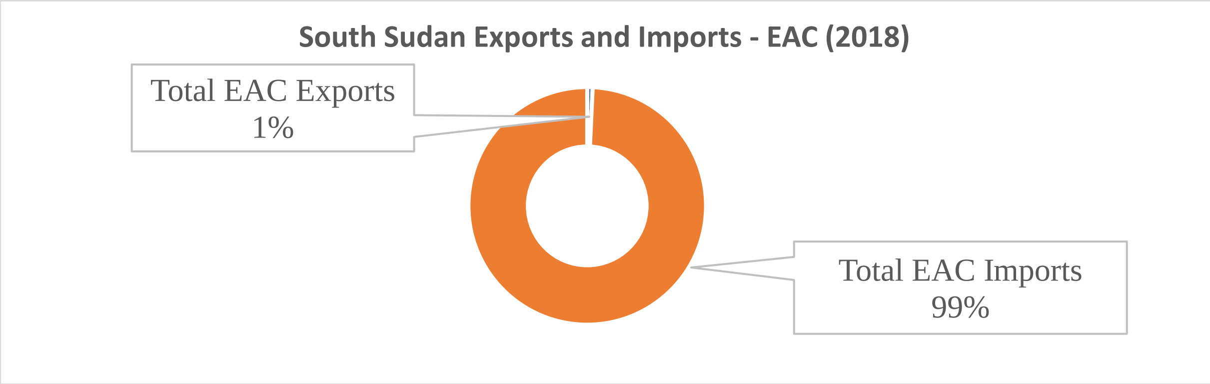
The value of imports to South Sudan from Kenya mounted $162 million and $ 96.9 million (21% of its imports from the EAC) in 2018. The imports to South Sudan from Kenya decreased by $ 65.1 million in 2018, making it a decrease of 40% YoY.

The value of merchandise imports to South Sudan from Rwanda totalled $0.6 million in 2017 and $ 4.3 million (1% of its imports from the EAC) in 2018. Grows of merchandise imports to Tanzania from Rwanda reached $3.7 thousand in 2018, equal to 616.7% compared to 2017.

The value of merchandise imports to South Sudan from Uganda totalled $299.9 million in 2017 and $355.8 million (78% of its imports from the EAC) in 2018. Imports from Uganda to South Sudan grew up by $ 55.9 million in 2018, equal to 18.6% compared to 2017.

The overall Intra-EAC imports to South Sudan in 2018, Uganda dominated with 78%, followed by Kenya with 21%, lastly Rwanda with 1%. Imports to South Sudan from Tanzania totalled 0.2 million in 2018. There are no imports data between South Sudan and Burundi.

Figure 5. 28: South Sudan – Total Intra-EAC Trade 2018



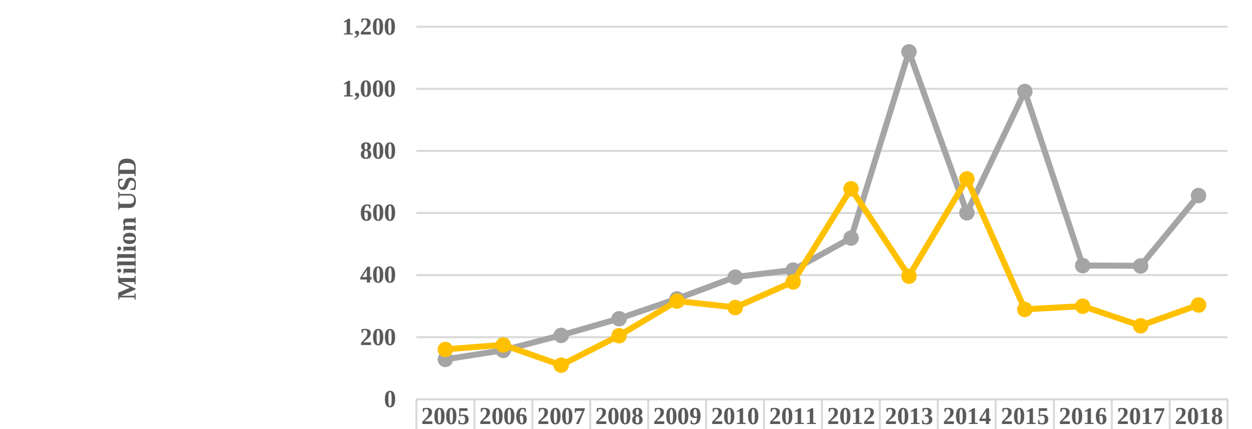
Source: The Author Calculation, World Bank 2020 Data and Trend Economy 2020

The above figure 5.28 shows an overview of the South Sudan exports and imports to and from the EAC in 2018. As it is shown in the figure, the country exports to the EAC are almost nothing with 1% ($3 million), while the total imports from the EAC counted 99% ($ 457 million). Looking to the country trade with the EAC trade in 2018, South Sudan is still running into a very deep trade deficit of 98%.

5.11.5. Intra-EAC Trade characteristics for Tanzania

Figure 5.29 below presents the total exports and imports for Tanzania to and from the EAC. For total exports to the EAC, the country experienced an increased course from 2006 to 2013, then a significant fall in 2014 and 2016. For total imports from the EAC, the country has also experienced an upward course and a big fall in 2013 and 2015.

Figure 5. 29: Tanzania Total Intra-EAC Trade by Country from 2005 to 2018

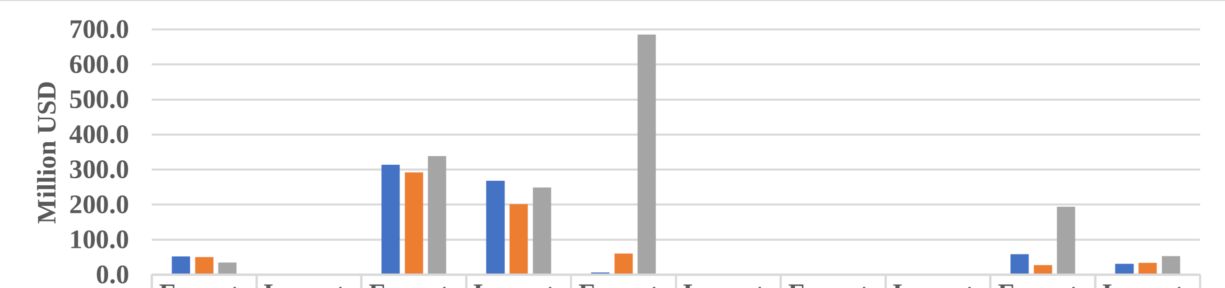


	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Tanzania Total EAC Exports	129	158	206	260	324	394	417	520	1,120	601	992	431	430	657
Tanzania Total EAC Imports	161	176	110	205	317	296	378	679	397	710	289	300	237	305

Source: The Author Calculation, World Bank Data 2020, and Trend Economy 2020

The figure shows that the exports to the EAC increased from 129$ million in 2005 to 657$ million in 2018. The imports from the EAC increased from 161$ million in 2005 to 305$ million in 2018.

Figure 5. 30: Tanzania Intra-EAC Trade by Country from 2016 to 2018



	Burundi		Kenya		Rwanda		South Sudan		Uganda	
	Exports	Imports	Exports	Imports	Exports	Imports	Exports	Imports	Exports	Imports
2016	52.1	0.8	313.9	267.7	6.5	1.1	0.0	0.0	58.2	30.7
2017	50.8	0.2	291.5	201.3	60.5	1.3	0.2	0.0	27.5	34.1
2018	34.5	1.0	338.8	248.7	685.6	1.4	0.2	0.2	194.4	53.0

Source: The Author Calculation, World Bank Data 2020, and Trend Economy 2020

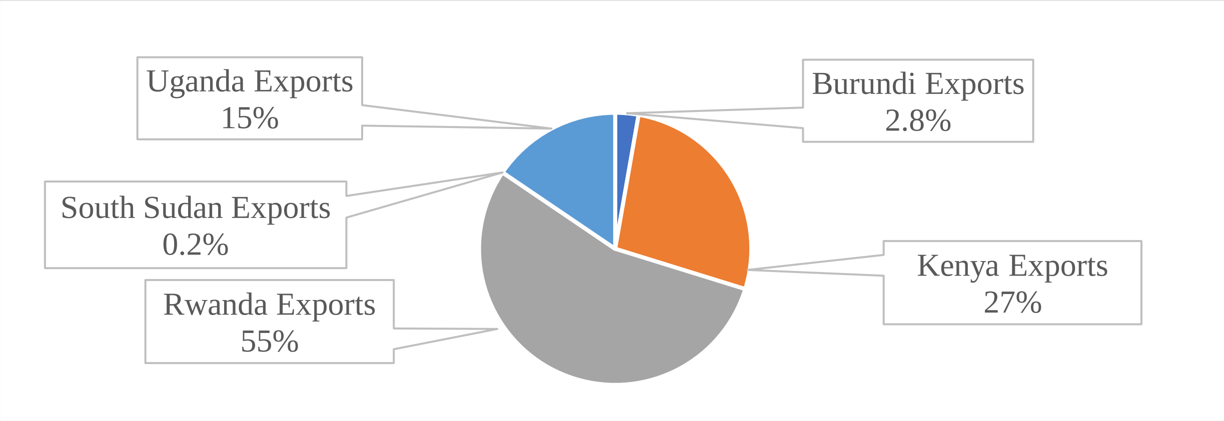
Figure 5.30 above presents the intra-EAC trade (exports and imports) characteristics for Tanzania in the period of 3 years from 2016 to 2018.

With Tanzania exports to the EAC, for the examined period, the figure shows that Kenya toped all first two years and seconded 2018; Uganda was the third in 2018 and 2016, and fourth 2017, Rwanda topped 2018, seconded 2017 and fourth 2016; Burundi was the third in 2016 and 2017, and fourth in 2018; and South Sudan bottomed 2018 and 2017, with no exports data for2016.

With Tanzania imports from the EAC, for the examined period, the figure shows that Kenya topped all three years; Uganda seconded all three years; Rwanda was the third in all three years; Burundi was the fourth in all three years; South Sudan bottomed all three years.

The table demonstrates that Tanzania imports very little from Burundi and Rwanda and exports much to Kenya. No data for imports from South Sudan in 2016 and 2017.

Figure 5. 31: Tanzania exports to the EAC in 2018 – (%)



Source: The Author Calculation, World Bank Data 2020, and Trend Economy 2020

The value of exports from Tanzania to Burundi totalled $50.8 million in 2017 and $34.5 million (2.8% of its exports to the EAC) in 2018. Exports from Tanzania to Burundi decreased by $16.2 million 32% YoY.

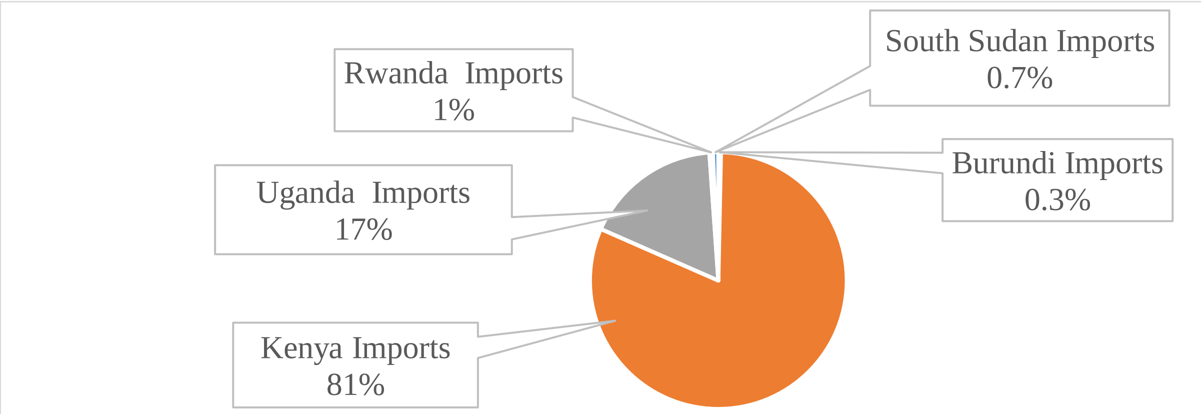
The exports value from Tanzania to Kenya totalled $291.5 million in 2017 and $ 338.8 million (27% of its exports to the EAC) in 2018. Grows of exports from Tanzania to Kenya reached $47.3 million in 2018, equal to 16.2% compared to 2017.

The exports value from Tanzania to Rwanda mounted $60 million in 2017 and $ 685 million (55% of its exports to the EAC) in 2018. Grows of exports from Tanzania to Rwanda reached $ 625 million in 2018, equivalent to 1,041.6% compared to 2017.

The value of exports from Tanzania to South Sudan equalled $173 thousand in 2017 and $ 220 thousand (0.2% of its exports to the EAC) in 2018. Grows of exports from Tanzania to South Sudan attained $ 47 thousand in 2018, equivalent to 27% compared to 2017.

The value of merchandise exports from Tanzania to Uganda totalled $27 million in 2017 and $194 million (15% of its exports to the EAC) in 2018. Grows of exports from Tanzania to Uganda attained $ 166 million in 2018, 606% likened to 2017.
The overall Intra-EAC exports from Tanzania in 2018, Rwanda dominated with 55% and seconded by Kenya 27%, then followed by Uganda with 15%, then Burundi with 2.8%, and lastly South Sudan with 0.2%.

Figure 5. 32: Tanzania imports from to the EAC in 2018 - (%)

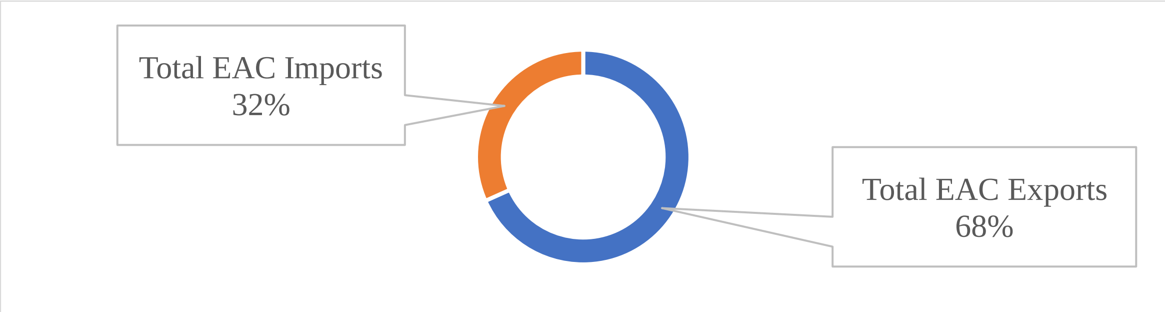


Source: The Author Calculation, World Bank Data 2020, and Trend Economy 2020

The value of imports to Tanzania from Burundi totalled $232 thousand and $ 1.03 million (0.3% of its imports from the EAC) in 2018. Grows of merchandise imports to Tanzania from Burundi attained $ 800 thousand in 2018, equivalent to 344% compared to 2017.
The value of imports to Tanzania from Kenya mounted $201 million and $ 248 million (81% of its imports from the EAC) in 2018. Grows of merchandise imports to Tanzania from Kenya reached $ 47 million in 2018, equal to 23% compared to 2017.
The value of merchandise imports to Tanzania from Rwanda totalled $1.29 million in 2017 and $ 1.36 million (1% of its imports from the EAC) in 2018. Grows of merchandise imports to Tanzania from Rwanda reached $70 thousand in 2018, equal to 5.39% compared to 2017.
The imports value to Tanzania from South Sudan equalled $210 in 2017 and $ 203 thousand (0.7% of its imports from the EAC) in 2018. Grows of imports to Tanzania from South Sudan reached $ 203 thousand in 2018, equivalent to 96,000.6% compared to 2017.
The value of merchandise imports to Tanzania from Uganda totalled $34 million in 2017 and $52 million (17% of its imports from the EAC) in 2018. Imports from Uganda to Tanzania grew up by $ 18.8 million in 2018, equal to 55% compared to 2017.

The overall Intra-EAC imports to Tanzania in 2018, Kenya dominated with Uganda with 81%, seconded by Uganda with 17%, then Rwanda with 1%, then South Sudan with 0.7%, and lastly Burundi with 0.3%.

Figure 5. 33: Tanzania Total Intra-EAC Trade in 2018 – (%)



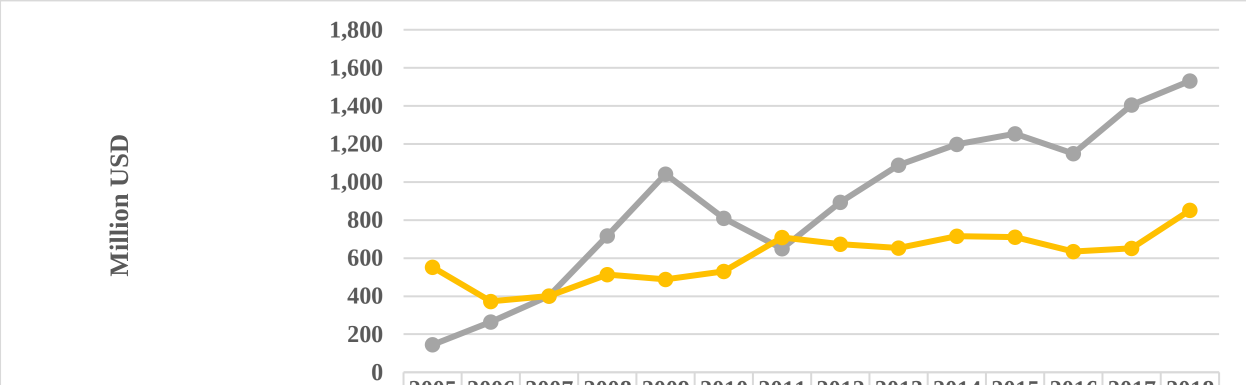
Source: The Author Calculation, World Bank Data 2020, and Trend Economy 2020

The above figure 6.33 shows an overview of Tanzania total exports and imports to and from the EAC in 2018. Tanzania counted 68% ($657 million) of exports to the EAC and 32% ($ 305 million) of imports from the EAC. In 2018, Tanzania ran into a trade surplus in its trade flow with the EAC.

5.11.6. Intra-EAC Trade characteristics for Uganda

Below figure 5.34 shows the total exports and imports for Uganda to and from the EAC from 2005 to 2018. For the analysed period, both exports and imports for Uganda to and from the EAC had an uprising course from 2006 to 2018.

Figure 5. 34: Uganda Total Intra-EAC Trade from 2005 to 2018

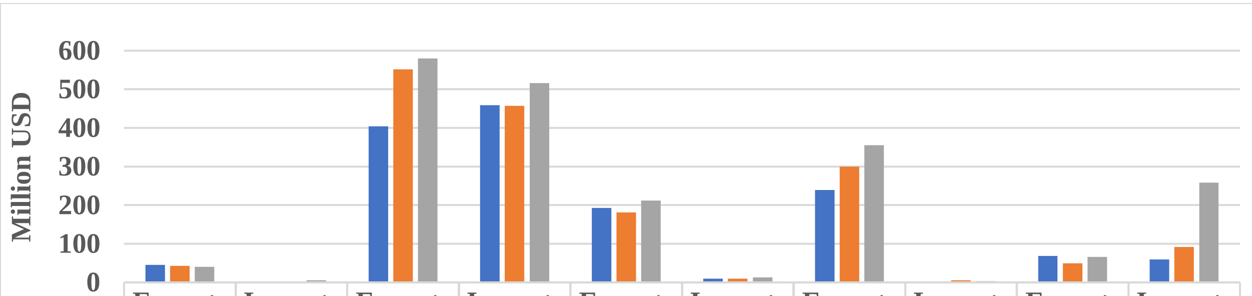


	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Uganda Total EAC Exports	145	265	402	717	1,042	810	650	894	1,089	1,198	1,254	1,149	1,406	1,531
Uganda Total EAC Imports	551	373	401	513	489	531	709	673	653	715	710	634	652	851

Source: The Author Calculation, World Bank Data 2020, and Trend Economy 2020

The figure shows that the exports to the EAC increased from 145$ million in 2005 to 1,531$ million in 2018. The imports from the EAC increased from 551$ million in 2005 to 851$ million in 2018.

Figure 5. 35: Uganda Intra-EAC trade by Country from 2016 to 2018



	Burundi		Kenya		Rwanda		South Sudan		Tanzania	
	Exports	Imports	Exports	Imports	Exports	Imports	Exports	Imports	Exports	Imports
2016	45.1	1.3	404.1	459.0	193.3	10.1	239.6	2.5	68.9	59.7
2017	43.0	1.1	552.0	457.2	181.6	9.8	299.9	5.6	49.8	91.8
2018	40.7	5.4	580.2	515.9	211.6	13.1	355.8	3.2	66.3	258.8

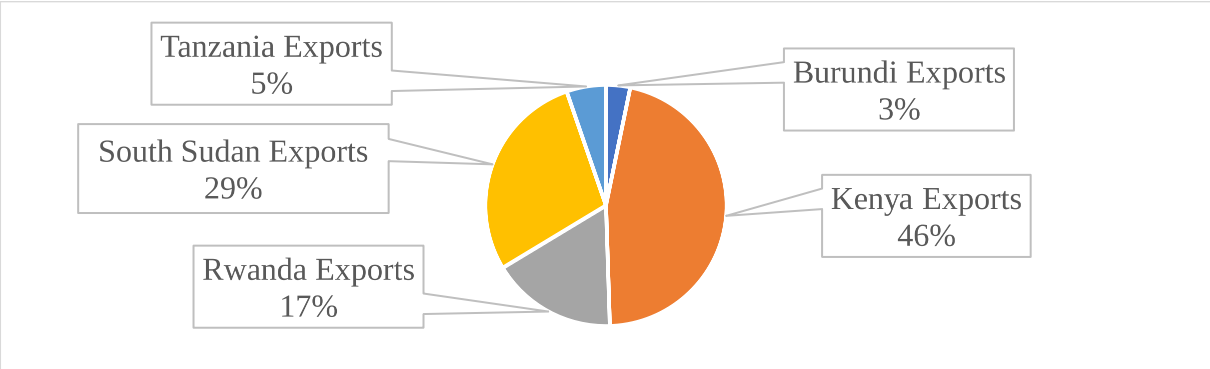
Source: The Author Calculation, World Bank Data 2020, and Trend Economy 2020

Figure 5.35 above presents the intra-EAC trade (exports and imports) characteristics for Uganda in the period of 3 years from 2016 to 2018.

With Uganda exports to the EAC, for the examined period, the figure shows that Kenya increasingly toped all the three years; South Sudan also increasingly seconded all the three years; Rwanda was the third in all three years; Tanzania was the fourth in all three years; Burundi bottomed all the three years.

With Uganda imports from the EAC, for the examined period, the figure shows that Kenya toped all the three years; Tanzania seconded all the three years; Rwanda was the third in all three years; South Sudan was the fourth in all three years; Burundi was the fifth in all three years. The figure demonstrates that Uganda trades in all EAC countries more than others.

Figure 5. 36: Uganda exports to the EAC in 2018 – (%)



Source: The Author Calculation, World Bank Data 2020, and Trend Economy 2020

The value of exports from Uganda to Burundi equalled $43 million in 2017 and $40.7 million (3% of its exports to the EAC) in 2018. Exports from Uganda to Burundi decreased by $2.32 million in 2018, equal to 5.4% YoY.

The value of exports from Uganda to Kenya totalled $552 million in 2017 and $ 580 million (46% of its exports to the EAC) in 2018. Grows of exports from Uganda to Kenya reached $ 28 million in 2018, equivalent to 5.09% compared to 2017.

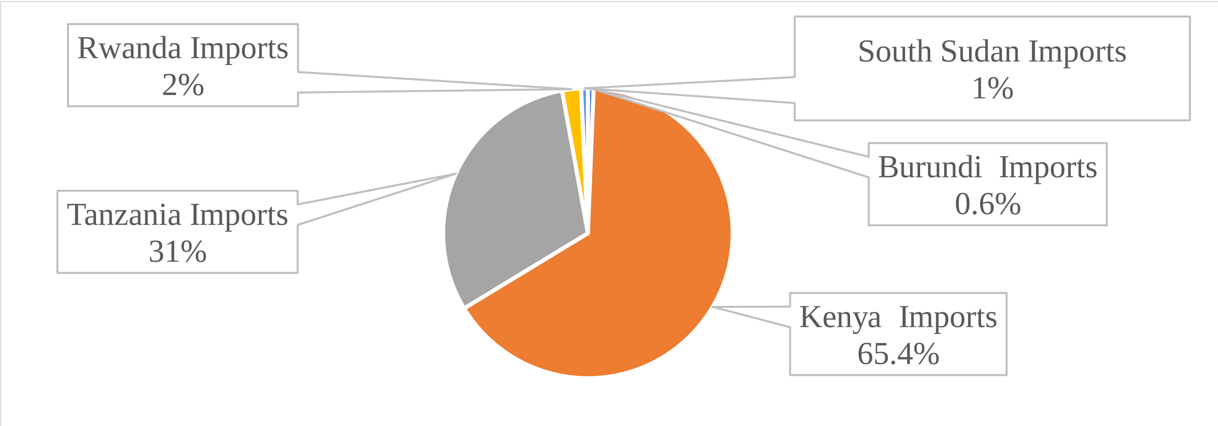
The value of exports from Uganda to Rwanda mounted $181 million in 2017 and $ 211 million (17% of its exports to the EAC) in 2018. Grows of exports from Uganda to Rwanda attained $ 29 million in 2018, equivalent to 16.5% compared to 2017.

The exports value from Uganda to South Sudan was $299 million in 2017 and $ 355 million (29% of its exports to the EAC) in 2018. Grows of exports from Uganda to South Sudan attained $ 55 million in 2018, equivalent to 18.6% compared to 2017.

The value of exports from Uganda to Tanzania totalled $49 million in 2017 and $ 66 million (5% of its exports to the EAC) in 2018. Grows of exports from Uganda to Tanzania was $ 16.4 million in 2018, equivalent to 33% compared to 2017.

The overall Intra-EAC exports from Uganda in 2018, Kenya dominated with 46% and seconded by South Sudan 29%, then followed by Rwanda with 17%, then Tanzania with 5%, and lastly Burundi with 3%.

Figure 5. 37: Uganda imports from the EAC* in 2018 – *(%)



Source: The Author Calculation, World Bank Data 2020, and Trend Economy 2020

The value of imports to Uganda from Burundi totalled $1.05 million in 2017 and $ 5.37 million (0.6% of its imports from the EAC) in 2018. Grows of imports to Uganda from Burundi reached $ 4.31 million in 2018, equivalent to 408% compared to 2017.

The value of imports to Uganda from Kenya totalled $457 million in 2017 and $ 515 million (65.4% of its imports from the EAC) in 2018. Grows of imports to Uganda from Kenya was $457 million in 2017, equal to 12.8% compared to 2017.

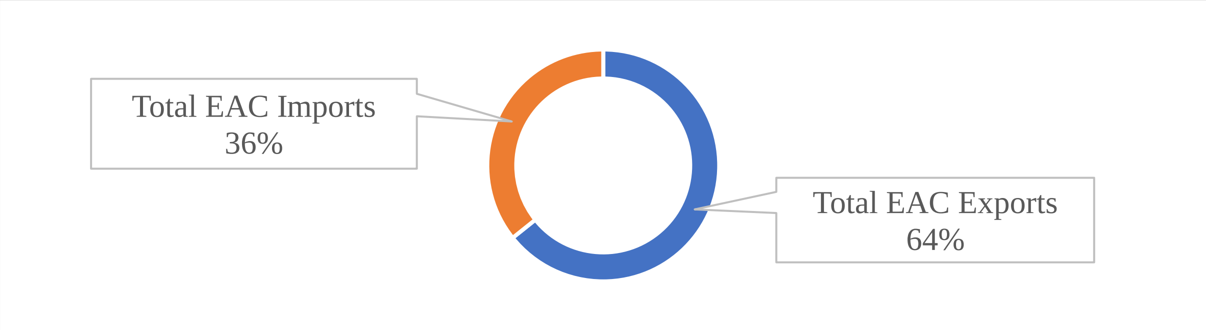
The imports value to Uganda from Rwanda was $9.83 million in 2017 and $ 13 million (2% of its imports from the EAC) in 2018. Grows of imports to Uganda from Rwanda attained $ 3.24 million in 2018, equal to 33% likened to 2017.

The value of merchandise imports to Uganda from South Sudan mounted $5.61 million in 2017 and $ 3.2 million (1% of its imports from the EAC) in 2018. Imports to Uganda from South Sudan decreased by $ 2.4 million, equivalent to 42% YoY.

The value of imports to Uganda from Tanzania totalled $91 million in 2017 and $ 258 million (31% of its imports from the EAC) in 2018. Grows of imports to Uganda from Tanzania reached $ 166 million in 2018, equal to 181% compared to 2017.

The overall Intra-EAC imports to Uganda in 2018, Kenya dominated with Uganda with 65.4%, seconded by Tanzania with 31%, then Rwanda with 2%, then South Sudan with 1%, and lastly Burundi with 0.6%.

Figure 5. 38: Uganda – Total Intra-EAC Trade in 2018 – (%)



Source: The Author Calculation, World Bank 2020 Data and Trend Economy 2020

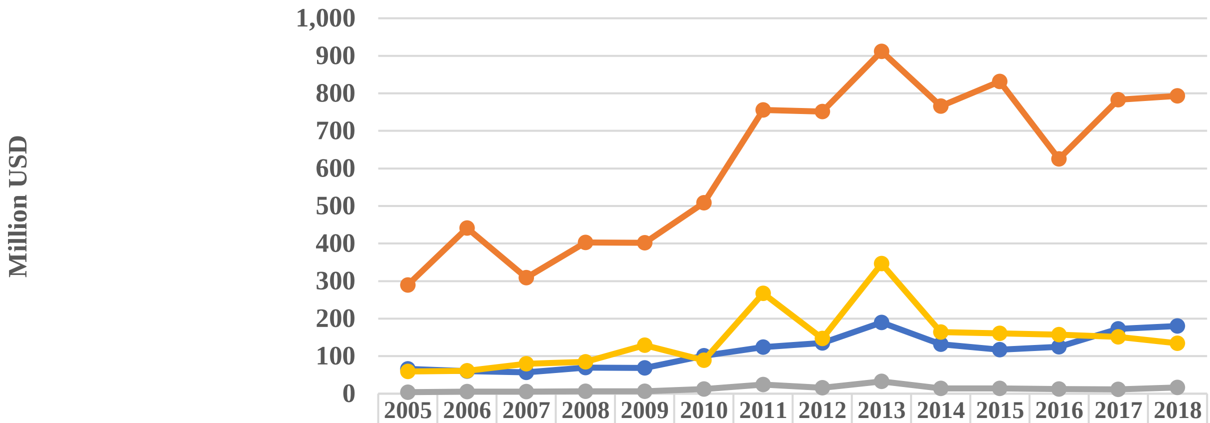
The above figure 5.38 presents the overview of the total exports and imports for Uganda to and from the EAC in 2018. Uganda exported 64% ($1.6 billion) to the EAC and imported 36% ($ 851million) from the EAC. In 2018, Uganda ran into a trade surplus in its trade flow with the EAC.

5.12. Trade Performance of the EAC countries with the Rest of the World - Extra-EAC trade depiction for each country

This section outlines international trade statistics of the EAC countries with the rest of the world for the years 2005 to 2018. It also analyses characteristics of the international trade performance for the EAC countries total trade flows. The information in this section provides insight in responding to the first research question and the first and the third research objectives as well. Below is the analysis of Extra-EAC trade performance for each country based on the data from Appendix 5.27.

5.12.1. Depiction of Total Trade for Burundi with the Whole World

Figure 5. 39: Overview for Burundi trade with the whole world from 2005 to 2018



	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Burundi World Exports	66	60	57	70	68	101	124	135	190	131	117	125	172	180
Burundi World Imports	290	441	309	403	402	509	756	752	912	766	832	625	783	794
Burundi Total EAC Exports	4	6	6	7	6	13	24	16	33	14	14	12	12	17
Burundi Total EAC Imports	59	61	80	85	129	89	267	147	346	164	161	157	151	134

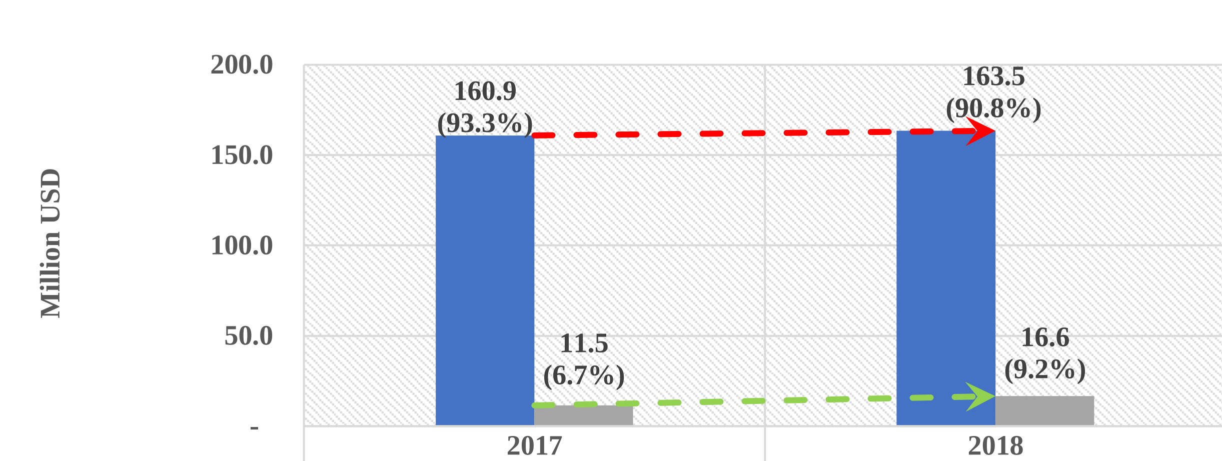
Source: The Author Calculation, World Bank Data 2020, and Trend Economy 2020

Figure 5.39 presents trade characteristics for Burundi and the whole world from 2005 to 2018.

Generally, the value of all exports from Burundi totalled $172.4 million in 2017 and $180.1 million in 2018. Comparing these two years, all exports from Burundi to the world increased by $7.7 million, 4.5% likened to 2017. The Burundi exports to the world grew up heavily, particularly starting the year 2010 and other years afterwards; from $68.4 million in 2009 to $101.2 in 2010 to $124.million in 2011, and $189.7 million in 2013 (the highest in the examined period).

The value of imports to Burundi totalled $783.3 million in 2017 and $793.5 million in 2018. Total imports to Burundi from the world increased by $10.2 million, 1.3%, compared to 2017. The imports from the world grew up extremely, starting the year 2011 and other years thereafter, from $508.8 million in 2010 to $755.6 in 2011 and to $911.9 in 2013.

Figure 5. 40: Burundi total exports to the EAC and the rest of the world from 2017-2018



	2017	2018
Extra-EAC Exports	160.9	163.5
Intra-EAC Exports	11.5	16.6

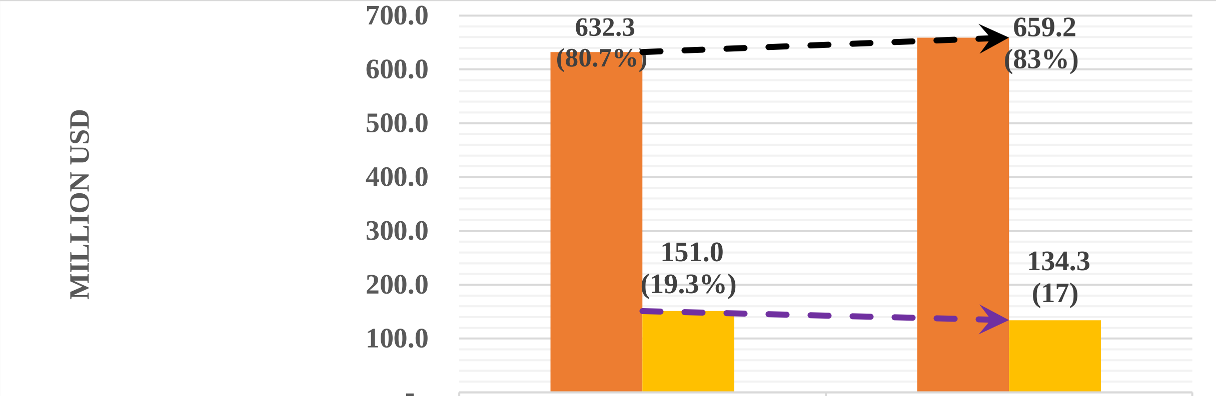
Source: The Author Calculation, World Bank Data 2020, and Trend Economy 2020

Figure 5.40 shows the overview of Burundi total exports in 2017 and 2018. The total exports are constituted by the Intra-EAC Exports (the total exports to the EAC) and Extra-EAC Exports (the total exports to the rest of the world)

In 2017, the country exported $11.5 million (6.7%) of all country exports to the EAC and $160.9 million (93.3%) of all country exports to the rest of the world. In 2018, the country exported $16.6 million (9.2%) of all country exports to the EAC and $163.5 million (90.8%) of all country exports to the rest of the world.

The share of exports to the EAC increased by $5.1 million in 2018, reaching 44.3% compared to 2017. The share of exports to the rest of the world grew up by $2.6 million in 2018, making it 1.6% compared to 2017.

Figure 5. 41: Burundi total imports from the EAC and the rest of the world from 2017-2018



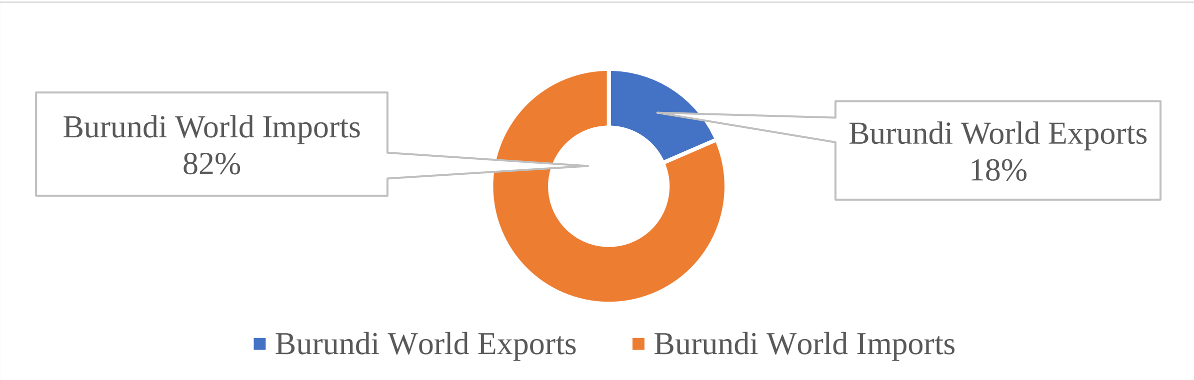
	2017	2018
Burundi Extra-EAC Imports	632.3	659.2
Burundi Intra-EAC Imports	151.0	134.3

Source: The Author Calculation, World Bank Data 2020, and Trend Economy 2020

Figure 5.41 presents the value of imports to Burundi in 2017 and 2018. In 2018, the country imported $134.3 million (17%) from the EAC and $659.2 million (83%) from the rest of the world. In 2017, the Burundi total imports from the EAC mounted $151 million (19.3%), and total imports from the rest of the world totalled $632.3 million (80.7%).

The share of imports from the EAC was decreased by $16.7 million in 2018, equivalent to 11% YOY. The share of imports from the rest of the world increased by $ 26.9 million in 2018, equal to 4.3% compared to 2017.

Figure 5. 42: Burundi total exports and imports with the whole world in 2018

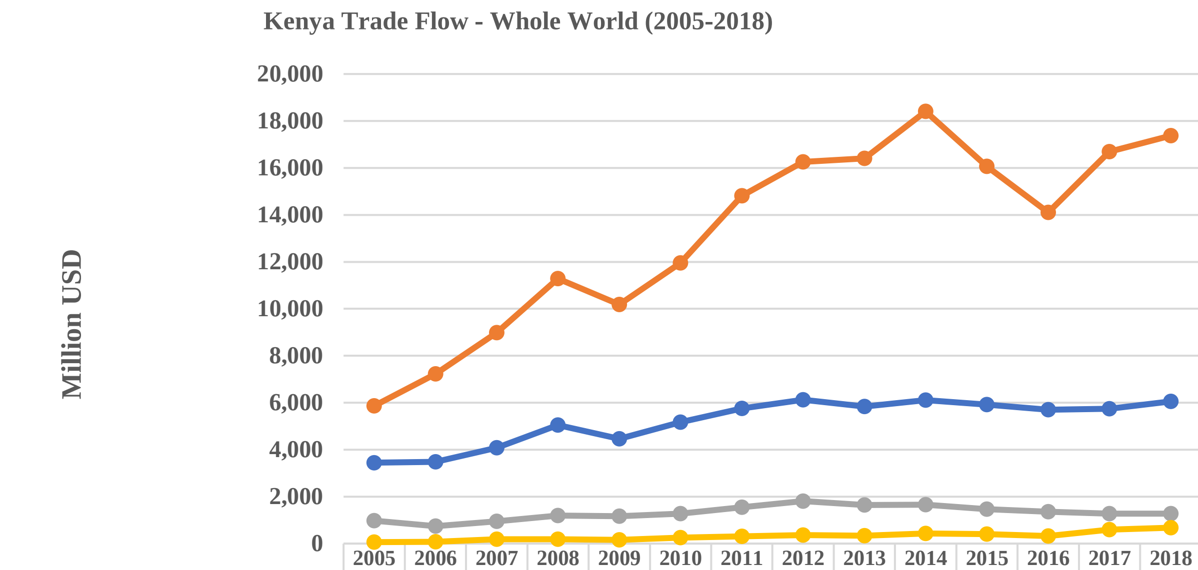


Source: The Author Calculation, World Bank Data 2020, and Trend Economy 2020

Based on figure 6.41 above, Burundi total exports to the world were 18% ($180 million), while the total imports from the world counted 82% ($794 million) for the year 2018. The country was still running into a trade deficit because the country imports were more than its exports.

5.12.2. Depiction of Kenya Total Trade with the Whole World

Figure 5. 43: Overview of Kenya trade with the whole world from 2005 to 2018



	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Kenya World Exports	3,447	3,481	4,080	5,054	4,462	5,172	5,756	6,126	5,832	6,110	5,918	5,695	5,747	6,050
Kenya World Imports	5,865	7,233	8,989	11,292	10,188	11,955	14,818	16,262	16,410	18,406	16,068	14,107	16,690	17,377
Kenya Total EAC Exports	974	741	946	1,193	1,167	1,279	1,545	1,809	1,645	1,656	1,465	1,360	1,273	1,274
Kenya Total EAC Imports	62	81	192	182	162	257	303	365	335	431	410	324	590	676

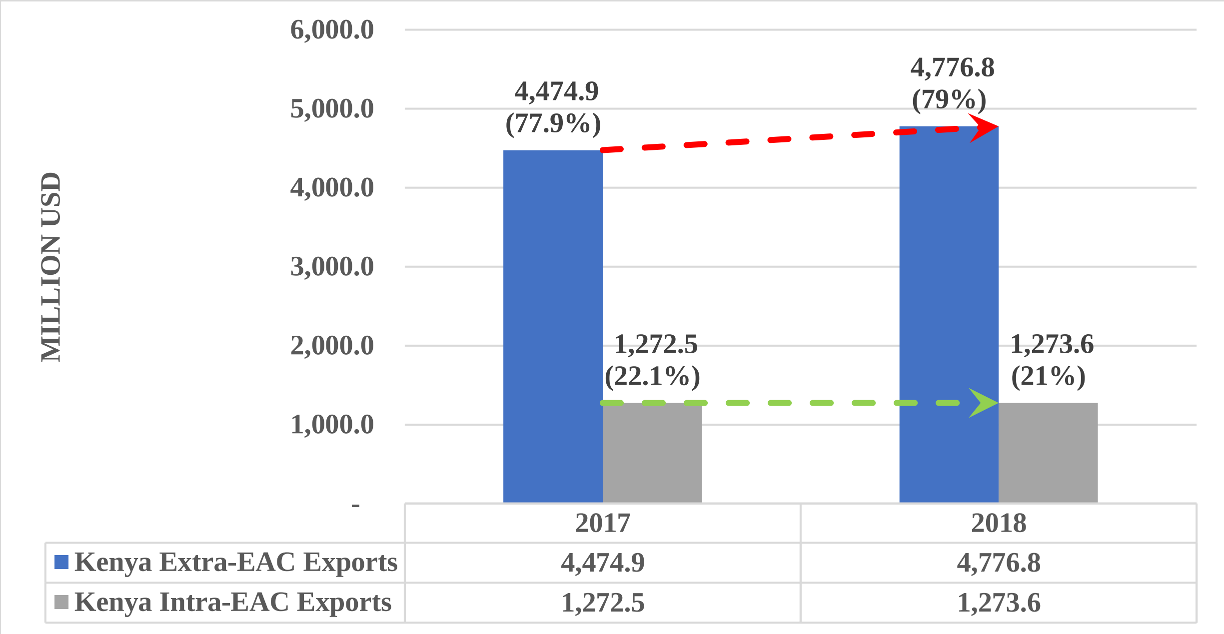
Source: The Author Calculation, World Bank Data 2020, and Trend Economy 2020

The above figure 5.53 shows the trade between Kenya and the whole world from 2005 to 2018.

The value of all exports from Kenya to the world totalled $5.74 billion in 2017 and $ 6.05 billion in 2018. Exports to the world from Kenya increased by $ 303 million in 2018, equivalent to 5.27% compared to 2017. The value of imports to Kenya from the world totalled $16.7 billion in 2017 and $17.4 billion in 2018. Total imports to Kenya from the world increased by $686 million, making it 4.1% compared to 2017.

Generally, the exports grew up from $3.5 billion in 2006 to $6.05 billion in 2018, and Imports grew up from $7.25 billion in 2006 to $17.4 billion in 2018. The country imports from the world were at the highest in 2014.

Figure 5. 44: Kenya total exports to the EAC and the rest of the world 2017-2018



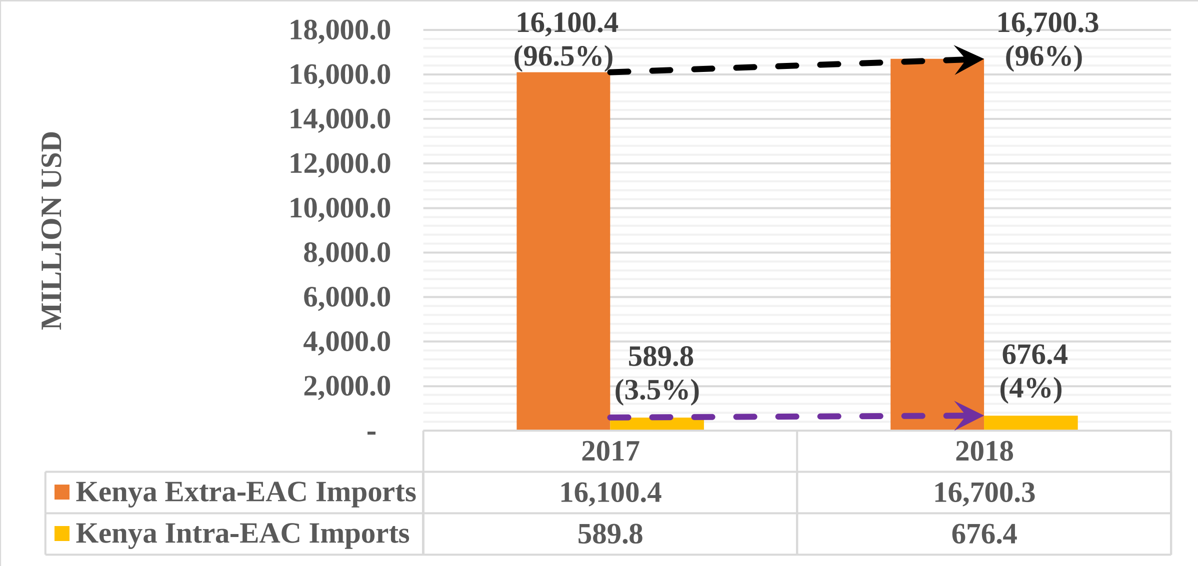
Source: The Author Calculation, World Bank Data 2020, and Trend Economy 2020

Figure 5.44 presents the characteristics of total Intra and Extra-EAC exports for Kenya in 2017 and 2018.

The country exports to the EAC equalled $1.273 billion (22.1%) in 2017 and $1.274 billion (21%) in 2018. The share of exports to the EAC mounted increased by $1.1 million in 2018, equivalent to 0.1% compared to 2017.

Kenya exports to the rest of the world totalled $4.5 billion (77.9%) in 2017 and $4.8 billion (79%) in 2018. The share of exports to the rest of the world grew up by $302 million in 2018, reaching 6.7% compared to 2017.

Figure 5. 45: Kenya total imports from the EAC and the rest of the world 2017-2018



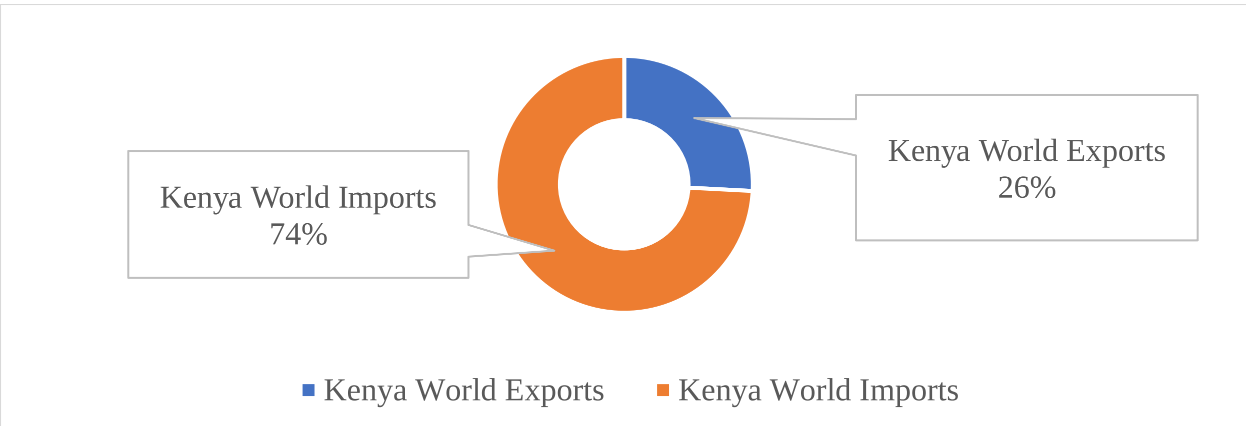
Source: The Author Calculation, World Bank Data 2020, and Trend Economy 2020

Figure 5.45 presents the characteristics of total Intra and Extra-EAC imports for Kenya in 2017 and 2018.

The total country imports from the EAC totalled $589.8 million (3.5%) in 2017 and $676.4 million (4%) in 2018. The share of imports from the EAC was increased by $86.6 million, equal to 14.7% compared to 2017.

The country imports to the rest of the world totalled $16.1 billion (96.5%) in 2017 and $16.7 billion (79%) in 2018. The share of imports from the rest of the world increased by $ 599.9 million in 2018, equal to 3.7% compared to 2017.

Figure 5. 46: Kenya total exports and imports with the whole world in 2018

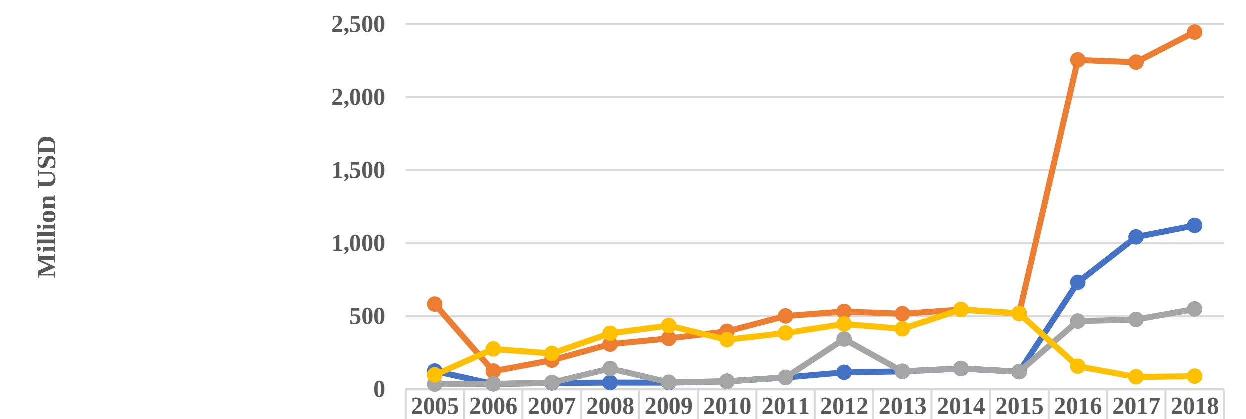


Source: The Author Calculation, World Bank 2020 Data and Trend Economy 2020

Figure 5.46 above shows that Kenya total exports to the world were 26% ($6.05 billion), while the total imports from the world counted 74% ($17.4 billion) in 2018.

5.12.3. Depiction of Rwanda Total Trade with the Whole World

Figure 5. 47: Overview of Rwanda trade with the whole world from 2005 to 2018



	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Rwanda World Exports	125	37	45	46	47	54	81	116	123	142	120	731	1,042	1,121
Rwanda World Imports	583	124	201	308	348	396	501	533	516	546	519	2,254	2,239	2,445
Rwanda Total EAC Exports	35	37	45	142	48	55	81	344	123	142	120	466	479	549
Rwanda Total EAC Imports	99	276	246	384	437	341	385	448	413	546	519	159	85	90

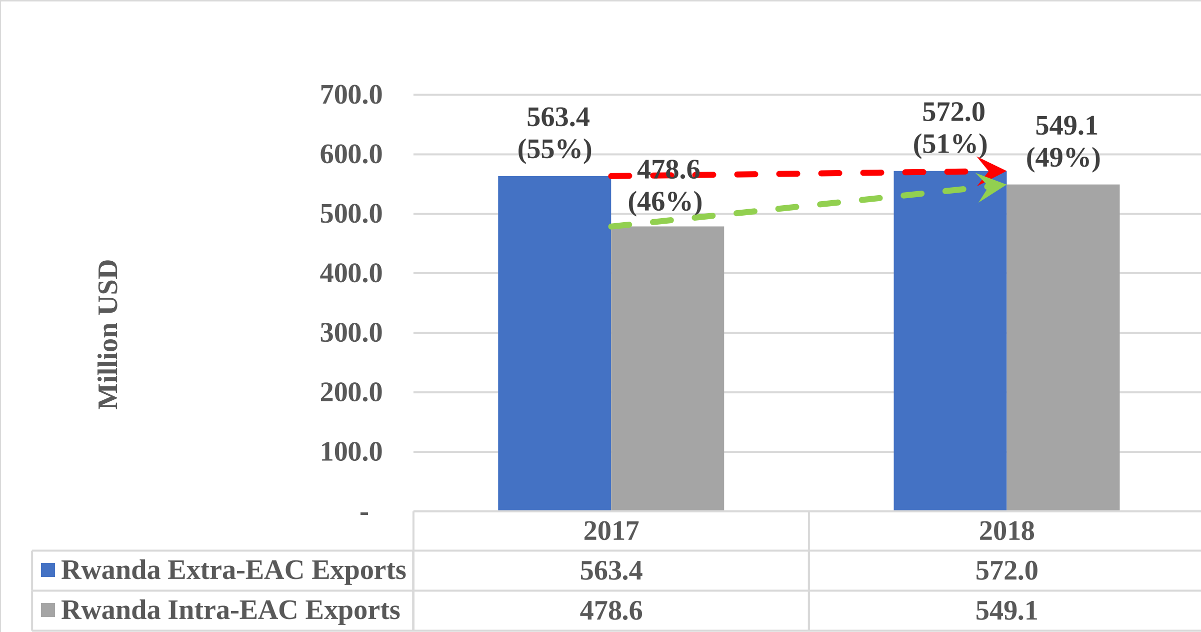
Source: The Author Calculation, World Bank Data 2020, and Trend Economy 2020

Figure 5.47 presents the trade characteristics for Rwanda and the whole world from 2005 to 2018.

The total value of exports from Rwanda to the world totalled $1.05 billion in 2017 and $ 1.12 billion in 2018. Exports to the world from Rwanda grew up by $ 75 million in 2018, equivalent to 7.6% compared to 2017. The value of imports to Rwanda from the world totalled $2.24 billion in 2017 and $2.5 billion in 2018. Total imports to Rwanda from the whole world increased by $206 million, making it 9.2% compared to 2017.

Generally, Rwanda exports grew up from $37 million in 2006 to $1.12 billion in 2018, and Imports grew up from $124 million in 2006 to $2.5 billion in 2018. The country counted a huge increase in both exports and imports in 2016, 2017 and 2018. Both country imports and exports were at their highest in 2018.

Figure 5. 48: Rwanda total exports to the EAC and the rest of the world 2017-2018



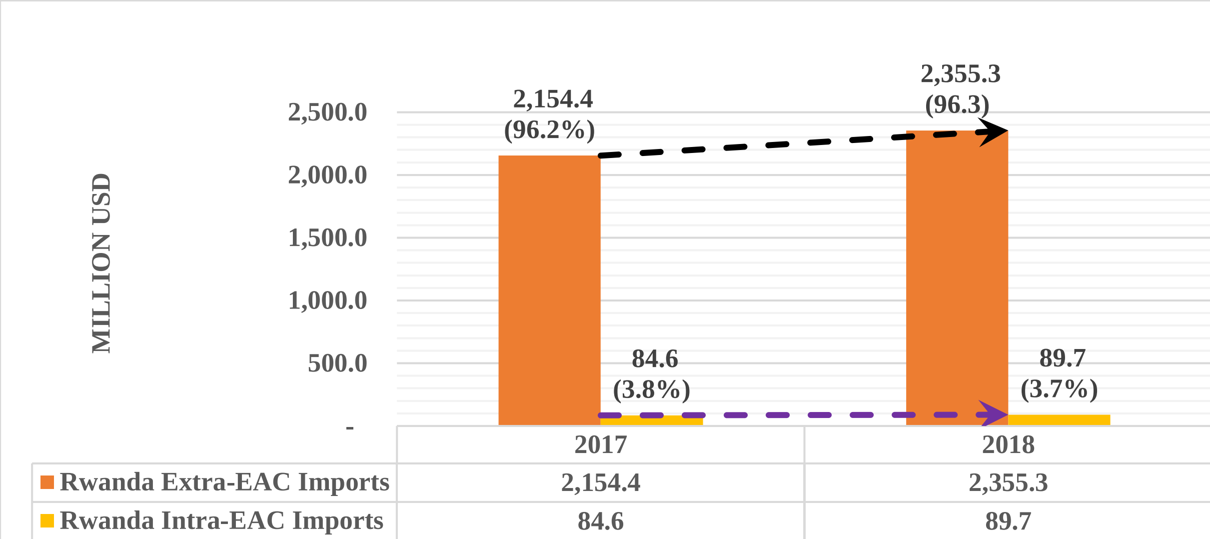
Source: The Author Calculation, World Bank Data 2020, and Trend Economy 2020

Figure 5.48 presents the characteristics of total Intra and Extra-EAC exports for Rwanda in 2017 and 2018.

Rwanda exports to the EAC equalled $478.6 million (46%) in 2017 and $ 549.1 million (49%) in 2018. The share of exports to the EAC increased by $70.5 million in 2018, equal to14.7% compared to 2017.

The country exports to the rest of the world totalled $563.4 million (55%) in 2017 and $572 million (51%) in 2018. The share of exports to the rest of the world grew up by $8.6 million in 2018, equivalent to 1.5% compared to 2017.

Figure 5. 49: Rwanda total imports from the *EAC and the rest of the world 2017-2018*



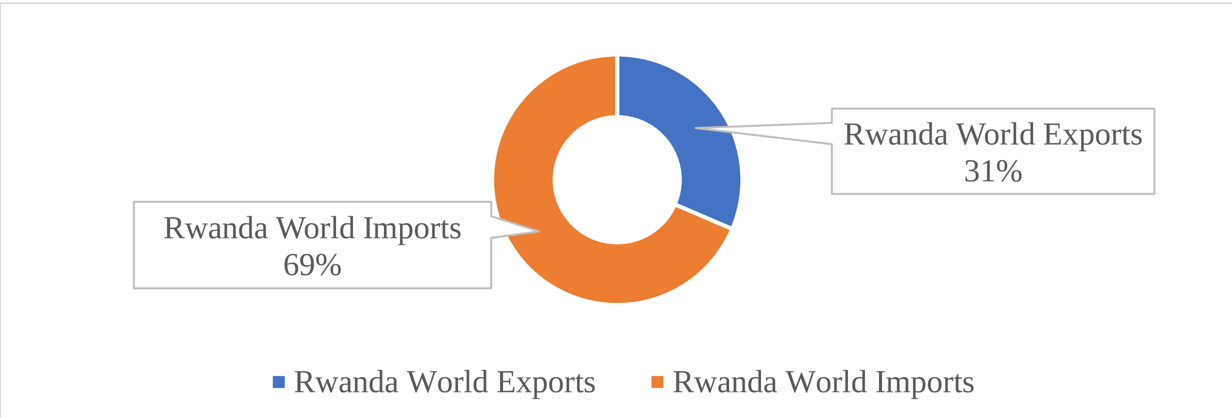
Source: The Author Calculation, World Bank Data 2020, and Trend Economy 2020

Figure 5.49 presents the characteristics of total Intra and Extra-EAC imports for Rwanda in 2017 and 2018.

The total country imports from the EAC mounted $84.6 million (3.8%) in 2017 and $89.7 million (3.7%) in 2018. The share of imports from the EAC was increased by $5.1 million, equal to 6%, likened to 2017.

The country imports to the rest of the world equalled $2.2 billion (96.2%) in 2017 and $2.4 billion (96.3%) in 2018. The share of imports from the rest of the world increased by $ 201 million in 2018, equal to 9.3%, likened to 2017.

Figure 5. 50: Rwanda total exports and imports with the whole world in 2018

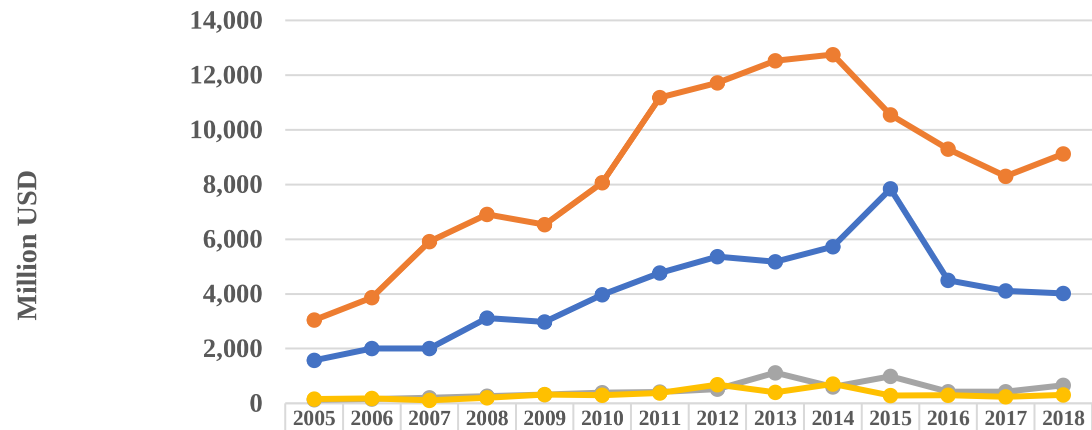


Source: The Author Calculation, World Bank Data 2020, and Trend Economy 2020

Figure 5.50 above presents total exports and imports values for Rwanda to and from the whole world in 2018. The total exports from Rwanda to the world were 31% ($1.12 billion), while the total imports from the world counted 69% ($2.24 billion) in 2018.

5.12.4. Depiction of Tanzania Total Trade with the Whole World

Figure 5. 51: Overview Tanzania trade with the whole world from 2005 to 2018



	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Tanzania World Exports	1,571	2,000	2,007	3,119	2,982	3,977	4,772	5,361	5,175	5,732	7,841	4,502	4,113	4,019
Tanzania World Imports	3,043	3,864	5,919	6,908	6,531	8,070	11,184	11,716	12,525	12,752	10,545	9,300	8,299	9,120
Tanzania Total EAC Exports	129	158	206	260	324	394	417	520	1,120	601	992	431	430	657
Tanzania Total EAC Imports	161	176	110	205	317	296	378	679	397	710	289	300	237	305

Source: The Author Calculation, World Bank Data 2020, and Trend Economy 2020

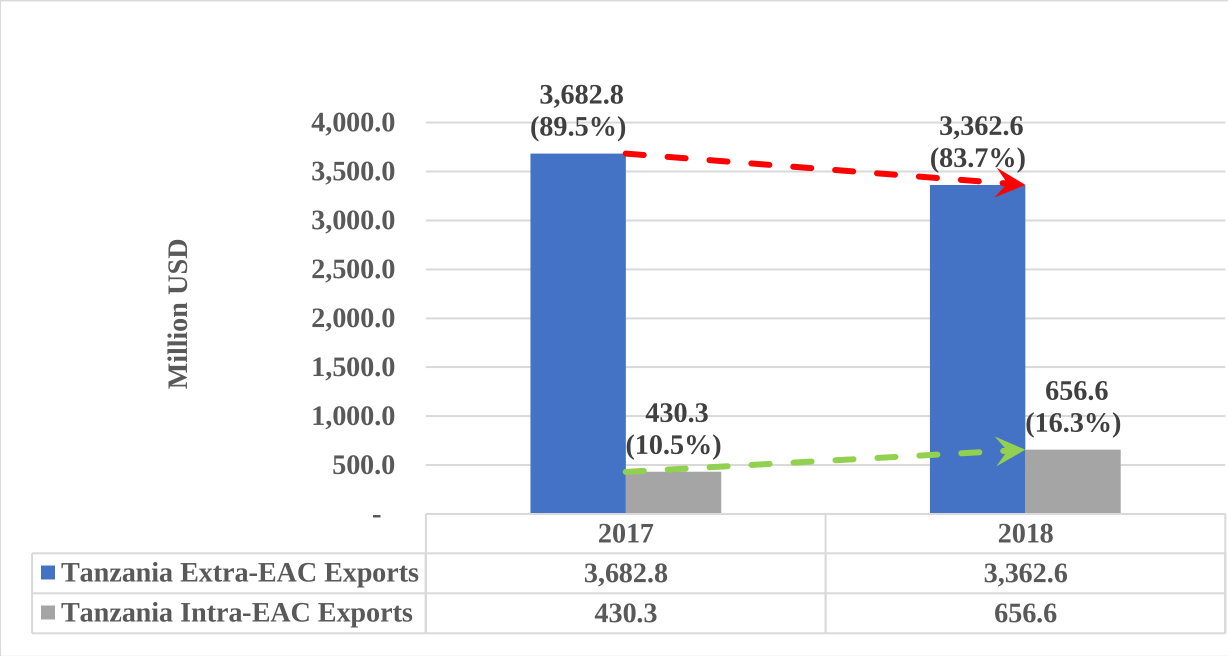
Figure 5.51 shows the trade characteristics for Tanzania and the whole world from 2005 to 2018.

The total value of exports from Tanzania to the world totalled $4.12 billion in 2017 and $ 4.02 billion in 2018. Overall exports from Tanzania decreased by $94 million in 2018, equivalent to 2.3% compared to 2017.

The value of imports to Tanzania from the world totalled $8.3 billion in 2017 and $9.12 billion in 2018. Total imports to Tanzania from the whole world increased by $821 million, equal to 9.9% compared to 2017.

Generally, Tanzania exports grew up from $2 billion in 2006 to $4.02 billion in 2018, and Imports grew up from $3.9 million in 2006 to $9.2 billion in 2018. The country counted a huge increase in exports in 2015 and imports in 2014. Also, the country experienced a fall in exports in 2016 and imports from 2015 to 2017.

Figure 5. 52: Tanzania total exports to the EAC and the rest of the world 2017-2018



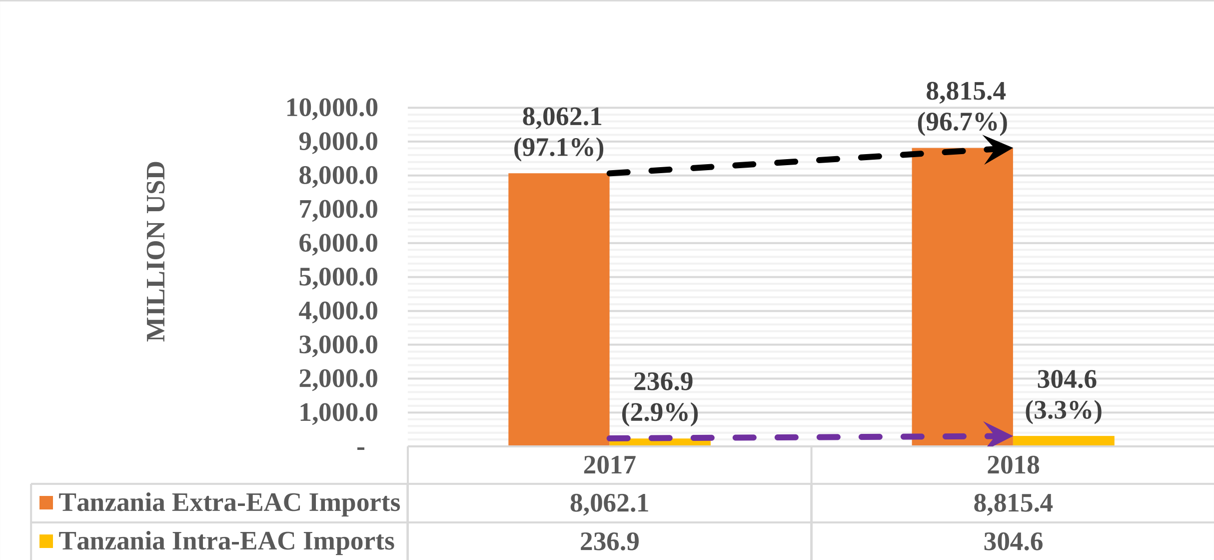
Source: The Author Calculation, World Bank 2020 Data and Trend Economy 2020

Figure 5.52 presents the characteristics of total Intra and Extra-EAC exports for Tanzania in 2017 and 2018.

The Tanzania total exports to the EAC equalled $430.3 million (10.5%) in 2017 and $ 656.6 million (16.3%) in 2018. The share of Tanzania exports to the EAC increased by $226.3 million in 2018, equal to52.6% compared to 2017.

The country exports to the rest of the world totalled $3.7 billion (89.5%) in 2017 and $3.37 billion (83.7%) in 2018. The share of exports to the rest of the world decreased by $320.2 million in 2018, equivalent to 8.7% compared to 2017.

Figure 5. 53: Tanzania total imports from the EAC and the rest of the world 2017-2018



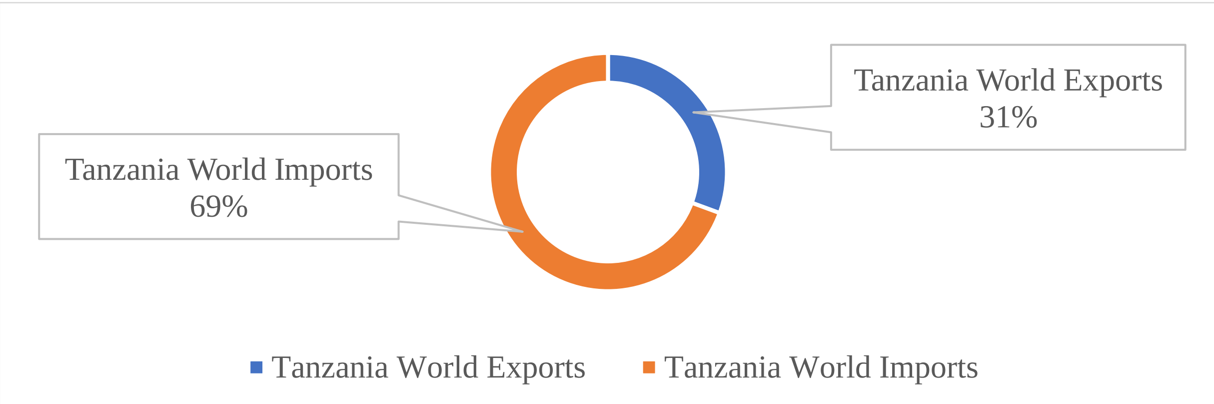
Source: The Author Calculation, World Bank Data 2020, and Trend Economy 2020

Figure 5.53 presents the characteristics of total Intra and Extra-EAC imports for Tanzania in 2017 and 2018.

The total country imports from the EAC counted $236.9 million (2.9%) in 2017 and $304.6 million (3.3%) in 2018. The share of imports from the EAC was increased by $67.7 million, equal to 28.6%, likened to 2017.

The country imports to the rest of the world equalled $8.06 billion (97.1%) in 2017 and $8.82 billion (96.7%) in 2018. The share of imports from the rest of the world increased by $ 753.3 million in 2018, equal to 9.4%, likened to 2017.

Figure 5. 54: Tanzania total exports and imports with the whole world in 2018



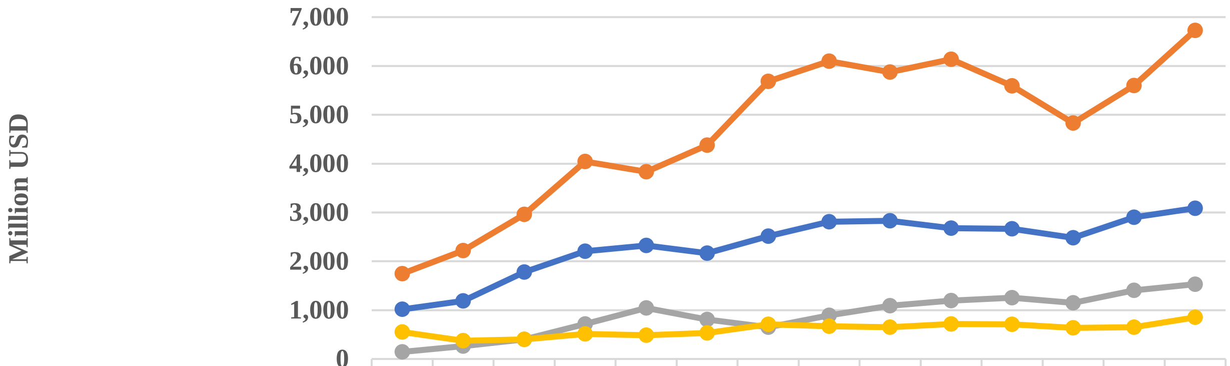
Source: The Author Calculation, World Bank Data 2020, and Trend Economy 2020

Figure 5.54 above shows Tanzania total exports and imports values to and from the whole world in 2018.

The total exports from Tanzania to the world were 31% ($4.02 billion), while the total imports from the world to Tanzania counted 69% ($9.12 billion) in 2018.

5.12.5. Depiction of Uganda Total Trade with the Whole World

Figure 5. 55: Overview of Uganda trade with the whole world from 2005 to 2018



	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Uganda World Exports	1,016	1,188	1,776	2,208	2,327	2,164	2,515	2,811	2,829	2,677	2,666	2,482	2,901	3,087
Uganda World Imports	1,746	2,216	2,958	4,043	3,835	4,376	5,685	6,096	5,871	6,139	5,592	4,829	5,596	6,729
Uganda Total EAC Exports	145	265	402	717	1,042	810	650	894	1,089	1,198	1,254	1,149	1,406	1,531
Uganda Total EAC Imports	551	373	401	513	489	531	709	673	653	715	710	634	652	851

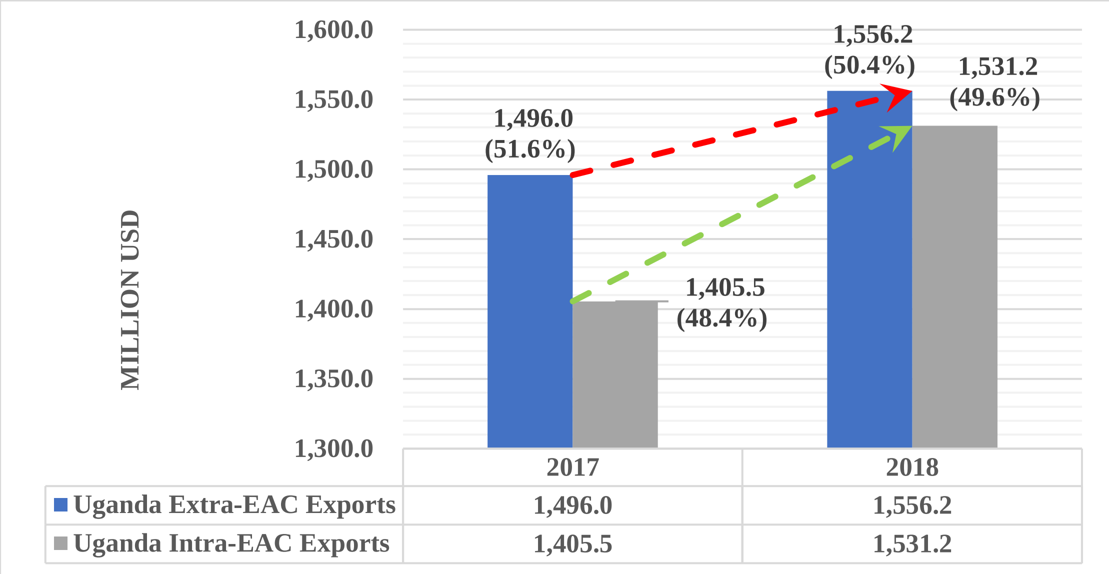
Source: The Author Calculation, World Bank Data 2020, and Trend Economy 2020

Figure 5.54 presents the trade characteristics for Uganda and the whole world from 2005 to 2018.

The total value of exports from Uganda to the world totalled $2.9 billion in 2017 and $ 3.08 billion in 2018. Exports to the world from Uganda grew up by $ 185 million in 2018, equivalent to 6.4% compared to 2017. The value of imports to Uganda from the world totalled $5.59 billion in 2017 and $6.73 billion in 2018. Total imports to Rwanda from the whole world increased by $1.13 billion, making it 20% compared to 2017.

Generally, Uganda exports grew up from $1.19 billion in 2006 to $3.08 billion in 2018, and Imports grew up from $2.22 billion in 2006 to $5.59 billion in 2018. The country accounted for an upward trend in both exports and imports for the analysed period.

Figure 5. 56: Uganda total exports to the EAC and the rest of the world 2017-2018



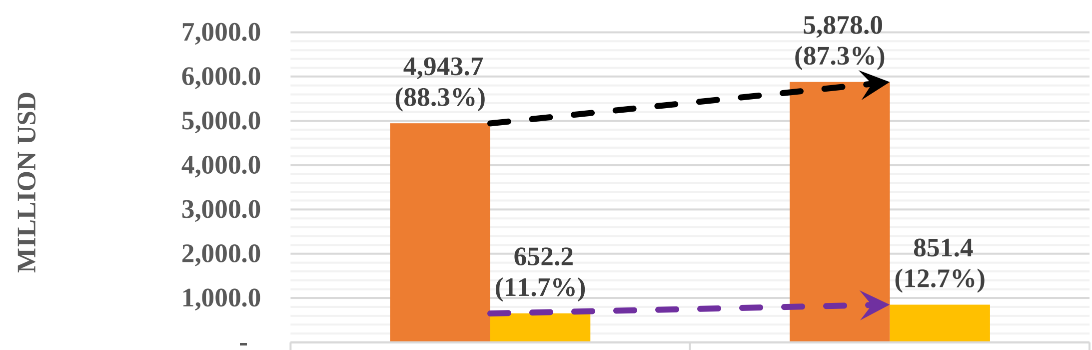
Source: The Author Calculation, World Bank Data 2020, and Trend Economy 2020

Figure 5.56 presents the characteristics of total Intra and Extra-EAC exports for Uganda during 2017 and 2018.

Uganda's total exports to the EAC totalled $1.4 billion (48.4%) in 2017 and $ 1.54 billion (49.6%) in 2018. The share of exports to the EAC increased by $125.7 million in 2018, equivalent to 8.9% compared to 2017.

The country exports to the rest of the world totalled $1.5 billion (51.6%) in 2017 and $1.6 billion (50.4%) in 2018. The share of exports to the rest of the world grew up by $60.2 million in 2018, equivalent to 4% compared to 2017.

Figure 5. 57: Uganda **total imports** *from the EAC and the* **rest of the world** *2017-2018*



	2017	2018
Uganda Extra-EAC Imports	4,943.7	5,878.0
Uganda Intra-EAC Imports	652.2	851.4

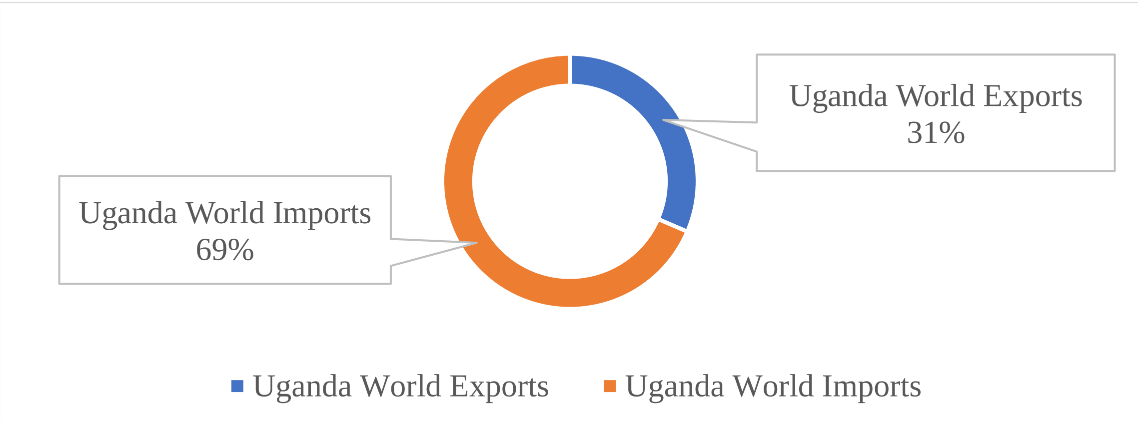
Source: The Author Calculation, World Bank Data 2020, and Trend Economy 2020

Figure 5.57 shows the characteristics of total Intra and Extra-EAC imports for Uganda in 2017 and 2018.

The total country imports from the EAC counted $652.2 million (11.7%) in 2017 and $851.4 million (12.7%) in 2018. The share of imports from the EAC was increased by $199.2 million, equal to 30.5%, likened to 2017.

The country imports from the rest of the world equalled $4.94 billion (88.3%) in 2017 and $5.9 billion (87.3%) in 2018. The share of imports from the rest of the world increased by $ 934.3 million in 2018, equal to 18.9%, likened to 2017.

Figure 5. 58: Uganda total exports and imports with the whole world in 2018



Source: The Author Calculation, World Bank Data 2020, and Trend Economy 2020

Figure 5.58 above shows the total exports and imports values for Uganda to and from the whole world in 2018.

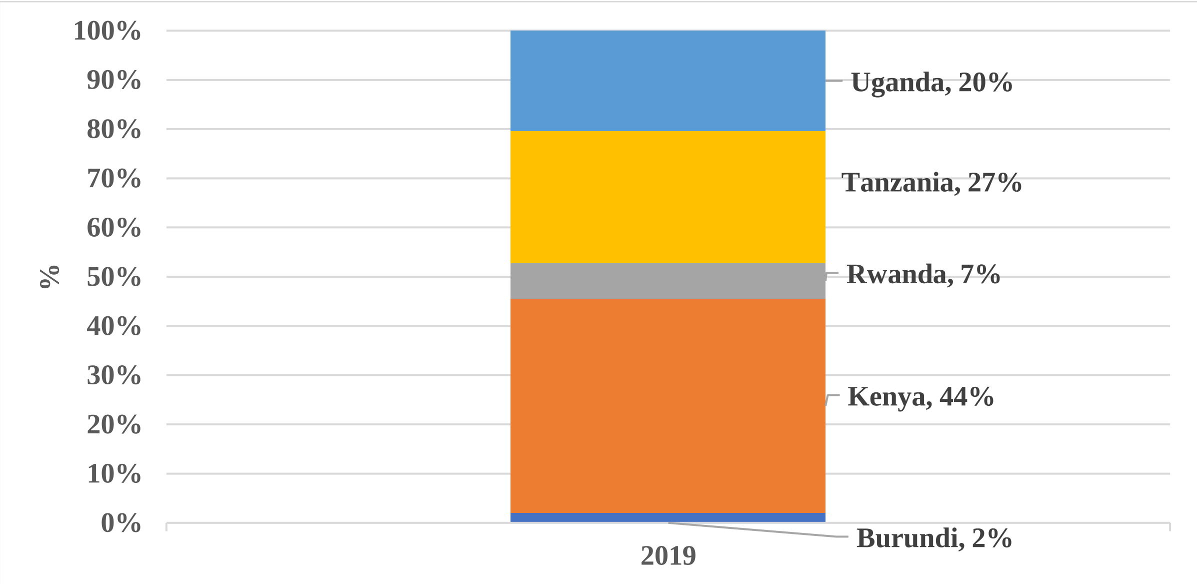
The total exports from Uganda to the world were 31% ($3.09 billion), while the total imports from the world counted 69% ($6.73 billion) in 2018.

5.13. Recapitulation of trade and investment performances for the EAC as a whole

5.13.1. Share of Each of the member countries into the EAC total trade

Figure 5.59 below presents the recorded data about the contribution of total trade for each country of the EAC. In 2019, Burundi contributed 2% to the organization, Kenya 44%, Rwanda 7%, Tanzania 27%, and Uganda 20%. There is no data for South Sudan.

Figure 5. 59: Country proportion in the EAC total trade (2019)



Source: The Author Calculation, EAC Economic Data 2020, World Bank Data and Trend Economy 2020

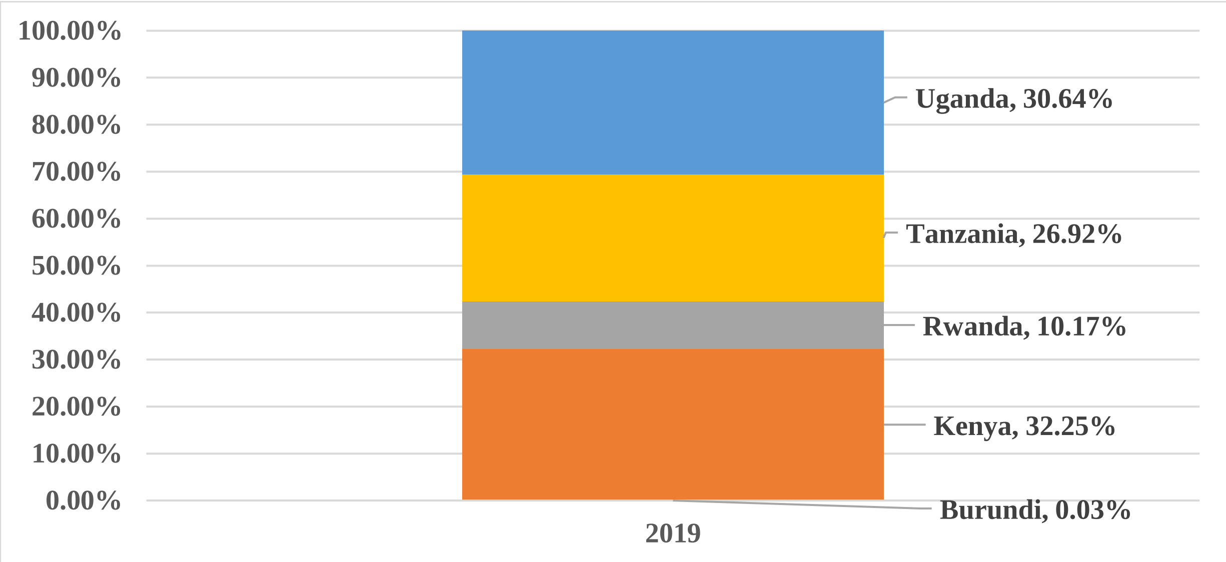
5.13.2. The trade share in the EAC GDP

The share of trade in the GDP of the EAC is the sum of exports and imports of goods and services measured as a share of gross domestic product.

Appendix 5.28 demonstrates the overall trade performance to GDP in EAC from 2000 to 2019. During the review period, Kenya experienced the highest trade performance until it fell to 34.37% in 2015 from 39.89% in 2014 and became the second last in performance in 2018 and 2019 (down to 24.6%). Uganda seconded the trade performance in 2000 with 31.31%, experienced down and up tendance until the third score in 2019 with 31.96. Tanzania performed well but experienced a fall as well, from 41.41% in 2012 down to 22.88% and the last in 2016. Rwanda experienced an upward trade trend from 15.16% in 2000, up to 23.09% in 2005, up to 28.11% in 2010 and up to 38.22% in 2019, making the country the first in trade performance for the same year. Burundi performed well in 2019 with 30.62% from 22.75% in 2000 and 28.16% in 2016. There is no available data for South Sudan.

5.13.3. Share of each of the member countries into the FDI of the EAC

Figure 5. 60: Country proportion in the EAC FDI (2019)



Source: The Author Calculation, EAC Economic Data 2020, World Bank Data and Trend Economy 2020

Figure 5.60 above presents the recorded data about the share of inflows FDI for each country of the EAC. In 2019, Burundi raised 0.03% into the organization, Kenya 32.25%, Rwanda 10.17%, Tanzania 26.92%, and Uganda 30.64%. There is no data for South Sudan.

5.13.4. The share of FDI in the GDP of the EAC

The share of foreign direct investment in the EAC GDP is the net inflows of investment totalling the reinvestment of earnings, equity capital, long-term capitals, and short-term capitals as included in the balance of payments. This is the net inflows in the reporting economies of the EAC from foreign investors.

Appendix 5.29 shows the proportion of inflows foreign direct investment (inflows, FDI) in the GDP of the EAC and each of its member countries from 2000 to 2019. For Burundi, the share of FDI in the country GDP increased from 1.3% in 2000 to 4.8% in 2013 and decreased to 0.0% from 2016 to 2019. For Kenya, the share of FDI in the country GDP increased from 0.9% in 2000 to 1.4% in 2019. For Rwanda, the share of FDI in the country GDP increased from 0.5% in 2000 to 4.2% in 2019. For Tanzania, the share of FDI in the country GDP increased from 3.5% in 2000 to 5.7% in 2010 and 4.6% in 2013, then fell to 1.8% in 2019. For Uganda, the share of FDI in the country GDP increased from 2.6% in 2000 to 3.7% in 2019. There is no available data for South Sudan.

5.13.5. Trade freedom in EAC

The trade freedom in EAC quantifies the extent to which tariff and nontariff barriers impact exports and imports of goods and services in the community. Based on the non-tariff barriers and trade-weighted average tariff rate including quantity, price, customs and investment restrictions, regulatory, and direct government intervention.

Appendix 5.30 indicates the trade freedom index in the EAC member countries. The index points value from 0 to 100, where 0 means no economic freedom and 100 indicates total economic freedom.

The countries of the EAC acknowledged positive trade freedom over 60 points for the examined period. The EAC countries all together counted overall trade freedom of 68 points in 2019, from 73 points in 2017 and 2018.

For 179 in the world, 52 in Africa listed countries in 2019, Uganda with the score of 75 points listed the first in EAC, 11th in Africa and the 101st in the world. Rwanda, with a score of 70 points, listed the second in EAC, 19th in Africa and the 120th in the world. Burundi, with a score of 68 points, listed the third in EAC, 25th in Africa and 127th in the world. Tanzania, with a score of 68 points, listed the fourth in EAC, 27th in Africa and 131st in the world. Kenya, with a score of 60 points, listed the fifth in EAC, 41st in Africa and the 160th in the world. There is no available data for South Sudan. World Bank, 2020.

5.13.6. Investment freedom in EAC

The Investment freedom in EAC was evaluated considering investment restrictions varieties including restrictions on land ownership, burdensome bureaucracy, investments expropriation without fair compensation, security problems, controls of foreign exchange, capital control, lack of basic investment infrastructure, among others.

Appendix 5.31 demonstrates the freedom of investment in EAC countries. Points are retrieved from the ideal score from 0 to 100 for each of the restrictions found in a country's investment regime. The investment freedom into the whole EAC was increased from 49 pints in 2010 to 55 points in 2019.

In 2019, For 180 in the world, 52 in Africa listed countries, Rwanda with the score of 60 points listed the first in EAC, 17th in Africa and the 95th in the world. Kenya, with a score of 55 points, listed the second in EAC, 21st in Africa and 106th in the world. Tanzania, with a score of 55 points, listed the third in EAC, 27th in Africa and the 115th in the world. Uganda, with a score of 55 points, listed the fourth in EAC, 28th in Africa and the 117th in the world. Burundi, with a score of 50 points, listed the fifth in EAC, 30th in Africa and the 120th in the world. There is no available data for South Sudan. World Bank, (2020).

5.14. Trade Performance for the Most Lucrative ITIAs for the EAC as a whole

The evaluated agreements include the Trade and Investment Framework Agreement (TIFA) between the EAC and the US; the Trade and Investment Framework Agreement (TIFA) between the EAC and China; and the Economic Partnership Agreements (EPA) between the EAC and the European Union. The below information provides insight that assists in answering the fifth research question and in fulfilling the first and fourth research objectives.

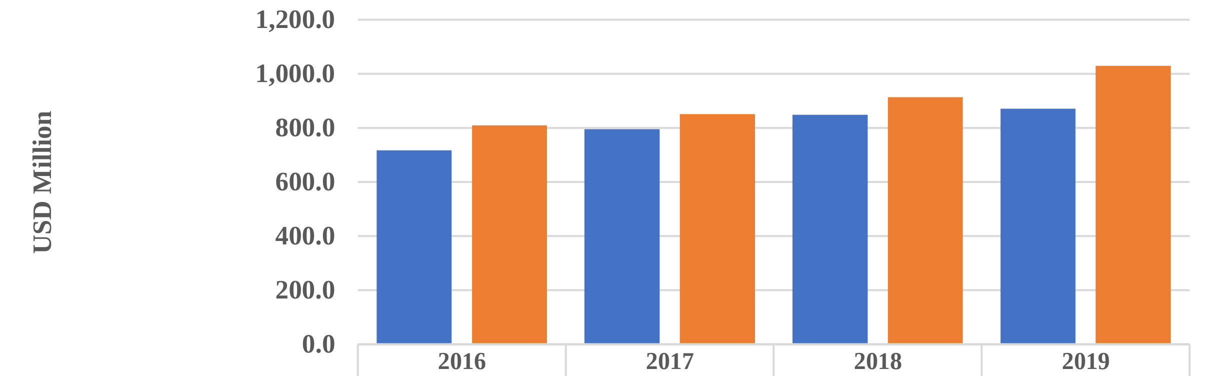
5.14.1. The trade facts of the EAC-US Trade and Investment Framework Agreement (TIFA)

Information from the International Monetary Fund data in US Dollars was collected and analysed using an Excel Data analysis tool to evaluate the outcome for the most lucrative trade and investment agreements in EAC.

According to the US Department of Commerce in 2017, the U.S. imports and exports of goods and services to EAC counted approximately US$1.6 billion in total. In 2015, combined EAC countries were the United States 74th largest goods export market and 80th largest goods import supplier.

Figure 5.61 below shows the factsheet of trade between the USA and the East African Community from 2016 to 2019.

Figure 5. 61: EAC - USA trade (Exports and Imports) 2016 - 2019



	2016	2017	2018	2019
USA Exports to the EAC	716.9	795.0	848.2	871.4
USA Imports from the EAC	809.6	850.5	913.6	1,029.8

Source: The Author Calculation, EAC Economic Data 2020, World Bank Data and USTR, 2018

The exports (for the scenario US to EAC) totalled US$871.4 million in 2019, increased from US$848.2 million in 2018, increased from US$795.0 million in 2017, increased from $716.9 million in 2016. Most of the US exports to the EAC include wheat and muslin, worn clothing and other worn articles, machines, machinery, communication tools, etc.

For the U.S. export markets in the East African Community countries in 2019, Kenya listed first with $391.0 million, Tanzania listed second with $332.2 million, Uganda listed third with $104.5 million, South Sudan listed fourth with $22 million, Rwanda listed fifth with $18.9 million, and Burundi listed sixth with $2.5 million.

The imports (for EAC to US scenario) totalled US$1.03 billion in 2019, increased from US$913.6 million in 2018, increased from US$850.5 million in 2017, increased from $809.6 million in 2016. The imports to the USA from the EAC include minerals (such as gold, tantalum, tin, vanadium, coltan, ore, cassiterite, niobium, wolfram, tungsten, etc.), animals' products (such as fish, hides and skin), and vegetables (such as coffee, and tea).

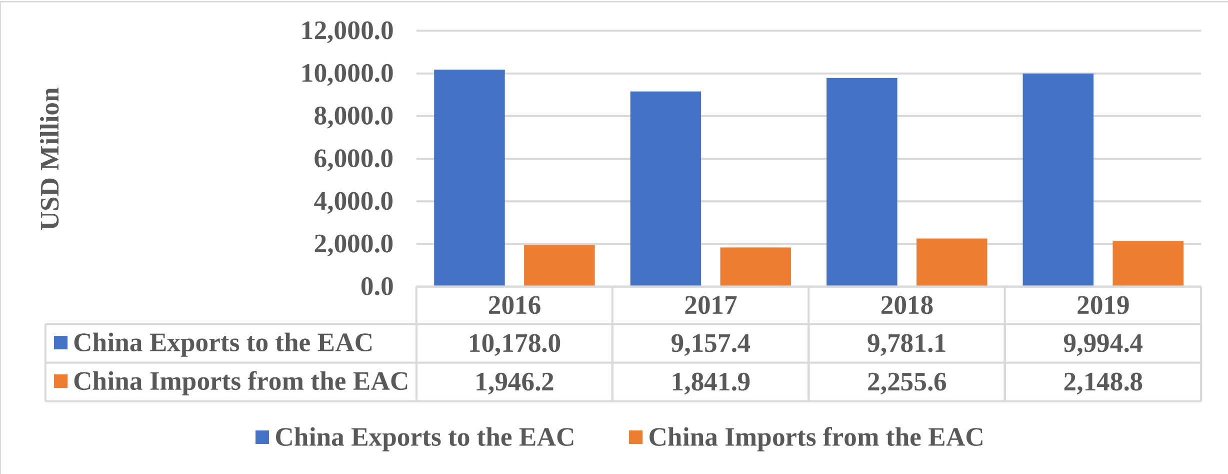
For the U.S. imports suppliers from the East African Community countries in 2019, Kenya was registered first with $685.6 million, Tanzania registered second with $133.6 million, Uganda registered third with $83.3 million, South Sudan listed fourth with $70.4 million, Rwanda registered fifth with $46.7 million, and Burundi registered sixth with $10.3 million.

For investment side, the United States Foreign Direct Investment (FDI) reported in the EAC (Inventories) amounted to US$ 1.0 billion in 2015, up 42.2% from 2014 data, and US$477 million in 2016 (latest data available), up 15.5% from 2015, (USTR, 2018).

5.14.2. The trade facts of the EAC-China Trade and Investment Framework Agreement (TIFA)

China has continued to hold long trade, investment, and economic relations with African countries, including members countries of the East African Community (EAC). Figure 5.62 below shows the factsheet of trade between China and the East African Community from 2016 to 2019.

Figure 5. 62: EAC - China trade (Exports and Imports) 2016 - 2019



	2016	2017	2018	2019
China Exports to the EAC	10,178.0	9,157.4	9,781.1	9,994.4
China Imports from the EAC	1,946.2	1,841.9	2,255.6	2,148.8

Source: The Author Calculation, EAC Economic Data 2020, World Bank Data 2020, and Trading Economics 2020

Exports: China exports to the EAC totalled $10,178.0 million in 2016, $9,157.4 million in 2017, $9,781.1 million in 2018, and $ 9,994.4 million in 2019. Most of the exports to the EAC from China consist of industrial and agricultural tools, household electric appliances, textile goods, building materials, pharmaceutical products, commodities for daily use, etc.

In 2019, the value of exports from China to Burundi totalled $ 66 million, to Kenya totalled $ 4.98 billion, to Rwanda totalled $ 264 million, to South Sudan totalled $ 122 million, to Tanzania totalled $ 3.81 billion, and to Uganda totalled $ 741 million.

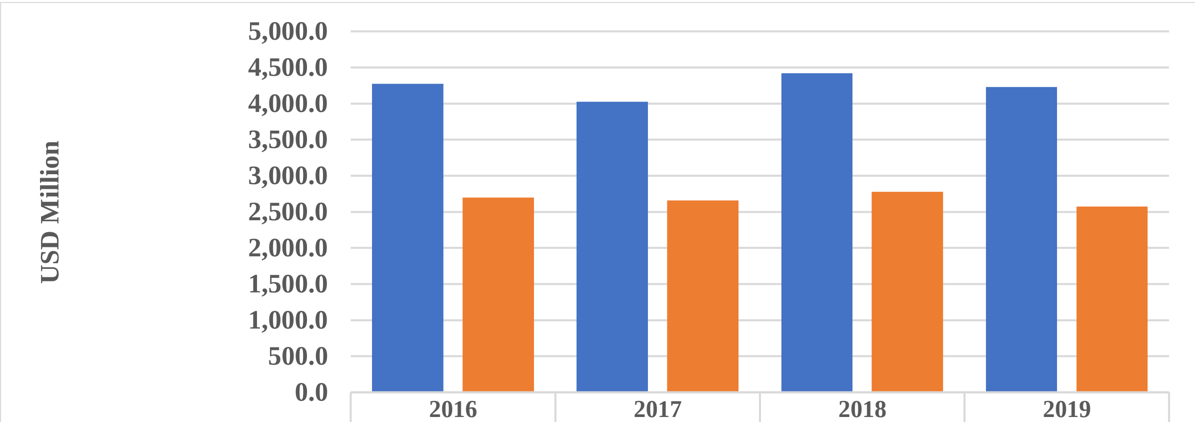
Imports: China imports from the EAC totalled $1,946.2 million in 2016, $1,841.9 million in 2017, $2,255.6 million in 2018, and $ 2,148.8 million in 2019. Most of the imports from the EAC to China consist of minerals (such as gold, tantalum, tin, vanadium, coltan, ore, cassiterite, niobium, wolfram, tungsten, etc), animals' products (such as hides and skin), and vegetables (such as coffee, tea), and pyrethrum (a flower used to make insecticide).

In 2019, the value of imports to China from Burundi totalled $ 12.9 million, from Kenya totalled $ 181 million, from Rwanda totalled $ 35 million, from South Sudan totalled $ 1.51 billion, from Tanzania totalled $ 366 million, and from Uganda totalled $ 42 million.

5.14.3. The trade facts of the Economic Partnership Agreements (EPA) between the EAC and the European Union.

The EU-EAC EPA contains a broad chapter as well on fisheries - aimed primarily at strengthening cooperation on the sustainable resources use - and predicts for further negotiations on trade-related rules and services in the future (European Commission, 2018). Figure 5.63 below shows the factsheet of trade between the European Union and the East African Community from 2016 to 2019.

Figure 5. 63: EAC - EU trade (Exports and Imports) 2016 - 2019



	2016	2017	2018	2019
EU Exports to the EAC	4,271.3	4,024.4	4,421.4	4,227.9
EU Imports from the EAC	2,697.6	2,656.7	2,778.9	2,574.3

Source: The Author Calculation, EAC Economic Data 2020, World Bank Data 2020, European Commission 2020

The EU exports to the EAC totalled $4.23 billion in 2019, $4.43 billion in 2018, $4.03 billion in 2017, and $4.28 billion in 2016. The exports from the East African Community to the EU are dominated by coffee, minerals, cut flowers, tobacco, tea, fish, and vegetables.

In 2019, the value of exports from the European Union (28) to Burundi totalled $ 90 million, to Kenya totalled $ 2.21 billion, to Rwanda totalled $ 243 million, to South Sudan totalled $ 63 million, to Tanzania totalled $ 1.04 billion, and to Uganda totalled $ 572 million.

The EU imports from the EAC amounted to $2.6 billion in 2019, $2.8 billion in 2018, $2.67 billion in 2017, and $2.7 billion in 2016. The imports to the EAC region from the EU are dominated by machinery and mechanical appliances, equipment and spare parts, vehicles, and pharmaceuticals, European Commission, (2020).

In 2019, the value of imports to the European Union (28) from Burundi totalled $ 36 million, from Kenya totalled $ 1.49 billion, from Rwanda totalled $ 76 million, from South Sudan totalled $ 2.22 million, from Tanzania totalled $ 484 million, and from Uganda totalled $ 484 million.

5.15. Conclusion

The current chapter focused on the presentation and analysis of the current research primary and secondary data. It summarised the characteristics of the research participants accordingly to their country of origin. Data was collected employing a qualitative method approach. The primary data was gathered through completed postcards (in the form of questionnaires) and administrated face to face and skype/telephone interviews. The secondary data were gathered from different existing sources. The data collected by each of the methods were utilised, accordingly to each of the research questions, to inform the presentation and analysis. The collected data was presented and analysed utilising tabular (tables), graphical (figures and charts) and textual (proses).

Furthermore, the chapter discusses themes developed in analysing the collected data to answer the research questions and fulfil research objectives and the discovered constraints of international trade and investment agreements in the EAC. It describes the performance of trade within the EAC (intra-EAC trade) and trade performance between the EAC countries with the rest of the world (extra-EAC trade). It discusses the shares of trade and investment of each member country into the EAC GDP. It also discusses trade freedom and investment freedom index to demonstrate how easy or complicated it is to trade or invest in the region. It closes by discussing the most lucrative trade and investment agreements between the EAC as an intergovernmental organisation with stand-alone countries and other intergovernmental organisations. The following sixth chapter will focus on discussing the research findings, providing a profound interpretation of the emerged concepts.

CHAPTER 6:

RESEARCH FINDINGS AND INTERPRETATION

6.1. Introduction

This chapter describes the findings from the study data. It explains and interprets in detail the insights that emerged from the findings in light of what was disclosed about international trade and investment agreements in the East African Community.

The findings are articulated to help the reader to understand (from various perspectives) a greater understanding of the impacts of international trade and investment agreements on the EAC population, communities, as well as businesses operating in the region.

The interpretation of the findings seeks to establish whether what has been found confirms or does not confirm the findings as discussed in the literature review. The research findings also offer insights into the links between international trade and investment agreements and the EAC integration. The interpretation data also is carried out based on the research findings from both primary and secondary data collected.

6.2. Discussion of the findings

This section discusses the revealed findings from the information collected from first-hand sources and the findings from the information gathered from already recorded sources. The first-hand sources were not clouded with views or judgments from someone else. The data gathered from already recorded sources provided the key facts and assisted in gaining an understanding of the issues being dealt with based on the extracted information from many varied data files. The data is presented and analysed following the themes developed from the collected data.

6.2.1. Economic development within the EAC in comparative perspective

The EAC has performed impressively well in economic growth during the past two decades from 2000 to 2019, with an average of 4.9 per cent in 2019 (Figure 5.2). Following the calculation on the data retrieved from Appendix 3.7 and figure 5.2, in 2005 was Tanzania that recorded the highest GDP growth of 7.5%, followed by Uganda with 6.3%. In 2010, four years after the EAC admitted Rwanda and Burundi, Kenya recorded the highest GDP growth of 8.40%, followed by Rwanda with 7.39%. In 2019, Rwanda recorded the highest GDP growth of 9.4%, followed by Uganda with 6.5%.

Based on the average percentage of the GDP weight for the EAC countries (Figure 5.2 and Appendix 5.1), Rwanda performed better in economic growth with 1.76 of GDP weight. Tanzania seconded with 1.46 of GDP weight. The third was Kenya, with 1.23 of GDP weight. Uganda followed with 1.19 of GDP weight which made it the fourth. Burundi was the fifth with 0.25 of GDP weight. South Sudan came last with -0.34 of GDP weight. Burundi and South Sudan performed poorly with less improvement in the economic performance compared to the rest of other EAC member countries.

6.2.2. ITIAs impact on the quality of life of the inhabitants of the EAC countries

The population of the EAC thrive a lot of welfare benefits from international trade and investment agreements. According to Table 5.2, the EAC population indicates that approximately 68% of the individuals gain welfare benefits from regional trade and investments agreements within the EAC. The welfare benefits include free movement of goods, services and persons, freedom for labour/workers, borderless for capitals and properties, right of establishment and residence, non-discrimination, equal treatment, low price goods and a bigger job market.

People also enjoy welfare benefits from international trade and investments agreements between the EAC (as an intergovernmental organization) and the rest of the world (e.g., with other standalone countries or other organizations), including quality products, new jobs, an increase of income, GDP increase, better living conditions and increase of competitive advantage. However, 32% of people did not know the kind of benefits they gain from international trade and investments agreements within the EAC.

6.2.3. The impact from ITIAs on EAC local businesses

The findings in table 5.3 indicate that 58% of businesses representatives operating in the EAC area enjoy the benefits from international trade and investments agreements within the EAC organization. Those benefits include the creation of larger markets, the provision of growth opportunities to all kinds of local firms, the flow of goods and services, the freedom for labour/workers, the big market benefits, the borderless for capitals and properties, the new markets of exportations, the new markets of importations, increased competitive advantage, sustainable investing, and connected regional electronic stock markets. The businesses representatives generally understood that the benefits create larger markets and provide growth opportunities for all kinds of local firms in the region.

The benefits from trade and investments agreements with the rest of the world include a free zone regime for investments, new markets of exportations, new markets of importations, knowledge transfer, an increase of revenue and an increase of competitive advantage.

The EAC is characterized by fragmented markets that necessitate the need for international trade and investment agreements to stabilise its markets promote its trade infrastructure so that other factors of production such as labour and capital can benefit.

6.2.4. Infrastructures of priority for promoting beneficial trade and investments in the EAC region

The findings from the recorded data in Table 5.4 indicates that 61% of individuals and 49% of representatives of businesses replied, remarking that roads must be prioritised because the EAC needs quality and bigger roads which are the most used and most parts of the roads in the EAC are bad and narrows.

Also, 25% of individuals and 36% of representatives of businesses think that infrastructure related to railways constructions, ICT communications, and electricity must be prioritised. This is due to short railways lines in Kenya and Tanzania, short and bad maintained in South Sudan, and there are no railways in Burundi and Rwanda. Also, currently, ICT infrastructure is at a low level even it is used by more people. And there is a big need for electricity infrastructure because of a lot of shortage of electricity in all countries in the EAC.

Additionally, 14% for individuals and 15% for representatives of businesses disclosed that ports infrastructure is still underdeveloped and poor. They provide services for a long period.

6.2.5. ITIAs effects on the household living conditions for the local communities in the EAC

As specified in table 5.5, The international trade investment agreements in EAC actively play a substantial part in reforming trade and investments activities for mutual sustainable development of the quality of life (QOL). They enable the EAC local communities to acquire and participate in healthy, comfortable, and enjoyable ways of living.

Above 34% of individuals and 25% of businesses disclosed that the international trade and investment agreements play an essential role in reducing hunger and poverty, adding quality to the provided basic public services such as education, clean water and sanitation, quality medical conditions, etc.

Hunger and poverty reduction – because they create a vast area to find work and invest in, assist in forming value-added, and increase trade and investment possibilities. Quality education – providing access to students toward many highly qualified universities in EAC as those in their home country. Clean water and sanitation – interaction and collaboration are strengthening on the regional and national levels. Better medical conditions – People in one country with poor medical facilities can access easily better ones in other EAC countries.

In the same way, 17% of people and 28% of business representatives indicated that international trade and investment agreements assist in conflicts prevention, promote peace and security, and increase effective cooperation in the community.

Conflict prevention – in initiating a coherent regional structure for peace and security in EAC. Promotion for peace and security – regional strategy for increased security, crisis prevention and political corroboration and unification in EAC countries. Economic growth and prosperity – reinforced economic integration. Infrastructure innovation – common greater competitive capacity

Therefore 23% of people and 10% of business representatives believe that international trade and investment agreements bring infrastructure innovation in the region, increase competitiveness, and play a bigger part in the global market economy, which triggers the EAC economic development.

Also, 20% of people and 27% of business representatives indicated that international trade and investment agreements increase collaboration in the fight against cross-border criminality in the region. Reduced gender inequality and domestic abuse – in suppressing household violent conflicts and promoting women in higher-level governance positions.

Six per cent of people and twenty per cent of business representatives responded, saying that international trade and investment agreements promote cultural integration by promoting culture diversification and growth in local communities – people can easily move and live in other communities in a different country.

The international trade and investment agreements in EAC easily bring together many countries of the community and the world. This results in gaining unimaginable benefits, including growing EAC population to the middle class from poor and increased combined gross domestic product (GDP) for the participating countries.

The civil liberties in the countries of the EAC have worsened over time. Appendix 5.3 presents the civil liberties index for the EAC countries from 2010 to 2019, where 1 represent strong liberties and 7 represent no liberties. The Appendix indicates that Rwanda and Burundi experienced an atmosphere of almost no civil liberties (from 5 in 2014 to 6 in 2019 each), Tanzania and Uganda experienced an atmosphere of poor civil liberties (from 4 in 2014 and 5 2019 each), but Kenya experienced almost fair civil liberties (with 3 in 2011 and 4).

Based on Table 5.6, 66% of businesses indicated that they gain value, rights, and freedom by being into EAC because they get access to a large market and clientele and acquire reduced goods from other EAC countries on reduced taxes tariffs. 21% of businesses indicated that they lose value because they have to operate in increased competition from all over the EAC, which increases the risks of not being discovered. For individuals, 55% said that they gain an advantage, rights and freedom being into the EAC because they have gotten the opportunity to travel inside all EAC member countries without restrictions, visas, and passports. They also indicated that they could easily go to work, do business, invest, study, etc., in another country they want inside the EAC region without limitations. 39% showed the impression of being taken advantage of, thinking they have much more to offer than others.

Generally, the ITIAs promote governance effectiveness and democracy advancement in many countries. However, based on Appendix 5.4, government effectiveness and democracy advancement in EAC counties have also worsened. The same appendix indicates that during the period starting 2010 until 2019, the EAC countries operated mostly under zero government effectiveness (mostly not good) except Rwanda, which counted a little bit over zero from 2016 to 2019.

The recorded data in Table 5.7 indicates that 22% of individuals and 38% of businesses get informed about EAC plans indirectly through press conferences and media news (newspapers, tv news, social media, and radios). 71% of individuals and 58% of businesses do not get communicated at all, and most of the time, they hear about EAC programs and treaties a long-time after they have happened.

The same Table 5.7 also indicates that 4% of individuals and 9% of businesses stated that some countries like Tanzania sometimes allow choosing whether to enter or not into the EAC treaties (like Tanzania when they were negotiating EPA agreement with the EU). 67% of individuals and 61% of businesses indicated that respective governments decide without asking the public about their opinions, that they hear about EAC programs after they have happened.

Based on the recorded data above, the findings indicate that the EAC countries are being governed by underdeveloped democracies. Many decisions are taken by a few strong personalities in their respective governments and executed without asking the public about their opinions.

6.2.6. Findings of The ITIAs Influence on the EAC Trade and Investment Performance and Policies

The international trade and investment agreements in EAC exert influence on the formulation and implementation of the EAC trade policies in promoting business reforms and ease of doing business in EAC Countries. These have improved policies related to cross-border trade and foreign investment in promoting economic development and extra-regional trade liberalization.

Based on the recorded data in Table 5.8, 37% of individuals and 39% of businesses indicated that international trade and investment agreements promote ease of doing business in EAC countries by providing a pathway in harmonising trade and investment policies in many economic sectors. 33% of people and 31% of businesses stated that international trade and investment agreements trigger business reforms to promote economic development in EAC by facilitating intra and extra-regional trade and foreign investment. 27% of people and 23% of businesses indicated that international trade and investment agreements influence both foreign and domestic trade and investment of the EAC by elaborating the size of markets for the output of EAC firms.

6.2.7. Business reforms to promote harmonised trade and investments in the EAC region.

The business reforms in EAC counted both improvements and challenges of doing business in the region based on the analyses made from 2008 to 2020 (Appendices 5.7, 5.8, 5.9, 5.10, 5.11, and 5.12). The ITIAs in EAC led to deeper reforms of economic development of the organisation member nations, as stated by Barbara (1999). They actively provided support to government officials, policymakers, and other ITIAs stakeholders in reforming trade and investments activities by promoting sustainable development in EAC.

Generally, the international trade and investment agreements are the main drivers of trade reforms and business facilitation made by the EAC countries considering the evaluated findings during the period from 2008 to 2020 in the same above appendices.

Those reforms resulted in easing doing business by adopting improved customs processing systems, constructing trade facilitating infrastructure (such as Standard Gauge Railway, One-Stop Border Posts, electronic cargo tracking, etc.), establishing the national electronic single window, and introducing the electronic system to file declaration documents and to process payment of customs duties and taxes.

The EAC countries persisted and still making reforms to improve considerably the doing business environment so that they can continue to attract investment across the region, especially in producing gas and oil, promoting tourism, processing agricultural products, mineral processing, developing effective financial services, ameliorating transport systems, and enhancing telecommunication infrastructure.

Since 2008, there have been improvements concerning the impacts of international trade and investment agreements on doing business and on quality of living for the citizens of the East African Community countries. Thus, all EAC partner states are being impacted positively, but not on the same level.

Looking at business reforms in Burundi, the country rebuilt trade reforms making doing business much easier over time, Appendix 6.8. Between the analysed period (2008 to 2019), the country has been recognized in countries with the most improved economies. The investment climate programs in Burundi aimed to spur investments and job creation through reforms in many areas such as resolving insolvency, starting a business, trading across borders, protecting investors and more.

As recorded in Appendix 5.7, the areas of reforms demonstrated that Burundi made it much easier to do business in the country from 2008 to 2019. It shows that Burundi ameliorated its business reforms to meet the international trade standards in creating the common language for trading partners, enabling compatibility of services and products, lowering trade barriers and production costs, and supporting firms to trade across the EAC countries and as well as in other countries globally. The international trade and investment treaties inspired Burundi to boost the confidence of its inhabitants and its businesspeople in creating a thriving economy and enhancing social stability.

With business reforms in Kenya, the country devoted significant attention to trade reforms that started showing much improvement from the 1990s (WTO source). The country started embarking on trade structural and macroeconomic reforms establishing a more growth-conducive economic environment. Kenya has demolished its import restrictions and tariff, which are currently the main instruments to its trade policy. According to the World Bank's annual Doing Business indices (2020), Kenya (ranked 56) is among the top three countries in Africa for ease of doing business, following Mauritius (ranked 13, Doing Business database) and Rwanda (ranked 38)

The international trade and investment agreements stimulated Kenya national trade policy to transform the country into a competitive export-led, well-organized, and efficient domestic economy. In pursuing the regional and multilateral trade arrangements, Kenya counted a push to robust its trade policy reforms solidifying its policy measures and strengthening its regional integration. However, Appendix 5.8 presented the areas in which Kenya made significant improvements, showing the way to do business in Kenya. While many of the reforms were easing to do business in Kenya, some few were not favourable to ease to do business in the country.

With business reforms in Rwanda, the international trade and investments agreements were very much impetuses for trade reforms in Rwanda. The country jumped an impressive 76 places (from 143 to 67) on the World Bank's Doing Business 2010 report, making it the country to become the first African country to top the list as the world's biggest business reformer. This indicates that the country performed very well but must not stand still thinking that all things are fine. It still has a long way to go in improving its trade and investment activities.

Based on Appendix 5.9, in which the business reforms in Rwanda from 2008 to 2020 indicates, some of the business reforms made it easy to do business in the country. Still, few of the reforms made it difficult to do business as well.

Looking at business reforms in South Sudan presented in Appendix 5.10, some of them were in favour to ease doing business in the country, and few were adopted to make it difficult for doing business from 2014 and 2018. The country depends mainly on oil products with more than 40% of its gross domestic product (GDP, but it continues to under-invest in the sector that would have ameliorated the country's livelihoods which are concentrated in low productive, unpaid pastoralists and agriculture work.

To overcome those difficulties as a new country, the government of South Sudan is building from scratch an economy that has not been existing from before, and even the country depends heavily on imports.

The business reforms in Tanzania indicates that the ease of doing business in Tanzania counted both improvements and challenges of doing business in the country based on the analyses made from 2008 to 2020.

However, as with other EAC countries, Tanzania is a growing country that has made significant business reforms since 2008 (Appendix 5.11). To invest in it is a good investment and suitable for businesses to grow due to the many tax-free privileges and quotas that Tanzania has adopted throughout international trade and investment agreements.

Business Reforms in Uganda promoted a private sector-led economy that has expanded considerably during the analysed period from 2008 to 2020. The county trade and foreign direct investment grew stronger. Appendix 5.12 showed that even there were some challenges during the evaluated period, the country experienced an optimistic business reform in compliance with international trade and investment agreements.

6.2.8. Ease of Doing business in the EAC countries

As presented in Table 5.9, according to businesses operating in the EAC, 39% indicated that there still exist costlier and more bureaucratic procedures, corruption and embezzlement activities, long process to deal with construction permits, start a business, register property, declare cross borders goods, and pay taxes.

Moreover, 33% stated that doing business is simplified (through better trade harmonization, coordination, liberalization, and facilitation across the community). Doing business is easier than before the agreements and the 1999 treaty, but still, some countries impose difficult, complex procedures on traders and investors. It is very simplified since the single regional market was created for goods and services to facilitate trade. There has happened many trade reforms in each EAC country since the organization has been relaunched. Some ease to do business and others harden doing business as well. And doing business was eased, especially with the free movement of businesspersons, capitals, and investments.

After analysing the 2020 doing business data presented in Appendix 5.5, for starting a business, in the EAC area, Rwanda and Burundi performed well with rankings that are under 100 (35 and 44 respectively, out of 190). Others, including Kenya, Tanzania, Uganda, and South Sudan, did not perform well with rankings over 100 (129, 162, 169, 172 correspondingly, out of 190).

For dealing with construction permits, in the EAC area, Rwanda alone performed best with a ranking that is under 100 (81 out of 190). Other remaining countries, Kenya, Uganda, Tanzania, Burundi, and South Sudan, did not perform well with rankings over 100 (105, 113, 149, 161, and 171 correspondingly, out of 190).

For getting electricity Rwanda, Kenya and Tanzania performed best in EAC with rankings that are under 100 (59, 70 and 85, respectively, out of 190). Others, including Uganda, Burundi, and South Sudan did not perform well with rankings over 100 (168, 184, and 187 correspondingly, out of 190).

For registering property, Rwanda and Burundi performed best in EAC with rankings that are under 100 (3 and 100 respectively, out of 190). Others, including Kenya, Uganda, Tanzania, and South Sudan did not perform well with rankings over 100 (134, 135, 146, and 177 correspondingly, out of 190).

For getting credit, Kenya, Rwanda, Tanzania, and Uganda performed best in EAC with rankings that are under 100 (4, 4, 67 and 80, respectively, out of 190). Others, including Burundi and South Sudan did not perform well with rankings over 100 (176 and 181 correspondingly, out of 190).

For protecting minority investors, Kenya and Uganda performed best in EAC with rankings that are under 100 (1 and 88 respectively, out of 190) others including Tanzania, Rwanda, Burundi, and South Sudan did not perform well with rankings over 100 (105, 114, 143 and 185 correspondingly, out of 190).

For paying taxes Rwanda, South Sudan, Uganda, and Kenya performed best in EAC with rankings that are under 100 (38, 74, 92 and 94 respectively, out of 190) others including Kenya, Uganda, Tanzania, and South Sudan did not perform well with rankings over 100 (134, 135, 146, and 177 correspondingly, out of 190).

For trading across borders, in the EAC area, Rwanda alone performed best with a ranking that is under 100 (88 out of 190). Others, including Kenya, Uganda, Burundi, South Sudan, and Tanzania, did not perform well with rankings over 100 (117, 121, 169, 180 and 182 correspondingly, out of 190).

For enforcing contracts, almost all countries in EAC, including Rwanda, Tanzania, Uganda, South Sudan, and Kenya, performed well with rankings that are under 100 (32, 71, 77, 84 and 89, respectively, out of 190). Except for Burundi, which did not perform well with a ranking over 100 (158 out of 190)

For resolving insolvency, Kenya, Rwanda, and Uganda performed best in EAC with rankings that are under 100 (50, 62 and 99, respectively, out of 190). Others, including Tanzania, Burundi, and South Sudan did not perform well with rankings over 100 (116, 147 and 168 correspondingly, out of 190).

While investigating the regulations that enhance business activity and those that constrain it in EAC countries performed as presented below.

Figures 5.4 and 5.5 showed that Rwanda ranked first and has better performance in the ease of doing business (trading) inside the country and across the EAC region in general.

According to the World Bank's annual Doing Business indices (2020), Rwanda (ranked 38, figure 5.4 and Appendix 5.5) is among the top two countries in Africa for ease of doing business, following Mauritius (ranked 13). Rwanda scored 76.5% (figure 5.5 and Appendix 5.6) in the doing business score, making the country to be the first in the EAC area.

Kenya ranked 56 in the world (figure 5.4 and Appendix 5.5), making the country to be the second in the EAC region. The country scored 43.2% (figure 5.5 and Appendix 5.6) in the ease of doing business. This indicates that the country did not perform good and still has a long way to go in improving its trade and investment activities.

Figures 5.4 and Appendix 5.5 demonstrated that Uganda performed fairly in the ease of doing business in the EAC region. It ranked third in EAC and 116 out of 190 worldwide. According to the World Bank Ease of Doing Business Report (2020), Uganda has forwardly improved in eleven steps from 127 to 116. Generally, Uganda scored 60% (figure 5.5 and Appendix 5.6) in doing business in the EAC area, following Rwanda (76%). This shows that the country still has some areas to improve as well in its journey to enhance its trade and investment activities.

Tanzania did not perform as well as other EAC countries which performed well in the ease of doing business in the EAC region. It ranked fourth in EAC and 141 out of 190 worldwide (Figures 5.4 and Appendix 5.5). Doing business in general, Tanzania scored 54.5% (figures 5.5 and Appendix 5.6), which shows that the country still has a long way to go in enhancing its trade activities.

Burundi ranked 166 in the world (figure 5.4 and Appendix 5.5) with a score of 46.8% (figure 5.5 and Appendix 5.6) in doing the business score, making the country to be the fifth in EAC countries. This indicates that the country did not perform good and still experiencing many challenges in its journey to enhance its trade and investment activities.

South Sudan performed poorly in the ease of doing business (trading) inside the country and across the EAC region. It ranked last (6^{th}) in EAC and 185 (figure 5.4 and Appendix 5.5) out of 190 worldwide. According to the World Bank's latest economic indicators, South Sudan accounts for plenty of circumstances that make it difficult to do business in the country, including insecurity situations, political instability, economic disasters, high level of inflation, unstable economy, among others. These caused the country to be the last with doing business score in the EAC area with an overall score of 34.6% (figure 5.5 and Appendix 5.6). This means that there still is a very long way for South Sudan in its combat to improve its trade and investment activities.

6.2.9. Trade Performance for the EAC Countries

The information in Appendix 5.26 portrays the intra-EAC trade statistics (imports and exports), using more recent data and updated econometric techniques. The statistics were calculated annually by the total trade flows, considering imports and exports for each of the EAC member countries from 2007 to 2018. No available data for South Sudan before 2012 car the country was founded in 2011. And there is no trade data between Burundi and South

Sudan during the analysed period. Based on the same Appendix 5.26, all the EAC countries generally experienced a remarkable increase in trade since the community admitted new members (Rwanda and Burundi in 2006, and South Sudan in 2016). However, there was a decrease in trade trends in 2009 for all countries, which were undoubtedly linked to the 2008 -2009 financial crisis. The uprising trade trend resumed in 2010, and again all EAC member countries reported a decline during 2014–2016. This fall, as underlined in the World Trade Organization statistical review (2016), was due to some factors, including mostly the Chinese economic slowdown, the decline in oil prices and the volatility of exchange rate (where the dollar value of exports (goods) fell by 14%).

It is portrayed in Appendix 5.27 the statistics of annual trade performance for the EAC countries and the world for the period from 2005 to 2018. The same appendix demonstrates that the EAC exports and imports to and from the world started to glow dramatically from the year 2010 and years thereafter. This resulted in the signing of the Trade and Investment Framework Agreements (TIFAs) with the US in 2008, and with China in 2011, the adoption of the Tripartite Agreement purposed to harmonizing policies between the EAC, the Common Market for Eastern and Southern Africa (COMESA) and the Southern African Development Community (SADC), and the Economic Partnership Agreement (EPA) between the EAC and the EU. Below is the discussion and interpretation of the intra and extra-EAC trade performance for each country of the EAC based on the data from Appendix 5.26. and Appendix 5.27.

Burundi: As presented in Appendix 5.26 and figure 5.9 for the whole examined period from 2005 to 2018, Burundi total imports largely exceed its total exports, resulting in the country continuously running into a very deep trade deficit in its trade with the EAC. For the Intra-EAC trade, the country exported much to Rwanda (figures 5.10 and 5.11) and imported much from Tanzania (figures 5.10 and 5.12) in 2018. The country exported 11% and imported 89% with its total trade within the EAC, figure 5.13.

Figure 5.39 and Appendix 5.27 show that in 2018, the country imports of $794 million from the world were much greater than its exports of $180 million to the world during the examined period. This negatively impacts the Burundi economy and its purchasing power on the currency exchange market. For the total trade in 2018, the country trade balance (total exports deducted total imports) was minus 64%, with exports of 18% and imports of 82%, Appendix 5.27, and figure 5.42.

Kenya: As indicated in Appendix 5.26 and figure 5.14 for the period 2005 to 2018, the country ran a greater trade surplus in its trade within the EAC. This is very beneficial for Kenya and means that the country has much more to offer to its counterparts in the EAC.
For the Intra-EAC trade, the country exported much to Uganda (figures 5.15 and 5.16) and imported much from Uganda (figures 5.15 and 5.17) in 2018. The country exported 65% and imported 35% with its total trade within the EAC, figure 5.18.
For the total trade in 2018, the country trade balance (total exports deducted total imports) was negative 48%, with exports of 26% and imports of 74%, Appendix 5.27 and figure 5.46. During the same period, Kenya runed into a deep trade deficit in its trade with the world and its imports from the world were much greater than its exports to the world. This negatively impacted the Kenyan economy and its purchasing power on the currency exchange market as well.

Rwanda: As indicated in Appendix 5.26 and Figure 5.19, in its trade with the EAC for the period 2005 to 2018, Rwanda ran into a trade deficit until 2015 and a trade surplus starting from 2016 to 2018. The country performed well in exporting more than imports during the last three years of the examined period. This was very rewarding for the development of the country economy.
For the Intra-EAC trade, the country exported much to Uganda (figures 5.20 and 5.20) and imported much from Uganda (figures 5.20 and 5.22) in 2018. The country exported 86% and imported 14% with its total trade within the EAC, figure 5.23. The same Appendix 5.26 indicates that Rwanda presented a dramatic increase in 2008 and 2011; this has resulted from a significant increase in its total trade with Kenya, which was almost tripled in exports from $34.3 million in 2007 to $126.3 million in 2008, and in imports from $93.9 million in 2007 to $146.3 million in 2008.
For the total trade in 2018, the country trade balance (total exports deducted total imports) was minus 38%, with exports of 31% and imports of 69%, Appendix 5.27 and figure 5.50. In its trade with the world, the country imports were much more compared to its exports during the same period, causing Rwanda to run still into a deep trade deficit as well. The negative trade balance negatively impacts the Rwanda economy, which has been experiencing upward progressive developments in the examined period.

***South Sudan*:** As pointed out in Appendix 5.26 and figure 5.24, the country ran into a very, very deep trade deficit in its trade with the EAC for the period from 2015 to 2018, car its imports from the EAC were much more than its exports to the EAC.
In 2018 the country exported only 1% and imported 99%, figure 5.28. This imposes too many negative effects on the economy of South Sudan and the way of living for its people. The country experienced too higher inflation rate and low financial reserves.
For the Intra-EAC trade, the country exported much to Uganda (figures 5.25 and 5.26) and imported much from Uganda (figures 5.25 and 5.27) in 2018. There is no available trade data for South Sudan with the whole world in general.

***Tanzania*:** As stated in Appendix 5.26 and figure 5.29**,** during the examined period 2005 to 2018, the country performed well in its trade with the EAC countries. Tanzania counted trade surplus from 2007 to 2011, a huge surplus in 2013, and from 2015 to 2018. This was very rewarding for the economy of Tanzania.
For the Intra-EAC trade, the country exported much to Rwanda (figures 5.30 and 5.31) and imported much from Kenya (figures 5.30 and 5.32) in 2018. The country exported 68% and imported 32% with its total trade within the EAC, figure 5.33.
For the total trade in 2018, the country trade balance (total exports deducted total imports) was minus 38%, with exports of 31% and imports of 69%, Appendix 5.27 and figure 5.54. The country imports from the world were much more compared to its exports to the world during the same period, causing Tanzania to run still continuously into a deep trade deficit as well. The negative trade balance negatively impacted the country economy, which has also been experiencing an upward tendency in developing during the examined period.

Uganda: As indicated in Appendix 5.26 and figure 5.34 indicated that the country performed well in trade performance with other EAC countries during the examined period from 2005 to 2018. Uganda traded in surplus for its trade with the EAC countries from 2007 to 2010 and from 2012 to 2018. This is very valuable for the Ugandan economy.
For the Intra-EAC trade, the country exported much to Kenya (figures 5.35 and 5.36) and imported much from Kenya (figures 5.35 and 5.37) in 2018. The country exported 64% and imported 36% with its total trade within the EAC, figure 5.38.
For the total trade in 2018, the country trade balance (total exports deducted total imports) was minus 38%, with exports of 31% and imports of 69%, Appendix 5.27 and figure 5.58. Like other EAC member countries, Uganda imports were much higher than its exports during

the same period. This made the country continuously run into a deep trade deficit as well. The negative trade balance impacted the Ugandan economy damagingly in general during the analysed period.

6.2.10. The outcome of trade performance for the EAC countries

Based on the analysed trade flows for the period from 2005 to 2018, Appendix 5.26 and Appendix 5.27, all the EAC countries are still running into trade deficits car their imports are much greater than their exports. The negative balances of trade are still occurring because the EAC countries do not produce everything they need, and they are increasingly borrowing from foreign countries too much to pay for their imports.

There is a problem of imbalances in terms of costs and benefits. While the research findings show that benefits are accruing from the EAC regional integration, but in many integration schemes, unequal distribution of the ensuing benefits has been a major inadequacy, including the well-known case of the collapse of the defunct East African Community before (Secretariat of the Permanent Tripartite Commission for East African Co-operation, 1997).

6.2.11. Share of trade in the GDP of the EAC

As recorded in Appendix 5.28, the share of trade in GDP of the EAC has increased over time from 25% in 2000 to 31% in 2019, with the highest of 39.5% in 2011. Trade plays an irreplaceable position for the countries of the EAC and represents more than a quarter of the national GDPs of most of those countries. According to the same Appendix, among the EAC countries for 2019, Rwanda is the first country to rely most on trade, with 38.3% of its GDP. Burundi is the second to rely on trade, with 35.3% of its GDP. Uganda is the third to rely on trade, with 32% of its GDP. Kenya is the fourth to rely on trade, with 24.6% of its GDP. Tanzania is the fifth to rely on trade, with 23% of its GDP. There was no avoidable data for South Sudan.

For the same year (2019), Figure 5.59 indicates the proportions of the EAC member countries in their total trade. Kenya contributed the highest to the organization with 44%, followed by Tanzania with 27%, followed by Uganda with 20%, followed by Rwanda with 7%, and then lastly Burundi with 2%. There is no data for South Sudan.

In general, the EAC experienced and still expect a greater intra and extra-regional trade with some improvements to be facilitated by cross border infrastructure. However, it continued to be held back by inconsistencies between regional and national policies, which look set to have persisted.

6.2.12. The Share of Foreign direct investment (FDI) in the GDP of the EAC

The intra-regional FDI comprises the FDI within the regional integration area, while extraterritorial FDI is FDI in the regional integration area of non-member country MNEs, Velde and Bezemer (2006) and UNCTAD (2013). For this research, a distinction became outlined between intra-regional and extra-regional FDI,

According to Appendix 5.29, the FDI share increased about two times between 2000 (1.7%) and 2014 (3.0%). This is due to the high GDP growth of about 4.6 per cent (Figure 5.2) in 2014. However, after 2014 the FDI share in the EAC GDP started constantly decreasing, down from 2.1% in 2015 to 1.6% in 2016 and 2.2% in 2019 (Appendix 5.29).

Based on figure 5.60, in 2019, the vast mainstream of FDI in the EAC region was in Kenya (32.25%), followed by Uganda (30.64%), followed by Tanzania (26.92%), followed by Rwanda (10.17%) and lastly Burundi (with as little as 0.03%). No data were avoidable for South Sudan.

6.2.13. Trade and investment freedom in EAC

Based on the global economic data, the trade freedom index (0-100) average for 2019 based on 179 countries was 74 points, with the highest score in Hong Kong (95 points) and the lowest score in North Korea (0 points), the Heritage Foundation (2020). According to Appendix 6.30, the countries of the EAC offered a favourable trade environment for the period from 2010 to 2019. They all together performed well, scoring 69 in 2010, 72 in 2015 and 68 in 2019.

Based on the global economic data, the 2019 investment freedom index (0-100), based on 181 countries, averaged 57 points, with the highest value in Luxembourg (95 points) and the lowest value in Eritrea (0 points), the Heritage Foundation (2020). According to Appendix 5.31, the EAC investment freedom index (0-100) valued 55 points in 2019, and this means that it is imposed reasonable restrictions to investment activities both within and across the EAC borders.

6.2.14. The effectiveness of most lucrative international trade and investment agreements in the EAC

Signed in 2008, the trade and investment framework agreement (TIFA) between the EAC and the US strengthened the EAC-United States trade and investment relationships, expanded, and diversified their bilateral trade, and improved the climate for business between the EAC and U.S. firms. There was an increase in Foreign Direct Investment (FDI) between the two blocs, according to the reported EAC inventories as well. Based on figure 5.61, the share of the EAC in total exports from the USA was 0.05% in all the analysed years from 2016 to 2019. The share of the EAC in total imports to the USA was 0.04% in 2016 and 2017, 0.03% in 2018, and 0.04% in 2019. In general, the EAC traded in surplus for goods and services with the U.S. for the analysed period from 2016 to 2019. This produced economic growth and an estimate of ten thousand jobs in both the trade partners.

For the EAC-China Trade and Investment Framework Agreement (TIFA), the trade history between the EAC countries individually with China started many years before the treaty re-establishing the EAC in 1999. According to figure 5.62, the share of the EAC in total exports from China was 0.49% in 2016, 0.40% in 2017, 0.39% in 2018, and 0.40% in 2019. The share of the EAC in total imports to China amounted to 0.12% in 2016, 0.10% in 2017, 0.11% in 2018, and 0.10% in 2019. The trade balance between the EAC and China is deeply negative for the EAC, favouring China. This means the EAC imports too much from China and exports very little to China.

For the Economic Partnership Agreements (EPA) between the EAC and the European Union, the agreement shields and covers goods trade and development of cooperation. Based on figure 5.63, the share of the EAC in total exports from the EU was 0.22% in 2016, 0.19% in 2017, 0.19% in 2018, and 0.19% in 2019. The share of the EAC in total imports to the EU amounted to 0.14% in 2016, 0.13% in 2017, 0.12% in 2018, and 0.11% in 2019. For the evaluated period, the trade balance between the EAC and the EU was not big but always in favour of the EU. This means that the EAC imported a little much more from the EU than it had exported to this trade partner.

6.2.15. The ITIAs influence on political stability in the EAC area

Based on the data recorded in table 5.10, the disclosed data about the way the international trade and investment agreements are devoted to solving issues concerning political stability in the EAC region. 62% of individuals and 53% of businesses indicated that international trade and investment agreements contribute to solving political stability issues in the EAC area. Through the agreements, the EAC member countries have accorded together to crisis prevention, small arms and light weapons control, conflict resolution, good governance promotion, and economic development in partnership.

19% of individuals and 33% of businesses stated that looking at some countries' actions, the political instability in the EAC became worsened. For concrete examples, firstly, Rwanda and Uganda have traded accusations of interference in each other's affairs from 2017 until now. The situation resulted in closing both countries borders. And each country advises its people not even to try crossing each other's border because of the tensions. As a consequence, the effects of the border disruptions between those two countries were extremely personal for local communities in each country. Secondary, from 2018, Burundi declared that it no longer considers Rwanda as a partner but an enemy. Due to differences that lasted many months accusing Rwanda of meddling in Burundian internal affairs, it was inevitable to prevent the eruption of possible political conflicts between those countries.

The presented information in Appendix 5.4 indicates the political stability index on EAC countries from Word Bank data (2020), where -2.5 is weak government political stability and 2.5 is strong government political stability. South Sudan presented a high level of political instability with -2.56. Burundi also presented an elevated level of instability of -1.65. Kenya experienced an elevated level of instability as well, with -1.12. Uganda with -0.65 and Tanzania with -0.36 presented some levels of instabilities that are below zero. Rwanda performed a little bit better with 0.12 but still too low and need extra work to be much better. The data recorded in the same table 6.9 indicates that international trade and investment agreements create some adverse (negative) side effects in EAC as well.

Eleven per cent of individuals indicated that they increase cross border criminality where many criminals commit offences in one country and go to hide in others. Smuggling stolen products across border become easier and more possible. In addition, the recorded data indicates that some leaders in EAC have the ambition to dominate others, and others prioritise the interests of their own countries instead of thinking of the organization as a whole. For example, some leaders fight for bringing EAC funded basic infrastructures into their own countries regardless of their high necessity in other countries into the organization. This is a statement of a respondent *"I do not think so, many times leaders in EAC countries bring complications, and they fail to separate their personal affairs with the organization interests. In addition, they advance their ambitions (personal issues) in implementing the agreed programs within the organization"*.

Also, 11% of business representatives pointed out that international trade and investment agreements increase corruption in some EAC countries. Due to the large area to cover, the EAC protocols, regulations, formal directives, and decisions are not controlled and followed up for their full implementation; this creates and eases the growth of corruption at a high level in many EAC countries.

6.2.16. The role of ITIAs on Gender equality in EAC

Based on the recorded data retrieved from table 5.11, 47% of individuals and 38% of businesses specified that international trade and investment agreements support empowering women in EAC countries, but differently from country to country. Some of the EAC nations have harnessed their policies to help empower women in leading administrative positions. From the respondents, 41% of individuals and 54% of businesses stipulated that international trade and investment agreements indirectly promote equal treatment in social, political, and economic activities. As explanations, the EAC countries are expected to treat their citizen in the same manner, and women have gotten the same treatment as men in doing or running a business.

Trade and gender implications play an important role in the integration process of the EAC organization. Generally, within the EAC countries, men and women become affected differently by changes in the structure and volumes of trade in their various roles as employees, consumers, and producers. The analysed recorded data from Appendix 5.14 indicated that the number of women in business continued to grow in economic clout for all the EAC countries. Appendix 5.15 indicated that there is not a big difference between men and women in employment among EAC countries as well. This impacts positively the EAC regional integration and particularly women's well-being with a focus on women's employment.

The number of women in businesses within the EAC is shown in Appendix 5.14 on a scale of 1 to 100. In 2019, Tanzania presented a higher number of women in business with a score of 84.4, followed by Kenya with 80.6, then Rwanda with 78.1, Burundi with and Uganda with 73.1and lastly South Sudan with 70.

As presented in Appendix 5.15, in 2019, there was no greater difference between females and males in employment for the EAC countries. In Burundi female in employment (79.6%) are 3.2% greater than male (76.4%). For Kenya, female employment (70.1%) is 5.3% less than male (75.4%). In Rwanda female in employment (83%) are 0.5% greater than male (82.5%). In South Sudan, females in employment (61.4%) are 4.2% less than males (65.6%). For Tanzania, females in employment (77.6%) are 8.4% less than males (86%). In Uganda, females in employment (65.5%) are 7.4% less than males (72.9%).

The international trade and investments agreements in EAC present two main implications on the EAC population. On the one hand, they lead to outcomes that differ by gender. They exert effects on EAC economies by altering relative prices, the production structure, relative incomes, and employment patterns. On the other hand, gender inequalities tend to affect business strategies in competitiveness terms and the extent to which a certain level of business strategy will be translated to the desired activity of economic performance (UNCTAD, 2019). This is importantly positive for inclusive growth among its total population regardless of their gender. The EAC has shown a substantial effort in investing almost the same way in both female and male car there is not much difference in numbers of employed male and female, as shown in Appendix 5.15.

6.2.17. The role of ITIAs to Equal economic growth for the EAC

Based on the recorded data retrieved from table 5.12, 66% of people and 48% of business representatives indicated that the benefits from the international trade and investment agreements are not scattered in the same way. This is based on the fact that EAC member countries have different characteristics, and those countries are not on the same level to satisfy cross border demand. In addition, some EAC countries do not possess the needed infrastructure which can support to facilitate the conditions to benefit the trade and investment agreements outcomes fully.
As indicated by the respondents, 15% of individuals and 44% of business representatives stated that the international trade and investment agreements in EAC are scattered in the same way because those countries are expected to obey the agreements in the same manner and continue to roll out together the initiatives for trade facilitation including improved transport, call centres, trade portals, and business development services. This benefit all the EAC member states regardless of borders.

6.2.18. The role of ITIAs on the Improvement of economic sectors in the EAC

The international trade and investment agreements are considered as an important driver of economic sectors for the development of the EAC population due to their share of promoting industrialization, creating jobs, and adding value and quality to many services provided to people. In addition, the international trade and investment agreements are a key bridge and avenue for entry of developing countries into the EAC trading system by enhancing the main sources earner of foreign exchange in each EAC member country.

Based on the recorded data retrieved from table 5.13, 96% of people and 89% of businesses indicated that international trade and investment agreements are playing an important role in enhancing all economic sectors of the EAC, including agriculture, industry, and service.
For the year 2019, the service sector contributed the highest share in the GDP of the EAC (52.3%) than the agricultural (28.1%) and industrial (19.5%) shares (Appendix 3.8). For the year 2020, the employment in EAC is dominated by the agriculture sector with over 67%, followed by the service sector with 26%, then the industry sector with over 7%.

Enhancing agricultural sector

Table 5.13 indicates that the impeded agriculture sector (that covers agricultural, forestry, livestock, and fishing activities) due to cooperation agreements in EAC, farmers are being assisted in the production of quality harvests in large quantity, in eliminating traditional (artisanal) farming methods, and in introducing exemplary lead farms for test and training.
Based on Appendix 3.8 and Appendix 5.17, the agriculture sector remains the main sector for economic development in all EAC countries. Its share in the EAC GDP was 30.6% in 2010 but was decreased to 28.1% in 2019. According to the same Appendices (3.8 and 5.17) and World Bank data (2020), for the year 2020, the employment in the agriculture sector was higher in Burundi with 92% of total employment in the country, followed by Uganda with 72.4% of total employment in the country, followed by Tanzania with 64.4% of total employment in the country, followed by Rwanda with 61.7% of total employment in the country, followed by South Sudan with 56.1% of total employment in the country and then Kenya with 53.8% of total employment in the country.
Despite the sector big proportion in employing people, it generates a much smaller share in GDP than the service sector (this employs almost 1/10 of the agriculture sector, Appendix 3.8). Thus, the activities of the agriculture sector in the EAC region are being ameliorated and promoted in the following ways.

Agricultural activities

For coffee production, family farms are being assisted in producing coffee so that the coffee can compete or be sold on international markets. For tea farming and production, farmers are being assisted to farm and produce modern tea by eliminating traditional farming and producing methods with low productivity. For cotton production, cotton is being better prepared by private growers and sold to processing companies (such as COGERCO in Burundi) and processed efficiently into the fibre to be sold to international textile factories.

And for sugar production, cane sugar is being processed and produced with modernity by industrial plant units that convert raw cane sugar into white and brown sugar.

Forestry activities:

For forestry production, forestry activities contribute around 2% of GDP in EAC countries and provide about 5% of jobs. The national and regional regulations have been put in place to regulate public action in the use of woodland areas, exploitation, and the management of forestry resources.

Livestock activities:

Toward livestock farming, these activities marginally remain artisanal activity. But in some areas in the EAC region, those activities are being modernised, e.g., the introduction of Holsteins, Friesians, and cross breed cows.

On the side of poultry, piggery farming and others, most of the EAC Governments have adopted programs to support farmers of those farming actives by introducing exemplary lead farms for training and practice in targeting international markets.

Fishing activities:

With fishery, modern fishing activities were introduced in Lake Tanganyika (Burundi) and Lake Victoria (between Kenya, Tanzania, and Uganda). In addition, governments have concentrated some efforts to develop fishing and promote aquaculture in targeting the distribution of some type of fishes (like tilapia, clarias, etc.) by restocking in artificial lakes (such as Kavuruga and Rwegura in Burundi).

Enhancing industrial sector

As presented in Appendix 3.8, the industry contributed to the GDP of the EAC with 19.5% in 2010 and increased to 25.8% in 2013 and returned to 19.5% in 2019. The sector comprises subsectors of manufacturing, mining, telecommunications, energy, tourism, transport, and others. According to the World Bank data (2020), based on Appendix 3.8 and Appendix 5.18, the industry sector in the EAC region is a key to the transformation of the organization economies. In 2020 the industry sector employed more people in South Sudan with 14.1% of total country employment, followed by Rwanda with 9.1% of total country employment, followed by Kenya with 7.4% of total country employment, followed by Tanzania with 6.8 % of total country employment, followed Uganda with 6.6% of total country employment, and then Burundi with 1.4% of total country employment.

Based on Table 5.13, the ITIAs provide support to many EAC industry subsectors. The manufacturing subsector with the introduction of the regional industrialization strategy, modern industrial plant units and increased support for processing companies to efficiently produce quality products. For the EAC countries, manufacturing is essential for the transformation of their respective economies. The organisation has introduced the regional industrialization strategy (2012-2032) that aims to establish a modern, dynamic, and competitive industrial sector fully integrated into the global economy, EAC (2020). Appendix 5.19 pointed out that for the period from 2012 to 2017, Kenya was the first earner in manufacturing with an average of $62.4 million, followed by Uganda $27.8 million, then Tanzania with $24.1 million, Burundi with $15.85 million, and lastly Rwanda with $ 12.57 million.

Toward the mining, oil, and gas sector by fostering co-operation in the joint efficient management of natural resources within the EAC, triggering the introduction of natural resources sustainable utilisation for the mutual benefit of the member countries, and enabling a pathway in the efforts towards the development of harmonised mining regimes and mineral policies. The EAC member countries own large and varied mining potentials. They have deposits of oil in Kenya and Uganda and gas in Rwanda and Tanzania. The countries also have nickel, copper, cobalt, platinum, cassiterite, vanadium, coltan, wolframite, gold, peat, and hydrocarbons. The mining potentials possess the capacity to contribute a substantial proportion to foreign exchange earnings. Despite the above numbers, the subsector contributes less than 1% of GDP in all the EAC countries, World Bank data (2020). The data in Appendix 5.20 showed that over six years from 2012 to 2017, Rwanda raised the highest average of the sector exports with $43.3 million, followed by Kenya with $23 million, then Tanzania with $10.7 million, and Uganda with 6.5 million, and lastly Burundi with $5.3 million.

For the trade subsector by enabling bigger markets for buying and selling goods and services either on the domestic (wholesale and retail) markets and on the international (import and export) markets. To the finance subsector, by introducing cooperation in monetary and fiscal matters to establish monetary stability within the EAC. To subsector of education by establishing and support of scientific and technological research in the EAC. To the subsector of health and safety, by undertaking joint action in the prevention of transmissible diseases.

And to the culture and sports subsector by enhancing and promoting diverse cultural and sports activities by preserving original cultures of EAC member countries.
In the telecommunication sector, strategic objectives were put in place to promote and harmonise ICT policies, regulations, and laws among the EAC member countries and establish efficient communications infrastructure and services, EAC (2017). The EAC member countries commenced collaborating to establish and operate communications infrastructure by developing, promoting and deploying ICT applications and services in the region. However, the sector has developed slowly in the area, World Bank data (2020), mostly due to the characteristics of the way of living in the EAC population. It is hard to make telecommunications tools available in most rural areas. Despite the slowing development in the sector, there is huge competition in all segments of the telecommunications industry market within the organization, such as voice audio, internet data, and mobile money services. But the competition became a tool to fosterer the adoption of advanced technologies for mobile telephone communication and internet data, including 3G, 4G and Wi-Fi for wireless connections. The same applies to wired connections using a cable, ADSL, and fibre-optics, but mostly in big town areas, World Bank data (2020). The data from Appendix 5.21 demonstrates that ICT infrastructure is at a low level in all EAC countries. The same figure indicates that mobile telephone communication is the most operated in EAC countries, and Internet users (internet and broadband subscribers) are too low per 100 inhabitants.

For the energy subsector**,** in the EAC region, the subsector encompasses biomass, electricity, and petroleum. In some countries, some of these energy sources are relatively underexploited such as biomass and petroleum. However, on the electricity side, the infrastructure is steadily improving in the EAC region. Extensive efforts also are being made in improving energy security for a long-term scale in the region and attracting private investors. Energy policies are being promoted as well to encourage diversification of both supply sources and energy types.
The EAC focuses on increasing the use of renewable energy sources, including hydropower, wind, geothermal, modern biomass, and solar, for the diversification of the electricity mix and to hamper EAC countries from changing global petroleum prices EAC (2017). Based on Appendix 5.22, In the EAC area, Kenya is the first to provide electricity to many people of its population in 2018 with 75% of the population, followed by Uganda with 42.7%, then

Tanzania with 35.6%, Rwanda with 34.7%, South Sudan with 28.2%, and lastly Burundi with 11%.

For the side of the tourism and wildlife subsector, the EAC is a rich region with diversified tourism comprising wildlife reserves, national parks, mountain climbing, cultural sites, birds, best beaches, religious sites, waterfalls, rivers, among others. Since 2014, there has been introduced a Single EAC Multiple Entry Tourist Visa for Kenya, Rwanda, and Uganda for all countries of origin, whereas ensuring and conserving the sustainable use of wildlife and other tourist sites. This has significantly benefitted the subsector as well. According to Appendix 5.23, for tourism performance, Tanzania raked 75 worldwide and first in EAC with a share of 4.5% in the country GD. Kenya ranked 94 worldwide and second in EAC with a share of 1.2% in the country GD, Uganda raked 95 worldwide and third in EAC with a share of 3.5% in the country GD, Rwanda raked 122 worldwide and fourth in EAC with a share of 4.8% in the country GD, and Burundi raked 175 worldwide and fifth in EAC with a share of 0.06% in the country GD.

For the transport subsector, the EAC recognises that effective involvement and promotion of regional infrastructure in transport are key to promoting trade, improving competitiveness, and attracting investment into the region.

Roads transport in EAC - according to the organization data, the EAC has identified five main corridors that are classified as a strategic priority and require upgrading and rehabilitation. The five major transport corridors comprise a total length of around 12,000 km and are drawn as follows: Mombasa - Malaba - Kigali – Bujumbura; Dar es Salaam - Rusumo with branches to Kigali; Bujumbura and Masaka, Biharamulo - Sirari - Lodwar – Lokichogio; Nyakanazi - Kasulu - Tunduma with a branch to Bujumbura; and Tunduma - Dodoma - Namanga - Isiolo – Moyale. In the north, the corridors serve Kenya, Uganda, Rwanda, Burundi, and Eastern DRC, starting Mombasa. In the central, the corridors serve Tanzania, Zambia, Rwanda, Burundi, Uganda, and Eastern DRC starting Dar es Salaam. Despite the objective to improve the efficiency of the regional road corridors, many gravel roads in the area still are not well rehabilitated and upgraded to bitumen standards. Retrieved from Appendix 5.24 and CIA Data (2020), the road network length in EAC totals 310174 km, with 12 322 km in Burundi, 63 265 km in Kenya, 90 200 km in South Sudan, 14 008 km in Rwanda, 54 457 km in Tanzania, and 75 922 km in Kenya. However, most of the road network in EAC countries is unpaved (266247 km), and much of it is in bad condition, except Kenya, with 50% of all classified roads in good condition.

Railways Transport in EAC - based on Appendix 5.24 and CIA Data (2020), railway transport in EAC is still at a low level. The EAC acknowledged the need to rationalise the development of rail transport operations within the EAC region, along the main corridors. The organization has, therefore, put in place an East African Railways Master Plan to illustrate and guide the railway services development of the region in the future. The African Development Bank and World Bank have committed to funding for the development of the infrastructure related to railways transport. However, some EAC countries do not have operational rail transport (such as Burundi and Rwanda). Kenya and Uganda operations for railways networks are presently under concession. As presented in Appendix 5.24, Africa Infrastructure Data (2020) and CIA Data (2020), the EAC encompasses a total of 9 878 km operating railway lines, Tanzania with 4 567 km, Kenya with 3 819 km, South Sudan with 248 km, and Uganda with 1 244 km, CIA Data (2020). The East African Railway Master Plan is a proposal to rejuvenate existing railways that serve Kenya, Tanzania, Uganda and expand them first to Rwanda and Burundi and possibly South Sudan, Ethiopia and beyond.

Air Transport in EAC - air transport network comprises an important role in developing the main economic sectors in EAC. It affects tourism, manufacturing, mining and other sectors positively, with indirect benefits to the EAC local communities in terms of labour provision, raw materials supply, etc. It facilitates international trade and enables more efficient business travel. Based on Appendix 5.24, Africa Infrastructure Data (2020) and CIA Data (2020), the EAC countries count 513 total recognised airports, but most of them (473 airports) are unpaved and are still in the process to improve airport facilities and air navigation systems. But this is not enough, and they need to make affordable air transport to more people of the EAC population. The EAC region totals only 12 international airports that serve its vast territory. Although, there is co-operation among the EAC member countries in Air Transport and Civil Aviation departments. In addition, there exists an oversight agency for ensuring safety and security in air transport standards, EAC Civil Aviation Safety and Security Oversight Agency (CASA).

Water Transport in EAC - according to Appendix 5.24, Africa Infrastructure Data (2020) and CIA Data (2020), the water transport in EAC comprises two types of ports. The first type is inland lake ports connecting local areas in EAC and neighbouring countries, including

Malawi, Zambia, and the Democratic Republic of the Congo. The second type is exports and imports ports terminals connecting to the Indian Ocean, including the port of Zanzibar (Tanzania), the port of Dar es Salaam (Tanzania), and the port of Mombasa (Kenya).
Pipeline Transport in EAC – this is used to transport oil (petrol), gas and refined products. Appendix 6.24 stated that the oil pipeline totals 2 340 km with 4 km in Kenya, 891 km in Tanzania, and 1 445 km in Uganda. The gas pipeline encompasses 311 km, which is only in Tanzania. Pipeline transport for refined products totals 1 440 km with 1 432 km in Kenya and 8 km in Tanzania, CIA Data (2020) and Africa Infrastructure Data (2020).

Enhancing services sector

Based on Appendix 3.8, the service sector contributes more share in the EAC GDP, which was 49.8% in 2010 and increased to 52.3 in 2019. Despite the dominance in GDP of the EAC, the sector employs very few people compared to the other remaining two main sectors (agriculture and industry). According to table 5.13, the regional trade and investment agreements enhance the service sector by triggering commitments to enhance the sector and liberalize it into the seven key subsectors.
Based on the calculations in Appendix 3.8, Appendix 5.25, and World Bank data (2020), for the year 2020, the employment in the sector was higher in Kenya with 38.7% of total employment in the country, followed by South Sudan with 29.7% of total employment in the country, followed by Rwanda with 29.2% of total employment in the country, followed by Tanzania with 28.3% of total employment in the country, followed by Uganda with 20.9% of total employment in the country and then Burundi with 6.5% of total employment in the country,

6.2.19. The effects of ITIAs on the EAC integration process

The International Trade and Investment agreements (ITIAs) in EAC are key actors for successful integration of the organization, EAC Secretariat (2020). They have been central to various transformative protocols and programs in the region.
About the general knowledge about the 1999 Treaty re-establishing the EAC and other related international trade and investments agreements in the organisation; based on Figure 5.6, the findings indicate that 55% of the EAC people (individuals) and 65% of the businesses operating in the EAC indicated that they knew very well about the treaty establishing the East African Community and other related international trade and investments agreements.

Also, 24% of the EAC people (individuals) and 21% of the businesses operating in the area indicated that they have little knowledge. Thus, the 21% of individuals people in EAC and 15% of businesses operating in the region have no knowledge at all about the 1999 treaty re-establishing the EAC, including other trade and investments treaties in EAC.

Looking to the presented data from table 5.14, 54% of individuals and 37% of businesses stated that the international trade and investment agreements are tools to the continual improvement of the economic integration of the EAC by promoting the seven stages of the integration process including the preferential trading area, free trade area, customs union, common market, economic union, economic and monetary union (coming - under review), and complete economic integration (to one political federation). This is very essential for countries seeking to benefit from greater cooperation, trade, and investment through regional integration.

From the respondents' information, 30% of individuals and 32% of businesses indicated that international trade and investment agreements accelerated the market economy in the EAC, and other steps in the integration process have been being taken over the years following the relaunching of the Treaty on the establishment of the EAC in November 1999. They sought to assist the EAC countries to gain access to the market within themselves and in other countries worldwide and are the main key for disseminating the EAC as a regional economic community (REC) in helping the EAC countries to active participation in regional and international cooperation and integration schemes. Furthermore, 13% of individuals and 26% of businesses indicated that international trade and investment agreements are considered the potential as a tool for reducing inter-and intra-state conflicts in EAC.

Amongst the measures to enhance trade and investment in the region and facilitate the organisation integration process, the EAC has adopted and implemented the following programs and protocols.

The Customs Union Protocol. It was adopted in January 2005, and the Customs Union Protocol objectives include advancing intra-regional trade liberalisation in goods, fostering production efficiency in all EAC economies, Improving domestic and cross-border investment, and furthering industrial diversification and economic development.

The Common Market Protocol. This was initiated by EAC member countries in November 2009 and entered into force in July 2010. The first purpose of the protocol is to seek and gradually transform the EAC organization into a single market that enables the free movement of goods, services, people, workforce, and capital while ensuring rights to stay and establish. The second purpose is to assess the relevant laws to guarantee that the EAC Common Market is operating smoothly in all member countries.

Trade and Investment Framework Agreements (TIFA). The TIFA with the USA, signed in July 2008, to increase, enhance, and disseminate commodity trading, businesspeople exchange visits, cooperation, among other investments. The TIFA with China, signed in November 2011, focused on the promotion of trade, investment, economy, and technical cooperation and the exchange of visits by businesspeople between EAC and China.

Economic Partnership Agreement (EPA) with the EU, Tripartite Agreement – EAC-COMESA-SADC, etc.

Trade Facilitation. There are many mutual agreements to facilitating trade among the EAC member countries. The agreements mainly were to make it simpler for trade in goods between them, and as well to simplify, harmonise and standardise trade information and documentation.

Interconnecting Trading Systems. The EAC countries have established the EAC Capital Markets Infrastructure (CMI) Information Technology platform. Investors in the EAC countries can purchase and sell companies shares listed in any of the other member countries without undergoing through different stockbrokers.

Anti-Dumping Measures. The anti-dumping regulations were developed in all EAC countries as outlined in the Protocol for the EAC Customs Union.

Competition Policy and Law. The policies and laws regulating competition became implemented over time by the EAC member countries with a goal to discourage any practice that harmfully affects free trade within the EAC zone.

Removal of Non-Tariff Barriers to Trade. The EAC member countries concurred in their Customs Union Protocol to eliminate all in place non-tariff barriers to trade and not to adopt any new ones.

Standards and Measures. The countries in the EAC, under the Treaty establishing the East African Community, highly made recognition of the significance of quality assurance, consumer protection, and standardisation. They also acknowledged the procedures related to metrology and testing in promoting trade and investment.

However, beyond their role in peace and security, the ITIAs in EAC meet the immense challenge of enabling the EAC secretariat, respective governments, and civil society in raising the standard of living of the people of the EAC and contributing towards the progress and development of the organization through economic growth and social development.

6.3. Constraints to ITIAs and business-related activities in EAC

Cross border trade activities and ITIAs in the EAC face eminent traits related to the economic and political climate between the EAC countries, the way ITIAs are respected, insufficient communication of trade directives and regulations, corruptions, pandemic diseases, and regional natural disasters.

6.3.1. Deficient communication constraint

The information presented in Figure 5.7 specifies that 78% of individuals and 83% of businesses indicated that the communication of new trade directives and regulations in EAC is insufficient. It was expressed many decisions and regulations regarding cross border trade and investment are being taken and implemented without sufficiently communicating all stakeholders like people and businesses operating in the EAC area.

However, 12% of individuals and 14% of businesses indicated that they do not know whether they should get communicated or not because they follow the decisions from responsible officials.

6.3.2. Cutbacks of disasters and pandemic diseases

Based on the data from table 5.15, 35% of individuals and 28% of businesses indicated that natural hazards are the most impactors of cross border trade in the EAC. The EAC region is highly impacted by natural hazards, including droughts, floods, earthquakes, landslides, lightning, and others. Among those natural hazards, drought is the most common hazard in the EAC region. It sometimes kills people and destroys a lot of things such as roads, houses, cultivated crops, and other equipment of basic infrastructure.

And 56% of individuals and 64% of businesses indicated that human-induced disasters (including conflicts, environmental degradation, urban fires, etc.) are the most impactors of cross border trade in the EAC. These causes sometimes closing border-crossing activities.

All respondents indicated that the EAC has inadequate capacities and resources to prepare, respond, and prevent disasters effectively neither at the regional nor at the country levels. This retard developmental activities as development tools pointing to emergency disaster relief. The disaster institutions in EAC focus on disasters management mechanisms that prioritise disaster response rather than disaster risk reduction.

The same table shows that 64% of individuals and 50% of businesses responded, saying that the pandemic diseases (such as Covid-19, Ebola, Cholera, among others) negatively affected the activities with financial implications in EAC countries, such as cross border trade and employment. With Covid-19 and Ebola, many border posts (including land and airports) in each of the EAC member countries (except Tanzania) became blocked by respective authorities, causing to suspend all movements in an attempt to prevent the spread of diseases and viruses. For months of period, the borders in the EAC area were closed to fight against the spread of the coronavirus pandemic, except for vehicles transporting goods. Causing many people (mostly businessmen and women) to be stranded outside their country of residence.

Also, 30% of individuals and 28% of businesses responded, saying that the COVID19 and other diseases brought hunger in people. The activities that helped people to sustain their families were stopped completely, and everyone was obliged to stay home. Shops and other businesses became closed. People markets gatherings were suspended for many months because it is hard to keep social distancing between people, mostly villagers in those markets. Also, many companies in EAC become underequipped to handle the incident management plans specific to pandemic crises and struggle to recover from them.

6.3.3. Unfavourable environment for doing business in the EAC area

The recorded data from table 5.9, 59% of businesses indicated that across the EAC region, entrepreneurs or business operators face sometimes challenging, less friendly business environments, including more bureaucratic procedures, corruption and embezzlement activities, and long processes in service provisions. However, the problem is not just cost, but price deteriorations. 33% of businesses stated that to do business in EAC has improved over the years since the organization was relaunched in 1999 and admitted new members (Rwanda, Burundi, and South Sudan), based on the adopted and implemented trade reforms by different countries into the organization. Appendices 5.7, 5.8, 5.9, 5.10, 5.11 and 5.12 indicate that many changes make it more challenging to do business in EAC.

6.3.4. Economic and political issues between the countries of EAC

Table 5.16 shows that 73% of people and 64% of businesses representatives stated that political issues prevent good governance and economic development in the region, and economic conflicts make some leaders in EAC prioritise the interests of their own countries instead of thinking of the organization as a whole. 22% of people and 33% of businesses representatives indicated that the conflicts in the EAC became worsened recently and prevented people from using some services. These cause unpleasant experiences on the people’s side and sometimes border closing.

6.3.5. The trait of corruption behaviours

There is an increase in corruption in some EAC countries. Less control of EAC protocols, regulations, formal directives, and decisions due to the vast area of judication create and ease the growth of corruption at a high level (Table 5.10).

As stated in Appendix 6.16, the environment of corruption in EAC countries is in bad condition. However, the appendix shows that (with rating ranging from -2.5 weak to 2.5 strong). Rwanda performed well with an upward trend over the period under review, from 0.35 in 2010 up to 0.56 in 2019. This shows that the country has reduced corruption extensively, and the upward tendency shows that the country continues to fight against corruption. Tanzania performed with a small improvement from -0.54 in 2010 up to -0.39 in 2019. Kenya counted small improvement as well, with -0.91 in 2010 up to -0.78 in 2019. Burundi and Uganda experienced a high degree of corruption existence and showed a downward trend in fighting corruption (bad performance). They counted respectively – Uganda with -0.92 in 2010, down to -1.17 in 2019; Burundi with -1.17 in 2010, down to -1.46 in 2019. South Soudan experienced bad performance in fighting corruption and its perceptions in many departments. South Sudan counted -1.28 in 2012 and down to -1.77 in 2019.

6.3.6. Not keeping the regional trade and investments agreements in the EAC

Whether trade and investments agreements are respected as they should be by the EAC respective members states, represent eminent traits to the regional trade and investments agreements within the organisation.

Based on the recorded data from figure 5.8, 41% of individuals and 43% of businesses pointed out that the international trade and investment agreements within the EAC are respected in the same way, stipulating that political ambition dominate with a big proportion of the way each EAC member country respects them. 16% of individuals and 32% of businesses specified that the international trade and investment agreements within the EAC are partially respected in the same way, saying that sometimes they get dishonoured due to political conflicts in some EAC countries. 30% of individuals and 18% of businesses stated that the international trade and investment agreements within the EAC are not honoured in the same way because of the political dissimilarities across the EAC member states. Some countries make it difficult for trade affairs from others. For example, Rwanda closed borders to people and goods from Uganda in March 2019.

6.4. Conclusion

The current chapter focused on the outlining of the research findings and their interpretation. Many parts of the EAC provide good fertile soil and favourable climate conditions to a variety of agricultural products, including coffee, tea, fruits, cotton, flowers, vegetables, among others. Kenya has recently been classified in the region for witnessing the ability to for agricultural export. In tourism, the EAC is a fortunate of natural assets in all its member countries. However, political conflicts between many countries of the EAC and the insecurity in South Sudan continue to slow down the organization integration process.

According to Human Developing Index (HDI), five of the EAC countries are classified as low human development (low-income) countries, except Kenya, which is a Lower Middle-Income country. The Low-Income Countries of the EAC had the goal to reach the middle-income status by 2025. However, based on the findings above, there exists sustainable growth among EAC countries, but the recent growth does not show the path to achieving the goal. In addition, there is a slow proportion for poverty reduction within those EAC countries that does not ensure the prospect to attain the objective. All the EAC countries ameliorated their business environment by adopting business reforms that facilitate trade, investment and cooperation in the region.

Looking to the environment to conduct trade and investment, politically as well as economically, the EAC provides a stable and suitable environment that is marked by low inflation and steady growth. The region is well-positioned to reach African markets, where both Kenya and Tanzania share borders with ten other countries, as well as two big ports to easily access the international markets. The EAC region has many international airports which connect the region with the rest of the world. The economy has been and is being liberalized in almost all countries, with Kenya, Rwanda, Tanzania, Uganda moving fast and far and Burundi and South Sudan moving slow. The EAC shares the same culture, with English widely used in business, government, and the judiciary. The Community steady continues to increase its skilled workforce.

The next seventh and final chapter will be focused on the research conclusion, suggestions, and recommendations.

CHAPTER 7:

CONCLUSIONS AND RECOMMENDATIONS

7.1. Introduction

The East African countries have a long history of trade-related cooperation dating back to colonial times. The East African Community (EAC) is the latest incarnation of that cooperation. The World bank Total Trade Restrictiveness Index (TTRI) offers an overall measure of trade policy stance for a country (Kee et al., 2009). Trade performance in EAC is based on the determinants of trade policies and trade facilitation. It represents a substantial share in the overall GDP of the member countries of the EAC organization.

The rationale for the East African Community organization is enthralling. It has the capacity to build a comparable economy, accelerate competitiveness, and bring the region closer to the realization of its dream of a unique investment destination. The EAC protocols and programs can enlarge the opportunities for the private sector and raise the standard of living of its citizens in ways that no partner state can do alone.

Full implementation of the EAC integration agenda is a challenging task. Therefore, all parties, particularly the organization member countries, are called for robust implementation to deliver the rights and freedoms cherished in the EAC integration protocols and programs. This necessitates a robust implementation cycle, including planning, implementation, and monitoring of progress.

The following sections summarise the research findings and present recommendations to overcome the drawbacks that were identified by the study. The contributions of this research to the existing body of knowledge, its limitations, and proposals for further studies are discussed at the end of the chapter.

7.2. Summary of the key findings

This section discusses the key findings of the study. Generally, the research process encompassed the review of the relevant literature, a description of the data from existing sources and what came out of the current study, the results discussions, drawn conclusions, recommendations, and finally suggestions for future work.

7.2.1. ITIAs impact on the countries of the EAC

Economic growth in the EAC area became mostly triggered by ITIAs. The set-off economic growth of the EAC between 2005 and 2019, as presented in figure 5.2, has performed well with an average of 4.7%, which is much higher than other regions as presented in Figure 3.9, chapter 3 page 81. According to Figure 5.2 and Figure 5.3, Rwanda performed better in the country economic growth (based on the average percentage of the GDP weight for the EAC countries), followed by Tanzania, then Kenya, and then Uganda

The population of the EAC profits immensely from ITIAs in the region. EAC people and businesses operating in the region benefit remarkably from the international trade and investments agreements among the EAC member countries themselves and between the organization with the rest of the world. The benefits to EAC citizens include free movement of goods, services, and persons; freedom for labour/workers; borderless for capitals and properties; right of establishment and residence; non-discrimination; equal treatment; low price goods; the bigger job market for new employments; increased household's income; uplifted living standards; knowledge and technology transfer; etc. The benefits to businesses comprise quality products, new business markets, an increase of revenues, increased competitive advantage, etc. Benefits to EAC governments include increased national GDPs, development of infrastructure, conflicts prevention, promotion of peace and security, enhanced cooperation and among others.

ITIAs enhance the quality of life for the EAC population. Most of the population in EAC expressed that they gain value and advantage of being in the organization. The international trade and investment agreements increased exceptionally the quality of living for the EAC citizens by plummeting starvation (the fact that they create a vast area to find work and invest in), enhancing quality to basic public services provided (like improved infrastructure related to education, health, transports, clean water, and sanitation, etc.), reducing cross-border criminality, promoting cultural and language integration, etc.

7.2.2. Trade and investment performances and policies in EAC

Positive effect on the preparation and implementation of the EAC trade policies. The international trade and investment agreements exert influence on the preparation and implementation of the EAC trade policies by providing a pathway in harmonising trade policies (in triggering and encouraging the adoption of more responsible trade and investment policies), by promoting economic development and extra-regional trade liberalization (in improving policies related to cross-border trade and foreign investment), and by adequately

and appropriately enabling trade environment (elaborating conducive policies and development of basic infrastructure).
EAC member countries have over time simplified and eased the way of doing business much more than constraining it. They have shown good regulatory performance (figure 5.4 and 5.5, and as well Appendix 5.5 and 5.6) in enhancing business activity, but lower scores compared to other countries in the world. Rwanda has the fewest procedures and fastest processes to start up and operate a business in the EAC area with a score of 76.5%, followed by Kenya with the score of 73.2%, followed by Uganda with a score of 60%, followed by Tanzania with the score of 54.5%, followed by Burundi with the score of 46.8%, and lastly South Sudan with the score of 34.6%.

ITIAs are the key promotors of the EAC effective trade and investment performance. All the EAC countries generally experienced a remarkable increase in trade since the community admitted new members (Rwanda and Burundi in 2007, and South Sudan in 2016), Appendix table 5.26. However, there was a decrease in trade trends in 2009 for all countries, which were undoubtedly linked to the 2008 -2009 financial crisis. The uprising trade trend resumed in 2010, and again all EAC member countries reported a decline during 2014–2016. This fall, as underlined in the World Trade Organization statistical review (2016), was due to some factors, including mostly the Chinese economic slowdown, the decline in oil prices and the volatility of exchange rate (where the dollar value of exports (goods) fell by 14%).
The share of trade in the GDP of EAC performed with an upward trend for the analysed period from 2000 to 2019 (Appendix 5.28). The analysed trade statistics showed that all the EAC countries continuously ran into deep trade deficits. This means that all those countries had to borrow to pay to cover the greater excess of their imports over their exports. Due to the continuous borrowing, their respective economies suffered the effects of the high-level inflation rate, future uncertainty (short-term gains and planning, which could not guarantee long-term benefits), and dependability to other countries (politically and economically). Based on the same figure, trade contributed an averagely of one-third of the GDP of the EAC countries. Kenya dominated the share of trade in EAC most of the analysed period, Figure 5.59.

The foreign direct investment share equalled 2.2% of the GDP of the EAC countries in 2019 (Appendix 5.29). Most foreign investment projects come from the rest of the world into EAC

countries (UNCTAD FDI/TNC, 2017); this means that only small investment projects are originated in the EAC region. Kenya remains the dominant FDI destination within the EAC (Figure 5.60) due to the fact it is classed as a non-Least Developed Country (LDCs).
The most lucrative international trade and investment agreements for the EAC organisation include the Trade and Investment Framework Agreement (TIFA) between the EAC and the US, the Trade and Investment Framework Agreement (TIFA) between the EAC and China, and the Economic Partnership Agreements (EPA) between the EAC and the European Union.

ITIAs are the tools for exporting diversified products. The characteristics of trade within the EAC and between the organization with the rest of the world, considering the presented data from 2016 to 2019, have generally progressed toward exporting products that are much more diversified (by geographic destination) and sophisticated (which can be classified as those predominantly produced by advanced economies).

ITIAs are the key promotor for business reforms and ease of doing business within the EAC countries. The international trade investment agreements in EAC led to deeper reforms of economic development of the organisation member nations. Business Reforms were led by both improvements and challenges of doing business in each country based on the analyses made. The challenges include expensive and unreliable energy systems, bureaucracy, an underdeveloped transport system, and evidenced prevalent corruption in government agencies, especially in customs and tax authorities.
Business reforms in Burundi were dominated by spurring investments and job creation through reforms in many areas such as resolving insolvency, starting a business, trading across borders, protecting investors and more. Business reforms in Kenya were led by demolishing its import restrictions and tariff, which are currently the main instrument of its trade policy. In Rwanda, business reforms were dominated by easing the trading environment inside the country and across the EAC region in general. Business reforms in South Sudan were poorly performed for both inside and outside the country. Business reforms in Tanzania were performed good but not at their best in the ease of doing business, comparing other countries in the EAC region. In Uganda, business reforms were dominated by promoting a private sector-led economy which has expanded considerably during the analysed period and the county trade and foreign direct investment grew stronger over the years.

7.2.3. Resolution of economic and political stability conflicts in EAC

The contribution to resolving the issues of economic and political stability between the EAC member countries. The international trade and investment agreements tremendously contribute to solving issues concerning political stability in the EAC region. Though the agreements the EAC member countries have accorded together to crisis prevention, small arms and light weapons control, conflict resolution, good governance promotion, and economic development in partnership. But some people and business representatives indicated their fear that some leaders in EAC bring their issues into the organisation leadership, expressing their ambitions to dominate others, and prioritising the interests of their own countries instead of thinking the organization as a whole.

7.2.4. Promoting the key EAC economic sectors and gender equality

*Resolving the problems related to gender inequality***.** Throughout international trade and investment agreements, gender inequality issues have been reduced in the EAC region. Trade and gender implications play an essential role in the integration process of the organization. Even they are affected in a different way, men and women in EAC engage in various roles as employees, consumers, producers, and leaders thanks to the agreements within EAC.

To promote gender equality and women's empowerment, EAC countries is being enhanced directly and indirectly by international trade and investment agreements by helping to empower women (but differently from country to country) in harnessing policies to help to place women in leading administrative positions.

Appendix 5.14 demonstrates that both females and males are employed almost equally in both public and private sectors in EAC. However, the number of women in employment has increased remarkably, as presented in the same appendix, where the percentage of women in employment is greater than men in some EAC countries.

And by assisting to equal treatment in social, political, and economic activities, in promoting the expectation to treat all citizens in the same manner, and women have gotten the same treatment as men in doing or running a business.

*Support from ITIAs on the promotion of economic sectors in the EAC area***.** The international trade and investment agreements exerted a big impact on the infrastructure development of basic economic sectors within the EAC region, economically, politically, and socially. Due to their share of promoting industrialization, creating jobs, and adding value and quality to

many services provided to people, the agreements have been and still are the important driver of economic development to the population of the EAC.
For the impeded agriculture sector (including agricultural, forestry, livestock, and fishing), farmers are being assisted for the production of elevated and quality harvests, in eliminating traditional (artisanal) farming methods, and introducing exemplary lead farms for test and training.
For the industry sector, in general, the regional trade and investment agreements are playing a marvellous role in the development and improvement of the sector by adopting the regional industrialization strategy; building modern industrial plant units for producing or processing efficient quality products; improving cooperation in finance (monetary and fiscal matters) to establish monetary stability within the region; establishing the scientific and technological research in the region (recognising the fundamental importance of science, education, and technology); promoting (for tourism purpose) the marketing of the EAC as a single tourist destination; and promoting diverse cultural and sports activities in preserving original cultures of EAC member countries; and among others.
Yet, some sub-sectors still need immediate attention and innovative infrastructure to facilitate key economic activities consisting of modern farming, quality and bigger roads, railways constructions, ICT communications, electricity, and ports infrastructure.
For the service sector, the ITIAs provide necessary tolls to trigger commitments to enhance the sector and liberalize it into the seven key subsectors.

7.2.5. Promotion of the EAC integration process

The ITIAs contribute to the advancement of the EAC integration process. The international trade and investment agreements are key factors for the successful integration of the organization. They are tools to the continual improvement of the economic integration for EAC intergovernmental organisation in promoting the seven stages of the integration process, throughout trade facilitation agreements, from the preferential trading area, free trade area, customs union, common market, economic union, economic and monetary union (coming - under review), to complete economic integration (to one political federation).
The regional trade and investment agreements in EAC have actively brought together countries of the EAC in cooperation and played a substantial part in reforming trade and investments activities for sustainable development in the region. They have promoted the EAC trade infrastructure and increased the proportion of FDI in the GDP of the EAC countries individually.

As evidence, there is an increasing proportion of trade in the GDP of the EAC, which is consistent with the economies becoming more integrated at the international level and thus more modern in terms of their processes of production and outputs.

7.2.6. Constraints to the ITIAs and business activities in EAC

Ineffective means of communication. Some people in EAC indicated that they knew very well about the treaty establishing the East African Community and other related international trade and investments agreements in the organisation, but others have little knowledge about them. Many people expressed that the communication of new trade directives and regulations in EAC is insufficient. Many decisions and regulations regarding cross border trade and investment are being taken and implemented without sufficiently communicating all stakeholders like involved people and businesses operating in the EAC area.

Existence of undeveloped democracies. Supported by the civil liberty data, freedom house (2020), the current research findings indicate that the EAC countries, like many other countries in Africa, still are governed with underdeveloped democracies, and many decisions are taken and executed by few strong personalities in their respective governments without asking the public about their opinions.

Inequality in benefiting from ITIAs among the EAC member countries. Due to different characteristics, the EAC member countries do not cash in the benefits from the international trade and investment agreements in the same way. Those countries are not on the same level to satisfy cross border demand, and additionally, some do not possess the needed infrastructure that can support the facilitation of the due conditions to benefit the trade and investment agreements outcomes fully.

Difficult environment to do business. Across the EAC region, entrepreneurs or business operators face sometimes challenging business environment that is less friendly, including more bureaucratic procedures, corruption and embezzlement activities, and long processes in service provisions. Thus, the problem is not just cost but price deteriorations.

Natural and human-induced disasters and pandemic diseases. Cross-border trade within the EAC countries is mostly impacted by natural hazards and pandemic diseases. The natural hazards include droughts, floods, earthquakes, landslides, lightning, and others, but the drought is the most common hazard in the region. The pandemic diseases include Covid-19, Ebola, Cholera, among others. The Covid-19, however, is the most negatively affecting the population in many activities with social, economic, and financial implications in EAC countries, mostly trade (locally, regionally, or internationally) and employment.

Not respecting regional trade and investment agreements and protocols in EAC. The international trade and investment agreements within the EAC are respected in the same way by the organisation member countries, but without dismissing that the political climate often dominates with a big proportion the way each EAC member country respects them.

7.2.7. Incertitude and concerns to trade and investment activities in EAC

One of the main objectives of the EAC is to enhance trade in co-operating and simplifying trade information, as well as facilitating trade in goods between the EAC countries and with the rest of the world (EAC treaty 2000 & the East African Trade Negotiations Act 2008), and among others. The identified incertitude and concerns are related to the following:

Undetermined level of willingness to the facilitation of trade. Based on the EAC and the Word Bank reports, the willingness to cooperate and trade facilitation between the EAC member states are undetermined and in question. The findings of current research determined that the willingness level of each EAC member state in responding to their commitments is at a low level. For example, (1) Tanzania and Burundi did not respond well as others when the EPA agreement with the EU was being negotiated, (2) the border closer between Uganda and Rwanda due to political inconsistencies, among others. Those cause negative implications such as lack of transparency, delaying some trade and investment projects (e.g. the Ugandan fuel pipeline project from Hoima (Uganda) to Dar-es-Salaam (Tanzania) has been delayed for more than four years now), and low prioritization of programs related to infrastructure development that targets EAC market integration (e.g. the planned train routes projects connecting Dar-es-Salaam and Mombasa ports with other EAC's landlocked countries to Bujumbura joining up via Kigali, were just rested in talk, except a small part from Mombasa to Nairobi). Recommendations to address the issue is provided.

The consequence of multiple belongingness to various RECs. Each EAC member presents membership composition in many various RECs. Tanzania is at the same time part of the Southern African Development Community (SADC). Rwanda, Burundi, Kenya, and Uganda are also members of the Common Market for Eastern and Southern Africa (COMESA). And Kenya, South Sudan and Uganda are part of the Inter-Governmental Authority on Development (IGAD). Among others. Consequently, an organization that presents those types of membership characteristics accounts for some complications in its functionality. The current study addressed this gap by outlining different consequences that the EAC confront because of the multiple belongingness of its members to many various RECs, and some recommendations are provided.

Lack or poor surveillance. There is no known legal and institutional surveillance for supporting compliance and enforcement to trade and investment agreements among the EAC Partner States and those with the rest of the world. This study has profiled the topic of recommended oversight bodies that can monitor and observe the EAC agreements and protocols.

*Inadequacies in the institutional building***.** In EAC countries, most institutional capabilities are inadequate at the national and regional levels to domesticate regional policies about trade and investment. For example, parliamentary institutions, local governments, among others. The current research study has outlined pitfalls related to not having an adequate institutional building in EAC and offered recommendations.

Insufficient infrastructure in basic economic sectors. There is a lack of sufficient infrastructure in all EAC countries that handicap trade and investment visions, especially in agriculture and industry sectors, i.e., insufficient electricity, inadequate roads, low ICT infrastructure, etc. Current research has defined the level of EAC infrastructure of priority in basic economic sectors and advised on related effects to both domestic and cross border trade and investment activities, and stated potential recommendations.

*Lack of trusted originality and quality for locally produced products and services***.** Although there exist national standardization departments for quality and originality standards in each country of the EAC, services and products originated domestically within the EAC area, have none or less trust internationally. This is due to the lack of equipment and capacity for those standardization departments to offer trustworthy services. The study determined the way to gain trust by advising the course of action to increase the quality of the products domestically produced within the EAC.

There have been disclosed the way international trade and investment agreements play a substantial role in the improvement of product quality and standards, building capacity in many industries, labour standards, and business reforms through increased competition and the best practices exchange between trade partners. Also, the study informs about features, individualities, and traits to local traders in the EAC area by providing access to the knowledge and skills needed to handle trade and investment instruments.

*Fear for sovereignty loss***.** Many EAC countries are afraid to lose their sovereignty when conducting international trade and investment agreements. They think that their respective states are weakening. The study demonstrated the benefits and advantages when entering into international transaction and investment agreements. According to the recent work of McAuliffe, Saxena, and Yabara (2012), the EAC growth has been gauged sustainably, stating that prospects for upholding sustained growth in the region are good accordingly whether macroeconomic stability is maintained as well. However, the current study indicated also that further progress is expected through deepening development in partnership instead of as a standalone country. There have been determined the commitment behaviour that each partner state of the EAC must obligate to benefit the same way. The commitment behaviour, when followed, lowers the level of fear of losing sovereignty to enter into an international trade and investment agreement. Recommendations on the matter were provided.

7.3. Recommendations and implementation strategy

7.3.1. The formulation of trade and investment strategies in EAC countries

Employing received data, the strategy formulation and implementation has been examined accordingly to EAC region settings. Before any strategic questions can be answered, it is necessary to thoroughly examine the individual market and get the expertise required to understand its people and their culture. The world is a conglomeration of vastly different countries, each with diverse markets that offer unique opportunities that must be understood at a local level before any tactical issues can be properly addressed.
Generally, research on strategies in emerging market economies accounts for several difficulties (Hoskisson, Eden, Lau & Wright, 2000). For example, theories promulgated for developed market economies may not the appropriate for emerging economies. And emerging economies are not a homogeneous or identifiable and recognizable group.

In considering the lack of specialized intermediaries, contract-enforcing mechanisms, and regulatory systems in emerging markets of the EAC, it is suggested, in the current study, that trade and investments strategies be formulated and settled using four primary theoretical perspectives that provide useful insights.

Institutional theory: this is defined as the comprehensive set of plans and actions directed at leveraging and shaping socio-political and cultural institutions (Marquis and Raynard,2014). This will help the EAC economies to obtain and retain a competitive advantage.

Transaction cost economics: the governance of contractual relations and an understanding of which serves as a paradigm for helping to unpack the puzzles of a complex economic organization more generally (Williamson, 1979). The transaction cost economics may support the EAC to (1) be more microanalytic, (2) become more self-conscious about its behavioural assumptions, (3) introduce and develop the economic importance of asset specificity, (4) rely more on comparative institutional analysis, (5) regard its self as a governance structure rather than a serving function, (6) place greater weight on the institutions with special emphasis on private order, and (7) work out of a combined law, economics, and organization perspective.

The resource-based view of the individual EAC member State: this theory may assist in exploring the usefulness of analysing member states from the resources side rather than from the products side. In analogy to entry barriers and growth-share matrices, the concepts of resource position barrier and resource-product matrices are suggested. These tools are then used to highlight the new strategic options which naturally emerge from the resource perspective.

National Competitive Advantage – Porter's Diamond model: this theory provides the tools in answering the question of how each nation in the EAC can achieve international success in a certain industry. Utilizing the Porter Diamond Model, Porter (2008), to establish the way to translate EAC regional competitive advantages into international competitive advantages on a global scale, the following six attributes should be referred to:

Factor conditions that are exploited by companies in EAC countries.

EAC basic factors are natural resources (rich), climate (favourable), location (good, access to big ports of Mombasa and Dar-e-slam), demographics (young population). EAC advanced factors are characterised by weak infrastructure (communication, ICT, etc.), low level of sophisticated and skilled labour, research facilities, low level of workforce linguistic ability and technological know-how. Advanced factors are a product of an investment by individuals, companies, and governments. Porter argues that advanced factors are the most significant for competitive advantage.

Demand conditions involve the fact that if the EAC local market for locally produced products is larger and more consuming (demanding) domestically than in the foreign market, local companies adapt to improve significantly more than foreign firms. Therefore, if the products consumers at home are more demanding (enough purchasing power), companies will have to produce innovative, high-quality products, which leads to a global competitive advantage for local exporting companies. EAC local market is large with 190.7 million people in 2019, figure 3.10 and World Bank data (2020).

Relating and supporting industries: The EAC companies get potential more cost-efficient and acquire more innovative products and spare parts if suppliers and domestic supporting industries are competitive. In this circumstance, EAC local firms experience greater competitiveness. EAC local industries present a low level of capabilities; therefore, they produce mostly low-level quality parts and products. On the other hand, foreign suppliers present a high level of capability and produce high-quality products and parts.

The characteristics of strategy, structure, and rivalry. Company management systems and structures in different EAC countries, as elsewhere in the world, affect competitiveness because they can hurt or help in building firms' competitive advantage. In the same way, if rivalry in EAC local market can display ferocious aggressiveness, local companies might built-up more capabilities that can play the substantial role of being competitive advantage on the global scale. Furthermore, when there is a strong domestic rivalry, it helps to create improved efficiency, making those firms better international competitors. However, EAC domestic market presents intense rivalry in a local consumed product, but less rivalry in products that can be exported. This leads to counterproductive and acts as a barrier for the generation of international competitiveness advantages with less innovation and impeding development.

Company structures in EAC are mostly mechanistic because they present narrow control spans and rigid departmentalisation and are divisional because they are product based mostly, but process-based as well. The rivalry in the EAC market is formed highly with locally consumed products and lowly with international products that can be exported. The strategy in most companies in the EAC region is defined as an extender (because they seem to expand in regional markets that are similar to home market), dodger (because of high pressure they face to globalize, they have low transferable assets, and they mostly prefer to be acquired or merged), and low contender (few companies try to upgrade to compete with foreign multinationals)

The chance can be categorised and defined as breakthrough innovations and opportunities in EAC producing and operating processes.

The Governments also play a substantial role in promoting industries constructions and companies' creation and development in both home and abroad markets. Also, public investments such as investment in education, health, etc., influence the "national diamond" Country conditions.

In EAC organisation, cultural aspects are different for each member state, economic and political environment are unstable, security is unstable in many member countries (i.e., South Sudan conflicts, Kenya elections disagreements, Uganda domestic violence among people and the police, Burundi constitutional crises, etc.) and the regional infrastructure is poor or less developed (mostly in ICT and other communication means such as roads and others. Education and health systems are not well organized, and most of the population cannot afford the services they need.

7.3.2. Re-localisation of the area of production

Based on the research findings, the EAC countries still run into negative trade balances. This means that those countries experience a continuous current account deficit because they spend much more amount abroad than what they receive from the outside world (research findings and IMF 2019). Those countries import commodities that they are unable to produce or have a lower capacity to produce enough to satisfy national or regional demand.

Despite that a trade deficit can raise the standard of living in the EAC countries because their residents can access a wider variety of goods and services for a more competitive price; thus however, the trade deficit can cause more outsourcing of jobs to other countries over time. As the EAC countries import more goods than they buy domestically, then they may create fewer jobs in some industries. At the same time, companies in the foreign market (origin of their imports) will likely employ new workers to keep up with the demand for their exports.

The EAC countries should process all raw materials required to produce any needed product. Like other countries such as the United States and others, it would be beneficial for the EAC countries to establish production factories where production resources are enough, including advanced materials and technological machinery needed in the production process (even in another country where necessary). Following this suggestion, the EAC countries can send their raw materials (as exports) produced domestically to their respective owned manufacturing companies in foreign countries to finish all production processes, where it is possible and cheaper to produce the needed product and ship back the finished products (as imports).

7.3.3. Establishing an inter-EAC anti-corruption task force

Based on current research and transparency report, there exist continuing high level of corruption in many countries of the EAC, according to Transparency International report 2020 and Appendix 6.16. Some of the many effects of the high level of corruption include long processes in providing needed services, loss in government income, depreciation in local currency, high level of inflation, loss of credibility in provided services at the international level, etc. By becoming barriers to economic growth, those effects negatively impact many economic and development activities in the country, including declining terms of trade and investment, poor infrastructure, inadequacies in human capital, inadequacies in capital accumulation, dependencies in the only primary product, poor decision making and governance, among others.

However, it is suggested to establish an anti-corruption task force at the EAC level where all member countries are obliged to comply with to lower and eventually abolish corruption for good.

7.3.4. Creating Agricultural Product Quality Schemes

This may help to produce quality agri-business products manufactured locally. The research has shown that in 2020 the agriculture sector employed more than 67% of the EAC population (Appendix 3.10). Thus, a big proportion of the sector's activities are still carried out in the old-fashioned (artisanal and traditional) ways, which explains the shorter is its share (28.1% in 2019) in the GDP of the EAC (Appendix 3.8). In addition, most of the agri-business products processed in EAC countries are considered as low level of quality internationally.

Nevertheless, EAC countries can benefit more if they invest in strengthening, innovating, and modernising agriculture activities. It is suggested, however, that Agricultural Product Quality Schemes be put in place in each EAC member country to support and advise local manufacturers in promoting advanced methods to produce an elevated quality of agri-business products that conform to standards and can stand on international competition. The forms have worked and produced results on agricultural activities in Europe, EU Rural Review, (2011).

7.3.5. Encourage creating qualified private companies to handle big projects

In EAC region is still in need of constructing big infrastructure in every economic sector. Most of the big and heavy investment projects in EAC become contracted by multinational corporations. They are many examples of big projects which have recently or still are contracted by foreign multinationals because there are not capable companies in the EAC area. Many areas include the construction of asphalt roads, heavy and long bridge, heavy power plants and dams, and others.

It is suggested that EAC member countries come together and establish capable and qualified companies to participate in the consultations and constructions of their big and heavy infrastructure projects to retain their funds within the organisation while creating economic surplus as well.

7.3.6. Enhancing disaster management systems

The EAC as a whole need to establish a capable regional agency (and respective branches in each country of the EAC) to handle disasters and Pandemic diseases. This can facilitate and ease the disaster management plans in the region as a whole.

The disaster management in EAC focuses on disaster response rather than disaster risk reduction, UNDP (2019). Many findings have shown that it is much more beneficial to move from reactive disaster risk management (response actions), which has been based on crisis and emergency management, to proactive disaster risk management (Prevention actions), which is based on vulnerability analysis, situational assessments, and evaluations of risk with a perspective to mitigate and alleviate the disasters' impacts before they occur. This results by establishing effective systems for early warning, communicating the event adequately and sharing experiences and knowledge on time to increase the resilience of the disaster management.

The pandemics like COVID-19, Ebola among others, have caused unexpected and fast-moving variables that existing disaster management plans were not prepared to handle. What governments and businesses in the EAC area can do is leverage their crisis management teams to mobilise their response efforts for the immediate rise up from the crisis. This can help them to transit into what is next.

7.3.7. Adding value to trade and investment activities

There is a strong need to add value to exports in each EAC member state, which will boost not only trade relationships within the EAC but also between the organization and the rest of the world. In this direction, EAC member countries can reduce their continuous trade deficits by increasing their exports while reducing their imports. Reducing trade costs and improving connections to regional and global markets are preconditions for expanding trade and investment activities. Governments in EAC may help with that by elaborating policies that enable much more trade and investment operations. This will lead to a trade surplus which is healthier for a country than a deficit.

7.3.8. Developing infrastructure of priority

Most EAC countries are landlocked countries. The development of infrastructures of priority can play a key part in reducing the development cost for the landlocked EAC countries. Findings have shown that most of the EAC physical infrastructures of priority are in poor conditions and still are major obstacles (Table 5.4 and Appendix 5.2).

It is endorsed that the EAC organisation concentrates more on developing and maintaining the infrastructures of priority, including transport infrastructure (to considerably increase the quality of roads, airports, and missing railway links), ICT infrastructure, and energy (especially electric power generation) infrastructure. These are crucial for any country of the EAC, especially the landlocked ones, to reduce their elevated trading costs, improve their competitive advantage and become thoroughly integrated into the global market. The enhancement of infrastructures of priority could foremostly reduce delays and boost production capacity to achieve sustained economic growth in the EAC area.

Improved transport infrastructure will shorten the long transportation time, reduce the high transport prices, facilitate farmers while trading their harvests, and lessen hardness when reaching some rural areas when needed. Enhancing energy infrastructure (especially electricity) to access affordable and reliable energy is critically important for putting an end to shortages which make it harder for manufacturers and traders to reach their full potential in their operations. Working together to promote innovated and modernised ICT infrastructure can ease interconnecting many systems in modernising transit and transport services, fully utilizing information capability and communications technologies in customs and border controls.

7.3.9. Building up efficient communication systems

Many people in EAC indicated there is insufficient communication about trade and investment agreements, bringing complexity and uncertainty in understanding the business environment. This is critical for the industry stakeholders not to comprehend and recognise the broader economic, political, and societal context they operate in, resulting in impeding them to make informed and compliant decisions that effectively drive their operations forward. It is recommended that communication need to be ameliorated by leaders in the EAC organisation (including all organs in the EAC secretarial leadership, to every concerned official in each EAC member state). This can boost the EAC economy, car effective communication of directives and regulations cause their implementation to be more successful, resulting in elevated intended productivity.

7.3.10. Respecting international trade and investment agreements

A big proportion of the EAC population which cannot be ignored, 30% of individuals and 18% of business participants (Figure 5.8), pointed out that the international trade and investment agreements within the EAC are not honoured in the same way due to the political dissimilarities between the organisation member states. It was stipulated that the economic and political environment of each EAC individual country reasonably dominate how trade and investment policies are formulated and implemented. Therefore, most of the time, that fact raises questions about long-term prospects for the EAC and respective trade and investments agreements within the organization, thus becoming a big challenge for the organization to grow or integrate successfully.

Furthermore, the weak national institutions in its member nations may seriously hamper the EAC effective cooperation and integration, ECA data (2010). The same data shows that the EAC countries have little translation of their organisation goals into their national plans and budgets. Looking at the organisation history, the EAC has been on and off for many years since its creation in 1917. It was dissolved for seven years from 1977 to 1984 until the mediation agreements between Kenya, Tanzania, and Uganda.

It is recommended, however, that the leaders of the EAC start adopting unalterable systems and bodies in respecting protocols and agreements between them by developing a strategic plan to grow awareness while substantially strengthening the EAC with given clearer operational guidelines.

7.3.11. Prioritization of the EAC interests

Some leaders in EAC prioritise the interests of their own countries instead of thinking of the organization as a whole. It is recommended that leaders in EAC member countries express a willingness to promote and implement the organization decisions, regulations, and directives without implicating their home countries agendas.

In addition, there exist accusations of interference in each other's affairs due to actions of some countries that express ambitions to dominate others in EAC. This does not only become the cause of failing to comply, observe and obey the decisions and agreements between them but also increase political instability in the region.

As a solution, however, binding systems in its decisions and protocols are needed in EAC to address and handle the political dissimilarities, geographical proximity, commonality of language and culture, economic interdependence, national sovereignty, history of cooperation, shared resources, among others. The role and contribution of each country of the EAC in achieving the main objective of the organization integration must be well specified to prevent the duplication of the past; otherwise, would the community cease to exist or dissolve.

7.3.12. Increasing the quality of the product

Almost all products manufactured in EAC countries are considered as low level of quality on international markets. However, this can be changed by the EAC countries by investing in factors involved to increase the quality of products produced locally. Those factors comprise increased capital, availability of needed raw materials, enough qualified staff, management of firms, markets, adequate modern machinery, and sufficient and cleaned storage facilities. Increased capitals: this is the most important factor affecting the quality of a product. If the capital (money) is involved in the production itself, then local firms are forced to produce low-quality products to survive. It is important, however, that governments get involved in supporting and investing needed capital in maintaining the quality of products and enhancing their agricultural activities.

Raw materials: the raw materials involved in the production process must be of high quality so that the manufactured product can turn out a high-quality product.

Firm management: highly qualified management in the local firms and industries are necessary for quality control and projects maintenance. Therefore, the management must be quality conscious rather than quantity conscious so that their firms can maintain adequate quality of products.

Workforce: people employed in designing, producing, and commercialising the products must be experienced labour force equipped with skillset and tools to allow them to produce high-level products that are unbeatable by competition on the market.

Market: markets must be studied and analysed before the product exists so that the quality of the product can be defined and emphasized to meet (satisfy) and fit the needs of the targeted markets.

Machinery and methods: the machines, tools and techniques used during the production process must be modern to maintain high standards of quality.

Storage facilities: storages have to be big enough and sufficient to host the products to avoid damage and deterioration. And products must keep in a tidy, clean, healthy, and safe environment.

7.3.13. Building up capable domestic industries to process natural resources

As described in chapter two, the area of the EAC presents an enormous number of natural resources which are underdeveloped and unprocessed. They are mostly exported at small prices to markets in developed countries to be processed into finished and semi-finished products that are inversely imported at extremely high prices.

It is recommended that the EAC nations promote projects that incite the establishment of factories that process natural resources into finished and semi-finished products. This can save the national reserves in lowering the importations, growing GDP, climbing the number of employments, and increasing the quality of living in EAC.

7.3.14. Increasing and improving air transport facilities

The air transport industry has an important role to play in achieving sustainable development in the EAC area by contributing to greater trade and inward investment, tourism, productivity growth, increased employment, and economic advancement. Having said air transport is impacted by fares, capacity, and volume of passengers.

The research findings in Appendix 5.24, the total number of airports in the EAC region is 513. Among them, only 40 are paved, and 12 are international airports and used frequently. Looking at the vast surface of the EAC (2,443,135 km², figure 3.1 and world bank data 2020) and its total population (190.07 million in 2019, figure 3.22), the number of international airports is very low to facilitate air transport industry efficiently especially, air travels to and from the EAC area.

It is recommended, however, that the EAC aviation systems adopt strategic plans that increase the number of accessible airports with frequent traffic, improve the facilities that attract many local users, and favour affordable air transport costs to more people as most of the EAC population have low purchasing power.

7.3.15. Establishment of oversight bodies for EAC agreements and protocols

The EAC organisation needs to establish more oversight bodies to monitor and examine the fulfilment of its protocols, programs, and agreements as provided in their selected commitments made by the member countries. Those bodies should be able to outline progress in enforcing related legislative and regulations to those protocols, programs, and agreements, where needed recommend reform measures.

Furthermore, the oversight bodies can contribute to reinforcing doing business reforms car the EAC as a whole needs a trade and investment model (in form as a business regulatory framework) with an atmosphere capable of climbing up trade and investment and can play a role as a catalyst for the modernisation of the regional economy. This can be an important ingredient for the EAC successful integration and a foundation to effectively expand its business activity, boost its competitiveness, stimulate its growth, and ultimately uplift the development of its population.

7.3.16. Strengthening institutional behaviours

Strong institutional behaviours, without doubt, bring durable economic development in the long term. In the EAC organisation, the findings indicated that the quality of governance effectiveness is not good (mostly under zero), political stability is at a high level with political tensions and instability, civil liberties are significantly less, and the degree of corruption control is too low.

The EAC member countries are advised, however, to carefully evaluate these institutional behaviours determinants and make improvements where necessary. This will make the EAC integrate while experiencing growth and success. Good institutional behaviours form prosperous drivers for a country's economy with a golden, well-heeled, flourishing, and thriving future.

7.3.17. Avoiding and renegotiation of uneven trade and investment relationships

The findings demonstrated that there exist uneven trade and investment treaties in EAC, e.g., EAC-China Trade and Investment Framework Agreement (Figure 5.62). Agreements like this only benefit one party, and yet the other party loses. These unfair agreements cause inequalities in trade and would lead to a continued trade deficit in the EAC. The Uganda-China airport conflict is one of the results of the negative trade and investment relationships, and the EAC needs to run away from such deals to ensure future growth. The situation was that Uganda allegedly had to "surrender" one of its national assets (the Entebbe International Airport) to EXIM Bank (Chinese Bank) for defaulting on its loan repayments. The re-negotiation of certain toxic clauses in the loan agreements of US $200 million requested by Uganda, was rejected constantly by Chinese officials. The loan was offered in 2015 for the purpose of upgrading and refurbishing the Entebbe International airport.

Generally, trade deals are important for both local and foreign economies. However, trade deals can impact negatively or positively the supply chains of manufacturers and retailers. The areas impacted include the cost of goods and availability. A more general impact comes from an overall increase in consumer confidence resulting from a favourable deal.

7.4. Fulfilment of the research objectives

For finding possible solutions to the mentioned research objectives and questions in chapter one, this study presents an in-depth investigative and comparative analysis of the international trade and investment agreements in the EAC, in lighting their implications to shaping trade and investment relationships among EAC countries and the rest of the world.

7.4.1. Understanding the nature of economic growth

The first objective of the current study is understanding the nature of the economic growth of the EAC through international trade and strategic investment in the partnership, to provide suggestions and recommendations that will foster the effectiveness of the organization integration towards the successful regional economic community (REC), and later Political Federation.

This objective was fully fulfilled as the study concentrated on the discovery of the economic and political growth of the EAC countries through partnership. Current research has outlined the trade performance within and beyond the EAC area, and the community has the potential to build economies of scale and accelerate competitiveness by bringing the region closer to achieving its single investment destination dream.

The study outlined the overview of the economic growth of the EAC as an intergovernmental organization. For the analysed period 2000 to 2019, the current research found that the EAC member countries have increased the weight of their GDP growth since they came together in 1999 and re-establish the East African Community and after admitting the neighbouring countries, including Burundi and Rwanda (in 2007) and South Sudan (in 2016).

The study found additionally that the international trade and investment agreements have exponentially trigged the infrastructure development of basic economic sectors in EAC, enabling successful regional integration of the organization. In promoting infrastructure of basic economic sectors, many activities of agriculture (agricultural, forestry, livestock, and fishing), energy (transport, telecommunications (ICT), manufacture, mining, oil and gas, tourism and wildfire, power energy, etc.), and services were facilitated and enhanced to modern technology and innovations. Though the economic growth would combine the organisation's economies, create new opportunities for the private sector and increase competitiveness which requires that people, goods, services and capital move freely.

7.4.2. Assessing prospects and constraints

The second objective relates to assessing the prospects and potential constraints for EAC countries in translating their recent growth into sustained future growth, through international trade and investments agreements, by drawing on the methodologies established by other countries that have accelerated and maintained growth.

This objective was fulfilled considering that the current study described the constraints and obstacles that hinder sustained future growth of the EAC countries. The obstacles englobe the low capacity to tackle disasters and pandemic diseases, deficient communication in the organization, political instability in some EAC member countries, underdeveloped democracies within the region, high level of corruption, uneven distribution of the benefits from international trade and investment agreements, the manner regional trade and investment agreements are kept, and undeveloped channels to interpret and implement trade and investment policies.

7.4.3. Fostering economic growth and political cooperation

The third objective is related to fostering economic growth and political cooperation by increasing the production of goods and services, sustaining good governance, and improving the institutional building to attract higher foreign direct investments (FDI) in the EAC region. The study demonstrated, in many ways, how international trade and investment agreements participate in facilitating democracy advancement, promoting cooperation, and solving issues concerning political conflicts between the EAC member countries. This is beneficial in the probe to attract foreign investment in the region.

The study indicated that through international trade and investment agreements, the issues of inclusive growth among the population have lowered, the environment of doing business has ameliorated for better, and the number of women in business continued to grow in economic clout for all the EAC countries.

7.4.4. Provision of constructive recommendations

The recommendations were provided above, and these, when considered, could not only enable highly valued activities of trade and investment could also promote the effectiveness of the EAC integration towards a successful regional economic community. The suggested recommendations in current research are based on the results of the research findings and indicate the specific measures or directions that can be taken and are related directly to the aims of this research project.

7.5. Contribution of the Research

7.5.1. Contribution to policy formulation in the EAC region

Looking to its inputs, the current study provides valuable information to be exploited and utilized in preparing, formulating, and implementing coherent national and regional trade and investment policies. Its provided data can be employed to consolidate the linkage between trade and investment, knowledge, sustained growth, and other development drivers with the adoption of more reliant and responsible trade and investment policies in many economic sectors into the EAC.

It develops insights for understanding more clearly the way the input measures (conditioning factors) of the EAC interact with outcome measures (performance indicators). Those insights are of importance to many actors (governments, development partners, and both regional and national institutions) involved in the regional integration process agenda when outlining international trade and investment agreements that lead to better outcomes.

7.5.2. Contribution to practical knowledge

In general, the current study has broadened the existent body of knowledge about the implication of international trade and investment agreements, especially, to the EAC as an intergovernmental organization. It informs the beneficiaries of the characteristics of the EAC organisation economic growth and its journal of business reforms throughout the performance of international trade and investment agreements between both within and the rest of the world.

After exploring the contribution of international trade and investment agreements in EAC, current research has made available novel insights and information to the organization integration process, the quality of life of the population, the preparation and implementation of coherent both national and cross-border trade and investment policies, and the feasible approaches for strengthening the organisation cooperation capacity.

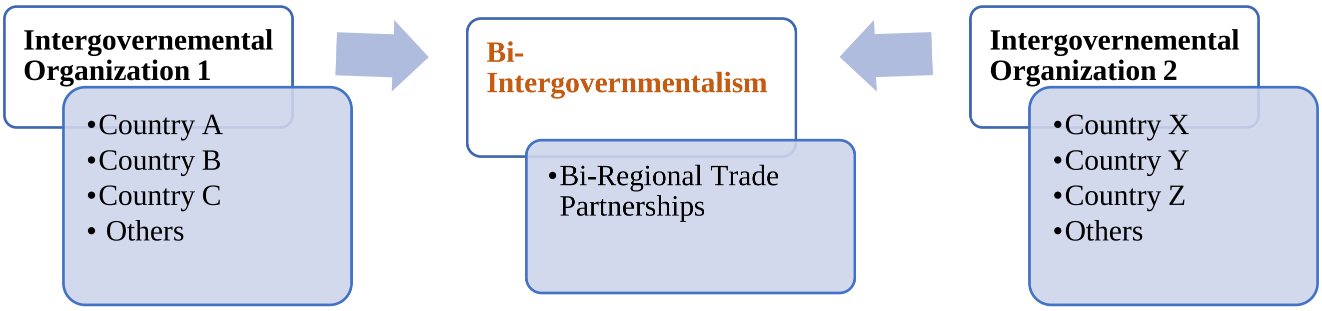
The provided data demonstrated the manner the EAC integration process defines and strengthens the linkage between the region trade, FDI and sustained growth and development; enhances knowledge transfer about growth through partnership; assists to understand the way to handle potential economic handicaps among the EAC region; participates in enabling the EAC countries to formally use their natural resources, and promotes the organisation human power to become more productive.

7.5.3. Contribution to theory

It was made available the resources about the importance of involvement for international trade and investment agreements to the integration process of a Regional Economic Community (REC). Current research has developed a new theory of international trade, and further research can use this data as a foundation for the development of a new theory, or a model in the context of cross-border trade. The theoretical contribution for current research is explained by identifying the key factors that mediate key relationships between different inter-governmental organizations, Baum & wally (2003).

It combines the simultaneous examination of cross-border trade impact between different blocs. Therefore, the current study has drawn and presented the **"bi-intergovernmentalism approach"** as a new international trade model because of its representation with a new form of trade cooperation. It defines trade operations between two intergovernmental organizations in terms of **bi-regional trade partnerships**, i.e., Economic Partnership Agreement (EPA) trade partnership between European Union and East African Community, and among others.

Figure 7. 1: Bi-intergovernmentalism approach



The **bi-intergovernmentalism approach** is defined as an international trade agreement between two intergovernmental organizations with a common goal of promoting cooperation among them.
Since this study is academic research, it systematically contributes to identifying the facts that assist in dealing with direct practical implications of trade and investment agreements to policies within the EAC as a regional economic community. Governments' planners and policymakers can evaluate and use the arguments presented in this study to formulate and develop better options and more effective trade and investments policies as well.

7.5.4. Beneficiaries of the research

The data and information provided in this research intend to assist multinational corporations and the international community in general understanding what to consider when making trade and investments decisions in the East African Community region.
Thus, current research benefits: The member governments East African Community (EAC), the foreign governments in cooperation with the EAC organization, the population of the EAC countries, local businesses operating in the EAC, multinational companies, regional and

international organizations, public and private institutions, the academic community in general, and professionals (such as area experts, policymakers, agreements negotiators, others.)

7.5.5. Further research

It is suggested to conduct research on how to establish good trade alliances that strengthen the economic and political base of a country, ensure its food security, and benefit trading partners by exchanging elevated quality goods and through the use of price-fixing, quotas, and tariffs.

The growth of international trade and investment agreements is needed and continue to present a wide area of study. This research has contributed with valuable understanding reflections to employ on the possible further studies. As the current study progressed, a few areas surfaced as suggested areas for future studies.

It is also suggested for future research to be undertaken to understand the way international trade and investment agreements can impact locally produced products in the EAC area to be more sophisticated and become enhanced in quality to compete at the international level.

Future research is also needed to examine the extent of commitment that international trade and investment agreements perpetrate to solve conflicts related to regional political stability as a precondition for economic integration.

Besides what was provided in the current research, it would be very beneficial if a future study is undertaken to understand the significance of the recent and rapid development of regional trade and investment agreements for cooperation building both within and between intergovernmental organisations.

Further research can be conducted to examine regional economic integration and competitiveness for a small national economy in transition.

Furthermore, the current research examined the implication of international trade and investment agreements to trade policies in less developed countries of the EAC. However, it is recommended to undertake future studies to determine the involvement of international trade and investment agreements in initiatives of preparation and implementation of international trade policies between developed and less developed countries.

7.6. Final conclusion of the thesis

In the last few decades, within the EAC area, governments have developed a growing appreciation of the need for economic growth in partnership. This research presented a pragmatic approach to developing and evaluating system-specific performance metrics for cooperation in partnership in both regional and international trade and investment perspectives. The EAC, by pursuing regional co-operation and integration as a strategy to achieve robust and self-sustaining economic growth, is an important and necessary path to achieve the level of becoming a significant and worthy player in the global economy. To advance the process and for realizing the effective performance in the EAC must, however, broaden changes in both consumer and institutional behaviour as well as in the technologies that enable the benefits of modernity.

For successful efforts of cooperation, all involved parties must commit to respecting the principles of successful cooperation, which are being collaborative, feeling to be part of the community, implementing togetherness, being open to each other, being ready for change, being able to create value together, and finally most of all being able to communicate effectively and truthfully. While most respondents indicated to have a high level of knowledge about the EAC trade treaties and the organization functionality in general, it is important to advise that a significant percentage of respondents showed to have small or no knowledge at all what the EAC organization is about. A particularly significant factor to take into consideration here, most of the people in the EAC countries are not being communicated about the EAC organization, its functionality, its rules and people's rights, and its treaties in many domains.

During the current study, several portrayed facts related to international trade and investment agreements and economic development experienced by the EAC member states have been reported. Their implication trigged the pace of economic growth in general and the rapid economic changes that have been consummated during recent years in the EAC area. The share of economic sectors including agriculture, industry and services has greatly risen into the GDP of each country of the EAC and the organization (as a whole). Thus, the rapid level of recent growth is not enough for the EAC countries to reach their targeted, sustainable development goals by 2050 due to many presented factors. The EAC as an intergovernmental organization has entered into other international trade and investment agreements with other intergovernmental organizations and stand-alone countries. Among the big ITIAs that the

EAC has entered are the EAC-US Trade and Investment Framework Agreement (TIFA), the Economic Partnership Agreements (EPA) between the EAC and the European Union, and the EAC-China Trade and Investment Framework Agreement (TIFA).

The EAC – US TIFA can be defined as a fair trade agreement. Figure 5.61 indicated that the two blocs traded in surplus for goods and services almost equally on both sides. This is beneficial to both the EAC and the US and helps the two blocs to achieve sustainable and equitable trade relationships as a result.

According to figure 5.63, the EAC - EU EPA trade agreement is also a fair-trade agreement. The EU exports to the EAC are little much more than the EAC exports to the EU but still benefit all involved parties. This is a good trade agreement as it rewards both blocs, even it is not at the same level. This trade agreement facilitated stronger trade and investment relationships between the two trade partners.

The EAC – China trade relationship is uneven trade agreement. According to figure 5.62, the trade balance between the EAC and China is deeply negative for the EAC, in favour of China. This means that the trade agreement between these two blocs benefits only one party at a high level; the EAC imports too much from China and exports very little to China. This is a proof of a disadvantage that the trade agreement between these two blocs cause less successful companies in EAC to go out of business. The EAC local industry cannot compete with the more powerful industry of China that offer low market prices, and as a result, one of the EAC loses its price advantage. The products imported from China (chapter 5, Page 201) are mostly of low cost in prices and consumers in EAC buy them because they are cheap on the market. However, they lose their money buying them as those Chinese made products don’t last long, and most have no guarantees. This is like dumping them on developing countries while concurrently keeping international prices at low levels. Also, when looking at the exports from the EAC to China, they consist mostly of natural minerals, animals’ products, vegetables, and pyrethrum. These are the important raw material that enriches mostly China after producing highly-priced products from them.

Uneven (unfair) trade relationship incites, first, the issue of export-led growth (operate through facilitating imports). Exports are, of course, the means to afford increased imports, but the gains arise from increased imports. This does not mean there are no gains from exporting. Second, it incites the issues related to Time horizons (known as a planning horizon). In the short run, changes in trade policy can have an immediate negative impact.

Overall, even both domestic production and exports have become sophisticated and diversified, most of the EAC countries still produce small commodities without employing their natural resources fully. Moreover, even though their technology and quality of exports have improved over time and are more prominent in recent years than before, but are still however at a low level and impede their comparative advantage on international markets (particularly beyond the region).

Currently, the EAC regional integration agenda is backed and implemented by many actors in the region comprising governments, development partners, and both regional and national institutions. These contribute to advancing the agenda through their various capacities. Throughout the international trade and investment agreements within the organization and beyond, the EAC countries are bounded together in fulfilling various commitments towards regional integration (single common market, customs union, and monetary union) and, in the end, towards one single political federation. Both the regional and international trade and investment agreements within and beyond the EAC have advocated the advantages and benefits offered to the population and domestic firms of the organization. They are the essence that boosts development and reduces poverty by generating growth through increased investments and trade (commercial) opportunities in the region.
Citizens are benefiting from freedom for labour (workers), free movement of goods, services, and persons; borderless for capitals and properties; right of establishment and residence; non-discrimination (equal treatment without nationality differences within the organization); low price goods; bigger work market; an increase of income; better life condition; among others. Businesses are benefiting from new bigger markets of exportations and importations, the flow of goods and services, increased labour capital, free movement for capitals and properties, increase of competitive advantage, sustainable investing, connected regional electronic stock markets, knowledge transfer, technology transfer, an increase of revenue, and among others. Several recommendations were proposed for immediate actions that need to be implemented to reinforce the integration path and cooperation, and some past actions to be corrected or avoided to maintain achievements.

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APPENDICES

APPENDIX 3. 1: BURUNDI - Economic Indicators 2000-2016

Indicators	2000	2005	2009	2010	2011	2012	2013	2014	2015	2016
Access to electricity (% of population)	3.9	4.8	5.6	5.3	6.0	6.5	6.5	7.0	..	..
Adjusted net national income (annual% growth)	3.3	14.1	12.1	31.4	-0.6	16.7	..	..	..	..
Agricultural land (% of land area)	72.7	70.8	71.4	71.4	73.3	75.3	79.2	79.2	79.1	..
Agricultural raw materials exports (% merchandise exports)	7.6	4.2	4.8	4.9	5.0	4.3	2.2	0.4	2.9	..
Agricultural raw materials imports (% merchandise imports)	2.4	1.4	1.4	1.4	0.7	0.9	1.0	0.7	1.3	..
Agriculture, value added (% of GDP)	48.1	44.5	40.5	40.4	40.3	40.6	39.8	39.3	40.4	39.8
Agriculture, value added (annual % growth)	-5.2	-6.6	3.0	3.9	4.4	5.4	1.0	3.3	-3.0	-2.8
Arable land (% of land area)	37.4	37.2	37.0	37.0	38.9	42.8	46.7	46.7	46.7	..
Broad money (% of GDP)	..	23.2	26.4	28.2	25.3	24.5	23.3	23.0	22.8	23.7
Business extent of disclosure index (0=less, 10=more)	..	4.0	4.0	4.0	8.0	8.0	8.0	8.0	8.0	8.0
Cost of business start-up procedures (% of GNI/ capita)	..	190.2	145.7	124.3	116.8	18.3	17.5	13.4	13.4	13.9
Currency composition of PPG debt, all other currencies (%)	6.5	6.3	19.6	20.9	22.3	19.7	20.1	23.3	22.5	22.1
Current account balance (% of GDP)	-5.8	-0.5	-9.3	-14.8	-12.0	-10.6	-9.5	-12.7	-12.2	-11.8
Employers, total (% of total employment)	0.5	0.5	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6
Employment in agriculture (% of total employment)	91.3	91.1	91.1	90.8	91.2	91.2	91.1	91.1	91.2	91.3
Employment in industry (% of total employment)	2.6	2.8	2.7	2.6	2.6	2.6	2.6	2.6	2.6	2.6
Employment in services (% of total employment)	6.1	6.1	6.2	6.5	6.2	6.2	6.3	6.2	6.2	6.1
Employment to population ratio 15+(%)	83.0	81.4	81.1	81.2	81.4	81.5	81.8	82.0	82.0	82.1
Exports of goods and services (% of GDP)	6.3	8.2	6.8	8.9	9.4	9.0	7.4	7.8	6.3	6.2
Exports of goods and services (annual % growth)	-7.6	17.0	-14.7	20.2	1.7	6.6	3.0	5.4	-9.9	1.0
Exports of goods and services (US$, millions)	53.03	95.59	118.35	180.73	235.66	224.16	221.06	205.90	178.10	182.25
External balance on goods and services (% of GDP)	-9.9	-25.2	-36.3	-30.3	-28.3	-28.5	-26.8	-25.8	-23.5	-25.7
External balance on goods and services (US$, millions)	-86.32	-282.02	-631.91	-613.38	-666.93	-705.09	-728.83	-797.25	-720.30	-772.04
External debt stocks, total (US$, millions)	1,125.87	1,287.89	607.23	620.92	604.41	667.32	683.61	690.17	625.98	602.78
Fertility rate, total (births per woman)	7.0	6.7	6.4	6.3	6.2	6.1	6.0	5.9	5.8	..
FDI, net inflows (% of GDP)	1.3	0.1	0.0	0.0	0.1	0.0	4.3	2.6	1.6	0.0
FDI, net inflows (US$, millions)	11.68	0.58	0.35	0.78	3.35	0.60	116.73	81.75	49.62	0.06
FDI, net outflows (% GDP)	-1.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
FDI, net outflows (US$) (millions)	-11.68	0.00	0.00	0.00	0.00	0.00	0.17	0.03	0.15	0.04
GDP (current US$) (billions)	0.870	1.117	1.740	2.027	2.356	2.472	2.715	3.094	3.067	3.007
GDP growth (annual %)	-0.9	0.9	3.5	3.8	4.2	4.0	4.6	4.7	-3.9	-0.6
GDP per capita (current US$)	136.0	150.5	204.9	231.2	260.5	265.3	282.8	312.7	300.7	285.7
GDP per capita growth (annual %)	-2.7	-2.4	0.1	0.5	1.0	0.9	1.5	1.6	-6.8	-3.6
GNI (current US$) (billions)	0.885	1.100	1.723	2.015	2.338	2.463	2.713	3.094	3.059	2.987

GNI growth (annual %)	2.1	2.3	2.7	4.1	4.1	4.4	4.9	4.7	-4.2	-1.0
Gross capital formation (% of GDP)	2.8	22.4	23.2	30.5	27.6	28.4	28.7	27.8	16.6	16.9
Gross capital formation (annual % growth)	114.3	1.5	90.9	6.5	-29.9	8.5	18.9	10.5	-41.7	2.0
Gross savings (% of GDP)	1.3	17.0	0.7	6.4	9.7	17.5	17.8	12.8	2.1	-2.6
Gross savings (% of GNI)	1.3	17.3	0.7	6.4	9.8	17.6	17.8	12.8	2.1	-2.6
Health expenditure, total (% of GDP)	5.0	9.8	7.0	8.8	8.6	8.2	8.0	7.5	..	..
Imports of goods and services (% of GDP)	16.2	33.4	43.1	39.2	37.7	37.5	34.2	33.5	29.7	31.9
Imports of goods and services (annual % growth)	12.6	61.7	34.7	26.4	-14.6	4.6	8.0	5.0	-14.1	6.5
Imports of goods and services (US$) (millions)	150.49	322.99	519.66	606.74	765.32	925.33	913.75	924.28	832.58	741.74
Individuals using the Internet (% of population)	0.1	0.5	0.9	1.0	1.1	1.2	1.3	1.4	4.9	5.2
Industry, value added (% of GDP)	16.9	18.5	16.6	16.7	16.9	16.9	17.7	18.3	16.5	16.6
Industry, value added (annual % growth)	-6.2	1.6	4.9	4.9	5.9	4.1	11.2	8.0	-13.6	-1.5
Inflation, consumer prices (annual %)	24.3	13.5	11.0	6.4	9.7	18.0	8.0	4.4	5.6	5.5
Inflation, GDP deflator (annual %)	38.9	18.9	8.2	12.3	14.3	15.4	13.2	8.3	4.9	3.8
Land area (sq. km) total	27,830	27,830	27,830	27,830	27,830	27,830	27,830	27,830	27,830	27,830
Life expectancy at birth, total (years)	51	53	54	55	55	56	56	57	57	..
Lifetime risk of maternal death (%)	5.7	5.0	4.9	4.8	4.7	4.7	4.6	4.4	4.3	..
Manufacturing, value added (% of GDP)	11.9	12.9	10.6	10.1	9.7	9.1	9.5	9.7	9.6	10.1
Manufacturing, value added (annual % growth)	-6.2	-2.2	0.8	-1.3	-1.0	-2.4	10.0	8.0	-6.6	1.2
Merchandise exports (current US$) (billions)	0.050	0.058	0.067	0.101	0.123	0.134	0.094	0.132	0.121	0.109
Merchandise imports (current US$) (millions)	148.00	269.24	402.23	508.80	752.28	751.09	811.21	769.25	722.47	615.87
Merchandise trade (% of GDP)	22.7	29.3	27.0	30.1	37.2	35.8	33.4	29.1	27.5	24.1
Military expenditure (% of GDP)	4.9	4.4	..	..	..	2.4	2.2	2.0	2.2	2.2
Population density (people per km² of land area)	249.2	289.1	330.6	341.4	352.2	362.9	373.8	385.2	397.2	409.8
Population growth (annual %)	1.9	3.3	3.3	3.2	3.1	3.0	3.0	3.0	3.1	3.1
Population, total	6,400,706	7,423,289	8,489,031	8,766,930	9,043,508	9,319,710	9,600,186	9,891,790	10,199,270	10,524,117
School enrolment, primary (% net)	40.5	56.3	86.7	91.4	..	..	91.0	95.4	94.1	..
Services, etc., value added (annual % growth)	5.5	5.8	3.5	3.6	3.6	2.7	4.8	4.4	1.0	0.6
Services, etc., value added (% of GDP)	35.0	37.1	42.8	42.8	42.8	42.5	42.4	42.4	43.1	43.7
Statistical Capacity score (Overall average)	..	45.6	61.1	54.4	54.4	52.2	57.8	54.4	55.6	62.2
Tax revenue (% of GDP)	..	..	..	13.9	14.7	13.7	12.2	..	..	..
Time to export (days)	..	47.0	41.0	41.0	35.0	32.0	32.0	32.0	..	..
Time to import (days)	..	71.0	60.0	60.0	54.0	46.0	46.0	43.0	..	..
Trade (% GDP)	22.6	41.6	49.9	48.1	47.0	46.4	41.6	41.3	36.0	38.2
Trade in services (% GDP)	5.4	15.1	13.0	12.2	13.8	12.3	13.5	11.1	9.3	9.6
Unemployment, total (% of total labour force)	1.6	1.7	1.6	1.6	1.6	1.6	1.6	1.6	1.5	1.5
Wage and salaried workers, (% of total employment)	5.6	5.2	5.1	5.1	5.2	5.2	5.2	5.3	5.2	4.9

Created from: World Development Indicators.

Country: Burundi

Source: *Bank of the Republic of Burundi. (http://www.brb.bi); IMF, IFS databases (http://elibrary-data.imf.org) and UNCTAD statistical data. (http://unctadstat.unctad.org)***.**

APPENDIX 3. 2: KENYA - Economic Indicators 2000-2016

Indicators	2000	2005	2009	2010	2011	2012	2013	2014	2015	2016
Access to electricity (% of population)	15.7	20.4	23.0	19.2	26.2	27.2	28.2	36.0	..	..
Adjusted net national income (annual % growth)	-2.1	8.4	7.7	6.8	4.5	7.7	6.0	2.2	8.3	..
Agricultural land (% land area)	46.9	47.4	47.9	48.0	48.5	48.7	48.5	48.5	48.5	..
Agricultural raw materials exports (% merchandise exports)	8.6	10.0	13.2	10.9	..	..	12.2	..	..	..
Agricultural raw materials imports (% merchandise imports)	2.5	1.7	1.4	1.5	..	..	1.3	..	..	..
Agriculture, value added (% of GDP)	32.4	27.2	26.1	27.8	29.3	29.1	29.4	30.4	33.3	35.6
Agriculture, value added (annual % growth)	-1.3	6.9	-2.3	10.1	2.4	3.1	5.4	4.3	5.5	4.0
Arable land (% of land area)	8.6	9.2	9.7	9.7	10.2	10.4	10.2	10.2	10.2	..
Broad money (% of GDP)	35.2	38.9	36.5	40.3	40.9	40.9	42.3	43.2	42.6	38.6
Business extent of disclosure index (0=less to 10=more)	..	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	6.0
Cost of business start-up procedures (% of GNI/capita)	..	61.6	52.8	55.2	53.5	47.5	44.5	54.1	43.6	28.2
Currency composition of PPG debt, all other currencies (%)	7.3	7.1	9.5	11.6	14.2	16.8	18.8	15.0	14.6	13.6
Current account balance (% of GDP)	-1.6	-1.3	-4.6	-5.9	-9.1	-8.4	-8.8	-10.4	-6.7	-5.2
Employers, total (% of total employment)	1.1	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3
Employment in agriculture (% of total employment)	67.4	66.3	65.3	64.8	64.6	64.2	63.6	63.3	62.6	62.3
Employment in industry (% of total employment)	7.1	7.4	7.9	8.0	8.2	8.1	8.2	8.3	8.4	8.5
Employment in services (% of total employment)	25.5	26.3	26.8	27.2	27.3	27.7	28.2	28.4	29.0	29.2
Employment to population ratio, 15+, total (%)	62.1	57.9	58.0	58.2	58.4	58.5	58.6	58.7	58.9	59.3
Energy imports, net (% of energy use)	18.4	15.2	18.7	19.2	18.7	17.0	18.1	17.2	..	..
Exports of goods and services (% of GDP)	21.6	28.5	20.0	20.7	21.6	22.2	19.9	18.3	16.7	14.6
Exports of goods and services (annual % growth)	1.1	9.4	-5.2	8.7	9.2	6.8	-2.2	5.8	6.2	0.6
Exports of goods and services (US$) (millions)	2,775.60	5,342.24	7,385.12	8,983.07	9,967.81	11,205.42	10,978.24	11,243.14	10,620.45	10,275.44
External balance on goods and services (% of GDP)	-10.1	-7.5	-10.8	-12.9	-17.2	-13.3	-13.3	-14.7	-11.1	-8.8
External balance on goods and services (current US$) (millions)	-1,287.55	-1,398.00	-3,997.72	-5,165.17	-7,214.62	-6,710.12	-7,318.07	-9,035.53	-7,057.72	-6,199.35
External debt stocks, current US$) (millions)	6,148.25	6,486.77	8,549.25	8,847.57	10,162.73	11,893.75	13,836.04	16,969.38	19,764.04	22,324.99
Fertility rate, total (births per woman)	5.2	4.8	4.5	4.4	4.3	4.2	4.1	4.0	3.9	..
FDI, net inflows (% of GDP)	0.9	0.1	0.3	0.4	3.5	2.7	2.0	1.3	1.0	0.6
FDI, net inflows (US$) (millions)	110.90	21.21	116.26	178.06	1,450.47	1,380.17	1,118.83	820.94	619.72	393.36
FDI, net outflows (% of GDP)	0.0	0.1	0.1	0.0	0.2	0.5	0.4	0.1	0.4	0.2
FDI, net outflows (US$, millions)	0.01	9.69	45.99	1.58	85.99	238.37	198.61	75.12	241.99	157.71
GDP (current US$) (billions)	12.705	18.738	37.022	40.000	41.953	50.413	55.097	61.445	63.768	70.529
GDP growth (annual %)	0.6	5.9	3.3	8.4	6.1	4.6	5.9	5.4	5.7	5.8
GDP per capita (current US$)	404.0	519.8	920.1	967.3	987.4	1,155.0	1,229.1	1,335.1	1,350.0	1,455.4
GDP per capita growth (annual %)	-2.1	3.0	0.5	5.5	3.3	1.8	3.1	2.6	3.0	3.2
GNI (current US$) (billions)	12.576	18.732	36.977	39.852	41.960	50.097	54.497	60.577	63.083	69.845

GNI growth (annual %)	0.9	6.8	3.3	8.1	6.5	3.9	5.4	5.0	6.1	6.0
Gross capital formation (% of GDP)	17.4	17.6	19.3	20.7	21.7	21.5	20.1	22.4	21.6	17.2
Gross capital formation (annual % growth)	11.1	13.2	11.1	10.9	7.0	9.4	-0.3	10.9	5.1	-10.9
Gross savings (% of GDP)	13.5	16.8	14.5	13.3	10.9	13.1	11.3	12.1	14.9	12.0
Gross savings (% of GNI)	13.6	16.8	14.5	13.3	10.9	13.2	11.4	12.2	15.0	12.1
Health expenditure, total (% of GDP)	4.7	4.4	4.2	4.0	5.2	5.5	5.6	5.7	..	..
Imports of goods and services (% of GDP)	31.7	36.0	30.8	33.6	38.8	35.5	33.2	33.0	27.7	23.4
Imports of goods and services (annual % growth)	1.9	14.9	8.3	8.1	13.2	5.2	-0.4	10.4	1.2	-4.7
Imports of goods and services (US$) (millions)	3,762.64	6,738.80	11,301.66	13,531.33	16,327.97	17,915.54	18,296.31	20,278.68	17,678.23	16,474.52
Individuals using the Internet (% of population)	0.3	3.1	6.1	7.2	8.8	10.5	13.0	16.5	21.0	26.0
Industry, value added (% GDP)	16.9	19.1	21.0	20.8	21.0	20.7	20.1	19.3	19.1	19.0
Industry, value added (annual % growth)	-1.8	4.4	3.7	8.7	7.2	4.2	5.3	6.1	7.3	5.8
Inflation, consumer prices (annual %)	10.0	10.3	9.2	4.0	14.0	9.4	5.7	6.9	6.6	6.3
Inflation, GDP deflator (annual %)	6.1	4.9	11.6	2.1	10.8	9.4	5.2	8.1	9.6	8.0
Land area (sq. km)	580,370	580,370	580,370	580,370	580,370	580,370	580,370	580,370	580,370	580,370
Life expectancy at birth, total (years)	52	56	62	63	64	65	66	66	67	..
Lifetime risk of maternal death (%)	3.6	3.4	3.1	2.9	2.8	2.7	2.6	2.5	2.4	..
Manufacturing, value added (% of GDP)	11.6	11.8	13.4	12.6	13.1	12.2	11.9	11.0	10.3	10.0
Manufacturing, value added (annual % growth)	0.7	4.7	-1.1	4.5	7.2	-0.6	5.6	2.5	3.6	3.5
Merchandise exports (US$) (billions)	1.734	3.420	4.463	5.169	5.756	6.127	5.856	6.115	5.906	5.694
Merchandise imports (US$) (millions)	3,105	5,846	10,202	12,093	14,783	16,290	16,358	18,396	16,093	14,106
Merchandise trade (% of GDP)	38.1	49.5	39.6	43.2	49.0	44.5	40.3	39.9	34.5	28.1
Military expenditure (% of GDP)	1.3	1.7	1.6	1.6	1.5	1.7	1.6	1.3	1.3	1.3
Population density (people per km² of land area)	55.3	63.3	70.7	72.7	74.7	76.7	78.8	80.9	83.0	85.1
Population growth (annual %)	2.7	2.7	2.7	2.7	2.7	2.7	2.7	2.6	2.6	2.6
Population, total	31,450,483	36,048,288	40,237,204	41,350,152	42,486,839	43,646,629	44,826,849	46,024,250	47,236,259	48,461,567
Services, etc., value added (annual % growth)	1.9	4.6	6.2	7.3	6.1	4.7	5.4	6.0	5.9	7.1
Services, etc., value added (% of GDP)	50.7	53.7	52.9	51.4	49.7	50.2	50.5	50.3	47.6	45.4
Statistical Capacity score (Overall average)	..	58.9	62.2	62.2	61.1	57.8	52.2	54.4	54.4	55.6
Tax revenue (% of GDP)	..	..	..	..	..	..	..	16.9	16.3	..
Time to export (days)	..	45.0	27.0	26.0	26.0	26.0	26.0	26.0	..	..
Time to import (days)	..	62.0	25.0	24.0	24.0	26.0	26.0	26.0	..	..
Trade (% of GDP)	53.3	64.5	50.9	54.2	60.4	57.8	53.1	51.3	44.4	37.9
Trade in services (% of GDP)	13.7	16.2	12.8	14.7	15.0	14.6	14.4	13.6	12.5	10.4
Unemployment, total (% of total labour force)	8.6	10.7	12.2	12.2	12.1	12.0	11.9	11.9	11.9	11.3
Wage and salaried workers, total (% of total employment)	34.7	33.2	34.8	36.7	38.8	39.5	40.5	42.1	43.6	45.2

Created from: World Development Indicators
Country: Kenya.

Source: *Kenya National Bureau of Statistics (http://www.knbs.or.ke);*
Kenyan Central Bank (Monthly Economic Review), KNBS Quarterly GDP Reports, (http://www.knbs.or.ke/gdpreports.php);
African Statistical Yearbook 2012; IMF IFS database (http://elibrary-data.imf.org/);

UNCTAD statistics database (http://unctadstat.unctad.org/); IMF (2016) Regional Economic Outlook: Sub-Saharan Africa, for REER and NEER; and World Bank Reports, (http://databank.worldbank.org/data/reports.aspx?source=2&country=BDI)

APPENDIX 3. 3: RWANDA - Economic Indicators 2000-2016

Indicators	2000	2005	2009	2010	2011	2012	2013	2014	2015	2016
Access to electricity (% of population)	6.2	4.8	10.8	9.7	10.8	12.8	15.2	19.8	..	..
Adjusted net national income (annual % growth)	14.1	11.8	10.5	6.7	9.0	8.3	..	..	..	..
Agricultural land (% of land area)	67.7	72.3	73.3	73.1	73.6	73.6	74.7	73.3	73.4	..
Agricultural raw materials exports (% of merchandise exports)	..	4.7	1.4	3.0	4.2	5.0	5.7	4.1	3.8	3.6
Agricultural raw materials imports (% of merchandise imports)	..	2.4	1.6	1.4	1.5	1.7	1.9	1.7	1.8	1.3
Agriculture, value added (% of GDP)	..	38.4	31.8	30.6	30.4	31.0	30.8	30.9	30.2	31.5
Agriculture, value added (annual % growth)	7.4	6.5	7.7	5.0	4.7	6.5	3.3	6.6	5.0	3.9
Arable land (% of land area)	36.5	43.9	45.4	45.6	46.3	46.6	47.9	46.6	46.7	..
Broad money (% of GDP)	16.9	15.6	15.1	16.5	18.6	18.3	18.8	19.7	21.5	21.0
Business extent of disclosure index (0=less to 10=more disclosure)	..	2.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0
Cost of business start-up procedures (% of GNI/capita)	..	200.1	10.1	8.8	4.7	30.2	30.8	59.8	55.0	48.5
Currency composition of PPG debt, all other currencies (%)	19.9	20.5	34.4	36.6	34.2	33.6	24.7	23.9	23.1	25.5
Current account balance (% of GDP)	..	..	..	-7.4	-7.2	-10.2	-7.3	-11.8	-13.4	-14.5
Employers, total (% of total employment)	0.1	0.4	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Employment in agriculture (% of total employment)	88.2	77.9	78.2	77.9	77.4	76.6	76.4	76.0	75.6	75.2
Employment in industry (% of total employment)	2.7	3.8	5.1	5.5	6.1	6.9	6.9	7.0	7.1	7.2
Employment in services (% of total employment)	9.1	18.3	16.7	16.5	16.5	16.5	16.6	17.0	17.4	17.6
Employment to population ratio, 15+, total (%)	83.0	82.3	83.5	83.2	83.0	82.5	82.4	82.2	82.1	82.6
Exports of goods and services (% of GDP)	6.4	11.5	11.7	12.0	13.8	12.8	14.1	14.7	14.3	15.0
Exports of goods and services (annual % growth)	0.8	11.0	-2.7	8.0	22.6	9.0	18.5	7.3	6.2	13.0
Exports of goods and services (US$) (millions)	..	..	..	684.23	978.33	1,106.49	1,278.25	1,315.32	1,521.70	1,595.54
External balance on goods and services (% of GDP)	-18.5	-13.8	-17.9	-18.0	-16.8	-19.0	-17.9	-18.2	-20.8	-18.1
External balance on goods and services (US$) (millions)	-320.76	-354.95	-964.31	-1,037.5	-1,089.4	-1,393.5	-1,360.9	-1,457.8	-1,718.5	-1,516.2
External debt stocks, total (US$) (millions)	1,289.76	1,526.47	861.37	906.31	1,215.71	1,262.53	1,693.56	2,021.86	2,240.62	2,783.19
Fertility rate, total (births per woman)	5.6	5.1	4.6	4.5	4.4	4.3	4.2	4.1	4.0	..
FDI, net inflows (% of GDP)	0.5	0.4	2.2	4.3	1.8	3.5	3.4	3.9	2.7	3.0
FDI, net inflows (US$) (millions)	8.32	10.50	118.67	250.50	119.11	254.96	257.64	314.74	223.33	254.45
FDI, net outflows (% of GDP)	..	0.0	0.0	0.0	0.0	0.0	0.2	0.0	0.0	0.1
FDI, net outflows (US$) (millions)	..	0.00	0.00	0.00	0.00	0.00	13.51	3.79	3.45	7.58
GDP (current US$) (billions)	1.735	2.581	5.379	5.774	6.492	7.316	7.623	8.016	8.261	8.376
GDP growth (annual %)	8.4	9.4	6.3	7.3	7.8	8.8	4.7	7.6	8.9	5.9
GDP per capita (current US$)	216.2	287.1	539.2	563.5	617.3	678.1	688.9	706.6	710.3	702.8
GDP per capita growth (annual %)	2.5	7.3	3.4	4.5	5.0	6.1	2.1	5.0	6.2	3.4
GNI (current US$) (billions)	1.719	2.555	5.342	5.731	6.433	7.221	7.486	7.837	8.060	8.165
GNI growth (annual %)	8.1	10.0	6.3	7.2	7.6	8.4	4.2	7.1	8.6	5.8
Government expenditure on education, total (% of GDP)	4.1	..	..	4.9	4.7	4.7	5.0	..	3.8	3.6

Gross capital formation (% of GDP)	13.3	15.8	23.4	23.0	23.5	25.8	26.5	25.3	26.5	26.1
Gross capital formation (annual % growth)	16.4	16.3	2.6	7.2	10.9	21.1	8.2	5.5	17.8	8.5
Gross savings (% of GDP)	..	..	..	14.3	18.1	14.1	16.6	12.1	9.8	11.7
Gross savings (% of GNI)	..	..	..	14.4	18.2	14.3	16.9	12.4	10.0	12.0
Health expenditure, total (% of GDP)	4.2	6.8	7.2	7.9	7.7	7.7	7.7	7.5	..	..
Imports of goods and services (% of GDP)	24.8	25.2	29.7	30.0	30.6	31.9	31.9	32.9	35.1	33.2
Imports of goods and services (annual % growth)	24.5	11.8	17.4	1.4	17.3	18.2	9.6	14.6	23.0	7.6
Imports of goods and services (US$) (millions)	..	..	..	1,640.55	2,187.48	2,383.05	2,443.73	2,661.24	2,949.17	3,106.69
Individuals using the Internet (% population)	0.1	0.6	7.7	8.0	7.0	8.0	9.0	10.6	18.0	20.0
Industry, value added (% of GDP)	..	11.8	15.5	16.1	18.1	17.8	18.3	18.5	18.3	17.6
Industry, value added (annual % growth)	1.2	9.4	1.3	8.4	17.8	8.4	9.3	11.0	8.9	6.8
Inflation, consumer prices (annual %)	3.9	9.0	10.4	2.3	5.7	6.3	4.2	1.8	2.5	5.7
Inflation, GDP deflator (annual %)	2.8	9.1	8.2	2.7	7.4	6.0	4.8	3.0	0.1	4.9
Land area (sq. km)	26,340	26,340	26,340	26,340	26,340	26,340	26,340	26,340	26,340	26,340
Life expectancy at birth, total (years)	48	55	62	63	64	65	66	66	67	..
Lifetime risk of maternal death (%)	4.8	2.7	1.9	1.7	1.6	1.5	1.4	1.3	1.2	..
Manufacturing, value added (% of GDP)	..	5.6	6.5	6.7	6.5	6.4	6.3	6.3	6.4	6.3
Manufacturing, value added (annual % growth)	0.0	8.2	3.2	9.2	8.4	5.6	4.9	7.7	8.4	6.6
Merchandise exports (current US$) (billions)	0.052	0.125	0.235	0.297	0.464	0.591	0.703	0.723	0.684	0.744
Merchandise imports (current US$) (millions)	211.00	471.40	1,308.4	1,431.04	2,039.09	2,299.66	2,301.61	2,468.29	2,378.00	2,293.00
Merchandise trade (% of GDP)	15.2	23.1	28.7	29.9	38.6	39.5	39.4	39.8	37.1	36.3
Military expenditure (% of GDP)	3.5	1.7	1.4	1.3	1.2	1.1	1.1	1.1	1.3	1.2
Population density (people/km²/ land area)	325.3	364.5	404.4	415.4	426.3	437.3	448.5	459.9	471.4	483.1
Population growth (annual %)	5.5	1.9	2.7	2.7	2.6	2.6	2.5	2.5	2.5	2.4
Population, total	8,025,703	8,991,735	9,977,446	10,246,842	10,516,071	10,788,853	11,065,151	11,345,357	11,629,553	11,917,508
School enrolment, primary (% net)	..	..	..	98.5	..	..	96.1	96.2	95.1	..
Services, etc., value added (% of GDP)	..	49.8	52.7	53.3	51.5	51.2	50.9	50.7	51.6	50.8
Services, etc., value added (annual % growth)	11.5	11.9	6.2	9.2	8.0	11.6	5.2	7.0	10.4	7.1
Statistical Capacity score (Overall average)	..	63.3	74.4	67.8	67.8	76.7	73.3	78.9	73.3	70.0
Tax revenue (% of GDP)	..	..	..	..	..	..	..	13.3	13.7	14.9
Time to export (days)	..	60.0	38.0	35.0	29.0	29.0	26.0	26.0	..	..
Time to import (days)	..	95.0	35.0	34.0	31.0	31.0	30.0	27.0	..	..
Trade (% of GDP)	31.2	36.7	41.4	42.0	44.4	44.7	46.0	47.6	49.3	48.2
Trade in services (% of GDP)	..	..	..	16.3	17.4	14.1	15.3	15.7	22.6	22.8
Unemployment, total (% of total labour force)	3.3	2.4	2.2	2.6	2.9	3.4	3.4	3.4	3.4	2.8
Wage and salaried workers (% employment)	7.2	14.5	16.7	16.9	17.5	18.6	19.2	19.6	20.0	20.7

Created from: World Development Indicators

Country: Rwanda

Source: *National Institute of Statistics of Rwanda, Statistical Yearbook 2010 -2017 ed. (http://statistics.gov.w/#); National Bank of Rwanda (www.bnr.rw/); Information provided by Rwanda authorities; IMF IFS database (http://elibrary-*

data.imf.org/); UNCTAD statistics database (http://unctadstat.unctad.org/); IMF (2012;2017), Regional Economic Outlook: Sub-Saharan Africa, for REER and NEER; and IMF Country Reports

APPENDIX 3. 4: SOUTH-SUDAN - Economic Indicators 2000-2016

Indicators	2000	2005	2009	2010	2011	2012	2013	2014	2015	2016
Access to electricity (% of population)	..	0.4	3.0	1.5	3.1	3.6	4.0	4.5	..	..
Adjusted net national income (annual % growth)	..	..	..	..	..	-34.3	2.7	-3.3	-19.4	..
Broad money (% of GDP)	..	..	..	..	9.2	21.5	16.6	20.1	46.3	..
Business extent of disclosure index (0=less to 10=more)	..	..	..	..	..	2.0	2.0	2.0	2.0	2.0
Cost of business start-up procedures (% of GNI per capita)	..	..	..	..	..	192.3	372.1	242.4	330.1	422.4
Current account balance (% of GDP)	..	..	..	..	..	..	..	-7.0	-34.2	..
Exports of goods and services (% of GDP)	..	..	60.3	61.4	66.1	10.1	16.2	20.2	9.8	..
Exports of goods and services (annual % growth)	..	..	10.8	-1.6	-2.1	-91.9	99.5	52.8	-17.0	..
Exports of goods and services (US$) (millions)	..	..	..	..	..	..	..	3,789.45	1,569.70	1,307.93
External balance on goods and services (% of GDP)	..	..	25.8	31.9	38.9	-35.1	-21.9	-13.9	-47.8	..
External balance on goods and services (current US$) (millions)	..	..	3,154.82	5,021.04	6,939.11	-3,643.39	-2,908.47	-1,841.08	-4,309.43	..
Fertility rate, total (births per woman)	6.2	5.8	5.5	5.4	5.3	5.2	5.1	5.0	4.9	..
FDI, net inflows (% of GDP)	..	..	..	..	..	1.6	-6.0	0.0	0.0	..
FDI, net inflows (US$) (millions)	..	..	..	..	..	161.00	-793.00	1.04	0.15	-6.08
FDI, net outflows (% of GDP)	..	..	..	..	..	..	..	0.0	0.0	..
FDI net outflows (US$) (millions)	..	..	..	..	..	..	..	-0.69	-1.03	-4.20
GDP (current US$) (billions)	..	..	12.231	15.727	17.827	10.369	13.258	13.282	9.015	..
GDP growth (annual %)	..	..	5.0	5.5	-4.6	-46.1	13.1	3.4	-6.3	..
GDP per capita (current US$)	..	..	1,264.8	1,562.2	1,706.1	958.5	1,186.1	1,151.9	758.7	..
GDP per capita growth (annual %)	..	..	0.6	1.3	-8.1	-47.9	9.5	0.2	-9.1	..
GNI (current US$) (billions)	..	..	8.867	11.040	11.470	9.923	12.245	11.824	7.950	..
GNI growth (annual %)	..	..	22.3	-5.8	-21.3	-3.5	8.7	-0.8	-4.7	..
Gross capital formation (% of GDP)	..	..	12.3	10.3	9.5	11.2	10.6	10.4	11.2	..
Gross capital formation (annual % growth)	..	..	-29.5	5.1	7.2	-53.0	17.6	-2.9	0.0	..
Gross savings (% of GDP)	..	..	..	..	..	..	..	-9.4	-41.7	..
Gross savings (% of GNI)	..	..	..	..	..	..	..	-10.5	-47.3	..
Health expenditure, total (% GDP)	..	..	..	..	..	2.8	2.6	2.7	..	..
Imports of goods and services (% of GDP)	..	..	34.5	29.5	27.2	45.3	38.1	34.0	57.6	..
Imports of goods and services (annual % growth)	..	..	-10.6	12.4	-2.6	-35.3	10.7	5.1	-0.1	..
Imports of goods and services (US$) (millions)	..	..	..	..	..	..	..	5,391.55	5,267.30	4,132.32
Individuals using the Internet (% of population)	..	..	..	..	..	..	3.8	4.5	5.5	6.7
Inflation, consumer prices (annual %)	..	..	5.0	1.2	47.3	45.1	0.0	3.3	50.2	380.8
Inflation, GDP deflator (annual %)	..	..	-17.3	21.6	54.1	6.5	13.0	-3.1	0.5	..
Land area (sq. km)	..	..	..	..	644,330	644,330	644,330	644,330	644,330	644,330
Life expectancy at birth, (years)	49	51	53	54	54	55	55	56	56	..
Lifetime risk of maternal death (%)	7.7	6.0	4.7	4.5	4.4	4.3	4.2	4.1	3.9	..
Military expenditure (% of GDP)	..	..	5.0	4.1	5.9	9.5	7.4	9.8	12.8	..
Net migration	..	..	..	..	..	425,000	..	..	..	..
Population growth (annual %)	4.5	4.0	4.3	4.0	3.7	3.5	3.3	3.1	3.0	2.9
Population, total	-	-	9,670,667	10,067,192	10,448,857	10,818,258	11,177,490	11,530,971	11,882,136	12,230,730
School enrolment, primary (% net)	..	..	..	..	40.6	..	..	..	30.9	..
Statistical Capacity score (Overall average)	..	..	..	..	..	..	26.1	29.4	34.4	37.8
Time to export (days)	..	..	..	..	..	55.0	55.0	55.0	..	..
Time to import (days)	..	..	..	..	..	130.0	130.0	130.0	..	..
Trade (% of GDP)	..	..	94.8	90.9	93.2	55.4	54.3	54.2	67.4	..
Trade in services (% of GDP)	..	..	..	..	..	..	..	4.1	10.0	..

Created from: World Development Indicators
Country: South Sudan

Source: *World Development Indicators, UNCTAD statistics database (http://unctadstat.unctad.org/); IMF (2012;2017), Regional Economic Outlook: Sub-Saharan Africa*

APPENDIX 3. 5: TANZANIA - Economic Indicators 2000-2016

Indicators	2000	2005	2009	2010	2011	2012	2013	2014	2015	2016
Access to electricity (% of population)	9.9	11.7	11.2	14.8	14.2	15.3	16.4	15.5	..	..
Adjusted net national income (annual % growth)	5.1	8.1	6.5	7.0	7.8	4.8	10.4	7.5	5.4	..
Agricultural land (% of land area)	38.4	39.9	42.1	42.3	43.2	44.8	44.8	44.8	44.8	..
Agricultural raw materials exports (% of merchandise exports)	13.4	15.9	9.8	7.4	5.6	8.6	7.1	3.7	4.5	5.4
Agricultural raw materials imports (% of merchandise imports)	2.5	1.1	0.9	0.9	0.7	0.8	0.7	1.0	0.7	1.3
Agriculture, value added (% of GDP)	33.5	30.5	32.4	32.0	31.3	33.2	33.3	31.4	31.5	31.5
Agriculture, value added (annual % growth)	4.5	7.7	5.1	2.7	3.5	3.2	3.2	3.4	2.3	2.1
Arable land (% of land area)	9.7	11.0	13.0	13.1	13.9	15.4	15.2	15.2	15.2	..
Broad money (% of GDP)	17.1	22.2	23.3	25.1	24.7	23.9	22.7	23.3	24.3	22.1
Business extent of disclosure index (0=less to 10=more disclosure)	..	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Cost of business start-up procedures (% of GNI per capita)	..	302.7	121.7	102.2	94.7	86.5	75.2	73.8	51.8	48.1
Currency composition of PPG debt, all other currencies (%)	7.6	10.2	19.0	18.1	19.2	19.0	17.7	17.9	18.2	18.1
Current account balance (% of GDP)	-4.2	-6.5	-6.3	-7.0	-12.9	-9.6	-11.3	-11.1	-9.0	-4.2
Employers, total (% of total employment)	0.9	1.8	1.7	1.7	1.7	2.1	2.1	2.2	2.2	2.3
Employment in agriculture (% of total employment)	79.1	75.5	72.9	72.2	71.4	69.5	68.4	68.0	67.7	67.3
Employment in industry (% of total employment))	2.7	4.2	5.3	5.5	5.8	6.0	6.3	6.3	6.3	6.3
Employment in services (% of total employment))	18.2	20.3	21.9	22.3	22.8	24.4	25.3	25.7	26.0	26.4
Employment to population ratio, 15+, total (%)	85.6	86.4	84.0	82.3	80.3	78.7	76.3	76.9	76.9	76.6
Energy imports, net (% of energy use)	5.7	8.0	6.6	7.5	9.1	11.2	11.3	10.7	..	..
Exports of goods and services (% of GDP)	13.4	16.9	17.4	18.7	20.8	21.3	17.7	19.4	21.6	19.5
Exports of goods and services (annual % growth)	17.6	0.4	3.5	6.8	10.1	16.0	0.6	17.7	23.3	-11.7
Exports of goods and services (US$) (millions)	1,361.00	2,971.66	5,152.73	6,370.02	7,398.24	8,675.63	8,459.72	8,590.09	8,813.81	9,290.32
External balance on goods and services (% of GDP)	-6.8	-5.3	-8.9	-10.4	-15.3	-11.8	-13.4	-10.4	-3.2	-3.1
External balance on goods and services (current US$) (millions)	-688.66	-889.46	-2,544.25	-3,261.26	-5,177.44	-4,622.70	-5,948.75	-5,000.05	-1,438.61	-1,481.25
External debt stocks, (DOD, US$) (millions)	7,186.03	8,400.04	7,685.36	8,893.15	10,012.9	11,588.1	13,141.0	14,352.5	15,504.7	16,474.5
Fertility rate, total (births per woman)	5.7	5.6	5.5	5.4	5.4	5.3	5.2	5.1	5.1	..
FDI, net inflows (% of GDP)	4.5	5.5	3.3	5.8	3.6	4.6	4.7	3.5	3.5	2.9
FDI, net inflows (US$) (millions)	463.40	935.52	952.63	1,813.20	1,229.36	1,799.65	2,087.26	1,672.55	1,604.58	1,365.39
FDI, net outflows (% of GDP)	..	..	0.0	0.0	0.0	0.0	0.0	0.0	..	..
FDI, net outflows (US$) (millions)	..	..	0.00	0.00	0.00	0.00	0.00	0.00	..	..
GDP (current US$) (billions)	10.186	16.930	28.574	31.408	33.879	39.088	44.333	48.197	45.628	47.340
GDP growth (annual %)	4.9	8.2	5.4	6.4	7.9	5.1	7.3	7.0	7.0	7.0
GDP per capita (current US$)	306.7	442.3	658.8	701.6	733.4	820.2	901.7	950.4	872.3	877.5
GDP per capita growth (annual %)	2.2	5.0	2.1	3.1	4.6	1.9	4.0	3.7	3.7	3.7

GNI (current US$) (billions)	10.056	16.575	28.276	31.078	33.619	38.510	43.922	47.679	44.867	46.602
GNI growth (annual %)	4.6	7.8	5.5	6.3	8.2	4.4	7.9	6.8	6.3	7.0
Gross capital formation (% of GDP)	16.8	21.5	25.1	27.3	33.2	28.5	30.3	30.1	27.2	24.6
Gross capital formation (annual % growth)	5.8	-4.7	-9.8	22.6	29.7	-5.9	9.4	5.2	-2.9	-4.3
Gross savings (% of GDP)	12.6	17.0	18.3	19.2	19.9	17.3	17.7	19.7	23.4	20.7
Gross savings (% of GNI)	12.8	17.4	18.5	19.4	20.0	17.5	17.9	19.9	23.8	21.1
Health expenditure, total (% of GDP)	2.6	4.7	4.0	5.3	5.7	5.7	5.6	5.6	..	..
Imports of goods and services (% of GDP)	20.1	22.2	26.3	29.1	36.0	33.1	31.1	29.8	24.8	22.6
Imports of goods and services (annual % growth)	0.1	-1.8	-2.4	14.7	25.9	-0.8	11.0	2.9	-6.0	1.6
Imports of goods and services (US$) (millions)	2,050.00	4,204.89	7,556.10	9,054.39	12,035.6	12,678.0	13,517.6	13,586.5	12,512.8	10,604.9
Individuals using the Internet (% of population)	0.1	1.1	2.4	2.9	3.2	4.0	4.4	7.0	10.0	13.0
Industry, value added (% of GDP)	19.2	21.0	19.9	21.7	24.3	23.3	24.2	25.3	26.4	27.3
Industry, value added (annual % growth)	4.5	11.2	3.3	9.1	12.0	4.0	9.5	10.3	11.3	10.7
Inflation, consumer prices (annual %)	5.9	5.0	12.1	6.2	12.7	16.0	7.9	6.1	5.6	5.2
Inflation, GDP deflator (annual %)	7.6	26.5	9.3	9.2	11.5	10.7	7.7	5.0	6.6	6.7
Surface area (sq. km)	947,300	947,300	947,300	947,300	947,300	947,300	947,300	947,300	947,300	947,300
Life expectancy at birth, total (years)	51	56	60	61	62	62	63	64	65	..
Lifetime risk of maternal death (%)	4.6	3.8	3.1	2.9	2.7	2.6	2.4	2.3	2.2	..
Manufacturing, value added (% of GDP)	9.4	7.8	7.4	7.4	8.1	8.0	6.9	6.1	5.7	5.5
Manufacturing, value added (annual % growth)	4.8	7.0	4.7	8.9	6.9	4.1	6.5	6.8	6.5	7.8
Merchandise exports (US$) (billions)	0.734	1.679	2.982	4.051	4.735	5.075	4.559	4.628	4.931	5.172
Merchandise imports (US$) (millions)	1,524.00	3,287.06	6,410.90	7,874.20	10,799.4	11,346.0	12,091.5	11,993.5	10,788.9	9,487.5
Merchandise trade (% of GDP)	22.2	29.3	32.9	38.0	45.9	42.0	37.6	34.5	34.5	31.0
Military expenditure (% of GDP)	1.3	0.8	0.8	0.9	0.9	0.9	1.0	1.1	1.1	1.1
Population density (people/km²/land area)	38.6	44.5	50.4	52.0	53.7	55.4	57.2	59.0	60.8	62.7
Population growth (annual %)	2.6	3.0	3.2	3.2	3.1	3.1	3.1	3.1	3.1	3.1
Population, total	34,178,042	39,410,545	44,664,231	46,098,591	47,570,902	49,082,997	50,636,595	52,234,869	53,879,957	55,572,201
School enrolment, primary (% net)	52.8	89.3	..	88.7	..	84.2	80.9	80.1	..	..
Services, etc., value added (% of GDP)	47.3	48.5	47.7	46.3	44.4	43.6	42.5	43.4	42.2	41.2
Services, etc., value added (annual % growth)	5.4	9.6	5.4	7.8	7.9	7.4	7.4	7.1	6.8	7.3
Statistical Capacity score (Overall average)	..	63.3	63.3	67.8	72.2	72.2	72.2	72.2	75.6	73.3
Time to export (days)	..	30.0	24.0	24.0	18.0	18.0	18.0	18.0	..	..
Time to import (days)	..	51.0	31.0	31.0	24.0	31.0	31.0	26.0	..	..
Trade (% of GDP)	33.5	39.1	43.7	47.9	56.8	54.4	48.7	49.2	46.4	42.1
Trade in services (% of GDP)	12.9	14.6	12.5	12.5	13.3	13.2	12.8	12.6	13.3	12.1
Unemployment, total (% of total labour force)	3.7	3.6	2.5	2.9	3.5	3.2	2.9	2.1	2.1	2.4
Wage and salaried workers, total (% of total employment)	6.8	10.3	12.3	12.6	12.8	17.0	17.7	17.5	17.4	17.3

Created from: World Development Indicators
Country: Tanzania.
Source:
Tanzania Ministry of Finance, The Economic Survey 2010, (http://www.mof.go.tz); Bank of Tanzania, Annual Report 2007-2017 (ISSN 0067-3757), (http://www.bot-tz.org); National Bureau of Statistics, Ministry of Finance,

Tanzania in Figures 2017, (http://www.nbs.go.tz); Information provided by the Tanzanian authorities; Bank of Tanzania, Economic Bulletin 2017; (http://www.bot-tz.org); World Bank, World Development Indicators, (http://databank.worldbank.org/ddp/home.do); and UNCTAD statistics, (http://unctadstat.unctad.org/).

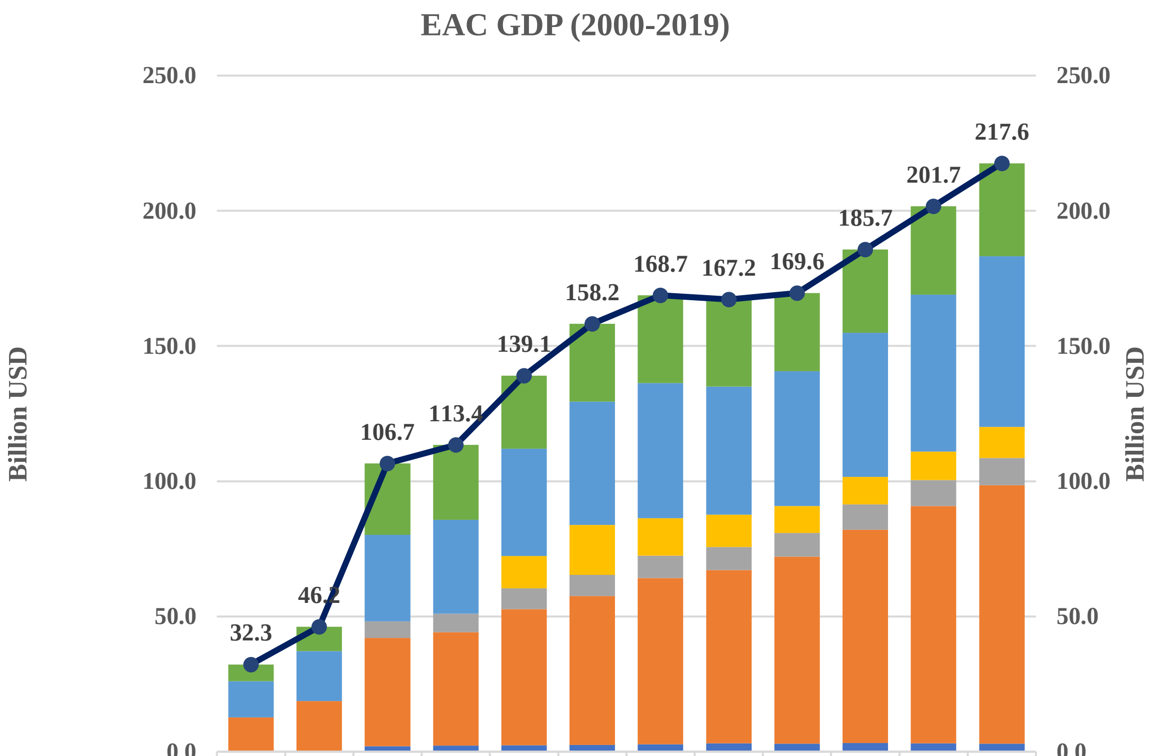
APPENDIX 3. 6: UGANDA - Economic Indicators 2000-2016

Indicators	2000	2005	2009	2010	2011	2012	2013	2014	2015	2016
Access to electricity (% of population)	8.4	8.9	10.0	13.2	14.6	14.2	13.9	20.4	..	..
Adjusted net national income (annual % growth)	3.9	7.1	12.8	9.0	6.4	1.7	..	..	..	..
Agricultural land (% of land area)	62.6	66.4	70.6	71.1	71.9	72.1	71.9	71.9	71.9	..
Agricultural raw materials exports (% of merchandise exports)	15.0	13.3	7.6	7.2	7.5	6.1	5.9	5.9	4.9	..
Agricultural raw materials imports (% of merchandise imports)	2.1	1.6	1.0	1.1	1.1	1.1	1.4	1.5	1.7	..
Agriculture, value added (% of GDP)	29.4	26.7	28.2	28.3	27.0	28.0	27.4	27.1	26.1	25.8
Agriculture, value added (annual % growth)	-0.4	2.0	3.3	2.9	3.1	0.6	1.9	2.7	2.3	2.8
Arable land (% land area)	26.5	29.8	33.0	33.7	34.2	34.4	34.4	34.4	34.4	..
Broad money (% of GDP)	16.1	19.3	19.4	22.9	22.5	20.5	20.8	22.1	22.3	22.9
Business extent of disclosure index (0=less to 10=more disclosure)	..	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Cost of business start-up procedures (% of GNI per capita)	..	99.2	84.4	94.4	84.5	76.7	78.3	64.4	39.7	37.1
Currency composition of PPG debt, all other currencies (%)	12.0	13.6	19.5	21.5	23.8	26.3	25.9	25.5	24.9	24.0
Current account balance (% of GDP)	-5.8	-0.1	-6.0	-8.2	-10.5	-7.4	-7.5	-8.9	-6.8	-4.9
Employers, total (% of total employment)	0.2	1.1	1.0	1.3	1.3	1.3	1.3	1.3	1.3	1.3
Employment in agriculture (% employment)	66.0	73.7	73.8	73.7	73.1	73.1	73.1	72.9	72.7	72.4
Employment in industry (% of total employment)	8.1	5.6	7.1	6.9	7.3	7.5	7.3	7.2	7.2	7.3
Employment in services (% of total employment)	25.9	20.7	19.1	19.4	19.6	19.4	19.6	19.9	20.1	20.3
Employment to population ratio, 15+, (%)	80.1	76.9	79.9	80.5	80.9	83.2	83.5	83.4	83.5	83.3
Energy imports, net (% of energy use)	..	..	..	..	..	..	..	..	..	..
Exports of goods and services (% of GDP)	10.7	14.2	17.3	17.1	19.0	20.2	20.3	18.2	18.4	18.6
Exports of goods and services (annual % growth)	-21.6	14.8	-8.6	-9.0	5.5	14.0	6.9	0.0	-2.4	2.9
Exports of goods and services (US$) (millions)	663.10	1,542.02	3,353.75	3,467.64	4,297.66	4,928.38	5,327.17	4,731.59	4,859.42	4,496.93
External balance on goods and services (% of GDP)	-11.4	-10.6	-12.2	-11.5	-14.9	-12.9	-10.3	-10.0	-10.8	-10.1
External balance on goods and services (US$) (millions)	-708.89	-958.61	-2,218.20	-2,312.61	-3,006.60	-2,985.22	-2,533.87	-2,722.97	-2,915.88	-2,422.00
External debt stocks, (DOD,US$) (millions)	3,535.15	4,461.21	2,763.18	2,974.60	3,262.58	3,779.37	8,739.16	8,952.32	9,925.26	9,946.99
Fertility rate, total (births per woman)	6.9	6.6	6.2	6.2	6.1	6.0	5.9	5.8	5.7	..
FDI, net inflows (% of GDP)	2.6	4.2	4.6	2.7	4.4	5.2	4.5	3.9	2.0	2.2
FDI net inflows (US$) (millions)	160.70	379.81	841.57	543.87	894.29	1,205.39	1,096.00	1,058.56	538.48	522.64
FDI, net outflows (% of GDP)	..	0.0	0.2	0.2	-0.1	0.2	-0.2	0.1	0.0	0.0
FDI, net outflows (US$) (millions)	..	0.00	28.85	37.21	-11.85	46.34	-47.21	27.02	0.29	0.15
GDP (current US$) (billions)	6.193	9.014	18.169	20.186	20.177	23.132	24.600	27.295	27.059	24.079
GDP growth (annual %)	3.1	6.3	6.8	5.6	9.4	3.8	3.6	5.1	5.2	4.7
GDP per capita (current US$)	257.6	315.8	554.4	595.2	574.9	637.1	655.0	702.9	674.0	580.4
GDP per capita growth (annual %)	-0.1	2.7	3.2	2.1	5.7	0.4	0.1	1.6	1.8	1.3
GNI (current US$) (billions)	6.086	8.748	17.863	19.849	19.845	22.661	24.072	26.683	26.615	23.650

GNI growth (annual %)	1.5	6.1	6.9	5.6	9.4	3.4	3.4	5.0	5.8	4.6
Gross capital formation (% of GDP)	19.5	22.4	25.0	25.6	27.5	27.3	28.4	27.3	24.6	25.5
Gross capital formation (annual % growth)	-7.0	12.5	2.5	9.0	13.0	3.0	9.9	2.4	-0.5	8.6
Gross savings (% of GDP)	14.4	20.3	17.4	18.9	18.0	19.1	20.8	19.5	17.0	19.4
Gross savings (% of GNI)	14.6	20.9	17.7	19.3	18.3	19.5	21.3	19.9	17.3	19.7
Health expenditure, total (% of GDP)	6.8	9.4	8.4	11.0	9.1	7.6	7.5	7.2	..	..
Imports of goods and services (% of GDP)	22.1	24.8	29.5	28.6	33.9	33.1	30.6	28.1	29.2	28.6
Imports of goods and services (annual % growth)	1.8	12.6	16.8	-2.1	14.7	6.0	0.9	-6.5	14.2	-9.3
Imports of goods and services (US$) (millions)	1,408.50	2,354.41	5,228.19	6,178.34	7,431.27	7,746.76	7,748.41	7,806.48	7,576.71	6,458.09
Individuals using the Internet (% population)	0.2	1.7	9.8	12.5	13.0	14.1	15.5	16.9	17.8	21.9
Industry, value added (% of GDP)	22.9	25.0	21.8	19.5	21.7	22.9	22.2	22.0	21.8	22.5
Industry, value added (annual % growth)	10.2	11.6	5.7	7.9	11.3	3.1	2.1	6.3	7.8	4.6
Inflation, consumer prices (annual %)	3.4	8.4	13.0	4.0	18.7	12.7	4.9	3.1	5.4	5.5
Inflation, GDP deflator (annual %)	11.1	-1.7	34.0	10.6	4.6	21.5	4.0	3.4	5.0	3.5
Land area (sq. km)	241,038	241,038	241,038	241,038	241,038	241,038	241,038	241,038	241,038	241,038
Life expectancy at birth, (Yrs.)	47	53	56	57	58	58	59	59	60	..
Lifetime risk of maternal death (%)	4.1	3.4	2.8	2.7	2.6	2.5	2.4	2.2	2.1	..
Manufacturing, value added (% of GDP)	7.6	7.5	9.1	9.2	10.6	11.3	10.3	9.2	9.5	9.5
Manufacturing, value added (annual % growth)	5.5	9.5	10.0	4.5	7.8	2.7	-2.5	2.2	11.6	0.6
Merchandise exports (current US$) (billions)	0.403	0.813	1.568	1.619	2.159	2.357	2.408	2.262	2.267	2.543
Merchandise imports (current US$) (millions)	1,536.00	2,054.14	4,247.37	4,664.34	5,630.88	6,044.15	5,817.51	6,073.53	5,528.12	5,099.45
Merchandise trade (% of GDP)	31.3	31.8	32.0	31.1	38.6	36.3	33.4	30.5	28.8	31.7
Military expenditure (% of GDP)	2.5	2.4	1.7	3.2	3.5	1.8	1.8	1.7	1.6	1.7
Population density (people/km ^{2} /land area)	120.3	142.9	164.0	169.1	175.0	181.1	187.3	193.7	200.2	206.9
Population growth (annual %)	3.2	3.5	3.4	3.4	3.4	3.4	3.4	3.4	3.3	3.3
Population, total	24,039,274	28,543,940	32,771,895	33,915,133	35,093,648	36,306,796	37,553,726	38,833,338	40,144,870	41,487,965
School enrolment, primary (% net)	..	..	93.5	90.2	93.1	..	93.7	..	..	..
Services, etc., value added (% of GDP)	47.7	48.3	49.9	52.2	51.3	49.1	50.3	50.9	52.1	51.7
Services, etc., value added (annual % growth)	7.0	6.2	-8.8	7.0	11.7	4.0	5.4	5.4	4.8	5.9
Statistical Capacity score (Overall average)	..	68.9	62.2	70.0	70.0	67.8	73.3	64.4	72.2	68.9
Tax revenue (% of GDP)	..	..	..	..	..	..	..	..	12.9	13.5
Time to export (days)	..	38.0	33.0	33.0	33.0	33.0	30.0	28.0	..	..
Time to import (days)	..	64.0	31.0	31.0	31.0	33.0	33.0	31.0	..	..
Trade (% of GDP)	32.7	39.0	46.7	45.7	52.9	53.3	50.9	46.3	47.7	47.2
Trade in services (% of GDP)	10.9	12.6	13.3	15.4	20.9	19.9	21.4	17.3	17.8	15.4
Unemployment, total (% of total labour force)	1.7	1.9	2.8	3.1	3.4	1.5	1.9	1.9	1.9	2.1
Wage and salaried workers, total (% of total employment)	14.6	14.9	17.7	18.6	18.9	20.1	19.8	20.2	20.6	21.0

Created from: World Development Indicators
Country: Uganda
Source:
Bank of Uganda, (http://www.bou.or.ug); Uganda Bureau of Statistics' Statistical Abstract reports, (www.ubos.org); IMF IFS database, (http://elibrary-data.imf.org/); and UNCTAD statistics, (http://unctadstat.unctad.org/).

APPENDIX 3. 7: The EAC Total Real GDP from 2000 to 2019



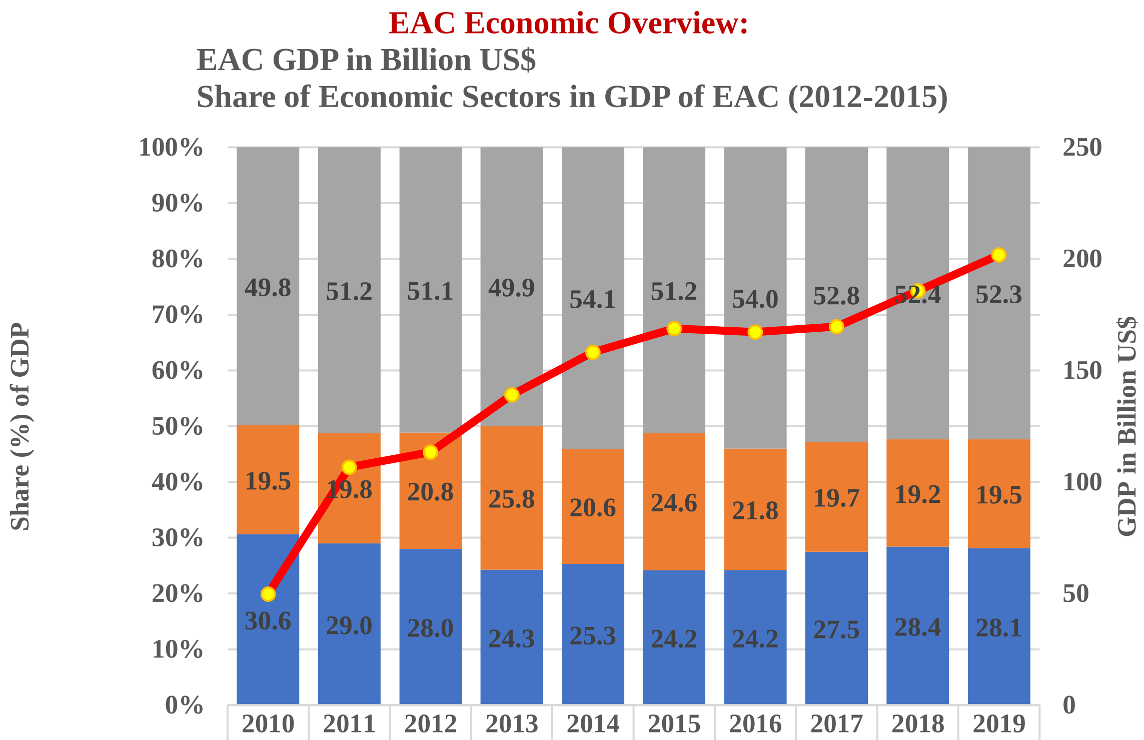
	2000	2005	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Uganda	6.2	9.0	26.5	27.6	27.1	28.7	32.3	32.1	29.0	30.8	32.8	34.4
Tanzania	13.4	18.4	32.0	34.7	39.7	45.7	50.0	47.4	49.8	53.3	58.0	63.2
South Sudan					11.9	18.4	14.0	12.0	10.0	10.3	10.5	11.4
Rwanda			6.1	6.9	7.7	7.9	8.3	8.6	8.7	9.3	9.6	10.1
Kenya	12.7	18.7	40.0	42.0	50.4	55.1	61.4	64.0	69.2	79.0	87.8	95.5
Burundi			2.0	2.2	2.3	2.5	2.7	3.1	3.0	3.2	3.0	3.0
EAC	32.3	46.2	106.7	113.4	139.1	158.2	168.7	167.2	169.6	185.7	201.7	217.6

Burundi Kenya Rwanda South Sudan Tanzania Uganda EAC

Source: EAC Member Governments statistical reports (2000-2019), and World Bank data (2020)

The EAC total real GDP comprises the sum of gross value added by all resident producers in the economies of the EAC member countries. the GDP data are in current U.S. dollars. Dollar figures are converted from domestic currencies using single year official exchange rates.

APPENDIX 3. 8: The Share of the EAC Economic Sectors in GDP

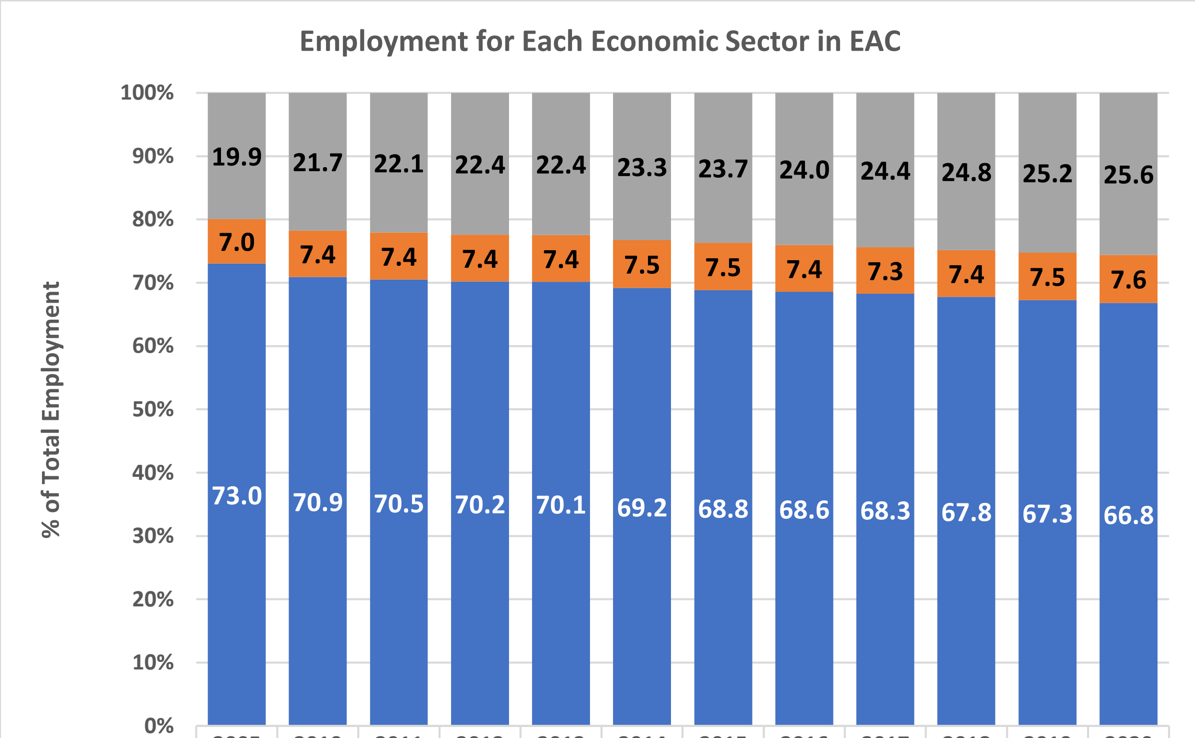


	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Services	49.8	51.2	51.1	49.9	54.1	51.2	54.0	52.8	52.4	52.3
Industry	19.5	19.8	20.8	25.8	20.6	24.6	21.8	19.7	19.2	19.5
Agriculture	30.6	29.0	28.0	24.3	25.3	24.2	24.2	27.5	28.4	28.1
EAC GDP	49.8	106.7	113.4	139.1	158.2	168.7	167.2	169.6	185.7	201.7

Source: Author calculations, EAC Member Governments statistical reports (2010-2019), and World Bank data (2020)

The figure above shows the GDP of the EAC and its distribution across the three main economic sectors in the community from 2010 to 2019.

APPENDIX 3. 9: EAC Employment by Agriculture, Industry, and Services Sectors

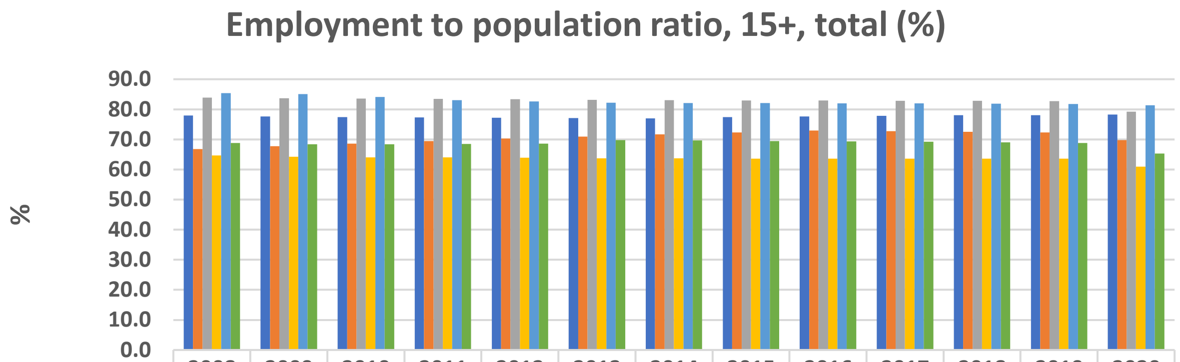


	2005	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Services	19.9	21.7	22.1	22.4	22.4	23.3	23.7	24.0	24.4	24.8	25.2	25.6
Industry	7.0	7.4	7.4	7.4	7.4	7.5	7.5	7.4	7.3	7.4	7.5	7.6
Agriculture	73.0	70.9	70.5	70.2	70.1	69.2	68.8	68.6	68.3	67.8	67.3	66.8

Source: Author calculations, EAC Member Governments statistical reports (2005-2019), and World Bank data (2020)

The figure above presents an overview of employment in the EAC economic sectors (agriculture, industry, and services).

APPENDIX 3. 10: Total Employment of EAC population (15 years and above)

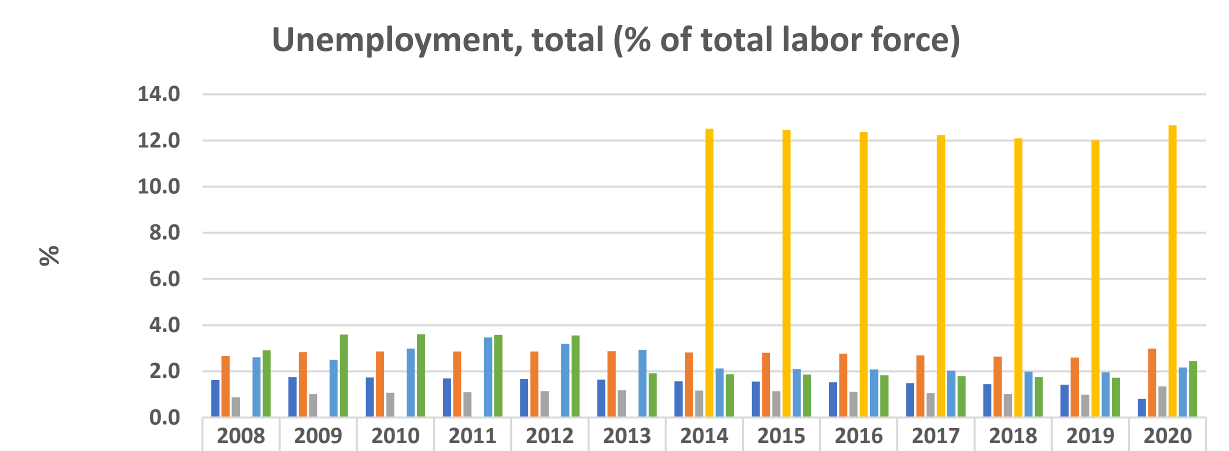


	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Burundi	77.9	77.6	77.4	77.3	77.2	77.1	77.0	77.4	77.7	77.9	78.0	78.1	78.2
Kenya	66.8	67.7	68.6	69.5	70.3	70.9	71.7	72.3	73.0	72.8	72.5	72.3	69.8
Rwanda	83.9	83.7	83.6	83.5	83.3	83.2	83.0	83.0	82.9	82.9	82.8	82.7	79.2
South Sudan	64.6	64.3	64.1	64.0	63.9	63.8	63.7	63.6	63.6	63.6	63.6	63.6	60.9
Tanzania	85.4	85.0	84.1	83.1	82.7	82.2	82.1	82.1	82.0	82.0	81.9	81.8	81.4
Uganda	68.8	68.3	68.4	68.5	68.6	69.7	69.6	69.5	69.4	69.2	69.1	68.8	65.3

Source: World Development Indicators, 2020

The figure above specifies the employment condition in EAC countries, for the population having 15 years and above.

APPENDIX 3. 11: Unemployment, total (% of the total labour force)

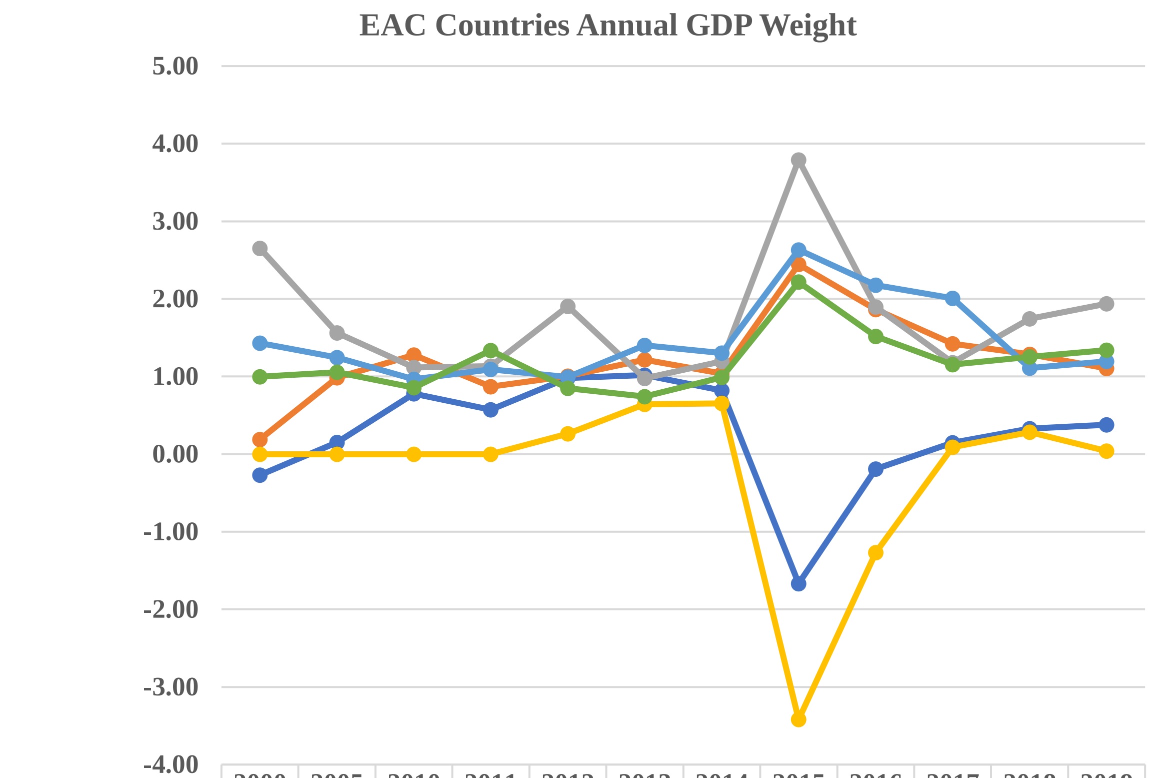


	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Burundi	1.6	1.8	1.7	1.7	1.7	1.6	1.6	1.5	1.5	1.5	1.5	1.4	0.8
Kenya	2.7	2.8	2.9	2.9	2.9	2.9	2.8	2.8	2.8	2.7	2.6	2.6	3.0
Rwanda	0.9	1.0	1.1	1.1	1.1	1.2	1.2	1.1	1.1	1.1	1.0	1.0	1.4
South Sudan	0.0	0.0	0.0	0.0	0.0	0.0	12.5	12.4	12.4	12.2	12.1	12.0	12.7
Tanzania	2.6	2.5	3.0	3.5	3.2	2.9	2.1	2.1	2.1	2.0	2.0	2.0	2.2
Uganda	2.9	3.6	3.6	3.6	3.5	1.9	1.9	1.9	1.8	1.8	1.8	1.7	2.4

Source: World Development Indicators, 2020

The figure above specifies the unemployment condition in EAC countries, for the total labour force.

APPENDIX 5. 1: Overall GDP weight of the EAC countries from 2000 to 2019



	2000	2005	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Burundi	-0.27	0.15	0.78	0.57	0.98	1.02	0.82	-1.67	-0.19	0.15	0.33	0.38
Kenya	0.19	0.98	1.28	0.87	1.01	1.22	1.04	2.44	1.87	1.42	1.29	1.11
Rwanda	2.65	1.56	1.12	1.13	1.91	0.98	1.19	3.79	1.90	1.18	1.74	1.94
South Sudan					0.26	0.64	0.65	-3.42	-1.27	0.09	0.28	0.04
Tanzania	1.43	1.25	0.96	1.09	0.99	1.40	1.30	2.63	2.18	2.01	1.11	1.19
Uganda	1.00	1.06	0.86	1.34	0.85	0.74	0.99	2.22	1.52	1.15	1.25	1.34

Source: Author calculations, EAC Member Governments statistical reports (2000-2019), and World Bank data (2020)

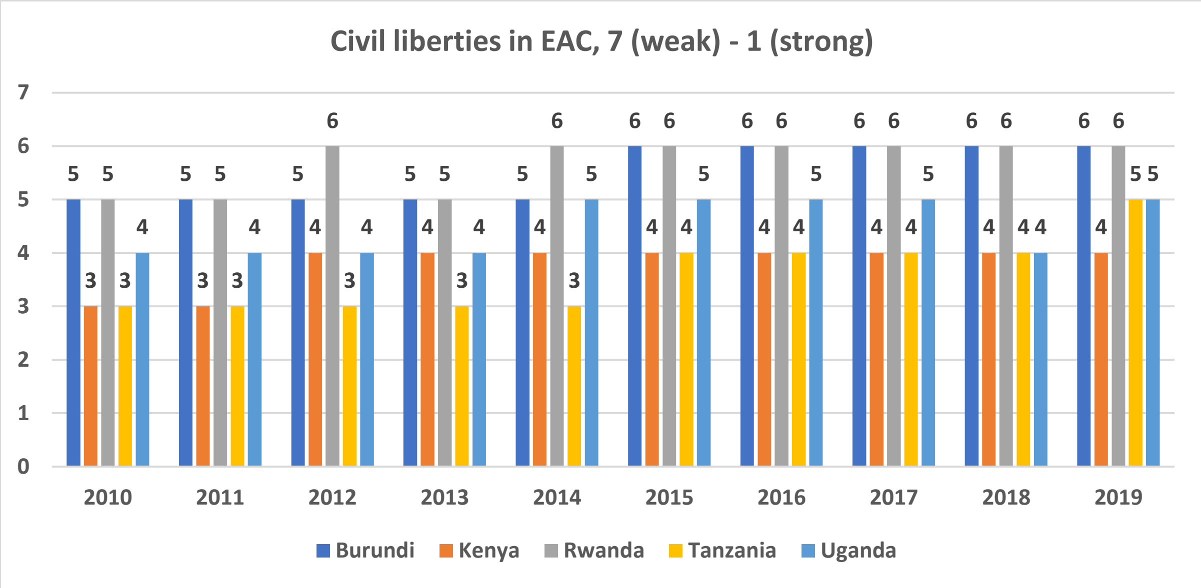
The figure above shows the annual percentage of the GDP weight of the EAC countries from 2000 to 2019.

APPENDIX 5. 2: Infrastructures to be prioritized within the EAC

Type of infrastructure		Current state level
For individual EAC member country		
Burundi	- Transport infrastructure - ICT infrastructure - Internet infrastructure - Electricity infrastructure	- Low level - Low level - Few users - Very low access level, 11% of population 2018
Kenya	- Transport infrastructure - ICT infrastructure - Internet infrastructure - Electricity infrastructure	- Somehow good quality, Length 63 265 km - Medium level - Few users - little high access level, 75% of population 2018
Rwanda	- Transport infrastructure - ICT infrastructure - Internet infrastructure - Electricity infrastructure	- Somehow Good quality - Medium level - Few users - low access level, 34.7% of population 2018
South Sudan	- Transport infrastructure - ICT infrastructure - Internet infrastructure - Electricity infrastructure	- Very bad quality - Low level - Few users - Low access level, 28.2% of population 2018
Tanzania	- Transport infrastructure - ICT infrastructure - Internet infrastructure - Electricity infrastructure	- Medium quality - Medium level - Few users - Low access level, 35.6% of population 2018
Uganda	- Transport infrastructure - ICT infrastructure - Internet infrastructure - Electricity infrastructure	- Medium quality - Medium level - Few users - Medium access level. 42.7% of population 2018
Infrastructures that need special consideration for the whole EAC organisation as a whole		
- Transport infrastructure - Communication infrastructure - Railway constructions - ICT infrastructure - Electricity infrastructure - Port infrastructure		- Low quality (need improvements) - Still at a low level, unenhanced - Very few (need new lines constructions) - Still at a low level and fewer users - Low production level, low access level - Low-level quality 3.24 out of 7 in 2017

Source: Governments in EAC and World Bank data (2020)

APPENDIX 5. 3: Civil Liberties Index

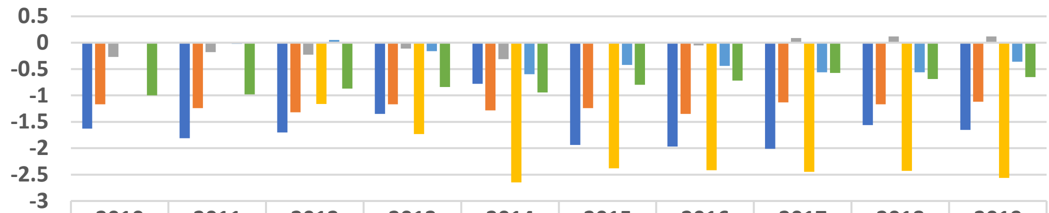


Source: World Bank, 2020

The figure above presents the civil liberties index of the EAC member countries, where 1 is strong liberties and 7 has less or no liberties at all.

APPENDIX 5. 4: Index of political stability in EAC countries

Political Stability in EAC (-2.5 weak, 2.5 strong)



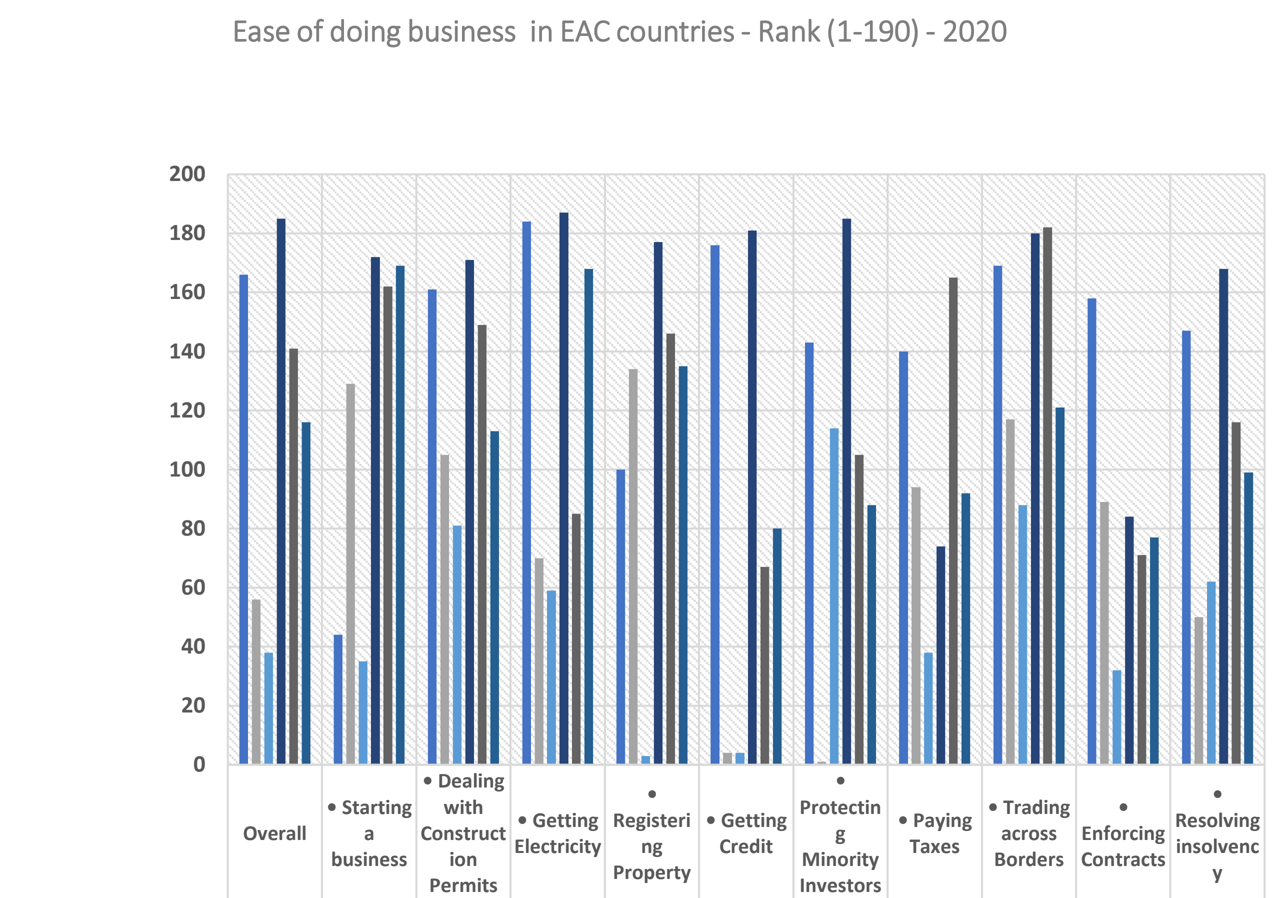
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Burundi	-1.63	-1.81	-1.7	-1.35	-0.78	-1.94	-1.97	-2.01	-1.56	-1.65
Kenya	-1.17	-1.24	-1.32	-1.17	-1.28	-1.24	-1.35	-1.13	-1.17	-1.12
Rwanda	-0.27	-0.18	-0.23	-0.11	-0.31	0.01	-0.05	0.09	0.12	0.12
South Sudan			-1.16	-1.73	-2.65	-2.38	-2.42	-2.45	-2.43	-2.56
Tanzania	0.01	-0.02	0.05	-0.16	-0.6	-0.42	-0.44	-0.56	-0.56	-0.36
Uganda	-1	-0.98	-0.87	-0.84	-0.94	-0.8	-0.72	-0.57	-0.69	-0.65

Burundi Kenya Rwanda South Sudan Tanzania Uganda

Source: World Bank, 2020

The figure above presents the political stability of the EAC member countries, where -2.5 is weak government political stability and 2.5 is strong government political stability.

APPENDIX 5. 5: Ease of doing business in EAC – Rank of Regulation Indicators

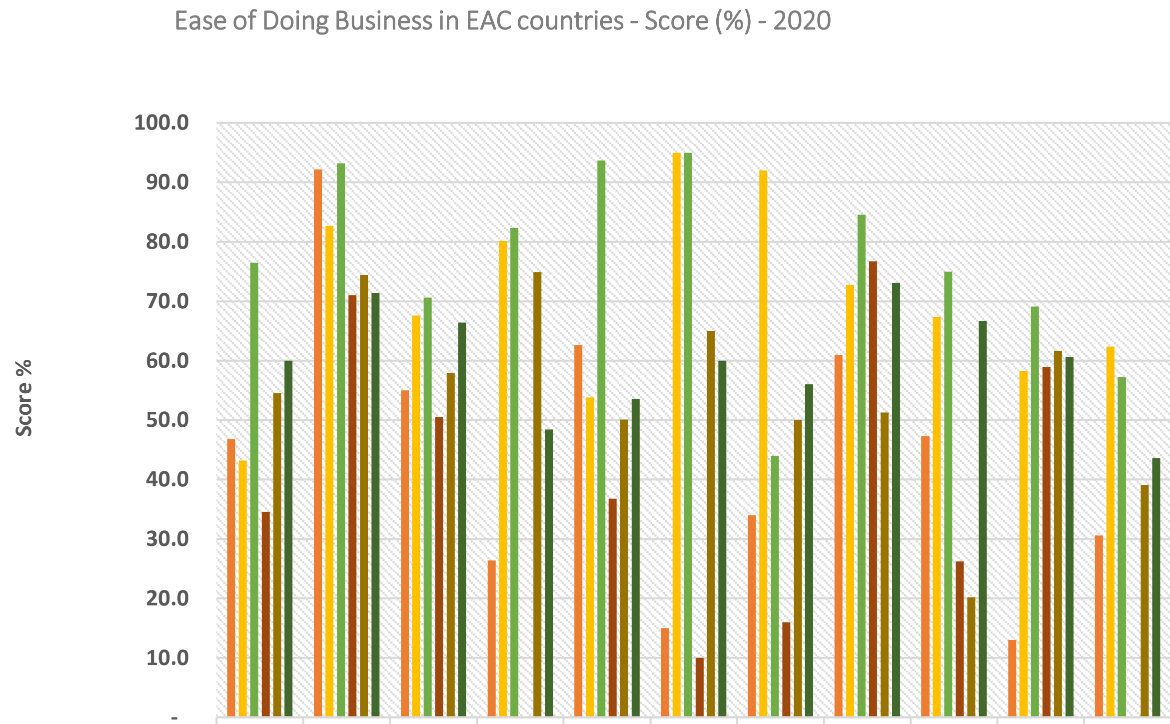


	Overall	• Starting a business	• Dealing with Construction Permits	• Getting Electricity	• Registering Property	• Getting Credit	• Protecting Minority Investors	• Paying Taxes	• Trading across Borders	• Enforcing Contracts	• Resolving insolvency
Burundi Rank	166	44	161	184	100	176	143	140	169	158	147
Kenya Rank	56	129	105	70	134	4	1	94	117	89	50
Rwanda Rank	38	35	81	59	3	4	114	38	88	32	62
South-Sudan Rank	185	172	171	187	177	181	185	74	180	84	168
Tanzania Rank	141	162	149	85	146	67	105	165	182	71	116
Uganda Rank	116	169	113	168	135	80	88	92	121	77	99

Source: Doing Business Database

The figure above presents the rankings of the EAC countries (out of 190 economies) according to the ten business regulation indicators including starting a business, dealing with construction permits, getting electricity, registering property, getting credit, protecting minority investors, paying taxes, trading across borders, enforcing contracts, and resolving insolvency.

APPENDIX 5. 6: Ease of doing business in EAC – Score of the Regulation Indicators



	Overall	• Starting a business	• Dealing with Construction Permits	• Getting Electricity	• Registering Property	• Getting Credit	• Protecting Minority Investors	• Paying Taxes	• Trading across Borders	• Enforcing Contracts	• Resolving insolvency
Burundi Score (%)	46.8	92.2	55.0	26.4	62.6	15.0	34.0	60.9	47.3	13.0	30.6
Kenya Score (%)	43.2	82.7	67.6	80.1	53.8	95.0	92.0	72.8	67.4	58.3	62.4
Rwanda Score (%)	76.5	93.2	70.6	82.3	93.7	95.0	44.0	84.6	75.0	69.1	57.2
South-Sudan Score (%)	34.6	71.0	50.5	-	36.8	10.0	16.0	76.7	26.2	59.0	-
Tanzania Score (%)	54.5	74.4	57.9	74.9	50.1	65.0	50.0	51.3	20.2	61.7	39.1
Uganda Score (%)	60.0	71.4	66.4	48.4	53.6	60.0	56.0	73.1	66.7	60.6	43.6

Source: Doing Business Database

The figure above presents the score (%) of the EAC member countries accordingly with the ten business regulation indicators including starting a business, dealing with construction permits, getting electricity, registering property, getting credit, protecting minority investors, paying taxes, trading across borders, enforcing contracts, and resolving insolvency.

APPENDIX 5. 7: Business Reforms in Burundi from 2008 to 2019

Year	Doing Business reform making it easier to do business in Burundi.
2019	**Starting a Business:** The country made it cheaper to start a business less expensive by reducing the cost related to registering a business. **Dealing with Construction Permits:** There was transparency increasing in dealing with construction permits by publishing online the regulations related to construction, free of charge. **Resolving Insolvency:** The country made it easier to resolve insolvency by streamlining the insolvency framework, expanding the scope of the Insolvency Act, and adopting new preventive measures.
2017	**Paying Taxes:** The country made it easier to pay taxes by introducing a new tax return and abolishing the personalized VAT declaration forms.
2014	**Starting a Business:** Burundi made it easier to start a business by enabling registration with the Ministry of Labour at the one-stop shop and by quickening the process to obtain the registration certificate. **Dealing with Construction Permits:** The country made dealing with construction permits easier by combining all services related to obtaining building permits and utility connections in a one-stop office. **Getting Electricity:** Burundi made it easier to get electricity by removing the monopoly of the electricity utility on the sale of materials needed for new connections and by reducing the new connections processing fee. **Registering Property:** The country made it easier to transfer property by establishing a one-stop office for property registration. **Paying Taxes:** The country made it less costly to pay companies taxes by lowering the corporate income tax rate. **Trading across Borders:** Burundi made it easier trading across borders by removing the requirement related to the reshipment inspection clean report of findings.

2013	**Starting a Business:** The country made it simpler to start a business by eliminating the requirements of notarizing company documents, publishing information on new companies in a journal and registering new companies with the Ministry of Trade and Industry. **Dealing with Construction Permits:** Burundi made obtaining a construction permit easier by eliminating the requirement for a clearance from the Ministry of Health and reducing the cost of the geotechnical study. **Registering Property:** In establishing a statutory time limit for processing property transfer requests at the land registry, the country made it faster for property transfers. **Trading across Borders:** The country reduced the time to trade across borders by improving its use of electronic data interchange systems, adopting a more efficient system to monitor goods going through transit countries and enhancing border coordination with neighbouring transit countries.
2012	**Dealing with Construction Permits:** with the reduction of the cost to obtain a geotechnical study, the country simplified the process of dealing with construction permits. **Protecting Minority Investors:** The investor protections were strengthened with the initiatives to introduce new requirements for the approval of transactions between interested parties, to require greater corporate disclosure in the annual report and to the board of directors and to make it easier to sue directors in cases of prejudicial transactions between interested parties. **Paying Taxes:** By reducing the payment frequency for social security contributions from monthly to quarterly, the country simplified the process of paying taxes for companies. **Resolving Insolvency:** The country amended its commercial code to introducing foreclosure procedures.
2011	**Paying Taxes:** In replacing the transactions tax with a value-added tax, Burundi made paying taxes much easier.
2009	**Registering Property:** The country made registering property less costly by reducing the registration fee. These measures were partly motivated by the EAC countries' desire to pass the poverty line for the Millennium Challenge Corporation eligibility.
2008	**Registering Property:** Burundi made it less costly to register property by lowering the registration fee.

Year	Changes making it more difficult to do business in Burundi
2018	**Starting a Business:** By increasing the cost of registering a business, the country made it more expensive to start a business.
	Source: Doing Business Database.

APPENDIX 5. 8: Business Reforms in Kenya from 2008 to 2020

Year	Doing Business reform making it easier to do business in Kenya
2020	**Dealing with Construction Permits:** The country has made the processing of building permits more transparent, by making building permit requirements available to the public online and reducing costs. **Getting Electricity:** The country improved the reliability and stability of its supply for electricity power by renovating its existing infrastructure and by installing a new transformer station in Nairobi. **Registering Property:** Kenya made it faster for property registration by relocating online payments, consents to transfer, and payments verification. **Getting Credit:** The country increased access to credit by initiating online registration, modification, and security interests' cancellation, as well as online public searches of its collateral registry. **Protecting Minority Investors:** the country strengthened the protections of minority investors by obliging shareholders to approve an external auditor election and dismissal. **Paying Taxes:** Kenya made it easier to pay taxes by introducing an online system for filing and payment of social security contributions. **Resolving Insolvency:** The country facilitated the resolution of insolvency by improving the continuation of the debtor's business activities during the proceedings of insolvency.
2019	**Registering Property:** Kenya facilitated property registration by introducing an online system in lightning land rent rates. **Getting Credit:** The country facilitated access to getting credit by introducing an introducing a new law on secure transactions creating a unified legal framework on secure transactions and establishing a new register of the unified and notice-based collateral registry. **Protecting Minority Investors:** The country has strengthened the protections for minority investors by making the increase in disclosure requirements, regulating the approval of minority investors and increasing the remedies available if these transactions are prejudicial, rising the rights and role of shareholders in major corporate decisions and demanding greater corporate transparency.

	Paying Taxes: Kenya made it simpler to pay taxes by combining all permits into a single particular unified business permit and simplifying the schedule of value-added tax on its online platform of iTax. **Resolving Insolvency:** the country facilitated the resolution of insolvency by simplifying the continuation of the debtor's business activities during insolvency proceedings, granting equal treatment of creditors in reorganization proceedings and greater participation in the insolvency proceedings.
2018	**Starting a Business:** Kenya made starting a business easier by merging procedures required to start up and formally operate a business. **Dealing with Construction Permits:** Kenya made dealing with construction permits less expensive by eliminating fees for clearances from the National Environment Management Authority (NEMA) and the National Construction Authority (NCA). **Getting Electricity:** Kenya improved the reliability of electricity by investing in its distribution lines and transformers and by setting up a specialized squad to restore power when outages occur. **Getting Credit:** Kenya improved access to credit information by starting to distribute data from two utility companies. **Paying Taxes:** Kenya made paying taxes easier by implementing an online platform, iTax, for filing and paying corporate income tax and the standards levy. **Trading across Borders:** Kenya reduced the time for import documentary compliance by utilizing its single window system, which allows for electronic submission of customs entries.
2017	**Starting a Business:** Kenya made it easier to start a business by abolishing stamp duty fees required for the memorandum, nominal capital, and articles of association. The country also has removed the requirements to sign declarations of compliance in front of the commissioner of oaths. **Getting Electricity:** Kenya facilitated the process of obtaining electricity with the introduction of the use of a geographic information system that abolishes the need for a site visit, thus decreasing the time and interactions required to get an electrical connection. **Registering Property:** the country made it simpler registering a property with the increase of the transparency at its cadastre office and land registry.

	Protecting Minority Investors: The country reinforced the protection of minority investors by elucidating the structures for ownership and control, introducing increased disclosure requirements for related party transactions to the board of directors, facilitating prosecutions of directors in the event of transactions detrimental to related parties, and permitting the cancellation of related party transactions that are supposed to harm the company. **Resolving Insolvency:** Kenya facilitated the resolution of insolvency following the introduction of reorganization procedure, ease of the debtor's business activities continuation during insolvency proceedings and establishment of settlements for insolvency practitioners.
2016	**Starting a Business:** Kenya has facilitated the start-up of a business by decreasing the time for assessing and paying stamp duty. **Getting Electricity:** Public service across the country has reduced delays for new connections by applying service delivery timelines and employing contractors to install meters. **Registering Property:** Kenya made it much faster-processing property transfers due to the improvement of electronic records management in the land registry office and the initiation of a unified registration form. **Getting Credit:** The country enhanced access to credit information by enacting legislation that enables positive information sharing, and by expanding coverage of borrowers.
2015	**Getting Credit:** The Country improved its system of credit information by adopting legislation that permits to share of both positive and negative credit information and installs guidelines for historical data processing.
2013	**Paying Taxes:** Kenya made it faster to pay taxes for companies by improving electronic filing systems.
2012	**Enforcing Contracts:** The country instituted in place a case management system that facilitates to increase the cost-effectiveness and efficiency of trade dispute resolution.
2011	**Starting a Business:** Kenya has eased starting up a business in reducing the time to obtain the memorandum and stamped statutes, merging the tax and procedures for registering the value-added tax, and digitise records to the registrar.

	Trading across Borders: Kenya accelerated trade by setting up an electronic tracking system for cargo and linking it to the electronic data interchange system of the Kenya Revenue Authority for customs clearance.
2010	**Getting Credit:** Kenya made improvements on access to credit information by adopting new legislation on credit bureaus stipulating a framework for a regulated and reliable credit information sharing system.
2009	**Starting a Business:** The country abridged the time it takes to start a business by improving the registry office and initiating better communication between involved agencies. **Trading across Borders:** Kenya facilitated cross-border trade through the increase of ports and customs authorities opening hours, the reduction of inspection points numbers between Mombasa and Nairobi, and the introduction of an electronic system that allows traders to submit their documents online.
2008	**Starting a Business:** the country decreased the cost and time of registering a business through an ambitious reform program for licensing that eliminated hundred and ten sorts of business permits and simplified eights others. **Dealing with Construction Permits:** Kenya made it simpler to deal with construction permits by streamlining procedures, enhancing efficiency in issuing permits and diminishing the cost of getting a telephone connection. **Registering Property:** the country speeded up the process of property registration by letting private practitioners (in addition to government assessors) conduct property assessments which decreased the time required for an assessment from one month to one week. **Getting Credit:** Kenya's private credit agency expanded its database coverage by putting in new retailers and utility companies as credit information providers.
Year	**Changes making it more difficult to do business in Kenya**
2020	**Registering Property:** The registration of property assets has been made more difficult due to a generation of additional payment slips and an increase in the cost of applying for consent and searching for titles.
2019	**Registering Property:** The country made less transparent the process of property registration by no longer making land ownership information publicly accessible.
2017	**Starting a Business:** Kenya made it more expensive to start a business due to the introduction of a flat fee for company incorporation.

2016	**Dealing with Construction Permits:** The country made it more difficult to process building permits by requiring additional approvals before building permits are issued and by increasing the costs of water and sewerage connections.
2015	**Dealing with Construction Permits:** Kenya made it more costly to deal with construction permits by elevating fees for building permits. **Paying Taxes:** The country increased the rate of employers' social security contribution which made paying taxes more costly for companies.
2011	**Paying Taxes:** Kenya raised the administrative burden to taxes payers by demanding quarterly filing of payroll taxes
2010	**Dealing with Construction Permits:** Kenya made it more costly to deal with construction permits by increasing fees.
	Source: Doing Business Database.

APPENDIX 5. 9: Business Reforms in Rwanda from 2008 to 2020

Year	Doing Business reform making it easier to do business in Rwanda
2020	**Starting a Business:** The country made it easier to start a business with the exemption of newly formed small and medium businesses, in not paying the first two years of their operations, the trading license tax. **Dealing with Construction Permits:** Rwanda has made construction permit processing faster by reducing the time of obtaining a connection to water and wastewater. The country has also enhanced quality control of buildings by demanding all professionals in the construction sector to obtain liability insurance on buildings once used. **Getting Electricity:** Rwanda enhanced the reliability of the power supply by modernizing its grid infrastructure related to electricity.
2019	**Starting a Business:** The country made starting a business cheaper by substituting electronic billing machines with free software for value-added tax bills. **Getting Electricity:** Rwanda increased improvements of power outages monitoring and regulations by starting to record data for the Annual System Average Interruption Duration Index (SAIDI) and the System Average Interruption Frequency Index (SAIFI). In assigning all connection materials to the office of utility supply, the country also made obtaining electricity more efficient in time and cost. **Registering Property:** Rwanda has facilitated property registration by upgrading the land dispute resolution mechanisms in the property administration system. **Getting Credit:** The access to credit in the country became strengthened by adopting a new insolvency law. For 6 months period, an automatic reprieve was then imposed on secured creditors and the law provided for relief from that reprieve when the assets were perishable or were not required for the company reorganization. **Trading across Borders:** Rwanda reduced the time it takes to export and import by applying the Single Customs Territory, online certificates, and risk-based inspections. **Enforcing Contracts:** The country facilitated the enforcement of contracts by launching new rules of civil procedure that restrict adjournments to exceptional and unforeseen circumstances and introduce a simplified small claims procedure. **Resolving Insolvency:** Rwanda facilitated the resolution of insolvency by making insolvency procedures more accessible to creditors and allocating them greater involvement in the proceedings.

2018	**Dealing with Construction Permits:** The country ameliorated quality control during construction in establishing risk-based inspections. **Registering Property:** Rwanda facilitated the process of registering property by applying online services to simplify the property transfers registration. **Protecting Minority Investors:** The country increased the protection of minority investors by facilitating lawsuits against directors, elucidating the structures for ownership and control, and demanding greater corporate transparency. **Paying Taxes:** Rwanda made it easier to pay taxes by introducing an online filing and paying taxes system. **Enforcing Contracts:** Rwanda facilitated the enforcement of contracts deciding that judgments at all levels rendered in commercial cases must be accessible to the general public by publication on the judicial website.
2017	**Starting a Business:** Rwanda simplified the process of start-up a business by bettering the one-stop shop for online registration and streamlining the procedures for post-registration. **Registering Property:** Rwanda made registering property much easier by establishing effective time limits and rising system transparency at the land administration office. **Trading across Borders:** Rwanda facilitated cross-border trade by abolishing mandatory pre-shipment inspection of imported products. **Enforcing Contracts:** Rwanda made it easier to enforce contracts by initiating an electronic case management system for lawyers and judges.
2016	**Starting a Business:** The country made it easier to start a business by removing the requirement of opening a bank account for new companies to register for Value Added Tax (VAT). **Dealing with Construction Permits**: The country simplified the process of dealing with construction permits by adopting new regulations for urban planning and a new building code. **Getting Credit:** In the country, credit scores to banks and other financial institutions started to be provided by Credit Agency, while the credit registry widened the coverage of borrowers and strengthened the credit reporting system. **Protecting Minority Investors:** The country strengthened the protections of minority investors by establishing provisions that allow shareholders owning 10% of a company shares, to call for shareholders extraordinary meeting, by demanding special classes

	holders of shares to vote on decisions affecting their shares, by requiring members of the board to reveal information about their directorships and their basic employment, and demanding that listed companies audit reports to be published in a newspaper. **Paying Taxes:** The country facilitated paying taxes for companies by initiating electronic filing and making its use mandatory. **Resolving Insolvency:** The country enhanced its insolvency system by establishing regulations on voidable transactions and reorganization plans approval, and by introducing supplementary safeguards for creditors in the proceedings for reorganization.
2015	**Dealing with Construction Permits:** Rwanda made it easier to deal with construction permits by abolishing the fee for procuring a freehold title and by simplifying the process for getting an occupancy permit. **Getting Electricity:** In Rwanda, the electricity power company made it less costly to get connected to electricity by removing several fees. **Getting Credit:** Rwanda bettered access to credit by introducing clear priority regulations and laws outside secured creditors bankruptcy and introducing clear reasons for redressing the enforcement actions taken by secured creditors during reorganization proceedings.
2014	**Starting a Business:** Rwanda made it simpler to start a business by decreasing the time needed to obtain a certificate of registration. **Dealing with Construction Permits:** Rwanda made it less costly to deal with construction permits by reducing the fees for building permits, introducing an electronic platform for building permits applications, and simplifying procedures. **Registering Property:** The country eased transferring property by removing the requirement to get a certificate for tax clearance, and by initiating the web-based Land Administration Information System for land transactions handling. **Getting Credit:** The country strengthened its system for secured transactions with the provision of more flexibility on debts and obligations types that can be secured throughout a collateral agreement. **Protecting Minority Investors:** The country increased investor protections by introducing a new law permitting plaintiffs to cross-examine witnesses and defendants with prior approval of the court's questions.

	Paying Taxes: Rwanda made it easier and less costly to pay taxes for companies by rolling out its electronic filing system to most businesses and by decreasing the property tax rate and the trading license fee for businesses. **Trading across Borders:** Rwanda made it simpler trading across borders by establishing an electronic single-window system at the border. **Resolving Insolvency:** Rwanda made it easier to resolve insolvency through a new law that clarified the standards for starting insolvency procedures; prevent the separation of debtor assets during the proceedings for reorganization; set clear time limits for submitting a reorganization plan and carry out an automatic stay of the creditors' enforcement measures.
2013	**Getting Electricity:** The country made it easier to get electricity by diminishing the cost of obtaining a new connection. **Enforcing Contracts:** Rwanda made it easier to enforce contracts by implementing an electronic system for filing initial complaints.
2012	**Starting a Business:** Rwanda made it easier to start a business by decreasing reducing corporate registration fees. **Getting Credit:** The private credit agency, in the country, began collecting and distributing information from credit companies and also began distributing historical information of more than 2 years, to improve the credit information system. **Paying Taxes**: Rwanda decreased the frequency of filing the value-added tax from companies, from monthly to quarterly.
2011	**Dealing with Construction Permits:** Rwanda made it easier to deal with building permits by adopting new regulations for building and implementing new time limits for various permits issuance. **Getting Credit:** The country improved access to credit by giving borrowers the right to inspect their credit report and mandate that all sizes of loans being reported to the public credit registry of the central bank. **Trading across Borders:** Rwanda decreased the required number of trade documents and improved management procedures of its joint borders with Uganda and other neighbours, resulting in an enhancement in the environment of trade logistics.
2010	**Starting a Business:** The country made it easier to start a business by removing the requirement of notarization; establishing standardized memoranda of association; initiating publishing online; consolidating tax registration, namechecking, payment of

	registration fee, and procedures for company registration; and decreasing the time needed to process and manage completed applications. **Registering Property:** Rwanda reduced the time it takes to transfer property through ongoing enhancements in the process of property registration. **Getting Credit:** The country strengthened its system of secured transactions with the measures to allow a wider array of assets to be used as collateral, permit general debts and obligations described in the security agreement, allow out-of-court collateral enforcement, give absolute priority to secured creditors in the bankruptcy process and create a new collateral registry. **Protecting Minority Investors:** Rwanda strengthened the protection of minority investors by adopting a new corporate law that demanded greater corporate disclosure, increased liability of directors and improved shareholder access to information. **Trading across Borders:** The country reduced the time it takes for cross-border trade by establishing administrative changes such as extended operating and improved border cooperation, and by removing some documentation requirements. **Resolving Insolvency:** Rwanda enhanced its insolvency process by adopting a new law aiming to streamline the procedures of reorganization. **Employing Workers:** Rwanda raised the fixed-term contracts to the maximum duration and removed the requirement to notify and seek third-party approval in redundancy dismissals cases.
2009	**Dealing with Construction Permits:** Rwanda made it easier to deal with building permits in streamlining project clearances for the second year in a row; linking in a single application form the procedures for getting location clearance and a building permit, and in establishing one application form for electricity, water, sewerage connections. **Registering Property:** Rwanda decreased the cost and time of registering property by substituting the 6% registration fee with a flat rate, regardless of the value of the property, and by establishing a centralized service to speed up the issuance of a good standing certificate in the tax authority. **Trading across Borders:** Rwanda diminished the time for processing exports and imports by extending customs points opening hours, initiating improved electronic data exchange and risk-based inspection systems, and bringing major improvements in the transport sector.

	Enforcing Contracts: The country made it easier to enforce contracts by launching three commercial courts in Kigali, the Southern Province and the North Province.
2008	**Dealing with Construction Permits:** Rwanda made it easier to deal with building permits with the permit system decentralization that decreased the time to obtain a building permit and occupancy permit, and with the reduction of the time to get electricity connection. **Trading across Borders:** Rwanda made cross-border trade easier by speeding up the acceptance of customs declarations and as well as the warehouse service market liberalization.
Year	**Changes making it more difficult to do business in Rwanda**
2019	**Resolving Insolvency:** The country made the resolution of insolvency more difficult by prohibiting the debtor's business activities from continuing during insolvency proceedings.
2017	**Dealing with Construction Permits:** Rwanda made it more cumbersome and more expensive to handle building permits by establishing new requirements to get a building permit. It also strengthened the quality control index by implementing the required qualifications for architects and engineers. **Paying Taxes:** Rwanda made it more complicated to pay taxes by requiring that companies must file and pay social security contributions monthly instead of quarterly.
2016	**Trading across Borders:** The country raised the cost and time for border compliance and documentary on imports by making pre-shipment inspection compulsory for all imported goods.
2015	**Starting a Business:** Rwanda made it harder to start a business by demanding companies to purchase an electronic billing machine from a certified supplier.
2012	**Registering Property:** Rwanda made the transfer of property more expensive by enforcing control of the capital gains tax.
	Source: Doing Business Database.

APPENDIX 5. 10: Business Reforms in South Sudan from 2014 to 2018

Year	**Doing Business reform making it easier to do business in South Sudan**
	No data
Year	**Changes making it more difficult to do business in South Sudan**
2018	**Starting a Business:** South Sudan made it more expensive to start a business by increasing fees for company registration.
2014	**Paying Taxes:** By increasing the corporate income tax rate, the country made it more expensive to pay taxes for companies.
	Source: Doing Business Database.

APPENDIX 5. 11: Business Reforms in Tanzania from 2008 to 2019

Year	Doing Business reform making it easier to do business in Tanzania
2019	**Starting a Business:** Tanzania made it easier to start a business by initiating online company registrations.
2018	**Dealing with Construction Permits:** Tanzania made simplified dealing with building permits by putting in place a one-stop shop and streamlining the process for building permits.
2017	**Getting Credit:** The credit agency in Tanzania expanded its borrower coverage and started distributing credit data from retailers.
2016	**Trading across Borders:** Tanzania decreased both exports and imports time by initiating an online system to download and process documents of customs - the Tanzania Customs Integrated System (TANCIS).
2015	**Getting Credit:** The country enhanced access to credit information by establishing credit agencies. **Paying Taxes:** Tanzania made paying taxes services less costly by diminishing the development levy and the skill rate. **Trading across Borders:** Tanzania made cross-border trade easier by making upgrade improvements of infrastructure at Dar es Salaam port.
2014	**Getting Credit:** The country improved its system for credit information through new regulations that license credit reference agencies and describe the characteristics of the credit reference database. **Resolving Insolvency:** The country has facilitated the resolution of insolvency through new laws that specify clearly, the remuneration and professional requirements for practitioners of insolvency practitioners, promote the procedures of reorganization and streamline the proceedings of insolvency.
2013	**Starting a Business:** Tanzania made it easier to start a business by removing the requirement for inspections by city, health, and land workers as a precondition for a business licence.
2012	**Trading across Borders:** Tanzania made cross-border trade faster by initiating a system for Pre-Arrival Declaration (PAD) and making customs declarations submission electronically.

2008	**Starting a Business:** Tanzania simplified the process of starting up a business by setting up business registration centres in all local authorities and optioning the seal of the company.
Year	**Changes making it more difficult to do business in Tanzania**
2018	**Registering Property:** The country made it more expensive to register a property by raising the fees for land and property registration.
2017	**Paying Taxes:** The country made it more complicated to pay taxes by raising the frequency of the skills development levy filing it also made it more expensive by establishing compensation rates on behalf of workers paid by employers.
2015	**Starting a Business:** Tanzania made it more difficult to start a business by raising registration fees. **Paying Taxes:** Tanzania made it more complicated to pay taxes for companies by imposing a tax on remittances and money transfers.
2013	**Dealing with Construction Permits:** The country hardened the process of importing by establishing a requirement of obtaining a conformity certificate before the imported goods can be shipped.
2010	**Dealing with Construction Permits:** The country hardened to deal with construction permits in setting up changes that resulted in supplementary costs and additional procedures.
	Source: Doing Business Database.

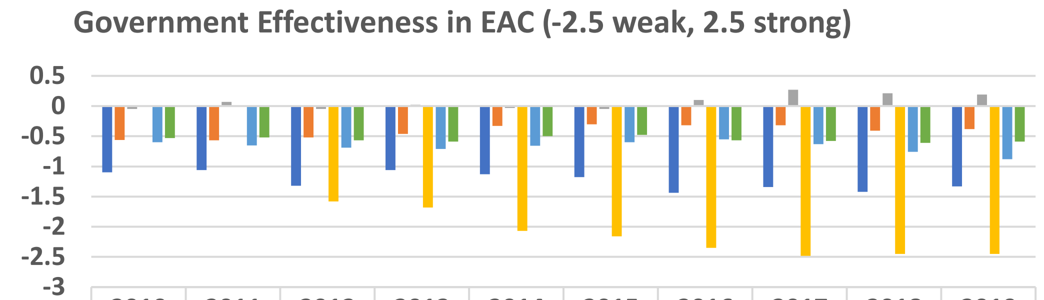
APPENDIX 5. 12: Business Reforms in Uganda from 2008 to 2020

Year	Doing Business reform making it easier to do business in Uganda
2020	**Getting Electricity:** Uganda enhanced the power outages monitoring and regulation with the improvements made to its calculations of the system average interruption frequency index (SAIFI), and the annual system average interruption duration index (SAIDI).
2019	**Trading across Borders:** The country decreased the required time to import and export by further initiating the Territory of Single Customs, as well as by establishing the centre for Centralized Document Processing and the Uganda Electronic Single Window.
2018	**Trading across Borders:** The country reduced the time frame for export document compliance and border conformity by enabling an electronical system for submitting documents and processing original certificates, and additionally by developing a single desk at the Malaba border crossing.
2017	**Starting a Business:** Uganda made it simpler to start a business by removing the requirement that oath commissioners must sign declarations of compliance. **Paying Taxes:** Uganda facilitated the payment of taxes by removing the requirement to submit paper tax returns after the online submission. **Trading across Borders:** Uganda facilitated cross-border trade by building a One-Stop Post at the Malaba border that decreased the border compliance period for exports.
2016	**Starting a Business:** The country made it easier to start a business by adopting an online system to obtain a trading license and by diminishing fees for company incorporation. **Getting Electricity:** The country reduced new power connections delays by increasing more engineers in customer service and decreasing the time required for meter installation and inspection. **Getting Credit:** In the country, the credit agency enlarged the borrower's coverage, which improved access to credit information.
2015	**Trading across Borders:** Uganda made it easier to trade across borders by adopting the ASYCUDA world electronic system for submitting import and export documents.

	Resolving Insolvency: The country made it easier to resolve insolvency by combining in one law all provisions for company insolvency, ascertaining reorganization provisions on the companies' administration, elucidating professional requirements and qualifications standards for practitioners of insolvency, and adopting provisions that prevent undervalued transactions.
2014	**Registering Property:** Uganda made transferring property easier by eliminating the need to have instruments of land transfer physically embossed to certify payment of the stamp duty.
2013	**Resolving Insolvency:** Uganda heightened its insolvency procedures by clarifying its rules on the establishment of mortgages, elucidating the obligations of mortgagees and mortgagors, setting up rules for precedence (priority), stipulating remedies for mortgagees and mortgagors and ascertaining beneficiaries' powers. **Registering Property:** Uganda made registering property easier by making it digital to record land titles in the registry office, enhancing the assessors' office efficiency and enabling more banks to receive stamp duty payments.
2012	**Registering Property:** The country upstretched the property transfers effectiveness by introducing performance standards and employing more workers at the land office. **Starting a Business:** Uganda made it easier to start a business by simplifying the registration of tax identification numbers and value-added tax through an online system introduction.
2011	**Getting Credit:** Uganda improved access to credit by initiating a new private credit agency. **Enforcing Contracts:** The country persists to enhance the effectiveness of its legal system, in reducing the period to file and serve a claim.
2010	**Paying Taxes:** The country decreased the time it takes for businesses to prepare, file, and pay VAT (value-added tax) through enhanced efficiency in provided services to taxpayers and faster payments in banks. **Trading across Borders:** Uganda diminished the time it takes for cross-border trade in extending operating hours at the Mombasa port and making improvements in the process of customs and in enhancing border cooperation.
2008	**Trading across Borders:** Uganda facilitated cross-border trade by expanding the ASYCUDA++ system for electronic data exchange to four additional stations for

	customs, establishing a system that links system banks to customs (for duties payment) and strengthening cooperation through Uganda-Kenya crossing joint inspections at the Malaba border.
Year	**Changes making it more difficult to do business in Uganda**
2019	**Registering Property:** Uganda made it more expensive to transfer a property by increasing regulated legal fees.
2017	**Paying Taxes:** Uganda raised stamp duty for insurance contracts.
2013	**Registering Property:** Uganda made it harder to transfer property by adopting a requirement for property buyers to obtain an income tax certificate before registration, causing more delays and longer processes at the Ministry of Finance and the Uganda Revenue Authority.
2012	**Starting a Business:** Uganda initiated changes that increased the time to process and obtain a business license, this slowed the business start-up process.
2011	**Starting a Business:** Uganda made it harder to start a business by raising the fees for a trade licence.
	Source: Doing Business Database.

APPENDIX 5. 13: The index of Government Effectiveness

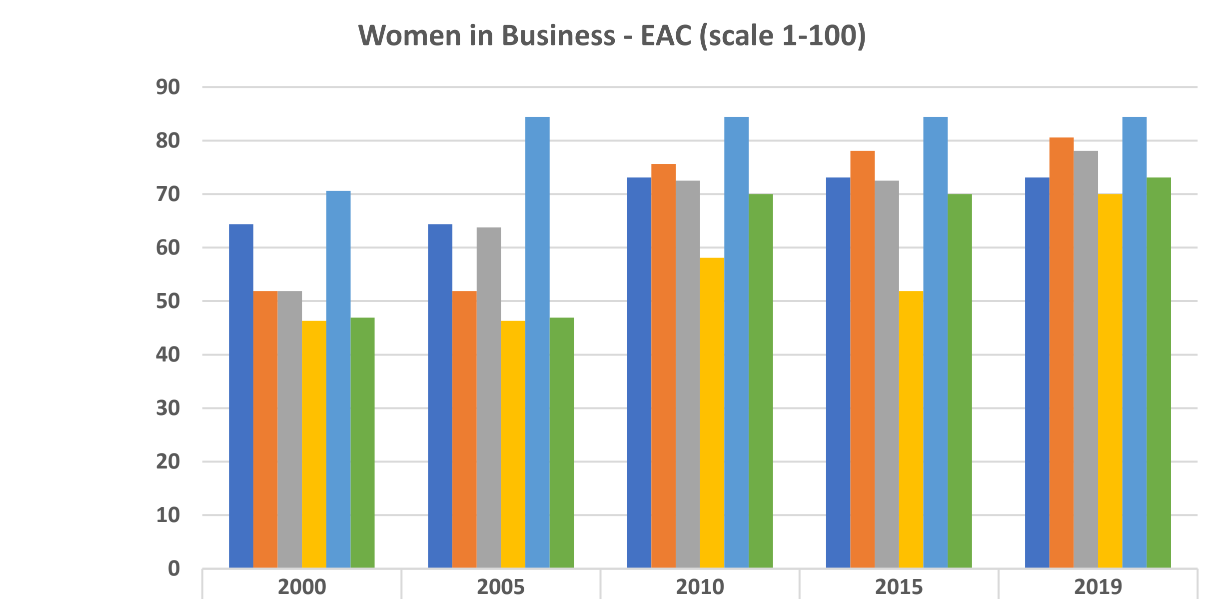


	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Burundi	-1.1	-1.06	-1.32	-1.06	-1.13	-1.18	-1.44	-1.34	-1.42	-1.33
Kenya	-0.56	-0.57	-0.52	-0.46	-0.33	-0.3	-0.32	-0.32	-0.41	-0.38
Rwanda	-0.05	0.07	-0.05	0.02	-0.03	-0.05	0.1	0.27	0.21	0.19
South Sudan			-1.58	-1.68	-2.07	-2.16	-2.35	-2.48	-2.45	-2.45
Tanzania	-0.6	-0.65	-0.69	-0.71	-0.66	-0.6	-0.55	-0.63	-0.76	-0.88
Uganda	-0.53	-0.52	-0.57	-0.59	-0.5	-0.48	-0.57	-0.58	-0.61	-0.59

Source: World Bank, 2020

The figure above presents the effectiveness of the EAC member countries, where -2.5 is weak government effectiveness and 2.5 is strong government effectiveness.

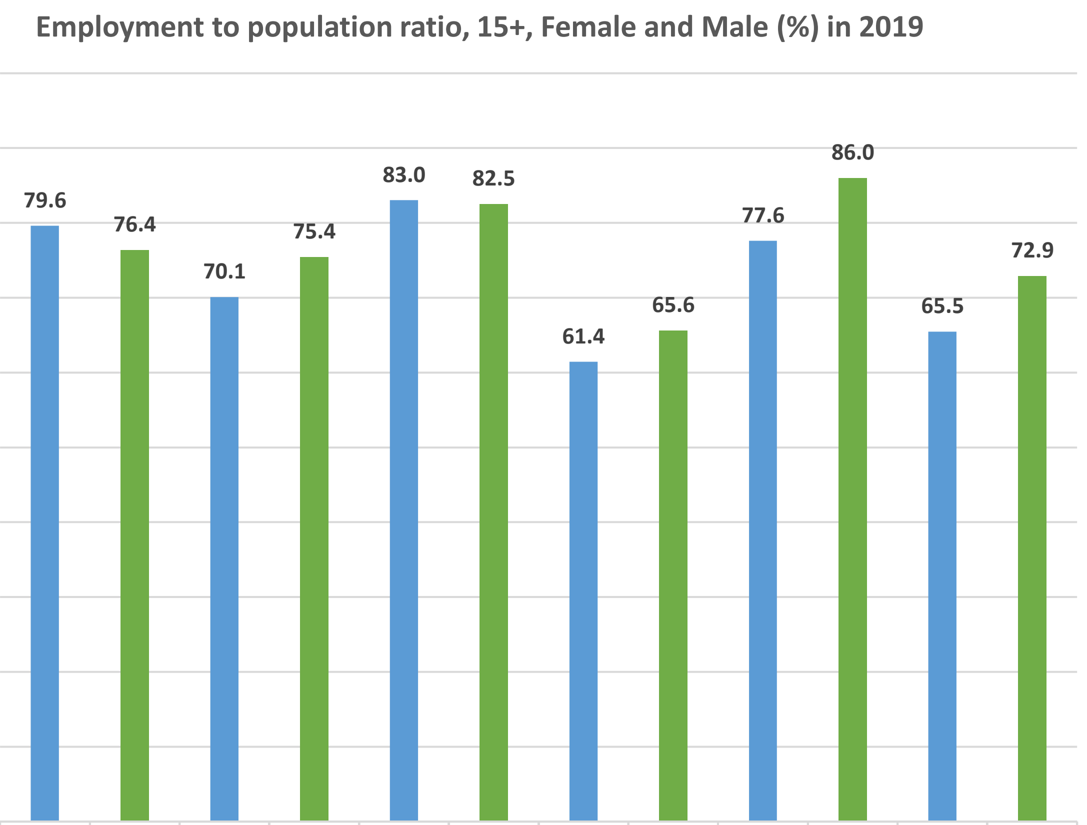
APPENDIX 5. 14: Appendix A: Women in Businesses for the EAC Region



	2000	2005	2010	2015	2019
Burundi	64.4	64.4	73.1	73.1	73.1
Kenya	51.9	51.9	75.6	78.1	80.6
Rwanda	51.9	63.8	72.5	72.5	78.1
South Sudan	46.3	46.3	58.1	51.9	70
Tanzania	70.6	84.4	84.4	84.4	84.4
Uganda	46.9	46.9	70	70	73.1

Source: Women in business 2020, World bank data 2020

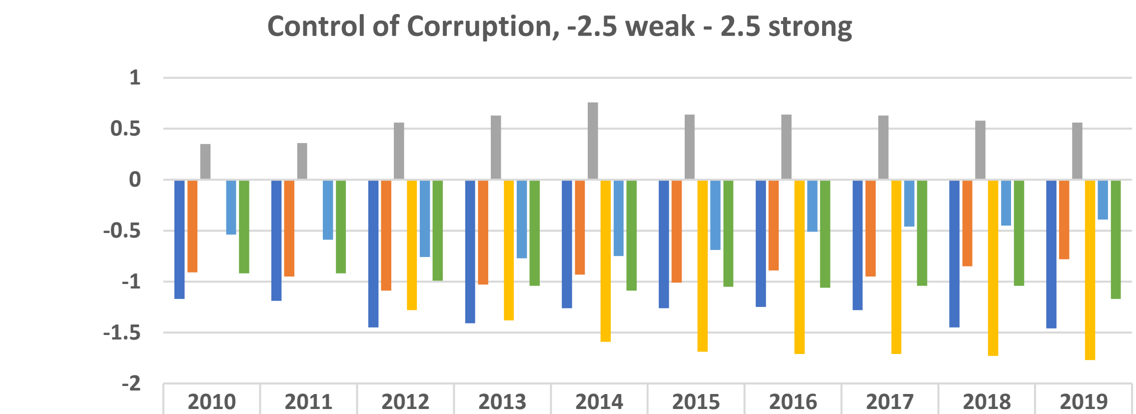
APPENDIX 5. 15: The employment to the population in the EAC Countries in 2019 (%) (15+, Female and Male)



	Burundi		Kenya		Rwanda		South Sudan		Tanzania		Uganda	
	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male
2019	79.6	76.4	70.1	75.4	83.0	82.5	61.4	65.6	77.6	86.0	65.5	72.9

Source: EAC Economic Data 2020, and World Bank Data 2020

APPENDIX 5. 16: Control of corruption



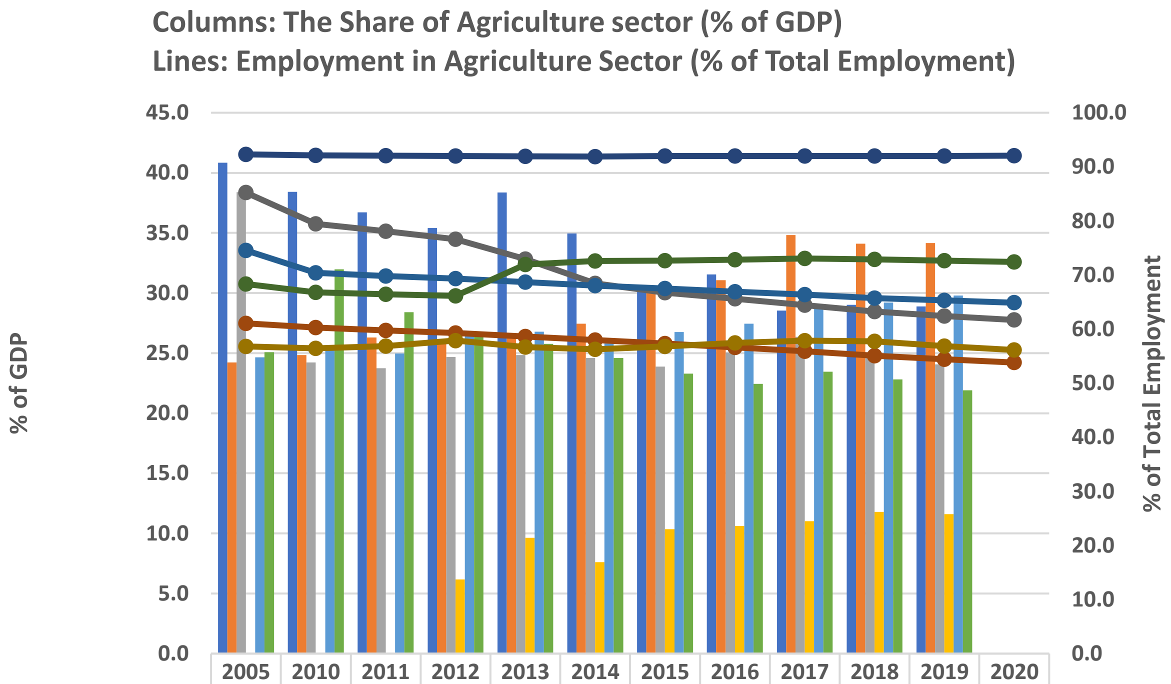
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Burundi	-1.17	-1.19	-1.45	-1.41	-1.26	-1.26	-1.25	-1.28	-1.45	-1.46
Kenya	-0.91	-0.95	-1.09	-1.03	-0.93	-1.01	-0.89	-0.95	-0.85	-0.78
Rwanda	0.35	0.36	0.56	0.63	0.76	0.64	0.64	0.63	0.58	0.56
South Sudan			-1.28	-1.38	-1.59	-1.69	-1.71	-1.71	-1.73	-1.77
Tanzania	-0.54	-0.59	-0.76	-0.77	-0.75	-0.69	-0.51	-0.46	-0.45	-0.39
Uganda	-0.92	-0.92	-0.99	-1.04	-1.09	-1.05	-1.06	-1.04	-1.04	-1.17

Source: World Bank, 2020 and Transparency International report, 2020

The figure above presents the corruption control index of the EAC member countries, where -2.5 is weak and 2.5 is strong corruption control.

APPENDIX 5. 17: The share of the agriculture sector in GDP of the EAC countries and the total employment in the sector

The figure below demonstrates the share of the agriculture sector in GDP of the EAC member countries and the employment in the sector (% of total employment) from 2005 to 2019 and 2020.

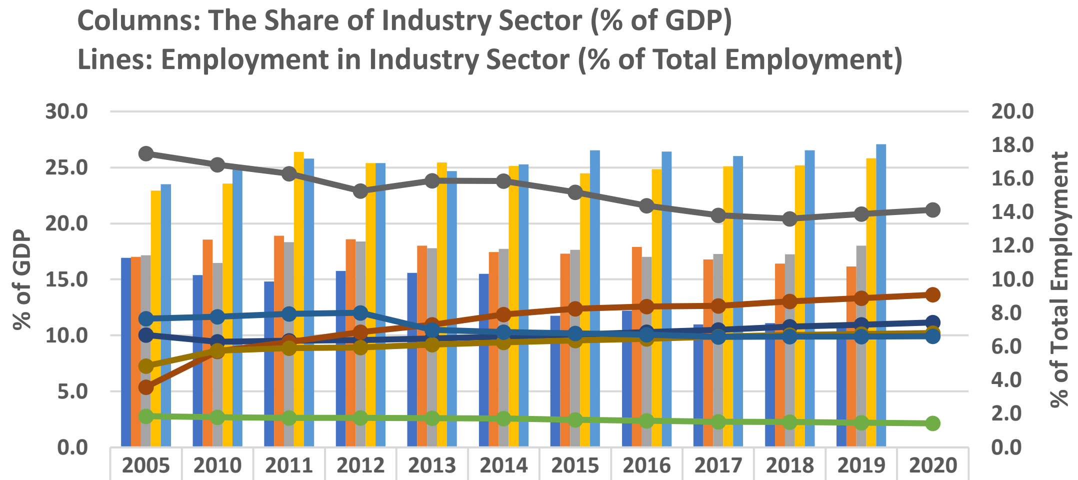


	2005	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Burundi	40.8	38.4	36.7	35.4	38.4	35.0	30.7	31.5	28.5	29.0	28.9	
Kenya	24.2	24.8	26.3	26.2	26.4	27.5	30.2	31.1	34.8	34.1	34.1	
Rwanda	38.4	24.2	23.7	24.7	24.8	24.6	23.9	25.0	26.3	24.6	24.1	
South Sudan	0.0	0.0	0.0	6.2	9.6	7.6	10.4	10.6	11.0	11.8	11.6	
Tanzania	24.6	25.6	25.0	26.6	26.8	25.8	26.7	27.4	28.7	29.2	29.8	
Uganda	25.1	32.0	28.4	26.7	25.8	24.6	23.3	22.4	23.5	22.8	21.9	
Burundi	92.3	92.1	92.1	92.0	92.0	91.9	92.0	92.0	92.0	92.0	92.0	92.0
Kenya	61.1	60.3	59.8	59.3	58.6	58.0	57.3	56.6	55.9	55.1	54.4	53.8
Rwanda	85.2	79.5	78.1	76.6	72.9	68.5	66.7	65.6	64.5	63.2	62.4	61.7
South Sudan	56.8	56.4	56.8	57.9	56.7	56.3	56.8	57.4	57.9	57.7	56.9	56.1
Tanzania	74.5	70.4	69.8	69.3	68.7	68.1	67.5	66.9	66.3	65.8	65.3	64.9
Uganda	68.4	66.8	66.4	66.1	71.9	72.6	72.6	72.8	73.1	72.9	72.7	72.4

Source: Governments in EAC and World Bank data (2020)

APPENDIX 5. 18: The share of the industry sector in GDP of the EAC countries and the total employment in the sector

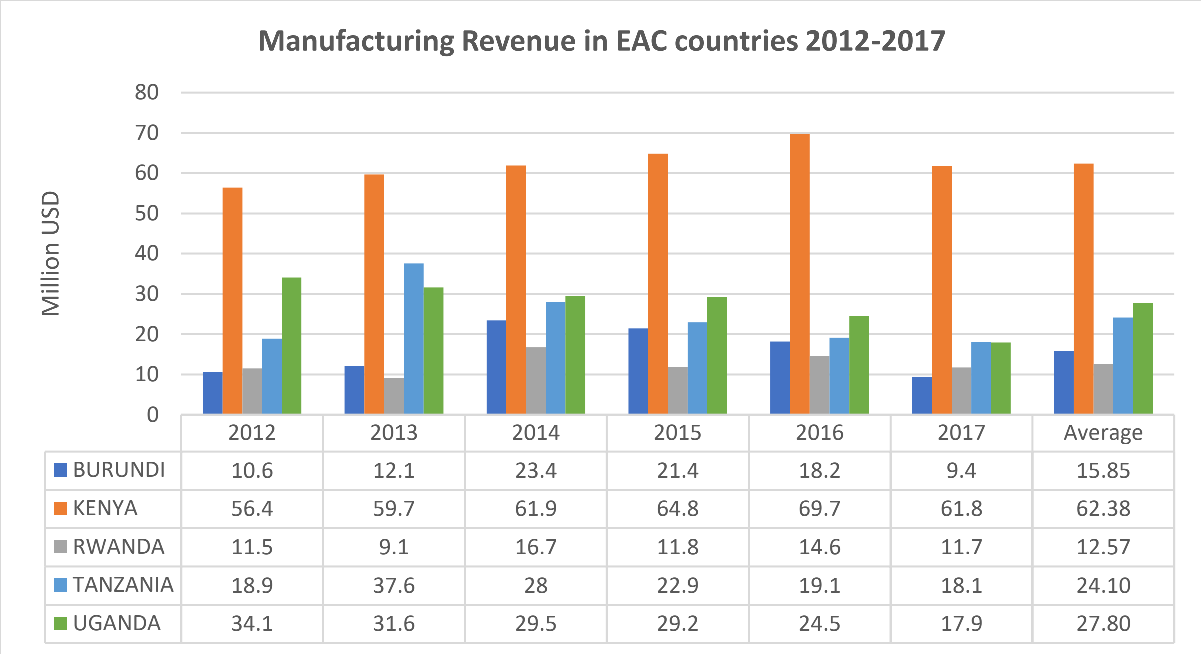
The figure below presents the share of the industry sector to the GDP of the EAC countries and the employment in the sector (% of total employment) from 2005 to 2019 and 2020.



	2005	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Burundi	16.93	15.39	14.81	15.75	15.58	15.50	11.76	12.21	10.99	11.11	10.96	
Kenya	17.01	18.55	18.91	18.60	18.02	17.44	17.30	17.89	16.79	16.41	16.15	
Rwanda	17.16	16.47	18.33	18.40	17.78	17.73	17.64	17.03	17.28	17.23	18.00	
Tanzania	22.94	23.56	26.38	25.40	25.45	25.14	24.49	24.86	25.10	25.18	25.82	
Uganda	23.51	24.90	25.78	25.39	24.69	25.27	26.52	26.40	26.03	26.54	27.07	
Burundi	1.9	1.8	1.8	1.8	1.7	1.7	1.6	1.6	1.5	1.5	1.5	1.4
Kenya	6.7	6.3	6.4	6.4	6.5	6.6	6.7	6.9	7.0	7.2	7.3	7.4
Rwanda	3.6	5.7	6.3	6.9	7.3	7.9	8.3	8.4	8.4	8.7	8.9	9.1
South Sudan	17.5	16.8	16.3	15.3	15.9	15.9	15.2	14.4	13.8	13.6	13.9	14.1
Tanzania	4.8	5.8	5.9	5.9	6.1	6.3	6.4	6.5	6.6	6.7	6.8	6.8
Uganda	7.7	7.8	8.0	8.0	7.0	6.9	6.8	6.7	6.6	6.6	6.6	6.6

Source: Governments in EAC and World Bank data (2020)

APPENDIX 5. 19: Manufacturing Sub-Sector

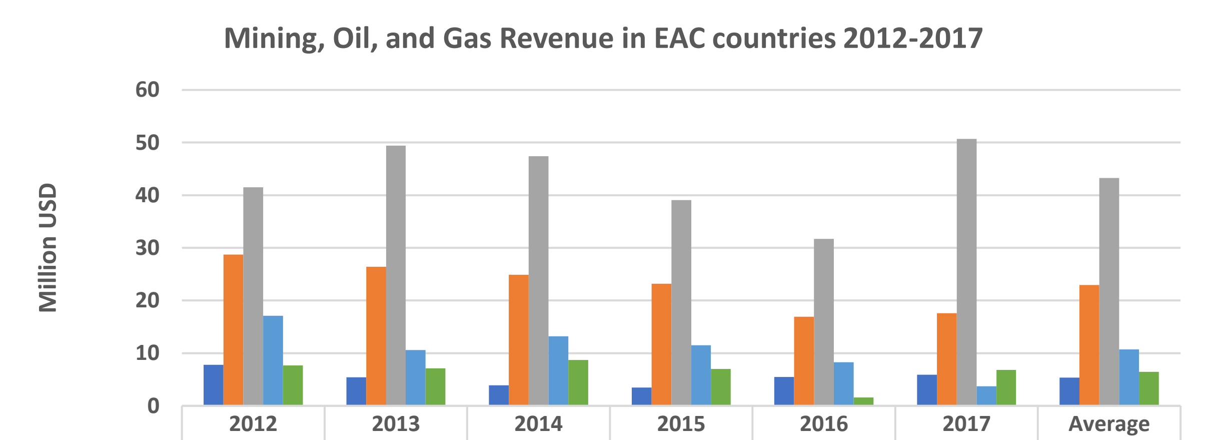


	2012	2013	2014	2015	2016	2017	Average
BURUNDI	10.6	12.1	23.4	21.4	18.2	9.4	15.85
KENYA	56.4	59.7	61.9	64.8	69.7	61.8	62.38
RWANDA	11.5	9.1	16.7	11.8	14.6	11.7	12.57
TANZANIA	18.9	37.6	28	22.9	19.1	18.1	24.10
UGANDA	34.1	31.6	29.5	29.2	24.5	17.9	27.80

Source: Author calculations, EAC Member Governments statistical reports (2012-2019), and World Bank data (2020)

The figure above shows the revenue from the manufacturing sector in EAC countries from 2012 to 2017.

APPENDIX 5. 20: Mining, Oil and Gas Sub-Sectors

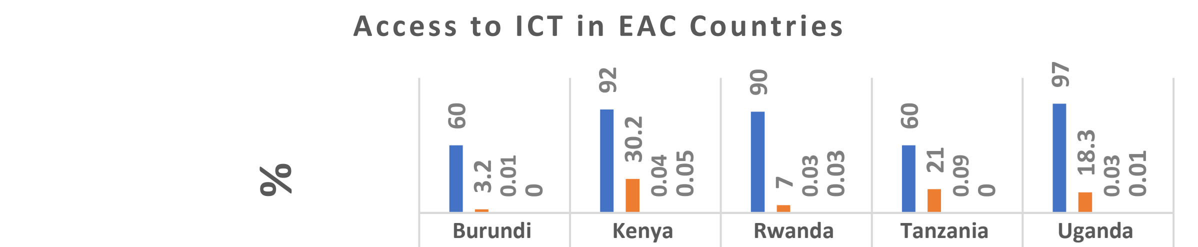


	2012	2013	2014	2015	2016	2017	Average
BURUNDI	7.8	5.4	3.9	3.5	5.5	5.9	5.33
KENYA	28.7	26.4	24.9	23.2	16.9	17.6	22.95
RWANDA	41.5	49.4	47.4	39.1	31.7	50.70	43.30
TANZANIA	17.1	10.6	13.2	11.5	8.3	3.7	10.73
UGANDA	7.7	7.1	8.7	7	1.6	6.8	6.48

Source: Author calculations, EAC Member Governments statistical reports (2012-2019), and World Bank data (2020)

The figure above presents the revenues from the sector of Mining, Oil and Gas in EAC countries from 2012 to 2017.

APPENDIX 5. 21: The Telecommunications (ICT) Sub-Sector

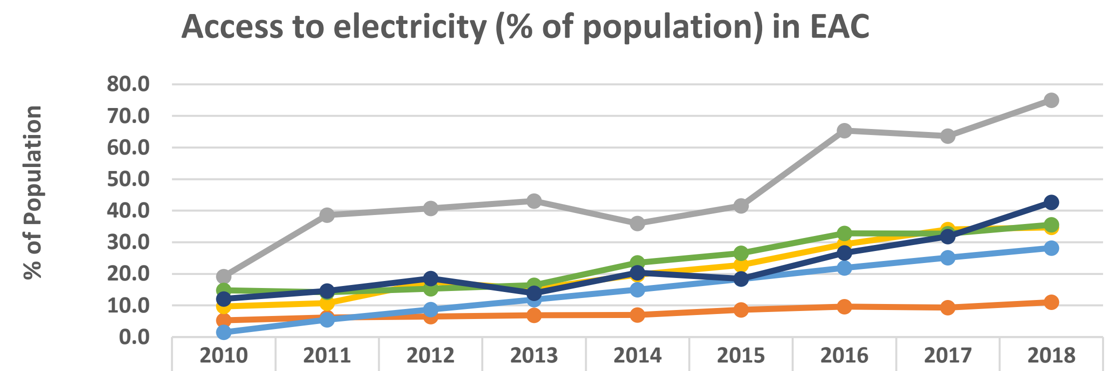


	Burundi	Kenya	Rwanda	Tanzania	Uganda
Mobile telephone users (% of population)	60	92	90	60	97
Mobile telephone subscribers (per 100 inhabitants)	3.2	30.2	7	21	18.3
Internet subscribers (per 100 inhabitants)	0.01	0.04	0.03	0.09	0.03
Broadband subscribers (per 100 inhabitants)	0	0.05	0.03	0	0.01

Source: Author calculations, EAC Member Governments statistical reports 2019, and World Bank data (2020)

The figure above shows an overview of the development of access to telecommunications and ICT means in EAC countries in 2019.

APPENDIX 5. 22: Energy Sub-Sector

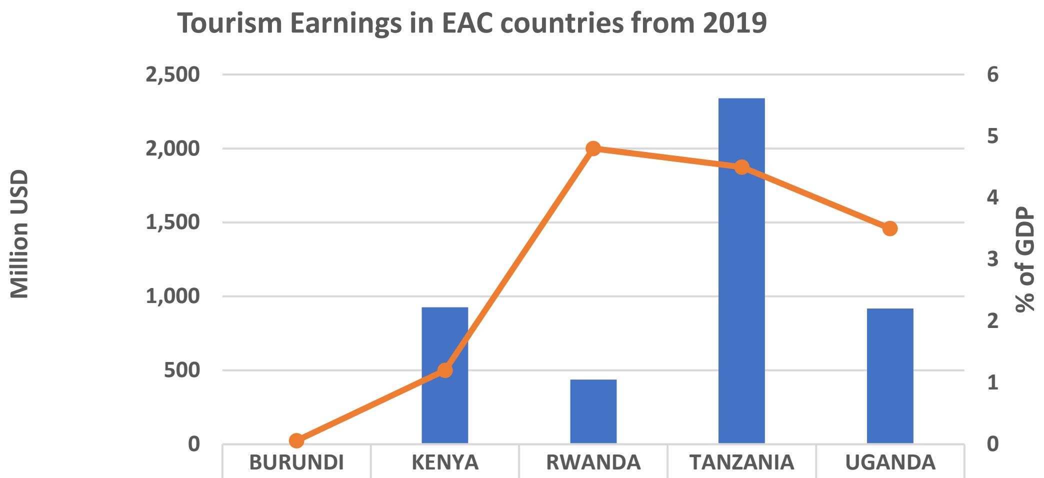


	2010	2011	2012	2013	2014	2015	2016	2017	2018
Burundi	5.3	6.2	6.5	6.9	7.0	8.6	9.6	9.3	11.0
Kenya	19.2	38.6	40.8	43.0	36.0	41.6	65.4	63.6	75.0
Rwanda	9.7	10.8	17.5	15.2	19.8	22.8	29.4	34.1	34.7
South Sudan	1.5	5.4	8.8	11.8	15.0	18.4	21.9	25.1	28.2
Tanzania	14.8	14.2	15.3	16.4	23.5	26.5	32.8	32.7	35.6
Uganda	12.1	14.6	18.6	13.9	20.4	18.5	26.7	31.8	42.7

Source: Author calculations, EAC Member Governments statistical reports (200-2019), and World Bank data (2020)

The figure above shows an overview of access to electricity development in EAC countries from 2010 to 2018.

APPENDIX 5. 23: Tourism Sub-Sector



	BURUNDI	KENYA	RWANDA	TANZANIA	UGANDA
Rank Worldwide	175	94	122	75	95
Revenue in Million USD	2	926	438	2,339	918
% OF Country GDP	0.058	1.2	4.8	4.5	3.5

Source: Author calculations, EAC Member Governments statistical reports (200-2019), and World Bank data (2020)

The figure above presents the foreign tourism receipts share in GDP of each of the EAC countries in 2019.

APPENDIX 5. 24: Overview of transport sector in EAC

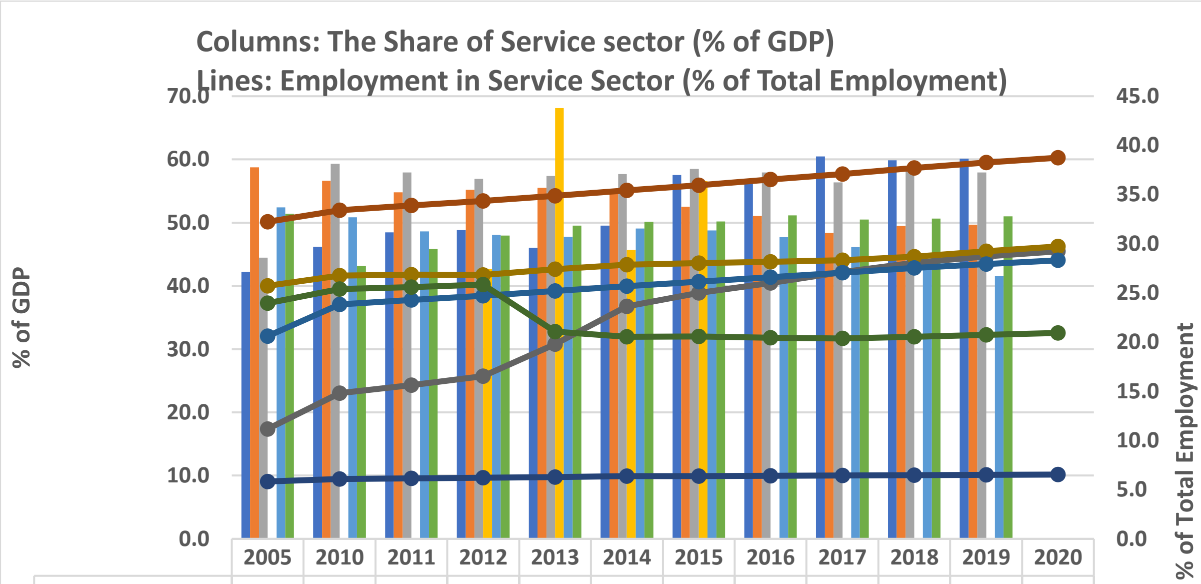
Country	Transport Means
	Roads Transport
Burundi	**Total road network length: 12 322 km** Paved: 1 500 km; Unpaved: 10 822 km
Kenya	**Total road network length 63 265 km** Classified: 56 950 km – Unclassified: 7315 km Good condition 50%, fair condition 17%, bad condition 33% Paved: Length 7982 km =14% of total classified road network Good condition 47%, fair condition 37%, bad condition 16% Unpaved: 48968 km = 86 % of total classified road network Good condition 50%, fair condition 13%, bad condition 37%
South Sudan	Total road network Length 90 200 km (2019) Paved: 300 km; Unpaved: 89 900 km
Rwanda	**Total road network length 14 008 km** Classified: 4 626 km – Unclassified: 9 382 km Good condition 12%, fair condition 19%, bad condition 69% Paved: Length 1 060 km =22% of total classified road network Good condition 41%, fair condition 48%, bad condition 11% Unpaved: 3 566 km = 78 % of total classified road network Good condition 3%, fair condition 10%, bad condition 87%
Tanzania	**Total road network length 54 457 km** Classified: 48 730 km – Unclassified: 5 727 km Good condition 34%, fair condition 37%, bad condition 29% Paved: Length 4 330 km =9% of Classified total road network Good condition 70%, fair condition 25%, bad condition 5% Unpaved: 44 400 km = 91 % of Classified total road network Good condition 31%, fair condition 38%, bad condition 31%
Uganda	**Total road network length 75 922 km** Classified: 70 922 km – Unclassified 5 000 km Good condition 2%, fair condition 27%, bad condition 71% Paved: Length 2 331 km =3.2% of Classified total road network Good condition 18%, fair condition 73%, bad condition 9%

	Unpaved: 68 591 km = 96.8% of Classified total road network Good condition 1%, fair condition 26%, bad condition 73%
Railways Transport	
Burundi	No railway lines
Kenya	Total railway lines: 3,819 km (2018) Standard gauge: 485 km (1.435-m gauge) (2018) Narrow gauge: 3,334 km (1.000-m gauge) (2018)
South Sudan	Total railway lines: 248 km (2018) Narrow gauge: 248 km (1.000-m gauge) (2018)
Rwanda	No railway lines
Tanzania	Total railway lines: 4 567 km (2014) Small Standard gauge: 1 860 km (1.067-m gauge) (2014) Narrow gauge: 2 707 km (1.000-m gauge) (2014) Not enough railway lines 3,676 route-km in 2020
Uganda	Total railway lines: 1 244 km (2014) Narrow gauge: 1 244 km (1.000-m gauge) (2014)
Air Transport	
Burundi	Total recognised airports: 7 (in 2013), Paved 1, Unpaved 6 International airport: 1 Melchior Ndadaye International Airport (BJM) Bujumbura
Kenya	Total recognised airports: 197 (in 2013), Paved 16, Unpaved 181 International airports : 3 Jomo Kenyatta International Airport (NBO) Nairobi, Moi International Airport (MBA) Mombasa, and Eldoret International Airport (EDL)
Rwanda	Total recognised airports: 7 (in 2013), Paved 4, Unpaved 3 International airport: 3 Kigali International Airport (KGL), Bugesera International Airport, and Kamembe International Airport (KME)
South Sudan	Total IATA recognised airports: 89 (in 2013), Paved 4, Unpaved 85 International airports: 1 Juba International Airport (JUB)
Tanzania	Total recognised airports: 166 (in 2013), Paved 10, Unpaved 156 International airport: 3

	Julius Nyerere International Airport (DAR) - Dar es salaam Kilimanjaro, International Airport (JRO) - Hai District, and Abeid Amani Karume International Airport (ZNZ) Zanzibar
Uganda	Total recognised airports: 47 (in 2013), Paved 5, Unpaved 42 International airport: 1 Entebbe International Airport (EBB) Kampala
Water Transport	
Burundi	Lake Tanganyika: ports of Bujumbura connecting with Tanzania, Zambia, and the Democratic Republic of the Congo
Kenya	Lake Victoria: port of Kisumu connecting with Uganda and Tanzania. Indian Ocean: Port of Mombasa - Exports and imports Terminal
Rwanda	Lake Kivu port(s): Cyangugu, Gisenyi, Kibuye connecting with the Democratic Republic of the Congo
South Sudan	No available data
Tanzania	Lake Victoria port connecting with Kenya and Uganda. Lake Tanganyika port connecting with Burundi. Lake Nyasa (Lake Malawi) port connecting with Malawi. Indian Ocean: Port of Zanzibar, and Port of Dar es salaam - Exports and imports Terminal
Uganda	Lake Victoria (Entebbe, Jinja, Port Bell) ports connecting inland and with Kenya and Tanzania. Lake Albert port connecting with its northern tip to its southern shores. Lake Kyoga (Masindi-Port) and Victoria Nile inland ports connections
Pipeline Transport	
Burundi	No pipeline transport
Kenya	Oil (Petrol): 4 km, Refined products: 1 432 km
Rwanda	No pipeline transport
South Sudan	No pipeline transport
Tanzania	Oil (Petrol): 891 km, Gas: 311 km, Refined products: 8 km
Uganda	Oil (Petrol): 1 445 km connecting Uganda, and Tanzania (still in construction)
Source: Word bank Data 2020, CIA Data 2020, Africa Infrastructure Data 2020	

APPENDIX 5. 25: The share of the service sector in GDP of the EAC countries and the total employment in the sector

The share of the service sector to the GDP of the EAC countries and the employment in the sector (% of total employment), from 2005 to 2019 and 2020.



	2005	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Burundi	42.2	46.2	48.5	48.8	46.0	49.5	57.6	56.2	60.5	59.9	60.1	
Kenya	58.8	56.6	54.8	55.2	55.5	55.1	52.5	51.0	48.4	49.5	49.7	
Rwanda	44.5	59.3	57.9	56.9	57.4	57.7	58.5	57.9	56.4	58.1	57.9	
South Sudan	0.0	0.0	0.0	42.7	68.1	45.7	56.6	0.0	0.0	0.0	0.0	
Tanzania	52.4	50.9	48.6	48.0	47.8	49.1	48.8	47.7	46.2	43.5	41.5	
Uganda	51.4	43.1	45.8	48.0	49.5	50.1	50.2	51.2	50.5	50.7	51.0	
Burundi	5.8	6.1	6.2	6.2	6.3	6.4	6.4	6.4	6.4	6.5	6.5	6.5
Kenya	32.2	33.4	33.9	34.4	34.9	35.4	36.0	36.5	37.1	37.7	38.2	38.7
Rwanda	11.2	14.8	15.6	16.5	19.8	23.6	25.0	26.0	27.1	28.1	28.7	29.2
South Sudan	25.7	26.8	26.9	26.8	27.4	27.9	28.0	28.2	28.3	28.7	29.2	29.7
Tanzania	20.6	23.8	24.3	24.7	25.2	25.7	26.1	26.6	27.0	27.5	27.9	28.3
Uganda	24.0	25.4	25.6	25.8	21.1	20.5	20.6	20.5	20.4	20.5	20.7	20.9

Source: Governments in EAC and World Bank data (2020)

APPENDIX 5. 26: Annual Intra-EAC Trade Statistics by Country (2007-2018)

Reporter	Partner	Trade	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Burundi	Kenya	E	11.2	7.6	7.3	10.3	15.2	0.7	13.4	13.0	13.4	14.4	3.6	4.2
		I	33.5	27.6	32.1	29.5	45.7	46.5	58.3	37.4	36.2	47.8	43.0	39.2
	Rwanda	E	10.4	4.5	4.7	3.0	6.1	1.2	8.0	6.4	4.6	5.5	2.4	5.4
		I	2.1	3.5	1.8	2.5	6.8	29.7	10.4	8.5	6.4	13.0	7.4	4.5
	Tanzania	E	2.0	2.2	9.5	1.8	1.4	2.1	2.6	2.7	2.2	1.3	1.3	2.5
		I	10.1	15.7	15.2	24.1	161.2	53.1	58.8	56.3	44.0	51.6	59.2	49.8
	Uganda	E	3.7	3.0	6.4	2.9	5.7	0.7	5.8	3.3	3.1	3.9	4.2	4.4
		I	45.4	30.3	29.7	27.6	53.5	45.1	43.6	23.9	27.5	45.2	42.4	40.8
Kenya	Burundi	E	36.0	50.5	59.5	68.8			60.5			71.3	71.4	65.1
		I	2.3	1.1	1.2	1.8			0.6			0.7	0.6	0.7
	Rwanda	E	86.2	130.4	123.4	132.9			142.0			172.4	165.7	176.1
		I	1.3	0.4	3.1	5.4			11.7			7.6	16.3	11.7
	S. Sudan	E										160.8	162.1	127.9
		I										0.1	0.2	0.2
	Tanzania	E	331.7	424.9	389.3	420.2			424.2			342.8	275.9	293.7
		I	99.2	105.5	101.1	133.0			135.5			126.2	166.2	175.9
	Ugan	E	498.9	614.7	598.3	657.3			658.7			612.4	598.0	610.8
		I	88.8	75.4	57.3	116.3			186.8			189.9	406.7	488.1
Rwanda	Burundi	E	7.3	6.4	5.4	5.0	8.5	13.6	20.9	19.3	16.2	35.9	22.2	22.5
		I	6.0	6.4	3.3	2.0	4.0	11.4	8.3	6.7	8.7	5.2	3.0	6.5
	Keny	E	34.3	126.3	83.1	39.5	63.6	94.8	83.2	74.3	90.4	99.5	20.4	22.7
		I	93.9	146.3	123.9	142.2	134.3	153.8	139.5	180.6	148.0	139.4	158.5	163.1

	S. Sudan	E								0.2	5.3	1.3	0.7	2.9
		I								0.0	0.0	0.0	0.0	0.0
	Tanzania	E	0.5	1.2	4.1	4.3	1.5	165.5	260.9	181.5	2.2	5.9	2.3	2.1
		I	38.7	53.2	54.6	75.9	85.2	90.6	94.6	79.8	83.7	95.0	106.2	134.2
	Uganda	E	3.2	7.1	5.6	7.0	7.3	68.4	88.1	78.1	9.8	14.6	39.1	50.0
		I	106.7	176.3	143.0	178.9	215.3	256.9	238.6	266.9	233.5	199.8	210.9	243.0
Tanzania	Burundi	E	70.9	20.6	24.6	56.1	39.8	54.6	45.3	43.0	39.2	52.1	50.8	34.5
		I	0.0	0.4	0.3	0.6	0.8	3.9	1.7	0.6	1.1	0.8	0.2	1.0
	Kenya	E	123.4	252.7	192.9	324.9	221.3	349.7	228.4	446.0	793.9	313.9	291.5	338.8
		I	103.6	430.7	304.5	275.3	339.3	564.2	335.6	654.7	237.3	267.7	201.3	248.7
	Rwanda	E	17.6	22.5	15.8	116.8	95.2	105.8	81.5	35.8	41.3	6.5	60.5	685.6
		I	0.0	0.1	0.0	1.4	1.6	2.1	1.7	3.2	1.1	1.1	1.3	1.4
	S. Sudan	E						1.7	2.6	4.5	0.1	0.0	0.2	0.2
		I						0.0				0.0	0.0	0.2
	Uganda	E	46.1	59.8	51.7	60.2	52.6	103.2	66.5	73.3	50.5	58.2	27.5	194.4
		I	6.5	17.2	12.1	17.9	36.4	108.3	58.0	48.0	39.2	30.7	34.1	53.0
Uganda	Burundi	E	42.7	45.4	55.8	51.3	41.5	46.1	48.7	43.5	46.3	45.1	43.0	40.7
		I	0.8	0.9	0.4	1.1	2.2	1.4	0.5	4.1	3.4	1.3	1.1	5.4
	Kenya	E	118.2	164.6	174.0	190.3	226.6	254.1	314.4	297.4	427.0	404.1	552.0	580.2
		I	472.4	511.3	502.7	511.5	644.6	590.2	562.8	593.9	554.5	459.0	457.2	515.9
	Rwanda	E	83.3	136.9	135.3	149.3	193.5	226.1	216.3	245.3	237.6	193.3	181.6	211.6
		I	1.7	2.9	3.1	7.4	7.9	5.3	7.4	10.9	9.4	10.1	9.8	13.1
	S. Sudan	E						17.7	175.4	280.3	265.0	239.6	299.9	355.8
		I						0.0	0.3	1.5	0.8	2.5	5.6	3.2

	Tanzania	E	30.6	30.5	33.8	37.6	42.2	54.0	48.0	56.0	60.8	68.9	49.8	66.3
		I	29.2	55.5	40.8	56.5	38.0	50.0	45.9	75.7	62.9	59.7	91.8	258.8

S. Sudan = South Sudan, I = Importations, E = Exports, Units = million USD.

Source: The Author Calculation, World Bank 2020 Data and Trend Economy 2020

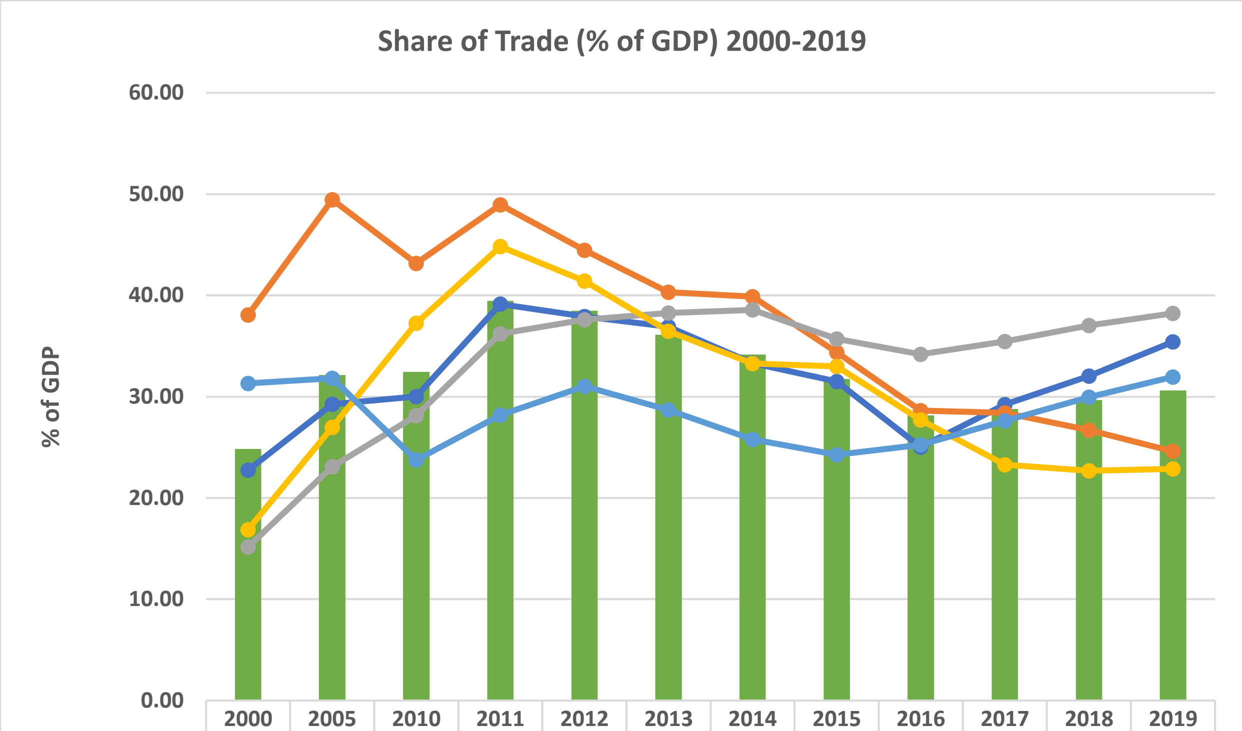
APPENDIX 5. 27: The statistics of annual trade performance for the EAC countries and the world for the period from 2005 to 2018

Reporters	Partners	Indicators	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Burundi	World	E	65.9	59.7	56.9	69.6	68.4	101.2	124.9	134.7	189.6	131.2	117.5	125.1	172.4	180.1
		I	289.8	441.4	309.2	402.9	402.3	508.8	755.6	751.5	911.9	765.6	831.9	625.3	783.3	793.5
	EAC	E	4	5.5	5.5	6.6	6	12.6	24.4	16	32.6	14.3	13.9	12.3	11.5	16.6
		I	59.1	60.9	79.6	84.7	129.1	89.4	267.1	147.2	346.3	163.9	160.7	157.2	151	134.3
Kenya	World	E	3,447	3,481	4,080	5,054	4,462	5,172	5,755	6,126	5,832	6,110	5,968	5695	5,747	6,050
		I	5,865	7,233	8,989	1,292	10,188	11,955	1,818	16,262	16,410	18,406	16,068	14,107	16,690	17,376
	EAC	E	974	741	946	1,193	1,167	1,279	1,545	1,809	1,645	1,656	1,465	1,360	1,272	1,274
		I	61.8	80.6	191.5	182.3	162.2	256.8	302.9	365.2	334.8	430.7	409.6	324.4	589.8	676.4
Uganda	World	E	1,016	1,188	1,776	2,208	2,326	2,164	2,515	2,811	2,829	2,677	2,666	2,482	2,901	3,087
		I	1,745	2,215	2,958	4,043	3,836	4,376	5,685	6,096	5,871	6,139	5,592	4,829	5,596	6,729
	EAC	E	144	265	401.5	717.4	1,042	810.3	649.7	893.9	1,089	1,198	1,254	1,146	1,405	1,531
		I	551.5	372.9	400.8	513.4	488.5	530.7	709.4	673.2	652.5	714.8	709.9	634.4	652.2	851.4
Tanzania	World	E	1,571	2,000	2,007	3,119	2,982	3,977	4,772	5,361	5,175	5,732	7,841	4,5002	4,113	4,019
		I	3,043	3,864	5,919	6,908	6,531	8,070	11,184	11,716	12,525	12,752	10,545	9,300	8,299	9,120
	EAC	E	128.9	157.8	205.9	259.9	323.5	394.2	416.8	519.8	1120	601	992.3	430.6	430.3	656.6
		I	160.5	175.5	110.1	205	316.9	295.5	378	678.6	397	709.9	289.3	300.3	236.9	304.6
Rwanda	World	E	124.9	36.5	45	46.2	47.3	54.2	80.7	115.6	122.9	142.3	120.2	631.0	1,042	1,121
		I	583	124.3	200.6	308.1	347.6	395.9	500.9	532.6	516.4	546.2	519.1	2,254	2,239	2,445
	EAC	E	34.9	37	45.4	141.8	48.1	55.2	81.2	343.5	122.5	142.2	120.2	466.2	478.6	549.1
		I	99.1	276	245.8	383.7	436.5	340.7	384.9	447.8	413.2	546.2	519.1	158.6	84.6	89.7
S. Sudan	EAC	E											13	15.7	17.9	3.4
		I											576.2	410	462.5	457.2

S. Sudan = South Sudan, I = Importations, E = Exports, Units = million USD.

Source: The Author, World Bank Data 2020, and Trend Economy 2020

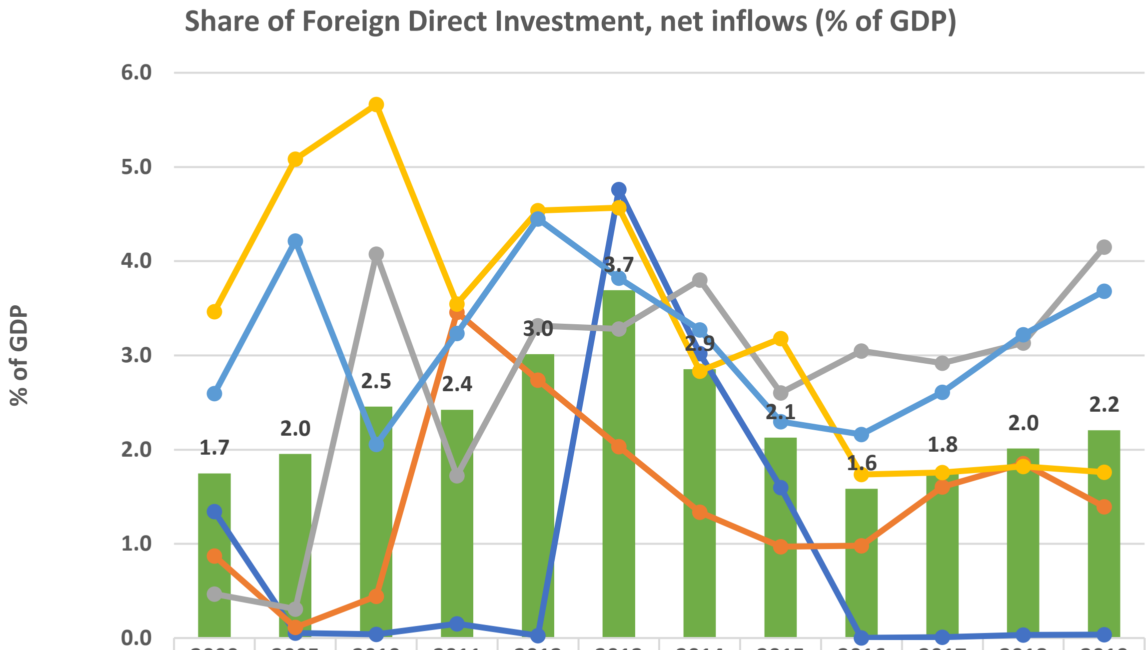
APPENDIX 5. 28: The share of trade in the GDP of the EAC from 2000 to 2019



	2000	2005	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
EAC	24.84	32.12	32.46	39.46	38.49	36.13	34.16	31.76	28.16	28.80	29.68	30.62
Burundi	22.75	29.27	30.02	39.14	37.93	36.91	33.30	31.50	25.04	29.22	32.04	35.42
Kenya	38.09	49.45	43.15	48.95	44.47	40.32	39.89	34.37	28.62	28.41	26.69	24.60
Rwanda	15.16	23.09	28.11	36.21	37.61	38.27	38.57	35.70	34.18	35.46	37.04	38.22
Tanzania	16.88	26.99	37.25	44.82	41.41	36.45	33.27	32.97	27.73	23.28	22.69	22.88
Uganda	31.31	31.81	23.75	28.18	31.02	28.68	25.77	24.26	25.24	27.63	29.95	31.96

Source: The Author Calculation, EAC Economic Data 2020, World Bank Data and Trend Economy 2020

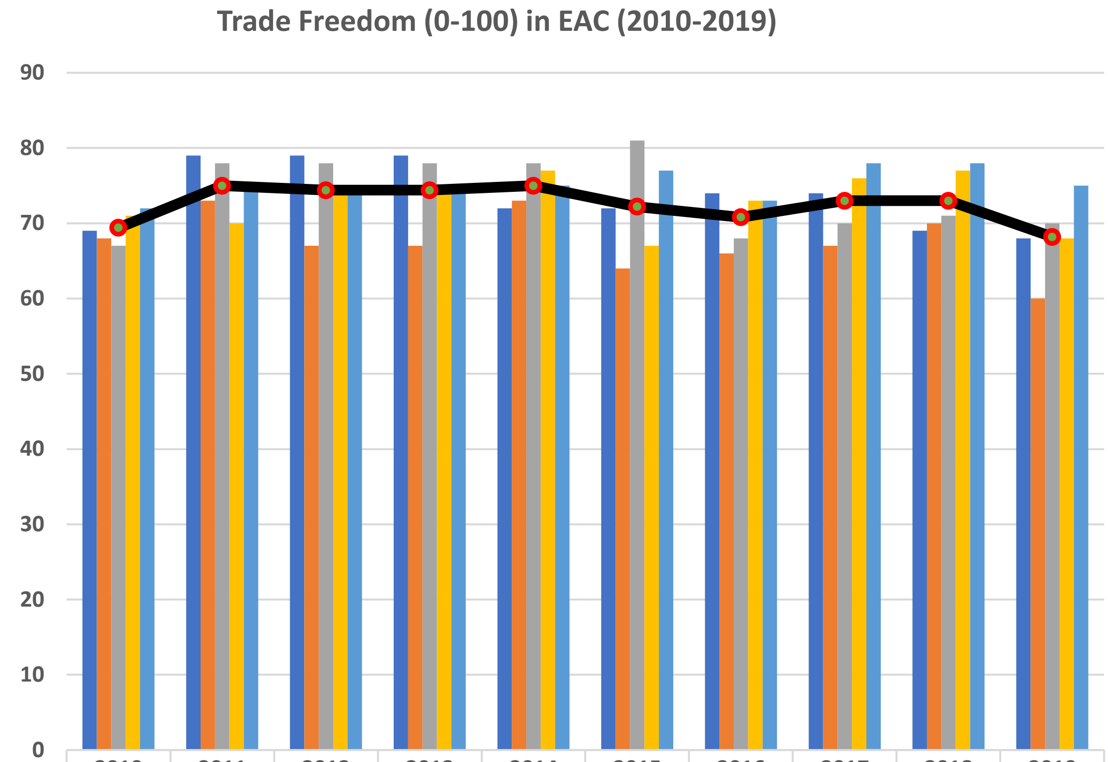
APPENDIX 5. 29: The Share of Foreign direct investment in the EAC GDP



	2000	2005	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
EAC	1.7	2.0	2.5	2.4	3.0	3.7	2.9	2.1	1.6	1.8	2.0	2.2
Burundi	1.3	0.1	0.0	0.2	0.0	4.8	3.0	1.6	0.0	0.0	0.0	0.0
Kenya	0.9	0.1	0.4	3.5	2.7	2.0	1.3	1.0	1.0	1.6	1.9	1.4
Rwanda	0.5	0.3	4.1	1.7	3.3	3.3	3.8	2.6	3.0	2.9	3.1	4.2
Tanzania	3.5	5.1	5.7	3.5	4.5	4.6	2.8	3.2	1.7	1.8	1.8	1.8
Uganda	2.6	4.2	2.1	3.2	4.5	3.8	3.3	2.3	2.2	2.6	3.2	3.7

Source: The Author Calculation, EAC Economic Data 2020, World Bank Data and Trend Economy 2020

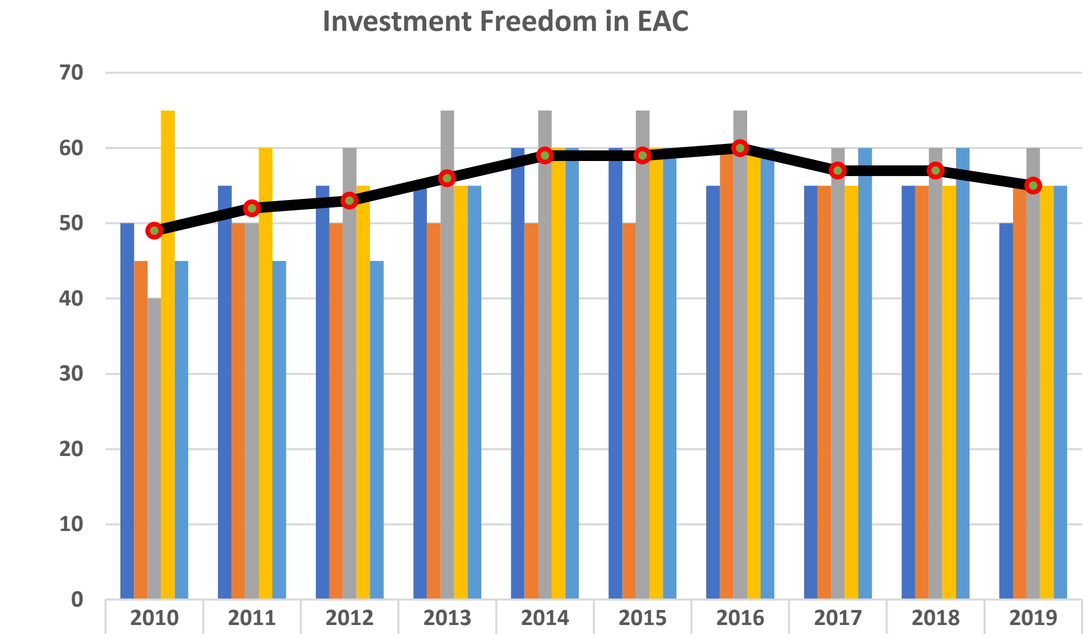
APPENDIX 5. 30: Trade freedom in EAC



	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Burundi	69	79	79	79	72	72	74	74	69	68
Kenya	68	73	67	67	73	64	66	67	70	60
Rwanda	67	78	78	78	78	81	68	70	71	70
Tanzania	71	70	74	74	77	67	73	76	77	68
Uganda	72	75	74	74	75	77	73	78	78	75
EAC	69	75	74	74	75	72	71	73	73	68

Source: The Author Calculation, EAC Economic Data 2020, World Bank Data and Trend Economy 2020

APPENDIX 5. 31: Investment freedom in EAC



	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Burundi	50	55	55	55	60	60	55	55	55	50
Kenya	45	50	50	50	50	50	60	55	55	55
Rwanda	40	50	60	65	65	65	65	60	60	60
Tanzania	65	60	55	55	60	60	60	55	55	55
Uganda	45	45	45	55	60	60	60	60	60	55
EAC	49	52	53	56	59	59	60	57	57	55

Source: The Author Calculation, EAC Economic Data 2020, World Bank Data and Trend Economy 2020