The AfCFTA Guided Trade Initiative: Kenya

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Institutional and Regulatory Foundations

Ad-Hoc Committee
Kenya has established an Ad-Hoc Committee that brings together key trade facilitation institutions and regulators. This collaborative platform plays a crucial role in identifying companies, products, and providing linkages for financing and product improvement to meet market requirements under the AfCFTA Guided Trade Initiative.

Regulatory Readiness
Kenya has taken important steps to ensure regulatory readiness for the AfCFTA. Kenya has notified the competent authority, obtained official stamps and signatures: Updated on a continuous basis.

Trade Documentation
Kenya has developed and made available the necessary trading documents to facilitate seamless trade under the AfCFTA. This includes the gazetted tariff offers and the establishment of a national implementation strategy. Certificates of origin are available.
Products and Destination Markets

Diverse Product Offerings
Kenya has exported a diverse range of products (21) under the AfCFTA Guided Trade Initiative, including tea, soaps, brushes, soda ash, hides, stoves, honey, energy saving jikos, machinery, and more. This demonstrates the country’s ability to leverage its manufacturing capabilities and product portfolio to capitalize on the opportunities presented by AfCFTA.

Continuous Exploration
As the AfCFTA Guided Trade Initiative continues to evolve, Kenya remains committed to identifying new products opportunities and expanding its export markets within the African continent. This strategic approach aims to maximize the benefits of the AfCFTA.

Expanding Destination Markets
Kenya has exported its products under the GTI to several African countries, including Ghana, Nigeria, and South Africa. Ghana has emerged as the biggest destination for Kenyan exports, for the GTI Phase I.
Challenges

1. **Complex Licensing Procedures**
   One of the key challenges faced by Kenyan businesses has been the complexity of licensing procedures, which can hinder their ability to participate in the AfCFTA Guided Trade Initiative effectively.

2. **Access to Export Finance**
   Securing adequate financing for export activities has been another obstacle, as Kenyan businesses struggle to access the necessary resources to expand their reach within the African market.

3. **Logistics and Infrastructure**
   Challenges related to logistics and infrastructure, such as transportation, and border crossings, have posed additional hurdles for Kenyan exporters seeking to navigate the AfCFTA trade corridors.

4. **Transparency and Coordination**
   Enhancing transparency in trade regulations and improving coordination among stakeholders, including the private sector, and government entities.
Interventions

- **Trade Facilitation and transparency:** expedite movement of goods.
- **Transparency:** Trade regulations & procedures, information sharing authorities, reduce uncertainty.
- **Financing:** necessary resources to overcome logistical challenges.
- **Harmonize standards:** Align standards, certification procedures: reduce duplication of efforts.
- **Enhance match making of business.**
- **Capacity Building and Stakeholder Engagement**
Conclusion: Kenya's Optimism and Momentum

A Transformative Journey

Kenya's experience with the AfCFTA Guided Trade Initiative has been a journey of challenges and opportunities. Through strategic initiatives, collaborative efforts, and a commitment to regional integration, the Kenya has made significant progress in leveraging the benefits of the AfCFTA.

Optimism for the Future

As the AfCFTA continues to evolve, Kenya remains optimistic about the future. We recognize the immense potential for economic growth, increased trade, and enhanced competitiveness within the African market, and is poised to capitalize on these opportunities.

Momentum for Success

With its strong institutional foundations, strategic initiatives, and continuous capacity-building efforts, Kenya is well-positioned to maintain the momentum and further solidify its role as a leading player in the AfCFTA.
Meeting on GTI implementation related issues was held virtually on 21 December 2023. The primary aim of the meeting was to foster dialogue regarding the trade concerns encountered within the framework of the GTI.

**Ghana**
- An incident where a Ghanaian exporter paid full duties in Cameroon;
- A shipment of alcoholic beverages to Kenya, where preferential treatment was not offered, leading to full duties being imposed on exporters;
- Ghanaian exports, notably drill rig and drill rods, did not receive preferential treatment

**Kenya**
- The second Stove shipment to Ghana was not afforded the preferential treatment leading to the exporter paying full duties.
- An incident where the Hides & skins shipment to Ghana was not afforded the preferential treatment leading to the exporter paying full duties.

**Egypt**
- Egyptian company Al Asdeqaa raised complaint regarding the denial of AfCFTA preferential treatment for products destined for Ghana, specifically referencing an export incident in September 2023. Egypt confirmed its adherence to the AfCFTA agreement and its implementation of offered discounts as per its Official Gazette No. 212 for the year 2023.

**Recommendations**
- Reactivation of the GTI subcommittee on customs to address trade related concerns issues swiftly as they arise through that approach;
- Businesses and traders to actively utilise the AfCFTA’s reporting and monitoring tools for NTBs, which will help in identifying and speedily resolve specific trade barriers;
- Need for strengthened communications channels and ongoing bilateral and face-to-face engagements. Also, contact details of relevant officials who address trade concerns as they arise be kept up to date.;
- State Parties are encouraged to inform the AfCFTA Secretariat when they issue certificates of origin so that the Secretariat is able to streamline the trade process between GTI participating countries, aiming for a more integrated and seamless trade experience and effective data collection on GTI.
Thank you