

Ethiopia: Intra-Africa trade and tariff profile 2020



Regional Economic Communities

Ethiopia is a member of the Common Market for Southern and Eastern Africa (COMESA) and the Intergovernmental Authority on Development (IGAD). The African Continental Free Trade Agreement (AfCFTA) entered into force on 30 May 2019. Ethiopia ratified the AfCFTA and is yet to submit the schedule of tariff concessions.

COMESA

Members of the COMESA FTA:



COMESA has 21 member states, 17 of which are part of the COMESA Free Trade Area. DRC, Eritrea, Ethiopia and Somalia are all in the process of accession.

IGAD

There is no trade agreement in place



IGAD member states include Djibouti, Eritrea, Ethiopia, Kenya, Somalia, South Sudan, Sudan and Uganda. IGAD focuses on policy and programme for harmonisation, peace and security, food security and sustainable development, facilitating investment, capacity building and infrastructure development. There has been no intra-IGAD tariff liberalization.

Intra-Africa exports

For 2020, 21% of Ethiopia's world exports were to the rest of Africa. Ethiopia's main African destination markets are Somalia, Djibouti and Sudan. The value of 2020 intra-Africa exports is US\$529 million. The main export products include vegetables, manioc roots and tubers and coffee.

Intra-Africa exports 2019-2020 ▼ 6%

MAIN DESTINATIONS

Somalia: 12% of intra-Africa exports

Djibouti: 4% of intra-Africa exports

Sudan: 2% of intra-Africa exports

Kenya: 0.5% of intra-Africa exports

Nigeria: 0.5% of intra-Africa exports

Dried leguminous vegetables

3% of intra-Africa exports
8% of Ethiopia's world dried leguminous vegetables exports



Television sets

4% of intra-Africa exports
87% of Ethiopia's world television sets exports



Coffee

7% of intra-Africa exports
4% of Ethiopia's world coffee exports

Vegetables

48% of intra-Africa exports
99% of Ethiopia's world vegetables exports

Manioc roots & tubers

14% of intra-Africa exports
All of Ethiopia's world manioc roots & tubers exports

Intra-Africa export products

Intra-Africa imports



- Fertilisers with 2 or 3 nitrogen elements (34%)
- Nitrogenous fertilisers (12%)
- Coalal (7%)
- Palm oil (6%)
- Petroleum oils (excluding crude) (4%)
- Other (37%)

intra-Africa imports as % of world imports of designated products

90%

52%

100%

12%

2%

% change in exports and imports (2019 to 2020)

Somalia Exports: 8% increase
Imports: 57% decline

Morocco Exports: 332% increase
Imports: 5% decline

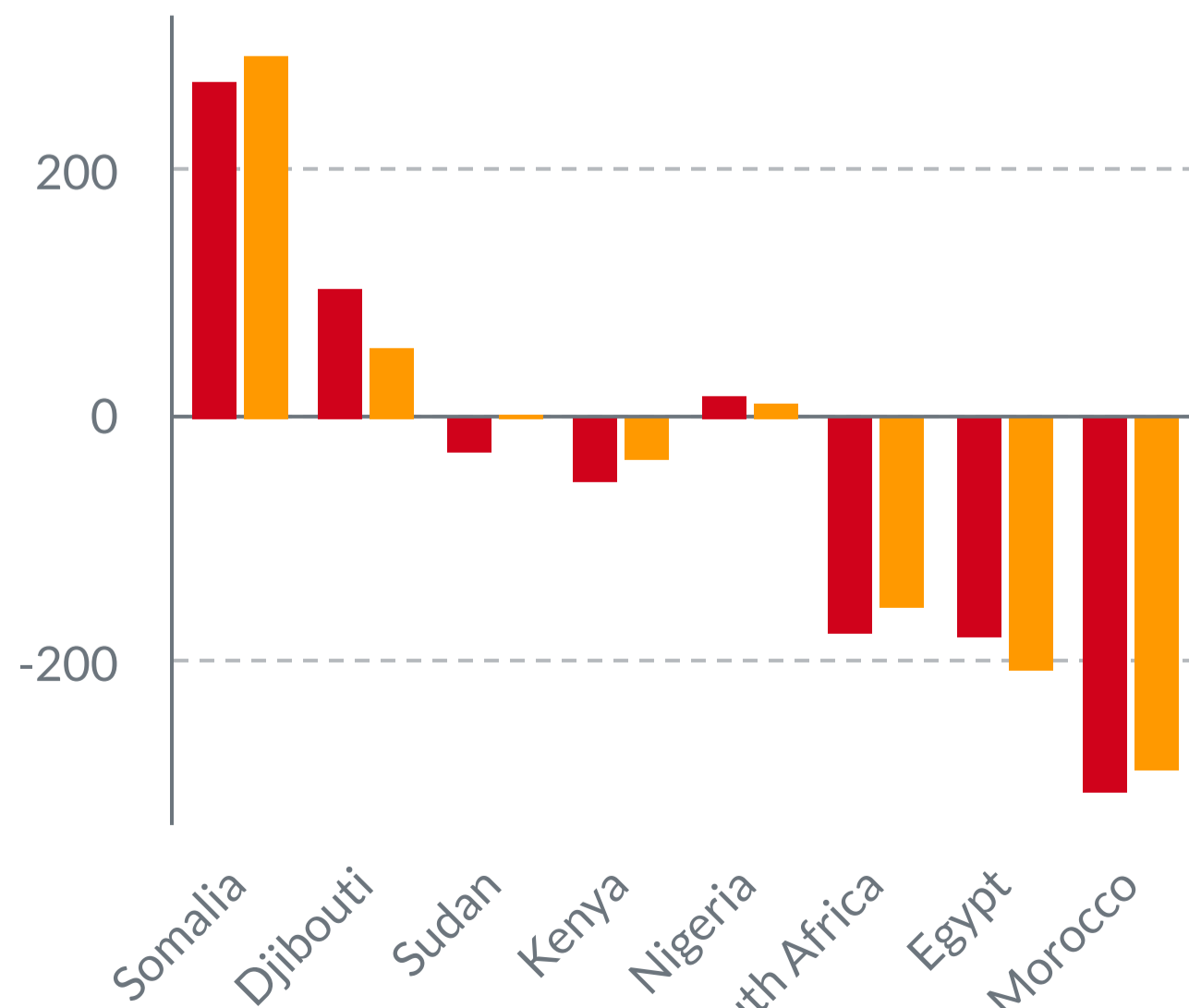
Egypt Exports: 70% decline
Imports: 6% increase

South Africa Exports: 2% increase
Imports: 12% decline

Djibouti Exports: 15% decline
Imports: 107% increase

Sudan Exports: 1% decline
Imports: 41% decline

Trade balance with designated countries (US\$m)

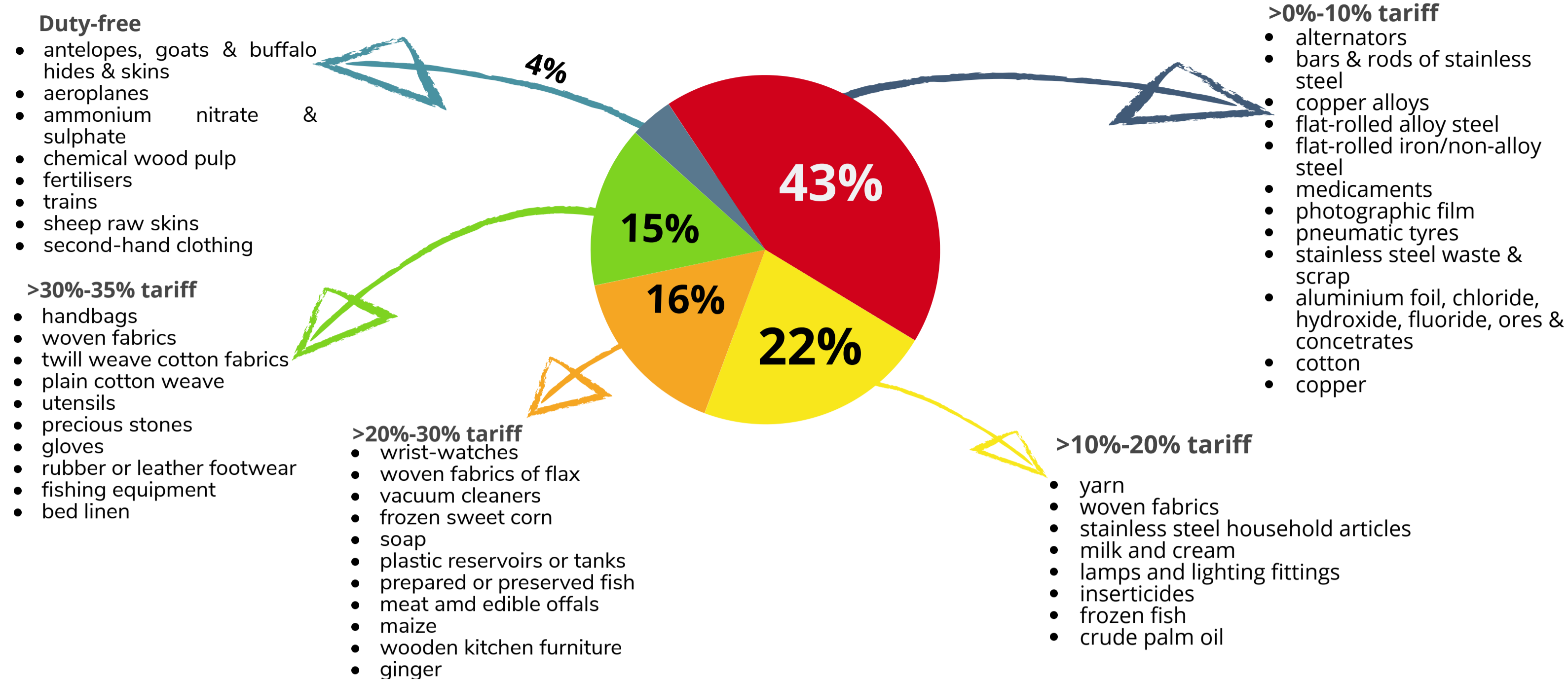


■ 2019 ■ 2020

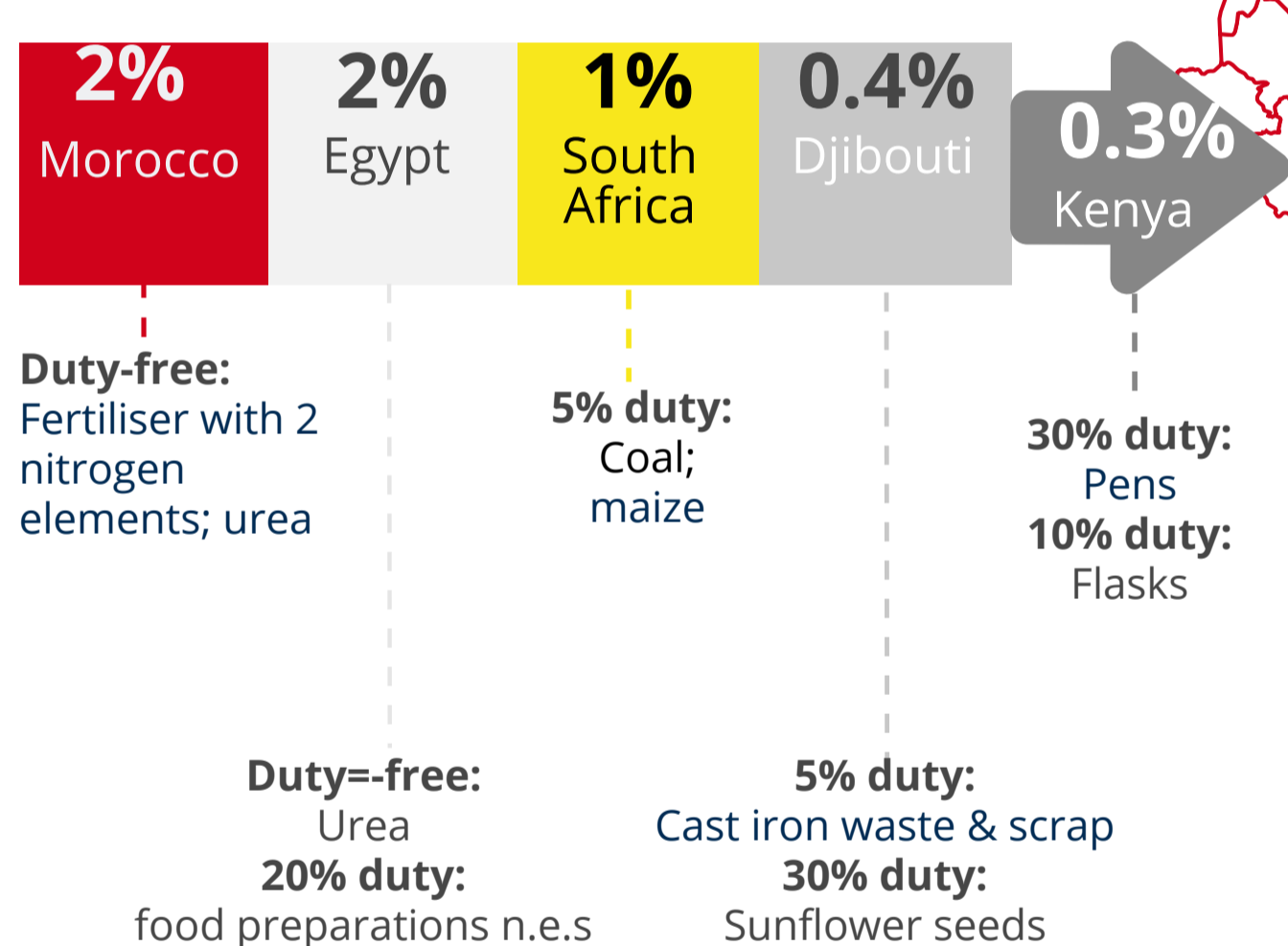
Intra-Africa tariffs

Goods originating from Africa enter into Ethiopia at varying preferential rates which is Ethiopia's general tariffs.

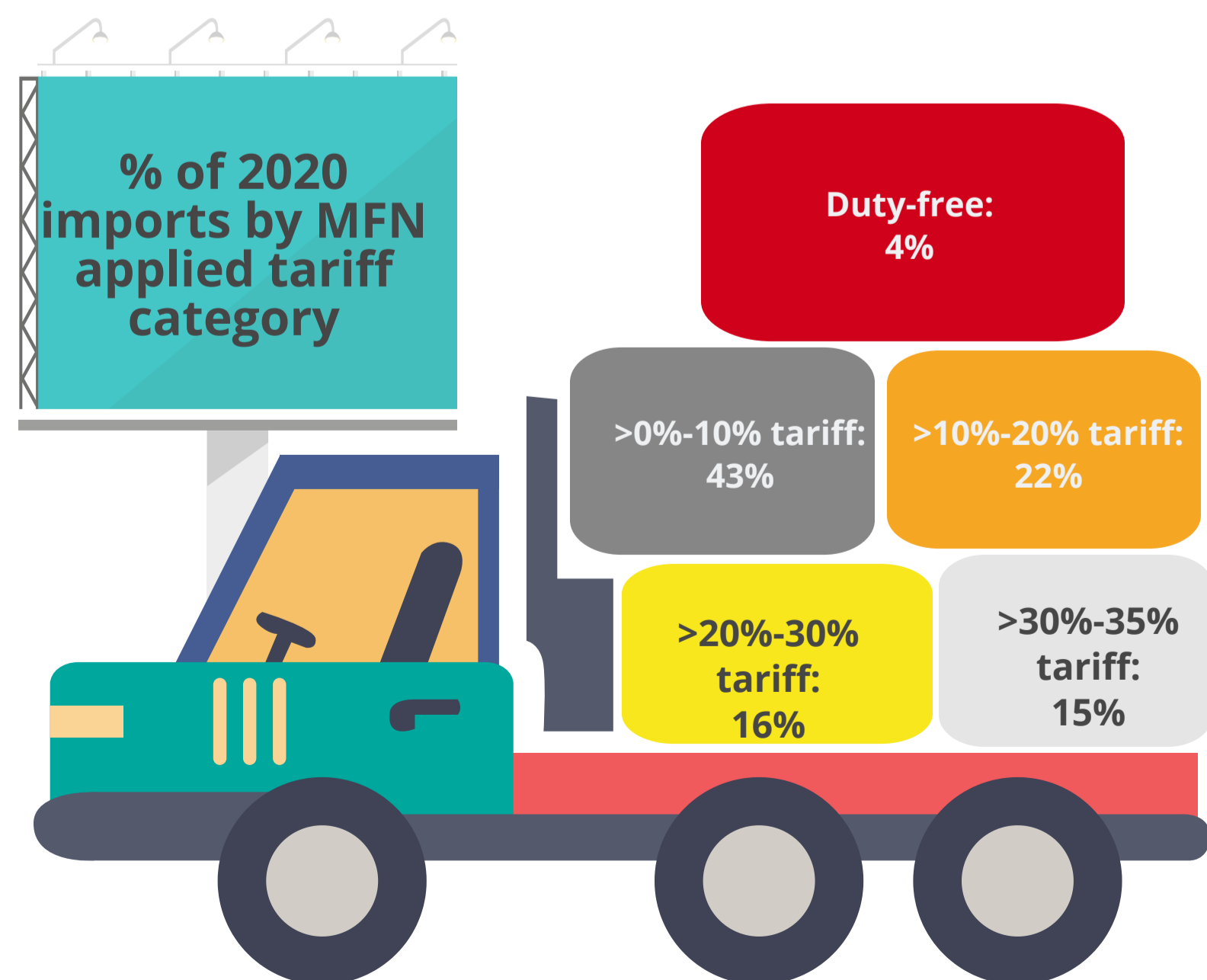
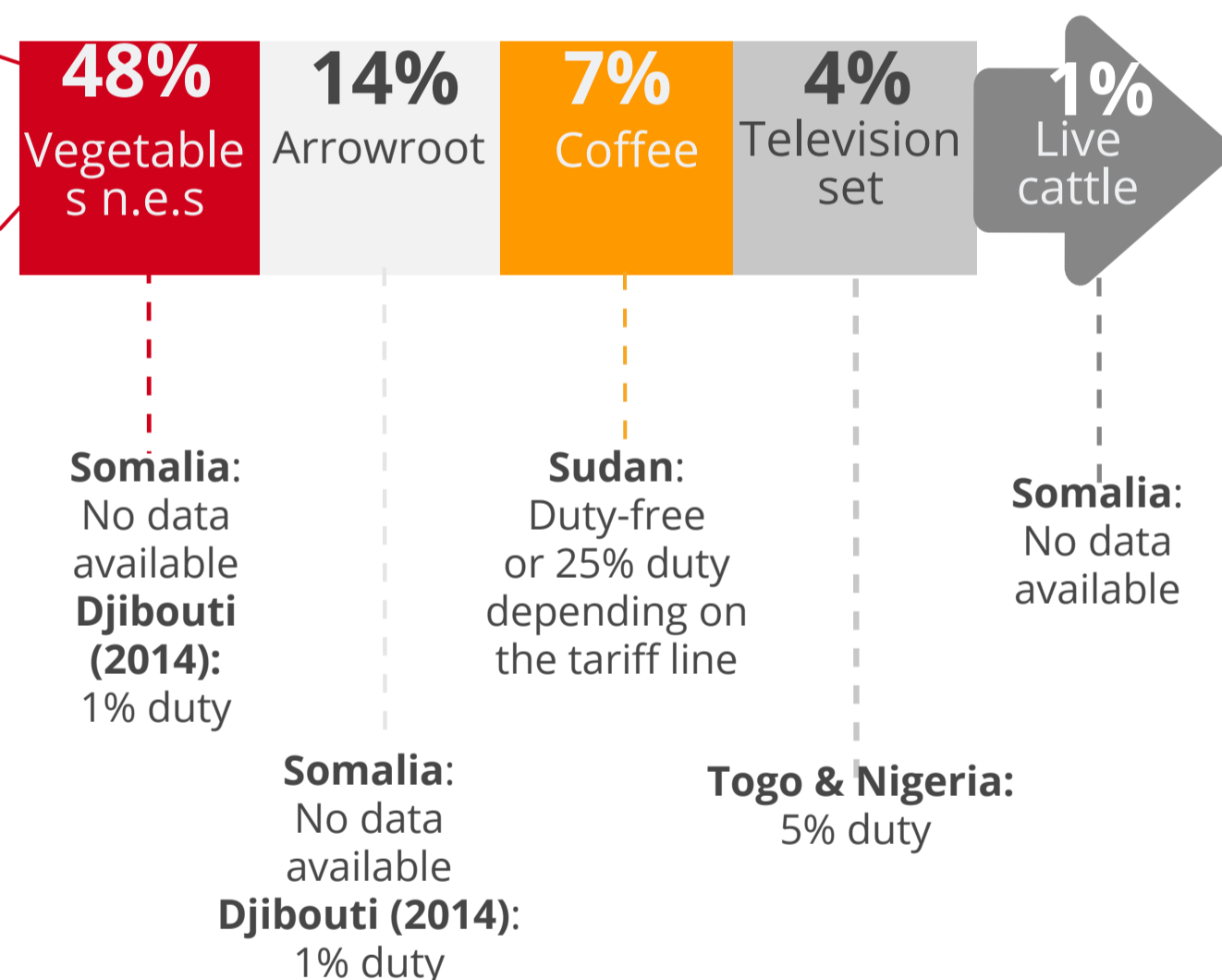
MFN duty categories & % of national tariff lines in each category



Imports into Ethiopia



Exports from Ethiopia



All of Ethiopia's world imports of non-agglomerated coal, onions and shallots, inactive yeasts, lemons, sheep's skin, wine, chewing tobacco, grapefruit juice, and beef meat are sourced from Africa.

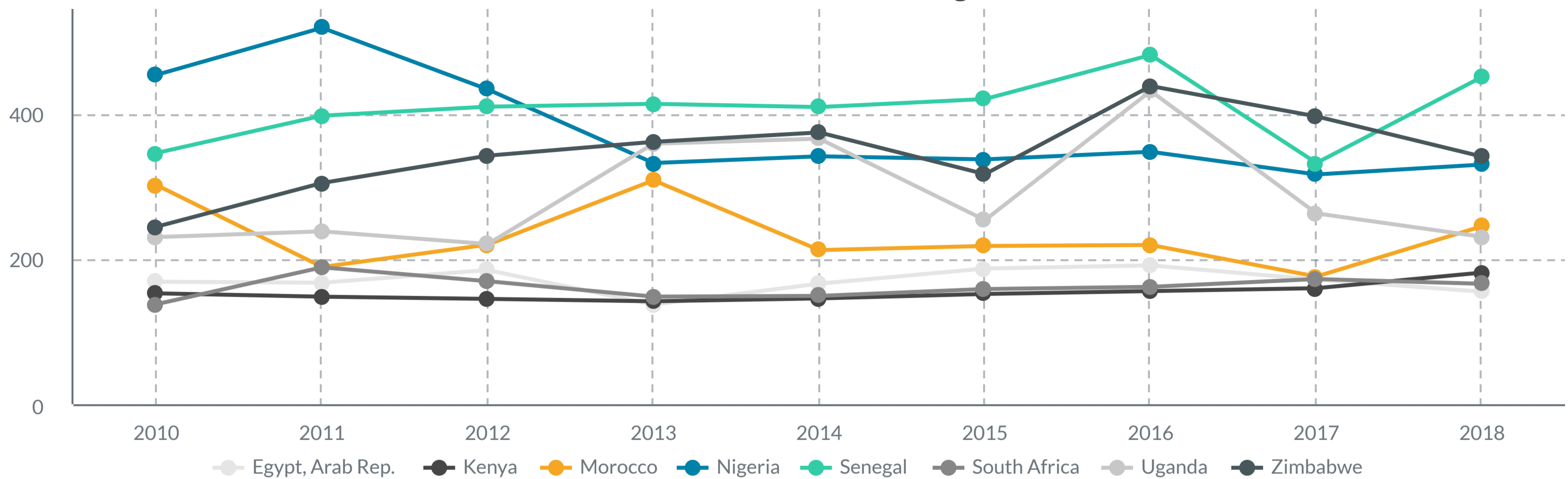
Of the top 20 import products, the highest tariffs (35% duty) are applicable to imports of goods vehicles. A 30% duty is applied on imports of sunflower seeds, onions and shallots, and dried shelled lentils. Imports of food preparations, flasks and active yeasts are charged a 20% duty. Palm oil, wheat/meslin flour, malt extra, new pneumatic tyres and insecticides face a 10% duty. Fertilisers with 2 nitrogen elements, urea, medium oils and passenger vehicles are duty-free. A 5% duty is charged on following imports:

- coal
- maize
- iron/steel containers
- grain sorghum
- medicaments

Non-tariff trade costs

The ESCAP-World Bank trade cost database includes the cost of transportation and the time to complete import procedures and obtain necessary information as non-tariff costs affecting bilateral trade between trade partners. Ethiopia's trade with many African countries (including Botswana, Eswatini, Mauritius, Chad, Namibia, DRC) is more expensive than trade with non-African countries such as Brazil, Germany, the United Kingdom, India, France and China.

Cost of bilateral trade between Zimbabwe and designated countries; 2010-2018



The most expensive product to Algeria is coffee (US\$1.50 per unit).

Road transport costs for chocolate exports:

- Ivory Coast (US\$4.93 per unit)
- Ghana (US\$1.52 per unit)



Food preparations n.e.s exports:

- Nigeria (US\$0.23 per unit)
- South Africa (US\$0.34 per unit)



Per unit cost of sesamum seeds

- Algeria (US\$0.29)
- South Africa (US\$0.30)
- Tunisia (US\$13.21)



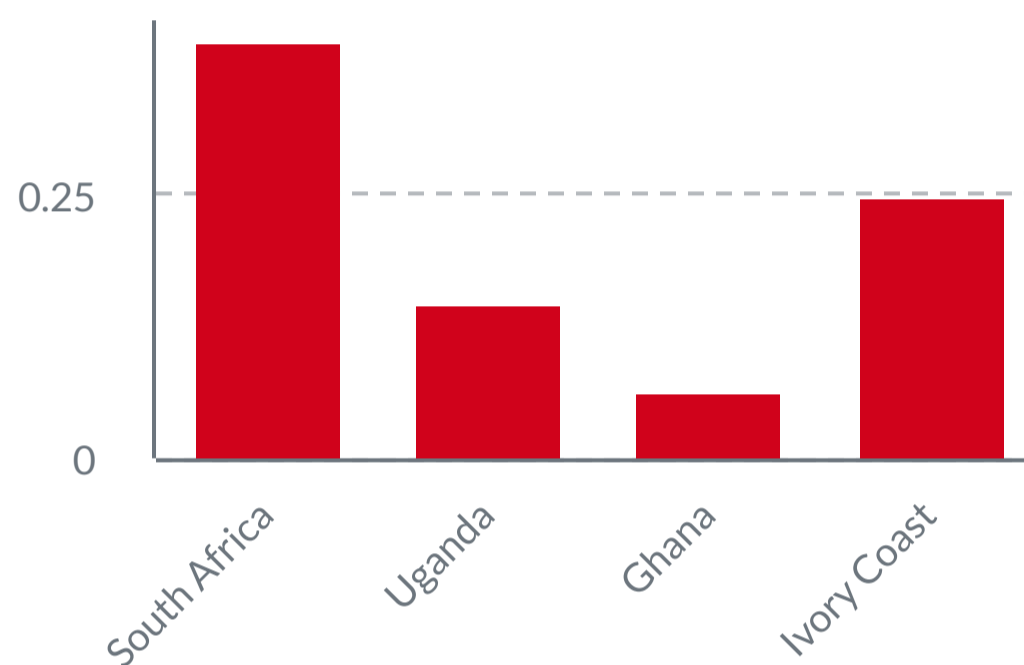
Per unit cost of coffee

- Algeria (US\$1.50)
- Morocco (US\$4.07)



The cost of transporting iron/steel threaded screws and bolts (US\$1.91 per unit) is more than the cost of transporting second-hand clothing to Cameroon (US\$1.18 per unit).

US\$ per unit cost of road transport for cotton t-shirts and vests

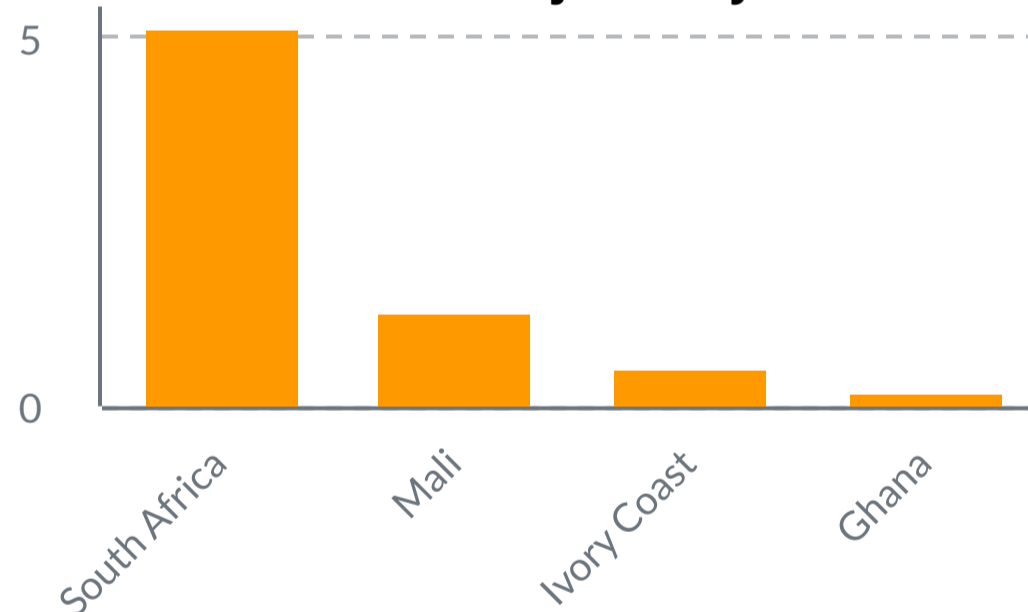


Transportation costs

The UNCTAD transport cost database measures the cost of bilateral transport by product. Transport cost is defined as the difference between the Cost, Insurance and Freight value and Free on Board value of goods.

Transport cost across all modes of transport (road, rail, air, and sea) is included. The initial data is for 2016, but is in the process of being updated.

US\$ per unit cost of road transport for imitation jewellery



Road transportation of sesamum seeds is the most expensive. Road transport to Tunisia is the highest because of the high costs of transporting sesamum seeds.

Trade in services

The WTO-OECD Balanced Trade in Services Dataset (BaTiS) is an experimental dataset which contains a complete, consistent and balanced matrix of international trade in services. Statistics cover the period 2005-2019, for over 200 reporters and partners, and 12 EBOPS 2010 categories in addition to total services.

Transport

Angola: US\$39 million
Nigeria: US\$20 million
Egypt: US\$16 million
Sudan: US\$12 million
Kenya: US\$11 million

Commercial services

Angola: US\$45 million
Nigeria: US\$33 million
Egypt: US\$18 million
Sudan: US\$15 million
South Africa: US\$13 million

Travel

Nigeria: US\$13 million
Angola: US\$5 million
Egypt: US\$3 million
South Africa: US\$3 million
Uganda: US\$2 million
Algeria: US\$1 million

Other commercial services

Eswatini: US\$1 million
Ghana: US\$1 million

Services imports 2019

COMMERCIAL SERVICES

Egypt: US\$44 million
Morocco: US\$25 million
Kenya: US\$15 million

TRAVEL

Egypt: US\$13 million
Angola: US\$5 million
Sudan: US\$5 million
Morocco: US\$4 million

TRANSPORT SERVICES

Egypt: US\$30 million
Kenya: US\$11 million
Djibouti: US\$10 million

MOROCCO

Other commercial services: US\$3 million
Goods-related services: US\$9 million

Services exports 2019