

## Simplified Trade Regimes and Women Traders in Africa

### Small-scale cross border traders are mostly women

Cross-border markets are more advanced and complicated than national markets. Preferential trading regimes generally benefit large and established traders who have the capacities to comply with the complicated rules and regulations of cross-border trade regimes, including technical requirements and customs processes. It is often difficult for small-scale traders to penetrate such complicated cross-border markets.

The fact that informal cross-border traders do not effectively participate in mainstream preferential trading regimes, means that most women are left out in Africa's formal cross-border trade. Most of the informal and small-scale trade in Africa is carried out by women.



**20**  
Years

The main products traded by women cross-border traders in Africa include:



Small manufactured household items



Fabrics



Dried fish



Soft drinks



Fruits & vegetables

(UNCTAD, 2021)

## How can the Simplified Trade Regime improve the participation of women in cross-border trade?

The Simplified Trade Regime (STR) is an important mechanism to enable and enhance the participation of small traders in preferential trading arrangements. STR is a special arrangement which aims to simplify and streamline the documentation and procedures for the clearance of the low-value consignments of small cross border traders, at the same time enabling them to benefit from the preferential trading environment. STR can enable and enhance the participation of small traders by reducing the costs of cross-border trade and simplifying certificates of origin and customs documents.

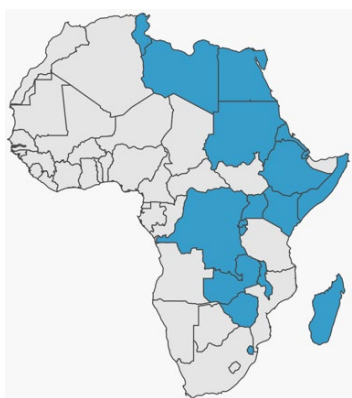
STRs can significantly help informal and small-scale women traders in Africa to participate and benefit from lighter and less costly trade procedures and benefit from the regional preferential trading regimes.

STR can improve the income, welfare and livelihoods of women traders and provides them with the much-needed security. In the informal trading arrangement, women traders are vulnerable to:



## Simplified Trade Regimes in Africa

Some Regional Economic Communities (RECs) including the Common Market for Eastern and Southern Africa (COMESA), the East African Community (EAC) and the Southern African Development Community (SADC) have designed, adopted and/or implemented STRs.



### COMESA

COMESA launched the STR in 2010. The STR threshold is US\$2,000.00 per consignment, per crossing. The STR does not require eligible products to meet rules of origin. The list of eligible products includes some agricultural products, food products, furniture, stationery and other assorted items. Some of the COMESA countries implementing the STR include Burundi, DRC, Ethiopia, Kenya, Malawi, Rwanda, Uganda, Zambia and Zimbabwe.



## EAC

The STR is implemented under the EAC Customs Union regime. Its Simplified Certificate of Origin exempts consignments of goods that: originate in the EAC and are valued at under US\$ 2,000.00 from payment of import duty in the EAC destination country.



## SADC

In 2017, the SADC Ministers responsible for Trade directed the SADC Secretariat to develop a SADC STR. The STR has 5 pillars: (1) **Common list:** Product coverage is as per the agreed bilateral list/s of goods that are eligible for the STR; (2) **Threshold:** Maximum value for consignments that can be imported or exported under the regime by the intended beneficiaries; (3) **Simplified customs document:** Simplified customs document for use in import and export clearance; (4) **Simplified certificate of origin:** Simplified certificate of origin that covers qualifying goods; and (5) **Trade information desk:** Trade information help desks, and trade information officers at participating country border posts. SADC STR has not yet been implemented in the region.<sup>1</sup>

## Conclusion

Bringing women or informal cross-border traders into formal cross-border trade via STRs has the potential to yield substantial benefits for both governments and women. STRs boost cross-border trade and revenue, and assist governments to record statistics about cross-border trade. In informal cross-border trade, goods are often concealed, underdeclared, under invoiced or misclassified.

However, to enhance the implementation of the STRs across Africa there is need to increase the level of awareness of the STRs, expand the STRs beyond RECs to African Continental Free Trade Area level, publish the list of products eligible for respective STRs, build capacity of traders and customs officials in the implementation of STRs, publish the STR documentation including in the languages understood by the women and small-scale traders.

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<sup>1</sup> See tralac Trade Brief tracing the developments and progress in the implementation of the SADC STR, at <https://www.tralac.org/documents/publications/trade-briefs/tb2022/4560-s22tb162022-mafurutu-sadc-simplified-trade-regime-developments-and-implementation-progress-30062022/file.html>

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