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We would like to encourage you to make use of our Market Brief repository on our website; the topics covered in this issue are complementary to these briefs and are meant to further assist you to better navigate the existing market, whilst also targeting potential clientele.

Companies wishing to place adverts in this bulletin may contact the editor for further details:

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We value your feedback and the editor welcomes contributions to this bulletin so that together, we can make it a must read publication for the transport and logistics sector in COMESA and beyond.

All information products are available on our website:  
[www.comesabusinesscouncil.org](http://www.comesabusinesscouncil.org)



Welcome to the launch of our bi-monthly bulletin!

We are delighted to bring to you this series, filled with the latest trends and developments within the transport and logistics services sector across the region, along with key information on upcoming events, market intelligence, and policy and regulatory issues.

Thank you for being part of this exciting journey; the best is yet to come!

Sandra Uwera, CEO, COMESA Business Council

## OVERVIEW OF THE SECTOR

Africa faces the highest transport costs in the world exacerbated by limited development in road, rail and maritime infrastructure thereby affecting the region's competitiveness. Transport and logistics costs are a huge cost and a crucial element on the competitiveness of enterprises in the region. Sub-Saharan Africa faces the highest transport costs in the world, with key examples of the Northern Corridor where logistic costs are as high as 30-45% of the total costs of imports in terms of cost, insurance and freight. Such costs impede on the competitiveness of industry and reduce the levels of trade and regional integration.

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*"The Africa Development Forum singles out four factors contributing to poor trade logistics in Africa: higher inland travel costs, higher port and terminal handling fees, higher customs clearance and technical control fees, and higher costs to prepare documents and letters of credit."*

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~ PWC

COMESA is a net importer of transport services, with total exports of US\$ 15 billion. The transport services sector is the second largest exporter for most of COMESA member states and for some it formed the bulk of services exports, such as for Djibouti (75%), Ethiopia (67%) and Kenya (55%). The transportation systems in the COMESA region primarily consist of road and rail, particularly for the landlocked countries. In terms of railway and air, although most countries have rail and air transport systems, the infrastructure is relatively limited.

These sector dynamics call for industry players to come together to strategise on how to make it competitive hence the workgroup.

## ABOUT THE WORKGROUP

CBC convened the 1st COMESA Transporters & Logistics Services Industries Regional Dialogue from the 17th-18th September, 2015 in Nairobi, Kenya. The Dialogue was held under the theme, “Towards Improved Trade Facilitation and Reducing the Cost of Doing Business in the Transport and Logistics Services Industries”. The objective of the dialogue was to engage key public authorities on private sector positions and recommendations on reducing transport costs to doing business in the region.

The Dialogue focused on harmonizing common positions of businesses in the Transport and Logistics industry through discussions on issues that are directly and indirectly contributing to

the high costs of business along the transport corridors. In February 2016, the Dialogue's positions were presented to the 9th joint meeting of the COMESA Committees and Council of Ministers on Transport and Communications, Information Technology and Energy; they were subsequently adopted as part of Infrastructure Reports in the 36th COMESA Council of Ministers meeting in October 2016.

The following are the key challenges we have identified:

- inadequate transport infrastructure
- insecurity and high inland travel costs
- high port and terminal handling fees;
- high customs clearance and technical control fees;
- high costs to prepare documents and letters of credit;
- long dwell times of import containers;
- inadequate regional cooperation;
- and illicit trade.

Have you encountered any of these challenges? What other issues would you like to see us address? We'll be picking up this conversation on [Twitter](#); follow us and lets keep talking!

## WORKGROUP OBJECTIVES

Through this Workgroup, CBC provides the following services to its stakeholders:

- Development and dissemination of evidence-based research;
- Harmonization of positions and presentation to the COMESA policy organs meetings;
- Facilitation of business and market linkages through our Market Pointers, Market Briefs, and BizNet, our online market portal;
- Building the capacities of enterprises and associations;
- Establishing sustainable private and public-private partnerships amongst industry stakeholders across COMESA;
- Provision of advertising and branding opportunities on our website, publications and at our events.

## QUICK FACTS

Global Rank (Out of 160)	Country	LPI Score (Out of 5)
42	Kenya	3.33
58	Uganda	3.04
62	Rwanda	2.99
98	Comoros	2.58
107	Burundi	2.51

Logistics Performance Index (LPI) - Top 5 countries in COMESA. | World Bank, 2016

*The LPI is a World Bank survey of operators providing regional feedback on the ease of managing transport logistics.*

## ABOUT CBC:



CBC is a Business Member Organisation, and a private sector institution of COMESA. We represent the interests of the private sector at a regional level. The services we offer go beyond advocacy to actively promote business participation in regional integration, investment and global trade. This is done by facilitating the growth of strong business synergies, the development of business opportunities, and also through legislative and strategic advocacy. Our services are custom tailored and driven by both industry, and enterprise interests.

Building regional, going global. | [www.comesabusinesscouncil.org](http://www.comesabusinesscouncil.org)

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