

The Government of Ethiopia is set to introduce a Simplified Trade Regime (STR) to allow its small scale traders to legally trade with Kenya through the Moyale border. The STR is a scheme that allows informal traders to benefit from a simplification of formalities at the border with exoneration from payment of customs duties and taxes referred to transactions under a threshold value which in the COMESA region is currently of USD 2,000 per consignment.

Launched by COMESA in 2010, the STR is based on the Revised Kyoto Convention on the Simplification and Harmonisation of Customs Procedures (Transitional Standard 4.13), that encourages Customs to exonerate from payment of customs duties and taxes for transactions under a threshold to be specified by the national legislation. This measure aims at facilitating trade of goods whose value is of negligible amount, by simplifying the paperwork for informal and small-scale traders.

One of the conditions for COMESA Member States to implement the STR, is that they must participate to the COMESA Free Trade Area (FTA). However, also those countries not participating to such FTA, like Ethiopia, can develop specific bilateral arrangements or Protocols with their neighbors in order to introduce simplified regimes equivalent to the STR. In practice, such Agreements or Protocols indicate a list, approved by both the exporting and importing country, of products originating from the territory of their counterpart that can be traded duty-free benefiting from simplified procedures at the border, like the lodgment to Customs of

a simplified customs declaration form  
that can  
be filled out directly at the border post  
, and the exoneration from the obligation to submit  
a Certificate of Origin (CoO) or presentation of a simplified CoO certificate. Normally products  
included in this list are those that are more commonly traded in small quantities at the border.

The Government of Ethiopia is finalizing a protocol that will allow small scale traders to apply  
the STR equivalent at

Moyale, at the border with Kenya, that recently started to operate as

[One Stop Border Post \(OSBP\)](#)  
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in the attempt to convert part of informal trade occurring at this border into formal trade. Indeed,  
the new mechanism will encourage informal traders to declare to Customs their transactions  
and clear them duty-free and with minimal formalities at the border  
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The Protocol will contain a common list of goods to which the simplifications will apply with the relevant

volume

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that can be traded across the Moyale OSBP

, which registered a progressive growth of trade in the last year, although at bilateral level the  
total trade between the two countries has declined in the last 3 years. On the other hand, the  
increased volume of trade at the

Moyale

OSBP

is

[reported](#)

to have led to an increase of  
the number of import documents  
to be

processed at

the border

by 26 percent from Kenya to Ethiopia

and of

57 percent from Ethiopia to Kenya.

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ommodities

exchanges at the

### Moyale OSBP

concern different type of products, mainly represented by agricultural goods for Ethiopia, such as

beans, maize seed, tea, khat

(known in Kenya as

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a), onions and tomatoes,

while the main exports of Kenya to Ethiopia via Moyale are predominantly manufacturing and industrial products such as

shoe polish cream

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, agriculture chemicals, ballpoint pens, printed papers and labels, and crown corks among others.

During the Ethiopian budget year concluded July 7, 2021, Ethiopia has exported via the Moyale border goods

for

11.5 million

USD for

about 9.5 million kilograms

.

In 2020, Ethiopia's total export to Kenya has declined to 11.9

million USD, while in 2018 this trade reached more than double this figure (

28.2 million

USD)

. Similarly, the total export of Kenya to Ethiopia has

almost halved

from 78.7 million

USD

in 2019

to

47.3 million

USD

in 2020

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