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Reduced costs of transport play a critical role in the competitiveness of an economy, greatly affecting its performance. The freight sector, in particular, is universally recognized as one of the core pillars of economic development and a key factor for regional integration. Aware of this, the EAC region places the improvement of trade logistics through enhancing trade facilitation measures at the center of its regional integration agenda. A new [policy brief](#) from the East Africa Business Council (EABC) shows the improvement in the logistics performance in the region as a result of a decline in tariffs and removal of trade barriers, but at the same time describes the challenges that still persist in particular on the Northern and Central Corridors and how the COVID-19 global pandemic affected performances of the Mombasa and the Dar es Salaam ports as originating points of such two corridors.

Based on the discussions held during a webinar organized by the EABC on 14th July, 2022, the brief summarises the challenges faced by the private sector along these corridors. Apart from the poor physical and soft infrastructure, other factors that are mentioned include a low awareness and sensitiveness by policymakers in the region to the importance of transport and logistics as a factor able to increase economic growth, the limited public-private collaboration to support transport and logistics players, a level of automation of services by the private sector that is still low, low border agency coordination causing delays at the border posts, reduced port efficiency due to limited human and equipment capacities and the lack of a regional approach to supporting the transport and logistics sector, which leads to a silo operation mindset. Moreover, despite the continuous efforts of Corridor Management Authorities, Non-Tariff Barriers and other technical barriers such as roadblocks still affect the performance of the EAC corridors. Because of these constraints, transport and logistics costs account in East Africa for 35 to 42% of the total production costs of goods for an average cost of 1.8 USD per Kilometre (for comparison purposes, in Asian countries the transport and logistics costs account only for 8% of production costs of companies).

The document concludes therefore with a series of recommendations, insisting on the need for the public and private sectors to coordinate their respective actions in ensuring that the EAC trade routes remain as competitive to be able to enable trade across the region. The major proposed interventions to support the efficiency of the central and northern corridors include: 1) need for a structured formal engagement between the public and private sector in the identification of cost drivers and other challenges in the transport and logistics sector, 2) need to address technical and administrative challenges that are affecting ports performance, 3) need to invest in research to enable effective advocacy at the national and regional levels, 4) adoption of e-commerce and private sector automation to enable business to business initiatives that help to connect with their global counterparts, 5) EAC governments to invest in physical and soft infrastructure along the trade routes, 6) need to develop the capacity of maritime players such as clearing and forwarding players to be able to match continental and global development

trends, 7) need to invigorate investment in the rail system and maritime sector in EAC as an alternative mode of transport, 8) Need for continuous monitoring of the corridor performance to address competitiveness challenges, leveraging on best practices from other regions.