

SAUTI TRADE INSIGHTS COVID-19 BULLETIN

HOW HAS CROSS-BORDER TRADE BEHAVIOUR
CHANGED DURING THE COVID-19 PANDEMIC?

NOVEMBER 2021



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SAUTI TRADE INSIGHTS

November 2021

Uncertainty related to the COVID-19 pandemic continued to affect the trading activities of East African cross-border traders in 2021 Q2/Q3. Proportionally, domestic trade activity remains at an all-time high compared to previous years as East Africa's traders continue to limit their cross border activities in all surveyed countries.

This COVID-19 bulletin aims to illustrate the changing state of trade in East Africa as traders adapt to the effects of the pandemic. Leveraging Sauti's East Africa's embeddedness with traders, we present the 2021 Q2/Q3 behavioural and user data from our regional network of trade and market information platforms.

Reporting in this bulletin includes data on Kenyan, Rwandan, Tanzanian and Ugandan traders. In all country cases, we find either a stagnation or decrease in cross-border trading. Kenya in particular saw a significant 10 percentage point (pp) decrease in trade to cross-border destinations between the Q2 to Q3 period. Compared to the same period last year, we find little evidence to suggest that aggregate cross-border trading is returning to 2020 pre-pandemic levels - suggesting a permanency to the disruption of the pandemic.

Additionally, this report also highlights the unique gender-based impacts of the pandemic on women cross-border traders. In particular, we highlight a significant decline in cross-border trading activity for women in Kenya (-16 pp) between the Q2 and Q3 period, in contrast to Ugandan women traders who do not show a similar decline. The different effects are likely due to the already low levels of Ugandan traders participating in cross-border trade during the Q2 period.

For the first time, we also have made our data available through [Sauti's Trade Insights data portal](#). The TradeInsights data portal provides an innovative resource for supporting research, solution designs, and near real-time context mapping. This report also uses our improved data weighting methodology to more accurately represent the empirical behavioural patterns of East Africa's cross-border traders. See the technical detail section for links to explore the data.

Our insights suggest a continued dampening of cross-border trade activity in the region. Where cross-border price differentials have driven traders' activity in previous years, small-scale traders are having to seek out and adapt to new domestic arbitrage opportunities. This is likely placing new stresses on domestic market systems, which must now additionally support new entrants to the arbitration market.

With the data presented in this report, we offer a subnational and gender-based analysis of the market systems that support East Africa's traders. As the effects of COVID-19's disruption become more long-lasting, this research will inform interventions and the turn from pandemic mitigation to traders' adaptation.

LANCE HADLEY

Chief Executive Officer

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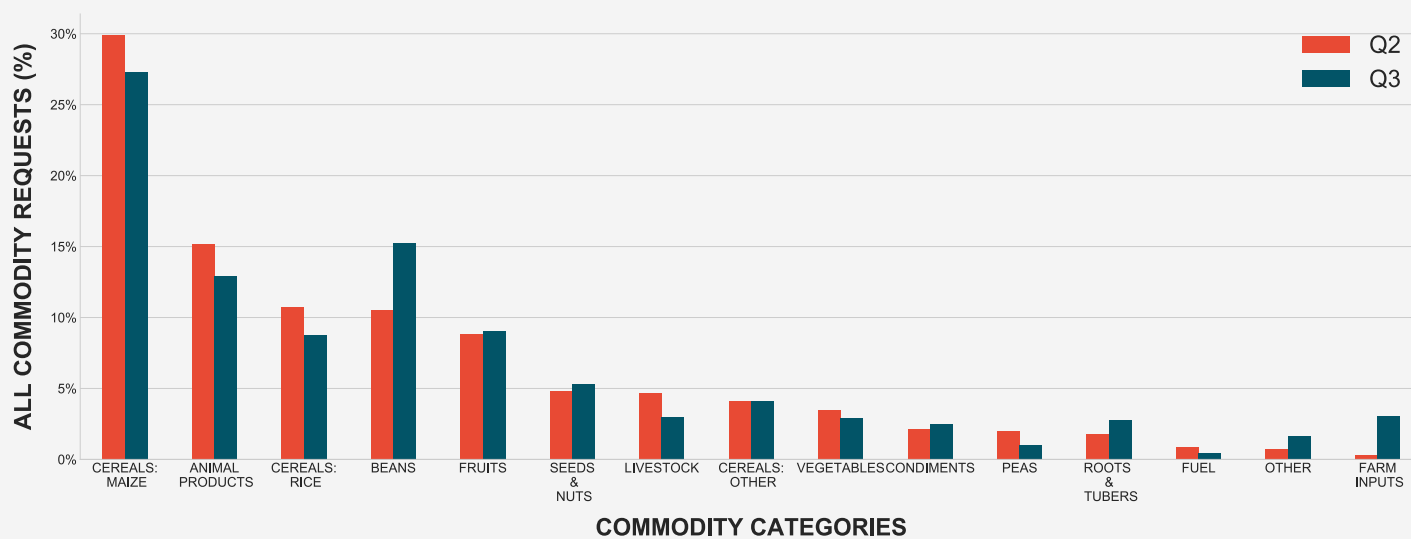
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SUMMARY OF FINDINGS

Q2/Q3 2021 AT A GLANCE

MOST POPULAR COMMODITIES IN EAST AFRICA, BY CATEGORIES Q2/Q3 2021

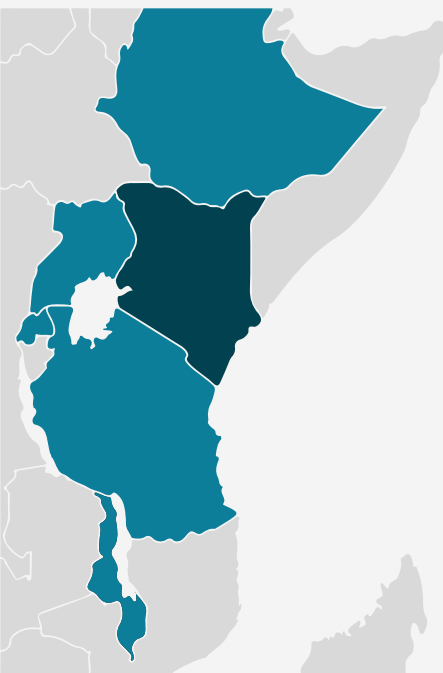


The most popular commodity categories of Q2 and Q3 were maize cereals (avg. 28.6%), followed by beans (avg. 14.1%).

Beans rose the most between quarters from 10.6% to 15.3% of all commodity that traders bought and sold, with farm inputs increasing by 3 percentage points (pp) and roots & tubers increasing by 1.0pp.

Maize cereals experienced the most notable drop in trade activity, with a 2.6pp decrease.

Animal products (-2.2pp), rice cereals (-2.0pp), livestock (-1.7pp), and vegetables (-0.6pp) price requests also decreased between Q2 and Q3 of 2021.



MOST POPULAR TRADE DESTINATIONS FOR KENYAN TRADERS

The majority (78.4%) of Kenyan traders have kept their business within the borders of Kenya during Q2/Q3 2021, with the next most popular trade destination being Uganda (6.5%), followed by Tanzania (6.4%). Lastly, Rwanda saw a 5 pp decrease between Q2 and Q3 in 2021.

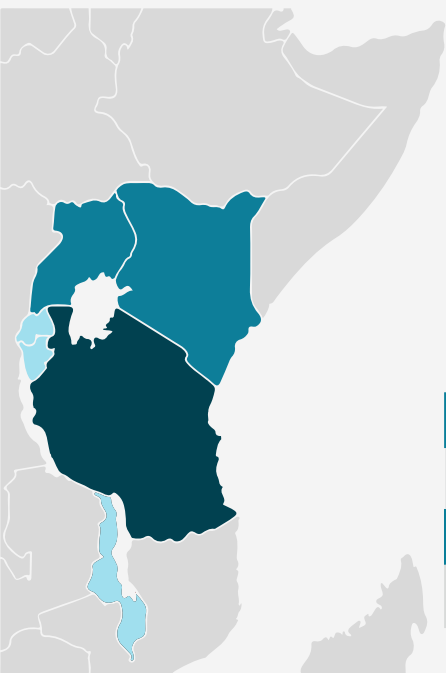
KENYA	UGANDA	TANZANIA	RWANDA	MALAWI	ETHIOPIA
78.4%	6.5%	6.4%	3.1%	1.9%	1.0%
CHANGE IN TRADE DESTINATIONS FROM Q2 2021 TO Q3 2021					
+10pp	-4pp	-0.8pp	-5pp	+1pp	-4pp



MOST POPULAR TRADE DESTINATIONS FOR RWANDAN TRADERS

A large majority of Rwandan traders (96.7%) have kept their business within the borders of Rwanda during Q2/Q3 2021. Tanzania and Ethiopia are the next most popular trade destinations with 1.3% of Rwandan traders buying and selling goods in each of these cross-border countries. Between Q2 and Q3 2021, Rwandan traders have increased domestic buying and selling by 24 pp.

RWANDA	TANZANIA	ETHIOPIA	UGANDA	KENYA	MALAWI
96.7%	1.3%	1.3%	0.4%	0.2%	0.1%
CHANGE IN TRADE DESTINATIONS FROM Q2 2021 TO Q3 2021					
+24pp	-9pp	+0.8pp	-6pp	-8pp	-0.7pp



MOST POPULAR TRADE DESTINATIONS FOR TANZANIAN TRADERS

The majority (82.6%) of Tanzanian traders have kept their business within the borders of Tanzania during Q2/Q3 2021, with the next most popular trade destination being in Kenya (7.9%), followed by Rwanda (3.5%). However, Tanzanian traders buying and selling in Kenya has decreased by 3pp between Q2 and Q3 in 2021.

TANZANIA	KENYA	RWANDA	UGANDA	BURUNDI	MALAWI
82.6%	7.9%	3.5%	2.1%	1.8%	1.1%
CHANGE IN TRADE DESTINATIONS FROM Q2 2021 TO Q3 2021					
↘ -2pp	↘ -4pp	↗ +4pp	↘ -0.9pp	↗ +2pp	↗ +1pp



MOST POPULAR TRADE DESTINATIONS FOR UGANDAN TRADERS

The majority (76.3%) of Ugandan traders have kept their business within the borders of Uganda during Q2/Q3 2021, with the next most popular cross-border trade destination being Kenya (13.7%), followed by Tanzania (3.3%). Ugandan traders buying and selling in Kenya has decreased by 5pp between Q2 and Q3 in 2021.

UGANDA	KENYA	TANZANIA	RWANDA	MALAWI	BURUNDI
76.3%	13.7%	3.3%	3.0%	1.6%	0.7%
CHANGE IN TRADE DESTINATIONS FROM Q2 2021 TO Q3 2021					
→ 0pp	↘ -5pp	↗ +0.5pp	↗ +1pp	↗ +1pp	↗ +0.7pp

MARKET LOCATIONS

CHANGE IN TRADE ACTIVITY IN 2021 FROM Q2 to Q3

LEGEND

Percentage point (pp)

↗ positive change Q3
compared to Q2 2021

↘ negative change Q3
compared to Q2 2021

→ No change Q3
compared to Q2 2021

DAR ES SALAAM, TZ

↘ -0.5pp Kenyan traders
↘ -0.2pp Rwandan traders
↗ +1.3pp Tanzanian traders
↘ -0.3pp Ugandan traders

IGANGA, UG

↘ -1.8pp Kenyan traders
↘ -0.5pp Rwandan traders
↘ -1.7pp Ugandan traders

IRINGA, UG

↘ -0.3pp Kenyan traders
↘ -0.1pp Rwandan traders
↘ -8.1pp Tanzanian traders
↗ +0.1pp Ugandan traders

KAMPALA, UG

↘ -1.5pp Kenyan traders
↗ +0.4pp Rwandan traders
↘ -0.2pp Tanzanian traders
↗ +0.1pp Ugandan traders

MOMBASA, KE

↘ -0.2pp Kenyan traders
↘ -0.1pp Rwandan traders
↘ -1.1pp Tanzanian traders
↘ -0.3pp Ugandan traders

MULINDI, RW

↘ -0.1pp Kenyan traders
↘ -1.4pp Rwandan traders
→ 0pp Ugandan traders

NAIROBI, KE

↘ -0.11pp Kenyan traders
↘ -0.3pp Rwandan traders
↘ -0.4pp Tanzanian traders
↘ -1.0pp Ugandan traders

NAKURU, KE

↘ -1.9pp Kenyan traders
↘ -0.1pp Rwandan traders
↘ -0.2pp Tanzanian traders
↗ -0.1pp Ugandan traders

RUBAVU, RW

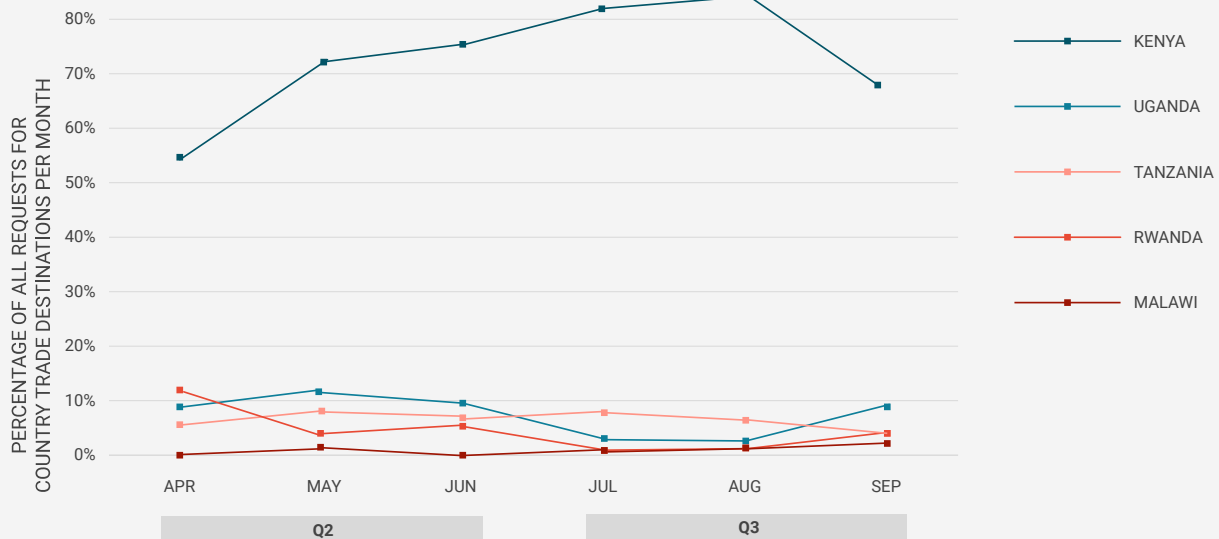
→ 0pp Kenyan traders
↗ +0.4pp Rwandan traders

IMPACT OF COVID-19 PANDEMIC

CROSS-BORDER TRADE MOVEMENT



TRADE DESTINATIONS FOR KENYAN TRADERS IN Q2/Q3 2021

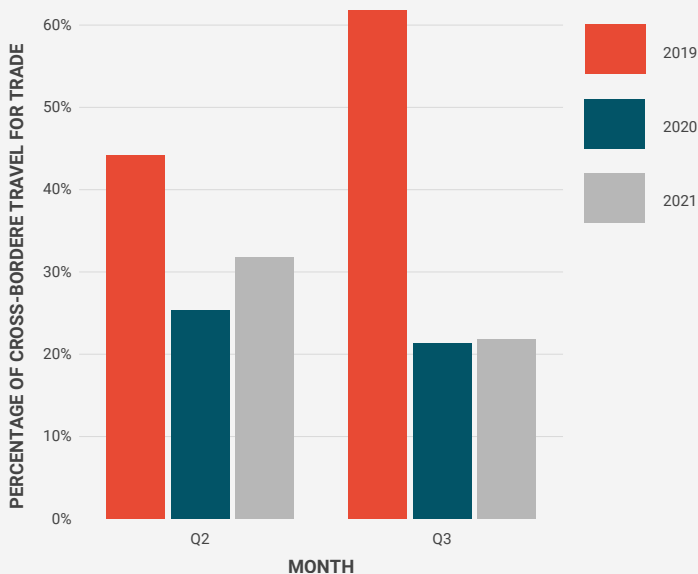


An average of 73.4% of Kenyan traders between Q2/Q3 of 2021 bought and sold goods within Kenya's local markets.

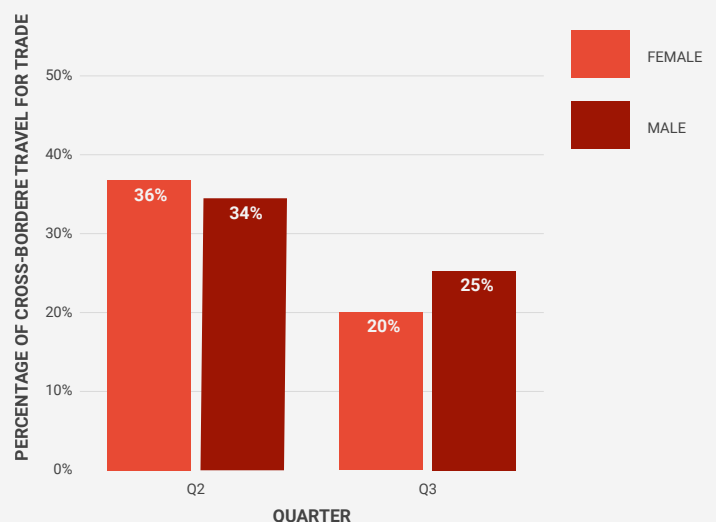
From April to May, Kenyan trade to domestic marketplaces increased by 18.5pp, while trading to Rwanda decreased by 8.8pp over this period.

In comparison to the previous year, the proportion of cross-border trading in Q3 remained relatively unchanged. However, cross-border trading decreased by 7.3pp between quarters. For the women traders cross-border trading decreased by 15.8pp while it decreased by 8.7pp for the male traders between Q2 and Q3.

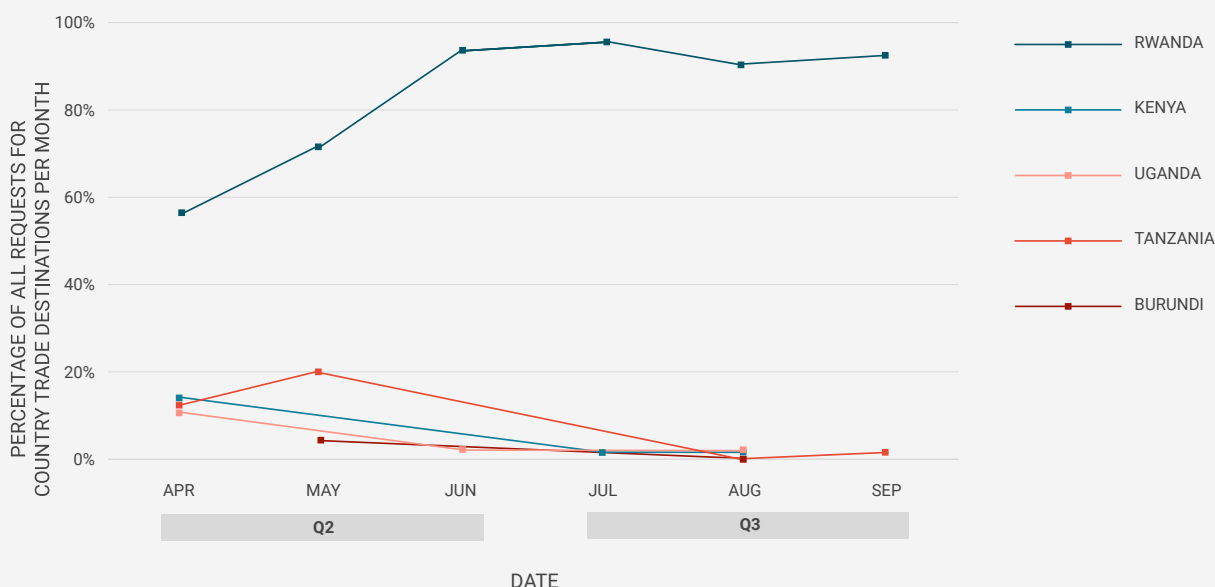
CROSS-BORDER TRADING FROM KENYA Q2/Q3 2019, 2020 & 2021



CROSS-BORDER TRADING FROM KENYA IN Q2/Q3 OF 2021



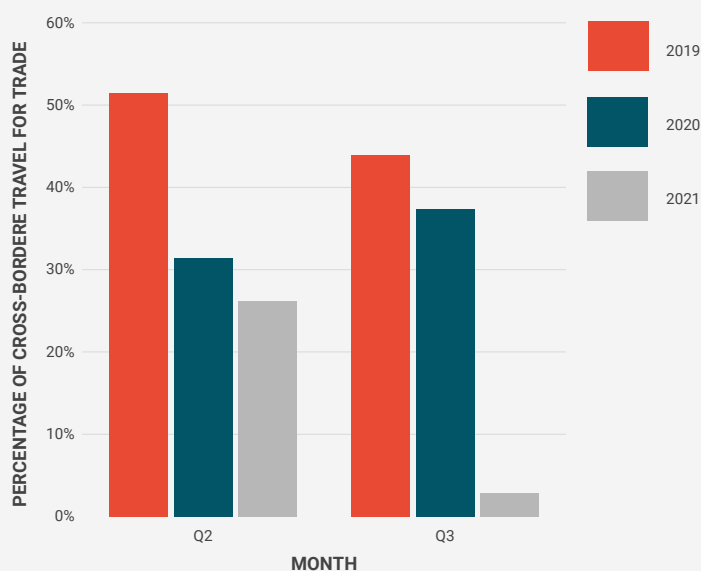
TRADE DESTINATIONS FOR RWANDAN TRADERS IN Q2/Q3 2021



An average of 86.6% of Rwandan traders between Q2/Q3 of 2021 bought and sold goods in Rwanda's local markets. Cross-border trading decreased in both quarters of 2021 by 17.1pp in Q2 and 34.2pp in Q3.

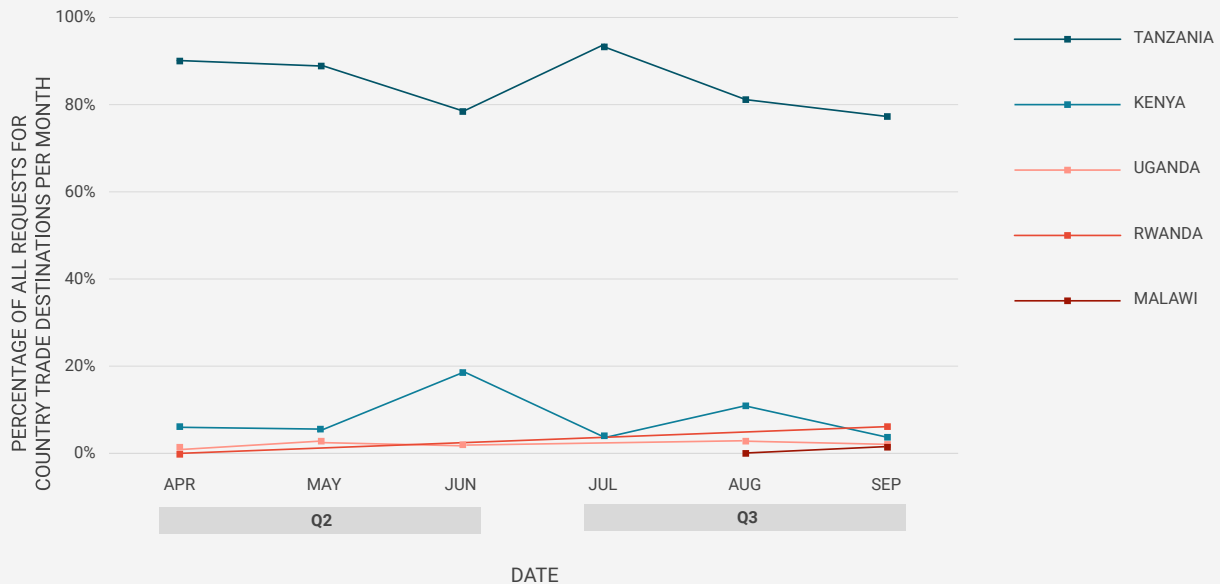
However, in May cross-border trading from Rwanda to Tanzania increased by 6.4pp as trading in Ugandan, Tanzanian, Kenyan, and Malawian markets decreased throughout both quarters.

CROSS-BORDER TRADING FROM RWANDA IN Q2/Q3 2019, 2020 & 2021



Rwanda's cross-border trading has not recovered to pre-COVID-19 levels. Compared to previous years, 2019 Q2 (51.9%) and Q3 (44.8%) made up nearly half of all trading activity from Rwandan traders. During 2021, cross-border trading from Rwanda declined by 24.5pp between Q2 (27.8%) to Q3 (3.3%).

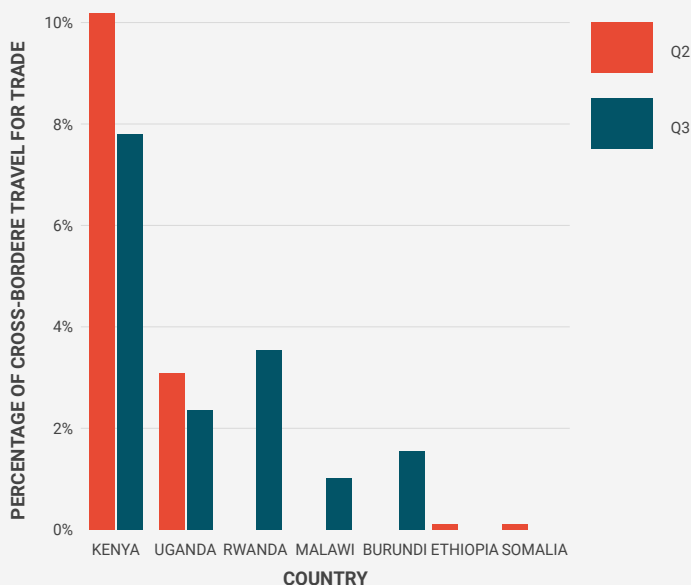
TRADE DESTINATIONS FOR TANZANIAN TRADERS IN Q2/Q3 2021



An average of 84.8% of Tanzanian traders between Q2/Q3 of 2021 bought and sold goods within Tanzania's local markets. Over the course of Q2 and Q3, Tanzanian traders engaged 4pp less with Kenyan markets.

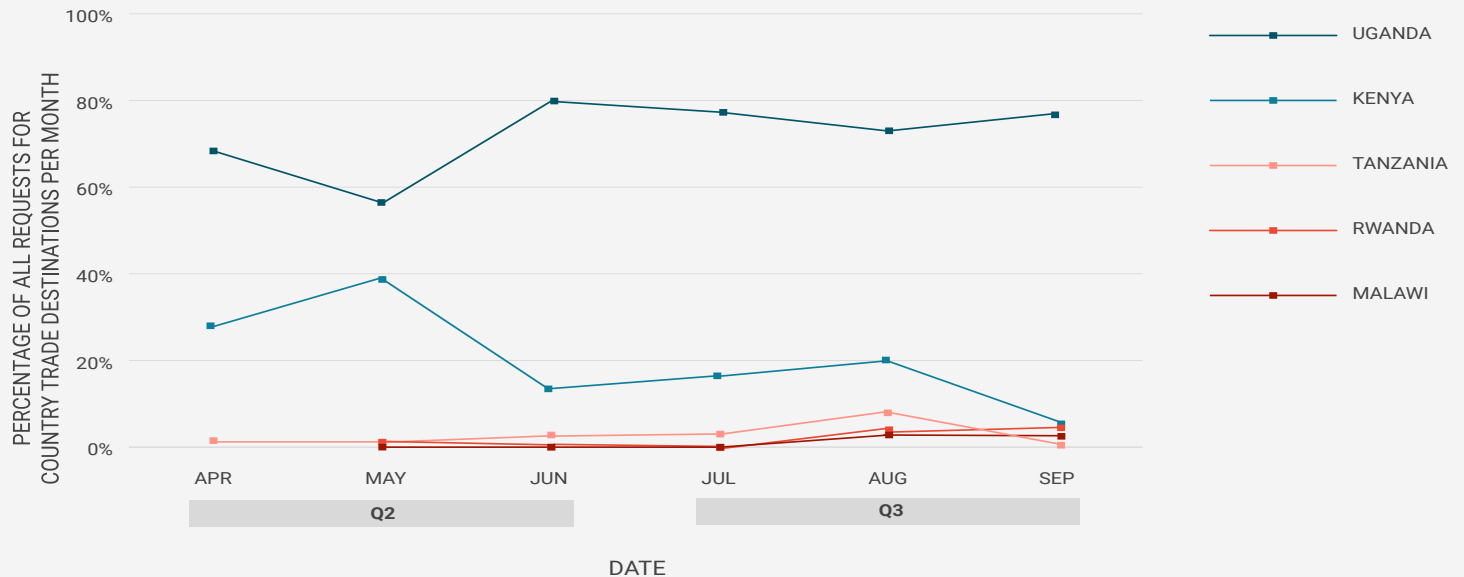
Still, Kenya was the most popular market destination for Tanzanian traders in 2021. On average however, Kenyan trade destination accounted for only 10.3% of trade during both quarters.

CROSS-BORDER TRADING FROM TANZANIA IN Q2/Q3 2021



Cross-border trading from Tanzanian traders decreased between Q2 and Q3 2021 for most trade destinations. Uganda saw the second greatest drop from Tanzanian traders in Q3 in comparison to Q2, with a 0.9pp decrease, followed by Ethiopia (-0.1pp) and Somalia (-0.1pp). In contrast, cross-border trading from Tanzania to Rwanda increased by 3.5pp from Q2 to Q3.

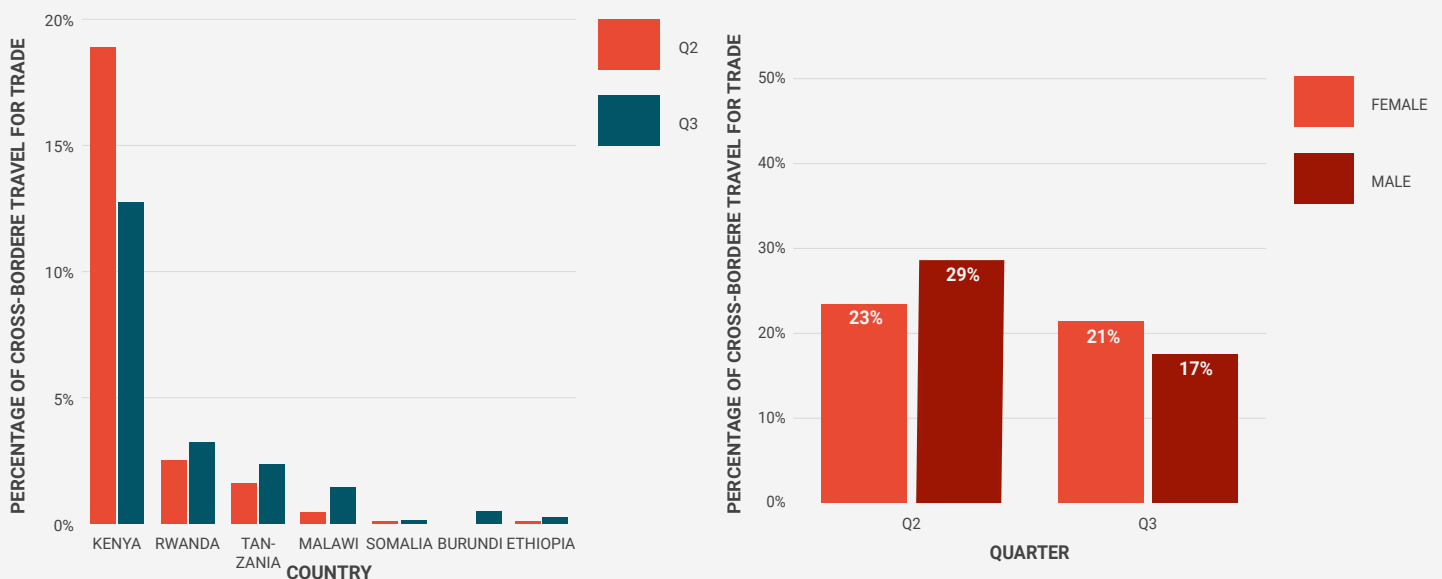
TRADE DESTINATIONS FOR UGANDAN TRADERS IN Q2/Q3 2021



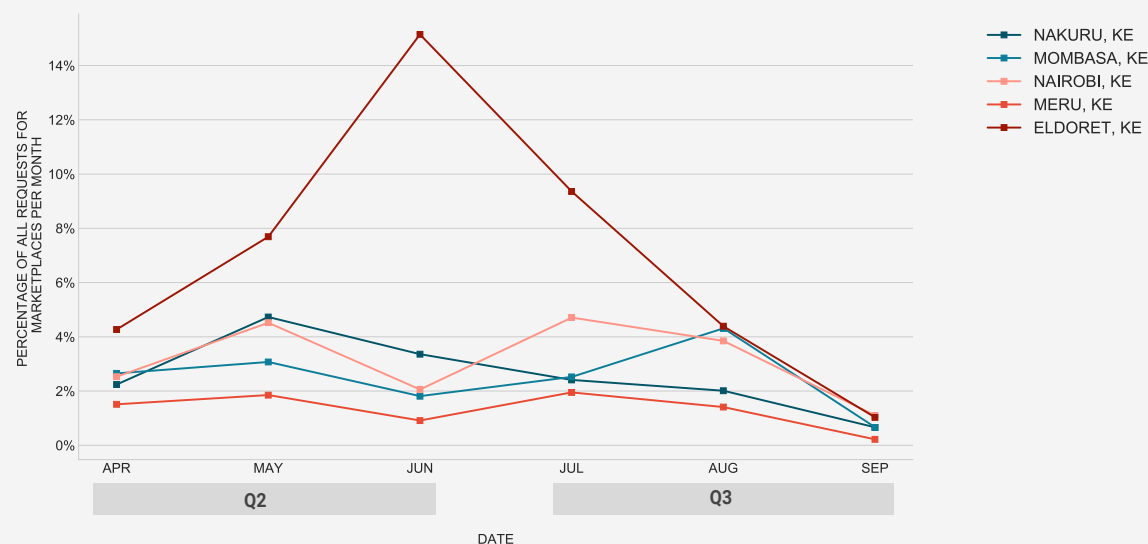
Most Ugandan traders in Q2/Q3 2021 traded in domestic markets, with local trade peaking at 80% in June. The second most popular trade destination in Q2/Q3 2021 was Kenya, with an average of 21.2% of Ugandan traders buying and selling goods in Kenyan markets. Trade in other cross-border destinations (Tanzania, Rwanda, and Malawi) over this time period remained relatively low.

Compared to the previous quarter, Kenya saw the largest decrease (-5pp) in cross-border trading from Uganda. In contrast, cross-border trading in Rwanda (+1.4pp), Malawi (+1.0pp), Tanzania (+0.6pp), Ethiopia (+0.2pp), and Somalia (+0.1pp) increased slightly over this time period. Cross-border trading decreased by 2.2pp for female traders and by 11.7pp for male traders between Q2 and Q3.

CROSS-BORDER TRADING FROM UGANDA IN Q2/Q3 2021



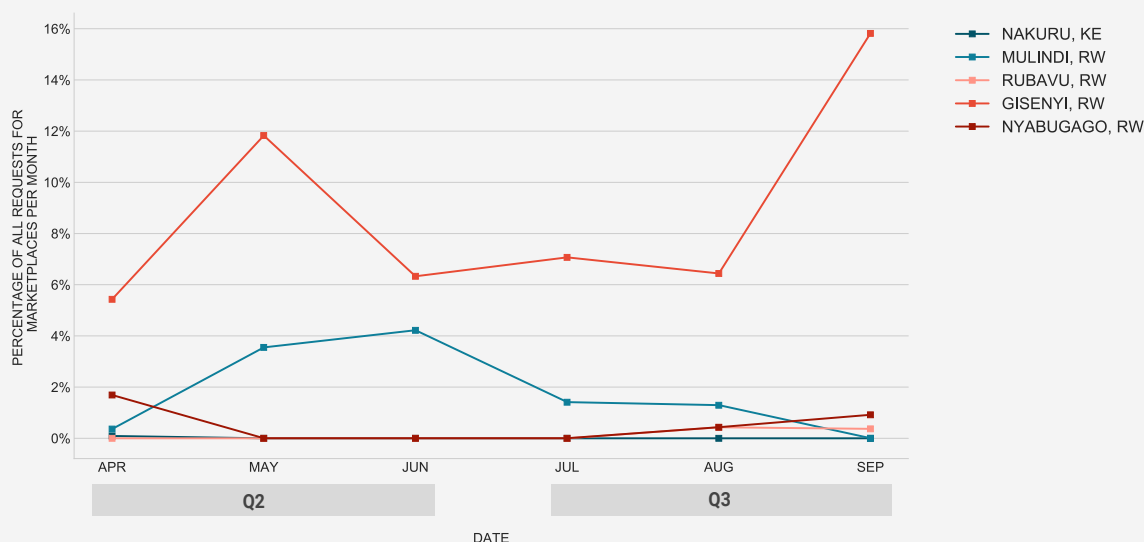
MARKET ACTIVITIES OF KENYAN TRADERS IN Q2/Q3 2021



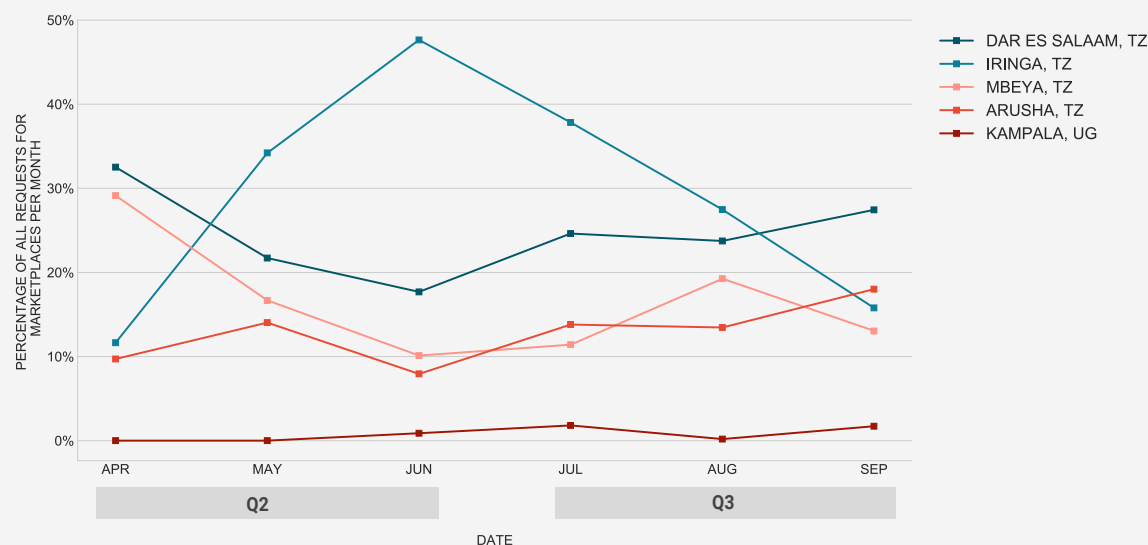
Eldoret has had the highest Kenyan trader activity so far in 2021, comprising an average of 67.0% of all trade activity over the course of both Q2 and Q3. Despite this, after a peak in June (15.2%) Eldoret saw drops (-5.8pp) to 9.4% in July, 4.4% in August (-5.0pp) and a further drop (-3.4pp) to 1.0% in September.

The highest Rwandan trader activity so far in Q2 and Q3 of 2021 has been in Gisenyi at an average of 8.9%. This was followed by Mulindi, with an average of 1.8% of Rwandan trade activity. A few Rwandan traders visited Nakuru in May of Q2 and Nyabugogo (avg. 1.4%) and Rubavu (avg. 0.4%) in Q2.

MARKET ACTIVITIES OF RWANDAN TRADERS IN Q2/Q3 2021



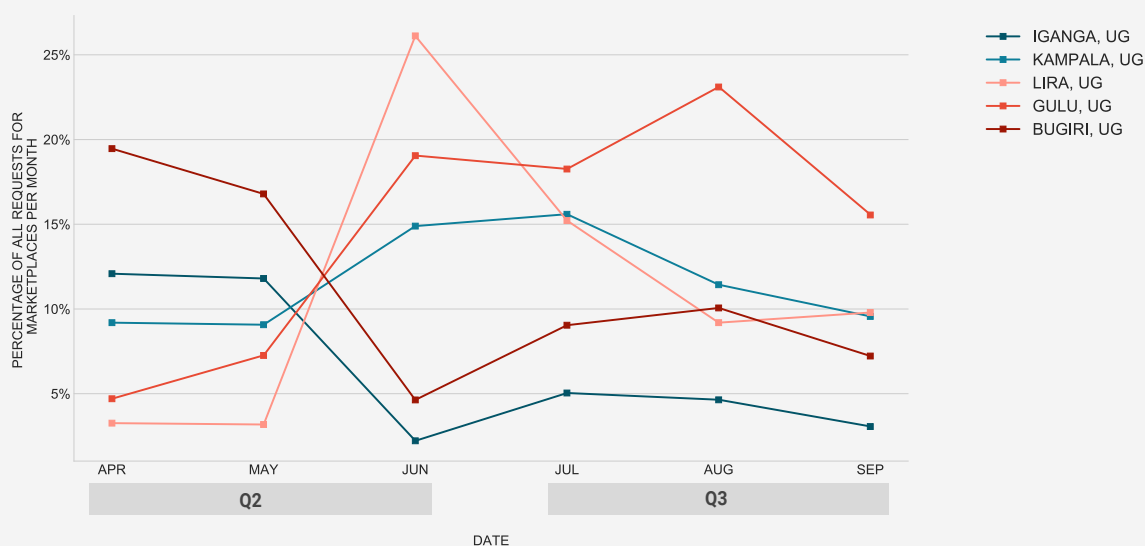
MARKET ACTIVITIES OF TANZANIAN TRADERS IN Q2/Q3 2021



Iringa had the highest Tanzanian trader activity in Q2 and Q3 of 2021 (avg. 29.1%). This was followed by Dar es Salaam, with an average of 24.6% of Tanzanian trade activity. Tanzanian trade activity in Kampala stayed stable between Q2 and Q3 of 2021 while on average trade activity in Mbeya (+7.0pp) and Arusha (+5.0pp) experienced an increase in trade activity.

The highest Ugandan trader activity so far in Q2 and Q3 of 2021 (14.7% avg.) was seen in Gulu. Following Gulu, the next most popular market for Ugandan traders in Q2 and Q3 of 2021 was Kampala (avg. 11.6%). Iganga (-4.5pp) and Bugiri (-4.9pp) experienced a significant decrease in trade activity from Q2 to Q3.

MARKET ACTIVITIES OF UGANDAN TRADERS IN Q2/Q3 2021

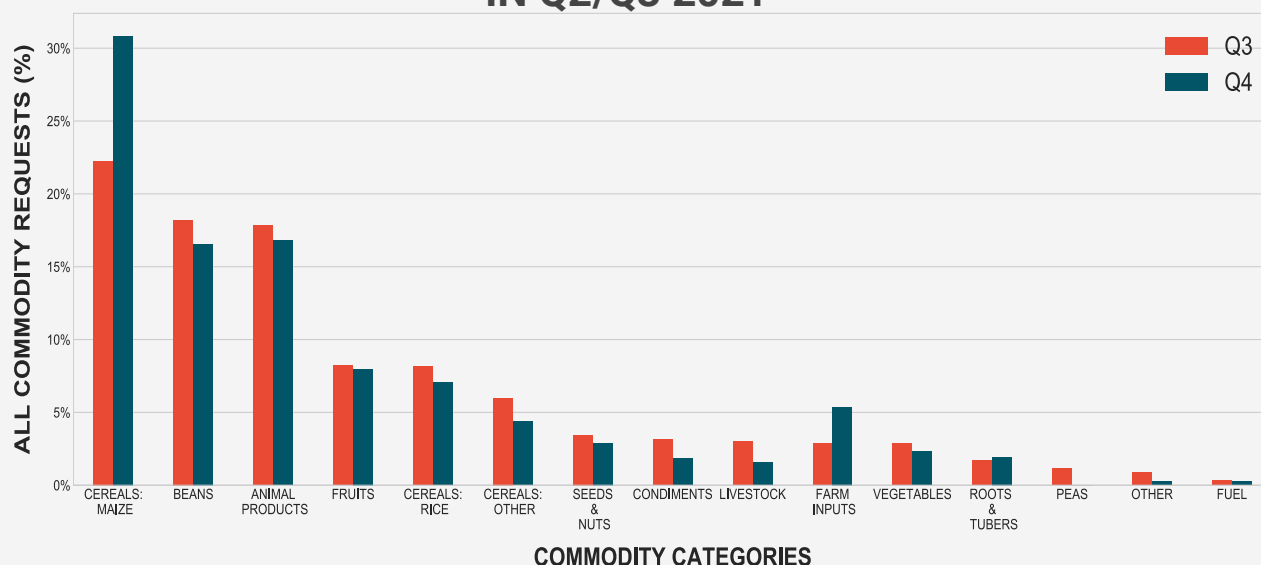


IMPACT OF COVID-19 PANDEMIC

TRADED COMMODITIES



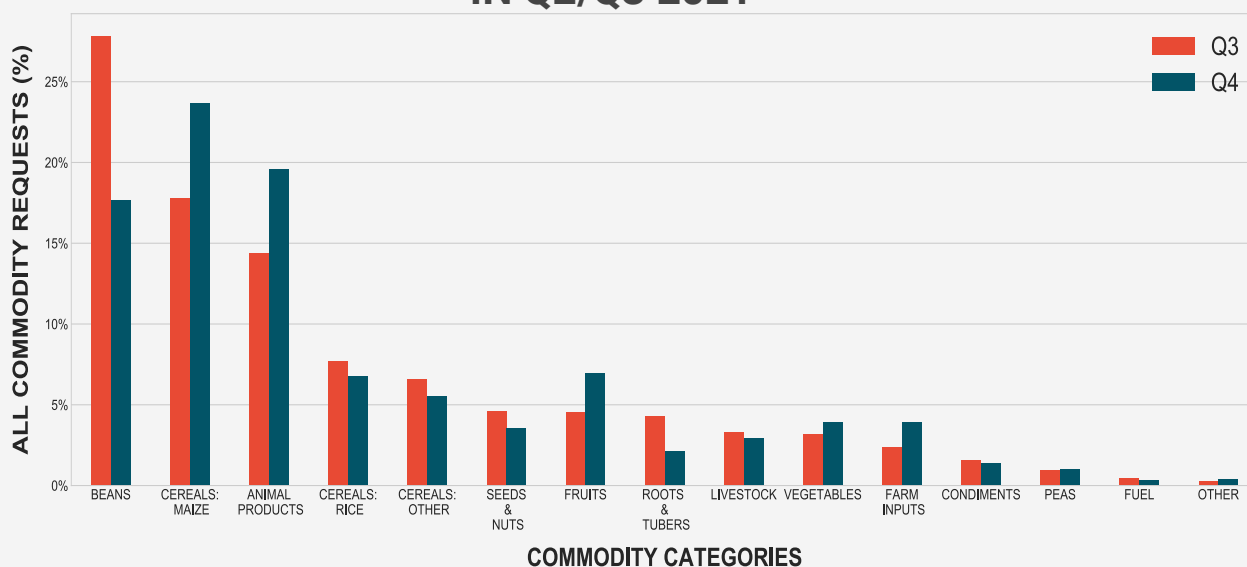
COMMODITY CATEGORIES REQUESTED BY WOMEN TRADERS IN Q2/Q3 2021



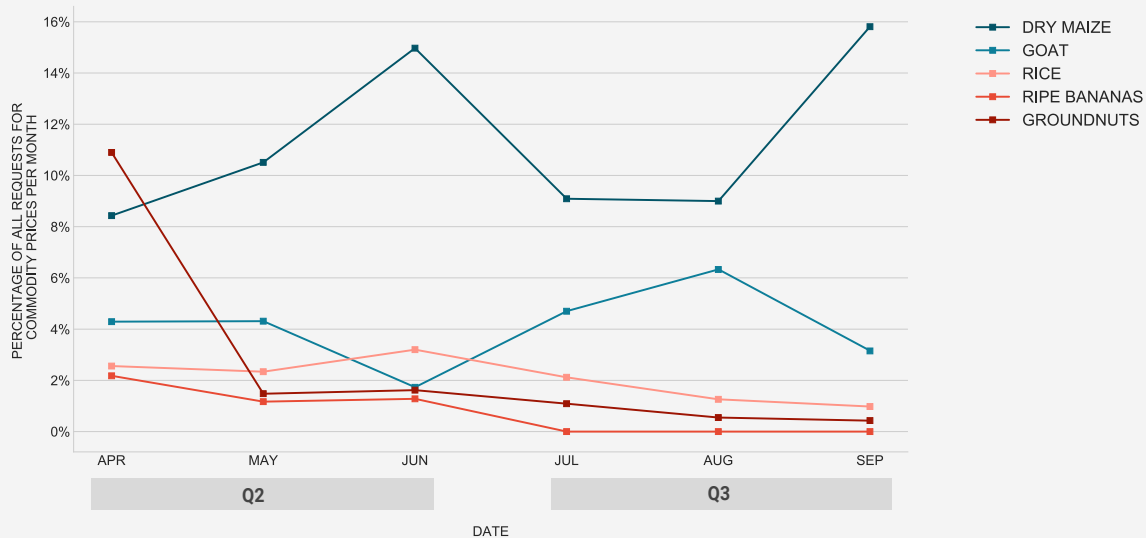
For women traders in East Africa, the most popular commodity categories were maize cereals (26.3%), animal products (14.2%), and beans (12.0%) in Q3. Between Q2 and Q3, price requests for maize cereals (-2.5pp), fruits (-0.5pp) and animal products (-0.5pp) decreased.

The top three traded commodities for male traders were maize cereals (22.5%), animal products (20.6%) and beans (12.0%) in Q3. Between Q2 and Q3, animal products (-4.2pp) and maize cereals (-3.5pp) saw a decrease, while beans increased by 7.1pp.

COMMODITY CATEGORIES REQUESTED BY MALE TRADERS IN Q2/Q3 2021



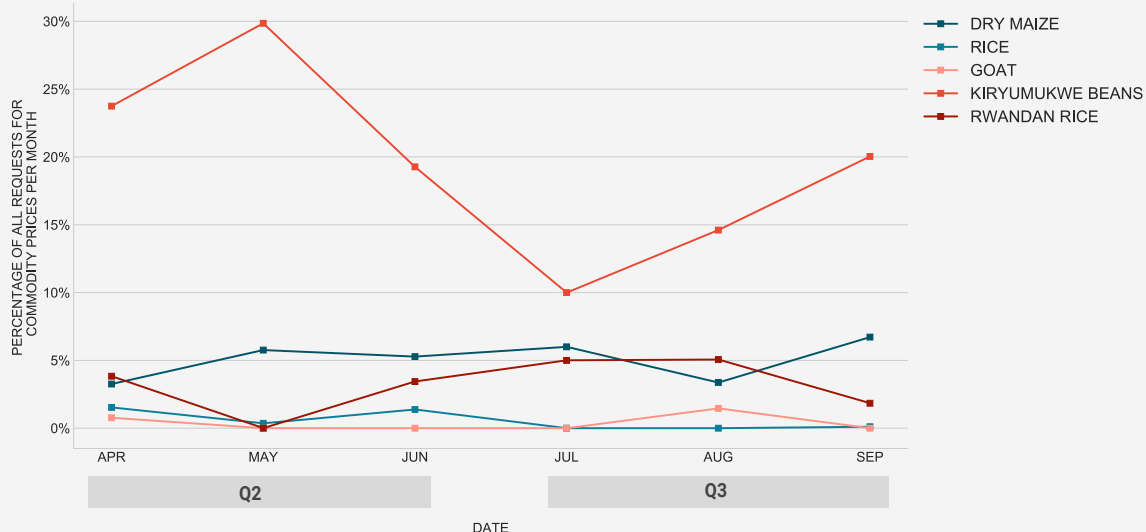
CHANGE OF COMMODITIES REQUESTED IN KENYA IN Q2/Q3 2021



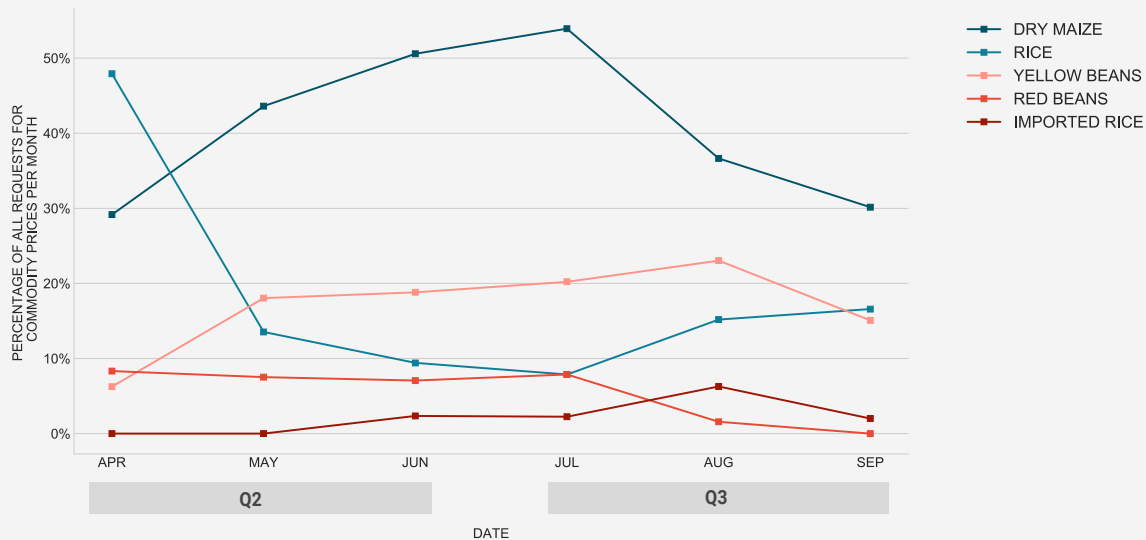
The most popular commodity for Kenyan traders in Q2/Q3 was dry maize (11.3% avg.), peaking in September at 15.8%. Trade in the top category commodities in Kenya declined from Q2 to Q3 with the exception of Goat (+1.3pp).

Dry maize (+1.0pp) and Rwandan rice (+1.0pp) were more popular in Rwanda during Q3 than during Q2. The most popular commodity for Rwandan traders, Kiryumukwe Beans (19.6% avg.) decreased by 10.0pp between Q2 and Q3.

CHANGE OF COMMODITIES REQUESTED IN RWANDA IN Q2/Q3 2021



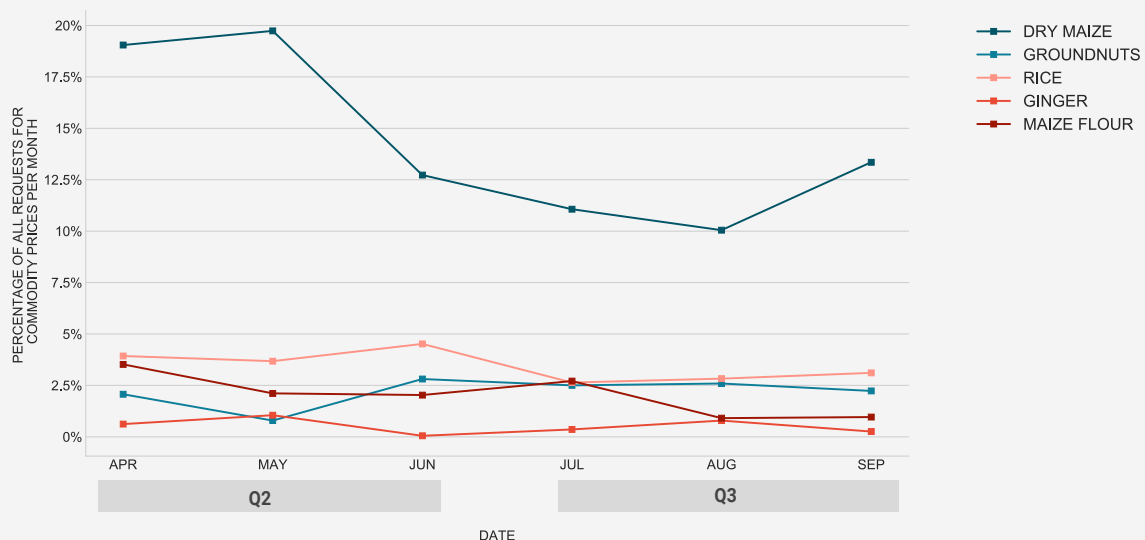
CHANGE OF COMMODITIES REQUESTED IN TANZANIA IN Q2/Q3 2021



The most popular commodity for Tanzanian traders during Q2/Q3 was dry maize (40.4% avg.), peaking in July at 53.9%. Yellow beans and imported rice were more popular during Q3 in comparison to Q2, while rice and red beans were more popular during Q2 compared to Q3.

The most popular commodity for Ugandan traders in 2021 was dry maize (avg. 14.3%), performing higher in Q2 (-5.7pp). Groundnuts (+0.6%) saw a slight increase in Q3, while the other top commodities proved to be more popular in Uganda in Q2.

CHANGE OF COMMODITIES REQUESTED IN UGANDA IN Q2/Q3 2021



TECHNICAL DETAILS

DATA SAMPLES

Data is sourced from user session behaviour on Sauti East Africa's mobile-based trade and market information. Session data is enriched with demographic survey data provided by users. All data is given as a percentage of comparative sessions or users, with represented information requests weighted by user and by option set. This weighting standardises the impact of high frequency users and maximises the accurate representation of each user's behaviour.

SUMMARY OF FINDINGS

Most Popular Commodities in East Africa, by Categories Q2/Q3 2021 | Sample: 6,263 users - [Explore Data](#)

Most Popular Trade Destinations (by Country) for Kenyan Traders | Sample: 3,731 users - [Explore Data](#)

Most Popular Trade Destinations (by Country) for Rwandan Traders | Sample: 157 users - [Explore Data](#)

Most Popular Trade Destinations (by Country) for Tanzanian Traders | Sample: 188 users - [Explore Data](#)

Most Popular Trade Destinations (by Country) for Ugandan Traders | Sample: 1,133 users - [Explore Data](#)

Market Locations Change in Trade Activity in 2021 from Q2 to Q3 | Kenyan Sample: 4,263 users, Rwandan Sample: 172 users, Tanzanian Sample: 198 users, Ugandan Sample: 1205 users - [Explore Data](#)

CROSS-BORDER TRADE MOVEMENT

Trade Destinations for Kenyan Traders in Q2/Q3 2021 | Sample: 3,731 users - [Explore Data](#)

Cross-Border Trading from Kenya in 2019, 2020 & 2021 | Sample: 4,451 users - [Explore Data](#)

Cross-Border Trading from Kenya in Q2/Q3 of 2021 | Women Sample: 639 users, Male Sample: 539 users - [Explore Data](#)

Trade Destinations for Rwandan Traders in Q2/Q3 2021 | Sample: 157 users - [Explore Data](#)

Cross-Border Trading from Rwanda in 2019, 2020 & 2021 | Sample: 589 users - [Explore Data](#)

Trade Destinations for Tanzanian Traders in Q2/Q3 2021 | Sample: 188 users - [Explore Data](#)

Cross-Border Trading from Tanzania in Q2/Q3 2021 | Sample: 394 users - [Explore Data](#)

Trade Destinations for Ugandan Traders in Q2/Q3 2021 | Sample: 1,133 users - [Explore Data](#)

Cross-Border Trading from Uganda in Q2/Q3 2021 | Sample: 1,415 users - [Explore Data](#)

Cross-Border Trading from Uganda in Q2/Q3 of 2021 | Women Sample: 128 users, Male Sample: 329 users - [Explore Data](#)

Market Activities of Kenyan Traders in Q2/Q3 2021 | Sample: 4,263 users - [Explore Data](#)

Market Activities of Rwandan Traders in Q2/Q3 2021 | Sample: 172 users - [Explore Data](#)

TECHNICAL DETAILS

DATA SAMPLES

Market Activities of Tanzanian Traders in Q2/Q3 2021 | Sample: 198 users - [Explore Data](#)

Market Activities of Ugandan Traders in Q2/Q3 2021 | Sample: 1,213 users - [Explore Data](#)

TRADED COMMODITIES

Commodity Categories Requested by Women Traders in Q2/Q3 2021 | Sample: 884 users - [Explore Data](#)

Commodity Categories Requested by Male Traders in Q2/Q3 2021 | Sample: 971 users - [Explore Data](#)

Change of Commodities Requested in Kenya in Q2/Q3 2021 | Sample: 4,921 users - [Explore Data](#)

Change of Commodities Requested in Rwanda in Q2/Q3 2021 | Sample: 197 users - [Explore Data](#)

Change of Commodities Requested in Tanzania in Q2/Q3 2021 | Sample: 216 users - [Explore Data](#)

Change of Commodities Requested in Uganda in Q2/Q3 2021 | Sample: 1,445 users - [Explore Data](#)

KENYA
Dial *716#

RWANDA
Dial *801*35#

TANZANIA
Dial *149*46*1#

UGANDA
Dial *284*111#

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ABOUT SAUTI

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