SAUTI TRADE INSIGHTS COVID-19 BULLETIN

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

JANUARY 2022

Sauti.

SAUTI TRADE INSIGHTS

January 2022

The global COVID-19 pandemic has affected all sectors of the world economy and society. Trade in East Africa has been especially vulnerable to the effects of the pandemic. As the pandemic enters its second year, the impact is becoming entrenched, creating a new 'normal.' This unprecedented transformation to the trade sector requires nuanced examination so that cross-border traders, development policy practitioners, and solution designers can effectively navigate the new contours of the sector.

This COVID-19 bulletin aims to illustrate the changing state of trade in East Africa. Leveraging Sauti's East Africa's embeddedness with traders, we present the 2021 Q3/Q4 behavioural and user data from our regional network of trade and market information platforms.

For policymakers, solution designers, and researchers, traders' interactions with our platforms provide us with a unique and far-reaching perspective into the business behaviour of traders in the East African community. When combined with Sauti's demographic data, we have unprecedented opportunities for higher frequency analytics and drill-downs to identify specific opportunities for the trade facilitating community.

Reporting in this bulletin includes data on Kenyan, Rwandan, Tanzanian and Ugandan traders. With the exception of Kenya, we find that in Tanzania, Rwanda, and Uganda trade to cross-border destinations either remained low or decreased from last quarter. Comparing the same periods to last year, we find that cross-border trade in Kenya increased for the first time, reversing a year-long trend towards domestic trade destinations.

Additionally, while our last report highlighted the impact of the pandemic for women cross-border traders from Kenya and Uganda, the insights from this report show that cross-border trade in the Q4 quarter has largely been driven by women. In fact, as a proportion of all women's trade activities in Kenya, cross-border trade destinations appear to be returning to pre-pandemic levels at a faster rate than men.

This quarter, we also observed differing seasonal effects between women and men traders. We saw both genders modify their marketing behaviour in favour of maize products, however while men traders reduced their involvement in beans, women traders reduced their involvement across multiple products. When considered in aggregate, the results suggest that male traders have more capacity for seasonal product specialization, in comparison to women traders.

Our insights suggest East African trade is out of the most volatile period of the COVID-19 pandemic. However, our data suggest a mixed rate of recovery between countries. Throughout East Africa's recovery, we will continue to use our unique perspective and disaggregated data to inform interventions and research that can help mitigate and adapt to the pandemic's disruption to traders' in the region.

LANCE HADLEY
Chief Executive Officer
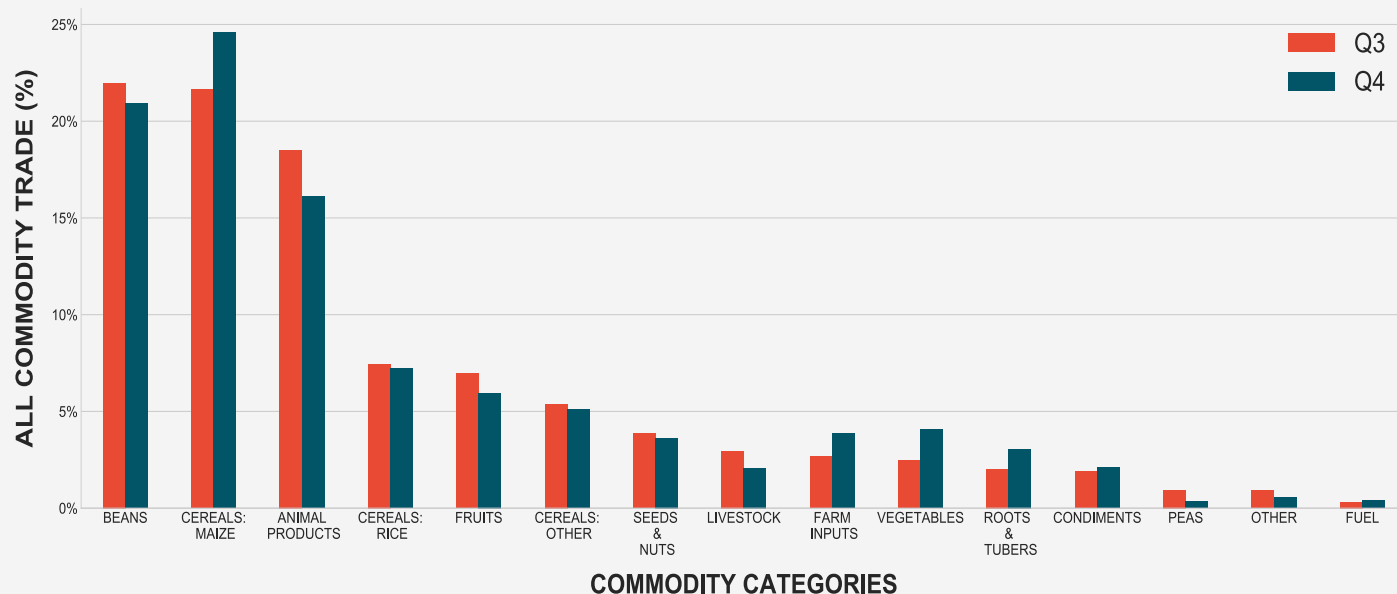
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SUMMARY OF FINDINGS
Q3/Q4 2021 AT A GLANCE

MOST POPULAR COMMODITIES IN EAST AFRICA, BY CATEGORIES Q3/Q4 2021


The most popular commodity categories of Q4 were maize cereals (avg. 24.6%), followed by beans (avg. 20.9%).

Maize cereal rose the most between quarters from 21.6% to 24.6% of all commodity that traders bought and sold, with farm inputs increasing by 3 percentage points (pp) and vegetables increasing by 1.6pp.

Animal products experienced the most notable drop in trade activity, with a 2.4pp decrease.

The trade of beans (-1.1pp), fruits (-1.0pp), and livestock (-0.9pp) also decreased between Q3 and Q4 of 2021.
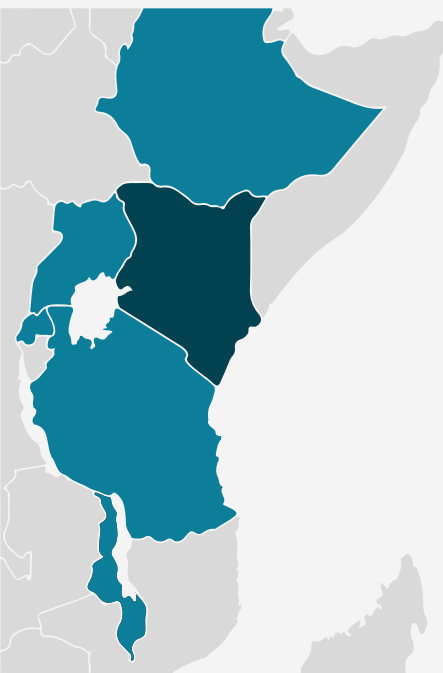
MOST POPULAR TRADE DESTINATIONS FOR KENYAN TRADERS

The majority (67.9%) of Kenyan traders have kept their business within the borders of Kenya during Q3/Q4 2021, with the next most popular trade destination being Uganda (13.6%), followed by Tanzania (6.8%). There were 11pp less Kenyan traders buying and selling between Q3 and Q4 in 2021.

KENYA	UGANDA	TANZANIA	RWANDA	MALAWI	ETHIOPIA
67.9%	13.6%	6.8%	8.0%	1.7%	3.2%
CHANGE IN TRADE DESTINATIONS FROM Q3 2021 TO Q4 2021					
-11.1pp	+6.1pp	+1.3pp	+4.8pp	-1.7pp	+2.3pp

MOST POPULAR TRADE DESTINATIONS FOR RWANDAN TRADERS

A large majority of Rwandan traders (92.8%) have kept their business within the borders of Rwanda during Q3/Q4 2021. Uganda is the next most popular trade destination with 3.2% of Rwandan traders buying and selling goods in this cross-border country. While Rwandan traders buying and selling in Rwanda has decreased by 0.8pp between Q3 and Q4 in 2021.

RWANDA	TANZANIA	ETHIOPIA	UGANDA	KENYA	MALAWI
92.8%	1.1%	1.6%	3.2%	1.4%	0.4%
CHANGE IN TRADE DESTINATIONS FROM Q3 2021 TO Q4 2021					
-0.8pp	-0.4pp	+1.3pp	+1.4pp	-1.5pp	-0.4pp

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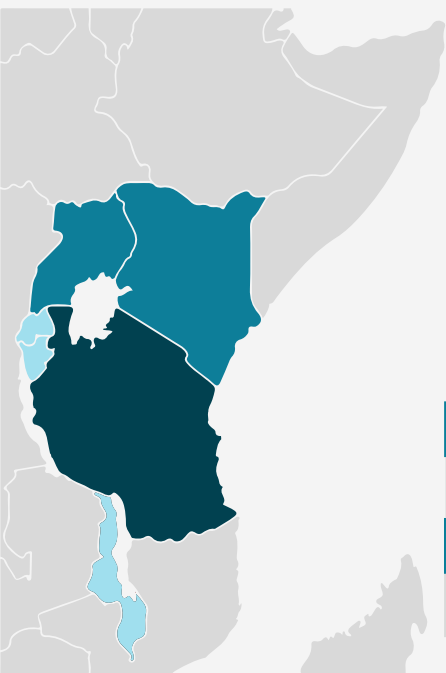
MOST POPULAR TRADE DESTINATIONS FOR TANZANIAN TRADERS

The majority (88.1%) of Tanzanian traders have kept their business within the borders of Tanzania during Q3/Q4 2021, with the next most popular trade destination being in Kenya (3.9%), followed by Rwanda (3.8%). However, Tanzanian traders buying and selling in Kenya has decreased by 4pp between Q3 and Q4 in 2021.

TANZANIA	KENYA	RWANDA	UGANDA	BURUNDI	MALAWI
88.1%	3.9%	3.8%	1.6%	1.2%	1.1%
CHANGE IN TRADE DESTINATIONS FROM Q3 2021 TO Q4 2021					
+1.4pp	-3.8pp	+2.6pp	+0.3pp	-1.2pp	-1.1pp

MOST POPULAR TRADE DESTINATIONS FOR UGANDAN TRADERS

The majority (91.4%) of Ugandan traders have kept their business within the borders of Uganda during Q3/Q4 2021, with the next most popular cross-border trade destination being Kenya (4.5%), followed by Tanzania (1.2%). However, Ugandan traders buying and selling in Kenya has decreased by 6pp between Q3 and Q4 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 Q3 2021 TO Q4 2021					
+6.8pp	-6pp	-0.7pp	-1.2pp	-0.8pp	-0.2pp

MARKET LOCATIONS
CHANGE IN TRADE ACTIVITY IN 2021 FROM Q3 to Q4

LEGEND

↗ Percentage point (pp) positive change Q4 compared to Q3 2021

↘ Percentage point (pp) negative change Q4 compared to Q3 2021

→ No change Q4 compared to Q3 2021

Map labels: IGANGA, KAMPALA, MULINDI, RUBAVU, NAKURU, NAIROBI, MOMBASA, DAR ES SALAAM, IRINGA

DAR ES SALAAM, TZ
↘ -0.4pp Kenyan traders
↗ -2.9pp Tanzanian traders
↘ -0.2pp Ugandan traders

IGANGA, UG
↘ -0.4pp Kenyan traders
↘ -3.5pp Ugandan traders

IRINGA, TZ
↘ -11.5pp Tanzanian traders
↗ +0.4pp Rwandan traders
↗ -0.2pp Ugandan traders

KAMPALA, UG
↗ +0.7pp Kenyan traders
↗ +0.3pp Tanzanian traders
↗ +1.3pp Rwandan traders
↗ +0.9pp Ugandan traders

MOMBASA, KE
↘ -2.8pp Kenyan traders
↘ -0.3pp Tanzanian traders
↘ -0.4pp Rwandan traders
↘ -0.5pp Ugandan traders

MULINDI, RW
→ 0pp   Kenyan traders
↘ -1.4pp Rwandan traders
↘ -0.1pp Ugandan traders

NAIROBI, KE
↘ -3.2pp Kenyan traders
↗ +1.7pp Tanzanian traders
↘ -0.4pp Ugandan traders

NAKURU, KE
↘ -3.3pp Kenyan traders
↘ -1.2pp Tanzanian traders
↘ -0.5pp Ugandan traders

RUBAVU, RW
→ 0pp   Kenyan traders
↗ -0.7pp Rwandan traders

IMPACT OF COVID-19 PANDEMIC

CROSS-BORDER TRADE MOVEMENT

TRADE DESTINATIONS FOR KENYAN TRADERS IN Q3/Q4 2021
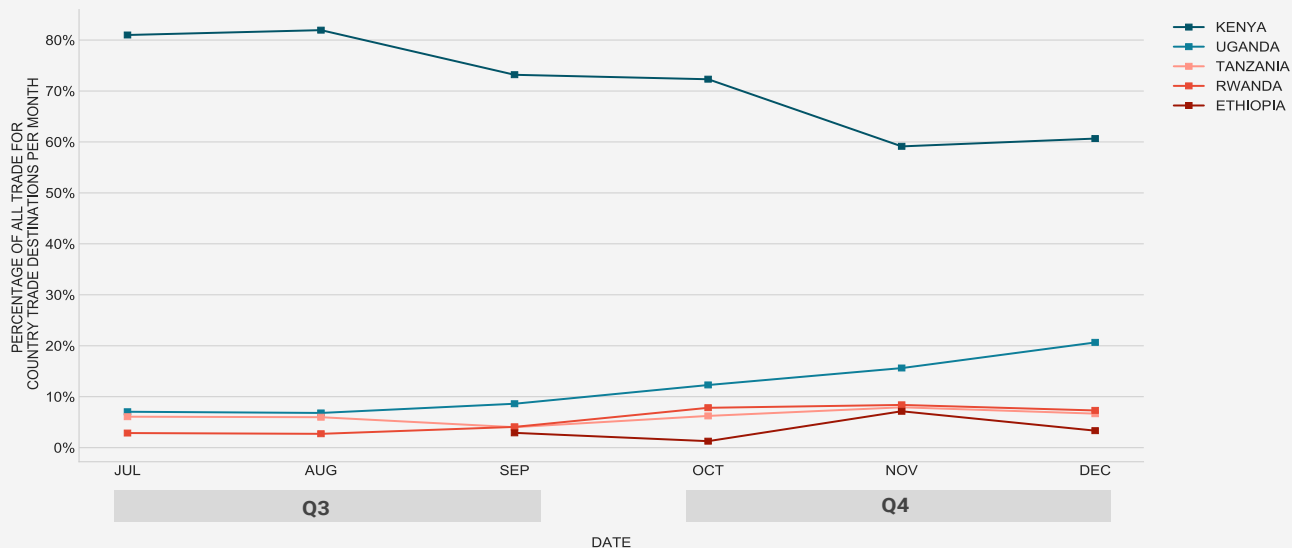
An average of 73.4% of Kenyan traders between Q3/Q4 of 2021 bought and sold goods within Kenya's local markets.

From July to August domestic trading increased by 1pp, while trading to Rwanda and Uganda decreased by 0.2pp and 0.2pp respectively over this period.

Cross-border trading decreased in Q3 2021 compared to 2020 while it increased in Q4 2021 in comparison to previous year. Cross-border trading increased by 11pp between quarters. Cross-border trading increased by 2.6pp for female traders and decreased by 1.3pp for male traders between Q3 and Q4.

CROSS-BORDER TRADING FROM KENYA Q3/Q4 2019, 2020 & 2021
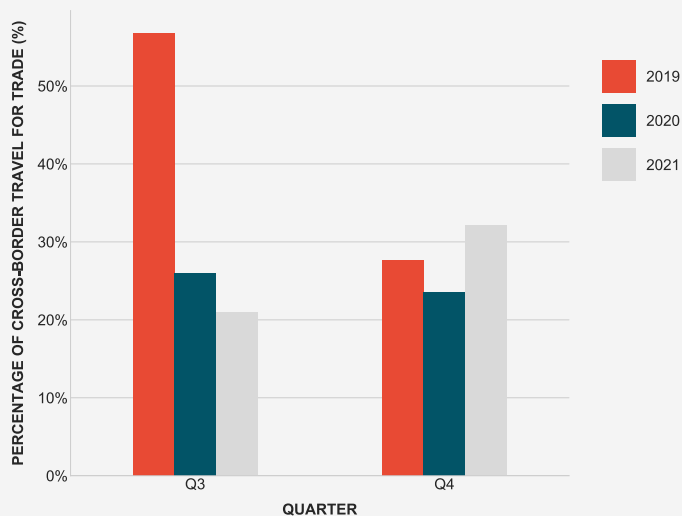

CROSS-BORDER TRADING FROM KENYA IN Q3/Q4 OF 2021
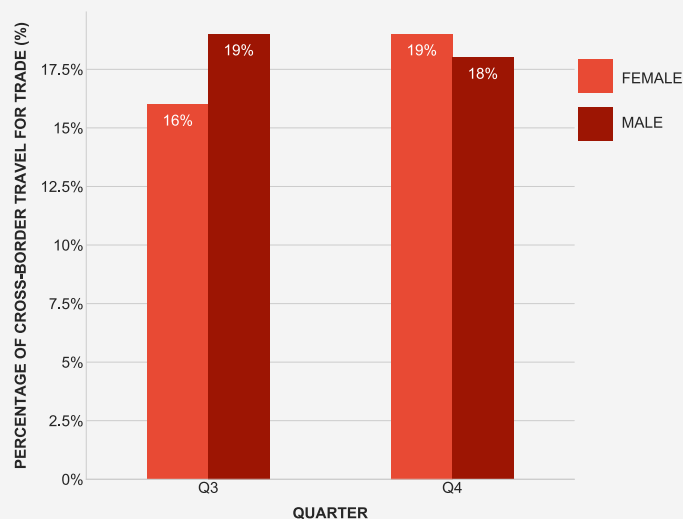
TRADE DESTINATIONS FOR RWANDAN TRADERS IN Q3/Q4 2021
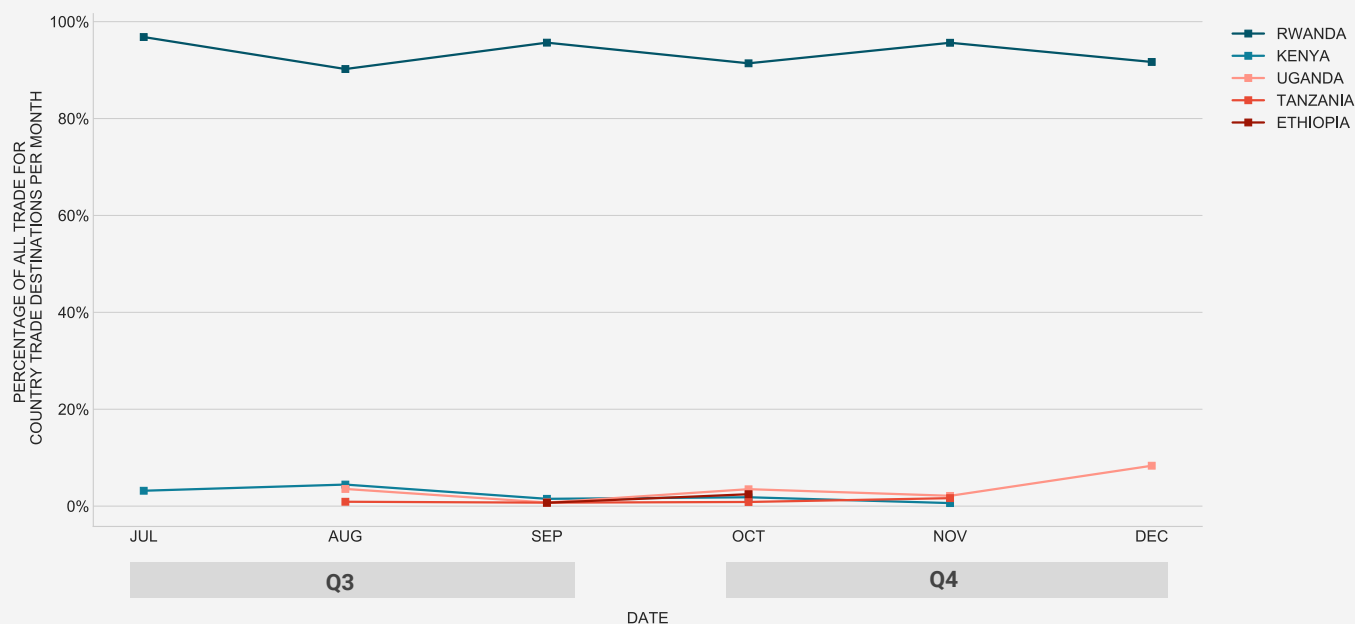
An average of 93.2% of Rwandan traders between Q3/Q4 of 2021 bought and sold goods within Rwanda's local markets. Cross-border trading was relatively stable during the Q3/Q4 period of 2021.

Cross-border trading from Rwanda to Kenya decreased between Q3 and Q4 by 1.5pp before declining in subsequent months. However, trading in Tanzanian and Ugandan markets increased throughout both quarters.

CROSS-BORDER TRADING FROM RWANDA IN Q3/Q4 2019, 2020 & 2021
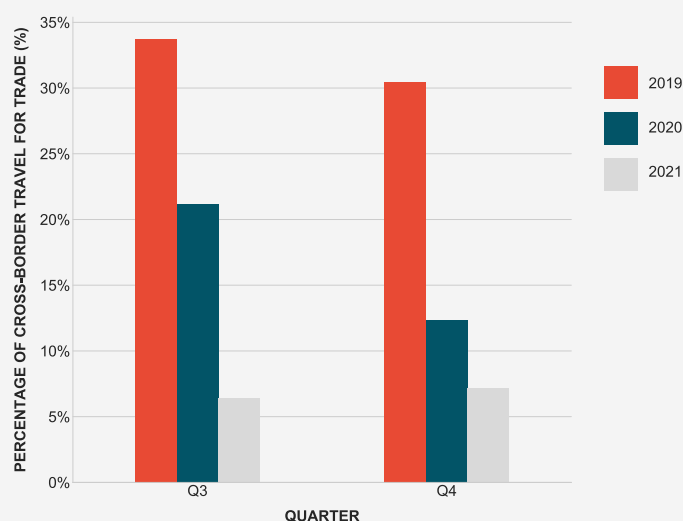
Cross-border trading has not recovered to pre-COVID-19 levels, where cross-border trading in Q3 (33.7%) and Q4 (30.5%) of 2019 made up nearly one third of all trading activity from Rwandan traders.

TRADE DESTINATIONS FOR TANZANIAN TRADERS IN Q3/Q4 2021
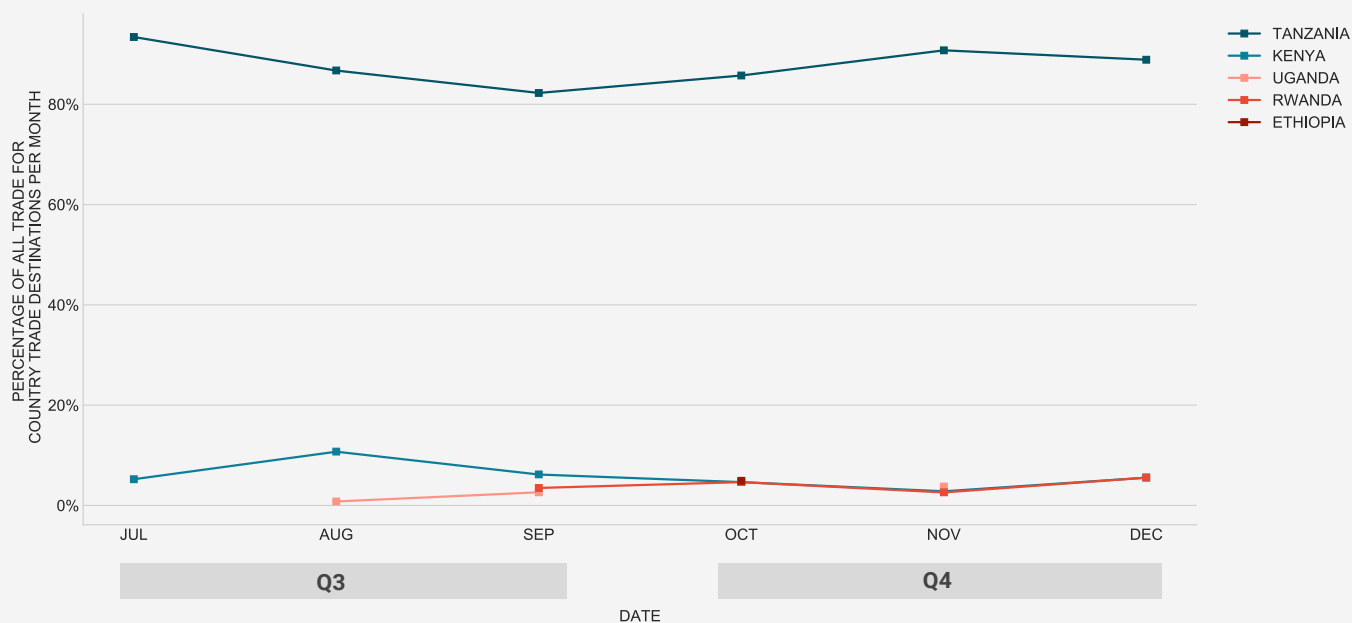
An average of 87.4% of Tanzanian traders between Q3/Q4 of 2021 bought and sold goods within Tanzania's local markets. Over the course of Q3 and Q4, Tanzanian traders engaged 4pp less with Kenyan markets.

Nevertheless, Kenya was the most popular market destination for Tanzanian traders in 2021. On average however, Kenya accounted for only 5.9% of trade during both quarters.

CROSS-BORDER TRADING FROM TANZANIA IN Q3/Q4 2021
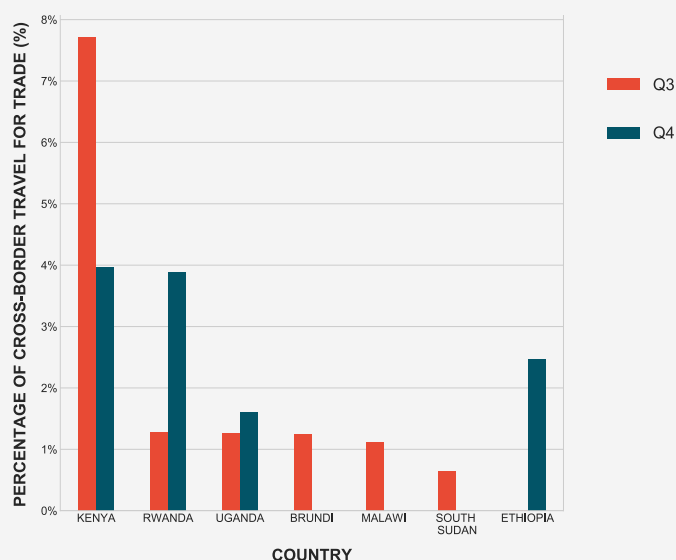
Cross-border trading from Tanzanian traders increased between Q3 and Q4 2021 for half of the trade destinations. Trading in Q4 was significantly redıced in Malawi, Burundi and South Sudan while Ethiopia experienced some additional trade from Tanzanian traders in Q4.

Kenya saw the greatest drop from Tanzanian traders in Q4 in comparison to Q3, with a 3.8pp decrease, followed by Burundi with a decrease bu 1.2pp). In contrast, cross-border trading from Tanzania to Rwanda increased

# TRADE DESTINATIONS FOR UGANDAN TRADERS IN Q3/Q4 2021
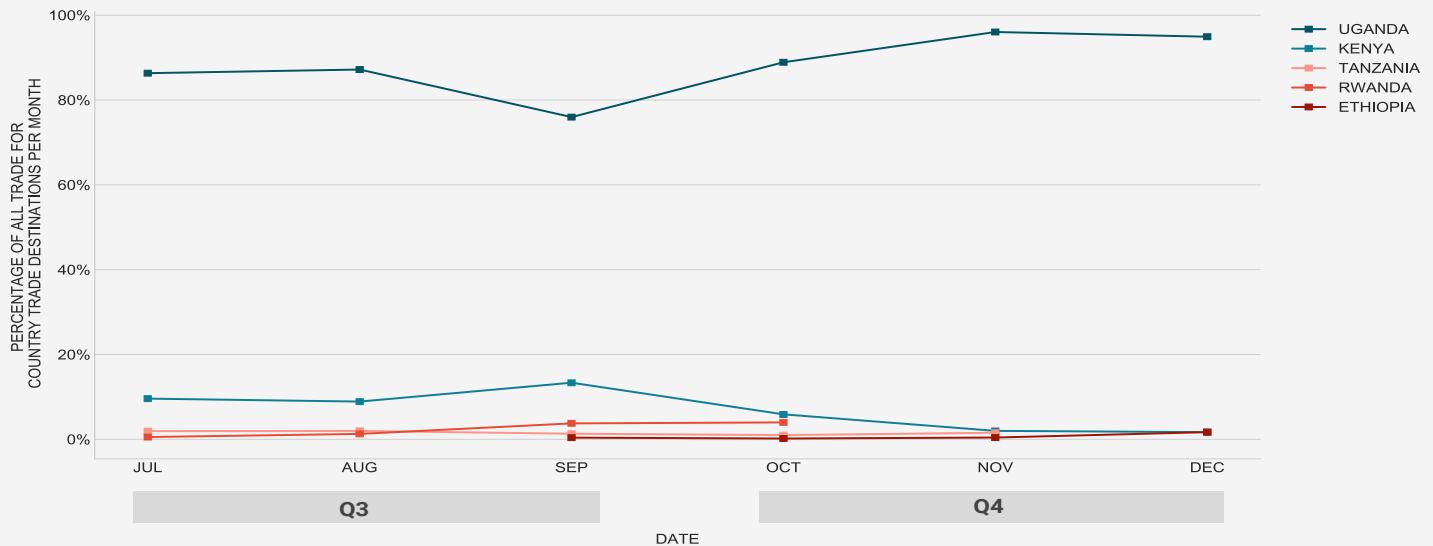
Most Ugandan traders in Q3/Q4 2021 traded in domestic markets, with local trade peaking at 96.0% in Novmeber. The second most popular trade destination in Q3/Q4 2021 was Kenya, with an average of 6.9% of Ugandan traders buying and selling goods in Kenyan markets.

Trade in other cross-border destinations (Tanzania, Rwanda, and Ethiopia) over this time period remained relatively low.

Compared to the previous quarter, Kenya saw the largest decrease (-5.6pp) in cross-border trading from Uganda, followed by South Sudan (-0.9), Malawi (-0.8), and Tanzania (-0.7). In contrast, cross-border trading in Rwanda (+1.2pp) and Ethiopia (+0.2pp) increased slightly over this time period. Cross-border trading increased by 7.5pp for female traders and decreased by 2.2pp for male traders between Q3 and Q4.

# CROSS-BORDER TRADING FROM UGANDA IN Q3/Q4 2021
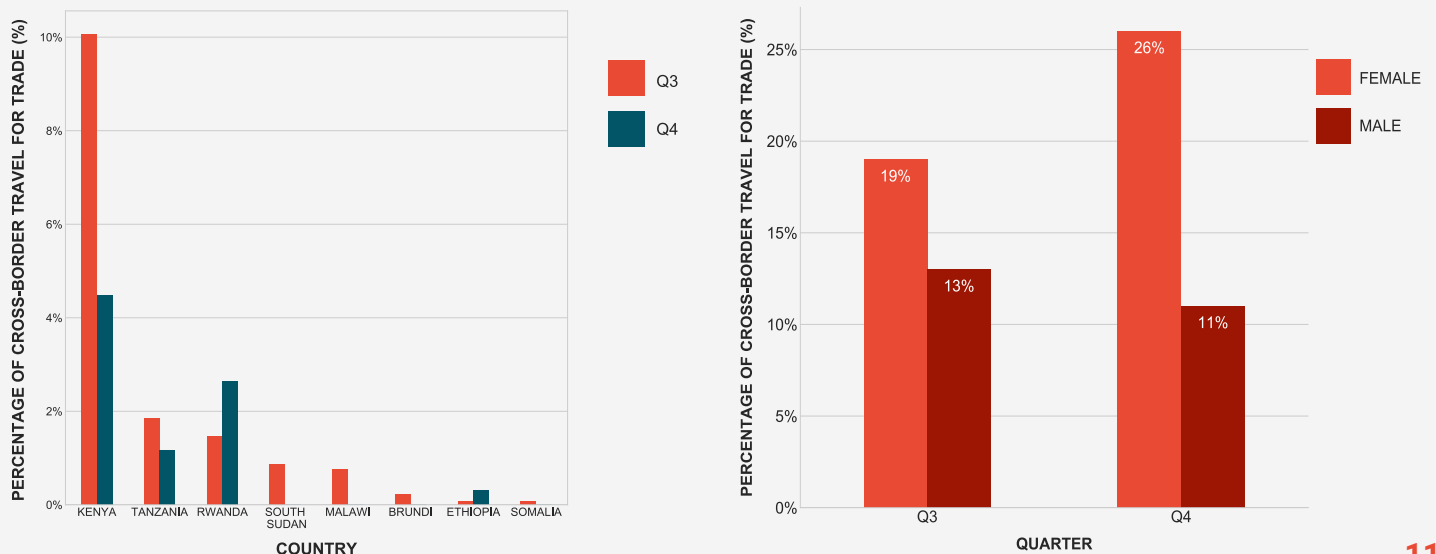
## MARKET ACTIVITIES OF KENYAN TRADERS IN Q3/Q4 2021
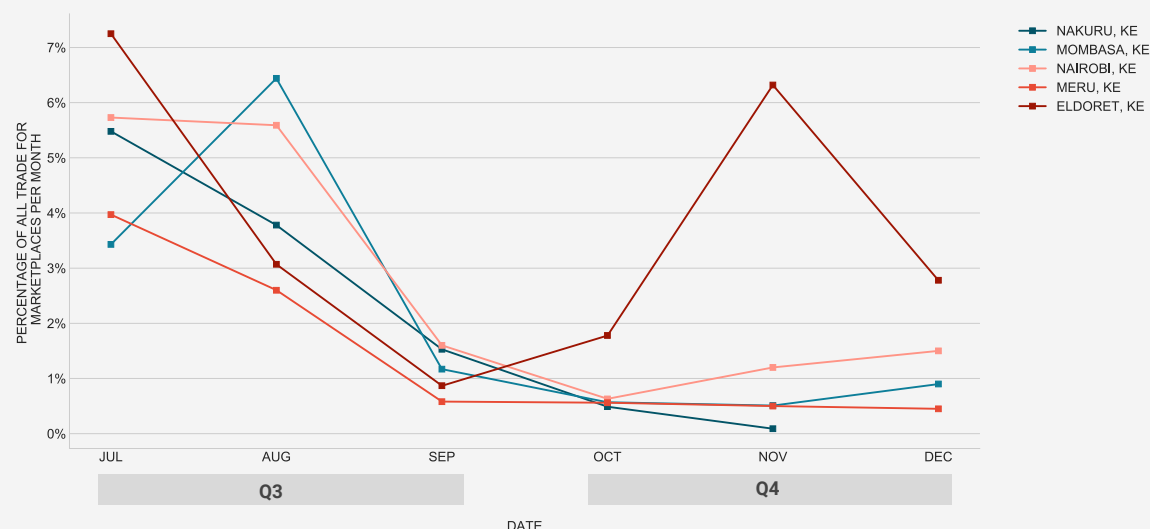
Eldoret had the highest Kenyan trader activity, comprising an average of 3.7% of all trade activity over the course of both Q3 and Q4. Despite this, after a peak in July (7.3%) Eldoret saw drops (-4.2pp) to 3.1% in August, 0.9% in September (-2.2pp).

The highest Rwandan trader activity in Q3 and Q4 of 2021 was in Gisenyi at an average of 7.0%. This was followed by Byangabo, with an average of 5.1% of Rwandan trade activity.

MARKET ACTIVITIES OF RWANDAN TRADERS IN Q3/Q4 2021
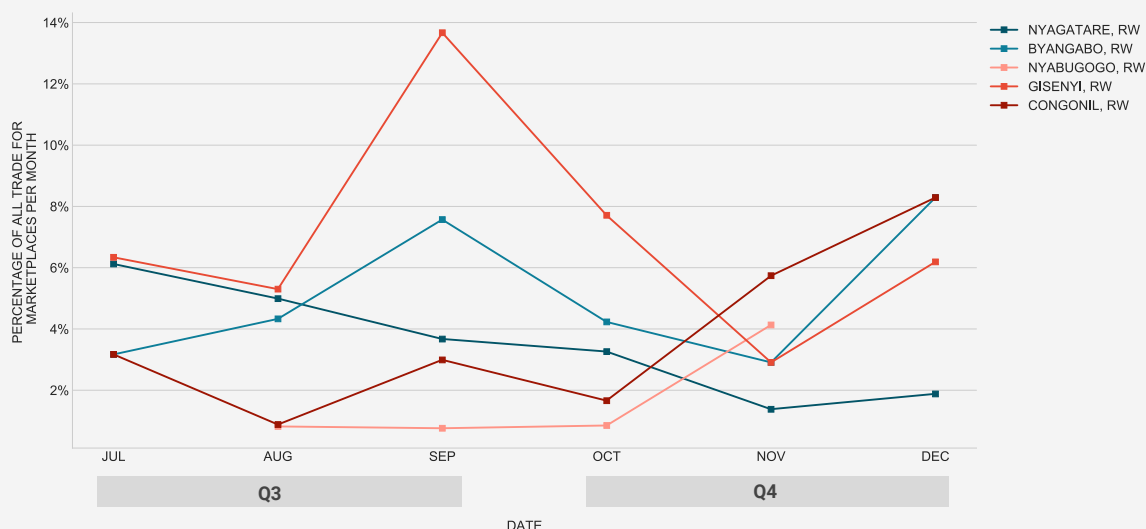
MARKET ACTIVITIES OF TANZANIAN TRADERS IN Q3/Q4 2021
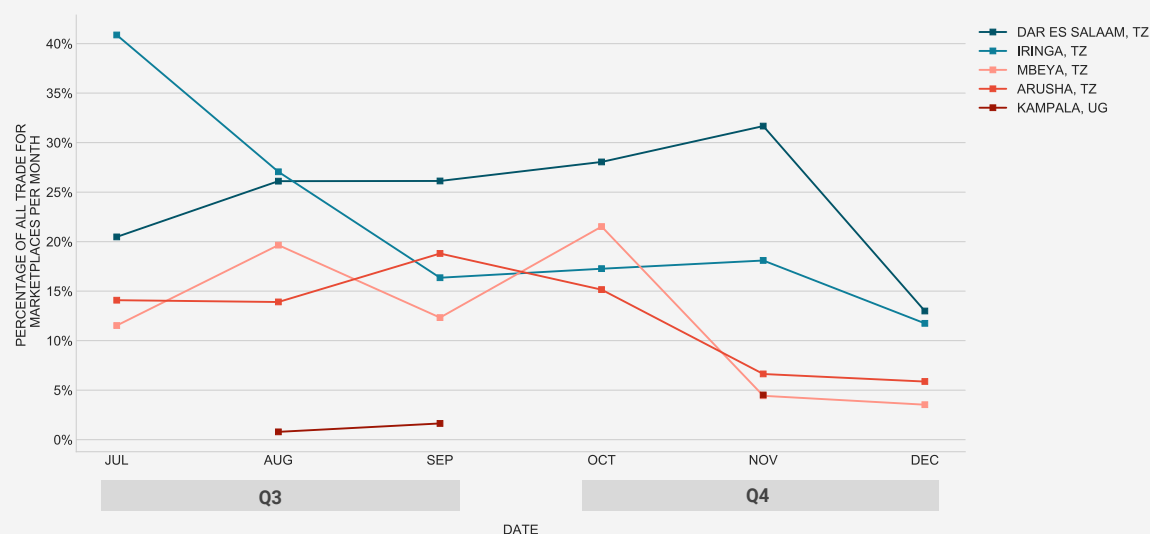
Dar es Salaam had the highest Tanzanian trader activity in Q3 and Q4 of 2021 (avg. 24.2%). This was followed by Iringa, with an average of 21.2% of Tanzanian trade activity. Between Q3 and Q4 of 2021, Tanzanian trade activity in Arusha (-19.1pp) and Mbeya (-14.0pp) experienced a decrease.

The highest Ugandan trader activity so far in Q3 and Q4 of 2021 (21.9% avg.) was seen in Gulu. Following Gulu, the next most popular market for Ugandan traders in Q3 and Q4 of 2021 was Kampala (avg. 13.1%). Bugiri (-13.6pp) and Iganga (-9.9pp) experienced a significant decrease in trade activity from Q3 to Q4.

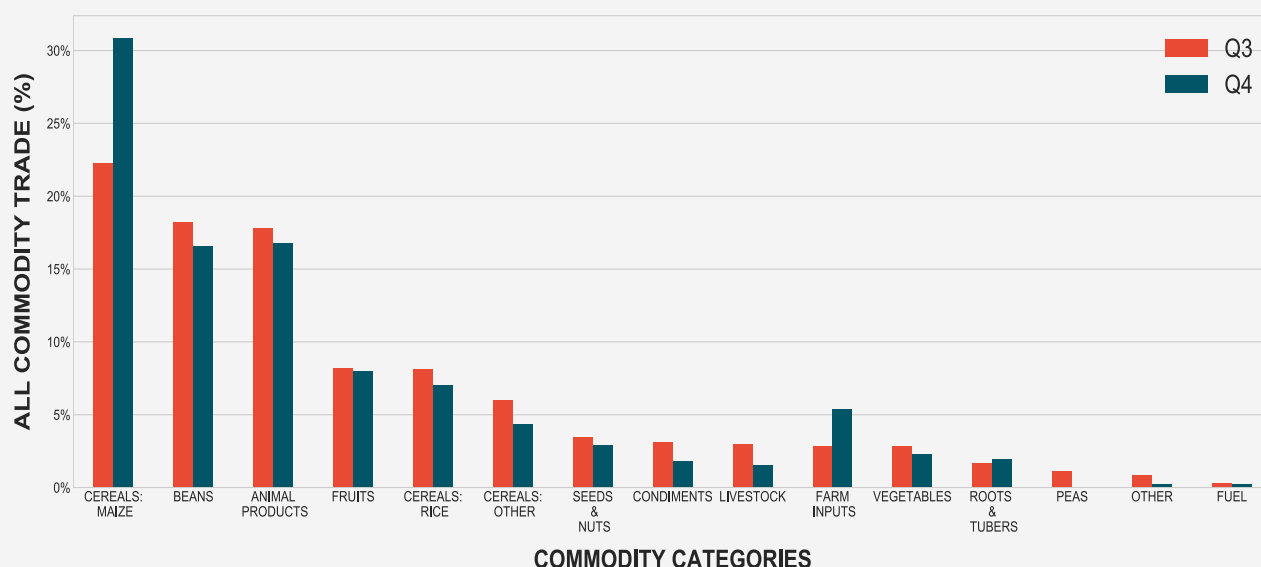## MARKET ACTIVITIES OF UGANDAN TRADERS IN Q3/Q4 2021
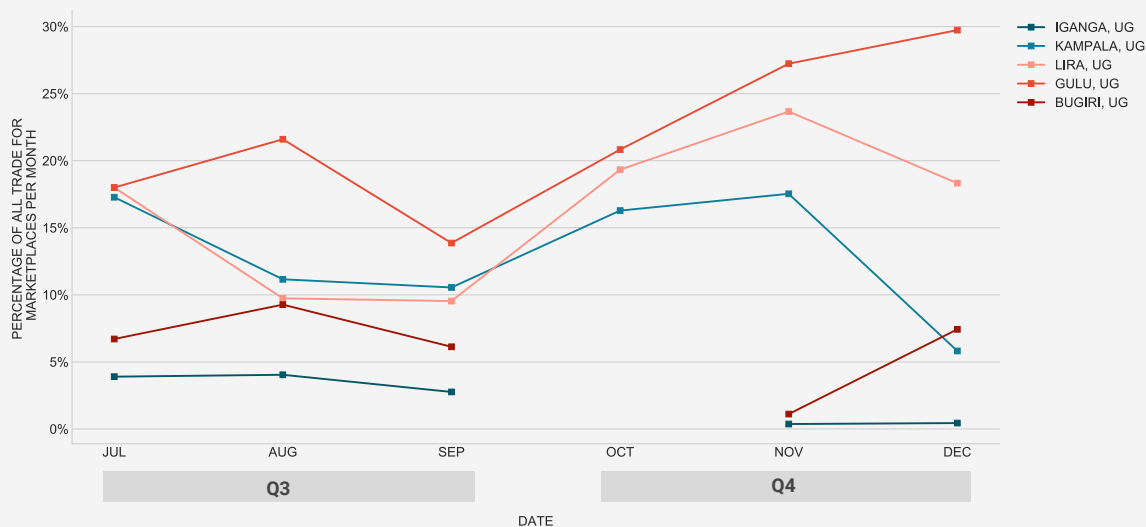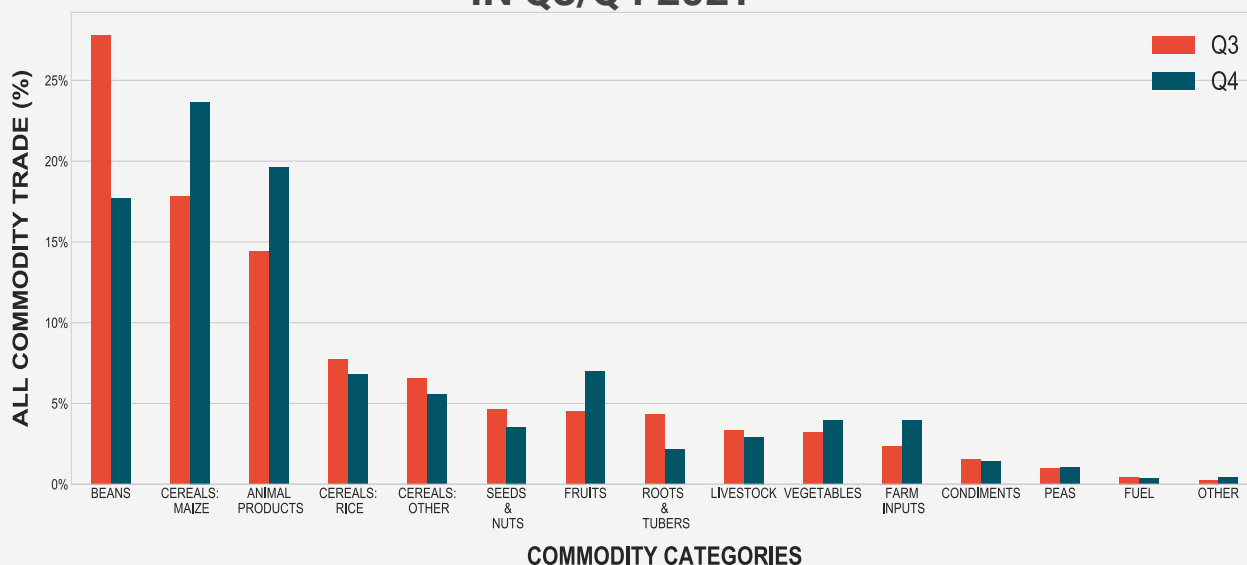
TRADED COMMODITIES

COMMODITY CATEGORIES TRADED BY WOMEN TRADERS IN Q3/Q4 2021


For women traders in East Africa, the most popular commodity categories were maize cereals (30.9%), animal products (16.8%), and beans (16.6%) in Q4. Between Q3 and Q4, price requests maize cereals (+8.6pp) increased while beans (-1.7pp) and animal products (-1.0pp) decreased.

The top three traded commodities for male traders were maize cereals (23.7%), animal products (19.6%) and beans (17.7%) in Q4. Between Q3 and Q4, maize cereals (+5.9pp) and animal products (+5.2pp) saw a increase, while beans decreased by 10.1pp.

## COMMODITY CATEGORIES TRADED BY MALE TRADERS IN Q3/Q4 2021

CHANGE OF COMMODITIES TRADED IN KENYA IN Q3/Q4 2021
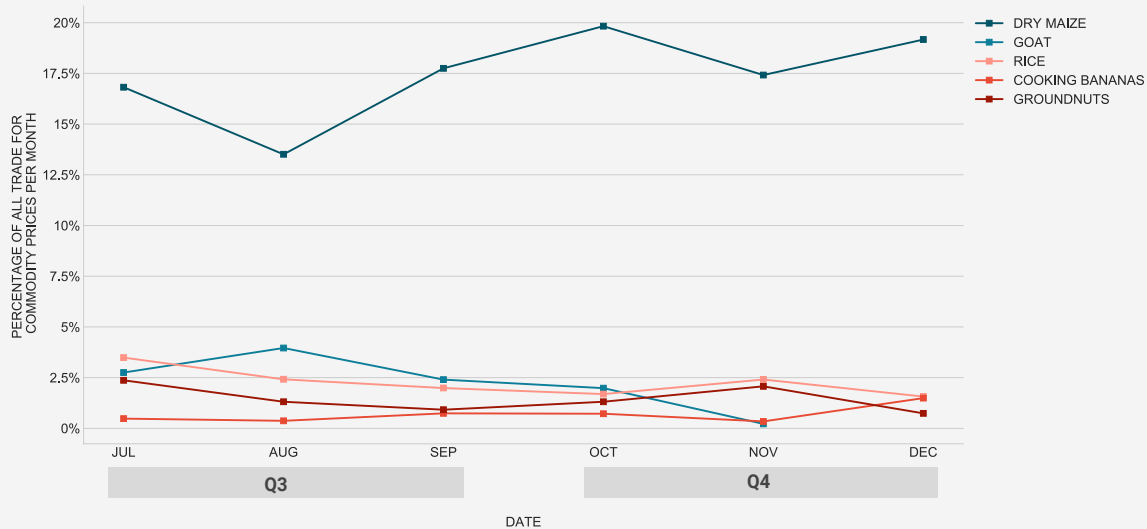
The most popular commodity for Kenyan traders in Q3/Q4 was dry maize (17.4% avg.), peaking in October at 19.8%. Trade in the top category commodities in Kenya slightly declined from Q3 to Q4 with the exception of Dry Maize (+8.3pp) and Cooking Bananas (+1.0pp).

Dry maize (12.1% avg.) and Kiryumukwe beans (11.1% avg.) were the most popular commodities in Rwanda in Q3/Q4. The demand for Kiryumukwe beans (-2.1pp) and dry maize (-2.0pp) decreased slightly between Q3 and Q4.

# CHANGE OF COMMODITIES TRADED IN RWANDA IN Q3/Q4 2021
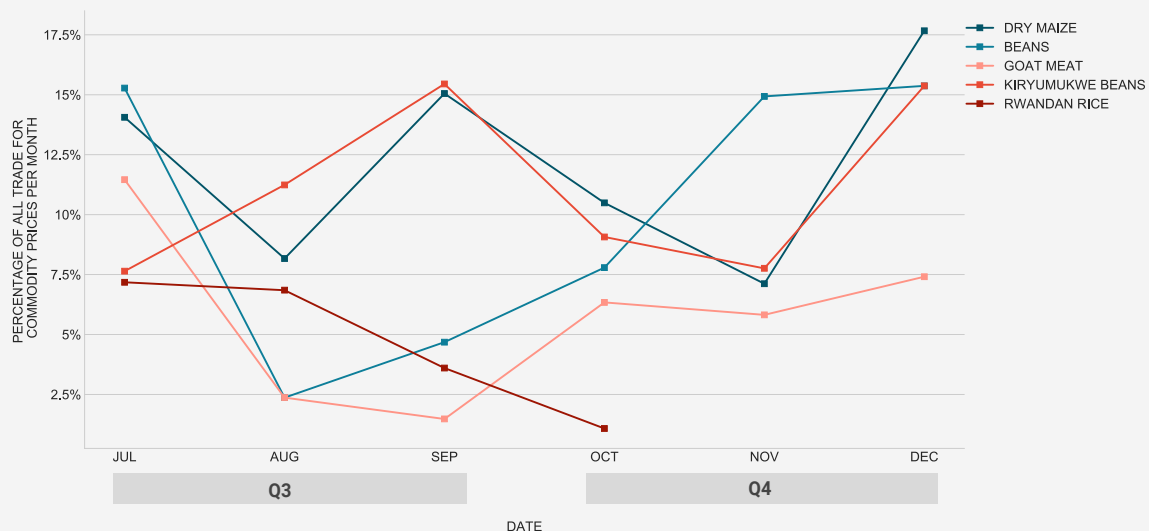
CHANGE OF COMMODITIES TRADED IN TANZANIA IN Q3/Q4 2021
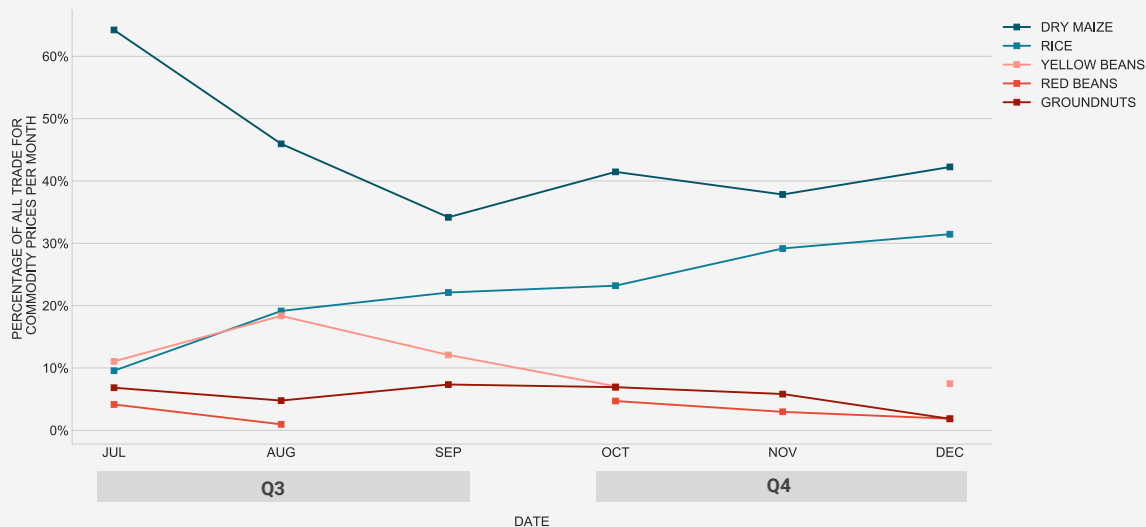
The most popular commodity for Tanzanian traders during Q3/Q4 was dry maize (43.3% avg.), peaking in July at 64.2%. Yellow beans (-6.6pp) and dry maize (-22.8pp) were more popular during Q3 in comparison to Q4, while rice (+33.0pp) and red beans (+0.6) were more popular during Q4 compared to Q3.

The most popular commodity for Ugandan traders during Q3/Q4 was dry maize (avg. 19.5%), performing higher in Q4 (+7.5pp). Soya beans was the second most popular commodity (avg. 15.3%) for Ugandan traders. Soya beans hit its lowest in September at 9.9% and peaked in November at 8.8%.

CHANGE OF COMMODITIES TRADED IN UGANDA IN Q3/Q4 2021
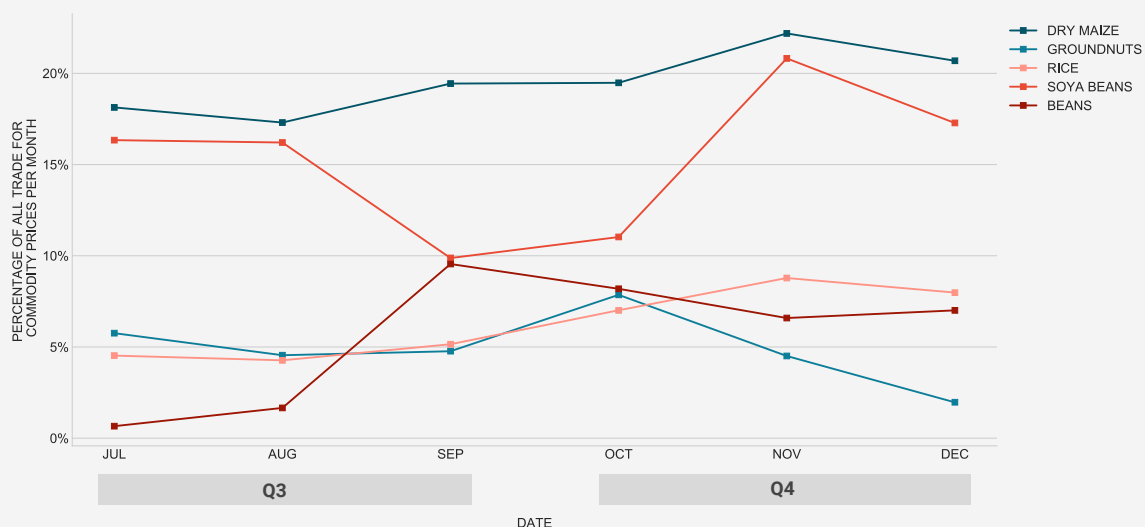
TECHNICAL DETAILS
DATA SAMPLES

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 Q3/Q4 2021 | Sample: 5,173 users - Explore Data

Most Popular Trade Destinations for Kenyan Traders | Sample: 4,073 users - Explore Data

Most Popular Trade Destinations for Rwandan Traders | Sample: 173 users - Explore Data

Most Popular Trade Destinations for Tanzanian Traders | Sample: 198 users - Explore Data

Most Popular Trade Destinations for Ugandan Traders | Sample: 1,205 users - Explore Data

Market Locations Change in Trade Activity in 2021 from Q3 to Q4 | Kenyan Sample: 3,397 users, Rwandan Sample: 167 users, Tanzanian Sample: 164 users, Ugandan Sample: 1,121 users - Explore Data

CROSS-BORDER TRADE MOVEMENT

Trade Destinations for Kenyan Traders in Q3/Q4 2021 | Sample: 3,397 users - Explore Data

Cross-Border Trading from Kenya in 2019, 2020 & 2021 | Sample: 3,810 users - Explore Data

Cross-Border Trading from Kenya in Q3/Q4 of 2021 | Women Sample: 599 users, Male Sample: 451 users - Explore Data

Trade Destinations for Rwandan Traders in Q3/Q4 2021 | Sample: 167 users - Explore Data

Cross-Border Trading from Rwanda in 2019, 2020 & 2021 | Sample: 1,290 users - Explore Data

Trade Destinations for Tanzanian Traders in Q3/Q4 2021 | Sample: 188 users - Explore Data

Cross-Border Trading from Tanzania in Q3/Q4 2021 | Sample: 163 users - Explore Data

Trade Destinations for Ugandan Traders in Q3/Q4 2021 | Sample: 1,205 users - Explore Data

Cross-Border Trading from Uganda in Q3/Q4 2021 | Sample: 1,080 users - Explore Data

Cross-Border Trading from Uganda in Q3/Q4 of 2021 | Women Sample: 121 users, Male Sample: 291 users - Explore Data

Market Activities of Kenyan Traders in Q3/Q4 2021 | Sample: 3,397 users - Explore Data

Market Activities of Rwandan Traders in Q3/Q4 2021 | Sample: 167 users - Explore Data

Market Activities of Tanzanian Traders in Q3/Q4 2021 | Sample: 1,205 users - Explore Data

TECHNICAL DETAILS
DATA SAMPLES

TRADED COMMODITIES

Commodity Categories Traded by Women Traders in Q3/Q4 2021 | Sample: 761 users - Explore Data

Commodity Categories Traded by Male Traders in Q3/Q4 2021 | Sample: 799 users - Explore Data

Change of Commodities Traded in Kenya in Q3/Q4 2021 | Sample: 3,912 users - Explore Data

Change of Commodities Traded in Rwanda in Q3/Q4 2021 | Sample: 188 users - Explore Data

Change of Commodities Traded in Tanzania in Q3/Q4 2021 | Sample: 181 users - Explore Data

Change of Commodities Traded in Uganda in Q3/Q4 2021 | Sample: 1,345 users - Explore Data

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ABOUT SAUTI
Sauti East Africa provides trade and market information services that empower cross-border traders in East Africa to trade legally, profitably, and safely.