SAUTI TRADE INSIGHTS COVID-19 BULLETIN

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

JULY 2022

Sauti

SAUTI TRADE INSIGHTS
July 2022

The global COVID-19 pandemic has dramatically impacted the world economy in the past two years. Cross-border and domestic trade in East Africa has seen significant volatility during this time, in part owing to its interconnectedness and long supply chains. Sauti's COVID-19 Bulletins aim to capture the impact of the pandemic on the traders of East Africa to help cross-border traders, development policy practitioners, and solution designers navigate the new economic 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 Q1 2022 and Q2 2022 behavioral and user data from our regional network of trade and market information platforms.

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

This bulletin includes data on Kenyan, Rwandan, Tanzanian, and Ugandan traders. Although an increase was noted between Q1 and Q2 of 2022, cross-border trading continues to stay low in Kenya in comparison to previous years. In addition, we found that in every other country, cross-border trade decreased between Q1 and Q2, indicating that COVID-19 is likely having persistent effects on the levels of activity within the East African trade sector.

Kenyan domestic trade by Kenyan traders decreased by 6.5pp between the first and second quarters of 2022. Kenyan traders (8.7%) showed a strong preference to buy and sell commodities in Ugandan markets with a 3.1pp increase. This could be attributed to the current hike in commodity prices due to the impending August 2022 elections in Kenya.

With a similar trend in our last report, Kenyan female and male traders are returning to pre-pandemic levels of trade activity at a relatively equalized rate with 8pp and 7pp increase respectively between the quarters. However, in contrast to the last report, Ugandan women's participation in cross-border trade has decreased by 5.6pp between Q1 and Q2 of 2022.

As we did in the previous reports, we also have made our data available through Sauti's Trade Insights data portal. The Trade Insights 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 behavioral patterns of East Africa's cross-border traders. See the technical detail section for links to explore the data.

LANCE HADLEY
Chief Executive Officer
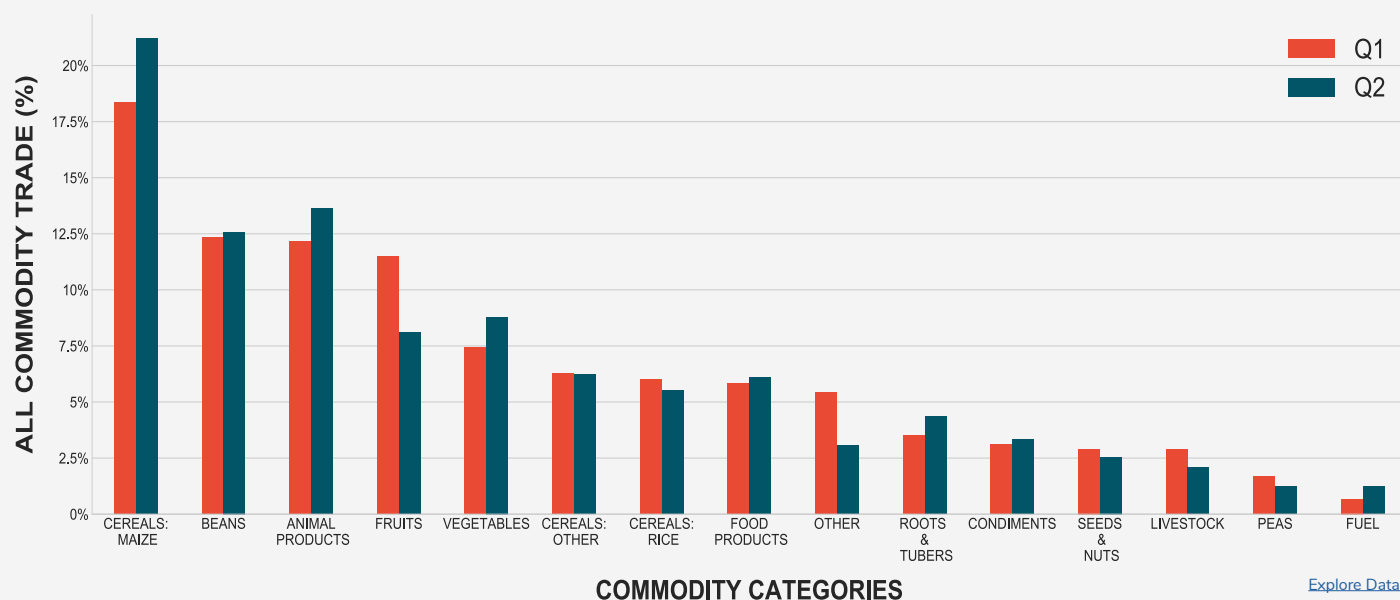
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SUMMARY OF FINDINGS
Q1/Q2 2022 AT A GLANCE

MOST POPULAR COMMODITIES IN EAST AFRICA, BY CATEGORIES
Q1 2021/Q2 2022

Explore Data

The three most popular commodity categories of both Q1 and Q2 of 2022 were maize cereals (avg. 19.8%), animal products (avg. 12.9%) and beans (avg. 12.5%).

Fruits were traded 3.4 percentage points (pp) less in Q2 than in Q1, experiencing the most notable drop in trade between the quarters.

The commodity categories with the greatest positive change in trade levels from Q1 to Q2 were maize cereals and animal products. These were traded 2.9pp and 1.4pp more in Q2, respectively.

MOST POPULAR TRADE DESTINATIONS FOR KENYAN TRADERS

The majority (72.9%) of Kenyan traders have kept their business within the borders of Kenya during Q1 and Q2 of 2022, with the next most popular trade destination being Uganda (8.7%), followed by Tanzania (5.7%). The Kenyan regional trade increased by 6.5pp. The biggest increase in regional trade destinations was with Uganda by 3.1pp between Q1 and Q2 of 2022.

KENYA	UGANDA	TANZANIA	ETHIOPIA	S.SUDAN	RWANDA
72.9%	8.7%	5.7%	5.1%	2.9%	2.5%
CHANGE IN TRADE DESTINATIONS FROM Q1 TO Q2 2022					
-6.5pp	+3.1pp	+1.2pp	+1.5pp	+0.4pp	-0.2pp

MOST POPULAR TRADE DESTINATIONS FOR RWANDAN TRADERS

A large majority of Rwandan traders (93.7%) have kept their business within the borders of Rwanda during Q1 and Q2 of 2022. Uganda (2.2%), Tanzania (1.1%) and Ethiopia (1.1%) are the next most popular trade destinations for Rwandan traders trading in these regional countries. Trading activities in Rwanda is noted to have increased by 2.1pp while it dropped by 2.5pp in Ethiopia between Q1/Q2 of 2022.

RWANDA	UGANDA	TANZANIA	ETHIOPIA	SOMALIA	KENYA
93.7%	2.2%	1.1%	1.1%	1.0%	0.7%
CHANGE IN TRADE DESTINATIONS FROM Q1 TO Q2 2022					
+2.1pp	+0.8pp	-0.3pp	-2.5pp	-1.0pp	-0.5pp

MOST POPULAR TRADE DESTINATIONS FOR TANZANIAN TRADERS

The majority (77.6%) of Tanzanian traders have kept their business within the borders of Tanzania during Q1 and Q2 of 2022. Compared to regional trading, domestic trading is noted to have increased by 15.6pp between Q1 and Q2 of 2022. The biggest decline in trade activity by Tanzanian traders was seen in South Sudan markets with a drop in buying and selling by 5pp in Q2 compared to Q1 of 2022.

TANZANIA	KENYA	S.SUDAN	ETHIOPIA	UGANDA	SOMALIA
77.6%	5.3%	5.2%	5.1%	3.6%	3.0%
CHANGE IN TRADE DESTINATIONS FROM Q1 TO Q2 2022					
+15.6pp	+0.9pp	-5.0pp	-0.1pp	-4.8pp	+0.5pp

MOST POPULAR TRADE DESTINATIONS FOR UGANDAN TRADERS

The majority (84.0%) of Ugandan traders have kept their business within the borders of Uganda during Q1/Q2 2022, with the next most popular regional trade destination being Kenya (8.5%). This is followed by Tanzania (4.0%) where buying and selling by Ugandan traders increased by 2.1pp between Q1 and Q2 of 2022.

UGANDA	KENYA	TANZANIA	S.SUDAN	ETHIOPIA	RWANDA
84.0%	8.5%	4.0%	1.2%	1.0%	1.0%
CHANGE IN TRADE DESTINATIONS FROM Q1 TO Q2 2022					
+0.8pp	-0.1pp	+2.1pp	-1.5pp	-1.1pp	-0.7pp

MARKET LOCATIONS
CHANGE IN TRADE ACTIVITY IN FROM Q1/Q2 2022

LEGEND

↗ Percentage point (pp) Positive change Q2 2022 compared to Q1 2022

↘ Percentage point (pp) negative change Q2 2022 compared to Q1 2022

→ No change Q2 2022 compared to Q1 2022

BUSIA, KE
↗ +1.6pp Kenyan traders
↗ +0.3pp Tanzanian traders
↗ +5.3pp Ugandan traders
→ 0pp Rwandan traders

GULU, UG
↗ +0.1pp Kenyan traders
↗ +5.9pp Ugandan traders
→ 0pp Rwandan traders

IRINGA, TZ
↗ +3.7pp Tanzanian traders
→ 0pp Kenyan traders
→ 0pp Rwandan traders

KAMPALA, UG
↗ +0.8pp Kenyan traders
↗ +0.2pp Tanzanian traders
→ 0pp Rwandan traders
↘ -0.6pp Ugandan traders

NAKURU, KE
↗ +0.2pp Kenyan traders
→ -0.4pp Ugandan traders
↗ +0.2pp Tanzanian traders

NYAGATARE, RW
↘ -0.1pp Kenyan traders
↘ -1.7pp Rwandan traders
↘ -1.6pp Tanzanian traders

BUNGOMA, KE
↗ +0.4pp Kenyan traders
↗ +0.1pp Ugandan traders
↘ -0.3pp Tanzanian traders

KIBUYE, RW
↗ +0.4pp Kenyan traders
↘ -0.2pp Ugandan traders
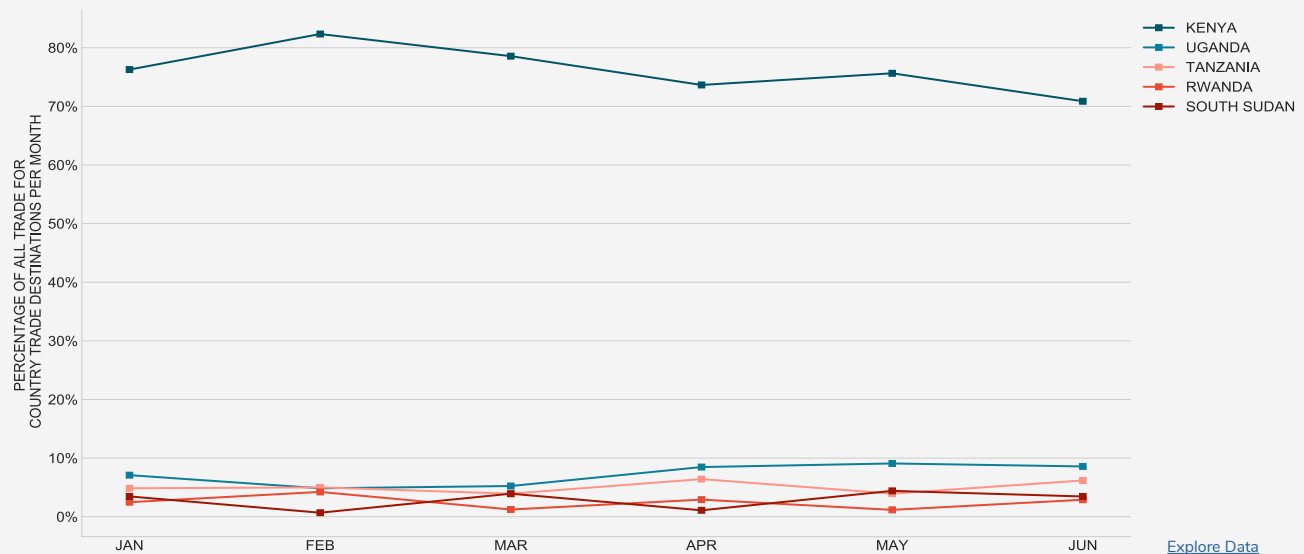↘ -0.5pp Tanzanian traders
↘ -0.2pp Rwandan traders

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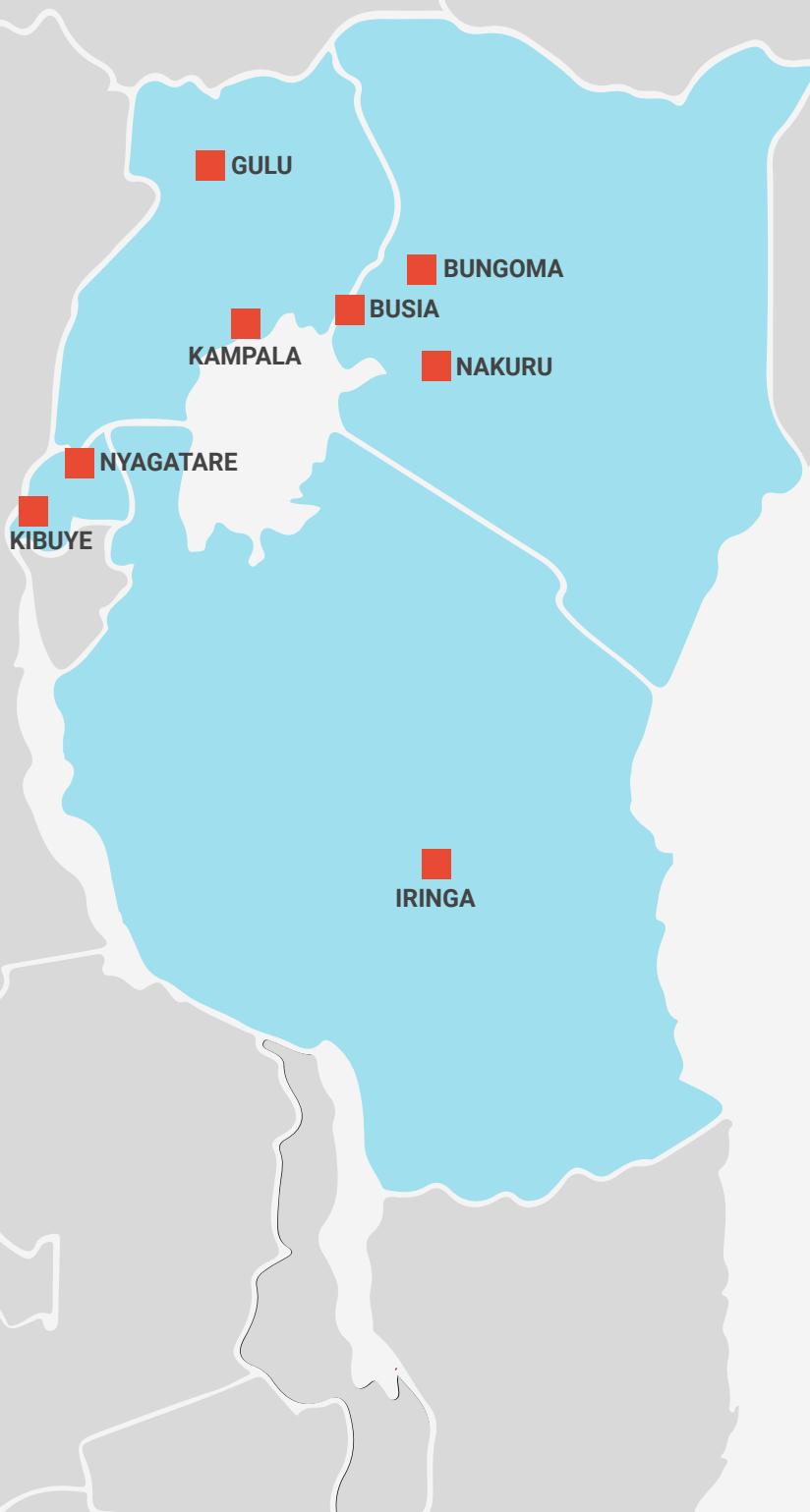
IMPACT OF COVID-19 PANDEMIC

CROSS-BORDER TRADE MOVEMENT

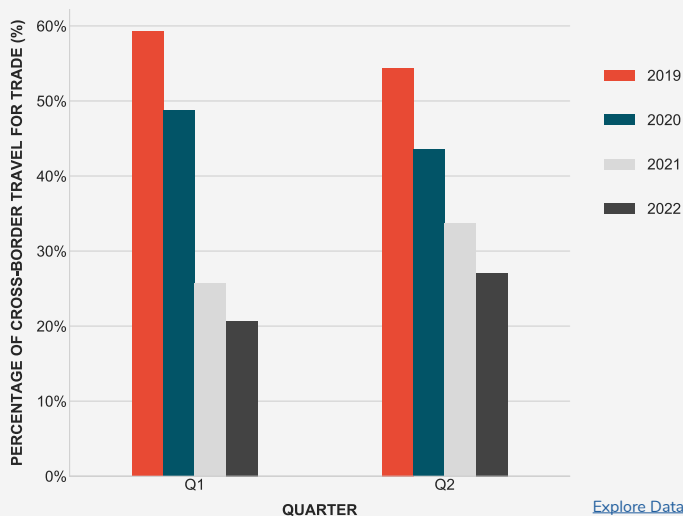## TRADE DESTINATIONS FOR KENYAN TRADERS IN Q1/Q2 2022

Most traders (76.2%) in Kenya are domestic traders that trade goods between marketplaces within Kenyan borders.

However, domestic trading decreased by 5.7pp between Q1 and Q2 of 2022, while the most notable increase in cross-border trading activities by Kenyans was observed in Uganda by 3pp between Q1 and Q2 of 2022.

Cross-border trading in Q1/Q2 2022 decreased in comparison to previous years. A 6pp increase was noted between Q1 and Q2 of 2022. Cross-border trading increased by 8pp for female traders and 7pp for male traders between Q1 and Q2.

CROSS-BORDER TRADING FROM KENYA Q1/Q2 2019, 2020, 2021 & 2022

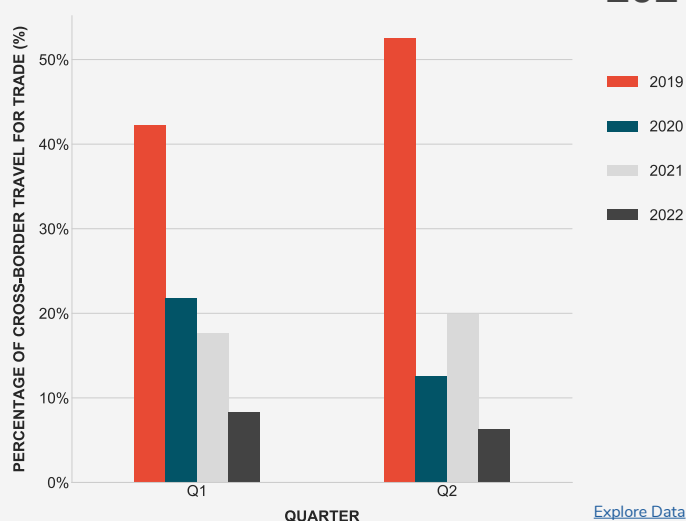## CROSS-BORDER TRADING FROM KENYA IN Q1/Q2

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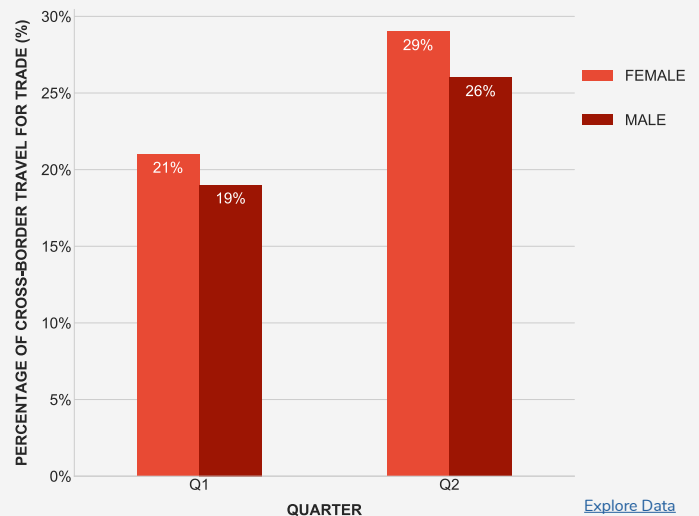
TRADE DESTINATIONS FOR RWANDAN TRADERS IN Q1/Q2 2022
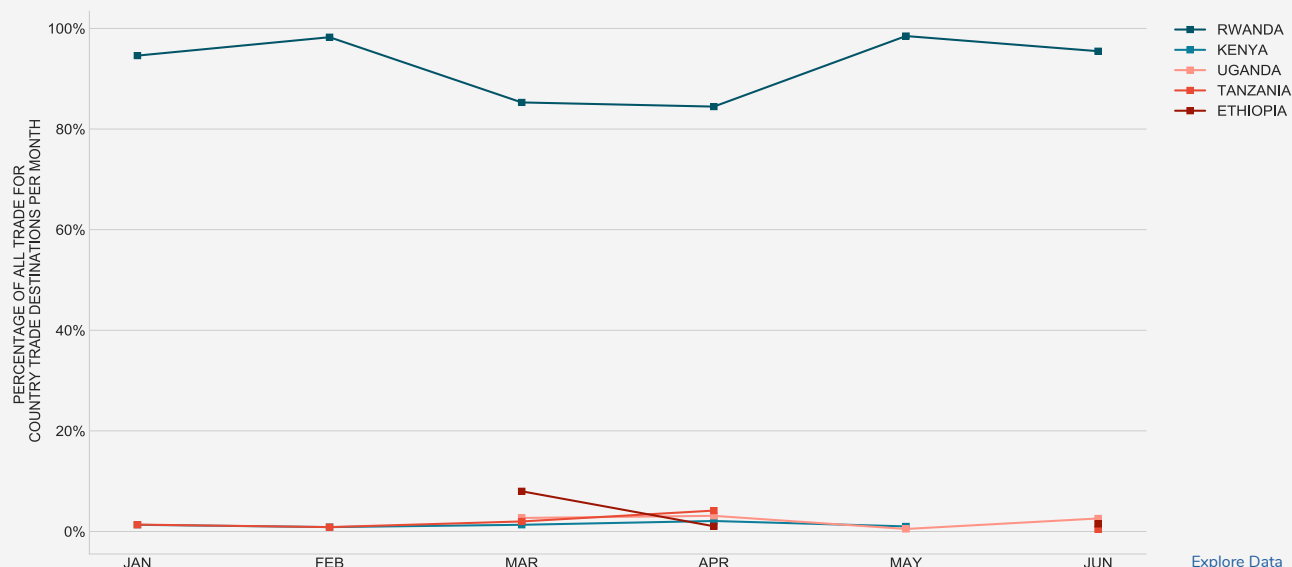
Most traders (92.8%) in Rwanda are domestic traders that trade goods between marketplaces within Rwandan borders. Domestic trade peaked in May at 98.5%. Regional trading among Rwandan traders was highest in April (15.5%) and March (14.7%). Regional trading activities peaked in April, comprising Somalia (4.6%), Tanzania (4.2%), Uganda (3.1%), Kenya (2.1%), and Ethiopia (1.0%).

CROSS-BORDER TRADING FROM RWANDA IN Q1/Q2 2019, 2020, 2021 & 2022

Cross-border trading from Rwandan traders in Q1 of 2022 was low compared to Q1 of 2021(-9.3pp), with an even bigger decrease seen in Q2 2022 compared to Q2 of 2021 (-13.6pp).

Cross-border trading has not recovered to pre-COVID-19 levels, where cross-border trading in Q1 (42.2%) and Q2 (52.6%) of 2019 made up nearly half of all trading activities from Rwandan traders.

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TRADE DESTINATIONS FOR TANZANIAN TRADERS IN Q1/Q2 2022

Explore Data
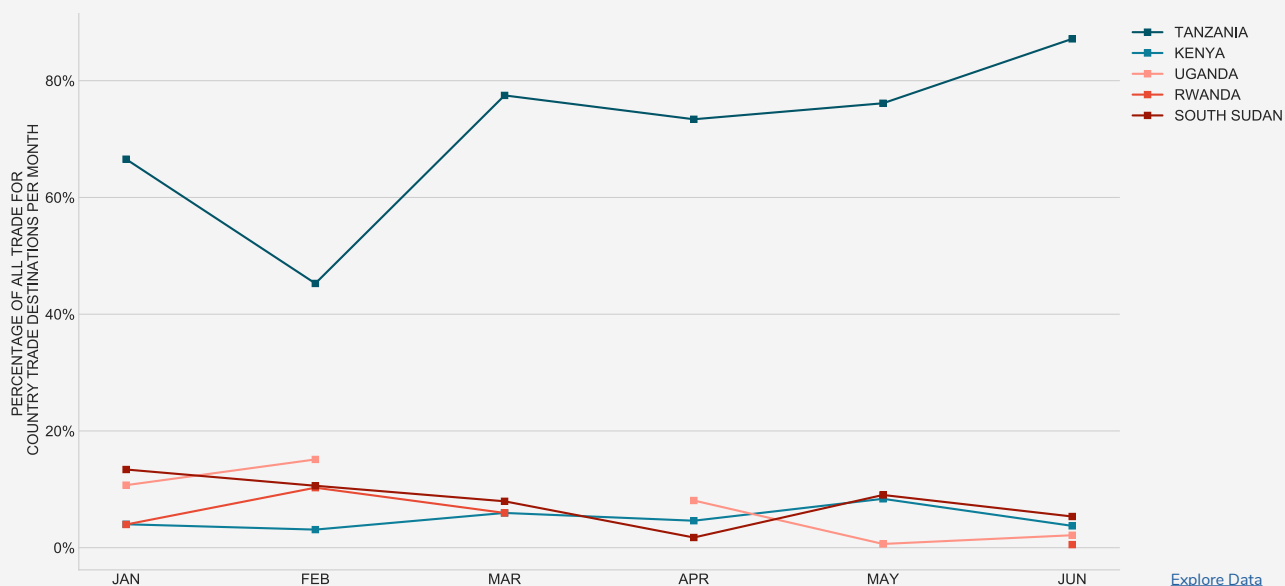
Most traders (71.0%) in Tanzania are domestic traders that trade goods between marketplaces within Tanzanian borders. Domestic trade reached the peak in June where domestic trade increased to 87.2%

by 15.8pp between quarters. The next most popular trade destination for Tanzanian traders in Q1 and Q2 of 2022 was South Sudan (8%) followed by Uganda (6.1%).

CROSS-BORDER TRADING FROM TANZANIA IN Q1/Q2 2022

Explore Data
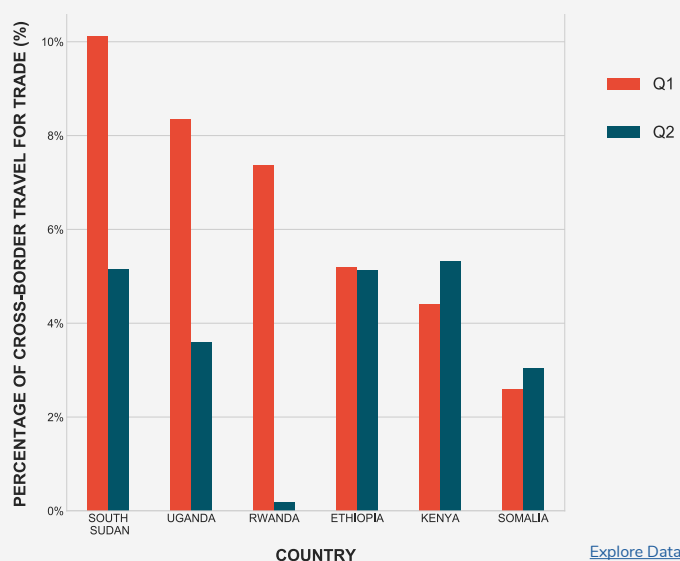
Cross-border trading from Tanzanian traders decreased between Q1 and Q2 of 2022 for most of the trade destinations. Trading in Q2 was significantly reduced in Rwanda, Uganda and South Sudan while Kenya and Somalia experienced an increase in trade from Tanzanian traders in Q2.

Rwanda saw the greatest drop (-7.2pp) from Tanzanian traders in Q2 2022 in comparison to Q1 2022. In contrast, cross-border trading by Tanzanian traders was highest in Kenya by 0.9pp between Q1 and Q2 of 2022.
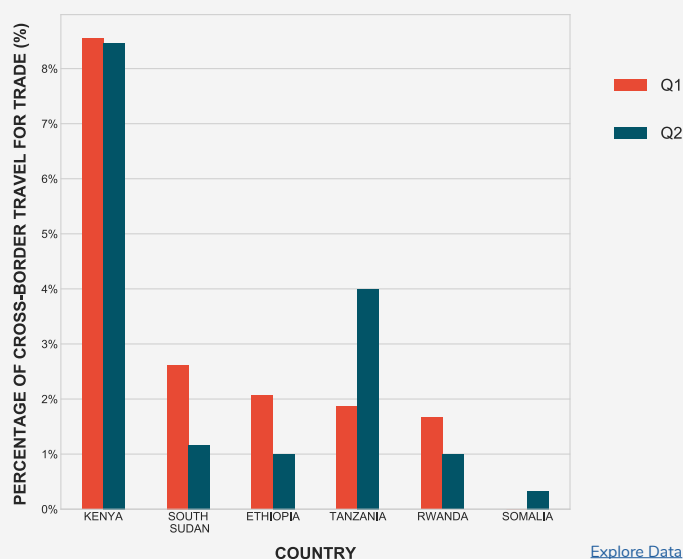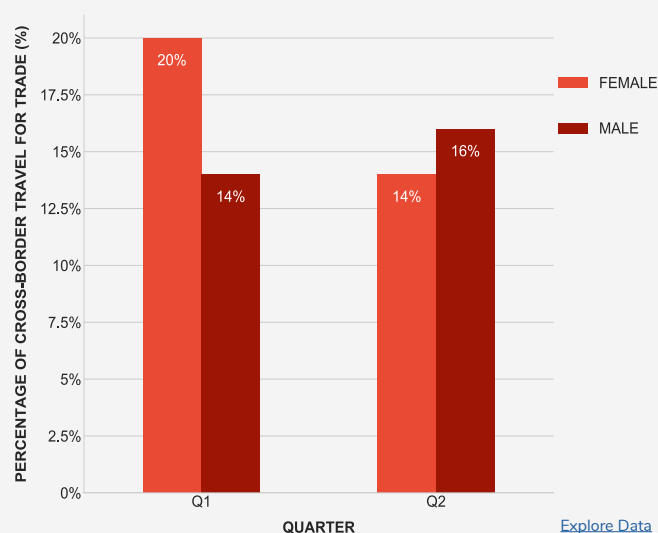
TRADE DESTINATIONS FOR UGANDAN TRADERS IN Q1/Q2 2022
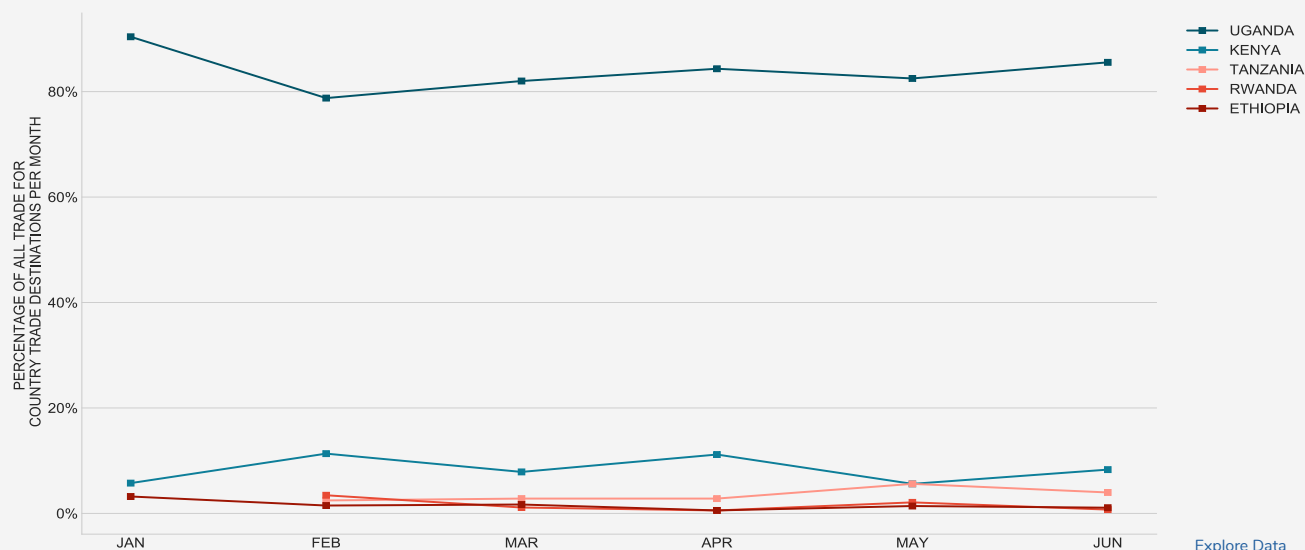
Explore Data

Most Ugandan traders in Q1 and Q2 2022 traded in domestic markets, with an average of 83.9%. The second most popular trade destination for Ugandan traders in Q1 and Q2 of 2022 was Kenya, with an average of 8.3% of Ugandan traders buying and selling goods in Kenyan markets.

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

Compared to the previous quarter, South Sudan saw the largest decrease (-1.5pp) in regional trading activities from Ugandan traders (1.0pp), followed by Ethiopia (-1.1pp), Rwanda (-0.7pp), and Kenya (-0.1). In contrast, cross-border trading in Tanzania (+2.1pp) and Somalia (+0.8pp) increased slightly over this time period. Cross-border trading increased by 1.2pp for male traders and decreased by 5.6pp for female traders between Q1 and Q2 of 2022.

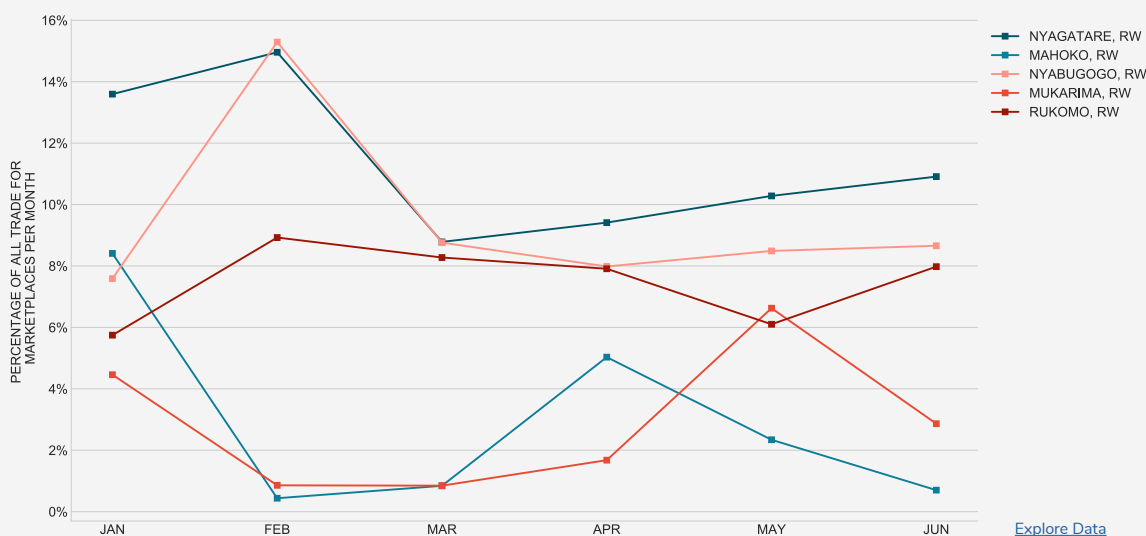## CROSS-BORDER TRADING FROM UGANDA IN Q1/Q2 2022

Explore Data

Explore Data

MARKET ACTIVITIES OF KENYAN TRADERS IN Q1/Q2 2022

Legend:
- BUSIA, KE
- KAMPALA, UG
- BUNGOMA, KE
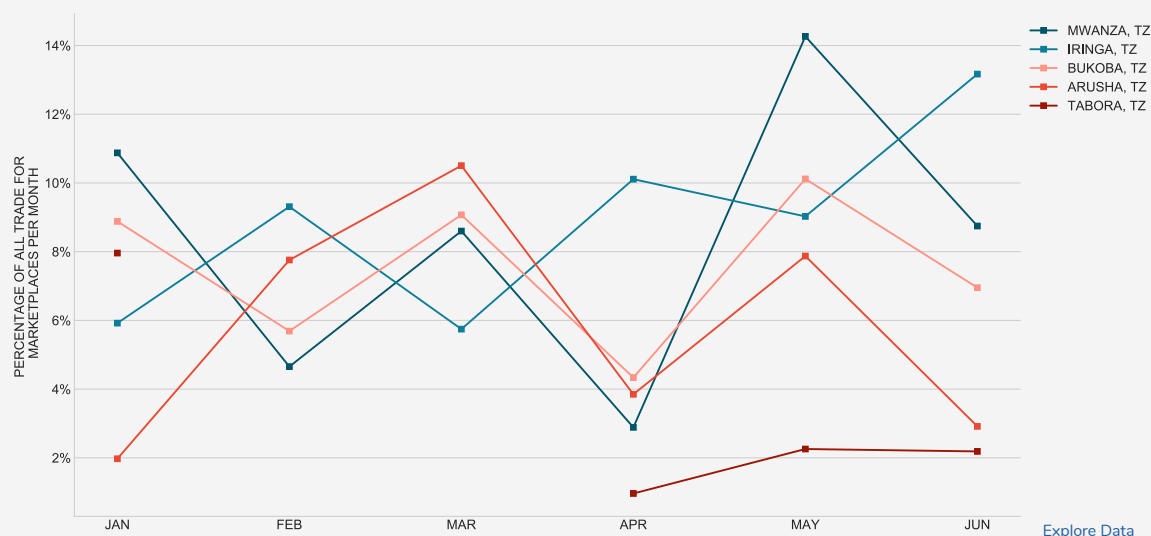- AMUKURA, KE
- KIBUYE, RW
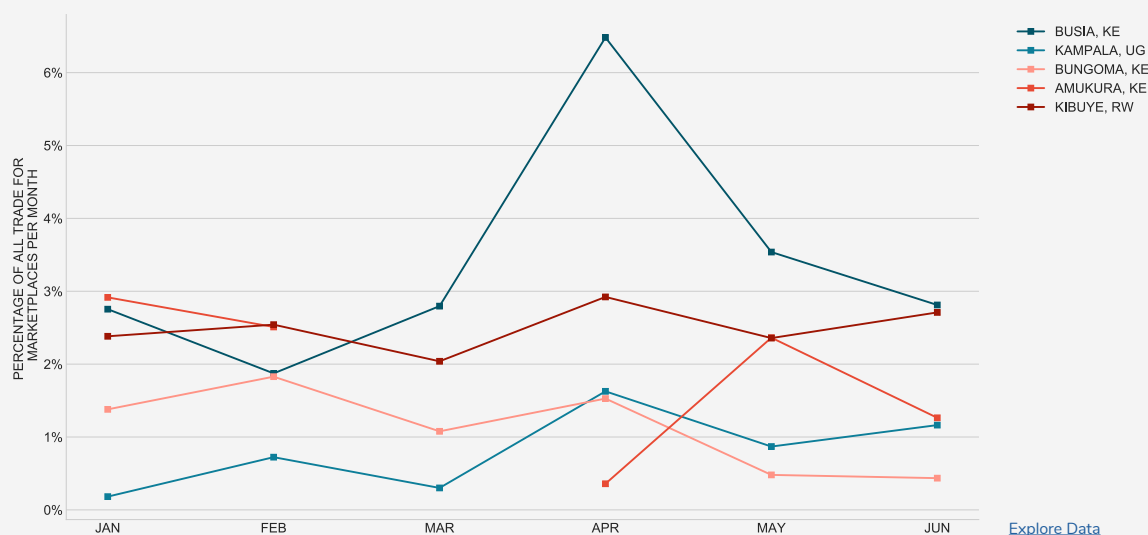
Explore Data

Busia reported the highest Kenyan trader activity, comprising an average of 3.4% of all trade activity over the course of both Q1 and Q2 of 2022. Despite this, after a peak in April (6.5%) Bungoma saw drops (-2.9pp) to 3.5% in May and 2.8% in June (-0.7pp). The highest Rwandan trader activity in Q1 and Q2 of 2022 was in Nyagatare at an average of 11.3%. This was followed by Nyabugogo, with an average of 9.5% of Rwandan trade activity. Despite a peak in trading activities in Nyabugogo(15.3%)and Nyagatare (14.9%) in February, both markets experienced a decline in trade activities in subsequent months.

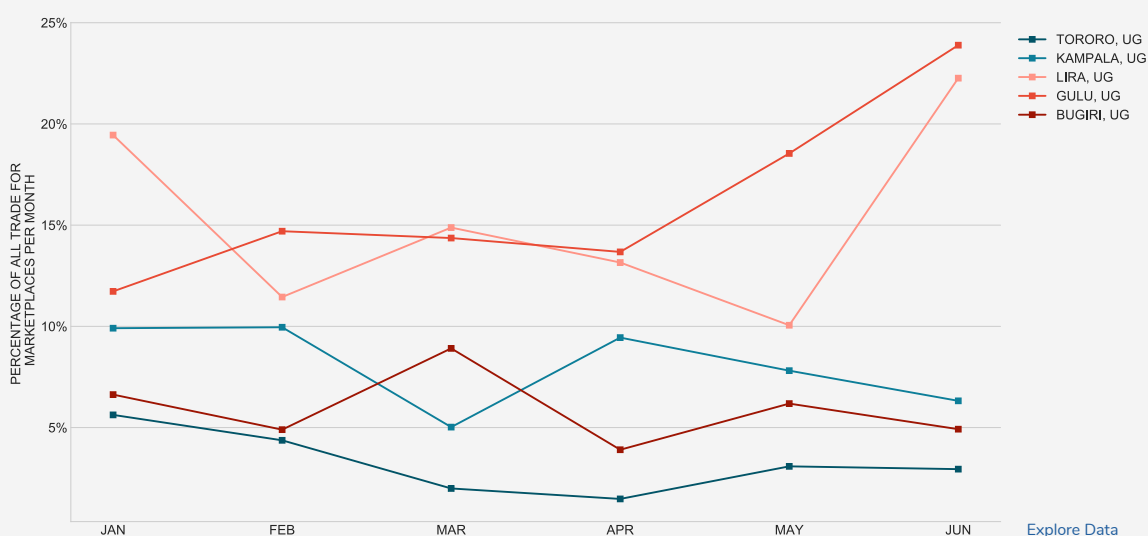## MARKET ACTIVITIES OF RWANDAN TRADERS IN Q1/Q2 2022

Legend:
- NYAGATARE, RW
- MAHOKO, RW
- NYABUGOGO, RW
- MUKARIMA, RW
- RUKOMO, RW

Explore Data

MARKET ACTIVITIES OF TANZANIAN TRADERS IN Q1/Q2 2022

Legend: MWANZA, TZ · IRINGA, TZ · BUKOBA, TZ · ARUSHA, TZ · TABORA, TZ

Y-axis: PERCENTAGE OF ALL TRADE FOR MARKETPLACES PER MONTH

X-axis: JAN, FEB, MAR, APR, MAY, JUN

Explore Data

Iringa had the highest Tanzanian trader activity in Q1 and Q2 of 2022 (avg. 8.9%). This was followed by Mwanza, with an average of 8.3% of Tanzanian trade activity. Between Q1 and Q2 of 2022, Tanzanian trade activity stayed highly volatile.

The highest Ugandan trader activity in Q1 and Q2 of 2022 (16.2% avg.) was seen in Gulu. Lira was the next most popular market for Ugandan traders in Q1 and Q2 of 2022 (avg. 15.2%). Tororo (-1.5pp) experienced a decrease in trade activity from Q1 and Q2 2022.
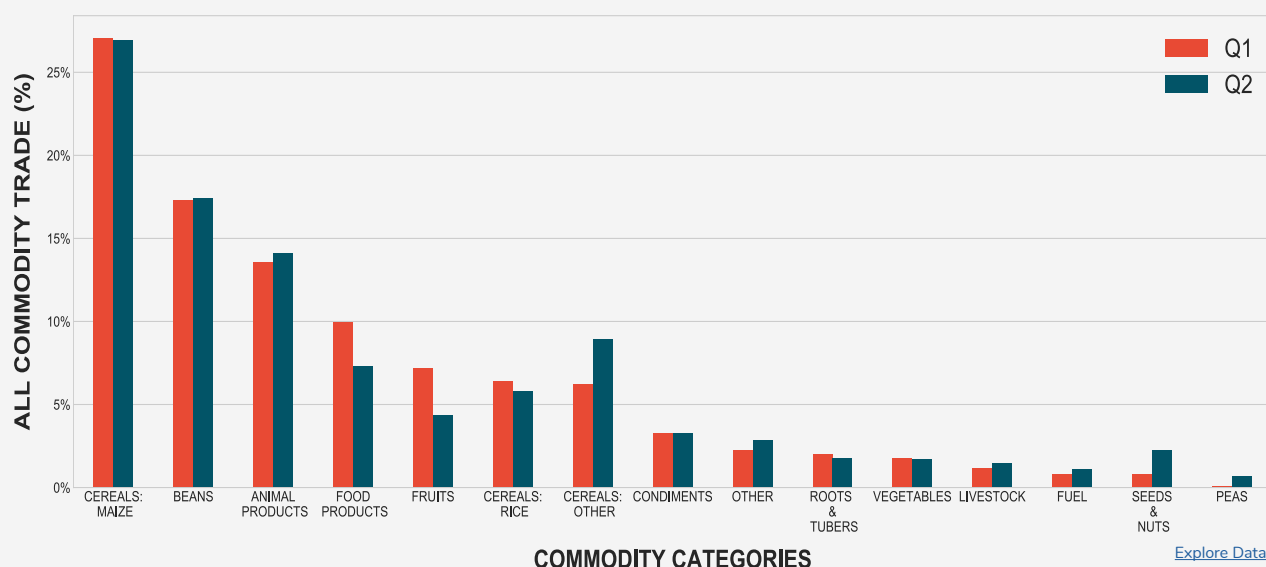
MARKET ACTIVITIES OF UGANDAN TRADERS IN Q4 2021/Q1 2022

Legend: TORORO, UG · KAMPALA, UG · LIRA, UG · GULU, UG · BUGIRI, UG

Y-axis: PERCENTAGE OF ALL TRADE FOR MARKETPLACES PER MONTH

X-axis: JAN, FEB, MAR, APR, MAY, JUN

Explore Data

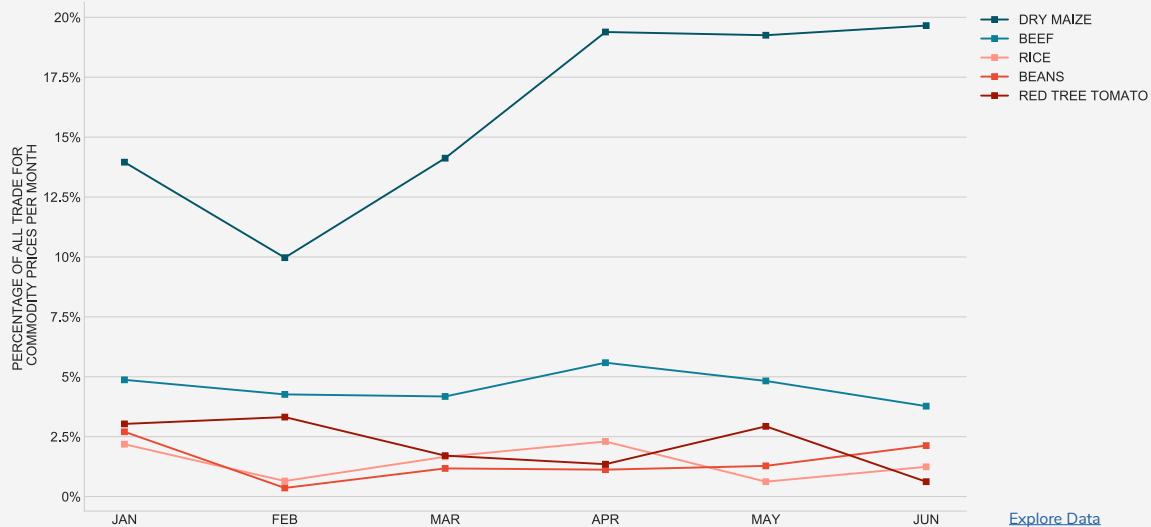## COMMODITY CATEGORIES TRADED BY WOMEN TRADERS IN Q1/Q2 2022

Explore Data

The most popular commodity categories for women traders in East Africa, were maize cereals (26.9%), beans (17.4%), and animal products (14.1%) in Q2. Between Q1 and Q2 price requests for other cereals (+2.7pp) and seeds & nuts (+1.4pp) by women traders increased.

In contrast, the top three traded commodities for male traders were maize cereals (17.6%), animal products (13.8%) and fruits (13.2%) in Q2. Between Q1 and Q2, the trade of animal products (+3.5pp) and vegetables (+2.8pp) by male traders saw an increase, while trade in fruits decreased by 4.4pp.

COMMODITY CATEGORIES TRADED BY MALE TRADERS IN Q1/Q2 2022
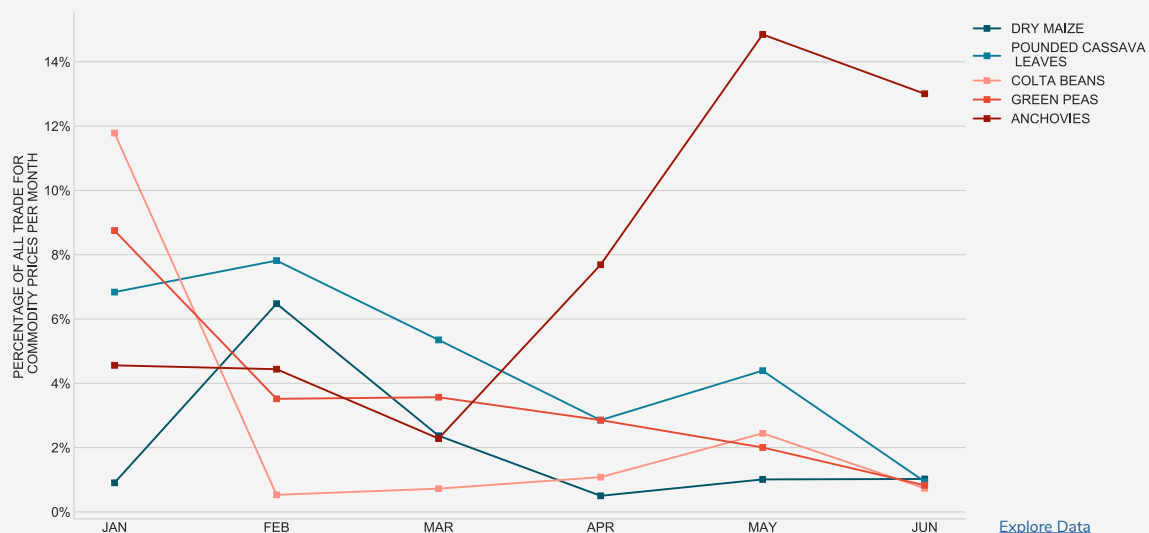

Explore Data
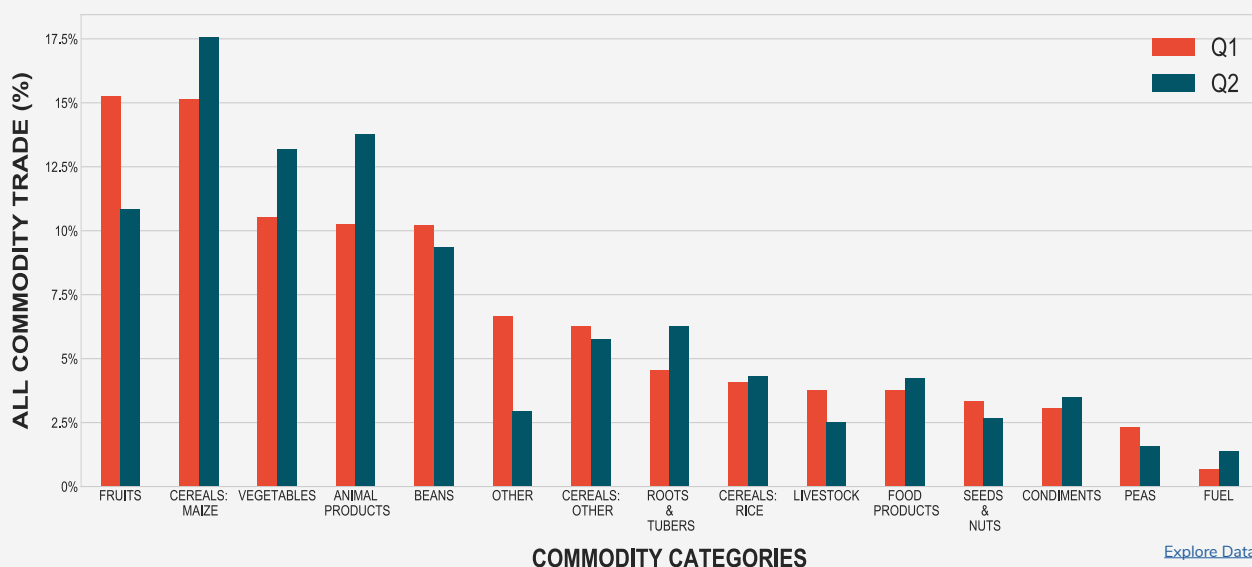
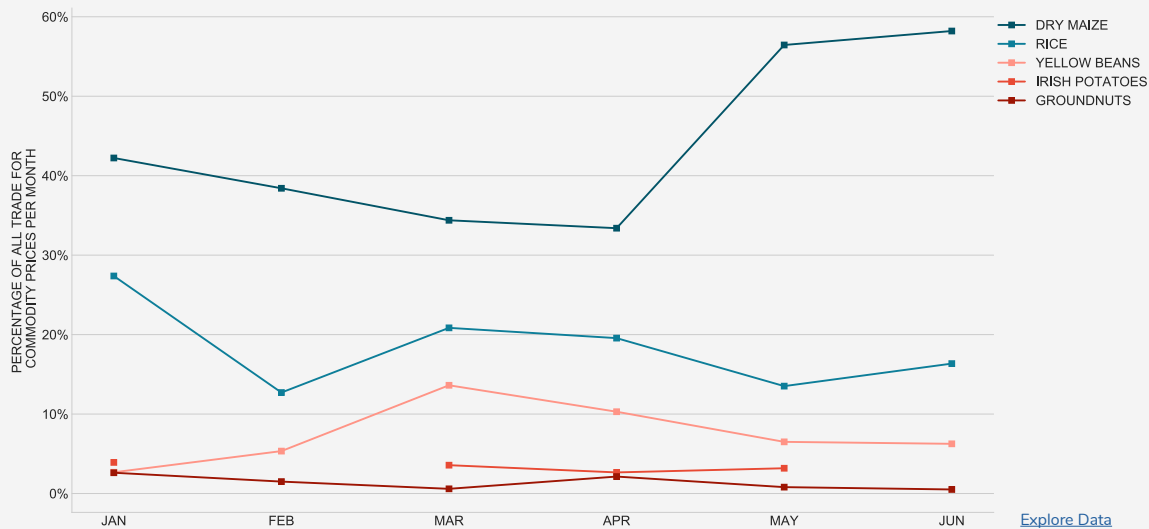## CHANGE OF COMMODITIES TRADED IN KENYA IN Q1/Q2 2022

The most popular commodity for Kenyan traders in Q1 and Q2 2022 was dry maize (16.1% avg.), which peaked in June at 19.7%. Trade in the top category commodities in Kenya declined from Q1 to Q2 with the exception of dry maize (+6.7pp).

Anchovies (7.8% avg.) was the most popular commodity in Rwanda between Q1 and Q2 of 2022, with a peak in May at 14.8%. The demand for pounded cassava leaves (-3.9pp) and dry maize (-2.4pp) decreased slightly between Q1 and Q2.

## CHANGE OF COMMODITIES TRADED IN RWANDA IN Q1/Q2 2022

CHANGE OF COMMODITIES TRADED IN TANZANIA IN Q1/Q2 2022

The most popular commodity for Tanzanian traders during Q1/Q2 2022 was dry maize (43.8% avg.), peaking in June at 58.2%. The second most popular commodity for Tanzanian traders was rice (18.4% avg.). Yellow beans (-0.5pp) were more popular during Q1 in comparison to Q2.

The most popular commodity for Ugandan traders during Q4/Q1 was dry maize (26.7% avg.), which performed higher in Q1 (+7.7pp). Soya beans was the second most popular commodity (13.5% avg.) for Ugandan traders. Soya beans peaked in June with 32.9%.

CHANGE OF COMMODITIES TRADED IN UGANDA IN Q1/Q2 2022
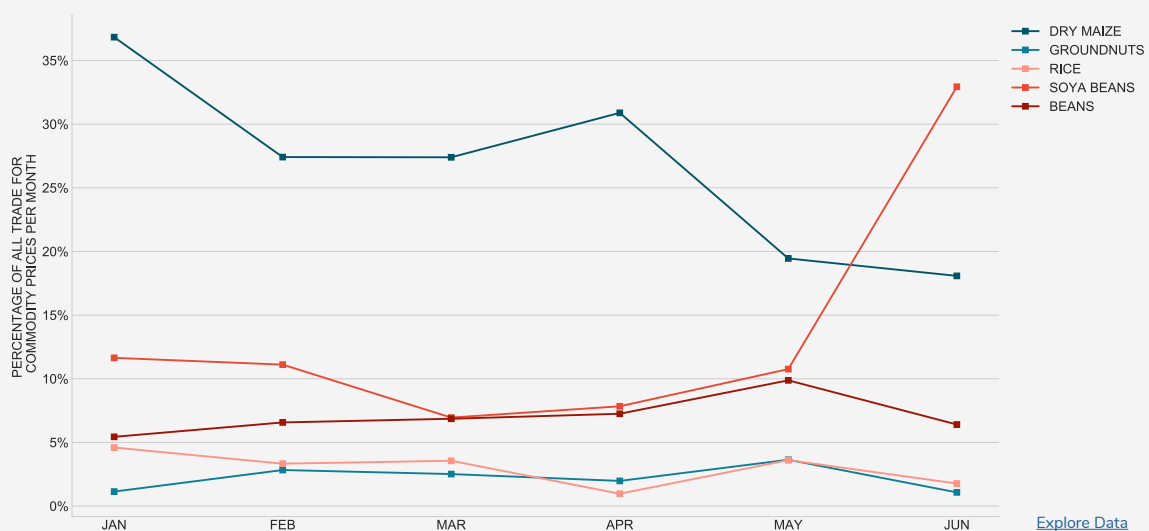
TECHNICAL DETAILS
DATA SAMPLES

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.

Throughout this report, we identify "cross-border" trade as all trade destinations other than the origin country of the trader. In a small percentage of cases, this may include countries that do not border the trader's origin country. For instance, we consider trade to Somalia by a Rwandan as cross-border trade.

SUMMARY OF FINDINGS

Most Popular Commodities in East Africa, by Categories Q1/Q2 2022 | Sample: 3,388 users - Explore Data

Most Popular Trade Destinations for Kenyan Traders | Sample: 2,542 users - Explore Data

Most Popular Trade Destinations for Rwandan Traders | Sample: 101 users - Explore Data

Most Popular Trade Destinations for Tanzanian Traders | Sample: 276 users - Explore Data

Most Popular Trade Destinations for Ugandan Traders | Sample: 469 users - Explore Data

Market Locations Change in Trade Activity in Q1/Q2 2022 | Kenyan Sample: 1,763 users, Rwandan Sample: 77 users, Tanzanian Sample: 225 users, Ugandan Sample: 339 users - Explore Data

CROSS-BORDER TRADE MOVEMENT

Trade Destinations for Kenyan Traders in Q1/Q2 2022 | Sample: 2,542 users - Explore Data

Cross-Border Trading from Kenya in 2019, 2020, 2021 & 2022 | Sample: 11,898 users - Explore Data

Cross-Border Trading from Kenya in Q1/Q2 2022 | Women Sample: 413 users, Male Sample: 566 users - Explore Data

Trade Destinations for Rwandan Traders in Q1/Q2 2022 | Sample: 101 users - Explore Data

Cross-Border Trading from Rwanda in 2019, 2020, 2021 & 2022 | Sample: 2,165 users - Explore Data
Explore Data

Trade Destinations for Tanzanian Traders in Q1/Q2 2022 | Sample: 276 users - Explore Data

Trade Destinations for Ugandan Traders in Q1/Q2 2022 | Sample: 469 users - Explore Data

Cross-Border Trading from Uganda in Q1/Q2 2022 | Women Sample: 413 users, Male Sample: 566 users - Explore Data

Market Activities of Kenyan Traders in Q1/Q2 2022 | Sample: 1,763 users - Explore Data

Market Activities of Rwandan Traders in Q1/Q2 2022 | Sample: 77 users - Explore Data

Market Activities of Tanzanian Traders in Q1/Q2 2022 | Sample: 225 users - Explore Data

Market Activities of Ugandan Traders in Q1/Q2 2022 | Sample: 339 users - Explore Data

TECHNICAL DETAILS
DATA SAMPLES

TRADED COMMODITIES

Commodity Categories Traded by Women Traders in Q1/Q2 2022 | Sample: 1,257 users - Explore Data

Commodity Categories Traded by Male Traders in Q1/Q2 2022 | Sample: 1,900 users - Explore Data

Change of Commodities Traded in Kenya in Q1/Q2 2022 | Sample: 1,886 users - Explore Data

Change of Commodities Traded in Rwanda in Q1/Q2 2022 | Sample: 79 users - Explore Data

Change of Commodities Traded in Tanzania in Q1/Q2 2022 | Sample: 250 users - Explore Data

Change of Commodities Traded in Uganda in Q1/Q2 2022 | Sample: 398 users - Explore Data

KENYA	**RWANDA**	**TANZANIA**	**UGANDA**
Dial *716#	Dial *801*35#	Dial *149*46*1#	Dial *284*111#

Sauti.

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.