

SAUTI TRADE INSIGHTS COVID-19 BULLETIN

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

MARCH 2021

Sauti.

SAUTI TRADE INSIGHTS

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In this report, we continue to monitor the impact of the COVID-19 pandemic on East Africa's micro and small enterprise traders. In our Q1/Q2 report for 2020 we observed the initial impacts of the pandemic in the significant decline of traders' cross-border trading.

While government regulations have eased in some East African countries, many are still taking precautions against the spread of the COVID-19 virus. At the same time, in Q3/Q4 of 2020, traders are likely to have modified their business behaviours in response to these measures.

This COVID-19 bulletin presents the Q3/Q4 behavioural and user data from the network of Sauti East Africa's trade and market information platforms. Our mobile information platforms allow traders to access trade and market information through SMS, USSD, and Whatsapp. Notably for researchers and development practitioners, user interactions with our platforms provides us with unique insight into the demographics and business behaviour of traders in the East African community.

In the Q3/Q4 bulletin we also complement our Kenyan and Rwandan data with data from Sauti's Tanzanian platforms. In this report, we find that cross-border trading in Rwanda and Kenya in Q3/Q4 was still lower in comparison to previous years. However, there were signs of recovery as cross-border trade slowly increased throughout the year for Rwandans traders in Q3 and Tanzanian traders in Q4.

In the Q1/Q2 2020 report we noted that female Kenyan traders were impacted particularly hard in terms of reductions in cross-border trading. This report indicates signs of recovery for these traders in Q3/Q4. There was also an increase in the trading of animal products and livestock across East Africa for both female and male traders in Q3/Q4 2020.

The vaccine rollout is becoming more of a reality in many countries. While we are hopeful for this year and the next to bring the end of the COVID-19 pandemic,

a full recovery is likely to be long and heterogeneous across East Africa. Throughout East Africa's recovery, we will continue to use our unique perspective and disaggregated data to inform interventions and research that can help alleviate the pandemic's disruption to traders' in the region.

LANCE HADLEY

Chief Technology Officer

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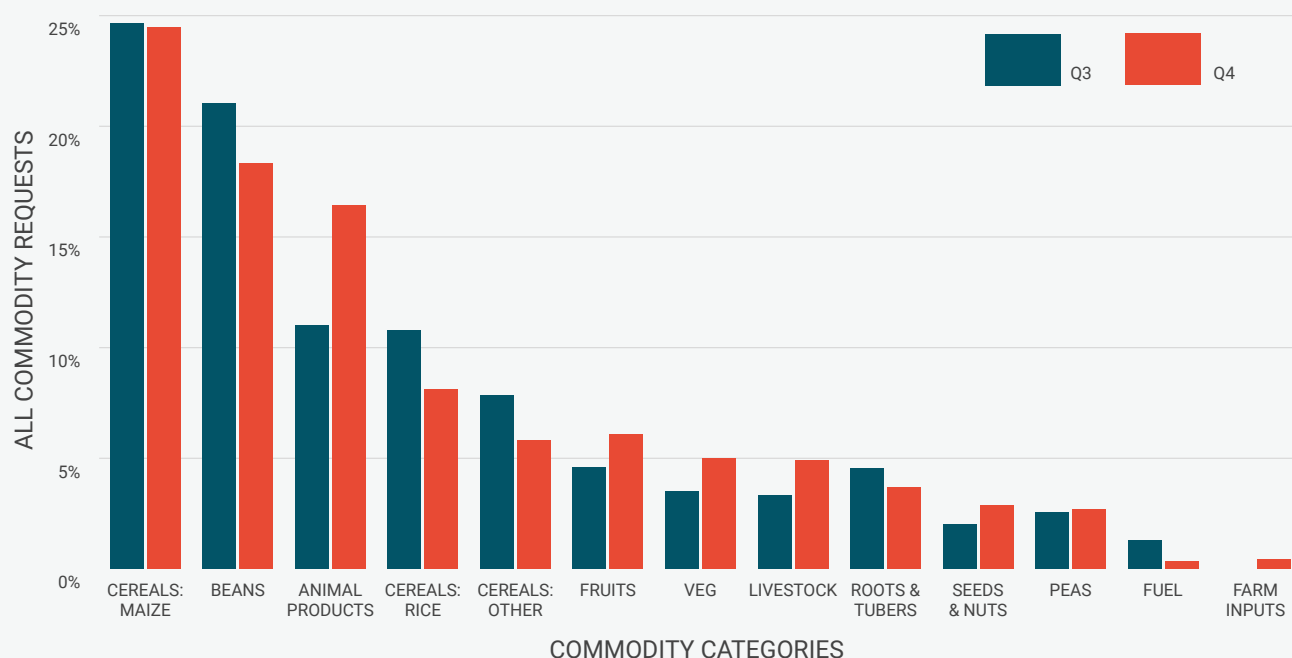
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SUMMARY OF FINDINGS

Q3/Q4 2020 AT A GLANCE

MOST POPULAR COMMODITIES IN EAST AFRICA, BY CATEGORIES Q3/Q4 2020

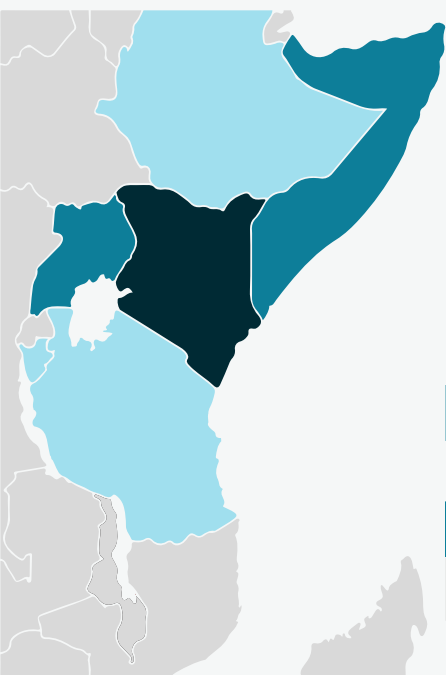


The most popular commodity categories of both Q3 and Q4 of 2020 were cereals: maize (avg. 24.7%), followed by beans (avg. 20%).

Beans were traded 3 percentage points (pp) less in Q4 than in Q3, experiencing the most notable drop in trade between the quarters. All cereal products (avg. -2pp), roots and

tubers (-1pp), and fuel (-1pp) were traded less in Q4 than in Q3.

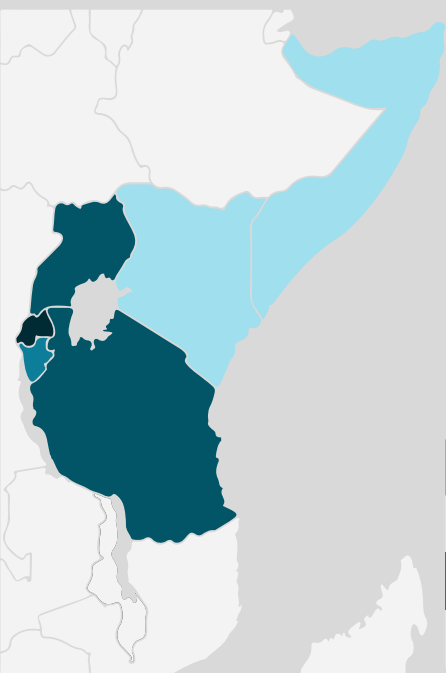
The commodity categories with the greatest positive change in trade levels from Q3 to Q4 were animal products and livestock, which were traded 5pp and 2pp more in Q4, respectively.



MOST POPULAR TRADE DESTINATIONS FOR KENYAN TRADERS

The majority of Kenyan traders have kept their business within the borders of Kenya during Q3/Q4 2020, with the next most popular trade destination being in Somalia, followed by Uganda. However, there are 30pp less Kenyan traders buying and selling in Uganda compared to the same time period in 2019.

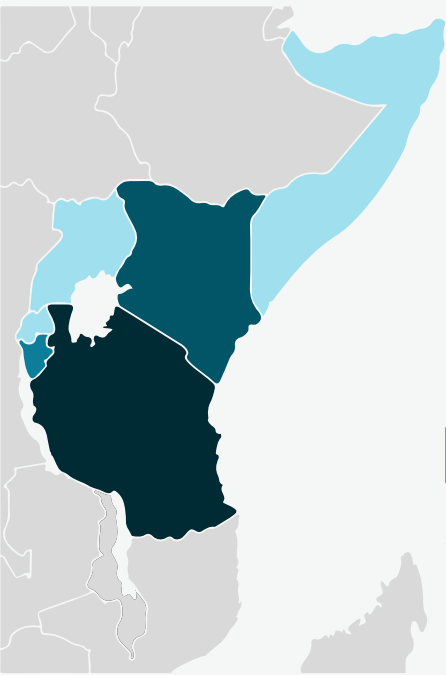
KENYA	SOMALIA	UGANDA	TANZANIA	ETHIOPIA	BURUNDI
71.1%	10.2%	8.1%	2.9%	2.9%	2.8%
CHANGE IN TRADE DESTINATIONS FROM Q3/Q4 OF 2019 AND 2020					
↗ +22pp	↗ +10pp	↘ -30pp	↘ -3pp	↗ +3pp	↗ +1pp



MOST POPULAR TRADE DESTINATIONS FOR RWANDAN TRADERS

A large majority of Rwandan traders have kept their business within the borders of Rwanda during Q3/Q4 2020. Uganda and Tanzania are the next most popular trade destinations with 7.3% and 6.3% of Rwandan traders buying and selling goods in each of these cross-border countries, respectively. While Rwandan traders buying and selling in Rwanda has increased by 15pp from the same time period in 2019, it has dropped in Uganda, Burundi, and Kenya.

RWANDA	UGANDA	TANZANIA	BURUNDI	KENYA	SOMALIA
73.8%	7.3%	6.3%	5.3%	4.0%	3.8%
CHANGE IN TRADE DESTINATIONS FROM Q3/Q4 OF 2019 AND 2020					
↗ +15pp	↘ -4pp	↗ +4pp	↘ -2pp	↘ -3pp	↗ +4pp



MOST POPULAR TRADE DESTINATIONS FOR TANZANIAN TRADERS

The majority (79%) of Tanzanian traders have kept their business within the borders of Tanzania during Q3/Q4 2020, with the next most popular trade destination being in Kenya (9.3%), followed by Burundi (6.4%).



TANZANIA	KENYA	BURUNDI	UGANDA	RWANDA	SOMALIA
79%	9.3%	6.4%	2.7%	2.1%	0.5%



MARKET LOCATIONS

CHANGE IN TRADE ACTIVITY IN
2020 FROM Q3 to Q4


LEGEND

- Percentage point (pp)
 positive change Q4 compared to Q3 2020
 Percentage point (pp)
 negative change Q4 compared to Q3 2020



KITALE, KE

 -2.60pp Kenyan traders



BUGIRI, UG

 -1.17pp Kenyan traders
 +0.30pp Rwandan traders




BUSIA, KE

 +8.37pp Kenyan traders
 +0.78pp Tanzanian traders




KABALE, UG

 +0.08pp Kenyan traders
 +0.60pp Rwandan traders



NAIROBI, KE

 +6.01pp Kenyan traders
 -0.71pp Rwandan traders
 +3.66pp Tanzanian traders




BASE, RW

 +0.22pp Kenyan traders
 -2.20pp Rwandan traders
 +0.39pp Tanzanian traders




BUSASAMANA, RW

 -0.14pp Kenyan traders
 +0.79pp Rwandan traders

ARUSHA, TZ

 +0.69pp Kenyan traders
 +0.60pp Rwandan traders
 -3.80pp Tanzanian traders

DAR ES SALAAM, TZ

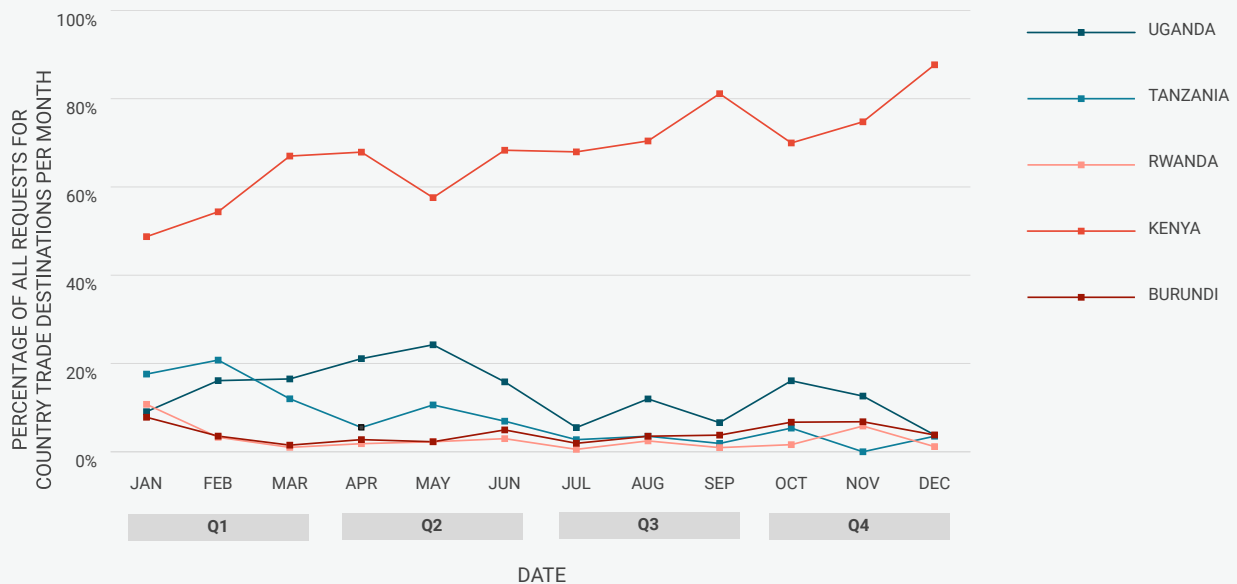
 -2.71pp Kenyan traders
 -0.25pp Rwandan traders
 -13.16pp Tanzanian traders

IMPACT OF COVID-19 PANDEMIC

CROSS-BORDER TRADE MOVEMENT



TRADE DESTINATIONS FOR KENYAN TRADERS IN 2020

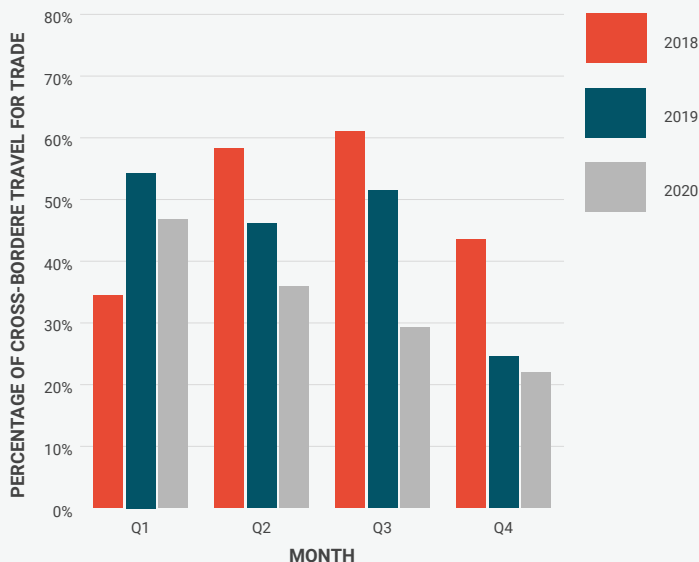


The most popular market destination for Kenyan traders in 2020 was Kenya. Trade levels increased from Q3 to Q4 in both Uganda and Burundi by 3pp. Overall there was less cross-border trade in Q4 than Q3 as a result of low trading to Malawi, Somalia, and Ethiopia, making up less than 1% of total

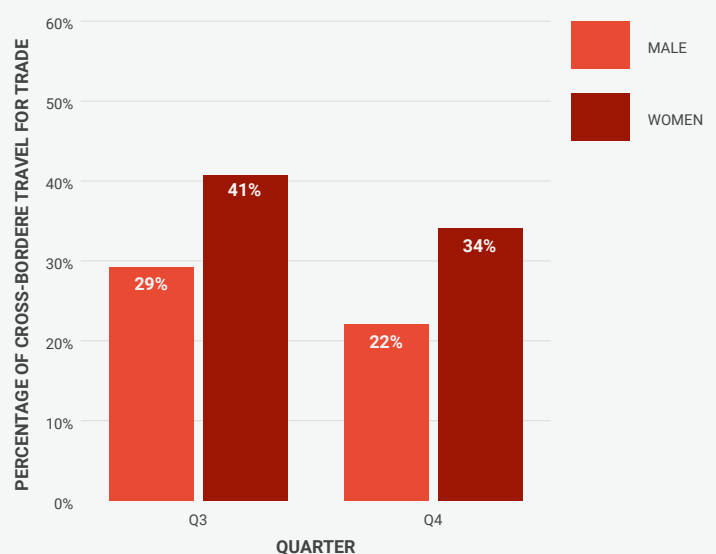
trade in Q4 (not shown on the chart above). This is reiterated in the second bar chart showing significantly lower cross-border trade levels in 2020 than in previous years.

Both male and women traders reduced their total cross-border trading from Q3 to Q4.

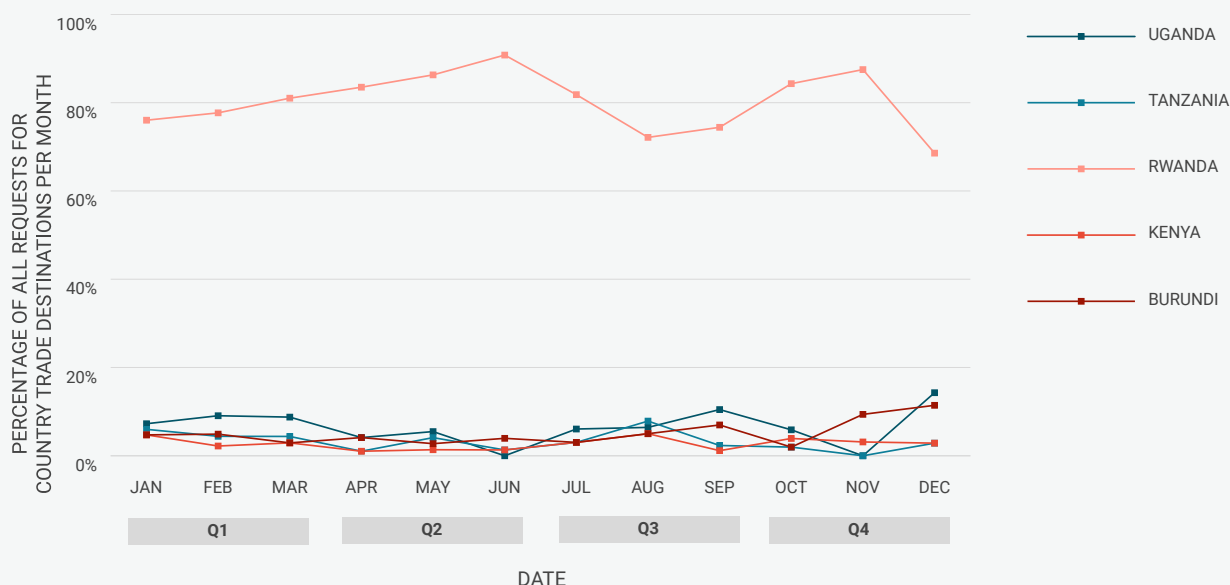
CROSS-BORDER TRADING FROM KENYA 2018, 2019 & 2020



CROSS-BORDER TRADING FROM KENYA IN Q3/Q4 OF 2020



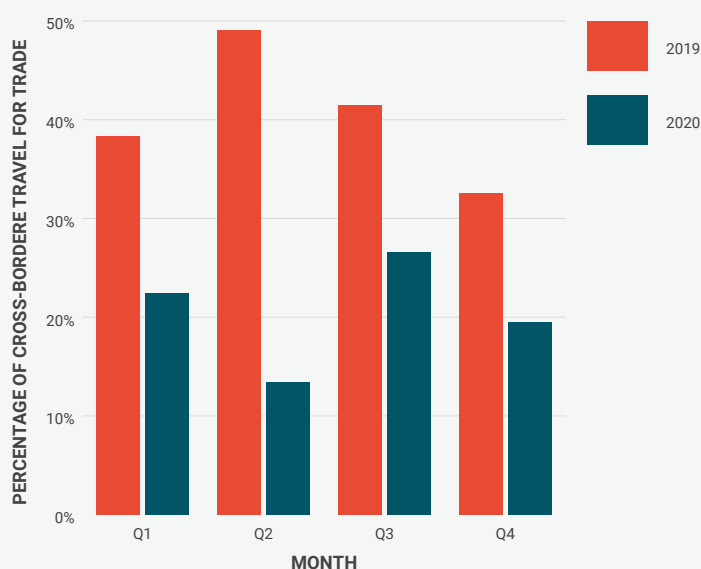
TRADE DESTINATIONS FOR RWANDAN TRADERS IN 2020



The most popular market destinations for Rwandan traders in 2020 were located in Rwanda. Trade destinations in Rwanda increased by 6pp for Rwandan traders from Q3 to Q4. Cross-border trading was low

throughout the year, with trade destinations in Tanzania decreasing by 3pp from Q3 to Q4. However, over the same time period, trade levels from Rwandan traders in Burundi increased by 3pp.

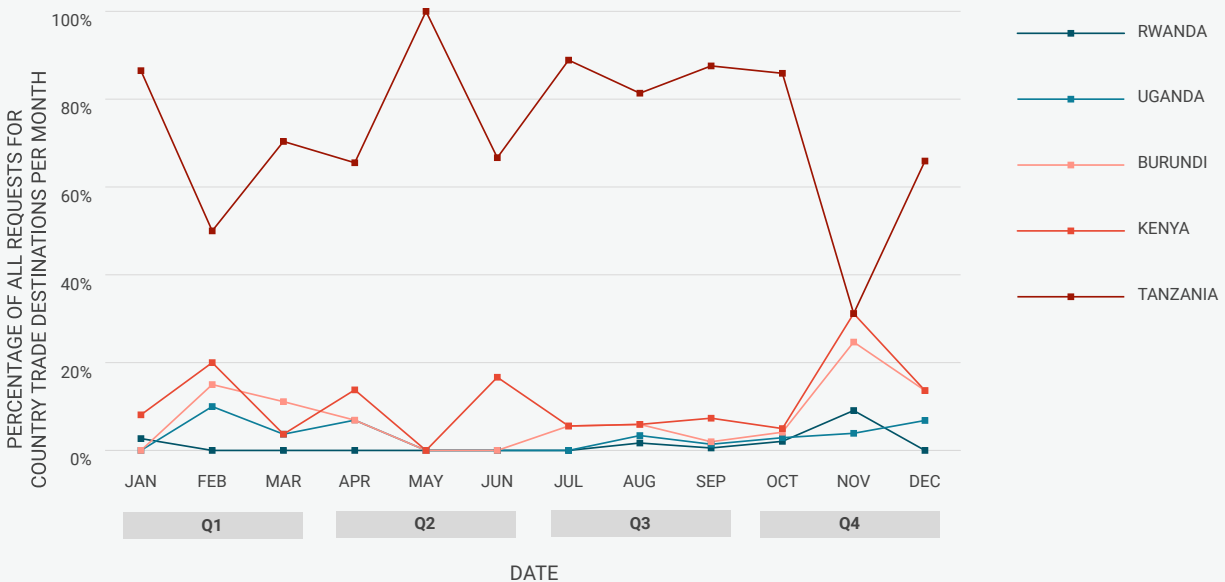
CROSS-BORDER TRADING FROM RWANDA IN 2019 & 2020



Cross-border trading from Rwandan traders was significantly lower in 2020 than in 2019. The largest difference was in Q2 where cross-border trading in 2020 was 36pp less than in 2019.

While cross-border trading levels did recover slightly in Q3 of 2020 (+13pp), overall cross-border marketplaces made up 20% of all trade destinations for Rwandan traders in 2020. This is 20pp less than the cross-border trading average from 2019.

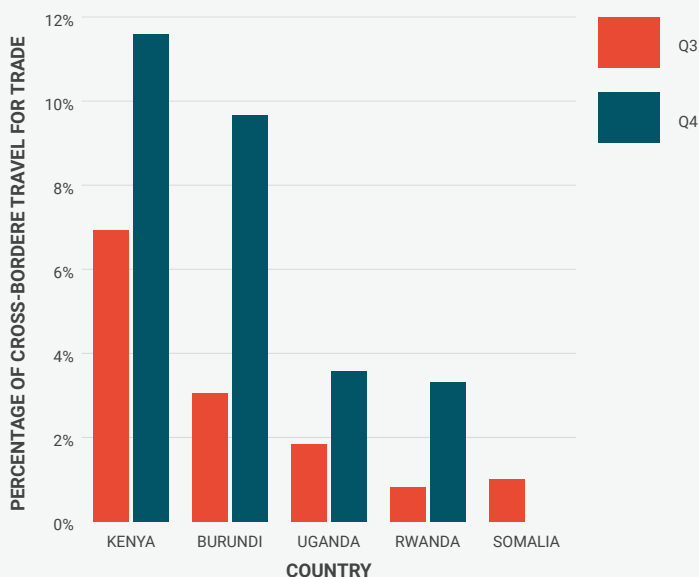
TRADE DESTINATIONS FOR TANZANIAN TRADERS IN 2020



The most popular market destinations for Tanzanian traders in 2020 were located in Tanzania. However, trade destinations within Tanzania decreased by 14pp for Tanzanian traders from Q3 to Q4.

Cross-border trading accounted for less than 20% of trade from Tanzanian traders for most of 2020 until Q4. In November, trade in Burundi and Kenya increased by 21pp and 26pp, respectively.

CROSS-BORDER TRADING FROM TANZANIA IN 2020

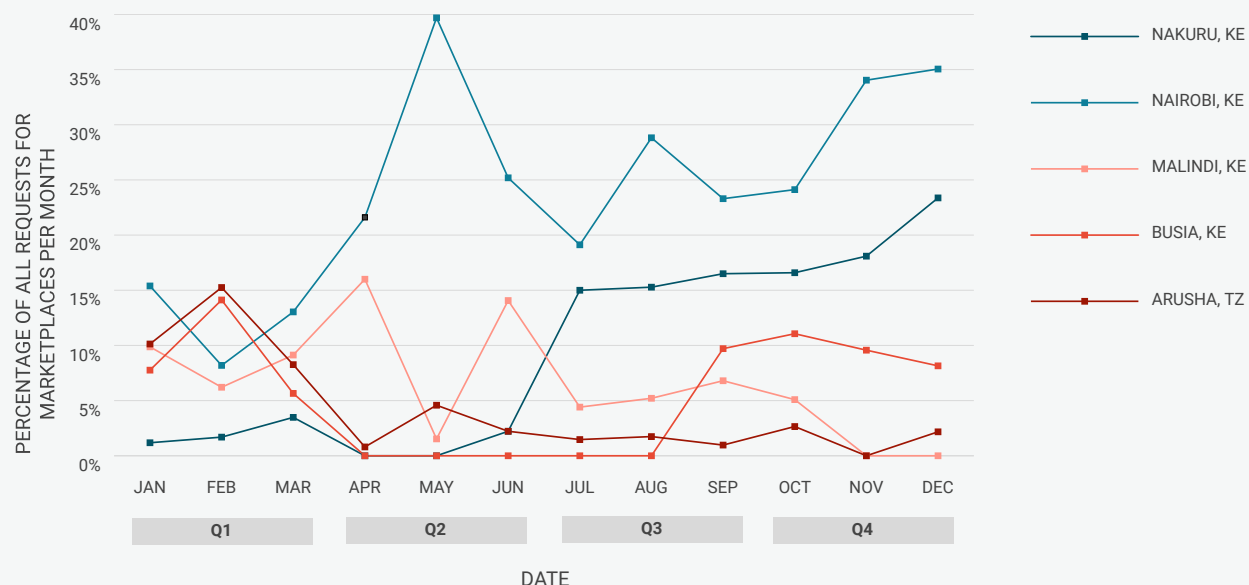


Cross-border trading from Tanzanian traders was significantly higher in Q4 of 2020 than in Q3 of 2020.

Other than Somalia, where trading destinations for Tanzanian traders decreased by 1pp between these quarters, trade to Kenya (+5pp), Burundi (+7pp), Uganda (+2pp) and Rwanda (+2pp) increased.

Overall, cross-border trading made up an average of 14% of all trade from Tanzanian traders in Q3, and 28% in Q4.

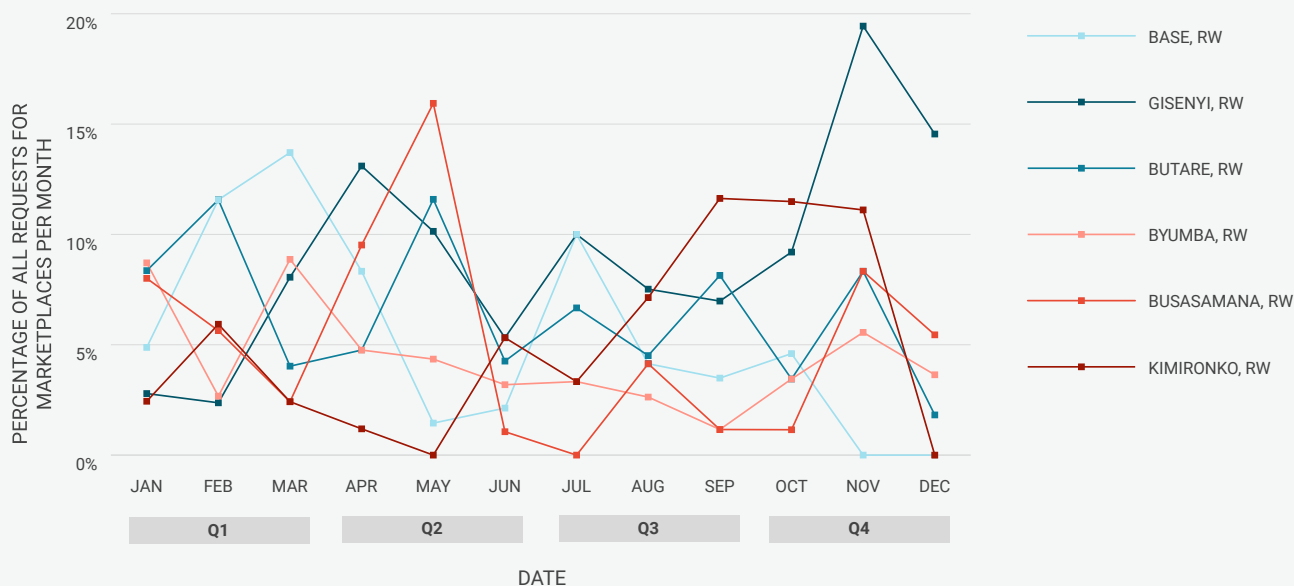
MARKET ACTIVITIES OF KENYAN TRADERS IN 2020



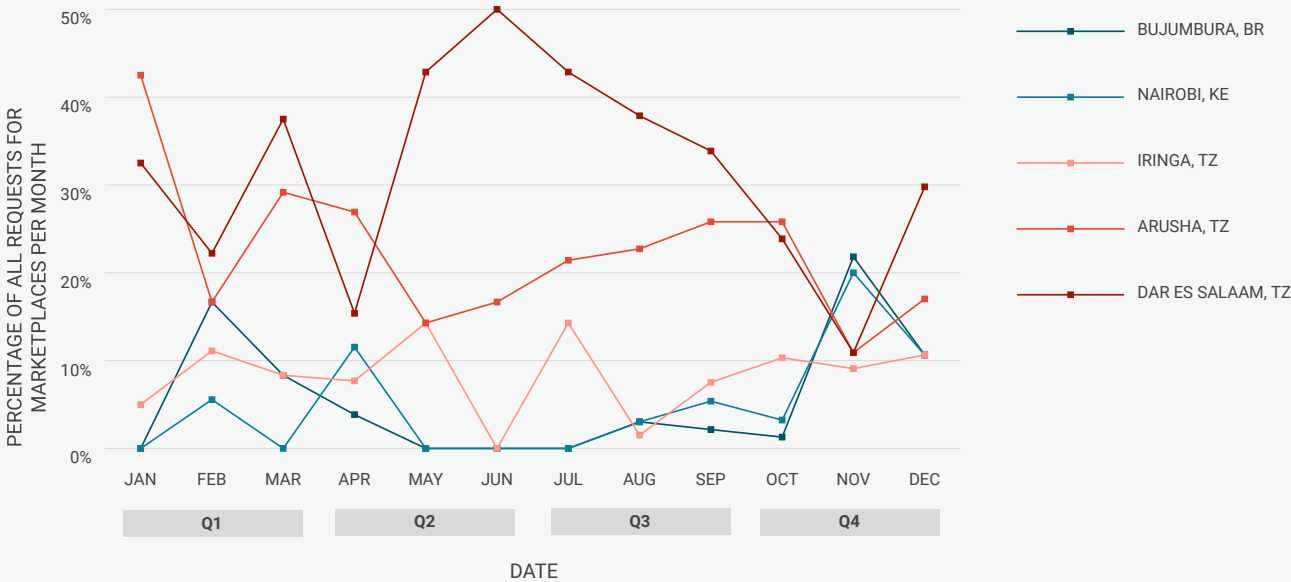
Nairobi had the highest Kenyan trader activity in 2020, comprising 24% of all trade activity over this year. While Kenyan trade activity in Nakuru had the highest recovery from the first half of 2020 to the second half (+16pp), trade in Arusha (-5pp), and Malindi (-5pp) decreased over the same time period.

For Rwandan traders, market activity was more volatile throughout 2020. Rwandan trade activity increased from the first half of the year to the second half in Gisenyi (+4pp) and Kimironko (+5pp), but decreased in all other markets shown by an average of 3pp over the same time period.

MARKET ACTIVITIES OF RWANDAN TRADERS IN 2020



MARKET ACTIVITIES OF TANZANIAN TRADERS IN 2020



Dar es Salaam had the highest Tanzanian trader activity in 2020, comprising 32% (avg.) of trade activity for Tanzanian traders this year, followed by Arusha with 22% of trade activity. While Tanzanian markets such as Dar es Salaam, Arusha and Iringa, experienced

the most trade activity at the beginning of Q3, by Q4 trade activity to cross-border markets had slightly recovered. In particular, trade activity was highest in Nairobi (20%), and Bujumbura (22%) in November.

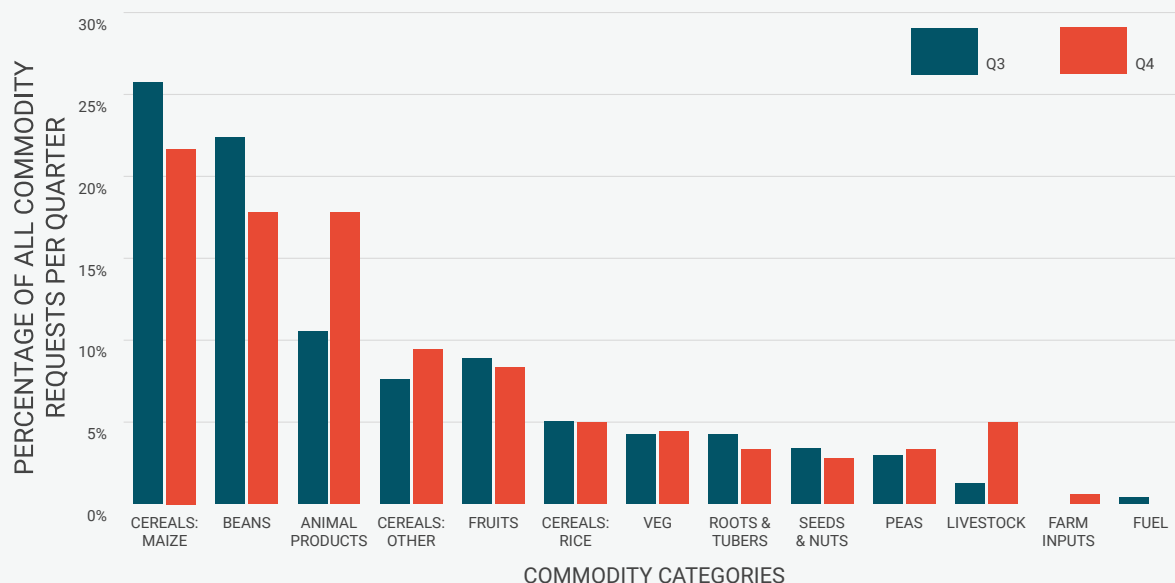


IMPACT OF COVID-19 PANDEMIC

TRADED COMMODITIES



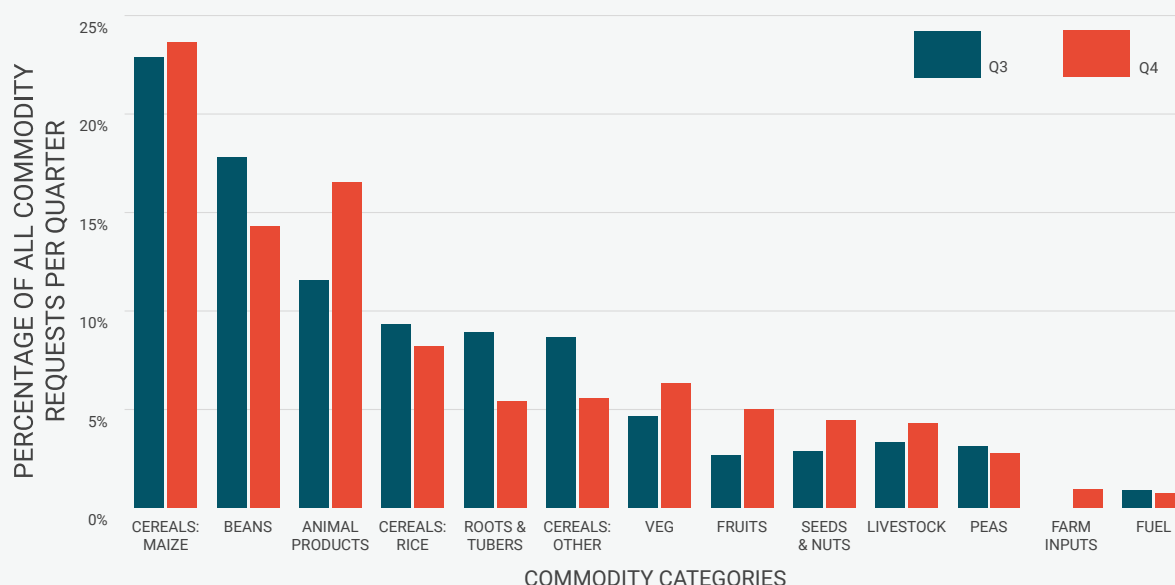
COMMODITY CATEGORIES REQUESTED BY WOMEN TRADERS IN 2020



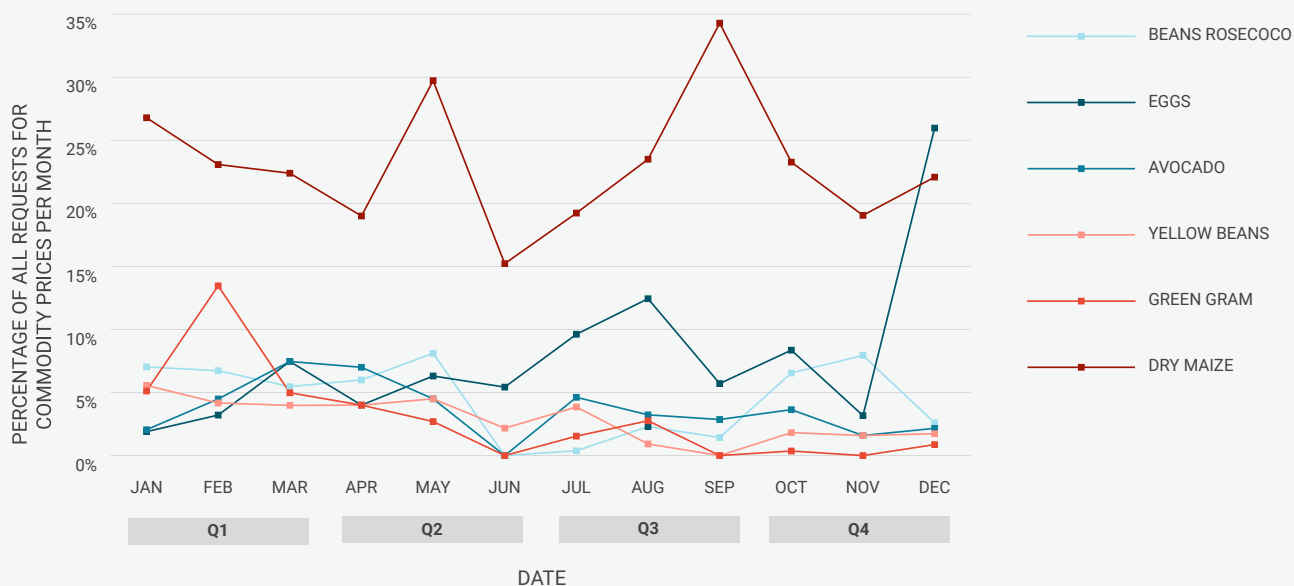
For women traders in East Africa, the most popular commodity categories were maize cereals (26%) and beans (22%) in Q3. In Q4, however, trade in animal products increased by 7pp, making it as popular as bean trading in Q4 (18%). Trade in maize cereals (23%)

and beans (18%) were also the top traded commodities for male traders in Q3. Similarly, trade in animal products increased by 5pp from Q3 to Q4. Trade in fruits (+2pp) and vegetables (+2pp) also increased from Q3 to Q4 for male traders.

COMMODITY CATEGORIES REQUESTED BY MALE TRADERS IN 2020



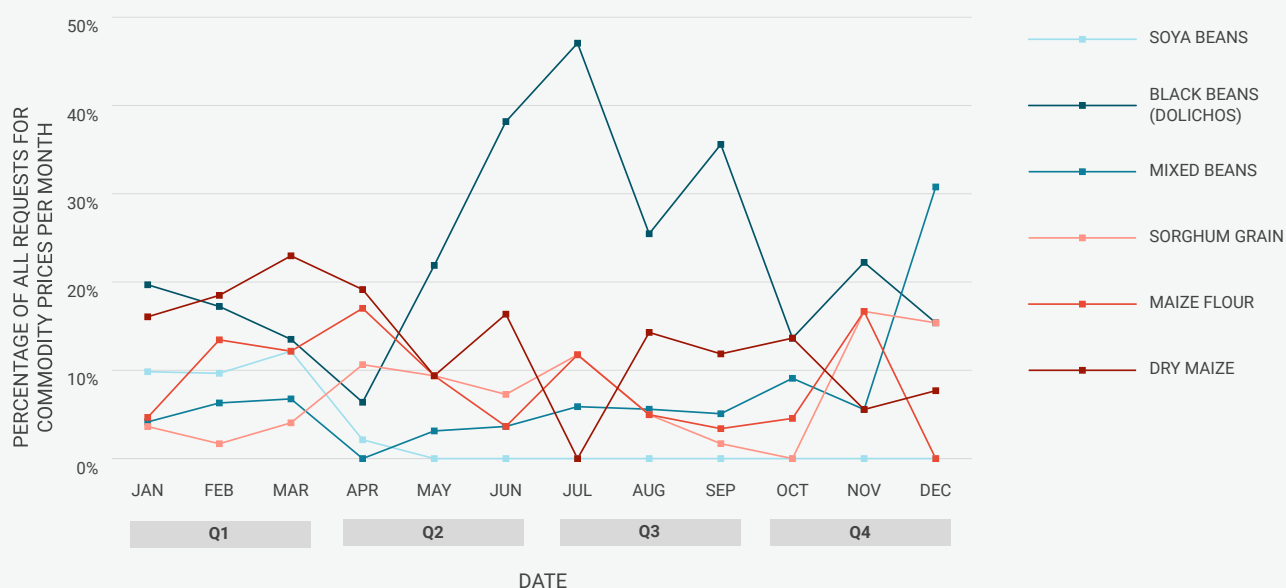
CHANGE OF COMMODITIES REQUESTED IN KENYA IN 2020



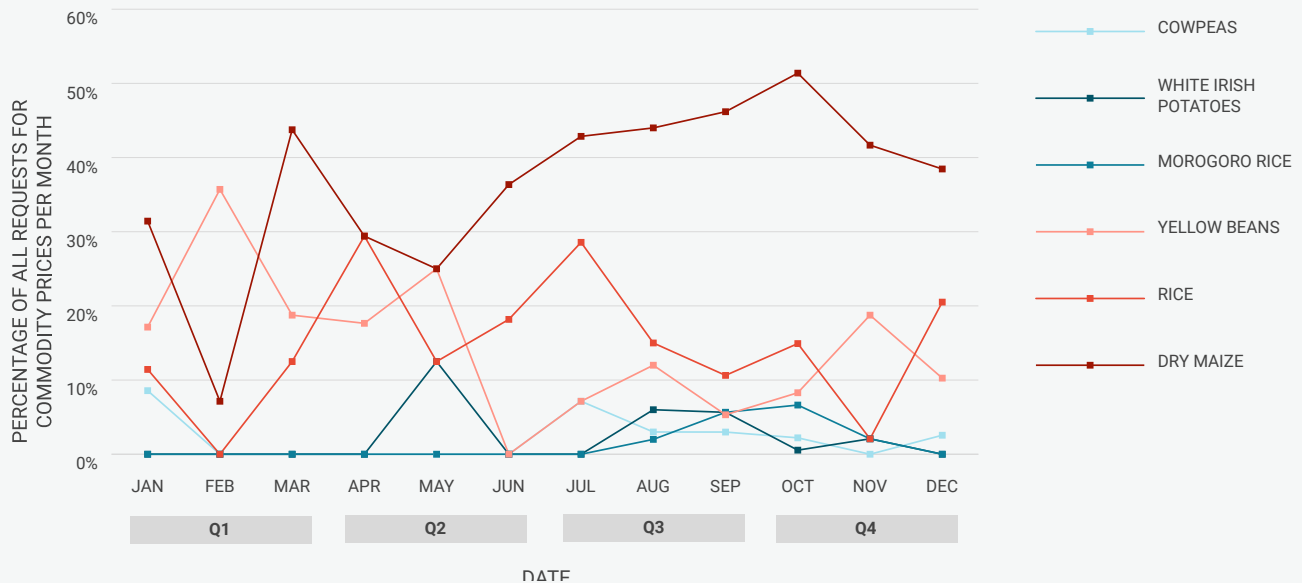
The most popular commodity for Kenyan traders over 2020 was dry maize (avg. 23%), peaking in September at 34%. Excluding dry maize (+1pp), and eggs (+6pp), all other top commodities were traded less in the second half of 2020 than in the first half.

The most popular commodity for Rwandan traders was black beans (avg. 23%). While black beans (+7pp), and mixed beans (+6pp) were traded more in the second half of the year, trade in dry maize (-8pp), and maize flour (-6pp) decreased over this time period.

CHANGE OF COMMODITIES REQUESTED IN RWANDA IN 2020



CHANGE OF COMMODITIES REQUESTED IN TANZANIA IN 2020



The most popular commodity for Tanzanian traders over 2020 was dry maize (avg. 23%), peaking in October at 51%. Other than dry maize, requests for other commodities was quite volatile over 2020. Yellow beans was the only commodity which was less popular

in the second half of the year, compared to the first half, decreasing by 9pp over this time. Dry maize had the largest increase between year halves for Tanzanian traders, from 29% of all commodity price requests to 44%.



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.

SUMMARY OF FINDINGS

Most Popular Commodities in East Africa, by Categories Q3/Q4 2020 | Sample: 3,527 sessions | [Source](#)

Most Popular Trade Destinations for Kenyan Traders | Sample: 2,908 sessions | [Source](#)

Most Popular Trade Destinations for Rwandan Traders | Sample: 2,957 sessions | [Source](#)

Most Popular Trade Destinations for Tanzanian Traders | Sample: 852 sessions | [Source](#)

Market Locations Change in Trade Activity in 2020 from Q3 to Q4 | Kenyan Sample: 1,645 sessions, Rwandan Sample: 560 sessions, Tanzanian Sample: 523 sessions | [Kenyan Source](#), [Rwandan Source](#), [Tanzanian Source](#)

CROSS-BORDER TRADE MOVEMENT

Trade Destinations for Kenyan Traders in 2020 | Sample: 3,196 sessions | [Source](#)

Cross-Border Trading from Kenya in 2018, 2019 & 2020 | Sample: 8,237 sessions | [Source](#)

Cross-Border Trading from Kenya in Q3/Q4 of 2020 | Women Sample: 302 sessions, Male Sample: 1,572 sessions | [Women Source](#), [Male Source](#)

Trade Destinations for Rwandan Traders in 2020 | Sample: 1,625 sessions | [Source](#)

Cross-Border Trading from Rwanda in 2019 & 2020 | Sample: 4,314 sessions | [Source](#)

Trade Destinations for Tanzanian Traders in 2020 | Sample: 987 sessions | [Source](#)

Cross-Border Trading from Tanzania in 2020 | Sample: 852 sessions | [Source](#)

Market Activities of Kenyan Traders in 2020 | Sample: 3,380 sessions | [Source](#)

Market Activities of Rwandan Traders in 2020 | Sample: 1,555 sessions | [Source](#)

Market Activities of Tanzanian Traders in 2020 | Sample: 644 sessions | [Source](#)

TRADED COMMODITIES

Commodity Categories Requested by Women Traders in 2020 | Sample: 417 | [Source](#)

Commodity Categories Requested by Male Traders in 2020 | Sample: 988 | [Source](#)

Change of Commodities Requested in Kenya in 2020 | Sample: 2,615 sessions | [Source](#)

Change of Commodities Requested in Rwanda in 2020 | Sample: 929 sessions | [Source](#)

Change of Commodities Requested in Tanzania in 2020 | Sample: 784 sessions | [Source](#)

KENYA
Dial *716#

RWANDA
Dial *801*35#

TANZANIA
Dial *149*46*1#

UGANDA
Dial *284*111#

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