

POLICY BRIEF 03

Regional Trade and Economic Integration

This brief assesses regional trade corridor competition in the Horn of Africa and recommends priorities for regulatory harmonisation.

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The Issue

Growing competition between regional trade corridors offers economic opportunity but risks fragmenting regulatory standards.

Background

Investment in ports at Berbera, Djibouti and Mombasa has intensified competition for transit trade serving landlocked neighbours.

Analysis

Regulatory harmonisation, customs efficiency and transparent tariff structures are shown to matter more for corridor competitiveness than infrastructure investment alone.

Policy Options

- Pursue regional customs harmonisation agreements.
- Establish joint transport corridor authorities where feasible.

Recommendations

- Prioritise regulatory alignment alongside continued infrastructure investment.
- Increase transparency in tariff and customs procedures.

Conclusion

Sustained economic integration will depend on complementing infrastructure investment with credible regulatory reform.