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Mr. Kabanda has experience in both private and public sectors. Prior to joining Global Communities-Rwanda he had been working as a freelance consultant for around a year and three months providing socio-economic research expertise, from proposal writing through data correction tools design and data collection to consultancy report writing, on a number of studies awarded to different consulting companies that include the Resources Management and Policy Analysis Institute (REMPAI-Kenya), the Inclusive Business and Consultancy (IB&C-Rwanda) and others. In addition, before joining the Msc program he had been working in Rwanda for around three years in areas related to human resources management and public procurement operations management, monitoring and audit.

**Thesis Title**

**AN ASSESSMENT OF TRADE EFFECTS OF THE EAST  
AFRICAN COMMUNITY CUSTOMS UNION ON  
AGRICULTURAL TRADE**

### **Thesis Abstract**

This thesis investigates the trade effects of the East African Community Customs Union (EAC CU) on agricultural trade, focusing on some of the products classified as sensitive, namely, maize, rice, sugar and wheat. Secondary data on EAC member countries' imports, gross domestic product (GDP), population and purchasing power parity (PPP) of both importing and exporting countries covering the period between the year 2005 and 2011 as well as data on distance between major cities in trading countries and borders between countries were obtained from different sources. A single commodity gravity model was estimated using the Ordinary Least Squares (OLS) to examine the determinants of import flows of those products in the region as well as the trade effects of the EAC Customs Union on their trade. The relevance of the intra-EAC trade in the total EAC import was also analyzed using descriptive statistics. The results show that the intra-EAC import in those products represented a very small proportion of the region's total import, for they were found to be on average 0.5, 26, 3.4 and 5.5 percents for wheat, maize, sugar and rice respectively. Further, the results of the gravity model showed that variables such as GDP, population, PPP, distance, common border and membership in EAC were important determinants of import flows in the region but the magnitude and signs of their coefficients as well as their level of significance were product and period specific. The coefficient for the variable EACM (import of member from non member) for both wheat and rice was negative and statistically significant (-6.255 in 2009-2011 for wheat, -7.391 in 2005-2011 and -5.20 in 2009-2011 for rice), suggesting that the EAC CU had gross trade diverting effects on both products.

The study recommends that the EAC as a bloc and individual governments of the member countries should promote policies that aim at eliminating physical and other non tariff barriers and hindrances to trade in the region and more specifically remove products such as wheat and rice from the list of sensitive commodities.

**Key words: Customs Union, Agricultural Trade, Trade Diversion, Maize, Wheat, Rice, Sugar, East African Community**