

MARKUP II

EU-EAC Market Access Upgrade Programme Phase II

July 18, 2024

MARKUP II Newsletter - No. 3, 2024

Dear readers,

We are pleased to present the third edition of the EU-EAC MARKUP II newsletter. Here is a quick look at our efforts to promote exports and investment through addressing trade barriers, value addition, quality compliance, trade facilitation and technology transfer in the EAC recipient countries.

We would also be always happy to hear from you via [email](#), [Twitter](#) and [Facebook](#)!





Ambassadors from East Africa briefed on EU-EAC MARKUP II

Ambassadors and representatives from the Permanent Missions of Burundi, Kenya, and Uganda to the United Nations Office and other international organizations in Geneva, visited the ITC Headquarters and met with the Deputy Executive Director, Ms Dorothy Tembo.

ITC work on enhancing sustainable and inclusive intra-African trade, pan-African trade, and promoting trade with the European Union (EU) in the East African Community (EAC) was presented to the Ambassadors.

A highlight of the presentation was various milestones achieved under the EU-EAC MARKUP II programme, which is in full swing of its implementation activities.

EATLW

EAST AFRICA TEXTILE & LEATHER WEEK

Unleashing the Power of Fashion,
Sustainability, and Innovation

23 - 25 May 2024
Sarit Expo Centre



MARKUP II supported companies shine at the East Africa Textile and Leather Week

The 3rd edition of the East Africa Textile and Leather Week (EATLW) 2024 concluded with remarkable success, drawing in 2,150 visitors from over 30 countries over the course of three days at the Sarit Expo Centre in Nairobi.

This premier event showcased the best in the textile, leather, and fashion industries across East Africa, and provided an invaluable platform for networking, innovation, and sustainable development. The opening ceremony in May was led by Dr. Juma Mukhwana, Principal Secretary for the State Department of Industry, Ministry of Investments, Trade, and Industry.

A significant highlight of the event was the participation of over 100 exhibitors from over 30 countries, including 11 exhibitors from Kenya, Rwanda, South Sudan, and Tanzania.

ITC facilitated discussions with Business Support Organizations on regional value chains, providing opportunities for advancing regional collaboration and improving the overall competitiveness of the leather sector in the EAC.



In focus: The EAC Leather Strategy

At the East Africa Textile and Leather Week, ITC through EU-EAC MARKUP II also organized a round table meeting to examine the progress of implementing the EAC Leather and Leather Products Strategy in each country and explore options to enhance coordination at both national and regional levels.

Despite the potential, the EAC leather industry faces significant hurdles. Export volumes from the region remain limited, and the industry is currently experiencing a slowdown. However, discussions at EATLW emphasized that the opportunities for growth lie in leveraging regional collaborations, investing in technology and innovation, and enhancing value addition jointly.

Several key areas were identified as critical for the sector's advancement:

- **Quality and quantity issues:** Developing and enforcing common quality standards and grading systems for raw hides and skins is essential. Harmonized grading can lead to price premiums and improve marketability.
- **Modernization and technology:** Modernizing existing facilities with advanced technology and waste management systems will increase efficiency and sustainability. This includes encouraging regional and cross-border investments in tanneries and processing capacity.
- **Industrial hubs and clusters:** Developing industrial leather hubs and clusters can enhance the industry's infrastructure and foster innovation. This restructuring aims to reduce fragmentation and improve linkages among stakeholders.
- **Eliminating trade barriers:** Based on the EAC common market protocol, eliminating non-tariff barriers that hinder trade, including various levies, will streamline processes and encourage intra-regional trade.

The event facilitated discussions on regional opportunities, emphasizing the benefits of intra-regional cooperation and trade. The strategic framework outlined in the EAC leather strategy served as a foundation for these discussions, highlighting the potential benefits of harmonized efforts.

East Africa Textile and Leather Week



11 exhibitors from Kenya, Rwanda South Sudan and Tanzania participated in the EATLW with support from the European Union funded EU-EAC Market Access Upgrade Programme Phase II (EU-EAC MARKUP II) implemented by the International Trade Centre (ITC) in collaboration with the EAC Secretariat and national partners in the recipient countries.

[Watch the video](#)



Seminar on European Union's Deforestation Regulation (EUDR)

With deforestation identified as a critical global challenge with significant implications for the environment, society, and the economy, the new EU Deforestation-free Regulation (EUDR) entered into force on 29 June 2023.

The EUDR will be applicable from 30 December 2024 which makes keeping pace with the changing regulatory landscape imperative.

Therefore, on the sidelines of the East Africa Textile and Leather Week, a seminar on European Union's Deforestation Regulation (EUDR) covering the key requirements of the legislation, the themes of traceability, and sustainability, and ways to trade with Europe in the leather sector was held.

MARKUP programme in its second phase is organizing a series of seminars to equip East African MSMEs in coffee, cocoa, and leather for compliance with the EUDR.

The EU is an important market for Kenya as over 40% of the country's coffee is exported to it. Another seminar focusing on preparing to comply with the key requirements of the legislation related to the coffee sector was also held. More than 70 participants with key stakes in Kenya's coffee industry attended the hybrid event.

The regulation seeks to significantly mitigate the repercussions of deforestation and forest degradation.

EUDR is also a key element of the EU Green Deal, a set of proposals and regulations to make Europe the first climate-neutral continent by 2050.

Considering the far-reaching impact on global deforestation, the EUDR aims to play a pivotal role in curbing deforestation, greenhouse gas emissions, and global biodiversity loss.



Empowering Tanzanian businesses through ITC Market Analysis Tools

Three-day workshop on ITC Market Analysis Tools: Trade Map and Market Access Map was held in Mwanza, Tanzania.

33 participants - 8 women and 25 men, representing both the public and private sectors, included representatives from the Ministry of Agriculture, the Ministry of Industry and Trade, TANTRADE, Institute of Rural Development Planning, University of Dar es Salaam, the Ministry of Trade and Industrial Development of Zanzibar, consulting firms, micro-, small-, and medium-sized enterprises, among others.

The workshop provided valuable insights and practical training, with interactive sessions on using the ITC Market Analysis Tools, offering hands-on experience in interpreting trade data.

The tailored training modules addressed specific sector needs, enabling participants to directly apply the tools to their industries and understand how market intelligence can inform strategic decision-making.

Building upon the successful foundation of MARKUP phase I, which benefited over 250 companies across Tanzania, this workshop represents a key step in expanding the network of certified trainers and fostering robust trade advocacy under EU-EAC MARKUP II.

Through this workshop, participants sharing the vision of leveraging trade market information and advancing economic growth in Tanzania were provided with the necessary tools and knowledge to enhance their market analysis capabilities.



Identifying the ins and outs of agriculture value chain financing in Kenya

A roundtable examining various aspects of agriculture value chain financing in Kenya with a focus on coffee, leather and packaging sectors was held in Nairobi.

27 representatives from a diverse range of institutions including development banks, commercial banks and bankers' associations highlighted the opportunities and challenges in the arena.

Participants emphasized the need for a concrete financing model specific to the Kenyan context and exploring ways to move beyond traditional financing sources and embrace innovative financial instruments. Insurance, cooperative financing models, guarantees, factoring, and leasing were all mentioned as potential avenues for exploration.

Participants also raised the importance of the International Trade Centre's role in supporting institutions to mobilize capital across the entire agriculture value chain and in collecting data that facilitates investment and lending to agribusinesses in Kenya.

MARKUP II Key upcoming events

- **23 – 25 July 2024** – Marketing and branding training - advanced SMEs coffee, Kampala, Uganda
- **26 July 2024** – SME E-commerce training for BSOs, Kampala, Uganda
- **30 July 2024** – SME E-commerce training for BSOs, Kigali, Rwanda
- **7 – 8 August 2024** – Introduction branding training for Spice Producers, Dar es Salaam, Tanzania
- **8 – 9 August 2024** – EUDR compliance workshop for coffee sector in Burundi, Bujumbura
- **14 – 15 August 2024** – Preparatory training course on Coffee Processing theory, Kampala, Uganda
- **22 August 2024** – Financing gateway launch event in Uganda
- **28 August 2024** – Financing gateway launch event in Nairobi, Kenya



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