

# Grain Council calls for sensitisation on rules of origin

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The Eastern Africa Grain Council (EAGC) Rwanda has called for more sensitisation about rules of origin policies between regional blocs to ensure local traders understand them to benefit from the proposed Tripartite Free Trade Area (TFTA). EAGC argues that rules of origin will be essential to foster trade in grains and cereals in the free trade area. Rules of origin help in determining a product's country of origin in international trade.



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The proposed Tripartite Free Trade Area is trade agreement between the Common Market for Eastern and Southern Africa (COMESA), Southern African Development Community (SADC), and East African Community (EAC). If it is implemented next year as planned, it will create the largest free-trade zone in Africa, covering an area from Cape Town to Cairo, with a population of over 600 million people across 26 countries.

## Creating a 'common understanding' of the rules of origin

Epiphanie Karekezi, the EAGC Rwanda market information system officer, said creating a 'common understanding' of the rules of origin between stakeholders in the sector will help spur trade in grains and cereals in the free trade area, as well as help improve quality along the value chain, ensuring better earnings for farmers.

Karekezi, however, said in an interview with The New Times on Wednesday that the country should consider issues like the volume of grains and cereals imported or exported as raw materials, and products made from these raw materials, including flour and bread, to protect local traders and firms and avoid market distortions.

"For instance, industrialists may need to import maize in case there are limited volumes on the Rwandan market. However, as a country we can impose taxes on maize flour imports to avoid unfair competition," she explained. That is why all sector players need to understand how the concept of rules of origin works and how we position ourselves in TFTA to remain competitive, Karekezi added.

Emmanuel Gahutu, the Rwanda Revenue Authority head of tariff, valuation and rules of origin unit, explained that rules of origin help the tax body determine the origin of goods, making it easy for them to apply appropriate taxes, among others. He emphasised the importance of drafting policies that are simple, flexible and transparent, arguing it would ensure easy adoption, which is crucial in trade.

## **Immense business opportunities**

Nathan Gashayija, the director in charge of co-ordination at the Ministry of Trade, Industry and EAC Affairs, said the free trade zone presents Rwandan traders and grain and cereal exporters, in particular, immense business opportunities.

Gashayija said traders will gain from a larger market, noting that challenges associated with overlapping membership to different blocs would be removed.

"The free trade zone will also ensure competitiveness of local products, besides providing the business community an avenue to exploit untapped natural resources, among others," he said.

Of the six EAC countries, only Tanzania belongs to SADC and is the only EAC member that does not subscribe to the COMESA bloc. This means that whereas Tanzanian products can benefit from preferential treatment, including duty free access, Rwanda, Kenya, Uganda, and Burundi cannot benefit from such incentives.

Experts say that is the more reason the free trade zone is a key milestone that could deepen intra-regional and inter-country trade across the 26 states.

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