

## KENYA'S REGIONAL AND INTERNATIONAL TRADE ARRANGEMENTS/TREATIES

Kenya is a member to various regional and international trading blocs. These trading blocs have greatly created opportunities for Kenya's export products including the products from the **Export Processing Zones (EPZ)** companies.

Below is a breakdown of the existing trade arrangements which entails key dates, potential export products, opportunities for EPZ companies, and the specific requirements for exporting to these trading blocs.

<b>Trade Agreement</b>	<b>Trade Block</b>	<b>Date of Entry into Force</b>	<b>Expiry Date</b>	<b>Potential Export Products for EPZ</b>	<b>Opportunities for EPZ Companies</b>	<b>Requirements for Exporting (EPZ Companies)</b>
<b>East African Community (EAC)</b>	EAC (Kenya, Uganda, Tanzania, Rwanda, Burundi, South Sudan, DRC, Somalia)	7 <sup>th</sup> July 2000	Ongoing (EAC Treaty)	- Textiles & Garments, Processed Foods, Agricultural Products, Handicrafts	- Duty-free access within the EAC region. - Harmonized customs and trade standards. - Increased regional market opportunities. - 20% sales to the EAC market	- Rules of origin (especially for EPZ goods). - Compliance with EAC's sanitary and phytosanitary standards. - Product registration and certification.
<b>African Continental Free Trade Area (AfCFTA)</b>	African Union (All African countries except Eritrea)	30 <sup>th</sup> May 2019	Ongoing	- Apparel, Electronics, Furniture, Processed Foods, Textiles, Chemicals	- Access to 1.3 billion people market. - Elimination of tariffs on 90% of goods. - Expanded intra-African trade for EPZ products.	- Rules of origin and product certification. - Registration for AfCFTA benefits. - Compliance with regional product standards.

<b>Common Market for Eastern and Southern Africa (COMESA)</b>	COMESA (19 member states in Eastern & Southern Africa)	1994	Ongoing	- Textiles, Leather Goods, Processed Foods, Industrial Products	- Preferential tariffs for EPZ goods. - Improved market access to 500 million consumers. - Harmonized trade and customs procedures.	- Certificate of origin for products. - Compliance with COMESA trade and product standards. - Harmonized documentation for EPZ exports.
<b>Kenya-EU Economic Partnership Agreement (EPA)</b>	Kenya-EU EPA (EU Countries)	1 <sup>st</sup> July 2024	Ongoing	- Apparel, Textiles, Processed Foods, Horticultural Products, Coffee	- Duty-free, quota-free access for EPZ products. - Enhanced export opportunities for agricultural and textile industries.	- Compliance with EU product standards (e.g., CE Mark, HACCP). - Adherence to EU health and environmental certifications. - Traceability of EPZ goods.
<b>Tripartite Free Trade Area (TFTA)</b>	COMESA, EAC, SADC (Southern Africa Development Community)	25th July 2024	Ongoing	- Textiles, Apparel, Processed Foods, Chemicals	- Access to over 630 million people. - Duty-free and preferential tariffs. - Expansion of EPZ product market.	- Compliance with TFTA rules of origin. - Product certification and trade documentation. - Harmonized customs procedures.
<b>The African Growth and Opportunity Act (AGOA)</b>	U.S. (Special Trade Deal for Sub-Saharan Africa)	May 2000	2025 (Possible Renewal)	- Apparel, Textiles, Horticultural Products, Coffee, Processed Foods	- Duty-free access to over 6,400 products. - Increased market diversification for EPZ products.	- Rules of origin (especially for textiles and apparel). - U.S. FDA certifications for agricultural exports. - Safety and environmental standards.

## Key Insights for EPZ Companies:

- ✓ **Market Access:** EPZ companies benefit significantly from preferential access to regional and international markets, especially in Africa, EU, and the U.S. under Agreements like AfCFTA, AGOA, and the EU EPA which provide EPZ businesses with the opportunity to expand their markets across multiple regions, from Africa to Europe and the U.S.
- ✓ **Sector-Specific Opportunities:** EPZ companies involved in textiles, apparel, processed foods, and horticulture stand to gain the most from these trade agreements. In particular, textile and apparel exports are well-positioned to benefit from agreements such as AGOA and the EU-EPA, both of which allow for duty-free access.
- ✓ **Regulatory Compliance:** One of the most critical factors for EPZ companies in utilizing these agreements is meeting the rules of origin and product certification requirements. For instance, to benefit from AGOA, products need to meet specific U.S. origin rules, while the EU-EPA requires compliance with EU's sanitary and phytosanitary standards. EPZ companies must ensure that they meet the technical, environmental, and quality standards set by these trade blocks.
- ✓ **Trade Facilitation:** Several agreements, like COMESA and EAC, focus on simplifying customs procedures and cross-border trade to enhance the ease of doing business, which is advantageous for EPZ businesses engaged in international (COMESA) and regional (EAC as local market) trade.
- ✓ **Sustainability and Environmental Standards:** As demand for environmentally and socially responsible products increases globally, EPZ companies may need to adopt eco-friendly and sustainable practices and meet environmental and sustainability certifications to tap into European, U.S. and other key markets.