A SURVEY OF NON-TARIFF BARRIERS THAT AFFECT SUDAN IMPORTS AND EXPORTS WITHIN COMESA COUNTRIES

Final report

Research and report prepared by

Mutasim Makawi Mohamed Ali
National Consultant - Sudan
Head of COMESA Coordinating Unit
Ministry of Foreign Trade; Khartoum - Sudan
Tel: +249-183-78066
Mobile: 249-01221262205
Email: mutasim7@gmail.com

Simon Ihiga
Lead Consultant
Trade and Investment Consortium
P.O. Box 6221-00200
Nairobi, Kenya
Tel: 254-20-2010865
Email: ihiga.tradeinvest@jambo.co.ke

07 August 2007

TABLE OF CONTENTS

EXECUTIVE SUMMARY

Analysis of Sudan's trade within COMESA countries during the period 2001 to 2005 shows exports and imports were quite insignificant compared to the country's total exports and imports. On average, the region took a mere 3% of Sudan's total exports, and on the other supplied only 6% of the country's total imports during the period. The country's trading partners were limited to a few COMESA countries, and are dominated by Egypt, which took an average of 74% of total exports, and supplied an average of 69% of imports soured from the region during the period of analysis. Exports are limited to unprocessed products while imports comprise of manufactured items, indicating that the country's level of manufacturing is still very low. The analysis also shows that while Sudan is a member of the COMESA Free Trade Area (FTA), she has not exploited her membership to regional block's Free Trade Area arrangements, through which she can access potential markets and source for products from the region at preferential import duties. The low level of trade within the region is mainly due to the transportation bottlenecks that the country faces, insecurity towards the north and southern parts of the country which hinder ability to transport goods, cumbersome export and importation procedures which make Sudanese products very uncompetitive, and the poor manufacturing environment which contribute substantially to high cost of manufacturing in the country.

These trade-related obstacles seem to be the major initial agenda issues that should be addressed by the proposed NTBs Focal Point, namely the National Monitoring Committee when it gets established. A plan for the NTBs elimination and monitoring process is given under Table 9 of this report.

Additionally, the country like other COMESA members need to develop a dedicated website for posting its trade data, which could act as a guide to prospecting businesspeople within the region on available products and indicative markets.

The major challenges regarding implementation of the NTBs elimination and monitoring plan include establishing the National Monitoring Committee (NMC), setting its agenda and building sufficient secretariat capacity at the Ministry of Foreign Trade to deal with COMESA related NTB issues. The NMC might require some technical assistance to assist in coordinating and facilitating its work on NTBs with respect to reporting, elimination and monitoring progress.

The survey has found out that Sudan has not implemented all the harmonized COMESA transit programs, which limit the ability of her businesspeople to transit within the region. The Sudanese government needs to urgently consider implementing these schemes, and a national forum needs to be organised to discuss the potential benefits and design an action plan in this respect.

From the foregoing highlights, the report recommends that:

- Sudan should make a concerted effort to identify export and import opportunities from within the COMESA region in order to increase her level of trading within the regional bloc.
- The initial agenda for Sudanese National Monitoring Committee on NTBs should focus on finding solutions to the Cumbersome importation process, long period and high

importation charges; Transportation bottlenecks which end up hindering the ability of Sudanese business people to penetrate potential markets within the region; and Uncompetitive manufacturing environment which is a key business concern and which needs to be addressed hand-in-hand with the identified NTBs.

- The COMESA Secretariat should consider sourcing for some technical assistance to support Sudan's NTBs National Monitoring Committee to facilitate reporting, elimination and monitoring progress in NTBs related work. Further, the Ministry of Foreign Trade should host to the NMC, since it already has a well established COMESA department which means it would not be starting a completely new office.

CHAPTER ONE

INTRODUCTION AND OVERVIEW

1.1 Overview

COMESA[1] primarily focuses on trade as means of economic growth and development, with the overall objective being to promote intra-regional trade and investment. It is within this objective that COMESA has since the early 1980s addressed the elimination of existing and non-imposition of new NTBs. The importance of eliminating NTBs was recognised in 1984 under Article 49 of the COMESA Treaty. The member States have also clearly recognized the importance of reducing technical barriers to trade and preventing the emergence of new ones so as to facilitate intra-COMESA trade and market access for products, thereby enhancing exports and generating employment. In this respect, the member States have agreed to implement a common, comprehensive, coherent and operational external strategy regarding elimination of NTBs, whose implementation should not be to the detriment of legitimate demands for better protection of health, safety and the environment and that should not put national market regulatory regimes in jeopardy. However the removal or imposition of tariffs and/or non-tariff barriers have been sensitive issues within the member countries and continue to be key challenges for the organization. The members have however reached consensus on the need for developing and implementing an NTBs monitoring and elimination instrument, to be administered at the national level. The application of this instrument, has however been constrained by the lack of consensus over the national trade laws, regulations, practices and procedures that are to be categorised as NTBs.

It is within the above background that this assignment was commissioned by the Regional Trade Facilitation Programme (RTFP) on behalf of the COMESA Secretariat with an objective of identifying and analysing the nature and scope of Non-tariff barriers (NTBs) that hamper intra-regional trade within the member countries. The survey is part of a wider assignment for twenty-five countries which are members of either of COMESA, SADC[2] and/or EAC[3]. The survey of NTBs that affect Sudanese trade is being undertaken within the framework of COMESA countries. All the three regional economic communities (RECs) are currently at various stages of developing formal/ structured mechanisms for identifying, monitoring and eliminating NTBs and are collaborating closely in this process. The result is expected to be the adoption of a single NTB monitoring and elimination mechanism for the region.

The entire survey for the twenty-five countries is divided into two parts, one for SADC and/or EAC[4] countries that were surveyed in 2004 and 2005/06 respectively, and one for COMESA[5] countries that have not been surveyed before. The survey for COMESA is compiling complete inventories for 11 COMESA countries that have not been surveyed before. This report should

[1] Common Market for Eastern and Southern African countries
[2] Southern African Development Community
[3] Eastern African Community
[4] Angola, Botswana, Lesotho, Malawi, Mauritius, Mozambique, Namibia, South Africa, Swaziland, Tanzania, Zambia, Zimbabwe, Kenya and Uganda
[5] Burundi, Comoros, DR Congo, Djibouti, Egypt, Eritrea, Ethiopia, Madagascar, Rwanda, Seychelles and Sudan

therefore be read as an inventory of NTBs that affect Sudanese trade within COMESA using WTO NTB categorisation codes. It also reviews the COMESA harmonised transit documentation and other related trade facilitation instruments.

1.2 Scope of Work and tasks for the Survey

1.2.1 Objectives and tasks

The overall objective of the survey is to identify and analyze the nature and scope of NTBs that constrain intra-COMESA trade and thus the ability of member States to reap maximum gains from the large market size under the trading bloc.

The following tasks were expected to be undertaken for the survey in Sudan:

- Prepare (using available data) patterns of Sudanese trade within COMESA, with identification of the country's exports and imports and the main traded commodities for the last 5 years (2001-2005).
- Identify the enforcement agencies and laws, regulations, practices, and requirements for exporting from Sudan and in importing countries with which Sudanese exporters and importers must comply.
- Identify the scope and nature of NTBs that affect Sudanese trade within COMESA utilising a standardised inventory approach using the WTO categorisation of NTBs.
- Document exporters and importers concerns regarding the impact of the NTBs that are practiced on products intended for trade within the region.
- Assess the impact that NTBs have had on traders, such as the cost of the additional time incurred to ensure compliance, lost market opportunities, and prevalence of specific NTBs at exit and entry points.
- Assess how producers, exporters and traders have responded to the challenges posed by NTBs.
- Undertake consultations on the proposed template form for reporting NTBs with Sudanese trade stakeholders.

1. 2.2 Methodology for undertaking the survey

The survey in Sudan included a brief analysis of export and import performance within COMESA during the period 2001 and 2005, export destination and import source countries, and major products exported or imported. One-to-one discussions were also conducted with selected government and private sector representatives. Government representatives included the Import Department under Ministry of Foreign Trade, Sudanese Customs Administration Department, and National Highway Authority under Ministry of Transport, Roads and Bridges (in charge of weighbridges and road tolls). Private sector representatives on the other hand comprised of Sudanese Business and Employers Federation[6], Clearing and Forwarding Agents, and Customs Agents stationed at the Khartoum Airport Customs Administration Headquarters. The survey

[6] The Sudanese Business and Employers Federation is an umbrella association of sector based associations. Its membership comprises of Chambers of Commerce Association, Chambers of Industry Association, Chambers of Transporters Association, Chambers of Agriculture and Animal Production, and Chambers of Small Industries and Crafts Union. Its views therefore capture a wide spectrum of Sudanese businesspeople.

also reviewed the current import and export regulations applicable in Sudan, categorized identified NTBs under the WTO NTBs codes, and reviewed the status of implementation of COMESA transit programs and procedures in Sudan.

CHAPTER TWO

OVERVIEW OF SUDAN WITHIN COMESA COUNTRIES

2.1 EXPORT PERFORMANCE

2.1.1 Export trends to COMESA countries

Sudan's exports to COMESA countries during the period 2001 to 2005 were quite insignificant compared to the country's total exports. On average, the region took a mere 3% of Sudan's total exports during the period. The export market during the period was Egypt, which took an average of 74% of exports to the region, followed by Ethiopia at 13% and Kenya at 7%. It is notable that with exception of Egypt, exports to other COMESA members were very low or non-existent. The analysis therefore shows that while Sudan is a member of the COMESA Free Trade Area (FTA), she has not exploited the zero import duty that would apply on her exports to COMESA members that are signatories to this trading arrangement, nor has she exploited the bilateral preferential duty arrangements that would apply on exports to other non-FTA COMESA members. This is mainly due to the transportation bottlenecks that the country faces on her trade within the region, which hinders ability to transport goods, cumbersome export and importation[7] procedures which make Sudanese products very uncompetitive, and the poor manufacturing environment which contribute substantially to high cost of manufacturing in the country. These obstacles are explored further under Chapters 3 to 6 of this report. The country's export trends and values during the period 2001 to 2005 are shown in Table 1 below.

Table 1: Sudan exports to COMESA member countries between 2001 and 2005 (USD '000)

COMESA destination country	2001	2002	2003	2004	2005	Total 2001-05	Country market share (2001-05)
Egypt	33,728	56,965	48,249	108,503	78,692	326,137	74%
Ethiopia	944	11	1,081	1,575	55,128	58,739	13%
Kenya	9,548	13,712	1,906	2,173	2,215	29,554	7%
Libya	764	1,352	3,571	3,186	1,616	10,489	2%
Eritrea	723	82	4,473	2,031	2,502	9,811	2%
Djibouti	-	6,172	-	-	-	6,172	1%
Uganda	115	-	-	-	-	115	0%
Madagascar	-	-	25	21	11	57	0%
Swaziland		-	-	31	-	31	0%
DRC	-	-	-	-	-	-	0%
Rwanda	-	-	-	-	-	-	0%
Burundi	-	-	-	-	-	-	0%
Zambia	-	-	-	-	-	-	0%

[7] This is with respect to imports of imported raw materials and other inputs for industrial use.

COMESA destination country	2001	2002	2003	2004	2005	Total 2001-05	Country market share (2001-05)
Malawi	-	-	-	-	-	-	0%
Mauritius	-	-	-	-	-	-	0%
Comoros	-	-	-	-	-	-	0%
Zimbabwe	-	-	-	-	-	-	0%
Seychelles	-	-	-	-	-	-	0%
Angola	-	-	-	-	-	-	0%
Total to COMESA	45,822	78,294	59,305	117,520	140,164	441,105	100%
Sudan's total exports	1,698,703	1,949,115	2,542,176	3,777,764	4,842,278	14,810,036	
COMESA share of Sudan' exports	2.7%	4.0%	2.3%	3.1%	2.9%	3.0%	

Source: Central Bank of Sudan Statistics & Sudan Customs Authority

2.1.2 Major exports to COMESA between 2002 and 2006

While this analysis sought to identify the 10 major exports to the region, only nine (9) products could be identified. These 9 products took an average of 84% of exports to the COMESA region during the period 2001 to 2006. Four (4) of these products, namely sesame, cotton, petroleum and petroleum products, and livestock took an average 81% of exports to the region during the period. The analysis also shows that Sudan's exports to the region are comprised mainly of unprocessed products, which implies that the country's level of manufacturing is still very low, due probably to reasons indicated under Section 2.1.1 above. The country's major exports to the region during the period 2001 to 2005 are shown in Table 2 below.

Table 2: Major Sudanese exports to COMESA countries (USD '000)

HS Chapter	Chapter description	2001	2002	2003	2004	2005	Total 2001-05	Export share to COMESA
12	Sesame	18,642	17,699	9,105	43,287	25,305	114,038	26%
52	Cotton	10,174	19,874	11,598	32,512	31,626	105,784	24%
27	Petroleum and Petroleum Products	1,206	18,721	2,701	-	54,572	77,200	18%
01	Livestock	1,586	17,184	10,567	13,570	12,648	55,555	13%
12	Cake and Meal	667	603	2,264	1,538	-	5,072	1%
13	Gum Arabic	4,312	32	564	28	108	5,044	1%
41	Hides and Skins	135	72	351	2,086	1,663	4,307	1%
02	Meat	49	36	-	440	1,229	1,754	0%
12	Ground Nuts	-	95	76	407	67	645	0%
Total for 10 leading exports to COMESA		36,771	74,316	37,226	93,868	127,218	369,399	84%
All other commodities		9,812	8,898	18,508	20,441	11,608	69,267	16%
Total to COMESA		46,583	83,214	55,734	114,309	138,826	438,666	100%
Share of 10 major products to exports within COMESA		79%	89%	67%	82%	92%	84%	

Source: Central Bank of Sudan Statistics & Sudan Customs Authority

2.2 IMPORT PERFORMANCE

2.2.1 Import trends from COMESA countries

Like in the case of exports, Sudan's imports from COMESA countries during the period 2001 to 2005 were very low, taking an average of 6% to the country's total imports during the period. Also like in the case of exports, the major trading partners within the region were very few, and are dominated by Egypt which supplied an average of 69% of total imports sourced from the region. In addition, imports from most countries of the regional bloc were insignificant. The major reasons for the poor performance of imports from the region are transportation obstacles, cumbersome importation procedures and related costs as explored under Chapter 4 of this report. The country's import trends from the region and source countries are shown in Table 3 below.

Table 3: Sudanese imports from COMESA member countries between 2001and 2005 (USD '000)

COMESA source country	2001	2002	2003	2004	2005	Total 2001-05	Export share to COMESA
Egypt	53,780	46,827	116,378	369,450	208,758	795,193	69%
Kenya	33,048	31,331	35,169	40,667	37,137	177,352	15%
Uganda	14,656	10,057	15,866	29,216	29,752	99,547	9%
Zimbabwe	13,484	11,058	12,016	393	5,317	42,268	4%
Swaziland	-	-		15,475	9,725	25,200	2%
Ethiopia	267	261	390	2,147	257	3,322	0%
Libya	68	1	2,637	-	6	2,712	0%
DRC	-	-		2,072	-	2,072	0%
Eritrea	-	-	32	773	244	1,049	0%
Seychelles	-	-	146	788	58	992	0%
Burundi	-	-	147	517	236	900	0%
Rwanda	-	-	-	-	615	615	0%
Madagascar	-	-	59	363	74	496	0%
Djibouti	29	73	65	207	-	374	0%
Mauritius	-	-	-	296	-	296	0%
Angola	-	-	-	197	-	197	0%
Zambia	-	-	1	-	50	51	0%
Malawi	-	-		10	-	10	0%
Comoros	-	-	-	-	-	-	0%
Total to COMESA	115,332	99,608	182,906	462,571	292,229	1,152,646	100%
Total imports USD 000)	1,585,465	2,446,384	2,881,915	4,075,230	6,756,820	17,745,814	
Share of imports from COMESA to total imports	7%	4%	6%	11%	4%	6%	

Source: Central Bank of Sudan Statistics & Sudan Customs Authority

2.2.2 Major imports from COMESA

Nine (9) of the major imports from the COMESA region took an average of 97% of imports from the region. Miscellaneous manufactured articles falling under HS Chapter 97 dominated with an average of 40% of imports soured from the region. The analysis also shows that the major imports are mainly manufactured products as shown in Table 4 below.

Table 4: Major Sudanese imports from COMESA countries

HS chapter	Chapter description	2001	2002	2003	2004	2005	Total 2001-05	Country share of Sudan imports from COMESA
96	Miscellaneous manufactured goods	13,408	28,880	65,553	133,738	223,048	464,627	40%
9	Tea	28,508	28,299	31,790	32,720	36,373	157,690	13%
84,85,86, 87	Machinery &Equipments	13,611	7,644	18,110	27,127	63,429	129,921	11%
21	Other Food Stuffs	14,408	9,864	12,068	17,212	45,430	98,982	8%
9	Coffee	10,420	15,343	16,772	31,243	23,501	97,279	8%
28,29	Chemicals	7,303	11,783	13,314	15,097	37,941	85,438	7%
22	Beverages & Tobacco	11,100	13,783	12,741	9,343	4,059	51,026	4%
27	Petroleum Products	3,261	5,801	6,707	7,617	17,052	40,438	3%
38	Crude Materials	189	1,896	1,989	2,644	4,481	11,199	1%
Total for major imports from COMESA		102,208	123,293	179,044	276,741	455,314	1,136,600	97%
All other commodities		1,063	1,044	6,495	15,767	9,379	33,518	3%
Total from COMESA		103,271	124,337	185,539	292,508	464,693	1,170,118	100%
Share of major products to imports from COMESA		99%	99%	96%	95%	98%	97%	

Source: Central Bank of Sudan Statistics & Sudan Customs Authority

CHAPTER THREE

NTB MEASURES DIRETLY AFFECTING EXPORTS

3.1 INVENTORY OF NTBS THAT AFFECT EXPORTS

The one-to-one consultations with Sudanese trade stakeholders identified the following obstacles as the major NTBs affecting the ability of Sudanese exporters to fully exploit COMESA's market potential.

3.1.1 Transportation bottlenecks

Sudanese exports destined to other COMESA member states suffer from poor air connectivity, slow rail and road transport problems. On air transport, a prospecting businessperson is often unable to get a direct flight from one COMESA country to another and has to spend a lot of hours transiting between different countries in order to reach the final destination. This translates to very expensive air travel within the region. Rail travel on the other hand is very slow compared to the more expensive road transport, and it takes an average of 7 days to transport cargo b rail from Khartoum to any of the four Sudanese red sea ports, a journey which takes two days by road. However, the alternative road transport costs an average of USD 50 per tonne for the same journey, which is too high compared to rail transport. Additionally, transporters are unable to transit through COMESA countries due to lack of good roads. Exports to most COMESA countries, including the ones that neighbour Sudan to the south therefore have to use sea transport which is much more expensive than roads. For example, exports to DRC, Uganda and Kenya have to go through Mombasa by sea, while exports to Ethiopia also have to go by sea due to insecurity in the south of the country. This makes the cost of goods delivered to COMESA target markets very expensive.

At the same time, direct export to Libya is not possible by road because Sudanese registered trucks are not allowed to use Libyan roads. Instead, Sudanese exports to Libya have to offload at the border with Egypt after which Egyptian trucks take over the respective cargo and transport to Libyan destinations. This makes the journey more time consuming and expensive. Direct transport from Khartoum to Kofra (Libya) would have been a journey of about 2,000 Km which would take an average of 3 days, but since the shipment has to go through Egypt, the journey ends up taking a minimum of 10 days[8].

3.1.2 Transit bottlenecks within COMESA countries

Sudan has not yet implemented the COMESA transit schemes, making it difficult for her trucks to transit through COMESA countries. The most serious scheme is the specifications on axle load limits, whose implication is that trucks manufactured to Sudanese roads specifications cannot be allowed to transit through other COMESA countries. In this respect, Sudanese trucks standards are:

[8] The journey from Khartoum through Egypt is broken down into 2 days Khartoum-Halfa, 2 days Halfa-Aswan port, 1 day Aswan port-Cairo, and 3 days Cairo-Salwom (at Egypt/Libya border). An extra estimated 2 days from have then to be spent from Salwom to Kofra which is the target destination.

- Truck allowed length of 34 metres
- Single Axle specifications of 10 tonnes
- Tandem Axle specifications of 16 tonnes, and
- Triple Axle specifications of 22 tonnes.
- In addition, the government is considering introducing the Fourth Axle specification of 32 tonnes.

Some of these standards are not in line with COMESA axle load limits for freight vehicles, whose specifications are:

- Single steering axle= 8 tonnes
- Single load or drive axle = 10 tonnes
- Tandem axle group = 16 tonnes
- Triple axle group = 24 tonnes

On the other hand, the COMESA maximum vehicle dimensions are:

- 12.5m for a rigid chassis single vehicle or trailer
- 17m for articulated vehicles
- 22m for truck and draw-bar trailer
- 2.65 maximum width; and
- 4.60 maximum height

As can be seen from the above comparisons, there are some Sudanese specifications which differ from COMESA specifications, meaning that the trucks in question cannot transit through COMESA countries. The most affected trucks are those with a length of 34 metres, those with single axle of 10 tonnes, and those with triple axle of 22 tonnes. The implication of varying Sudanese and COMESA specifications is that the 34 metre trucks must hand over their cargo to the national trucks of the target export country, while those with single and triple axles must strip off their excess weight at the borders of the target country. For the Sudanese single and triple axle trucks, additional trucks must be hired to transport the excess weight, which is not economical considering that the excess weight is just a few tonnes above the allowed COMESA specifications. The eventual implication of the lack of harmonising Sudanese trucks to COMESA specifications is that Sudanese products become more expensive in COMESA markets due to additional transport costs.

3.1.3 Immigration bottlenecks

Most COMESA countries require a business visa at entry for prospecting businesspeople, while COMESA citizens are treated like any other foreigner by immigration authorities whenever they wish to enter another COMESA country. The cost of the business visa varies from one country to another and while the cost may not be high, the application process is cumbersome which makes a business person feel unwanted in another COMESA country although the region prides itself of aspiring to be one common market. In addition, Sudanese immigration charges a USD 20 on exit which does not encourage travel out of the country.

3.1.4 Uncompetitive manufacturing environment

Goods manufactured within Sudan are made expensive by the uncompetitive infrastructure. While the cost and time of delivering inputs to Sudanese manufacturers by either by road, rail, sea or air are uncompetitive, the situation is made worse by high electricity and finance costs. In this respect, electricity costs an average of 17 US cents in Sudan, compared to about 2.5 US cents in Egypt. On the other hand, the finance cost in Sudan is estimated to be 50% more expensive in Sudan than in Egypt. In addition, there are various cumbersome administrative barriers for manufacturing in Sudan as enumerated in the "2006 Administrative Barriers study" carried out by the FIAS[9]. Businesses have to bear these cost burdens, making the final products uncompetitive when sold within COMESA markets compared to the more competitive COMESA countries such as Egypt.

The WTO categorization codes on NTBs enumerated above is given in Table 5 below.

[9] FIAS - Foreign Investment Advisory Services of the World Bank.

Table 5: WTO categorization codes on NTBs applicable to Sudanese exports to COMESA markets

WTO NTB INVENTORY CATEGORY	DESCRIPTION				
	WTO Inventory Code	Problem Area	Description of the most severe NTBs	Impact of NTB to businesses and trade	Responsibility /Source of NTB
Part VII	Other				
	C	Distribution constraints/ Transit bottlenecks	Sudan has not yet implemented the COMESA transit schemes, making it difficult for her trucks to transit through COMESA countries. The most serious scheme is the specifications on axle load limits, which mean that trucks manufactured to Sudanese roads specifications cannot be allowed to transit through other COMESA countries. In this respect, some Sudanese specifications which differ from COMESA specifications are on trucks with a length of 34 metres, those with single axle of 10 tonnes, and those with triple axle of 22 tonnes.	The implication of varying Sudanese and COMESA specifications is that the 34 metre trucks must hand over their cargo to the national trucks of the target COMESA country, while those with single and triple axles must strip off their excess weight at the borders of the target country. For cargo offloaded from the 34 metre long trucks, it has to be transported using national trucks of the destination country which may not be the most competitive transport means, while the process also translates to lost business opportunities for Sudanese trucks. For the Sudanese single and triple axle trucks, additional trucks must be hired to transport the excess weight, which is not economical since the excess weight is just a few tonnes above the allowed COMESA specifications. The eventual implication is that Sudanese products become more expensive in COMESA markets due to additional transport costs.	Sudan National Highway Authority (Ministry of Transport, Roads and Bridges)
	C	Other Uncompetitive manufacturing environment	Goods manufactured within Sudan are made expensive by the uncompetitive infrastructure. While the cost and time of delivering inputs to Sudanese manufacturers by either by road, rail, sea or air are uncompetitive, the situation is made worse by high electricity and finance costs. In this respect, electricity costs an average of 17 US cents in Sudan, compared to about 2.5 US cents in Egypt. On the other hand, the finance cost in Sudan is estimated to be 50% more expensive in Sudan than in Egypt. In addition, there are various cumbersome administrative barriers for manufacturing in Sudan as enumerated in the "2006 Administrative Barriers study" carried out by the FIAS[10].	Businesses have to bear the cost burdens of the uncompetitive manufacturing environment, making the final products uncompetitive when sold within COMESA markets compared to the more competitive COMESA countries such as Egypt. Sudan is now ranked by the World Bank at number 151 among 155 world countries in terms of administrative barriers to business operations. This ranking discourages foreign investors, which in the end does not help in making Sudanese products more competitive on cost, quality and access to export markets.	Sudanese Government – all trade-related ministries/ departments and agencies

[10] FIAS - Foreign Investment Advisory Services of the World Bank.

WTO NTB INVENTORY CATEGORY	DESCRIPTION				
	WTO Inventory Code	Problem Area	Description of the most severe NTBs	Impact of NTB to businesses and trade	Responsibility /Source of NTB
Part V	Specific Limitations				
	E	Discrimination resulting from bilateral agreements	Direct export to Libya is not possible by road partly because Sudanese registered trucks are not allowed to use Libyan roads. Instead, Sudanese exports to Libya have to offload at the border with Egypt after which Egyptian trucks take over the respective cargo and transport to Libyan destinations. This makes the journey more time consuming and expensive.	Direct transportation of Sudanese goods to Libya and prohibition of Sudanese trucks from using Libyan roads translates to longer delivery time and expensive means of accessing the Libyan market. Direct transportation from Khartoum to Kofra in Libya would have taken 3 days for the 2,000 KM journey, compared to the current 10 days of transportation from Khartoum through Halfa, Aswan Port, Cairo, Salwom at the Egypt/Libyan border and Kofra the target final destination. The cost of the long journey is much more than would have been if the direct transport route was possible.	Sudan/ Libya Governments[11]
Part II	Customs and Administrative Entry procedures				
	D	Consular formalities and documentation	Most COMESA countries require a business visa at entry for prospecting businesspeople, while COMESA citizens are treated like any other foreigner by immigration authorities whenever they wish to enter another COMESA country.	The cost of the business visa varies from one country to another and although the cost may not be high, the application process is cumbersome, making a business person feel unwanted in another COMESA country although the region prides itself of aspiring to be one common market. In addition, Sudanese immigration charges a USD 20 on exit which does not encourage travel out of the country.	COMESA countries[12]

[11] This problem may be due to lack of a bilateral agreement between Sudan and Libya

[12] Need for facilitating cross-border movement of persons

Table 6: Specific Official Regulations Affecting Sudanese Exports

WTO Inventory category	Product Group	Government Controlling Agency	Regulatory Procedure
Part IV-B	Live agricultural products, plant materials and animals	Ministry of Agriculture	SPS inspection for chemical residue levels, diseases and product treatment
Part II-D	All products	Sudan Customs Authority	Issuance of Certificates of Origin to allow exports under regional trading blocs, e.g. COMESA certificate of origin
Part VII-E	Ammunition	Ministry of Foreign Trade	Ban
Part VII-E	All products	Ministry of Foreign Trade	Registration of exporters and completion of Export Form

CHAPTER FOUR

NTB MEASURES DIRETLY AFFECTING IMPORTS

4.1 INVENTORY OF NTBS THAT AFFECT IMPORTS

During the one-to-one consultations with trade stakeholders, a number of NTBs that affect imports into Sudan were identified, a summary of which include:

4.1.1 Rules of Origin

A number of products originating from Egypt, Ethiopia and Kenya have in the past been denied entry in Sudan on suspicion that the required COMESA 35% value added has not been achieved. While the Customs Administration denies entry of such products to safeguard against dumping into the Sudanese market, expensive bilateral missions have thereafter to be conducted to verify the manufacturing process in the origin country, while the initial business opportunity may already have been lost. In addition, while the 35% value added criteria is a legitimate requirement, importers are not clear on the products that are eligible for preferential treatment and which ones fall under the Sudanese negative list. Sudan customs also often demands that the importer should produce an Analysis Certificate of the manufacturing process from the customs department of the product originating country in order to confer 0% COMESA FTA[13] preferential import duty, even when the certificate of origin has been submitted. In the process, a lot of time is wasted before the import an access the consignment and the goods may even be auctioned. Examples of products that have in the past been include self-adhesive tapes and cosmetics from Kenya and Egypt. A case was sited during the consultations process, in which self-adhesive tapes were imported from Kenya valued at USD 7,000. Sudanese customs then suspected that 35% value added had not been achieved and that the product had only been repackaged in Kenya. A demand was therefore made that the importer should produce an Analysis Certificate from Kenya Customs. It took more than 3 months for Sudanese and Kenya customs to agree that 35% value added has been achieved in Kenya. After the agreement, the importer went to clear his goods only to find that they had already been auctioned. Apart from the lost import value, the Sudanese businessman stopped importing from Kenya.

4.1.2 Technical Barriers to Trade

Some products cannot be allowed into Sudanese market if they do not originate from specified countries. A good example is cement whose importation is not allowed if not originating and bearing Egyptian standard specifications. On the other hand, numerous institutions are involved in the import process, and Sudan Customs Authority cannot clear the products in question unless the specific institution/ department have given prior authorisation. Examples of products affected by this requirement include animal resources like fish products, and plant materials/ products like grapes, both which require prior authorisation by the Ministries of Agriculture, Health and Standards Metrology Organisation. The requirement to obtain prior authorisation from numerous departments entail that the importer or his clearing agent has to physically move relevant documents from one department to another for required approvals since the institutions are not electronically connected. In the process, an average of 2-5 days could be wasted, which translates to delays in accessing an import consignment. The problem is most serious at the four Red Sea Ports which handle an estimated 95% of Sudanese imports where on average 7 days are consumed in the authorisation process. Coupled with the long

[13] FTA – Free Trade Area

process of prior authorisation, the Sudan Sea Ports Corporation has not yet introduced electronic offloading equipment, which has resulted to slow movement of imports at the ports.

4.1.3 Physical verification of imports

Sudan introduced the ASYCUDA system in 1992, but has not fully utilised it to facilitate classification, examination and clearance of imports. The result is that even goods classified under the “green” channel which should be given automatic clearance still have to undergo through 100% physical verification on every consignment regardless of the track record of an importer. On average, it takes 2-3 days to carry out the physical verification process. The procedure is made more cumbersome when it is carried out by officers who are sometimes inexperienced regarding the product description and physical appearance, which contributes to lengthening the import process.

4.1.4 **Delays at weighbridge stations**

There are currently 48 weighbridge stations that operate on the major roads in the country, while an additional 3 are planned to be introduced by the end of 2007. While the stations are justified on the need to ensure that transportation trucks do not exceed the allowed load specifications in order to safeguard against damage on roads, all of them are manually operated, resulting to an average of 4 hours wasted at each station by each truck. In addition, each truck has to pay an estimated weighbridge charge of USD 1,000. Like on exports, each truck has to incur additional toll station charges estimated at USD 25 at each toll station, while there are an estimated 10 toll stations between Port Sudan and Khartoum. These costs and time spent from the port to the final destination inflates the price of imports.

4.1.5 **Additional import taxes and cumbersome import procedures**

There are numerous domestic taxes and charges on imports which heavily inflate the sales price, thereby rendering the impact of preferential tariff treatment on COMESA imports useless. Some of these taxes/charges include:

- Service fees for shipping, clearing and forwarding services
- A 2% fee based on CIF value of an import consignment payable to the Sudan Sea Port Corporation was applicable before December 2006. The fee was thereafter changed to 180,000 Sudanese Pounds (USD 1,795.5[14]) for a 40 ft container and 57,000 Sudanese Pounds (USD 568.6) for a 20ft container.
- Storage fees are payable to the Sudan Red Sea Corporation after 21 days of an import arrival. However, it takes an average of 14 days from arrival to offload and transfer of an import cargo to customs area, another 5-7 days for approval by relevant institutions (Standards Metrology Organisation, Ministry of Health, Ministry of Agriculture), and an additional 4 days for clearance by customs. This means that it is impossible to clear an import from the port area within the allocated 21 days, and the importer is therefore forced to pay storage charges for faults beyond his control.
- Cure Tax payable to Ministry of Defence at 1% of CIF value payable inside the port area. An additional 1% is collected by the State Government (local authority) in charge of the port locality when goods leave the port area but before the transport manifest is stamped to allow for travel to final destination. The Cure Tax was introduced at the beginning of the North/South war on imports to take care of injured people, but was not removed even after the war ended. CIF value.

[14] I USD is equivalent to 30,075 Sudanese Dinar, while 1 Sudanese Pound is equivalent to 2 Sudanese Dinar.

- Various charges payable to state governments, estimated at USD 25 to each of the 5 state governments between Khartoum and Port Sudan.
- For motor vehicle imports, an additional USD 25 is payable to the Sudanese Standards Metrology Organisation through the Ministry of Commerce as quality control fees.

The additional taxes and charges greatly inflate the cost of imports. It is estimated that before an import consignment arrives at Khartoum or other inland destinations, the prices have gone up by an additional 50% of the CIF value.

Imports by airfreight incur the following costs:

- Delivery order charges to airline
- Storage charges are applicable from the date of arrival with no grace period. The fee is payable to the Airports Authority
- 10% VAT payable to the government on value of storage charges
- Forklift charges payable at an estimated USD 50 per hour to the Airports Authority
- Charges by Airports Authority on any truck that enters the airport storage area
- Civil aviation tax at 1.2% of CIF value

In addition to the above airfreight related charges, the following obstacles are faced:

- An estimated 2-3 days are spent in preparing the import manifest, while an additional 7 days are spent from the date of submitting the customs declaration document to import release. During this period, a tallying of imported goods is made before clearance. For imports made through airfreight, storage charges are already being incurred during this period since no grace period is given. Even for imports that come by sea freight, the grace period of 21 days may expire before tallying and eventual clearance procedures are completed, after which storage charges become applicable.
- There are about 5 security checks from the time the importer or his agent gets the release order to actual release. These checks are (1) check by customs officer inside the customs area (2) heck by customs officer before goods leave the customs area (3) Check by Economic Security Unit (4) Check by Policy Security Unit (5) Check by Anti-smuggling Department. While all these checks could be justified on the need to ensure value for money, to safeguard against loss of government revenue and to safeguard against smuggling, each repeats the same procedure of checking availability of documents related to quality control, airway bill, suppliers invoice, correct customs classification and declaration, and receipt of customs duty payment. In addition, the last check by Anti-smuggling department may involve complete offloading and reloading of the cargo.
- No special treatment is given to imports from the COMESA region, while such imports involve additional procedures of verifying the origin and proof that 35% value added criteria has been achieved in the origin country.
- The process of an import declaration, checks and eventual release entail very high level of corruption which ends up inflating the cost of an import. It seems the importers have resigned themselves. Also importers have resigned themselves to the reality of corruption and they have to keep ready cash necessary to meet various demands of facilitating an importation process.

The categorization of import-relevant NTBs under WTO codes is given in Table 7 below.

Table 7: WTO categorization codes on NTBs applicable to Sudanese imports from COMESA

WTO INVENTORY CATEGORY	DESCRIPTION				
	WTO Inventory Code	Problem Area	Description of the most severe NTBs	Impact of NTB to businesses and trade	Responsibility/Source of NTB
Part II	Customs Administration Entry Procedures				
	F	Rules of Origin	A number of products originating from Egypt, Ethiopia and Kenya have in the past been denied entry in Sudan on suspicion that the required COMESA 35% value added has not been achieved. In addition, while the 35% value added criteria is a legitimate requirement, importers are not clear on the products that are eligible for preferential treatment and which ones fall under the Sudanese negative list. Sudan customs also often demands that the importer should produce an Analysis Certificate of the manufacturing process from the customs department of the product originating country in order to confer 0% COMESA FTA preferential import duty, even when the certificate of origin has been submitted.	While the Customs Administration denies entry of products suspected not to have met the 35% value added criteria in order to safeguard against dumping into the Sudanese market, expensive bilateral missions have thereafter to be conducted to verify the manufacturing process in the origin country, while the initial business opportunity may already have been lost. The requirement to produce an Analysis Certificate from the customs department of product origin translates to time wasted before the importer an access the consignment and the goods may even be auctioned. Examples of products that have in the past been include self-adhesive tapes and cosmetics from Kenya and Egypt. The case of self-adhesive tapes recently imported from Kenya valued at USD 7,000 is a good example, whereby in the process of producing the Analysis Certificate by Kenya Customs and subsequent consultations, more than 3 months were lost before an agreement between Sudanese and Kenya customs was reached that 35% value added has been achieved in Kenya. In the process the consignment was auctioned which is a loss of foreign exchange to the importer and country, while the Sudanese businessman stopped importing from Kenya.	Sudan Customs Authority and Ministry of Foreign Trade
	D	Customs formalities and documentation - *Physical verification of imports*	Sudan introduced the ASYCUDA system in 1992, but has not fully utilised it to facilitate classification, examination and clearance of imports.	Delay in full utilisation of ASYCUDA system has resulted to 100% physical verification on every consignment, including goods classified under the "green" channel which should be given automatic clearance, regardless of the track record of an importer. On average, it takes 2-3 days to carry out the physical verification process. The procedure is made more cumbersome when undertaken by officers who are sometimes inexperienced on product descriptions and their physical appearance, which contributes to lengthening the import process.	Sudan Customs Authority
	B	Customs valuation method	Sudan is not yet a member of WTO and therefore uses the Brussels definition of value instead of transaction value of imports.	In many cases, the suppliers invoice as submitted by the importer is rejected, resulting to protracted discussions between the importer and Sudan Customs. In the process, the	Sudan Customs Authority

[15] I USD is equivalent to 30,075 Sudanese Dinar, while 1 Sudanese Pound is equivalent to 2 Sudanese Dinar.

WTO INVENTORY CATEGORY	DESCRIPTION				
	WTO Inventory Code	Problem Area	Description of the most severe NTBs	Impact of NTB to businesses and trade	Responsibility/Source of NTB
Part II	Customs Administration Entry Procedures				
	F	Rules of Origin	A number of products originating from Egypt, Ethiopia and Kenya have in the past been denied entry in Sudan on suspicion that the required COMESA 35% value added has not been achieved. In addition, while the 35% value added criteria is a legitimate requirement, importers are not clear on the products that are eligible for preferential treatment and which ones fall under the Sudanese negative list. Sudan customs also often demands that the importer should produce an Analysis Certificate of the manufacturing process from the customs department of the product originating country in order to confer 0% COMESA FTA preferential import duty, even when the certificate of origin has been submitted.	While the Customs Administration denies entry of products suspected not to have met the 35% value added criteria in order to safeguard against dumping into the Sudanese market, expensive bilateral missions have thereafter to be conducted to verify the manufacturing process in the origin country, while the initial business opportunity may already have been lost. The requirement to produce an Analysis Certificate from the customs department of product origin translates to time wasted before the importer an access the consignment and the goods may even be auctioned. Examples of products that have in the past been include self-adhesive tapes and cosmetics from Kenya and Egypt. The case of self-adhesive tapes recently imported from Kenya valued at USD 7,000 is a good example, whereby in the process of producing the Analysis Certificate by Kenya Customs and subsequent consultations, more than 3 months were lost before an agreement between Sudanese and Kenya customs was reached that 35% value added has been achieved in Kenya. In the process the consignment was auctioned which is a loss of foreign exchange to the importer and country, while the Sudanese businessman stopped importing from Kenya.	Sudan Customs Authority and Ministry of Foreign Trade
	D	Customs formalities and documentation - *Physical verification of imports*	Sudan introduced the ASYCUDA system in 1992, but has not fully utilised it to facilitate classification, examination and clearance of imports.	Delay in full utilisation of ASYCUDA system has resulted to 100% physical verification on every consignment, including goods classified under the “green” channel which should be given automatic clearance, regardless of the track record of an importer. On average, it takes 2-3 days to carry out the physical verification process. The procedure is made more cumbersome when undertaken by officers who are sometimes inexperienced on product descriptions and their physical appearance, which contributes to lengthening the import process.	Sudan Customs Authority

[16] With regard to storage charges and grace period
[17] With respect to Economic and Policy checks
[18] With regard to Cure Tax
[19] With regard to road tolls

Table 8: Specific Official Regulations Affecting Imports

WTO Inventory category	Product Group	Government Controlling Agency	Regulatory Procedure
Part II-D	All products	Sudan Customs Authority Commercial Banks Ministry of Foreign Trade – Imports department	Compliance with importation procedures - Registration as an importer - Open Letter of Credit (LC) with importer's bank using proforma invoice - Check by bank on whether intended import is allowed into Sudan and the whether importer is registered - Complete Import Form and give copies to Commercial Bank, Ministry of Foreign Trade and Customs Administration
Part II_C	All products	Sudan Standards Metrology Organisation	Check on compliance to Sudanese standard specifications
Part VII-E	- Wine and drugs - Gambling equipment - Weapons and guns - Tyres and used clothing - Motor cycles - Potasum promide - Children toys that have similar shape and look to weapons	Ministry of Foreign Trade – Import Department	Ban Weapons and guns may be permitted with prior approval
Part III-B	- Human, plant and animal drugs - Foodstuffs	Ministry of Health	Prior approval
Part VII-C&E	Inputs for industrial production	Ministry of Industry	Prior approval
Part VIIC&E	Inputs for agricultural production Sorghum	Ministry of Agriculture and Strategic Stocks	Prior approval
Part VII-C&E	Vehicles for commercial use	Ministry of Foreign Trade	Authorisation that products have been imported from country of origin, must be new and usable and must be imported through a local agent
Part VII-C&E	Vehicles for personal use	Ministry of Foreign Trade	Prior approval
Part VII-C&E	Dry milk	Ministry of Agriculture and Strategic Stocks	Must be imported from country of origin
Part VII-C&E	New tyres	Sudan Standards Metrology Organisation	Must be imported from country of origin
Part VII-C&E	Sugar	Ministry of Foreign Trade	Prior approval
Part VII-C&E	Meat and Frozen chicken	Ministry of Animal Resources Ministry oh Health Sudan Standards Metrology Organisation	Prior approval

CHAPTER FIVE

KEY ISSUES FROM INTERVIEWS AND DESK RESEARCH

5.1 Challenges regarding the importation process and resultant charges

From the one-to-one consultations and as enumerated under Table 7 above, Sudanese importers undergo a lengthy process of importation and incur numerous charges on imports. These taxes, charges heavily inflate the domestic sale prices, thereby rendering the impact of preferential tariff treatment on COMESA imports useless. Also, a lot of time is spent between the time of an import declaration and eventual release. The charges and time spent in the importation process end up making manufacturing in Sudan a very expensive, frustrating and inefficient exercise. The Sudanese trade stakeholders therefore have a major challenge of reducing the costs and time associated with importation and subsequent manufacturing in Sudan in order for businesspeople to reap the benefits of COMESA integration. Sudan stakeholders also propose strongly that there is need for the government to seriously consider joining the WTO membership to ensure that the country applies similar valuation methods on imports as in other COMESA members, which would facilitate speedy importation and reduce associated costs. The stakeholders also would appreciate if the government implements the COMESA transit programs so as to facilitate transit within COMESA countries.

5.2 Transportation bottlenecks

The trade stakeholders consider bottlenecks in transportation as one of the major bottlenecks hindering the ability of Sudanese business people to penetrate potential markets within the region. For Sudan exports to become competitive on time and cost within the COMESA region, it is therefore imperative that the current transportation bottlenecks are seriously addressed. This may require joint efforts by COMESA countries which are equally affected.

5.3 Uncompetitive manufacturing environment

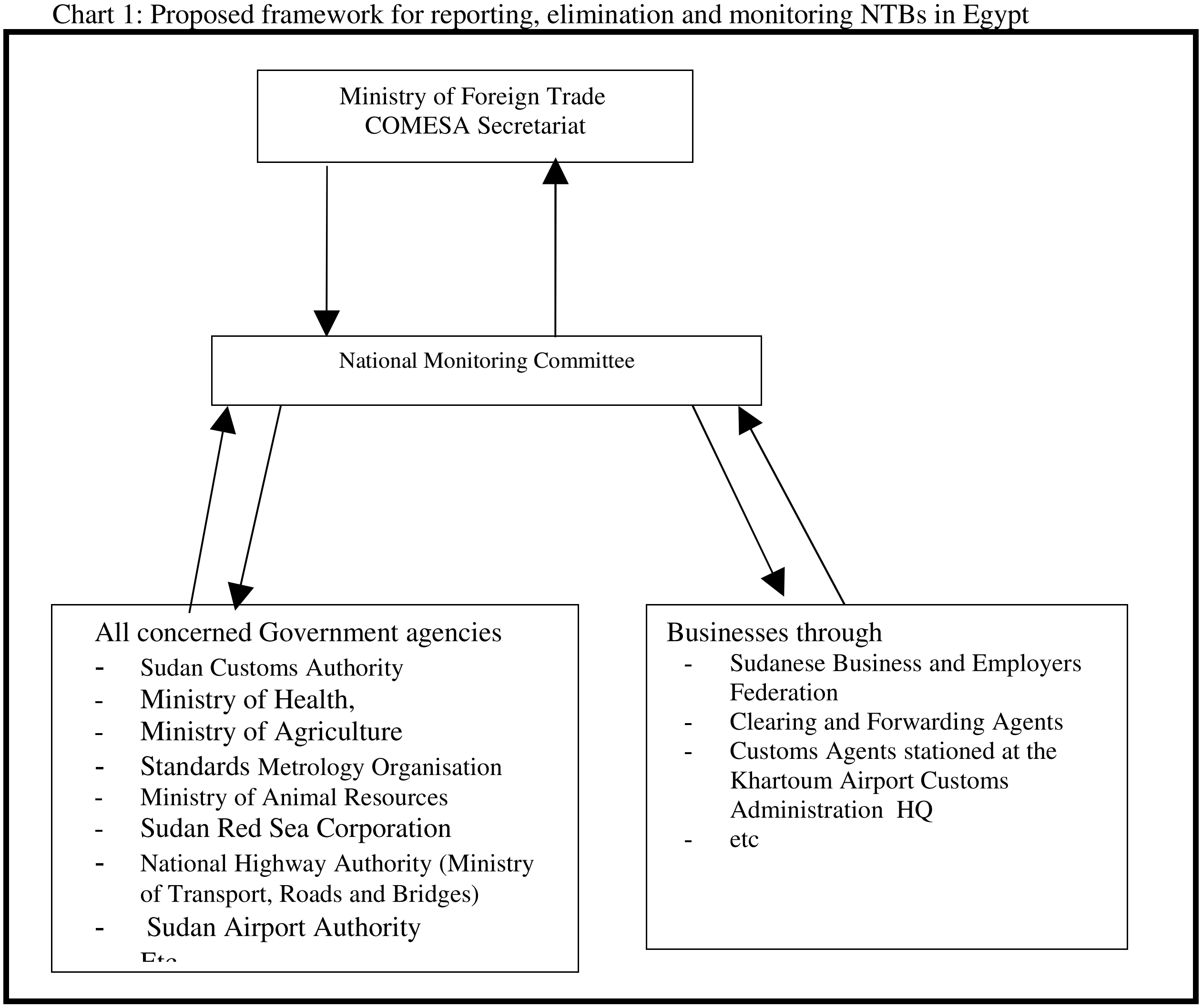
Consultations with representative bodies of the business community, namely the Sudanese Business and Employers Federation, Clearing and Forwarding Agents and Customs Agents stationed at the Khartoum Airport Customs Authority HQ show that the poor manufacturing environment in Sudan is a key business concern, which should quite be addressed hand-in-hand with the identified NTBs. The agenda for the proposed National Monitoring Committee on NTBs should therefore include other issues that would normally be regarded as “other business climate factors”. Key among such additional issues would be the cost of electricity, business finance and administrative requirements for doing business in Sudan.

5.4 Proposed National Monitoring Committee (NMC) on NTBs

The one-to-one consultations show that Sudan trade stakeholders fully endorse the idea to have a dedicated national focal point in the form of a National Monitoring Committee (NMC), whose key focus will be to receive NTB cases, facilitate their elimination at national and COMESA level and monitor the progress of elimination. While the idea has not yet been discussed in a national-level forum, the stakeholders proposed that the Committee should hold quarterly meetings to receive NTB cases and progress reports, and to make necessary decisions. The NMC should be hosted by the Ministry of Foreign Trade which handles COMESA matters and which already has an able secretariat, meaning that the Ministry would not need to establish a new office to deal with NTBs. The NMC would act like a semi-permanent council which would initiate bilateral discussions between Sudan and other COMESA countries if trade disputes occur, for example regarding doubts as to whether 35% value added has been achieved in the country from which an import has originated. This would save importers and exporters a lot of time and lost business opportunities (for example those associated with auctioned imports. The NMC would also discuss with its counterpart in other COMESA countries on need to harmonize regulations and facilitate bilateral agreements on issues that may be hindering penetration of potential markets. Only cases that cannot be resolved bilaterally should in this respect be referred to the COMESA Secretariats for policy action. However, since the country does not yet have specific experience on dealing with NTBs, the COMESA Secretariat needs to consider sourcing for some technical assistance to support the agenda of Sudan's NMC.

The proposed Sudanese institutional framework for facilitating NTBs reporting, elimination, monitoring and feed back to businesses is shown in Chart 1 below.

Chart 1: Proposed framework for reporting, elimination and monitoring NTBs in Egypt



5.5 Action plan for Sudan on NTBs elimination

The stakeholders prefer a structured dialogue to solving trade-related problems. This means that any problems identified should first be discussed at a bilateral level with a view to finding lasting solutions. It is only after bilateral level discussions fail that such issues should be brought to the attention of regional forums like COMESA. The stakeholders also recommended that a feedback mechanism should be applied to inform the business community of progress achieved in resolving NTB disputes and reducing cost of doing business in Sudanese in order for them to be up-to-date on import and export regulations applicable within the region. The proposed action plan on NTBs that were identified during the consultations in Sudan is given in Table 9 below.

Table 9: SUDAN PLAN FOR ELIMINATION AND MONITORING OF NTBS THAT AFFECT EXPORTS AND IMPORTS

1	2	3	4	5	6	7	8	9	10
NTB WTO Inventory codes	Problem Area	Description of the most severe NTBs	Impact of NTB to businesses	Responsibility	Possible approach to eliminate NTB	Performance Benchmarks	Means of Verification	Constraints	Success Factor
Part II-F	Rules of Origin	A number of products originating from Egypt, Ethiopia and Kenya have in the past been denied entry in Sudan on suspicion that the required COMESA 35% value added has not been achieved. In addition, while the 35% value added criteria is a legitimate requirement, importers are not clear on the products that are eligible for preferential treatment and which ones fall under the Sudanese negative list. Sudan customs also often demands that the importer should produce an Analysis Certificate of the manufacturing process from the customs department of the product originating country in order to confer 0% COMESA FTA preferential import duty, even when the certificate of origin has been submitted.	While the Customs Administration denies entry of products suspected not to have met the 35% value added criteria in order to safeguard against dumping into the Sudanese market, expensive bilateral missions have thereafter to be conducted to verify the manufacturing process in the origin country, while the initial business opportunity may already have been lost. The requirement to produce an Analysis Certificate from the customs department of product origin translates to time wasted before the importer an access the consignment and the goods may even be auctioned. Examples of products that have in the past been include self-adhesive tapes and cosmetics from Kenya and Egypt. The case of self-adhesive tapes recently imported from Kenya valued at USD 7,000 is a good example, whereby in the process of producing	Sudan Customs Authority and Ministry of Foreign Trade	COMESA countries which constantly doubt whether 35% value added has been achieved should establish semi-permanent joint councils with origin countries, which should immediately verify the manufacturing process and value added once cases are reported. Sudan should be among the countries to set up such councils.	Semi-permanent joint councils established between Sudan and COMESA countries from which regular imports originate, including Egypt, Ethiopia and Kenya	Periodic reports to COMESA Secretariat by Sudan and other countries which doubt value added and products' origin, regarding the number of countries with which joint councils have been established	Financial resources to undertake verification missions	Sufficient budgetary allocation by central governments in affected countries for verification missions

1	2	3	4	5	6	7	8	9	10
NTB WTO Inventory codes	Problem Area	Description of the most severe NTBs	Impact of NTB to businesses	Responsibility	Possible approach to eliminate NTB	Performance Benchmarks	Means of Verification	Constraints	Success Factor
			the Analysis Certificate by Kenya Customs and subsequent consultations, more than 3 months were lost before an agreement between Sudanese and Kenya customs was reached that 35% value added has been achieved in Kenya. In the process the consignment was auctioned which is a loss of foreign exchange to the importer and country, while the Sudanese businessman stopped importing from Kenya.						
Part II-D	Customs formalities and documentation - *Physical verification of imports*	Sudan introduced the ASYCUDA system in 1992, but has not fully utilised it to facilitate classification, examination and clearance of imports.	Delay in full utilisation of ASYCUDA system has resulted to 100% physical verification on every consignment, including goods classified under the "green" channel which should be given automatic clearance, regardless of the track record of an importer. On average, it takes 2-5 days to carry out the physical verification process. The procedure is made more cumbersome when undertaken by officers who are sometimes inexperienced on product descriptions and their physical appearance, which contributes to lengthening	Sudan Customs Authority	- Introduce scanners as planned within 1-2 months at major entry points, incl. Sudan Port, Khartoum Airport Customs Administration HQ, and the planned Inland Container Depot at Kosti to ensure faster selective scanning of imports[20].	Green and yellow channel imports do not undergo 100% verification in future, and post audit assessment done on such imports to ensure correct declaration.	Current clearance process of 2-5 days at Khartoum airport reduced to a few hours, and replacement of physical verification on green and yellow channel imports by post audit assessments	Financial constraints to purchase scanners. Resistance by customs officers to implement post audit imports assessment sine they could be currently be benefiting from corruption involved in physical verification.	- Sufficient budgetary allocation by central government for scanners at major import entry stations. - Clear time-plan by customs on

1	2	3	4	5	6	7	8	9	10
NTB WTO Inventory codes	Problem Area	Description of the most severe NTBs	Impact of NTB to businesses	Responsibility	Possible approach to eliminate NTB	Performance Benchmarks	Means of Verification	Constraints	Success Factor
			the import process.		Also ensure all customs officers involved in verifying imports are well trained to avoid delays. - Introduce risk management and post audit import assessment before end of 2007 to ensure that imports by businesses with credible history do not undergo examination on every consignment				introduction of scanners and post audit imports assessment - Continuous training of customs officers on use of scanners after their introduction and how to undertake post audit assessment.
Part II-B	Customs valuation	Sudan is not yet a member of WTO and therefore uses the Brussels definition of value instead of transaction value of imports.	In many cases, the suppliers invoice as submitted by the importer is rejected, resulting to protracted discussions between the importer and Sudan Customs. In the process, the import cannot be cleared, leading to payment of storage charges if the grace period expires before a	Sudan Customs Authority	Implement the WTO transaction value by end of 2007 as planned	Valuation of Sudanese imports in future is based on supplier's transaction value, in order to be in conformity with methods used in other	Imports valued and classified using suppliers transaction value,	Clearing and forwarding agents, and customs officers may delay application of the system due to lack of knowledge on how it	Sensitisation and training of customs officers and clearing and forwarding agents on how to apply transaction valuation

[20] Introduction of scanners should be done as per the 2005 UNCTAD assessment report.

1	2	3	4	5	6	7	8	9	10
NTB WTO Inventory codes	Problem Area	Description of the most severe NTBs	Impact of NTB to businesses	Responsibility	Possible approach to eliminate NTB	Performance Benchmarks	Means of Verification	Constraints	Success Factor
			satisfactory ruling is made. Also, the eventual ruling may mean a higher value of the import, leading to higher duties being applied.			COMESA countries. This will lead to reduction of complaints by importers and exporters		works	method

1	2	3	4	5	6	7	8	9	10
NTB WTO Inventory codes	Problem Area	Description of the most severe NTBs	Impact of NTB to businesses	Responsibility	Possible approach to eliminate NTB	Performance Benchmarks	Means of Verification	Constraints	Success Factor
Part II-D & Part VI-B	Additional import taxes and cumbersome import procedures	There are numerous domestic taxes and charges on imports which heavily inflate the domestic sale prices, thereby rendering the impact of preferential tariff treatment on COMESA imports useless. Some of the taxes/charges include: • Service fees for shipping, clearing and forwarding services • An import fee by Sudan Sea Port Corporation of 180,000 Sudanese Pounds (USD 1,795.5) for a 40 ft container and 57,000 Sudanese Pounds (USD 568.6) for a 20ft container. • Storage fees to the Sudan Red Sea Corporation after 21 days of an import arrival. • Cure Tax payable to Ministry of Defence at 1% of CIF value payable inside the port area. An additional 1% is collected by the State Government (local authority) in charge of the port locality when goods leave the port area but before the transport manifest is stamped to allow for travel to final destination.	The storage fee charged by Sudan Red Sea Corporation after 21 days of import arrival is unrealistic since it takes an average of 14 days from arrival to offload and transfer of an import cargo to customs area, another 5-7 days for approval by relevant institutions (Standards Metrology Organisation, Ministry of Health, Ministry of Agriculture, Ministry of Animal Resources), and an additional 4 days for clearance by customs. This means that it is impossible to clear an import from the port area within the allocated 21 days, and the importer is therefore forced to pay storage charges for faults beyond his control. The additional taxes and charges greatly inflate the cost of imports. It is estimated that before an import consignment arrives at Khartoum or other inland destinations, the prices have gone up by an additional 50% of the CIF value.	Sudan Customs Authority Sudan Red Sea Corporation Standards Metrology Organisation Ministries of Health, Agriculture and Animal Resources Sudan Airports Authority[21] Ministry of Finance[22] Ministry of Defence[23] State governments[24]	Prepare a strategic plan with: - Short, medium and long-term plans for substantial reduction in the numerous charges incurred on importation. - Measures to harmonise the number of security checks. - Implementing the planned Inland Container Depot at Kosti intended to serve COMESA countries to the south and west of Sudan, and eventually roll it out at other major	A strategic plan aimed at reducing time, cost and frustration involved in importation ready at least by mid-2007.	Report by Sudan Customs in consultation with other relevant departments to Central Government and shared with other COMESA members through COMESA secretariat	Delays in preparation of strategic plan due to resistance by departments that may fear loss of their current control and revenue on imports	A clear statement by central Government to reduce time, cost and frustration experienced during importation, and sufficient budgetary allocation by central government to all departments involved in importation.

[21] With regard to storage charges and grace period
[22] With respect to Economic and Policy checks
[23] With regard to Cure Tax
[24] With regard to road tolls

1	2	3	4	5	6	7	8	9	10
NTB WTO Inventory codes	Problem Area	Description of the most severe NTBs	Impact of NTB to businesses	Responsibility	Possible approach to eliminate NTB	Performance Benchmarks	Means of Verification	Constraints	Success Factor
B	Testing and certification arrangements	Some products cannot be allowed into Sudanese market if they do not originate from specified countries. An example is cement whose importation is not allowed if not originating and bearing Egyptian standard specifications. In addition, all imports have to comply with Sudanese technical standard specifications. On the other hand, numerous institutions are involved in the import process, and customs cannot clear the products in question unless the specific institution/ department have given prior authorisation. Examples of products affected by this requirement include animal resources like fish products, and plant materials/ products like grapes, both which require prior authorisation by the Ministries of Agriculture, Health and Sudan Standards Metrology Authority.	The requirement to obtain prior authorisation from numerous departments entail that the importer or his clearing agent has to physically move relevant documents from one department to another for required approvals since the institutions are not electronically connected. In the process, an average of 2-5 days could be wasted, which translates to delays in accessing an import consignment. The problem is most serious at the four Red Sea Ports which handle an estimated 95% of Sudanese imports where on average 7 days are consumed in the authorisation process. Coupled with the long process of prior authorisation, the Sudan Sea Ports Corporation has not yet introduced electronic offloading equipment, which has resulted to slow movement of imports at the ports.	Standards Metrology Organisation Ministries of Agriculture and Health Sudan Customs Authority	Sudan departments involved in authorising an import should accept all imports from COMESA countries if they are certified by relevant standards/ SPS institution in the country of origin, through a standards mark or certificate. Sudanese institutions involved in clearing imports should urgently consider the need to implement a single-window channel of imports clearance and electronic communication amongst themselves aimed at faster imports clearance.	Periodic reports by Sudanese importers regarding acceptance of standards mark or relevant certificate by Sudan institutions.	Reports by COMESA Secretariat on standards regulations applied by member states	Resistance by Sudanese institutions to recognise standards marks and relevant certificates issued b relevant bodies in COMESA countries	Directive by Sudan Central Government to all standards/ SPS institutions to recognise standards marks and other relevant certificates issued by authorised COMESA authorities
C	Technical regulations and	There are currently 48 weighbridge stations that operate on the major roads in	While weighbridge specification checks are justified on the need to	National Highway Authority	Introduce electronic weighbridges at	Time spent at weighbridge stations	Periodic reports by regional	Financial resources to introduce	Sufficient central government

1	2	3	4	5	6	7	8	9	10
NTB WTO Inventory codes	Problem Area	Description of the most severe NTBs	Impact of NTB to businesses	Responsibility	Possible approach to eliminate NTB	Performance Benchmarks	Means of Verification	Constraints	Success Factor
	standards - *Weighbridge stations*	the country, while an additional 3 are planned to be introduced by the end of 2007.	ensure that transportation trucks do not exceed the allowed load specifications in order to safeguard against damage on roads, all stations are manually operated, resulting to an average of 4 hours wasted at each station per truck. In addition, each truck has to pay an estimated weighbridge charge of USD 1,000. Also like in the case of exports, each truck has to incur additional toll station charges estimated at USD 25 at each toll station, while there are an estimated 10 toll stations between Port Sudan and Khartoum. These costs and time spent from the port to the final destination inflates the price of imports.	State governments	the current weighbridge stations. Reduce the cost incurred at weighbridge stations. State governments to introduce a one-time payment of charges at toll stations and thereafter share the revenue accrued.	reduced from current average of 4 hours to at least 30 minutes, while cost incurred eliminated altogether. Current cost of average USD 25 incurred at each toll station charged only once at the first station. Transportation trucks could keep the receipts as proof of payment and show the same when required at subsequent toll stations.	weighbridge managers to NTBs National Focal Point (through MFT[25]) number of trucks that pass through weighbridges and time spent. Periodic reports by transporters to NTBs National Focal Point (through MFT) on amount of toll charges incurred at various stations	electronic weighbridges Resistance by state governments to introduce one-time payment of toll charges due to fear of revenue loss.	allocation for electronic weighbridges Sensitisation of state governments on benefits of reducing current time and cost spent on transport

[25] MFT - Ministry of Foreign Trade

1	2	3	4	5	6	7	8	9	10
NTB WTO Inventory codes	Problem Area	Description of the most severe NTBs	Impact of NTB to businesses	Responsibility	Possible approach to eliminate NTB	Performance Benchmarks	Means of Verification	Constraints	Success Factor
Part VII-C	Distribution constraints/ Transportation bottlenecks	Sudanese exports destined to other COMESA member states suffer from poor air connectivity, slow rail and road transport problems. A prospecting businessperson is often unable to get a direct flight from one COMESA country to another and has to spend a lot of hours transiting between different countries before reaching the final destination. Rail travel is very slow compared to road transport, while if it was efficient and faster, this would have been the preferred mode of transport since it is cheaper. Additionally, transporters are unable to transit through COMESA countries due to poor condition of good roads.	The long transit time on air transport translates to very expensive air travel within the region, whose cost may have to be recovered through high cost of goods delivered to the target market. The alternative is lower profits for the exporter. Slow rail transport means long delivery time to a target market. It takes an average of 7 days to transport cargo by rail from Khartoum to any of the four Sudanese red sea ports, a journey which takes only two days by road. Transporters are therefore forced to use the more expensive road transport which hikes the prices of exports. The poor condition of roads within COMESA countries forces exports to DRC, Uganda and Kenya to use the much longer and expensive sea route, and then transit all the way to the target country through the Mombasa-Nairobi-	Sudan Government[26] Sudan National Highway Authority (Ministry of Transport, Roads and Bridges)[27] Other COMESA countries[28]	The problem of air connectivity and poor condition of roads with COMESA countries needs a joint effort by all members. Ministries in charge of transport and roads therefore need to design joint projects to solve the problem.	Strategy by COMESA ministries in charge of and roads, aimed at facilitating air travel, roads and rail efficiency within COMESA	Reports of joint meetings between COMESA ministries in charge of transport and roads with airlines and rail authorities regarding strategy for facilitating air travel efficiency of roads and rail transport	Airlines might not see the need for joint strategies since they are driven by profit motive. Some countries might also argue that countries whose rail and road systems are inefficient are the ones that require joint initiatives.	Need for demonstrated political will to solve transportation bottlenecks within the region

[26] With respect to condition of rail transport from Khartoum and other Sudanese towns to Sudanese sea ports, insecurity in Southern Sudan for exports to countries south of the country, and insecurity in northern Sudan for exports to Libya.
[27] With respect to charges and transit time at weighbridge and toll stations
[28] This is with respect to bottlenecks experienced due to lack of direct air transport between COMESA countries and improving condition of roads, for example the Northern corridor route that runs from Kenya through Ethiopia, Sudan and Egypt.

1	2	3	4	5	6	7	8	9	10
NTB WTO Inventory codes	Problem Area	Description of the most severe NTBs	Impact of NTB to businesses	Responsibility	Possible approach to eliminate NTB	Performance Benchmarks	Means of Verification	Constraints	Success Factor
			Malaba northern corridor section. Also exports to Ethiopia have to face the same transport difficulties of using sea transport. These bottlenecks end up making Sudanese export to COMESA countries uncompetitive relative to competitor countries in the region.						
VII-C	Distribution constraints/ Transit bottlenecks	Sudan has not yet implemented the COMESA transit schemes, making it difficult for her trucks to transit through COMESA countries. The most serious area is the axle load limit specifications, whereby some Sudanese specifications are different from those recommended under COMESA. In this respect, the Sudanese specifications which differ from COMESA specifications are for trucks with a length of 34 metres, those with single axle of 10 tonnes, and those with triple axle of 22 tonnes. Also, the delay in implementing the COMESA yellow card insurance system is an obstacle to transit by Sudanese trucks within the region.	The implication of varying Sudanese and COMESA specifications is that the Sudanese 34 metre trucks must hand over their cargo to the national trucks of the target COMESA country, while those with single and triple axles must strip off their excess weight at the borders of the target country. For cargo offloaded from the 34 metre long trucks, it has to be transported using national trucks of the destination country which may not be the most competitive transport means, while the process also translates to lost business opportunities for Sudanese trucks. For the Sudanese single and triple axle trucks, additional trucks must be hired to transport the excess weight, which is not	Sudan National Highway Authority (Ministry of Transport, Roads and Bridges)	Sudan should endorse and implement all COMESA transit schemes without delay. The planned implementation of OMESA yellow card insurance scheme within the next 2-3 months should proceed without disruption.	Sudanese trucks transit through COMESA countries without disruptions.	Reports by Sudan to COMESA Secretariat on COMESA schemes endorsed and implement ed	Lack of national conviction on benefits of implementin g COMESA transit schemes	National consultations on gains to be made by implementin g COMESA transit schemes. Ministry of Foreign Trade needs to initiate such a national forum on such consultations

1	2	3	4	5	6	7	8	9	10
NTB WTO Inventory codes	Problem Area	Description of the most severe NTBs	Impact of NTB to businesses	Responsibility	Possible approach to eliminate NTB	Performance Benchmarks	Means of Verification	Constraints	Success Factor
			economical since the excess weight is just a few tonnes above the allowed COMESA specifications. The result is that Sudanese exports become more expensive in COMESA markets due to additional transport costs. Also, the delay in implementing the yellow card insurance system means Sudanese trucks cannot be allowed to use the roads of other member states since they don't have a relevant insurance over.						
VII-C	Uncompetitive manufacturing environment	Goods manufactured within Sudan are made expensive by the uncompetitive infrastructure. While the cost and time of delivering inputs to Sudanese manufacturers by either by road, rail, sea or air are uncompetitive, the situation is made worse by high electricity and finance costs. In this respect, electricity costs an average of 17 US cents in Sudan, compared to about 2.5 US cents in Egypt. On the other hand, the finance cost in Sudan is estimated to be 50% more expensive in Sudan than in Egypt. In addition, there are various cumbersome administrative barriers for manufacturing in Sudan as enumerated in the "2006	Businesses have to bear the cost burden of the uncompetitive manufacturing environment, making the final products uncompetitive in COMESA markets compared to the more competitive COMESA countries such as Egypt. Sudan is now ranked by the World Bank at number 151 among 155 world countries in terms of administrative barriers to business operations. This ranking discourages foreign investors, which in the end does not help in making Sudanese products more competitive on cost,	Sudanese Government – all trade-related ministries/ departments and agencies	A national strategic plan aimed at reducing domestic manufacturing costs. Preparation of a private sector strategy would greatly help in this respect, which needs to use the findings of the 2006 Administrative Barriers study by the FIAS	A national strategy targeting major reductions in cost of doing business in Sudan and identified deadlines for actions rolled out at least by mid 2008	National strategy which is widely accepted by Sudanese trade stakeholders	Financial constraints for undertaking the national strategy	Development partners like the World Bank could be approached to offer technical assistance and funding for the strategy

1	2	3	4	5	6	7	8	9	10
NTB WTO Inventory codes	Problem Area	Description of the most severe NTBs	Impact of NTB to businesses	Responsibility	Possible approach to eliminate NTB	Performance Benchmarks	Means of Verification	Constraints	Success Factor
		Administrative Barriers study" carried out by the FIAS	quality and access to export markets.						
Part V-E	Discrimination resulting from bilateral agreements	Direct export to Libya is not possible by road because Sudanese registered trucks are not allowed to use Libyan roads. Instead, Sudanese exports to Libya have to offload at the border with Egypt after which Egyptian trucks take over the respective cargo and transport to Libyan destinations. This makes the journey more time consuming and expensive.	The prohibition of Sudanese trucks from using Libyan roads translates to longer delivery time and expensive means of accessing the Libyan market. Direct transportation from Khartoum to Kofra in Libya would have taken 3 days for the 2,000 KM journey, compared to the current 10 days of transportation from Khartoum through Halfa, Aswan Port, Cairo, Salwom at the Egypt/Libyan border and Kofra the target final destination. The cost of the long journey is much more than would have been if the direct transport route was possible	Sudan/ Libya Governments[29]	Sudan and Libya should enter into a bilateral agreement regarding cross-border transport.	A bilateral agreement between the two countries specifying areas of cooperation	A bilateral agreement between the two countries specifying areas of cooperation	Historical relationships between the two countries may not be very strong	Other friendly countries like Egypt or COMESA could facilitate the bilateral agreement.
Part II-D	Cross-border movement of persons	Most COMESA countries require a business visa at entry for prospecting businesspeople, while COMESA citizens are treated like any other foreigner by immigration authorities whenever they wish to enter another COMESA country.	The cost of the business visa varies from one country to another and although the cost may not be high, the application process is cumbersome, making a business person feel unwanted in another COMESA country although the region prides itself of aspiring to be one	COMESA countries	COMESA members need to fast-track cross-border movement of persons	COMESA citizens are treated like national citizens within member states	Strategy by Immigration Departments regarding facilitating cross-border movement of persons	Member countries may want to follow the step-by-step integration process, under which cross-border movement of persons	Member states need to prioritise cross-border movement of persons so as to fast-track the integration process

[29] This problem may be due to lack of a bilateral agreement between Sudan and Libya

1	2	3	4	5	6	7	8	9	10
NTB WTO Inventory codes	Problem Area	Description of the most severe NTBs	Impact of NTB to businesses	Responsibility	Possible approach to eliminate NTB	Performance Benchmarks	Means of Verification	Constraints	Success Factor
			common market. In addition, Sudanese immigration charges a USD 20 on exit which does not encourage travel out of the country.					should appear under the stage of the Common Market	

CHAPTER SIX

STATUS OF IMPLEMENTATION OF COMESA TRANSIT PROGRAMS IN SUDAN

Sudan has not implemented any of the COMESA schemes aimed at facilitating cross-border trade as shown in Table 10 below.

Table 10: Status of implementation of COMESA harmonized schemes for transit traffic in Sudan

COMESA program	Details of scheme	Status of implementation
Harmonized Road Transit Charges	The system requires that heavy goods trucks with more than three axles pay a charge of US$10 per 100km while trucks with up to three axles pay US$6 per 100km. Buses with a capacity of more than 25 passengers pay US$5 per 100km.	Not implemented
COMESA Carrier's License	This license allows commercial goods vehicles to transport goods throughout all COMESA member states with only one license.	Not implemented
Harmonized Axle Loading and Maximum Vehicle Weight	The scheme aims at preserving road infrastructure by limiting the load on freight vehicles. COMESA has harmonised the axle load at 16 tonnes for double axle and Gross vehicle Mass (GVM) specifications at a maximum of 54 tonnes.	Not implemented
Adoption of COMESA Yellow Card	The card is a motor vehicle insurance scheme which covers third-party liabilities and medical expenses of road accident victims caused by a motorist from the COMESA region. A yellow card issued in one COMESA country is valid in all other member countries and is mostly applicable along the Northern Corridor route.	Endorsed and awaiting implementation within the next 2-3 months
Advance Cargo Information System	This is a computer based system consisting of Port Tracker, Road Tracker, Lake and Rail Tracker.	
COMESA Bond Guarantee scheme	The COMESA bond will be a unique bond accepted by all the member countries for transit traffic. The objective is to reduce the cost associated with nationally executed customs bond guarantees for transit traffic. Since current bonds are country specific, implementation of this scheme will mean that transport operators do not have to get a new bond whenever their trucks cross borders.	
COMESA Customs Declaration Document (CD-COM)	This is a system of declaration which is used for imports, exports and for transit goods. The aim is to avoid creation of new documentation at every border point for goods in transit. It can reduce the cost and delays for economic operators and facilitate information sharing between customs. The CD-COM is compliant with the widely accepted standards (UN keys and ASYCUDA). The scheme is being partially used on the northern corridor.	Implemented

In addition to non-implementation of the COMESA transit schemes, Sudan also seems to be pursuing a different direction altogether regarding the Harmonized Axle Loading and Maximum Vehicle Weight specifications scheme, since as shown in Section 3.1.2 of this report, the country has the following standards on transportation trucks which are different from those recommended under COMESA, and at the same time, the country is considering implementing a fourth axle load limit which has not been introduced under

COMESA transit schemes. The Sudan trucks standards are:

- Truck allowed length of 34 metres
- Single Axle specifications of 10 tonnes
- Tandem Axle specifications of 16 tonnes, and
- Triple Axle specifications of 22 tonnes.
- In addition, the government is considering introducing the Fourth Axle specification of 32 tonnes.

CHAPTER SEVEN

RECOMMENDED ACTIONS ON NOTIFICATION, MONITORING AND ELIMINATION OF NTBS

7.1 Sudan needs to make a concerted effort in identifying export and import opportunities from the COMESA region in order to increase her level of trading within the regional bloc. Identification of export opportunities would enable the country to take advantage of her membership to the Free Trade Area, where she can export duty free. The COMESA Secretariat could help the country by sourcing availing indicative information of where potentials lie in exports and imports. Member countries also need to post their trade data to their websites, which could be useful in indicating the values and volumes of products imported and exported. A prospecting businessperson could then work out indicative prices, which would be a good guide to making a decision on how to pursue potential markets. The EU help-desk website could help the countries to develop such trade-oriented data, to be made available to businesspeople at minimal costs.

7.2 It is recommended that the initial agenda for Sudanese National Monitoring Committee on NTBs should focus on finding solutions to:

7.1.1 The cumbersome importation process, long period and high importation charges. This seems to be among the most serious NTBs facing Sudanese importers, which ends up heavily inflating the domestic sale prices, thereby rendering the impact of preferential tariff treatment on COMESA imports useless. Also, the obstacles faced in importation have a direct consequence of making manufacturing in Sudan a very expensive, frustrating and inefficient exercise, if the imported goods are raw materials and other inputs for industry. The Sudan government also needs to seriously consider joining the WTO membership to ensure that the country applies similar valuation methods on imports as in other COMESA members, which would facilitate speedy importation and reduce related costs.

7.1.2 Transportation bottlenecks, which end up hindering the ability of Sudanese business people to penetrate potential markets within the region. For Sudan exports to become competitive on time and cost within the COMESA region, the current transportation bottlenecks in the country need to be seriously addressed. However, Sudan cannot successfully address these bottlenecks alone, which means there is need for joint efforts by COMESA countries that are equally affected by these obstacles. The COMESA Secretariat needs to initiate dialogue between members aimed at finding lasting solutions to transportation problems being faced by the business community within the region. This is because the current transportation problems (sea, air, road and rail transport) are all of a cross-border nature and therefore required solutions need a regional approach. Also, as part of facilitating her trucks to transit within countries of the region, Sudan should urgently implement the COMESA transit programs. In this respect, a national forum of trade stakeholders should be organised aimed at exploring the benefits of COMESA transit schemes and designing a plan of action for their implementation.

7.1.3 Uncompetitive manufacturing environment, which is a key business concern and which should be addressed hand-in-hand with the identified NTBs. In addition to addressing the NTBs, the NTBs National Monitoring Committee for Sudan should therefore include other business climate factors, including the cost of electricity, business finance, and administrative requirements for doing business in Sudan.

7.3 One of the key challenges that Sudan NTBs National Monitoring Committee will face is lack of experience in structured reporting, monitoring and elimination of NTBs, which is similar to the situation in most other COMESA countries. In this respect, it would be appropriate for the COMESA Secretariat to consider sourcing for some technical assistance to support Sudan's efforts in facilitating the reporting, elimination and monitoring progress in NTBs related work. As mentioned in Chapter 6 of this report, the Ministry of Foreign Trade should host the National Monitoring Committee since it already has a well established COMESA department and so it would not be establishing a completely new office.

Persons Consulted

No	Name	Position	Institution
1	Mr. Osman Elsheikh	Director	Import Department Ministry of Foreign Trade
2	Mr Salah	Director General	Sudan Customs Authority
3	Mr. Frederick Lokule Loku	Deputy Director General	Sudan Customs Authority
4	Mr. Khalil	Head of Department	Sudan Customs Authority
5	Mr. Ali	Head of Department	Sudan Customs Authority
6	Mr. Abu Obieda Ibr.Al Baqari	Consultant	Shipping, clearance, customs and trading services
7	Eng. Ali Adam Ibrahim	Director	Planning, Research, and Feasibility Studies Department; National Highway Authority; Ministry of Transport, Roads and Bridges
8	Mr. Mohammed Elhassan Shaa Eldin	Regional and International Treaties Reporter	Sudanese Businessmen & Employers Federation
9	Mr. Abdalla Awad Abdsiyar	Clearing Agent	Based at Khartoum Airport
10	Mr. Khalid Alhibir Ahmed	Clearing Agent	Based at Khartoum Airport
11	Mr. Abdalatif Eltahir Elgimeabi	Clearing Agent	Based at Khartoum Airport
12	Mr. Addelmalik Mohamed	Consultant & Clearing Agent	Addelmalik United Investment Company Ltd Based at Khartoum Airport