



# **THE BUSINESS CLIMATE INDEX SURVEY 2008**

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## Summary of Main Findings

### 1. Introduction

- In meeting its objectives as a lobby group for the private sector, The East African Business Council (EABC) launched the EA Business Climate Index (BCI) survey in 2005. The overall objective of the BCI is to give a platform for the business community to provide necessary inputs leading to the elimination of Non Tariff Barriers (NTB's) and improvements of other business climate factors.
- This latest survey was conducted by The Steadman Group (now part of Synovate) on behalf of EABC between July and September 2008. It comprises interviews with 240 business leaders: Uganda (25%), Kenya (21%), Tanzania (20%), Rwanda (18%) and Burundi (15%); 140 truck drivers through self completion diaries (collected at the point of exit from the country of departure) and 187 Clearing and Forwarding Agents (CFA's)

### 2. Business climate

- The overall *Business Climate Index* across the East African region has declined to **44 points in 2008 from 51 points in 2007**. Ugandans are the most positive business leaders with an index of 55, followed by Kenyans and Rwandans (45), Tanzanians (42) and trailing some way behind are Burundi's business leaders with an index of 32.
- The majority of business leaders single out access to affordable and reliable telecommunications as of primary importance in business, access to water and security are in second and third place respectively. Transport and energy are also important business factors which are currently underperforming across the region
- As far as *future business climate expectations* are concerned, business leaders deliver a similar verdict in 2008 as they did in 2007 – 56 plays 59. Ugandan and Tanzanian business leaders are more optimistic than their regional counterparts registering indices of 61 and 60 respectively

### 3. Summary of time and financial loss

- In all three components of the survey the business leaders, truck drivers and CFS's were asked to estimate the amount of time and money lost as goods were in transit from one country to another through the various customs and other check points along the route
- Interestingly, most of the business leaders did not consider the losses too great, but those closer to the ground – the truck drivers and CFA's were able to estimate the actual time and money lost and the analysts have grossed these up to give an annual picture.
- It can be seen, from the summary table below that some 172,236 days are lost each year as a result of delays at Weighbridges, roadblocks and customs – with Weighbridges causing almost half of those delays
- In terms of money – paid in the form of bribes, some 9.8 million USD are paid over per year – with Weighbridges again taking the largest share

	Total time loss		Financial Loss	
	Time in Days	Share	Total Bribes in USD	Share
<b>Weighbridges</b>	<b>73,666</b>	<b>43%</b>	<b>5,460,000</b>	<b>56%</b>
<b>Roadblocks</b>	<b>53,083</b>	<b>31%</b>	<b>2,402,400</b>	<b>25%</b>
<b>Customs</b>	<b>45,487</b>	<b>26%</b>	<b>1,930,000</b>	<b>20%</b>
<b>Total</b>	<b>172,236</b>	<b>100%</b>	<b>9,792,400</b>	<b>100%</b>

### 4. Customs

- **Delays caused by Customs:**

Over one half (54%) of business leaders in East Africa expressed high levels of discontent with the length of time for customs clearance. Kenya customs was found to be the slowest in East Africa with 76% of business leaders indicating that the process was slow. Kenya was followed in order by Burundi (60%), Uganda (50%), Tanzania (45%) and Rwanda (42%).

Those with direct experience at the customs posts were also highly critical as many as 70% of the CFA's said that customs were slow and congested and a third of truck drivers reported unfair treatment.

Extrapolating the reported delays experienced by truck drivers clearing customs results in an annual figure of some 45,000 lost days

- **Corruption at Customs:**

Over one third (35%) of business leaders indicated that corruption at customs is a major obstacle. Moreover, this is a significant year over year increase from 22% expressing similar sentiments in 2007

The number of business leaders who stated that bribery at customs was a major obstacle in business was highest in Burundi at 68% and the lowest in Uganda (26%) and Kenya (28%)

While each individual bribe is low (average 1.9 USD), aggregated for all trucks and annualised amounts to bribes to customs of some 2 million USD

## 5. Roadblocks

- **Corruption at Roadblocks**

Four in ten business leaders interviewed cited bribery at roadblocks as a major obstacle. With the extent of the problem cited more by business leaders in Tanzania and Burundi than in the neighbouring countries.

Most truck drivers(72%) report high levels of bribe solicitation at roadblock encounters, although the actual payment reported was relatively low

Bribe solicitation and payment is significantly higher at roadblocks in Kenya compared to the other countries

The estimated amount paid in bribes per truck per year is just over 1,000 USD which aggregates to some 5 million USD for all truck traffic per year

- **Time loses at Roadblocks**

Huge amounts of time are lost at roadblocks according to the truck drivers. Each truck will lose up to 15 minutes per roadblock, given an average of 19 roadblocks per trip, this equates to a loss of 5 hours per trip per truck and 260 hours (approx 11 days) in a year

Working on the basis of 5000 truck trips per year, the losses equate to more than 50,000 days per year

## 6. Weighbridges

- **Estimated Cost of Bribery at Weighbridges**

The overall number of Weighbridges is lower than that of roadblocks (an average of 4.4 weighbridge points per trip compared with 19 roadblocks), but the average amount of bribe paid per encounter is higher.

On average 2.1 USD was paid at each weighbridge encountered, equating to USD 9.2 per truck per week and USD 480 annually. Extrapolated to the bigger universe of 5000 trucks yields a spend of 2.4 million USD annually on bribes at weighbridges

- **Time lost at Weighbridges**

On average a truck will lose up to 92 minutes per each weighbridge encountered. This equates to 6.8 hours per trip for each truck driver at weighbridges, yielding total time loss of 353 hours (approx 15 days) annually

Aggregating to the figure of 5000 trucks per year results in 73,000 days lost per year at Weighbridges

## 7. Work Permits

- Experience of Kenyans in East Africa On average it takes a Kenyan 1-5 months to acquire a work permit to work in Uganda and Tanzania. 62% of business leaders in Uganda claimed that it took them more than 2 months to acquire a work permit for Kenyan workers in Uganda
- Experience of Ugandans in East Africa Ugandans claimed that it took the least amount of time to acquire work permits in Rwanda. 45% of Kenyan business

leaders claimed that it took more than 2 months to acquire a work permit for a Ugandan worker in Kenya

- Experience of Tanzanians in East Africa. There was a smaller incidence of business leaders applying for work permits for Tanzanians. However, of those who applied, 92% of business leaders in Kenya claim that it takes more than 1 month to obtain a work permit for Tanzanians in Kenya
- Bribery experience when applying for work permits Over a quarter (26%) of business leaders indicated that bribery is a major problem in the acquisition of work permits for East Africans in East Africa

#### **8. Business Licenses**

- In the emerging Rwandan and Burundi economies, it took business leaders at least 10 days to obtain a business license. On average it takes longer in the more established economies
- A quarter claimed to have paid a bribe to obtain a business license – as many as 34% in Kenya to as few as 10% in Rwanda

#### **9. Standard Marks**

- Over half (55%) of business leaders find the lack of mutual recognition of standard marks to be an obstacle to business. A higher incidence of business leaders who found this as an obstacle was recorded in Kenya as compared to other EA countries.

## **Main Findings:**

### **Introduction**

In meeting its objectives as a lobby group for the private sector, The East African Business Council (EABC) launched the EA Business Climate Index (BCI) survey in 2005.

The BCI collects and disseminates information on business conditions in E.A. on an annual and continuous basis. It collects statistical evidence that gives the basis for effective lobbying for the improvement of the business climate in East Africa by public authorities and other governing bodies. The overall objective of the BCI is to give a platform for the business community to provide necessary inputs leading to the elimination of Non Tariff Barriers (NTB's) and improvements of other business climate factors.

Its specific objectives are:

- To track the changes in identified NTB's within the EAC partner states
- Continuously assess the business climate/confidence within East Africa
- Document the perceptions of the business community on the future expectations of the business climate

This information is then used to:

- Sensitize the EAC relevant organs and institutions, the general public, the private sector and the media are on the situation and impact of NTB and other business climate factors, and
- Provide evidence to NTB Monitoring Committees at national and EAC level in order to solicit for their commitment to elimination of identified NTB's and improvement of the EAC business climate.

### **About the Survey**

This survey was conducted by The Steadman Group (now part of Synovate) on behalf of EABC between July and September 2008. While previous surveys focused on perceptions by business leaders within E.A. region, this year's survey concentrated only on those Business leaders who are engaged in import and export as they have clear and better understanding of the NTB's impact upon trade within East Africa. Further, the

survey also incorporated experience based data from truck drivers and clearing and forwarding agents as they closely and directly interact with various stated NTB's. Finally this year's survey included Rwanda and Burundi who are now part of the EAC.

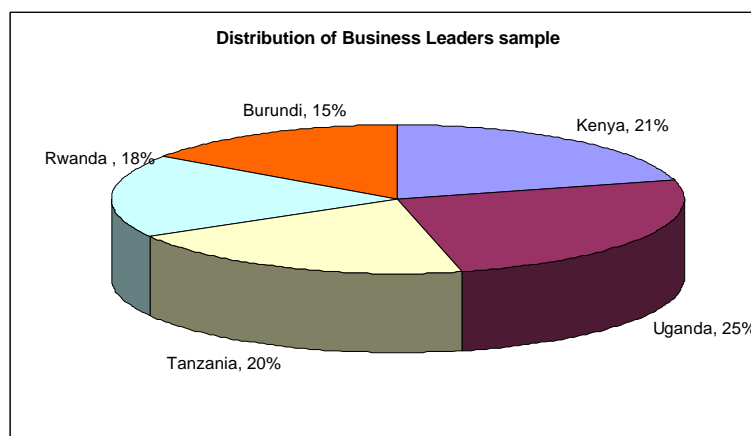
## **Methodology**

To provide comprehensive feedback on the above objectives, the survey utilized a triangulated approach incorporating three segments of stakeholders as follows:

**Business Leaders** – 240 business leaders of both small and large companies who engage in imports and exports within E.A. region participated in the survey. A predetermined structured questionnaire covering the areas outlined below was administered to the business leaders via email:

- Perceptions towards time spent, costs incurred and bribery incidence at customs, immigration, business licensing, road blocks and weighbridges.
- Evaluation of business climate, future expectations and business confidence

The sample distribution of the Business Leaders by country was as follows:



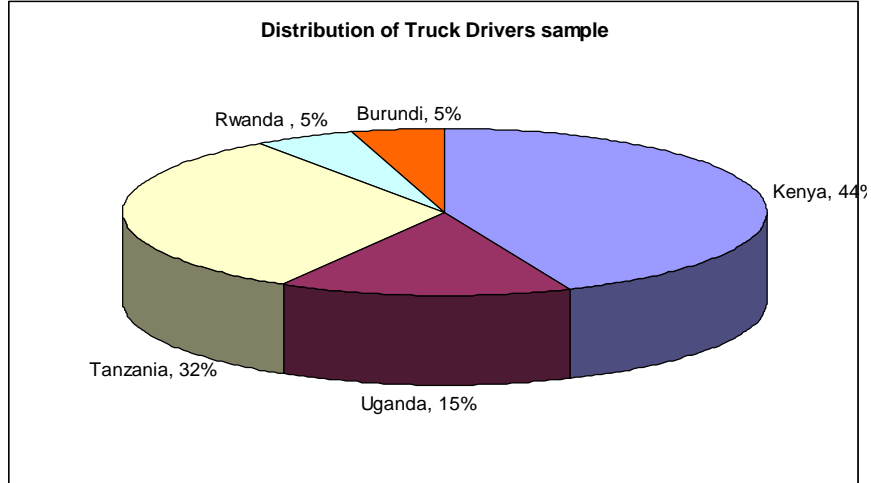
**Truck Drivers** – Previous BCI studies identified Road blocks, customs and weighbridges as non tariff barriers. It was therefore imperative to include truck drivers traversing between any two EA countries. Diaries were placed with 140 truck drivers at point of departure and collected at point of exit from the country of departure. This ensured that the in-country experience was captured. Only those trucks involved in exports and imports transportation were sample. The drivers evaluated the following:

- Numbers of roadblocks, weighbridges, customs offices encountered and time taken at these barriers



- Treatment at Roadblock/Weighbridge/Customs (fair/unfair)
- Bribery experience

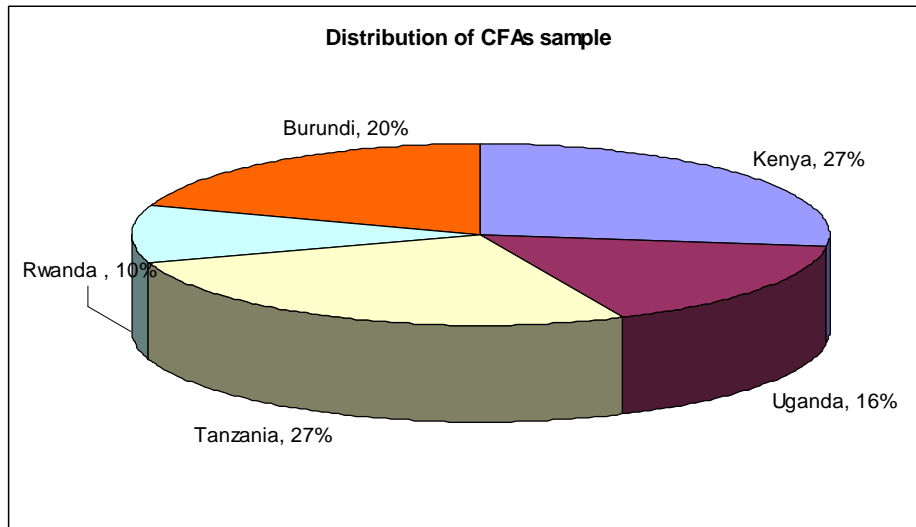
The sample distribution of the truck drivers by country was as follows:



**Clearing and Forwarding agents (CFA's)-** 187 CFA's in the five East Africa countries were probed on their experiences with customs. They specifically recorded their experiences of the last ten transactions with regard to:

- Average time taken at customs
- Standard marks recognition
- Bribery experience
- Perceptions of towards customs officials

The sample distribution of the CFAs by country was as follows:

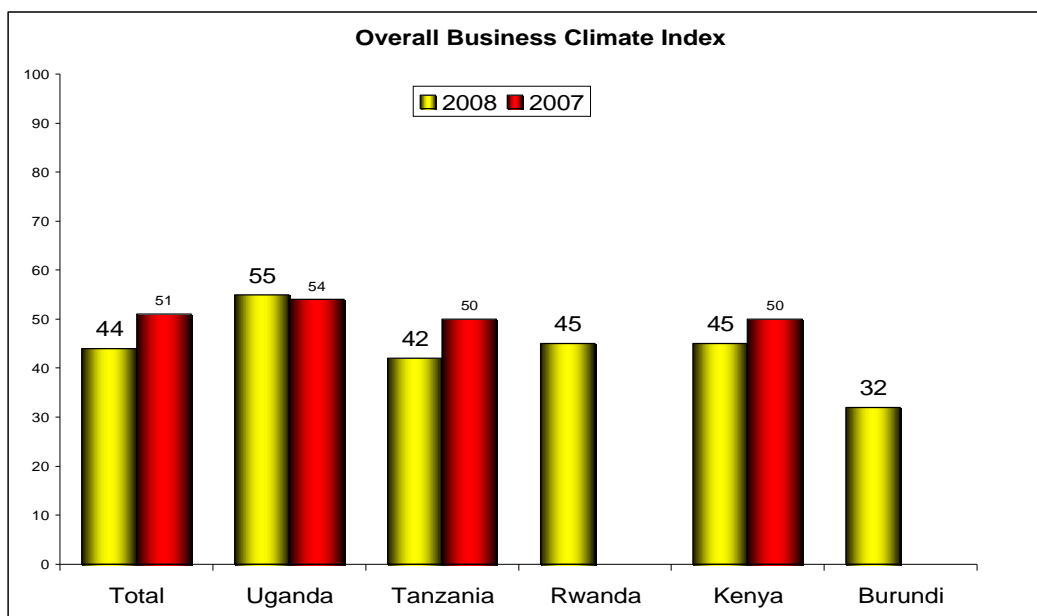


## 1. Business Climate

### Overall Business Climate Index

In computing the BCI, the current performance of a set of 13 predetermined business factors were considered. On each of these, a performance rating was obtained from the business leaders based on a *very poor to very good condition* scale. Overall BCI is then computed based on a scale of 0-100 where 0 represents poor condition and 100 excellent condition.

The overall business climate index was found to be **44 points a decline from 51 points** last year. Uganda business leaders were found to be the most positive about the performance of the business climate factors with an index of 55 points. On the other hand, business leaders in Burundi were found to be the struggling with poor business environment given a low index of 32 points.



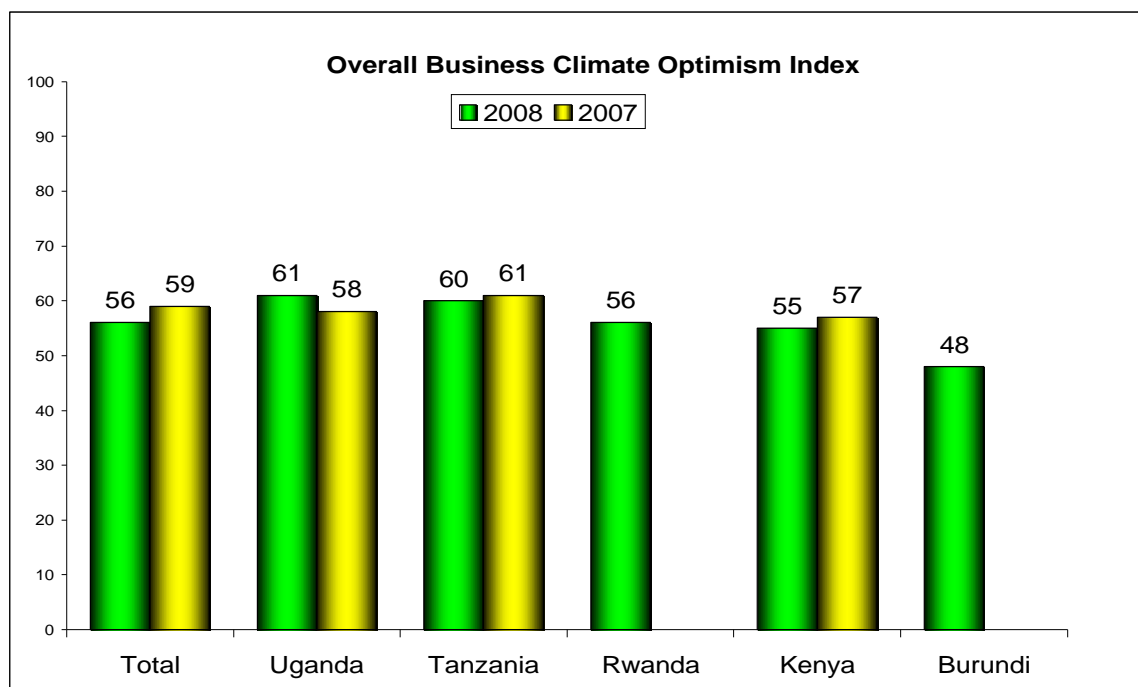
	Kenya	Uganda	Tanzania	Rwanda	Burundi	Overall
Access to affordable and reliable telecommunication	52	71	62	57	38	56
Access to water	52	65	42	48	50	51
Security	36	65	47	73	23	49
Access to affordable skilled labour	59	59	43	42	40	48
Access to finance	59	56	48	43	36	48
Access to business support services	54	57	47	45	30	47
Cross border movement	48	63	32	45	44	46
Legal and regulatory framework	41	62	46	47	22	44
Access to Land/business premises	47	51	40	35	28	40
Administration of tax	40	55	31	35	28	38
Level of taxation	38	46	30	36	28	35
Access to affordable and reliable energy	33	38	38	41	25	35
Quality and cost of transport (road, rail, air, sea)	24	29	46	34	28	32

Generally within E.A., the quality and cost of transport, level and administration of taxation and accessibility to reliable and affordable energy were poorly rated contributing to the fairly low business climate index. Although, business leaders single out quality and cost of transport and energy as some of the most important business factors, they nevertheless feel that these two areas are particularly underperforming.

### Overall Business Climate Optimism Index

In accessing future business climate expectations, based on the 13 predetermined business climate factors, business leaders were asked to indicate their future expectations on the performance of these factors. An overall business optimism index was then computed based on a scale of 0 to 100, where 0 represents ‘no confidence at all’ and 100 represents ‘absolute confidence’. To a large extent, the better the expectations on these business factors, the higher the confidence in the economy. When optimism on business conditions is high, investors are more likely to take risks and invest. Equally, propensity to buy consumer goods and durables increases. When optimism is low, investing and spending drops.

Business leaders’ optimism in the short term with a marginal decline of 3 points is nearly at the same level as last year given a decline. Despite, Tanzanian business leaders having a low business climate index, they are found to be more optimistic.

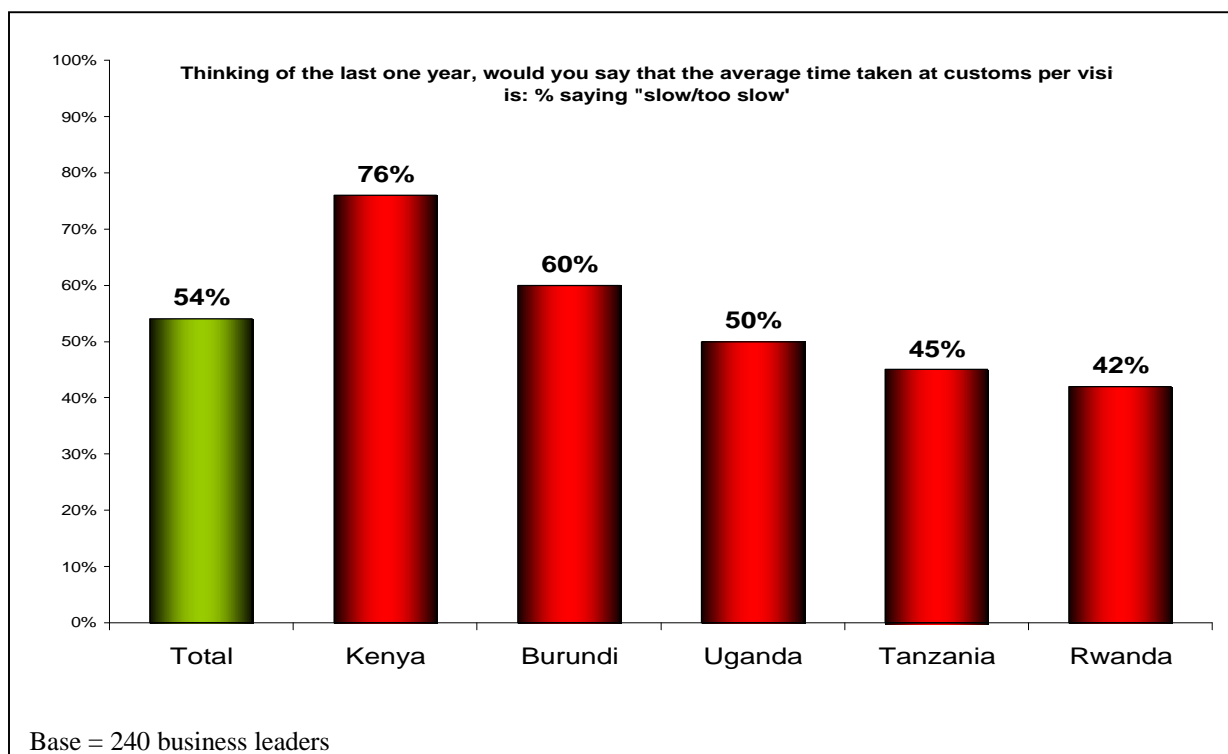


## Evaluation of the Non Tariff Barriers:

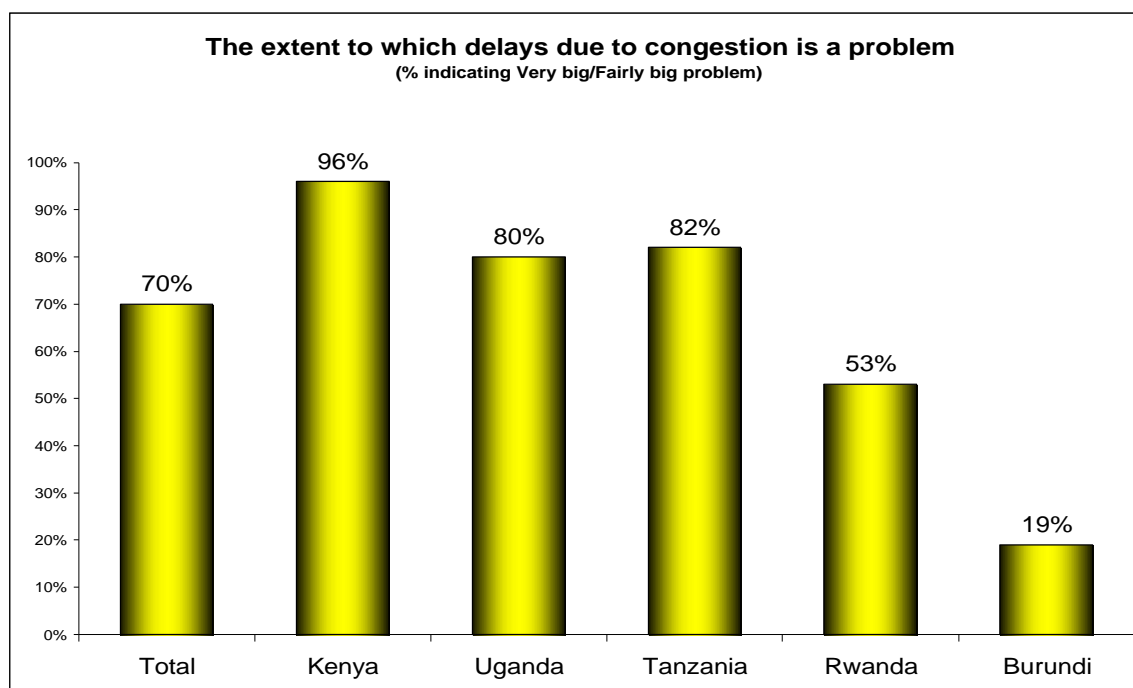
### 2. CUSTOMS

#### Perceived customs' efficiency

Overall, 54% of business leaders in East Africa expressed high levels of discontent (17% 'too slow' and 37% 'slow') with the time taken at customs. Kenya customs was found to be the slowest in East Africa with 76% of business leaders indicating the process at customs is either 'slow' or 'too slow'.



The above position is further corroborated by 70% of the CFA's who indicated that the process at customs is slow due to congestion. This problem is cited as 'severe' by nearly all the CFAs in Kenya. In addition, over 70% of CFA's perceive customs officials to be incompetent and providing unfair treatment and a third of the truck drivers claimed they were unfairly treated at customs.



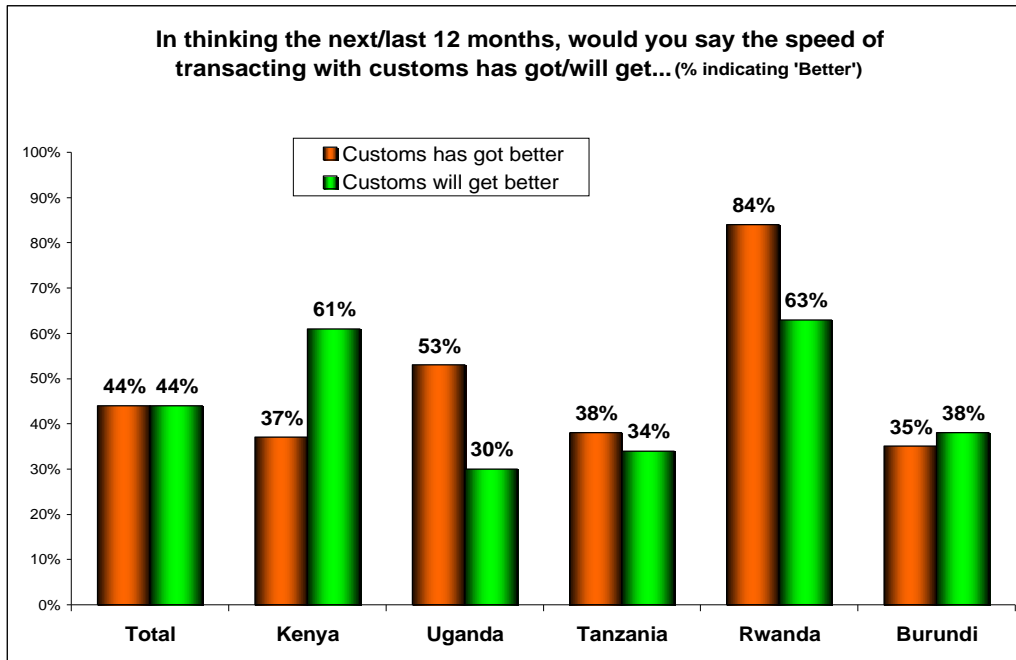
**Base = 187 CFAs**

Further, the above position is made more apparent by the truck drivers' experiences. The diary data from truck drivers established that, on average, a truck operating on the various major routes will encounter an average of 4 custom points. At each customs encounter a truck loses an average of 64 minutes. This equates to approximately 4 hours per trip. Given that a single trip takes approximately one week, then a single truck will lose approximately 218 hours (or over 9 full days per truck) annually in road blocks alone. It is estimated that at least 5,000 trucks are engaged in long distance transportation within the three East Africa states. Extrapolating the time lost at customs to the estimated trucks universe more than 45,000 days are lost annually on this NTB alone.

	<b>Time losses at Customs by Truck Drivers</b>
Average time spent at a customs	64 minutes
Average number of customs	4 custom points
Time spent per trip per truck at customs	4.2 hours
Time spent at per year per truck at customs	218 hours
Time spent annually by 5000 trucks	<b>45,487 days</b>

However looking back over the last 12 months, 44% of the CFAs indicated that efficiency at customs has improved and a similar number expect the same trend to continue in the

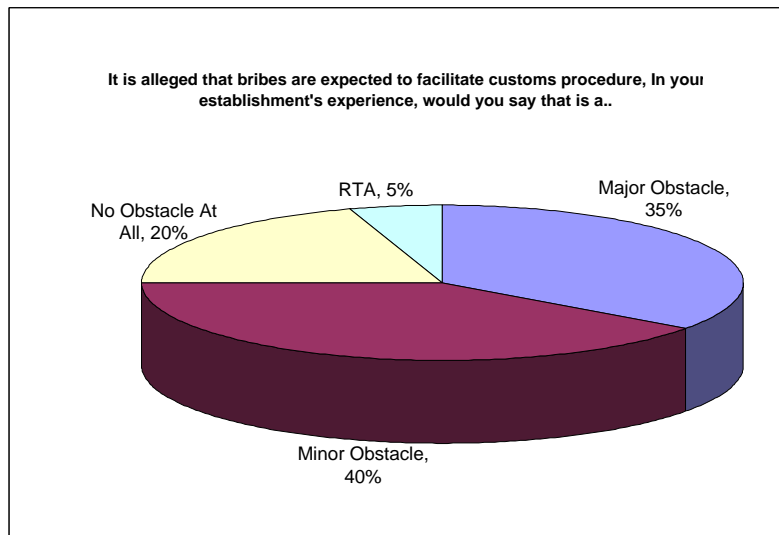
year ahead. The majority of the Rwandese CFAs indicated that their customs improved in the past year and they are also the most optimistic about future improvements. Uganda and Tanzania CFAs are most gloomy about the next 12 months.



Base = 187 CFAs

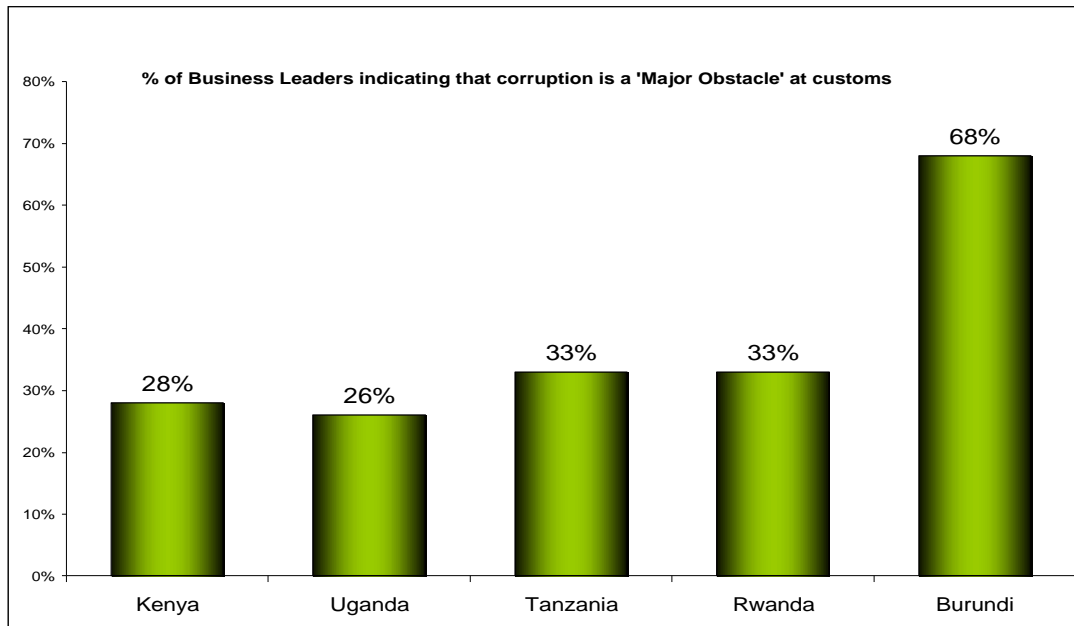
### Corruption at customs

Nearly four in every ten business leaders indicated that corruption at customs is still a major obstacle. This position is a deterioration compared to 2007 when only 22% found corruption to be a major obstacle to their establishment.



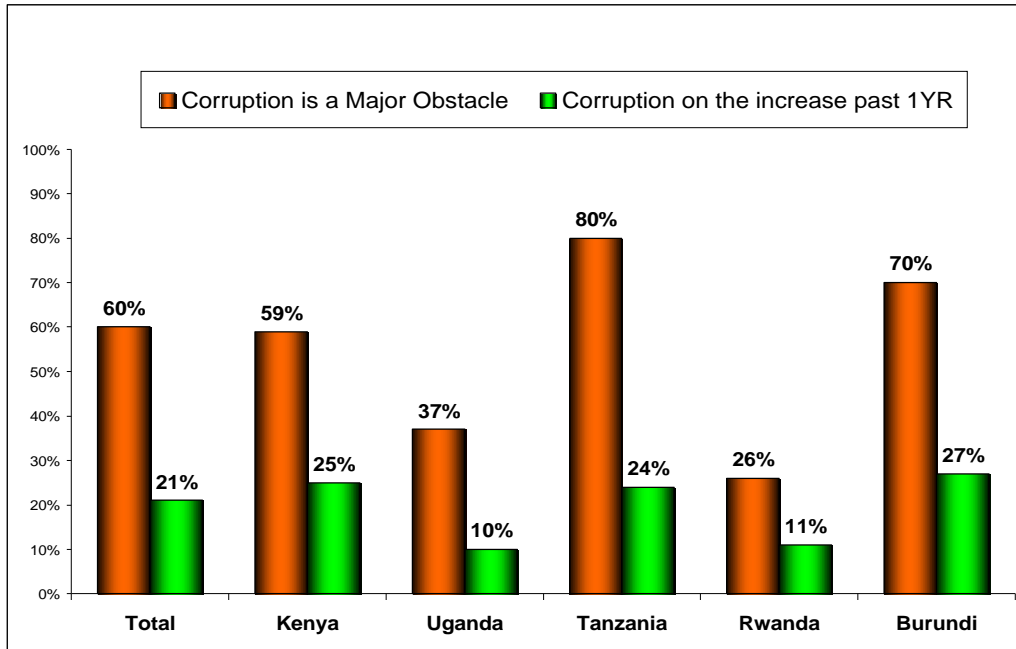
Base = 240 business leaders

However, the number of business leaders who stated that bribery at customs was a major obstacle in business was found to be the highest in Burundi at 68% and the lowest in Uganda (26%) and Kenya (28%).

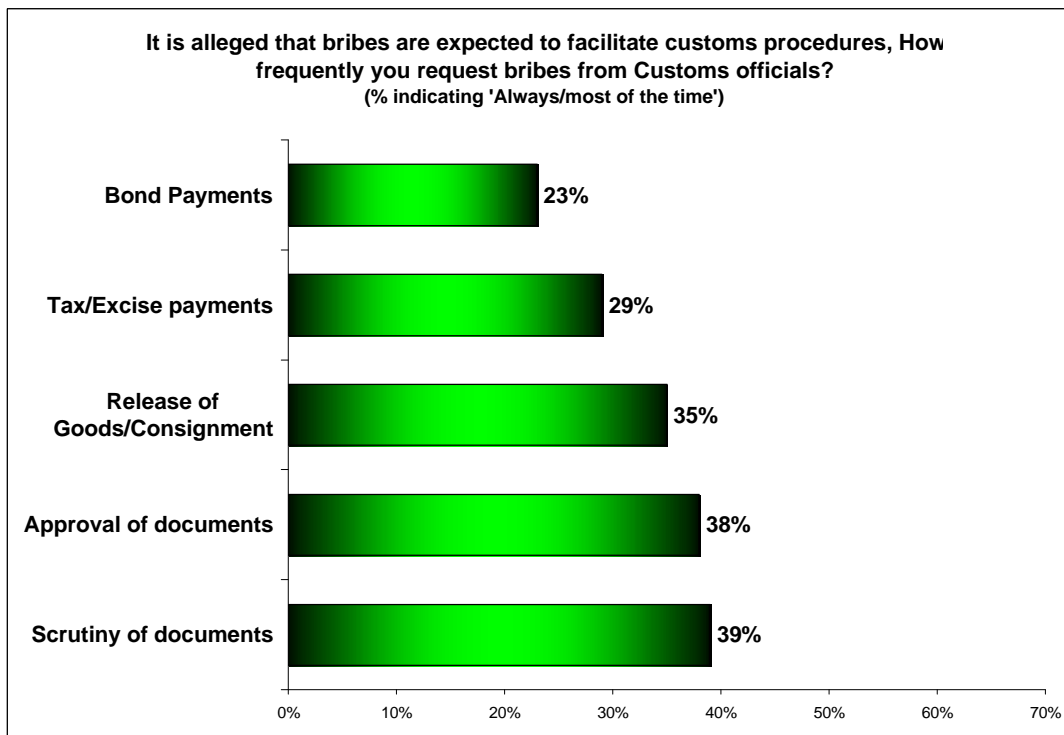


**Base = 240 business leaders**

Although only 35% of the business leaders see bribery as a major obstacle at customs in 2008, this problem is considered to be more severe by the CFA's who experience it first hand. 60% of CFA's indicated that the corruption is a major obstacle. However, very few CFAs feel that corruption at customs has increased in the past year. Specifically, only one in every ten CFA's in Rwanda and Uganda indicated that corruption has increased at Customs in the past year.



39% and 38% of CFA's indicated that bribes are a prerequisite at *document scrutinizing* and *approval of documents* respectively while 23% indicated bribes are paid to facilitate bond payments.

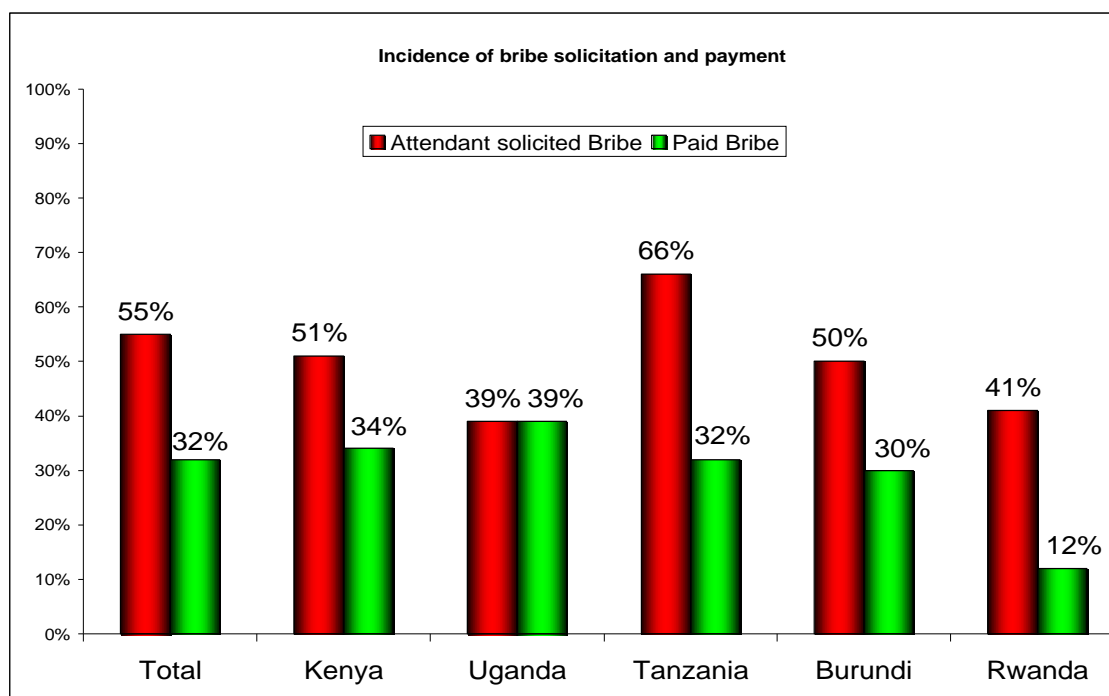


Notably, bribery requirement at the various customs processes is more prevalent in Kenya and generally least severe in Rwanda.



	Kenya	Uganda	Tanzania	Rwanda	Burundi
Scrutiny of documents	62%	27%	38%	16%	30%
Approval of documents	59%	53%	22%	5%	35%
Release of Goods	53%	27%	46%	5%	19%
Tax/Excise payments	33%	20%	34%	32%	25%
Bond Payments	38%	23%	20%	32%	5%

Slightly over half (55%) of all truck drivers plying any route across the region are bound to encounter a request for bribes by customs officials. However, only a third of the truck drivers pay bribes at customs. The incidence of bribe solicitation is notably higher for truck drivers departing from Tanzania, while the incidence of bribe paying is highest in Uganda.



Based on the truck drivers' survey, it was established that a truck driver pays an average bribe of USD 1.86 at each customs point. Given an average of 4 custom checks on an average trip, a single truck spends approximately USD 7.3. On average a full trip takes 1 week. This translates to approximately 386 dollars per truck per year.

Whereas this amount (per truck per year) is relatively trivial, when aggregated to all the trucks in a year it represents a colossal sum given the total number of trucks that pass through various customs points in the region each year. For instance, 5000 trucks would generate approximately USD 2million annually in customs bribes alone.

***Estimated losses through customs bribes by truck drivers***

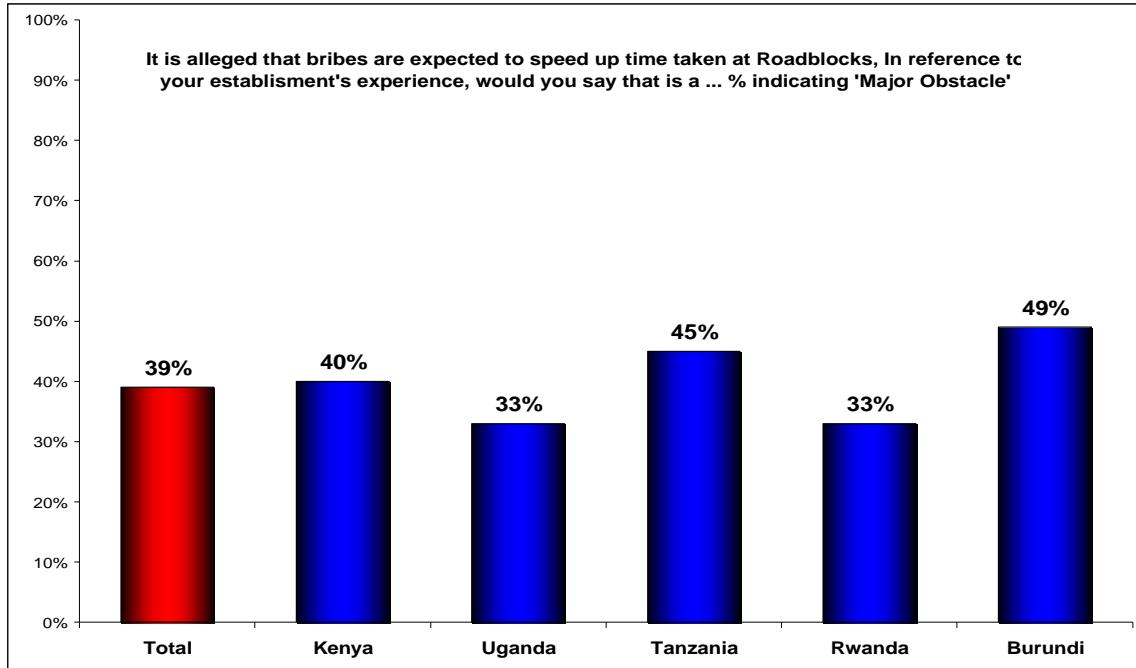
	<b>Estimated Loss in bribes</b>
Average bribe (in USD) spent at each customs encounter	<b>1.86</b>
Average number of customs points per trip	<b>4</b>
Average bribe (in USD) spent per trip	<b>7.3</b>
Amount spend on customs bribes per year per truck	<b>382</b>
Amount spend on customs bribes per year by 5,000 trucks (USD)	<b>1,930,000</b>

**In Summary**, CFAs seems to be most frustrated by customs procedures. Although Business Leaders see bribery at customs being minor due to the pettiness of the bribes, looked at from a macro/ aggregated perspective, the amounts paid in bribes demonstrate a significant cost to business.

Rwanda customs recorded the lowest incidence of bribe taking

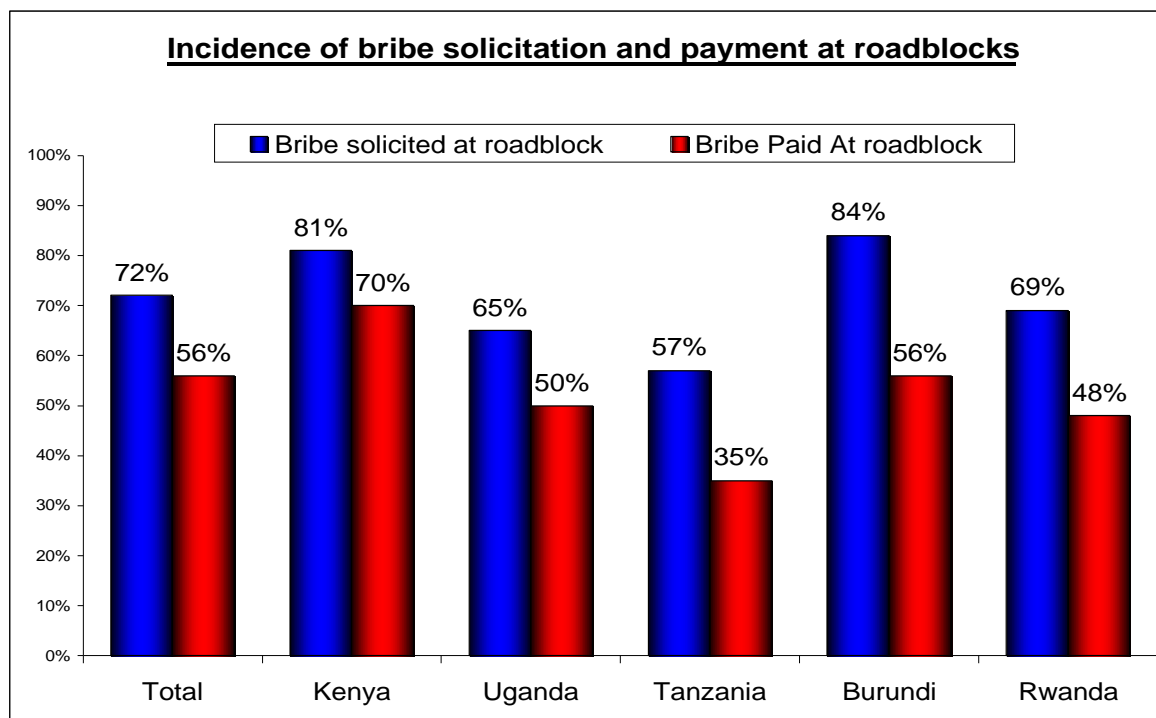
### 3. ROADBLOCKS

Generally, most Business Leaders do not feel that bribery at roadblocks is a major problem. Only 39% of the business leaders interviewed cited bribery at roadblocks as a major obstacle as indicated below. However, the extent of this problem is cited more by business leaders in Tanzania and Burundi than in the neighbouring countries.



Looking at bribery at roadblocks from the truck drivers' perspective, bribe solicitation is very high at 72% on total roadblock encounters. However, the incidence of bribe payment is slightly lower, on average a truck driver within E.A. will experience a bribery incidence in nearly 6 in every ten (56%) of roadblocks encountered.

Notably, bribe solicitation and payment is significantly higher at roadblocks in Kenya compared to the other countries.



Additionally, in 63% of the cases, the truck drivers indicated that the police do not explain to them why they were stopped.

In summary, whereas business leaders largely don't feel the weight of bribes at roadblocks due to its pettiness, as illustrated above, roadblocks add a significant cost to business.

### **Estimated Cost of Bribery at Roadblocks by truck drivers**

Based on the truck drivers study, the 103 truck drivers surveyed across the 5 E.A countries generated 1966 roadblocks encounters which equates to an average of 19 roadblocks per truck. Based on the above roadblock encounters and level of bribery incidence, the average bribe per roadblock was found to be **USD 1.1**. Given the average number of roadblocks and the average bribe, a truck driver will pay **USD 21** per trip (a trip takes one week to complete on average). Hence, the loss per truck per year is approximately **USD 1092**.

Although on the face of it, this amount looks small, it is nevertheless astronomical when extrapolation to a wider universe. Assuming a conservative 5000 trucks engaged in

imports/exports transportation within East Africa, they will have paid more than USD 5 million by year end in bribery at roadblocks alone.

	<b>Bribes paid at Roadblock</b>
Average bribe (in USD) spent per roadblock per truck	1.1
Average number of roadblock per trip	19
Bribe (in USD) paid per trip per truck	21
Bribe (in USD) paid per truck annually	1,092
Bribe (in USD) paid by 5000 trucks annually	5,460,000

### **Time losses at roadblocks**

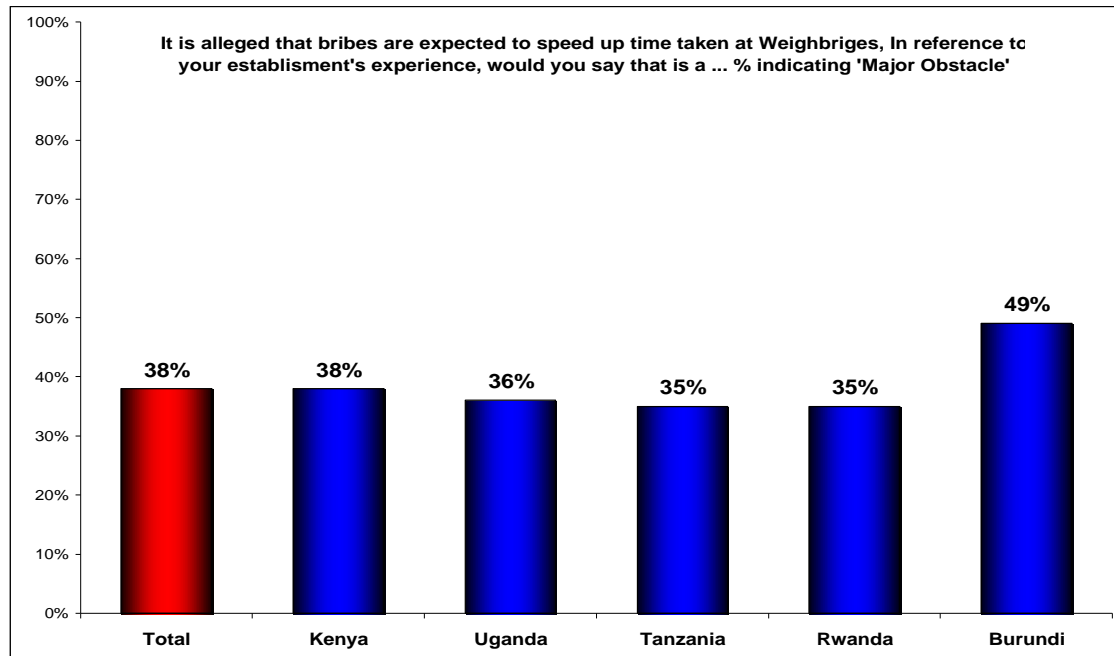
The diary data from truck drivers established that on average, a truck will lose up to 15 minutes per roadblock. Given an average of 19 roadblocks per trip, this equates to a loss of 5 hours per trip per truck and 260 hours (approx 11 days) in a year.

Assuming 5000 trucks, then more than 50,000 days are lost per year as shown below.

	<b>Time losses at Roadblocks</b>
Average time spent at a roadblock	15.34 minutes
Average number of roadblocks	19.09
Time spent per trip per truck	4.9 hours
Time spent at per year per truck	254 hours
Time spent annually by 5000 trucks	<b>53,083 days</b>

## 4. WEIGHBRIDGES

Generally, most Business Leaders do not feel that bribery at weighbridges is a major problem. 38% of the Business Leaders interviewed cited bribery at weighbridges as a major obstacle as indicated below



However, from a macro perspective, bribery at weighbridges is severe based on truck drivers' experience as illustrated below.

### Estimated Cost of Bribery at Weighbridges

While the numbers of Weighbridges is lower than that of roadblocks (an average of 4.4 weighbridge points per trip), the average amount of bribe paid per encounter is higher. On average USD 2.1 was paid at each weighbridge encountered, equating to USD 9.2 per truck per week and USD 480 annually. This yields colossal amounts when extrapolated to a bigger universe e.g. 5000 trucks will spend approximately USD 2.4 million annually on bribes at weighbridges alone as illustrated below.

	Bribes paid at Weighbridges
Average bribe (in USD) spent per weighbridge per truck	2.1
Average number of weighbridge per trip	4.4
Bribe (in USD) paid per trip per truck	9.2
Bribe (in USD) paid per truck annually	480
Bribe (in USD) paid by 5000 trucks annually	2,402,400

Despite the macro severity of bribery, given the relative triviality of each incidence of bribery at roadblocks and weighbridges per truck, most business leaders don't see this as a major obstacle.

### **Time losses at weighbridges**

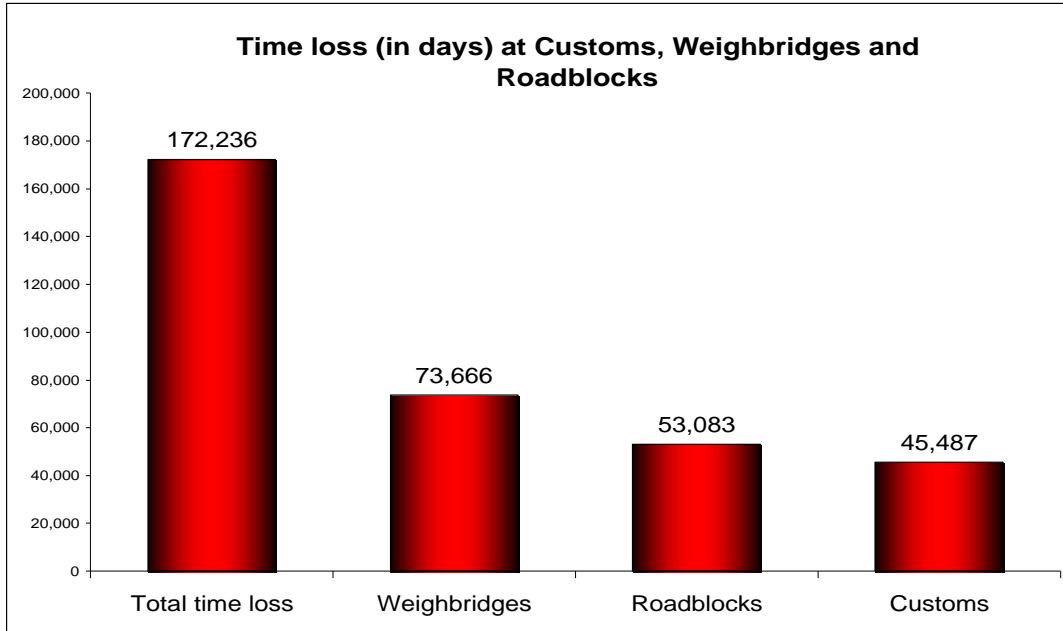
The diary data from truck drivers established that on average, a truck will lose up to 92 minutes per each weighbridge encountered. This equates to 6.8 hours per trip for each truck driver at weighbridges, yielding total time loss of 353 hours (approx 15 days) annually.

Assuming 5000 trucks, then 73,000 days are lost per year as shown below.

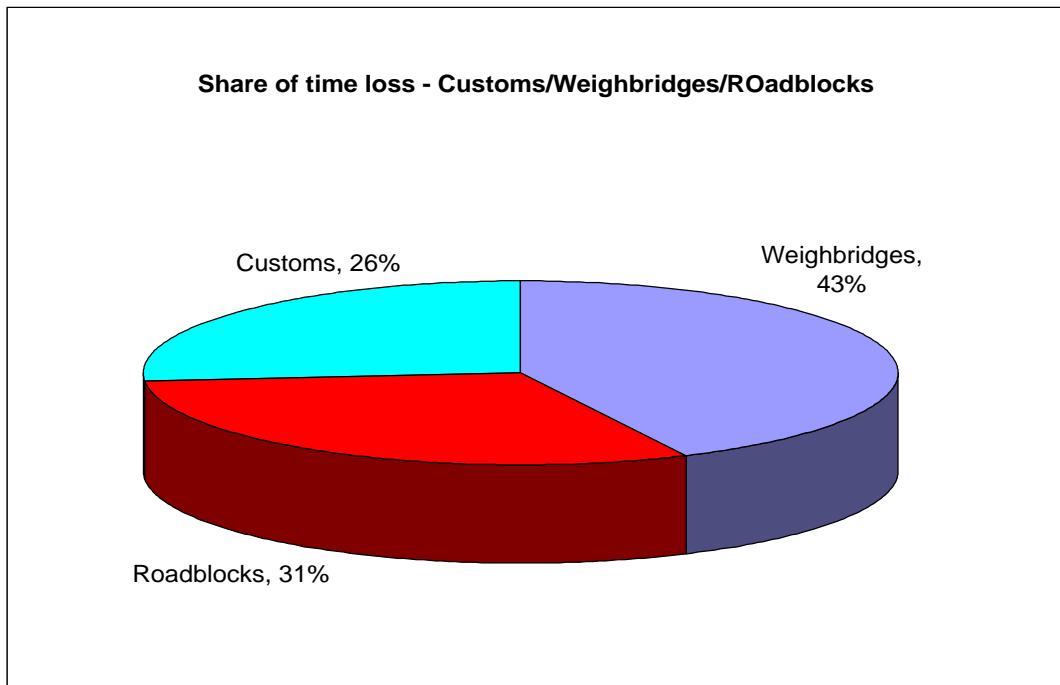
	<b>Time loss at Weighbridges</b>
Average time spent at each weighbridge per truck	92.69 minutes
Average number of weighbridges per trip	4.4
Time spent at weighbridges per trip per truck	6.8 hours
Total time spent at weighbridges per year by a single truck	353 hours
Total time spent by 5,000 truck in a year	73,666 days

## A summary of time and money loss through bribery at Customs, Weighbridges and Roadblocks.

With regard to time loss, assuming that 5000 trucks operate within East Africa, on an annual basis more than 170,000 days will be lost at the at customs, weighbridges and roadblocks.

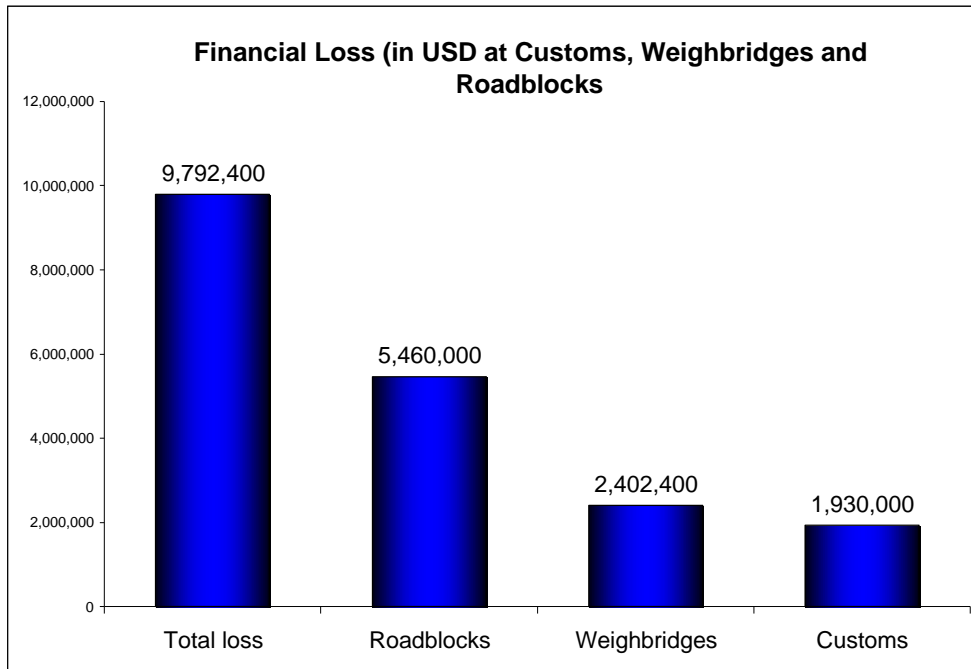


In regard to time lost, weighbridges contribute to the largest proportion of time loss, as illustrated below.

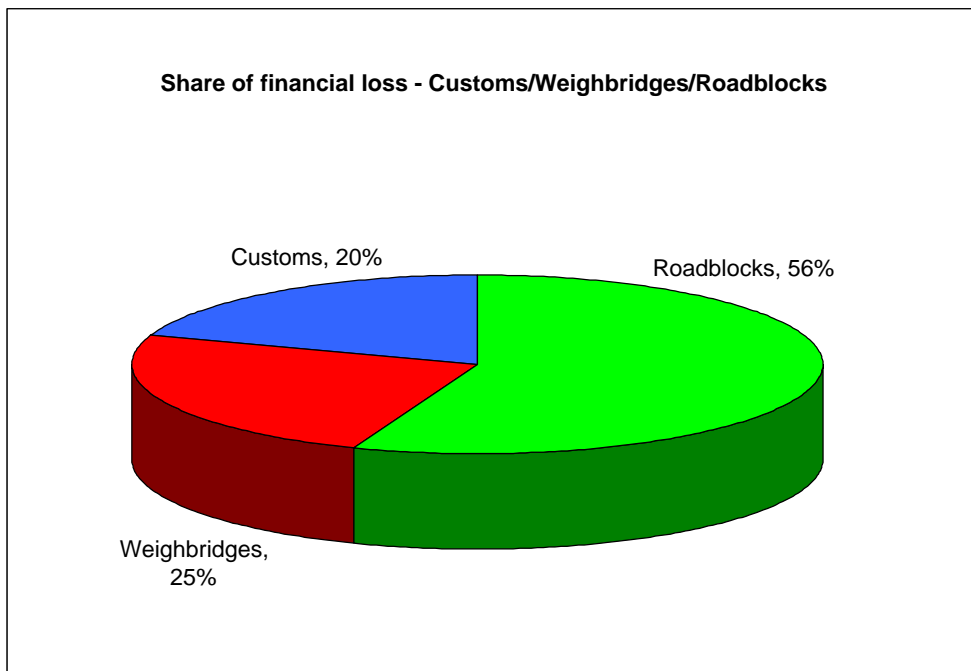




With regard to financial loss occasioned by bribes at these NTBS, nearly USD 10million will be lost annually based on an estimated 5000 trucks.



Although weighbridges contribute the highest share of time loss, roadblocks contribute more than half of bribes as shown below.



## 5. WORK PERMITS

**Experience of Kenyans in East Africa:** On average it takes a Kenyan 1-5 months to acquire a work permit to work in Uganda and Tanzania. A higher number (62%) of business leaders in Uganda claimed that it took them more than 2 months to acquire a work permit for Kenyan workers in Uganda.

**Experience of Ugandans in East Africa:** Ugandans claimed that it took the least amount of time to acquire work permits in Rwanda. However, 45% of Kenyan business leaders claimed that it took more than 2 months to acquire a work permit for a Ugandan worker in Kenya.

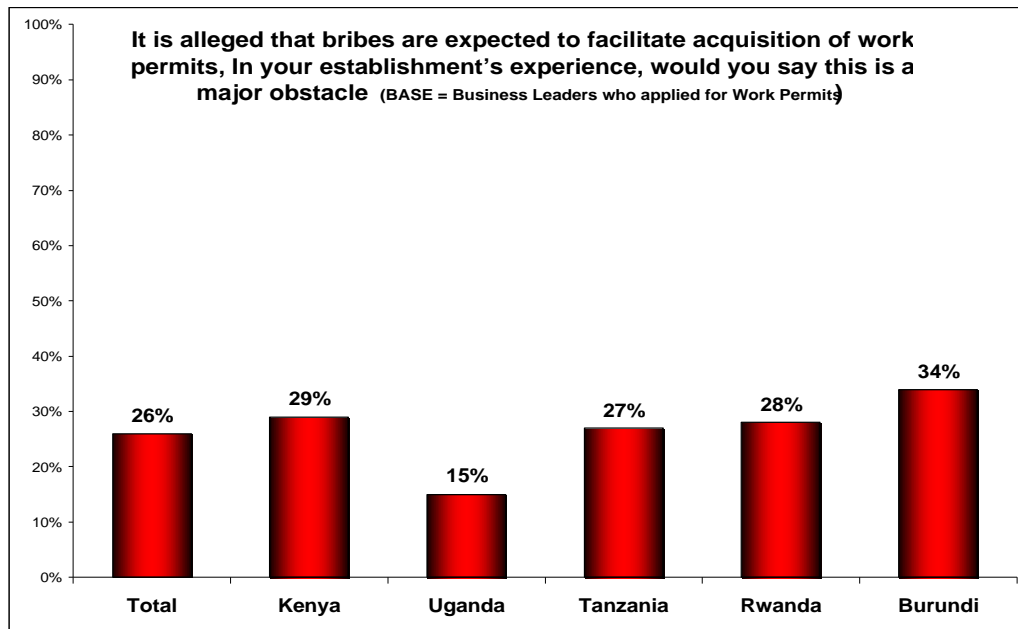
**Experience of Tanzanians in East Africa:** There was a smaller incidence of business leaders applying for work permits for Tanzanians. However, of those who applied, 92% of business leaders in Kenya claim that it takes more than 1 month to obtain a work permit for Tanzanians in Kenya. Of these, half claim that it took 2-5 months while 8% claim that it took more than 5 months.

### Level of difficulty in acquiring work permits

	In Kenya	In Uganda	In Tanzania
Kenyans		> 2months (62%)	> 2months (54%)
Ugandans	> 2months (45%)		> 2months (0%)
Tanzanians	> 2months (54%)	> 2months (71%)	

### Bribery experience in applying for work permits

Overall, 26% of business leaders indicated that bribery is a major problem in the acquisition of work permits for East Africans in East Africa.



## 6. BUSINESS LICENCES

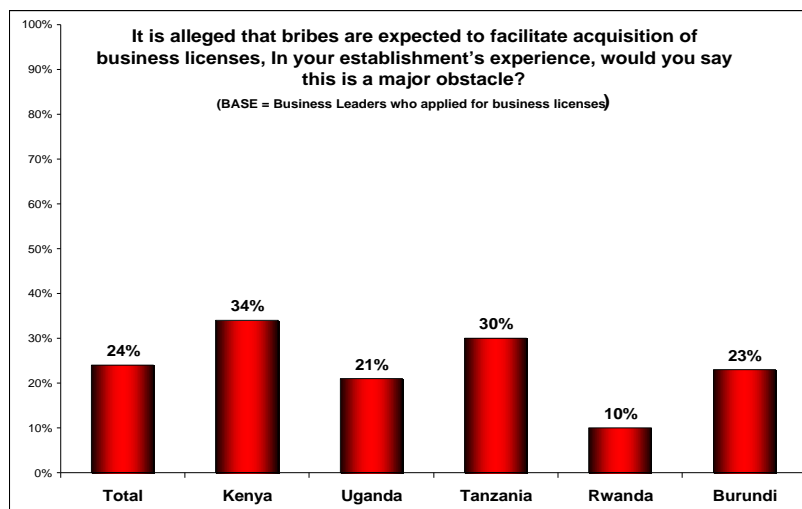
Under this section only business leaders who had tried to obtain a business license in any other E.A. economy were included. In the emerging Rwandan and Burundi economies, it took business leaders at least 10 days to obtain a business license in these countries while it takes longer in the longer established EA economies. 5 in 10 business leaders in Uganda claim that it took less than 30 days to obtain a business license in Uganda. Only 10% of business leaders claim to have taken more than 2 months to obtain a business license in Tanzania.

Please indicate the approximate time you took to obtain a business license in					
	Rwanda	Burundi	Tanzania	Uganda	Kenya
	21	17	42	22	13
Less Than 5Days	76%	35%	7%	18%	15%
6-10 Days	19%	24%	14%	9%	46%
11 Days-1 Month	5%	18%	52%	27%	8%
1 Month - 2 Months		18%	17%	36%	23%
More Than 2 Months		6%	10%	9%	8%

Results from last years survey illustrate a high tendency for delays in obtaining business licenses as 30% of business leaders indicated that it took more than 1 month to obtain a business license in Kenya, Uganda and/or Rwanda.

### Bribery experience in applying for business licenses

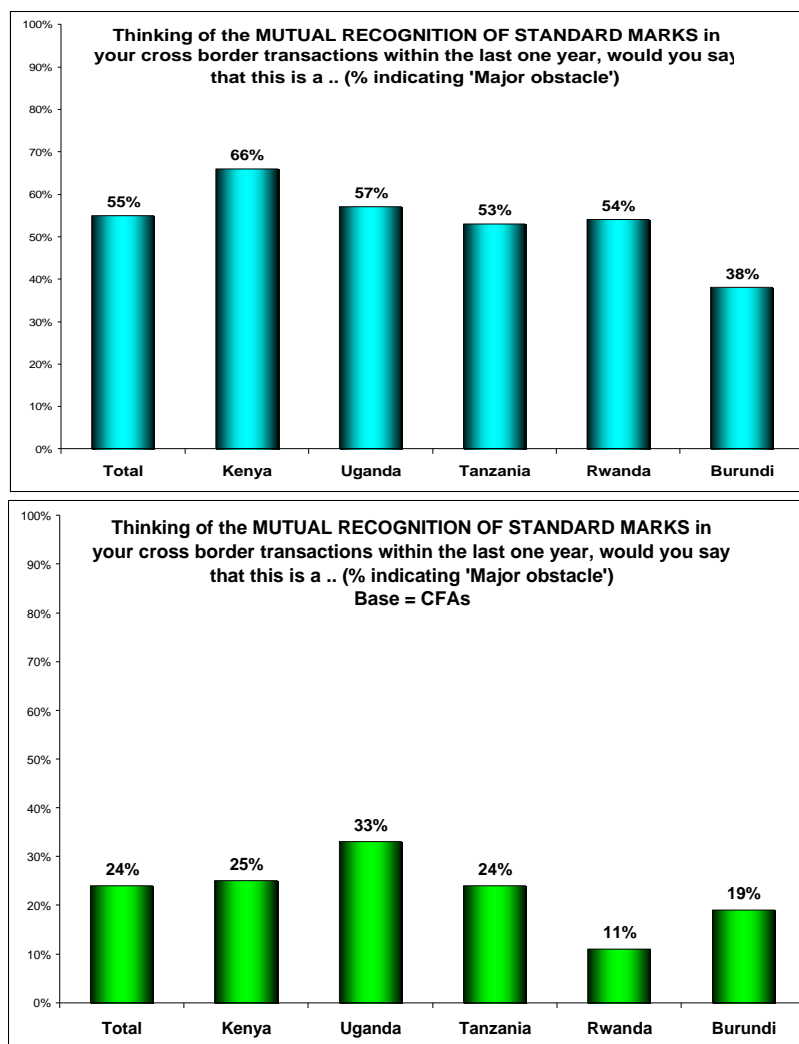
As many as a quarter (24%) of Business Leaders in EA claim that bribes are a major obstacle in acquiring business licenses. This is significantly higher in Kenya (34%) and lowest in Rwanda (10%). This compares to a much smaller percentage (15%) of business leaders who claimed the same last year.



## 7. STANDARD MARKS

With the emphasis of regional integration within East Africa, quality standard marks are intended to be accepted across the region. This means that a standard mark by Kenya Bureau of Standards automatically grants a good quality clearance if exported to other East Africa countries.

Business leaders were asked whether they found the recognition of standard marks across EA an obstacle. Slightly over half (55%) of business leaders find the lack of mutual recognition of standard marks to be an obstacle to business. A higher incidence of business leaders who found this as an obstacle was recorded in Kenya as compared to other EA countries.



A similar question was asked of the clearing and forwarding agents. 24% of them found this to be a major obstacle. The incidence was higher in Uganda as shown above.