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Contact: Joe Lamport, USAID Trade Hub

Tel: +233 302 773 393 / +233 244 340 748

Email: jlamport@watradehub.com

www.watradehub.com www.borderlesswa.com

USAID West Africa Trade Hub Study: Traders could save US\$80 million if barriers eliminated

Accra, Ghana, January 31, 2012 – Importers could save as much as US\$71 million annually if inefficient processes and procedures were eliminated on the Lome-Ouagadougou trade corridor, indicates a USAID West Africa Trade Hub study published today. Exporters would save close to US\$10 million annually, the study said.

Better transport infrastructure, more streamlined import/export procedures, and less corruption, delay and uncertainty would save traders millions – leading to lower prices for consumers. The increased business would mean more revenue for government: Reducing costs will lead to more business – and that means more tax revenue.

“West Africa trades more with the rest of the world than it does with itself – inefficient procedures, poor infrastructure, and corruption largely explain that,” said Niels Rasmussen, transport director at the USAID Trade Hub.

The study, *Transport & Logistics Costs on the Lomé-Ouagadougou Corridor*, is the second in a series that comprehensively reviews all of the costs on primary trade corridors in West Africa.

Most obstacles to trade and transport are legal—corruption represents about 7% of import and 5% of export costs respectively along the route. Greater efficiency would reduce costs and can be achieved through reducing Lomé port congestion and removing the customs requirement that transit traffic travel in convoys, as well as the inefficient truck cargo-allocation procedures.

While the study identified specific issues on the Lomé -Ouagadougou corridor, it also pointed to lack of competition in the transport industry as a significant drag on regional trade. Creating a single ECOWAS market would also increase trade.

The study was based on dozens of interviews with key transport stakeholders in Burkina Faso and Togo. Stakeholders reviewed and validated the analysis and recommendations in mid-2011.

The full study is available online at www.watradehub.com and at www.borderlesswa.com.

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