

Influence Of Non Tariff Barriers On The Operations Of Selected Kenyan Firms Within The East African Community

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ABSTRACT.

In the introductory chapter, the study explores the concept of international business and the benefits associated with free trade; within the context of the East African Community (EAC) regional economic grouping. The Study is however limited to identifying Non Tariff Barriers (NTBS) as some of the main constraints affecting free trade. In terms of scope, the study explores the influence of Non-Tariff Barriers (NTBs) on the operations of selected Kenyan firms doing business in the East African region.

Chapter two discusses various theoretical perspectives on International business and free trade. The chapter provides a conceptual overview on the theoretical foundations and models available on genesis and evolution of free trade; and how free trade impacts on global trading and regional integration. Modern theoretical models and new trade theorists such as Krugman et al (1991) argue that there is no level playing field in international trade and that free trade is isn't always benign. There are inherently different views for instance on benefits brought about by regional integration and global trading.

Chapter three explored the methodology of study. Descriptive research was used to describe the characteristics of the population studied. A Survey of 40 Kenyan firms doing business within the East African Community region were chosen as the sample size. Data was collected by use of questionnaires which were emailed to respondents, or dropped and picked. The results were analysed statistically.

Chapter four entails data analysis, results and discussion. The chapter featured a detailed analysis of the Non Tariff Barriers (NTBs) influencing the operations of selected Kenyan firms doing business in the East African Community region. The sampled firms were further categorized into manufacturing, transport and communications, Wholesale and retail and agro-industry. The survey results were analysed and presented in form of frequency tables, charts and graphs. Chapter five discusses the summary of the findings; conclusions and policy recommendations thereof. The study results show that Non Tariff Barriers are highly rampant within East Africa. The main investments affected are firms in the manufacturing sector. Kenya firms are the big players in the region and therefore do suffer business loss due to the resultant Non Tariff Barriers. To create a level playing field in the region, and to advance further the tenets of free trade, the study recommends harmonisation of national laws and policies in East Africa to streamline the business environment.