Abstract:

In today’s business environment, it is more evident that if companies want to grow they need to think outside the current borders because the competitive advantages in producing products and services are constantly shifting between capital intensive countries and labor intensive countries. The objective of the study was to determine the effects of East African Common Market on cross border business for Kenya Association of Manufacturers’ members. The study adopted a descriptive research design. The target population comprised of sampled 41 members of KAM involved in cross border trade. Primary data was collected using a questionnaire while secondary data was obtained from annual reports of the EAC and other publications. This study employed descriptive statistics to analyze the data obtained using Statistic Packaging for Social Science (SPSS). The data was classified, tabulated and summarized using descriptive measures, percentages and frequency distribution tables. The study found that majority of the firms contacted conducted formal cross border trade. The cross border trade promoted economic development of Kenya by increasing the employment level in the country as the production levels increased. The study recommends that the Government and policy makers should use this study to develop policies and guidelines that promote Kenya’s position on the EAC market. KAM members should use the findings in bringing out the major contributions of the EAC to their current performance and in their decisions to expand their market beyond Kenya and EAC.