



Review Article

ISSN 2320-4818

JSIR 2018; 7(2): 36-42

© 2017, All rights reserved

Received: 24-04-2018

Accepted: 11-09-2018

Angassa Tesfaye

Department of Animal Sciences,
Haramaya University, Haramaya,
Ethiopia

Negassi Amaha

Department of Animal Sciences,
Haramaya University, Haramaya,
Ethiopia

A Review on Cross-Border Livestock Trade Across Dry Land Borders of Ethiopia: The Trends and Implications

Angassa Tesfaye, Negassi Amaha

Abstract

This review paper is aimed at, reviewing trade routes and border marketing centers, trends and implications of cross-border livestock trade (CBLT) along borderlands of Ethiopia. Traded across different corridors of borderland, Ethiopia's CBLT were traditionally, destined to middle east countries, were the Eastern trade corridor with Somalia involves massive border crossing livestock trade and stand first in terms of traded volume and values. Nonetheless, a significant proportion of CBLT along Sudan, Kenya and Djibouti corridors were also carried out across northwestern, southern and northeastern parts of the country respectively. Livestock sector in Ethiopia, supporting more than 65% of the population and contributes more than 12–15% of total export earnings of the country. However, in recent year, the evidences show that, the trends of official livestock export were declining while, informal export is exponentially increasing. The role of CBLT, on the livelihoods of herders and economy of the country were loomed in the forms of its short- or long-term impacts. In short term, it improves the livelihoods of herders and/or traders through; assisting food security in supplying foods item to the food deficit areas, raising incomes to herders/traders through selling their animals at border crossing/international markets and creates employment opportunity for traders, trekkers or brokers. Whereas, in long term impacts, CBLT have significantly, damaged the economy of our country in several ways. Consequently, Ethiopia have been losing its multi-millions (ETB) of taxes revenue from trade and the devised irrelevant policies and strategies due to the missed livestock trade data (informal) from national statistics led to undermining of sector's economic contributions. In conclusion, any intervention(s) to the CBLT in Ethiopia virtually, requires valuation of its long- and short-term implications to the livelihoods of herders and economies of the country.

Keywords: Cross border livestock trade, Ethiopia, Trends and Implications.

INTRODUCTION

In general, East African countries and Ethiopia in particular have a immense history of cross-border trade; which represents a significant proportion of economic transaction ^[1]. Ethiopia, is the country with a total surface area of 1.1 million square kilometers bordered with several East Africa countries, such as Kenya, Somalia, Djibouti, Sudan, South Sudan and Eritrea, and it has a varied levels of Cross Border Trade (CBT) with them; along its borderlands. CBT, which is carried out across the national boundaries or between people or business entities is therefore defined as: "the flow of goods and services across international border lands within a reach of distances." It is therefore, broadly categorized into: - (1st) formal (official) cross border trade (FCBT) which refers to the type of international trade in legal goods and services which is carried out by legally registered traders that fulfills all the legal requirements of the trading countries ^[2].

In the other hand, (2nd) informal (unofficial) cross border trade (ICBT), was, however, defined differently by different authors and institutions. For instance, COMESA ^[3] define, ICBT as illegal and unregulated (unregistered, undocumented or officially unaccounted) trade and consequently, criminalizes the traders and their economic activities. Additionally, Lesser and Moisé-Leeman ^[4] describe ICBT as the activities involving a legitimately produced goods and services, which escape government regulatory framework, thereby avoiding certain tax and regulatory procedures, hence fully or partially evade duty payment and charges. Such trade includes those which passes through unofficial routes and avoid customs, and/or passes through official routes; with border crossing points and customs

Correspondence:

Angassa Tesfaye

Department of Animal Sciences,
Haramaya University, Haramaya,
Ethiopia

offices yet conduct unlawful practices. In this case, Victor ^[1], thus, pointed out that, unfair competition from ICBT players may have a long-run effect of weakening competition and as such may hinder the further activities of formal firms from entering or expanding in marketing. In addition, the incentives to innovate and invest could be significantly reduced in an informal trading environment; a situation where effective intellectual property recognition is absent.

In contrary, Little ^[5] argued that ICBT is "a normal market response to cumbersome, time consuming export regulations and regional price distortions, and should be encouraged as a means to increase intra-regional trade, meet local demand that is not being met by national production and domestic markets, and insures regional food security". The populace breaks state laws and regulations' in order to survive in the light of the state's incapability to meet the basic needs of the impoverished masses has rejected and unaccepted, among local communities ^[6]. Thus, some advices, when comprehending the benefits or harm of ICBT, the legislature and/or policy makers should consider whether to focus on short-term or long-term impacts of ICBT ^[1].

In general, the regional cross-border trading networks, supports about 17-million peoples in the horn of Africa (HoA), including livestock producers and traders, trekkers, fodder traders, brokers and middlemen; who directly or indirectly derive their entitlements from livestock production and trade ^[7, 8]. In particular, however, the value of Ethiopia, CBT by ETB from 1998-2014 has reached over an estimate of 61.07 billion, of which live livestock trade contributes about 25.56 per cent (15.6 billion birr) traded across Kenyan, Somalian and Djibouti borderlands ^[9]. More explicitly, the studies were revealed that, the annual value of Cross Border Livestock Trade (CBLT) with Ethiopia has estimated approximately at US\$25 ^[10], US\$9.00 ^[11], US\$16 ^[10] and US\$10.5 ^[12] millions with Somalia, Kenya, Sudan and Puntland respectively.

Further, Ethiopia, having huge livestock resource, is playing a significant role to CBLT in the region; traded throughout its several border crossing routes. The cross-border trade is sustained through intricate social networks that cross geo-political boundaries, whereby the interior rangelands are enter-connected with ports through a series of clan-based corridors ^[13]. Coincidentally, most of the cross-border lands of Ethiopia, are characterized by arid pastoral and semi-arid agro-pastoral ecologies, where livestock plays a dominant role in the livelihoods of the society ^[14]; creating a conducive environment for trans-border livestock trade. The major type of livestock traded across border lands of Ethiopia includes; camel, cattle, goats and sheep. According to COMESA ^[12], cross-border livestock trade in Ethiopia, is practiced in several trade corridors such as; eastern, southern, western and northwestern borders of the country. Further, the cross-border livestock trade across Ethiopia borderlands are categorized into: eastern Ethiopia vs Somaliland, southeastern Ethiopia vs northeastern Kenya and southwestern Somalia, eastern Ethiopia vs central Somalia, Ethiopia vs Djibouti and northwestern Ethiopia vs Sudan borders ^[15]. Yet, traded through both formal and informal, the volume and values of Ethiopian CBLT with its bordering countries is seems increasing over the time, despite apparent variation between the trade routes ^[12]. Therefore, in this paper the trade routes and border crossing markets, and the trends of livestock trade and implications of cross border livestock trade on the economy and pastoralists livelihoods of our country has been reviewed.

2. The trends, trade routes and markets of CBLT

Ethiopia is the major player of livestock trans-border trade in the horn of Africa. The trend of CBT in the country, though generally increasing over time, has shown significant volume fluctuations and change of patterns. Though, there is no reliable information regarding the extents of cross border livestock flows between Ethiopia and its neighboring countries; according to Habtamu et al., ^[2], the value of Ethiopia's, CBT by ETB from 1998-2014 has reached 61.07 billion, of which 15.6 billion was contributed by live livestock trade with Kenya, Somalia and Djibouti (Figure 1) ^[2]. Furthermore, livestock is also an important contributor to export earnings (live animal exports), covering nearly about 8% (USD 211 million) of the USD 2.75 billion export earning has achieved in 2011, which was at USD 40 million in 2008 ^[16]. Teka, et. al., ^[17] also reported, an estimate of 35,000-50,000 cattle, more than 100, 000 of sheep and goats, and about 10,000 camels being sold to inside and/or outside border markets of Ethiopia.

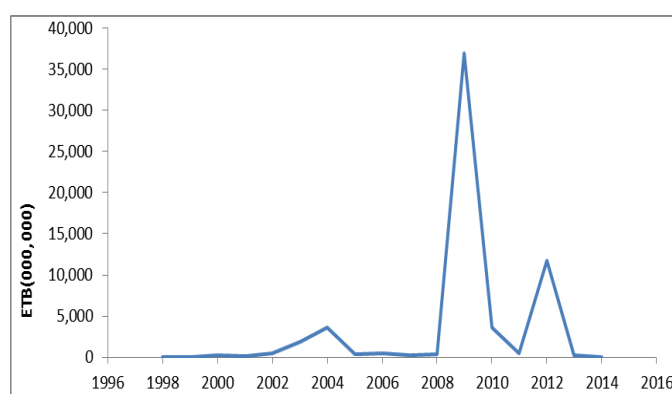


Fig 1: Formal export of Ethiopia to Djibouti, Somalia and Kenya Explicitly, other research finding, indicates that the official intra-regional livestock export trade with the neighboring countries such as Somali, Sudan and Djibouti were showing an increasing trend between 2010/11 and 2011/12 (see table 1).

Table 1: Official intra-regional exports ^[18]

Country	2010/11	2011/12
Djibouti	21,755	116,689
Somalia	110,043	149,308
Sudan	103,133	153,175

In the other hand, based on available date, excluding camel, an estimate of 1,500,450 (cattle) and, 5,688,200 (sheep and goats) were illegally exported to different neighboring countries from the year 1981/82 up to 2001 causing the country to lose significant proportions of revenue from the sector (see table 2). Although, informal trade is difficult to quantify, a recent finding indicated that, the value of the informal livestock trade was estimated over USD 200 million ^[16].

Table 2: An estimates of Ethiopia informal cross border livestock trade ^[19]

Year	Cattle [head]	Sheep & goats [head]	Camel [head]	Total
1981/82	225, 450	758, 200	NA	983,650
1983/84	55,000	330,000	NA	385,000
1985/86	260,000	1,200,000	NA	1,460,000
1987/88	150,000	300,000	NA	450,000
1987	225,000	750,000	100,000	1,075,000

1998	260,000	1,200,000	NA	1,460,000
2001	325,000	1,150,000	16,000	1,491,000
Total	1,500,450	5,688,200	116,000	7,304,650

NB: NA = Not Available

Based on the flows of the trade, therefore, in this paper the cross-border livestock trade of Ethiopia was categorized into four major trade corridors such as; Ethiopia-Somalia; Ethiopia-Kenya; Ethiopia-Sudan and Ethiopia-Djibouti borders and has been reviewed accordingly. Predominantly, the ultimate export destinations of Ethiopia CBLT is the Middle East countries, where the main cross-border markets are Wuchale, Dewele, Gashamo, Goladi and Ferfer in the eastern and Dolo Odo (Filtu), Moyale and Mandhera in the southern parts of the country. Whereas, in the western parts; Okobo, Bambudeo, Kumruk, Humera and Almahal are playing crucial roles in northwestern; the trade with the Republic of Sudan. Livestock trading networks in southern and eastern penetrate deep into Ethiopia's Somali Region where larger proportion of animal (34%) was traded through Togwajale; the important market center through which livestock from Ethiopia transit en-route for export to the Gulf States [20]. Thus, it is through cross-border markets that Ethiopia is linked with markets in the Arabian Peninsula and the Gulf through Djibouti, Somaliland and Puntland via the Ports of Berbera, Bosasso and Djibouti and through Tertiary markets in Kenya (Nairobi, Mombasa) and Sudan (Khartoum) [21].

3. Cross Border Livestock Trade Corridors

3.1. Eastern Ethiopia vs Somalia

The Somalia routes of CBLT is said to be the largest movement of live animal – ‘on the hoof’ – traded anywhere in the world, worth an estimate of annual export of \$200 million through the ports of Berbera, Bosaso, Mogadishu, and Kismayo across the Gulf of Aden. Virtually all of the livestock traded is re-exported from Somalia to Gulf countries, mainly to Saudi Arabia, but also Yemen. The ports are linked to the interior rangelands through a series of clan-based corridors; that have had ease the livestock trade in the region. These networks penetrate deep into Ethiopia's Somali Region and further into different parts of the country, where many of the animals are raised and maintains the economic lifeline of most of the pastoralists [21]. The catchment areas (markets) such as Gode, Liban and Afder in Ethiopia's Somali region link Ethiopia's main camel, sheep and goats to the Hiran, Galgadud and Mudug main catchment areas within Somalia then, to the sea ports of Bosasso and Berbera were the animal final ported to Gulf countries. The majority of cattle are reared in Central and Southern Somalia while the northern part of Somalia has the largest numbers of sheep. Goats are mainly distributed in the northern and southern parts of the country [18].

Several reports indicate that, live livestock exports from Berbera and Bosaso have often reached a peak of 3 to 3.5 million heads per year and the observed normal trend is that there are fluctuations between 2 to 3.5 million heads per annum [8, 12]. According to UNFAO [22] report, the export value of livestock from Somalia have risen from 86,763,000 US\$ in 2006 to 162,582,000 US\$ in 2010. The live sheep are the leading export earner followed by live goats and live cattle respectively (see figure 2). Though, the government of Somaliland receives enormous amount of tax revenues from this export trade, an estimated 50-65

percent of animals exported through Berbera and Bosaso was originated from Ethiopia [12, 23], and the value of this trade has now surpassed over US\$ 400 million annually [13]. To reduce the amount of taxes levied on its livestock, the Ethiopian government has tried to force pastoralists to officially export their animals through Dire Dawa and Djibouti. However, this route does not make economic sense for most of residents in Region 5, and the ability of the Ethiopian government to enforce the policy is very limited [24].

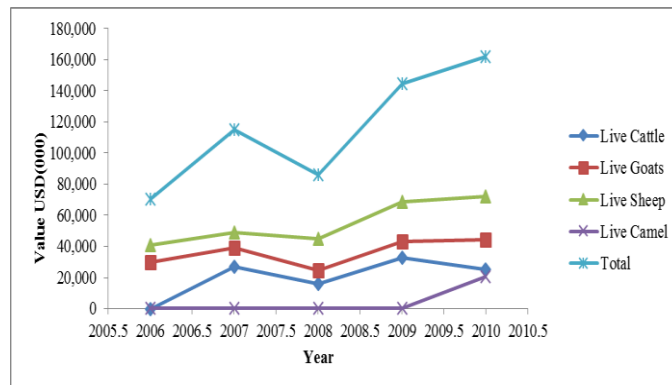


Fig 2: Somali live livestock export [25]

Informal livestock trades with different neighboring countries (mainly Ethiopia and Kenya) also, share an important proportion in the values and volume of Somalia livestock exports. Some research finding shows that, the value of informal livestock trades shows an increasing trend from the year 2008 to 2011 (see figure 3).

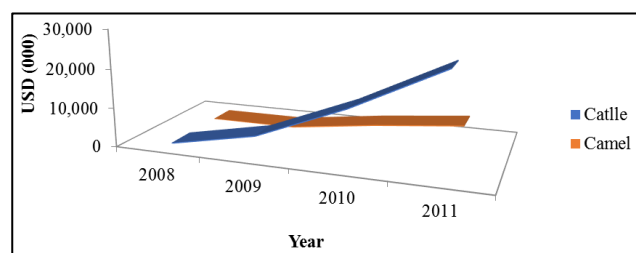


Fig 3: Informal export value to Somalia [26]

3.2. Northwestern Ethiopia vs Eastern Republic of Sudan

The movement of live livestock trade across Ethio-Sudan corridor was involves cattle, sheep and goats. The country (Sudan) has over 30 cross-border entry points, but only 11 of these are active, though, Galabat is the known center, linking the country with Ethiopia through Matama. Cattle moved from the Amhara region in western Ethiopia into Sudan through Matama and then, to Galabat border crossing market, were some of these cattle are sold around Al-Qadarif town in Sudan while the rest are taken to Khartoum for slaughter. However, none of the cattle from Ethiopia were exported to Egypt through this corridor, as Egyptians prefer the desert small Sudan zebu breed for their good taste over Ethiopia's. In contrary, sheep and Goats came from the Blue Nile State around Ad-Damazin and Al-Qadarif towns and then, trekked into Ethiopia through Matama, were some of them are sold in Gonder town of Amhara region and the others were trucked to Addis Ababa city for slaughtering (see table 3). The net flow of cattle is from Ethiopia into Sudan, while that of sheep and goats was from Sudan to Ethiopia [27].

Table 3: The flow of live livestock between Ethiopia and Sudan [27]

Species	Main Production Areas	Main markets	Main Consumption Towns	Net Commodity Flow
Cattle	Western Ethiopia Amhara region	Matama (in Ethiopia) >Al Galabat (in Sudan) >Al Qadarif >Khartoum	Khartoum	Ethiopia- Sudan
Goats & Sheep	Eastern Sudan Blue Nile State	Al Galabat (in Sudan) >Matama (Ethiopia) >Gondar (Amhara Region)	Gondar, Addis Ababa	Sudan- Ethiopia

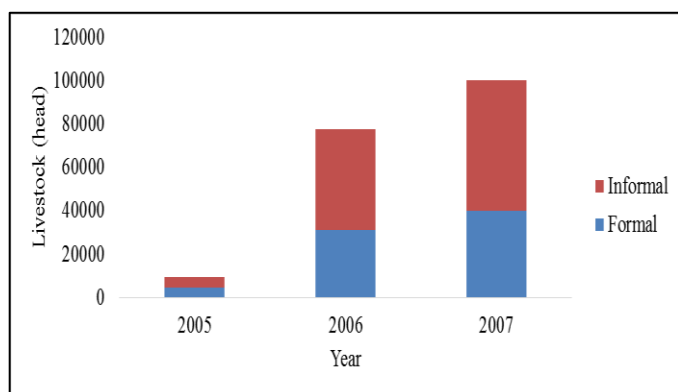


Fig 4: The volume of formal and informal cross border trade with Sudan [27]

With the Sudan, the formal cross border livestock trade, though become substantially, increasing in recent time (particularly in 2005-2007), the volume of informal cross border livestock trade was slightly greater than its formal counterparts (see figure 4).

3.3. Southern Ethiopia vs Northern Kenya

Kenya has long been dependent on Ethiopia as a prime source of livestock since approximately 1970s when the traders started organizing livestock commerce between northern Kenya and Nairobi. Cattle and small ruminants, also camel are the common livestock species, traded across Ethio-Kenya border. According to, Ame and Abdurahman, [28] the two main cross-border livestock trading routes between Ethiopia and Kenya are: (1) Filtu > Dollo > Mandera, Kenya and (2) Negelle > Dubluk > Moyale Ethiopia > Moyale, Kenya. Moyale and Mandera are the two largest cross-border terminal markets for livestock trading between Ethiopia and Kenya [29]. Between, 70 - 80 % of live animals sold in these two markets are originated from Ethiopia. The Ethio-Kenya cross-border livestock trade is very important, because, it links the prime cattle production areas of southern Ethiopia to the region's largest market, the Nairobi city of Kenya [18].

The volume of livestock traded is dependent on the availability of pasture and water. Thereby, rainfall inconsistency determines both the pastoralists' willingness to sell and trader's to move themselves and livestock in and out of pastoral areas. Pastoralists are reluctant to sell their animals during the wet period when pastures regenerate and animals return to milk production. But expectations of prolonged dry spells and outbreaks of disease increase the supply of livestock on the market. As the results, off-take rates for livestock during drought were, estimated to be twofold of the off-take rates during a normal year [30]. According, to Pavanello [31], both in Ethiopia and Kenya, there is high demands for castrated bull, dictated by domestic consumers' preference for their meat, as opposed to the leaner meat of non-castrated bulls, which is preferred by Arab importing countries (see table 4).

Table 4: Average number of castrated bulls crossing Moyale town (Ethiopia) to Kenya per day [31]

Year	Castrated Bulls traded/Day
2004	250
2005	150
2006	400
2007	450
2008	200
2009	450

Overall, an estimated 70% of castrated bulls from the Borana zone are trekked to Moyale to be sold in Kenya, while only the remaining, 30% are sold to traders from the highlands, who in turn sell them in the terminal markets of Addis Ababa. A preliminary investigation shows that, the drivers of this trans-border trade, is the domestic demand for meat was adequately met by livestock from the highlands, conversely, Moyale markets, represents an essential outlet for Borana castrated bulls, in which market opportunities within Ethiopia would be very limited [31]. In line with this, Aklilu, [32] reported that, unless there is an increase in the national demand for meat, and provided that such an increase is met with livestock from pastoral areas, pastoralists have nowhere to sell their livestock even if they want; since the domestic markets are conveniently 'saturated'.

Camels moved from the main production areas of Kenya such as; Mandera, Wajir, Garisa, Bangale, Isiolo, Marsabit and Moyale into southern Ethiopia, through Moyale cross-border market. With supplementation from other primary markets (in Borana zone), the camels were trucked from Moyale to Nazaret, for further fattening purpose and later trucked to Djibouti, to be exported. However, a few camels found their ways to the Addis Ababa city. The net flow of camel was from Kenya to Ethiopia [27].

The cattle sold to Kenya mainly originated from Ethiopian region – 4 and – 5. Region - 4 comprises the livestock marketing centers: Arero, Dhas, Haro Bake, Taltale, Dubluq and Hiddi Lola. On the other hand, region – 5 comprises: Web, Dolo – Odo and the likes. The cattle cross into Kenya via Sololo and Moyale borders markets and are then trucked to Nairobi and Isiolo. The cattle from the Somali region (south western parts of the region) of southern Ethiopia cross the border at Ramu, and where, they are sold in Mandera and then in Garissa livestock markets. Some of these cattle are trucked to Nairobi for consumption and the others, are eventually trucked to Mombasa for exporting. The net flow of cattle is from Ethiopia into Kenya [27].

In other hand, sheep and goats flowed in both directions. Those originating from northern Kenya, crossed the border around Elewaye and Mega in southern Ethiopia. Then, they were trucked via a series of sales transactions in various markets finally ending in either Addis Ababa city, for domestic consumption or Djibouti for export. In

contrary, those originating southern pastoral areas of Ethiopia, crossed the border, though, Sololo border point in Kenya, from where they are trucked to Nairobi for sale. The net flow of sheep and goats was from Kenya to Ethiopia [27]. Approximately, the annual livestock cross-border exports to Kenya from southern Ethiopia was reported at US\$9 million (usually cattle) [11]. However, the more recent report shows that an US\$3,604,431 annual cross border livestock trade cross Ethiopian border to Kenya [27].

3.4. Ethiopia vs Djibouti

Most of the live animals and skins exported from Djibouti are originated from Ethiopia or Somaliland. Djibouti used to be a major destination for official Ethiopian exports of live animal. For instance, incomes from the live animal export in 2008 was USD 40 – million, while it reaches USD 207 million in 2011 and as such it has contributed improvements rural household income and contributed to poverty reduction in Ethiopia [16]. But, most of the trade is now unofficial and the Somaliland port of Berbera is much more important for Ethiopia as a transshipment port. On the other hand, although the Government of Ethiopia encourages the use of the Djiboutian port, pastoralists and traders are reluctant to do so because of the long distances involved, the bureaucratic health certification process, and high taxes. The livestock and livestock products (i.e. hide and skin) only rank third in order of its importance as an agricultural commodity in Ethiopia and Djibouti cross-border trade after coffee and chat. Djibouti, primarily, sells port services to Ethiopia and it is the service industry in Djibouti, which is firmly linked to the performance of Ethiopia's external trade [30].

4. The implications of CBLT on economy and pastoralists' livelihood

Although it is difficult to provide accurate figures on the share of formal and informal cross border trades due to lack of data on the informal economic activity, different studies and rough estimations avow that the informal sector in general plays almost equal economic role with the formal sector [4]. According to Gebremariam, et. al., [33], the principal factors contributing for the increase of informal livestock trade are; the better price and more consistent market across the border, challenges of accessing formal export markets (i.e. trade bureaucracy, lack of quarantine facilities, unpredicted trade ban from importing countries), financial advantages of informal trade (i.e. misses taxation), procedural advantages of informal trade (i.e. avoided regulation, no requirement of health standards, lack of bureaucratic delay and hassle) and non-economic advantage of informal trade (i.e. clan and linguistic ties along trade routes).

Generally speaking, CBLT contributes into the economies of our country in several important ways. Primarily, the CBLT networks contributes into the livelihoods of many including; livestock producers, traders, trekkers, fodder produces and traders, brokers and other marketing service providers in direct or indirectly [7, 8]. It enables smallholder herders to escape poverty and meet their children's education, housing and other basic needs [34]. Further, Cross border livestock trade enhances food security through at least two vital mechanisms [35]. The first is through the supply of grain and other food items from surplus areas to deficit areas which enhances food availability and selling price stability and, increase it affordability to poor in the food deficit areas. Second, cross border livestock trade helps traders to sell their products at relatively higher prices in international market and generate more income. It also keeps prices of domestic products up and incentivizes domestic producers produce more and generates more income [2].

Moreover, cross border livestock trade might be an employment and business opportunities for those who engaged in livestock trade and for others providing services such as hotels, restaurants, livestock drug vendors, fodder traders, and commodity sellers, among others [36]. The income from cross border trade can also be an important source of saving and capital to startup alternative or strengthen livelihood activities which could be a source of income, employment and security for the household. Though the government could not directly tap tax revenue from it, CBLT indirectly increases the tax revenue by widening tax base through its effect on the expansion of business and employment opportunities in related and ancillary activities [2].

In addition to its benefit for pastoral households and traders, CBLT, particularly formal cross border trade, is a source of revenue for public authorities through customs duty and charges, and hence a source of fund for infrastructural investment. However, African governments reap only small proportion of the tax revenue from what they could potentially get from CBT [37].

Contrary to the perceived benefits, there are also several negative implications of CBLT (more importantly of ICBLT). In first place, from the facts that, such an important data on ICBLT misses from national statistics, often resulted in; an underestimation of so far made national economic analysis. As such, it can create a wrong perception about the real trade balances of economies generated from the sector and it might continue to give wrong impression about the extent of the performance and direction of growth, since only formal trade statistics is used to make such judgments. Furthermore, as a result of the missed data of ICBLT, led to the formulation of wrong policy; which could have a long-term devastating effect on economic contribution of the sector [1].

Secondly, unfair trade competition made b/n formal and informal sectors may have the long-run adverse effect on competing power of formally registered traders and as such may prevent them from entering or expanding into the market.

Thirdly, a cumulative results of informal livestock trades have also deprived governments a significant amount of tax revenue which can impair the government capacity to reinvest on the badly required infrastructural development; the critical priorities for most of the countries like Ethiopia. In Ethiopia, a number of studies have estimated the losses from illegal export were shown a wider range of variations. For instances, in 1976 World Bank Development Loan Application, estimated an ETB 50-250 million equivalents in foreign exchange has been lost due to illegal trade in cattle, sheep, goats and camels [38]. On other hand, in 1983, an estimate of concerned ministries showed, a loss of 1.1 million animals excluding camels valued at USD 136 million (CIF) or USD 120 million (FOB). Likewise, AACMC [39] estimated 225, 450 cattle and 758, 200 sheep and goats were illegitimately crossed the border in 1983/84 making, Ethiopia loss an estimate of ETB 94, 959,540 (USD 51 million CIF or USD 44 million FOB) in revenue.

Finally, the other negative effect of CBLT, is that its mere existence may spread a culture of corruption among public administration officials, including traffic and border police force and customs officials, who are seeking for economic rents from such an illegal trade [1].

5. Conclusions and recommendations

Conclusions

In Ethiopia, Cross border livestock trade though, not consistent over the period of time and/or b/n different corridors, has a significant

contribution to the economies of the country in many important ways. Accordingly, cross-border livestock trade assists smallholder herders in insuring their housing demands and other immediate cash requirements, while providing incomes and livelihoods for thousands of herders and other members of communities. It also used to enhance food security through improving the supply of grain and other food items from surplus to deficit areas and helps the traders and/or herders to sell their products with reasonable prices at international or border markets. The cross-border trade can also create an employment opportunity for the jobless youths or individuals engaged in livestock trade, whereby, the income generated from it, could be an important source of saving and capital to startup a new kind of businesses or strengthen the existing one. Apart from its ambiguity of estimation, CBLT, were the source of revenue for our country, from the customs duty and charges collected, particularly from the formal livestock trade.

In contrary, CBLT also has a long-term negative effect in multitudes of ways. Beginning from depriving a significant amount of tax revenue to unfair trade competition among business entities it can have a long-run deteriorating effect on the economic performance of the country. Additionally, from the nature of the trade itself, the losses of significant amounts of ICBLT data from the national statistics, often results in a biased conclusion; led to irrelevant policy formulation in the sectors. The other negative effect of CBLT, is the so created conducive environments for the breeds of corruption practices among the public administration officials; that could diminish the status of good governances in such facilities.

Finally, the cross-border livestock trade in Ethiopia are often, carried out in several routes across four major trade corridors, over the longer periods of time. Accordingly, the most common livestock trans-border trade corridors in the country are; southwestern Ethiopia with Somalia, southeastern Ethiopia with northeastern Kenya, Ethiopia with Djibouti and northwestern Ethiopia with Sudan borders regions.

Recommendations

In consideration with the above conclusions the following remarks have been forwarded as recommendations;

- The ICBLT, as parts of informal economy, usually services as an alternative to the formal sectors. Therefore, the mechanisms that enable it to coexist with the formal economy without severe hurts to the economy needs to be considered. Therefore, it is important to formalize the informal (trade)traders rather than banning from trade participation, in parallel with creating market linkages either domestic market or foreign.
- In addition, the concerned bodies need to increase revenue collection through an increase of border posts; thereby reduces the trade smuggling practices in the sector.
- The standardized animal quarantine facilities and other health formalities needs to be established within an optimum distance in the trade routes; in order to minimize a dalliance of animals trekking and/or trucking.
- Finally, to the ICBLT players, creating a conducive environment for the trader may mean better knowledge of their trade about their rights as they trade across the region, hence playing bribes to the border officials will be reduced.

References

1. Vector O. Informal Cross-Border Trade in EAC (East African Community) Implications for Regional Integration and Development. Research Paper in Consumer Unity & Trust Society (CUTS) African Resource Centre, Nairobi, Kenya, 2010.
2. Habtamu H.M., Jemal M., Ashenafi N., Mulugeta G. Policy Research on Cross-Border Trade: Challenges and Prospects, Proceeding of HU-PRIME Research. 2016; 1:151-172.
3. COMESA (Common Market for Eastern and Southern Africa). Tackling informal cross-border trade in Southern Africa. Bridges Africa. 2013; 2:1-.
4. Lesser C., Moisé-Leeman E. Informal Cross Border Trade and Trade Facilitation Reform in Sub-Saharan Africa. OECD Trade Policy Papers N0. 86, Paris, France, 2009. <http://dx.doi.org/10.1787/225770164564>.
5. Little P.D. Unofficial Cross Border Trade in Eastern Africa paper presented at FAO workshop on Staple Food Trade and Market Policy Options for Promoting Development in Eastern and Southern Africa. FAO workshop on “Staple Food Trade and Market Policy Options for Promoting Development in Eastern and Southern Africa, Rome, Italy, 2007.
6. MacGaffey J. The Real Economy of Zaire. London & Philadelphia: James Currey & University of Pennsylvania Press, Pennsylvania, 1991.
7. USAID (United States Agency for International Developments). Women in cross-border agricultural trade. Enabling Agricultural Trade (EAT) Project Policy Brief. Project No 4, 2012.
8. FSNWG (Food Security and Nutrition Working Group). Impacts of lifting the livestock import ban on food security in Somalia, Ethiopia, and the Djibouti borderland. Cross-border Livestock Trade Assessment Report, Nairobi, Kenya, 2010.
9. Habtamu H., Jemal M., Ashenafi N., Mulugeta G. Policy Research on Cross-Border Trade. A Research Report Paper. Haramaya University, Ethiopia, 2014.
10. Little P.D. Unofficial trade when states are weak: the case of cross-border commerce in the Horn of Africa. United Nations University (UNU). 2005; 1(13): 1–26. doi: <http://hdl.handle.net/10419/63620>.
11. Mahmoud H.A. The Dynamics of Cattle Trading in Northern Kenya and Southern Ethiopia: The Role of Trust and Social Relations in Market Networks. Ph.D. Dissertation, University of Kentucky, USA, 2003.
12. COMESA (Common Market for Eastern and Southern Africa). Hidden Value on the Hoof: Cross-Border Livestock Trade in Eastern Africa. Common Market for Eastern and Southern Africa (COMESA). Comprehensive African Agriculture Development Programme. Policy brief, number 2, 2009.
13. Abdurehman E. Jostling for Trade: The Politics of Livestock Marketing on the Ethiopia - Somaliland Border. Future Agricultures Working Paper, Number 75, 2014.
14. Little P. Cross-border livestock trade and food security in the Somalia and north-eastern Kenya borderlands. A summary prepared for the Organization for Social Science Research in Eastern and Southern Africa Development Research (OSSREA/BASIS) seminar on cross-border trade, Addis Ababa, Ethiopia, 2001.
15. Elias M., Berhanu G.M., Hoekstra D., Jabbar M. Analysis of the Ethio-Sudan cross-border cattle trade: The case of Amhara Regional State. IPMS (Improving Productivity and Market Success) of Ethiopian Farmers Project Working Paper, Number 4, Nairobi, Kenya, 2007.
16. AGP-LMD (Agricultural Growth Project - Livestock Market Development). Value Chain Analysis for Ethiopia: Meat and Live

- Animals, Hides, Skins and Leather and Dairy. Research Paper, Addis Ababa, Ethiopia, 2013.
17. Teka T., Azeze A., Gebremariam A. Cross-Border Livestock Trade and Food Security in the Southern and Southeastern Ethiopia Borderlands. Organization for Social Science Research in Eastern and Southern Africa Development Research Report Series (OSSREA) No.1, Addis Ababa, Ethiopia, 1999.
 18. RISP (Regional Integration Support Programme). Identification and mapping of key cross-border livestock routes and markets, services and priority transboundary animal diseases including zoonotic for regional and international trade. ICPALD (IGAD Centre for Pastoral Areas and Livestock Development) report paper, Nairobi, Kenya, 2013.
 19. Solomon A., Workalemahu A., Jabbar M.A., Ahmed M.M., and Hurissa B. Livestock marketing in Ethiopia: a review of structure, performance, and development initiatives. Socio-economics and Policy Research Working Paper 52, Addis Ababa, Ethiopia, 2003.
 20. FSNWG (Food Security and Nutrition Working Group). East Africa Cross-border Trade. Food Security and Nutrition Working Group Bulletin, Nairobi, Kenya, 2011.
 21. Majid N. Livestock Trade in the Kenyan Somali and Ethiopian Borderlands. Chatham House Briefing Paper, London, UK, September, 2010.
 22. UNFAO (United Nations Food and Agriculture Organization). East Africa Cross border. East Africa Cross Border Trade Bulletin. 2010; 2:3.
 23. Oxfam-GB (Oxfam Great Britain). Livestock Value Chain Study for Somali Region Within the Ethiopian Livestock Industry. Oxfam-GB report paper, Addis Ababa, Ethiopia, 2011.
 24. Drysdale, J. Cessation of livestock exports severely affects the pastoralist economy of Somali Region. UNDP Emergencies Unit for Ethiopia (EUE) Report, Addis Ababa, Ethiopia, 1998.
 25. UNFAO STAT (United Nations Food and Agriculture Organization). United Nations Food and Agriculture Organization Statistics Data, Rome, Italy, 2012. <http://faostat.fao.org>
 26. Desta S, Berhanu W, Sebsibe A, Guerne-Bleich E. Assessment of Cross Border Informal Livestock Trade in Somali Region. Food and Agriculture Organization Research Report, Addis Ababa, Ethiopia, 2011.
 27. NBI (Nile Basin Initiative), 2012. Analysis of Cross Border Trade in Agricultural Product Along Selected Corridors of the Nile Basin Region. The NILESAP (Nile Equatorial Lakes Subsidiary Action Program). Regional Agricultural Trade and Productivity Project Final Report, Bujumbura, Burundi, October, 2012.
 28. Ame A., Abdurahman E. Cross-border livestock Trade and Small Arms and Conflict in Pastoral Areas of the Horn of Africa: Case Study from Southern Ethiopia and Northern Kenya. IASCP's Eleventh Biennial Conference, Nairobi, Kenya, 2006. Available at: <http://hdl.handle.net/10535/2262>.
 29. Teka T., Azeze A. Cross-Border Trade and Food Security in the Ethiopia-Djibouti and Ethiopia-Somalia Borderlands. Organization for Social Science Research in Eastern and Southern Africa (OSSREA), Development Research Report Series, No. 4, Addis Ababa, Ethiopia, December 2002.
 30. Chemonics, F.N.E. and Awuor, T. Review of Trade and Markets Relevant to Food Security in the Greater Horn of Africa. A special report by the Famine Early Warning Review of Trade and Markets Relevant to Food Security in the Greater Horn of Africa Development, Washington DC, USA, 2007.
 31. Pavanello S. Livestock marketing in Kenya- Ethiopia border areas: A baseline study. HWP (Humanitarian Policy Group) Working Paper, London, United Kingdom, July, 2010.
 32. Aklilu Y. 2002. An Audit of the Livestock Marketing Status in Kenya, Ethiopia & Sudan. Community-Based Animal Health and Participatory Epidemiology Unit, Pan African Programme for the Control of Epizootics Organization of African Unity/Inter-African Bureau for Animal Resources, Research Paper, Vol II, Nairobi, Kenya, June 2002.
 33. Gebremariam S., Amare S., Baker D., Solomon A., Davies R. Study of the Ethiopian live cattle and beef value chain. ILRI (International Livestock Research Institute) Discussion Paper Number 23, Nairobi, Kenya, 2013.
 34. Mahmoud H.A. Livestock Trade in the Kenyan, Somali and Ethiopian borderlands. Chatham House, Africa Programme Briefing Paper, London, UK, 2010.
 35. Little P.D., Teka T., Azeze A. Cross-border livestock trade and food security in the Horn of Africa: An Overview. A research report of the Broadening Access to Markets and Input Systems-Collaborative Research Support Program (BASIS-CRSP) and the Organization for Social Science Research in Eastern and Southern Africa (OSSREA) Project on Cross-Border Trade and Food Security in the Horn of Africa, Addis Ababa, Ethiopia, September 2001.
 36. Yacob A., Catley A. Mind the gap: Commercialization, livelihoods and wealth disparity in pastoralist areas of Ethiopia. Tufts University Research Report, USA, 2010.
 37. Golub S. Informal cross-border trade and smuggling in Africa, forthcoming in the Handbook on Trade and Development: Africa, edited by Oliver Morrissey, 2014.
 38. WB (World Bank). Cross-border Trade within the Central Asia Regional Economic Cooperation. World Bank Economic Cooperation Research report, 2007.
 39. AACMC (Australian Agricultural Consulting and Management Company). Livestock marketing project. AACMC Main Report for the Ministry of Agriculture, Government of Ethiopia, Addis Ababa, Ethiopia, 1984.