



## **MINISTRY OF TRADE AND INDUSTRY**

### **RESUSCITATION OF THE KOINDU INTERNATIONAL MARKET**

#### **1.0. Background**

Cross border trade in the Mano River Basin has been a key element in promoting not only regional integration but also a means of economic transformation through income generation and poverty alleviation. The demographic, social and cultural affiliations among the people of the Mano river basin have long paved the way for trade ties within the region. Commonalities in terms of language and lifestyle have supported the establishment of regional markets to serve their common interest. One such market is the Koindu Market. The Koindu market came into existence in 1932 even before the existence of the mano river union. It was an initiative of the people who lived in the area bordering Liberia, Guinea and Sierra Leone. It developed into a full scale international market attracting traders from as far as the Ivory Coast. Various commodities ranging from Agric products, textiles, food and other merchandise of interest to all the countries in the Mano river Basin we traded in the Koindu international market.

While the volume of trade and income generated in this trade could not be ascertained, there is abundant evidence that the Koindu market use to be a meeting point for business people from across West African countries including Liberia, Guinea, and Ivory Coast (who import goods as far as Asia and Europe) mainly for trading purposes and regional integration. To a large extent the trade in Goods in the Koindu international market was highly informal before the outbreak of the war in 1991. Though Government kept an eye on its operation much need to be desired as the infrastructure in the market was highly challenge.

## **2.0. Problem Statement**

Sierra Leone's engagement in crossborder trade within the sub region suffered severe contraction during the decade of conflict. While this is not revealed in statistical trade data, it is reflected in the devastation of regional markets that used to serve Sierra Leone, Guinea and Liberia. The eleven years rebel war interrupted the Koindu international market thereby resulting into huge revenue lost to the country. Also, the closure of the market has affected regional integration process initiated by the Mano River Union and the Economic Community for West African States (ECOWAS). The Koindu market was totally devastated more so when the rebels used that area as the spring board for insurgent operations, thus put pressure on the poor social amenities that already existed in Koindu and its environs. The entire axis became a serious security threat and the basic infrastructure completely destroyed. Attempt to revamp the market bore little fruit. Sierra Leone, Guinea and Liberia have been working on the realization of a sub-regional development project, with respect to forming an economic free zone, known as the Makona River Free Zone Development Project. This is in line with the thriving historical cross-border transnational market trading between the communities of Guekedou in Guinea, Koindu in Sierra Leone and Foya in Liberia. However though this was a laudable idea, the degree of commitment to its implementation remained a lip service.

## **3.0. Justification**

Several studies have shown that Cross border trade is a key element in economic reintegration in the Continent. The A.U. focus on the establishment of the African Continental Trade Agreement speaks volumes in that direction. The ECOWAS effort in promoting regional trade shows how much this has the potentials to build small economies like ours in the sub region. This notwithstanding attempts at promoting Cross border trade and fostering regional cooperation through political and socio-economic development have been marginal and severely undermined by the political and civil strife in the MRU region over the last decade. It is however noteworthy that their interdependence is also underpinned by the need to develop the hard as well as the soft infrastructure in order to overcome challenges that limiting connectivity and trade within the MRU bloc and as well as the larger ECOWAS Framework.

It is against this backdrop that the resuscitation of Koindu international market will have a significant impact in terms of trade and regional integration. Resuscitation of the market will not

only contribute to the trade infrastructure in the MRU but will also contribute to improvement on revenue collection, enhance security at the border area, curtail smuggling and contribute to economic transformation and deeper regional integration.

The Ministry is therefore considering the resuscitation of the Koindu International market in the Eastern Province of Sierra Leone as a major step in promoting regional trade and the enhancement of economic transformation

#### **4.0.Objective**

The objective is to create an international market that will promote trade within the Mano River basin thereby facilitating trade and deeper economic integration

#### **5.0. Expected outcome**

Economic growth and transformation of Sierra Leone and the entire Mano River Basin enhanced.

#### **6.0. Strategy for the development**

A participatory approach will be adopted in trying to move the process forward

Series of consultations are ongoing to understand the dynamics of the project. As the Mano river Union Secretariat have been engaged in carrying out studies on cross border trade, the Ministry of Trade and Industry (MTI) has engaged the Mano River Union Secretariat to have a deeper understanding of the issues. It continues to also engage with other partners working on similar assignment to share experience and have a common view

At the regional level MTI is engaging the various Governments in the Mano river states to have a common vision for the promotion of the project as a major element of regional integration, peace security and economic development. (NRA) and the Sierra Leone Investment and Export Promotion Agency (SLIEPA). MTI will pursue the development of a full proposal to develop the project after this visitation