



EAST AFRICAN COMMUNITY
EAST AFRICAN LEGISLATIVE ASSEMBLY

Laid on Table
Tuesday 24th January
2017.

**REPORT OF THE COMMITTEE ON
COMMUNICATION, TRADE AND INVESTMENTS ON
PETITION SEEKING THE AMENDMENT OF THE 5TH
SCHEDULE OF THE EAC CUSTOMS MANAGEMENT ACT TO
INCLUDE VEHICLES, SPARES AND EQUIPMENT USED FOR
MOTORCYCLE RACING AND KARTING**

**Clerk's Chambers
3rd Floor, EALA Wing
EAC Headquarters' Building
Arusha, TANZANIA**

January 2017



1.0 INTRODUCTION

The Treaty for the establishment of the East African Community in Article 127 (1), stipulates to provide an enabling environment for the private sector to take full advantage of the Community. Further, Rule 86 (1) of the EALA Rules of Procedure mandates Associations or individuals with right address in EAC to petition the Assembly on a matter which comes within the Community's fields of activity and which affects him or her or the Association directly.

In this respect, The Motorsport Clubs in East Africa petitioned the Assembly seeking the amendment of the 5th Schedule of the EAC Customs Management Act to include the vehicles, spares and equipment used for motorcycle racing and karting. The Rt. Hon. Speaker referred the petition (**Annex**) to the Committee on Communications, Trade and Investment for processing and consideration.

Due to technical nature of this petition and also referring to Rule 87 (2) of the Rules of Procedure of EALA, found it imperative to organize meetings with petitioners and other stakeholders to establish the facts of the situation.

The Committee therefore invited petitioners from EAC Partner States on 23rd May 2016 in Arusha, Tanzania to have a more valid and detailed understanding on the issues in the petition since this area is so technical.

2.0 OBJECTIVE OF THE STAKEHOLDERS MEETINGS

The overall objective of the meetings was to understand the merits and demerits of the petition from petitioners, technocrats and the policy makers and then propose the recommendations and the way forward.

3.0 METHODOLOGY

The Committee held meetings with different stakeholders to consider the petition of the Motorsport Clubs in East Africa. The Committee met various stakeholders including the petitioners, the EAC Council Ministers and the responsible technical officers from EAC

Secretariat. During these meetings, presentations, clarifications, questions and answers approach was employed in consideration of the petition.

4.0 PRESENTATIONS AND CONSIDERATION OF THE PETITION BY EAC MOTORSPORTS CLUBS

The petitioners presented their concerns to the Committee, and the presentation highlighted that Karting or Kart racing is a variant of Open-wheeled motorsport with small open four wheeled vehicles caked karts, go-karts or gear base shifter karts depending on the design. It was mentioned that young people from age of 8 years race Karts and they offer solid training ground and foundation for future rally drivers.

They further said that are neither fit for nor usable on the ordinary roads, but only raced on special tracks.

Petitioners also mentioned that motorcycle racing has several disciplines but so far only three disciplines are practiced in the East African Community namely; motor cross, enduro and road racing. It was further noted that motorsports bikes are not usable on the normal roads as well because they do not have the specifications required for use on public roads. They do not have lights, horns and they are purely used for sports (off road) and on closed racetracks. They are easy to identify and monitor using the manufacturer's special model numbers.

Racing safety gear is currently classified as clothing and not recognized for the safety if accords to the users. Motorcycle racing sports are far cheaper compared to other motorsports such as motor rallying and are capable of attracting many more people to join and explore their talents. The motor cross racing discipline for example is open to persons starting from the age of 5 years onwards.

It was highlighted that roads/street bikes do not fall into this category. It was further noted that there is limited participation in these disciplines because of the high cost of the motorbikes and required riding and protective gear. Due to limited participation, the region does not have a pool of talented people in this discipline to qualify into future rally drivers. The motorsports do not get necessary financial support from governments and even corporate sponsorship is limited and getting smaller every other day. The participants in these sports buy these machines and meet the necessary expenses from their pockets.

The motorsports clubs therefore are requesting for the exemption of duties levied on racing bikes, karts, spares and protective gears. This exemption would reduce the cost

and also entice many participants to join motorsport and even increase competitiveness in these sports both locally and internationally.

Petitioners asserted that the purpose of submitting the petition therefore is to seek for the amendment of the 5th Schedule to the EAC Customs Management Act to include vehicles, spares and equipment used in motorcycle racing and karting. The effect of the amendment will be an exemption of import duties levied on motor cross bikes, racing karts and the respective spares and safety gear similar to the exemption awarded on motor rally cars. The petitioners emphatically asserted that the exemption given under section 9 of the Schedule was discriminatory in nature as motorsports also includes these other disciplines.

4.1 Observations of Members on the Petition:

1. Members observed that amending the 5th Schedule of the EAC Customs Management Act would act as a stepping-stone to encourage and promote participation in motor-sport exercises. However, the increased participation is hampered by the cost of the motorbikes and required riding and protective gears, coupled with the high duties levied on importation of those items making it almost out of reach for many who would wish to participate.
2. Some Members further observed that the age bracket of the people participating in the motorsport disciplines range from 5 years, 8 years and above. Therefore, since it involves school going age participants, it should be given dual consideration due to their levels of income.
3. Members further observed that Clause 9 of the 5th Schedule of the EAC Customs Act is discriminatory in nature because it only provides exemption on duty for the rally drivers, yet they are also high-end income earners. Therefore, this privilege should also be uniformly extended to motor sporting participants.
4. It was observed that once duties are waived from the import duties, the sporting will be cheaper, hence increased participation, leading to talent identification, which can in turn reduce unemployment among the youth.
5. Members observed that this is a new industry, which will champion the children and increase their employment opportunities.
6. Members also advised the petitioners to lobby their respective Revenue Authorities and push their concerns from the national level as well as from the regional level.

7. Members also observed that these games should be introduced in schools to attract many young people.

4.2 Observations of the Council on the Petition:

The Committee arranged a meeting with the EAC Council of Ministers to consider the petition. At the meeting, the Council of Ministers observed that the petitioners would have directed their petition to the Council of Ministers through the Secretary General for redress before it was brought to EALA, because amendment of the 5th Schedule of EAC Customs Management Act is a mandate of the Summit, although it delegates the Council to perform the role every after three years.

The Council of Ministers informed the Committee that it has its technical arms that deal with technical matters like this petition. Therefore the council will engage the technocrats on the matter and give feedback to the Committee on the status.

The Council informed the Committee that the petition would be referred to its relevant technical team, which is the Sectoral Council on trade, industry, finance, and investment (SCTIFI) that will first scrutinize this petition and consider all the implications of the amendment of the 5th Schedule as a result of this petition. The Council therefore would report on the implications of the petition to the Committee in November 2016.

The Committee however did not receive any update from the Council of Ministers with regard to the petition by the Motorsports Clubs in East Africa.

5.0 RECOMMENDATION

The Committee recommends to the Assembly to urge the Council of Ministers to amend the 5th Schedule of the EAC Customs Management Act to accommodate the needs of the Motorsport Clubs in East Africa.

MEMBERS OF THE COMMITTEE ON COMMUNICATION, TRADE AND INVESTMENT

Report on the Petition seeking the amendment of the 5th Schedule of the EAC Customs Management Act to include Vehicles, Spares and Equipment used for Motorcycle Racing and Karting

NAME:

SIGNATURE

1) Hon. Fred Mbidde Mukasa

-



2) Hon. Abdullah Mwinyi

-

.....

3) Hon. Angela Charles Kizigha

-

.....

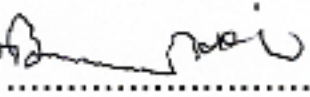
4) Hon. Bernard Mulengani

-

.....

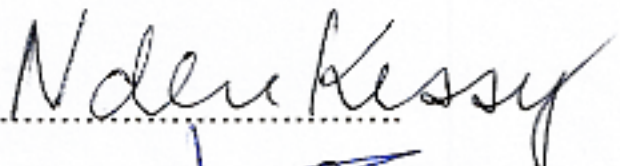
5) Hon. Dr. James Ndahiro

-



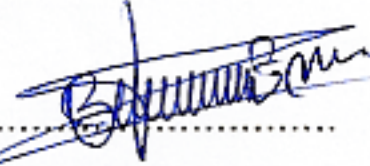
6) Hon. Dr. Nderakindo P. Kessy

-



7) Hon. Emerence Bucumi

-



8) Hon. Frederic Ngenzebuhoro

-



9) Hon. Joseph Ombasa Kiangoi

-

.....

10) Hon. Nancy Abisai

-



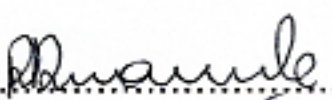
11) Hon. Nusura Tiperu

-

.....

12) Hon. Patricia Hajabakiga

-



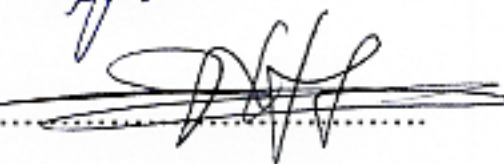
13) Hon. Sara T. Bonaya

-



14) Hon. Straton Ndikuryayo

-

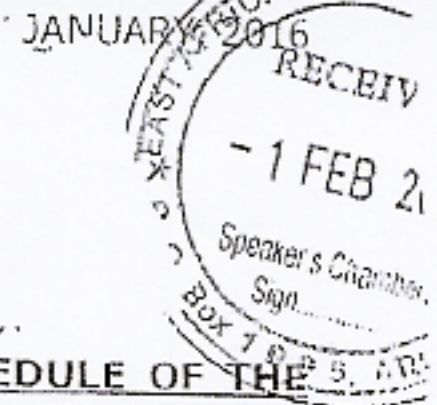


15) Hon. Yves Nsabimana

-

.....

TO: THE RIGHT HON DAN KIDEGA
SPEAKER OF THE EAST AFRICAN LEGISLATIVE ASSEMBLY



PETITION SEEKING THE AMMENDMENT OF THE 5TH SCHEDULE OF THE EAST AFRICAN COMMUNITY CUSTOMS MANAGEMENT ACT – TO INCLUDE VEHICLES, SPARES AND EQUIPMENT USED FOR MOTORCYCLE RACING AND KARTING

We, the undersigned, hereby submit this petition to your honourable office seeking for the amendment of the 5th Schedule to the East African Community Customs Management Act to include vehicles, spares and equipment used in motorcycle racing and Karting. The effect of the amendment will be an exemption of import duties levied on motocross bikes, racing karts and the respective spares and safety gear similar to the exemptions awarded on motor rally cars. We assert that the exemption given under section 9 of the schedule was discriminatory in nature as motorsports also includes these other disciplines.

Below are the brief descriptions of the motorsports disciplines for which we request the above intervention.

1. MOTORCYCLE RACING:

Motorcycle racing has several disciplines but so far only 3 disciplines are practiced in the East African region; these are, motocross, enduro and road racing.

- a. The motocross discipline involves racing motor bikes on closed race tracks which have obstacles such as jumps and whoops. This discipline has seen an increase in both the rider numbers (about 120 riders in the region) and the fan base in Uganda, Kenya and Rwanda.
- b. Enduro racing involves racing motor bikes across the countryside and across difficult terrain and obstacles like rocky places, forests, swamps, etc. We have about 60 riders in the region.
- c. Road racing involves very high speed racing on closed tarmac tracks. This particular discipline has been started in Kenya.

The main barrier to increased participation in these disciplines is the high cost of the motor bikes and required riding and protective gear. A brand new bike costs between \$5,000 to \$12,000 and the required safety gear; that is, riding boots, body armour, jerseys, gloves, riding goggles and helmets can add another \$1,000 to \$2,000 to the costs. The high costs of purchase coupled with the high duties levied on importation of those items make it almost out of reach of many who would wish to take up the sport.

The following points are worthy to note about motorcycle racing:

- i. Racing bikes are not usable on the normal roads because they do not have the specifications required for use on public roads. They don't have lights, horns, etc. They are purely used for sports (off-road) and on closed race tracks. The bikes are easy to identify and monitor using the manufacturers' special model numbers.
- ii. Racing safety gear is currently classified as clothing and not recognized for the safety it accords to the users. We ask that motocross gear be accorded the same treatment like the helmets which are exempted because they are useful for the safety of the riders.
- iii. Motorcycle racing sports are far cheaper compared to other motorsports such as motor rallying and are capable of attracting many more people to join and explore their talents. The motocross racing discipline, for example, is open to persons starting from the age of 5 years onwards.
- iv. Road/street bikes do not fall into this category!

2. KARTING

Kart racing or karting is a variant of open-wheel motorsport with small, open, four-wheeled vehicles called karts, go-karts, or gearbox/shifter karts depending on the design.

Karting is commonly perceived as the stepping stone to the higher ranks of motorsports.

Karts vary widely in speed and some (known as Superkarts) can reach speeds exceeding 260 kilometres per hour (160 mph), while amusement park go-karts intended for the general public may be limited to speeds of no more than 25 kilometres per hour (16 mph).

The karts chassis are made of steel tubing. There is no suspension, therefore chassis work as a suspension. Kart chassis are classified as 'Open', 'Caged', 'Straight' or 'Offset'. Open karts have no roll cage. Caged karts have a roll cage surrounding the driver; they are mostly used on dirt tracks. Professionally raced karts typically weigh 165 to 175 lb (75 to 79 kg), complete without driver.

Kart wheels and tires are much smaller than those used on a normal car. Rims are made of magnesium alloy, aluminum, or composite materials. Similar to other motorsports, kart tires have different types for use appropriate to track conditions. Kart racing is generally accepted as the most economic form of Motorsport available on four wheels. As a motorsport, it is one of the sports regulated by FIA, permitting licensed racing for anyone from the age of 8 onward. For safety, kart drivers are required to wear proper equipment which include a full-face helmet, driving suit, gloves, driving boots, rib protector and neck brace. Kart racing is used as a low-cost and relatively safe way to introduce drivers to motor racing.

Points to note about racing karts:

- i. These karts are raced by youngsters from the age of 8. They offer a solid training ground and foundation for future rally drivers.
- ii. They are not fit for nor usable on the ordinary roads. They are raced on special tracks.

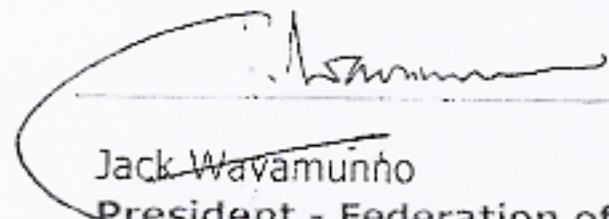
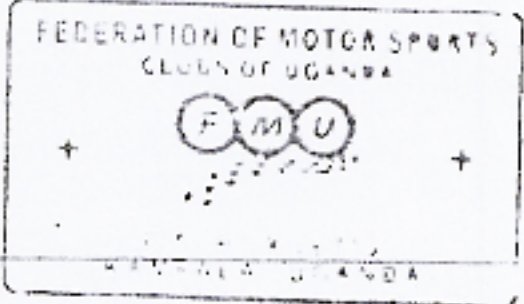
3. CONCLUSION

In conclusion, the motorsports disciplines do not get the necessary financial support from governments and even the corporate sponsorship is limited and getting smaller and smaller every other day. The participants in these sports buy these machines and meet the necessary expenses from their pockets. We strongly believe that if our request for exemption of duties on racing bikes, karts, spares and protective gear is granted, it will go a long way towards making it affordable to many to join motorsport and even increase our competitiveness in these sports both at the local and international levels.

The appendix attached has some photos of the machines for which we are seeking the exemptions.

4. SIGNATURES

- 1. Signed:
- Names:



Jack Wavamunho
President - Federation of Motorsport Clubs of Uganda

- 2. Signed:
- Names:



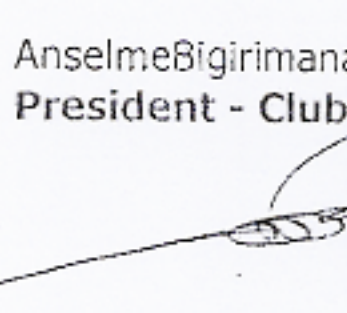

KENYA MOTORSPORTS
FOUNDATION
Renzo Bernardi
Chairman - Kenya Motorsports Foundation

- 3. Signed:
- Names:

Christian Gakwaya
President - Rwanda Automobile Club

- 4. Signed:
- Names:

Anselme Bigirimana
President - Club Automobile du Burundi

5. Signed: _____

Names: Nizar R. Jivani
President – Automobile Association of Tanzania (AAT)

Copied to:

The General Secretary

National Council of Sports (Uganda)

The Hon Minister

Ministry of Education and Sports (Government of Uganda)

The Hon Minister ,

Ministry of Sports and Culture (Government of Rwanda)

The Hon Minister

Ministry of Youth, Sports and Culture (Government of Burundi)

The Hon Minister

Ministry of Information, Youth, Culture and Sports (Government of Tanzania)

APPENDIX – PHOTOGRAPHS OF THE RACING BIKES, KARTS AND FIM
AFRICA CONTINENTAL MOTOCROSS EVENT

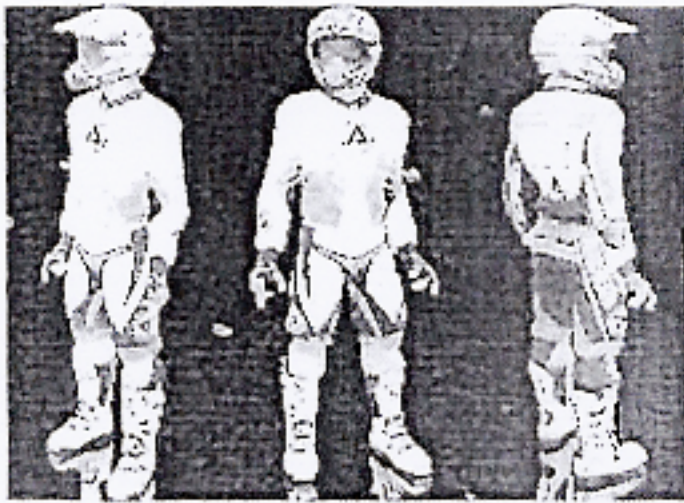
1. MOTOCROSS BIKE



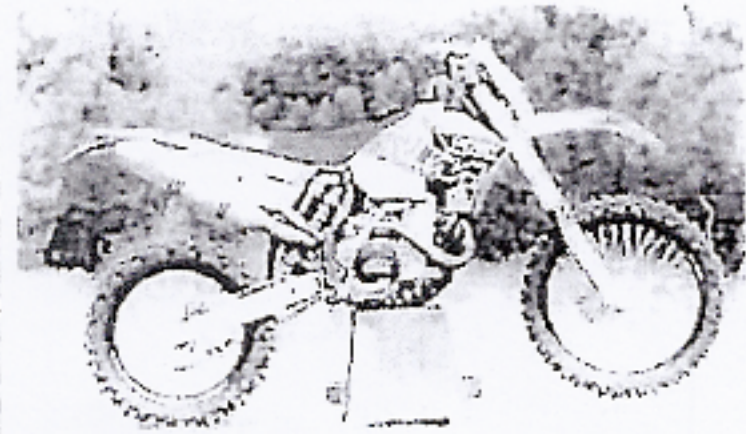
2. MOTOCROSS JUNIOR RIDER IN ACTION



3. MOTOCROSS RACER



4. ENDURO BIKE



5. RACING KART



6. KARTING EVENT



SOME ACTION PICS FROM THE 2012 FIM AFRICA MOTOCROSS OF AFRICAN NATIONS HELD IN UGANDA



