

# Country Profile for **UNITED REPUBLIC OF TANZANIA**



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## COUNTRY FACT SHEET

<b>COUNTRY</b>	<b>TANZANIA</b>
<b>Capital City</b>	Dar-es-Salaam (administrative capital), Dodoma (legislative capital)
<b>Language</b>	Swahili and English
<b>Ethnic Groups</b>	Mainland - African 99% (of which 95% are Bantu consisting of more than 130 tribes), other 1% (consisting of Asian, European, and Arab); Zanzibar - Arab, African, mixed Arab and African
<b>Religion</b>	Christian 61.4%, Muslim 35.2%, Folk religion 1.8%, other 0.2%, unaffiliated 1.4% (2010 estimate.) Note: Zanzibar is almost entirely Muslim
<b>Location</b>	Latitude: -6° 22' 22.17" S; Longitude: 34° 53' 32.94" E
<b>Surface Area</b>	Total: 947,300 km <sup>2</sup> Land: 885,800 km <sup>2</sup> Water: 61,500 km <sup>2</sup> Note: area includes the islands of Mafia, Pemba, and Zanzibar
Definition: This entry includes three subfields. Total area is the sum of all land and water areas delimited by international boundaries and/or coastlines. Land area is the aggregate of all surfaces delimited by international boundaries and/or coastlines, excluding inland water bodies (lakes, reservoirs, rivers). Water area is the sum of the surfaces of all inland water bodies, such as lakes, reservoirs, or rivers, as delimited by international boundaries and/or coastlines.	
<b>Currency</b>	Tanzanian Shilling (TZS)
<b>Population</b>	56,313,438 2018 estimate
<b>Population density</b>	47.5/km <sup>2</sup> (123.0/sq miles)
<b>President</b>	Mr John Magufuli
<b>Vice-President</b>	Mr Samia Hassan Suluhu
<b>Prime Minister</b>	Mr Kassim Majaliwa
<b>Regions</b>	31
<b>Gross domestic Products</b>	\$61.032 billion (nominal) 2019 estimate
<b>Real GDP growth rate</b>	3.7% annual change (2018)
<b>GDP per capita</b>	1,009\$ (2018)
<b>GNI per capita</b>	2 916,42 PPP dollars (2017)
<b>Gross National Income</b>	162,2 billion PPP dollars (2017)
<b>Government Bond Ratings</b>	Moody's affirmed B1 ratings; negative outlook (Aug 2019)
<b>Main Exports</b>	Gold, nuts, cashews, raw tobacco, coffee and fish fillets (2018)
<b>Main export partners</b>	India, South Africa, China, Vietnam and Switzerland (2018)
<b>Main Imports</b>	Petroleum, machinery, transport equipment, fertilizers, industrial raw materials
<b>Main Import partners</b>	China, India, United Arab Emirates, South Africa, and Saudi Arabia
<b>Ease of Doing Business</b>	144 among 190 economies (2019)
<b>Global competitiveness</b>	47,21 in 2018
<b>Road network</b>	86,472 km of roads
<b>Speed Limit</b>	Maximum limit urban roads 30 to 50 km/h



## LIST OF ACRONYMS

<b>ASYCUDA</b>	Automated System for Customs Data
<b>AU</b>	African Union
<b>BOT</b>	Balance of trade
<b>C-BRTA</b>	Cross-Border Road Transport Agency
<b>CBU</b>	Copperbelt University
<b>CCM</b>	Chama Cha Mapinduzi
<b>CCTTFA</b>	Central Corridor Transit Transport Facilitation Agency
<b>CFA</b>	Chartered Financial Analyst
<b>CIA</b>	Central Intelligence Agency
<b>COMESA</b>	Common Market for Eastern and Southern Africa
<b>DCC</b>	Dar-es-Salaam Corridor Committee
<b>DRC</b>	Democratic Republic of the Congo
<b>EAC</b>	East African Community
<b>EGL</b>	Ethnic Community Language
<b>EU</b>	European Union
<b>EWURA</b>	Energy and Water Utilities Regulatory Authority
<b>GCI</b>	Global Competitiveness Index
<b>GDP</b>	Gross Domestic Product
<b>HDI</b>	Human Development Index
<b>ICT</b>	Information and communications technology
<b>JNIA</b>	Julius Nyerere International Airport
<b>LCU</b>	Local Currency Unit
<b>LDC</b>	Least Developed Countries
<b>MCBRTA</b>	Multilateral Cross Border Road Transport Agreement
<b>MoU</b>	Memorandum of Understanding
<b>MRA</b>	Malawi Revenue Authority
<b>NBS</b>	National Bureau of Statistics of Tanzania
<b>NCTTCA</b>	Northern Corridor Transit and Transport Coordination Authority
<b>NHC</b>	National Housing Corporation
<b>NIT</b>	National Institutes of Transport
<b>NTP</b>	National Transport Policy
<b>OSBP</b>	One-Stop-Boarder-Post
<b>OSHA</b>	Occupational Safety and Health Authority
<b>PAD</b>	Pre – Arrival Declaration
<b>PIDA</b>	Programme for Infrastructure Development in Africa
<b>PPP</b>	Public–Private Partnership
<b>PTCM</b>	Protocol on Transport, Communication and Meteorology
<b>QGDP</b>	Quarterly Gross Domestic Product
<b>RECs</b>	Regional Economic Communities
<b>SACU</b>	Southern African Customs Union
<b>SADC</b>	Southern African Development Community
<b>SGR</b>	Standard Gauge Railway
<b>SNCC</b>	Société Nationale des Chemins de Fer du Congo
<b>S&amp;P</b>	Standard & Poor's
<b>SUMATRA</b>	Surface and Marine Transport Regulatory Authority

<b>TAA</b>	Tanzania Airports Authority
<b>TANROADS</b>	Tanzania National Roads Agency
<b>TASAC</b>	Tanzania Shipping Agencies Corporation
<b>TAZAMA</b>	Tanzania-Zambia Mafuta
<b>TAZARA</b>	Tanzania-Zambia Railway Authority
<b>TIN</b>	Tax Identification Number
<b>TIRA</b>	Tanzania Insurance Regulatory Authority
<b>TKC</b>	Trans Kalahari Corridor
<b>TNBS</b>	Tanzania National Bureau of Statistics
<b>TPA</b>	Tanzania Ports Authority
<b>TRA</b>	Tanzania Revenue Authority
<b>TRC</b>	Tanzania Railways Corporation
<b>TTTFP</b>	Tripartite Transport & Transit Facilitation Programm
<b>TZS</b>	Tanzanian shilling
<b>UK</b>	United Kingdom
<b>UN</b>	United Nations
<b>UNESCO</b>	United Nations Educational, Scientific and Cultural Organization
<b>VAT</b>	Value-Added Tax
<b>WCF</b>	Workers Compensation Fund
<b>WHO</b>	World Health Organization

## EXECUTIVE SUMMARY

The aim of this Country Profile report (or the report) for the United Republic of Tanzania is to provide a consolidated platform for the dissemination of information that is useful to key stakeholders in the cross-border environment particularly cross-border road transport operators, investors, traders and regulatory authorities. The information in this report can be used to support informed decision making and identification of opportunities by operators, investors and traders in the Tanzanian segment of the cross-border industry. Overall, this is an advisory report earmarked to support and enhance trade, economic development and regional integration.

The report provides information about Tanzania that focuses on the road transport environment, requirements for undertaking cross-border road transportation, corridor developments, road transport projects currently taking place in the Tanzania, cross-border trade opportunities, cross-border trade (importation and exportation requirements and procedures) and the business environment with emphasis on the ease of doing business.

The report was compiled largely based on desktop research (based on official documents), and information gathered through stakeholder consultations. Secondary sources such as working papers, journals and trade statistics information from relevant Regional Economic Communities (RECs) and relevant member states from the internet were also used.

Tanzania's population is about 56 million and approximately 947,303 km<sup>2</sup> of the country, that is, more than 45% of land is arable and rich in minerals. The country is a member of the Southern African Development Community (SADC), the East African Community (EAC), African Union (AU), and United Nations (UN). The country is a signatory to many regional and continental initiatives including the African Continental Free Trade Agreement. Tanzania's top ten (10) exports accounted for 74.5% of the overall value of its global shipments. Gems and precious metals were the highest among the top 10 export categories with 42.1 percent. Tanzania's top import products in 2018 comprised mineral fuels, transport equipment, and building and construction materials for the construction of the Standard Gauge Railway (SGR), roads, airports, and ports. The total exports during 2018 were about US\$3.7 billion while imports were US\$8.6 billion worth goods and services, which resulted in a negative balance of trade of about \$4.9 billion.

The top five commodities exported by Tanzania into South Africa in 2018 totalled 64.5% of total exports. Vegetable products recorded the highest rank at 36.1%, totalling R173 million of the total exports. This was followed by Textiles at R142.3 million (29.8%). The top five imports to Tanzania from South Africa accounted for 75.6% of total imports in 2018. Base metals and articles of base metal were the highest ranking at R1,471 million, contributing 27.8%. They were followed by machinery and mechanical appliances at 18.2% (R966 million). In summary:

- In 2018, Tanzania's GDP was US\$42.6 billion, an increase of 2.9% from US\$41.4 billion in 2017 and registered 80<sup>th</sup> position in the GDP ranking out of 196 countries that Country Economy publishes annually;
- In 2018, the GDP per capita gained by 3.68% from \$1,003 in 2017 to \$1,040 signifying that the population of Tanzania is still among the poorest of 196 countries;
- Tanzania's credit rating in 2018 was set at B1 with negative outlook by Moody's;
- Tanzania ranked 144 in 2019 among 190 economies in the ease of doing business as a result of various procedural checks instituted to reduce malpractices in the business sector and performed poorly in cross-border trade, scoring 20.21/100; and

- Tanzania's overall ranking dropped position from 116 out of 140 nations in 2018, to position 117 out 141 nations in 2019, scoring 48.19 points out of 100 on the 2019 in Global Competitiveness Index depreciating by 0,98 from score of 47,21 in 2018.

There are many opportunities for investors, traders and cross-border road transport operators in Tanzania and they include:

- **Cross-border road transportation and logistics:** There are opportunities for cross-border operators emanating from improvements in capacity at the Dar es Salaam port, especially for exports bound for Asian markets and imports into Tanzania, Uganda, DRC and Zambia, amongst others. Opportunities also exist in the infrastructure and logistics sectors especially with respect to warehousing facilities and logistics services. The growing improvement in roads and railways across East Africa opens opportunities for logistics in a country where urbanisation stands at about 30 percent, and many farms operate at a significant distance from the ports in Dar-es-Salaam. Opportunities for operators also exist in the tourism sector owing to many tourist attraction destinations;
- **Construction sector:** Reconstruction of regional railroad infrastructure linking the Tanzania to regional countries e.g. along Benguela corridor from DRC to Lobito port in Angola;
- **Mining sector:** Tanzania is very rich in minerals . Coal reserves in Tanzania are estimated at 1.9 billion tons, 25% of which are proven. The country has over 60% of global cobalt reserves. Opportunities exist in iron ore, diamonds, gold and manganese mining;
- **Power generation:** Tanzania, with its many rivers, has rich hydroelectricity potential. Investors can invest in or construct hydropower infrastructure;
- **Real Estate:** The shortage of property developers in the country and high demand for housing has resulted in subsequent opportunities for real estate investment;
- **Information Communication Technology (ICT):** Tanzania has potential in the telecommunications and ICT sector, which remains largely untapped. Investment in ICT systems has big potential in Tanzania, given the country's population size;
- **Agricultural sector:** Tanzania is blessed with diverse climate zones, fertile land and water to support its agriculture. Currently, Tanzania's commercial-scale farming cannot keep up with growing market demand;
- **Manufacturing sector:** There are opportunities for manufacturing and processing of raw products, as well as investments in packaging infrastructure; and
- **Skills development:** There are massive opportunities for capacity building and skills development in the country. Opportunities for investing in education are wide-ranging especially with respect to establishment of schools, colleges and universities.

# 1. INTRODUCTION AND BACKGROUND

## 1.1. Introduction

The aim of this Tanzania Country Profile report (or the report) is to provide a consolidated platform for the dissemination of information that is useful to key stakeholders in the cross-border environment, particularly cross-border road transport operators, investors, traders and regulatory authorities. The information in this report can be used for making informed decisions and identifying opportunities by operators and traders in respect of the Tanzania segment of the cross-border industry. Overall, this is an advisory report earmarked to support and enhance trade, economic development and regional integration. The report provides information about the United Republic of Tanzania ( or Tanzania) focusing on the road transport environment, requirements for undertaking cross-border road transportation, corridor developments, road transport projects currently taking place in the Tanzania, cross-border trade opportunities, cross-border trade (importation and exportation requirements and procedures) and the business environment specifically focusing on the ease of doing business.

## 1.2. Background

The Cross-Border Road Transport Agency (C-BRTA or the Agency) is an economic regulatory authority founded in terms of the Cross-Border Road Transport Act No. 4 of 1998 (C-BRT Act), as amended, for the purpose of facilitating unimpeded movement of persons and goods between South Africa and neighbouring countries in the region in support of regional trade, economic development and regional integration.

The core mandate of the Agency is to:

- Improve the unimpeded flow of freight and passengers in the region;
- Introduce regulated competition in respect of cross-border passenger road transport;
- Reduce operational constraints for the cross-border road transport industry as a whole;
- Liberalise market access progressively in respect of cross-border freight road transport;
- Enhance and strengthen the capacity of the public sector in support of its strategic planning, enabling and monitoring functions; and
- Empower the cross-border road transport industry to maximise business opportunities and to incrementally regulate themselves to improve safety, security, reliability, quality and efficiency of services.

The four core functions of the C-BRTA are: regulatory, facilitation, advisory and law enforcement. There are other instruments that also provide the broader context of the mandate and functions of the Agency and they include the following:

- Southern African Development Community (SADC) Protocol on Transport, Communications and Meteorology (PTCM);
- Memorandum of Understanding on Road Transportation in the Common Customs Area pursuant to the Customs Union Agreement between the Governments of Botswana, Lesotho, South Africa and Swaziland (SACU MoU);
- Memorandum of Understanding on the development and management of the Trans-Kalahari Corridor (TKC MoU); and
- Bilateral Road Transport Agreements between South Africa, Malawi, Mozambique, Zambia and Zimbabwe.

The C-BRTA compiled this report in pursuit of its mandate, which is to provide advice and up to date information that can be used to advance regional trade, economic development and regional integration as well as to the Minister of Transport, road transport industry, traders and other stakeholders in the cross-border value chain.

The development of this report is therefore aligned to the mandate of the Agency and the goals of enhancing opportunities for cross-border road transport operators, traders and ensuring that cross-border road transportation between the Tanzania and South Africa is conducted in a seamless way.

As a building block, it is envisaged that through information in this report, the C-BRTA contributes to overall objectives of enhancing cross-border road transport system efficiency, intra-Africa trade, regional integration and business opportunities to cross-border road transport operators and business community in general.

### **1.3. Objectives of the Report**

The objectives of the report are to:

- Provide information to stakeholders for purposes of enhancing cross-border trade, trade facilitation, economic development and regional integration;
- Provide relevant information that can be used by traders and cross-border road transport operators in conducting their business;
- Assist relevant stakeholders to know and understand requirements of doing business in the Republic of Tanzania;
- Assist transport operators to have a better understanding of the regulatory requirements and operational conditions that exist in Tanzania, that may have an impact on cross-border operations;
- Proactively provide up to date information on cross-border trade and road transport to current and aspirant cross-border traders and transport operators; and
- Provide information with respect to possible opportunities for South African cross-border road transport operators and prospective investors.

### **1.4. Methodology**

The methodology utilised in this report is primarily desktop research using data sources of official documents and information gathered from stakeholders' consultations. Secondary sources such as working papers, journals and trade statistics information from relevant Regional Economic Communities (RECs) and relevant member states from the internet were also used.

### **1.5. Structure of the Report**

The report is structured as follows:

- Chapter 1: Introduction and background outlining the objectives and scope of the Report;
- Chapter 2: Overview of Tanzania regarding its geographic location, language, and the Tanzania historical context;
- Chapter 3: Economic outlook regarding the recent economic developments in the Tanzania in terms of Gross Domestic Product (GDP) growth, trade environment, nature of goods traded, imports and exports analysis, business environment, the ease and cost of doing business and regional integration;

- Chapter 4: Road transport environment regarding legislative and regulatory requirements;
- Chapter 5: Passenger transport environment regarding legislative and regulatory requirements;
- Chapter 6: Rail transport environment;
- Chapter 7: Air Transport in Tanzania;
- Chapter 8: Maritime Transport in Tanzania
- Chapter 9: Border Posts linking Tanzania and connectivity to regional countries;
- Chapter 10: Challenges and Opportunities in Tanzania for operators, traders and investors; and challenges encountered by operators when doing business in Tanzania;
- Chapter 11: Contact details of regulatory authorities; and
- Chapter 12: Conclusions.





sea level, and the floor of Lake Tanganyika, at 1,471 metres (4,826 ft) below sea level, respectively (Lake, 2013).

The country is mountainous and densely forested in the northeast, where Mount Kilimanjaro is located. Three of Africa's Great Lakes are partly within Tanzania. To the north and west lie Lake Victoria, Africa's largest lake, and Lake Tanganyika, the continent's deepest lake, known for its unique species of fish. To the southwest lies Lake Nyasa. Central Tanzania is a large plateau, with plains and arable land. The eastern shore is hot and humid, with the Zanzibar Archipelago just offshore. Kalambo Falls in the southwestern region of Rukwa is the second highest uninterrupted waterfall in Africa, and is located near the southeastern shore of Lake Tanganyika on the border with Zambia. The Menai Bay Conservation Area is Zanzibar's largest marine protected area.

### **2.1.2. Language and ethnic groups**

There are more than 100 languages that are spoken in Tanzania, making it the most linguistically diverse country in East Africa. Among the languages spoken are all four of Africa's language families: Bantu, Cushitic, Nilotic, and Khoisan. There are no de jure official languages in Tanzania. Swahili is used in parliamentary debate, in the lower courts, and as a medium of instruction in primary school. English is used in foreign trade, diplomacy, higher courts, and as a medium of instruction in secondary and higher education. (The Moguldom Nation, 2015). Approximately 10% of Tanzanians speak Swahili as a first language, and up to 90 percent speak it as a second language. Ethnic community languages (ECL) other than Kiswahili are not allowed as alternate language of instruction, nor are they taught as a subject, though they might be used unofficially in some cases in initial education. Arabic is co-official in Zanzibar.

The Sandawe people speak a language that may be related to the Khoe languages of Botswana and Namibia, while the language of the Hadzabe people, although it has similar click consonants, is arguably a language isolated (Brenzinger, 1992).

### **2.1.3. Relief and drainage**

#### **2.1.3.1. Mainland**

Except for the narrow coastal belt of the mainland and the offshore islands, most of mainland Tanzania lies above 600 feet (200 metres) in elevation. Vast stretches of plains and plateaus contrast with spectacular relief features, notably Africa's highest mountain, Kilimanjaro and the world's second deepest lake, Lake Tanganyika 4,710 feet (1,436 metres) deep. The East African Rift System runs in two north-south-trending branches through mainland Tanzania, leaving many narrow, deep depressions that are often filled by lakes. One branch, the Western Rift Valley, runs along the western frontier and is marked by Lakes Tanganyika and Rukwa, while the other branch, the Eastern (or Great) Rift Valley, extends through central Tanzania from the Kenyan border in the region of Lakes Eyasi, Manyara, and Natron south to Lake Nyasa at the border with Mozambique. The central plateau, covering more than a third of the country, lies between the two branches (Encyclopaedia Britannica).

Highlands associated with the Western Rift Valley are formed by the Ufipa Plateau, the Mbeya Range, and Rungwe Mountain in the southwestern corner of the country. From there the southern highlands run northeastward along the Great Rift to the Ukuguru and Nguru mountains northwest of Morogoro. Extending from the northern coast, the Usambara and Pare mountain chains run in a southeast-to-northwest direction, culminating in Kilimanjaro's lofty snow-clad peak and continuing

beyond to Mount Meru (14,978 feet or 4,565 metres). Immediately west of Mount Meru, another chain of mountains begins, which includes the still-active volcano Ol Doinyo Lengai as well as Ngorongoro Crater, the world's largest caldera, or volcanic depression. This chain extends through a corridor between Lake Eyasi and Lake Manyara toward Dodoma (Encyclopaedia Britannica). Because of its numerous lakes, approximately 22,800 square miles (59,000 square km) of Tanzania's territory consists of inland water. Lake Victoria, which ranks as the world's second largest freshwater lake, is not part of the Rift System. Although Tanzania has no big rivers, it forms the divide from which the three great rivers of the African continent rise the Nile, the Congo, and the Zambezi, which flow to the Mediterranean Sea, the Atlantic Ocean, and the Indian Ocean, respectively. Separated by the central plateau, the watersheds of these rivers do not meet.

Tanzania's major rivers are named the Ruvuma, the Rufiji, the Wami, and the Pangani drain into the Indian Ocean. The largest, the Rufiji River, has a drainage system that extends over most of southern mainland Tanzania. The Kagera River flows into Lake Victoria, whereas other minor rivers flow into internal basins formed by the Great Rift Valley. With so many rivers, mainland Tanzania is rich in hydroelectricity potential.

## **2.2. Historical context**

### **2.2.1. Constitutional setting**

Tanzania is a single state under a presidential parliamentary democratic system, consisting of a union between mainland Tanzania (known until 1964 as Tanganyika) and the islands of Zanzibar, the largest of which are Unguja and Pemba. Tanganyika and Zanzibar entered into the union in 1964, and under the union's terms Zanzibar has semi-autonomous status. Mainland Tanzania and Zanzibar each maintain executive, judiciary and legislative organs. In Zanzibar, these have authority over a set of issues described in Tanzania's constitution as 'non-union matters', which include health, education and the environment. On the mainland, these organs have responsibility for state functions over the whole of Tanzania's territory including the mainland and union matters in Zanzibar. The parliament of Tanzania is based in the capital city, Dodoma, while the government sits in Dar-es-Salaam.

### **2.2.2. Social Context**

Despite efforts between 2007 and 2016 that have reduced the country's poverty rate from 34.4% to 26.8%, the absolute number of poor people is estimated at about 13 million, owing to high population growth. The most recent poverty measures based on the Household Budget Survey of 2017/18 are still being processed, but it seems likely that a downward trend in the poverty rate will gradually continue. Government efforts to expand access to social services like education, health, and water have been undermined by their declining quality as the population rises faster than the demand of these services can be met with supply.

### **2.2.3. Political Context**

In October 2015, John Pombe Magufuli was elected the fifth president of Tanzania. Magufuli's Fifth-Phase Government has prioritised efforts to clampdown on corruption, improve public administration and manage public resources for improved social outcomes. The Mo Ibrahim Index of African Governance shows Tanzania has improved in its overall governance indicators between 2015-18. However, the Worldwide Governance Indicators show Tanzania has either deteriorated or has been stagnant in all governance indicators between 2012 and 2017 (except for control of corruption). Tanzania is a member of the African, Caribbean and Pacific Group of States, African

Union, East African Community, Indian Ocean Rim Association, Non-Aligned Movement, Southern African Development Community, United Nations and World Trade Organization.

### 3. ECONOMIC OUTLOOK

#### 3.1. Introduction

This section outlines the recent economic performance and developments in Tanzania in terms of Gross Domestic Product (GDP) growth, trade environment from a viewpoint of the assessment and analysis of imports and exports into and from Tanzania, the business environment with emphasis on the ease and cost of doing business and regional integration.

#### 3.2. Economic Structure and Indicators

The economic structure of Tanzania reflects the changing balance of output, trade, and incomes drawn from different economic sectors ranging from primary (farming, fishing, mining etc) to secondary (manufacturing and construction industries), tertiary and quaternary sectors (tourism, banking and software industries).

##### 3.2.1 Gross Domestic Product

Gross Domestic Product (GDP) is the sum of output within the economy's territory minus the sum of intermediate consumption (increased by taxes net of subsidies on products). It is measured in nominal terms and with market exchange rates. Economic growth rate (GDP growth rate) is the percentage change in the value of all of the goods and services produced in a nation during a specific period of time, as compared to an earlier period. The economic growth rate is used to measure the comparative health of an economy over time. The numbers are usually compiled and reported quarterly and annually.

Table 1 below depicts the annual GDP and the GDP growth rate of Tanzania from 2014 to 2018.

**Table 1: Tanzania Annual GDP (US\$'billion) and GDP per capita (US\$)**

Year	Annual GDP	GDP growth	GDP per capita	GDP per capita growth
2014	50,00	9,46%	1,031	6,26%
2015	47,38	-5,24%	948	-8,09%
2016	49,77	5,04%	966	1,96%
2017	53,23	6,95%	1,003	3,84%
2018	56,85	6,80%	1,040	3,59%

Source: <https://knoema.com/atlas/United-Republic-of-Tanzania/GDP-per-capita>

In 2015, GDP decreased by 5.24% from \$50 billion in 2014 to \$47.4 billion. In 2016, there was an increase of about \$2.39 billion from \$47.4bn to \$49.8bn resulting in positive economy of 5.04%. In 2017, about 6.95% GDP growth was registered from \$49.8bn in 2016 to \$53.2bn. The absolute value of GDP in Tanzania increased by \$3.46 billion with respect to 2017. Figure 3 below also signifies the progression of 13.7% of Tanzania's GDP from 2014 to 2018, signifying that the economy of the country is growing (Table 1).

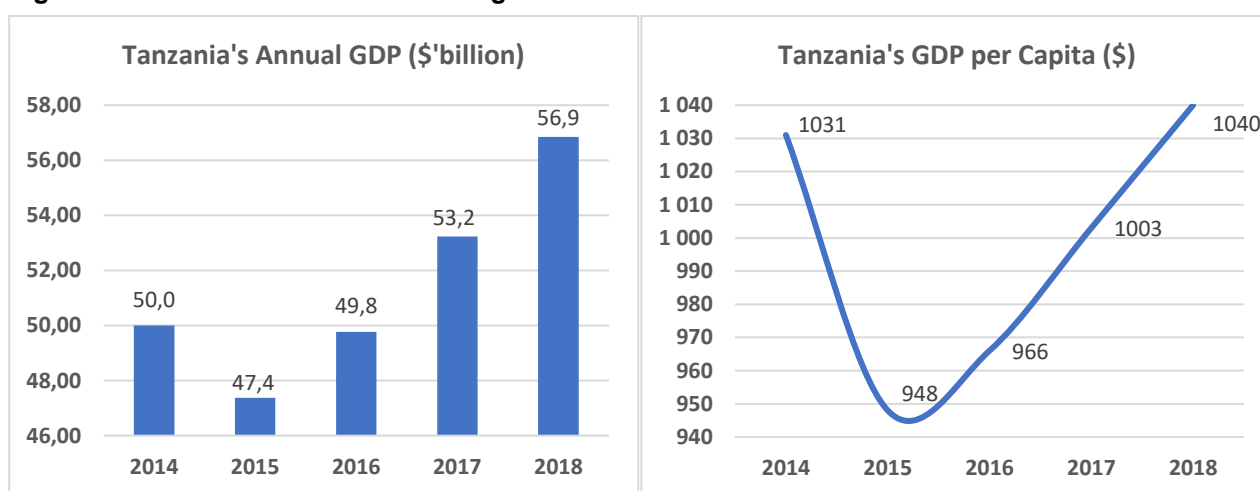
In 2018, Tanzania's GDP was 42.6 billion US dollars. In the GDP ranking including 196 countries that Country Economy publishes annually, Tanzania occupied the 80<sup>th</sup> rank.

### 3.2.2 Gross Domestic Product per capita

GDP per capita is estimated by dividing the economy's GDP by the population. It is calculated on the basis of data for three latest years available. Table 1 above shows the GDP per capita as a measure of the country's gross domestic product by person from 2014 to 2018.

The GDP per capita of Tanzania in 2014 recorded at \$1,031, which is \$83 more than in 2015, when it was \$948, resulting in about a 8,04% decline. In 2016, the GDP per capita increased by 1,94% from \$948 in 2015 to \$966 and in the consecutive year (2017), the GDP per capita heightened from \$966 in 2016 to \$1,003 registering about 3,79% increase. In 2018, the GDP per capita gained by 3,68% from \$1,003 to \$1,040. In overall, the GDP per capita slightly increased by about 0,9% from 2014 to 2018 meaning that the population of Tanzania is still among the poorest of 196 countries (Country Economy publication). The Annual GDP and economic growth is shown in Figure 2 below.

**Figure 2: Tanzania's Annual GDP and growth**

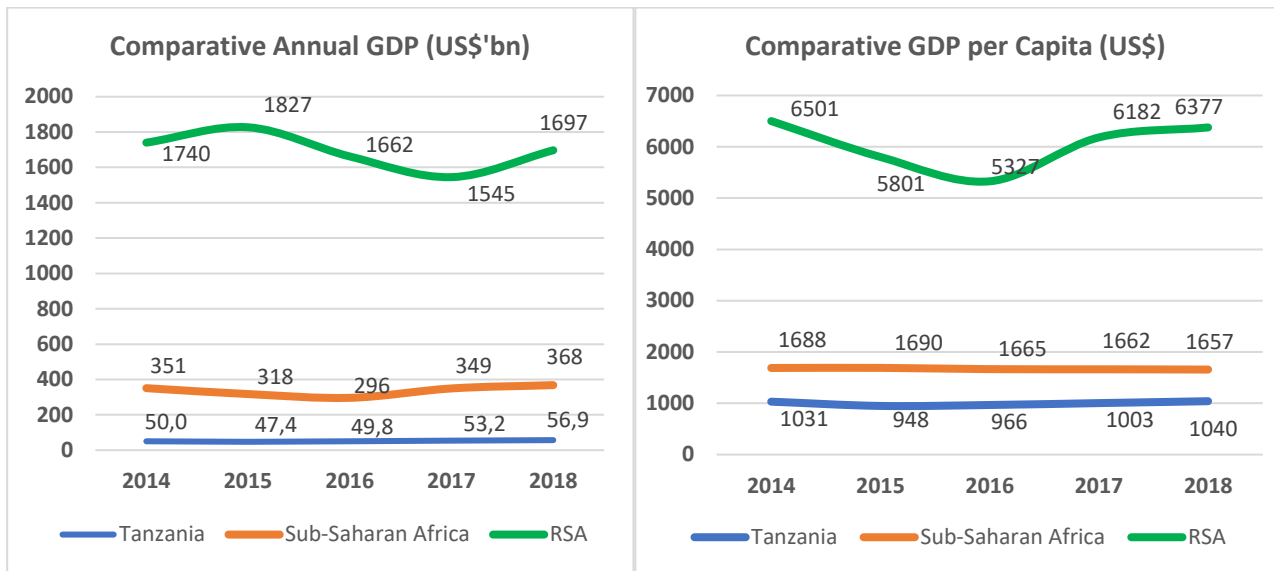


Source: <https://knoema.com/atlas/United-Republic-of-Tanzania/GDP-per-capita>

### 3.2.3 Comparison of GDP between Tanzania, Sub-Saharan Africa and South Africa

Figure 3 below shows the comparison of GDP between Tanzania, Sub-Saharan Africa and the Republic of South Africa (RSA) from 2014 to 2018. Regarding the GDP in 2018, comparatively Tanzania was 29,8 times lower than South Africa (\$1,697bn) at approximately \$56,9 billion and also lower than the average for Sub-Saharan Africa at \$368 billion. The GDP per capita was also 6,1 times below that of South Africa (\$6,377) at \$1,040, and that of Sub-Saharan Africa at \$1,657 per capita.

**Figure 3: Comparison of GDP between Tanzania and South Africa (RSA)**



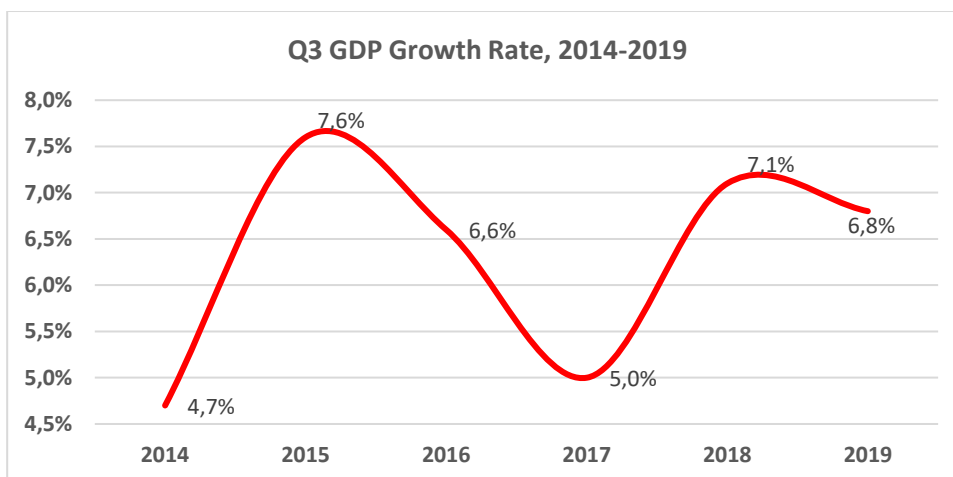
Source: <https://countryeconomy.com/gdp/tanzania>

### 3.2.4 Gross Domestic Product contribution by Sector

This section presents rebased Quarterly Gross Domestic Product (QGDP) for base year 2015 at current and constant prices for Tanzania Mainland. It also shows where production takes place in Tanzania's economy. The QGDP estimates facilitate frequent and appropriate policy interventions by providing reliable and timely reports on recent short-term economic developments. Data used in the compilation of the third quarter (July – September) GDP for the year 2019 was collected for all economic activities in the country.

The compilation followed the United Nation Statistics Division's guidelines on the compilation of national accounts statistics including the System of National Accounts 2008. Currently, the National Bureau of Statistics is implementing the National Accounts Revision Policy which became operational in early 2019. During the third quarter of 2019, the value of QGDP in absolute terms at current prices was Tanzanian Shillings (TZS) 32,184,431 million compared to TZS 30,474,904 million of the similar quarter of 2018. Furthermore, the value of QGDP at constant 2015 prices increased to TZS 28,640,136 million in the third quarter of 2019 from TZS 26,817,993 million in the corresponding quarter of 2018 equivalent to a growth of 6.8 percent as shown in Figure 4 below.

**Figure 4: Quarter 3 GDP growth rate in Tanzania, 2014-2019**

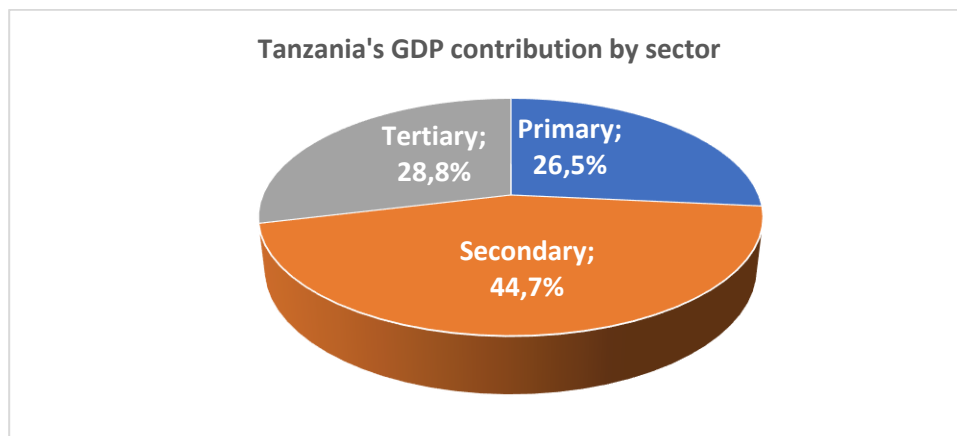


The distribution gives the percentage contribution of agriculture, industry, and services to total GDP:

- Agriculture includes farming, fishing, and forestry;
- Industry includes mining and quarrying, manufacturing, electricity and natural gas, water supply, and construction; and
- Services include government activities, communications, transportation, finance, and all other private economic activities that do not produce material goods.

The largest share to GDP before adjustment for taxes in the third quarter of 2019 in Tanzania was from tertiary activities which accounted for 44.7%, followed by secondary activities by 28.8% and primary activities had the least share of 26.5% as shown in Figure 5 below.

**Figure 5: GDP by sector contribution in Tanzania, Quarter 3, 2019**



Source: <https://www.tanzaniainvest.com/economy/>

### 3.3. Credit Rating

Rating agencies are important, powerful actors in financial markets because:

- They provide an independent assessment of financial instruments (the three main rating agencies, namely Standard and Poor’s (S&P), Moody’s Investors Service, and Fitch do not have the same rating for all issuers and do not rate the same issuers);
- By assigning a rating, they enable comparisons between financial instruments, even those that are different in nature (technically, a bank and a country with the same rating are assessed to have the same capacity to repay their debt, even if these two actors are very difficult to compare) by extension; and
- They help investors make decisions about investing or not in a specific instrument and at what cost, depending on their risk appetite. For all these reasons, rating agencies can influence financial markets.

Moody's credit rating for Tanzania was last set at B1 with negative outlook. In general, a credit rating is used by sovereign wealth funds, pension funds and other investors to gauge the credit worthiness of Tanzania thus having a big impact on the country's borrowing costs. This includes the government debt credit rating for Tanzania as reported by major credit rating agencies. Table 2 below shows the sovereign risk rating for Tanzania.

**Table 2: Tanzania sovereign risk ratings**

AGENCY	RATING	OUTLOOK	DATE
Moody's	B1	negative	Mar 02 2018

Source: <https://countryeconomy.com/gdp/tanzania>

### 3.4. Monetary Policy

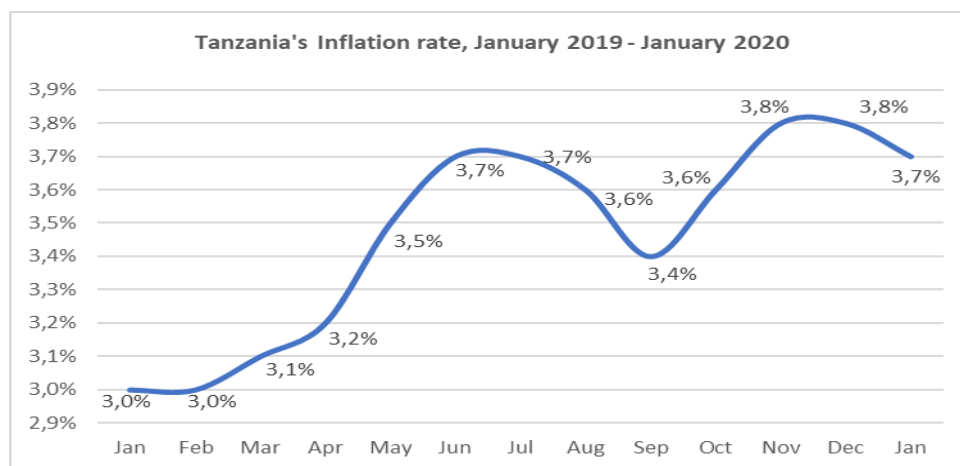
#### 3.4.1. Inflation Rate

Inflation as measured by the consumer price index reflects the annual percentage change in the cost to the average consumer of acquiring a basket of goods and services that may be fixed or

changed at specified intervals, such as yearly. The Laspeyres formula is generally used. Data for inflation are averages for the year, not end-of-period data:

- The National Bureau of Statistics of Tanzania (NBS) indicates that the annual inflation rate for the month January 2020 decreased to 3.7% from 3.8% recorded in December 2019 (Table 3); and
- The annual inflation rate in Tanzania remained unchanged at 3.8% in December 2019 from November 2019, recording the highest level in 2019 as shown in Figure 6 below.

**Figure 6: Tanzania’s inflation rate**

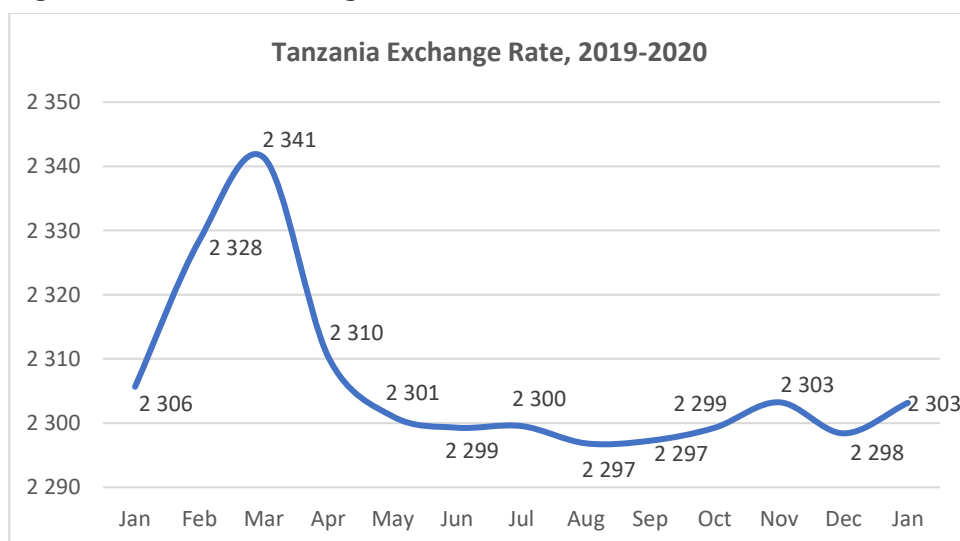


Source: National Bureau of Statistics of Tanzania

### 3.4.2. Exchange Rate

Figure 7 below shows Tanzania’s official exchange rate as determined by national authorities and/or exchange rate ascertained in the legally sanctioned exchange market. It is calculated as an annual average based on monthly averages (local currency units relative to the U.S. dollar). In 2019 from January to March, the exchange rate increased from TZS 2 305,66 to TZS 2 341,35 per US dollars. From March 2019 peak, exchange rate decreased by 1,33% in April from TZS2 341,35 to TZS 2 310,32 per US dollar. From May 2019, the exchange rate fluctuated between TZS2 301 and TZS2 303 on monthly basis as shown in Figure 8 below.

**Figure 7: Tanzania exchange rate**



Source: World Bank Global Economic Monitor, Monthly Update



### 3.5. Trade Environment

#### 3.5.1. Tanzania's main exports destinations

Table 3 below shows Tanzania's major trading partner countries for exports and the country's major continental importers in 2018.

**Table 3: Tanzania's main exports by country and continent, 2018**

Country	Value	%	Continent	%
Rwanda	\$685,63m	18,7%	Africa	42,1%
Kenya	\$338,83m	9,3%	Asia	34,9%
DRC	\$311,00m	8,5%	Europe	20,7%
Zambia	\$266,89m	7,3%	North America	1,9%
Uganda	\$194,42m	5,3%	Oceania and Latin America	0,4%

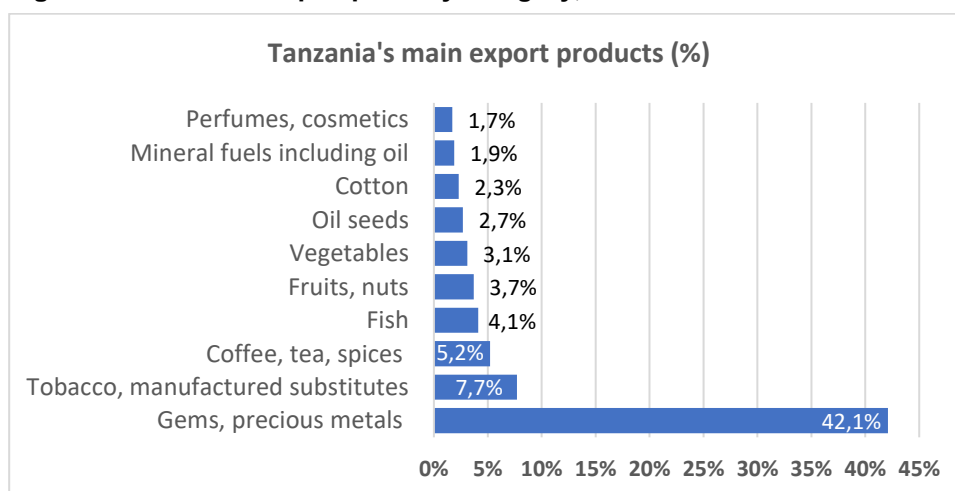
Source: <https://tradingeconomics.com/tanzania/exports-by-country>

Rwanda was the top importer from Tanzania with goods worth about \$685,63 million totalling 18,7%, Kenya followed with approximately \$338,83 million registering 9,3% of Tanzania's exports. DRC was the third, imported about 8,5% of goods from Tanzania at a value of around \$311,00 million whereas Tanzania exported approximately \$266,89m (7,3%) and \$194,42m (5,3%) to Zambia and Uganda, respectively. From a continental perspective, approximately 42.1% of Tanzanian exports by value were sold to fellow African countries. In second place were Asian importers at 34.9% while Tanzania exported another 20.7% worth of goods to Europe. Smaller percentages were distributed among North America (1.9%), Oceania (0.2%) led by Australia and New Zealand, and Latin America (0.2%) excluding Mexico and including the Caribbean.

#### 3.5.2. Tanzania's top export products

According to Workman (2019), Tanzania shipped an estimated \$3,8 billion worth of goods around the globe in 2018. Tanzania had a total export of US\$3,7 billion total imports of US\$8,6 billion leading to a negative trade balance of \$4,9 billion. Figure 8 below shows the highest dollar value for Tanzania's global shipments during 2018.

**Figure 8: Tanzania's top exports by category, 2018**



Source: <http://www.worldstopexports.com/tanzanias-top-10-exports/>

Figure 8 above shows that:

- Gems, precious metals at US\$1.6 billion contributed 42.1% of total exports;
- Tobacco and manufactured substitutes at \$290.4 million contributed 7.7%;
- Coffee, tea, spices at \$195.8 million contributed 5.2%;
- Fish at \$156.7 million contributed 4.1%;
- Fruits, nuts at \$139.2 million contributed 3.7%;
- Vegetables at \$118.6 million contributed 3.1%;
- Oil seeds at \$104.1 million contributed 2.7%;
- Cotton at \$85.5 million contributed 2.3%;
- Mineral fuels including oil at \$72.9 million contributed 1.9%; and
- Perfumes, cosmetics at \$65 million contributed 1.7%.

Tanzania's top 10 exports accounted for three-quarters (74.5%) of the overall value of its global shipments. According to Workman (2019), Tanzania's export products performed well in 2018 compared to 2017 follows:

- Perfumes and cosmetics was the fastest-growing among the top 10 export categories, up by 155% from 2017 to 2018;
- In second place for improving export sales was cotton which appreciated 59.1%;
- Mineral fuels including oil posted the third-fastest gain in value thanks to a 53.7% expansion year over year; and
- The leading decliner among the top 10 Tanzanian export categories was fruits and nuts which fell in value by -74.9%, weighted down by diminished revenue for cashews.

Workman (2019) stated that Tanzania's most valuable export products were gold (39.8% of total exports) trailed by unmanufactured tobacco (7.1%), coffee (3.9%), coconuts, Brazil nuts and cashews (3.3%), dried shelled vegetables (2.6%), fish pieces (2.6%), diamonds (2.1%), oil seeds (2.1%), beauty makeup and skin preparations (1.5%) then tea (1.2%).

### 3.5.3. Tanzania's main imports origins

Table 4 below shows the main exporting countries to Tanzania in 2018. The top import origins were China with \$1,771 million leading the exporting countries with a partner share of 20.7%, followed by India with a partner share of 14.3% worth \$1,223 million, United Arab Emirates worth \$876 million, with a partner share of 10.2%, Saudi Arabia worth \$571 million (6.7%) and South Africa exported goods worth about \$439 million, with a partner share of 5.2%.

**Table 4: Tanzania's main imports by country, 2018**

Country	Value	%
China	\$1,771m	20,7%
India	\$1,223m	14,3%
United Arab Emirates	\$876m	10,2%
Saudi Arabia	\$571m	6,7%
South Africa	\$439m	5,2%

Source: <https://tradingeconomics.com/tanzania/imports-by-country>

### 3.5.4. Tanzania's top import products

The value of total merchandise imports to Tanzania totalled \$8,55 billion in 2018. Merchandise imports to Tanzania increased by 10,1% compared to 2017. Goods imports grew up by \$788 million in 2018 (the value of merchandise imports to Tanzania was equal to \$7,76 billion in 2017). The imports structure into Tanzania in 2018 is summarised below:

- 20% (\$1,78 billion): mineral fuels, mineral oils and products of their distillation, bituminous substances and mineral waxes;
- 12% (\$1 billion): nuclear reactors, boilers, machinery and mechanical appliances and parts thereof;
- 9,7% (\$829 million): vehicles other than railway or tramway rolling stock, and parts and accessories thereof;
- 5,9% (\$507 million): electrical machinery and equipment and parts thereof; sound recorders and reproducers, television image and sound recorders and reproducers, and parts and accessories of such articles;
- 5,7% (\$491 million): plastics and articles thereof
- 5,0% (\$427 million): iron and steel;
- 3,6% (\$304 million): articles of iron or steel;
- 3,3% (\$281 million): pharmaceutical products;
- 2,9% (\$248 million): miscellaneous chemical products; and
- 2,8% (\$238 million): animal or vegetable fats and oils and their cleavage products prepared edible fats; animal or vegetable waxes.

Table 5 below shows the top import products of Tanzania.

**Table 5: Tanzania's top imports by category, 2018**

Imports	Value	%
Mineral fuels, oils, distillation products	\$1,78bn	21%
Machinery, nuclear reactors, boilers	\$1,01bn	12%
Vehicles other than railway, tramway	\$829,75m	9,7%
Electrical, electronic equipment	\$509,64m	6,0%
Plastics	\$491,06m	5,7%
Iron and steel	\$427,88m	5,0%
Articles of iron or steel	\$304,84m	3,6%

Source: <https://tradingeconomics.com/tanzania/imports-by-category>

### 3.5.5. Tanzania's intra-EAC trade

#### 3.5.5.1. Tanzania's intra regional trade

Total intra-EAC trade increased by 14,6% to US\$811,3 million in 2018 from US\$707,7 million recorded in 2017 as shown in Table 6 below. This good performance was largely resultant of an increase in both exports and imports to and from the EAC market.

#### 3.5.5.2. Intra-regional exports

Tanzania's domestic exports to EAC member states increased by 4.2% to US\$448.6 million in 2018, from US\$430.5 million recorded in 2017, with much upsurge registered in exports destined to Uganda (Table 5). Nonetheless, Kenya remained the major destination, accounting for 48% of Tanzania's domestic exports to EAC member states, followed by Uganda which accounted for 24%

of domestic exports. Rwanda accounted for 18% of domestic exports. Burundi and South Sudan accounted for 11% and 1.1%, respectively.

Table 6 shows that during the period under review, exports to Uganda increased to US\$105,7 million from US\$27,5 million recorded in 2017, with significant increase recorded in exports of cosmetics, maize, petroleum oils, paper products and paperboard and rolled iron or non-alloy steel. Likewise, exports to Rwanda increased by 31.8% to US\$79.7 million in 2018, with substantial increase recorded in exports of petroleum jelly, cosmetics, cement, bricks, tiles and rice. Conversely, exports to Kenya and Burundi went down by 26,6% and 5,5% respectively.

### 3.5.5.3. Tanzania Intra-regional imports

Tanzania's imports from EAC member states increased by 24,5% to US\$302.7 million in 2018, from US\$243,2 million recorded in 2017. The increase was largely attributed by increased in imports from Kenya, which is the leading source of imports in the region, while imports from Uganda and Rwanda increased by 45,8% and 4%, respectively (Table 6 below). Major imports from EAC member states include rolled iron and non-alloy steel, pharmaceuticals products, soaps, tractors, plastic items, electrical accumulators and stoppers, caps and lids for bottles.

### 3.5.5.4. Intra-regional trade balance

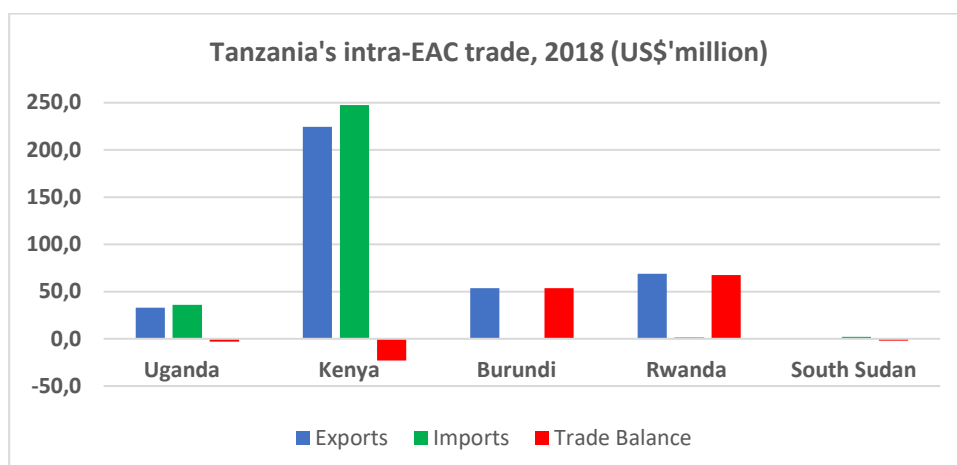
Tanzania's total trade with other EAC member states in 2018 increased by 14,6% to US\$811,3 million, from US\$707,7 million recorded in 2017. However, Tanzania's trade balance with EAC member states remained a surplus amounting to US\$205,8 million, down from US\$221,4 million recorded in 2017 as shown in Figure 9 below. This was mainly driven by an increase in imports that outweighed the impact of the increase in exports. During the period under review, Tanzania recorded a trade surplus with all EAC members states except Kenya.

**Table 6: Tanzania's trade with EAC member states (US\$'million)**

	EXPORTS			IMPORTS			TRADE BALANCE		
	2017	2018	% change	2017	2018	% change	2017	2018	% change
Uganda	28,1	33,0	17,4%	30,6	36,1	18,0%	-2,5	-3,1	24,0%
Kenya	308,9	224,5	-27,3%	203,4	247,5	21,7%	105,5	-23,0	-121,8%
Burundi	55,0	53,7	-2,4%	0,8	0,2	-75,0%	54,2	53,5	-1,3%
Rwanda	65,6	68,7	4,7%	1,1	1,3	18,2%	64,5	67,4	4,5%
South Sudan	0,0	0,2	664,7%	0,0	2,1	-90,4%	0,0	-1,9	-156,9%
<b>Intra-EAC</b>	<b>338,4</b>	<b>464,3</b>	<b>37,2%</b>	<b>298,8</b>	<b>243,2</b>	<b>-18,6%</b>	<b>39,6</b>	<b>221,1</b>	<b>458,3%</b>

Source: Tanzania National Bureau of Statistics (TNBS) & TRA, 2019

**Figure 9: Tanzania's intra-EAC trade flow, 2018**



Source: National Bureau of Statistics, 2019

### 3.5.6. Intra-East African Community Trade

#### 3.5.6.1. Intra-EAC Merchandise Trade

The composition of EAC trade continued to be dominated by agricultural commodities, namely coffee, tobacco, cotton, rice, maize and wheat flour. However, manufactured goods such as cement, petroleum, textiles, sugar, confectionery, beer, salt, fats and oils, steel and steel products, paper, plastics and pharmaceuticals were also traded across the Region. Table 7 below shows that EAC intra-regional imports grew by 13,9% to US\$2,8 billion from US\$2,5 billion in 2017 and accounted for 7,4% of total EAC imports.

**Table 7: East African Community's intra-trade (US\$'million)**

Destination/Origin	EXPORTS			IMPORTS			TOTAL TRADE VALUE		
	2017	2018	% Change	2017	2018	% Change	2017	2018	% Change
Uganda	565,5	796,3	40,8%	1 126,3	1 254,5	11,4%	1 691,8	2 050,8	21,2%
Tanzania	243,2	302,7	24,5%	464,5	508,6	9,5%	707,7	811,3	14,6%
Kenya	589,8	676,5	14,7%	1 272,5	1 273,8	0,1%	1 862,3	1 950,3	4,7%
Burundi	151,0	134,3	-11,1%	11,5	16,6	44,3%	162,5	150,9	-7,1%
Rwanda	478,0	549,1	14,9%	84,6	89,7	6,0%	562,6	638,8	13,5%
South Sudan	462,5	377,0	-18,5%	17,9	2,0	-88,8%	480,4	379,0	-21,1%
<b>Total</b>	<b>2 490,0</b>	<b>2 835,9</b>	<b>13,9%</b>	<b>2 977,3</b>	<b>3 145,2</b>	<b>5,6%</b>	<b>5 467,3</b>	<b>5 981,1</b>	<b>9,4%</b>

Source: Partner States Revenue Authorities, Central Banks and National Statistics Offices

Tanzania's intra-EAC imports increased by 24,5% to US\$302,7 million in 2018 from US\$243,2 million in 2017. Tanzania's key imports from the EAC partners included pharmaceuticals products, soaps, plastic items and other consumer goods, mainly from Kenya and Uganda. Uganda's imports from the Region grew by 40,8% to US\$796,3 while Rwanda's imports from within the EAC also grew by 14,7% to US\$549,1 million in 2018. Imports into Kenya grew by 14,7% to US\$676,5 million. The increase was, to a large extent, driven by higher imports from Uganda and Tanzania. Imports from Uganda were mainly milk, dry beans and raw materials for the preparation of animal feeds. Burundi and South Sudan's imports from the EAC fell by 11,1% and 18,5% respectively in 2018 as shown in as shown in Table 7 above. Burundi's main EAC trading partners was Tanzania and

imports mainly consisted of chemical fertilizers, cement and textile articles. South Sudan's main trading partners were Kenya and Uganda and imports mainly consisted of maize, sugar and manufactured commodities.

Intra-regional exports grew by 5,6% to US\$3.2 billion in 2018 from US\$2.9 billion in 2017. Noticeably, exports from all partner states grew with the exception of South Sudan during the year. Burundi experienced 44,3% growth in exports while exports from Uganda, Tanzania and Rwanda grew by 11,4%, 9.5% and 6% respectively during the year as shown in a Table 7 above. Exports from Kenya to the other partner states experienced a modest growth of 0,1% in 2018. Despite the increased total trade, the region continues to face challenges related to the trade performance and they include: vulnerability of the agricultural sector to the forces of nature, dependence on exports of primary products, and rising oil prices. As such, there is a need to reduce dependence on imports of fossil fuels, motors, crude palm oil, textiles and capital items. Initiatives such as fast tracking the production of EAC oil and gas reserves, assembly of motors in the region and improvement of agricultural production through irrigation, post-harvest handling and value addition should be explored.

### 3.5.6.2. Total EAC Trade Trends

The EAC Merchandise trade in the EAC grew by 11,7% growth to US\$52.4 billion in 2018 from US\$46,9 billion in 2017 as shown in Table 8 below.

**Table 8: East African Community's total trade flows (US\$'million)**

Trade Flow	Destination/Origin	2017	2018	% change
<b>Exports</b>	<b>Total EAC Exports</b>	<b>14 727,3</b>	<b>14 027,9</b>	<b>-4,7%</b>
	<b>Intra-EAC Total Exports</b>	<b>2 977,4</b>	<b>3 145,1</b>	<b>5,6%</b>
	COMESA	1 976,7	1 548,1	-21,7%
	SADC	1 420,2	1 898,4	33,7%
	Rest of Africa	328,3	225,4	-31,3%
	EU	2 301,1	2 451,4	6,5%
	USA	755,7	599,8	-20,6%
	Rest of the World	5 191,8	4 533,1	-12,7%
<b>Imports</b>	<b>Total EAC Imports</b>	<b>32 165,5</b>	<b>38 329,4</b>	<b>19,2%</b>
	<b>Intra-EAC Total Imports</b>	<b>2 490,6</b>	<b>2 835,9</b>	<b>13,9%</b>
	COMESA	1 535,5	1 135,9	-26,0%
	SADC	2 410,3	2 104,7	-12,7%
	Rest of Africa	90,2	186,9	107,2%
	EU	4 138,0	4 327,6	4,6%
	USA	921,6	942,9	2,3%
	Rest of the World	20 587,6	16 977,6	-17,5%
<b>Total Trade</b>	<b>Total intra EAC Trade</b>	<b>5 467,9</b>	<b>5 981,1</b>	<b>9,4%</b>
	<b>Total Trade</b>	<b>46 892,8</b>	<b>52 357,4</b>	<b>11,7%</b>
	<b>EAC Trade Balance</b>	<b>-17 438,2</b>	<b>-24 301,5</b>	<b>39,4%</b>

Source: National Statistical Offices and Revenue Authorities of Partner States

**Notes:**

- COMESA excludes Kenya, Uganda, Burundi and Rwanda
- SADC excludes Tanzania

The growth in merchandise trade resulted from an increase in the import bill for the region, while export volumes fell during the year. Total EAC exports decreased by 4,7% to US\$14,0 billion in 2018 from US\$14,7 billion in 2017. The decline in exports was attributed to low international prices of mainly agricultural commodities. This was on account of higher production caused by improved weather conditions, coupled with a drop in the export of primary minerals and emanating from a fall in international demand. The decline in the demand was especially effected by a decline in economic growth in China and the Far East. Earnings from coffee, tea and minerals fell by more than 24% during the year.

Exports to the EAC and SADC grew by 5,6% and 33,7% to US\$3.1 billion and US\$1.9 billion during the year respectively, implying that partner states exported more to the EAC, COMESA and SADC than to the rest of the world. The increase in exports to COMESA excluding EAC countries could also be attributed to the increased benefits arising from the membership to the COMESA and SADC Free Trade Agreement. The main products exported by the region included agricultural products, particularly maize, sugar, rice, coffee and tea as well as manufactured goods. Outside the Africa continent, the EU was EAC's major trading partner, with exports to the EU increasing by only 6,5% to US\$2,5 billion in 2018 from US\$2,3 billion in 2017 and constituting to about 17,5% of total EAC exports (Table 8 above).

Exports to the USA and the rest of the world fell by 20,6% and 12,7% respectively during the year. Total EAC imports grew by 19,2% to US\$ 38,3 billion in 2018 from US\$ 32,2 billion in 2017. Imports from the European Union (EU) amounted to US\$4,3 billion and accounted for about 11,3%, while intra-EAC imports grew by 13,9% to US\$2,8 billion in 2018 and accounted for 7,4% of total EAC imports. This increased growth of intra-EAC trade signified the growing importance of intra-EAC merchandise trade (Table 8 above).

Total imports from China, India and EU in 2018 amounted to US\$7,0 billion, US\$3,9 billion and US\$3,7 billion and constituted 18,1%, 10,2% and 9,8% of total imports respectively. Imports from the rest of the world declined but still constituted 44,3% of total imports. The main source of imports from the rest of the world Asia and the middle East signifying the importance of countries like China, India and UAE as trading partners. The statistics reveal that 80% of EAC imports are composed of petroleum products, crude palm oil, machinery and medicaments. Other imports included textiles, wheat, and rice.

Overall, the region continued to register a trade deficit with the rest of the world in 2018 partly due to an increase in imports into the region. The trade deficit for the EAC increased by 39,4% to US\$4,3 billion in 2018 from US\$17.4 billion registered in 2017. Given that EAC has commercially viable deposits of fossil fuels, fertile soils with conducive business environment and a budding motor assembly industry, the EAC needs to enhance domestic production of petroleum products, edible oil, medicaments and assembly of motor vehicles in order to reduce the trade deficit (EAC, 2018).

### **3.5.7. Tanzania Trade with South Africa**

#### **3.5.7.1. Tanzania's exports to South Africa**

Table 9 below shows Tanzania's top exports to South Africa from 2014 to 2018.

**Table 9: Tanzania's exports to South Africa (R'million)**

	2014	2015	2016	2017	2018	2018 (%)
C02 Vegetable products	79,3	121,8	135,2	189,2	173,0	36,1%
C04 Prepared foodstuffs; tobacco & manufactured tobacco substitutes	28,2	13,1	35,5	34,6	38,0	7,9%
C11 Textiles & textile articles	109,7	118,7	104,1	119,6	142,8	29,8%
C14 Precious metals	2,5	1,0	38,4	47,6	83,1	17,3%
C16 Machinery & mechanical appliances	98,7	31,3	10,6	23,6	9,1	1,9%
<b>Total</b>	<b>542,9</b>	<b>377,2</b>	<b>354,6</b>	<b>451,3</b>	<b>479,0</b>	

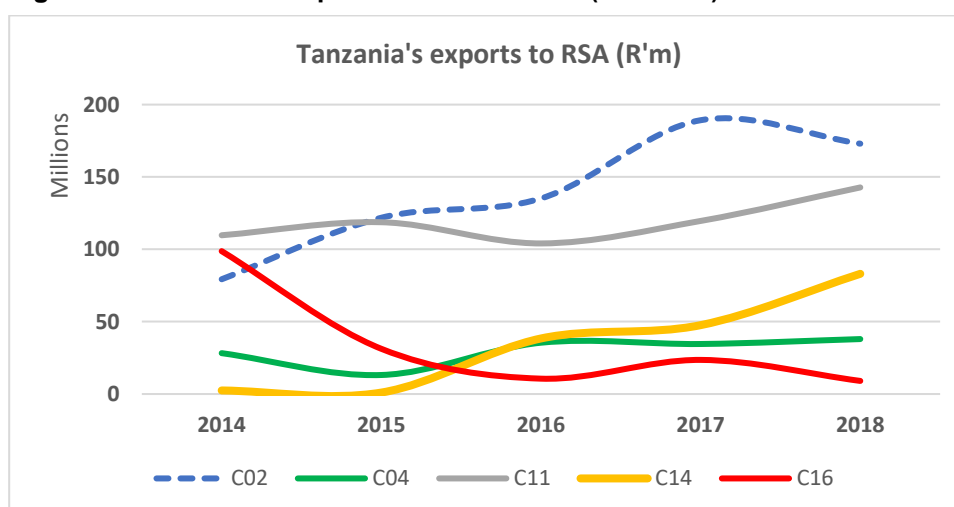
Source: Department of Trade and Industry, Trade Statistics

The five leading commodities exported by Tanzania to South Africa in 2018 totalled 93,1% of total exports sent to South Africa and comprised:

- Vegetable products (C02) which recorded the highest with 36,1% at a value of about R173 million of the total exports
- Textiles and textile articles (C11) which followed with R142,3 million contributing 29,8%
- Precious metals (C14) with R83,1 million contributing 17,3%
- Prepared foodstuffs, tobacco and manufactured tobacco substitutes (C04) with R38 million contributing 7,9%, and
- Machinery and mechanical appliances (C16) which recorded R9,1 million or 1,9%.

Tanzania's total exports to South Africa during 2018 totalled about R479 million and Tanzania experienced an increase of approximately 6,1% from R451 million in 2017.

Figure 10 below shows that Precious metals made an impact in this 2018 increase in total exports by contributing the highest with 74,5% growth from R47,6 million in 2017 to R83,1 million in 2018; followed by textiles & textile articles with an upsurge of 19,4% from 119,6 million in 2017 to R142,8 million in 2018 whereas machinery & mechanical appliances exported to South Africa drastically dropped by 61,6% from R23,6 million to R9,1 million in 2018.

**Figure 10: Tanzania's exports to South Africa (R'million)**

Source: Department of Trade and Industry, Trade Statistics



### 3.5.7.2. Tanzania's imports from South Africa

Tanzania's imports from South Africa for 2014 to 2018 are shown in Table 10 below.

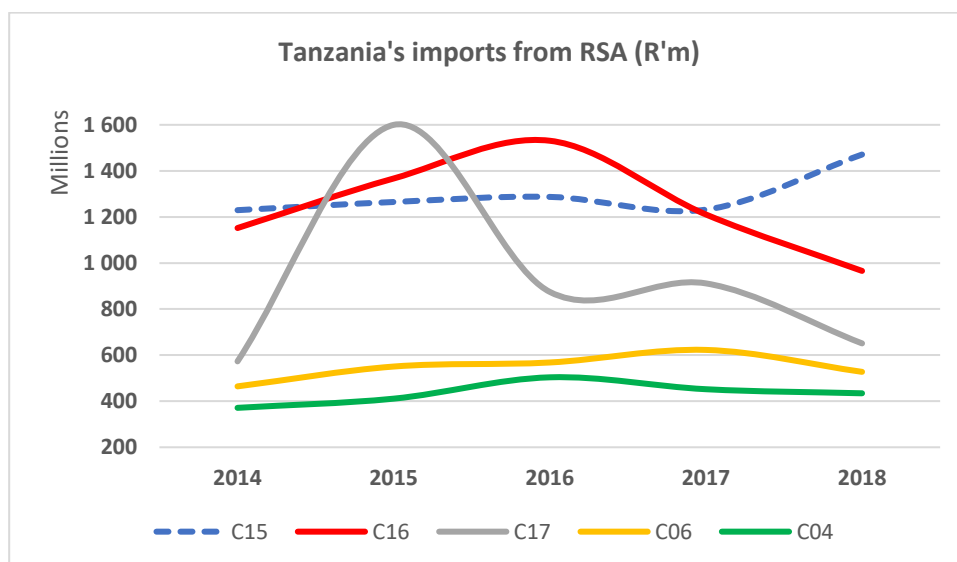
**Table 10: Tanzania's imports from South Africa (R'million)**

	2014	2015	2016	2017	2018	2018 (%)
C04 Prepared foodstuffs; tobacco & manufactured tobacco substitutes	371,2	411,1	503,7	452,0	434,3	8,2%
C06 Products of the chemical or allied industries	464,4	550,5	568,1	622,6	527,4	10,0%
C15 Base metals & articles of base metal	1 229,5	1 264,9	1 287,0	1 231,8	1 471,0	27,8%
C16 Machinery & mechanical appliances	1 151,9	1 367,0	1 530,9	1 210,7	965,7	18,2%
C17 Vehicles, aircraft, vessels & associated transport equipment	572,9	1 599,8	874,7	911,5	651,0	12,3%
<b>Total</b>	<b>5 374,1</b>	<b>6 927,2</b>	<b>6 498,7</b>	<b>6 010,5</b>	<b>5 295,2</b>	

Source: Department of Trade and Industry, Trade Statistics

The top five Tanzania's commodities imported from South Africa accounted for 75,6% of total imports in 2018. Base metals & articles of base metal (C15) registered the highest with R1,471 million contributing 27,8%; seconded by Machinery & mechanical appliances (C16) with 18,2% (R966 million); Vehicles, aircraft, vessels & associated transport equipment (C17) with 12.3% (R651 million); Products of the chemical or allied industries (C06) recorded 10% (R527 million); and Prepared foodstuffs; tobacco & manufactured tobacco substitutes (C04) contributed 8,2% with R434 million as shown in Figure 11 below.

**Figure 11: Tanzania's imports from South Africa**



Source: Department of Trade and Industry, Trade Statistics

### 3.5.7.3. Tanzania's trade balance with South Africa

In 2018, Tanzania exported about R479 million in goods and services, but imported approximately R5,3 billion to South Africa, then Tanzania recorded a trade balance of negative R4,8 billion, or a R4,8 billion trade deficit. This means that trading between Tanzania and South Africa favoured South Africa with about R4,8 billion in 2018 or disfavoured Tanzania with a deficit of about R4,8 billion in 2018 as shown in Figure 12 below. In general, South Africa has been benefiting in trading

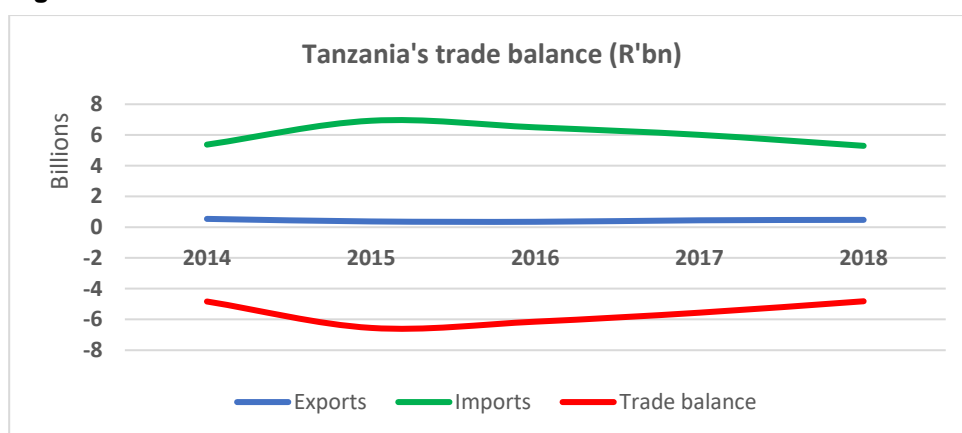
with Tanzania as Table 11 illustrates but Tanzania improved her exports by 6,1% from R451 million in 2017 to R479 million in 2018. Tanzania reduced her imports by 11,9% from R6,0 billion in 2017 to R5,3 billion in 2018 resulting a decline of balance of trade by 13,4% from 2017 (R5,6 billion) to 2018 (R4,8 billion).

**Table 11: Tanzania's trade balance with South Africa (R'million)**

	2014	2015	2016	2017	2018
<b>Exports</b>	542,9	377,2	354,6	451,3	479,0
<b>Imports</b>	5 374,1	6 927,2	6 498,7	6 010,5	5 295,2
<b>Trade balance</b>	-4 831,1	-6 550,0	-6 144,1	-5 559,2	-4 816,2

Source: Department of Trade and Industry, Trade Statistics

**Figure 12: Tanzania's trade balance with South Africa**



Source: Department of Trade and Industry, Trade Statistics

#### 3.5.7.4. South Africa's trade performance with SADC member states

Table 12 below shows South Africa's trade performance with SADC trading partners.

**Table 12: South Africa's imports and exports (R'billion), 2014-2018**

E X P O R T S						
	2014	2015	2016	2017	2018	2018 (%)
Botswana	51,7	52,5	54,6	51,1	49,5	18,9%
Mozambique	32,5	29,5	33,3	37,9	39,3	15,0%
Namibia	49,2	52,8	51,9	47,5	43,4	16,6%
Tanzania	5,4	6,9	6,5	6,0	5,3	2,0%
Zambia	29,4	29,3	30,6	29,9	29,6	11,3%
Zimbabwe	24,7	25,6	29,4	27,9	28,8	11,0%
<b>SADC</b>	<b>257,0</b>	<b>258,5</b>	<b>271,3</b>	<b>266,7</b>	<b>261,8</b>	<b>100,0%</b>
I M P O R T S						
	2014	2015	2016	2017	2018	2018 (%)
Angola	21,8	17,1	18,7	17,9	17,0	21,1%
Botswana	5,1	5,4	6,0	5,6	6,0	7,5%
Mozambique	11,4	10,4	10,2	11,9	13,1	16,3%

Namibia	6,2	6,5	6,1	11,2	12,5	15,5%
Tanzania	0,5	0,4	0,4	0,5	0,5	0,6%
Zambia	3,6	2,6	2,7	3,0	3,7	4,6%
Zimbabwe	2,0	4,4	5,7	2,3	3,7	4,5%
<b>SADC</b>	<b>68,8</b>	<b>68,2</b>	<b>74,0</b>	<b>77,1</b>	<b>80,7</b>	<b>100,0%</b>

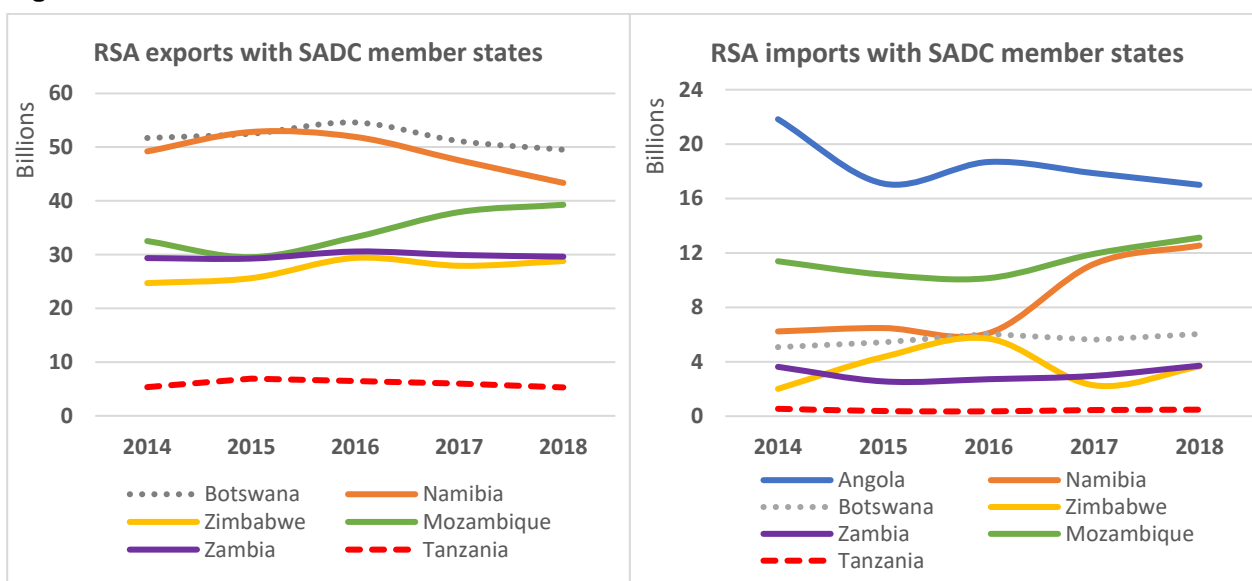
Source: Department of Trade and Industry, Trade Statistics

In 2018, total trade between South Africa and SADC member states totalled approximately R342,5 billion. Of this, more than 76% was accounted for by exports (R261,8 billion) and the remainder imports (R80,7 billion), thus showing that South Africa is a dominant player in the SADC region as shown in Figure 14 below. In terms of performance, South Africa's trade with SADC member states has been on the rise for both exports and imports recording about 1,9% from R257 billion in 2014 to R261,8 billion in 2018 and 17,2% from R68,8 billion in 2014 to R80,7 billion in 2018, respectively (Table 12 above). In totality, South Africa recorded an increase (for both imports and exports) of 5,1% over the review period 2014 to 2018.

In 2018, the top five SADC member states that imported from South Africa constitute about 72,8% (R190,6 billion) of South Africa's exports to SADC market. Botswana topped with R49,5 billion contributing 18.9% of South Africa's exports; Namibia followed with R43,4 billion registering 16,6%; Mozambique with R39,3 billion (15%); Zambia with R29,6 billion (11,3%) and Zimbabwe with R28,8 billion (11%). Figure 13 below illustrates that Tanzania ranked among the lowest importing SADC trading partners from South Africa with R5,3 billion recording partner share of 2%.

The top three exporting SADC partners to South Africa constitute about 52,9% (R42,7 billion) of South Africa's imports from SADC member states in 2018. Angola surpassed with R17 billion, a contributing partner share of 21.1%. Mozambique followed with R13,1 billion, registering a share of 16.3%, while Namibia came in at third position with R12,5 billion, recording a share of 15,5%. Tanzania, as disclosed in Figure 13, ranked among the lowest exporting SADC trading partners to South Africa at R500 million, documenting a partner share of 0,6%.

**Figure 13: Tanzania's trade balance with South Africa**



Source: Department of Trade and Industry, Trade Statistics

## 3.6. Business Environment

### 3.6.1. Economic Freedom Index

Economic freedom is the fundamental right of every human to control his or her own labour and property. In an economically free society, individuals are free to work, produce, consume, and invest in any way they please, with that freedom both protected and unconstrained by the state. In economically free societies, governments allow labour, capital and goods to move freely, and refrain from coercion or constraint of liberty beyond the extent necessary to protect and maintain liberty itself.

Range and level of freedom is as follows:

- 80-100 means the country is economically free;
- 70-79.9 means the country is mostly free;
- 60-69.9 means the country is moderately free;
- 50-59.9 means the country is mostly unfree; and
- 0-49.9 means the country is repressed.

Table 13 below illustrates Tanzania's economic freedom index from 2015 to 2019.

**Table 13: Tanzania Economic Freedom Index**

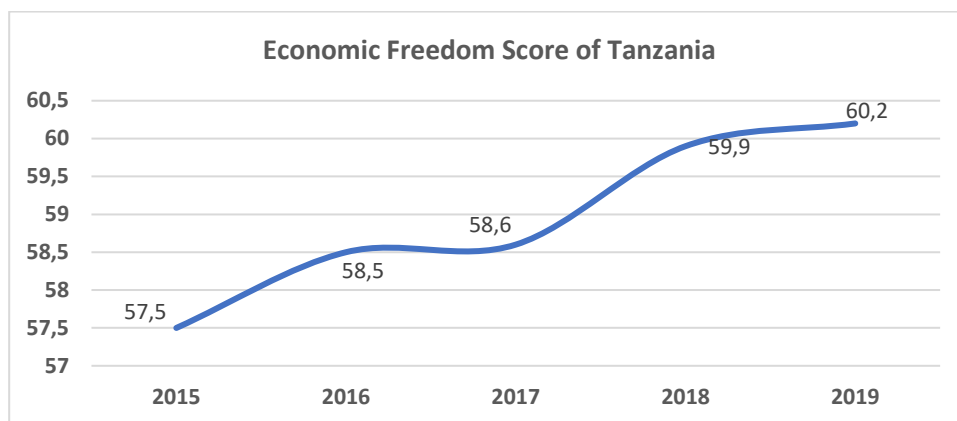
YEAR	VALUE	CHANGE, %
2015	57,5	-0,5%
2016	58,5	1,7%
2017	58,6	0,2%
2018	59,9	2,2%
2019	60,2	0,5%

Source: <https://knoema.com/atlas/ranks/Index-of-economic-freedom?baseRegion=TZ>

Tanzania's economic freedom score increased consecutively during the review period where a 1,7% increase was recorded from 2015, scoring 57,5 to an increase in 2016 to a score of 58,5. From 2016 to 2017, there was a slight surge of 0,2% while in 2018, about 2,2% increase was realised to 59,9 from 58,6 in 2017.

Tanzania's economic freedom score in 2019 was 60,2, making its economy the 93<sup>rd</sup> freest in the 2019 Index. Its overall score has increased by 4,7% from 2014 (57,5), with a minimal improvement in monetary freedom, business freedom, and labour freedom overwhelming an improvement in judicial effectiveness. Tanzania is ranked 7<sup>th</sup> among 47 countries in the Sub-Saharan Africa region, and its overall score is above the regional average but below the regional and world averages as shown in Figure 14 below.

**Figure 14: Tanzania Economic Freedom Index, 2015-2019**



Source: <https://knoema.com/atlas/ranks/Index-of-economic-freedom?baseRegion=TZ>

### 3.6.2. Ease of Doing Business

The ease of doing business project provides objective measures of business regulations and their enforcement across 190 economies and selected cities at the subnational and regional level. The ease of doing business score captures the gap of each economy from the best regulatory performance observed on each of the indicators across all economies in the sample since 2005. An economy's ease of doing business score is reflected on a scale from 0 to 100, where 0 represents the lowest and 100 represents the best performance. The ease of doing business ranking ranges from 1 to 190.

Table 14 below shows the ease of doing business indicators which measure the difficulties of starting a business, enforcing contracts, paying taxes, resolving insolvency, protecting investors, trading across borders, getting credit, getting electricity, dealing with construction permits and registering property. The indicators are used to analyse economic outcomes and identify what reforms of business regulation have worked, where and why (World Bank, 2019).

**Table 14: Doing business 2020 Indicators**

<b>Starting a business</b>	Procedures, time, cost and paid-in minimum capital to start a limited liability company
<b>Dealing with construction permits</b>	Procedures, time and cost to complete all formalities to build a warehouse and the quality control and safety mechanisms in the construction permitting system
<b>Getting electricity</b>	Procedures, time and cost to get connected to the electrical grid, and the reliability of the electricity supply and the transparency of tariffs
<b>Registering property</b>	Procedures, time and cost to transfer a property and the quality of the land administration system
<b>Getting credit</b>	Movable collateral laws and credit information systems
<b>Protecting minority investors</b>	Minority shareholders' rights in related-party transactions and in corporate governance
<b>Paying taxes</b>	Payments, time, total tax and contribution rate for a firm to comply with all tax regulations as well as post-filing processes
<b>Trading across borders</b>	Time and cost to export the product of comparative advantage and import auto parts
<b>Enforcing contracts</b>	Time and cost to resolve a commercial dispute and the quality of judicial processes

<b>Resolving insolvency</b>	Time, cost, outcome and recovery rate for a commercial insolvency and the strength of the legal framework for insolvency
<b>Labour market regulation</b>	Flexibility in employment regulation and aspects of job quality

Source: World Bank (2019)

### 3.6.2.1. Ease of doing business in Tanzania

Table 15 below depicts the ease of doing business for Tanzania from 2017 to 2019 using 2019 indicators.

**Table 15: Ease of doing business index in the Tanzania**

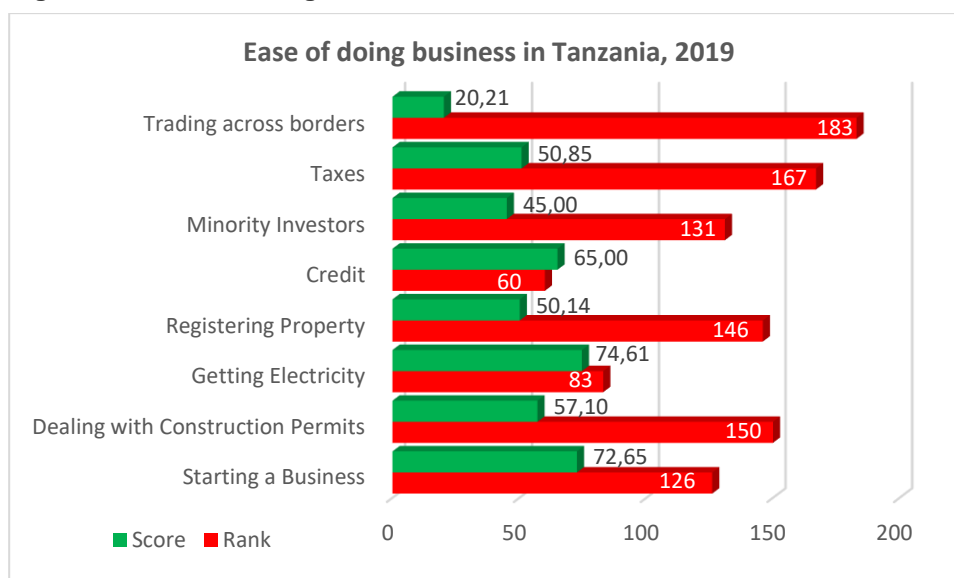
	2017	2018	2019
<b>Doing Business Index</b>	54,48	54,04	53,63
<b>Ease of doing business rank</b>	132	137	144
<b>Starting a Business</b>	135	162	163
<b>Dealing with Construction Permits</b>	136	156	150
<b>Getting Electricity</b>	87	82	83
<b>Registering Property</b>	132	142	146
<b>Credit rating</b>	44	55	60
<b>Minority Investors</b>	145	129	131
<b>Taxes</b>	154	154	167
<b>Trading across borders</b>	180	182	183

Source: World Economic Forum (2019)

According to the World Bank (2019), Tanzania's score fell to 53.63/100 from 54.04/100 attained during the 2018 edition. Tanzania's drop in the World Bank Doing Business, 2019 report to 144th position from 137th was a result of various procedural checks instituted to reduce malpractices in the business sector.

Figure 15 below indicates that the challenging issues for Tanzania were cross-border trade ranking at 183, caused by checks of vehicles to avoid trafficking of arms and people, protecting minority investors and resolving insolvency.

**Figure 15: Ease of doing business in the Tanzania, 2019**



Source: World Economic Forum (2019)

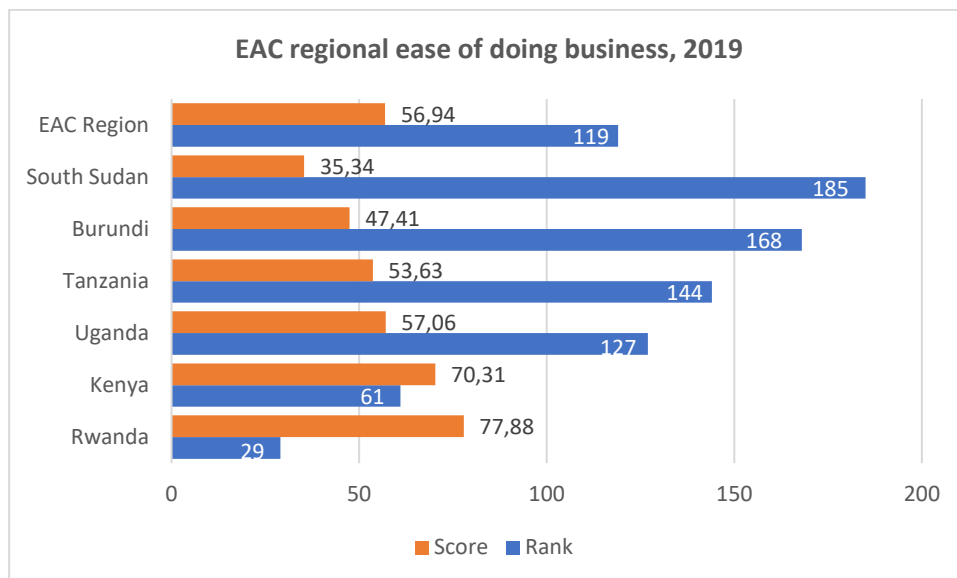
It can be deducted that:

- Tanzania did not perform well on paying taxes (ranking 167) due to the fact that many businesses are informal with owners who consider taxes as a nuisance and not obligation;
- Tanzania performed poorly in cross-border trade, scoring 20.21/100, followed by resolving insolvency at 39.04/100 and protecting minority investors in which it scored 45/100;
- Tanzania performed slightly better in starting business, getting electricity, getting credit, enforcing contracts, paying taxes, registering property and construction permits by scoring more than 50%; and
- Additionally, export and import procedures and infrastructure were improved as well as constructing One Stop Border Posts (OSBPs) to ease procedures and save time. Finally, the government of Tanzania must implement plans and policies, which include reducing fees and taxes and reducing delays in business transactions to address these challenges.

### **3.6.2.2. Ease of doing business in the EAC region**

In the East African region, Tanzania was fourth, ranking 144 out of 190 economies. Rwanda is on top after being ranked 29<sup>th</sup> globally, followed by Kenya which is ranked 61<sup>st</sup>. Uganda came third in the region after being ranked 127<sup>th</sup> globally, while South Sudan and Burundi were at the bottom on 185<sup>th</sup> and 168<sup>th</sup> respectively as shown in Figure 16 below.

**Figure 16: Ease of doing business in the EAC Region, 2019**



Source: World Economic Forum (2019)

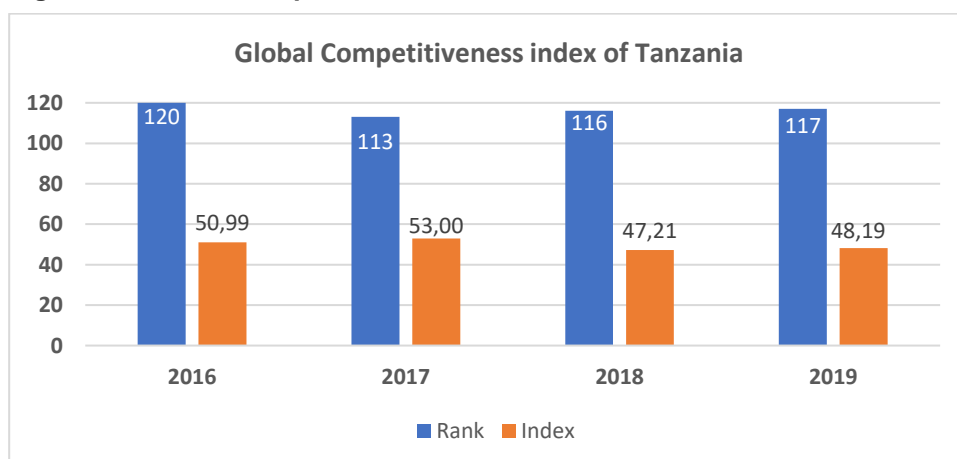
### 3.6.3. Global Competitiveness Index

The Global Competitiveness Index (GCI) is a global system that ranks countries in terms of economic competitiveness in the world. The World Economic Forum defines competitiveness as the ability of the country and its institutions to ensure stable economic growth, which would be stable in the medium term. The index is composed of twelve pillars of competitiveness. They are Institutions, Infrastructure, Macroeconomic Stability, Health and Primary Education, Higher Education and Training, Goods Market Efficiency, Labour Market Efficiency, Financial Market Sophistication, Technological Readiness, Market Size, Business Sophistication, Innovation.

Figure 17 displays Global Competitiveness Index (GCI), and indicates a decline in Tanzania's overall ranking from 116 out of 140 nations in 2018, to position 117 out 141 nations in 2019. Tanzania scored 48.19 points out of 100 on the 2019 Global Competitiveness Report meaning that the global competitiveness of the country depreciated by 0,98 from 2018 score of 47,21 in 2019.

Since 2016, Tanzania has improved the global competitiveness from 120 to 117 in 2019 and the score also enhanced from 50,99 to 47,21 in 2019, as shown in Figure 17 below

**Figure 17: Global Competitiveness Index of Tanzania**



Source: World Economic Forum (2019)



### 3.6.4. Corruption Perceptions Index

Corruption Perceptions Index (CPI) score relates to perceptions of the degree of corruption as seen by business people and country analysts, and ranges between 100 (highly clean) and 0 (highly corrupt). Table 16 below shows corruption perspective index from 2015 to 2018. Tanzania is the 96 least corrupt nation out of 180 countries, according to the 2019 Corruption Perceptions Index reported by Transparency International.

**Table 16: Tanzania Corruption Perceptions Index**

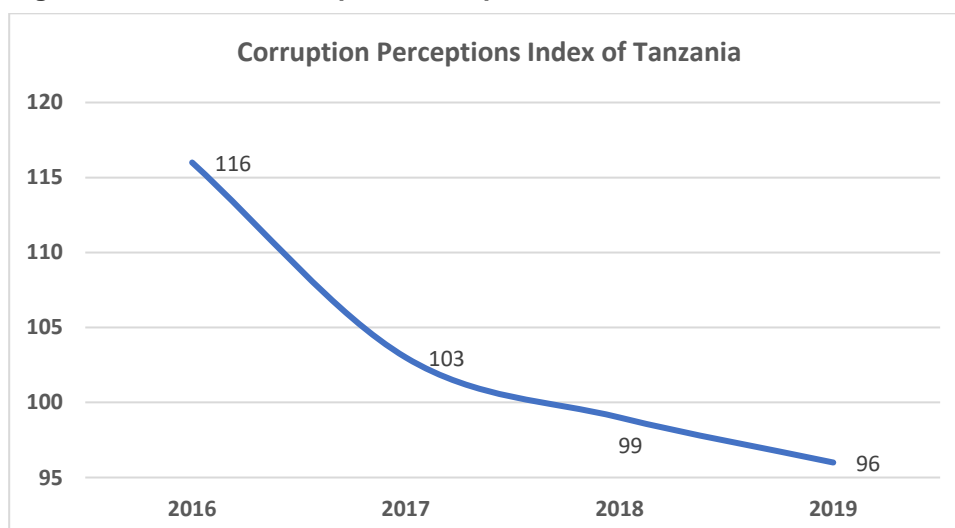
Year	Value
2016	116
2017	103
2018	99
2019	96

Source: <https://countryeconomy.com/gdp/tanzania>

According to Global Integrity (2016), corruption is pervasive throughout Tanzanian society and is a serious problem across all sectors of the economy. The most affected sectors are government procurement, land administration, taxation, and customs. Petty corruption in dealings with traffic, customs, and immigration officers deters investment. Corruption is criminalised under the Prevention and Combating of Corruption Act (PCCA), which covers attempted corruption, extortion, passive and active bribery, money laundering and bribery of a foreign official.

Global Integrity (2016) added that a range of legislation cover other corruption offenses, however, anti-corruption laws are applied inconsistently and are poorly enforced. Corruption rank in Tanzania peaked at 116 in 2016 and continuously dropped then improved from 2017 until reaching the lowest record of 96 in 2019 as shown in Figure 18 below.

**Figure 18: Tanzania Corruption Perceptions Index**



Source: <https://countryeconomy.com/gdp/tanzania>

### 3.7. Regional Integration Index

The Africa regional integration index is designed to measure the extent to which each country in Africa is meeting its commitments under the various pan-African integration frameworks, such as Agenda 2063 and the Abuja Treaty. The index, which is a joint project of the African Development Bank, the African Union Commission and the Economic Commission for Africa, covers the following dimensions: trade integration, regional interconnections and infrastructure, free movement of persons, productive integration, and macroeconomic policy convergence.

Integration is multi-dimensional for both Regional Economic Countries and for the countries within each Regional Economic Country. The majority of countries perform well on at least one dimension of regional integration, even if their overall regional integration score is not high. There are few countries that are low performers across all dimensions. Each country can share lessons and insights with other countries on the areas where they perform strongly and also identify how to address any gaps going forward.

#### 3.7.1. Overview of Tanzania's regional integration scores

This section discusses Tanzania's regional integration scores and ranking in different five dimensions within the Regional Economic Communities of EAC (Figure 19 below) and SADC (Figure 20 below) published in the Africa Regional Integration report of 2016.

**Figure 19: Regional integration overall scores and ranking of Tanzania in the EAC**

Global classification				Dimension 1 Trade integration				Dimension 2 Regional infrastructure			
Country	Score	Rank	Category	Country	Score	Rank	Category	Country	Score	Rank	Category
Kenya	0.656	1	+	Kenya	1.000	1	+	Burundi	0.836	1	+
Uganda	0.577	2	=	Uganda	0.940	2	=	Uganda	0.476	2	=
Rwanda	0.553	3	=	United Rep. of Tanzania	0.780	3	=	Kenya	0.437	3	=
Burundi	0.480	4	=	Rwanda	0.690	4	=	Rwanda	0.366	4	=
United Rep. of Tanzania	0.433	5	-	Burundi	0.500	5	-	United Rep. of Tanzania	0.363	5	=
Average	0.540			Average	0.780			Average	0.496		
*Average/Top 2	0.616			*Average/Top 2	0.968			*Average/Top 2	0.656		
Dimension 3 Productive integration				Dimension 4 Free movement of people				Dimension 5 Financial and macroeconomic integration			
Country	Score	Rank	Category	Country	Score	Rank	Category	Country	Score	Rank	Category
Kenya	0.841	1	+	Kenya	0.800	1	+	Rwanda	0.500	1	+
Uganda	0.725	2	=	Rwanda	0.800	1	+	Kenya	0.202	2	=
United Rep. of Tanzania	0.454	3	=	Uganda	0.700	3	=	Uganda	0.045	3	=
Rwanda	0.409	4	=	Burundi	0.700	3	=	Burundi	0.031	4	=
Burundi	0.333	5	-	United Rep. of Tanzania	0.575	5	-	United Rep. of Tanzania	0.000	5	=
Average	0.553			Average	0.715			Average	0.156		
*Average/Top 2	0.783			*Average/Top 2	0.800			*Average/Top 2	0.351		

Source: Africa Regional Integration report (2016)

#### 3.7.1.1. Trade integration

Trade integration measures how goods are moved more freely across the REC and the continent. When the country's trade flows are faster and more cost-effective, business and consumers in the regions benefit. Figure 19 above depicts that the Tanzania trades at a score of 0,780 within the EAC that consists of five member states and Tanzania ranked third. The EAC's average trade integration regional score is 0,780, led regionally by Kenya with 1,000. Kenya is regarded as the highest performing country in the EAC region.

Tanzania ranks thirteenth among other SADC members and is considered one of the low performing countries on this dimension with a score of 0,329 (Figure 20 below). On average, SADC scored 0,508, while the top four countries scored an average of 0,715 and South Africa topped SADC with 1,000 (Figure 20). Tanzania has an average applied tariff of zero per cent on imports from EAC member states, as do all EAC partner states, and an average applied tariff of 10 per cent on imports from SADC member states.

SADC have had some success in facilitating trade through such programmes, they have faced challenges of limited implementation at national level, as well as requirements to implement different programmes and instruments in countries belonging to more than one REC. Expanding trade amongst the three RECs has been a challenge mainly due to overlapping memberships by the member states.

**Figure 20: Regional integration overall scores and ranking of Tanzania in the SADC**

Overall classification				Dimension 1 Trade integration				Dimension 2 Regional infrastructure			
Country	Score	Rank	Category	Country	Score	Rank	Category	Country	Score	Rank	Category
South Africa	0.741	1	+	South Africa	1.000	1	+	Botswana	0.820	1	+
Botswana	0.559	2	+	Zambia	0.628	2	+	Seychelles	0.668	2	+
Namibia	0.555	3	+	Namibia	0.620	3	+	Namibia	0.666	3	+
Zambia	0.523	4	+	Botswana	0.611	4	+	South Africa	0.591	4	+
Swaziland	0.520	5	+	Swaziland	0.549	5	=	Swaziland	0.584	5	+
Zimbabwe	0.488	6	=	Lesotho	0.541	6	=	Mozambique	0.503	6	=
Mozambique	0.483	7	=	Mozambique	0.530	7	=	Malawi	0.466	7	=
Seychelles	0.481	8	=	Mauritius	0.513	8	=	Zimbabwe	0.456	8	=
Mauritius	0.466	9	=	Madagascar	0.499	9	=	Zambia	0.444	10	=
Lesotho	0.386	10	-	Malawi	0.491	10	=	Mauritius	0.444	9	=
Malawi	0.367	11	-	Dem. Rep. of the Congo	0.489	11	=	Angola	0.435	11	=
United Rep. of Tanzania	0.364	12	-	Angola	0.488	12	=	United Rep. of Tanzania	0.389	12	-
Madagascar	0.343	13	-	United Rep. of Tanzania	0.329	13	-	Madagascar	0.388	13	-
Dem. Rep. of the Congo	0.302	14	-	Seychelles	0.246	14	-	Dem. Rep. of the Congo	0.380	14	-
Angola	0.281	15	-	Zimbabwe	0.084	15	-	Lesotho	0.292	15	-
Average	0.457			Average	0.508			Average	0.502		
*Average/Top 4	0.595			*Average/Top 4	0.715			*Average/Top 4	0.686		
Dimension 3 Productive integration				Dimension 4 Free movement of people				Dimension 5 Financial and macroeconomic integration			
Country	Score	Rank	Category	Country	Score	Rank	Category	Country	Score	Rank	Category
Zimbabwe	0.738	1	+	Swaziland	0.700	1	+	South Africa	0.915	1	+
South Africa	0.551	2	+	Seychelles	0.700	1	+	Namibia	0.650	2	+
Zambia	0.533	3	+	Zambia	0.693	3	+	Botswana	0.589	3	+
Mozambique	0.465	4	+	Zimbabwe	0.664	5	+	Seychelles	0.500	4	=
Swaziland	0.394	5	=	Mauritius	0.664	4	+	Zimbabwe	0.498	5	=
United Rep. of Tanzania	0.383	6	=	South Africa	0.650	6	+	Mauritius	0.451	6	=
Dem. Rep. of the Congo	0.350	7	=	Namibia	0.650	6	+	Lesotho	0.421	7	=
Madagascar	0.301	8	=	Botswana	0.600	8	=	Swaziland	0.372	8	=
Seychelles	0.291	9	=	Lesotho	0.600	8	=	Mozambique	0.333	9	=
Malawi	0.280	10	=	Malawi	0.600	8	=	Madagascar	0.324	10	=
Angola	0.268	11	=	Mozambique	0.586	11	=	Zambia	0.320	11	=
Mauritius	0.257	12	-	United Rep. of Tanzania	0.521	12	=	Dem. Rep. of the Congo	0.214	12	-
Namibia	0.189	13	-	Madagascar	0.200	13	-	United Rep. of Tanzania	0.197	13	-
Botswana	0.175	14	-	Dem. Rep. of the Congo	0.079	14	-	Angola	0.166	14	-
Lesotho	0.073	15	-	Angola	0.050	15	-	Malawi	0.000	15	-
Average	0.350			Average	0.530			Average	0.397		
*Average/Top 4	0.572			*Average/Top 4	0.689			*Average/Top 4	0.663		

Source: Africa Regional Integration report (2016)

### **3.7.1.2. Regional infrastructure**

Regional infrastructure measures infrastructure development across the region or the continent by means of highways being built across borders, flights taking passengers from one capital to another, electricity connectivity, water and sanitation, more people on mobile phones on city streets and at rural outposts. Figure 19 above defines that in the EAC, Tanzania has average regional infrastructure score of 0,363, ranking fifth overall. In terms of regional infrastructure, Tanzania is the lowest performing country in the EAC region. Burundi leads in this dimension with 0,836 while the average score of the top two countries is 0,496 (Appendix 1).

Figure 20 above shows that out of 15 SADC member states, the Tanzania ranks number 12 with a regional infrastructure score of 0.389 while the average regional infrastructure score is 0,502. Botswana topped this dimension with 0,820.

### **3.7.1.3. Productive integration**

Productive integration matters mainly in creation of an economic base that is more resilient to shocks and is more diverse. It also caters for building a more skilled regional labour force that adds value to goods and services while raising people's incomes on the ground. That includes opportunities in mining and manufacturing that are now shifting to Africa's advantage.

Figure 19 above shows that the Tanzania is ranking third in the EAC region with productive integration score of 0,454 while the EAC's average productive integration score is 0,553. Kenya is leading in this regional dimension with 0,841.

In terms of productive integration, SADC region performed at an average score of 0,350, with Tanzania performing slightly higher at a score of 0,383 occupying position six out of fifteen member states (Figure 20). This productive integration in the REC is led by Zimbabwe with 0,738. The low performing score of the REC is due to weak productive capacity in the SADC region and in Africa, high production costs, large infrastructure deficits and other challenges that affect SADC and Africa's competitiveness.

### **3.7.1.4. Free movement of people**

Free Movement of People dimension matters when people travel with ease for business, tourism or education, and everyone benefits from opening up of borders. This free movement of people across RECs or Africa signifies an influential boost to economic growth and skills development. Gor (2017) adds that the Free Movement of People dimension has three indicators, namely: the proportion of REC member countries whose nationals do not require a visa for entry, ratification (or not) of REC protocol on free movement of persons, and the proportion of REC member countries whose nationals are issued with a visa on arrival.

Free movement of people within EAC averaged about 0,715 and the Tanzania ranked fifth with the score of 0,575 whereas Kenya and Rwanda ranked first position scoring 0,800 each (Figure 19). Hofmeijer (2019) stated that as the region intensifies efforts to achieve its integration milestones, specifically within the context of the EAC Common Market Protocol, cross-border labour movements have made labour migration a pertinent issue for the partner states.

The East African Common Market Protocol provides for the movement of persons, travel documents and the free movement of workers in particular. It focuses on three migration issues: national policy frameworks, data management and migrant worker practices (Hofmeijer, 2019).

Free movement of people in the SADC region averaged about 0.530 and the Tanzania ranks twelfth with a score of 0,521. eSwatini in this dimension leads the region with a score of 0.700 (Figure 20 above). Many governments within SADC are reluctant to delegate power to regional, supranational arrangement as it challenges the role of the state. Meanwhile, the dominance of relatively more developed states such as South Africa, Namibia and Botswana, who prefer to pursue bilateral agreements with their key labour supplying partners, has made free movement a difficult issue within the region.

#### **3.7.1.5. Financial and macroeconomic integration**

Financial and Macroeconomic Integration dimension is built up of two indicators namely; the regional convertibility of national currencies and the Harmonised Consumer Price Index (HCPI) based inflation rate differential. Figure 19 portrays that EAC has average financial and macroeconomic integration score of 0,156 with Tanzania ranking fifth at a score of 0,000 while Rwanda was best performer in the East African Community region with a score 0,500.

Regarding the financial and macroeconomic integration in the SADC region, Tanzania ranked thirteenth with a score of 0,197 falling under the lowest performing countries while the SADC region registered an average score of 0.397. South Africa topped with a score of 0.915 (Figure 20 above). Economically powerful countries are not necessarily better integrated in their RECs, with the exception of South Africa in the SADC region. There is a strong potential for the Tanzania to integrate more within their RECs by steering their economies towards the region.

### **3.7.2. Regional Integration Index overall in countries by Regional Economic Community**

Figure 21 below illustrates the progress being made on Regional Economic Community's (REC's) regional integration agendas. The RECs score highly on areas that they have prioritised on regional integration to date.

#### **3.7.2.1. East African Community (EAC)**

The East African Community (EAC) is a regional intergovernmental organisation consisting of the five East African countries of Burundi, Kenya, Rwanda, Uganda and Tanzania. Figure 21 illustrates that Tanzania ranked fifth with the overall regional integration index score of 0.433 that positions it in the lowest performing countries rank in the EAC region. Kenya recorded first in EAC regional integration with a score of 0.841, which was higher than the EAC's average score of 0.540 and above the top 2 EAC member states' score of 0.616.

#### **3.7.2.2. Southern African Development Community (SADC)**

Within the SADC's fifteen member states under study, the Tanzania ranked twelfth in the overall REC regional integration index with a score of 0.364, followed by Madagascar with 0,343, thus placing the Tanzania amongst the lowest performing countries in the SADC region (Figure 21 below). South Africa led the list with a score of 0,741, placing it above the overall SADC average score of 0.457 and above the average of the four leading SADC member states' score of 0,597. South Africa also represents 61% of regional GDP.

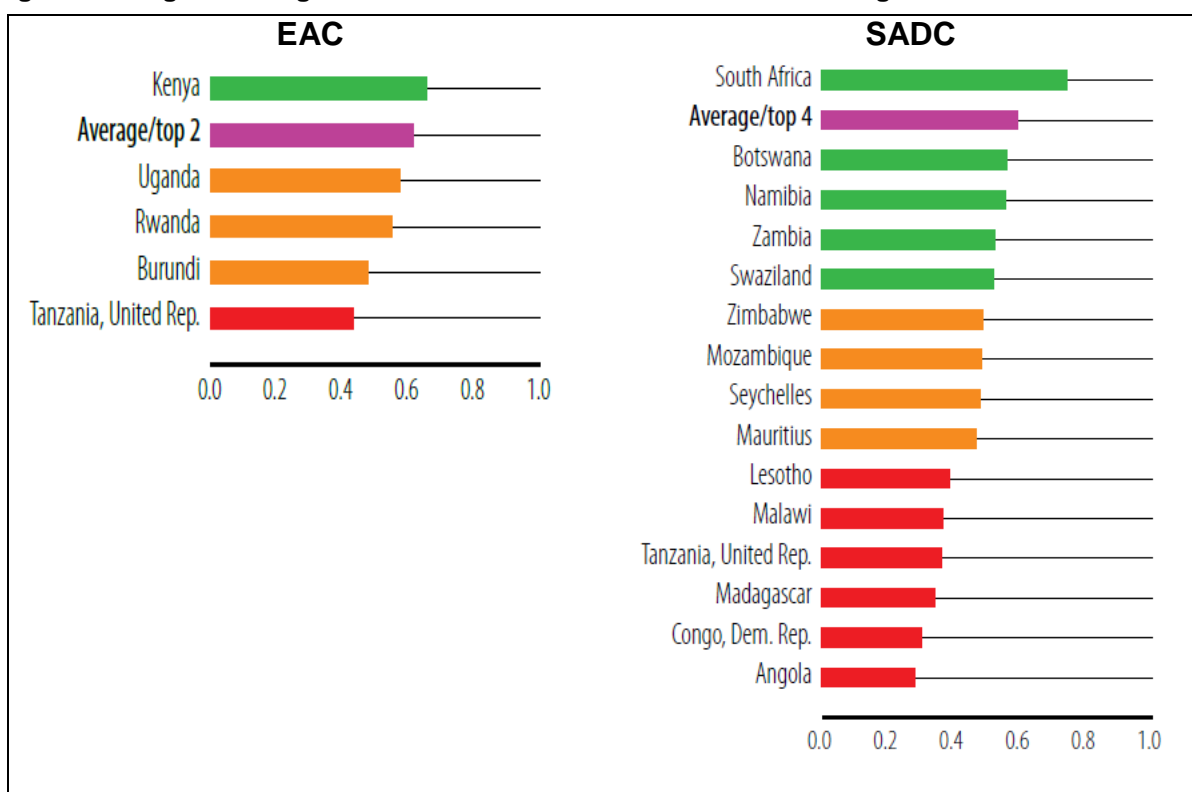
The overall SADC regional integration index including 5 dimensions during the 2016 publication were as follows: trade integration = 0,508; regional infrastructure = 0,502; productive integration = 0,350; free movement of people = 0,530; and financial and macroeconomic integration = 0,397. Therefore, the average SADC regional integration index was 0,457 which is an average performance of the REC (Figure 20).

The SADC region had set itself the following targets:

- Free trade area by 2008;
- Customs union by 2010;
- Common market by 2015;
- Monetary union by 2016; and
- Single currency by 2018.

All these targets were missed. The reasons for this implementation gap could include misalignment between domestic sovereignty and regional benefits and limited consensus among the member states to move in a coordinated manner toward dismantling some of the barriers.

**Figure 21: Regional integration scores of the Tanzania in the SADC region**



**Note:**

- Country is a high performer – score is higher than average of countries
- Country is an average performer – score is within the average of countries
- Country is a low performer – score is below the average of countries
- Average of top performing countries within REC
- Scores are calculated on a score of 0 (low) to 1 (high).
- Average with a 95% confidence interval

## 4. TRANSPORT ENVIRONMENT

### 4.1. Overview

Tanzania's national development strategy identifies the need for extensive and efficient transport infrastructure to support economic growth as a key priority. The government of Tanzania has formulated legal, regulatory and institutional framework to guide and regulate all transport sub sectors for sustainable operations in the transport system in the country. Tanzania's transport sector plays a critical role in the growth of the Tanzanian economy as it facilitates domestic and international trade, contributes to national integration, and provides access to jobs, health, education and other essential facilities. Further to economic benefits, Tanzania serves as the international gateway for several of its landlocked neighbouring countries. Burundi, Rwanda, Uganda, DRC, Zambia and Malawi are all dependent to some extent on Tanzania's extensive land transport network for access to local and global markets.

### 4.2. Transport Infrastructure

The transport system in Tanzania consists of five modes, namely roads, rail, water, air and pipelines. The road network in Tanzania comprises around 86,472 km of roads, 12,786 km of which are trunk roads and 21,105 km regional roads. The remaining 52,581 km are district, urban and feeder roads under the responsibility of the Prime Minister's Office Regional Administration and local government. Road transport in Tanzania faces different problems which include insufficient funds for construction and rehabilitation, upgrading for routine maintenance, high accident rate and weak institutional coordination.

Railway transport is the second most important mode of transport after road transport and critical for long distance freight along the main transport corridors in Tanzania. Tanzania has a total of 3,676 km of railway lines operated by two railway systems, named Tanzania Railways Corporation (TRC) and Tanzania-Zambia Railways (TAZARA). The mainline of TRC comprises the central corridor between the port of Dar es Salaam in the east, linking central and western areas of the country and terminating at Kigoma on Lake Tanganyika in the west. The TAZARA line is 1,860 km in length, 975 km of which is in Tanzania and 885 km in Zambia. (<https://www.tanzaniainvest.com/transport>)

There are 58 airports and more than 300 private airstrips in Tanzania owned by mining companies and tour operators. The Julius Nyerere International Airport (JNIA) located in Dar es Salaam is the largest and busiest airport in Tanzania, accounting for over 70% of Tanzania's air passengers and around 80% of the country's cargo capacity. (<https://www.tanzaniainvest.com/transport>).

Tanzania has a coastline of about 720 km on the Indian Ocean, and also borders Lake Victoria, Lake Nyasa, and Lake Tanganyika. Both sea and inland waterways ports in Tanzania are managed and operated by the Tanzania Ports Authority (TPA). The TPA's main Indian Ocean ports are Dar es Salaam, Mtwara, and Tanga. Minor seaports serving coastal traffic include Lindi, Kilwa Masoko, Mafia Island, Bagamoyo, Pangani and Kwale. Dar es Salaam is the Tanzania's principal port with a capacity of around 10.1 million tons per year and handling around 92% of the total maritime ports' throughput. The port of Dar es Salaam also serves the land-locked countries of Malawi, Zambia, DRC, Rwanda, Burundi and Uganda through two railway systems, the road network and the TAZAMA oil pipeline that runs between Zambia and Tanzania. TPA also operates Tanzania's lake ports. Other Tanzanian seaports include Bukoba, Kemono Bay, Musoma and Nansio. (<https://www.tanzaniainvest.com/transport>).

### 4.3. Distance Matrix

Table 17 below shows the distance matrix of Tanzania from Dar-es-Salaam to other major cities. The distance matrix shows the distance between cities by road .

**Table 17: Distance Matrix from Dar-es-Salaam to Major Towns (km)**

	Dodoma	Dar	Kigoma	Mwanza	Arusha	Mbeya	Tanga	Mtwara
Dodoma	-	451	807	594	425	594	588	1007
Dar	451	-	1258	1152	646	822	354	556
Kigoma	807	1258	-	633	1090	860	1525	1814
Mwanza	594	1152	633	-	787	924	1222	1708
Arusha	425	646	1090	787	-	1020	435	1202
Mbeya	594	822	860	924	1020	-	959	1122
Tanga	588	354	1525	1222	435	959	-	910
Mtwara	1007	556	1814	1708	1202	1122	910	

Source: <https://dlca.logcluster.org/display/public/DLCA/2.3+Tanzania+Road+Network>

The statistics in Table 17 above reveal that Tanzania is a big country. Long travel distances between major towns require efficient land transport infrastructure and systems to lower transportation costs. Unfortunately a large proportion of the country's transport infrastructure / rolling stock were not maintained or modernised over the years due to limited financial resources. On-going transport and economic reforms seek to restore transport infrastructure and systems, while also addressing non-tariff barriers to trade.

### 4.4. Road Safety and Security

Road safety is an emerging issue in Tanzania as the growth in the vehicle fleet is rapidly increasing. According to the latest World Health Organisation (WHO) data published in 2017, fatalities from road traffic accidents in Tanzania reached 17,840 or 4.78% of total deaths (<https://www.worldlifeexpectancy.com/tanzania-road-traffic-accidents>).

An examination of police accident data indicates that the greatest proportion of fatalities involves pedestrians and that around one-third of passenger fatalities is attributed to the common practice of carrying passengers in the rear of trucks and pick-ups. Another noticeable trend is the large number of non-motorised fatalities (e.g. pedestrians and cyclists) of total fatalities and the rapidly increasing trend in motorcycle deaths. The latter is primarily due to a steady increase in the ownership of motorcycles.

In order to improve road safety, government has implemented a comprehensive road safety programme that incorporates a points penalty system and straight arraignment of reckless drivers. The payment of fines depend on the offence committed. Furthermore, a maximum speed limit of 50 km per hours are enforced on all highways that approach main towns and villages. This affects the total travel time as speed limit(s) is strictly enforced.



## 4.5. Axle Load Limits, Weighbridges and Speed Limit

### 4.5.1. Axle Load Limits

Road traffic regulations, set out in the Road Traffic Act, deals with axle load limitations and weighbridges. Table 18 below outlines the axle load limits that apply on Tanzanian roads.

**Table 18: Axle Load Limits of Tanzania**

Axle load limits	Tanzania
Truck with 2 axles	18 tons
Truck with 3 axles	26 tons
Truck with 4 axles	28 tons
Semi-trailer with 3 axles	28 tons
Semi-trailer with 4 axles	36 tons
Semi-trailer with 5 axles	44 tons
Semi-trailer with 6 axles	50 tons
Truck & drawbar trailer with 4 axles	37 tons
Truck & drawbar trailer with 5 axles	45 tons
Truck & drawbar trailer with 6 axles	53 tons
Truck & drawbar trailer with 7 axles	56 tons

Source: <https://dlca.logcluster.org/display/public/DLCA/2.3+Tanzania+Road+Network>

It is estimated that around 24% of heavy vehicles moving on Tanzanian roads network are overloaded. Overloading relative to legal load limits is fairly widespread and has created a serious and costly maintenance problem. The Tripartite Transport Transit Facilitation Programme ( an ongoing initiative) seeks to curb overloading practices in East and Southern Africa, inter alia; through the development and adoption of several model laws, including the Vehicle Load Management Model Law. This law proposes harmonised axle mass loads for all Tripartite member states. Each country (Tanzania as well) is expected to ratify model laws in their own territories (through Act of Parliament) before harmonised axle mass loads can be implemented in the Tripartite. The deadline for implementation is set for 2021 / 2022.

### 4.5.2. Weighbridges

One of the problems TANROADS faces is overloading of transport vehicles. The carrying capacity of the roads and bridges need to be balanced with the weight of the vehicles using the road and bridge infrastructure. Accordingly, TANROADS has implemented axle load regulations. Overloading of the axles is permitted up to 5% of the allowable weight. All overloading of axles beyond 5% is subject to offloading from the vehicle onto another vehicle. TANROADS is making use of weighbridges at ports, terminals and along the main transport corridors. Both mobile and designated (fixed) weighbridges are used, the latter representing a significant investment.

Weighbridges are unevenly spread throughout Tanzania (Table 19 below). The following weighbridges are located along the Central Corridor that connects the port of Dar-es-Salaam with neighbouring countries: Vigwaza, Njuki, Nyakahura, Mikese, Kihonda, Nala, Mwendakulima, Kyamyolwa and Mutukula. Transit time along the Central Corridor has reduced significantly since the launch of a directive in 2016 that permit transit trucks to stop at three weighbridges only.

**Table 19: Tanzania's Weighbridge Information**

Name	Type	Region
Vigwaza	Fixed (multi deck) and weigh-in-motion	Coast
Mkuranga	Fixed – single axle weigher	Coast
Makofia	Fixed	Coast
Mikese 1	Fixed and weigh-in-motion	Morogoro
Mikese 2	Fixed – single axle weigher	Morogoro
Mikumi	Fixed	Morogoro
Kihonda	Fixed – single axle weigher	Morogoro
Nala	Fixed	Dodoma
Njuki	Fixed	Singida
Tinde	Fixed	Shinyanga
Mwendakulima	Fixed	Shinyanga
Usagara	Fixed	Mwanza
Sirari	Fixed	Mara
Nyakahura	Fixed	Kagera
Mutukula	Fixed	Kagera
Kyamyorwa	Fixed	Kagera
Kyaka	Fixed – single axle weigher	Kagera
Wenda	Fixed	Iringa
Makambako	Fixed	Njombe
Uyole	Fixed – single axle weigher	Mbeya

Source: <https://www.tanroads.go.tz/weighbridges>

#### 4.5.3. Road Speed limit

There are three general speed limits stipulated by law: according to Section 51 of the Road Traffic Act of 1973:

- The speed limit for the vehicles with more than 3.5 tonnes is 80 km/h;
- For lorries and buses, the general speed limit on all road types, except on urban roads, is 80 km/h; and
- In built-up areas, the speed limit is according to the Act 50 km/h for all vehicles but may occasionally locally be set at 60 km/h.

In urban areas where signed speed limits are set by the road authority, the location and signage of such speed limits lack consistency. There are long stretches of 50 km/h restrictions which do not exhibit characteristics that would justify such a limit. It is often found within these extended sections that the police undertake speed enforcement. Local speed limits at schools, for example, may be used following careful consideration and could for instance be used at schools.

At both end of villages and end of local speed limits an End of Restriction sign (sign R600) should be used as a rule. The speed limits set within the traffic laws are simple and functional however they lack a maximum speed limit for private cars and vehicles under 3,5 tonnes, outside built-up

areas. The standard of the road network outside the main urban areas, in the main, is not designed to be driven at high speeds. The original design specification was set at 110 km/h; however, the current condition of the road network would suggest this speed is now unsafe.

#### 4.6. Road Class and Surface Conditions

The Tanzania National Roads Agency (TANROADS) is responsible for the maintenance and development of the trunk and regional road network in mainland Tanzania. The total classified road network in mainland Tanzania totals around 86,472 kilometres (Table 20 below). The Ministry of Works through TANROADS is managing the national road network of about 33,891 kilometres, comprising 12,786 kilometres of trunk road and 21,105 kilometres of regional road. ([https://en.wikipedia.org/wiki/Transport\\_in\\_Tanzania](https://en.wikipedia.org/wiki/Transport_in_Tanzania)).

Trunk roads constitute the primary network and link major towns and cities while regional roads provide the secondary network linking the major towns with district centres. The remaining network of around 53,460 kilometres comprise of collector, feeder and community roads, as illustrated in the table here-under.

**Table 20: Classification of Roads**

National Roads	District Roads
<b>Class A: Trunk Roads</b>	<b>Class C: Collector roads</b>
National route linking regional HQ International through route	i Link between division HQ and division centre ii Link between division centre and other centre iii Link between division centre and ward centre iv Road within an urban area carrying through traffic
<b>Class B: Regional roads</b>	Class D: Feeder roads
Connect trunk road and a district or regional HQ Connects a regional and districts HQ	i Road within an urban area carrying through traffic ii village access road
	Class E: Community roads
	i Road within a village or a road which links villages

Source: <https://comparativegeometrics.wordpress.com/2013/02/09/road-hierarchy-in-tanzania/>

##### 4.6.1. Bridges

In December 2011, Tanzania had 4,880 bridges of varying sizes. Rusumo, Songwe and Unity are examples of international bridges, while Kirumi, Kyaka and Mkapa are categorised as major bridges ([https://en.wikipedia.org/wiki/List\\_of\\_bridges\\_in\\_Tanzania#International\\_bridges](https://en.wikipedia.org/wiki/List_of_bridges_in_Tanzania#International_bridges)).

Tanzania has signed an agreement with China in 2019 to construct the longest bridge on lake waters in East Africa to further trade and transport with neighbouring countries (Uganda, Burundi and Rwanda). The 3,2-kilometre bridge on Lake Victoria will connect the Kigongo and Busisi areas in Mwanza region. Currently vehicles spend up to three hours to cross to either side of the lake by using a ferry and about 45 minutes to reach the other side. Upon completion this bridge will reduce transport time and facilitate trade amongst the East African countries (<https://constructionreviewonline.com/2019/08/tanzania-to-construct-its-longest-bridge/>).

##### 4.6.2. International Corridors linking Tanzania

Three main regional road transport corridors traverse through Tanzania, although the Northern Corridor only reach part of northern Tanzania. These 3 corridors are:

- Central corridor;
- Northern corridor; and
- Dar-es-Salaam corridor.

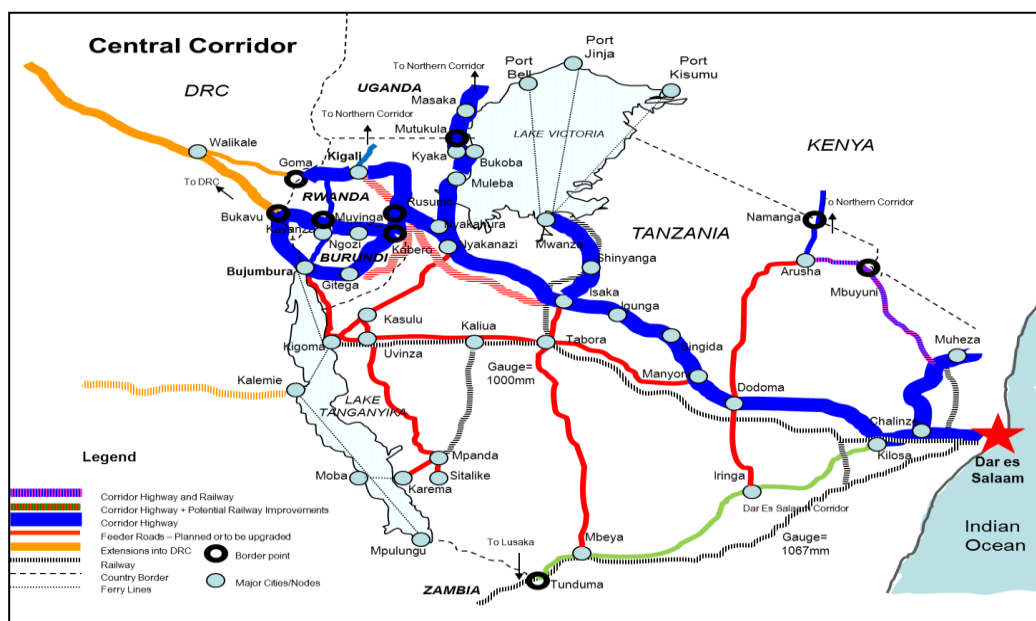
#### 4.6.2.1. Central Corridor

According to Central Corridor Transit Transport Facilitation Agency (CCTTFA), the Central Corridor connects the Port of Dar-es-Salaam by road, rail and inland waterways to Burundi, Rwanda, Uganda and Eastern part of the DRC and all of central and northern-western Tanzania itself (Central Corridor map). The corridor forms part of the backbone of the regional transportation system in East and Eastern Central Africa carrying the import and export of the five countries with a population of over 120 million people.

As shown in Figure 22 below, the transit routes and facilities of the Central Corridor are as defined by the Agreement cover cargo and passenger transport utilising:

- All Tanzanian roads connecting to Burundi, Democratic Republic of Congo, Rwanda and Uganda together with all roads and railway systems in these landlocked countries connecting to the central corridor;
- The Port of Dar-es-Salaam;
- The Railway system operated by Tanzania Railways Corporation;
- Isaka Dry Port;
- The freight & Marine services provided by Uganda Railways Corporation and Marine Services Company Limited respectively and other private companies on Lake Victoria
- The Port of Mwanza, Kemono Bay, Port Bell and Jinja Port;
- The marine services provided by Marine Services Company Limited and other public and private Companies on lake Tanganyika;
- The Port of Kigoma, Bujumbura, Moba, Baraka, Kasanga, Kalundu and Kalemie;
- Deep sea and coastal shipping services calling at Dar-es-Salaam port;
- Kidatu inland trans-shipment terminal; and
- Other Transit Routes and Facilities as determined from time to time

Figure 22: Map of Central corridor



Source: CCTTFA Official Map

The Central Corridor was originally a combination of paved and gravel road links. Infrastructure improvements in recent years, which involved rehabilitation, construction and routine maintenance works dramatically improved the condition of the main road network, as highlighted by the following statistics:

- 100% of the road network is paved over the Dar-es-Salaam to Rusumo – Kigali – Goma - Bukavu section of the Central corridor;
- 90% of the road network is paved along the Dar-es-Salaam – Kabanga / Kobero -Bujumbura stretch of the Central corridor; and
- 90% of the road network is paved along the Dar-es-Salaam – Mutukula - Kampala section of the Central corridor (<http://centralcorridor-ttfa.org/knowledge-base/faqs/>).

Due to road infrastructure upgrades and given the fact that rail connectivity is limited, the majority of freight movements along the Central Corridor take place along road networks with rail accounting for only 10% of total traffic movements (<http://centralcorridor-ttfa.org/about-us/achievements/>). The Central Corridor is managed by the Central Corridor Transit Transport Facilitation Agency (CCTTFA). The CCTTFA is a multilateral agency formed by five Member States (Burundi, DRC, Rwanda, Tanzania and Uganda) with cooperation from both public and private sector stakeholders.

Main challenges experienced along the Central Corridor relate to infrastructure and operational inefficiencies within the port of Dar-es-Salaam that results in severe port congestion, a lack of truck stops along the corridor, several law enforcement check-points and limited inter-modal arrangements.

#### 4.6.2.2. Northern Corridor

The Northern Corridor links the landlocked countries of Uganda, Rwanda and Burundi with Kenya's maritime port of Mombasa as shown in Figure 23 below. This corridor connect the Mombassa port to markets in Kenya, Rwanda, Burundi, Southern Sudan, Eastern DRC and part of northern Tanzania. In doing so, it joins the entire EAC to Kenya's main seaport (Mombassa).

**Figure 23: Map of the Northern Corridor**



Source: [ww.ttcanc.org/maps.php](http://ww.ttcanc.org/maps.php)

Although the Northern Corridor artery is served by a combination of transport modes and infrastructure facilities, the road transport sector (that is fully liberalised) accounts for the majority traffic flows. It is estimated that approximately 96% of the goods from Mombassa port are transported by road, with the remaining share being transported by the railway mode, inland waterways and pipelines (<http://www.ttcanc.org/page.php?id=26>).

The Northern Corridor Transit and Transport Coordination Authority (NCTTCA) is responsible for the management of the Northern Corridor. The NCTTCA comprise of three organs, namely:

- Council of Ministers;
- Executive Committee / Board; and
- Executive Secretariat.

The Council of Ministers is the policy-making body of the NCTTCA and its decisions are binding on all contracting parties. The Executive Committee is primarily responsible for introducing policies governing the NCTTCA, as well as for strategies for transport and trade facilitation, infrastructure development and the harmonisation of national policies.

The Northern Corridor road network in all six member states totals approximately 14,108 km in length. The greater portion of the road runs through the DRC (5,176 km) and Rwanda (3,691 km). Key transit transport routes stretch from Mombasa to Bujumbura and Kisangani respectively. The bulk of imports and exports destined to and from countries along the Northern Corridor are transported through either of these transit routes (<http://www.ttcanc.org/page.php?id=28>). Several corridor constraints hinder the unimpeded flow of traffic along the Northern Corridor. These include space and physical limitations within the port of Mombassa, corrupt activities along the corridor, border post delays and a lack of inter-modal coordination.

#### **4.6.2.3. Dar-es-Salaam Corridor**

This corridor starts from the centre of Dar-es-Salaam and ends at the border to Zambia (Tunduma). The section between Dar-es-Salaam and Morogoro (T1) is the same as the Central Corridor route. Major cities and towns that this corridor passes are Dar-es-Salaam, Chalinze, Morogoro, Mikumi, Iringa, Makombako, Mbeya and finally reaching Tunduma, which is at the border to Zambia.

The Dar-es-Salaam is managed by the Dar-es-Salaam Corridor Committee (DCC) which is a forum for regional cooperation on cross border transport policy formulation, regulation and operation, comprising public and private institutions from Tanzania, Zambia, Malawi and the Democratic Republic of Congo. The Committee was established by constitution in the year 2003, under the auspices of the SADC region. The DCC Secretariat is hosted by the United Republic of Tanzania, in Dar-es-Salaam.

The functions of the Secretariat include following:

- To maintain comparative pricing, delivery time and reliability data on the comparative corridors;
- To assist transport service providers to develop cost and service packages offering competitive rates and services and an integrated tariff structure to customers; and
- To respond to requests from business, ministries of trade and industry, chambers of commerce and other organizations involved in industrial development and investment promotion regarding the facilities, cost, delivery time to various markets, security and

reliability of the route, as needed to effectively market the corridor and spur economic development based, in part, on the quality of the transport system.

### **4.6.3. Domestic Road Transport Corridors**

Further to international road transport corridors, a number of secondary corridors serve national trade. These corridors are positioned along areas of high population density, providing opportunities for the movement of goods. Although the condition of trunk and regional roads have improved significantly over the past two decades, the same cannot be said for district (local) roads that are generally in a poor condition, with a large proportion of roads remaining impassable.

#### **4.6.3.1. Mtwara Corridor**

The Mtwara Corridor starts from the port of Mtwara and passes several major cities such as Mingoyo, Masasi, Tunduru, and Songea and reaches Mbamba Bay, which is facing Lake Nyasa. The total length of the corridor is 825 km (Figure 26 below).

#### **4.6.3.2. Coastal Corridor**

Coastal Corridor (T7 and T2) starts from Mtwara and passes Mingoyo, Lindi and Dar-es-Salaam. It starts again from Chalinze and reaches Segero, which is the junction to Tanga. The distance from Mingoyo to Dar-es-Salaam is 479 km, 422 km of which is paved and the remaining 57 km is not paved (Figure 24 below).

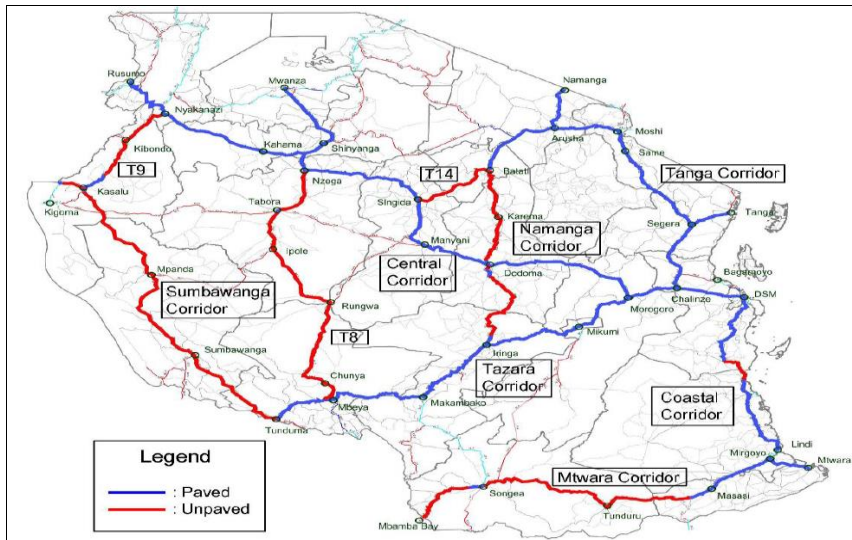
#### **4.6.3.3. Namanga Corridor**

This corridor handles the north-south traffic starting from Arusha, Babati, Karema, and Dodoma and reaches Iringa, a city on the TAZARA Corridor. This is an important north-south connection in the middle of the country between Tanga Corridor and TAZARA Corridor via Dodoma, which is the political capital. (Figure 24 below).

#### **4.6.3.4. Sumbawanga Corridor**

This corridor (T9) starts from Tunduma, connection to the TAZARA Corridor, and passes Sumbawanga, Mpanda and Kasulu. The road T9 continues to Kalebezo via Kibondo, Nyakanazi, which is the junction to the Central Corridor, and reaches Kibondo. The Sumbawanga Corridor branches off at Kasulu, which is about 80 km from Kigoma port via T19, toward the border of Burundi, enters Burundi, passes Mabando, Nyanza-Lac and finally reaches Bujunbura (Figure 22 below).

**Figure 22: Major corridors and roads network in Tanzania**



Source: TANROADS

#### 4.7. Fuel Prices in Tanzania

In Tanzania, fuel is supplied by private companies that are regulated by a Tanzanian agency called Energy and Water Utilities Regulatory Authority (EWURA). Fuel prices are influenced by external factors, which include changes in world oil prices, exchange rate fluctuations (depreciation of Tanzanian shilling against the US dollar) and inflation rate variations.

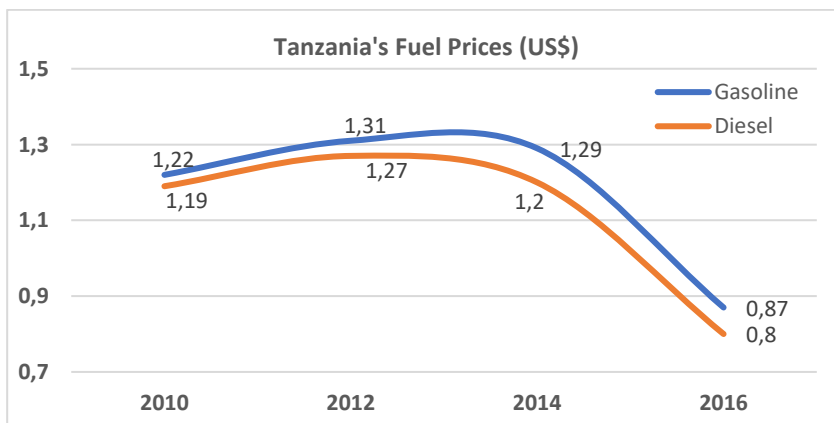
Table 21 and Figure 23 below shows the pump price for gasoline and diesel in US dollars for Tanzania between 2010 and 2016.

**Table 21: Fuel prices per litre in Tanzania (US\$)**

	GASOLINE	DIESEL
2010	1,22	1,19
2012	1,31	1,27
2014	1,29	1,20
2016	0,87	0,8

Source: Data sourced from World Bank Group website: (<https://data.worldbank.org>)

**Figure 23: Fuel prices in Tanzania (US\$)**



Source: Figure created for study



#### **4.8. Tanzania Cross-Border Road Transport Permits issued by the C-BRTA**

The Cross-Border Road Transport Agency in South Africa does not issue any cross-border bus or taxi permits between South Africa and Tanzania. South African commuters prefer to travel to Zambia from where they use local (Zambian buses) to cross over to Tanzania.

While the demand for cross-border road freight permits has been low in the past, the start of the new year (2020) has witnessed a spike in the demand for cross-border road transport permits to Tanzania. To date, the C-BRTA has issued 100 cross-border road freight permits. Of the total, 11 permits are one-year permits, while the remainder (89) permits are temporary permits.

#### **4.9. Regulatory Environment**

The regulation of the road transport industry is the responsibility of the Surface and Marine Transport Regulatory Authority (SUMATRA). In the past, Tanzania had only one regulator named SUMARTA, but with increases in the demand for travel and technology advances, SUMATRA found it increasingly difficult to regulate marine and surface transport operations efficiently. Therefore, in January 2019, Parliament passed a Bill for the new Land Transport Regulatory Authority Act 2018, which repealed the SUMATRA Act and established the Tanzania Shipping Agency Cooperation (Tasac) to regulate marine transport. SUMATRA remains responsible for the economic regulation of the road transport sector. This regulatory body is tasked, amongst others, with the functions of issuing, renewing, cancelling and amending road service licences and public carrier's licenses in accordance with the provisions of the Transport Licensing Act, 1973.

Economic regulation ensures that the road transport sector promotes competition and ensures fair trade practices among service providers. Furthermore it safeguards that the rates charged for freight and passenger transport services are in line with the cost of operations, while also considering reasonable financial returns on business investment. Although SUMATRA monitors road freight rates it does not regulate freight charges. One of the important activities in the regulation of road transport is the issuance of licenses and timetables. During 2010/11, with regards to the last available records, the authority issued a total of 78,238 licenses. In addition, the authority issued passenger timetables for 3,721 different public transport routes.

Several other authorities are also involved in the regulation of road transport in Tanzania. These include:

- Tanzania National Roads Agency (TANROADS) responsible for the maintenance and development of the trunk and regional road network in Tanzania's mainland classified road network;
- Ministry of Works, Transport and Communications responsible for the formulation of policy, regarding works, construction, transport and communications technology, as well as performing monitoring functions during implementation;
- Roads Fund Board which performs various functions, including the collection of tolls and the identification of new sources of revenue to the fund;
- National Institute of Transport (NIT) responsible for the training of transport professionals, including vehicle inspectors and drivers;
- Tanzania Revenue Authority (TRA) responsible for the registration of motor vehicles, motor vehicle transfer tax collection, annual motor vehicle licensing and the issuing of driving licences; and
- National Road Safety Council responsible for coordinating road safety activities and undertaking research with regard to road safety matters.

## **4.9.1. Challenges and opportunities**

### **4.9.1.1. Challenges**

Major weaknesses in the regulatory environment include non-alignment of regulatory frameworks to those of other SADC member states, inadequate coordination between transport authorities, poor governance (corruption) and weak enforcement. Therefore the challenge is to streamline the functions of regulators and increase coordination, while also strengthening policy formulation, regulation and implementation oversight.

### **4.9.1.2. Opportunities**

As a member of both the SADC and EAC RECs, Tanzania is supporting on-going Tripartite trade and transport initiatives, including the TTTFP. Essentially, the TTTFP combines a series of initiatives of all 3 Tripartite RECs into a single trade facilitation programme that provides a mechanism for reporting, monitoring and eliminating non-tariff barriers (NTBs) and the harmonisation of vehicle regulations and standards.

The successful implementation of the TTTFP is reliant on Tripartite MS signing and implementing the:

- Multilateral Cross-Border Road Transport Agreement (MCBRTA); and
- Vehicle Load Management Agreement (VLMA).

The above instruments serve as the primary legal instruments to drive the harmonisation of related regulations, standards and systems. However, harmonisation can not be introduced exclusive of a supporting statutory framework in the form of enabling legislation. For this reason, several model laws have been developed under the TTTFP, namely:

- Vehicle Load Management Model Law;
- Vehicle and Driver Quality Model Law;
- Cross-Border Road Transport Model Law;
- Dangerous Goods Model Law; and
- Model Law on Decriminalisation of Road Traffic and Transport Offences and Demerit Points System.

The harmonisation of regulatory requirements will yield several positive impacts for cross-border operators, including a reduction in NTB's (e.g. inspection points along transport corridors) that will lead to reductions in logistics and transportation costs.

## **4.9.2. New Transport Developments**

The administration of President John Magufuli has identified transportation as a vital component of Tanzania's mid-term economic development agenda and is investing significantly in major projects including an expansive standard-gauge railway (SGR) network, highway construction and rehabilitation, and ports modernisation with a focus on increasing cargo volumes as well as establishing new transport hubs for its energy and tourism sectors. The Tanzanian road network handle most inter-regional trade. Under-investment over the years has created several infrastructure inefficiencies, yet demand for licences (permits) continues to increase. To off-set these challenges, TANROADS has been tasked with creating new routes and rehabilitating existing roads.

The Tazara flyover project at the junction of the Julius Nyerere Road and the Nelson Mandela Expressway in Dar-es-Salaam was completed in September 2018. The new road that consists of four lanes and a 425-metre bridge has successfully reduced the level of congestion and shortened

transit journeys through the intersection. (<https://www.theeastafrican.co.ke/business/Tazara-flyover-done-now-in-use/2560-4772440-l8j0uy/index.html>). Other key achievements include a reduction in CO<sub>2</sub> emissions.

The public bus rapid transit (BRT) project serves as another example of an on-going (existing) major infrastructure programme in Tanzania. This ambitious project - which eventually will cover 130 km and serve 90% of the population - is being phased in incrementally. Phase one, which was completed in 2015 consists of 39 trunk buses, with a carrying capacity of 160 passengers each and 101 feeder buses, with a capacity of 80 passengers each. Phase two of the BRT project is currently underway. When fully implemented, the BRT system will provide better, more environmentally friendly, and more efficient mobility to the city's residents.

Further to national transport initiatives, Tanzania, as a member of the EAC and SADC, is also responsible for the implementation of strategic regional and continental programmes within its jurisdiction. In this regard, the Programme for Infrastructure Development Africa (PIDA) prioritises the Dar es Salaam-Chalinze-Morogoro road capacity upgrade. This project comprises a new 197 kilometre long expressway toll road between Dar-es-Salaam and Morogoro, which is part of a much larger Central Corridor project between Dar-es-Salaam (Tanzania), Kigali (Rwanda), Bujumbura (Burundi) and Kampala (Uganda). To date, concept and feasibility studies have been completed and funding being secured from the African Development Bank.

#### 4.10. Procedures for Establishing a business in Tanzania

Several opportunities exist that encourage new investments and motivate new and upcoming entrepreneurs. The Tanzanian government provides various investment incentives to local and foreign investors through the Tanzania Investment Centre. Furthermore the labour market comprises of skilled and semi-skilled workers who can be deployed in various industries, including manufacturing, agri-business and mining.

Tanzanian businesses can be registered as a business name, a local company or a foreign company. Registering a business is a simple and straightforward process. Table 22 depicts the steps associated with registering a business in Tanzania.

**Table 22: Steps to register a business in Tanzania**

Step	Action
1. Select the type of Business Entity	Select any of the following business structures: <ul style="list-style-type: none"> <li>➤ Sole Proprietorship</li> <li>➤ Partnership</li> <li>➤ Limited liability company</li> </ul>
2. Select a Business Name	All businesses, irrespective of their legal form, must register with the Business Registration and Licensing Agency (BRELA), which comes under the Ministry of Industries and Trade. After registration, the applicant has to obtain name clearance from BRELA as well.
3. Obtain notarization of compliance	The applicant should obtain a notarized declaration of compliance from the notary.
4. Apply for certification	Application for a Certificate of Incorporation at the Tanzania Investment Centre. A subscriber, secretary, or a person who is

Step		Action
		<p>named in the articles of association as a director must submit the following documents to the Registrar of Companies:</p> <ul style="list-style-type: none"> <li>➤ First directors and secretary and intended situation of the registered office; and</li> <li>➤ Declaration of compliance on application for the registration of the company.</li> </ul>
5.	Draft Memorandum and Articles of Association	Prepare the Memorandum and Articles of Association. The Memorandum of Association is the detailed statement of the objects of the company whereas the Articles of Association are the detailed statement of the management structure and processes.
6.	Apply to Taxpayer identification number	Apply for a Taxpayer Identification Number (TIN) at the Tanzania Revenue Authority (TRA). The Certificate of incorporation must be attached with the TIN application, enclosed with Memorandum and Articles of Associations. The limited company must apply for the TIN certificate by completing the TIN application forms as follows: <ul style="list-style-type: none"> <li>➤ Application for the company; and</li> <li>➤ Application for each shareholder/director.</li> </ul>
7.	Secure business licence	Apply for a business license at the Ministry of Industry and Trade (MIT) and Local Government Authorities (LGAs). The license is either issued by MIT or LGAs, based on the nature of the business. The following documents should be submitted along with the application: <ul style="list-style-type: none"> <li>➤ Certificate of incorporation;</li> <li>➤ Proof of a suitable company premises;</li> <li>➤ Memorandum and Articles of Association (MAA);</li> <li>➤ Taxpayer Identification Number (TIN); and</li> <li>➤ Proof of Tanzanian Citizenship.</li> </ul>
8.	Complete VAT registration	Apply for VAT registration at the Tanzania Revenue. VAT registration is required for all businesses requiring initial capital of 50 million in the first six months and 100 million in a year. For this, the applicant has to go to the TRA office to obtain the required registration papers. <p>Other than those businesses who offer professional expertise services, VAT registration applies to all. One could also do the online VAT registration by going through TRA's website.</p>
9.	Register for Workmens compensation insurance	Register for the workmen's compensation insurance at the National Insurance Corporation, or an alternative insurance provider. Employers must complete the Workmen's Compensation Tariff Proposal Form which is done at the Workers Compensation Fund (WCF) and Tanzania Insurance Regulatory Authority (TIRA).
10.	Obtain social security registration	Obtain a social security registration number(s) from all mandatory security schemes.
11.	Register with the Occupational Safety and Health Authority	The owner of the company must register with the OSHA by completing the application form the submitting company registration documents. OSHA officials will visit the workplace /

Step	Action
	factory prior to the business applying for inspection and health safety. The application requires the following: <ul style="list-style-type: none"> <li>➤ Name of occupier;</li> <li>➤ Address;</li> <li>➤ Nature of work; and</li> <li>➤ Total number of employees.</li> </ul>

Source: <https://www.businesssetup.com/blog/10-step-guide-how-register-your-company-tanzania>

Tanzania is ranked 141 among 190 economies in the ease of doing business, according to the latest World Bank annual ratings. The ease of doing business index ranks countries against each other based on how the regulatory environment is conducive to business operations. Economies with a high rank (1 to 20) have simpler and more friendly regulations for businesses (<https://tradingeconomics.com/tanzania/ease-of-doing-business>).

With its score of 141, it is evident that more can be done to create a conducive business environment in Tanzania. This environment should not only stimulate new entrants to the market, but also provide favourable conditions for existing businesses to sustain their operations.

## 5. PASSENGER TRANSPORT IN TANZANIA

### 5.1. Public Transport in Tanzania

SUMATRA is responsible for promoting, facilitating and ensuring availability of efficient, safe, fair, reliable and environmentally friendly transportation services. Tanzania is promoted as a tourist state but urban transport is constrained by low level of motorization. Public transportation comprise informal pick-up trucks, rickshaws, and route taxis. Road transport infrastructure in the country is poorly developed and there are frequent journey delays due to traffic congestion on roads, rush for vehicles arising from private cars and low capacity. There is serious traffic congestion in Dar-es-Salaam particularly in city centre due to the rapid increase in car ownership and use. Government planned a core transport plan for public transport system which is centred upon implementing a BRT system. The Dar-es-Salaam Rapid Transport (DART) has helped to decongest the city (African Development Bank [AfDB], 2013).

Orangesmile (2019) stated that the rural passenger public transport is predominantly non-motorised, walking and head-loading, poor infrastructure development, high transport operation costs and charges experienced by operators and users respectively. Low demand of transport is due to low level of affordability. The rural roads construction and maintenance are implemented by the Local Government Authorities. In the long rainy season, most dirt roads simply blur, which makes certain regions of the country absolutely cut off from civilization. All major cities of the country are connected by railways

Tanzania consists of a number of islands and archipelagoes, and so the sea service is very popular. The main tourist destinations for water are from Dar-es-Salaam to the islands of Zanzibar and Pemba. This means of transport has a schedule, and, as a rule, ferries comply with it (Orangesmile, 2019).

## **5.2. Cross-border Passenger Transport**

Currently, there are no cross-border road passenger operations between South Africa and Tanzania. According to Department of International Relations and Cooperation [DIRCO] (2017), there is a Memorandum of Understanding between the Government of the Republic of South Africa and the Government of Tanzania on Cooperation in transport related matters that was promulgated on 11 May 2017, that encourages economic relations to continue to grow apace and fosters cooperation.

## **6. RAILWAY TRANSPORT IN TANZANIA**

### **6.1. Introduction**

Railway transport is the second most important mode of transport after road and critical for long distance freight along the main transport corridors in Tanzania. Tanzania has a total of 3,676km of railway lines operated by two railway systems, Tanzania Railways Corporation (TRC) and Tanzania-Zambia Railways (TAZARA). The mainline of TRC comprises the central corridor between the port of Dar-es-Salaam in the east, linking central and western areas of the country and terminating at Kigoma on Lake Tanganyika in the west. The TAZARA line is 1,860 km in length, 975 km of which is in Tanzania and 885 km in Zambia.

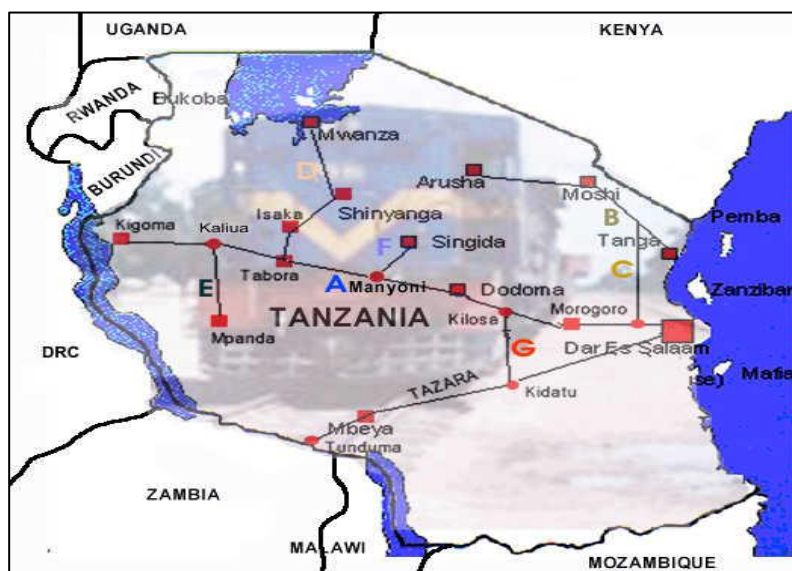
### **6.2. Railway Network**

Figure 24 below shows that Tanzania's railway systems have a total track length of 3,685 km (mainland) out of which 2715 km is operated by TRC and 970 km by TAZARA (970km within Tanzania). Together, the two railways systems link 14 of the 20 regions on the mainland, and neighbouring countries including Zambia, DRC, Burundi, Rwanda, Uganda and Kenya. TRC is fully owned by the Tanzania government, while TAZARA is owned jointly by the governments of Tanzania and Zambia on a 50/50 basis.

TAZARA has 1,860 km of single track built between 1970 and 1975 from Dar-es-Salaam to New Kapiri-Mposhi in Zambia, with 970 km in Tanzania Mainland. The railway has major workshops at Dar-es-Salaam and Mpika with depots at Mbeya, Mlimba, Chozi, and New Kapiri Mposhi. The TAZARA track (1.067 m gauge, 45 kg/m rail, 191 kg concrete sleepers and mostly 1% ruling gradient) permits a maximum speed of 70 km/h.

Speed restrictions cover less than 10% of TAZARA line and about 40% TRC line. Both TRC and TAZARA have axle load limits (governed by condition of bridges) of 20 tons. Both speed and axle load restrictions have been gradually increasing. The role of railway transport for efficient inter-modal transit traffic can not be over emphasized. NTP underlines the need for further development of modal and inter-modal interface facilities and institutions. For this to happen, involvement of the private sector in infrastructure development and operation of railways is considered necessary.

**Figure 24: Map of Tanzania rail network**



Source: Tanzania Railways Corporation

### 6.3. Tanzania-Zambia Railway Authority

The Tanzania Zambia Railway Authority, popularly known as TAZARA, is a bi-national railway linking the Southern Africa Regional transport network to Eastern Africa's seaport of Dar-es-Salaam, offering both freight and passenger transportation services between and within Tanzania and Zambia. The Bilateral Agreement relating to the Tanzania-Zambia Railway, made between the two governments on 29 September 1993, forms the basis and foundation of the existence of TAZARA. This agreement is given effect by the TAZARA Act, which provides for the governance of the authority, the nature of business transactions and other matters related to the provision of services by the railway. The two governments of the United Republic of Tanzania and the Republic of Zambia hold the shares of TAZARA on a joint and equal basis. TAZARA operates as a statutory body established by the National Legislatures of both Tanzania and Zambia, through the TAZARA Act of 1975, amended by the TAZARA Act of 1995. The governance structure, as provided for by the TAZARA Act, comprises a Council of Ministers, Board of Directors and Management.

### 6.4. Tanzania Railway Corporation

Tanzania Railways Corporation (TRC) was established under the Railway Act No. 10 of 2017 by merging the functions of Tanzania Railways Limited (TRL) and Reli Assets Holding Company Limited (RAHCO). The main objective of TRC is:

- To provide an efficient and effective rail transport service, manage and ensure safety and security of rail infrastructure in Tanzania;
- To provide rail transport services for both goods and passengers within the country;
- To provide freight transport service for goods to and from the neighboring countries of DRC, Burundi, Rwanda and Uganda; and
- TRC is also providing commuter train services in Dar-es-Salaam.

### 6.5. Passenger Rail-transport

TAZARA runs three types of passenger trains, categorized as express, ordinary and special trains. Apart from conveying people, passenger trains also transport parcels and luggage using the parcel

vans attached to the passenger trains. Each parcel van can carry up to 15,7 metric tons of parcels and, depending on the demand, one or more vans can be attached to the train at a time. Each passenger train has dining cars with sub-contracted professional caterers serving international cuisines at very reasonable prices.

#### **6.5.1. Express Trains**

TAZARA operates one express passenger train, the Mukuba Express Train, every Tuesday from New Kapiri Mposhi to Dar-es-Salaam and every Friday from Dar-es-Salaam to New Kapiri-Mposhi, departing from New Kapiri-Mposhi and Dar-es-Salaam at 16h00 CAT and 15h50 EAT, respectively. The Mukuba is named after Zambia's top mineral export, copper, for which the country remains one of its top producers in the world. It takes approximately 46 hours to travel between Dar-es-Salaam and New Kapiri Mposhi.

Passengers have the rare treat of viewing a variety of game along the way. When passing through the tunnels, crossing rivers and gorges, passengers have a chance to appreciate the awesome and inspirational engineering works of the Chinese, who constructed the rail line between 1970 and 1975.

#### **6.5.2. Ordinary Trains**

The Ordinary Passenger Train, on the other hand, runs in the opposite direction of the Express every Tuesday and Friday, departing Dar-es-Salaam and New Kapiri-Mposhi at 13h50 EAT and 14h00 CAT, on Tuesday and Friday, respectively. The ordinary train stops at every serviceable railway station in the respective regions of Tanzania and Zambia.

#### **6.5.3. Commuter Trains**

TAZARA introduced commuter train services on 29 October 2012, in Tanzania's port city of Dar-es-Salaam, covering a distance of 30km from Dar-es-Salaam main station to Mwakanga, on the outskirts of the city. The Commuter Train Service was introduced at the request of the Tanzanian government, which was keen to ease the transport challenges in the city, especially during peak hours. The government financed the initial costs of refurbishing the dilapidated coaches and locomotives to put them back into service having been discarded for years. The Commuter Trains utilize TAZARA's main track, transporting some 9,000 passengers every day, except on weekends and public holidays when the service is not available.

#### **6.5.4. Tourist and Special Trains**

TAZARA also runs special tourist trains for specific events and special groups. The most common of special trains is the tourist train to the Selous Game Reserve, about 200km from Dar-es-Salaam. Selous Game Reserve is the largest unexploited wildlife reserve in Africa covering 54,000 square kilometers, named after the famous hunter, Fredrick Courtney, who was killed and buried there during World War One.

The TAZARA rail cuts through the Selous Game Reserve. Tourist trains are usually run during Christmas, Easter, New-Year and other public holidays. Tour operators also use the regular passenger services for special tourist excursions to the Selous Game Reserve. The Rovos is one of the world's renowned luxurious tourist trains which regularly runs on the TAZARA line between Cape Town in South Africa and Dar-es-Salaam in Tanzania, offering tourists special excursions along the way. The Shongololo Train, another tourist train from South Africa, has also recently been re-launched and is primed to be plying the TAZARA line at least once every year.



## **6.6. Freight Rail-transport**

TAZARA operates two types of freight trains through traffic and local traffic trains. Through traffic trains convey cargo originating from Dar-es-Salaam in Tanzania to New Kapiri Mposhi in Zambia and vice versa. Local traffic trains convey intermediate cargo and may or may not cross the border. TAZARA also provides block train services and mixed train services which are designed to meet particular needs and requirements of the clients.

### **6.6.1. Regional Connections**

The TAZARA railway line is designed with a 1067mm-gauge, which allows through traffic operations with other Southern African railways, such as Spoornet of South Africa, Botswana Railways, National Railways of Zimbabwe, Zambia Railways Limited Namibia Railways, Mozambique Railways and Societe Nationale Des Chemins De Fer Du Congo Sarl (SNCC) of the DRC. Essentially, all railway networks in the southern part of Africa can be accessed by TAZARA. With a designed capacity of five million tonnes of freight per annum, TAZARA has been handling traffic for the SADC as well as the Common Market for Eastern and Southern Africa (COMESA), thereby providing a vital regional link amongst Southern, Eastern and Central African regions with the rest of the world through the port of Dar-es-Salaam.

### **6.6.2. Cargo Terminus**

TAZARA has modern cargo terminus, complete with gantry cranes and other handling facilities at New Kapiri Mposhi, Kasama, Makambako and Dar-es-Salaam stations. These facilities provide a quick and efficient means for exporters and importers from different regions of Africa to load and offload cargo onto and from TAZARA wagons.

New Kapiri Mposhi handles cargo to and from the Southern and Central African regions, whilst Kasama covers the Great Lakes region. Similarly, Mbeya and Makambako cater for cargo from Malawi and some parts of the Great Lakes. With such spread of the TAZARA terminus, cargo is easily relayed from region to region. In addition, there is a privately owned trans-shipment facility at Kidatu that handles the transfer of cargo from the wider gauge (1,067mm) wagons of TAZARA onto the narrower gauge (1,000mm) wagons of the Tanzania Railways Limited (TRL) facilitating interconnectivity amongst Southern, Central and East Africa.

## **6.7. Railway Regional Developments**

### **6.7.1. Tanzania and EAC regional railway projects**

The 205km line is the first phase of the 2,561km standard-gauge railway project linking the Indian Ocean port of Dar-es-Salaam with Mwanza on Lake Victoria and Kigoma on Lake Tanganyika, as well as neighbouring Rwanda and Burundi was commissioned in May 2017 and was completed in July 2019. Approximately US\$1,2 billion contract to build this first phase was awarded to Yapı Merkezi, Turkey, and Mota-Engil, Portugal (Burroughs, 2019). Burroughs (2019) added that the state railway infrastructure authority Reli Assets Holding Company had also awarded Yapı Merkezi a US\$1,92bn contract to build the 336 km Morogoro – Makutupora 1,435 mm gauge line. This is the second phase of the proposed 2,200 km standard gauge network which would connect Dar-es-Salaam with Mwanza on Lake Victoria, Kigali in Rwanda and Musongati in Burundi. The second phase will also have eight passenger stations and six freight terminals.

### **6.7.2. CBU-TAZARA Academic Business Partnership**

The Copperbelt University (CBU) of Zambia and the Tanzania-Zambia Railway Authority (TAZARA) have signed an Academic Business Partnership Agreement, officially operationalising the establishment of the CBU-TAZARA Mpika Campus at the TAZARA Training Centre, which has already begun offering skills development in railway related engineering and logistics academic programs at Diploma, Bachelor Degree, Master Degree and PhD levels.

Apart from setting up a unique relationship that creates unheralded value and opportunities for both the University and the railway industry, the partnership is an undertaking to position both institutions towards contributing to the planned African Integrated High Speed Railway Network (AIHSRN) in areas of human capital development and manufacturing of railway related products. The AIHSRN is a flagship project of the African Union (AU) Agenda 2063, which has earmarked TAZARA's Mpika Workshops as one of the centres to play a key role in the manufacture of components for the railway project. The Business Agreement, which specifies the contributions and benefits of each party as well as dispute resolution mechanisms, was signed in Dar-es-Salaam, on 4 January 2020, by the two institutions' Chief Executive Officers, Eng. Bruno Ching'andu, Managing Director of TAZARA, and Professor Naison Ngoma, the CBU Vice Chancellor, respectively.

Signing of this Agreement signaled the implementing of the Memorandum of Understanding that was signed in 2017 to provide a framework for establishing a practical training institute that maximizes the utilization of the already existing resources at TAZARA and CBU. This Agreement also gave impetus to the relationship and enabled to harness the knowledge and experience in the railway sector, which should be applied by all relevant parties to the benefit of the institutions and the countries in the region. TAZARA benefits through the training of employees, knowledge exchange and economic value for the utilisation of the TAZARA infrastructure.

## **7. AIR TRANSPORT IN TANZANIA**

### **7.1. Airports in Tanzania**

Air transport and airports in Tanzania plays an important part in the country's transport system as it provides direct international gateway.

### **7.2. Airports in Tanzania**

Tanzania has three international airports in Dar-es-Salaam, Kilimanjaro and Zanzibar. In addition, there are a number of domestic airports. Tanzania has one of the largest domestic air transportation markets in sub-Saharan Africa. However, the high demand often leads to capacity constraints, especially at Julius Nyerere (formerly) Dar-es-Salaam international airport. Indeed, the airport is currently operating beyond its design capacity in terms of the numbers of passengers that it accommodates. In contrast to its vibrant domestic air transport market, its international market is one of the smallest in sub-Saharan Africa. Tanzania's appeal as a tourist destination would benefit greatly from the increased availability of direct intercontinental flights.

#### **7.2.1. Julius Nyerere International Airport**

The Julius Nyerere International Airport (JNIA) is the primary gateway to Tanzania and the major hub for domestic traffic in the country. It serves the major city of Dar es Salaam and is approximately 10 km from the city centre. In 2011, the airport recorded a throughput of about 1.8 million

passengers representing over 72% of the total volume of passengers at Tanzania Airports Authority (TAA) airports and about 60% of total air passengers.

### **7.2.2. Kilimanjaro International Airport**

The Kilimanjaro International Airport (KIA) is located at the foot of Mount Kilimanjaro and is approximately 450 km from Dar es Salaam. The airport, located midway between Arusha and Moshi, is approximately 50 km from each town. It is the mainland's second international gateway. It is strategically located near the main tourist attractions of Mount Kilimanjaro and several wildlife parks of Tanzania including the Serengeti National Park, Ngorongoro Crater and Lake Manyara National Park. Many tourists enter the country through KIA which is a short flight from Nairobi, the regional airport hub.

### **7.2.3. Other Domestic Airports**

Of the remaining airports, Mwanza is the largest and has a large domestic passenger flow as noted above. Located in the lake region, Mwanza airport serves a region that is rich in natural resources particularly fish from Lake Victoria and minerals from the surrounding towns and villages.

## **7.3. Key Regulators of the Civil Aviation Industry in Tanzania**

### **7.3.1. Tanzania Civil Aviation Authority**

Tanzania Civil Aviation Authority (TCAA) is a statutory body formed in 2003 for air navigation services, safety, security and economic regulation of the civil aviation sector in Tanzania. The authority provides navigations services at 14 airports in Tanzania. The authority also runs the Civil aviation Centre (located and Julius Nyerere International Airport) which offer various aviation courses in Air Traffic Control, Aeronautical Information Service, Aviation Security, Airport And Flight Operations. TCAA ensures that airlines and airlines operators comply with the requirements of the standards provided by the International Civil Aviation Organization (ICAO).

### **7.3.2. Tanzania Airports Authority**

Tanzania Airports Authority (TAA) is an executive agency with power to manage, operate and develop all public airports in Tanzania. The authority also ensures that the government policies and regulations are implemented. The agency was established in 1999 by the Government Notice No. 404 of 1999 under the Executive Agency Act, Act No. 30 of 1997 and assumed the functions of the former Directorate of Aerodromes of the Ministry of Transport.

## **7.4. Airline Operators in Tanzania**

Currently, there are more than 20 international airline operators and more than 16 airline operators operating domestic flights in Tanzania. The list includes, but not limited to, Air Tanzania, Qatar Airways, Ethiopian Airlines, Etihad Airways, Emirates, Swiss International Airline, Air France – KLM, Egypt Air, Air Mauritius, South African Airways, Oman Air, Rwanda Air, Fastjet Tanzania and Precision Air.

International airline operators are expected to increase in number in Tanzania with the completion of Terminal III construction project at Julius Nyerere International Airport. This is for a fact that, Terminal III will be facilitating international flights and Terminal I and II of Julius Nyerere International Airport will cater for domestic flights.

## **7.5. Operating Airdromes (airports and airstrips)**

There are more than 240 airdromes (airports and airstrips) operating and under the authority of the government, agencies and private individuals in Tanzania. The number includes Tanzania Airport Authority (TAA) with 58; Zanzibar Airport Authority (TAA) with 2; Kilimanjaro Airport Development Operation Company Limited (KADCO) with 1; Tanzania National Parks Authority (TANAPA) with 26; Ministry of Natural Resources and Tourism Tanzania (MSRT) with 61; Ngorongoro Conservation Area Authority (NCAA) with and Private individuals/companies with 93.

## **7.6. Airline Operators in Tanzania**

Currently, there are more than 20 international airline operators and more than 16 airline operators operating domestic flights in Tanzania. They include Air Tanzania, Qatar Airways, Ethiopian Airlines, Etihad Airways, Emirates, Swiss International Airline, Air France, KLM, Egypt Air, Air Mauritius, South African Airways, Oman Air, Rwanda Air, Fastjet Tanzania and Precision Air.

International airline operators are expected to increase in number in Tanzania with the completion of Terminal III construction project at Julius Nyerere International Airport. This is for a fact that, Terminal III will be facilitating international flights and Terminal I and II of Julius Nyerere International Airport will cater for domestic flights.

# **8. MARITIME TRANSPORT IN TANZANIA**

## **8.1. Introduction**

This chapter looks at maritime transport in Tanzania in terms of the responsible authority, their mandate, developments with respect to seaports and coastal ports that the country utilise for international and local trading.

## **8.2. Tanzania Ports Authority**

The Tanzania Ports Authority (TPA) was established under the Ports Act No 17 of 2004 to take over the functions of the Tanzania Harbours Authority and the Marine Services Company. The major responsibilities of TPA are to develop, manage and promote the port subsector in Tanzania mainland. The primary objective in establishing TPA was to enhance the advantages of the geographical position of Tanzania's maritime resources by:

- Promoting effective management and operations of sea and inland waterways ports;
- Securing the provision of, or to provide services in relation to loading and unloading of cargo and passenger services;
- Developing, promoting and managing port infrastructure and superstructure;
- Maintaining port safety and security;
- Entering into contractual obligations with other person or body of persons in order to secure the provision of efficient maritime transportation, port services, whether by means of concession; joint venture, public private partnership or other means, and to this end to delegate its own function of providing port services to one or more port operators.

The main objective of the Ports Act was to change the function of the port subsector from one that provided a public service to one which functioned as a landlord to manage private sector operators under conditions that fostered efficiency and service to its customers. Under the Act, TPA was provided the mandate and powers to undertake the following functions:

- Administer the land and waters within the limits of the ports boundaries;
- Promote the use, improvement and development of the ports and their hinterlands;
- Regulate and control navigation and the protection of the environment;
- Ensure that services and facilities are provided and may enter into agreements or licence other parties to provide these services;
- Ensure that adequate, affordable, equitable and efficient port services and facilities are provided for port users;
- Ensure nondiscriminatory, fair, transparent access to port services and facilities; advancement of previously
- Disadvantaged people; promotion of gender representation and participation in terminal operations;
- Enhanced transparency in port management; and advise on all matters relating to the port subsector; and
- Liaise with all stakeholders.

TPA performs the role of both a landlord and operator; and the number of assets and functions concessioned to the private sector are relatively limited since the enactment of the Act in 2004. It also administers a diverse system of ports along the Indian Ocean and the inland lakes of Victoria, Tanganyika and Nyasa.

The major sea ports are located in Dar-es-Salaam, Tanga and Mtwara while smaller sea ports are at Kilwa, Lindi, Mafia, Pangani, Bagamoyo and Mikindani. The lake ports are located at Mwanza North and South, Nansio, Kemono Bay, Bukoba and Musoma on Lake Victoria, Kigoma and Kasanga on Lake Tanganyika, and Itungi Port, Manda Liuli and Mbamba Bay on Lake Nyasa.

### **8.3. Seaports of Tanzania**

#### **8.3.1 Dar-es-Salaam Port**

Dar-es-Salaam port is the country's largest port with an annual throughput of about 10 million tons a year (2010-11). The port is strategically located serving the interior hinterland and the neighbouring landlocked countries in the west, the Middle East, Asia and Australia to the east as well as linkages to Europe via Suez and America via Southern Africa.

The entrance to the port can be accessed through a 2.8km channel which is approximately 140 meters in width. The channel was last dredged in 1998 when it was deepened, widened, and straightened to cater to vessels of up 9.4m depth and 200m length at all states of the tide but passenger of larger vessels is possible during high tide.

The port has 11 berths totalling to about 2,000 m in length, 2 berths at an adjacent oil jetty and a single point mooring located outside the port approximately 3 km offshore. Recently, TPA operates berths 1 to 7 which are used for handling break bulk, containers, RoRo and dry bulk cargo while berths 8 to 11 comprise the container terminal and are used by Tanzania International Container Services TICTS under a concession agreement.

#### **8.3.2 Mbegani-Bagamoyo Port**

The port masterplan identified that despite continuing implementation in increased efficiency measures and additional investment at Dar-es-Salaam port, the location has a finite capacity which is currently expected to be reached around 2020. Additional capacity that was needed to be built at a separate location and the decision had been taken to provide new port capacity together with a new export processing zone with excellent road and rail transport links at Mbegani located near

Bagamoyo approximately 60km to the north of Dar-es-Salaam. In the initial stage of its development, the focus of the new port was to handle containers and the import of vehicles. Both these trades are forecast to increase rapidly in line with economic growth.

### **8.3.3 Tanga Port**

Tanga port is located in northern Tanzania approximately 350 km north of Dar es Salaam. It was the first port to be developed in the country serving as the port of access for the Arusha and Moshi areas where early farming settlements and towns had developed. It was subsequently linked to these settlements by the first railway line to be developed in the country which was constructed in the 1890s. Due to limited depth Tanga port has remained as a lighterage port and therefore suffers from double handling and the associated additional costs from such operations.

Tanga has two anchorage areas: one is located inside the bay and the other outside. Each has the capacity to accommodate six vessels but the inner area has a draft limitation of 3.5m while the outside anchorage has 11.5m depth. Liquid bulk is handled at four buoys for mooring and is facilitated by using flexible hoses connected to a submarine pipeline.

The port also has two berths and a total length of 440 m but suffers from a limited depth of 1.5 m at low tide due to sedimentation and siltation over the years. It was originally constructed with a 2.5 m depth at low tide. Over the years, it has remained an important port for its agricultural hinterland where the primary crops are coffee, tea and sisal.

### **8.3.4 Mtwara Port**

Mtwara port is located in southern Tanzania close to the border with Mozambique approximately 580 km south of Dar-es-Salaam. It is the third largest coastal port in the country and was initially constructed between 1948 and 1954. Similar to the two other major sea ports, Mtwara had originally railway linking the port with its hinterland. The railway was built in 1949 stretched between Tanga and Nachingwea, with a distance of 211 km with a branch line from Chilungula to Masasi of 42 km. The line was constructed to support the groundnut industry but when this scheme failed, the line fell into disuse and was uprooted in 1962.

### **8.3.5 Small Coastal Ports**

TPA has five small coastal ports comprising:

- Pangani, which is located south of Tanga,
- Kilindoni,
- Kilwa,
- Lindi; and
- Mikindini, all 4 are located south of Dar es Salaam.

These small coastal ports are all basically serving local trade. Many of the ports have limited hinterlands due to limitations of the road network.

### **8.3.6 Lake Ports**

Tanzania has three major lakes bordering its north west, west and south west:

- Lake Victoria borders Kenya and Uganda in the north west,
- Lake Tanganyika borders Burundi, DR Congo and Zambia in the west; and
- Lake Nyasa with Malawi and Mozambique in the south west.

These lakes have facilitated trade with neighbouring countries providing outlets and alternative outlets to the sea for all neighbouring countries.

## **9. BORDER POSTS OF TANZANIA**

Tanzania is surrounded by several neighbouring countries namely Burundi, DR Congo (DRC), Kenya, Malawi, Mozambique, Rwanda, Uganda, and Zambia. There is also a variety of land border crossings to Tanzania that travelers can use. Crossing into Tanzania via one of the land borders is generally straightforward and easy. Travellers can cross the borders either by bus or using their own vehicle. Those arriving from either Kenya, Uganda, or Rwanda on main routes are able to take a through-bus which will take them over the border, although they will need to disembark on each side in order to take care of visa formalities. Although eligible citizens crossing into Tanzania will be able to get a visa on arrival at land borders, travelers are advised to obtain a visa online in advance in order to cut down waiting times.

### **9.1. Tanzania and Kenya**

The main route to/from Kenya is the good sealed road connecting Arusha (Tanzania) and Nairobi (Kenya) via the recently modernised Namanga border post (open 24 hours, with a bank and immigration inside the main building). There are also border crossings at Horohoro (Tanzania), north of Tanga; at Holili (Tanzania), east of Moshi; at Loitokitok (Kenya), northeast of Moshi; and at Sirari (Tanzania), northeast of Musoma. With the exception of the Serengeti–Masai Mara crossing (which is currently closed), there is public transport across all Tanzania–Kenya border posts.

#### **9.1.1. Holili, Tanzania | Taveta, Kenya**

The Taveta/Holili border crossing point is between Southern Kenya and Northern Tanzania and is located about 264 km south-east of Mombasa and 110 km west of Arusha. The Kenyan side of the border is in Taita-Taveta County, while the Tanzanian side is in Himo Town, Rombo District, Kilimanjaro Region. Taveta is one of the key border crossing points between the two countries due to the border's proximity to major cities.

To transport goods to Arusha and surrounding areas in northern Tanzania, vehicles currently must pass through the Namanga border which is considerably longer than the Taveta/Holili route. Operationalising the Taveta/Holili border is expected to increase with the construction of a new Voi-Arusha road passing through the two border points, stretching the capacity of the current infrastructure and operations and increase waiting time for import and export processing. Increased delays create costs for traders.

From commencement of the Holili-Taveta OSBP, a number of benefits have been noticed, including quick clearance of pedestrians and passengers as they are now not stopping in the country of exit. This saves time as travellers are only stopping once for border formality and increased turnaround of commercial traffic as compliant traders are now spending little time at the border. The OSBP has also reduced the number of stops incurred previously by truck drivers.

According Baseline Traffic Data of 2011, to cross from Holili in Tanzania to Taveta in Kenya it was 7 hours 19 minutes and recently in 2017, Time & Traffic Survey it was 1 hour 41 minutes (74% time saving). Lead Agency on the Kenyan side is Kenya Revenue Authority (KRA). From Taveta in Kenya to Holili in Tanzania: 22 hours 59 minutes was taken during the Baseline Traffic Data of 2011 and in 2017, about 87% time savings was recorded when crossing from Taveta in Kenya to Holili

in Tanzania equalling to 2 hours 55 minutes. Lead Agency on the Tanzanian side is Tanzania Revenue Authority (TRA).

### 9.1.2. Namanga border crossing

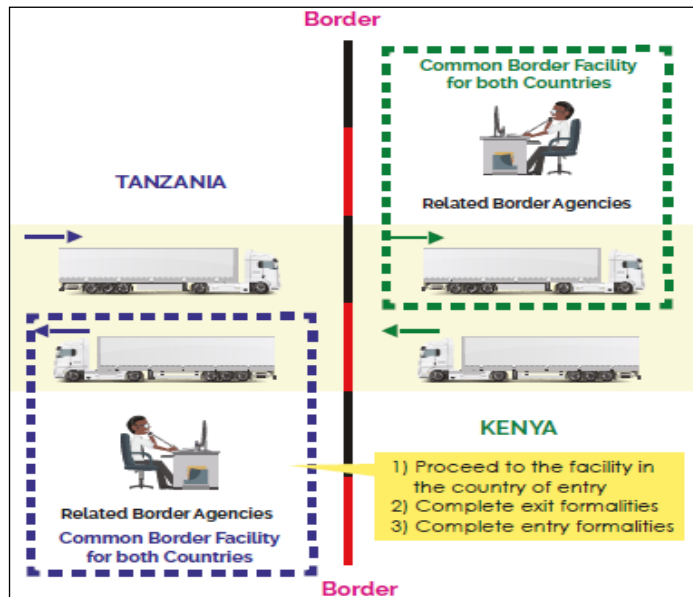
The main route for entering Tanzania from Kenya is the road connecting Nairobi to Arusha via the Namanga border post. The Namanga border crossing is between Southern Kenya and Northern Tanzania is located about 160 km southeast of Nairobi and 100 km north of Arusha. The Kenyan side of the border is in Kajiado County, while the Tanzanian side is in Longido District. Namanga is one of the major border crossings between the two countries due to its proximity to the two major cities.

Public transport is available across all of the Tanzania-Kenya land border crossings, and travellers can take a direct bus into the country from either Nairobi, Mombasa or Voi. It is also possible to take a shuttle bus or Dalla-Dalla minivan from Nairobi into Tanzania. Rough bus prices and times are as follows:

- From Nairobi to Dar-es-Salaam: US\$26, 14-15 hours journey;
- From Mombasa to Dar-es-Salaam: US\$11, 10-11 hours journey; and
- From Voi to Moshi: US\$9, 7-8 hours journey.

The overall benefits from OSBPs include reduced clearance time and improved cooperation between and among border agencies through a coordinated framework for border operations. Local communities also benefit from OSBPs through simplified procedures for small scale traders as well as through infrastructural improvements at border crossings (Figure 26 below).

**Figure 26: Namanga one stop border post**



## 9.2. Tanzania and Uganda

### 9.2.1. Mutukula, Tanzania | Mutukula, Uganda

Mutukula Tanzania is located approximately 70 km, by road, northwest of Bukoba, the regional capital. Mutukula Uganda is located in extreme southern Rakai District at the international border between Uganda and Tanzania. The town is approximately 81 km, by road, south-west of Masaka, the largest city in the sub-region. This location is approximately 211 km, by road, south-west of Kampala, the capital and largest city of Uganda. About 418 vehicles a day pass through the



Mutukula border point, with trucks taking over a day on average to process through customs from Tanzania to Uganda. This delay imposes serious costs on traders. They must wait longer for their import or export, pay for the truck to wait at the border, risk perishable goods losing their value and manage unpredictable transport times.

According Baseline Traffic Data of 2011, to cross from Mutukula in Tanzania to Mutukula in Uganda Taveta it took about 45 hours 49 minutes. In 2017, the Time and Traffic Survey report indicated that it takes about 4 hours 37 minutes (which was about 79% time reduction). The lead Agency on the Ugandan side is Uganda Revenue Authority (URA). From Mutukula in Uganda to Mutukula in Tanzania, the crossing time was 10 hours 12 minutes using 2011 Baseline Traffic Data and in 2017, from Mutukula in Uganda to Mutukula in Tanzania, the crossing time improved to 3 hours 24 minutes (67% time reduction). Lead Agency on the Tanzanian side is Tanzania Revenue Authority (TRA).

Travellers can take a bus from Kampala, the capital city of Uganda, to Arusha in Tanzania, passing through Nairobi, which costs US\$32 and takes approximately 20 hours journey. It is also possible to take a bus from Kampala to Bukoba in Tanzania (US\$9, 6-8 hours), or from Kampala to Mwanza (US\$20, 16 hours).

### **9.3. Tanzania and Burundi**

#### **9.3.1. Kabanga, Tanzania | Kobero, Burundi**

Kabanga is located approximately 300 kilometres, by road, northwest of Bukoba, the regional capital. Kobero is located in the region of Muyinga. Muyinga's capital, Muyinga, is approximately 23 km away from Kobero. The distance from Kobero to Burundi's capital, Bujumbura, is approximately 142 km.

Kobero OSBP is the main border post for Burundi and is the gateway for transit cargo into the Democratic Republic of Congo (DRC). The border post handles about 70% of the cargo using this border into and transiting through Burundi.

According to 2012 Baseline Traffic Data Kabanga in Tanzania to Kobero in Burundi, crossing time was 11 hours 56 minutes and in 2017, from Kabanga to Kobero it was 8 hours 48 minutes (26% time reduction) Lead Agency on the Burundian side is Burundi Revenue Authority (BRA). From Kobero to Kabanga 2012 Baseline Traffic Data recorded 8 hours 5 minutes crossing time and in 2017, from Kobero to Kabanga 58% time reduction was registered equalling 3 hours 25 minutes. Lead Agency on the Tanzanian side is Tanzania Revenue Authority (TRA).

Travellers crossing by bus from Burundi are required to disembark at the border, walk through immigration, and catch another bus in Tanzania to their onward destination. Rough bus routes, prices and travel times are as follows:

- Mwanza to Ngara: US\$9, 7-8 hours journey; and
- Bujumbura or Kigoma to Manyovu: US\$ 7-9, 7 hours journey.

It is also possible for travellers to take a shared taxi from Nyakanazi to Nagara ( US \$4, 2 hours), or a dalla-dalla minibus from Kigoma to Manyovu (US\$3, 1-2 hours) before walking through immigration and finding onward transportation.

## **9.4. Tanzania and Zambia**

### **9.4.1. Tunduma, Tanzania | Nakonde, Zambia**

Tunduma-Nakonde is between the United Republic of Tanzania and Zambia and it handles traffic from Dar-es-Salaam to Zambia and DR Congo and vice versa. Tunduma is a border town between Tanzania and Zambia. It lies in Tanzania, in the region. It has border posts for both the Tanzam highway and the TAZARA railway (for which it has a station) linking the two countries. It is 113 km southwest of Mbeya. It is also the junction for the road which runs via Sumbawanga through the remote far western districts of Tanzania to Kasulu and Kibondo in the north-west. Tunduma One Stop Border Post (OSBP) was officially launched on 5 October 2019 by His Excellency John Pombe Joseph Magufuli, President of the United Republic of Tanzania and His Excellency Edgar Lungu, President of the Republic of Zambia.

One of the main benefits of this OSBP is the enhancement of operational efficiency of the border post which will lead to faster transit times (or reduced waiting times at the border), which will in turn lower the costs of trading. The governments of Tanzania and Zambia are committed to implement a comprehensive programme that would develop legal, operational and institutional arrangements required for the operation an efficient one stop border crossing at Nakonde/Tunduma.

The OSBP ensures effective border control mechanisms are in place. It will boost trade by cutting the time taken to clear goods between the two nations, thus contributing to a reduction in transport cost, whilst increasing volumes of transshipment cargo through the Dar-es-Salaam Corridor. On average trucks leaving Tanzania take about 2.5 days to cross the Tunduma border into Zambia. It is expected that time to cross the border will reduce by at least a third.

Over the years, delays in cross border clearance were attributed to duplication of handling procedures on either side of the border, poor institutional arrangement and cargo management systems, inadequate physical infrastructures and services and immigration management. The new established OSBP is envisioned to address some of these challenges.

Construction of the Tunduma OSBP including systems and other related soft infrastructure was carried out with funding of US\$7.8 million from the United Kingdom through the Department for International Development (DFID). The OSBP investment includes office buildings, roads and parking yards, cargo verification bays, scanner shed, passenger sheds, targeting booths, warehouse and canopies, ICT networks and hardware, furniture, and institutional support to the border agencies.

Tunduma is the busiest transit and entry point in Tanzania linking transit trade destined for DRC, Malawi, Zambia and Zimbabwe. New investments in natural resources in Southern Tanzania are driving up traffic along the border point. This is likely to stretch border capacity and lead to further delays. Moreover, inadequate understanding of import and export procedures by border agency staff results in inaccurate entries and more delays. These factors impose serious costs on traders.

Several studies conducted in the region have established that the high cost of exporting and importing goods in the Southern Africa region discourages international and intraregional trade, makes commerce and industry less competitive, and contributes to food insecurity. The ports and border post delays have been identified to contribute significantly to the high cost of transportation in the region. According to the LPI Index Results (2010), it takes about 3-4 days to cross the land borders along the Dar-es-Salaam Corridor borders.

Bilateral trade between Tanzania and Zambia stood at TZS 265 Billion in the past year with Tanzania exporting goods worth TZS 149 Billion and importing goods worth TZS 116 Billion from Zambia. This facility will eradicate barriers to trade and will further promote not only trade between our two countries but also intra-Africa trade.

All inbound visitors to Zambia need a passport valid for six months and a temporary visitor's visa issued at the border valid for three months after which a six month visa is issued thereafter. South African citizens do not require visas for a stay of up to 30 days. Visitors travelling with vehicles need to pay for temporary road permit fees, road user charge, third party Insurance, Carbon pollution tax and the driver should have White and Red Reflective Tape and a fire extinguisher. All payments are made by cheques or cash (accepted if the charges are less than Zambian Kwacha ZMK 5000).

Nakonde and Tunduma operates on different time zones. Tanzania is an hour behind Zambia. Tunduma times are 07h00-19h00 from May 2016. Travellers crossing into Tanzania from Zambia have several options to do so, either by bus, car, or train. The train from Zambia to Tanzania runs twice weekly from Kapiri Mposhoi to Dar-es-Salaam. The trip costs approximately US \$31-26 and the journey can take between 43-59 hours.

## **9.5. Tanzania and Mozambique**

### **9.5.1. Matchedje Border Post Crossing**

The border post between Mozambique and Tanzania cross the Rio Rovuma river in the Niassa province of Mozambique. This border is in a very remote location with a narrow bridge crossing the Rovuma River into Mozambique. Although recommendations are that travellers must choose to enter Mozambique through this border from Tanzania (as opposed to Namoto-Kilambo Ferry and Negomano / Mtambaswala / Unity Bridge borders) it is known as a "hotspot" for ruby smuggling. The border opens between 06h00-18h00 (GMT+2) Time Guideline.

### **9.5.2. Namoto - Kilambo Ferry border post**

The Namoto - Kilambo Ferry border is located 40km from Mtwara Tanzania crossing the Ruvuma River mouth into Mozambique. The relatively new barge-like ferry can transport approximately six 4x4 vehicles or eight smaller vehicles across the river. Departure times depend entirely on the tide (water must be at least three meters deep) and will vary from day to day. Crossing through the Matchedje Border post which is 130km south of Songea (Tanzania) or through Malawi via the Songwe Border post is highly advised.

### **9.5.3. Negomano / Mtambaswala (Unity Bridge) border post crossing**

Negomano/Mtambaswala (Unity Bridge) Border Control is a border control post between Mozambique and Tanzania. Negomano is on the Mozambican side and approximately 9km, from the Negomano town. Permits are required to reach the border as the road is through a restricted Niassa Hunting Block hence there are police check points along the route.

The border is at the confluence of the Ruvuma River and the Lugenda River and falls. The border crossing to Tanzania is through unity bridge, with 5km of tarred road towards the border. Negamono is situated within Cabo Delgado province of Mozambique. All travellers into Mozambique need to have Valid passport (US\$80/ZAR570) and a visa for all countries except South Africa, Malawi and Mauritius arrange beforehand as visas are not issued at this border post. Travellers travelling with own vehicles require a valid driver's license, valid vehicle documents, third party Insurance (ZAR150 per vehicle, ZAR80 for trailer), and temporary import permit (ZAR15) for the vehicle.

## **9.6. Tanzania and Rwanda**

### **9.6.1. Rusumo border post**

The Rusumo border post is located on the Central Corridor (total length of 1,463 km), which extends from the port of Dar-es-Salaam in Tanzania to the Rwandan capital of Kigali, connecting the Congo Basin with the Tanzanian coast, and is important not only for Rwanda and Tanzania, but also for the DRC, Burundi and other neighbouring countries. The Central Corridor is an economic corridor within the East African Community (EAC) region, it is a key logistics link for the inland countries of East Africa which rivals to the Northern Corridor connecting Kenya–Uganda–Rwanda. And it is an important alternative logistics route to the Northern Corridor, particularly for the landlocked Rwanda.

Since April 2016, the Rwandan and Tanzanian side of Rusumo border has become a One Stop Border Post (OSBP), operating from the same building. Rusumo OSBP recorded a traffic volume of 55,884 trucks in 2016/2017, an average of 155 trucks per day. While the clearance has reduced from four days before the one-stop border post started to operate to between half an hour to two hours in 2016/2017. As for human traffic, about 280,000 people exited Rwanda using the Rusumo border for the whole of 2018, according to figures from the Rwanda Directorate General of Immigration and Emigration. Rusumo is the Rwanda's busiest border and in general, about 95% of Rwanda's imports pass through Rusumo border, ferried from Dar-es-Salaam port.

## **9.7. Tanzania and DRC**

There is no land border between Tanzania and the DRC. The only option to go directly from DRC to Tanzania is to cross Lake Tanganyika. There is a port of Kalemie where passengers traverse the lake with a cargo boat to Kigoma.

## **9.8. Tanzania and Malawi**

### **7.8.1. Kasumulu, Tanzania | Songwe, Malawi**

The border posts of Kasumulu in Tanzania and Songwe in northern Malawi is only land crossing from Tanzania to Malawi is at the Songwe River Bridge at Kasmulu, southeast of Mbeya. The Kasumulu / Songwe border between Tanzania and Malawi still operates as a traditional two-way border post. Separate feasibility studies have been initiated for converting this border into an OSBP. Tanzania and Malawi conducted feasibility studies of the OSBP independently. The only crossing is at Kasumulu (Songwe River Bridge, 7am to 7pm Tanzanian time, 6am to 6pm Malawi time), southeast of Mbeya (Tanzania).

#### **9.8.1.1. Imports into Tanzania arriving from Malawi**

All imports into Tanzania, except small cross border traders/ visitors/tourists, require a PreArrival Declaration (PAD). The PAD is issued by the Tanzania Revenue Authority (TRA) Central Data Processing Office in Dar-es-Salaam. Before goods arrive, the importer sends the clearing agent scanned copies of goods documents that give the description of the goods, quantities, origin and value for declaration. Upon receiving the documents, the clearing agent submits an electronic application with the scanned documents to TRA in Dar-es-Salaam.

TRA in response sends the clearing agent a Pre-PAD which gives the valuation opinion. If the clearing agent agrees with the valuation, he signs the Pre-PAD and sends it back to TRA in Dar-es-Salaam. The Central Office then issues an A-PAD (Assessed Pre Arrival Declaration). The clearing agent can pay duties on the basis of the A-PAD before the goods arrive.

When the truck arrives at the border and once cleared at Songwe, the following process follows:

- MRA brings a compiled manual escort sheet of goods cleared in Songwe and the supporting goods documents to TRA reception because the two borders are not linked electronically;
- TRA receives the escort sheet, acknowledges receipt by stamping the sheet and its copies, the original escort sheet is returned to MRA and a copy of the escort sheet is kept;
- CFA collects the goods documents on behalf of the importer from TRA reception to prepare a declaration;
- If the goods are restricted, that is they require an import permit or license, CFA takes the declaration to the relevant border agency for endorsement before submitting to Customs;
- Once endorsed, CFA makes electronic filing into ASYCUDA, and after filing, brings the documents (originals and photocopies) in a file to the TRA front desk; For those who do not have the facility to file electronically, the CFA submits documents and the APAD to the TRA reception for ASYCUDA data capture;
- Documents are taken to ASYCUDA hall for verification; and
- Where duties were not paid in advance, CFA pays duties and taxes and processing fees by swiping a card issued for this purpose by a bank (cash is strictly prohibited).

**Note:** Duty free consignments also pay processing fees.

- A verification officer is assigned to process the declaration; If the risk is minimal, the system will automatically give a green signal, thus a release order is issued. A yellow signal requires documentary check (e.g. to special permits), and a red signal will require a physical examination. Where the physical examination reveals some irregularities, the officer issues a query for modification, e.g. uplift. If additional duty is in the range of 5 to 10%, and there is no penalty;
- Where examination results are conforming, a release order is issued; CFA collects the release order and gives it to the driver;
- If the vehicle is foreign registered, the driver pays for toll fees, insurance and a temporary importation permit; and
- Once all necessary payments are done, the driver enters Tanzania by showing his documents at the barrier gate.

#### **9.8.1.2. Exports from Tanzania**

- The exporter contacts a CFA who prepares a customs export document;
- CFA presents export documents to agencies controlling exports for their endorsement;
- Once endorsed, CFA presents documents to Front Desk of TRA; and
- TRA Officer takes document to Customs Service Center where the supervisor assigns an officer to conduct a risk assessment.

**Note:** Most exports are green lane with a few requiring documentary check, or a check for special permits. When satisfied that the documents are in order, they are signed and returned to reception for collection by CFA. There are no fees charged for export, not even processing fees.

#### **9.8.1.3. Goods Transiting Tanzania into Malawi**

- The driver submits documents (T1 and movement sheet) to entry gate for recording;
- Documents are forwarded to the Customs and Services Center to check for conformity of all documents;
- When satisfied the documents are in order, they are signed and returned to reception;

- The officer at reception signs the documents to acknowledge receipt;
- The officer conducts a physical inspection to check if the seal is intact;
- If conforming, the truck is allowed to proceed; and
- TRA records the consignment on the escort sheet for delivery to MRA.

#### **9.8.1.4. Goods Transiting Tanzania from Malawi**

- MRA brings an escort sheet and all necessary documents of consignments cleared in Songwe to TRA reception;
- TRA receives the escort sheet, acknowledges receipt by stamping the sheet and its copies;
- TRA gives the original escort sheet to MRA and keeps copy;
- CFA collects the documents on behalf of the importer from TRA reception and lodges a transit declaration;
- After lodging, CFA brings the documents (originals and photocopies) in a file to the TRA front desk;
- Documents are taken to ASYCUDA hall for risk assessment;
- All transit consignments are red and selected for a physical examination to verify that the goods in the truck are as noted on the declaration;
- If examination results are satisfactory, MRA officer generates a bond and issues a T1 form; and
- If a foreign registered vehicle, the driver pays for toll fees, insurance and TIP, and is allowed into Tanzania.

## **10. CHALLENGES AND OPPORTUNITIES IN TANZANIA**

### **10.1. Challenges**

Tanzania has undergone impressive political and economic developments and improvements in social welfare in recent years. However, the country continues to face considerable development challenges in essential areas such as economic distribution and population growth. Additionally, Tanzania is facing many challenges that must be overcome to establish the fundamentals for successful regional integration. These challenges comprise:

- Infrastructure development in terms of (transport, energy, information and communication Technology, shared waters);
- The reduction of non-tariff barriers;
- Economic diversification and the development of productive capacities;
- The response to climate change, the rational management of natural resources, and protection of the environment;
- The operationalisation and harmonisation of the RECs free trade areas;
- Human and institutional capacity building at the regional level;
- Improvement of the business climate;
- The mobilisation of domestic resources and stronger public-private partnerships;
- Youth employability; and
- The leadership and involvement of senior authorities in implementing harmonized regional instruments.

## 10.2. Opportunities

Tanzania's political stability and interesting economic growth are far from being the country's only strengths.

- The country is strategically positioned as a gateway to six landlocked countries. Its 56,3 million people belong to the East African Community Common Market and the SADC Free Trade Area, expanding its consumer market to over 300 million people.
- Tanzania has potential to become the most economically successful country in Africa and this is undoubtable. Tanzania is eligible for preferential treatment under the European Union's Everything But Arms (EBA) initiative and also has access to the US market under the terms of the African Growth and Opportunity Act (AGOA);
- Access to Tanzania is facilitated by the three major ports located along the Indian Ocean coast, through Dar-es-Salaam, Tanga and Mtwara as well as international airports at Dar-es-Salaam and Kilimanjaro. In addition, there are freshwater inland ports at strategic locations on Lakes Victoria, Tanganyika and Nyasa; and
- Tanzania provides access to the landlocked countries of Burundi, the Democratic Republic of the Congo, Malawi, Rwanda, Uganda and Zambia; and
- Tanzania is strategically located to service most of its landlocked neighbours and offers many investment opportunities targeting the neighbouring States of Burundi, the Democratic Republic of the Congo and Rwanda. A number of opportunities in service sectors such as tourism, communication, education and health remain untapped.

### 10.2.1 Energy and Power generation

At present in Tanzania, 21% of the population with about 7.4 percent in the rural areas has access to electricity. Tanzania is endowed with diverse energy sources, including biomass, natural gas, hydro, coal, geothermal, solar and wind power and uranium, much of which is untapped. Commercial energy sources, i.e. petroleum and electricity, account for about 8% and 1.2%, respectively, of the primary energy used. Coal, solar and wind account for less than 1%.

The Tanzania power sector is dominated by a single vertically integrated national utility, Tanzania Electricity Supply Company Ltd (TANESCO). The total plant generation capacity of public and private power plants is 1,438.24 MW. There are many investment opportunities in this sector, including:

- Generation, transportation and distribution of energy from various sources;
- Power infrastructure development, rehabilitation and expansion;
- Extraction of biofuels – ethanol from sugar; biodiesel from palm oil and jatropha;
- Construction of a petroleum pipeline and petroleum products offloading terminals, development of upcountry storage and distribution facilities;
- Geothermal exploration and development;
- Rural electrification;
- Development of new and renewable energy resources; and
- Promotion of energy efficiency and conservation initiatives.

### 10.2.2 Infrastructure and Transportation

Improving the transportation infrastructure is a key priority for the government of Tanzania. Developing the nation's roads, ports, railways and airport infrastructure is critical to the country improving its internal and external trade and commercial activities. The sector's further development

includes improvements in the energy sector as Tanzania strives to become a middle-income country:

- Infrastructure projects provide exciting opportunities for investors looking to capitalise on Tanzania's fast growing economy;
- Large road construction works as well as PPP opportunities in airport, rail and port projects;
- Huge untapped opportunities in the power generation sector, utilizing the country's abundant energy resources such as natural gas, coal, uranium and renewable resources; and
- Opportunities in the development of inland container depots and extended railway lines.

### **10.2.3 Mining**

Tanzania has a wide variety of minerals, including diamonds, gold, base metals, gemstones and industrial minerals. It is the continent's third largest gold producer after South Africa and Ghana. The mining sector has grown very rapidly in recent years. In 2017 alone, it grew by 8.5 percent, exporting minerals such as gold, Tanzanite gemstones to other geographic regions. Investment opportunities include:

- Processing of precious metals and gemstones;
- Establishing a caustic soda refinery plant in Engaruka;
- Production of iron ore and steel in Liganga;
- Processing of nickel in Kabanga;
- Extracting Uranium in Mkuju; and
- Investment in minerals smelters.

### **10.2.4 Human Settlement**

The majority of households in Tanzania do not have access to formal finance. Rather, they depend a great deal on their own savings and informal financial sources to pay for the land, building materials and labour needed for construction. As a result, most people build their houses incrementally over many years as resources become available.

Tanzania's rapidly growing population, coupled with relatively high economic growth, presents an excellent opportunity for both investors and other stakeholders investing in housing. These opportunities can be reflected in the various housing projects that are undertaken by institutions such as the National Housing Corporation (NHC) and Watumishi Housing Company (WHC). But a significant housing deficit still exists.

Investors may form a synergy with the NHC or the Tanzania Building Agency (TBA), or other private firms and provide commercial building solutions for residential and commercial purposes.

### **10.2.5 Logistics and Warehousing**

Warehouses tend to be one of the most ignored elements of infrastructure and logistics, but they are a fundamental part of the supply chain, critical for economic development and growth. High-quality warehousing is not only needed for storage and distribution, but also for the packing, processing, assembling and light manufacturing of goods, the foundations of any economy (World Economic Forum, 2019).

Tanzania's roads and railways are not the best in the region, but the government is making an active effort to change that with the support of development finance institutions (DFIs). The African Development Bank (AfDB) recently approved a \$232.5 million loan for a Tanzania-Kenya road project. Roads and railways are the key to improving distribution and life in Tanzania and to



broadening regional integration because most east African governments cannot afford it without DFI money.

The growing improvement in roads and railways across East Africa opens opportunities for logistics in a country where urbanisation stands at about 30 percent, and many farms operate at a significant distance from the ports in Dar-es-Salaam. Fuel and electricity prices have undermined logistics and warehousing generally in Africa, but the changing dynamics around these two factors in Tanzania in the near future should boost returns. Prices for both fuel and electricity should slowly starting decreasing with new investments in each sector. As they drop, manufacturing and industrials will grow, giving way to a demand for logistics and warehousing for a multitude of sectors.

#### **10.2.6 Information and Communications Technology**

The potential in telecom and ICT in Tanzania remains largely untapped. But the potential is too great to ignore and movement in the sector has already showed that the country is on the right track. The government has poured large amounts of capital and energy into the National Fiber Optic Cable network known as the National ICT Backbone (NICTBB). Following its connection to submarine fiber optic cable operators EASSy and SEACOM, bandwidth costs dropped more than 80 percent.

The expansion and upgrade of towers in Tanzania boost mobile usage and leads to a drop in prices. Some experts estimate that mobile usage could match Kenya in the next five to seven years. But even with a growth in usage, there is more to be done to ensure that it adds the highest value to the economy. Mobile banking, for example, has not reached anywhere near its full potential in the Tanzanian market. The country is still very much unbanked with less than 20 percent having a formal bank account. Kenya's ICT darling M-Pesa has more than 40,000 agents across Tanzania, a clear message about the growing opportunity in the country. More can be done, particularly with the development of local companies as well as with the expansion of other African companies into the country. There are enormous opportunities in the services sector, particularly ICT. The market has changed rapidly over the last ten years and has increased number of subscribers, the variety of services offered, and has seen the coverage area expand:

- Provision of mobile services especially in the rural areas as penetration is higher in urban areas;
- Provision and operation of value added network/data services (internet, voice mail, electronic mail services);
- Repair and maintenance of telecommunications facilities; and
- Huge potential in financial services which include establishment of financial institutions, microfinance banks, investment banks, agricultural banks and commercial banks.

#### **10.2.7 Agriculture and Agribusiness**

Tanzania's commercial-scale farming cannot keep up with growing demand. Tanzania is blessed with diverse climate zones, fertile land, and water to support its agriculture. There are over 44 million hectares of arable land available in Tanzania, with 29.4 million ha suitable for irrigation. Agriculture has a huge role to play in the country's industrialisation, offering the possibility of providing markets for industrial products and raw materials for industries. Investment opportunities in agriculture include:

- Undertaking in large-scale commercial farming of crops such as sugarcane, rice, wheat, coffee, tea, sunflower, pulses, floriculture, cotton, sisal, grape, simsim and maize;

- Huge potential for sugarcane farming and sugar production. Sugarcane farming and sugar production are supported by vast water sources, good climate conditions and huge market potential;
- Huge potential in investment in agro-industries and agro-processing;
- Development of outgrowers to complement the sources of raw materials for the industries as appropriate; and
- Expansion and improvement of irrigation systems; improvement of R&D in crops cultivation

### **10.2.8 Tourism and Leisure**

Tanzania's tourism industry is the fast-growing sector that offers plenty of investment opportunities. Here are some of the opportunities waiting to be seized by entrepreneurs:

- Construction of tourist hotels in towns, game parks as well as along the coast line of mainland Tanzania and the beautiful shores of the spice Island of Zanzibar;
- Establishment of leisure parks;
- Construction of golf courses;
- Investing in conference tourism facilities;
- Provision of air/ground transport;
- Tour operations and trophy hunting;
- Sea and lake cruising;
- Development of eco-tourism facilities; and
- Beach tourism, cultural and historical sites.

### **10.2.9 Aviation**

This is one of the most highly profitable business enterprises one can get into because even the government of Tanzania is ready to issue license to willing and capable investors to grow the country's aviation industry.

### **10.2.10 Human resource development**

Tanzania has many expatriates serving in a number of fields. Trade liberalization and the promulgation of the Education Policy of 1995 have attracted some private capital into education, increasing the number and quality of training institutions in the country. Total foreign ownership is allowed, as are other investment modes, including joint ventures, leases, and build-operate-transfer (BOT) schemes.

Opportunities for investing in education are wideranging, from the establishment of schools, colleges and universities to facilities such as catering, accommodation, recreation, sports, hospitals, convention centres, and technology/industrial parks.

## **11 CONCLUSION**

This report articulated information that is useful to key stakeholders in the cross-border value chain. The information is envisaged to support and enhance cross-border road transport operations, cross-border trade, trade facilitation, economic development and regional integration. Tanzania is a member of several RECs in Africa, which demonstrates the country's commitment to improving trade and integration with other African countries. As articulated, there are many opportunities that can be explored by investors, traders and transport operators in Tanzania particularly with respect to transport and logistics, tourism, mining and agriculture. There are also many initiatives the country is pursuing with the objective of improving trade with regional countries. Tanzania, like many other African countries is a signatory to the African Continental Free Trade Agreement and this is expected to create many opportunities in the cross-border industry.

## 12 CONTACT DETAILS OF RELEVANT AUTHORITIES

Table 23 below provides information of key stakeholders in the cross-border road transport environment for both South Africa and Tanzania. Should a cross-border transport operator or any other stakeholder face any challenge or need assistance when conducting cross-border business, it is recommended that they contact the stakeholders below.

**Table 23: Contact Details**

<b>Republic of South Africa</b>	
Cross-border Road Transport Agency	+27 (0)12 471 2000
Department of Agriculture	+27 (0)12 319 6000
Department of Home Affairs	+27 (0)13 793 7311
South African National Road Agency Limited	+27 (0)12 844 8000
South African Police Services	+27 (0)12 393 1000
South African Revenue Services	0800 00 7277
Road Accident Fund	+27 (0)12 429 5000
<b>Tanzania</b>	
National Bureau of Statistics Statistician General	P.O. Box 2683, DODOMA. Tel: +255 26 2963822 Fax: +255 26 2963828 Email: dg@nbs.go.tz
Tanzania Roads Authority	Dar-es-Salaam, Tanzania Tel: +255 22 292 6001
Ministry of East African Community, Labour and Social Protection - State Department of East African Community Integration, Kenya:	+254 20 2245741 / 2211614
Ministry of Foreign Affairs and East African Cooperation, Tanzania:	+255 26 2323208
East African Community EAC Secretariat	Afrika Mashariki Road P.O. Box 1096 Arusha United Republic of Tanzania Tel: +255 (0)27 216 2100 Fax: +255 (0)27 216 2190 Email: eac@eachq.org
Secretariat of the Dar-es-Salaam Corridor Committee,	7th Floor IT Plaza, P. O. Box 12569,

Executive Director	Dar-es-Salaam, Tanzania Tel: +255 784 333 802
Surface and Marine Transport Regulatory Authority (SUMATRA)	P.O. box 3093, Dar-es-Salaam, Tanzania Tel: +255 22 219 7500
Trade Mark, East Africa	2nd Floor, Fidelity Insurance Centre Waiyaki Way, Westlands +254 20 423 5000, +254 724 315 425, +254 737 423 500 info@trademarkea.com
Tanzania Ports Authority Headquarters	28 Edward Sokoine Drive, 11105 Mchafukoge, Ilala CBD, P.O.Box 11491, Dar-es-Salaam, Tanzania Tel:+255 22 2119591-4
Tanzania Investment Centre (TIC) Executive Director	P.O. Box 938 Dar-es-Salaam Tel: +255 22 2116328-32 Fax: +255 22 2118253 Email: information@tic.co.tz Website: www.tic.co.tz

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