

TANZANIA

TANZANIA CASTS BEYOND MIDDLE-INCOME STATUS



2019-2020 BUDGET
US\$8.3 MILLION



SUPPORTED PROJECT
25



DONORS
•UKaid •Irish Aid •NORWAY



MISSION
**GROWING PROSPERITY
THROUGH TRADE**

FEATURED PROJECTS



SESAME FARMERS GAIN FROM ONLINE TRADING SYSTEM



SWIFT BETTERS AGRICULTURE SECTOR



TANZANIA CASTS BEYOND MIDDLE-INCOME STATUS

Tanzania's economic growth continued to perform well in 2019, mainly attributed to a stable political environment, exportation of natural resources, and growth of services sector, notably, tourism, construction, transportation and telecommunication. According to the Tanzania Bureau of Statistics (TBS), Tanzania's GDP grew by about 6.3% from 2014, and peaking at 7% in 2019. Tanzania remains one of the fastest growing economies in the world. In July 2020, owing to its good economic and social performance, the World Bank graduated the country from low income to lower middle-income status.

TMEA continues to provide technical support to promote Tanzania's trade by reducing trade barriers and improving business competitiveness. To achieve this, the programme supports sustainable and efficient infrastructure; improved trading and sanitary and phytosanitary standards; enhanced trade systems and procedures; improved trade regulatory environment; increased trade capacity of Tanzanian businesses; and inclusive trading, which incorporates gender, climate change and safe guarding across all programmes. Aligned to Tanzania's Development Vision

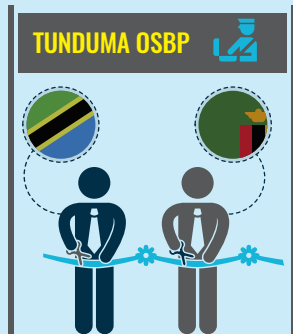
2025, in the FY 2019-2020, TMEA supported automation of key trade processes, and upgrading of Dar Port and the Tunduma One Stop Border Post (OSBP). This contributed to increased export growth, and reduced transit time and cost along the Central and Dar Corridors.

Advocacy was enhanced for reduction of entry visa charges for drivers, acceleration of the rehabilitation of Nyakazi-Rusumo road, and implementation of 24-hour operations at Kabanga OSBP. In partnership with Tanzania Women Chamber of Commerce (TWCC), and Tanzania Private Sector Foundation (TPSF), the programme continued to support women traders to participate in local and regional trade.

John Ulanga,
Country Director

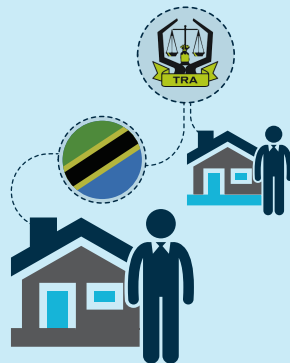


OTHER PROJECTS SUPPORTED IN THE YEAR



Tunduma OSBP was completed and officially inaugurated on 5th October 2019, by Presidents of Tanzania and Zambia, H.E Dr. John Magufuli and H.E Edgar Lungu, respectively. This was followed by a sensitisation workshop for key stakeholders and main users of the border post, and development of a charter for cross-border trade.

Staff houses at Kabanga and Mutukula OSBPs were officially handed over to Tanzania Revenue Authority (TRA) and a change management plan implemented to operationalise 24-hour services. Operationalisation of Sirari and Horohoro border posts continued.



Automation of trade processes at Tanzania Mercantile Exchange (TMX), Departments of Livestock and Fisheries, and the Tanzania Medicines and Medical Devices Authority (TMDA) were completed.

Developing Tanzania Bureau of Standards (TBS) National Quality Policy and its framework; accreditation of four laboratories by purchasing equipment; developing an Integrated Standards, Quality, Metrology and Testing (ISQMT) Platform, and an e-learning platform for micro, small and medium enterprises were achieved.



Reviews of the National Trade Policy (2003) and the National Investment Promotion Policy (1999) were completed, as development of the National Export Strategy, and the National NTBs Elimination Strategy started.



Capacity development for private sector industry bodies including Confederation of Tanzania Industries and Tanzania Private Sector Foundation (TPSF) commenced to improve their effectiveness in service provision and advocacy.

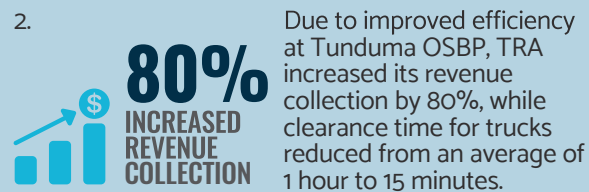


The National Freight and Logistics Platform (NFLP) achieved a VAT exemption policy on imported cargo that overstays at the Dar Port, as well as developing and launching an online information platform and marketplace for freight and logistics.

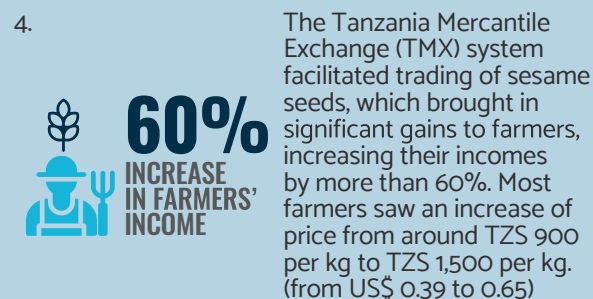


PROGRESS TOWARDS RESULTS

1. Improved efficiency at the Tunduma, Kabanga and Mutukula OSBPs was reported, signalling reduction in border crossing time and costs for traders.



3. All government agencies that automated their trade procedures through the Agriculture Trade Management Information System recorded revenue increment (at least 20% across all the boards in the ministry), and cost and time reduction in the acquisition of different trade permits.



5.



Upgrade of TMDA system to allow online registration of medicines and medical devices reduced registration time from three days to less than a day.

6.



4 DAYS TO 3 DAYS

Improving TBS's systems (ISQMT) reduced certificate of conformity issuance time to three days from four days.

7. Between March and June 2020 amidst the COVID-19 pandemic, coordination by Tanzania Horticultural Association (TAHA (implementing partners of the Export Capability Project) enabled the private sector to sustain flower and food export to the European market hence positively impacting the sector.

8. TPSF led advocacy work informed the government to review and abolish occupational safety and health authority registration fees; Sugar Board charges on sugar importation; revision of fishery sector rules on exportation of fish and fishing licenses, and exemption of VAT on transit goods that have overstayed before transport.



FEATURED PROJECT 1 TANZANIA MERCANTILE EXCHANGE (TMX) SWIFT

PERIOD OF IMPLEMENTATION
2019 - 2022

BUDGET
US\$1.15 MILLION

PURPOSE
REDUCE BARRIERS TO TRADE

DONORS
•Irish Aid •UKaid •NORWAY



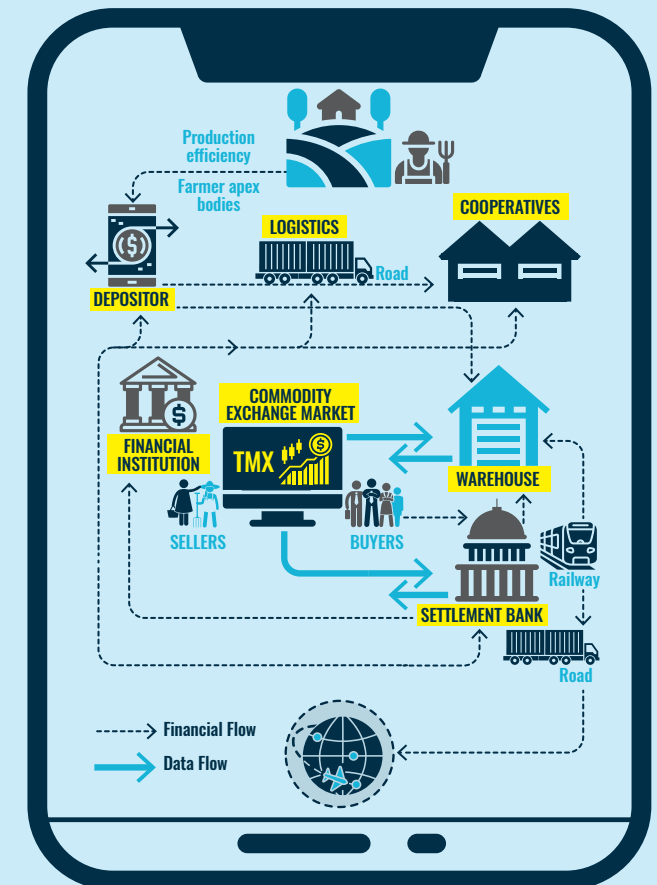
SESAME FARMERS GAIN FROM ONLINE TRADING SYSTEM

Agriculture remains the mainstay of Tanzania's economy. It not only contributes a significant share to GDP, but also accounts for the largest share of rural (mostly farmers') income. These incomes and other gains from farming are however unevenly distributed among farmers due to exploitation by middlemen.

Having recognised these inefficiencies in Tanzania's commodity trading system, TMEA partnered with Tanzania Mercantile Exchange (TMX) to implement an online trading system that enhances efficiency and effectiveness, and allows equitable distribution of gains among stakeholders in the value chain. The system offers a secure and reliable end-to-end system for matching offers and bids for commodity transactions; provides risk-free and efficient payment and goods delivery, and; creates trust and transparency through aggressive market data dissemination to all market actors.

The system positively impacted farmers incomes, agricultural exports, and revenue collection in the FY 2019-2020, amidst the

COVID-19 outbreak. Sesame, one of Tanzania's key export, was traded through the system, and saw an increase in sesame price by 60% (from TZS 900 per kg to TZS 1,500 per kg) with most of the gains in price increase going to farmers. The prices rose to as high as TZS 2,420 per kg (US\$1.4). There is growing need to trade other crops such as the planned cashew nuts, through the system.



FEATURED PROJECT 2 MINISTRY OF AGRICULTURE SWIFT (PHASE II)

PERIOD OF IMPLEMENTATION
2017 - 2021

BUDGET
US\$149,000

PURPOSE
REDUCE BARRIERS TO TRADE

DONORS
•Irish Aid •UKaid •NORWAY



SWIFT BETTERS AGRICULTURE SECTOR

The Tanzania Ministry of Agriculture launched, in August 2019, the Single Window Information for Trade (SWIFT) to eradicate high trading costs and cumbersome trade procedures that erode agricultural gains to farmers. Export and import traders can now submit all regulatory documents at a single point, hence reducing costs and time, and significantly improving trade in agricultural products. An increase in the number of traders served, and a reduction in processing and travel costs increased volumes exported and revenue collected by the government.

Automation of processes brought in multiple gains and savings for traders and the government. It contributed to export growth, and improved revenue collection in some agricultural sub-sectors. For instance, with the system in place, Plant Health Services (PHS) - phytosanitary certification increased its monthly collection from TZS173 Million (US\$74,609) to TZS282 Million (US\$ 337,214), and its daily certificate issuance from 35 to 73. Tropical Pesticides Research Institute (TPRI's) annual revenue increased from 1.5% to 13.78%. Various sub-sectors noted increased performance as follows: pyrethrum (75% time and 71% cost reduction), tobacco (86% time and 92% cost reduction), TPRI processes (86% time and 96% cost reduction), tea (98% time and 8% cost reduction), PHS (93% time and 67% cost reduction).





BENEFICIARY QUOTE

“We serve some traders who deal with extremely perishable goods, such as fresh flowers. Any delays can be extremely costly to their businesses, hence it is vital to help them enjoy a level of certainty and confidence in the process of exporting their products”

Mr. Mdili Katemani,

Senior Agricultural Officer
at Plant Health Services,
Ministry of Agriculture.

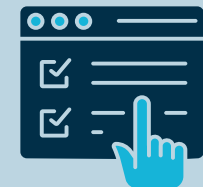
He is responsible for
processing plant export
permits.



CHALLENGES AND LESSONS LEARNT



1. COVID-19 exposed the need for robust risk management assessment tool to anticipate wider issues including health hazards and catastrophes.



2. COVID-19 further signalled the need to improve online and digital trading systems by automating trading processes in various sectors.

COUNTRY CONTACTS

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