



The United Republic of Tanzania
Ministry of Industry and Trade



NATIONAL TRADE POLICY 2003 (Edition 2023)

Trade Competitiveness for Accelerating
Industrial-led Social-Economic Transformation

Dodoma
October 2023

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ACRONYMS

AfCFTA	African Continental Free Trade Area
AGOA	African Growth and Opportunity Act
ASDP	Agricultural Sector Development Programme
AIDS	Acquired Immune Deficiency Syndrome
BDS	Business Development Services
BEST	Business Environment Strengthening in Tanzania
COMESA	Common Market for Eastern and Southern Africa
CSOs	Civil Society Organizations
EAC	East African Community
EBA	Everything But Arms
EMA	Environmental Management Act
EPZA	Export Processing Zones Authority
EU	European Union
FCC	Fair Competition Commission
FCT	Fair Competition Tribunal
FDI	Foreign Direct Investment
FTA	Free Trade Area
GATS	General Agreement on Trade in Services
GATT	General Agreement on Tariff and Trade
GDP	Gross Domestic Product
GePG	Government Electronic Payment Gateway
GSP	Generalized System of Preferences



HIV	Human Immune deficiency Virus
ICT	Information and Communication Technology
IORA	Indian Ocean Rim Association
LDCs	Least Developed Countries
LGAs	Local Government Authorities
LTPP	Long-Term Perspective Plan
MDAs	Ministries, Departments and Agencies
MIT	Ministry of Industry and Trade
MIVARF	Marketing Infrastructure, Value Addition and Rural Finance Programme
MSMEs	Micro Small and Medium Enterprises
NCAC	National Consumer Advocacy Council (NCAC)
NEPAD	New Partnership for Africa's Development
NGO	Non-Governmental Organization
NMC	National Monitoring Committee on Elimination of NTBs
NTBs	Non-Tariff Barriers
OACPs	Organization of African Caribbean and Pacific States
ORS	Online Registration System
OSBPs	One-Stop Border Posts
RECs	Regional Economic Communities
R & D	Research and Development
SADC	Southern Africa Development Community
SDGs	Sustainable Development Goals
SIDO	Small Industry and Development Organization
SMEs	Small and Medium Enterprises

SMS	Short Message Service
TANTRADE	Tanzania Trade Development Authority
TBT	Technical Barriers to Trade
TDV	Tanzania Development Vision
TFA	Trade Facilitation Agreement
TFTA	Tripartite Free Trade Area
TMA	TradeMark Africa
UNCTAD	United Nations Conference on Trade and Development
USD	United States Dollar
VAT	Value Added Tax
WTO	World Trade Organization
ZDV	Zanzibar Development Vision



DEFINITION OF KEY TERMS

Customs Union	A group of countries that adopt a free trade regime among themselves, and also agree to levy the same tariff rate on each product imported from outside the group. It is therefore a free trade agreement plus a common external tariff.
Free Trade Area (FTA)	A group of countries that adopt free trade (with low or zero tariffs and no other policy restrictions) among themselves, while not necessarily changing the trade criteria that each member country has with other countries outside the group.
Intellectual Property (IP)	Refers to products of the intellect (i.e., the mind) including inventions, works of art, music, trademarks, symbols, patents, designs and writing.
Stakeholders	Any person or group of people who have an interest in trade, including the private sector and development partners.
Non-Tariff Measures (NTMs)	They refer to market access requirements and procedures that countries apply to products that are imported or exported. They can include, for example, health regulations on food quality; rules about packaging; and minimum safety standards for manufactured products.
Trade Facilitation	The simplification and harmonization of international trade procedures, including activities, practices, and formalities involved in collecting, presenting, communicating, and processing data necessary for the clearance and movement of goods in international trade.
Trade Liberalization	Refers to the gradual or complete removal of existing impediments (tariffs and non-tariff measures) to trade in goods and services.

Multilateral Trade	Trade beyond the regional trade dimension. It follows the approach to conduct trade based on cooperation, equal rights and obligations, non-discrimination and the participation as equals of many countries regardless of their size, or share of international trade (multilateralism). Multilateralism is the basis of the rules and principles embodied under the World Trade Organization (WTO).
Everything-But Arms	Trade preference given by the EU which allows LDCs to sell all products in EU Markets without duty and quotas except Arms.
Non-Tariff Barrier (NTB)	This is a phrase that describes government measures other than tariffs, such as quantitative restrictions and import licensing that restrict trade flows.
Business Environment	Refers to external forces, factors and institutions that are beyond the control of the business but influence the functioning of a business enterprise.
Foreign Direct Investment (FDI)	Investment made by a firm or individual from another country into business interests located in another country. Normally, FDI takes place when an investor establishes foreign business operations or acquires foreign business assets, including establishing ownership or controlling interest in a foreign company. An investment made by a firm or individual from one country into business interests located in another country. FDI takes place when an investor establishes foreign business operations or acquires foreign business assets, including establishing ownership or controlling interest in a foreign company.
Gross Domestic Product (GDP)	The sum of value added of all domestic producers in an economy. It represents the money value of all final goods and services produced within a country out of economic activity during a specified period, usually a year, before the provision for the consumption of fixed capital.
Value Chain	All activities involved in ensuring that products are produced and ready for use by final consumers. These activities include production, processing, transportation, storage and distribution.



FOREWORD



The National Trade Policy 2023 focuses on a longer time horizon and has features to accommodate new emerging opportunities. One of the factors that dictate a long horizon is the trade-related commitments that the country has entered into in regional and international arenas, spanning more than a decade.

The National Trade Policy 2023, which builds on the National Trade Policy of 2003, is vehicle for accelerating the socio-economic transformation envisaged in Tanzania Development Vision 2025, and the Third Five Year Development Plan (2021/22-2025/26) that sets to realizing competitiveness-led export growth. To this end, the Policy addresses the trade constraints to sustainable trade growth to ensure a sustained increase in trade in Tanzania's economy. Greater emphasis has been placed on Policy Coherence, Institutional, Legal and Regulatory Framework; Domestic Trade Development; Trade Integration and Value Chain/ Addition; Global Trade Shocks, Tensions and Disputes; Marketing Infrastructure; Trade Policy Instruments; Trade ni Services; Trade Facilitation; E-commerce and Private Sector Engagement.



The National Trade Policy 2023 is a product of an inclusive process that reviewed the implementation of the predecessor National Trade Policy of 2003. Among the compelling reasons for the review are the profound changes in trade architecture at national, regional and international levels. The review resulted in the preparation of the Background Paper, which forms the basis of this Policy.

The guiding principles for the implementation of this Policy are compatibility with the major national development policies, strategies and goals that are set to support an enabling environment for promoting trade and investment; fostering stakeholders' participation; advancing complementarity with all relevant sectors; improving co-ordination of institutions responsible for trade and adhering to good governance. This Policy is issued together with its Implementation Strategy and two other key derivatives, namely, the Monitoring and Evaluation Framework and Communication Strategy.

The successful implementation of this Policy requires the cooperation of all relevant public and private sector stakeholders; mainstreaming trade; and effective resource mobilization.

It is my strong conviction that effective engagement and stakeholder inclusiveness will be a centrepiece in achieving objectives enshrined in the National Trade Policy 2023 and thus contributing to sustainable development.



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MINISTER FOR INDUSTRY AND TRADE



CHAPTER ONE

INTRODUCTION

1.1 Background

The United Republic of Tanzania is determined to achieve socio-economic transformation and inclusive development driven by the private sector which in turn, will lead to poverty reduction and sustainable development. The aspirations for socio-economic transformation and realisation of national development priorities and opportunities including achieving a Middle Income Country status were spelt out in Tanzania Development Vision 2025 (TDV 2025); Long Term Perspective Plan (LTPP); Zanzibar Development Vision 2050 (ZDV 2050); Medium Term frameworks, Five Year Development Plans for Tanzania Mainland and Zanzibar which among others, provide analysis on the contribution of trade to economic growth and have set the targets for this sector over the horizon of the TDV 2025 and ZDV 2050. Trade is explicitly stated as a priority sector because of its potential contribution to sustained high economic growth, employment creation and ultimate poverty reduction.

The Trade Policy currently under review was formulated in the year 2003 with a theme centred on ‘competitiveness and export-led growth.’ Its primary focus was to advance economic growth, foster employment opportunities, and consequently, alleviate poverty. It was also meant to ensure equitable resource utilization that could be obtained by giving the sector its due attention. Since its adoption in 2003, significant trade dynamics and developments have taken place at national, regional and international levels. However, in its present state, the 2003 National Trade Policy fails to sufficiently address these evolving developments and emerging issues. Thus, a review of the 2003 National Trade Policy was deemed necessary, with the primary aim of enhancing performance in both domestic and external trade.

Moreover, the 2003 National Trade Policy was initially set for a five-year horizon, up to 2008. However, its implementation has continued to date. Therefore,



the 2023 National Trade Policy takes into account developments that span a longer time horizon. Domestically, the planning horizon has been extended to the long term; Regionally, the country has ratified a treaty for establishing the African Continental Free Trade Area (AfCFTA) and internationally, the country is implementing the United Nations Agenda 2030 for Sustainable Development which hinges around 17 interlinked Sustainable Development Goals (SDGs). Continued implementation of National Trade Policy 2003 in its current form will lead to low and uncoordinated growth of the domestic trade sector, marginalization in international trade and being “left behind” in the global agenda of SDGs. In addition, the country will be denied full exploitation of emerging opportunities in key areas such as Trade in Services, Intellectual Property Rights (IPRs) and Information Communication Technologies (ICT). Hence, the reforms undertaken by the Government establish the groundwork for fostering growth and competitiveness. As a result, the National Trade Policy of 2023 serves to expedite the achievement of an export-driven economy led by competitiveness, thereby fostering opportunities for trade growth.

1.2 Situation Analysis

1.2.1 Overview of the Trade Sector

In the economy, the trade sector is vital as it serves as a source of income generation, employment creation, and welfare improvement. In 2021, the trade sector contributed 8.7 per cent to the Gross Domestic Product (GDP). For the trade sector to spur growth and economic development, it requires, among others, good governance that is reflected in the availability of peace, stability and observance of human rights. This will also include the rule of law that promotes democracy, accountability, transparency and inclusiveness at all levels, both at the institutional and individual conduct. Generally, a conducive and sustainable environment in terms of policies, strategies, regulations and rules is very important for trade development. In this regard, continued policy review and legal reforms are necessary to catch up with new developments, dynamics and emerging challenges at national, regional and international levels.

1.2.2 Implementation Status of the National Trade Policy, 2003

In 2019, the Ministry of Industry and Trade commissioned the study to undertake a comprehensive assessment of the implementation of the National Trade Policy

of 2003. The assessment, among other things, identifies achievements, limitations and challenges faced during its implementation. In addition, the assessment recommends the review of the policy to adequately address developments and changes that have taken place within and outside the country.

The assessment further indicates that targets set in the National Trade Policy, 2003 were not fully attained as desired. Achievements realized during the implementation of the National Trade Policy, 2003 are: Diversification and expansion of markets through bilateral, regional and multilateral trade negotiations; Increased value of manufactured exports from USD 83.5 in 2003 to USD 1,419.2 in 2022; Establishment of Online Registration System (ORS) for business name, company, Industrial License, Mark, Patent Registration; and Establishment of Trade Information Module. Other achievements include the enactment of Acts and the establishment of institutions to oversee trade development in the country. These include the Fair Competition Act of 2003 which established the Fair Competition Commission (FCC) 2007; the Fair Competition Tribunal (FCT) 2007 and National Consumer Advocacy Council (NCAC); the Tanzania Trade Development Authority Act of 2009 which established Tanzania Trade Development Authority (TanTrade) 2010; Export Processing Zones Act of 2013 which established Export Processing Zones Authority (EPZA); Special Economic Zones Act of 2006; Business Laws (Miscellaneous Amendments) Act of 2012; and Standards Act of 2009.

According to the assessment undertaken, the low level of performance in the implementation of National Trade Policy, 2003 was due to: inadequate support to private sector development; a non-conducive regulatory framework; inadequate accommodation of emerging opportunities; low technological capabilities to support product transformation from low technology to medium-high and high technology exports; limited complementarities with other sector policies; inadequate data management systems for tracking and reporting trade data; severity of environmental quality degradation; low level of skills and low level of formalization.

Furthermore, after the adoption of the National Trade Policy in 2003, the Policy Implementation Strategy was not developed to guide the implementation of the Policy objectives and tracking performance. This led to difficulties in adequately tracing the implementation status of the Policy in terms of specific achievements



and challenges. Moreover, for implementation to take place smoothly, the roles of key actors and stakeholders must be clearly defined and coordinated. Conversely, during the implementation of the National Trade Policy of 2003, the trade regulatory framework was characterized by overlapping and sometimes conflicting mandates of some trade-related institutions. To address this situation, the Government formulated a Blueprint for Regulatory Reforms in 2018 aimed at enhancing the business environment. The Blueprint tackles various challenges in policies, laws, regulations, taxes, charges, and fees, to reduce the cost and time associated with conducting business in the country.

1.2.3 National Context

Trade performance is seen as a central and pivotal pillar in the attainment of the mission of the economic sectors towards higher productivity, diversification and international competitiveness. Tanzania's economic take-off depends on how the country makes use of opportunities presented by trade liberalization and globalization. Trade liberalization entails the gradual lifting of restrictions on trade through the reduction of tariffs and removal of Non-Tariff Barriers (NTBs). It leads to diversification and fierce competition within and outside the economy. Opportunities resulting from trade liberalization boost domestic productivity, efficiency, and quality, thereby reducing production costs and, consequently, prices. Ultimately, this leads to enhanced consumer welfare. The main challenge facing contemporary Tanzania is how to bolster both diversification and competitiveness among domestic firms and entrepreneurs, enabling them to effectively and profitably engage in regional and emerging global markets.

The country's estimated total population of about 61.7 million, with a growth rate of 3.2 per cent, creates a large consumer market with high demand for consumables. Despite the increasing demand for consumables, the economy is characterized by a narrow industrial base.

This is on account that liberalization has driven several private sector players either out of business operation or to shift towards retail trade, thus consumption requirements are supplemented by imported goods and services. The major imports include machinery and transport equipment, textile and clothing, petroleum products, electrical and construction materials, industrial raw materials, pharmaceuticals and to some extent, food items.



In terms of trading partners, over 73 per cent of Tanzania's trade is concentrated in ten countries (China, Switzerland, India, South Africa, United Emirates, Kenya, DRC, USA, Comoro and Vietnam). Approximately 39 per cent of the country's imports (including machinery, technologies, and manufactured goods) come from China and India, while around 44 per cent of exports (comprising minerals, tourism, coffee, cashew nuts, cotton, sisal, tobacco, tea, and cloves) are destined for Switzerland, India, South Africa, China, and Kenya. Over the years, Tanzania's major exports have largely been contributed by traditional cash crops. However, the share of these products in the export sector has been declining year after year due to low productivity levels, quality and limited value chain development before exports. Similarly, most of the agricultural exports have continued to be in raw form, mainly due to a weak agro-processing industrial base. Most of the privatized key agro-processing industries, such as the leather and textiles industries, have not performed as expected, resulting in continued exports of raw produce.

Lastly, capitalizing on the vast opportunities provided by trade agreements such as trade facilitation, Tanzania is strategically positioned with the presence of the ports and being surrounded by landlocked countries. Huge investments taking place in infrastructure like the standard gauge railway line and Julius Nyerere Hydropower Project add to strengthening the enabling environment for trade development and economic transformation. The policy will play a critical role in aligning infrastructure development and the industrialization process to enhance trade competitiveness

1.2.4 Regional Context

Tanzania is a member of the East Africa Community (EAC); Southern African Development Community (SADC); and the African Continental Free Trade Area (AfCFTA) and has signed the COMESA-EAC-SADC Tripartite Agreement (TFTA). Within these Regional Economic Communities (RECs), Tanzania is enjoying preferential market access through a substantial reduction of tariff and Non-Tariff Barriers (NTBs) arising from a deeper integration process. Moreover, the RECs are pivotal in establishing a strong common position when negotiating with other non-REC members on trade and trade-related matters.

At the continental level, Tanzania is one of the 54 African Union Member States that have signed the African Continental Free Trade Area (AfCFTA). Additionally, Tanzania ratified the AfCFTA agreement in September 2021.



Through AfCFTA, Africa is championing an integrated trade approach to realise the continent's development goals outlined in Agenda 2063. These efforts are informed by lessons learned from previous strategic planning initiatives at regional and sub-regional levels, such as the Lagos Plan of Action, the Abuja Treaty, and the New Partnership for Africa's Development (NEPAD). They aim to tackle new and emerging challenges on the continent over the short, medium, and long-term periods.

The Agenda 2063 outlines the vision and action plan for the future that Africa aspires to achieve. The aim is to build a more united and stronger Africa through the pursuit of a common agenda and demonstrated capacity to speak with one voice and negotiate programmes aimed at developing Africa as a continent. Other initiatives being pursued include building common infrastructure; shared programmes on industrial development; and the facilitation of movement of people across the African continent.

Notably, Africa's integration has been expanded beyond trade in goods to include trade in services, investment, intellectual property and other aspects similar to those being pursued at the multilateral level. At the sub-continental levels, countries are engaged in negotiations to harmonise programmes for regional integration to create wider markets and common programmes for the development of infrastructure and the promotion of industrial growth. RECs are the building block to Africa's integration.

These efforts arise at a time when intra-African trade is significantly low, accounting for less than 20 per cent of the continent's total trade with the rest of the world. African countries do not trade by themselves mainly due to low connectivity, high trading costs, and homogeneity of traded products with little or no value addition and the absence of regional value chain development programs. Additionally, Tanzania needs to address challenges resulting from multiple memberships such as running costs, conflicting commitments and cross-border challenges.

1.2.5 Global Context

Being a member of the World Trade Organization (WTO), Tanzania's trade interaction with the globe is guided by WTO governance and trading rules. In



the recent past, global trade has taken a new dimension with the expansion and extension of new trade issues such as intellectual property rights, investment policy, social matters, movement of capital, environmental policy and some aspects of domestic policy regulations, among others commonly referred to as WTOs Extras (WTO-X). As a result, countries globally are increasingly resorting to plurilateral and unilateral preferential trade arrangements as opposed to multilateral trading arrangements, which have no commitments and mandates on the new policy areas. Tanzania is a party to several notable unilateral preferential trade arrangements, including the Generalized System of Preferences (GSP) schemes, the African Growth and Opportunity Act (AGOA), and the Everything But Arms Initiative (EBA).

Global trade has transitioned from merchant dominance to the inclusion of services trade, driven by the rapid development and integration of telecommunication and computer technologies, which have facilitated virtual tradeability. However, the increasing growth of services trade has not been shared equally among countries, regions and economies due to their differences in services productivity and level of liberalization. A lot is desired for Tanzania to diversify her exports from goods to services, mostly from the traditional services exports to those driven by technology.

Furthermore, while merchandise trade has continued to be a key driver for global economic expansion, there is a rapid shift to integrated production with the emergence of global value chains and the quest for increased foreign direct investment. Countries are striving to be at the higher level of the value chain, which commands more trading value. Developing countries like Tanzania, which are arguably price takers in global trade, continue to be threatened by volatility in commodity prices and sharp movements in major global currencies. Besides, the ongoing efforts of substantially reducing tariffs through the commitments at the multilateral level and within the framework of Free Trade Areas (FTAs), have seen the rising application of non-tariff measures posing challenges to the global governance of trade. The Non-Tariff Measures such as standards and certification, among others, impede Tanzania's exports to various markets thus creating an increasing imbalance of trade.



CHAPTER TWO

RATIONALE, VISION, MISSION AND OBJECTIVES

2.1 Rationale for a Revised National Trade Policy

The Government of the United Republic of Tanzania has embarked on a review of National Trade Policy 2003 on account of the existence of gaps in the current trade policy framework that could not adequately address developments that had taken place within and outside the country. These developments include consolidation of existing RECs programme; Policy coherence; Emergence of new bilateral, regional, and multilateral trade platforms; Growing importance in trade in services; E-commerce; Advancement in technology and safety in trade; and Growing concerns on Climate change.

2.2 Vision and Mission

2.2.1 Vision

“To become a competitive and resilient economy, led by trade-induced industrialization for inclusive socio-economic development.”

2.2.2 Mission

“To stimulate the development and growth of domestic and external trade through enhanced competitiveness to accelerate socio-economic transformation.”

2.3 Objectives

2.3.1 Overall Objective

To spur trade through efficiency, diversification and competitiveness to accelerate the achievement of socio-economic transformation.

2.3.2 Specific Objectives

The specific objectives of the National Trade Policy 2023 include:

- i. Improve policy coherence, legal and regulatory frameworks, and institutional



- coordination;
- ii. Enhance domestic trade development;
 - iii. Strengthen trade integration and utilization of foreign market opportunities;
 - iv. Strengthen and develop economic resilient measures against impacts of global trade shocks, tensions, and disputes;
 - v. Strengthen marketing infrastructures;
 - vi. Strengthen fair trade practices and consumer protection;
 - vii. Improve performance of Trade in Services;
 - viii. Enhance trade facilitation to reduce trading costs and time;
 - ix. Strengthen e-commerce infrastructures and utilization of digital technologies;
 - x. Improve access to trade finance;
 - xi. Strengthen private sector engagement and inclusiveness in trade development; and
 - xii. Mainstream cross-cutting issues in trade.



CHAPTER THREE

POLICY ISSUES, OBJECTIVES AND STATEMENTS

3.1 Policy Coherence, Legal and Regulatory Framework, and Institutional Coordination

Appropriate Policy, Institutional coordination, and Legal and Regulatory Frameworks are essential for developing and guiding the implementation of the Trade Policy. This framework plays a critical role in establishing an enabling environment for fostering the trade sector. Institutional and legal frameworks for trade are interlinked with other sectoral legislation and policies. Legal and regulatory frameworks provide the guidance needed to achieve the policy objectives while institutional coordination provides smooth trade flow among the trading partners as well as enhancing trade competitiveness in the implementation of activities and programmes related to trade policy.

Notably, lack of good coherence in the national policies has been picked by various studies as a major hindrance to effective implementation of various government initiatives on trade development and smooth flow of trade, internally and externally. Currently, various sectors specific to trade-related Acts lack coordination, making it challenging for the Ministry responsible for Trade to effectively oversee trade matters. This situation calls for the need to have an explicit legal mandate for the Ministry responsible for Trade in overseeing and supervising trade across various sectors.

In addition, inadequate coordination among Trade and trade-related institutions leads to a fragmented institutional chain of command in managing trade and trade-related issues. The fragmentation and duplication of trade mandates breed inefficiency in trade development. To avoid duplication and conflict of roles between trade and trade-related institutions at central, local and other Government Authorities in the management of trade and Trade-related issues,



there is a need to ensure proper coordination mechanisms and mainstreaming of trade at Local Government Authorities (LGAs) and Regional Administration.

Efforts have been made by the Government to ensure the existence of enabling institutions and legal frameworks to achieve cross-sectoral coordination on issues related to trade development. Notable developments in this context include the enactment and amendment of legislation to ensure cross-sectorial coordination, as well as the development and implementation of the Blueprint for Regulatory Reforms to improve the business environment in Tanzania. This Blueprint addresses challenges in policies, laws, regulations, levies, and taxes that require reforms aimed at reducing the cost of doing business in the country. Moreover, the Government has issued guidelines on policy development that call for a broader stakeholder engagement (especially in the private sector) and thus trigger ownership.

Despite government efforts, more needs to be done to address outstanding impediments, including policy conflicts and overlaps, inadequate coordination among ministries dealing with trade-related matters, an inadequate regulatory environment, and the need for mainstreaming trade-related issues at the Regional Administration and Local Government Authorities (LGAs) levels.

Policy Objective:

To improve policy coherence, legal and regulatory framework and institutional coordination.

Policy Statements

The Government, in collaboration with stakeholders, shall:

- (i) Strengthen the mandate of the Ministry responsible for trade and trade-related matters across other sectors;
- (ii) Enhance coherence between trade and trade-related policies;
- (iii) Strengthen institutional, legal and regulatory frameworks coordination for trade; and
- (iv) Ensure trade-related issues are integrated into LGAs and regional and national development frameworks.

3.2 Domestic Trade Development

Tanzania, with its agricultural economy, predominantly channels farm produce



through established marketing infrastructure like Cooperative Unions, Marketing Boards for Commercial Produce, online platforms, and other market platforms, facilitated by middlemen and local traders. Unlike agricultural products, manufactured goods, which constitute 15 per cent of the total GDP, are primarily sourced from industries and heavily supplemented by imports via Dar es Salaam Port. These goods are then distributed upcountry to retail shops, privately owned establishments specialising in specific products, or general stores. Developing trade depends on prioritizing the implementation of measures addressing the totality of supply-side constraints. These constraints extend across the entire product value chain from production through processing and delivery to the consumer and encompass the full range of supporting services involved.

The United Republic of Tanzania borders the Indian Ocean on the East and has a long coastal line stretching from Mtwara to the Tanga Region, and thus stands a good opportunity to develop the blue economy activities in the country. The potential in the blue economy is considered enormous and would be instrumental for the creation of high-productivity jobs, improving the standard of living of the people and Government revenue at large. Presently, the blue economy activities are concentrated in fishing, maritime transport, hotels, restaurants and sea sports activities.

However, there is a lot of untapped potential in the blue economy, including opportunities for new activities and industries, as well as value addition. This encompasses the commercialisation of fisheries and aquaculture, aligning with both domestic and export market demands.

Tanzania has taken several initiatives to develop domestic trade. Such initiatives include Market promotion programmes; Formulation and Implementation of the Blueprint for Regulatory Reforms to Improve the Business Environment; Building of optic fibre cable; Buying of cargo aeroplanes; Expansion and innovation of ports; Installation of sensor weigh bridges; Establishing integrated marketing information system; Formulation of Agricultural Marketing Strategies; Establishing and scaling up of market risks management system; and Developing marketing infrastructure (e.g. market centres, warehouses, strategic markets, one-stop border posts, border markets and feeder roads).



Despite these efforts, Tanzania's domestic trade is highly characterized by a fragmented domestic market and weak industrial base. Production is disconnected from demand areas due to a lack of comprehensive trade information systems and communication networks; Inadequate road and railway networks; Inadequate market infrastructure, packaging facilities, logistics, and financial services; and Inadequate energy generation and supply. There is limited outreach of Trade and Business Support Institutions at the local level to assist product development initiatives. Market systems and structures are undeveloped and fragmented, which limits producers and farmers to access markets.

On the other hand, Tanzania's export performance in global trade is still low and recording a negative balance of trade. This has been due to inadequate brand identity for Tanzanian products; Weak supply capacity; Inadequate facilitation and protection of Intellectual Property Rights; and Inability to meet international market standards and requirements among others. Moreover, limited technology to stimulate diversification and value addition in domestically produced products poses a significant hurdle hence weakening export capacity. There is also a need to ensure that distribution channels are strengthened and well-functioning for a smooth flow of goods from wholesalers to retailers and from producers to consumers.

Policy Objective:

To enhance domestic trade development.

Policy Statements

The Government, in collaboration with stakeholders, shall:

- (i) Facilitate integration of domestic trade;
- (ii) Enhance domestic trade competitiveness;
- (iii) Facilitate product development and diversification; and
- (iv) Facilitate promotion, development and protection of Intellectual Property.

3.3 Trade Integration

Tanzania integrates with other countries through bilateral, regional and multilateral trade arrangements. The overriding objective of trade integration is to maximise the benefits from the movement of goods, services and other factors of production to enhance trade flows.



At the multilateral level, Tanzania is amongst the founding members of the Multilateral Trading System through its WTO membership. By being a member of the WTO, Tanzania has committed herself to various multilateral trade agreements. These agreements include among others Trade Facilitation Agreement (TFA), Sanitary and Phytosanitary (SPS) Agreement, Technical Barriers to Trade (TBT) Agreement, Anti-dumping Agreement, Subsidies and Countervailing Measures Agreement, Customs Valuation Agreement, Agreement on Agriculture, General Agreement on Trade in Services, and Trade Related Intellectual Properties (TRIPs) Agreement. All these agreements have been taken into account in crafting this policy, which aims to facilitate Tanzania's integration into multilateral trade, primarily through WTO member states.

Tanzania as a developing member of the WTO has benefited from various technical and capacity-building programmes and trade opportunities such as Duty Free and Quota Free Market Access. At bilateral and regional levels, Tanzania has entered into bilateral trading agreements with various countries such as China; India; Russia and some RECs. Tanzania has joined Regional Economic Communities (RECs) including the East Africa Community (EAC), Southern African Development Community (SADC), Indian Ocean Rim Association (IORA) and the African Continental Free Trade Area (AfCFTA). Other integration processes that Tanzania is involved in include the Organization of the African Caribbean and Pacific States (OACPs) and the COMESA-EAC-SADC Tripartite Free Trade Area. The integration efforts have granted the country access to vast trade and investment opportunities in various regional and international markets. Along with the promotion of merchandise trade, the Government is facilitating trade in services such as tourism, through reforms that are aimed at easing the movement of people and other restrictions.

However, Tanzania's main export earnings still come from Non-Value-Added Exports that account for over 70 per cent of exports, leaving most of the demand in the opened markets untapped due to low levels of value addition, compliance and e-commerce adaptation. Non-tariff barriers (NTBs) in the form of business registration requirements and licensing procedures, customs documentation and administrative procedures, immigration procedures, inspection requirements, standard requirements and many others, are among the issues which hinder the flow of goods and services across the regional and international markets.



The government, in collaboration with stakeholders, has undertaken numerous initiatives to swiftly resolve Non-Tariff Barriers (NTBs) that hinder the flow of goods and services to regional and international markets upon notification. The National Monitoring Committee on Elimination of NTBs (NMC) has been established. In addition, the NTBs SMS reporting mechanism has been developed to enable traders to quickly report and follow the action taken in addressing the reported NTBs. The Government has also undertaken several sensitization and training programmes on foreign market requirements including standards.

In view of attaining an export-led industrialized economy, there is still a need to improve market access and penetration in the areas of value addition, quality and compliance, increased diversification of the export basket, capacity building, market intelligence and use of technology including online market platforms to increase country's share in the international trade. To this end, there is a need to undertake a dedicated effort to ensure that opportunities emanating from bilateral, regional and multilateral trade are effectively utilised.

Policy Objective:

To strengthen trade integration and utilisation of foreign market opportunities.

Policy Statements

The Government, in collaboration with stakeholders, shall:

- (i) Facilitate effective participation in bilateral, regional and multilateral trade;
- (ii) Enhance export penetration in priority markets; and
- (iii) Enhance harnessing of bilateral, regional and multilateral trade opportunities.

3.4 Global Trade Shocks, Tensions and Disputes

Trade flows in the global arena have experienced unforeseen hurdles from time to time emanating from various circumstances such as trade disputes, conflicts between nations, and influences that serve geopolitical interests. Recent developments in global trade relations have witnessed tensions between major trade partners, pandemics, natural disasters, and climate change.

For developing countries and least developed countries these disruptions have considerable adverse effects on development and growth of trade. The nature of



these disruptions is also significantly impacting trade. Hence, it is in the interest of developing countries and LDCs to make use of current times to learn lessons and investigate policy options to leverage the role of trade for better resilience to future trade shocks, tension and disputes.

In efforts to prepare against these trade flow disruptions, the government has taken various measures to prepare the country for building resilience, such as attracting investments aiming at reducing dependence on imported key resources such as energy, foodstuffs and primary inputs. Projects on energy sources such as natural gas, hydroelectric power, and solar power together with FDI incentives for technology transfer, mechanization of agriculture for food security and industrialization of the economy, have set good footing for the country to absorb the trade shocks.

Building on the current efforts by the government, as well as leveraging WTO agreements and opportunities arising from bilateral, regional, and multilateral trade agreements, further efforts are essential to prepare our economy to respond and remain resilient in the face of disruptions caused by global trade, geopolitical shifts, and other trade shocks.

Appropriate macroeconomic policy, supported by structural reform under solid instructions, can help revive growth after a term of trade disruption. This Trade Policy therefore encourages the reallocation of resources to be more efficient and opens up new opportunities and job creation. Subsequently, the country has to develop the mitigations and adaptive measures to address those challenges.

Policy objective:

To strengthen and develop economic resilient measures against the impacts of global trade shocks, tensions and disputes.

Policy statements

The Government, in collaboration with stakeholders, shall:

- (i) Enhance and develop mitigation measures to address global trade shocks, tension and disputes; and
- (ii) Develop structural response measures and institutionalize macroeconomic fiscal policy to redress the economic shocks.

3.5 Marketing Infrastructure

Market infrastructure is an important component in marketing systems that stimulates increased production of goods and services, incomes and employment opportunities. In the course of production, both hard and soft infrastructures are vital for economic growth. Hard infrastructures include telecommunications, transportation, power, water and sanitation, while soft infrastructures include financial and information services. The efficient and effective delivery of both types of infrastructure is crucial for fostering a competitive economy and enabling broader participation in economic activities.

The Government through various programs such as Marketing Infrastructure, Value Addition and Rural Finance Programme (MIVARF); and Agricultural Sector Development Programs (ASDP) has supported market infrastructure development in Tanzania. Such infrastructures that have been developed and improved include market facilities, roads, market centres, cold storage, border markets and warehouse facilities. This also includes construction and improvements of railways, airports and ports.

Despite those efforts, market infrastructures are less developed and sparse relative to needs, making goods and service delivery unreliable and expensive. Moreover, a redress to inadequate awareness of the importance of using the available markets is paramount.

Policy Objective:

To strengthen marketing infrastructures.

Policy Statements

The Government, in collaboration with stakeholders, shall:

- i) Develop and improve soft and hard marketing infrastructures; and
- ii) Ensure sustainable use of marketing infrastructures.

3.6 Trade Policy Instruments

While there's no definitive yardstick for fairness, trade policy instruments are designed to ensure that market economy principles are upheld. Fair trade has emerged as an alternative market approach, promoting equal competition. Trade remedies or defence mechanisms aim to counteract "unfair" advantages gained



by foreign exporters through subsidies or bounties from their governments, which could negatively impact domestic industries.

The Government recognises the importance of fair trading and trade remedies to both producers and consumers. For producers, it ensures sustainable development through effective competition, which in the end, brings innovation and efficiency to the production and distribution of goods and services. Also, it shields them against unfair practices such as dumping, surges and subsidized products, which threaten the survival of domestic industries. To consumers, effective implementation of fair trade and trade remedies instruments ensure sustainable improvement of consumer welfare. Moreover, a sound measurement system is essential in protecting both producers and consumers as it addresses technical trade barriers that can lead to increased trade costs and inhibit the free flow of goods to international markets.

Despite the critical role played by the fair-trade and consumer protection practices' instruments in fostering trade, still there are some challenges which need to be addressed to ensure the full benefits of fair trading. Some of these challenges include unfair import competition, the existence of unfair trading practices, exploitation of consumers through various means including misleading and deceptive conduct, such as unjust measurements, the existence of counterfeit products and online unfair business transactions.

In this regard, the Government has established institutions mandated with regulating unfair competition practices and consumer protection aspects. Of late, efforts are underway on the introduction of a wing dealing with trade remedies matters. Despite efforts undertaken by the Government regarding competition policy, consumer protection and trade remedies, more needs to be done as Tanzania envisages to attain an inclusive industrial-led economy.

Policy Objective:

To strengthen fair trade practices and consumer protection.

Policy Statements

The Government, in collaboration with stakeholders, shall:

- (i) Promote and facilitate a fair trading environment; and
- (ii) Enhance consumer protection.



3.7 Trade in Services

The longstanding perception that trade is predominantly merchandise is slowly changing as the world trade swipes towards services due to the advancement of technology. According to the WTO, services account for two-thirds of global output, one-third of global employment and nearly 20 per cent of global trade. The WTO General Agreement on Trade in Services (GATS) defines services trade through four (4) modes of supply. The first mode is cross-border supply, which is the supply of a service from the territory of one Member into the territory of any other Member. The second mode involves consumption abroad, which entails supplying a service within the territory of one Member to the service consumer of any other Member. The third mode is commercial presence which is the supply of services by one Member through commercial presence, in the territory of any other Member. The fourth mode involves the movement of natural persons to supply the service by a member, through the presence of natural persons in the territory of other Members.

The scope of trade-in services includes business services, tourism and travel-related services, financial services, communication services, education services, distribution services, transport services, construction services, energy services, sports and recreation services, health and health-related services and others. The commitments made by Tanzania under the WTO and the EAC Common Market Protocol, SADC Protocol on Trade in Services and Protocol on Trade in Services under the African Continental Free Trade Area (AfCFTA) have the effect of opening up the Tanzanian market to regional and international investors.

The services sector contributed about 40 per cent of the GDP in the past decade, where between 2014 and 2017 it accounted for 16 per cent of the exports and contributed up to 30 per cent of total employment in Tanzania. The net services value-added rose from US\$16.7 billion in 2013 to US\$ 21.8 billion in 2017. The Foreign Direct Investment (FDI) data show a significant share of services projects. For example, the sector accounted for more than 42 per cent and 80 per cent of the value of total investment projects registered by the Tanzania Investment Centre in 2017 and 2018 respectively. The services sector in Tanzania is promoting sustainable growth and development by improving quality and lowering the costs of services can greatly enhance the competitiveness of the domestic industries.



However, Tanzania's performance in trade in services is still considered traditional and relatively low, despite the country's abundant resources, particularly in tourism, transit, logistics trade, and growth trends in the region for countries with comparatively fewer endowments. The policy concern lies in the suboptimal benefits derived from trade in services compared to regional and global growth trends.

Policy Objective:

To improve the performance of Trade in Services.

Policy Statements

The Government, in collaboration with stakeholders, shall:

- (i) Ensure a conducive environment for the growth of trade in services; and
- (ii) Promote Trade in Service.

3.8 Trade Facilitation

Trade facilitation is an important phenomenon in domestic, regional and international trade as it deals with simplification, modernisation and harmonisation of trade procedures in export, import and transit trade. Trade facilitation reduces the cost and time of doing business thus improving efficiency and export competitiveness in regional and multilateral trade. It is also crucial for transit trade, as Tanzania plays a strategic role in serving neighbouring countries.

Recognising the importance of trade facilitation, the Government has undertaken several initiatives and reforms, including constructing or rehabilitating roads, building flyovers, implementing the Standard Gauge Railway (SGR) project, modernising and expanding ports, installing weight-in-motion scales, and establishing One-Stop Border Posts (OSBPs). Additionally, the Government has developed the Single Window System, Trade Portal, and Electronic Cargo Tracking System, and many government services are now accessible online, facilitated by the Simplified Electronic Payment System enabled by the Government Electronic Payment Gateway (GePG). Furthermore, the Government ratified the WTO Trade Facilitation Agreement (TFA) on April 8, 2020, and established the National Committee on Trade Facilitation in 2016 to ensure smooth coordination of trade facilitation issues.



Despite these efforts and reforms undertaken, there is still a need for more awareness-raising and increased investment in trade-related issues. These issues are in hard and soft infrastructures such as roads, railways and ICT, equipping the OSBPs with necessary facilities such as scanners, testing laboratories, and smart gates as well as increasing border agency cooperation. Trade logistics and distribution centres are another important element of trade facilitation which needs to be looked at.

Through this policy, the government will put in place enabling infrastructure and carry out necessary reforms to contribute to improving the “doing business” environment and enhancing efficiency and competitiveness through reduced trade costs and time. This will ultimately increase the contribution of trade to GDP growth and therefore improve the lives of the people.

Policy Objective:

To enhance trade facilitation in order to reduce trading costs and time.

Policy Statements

The Government, in collaboration with stakeholders, shall:

- (i) Promote development and strengthen trade facilitation infrastructures; and
- (ii) Ensure effective coordination of trade facilitation and related issues.

3.9 E-Commerce

Digital technologies are affecting the composition of trade by increasing service components, fostering trade in certain goods such as time-sensitive products, changing patterns of comparative advantage and affecting the complexity and length of global value chains. Digitization of trade uses online services for business transactions, which include e-payments and e-currencies (assets) that are primarily managed, stored or exchanged on digital computer systems. In capturing the interplay of digitization, trade diversification, industrialization and e-commerce for boosting trade and inclusion, digitization reduces transactions cost with respect to information and trade through expanding the information base and improving connectivity, opening up new markets and improving trade facilitation, mostly through automation and adoption of digitally enabled platforms.



E-commerce is growing fast globally; it accounts for more than 70 per cent of all trade in developed countries and less than 5 per cent in developing countries. This fact demonstrates that e-commerce has great potential for trade.

Tanzania Government has undertaken several efforts in fostering E-commerce, which includes putting in place legal frameworks for E-commerce such as the Electronic Transaction Act (2015), Cyber Crime Act (2015) and the ongoing process of developing the Personal Data Protection Act, which is very important in E-commerce due to high concerns of data protection. The Government has also embarked on a Comprehensive National Addressing and Postcode System project that includes, among others, street names and identification of buildings and houses. This will facilitate easier tracing of customer locations, thus simplifying the delivery process. Additionally, payments have been further streamlined through the Government Electronic Payment Gateway (GePG) and the widespread use of mobile money across the country.

In 2019, the Government in collaboration with the United Nations Conference on Trade and Development (UNCTAD) undertook an E-commerce assessment to determine the national readiness (strengths and challenges) in doing trade electronically. The report identified areas where the country is performing well and areas where more effort is needed to benefit more from E-commerce. E-commerce for the United Republic of Tanzania will assist traders, mostly Small and Medium Enterprises (SMEs) to maximise their participation and gains from National and cross-border businesses and thus improve consumers' welfare, among other benefits.

However, the main challenges have been the low level of utilising digital technologies, inadequate infrastructures and low level of understanding of the whole concept of E-commerce and digital platforms for improving competitiveness, boosting trade and monitoring trade performance.

Policy Objective:

To strengthen E-commerce infrastructures and utilisation of digital technologies.

Policy Statements

The Government, in collaboration with stakeholders, shall:

- (i) Ensure E-commerce enabling environment;

- (ii) Enhance development, advancement and application of technology for trade competitiveness; and
- (iii) Strengthen utilization of E-commerce.

3.10 Trade Financing

Accessibility to trade financing is crucial in facilitating both domestic and international trade. For Tanzania to tap potential markets presented by trade agreements, suitable and affordable financial products have to be designed and customized for local players in international trade.

The architecture of the financial system in Tanzania has evolved rapidly in recent years with specialized financial institutions and instruments that have, to a large extent, facilitated trade financing. However, exporters continue to face challenges related to accessing loans and export trade financing. The risk assessment among the majority of commercial banks and insurance companies remains low regarding discounting letters of credit, insistence on immovable collateral, or demanding significant initial payments (deposits) and compensation. However, these facilities often incur high costs such as interest rates, processing fees, and insurance premiums, which can significantly impact trade, particularly for startups.

To this end, efforts in sensitizing and promoting Commercial Banks and Insurance Companies to facilitate trade and establishment of export credit schemes and other products to facilitate trade are of paramount importance.

Policy Objective:

To improve access to trade financing.

Policy Statements

The Government, in collaboration with stakeholders, shall:

- (i) Facilitate availability of affordable and inclusive trade financing;
- (ii) Facilitate financial sector reforms aimed at creating an enabling environment that supports access to capital and financial services to trade; and
- (iii) Promote awareness of the availability of financial services on trade.



3.11 Private Sector Engagement and Inclusiveness in Trade Development

The Private Sector is a key stakeholder in economic development in the world, being a major contributor to national income and the principal job creator and employer. The Private Sector provides around 60 per cent of employment in the developing world (including formal and informal jobs), delivers critical goods and services and contributes to tax revenues and the efficient flow of capital.

The Private Sector in Tanzania includes domestic actors (MSMEs and Large Enterprises) and foreign actors such as foreign direct investors. Due to its pivotal role in fostering economic growth and development, coupled with the reforms it has undertaken, the Government of Tanzania declared in 1986 that the Private Sector is the engine of economic development. With respect to the implementation of the National Trade Policy, the Private Sector has been designated as the implementer and the Government as a facilitator. Tanzania has been taking measures to improve the business environment for the private sector including formulation and implementation of Business Environment Strengthening for Tanzania (BEST); Roadmap for Improving Business Climate in Tanzania 2009; Big Results Now 2014 and Blueprint for Regulatory Reforms to Improve the Business Environment for Tanzania formulated in 2018.

However, in reality, the existence of constraining factors to Private Sector vibrancy continues to hold back effective participation of the Private Sector in trade development. Such constraints and challenges include the capacity of the private sector, Legal and Regulatory framework and access to trade finance, inadequate competitiveness, limited diversification and reliance on few commodities, and weak application of Information Communication Technology. The existing Public-Private Dialogue Structure does not provide enough platforms to discuss all pertinent details regarding trade expansion and competitiveness. All these need a redress by the Government.

Policy Objective:

To strengthen Private Sector engagement and inclusiveness in trade development.

Policy Statements.

The Government, in collaboration with stakeholders, shall:

- (i) Enhance a conducive environment for effective engagements with the

- private sector in trade-related matters; and
- (ii) Facilitate formalization of the informal sector.

3.12 Cross-Cutting Issues

3.12.1 Environment

Environmental issues continue to be an important factor in global trade as they have a direct bearing on the environment where trade operates. Environmental consideration was raised in the previous policy as an issue of concern to the sector due to its crucial importance in supporting sustainable trade development.

Several initiatives have been undertaken by the Government to improve environmental issues including the enactment of the National Environmental Management Act (EMA, 2004) that provided the legal and institutional framework for sustainable management of the environment and the National Climate Change Response Strategy (2021-2026). Despite these initiatives, the sector still faces challenges, especially in compliance with adherence to regulatory requirements, health-related costs and inspection-related costs.

Nevertheless, there have been other emerging challenges in the environmental issues such as climate change and an increase in the volume of electrical and electronic equipment waste (e-waste) that were not given attention in the National Trade Policy of 2003.

The main challenges for the Government are to ensure compliance with domestic and international trade-related environmental laws and regulations in addition to increasing stakeholders' awareness.

Policy Objective:

To minimize negative environmental and climate change effects arising from trade and trade-related activities.

Policy Statements

The Government, in collaboration with stakeholders, shall:

- (i) Ensure mainstreaming of environmental management issues in trade and trade-related activities; and
- (ii) Strengthen resilience and adaptive capacity of trade activities to climate changes and natural hazards.



3.12.2 HIV/AIDS

HIV/AIDS disease is a major health problem as well as a serious impediment to socio-economic development through its impact on the reduction of the active labour force, in particular the human capital that underpins economic transformation, higher productivity and competitiveness. Trade involves the movement of people from one locality to another such as in transit trade. Such movements have been pointed out to be one of the causes of increased HIV transmission.

The HIV/AIDS pandemic has far reached impact on business activities. It is therefore imperative to proactively carry out continuous HIV/AIDS, disease advocacy and awareness. HIV/AIDS affects the workforce and the lives of the citizens including traders. While HIV/AIDS continues to claim the lives of the productive members of our community, reducing the working time and energy of people, the trade sector has not been spared. Thus, dedicated efforts to combat these diseases should be undertaken and it should involve all stakeholders. The main challenges faced by the community, including the business community, include limited awareness and initiatives in combating HIV/AIDS.

Policy Objective:

To minimize trade-induced HIV/AIDS transmissions to lessen adverse effects of the disease on trade development.

Policy Statements:

The Government, in collaboration with stakeholders, shall:

- (i) Ensure HIV/AIDS, diseases issues are mainstreamed in trade-related activities; and
- (ii) Enhance awareness in the business community on HIV/AIDS effects.

3.12.3 Pandemic Diseases

Pandemic diseases are a major development hurdle that affects the trade sector by hindering the movement of people and resources in spheres of doing business across localities and jurisdictions, affecting productive labour, creating a scarcity of resources, shuttering value chains and hence impeding trade and economic development.

In response to the effects of pandemics on trade, the Government has implemented measures to contain their impact. These measures include creating special response units for outbreaks, developing coping strategies to contain economic shocks, establishing surveillance centres, and developing response protocols. Despite the above measures, more efforts for awareness creation and sensitization campaigns, increasing countrywide testing centres, development and easiness of availability of safety guidelines, effective limitation on movements of people, establishment of response fund and incentivizing the business community on their operations are needed to minimally contain the impact of pandemics on trade.

Policy Objective:

To enhance resilient measures against the impact of pandemic diseases on trade.

Policy Statements

The Government, in collaboration with stakeholders, shall:

- (i) Facilitate the establishment of effective mechanisms for engaging the private sector towards reducing the impact of pandemic diseases; and
- (ii) Strengthen mechanisms for quick response and addressing the impact of pandemic diseases.

3.12.4 Good Governance

In its totality, good governance reflects peace, stability, observance of human rights, and the rule of law that promotes democracy, effectiveness, accountability, predictability, transparency, inclusiveness and incorruptibility at all levels in both institutional and individual conduct.

Governance dimensions are multiple and cover a wide range of attributes. Domestically these relate to national peace, security, absence of corruption, good labour relations such as decent jobs and elimination of child labour which is commonly practiced in the services sector such as trade and promotion of dialogue to minimize conflicts. Peace in settlements at borders with other countries can be greatly enhanced if foreign policy promotes good relationships and coexistence with neighbouring countries. This will facilitate trade across borders by small-scale traders including informal sector operators. Tanzania has been implementing reforms to improve governance since the 1990s with great success in many key areas. This success, however, has not been able to eradicate all elements such as corruption practices.



Policy Objective:

To ensure adherence to principles of good governance in trade.

Policy Statements

The Government shall:

Promote principles of good governance in trade activities.

3.12.5 Gender

The growth of trade cannot be fully realized without the effective participation of men and women. Effective participation of men and women in trade will both improve their livelihood conditions. The Government has been promoting various interventions that focus on women's empowerment. These interventions have included, among others, special financial windows and women's economic empowerment forums at the regional level. At the Local Government Authorities level, about 4 per cent of Local Government internal revenue is designated for the empowerment of women, these have a potential positive impact on the participation of women in trade.

Despite the efforts made, there still exist gender imbalances specifically low levels of active women participation in trade due to among others inequitable access to resources, cultural practices and beliefs. Other challenges include inadequate skills, access to information, market and support in safeguarding their trade activities.

Policy Objective:

To ensure equitable gender participation in trade.

Policy Statements

The Government, in collaboration with stakeholders, shall:

- (i) Facilitate effective participation of women in trade; and
- (ii) Mainstreaming gender issues in trade development plans

3.12.6 Youth in trade

The youth group constitutes the majority of the population in the country. The growth of trade cannot be fully realised without mainstreaming the effective participation of youth in all aspects of trade. In contrast, youth are more

constrained by specific challenges and limitations in their quest to access key resources to enable them to participate fully in all aspects of trade.

The Government has been promoting various interventions that focus on youth empowerment. Such interventions include among others, the Building Better Tomorrow program-Youth Initiative (BBT), the Apprenticeship Youth program by the Prime Minister Office, Education Policy 2014 (edition 2023), Zanzibar Youth Policy, the introduction of entrepreneurship programs on University education syllabus and special financial windows (4 per cent of Local Government internal revenue is designated for youth and Khalifa Fund (Zanzibar) these have a potentially positive impact on the participation of youth in trade.

Despite the efforts made, Youth still face challenges in participating in trade. Those challenges among others include limited access to finance, inadequate skills and access to market information.

Policy Objective: To achieve effective youth participation in trade activities.

Policy Statements: The Government, in collaboration with stakeholders, shall:

- (i) Facilitate mainstreaming of youth in all trade activities; and
- (ii) Facilitate a conducive environment for youth to engage effectively in Trade.



CHAPTER FOUR

LEGAL AND REGULATORY FRAMEWORK

The existence of an appropriate legal and regulatory framework is important for the growth and development of the trade sector. A vibrant trade sector requires continuous review of the legal and regulatory framework. This Policy seeks to create an appropriate legal and regulatory framework for the rapid growth and sustainable development of the trade sector. To facilitate the execution of the National Trade Policy 2023, a supportive legal and regulatory framework must be defined, which should also include institutional guidelines.

Effective implementation of this policy requires functional capacities including effective legislative and regulatory frameworks. National Trade Policy 2023 has been developed with a recognition that there could be other domestic policies, laws and regulations that impact its implementation, in a facilitative way or otherwise. To support the effective implementation of this policy, the Government shall review, repeal, amend and where necessary enact new legislation to address trade-related issues.

The Legal and Regulatory Frameworks that govern trade in Tanzania are guided by several domestic legal frameworks and international conventions and protocols. Domestic legal frameworks include the Constitution of the United Republic of Tanzania; the Environmental Management Act of 2004; the Land Act of 1999; the Fair Competition Act of 2003; the Tanzania Development Authority Act of 2009; Zanzibar Trading Act of 2013; The Standards Act 2009; Business Licensing Act R.E 2002; the Public Procurement Act 2011; The Weights and Measures Act, 1983; Patent Act 1987; Trade and Service Mark Act, Cap 326 (RE) 2002; Water Resources Management Act, 2009; Public Private Partnership Act Cap 103 RE 2018; Zanzibar Public Private Partnership Act 2014; and Zanzibar Environmental Management Act, 2015. Further, the Value Added Tax Act; Income Tax Act; Excise (Management and Tariff) Act; Tax Administration Act,



Weights and Measures Act Cap. 340 RE 2002 and Non-citizen (employment regulations) Act 2015. International Conventions and Protocols include the EAC Treaty, EAC Customs Union Protocol, EAC Monetary Union Protocol and SADC Protocol on Trade. Others include the Agreement establishing the COMESA-EAC-SADC Tripartite Free Trade Area, AfCFTA, and the Agreement establishing the WTO (The Marrakesh Agreement).

Trade in Tanzania, like in many other countries, is a cross-cutting issue involving players across all sectors of the economy. There have been weak linkages and coordination, as well as overlaps among key players and other stakeholders. The Ministry of Industry and Trade, as the leading authority in trade matters, lacks the full mandate to oversee other ministries dealing with trade-related matters. Therefore, there is a need to have clearly defined structural and functional linkages to harmonise and synchronize all the functions of the institutions dealing with trade development. This calls for the enactment of a National Trade Act or a review of a trade-related legal regime that influences the trade sector for smooth and effective implementation of this Policy while enabling many players to provide responsive, efficient and sustainable services. The essence of the review of trade-related legislation *inter alia* shall be to create an explicit legal mandate for the Ministry responsible for Trade in strengthening implementation, overseeing and supervising trade across all sectors.



CHAPTER FIVE

INSTITUTIONAL FRAMEWORK AND MONITORING AND EVALUATION

5.1 Institutional Framework

The successful implementation of National Trade Policies depends on a strong institutional framework, monitoring and evaluation. Engagement of state organs and all other stakeholders towards the achievement of the overall objective of the policy *“to spur trade through efficiency and competitiveness to accelerate the achievement of socio-economic transformation”* will facilitate the attainment of sustainable growth and human development.

The Government through the Ministry responsible for Trade has a major role and responsibility of ensuring the effective implementation of this policy in collaboration with designated Government Institutions and other stakeholders in the trade Sector. The implementation plan of the policy shall indicate the financial and human resources required to carry out strategic actions. Institutions responsible for the implementation of this Policy shall prepare progress reports periodically and submit them to the Ministry responsible for trade. The Policy will be reviewed in the course of new dynamics and developments during its implementation. To ensure a fitting and satisfactory enabling environment for the implementation of the policy and its strategies, the institutional framework will include the following key stakeholders: Ministry responsible for Trade; Ministries, Departments and Agencies (MDAs); Local Government Authorities (LGAs); National Assembly and Zanzibar House of Representatives; Private Sector; Academic and Research Institutions; Non-Governmental Organizations (NGOs), Civil Society Organizations (CSOs); Media; Development Partners; Diaspora and Individuals.



5.2 Roles and Responsibilities of Trade Stakeholders

The line of responsibilities emphasized the clear allocation of roles among various stakeholders at all stages, from policy formulation and implementation to monitoring and evaluation.

5.2.1 Ministry Responsible for Trade

The Ministry Responsible for Trade is the chief adviser in the formulation and implementation of Tanzania's trade policy. The Ministry also serves as the overall coordinator for implementation and acts as the President's principal agent in articulating Tanzania's trade policy to Parliament, the public, and bilateral and multilateral trade partners. Furthermore, the Ministry responsible for trade will undertake the coordination of stakeholders at the national level. In ensuring the effective implementation of this Policy, the Government will establish the National Trade Committee as an advisory body whose functions are to guide overall trade policy implementation, provide an effective mechanism for intragovernmental policy coordination of cross-cutting trade issues and the creation of awareness on global business trends for building capacity and competitiveness. Membership shall be drawn from government ministries and institutions responsible for trade and trade-related matters, private sector and civil societies.

5.2.2 Other Ministries, Departments and Agencies (MDAs)

Other MDAs are co-implementers of the National Trade Policy. They are expected to mainstream trade issues in their respective Strategic Plans. Respective MDAs should develop more detailed plans that will ensure coherence between their sector objectives and trade policy objectives. The Ministry responsible for Finance is tasked to allocate adequate funds for MDAs to enable them to execute programmes of trade development effectively and efficiently. The Ministry responsible for Constitutional Affairs is expected to facilitate the formulation of trade-related legislation and expedite the conclusion of trade-related disputes. The Ministry responsible for Home Affairs is expected to ensure that law and order are enforced in the country for smooth conduct of trade, the Ministry responsible for Agriculture is expected to ensure the production of qualitative and compliant crops, the Ministry responsible for Animal Products is expected to ensure the production of compliant animal produce, the Ministry responsible for works is expected to ensure smooth infrastructure networks, the Ministry responsible for Communication and Information Technology is expected to ensure the existence of reliable ICT networks and infrastructures to facilitate trade.



5.2.3 Local Government Authorities (LGAs)

LGAs are the *in situ* institutions where trade activities and local businesses take place. LGAs are expected to ensure an enabling environment and prioritization of trade activities according to location-specific priorities. Their roles span a wide horizon to include the issuance of permits; designation of trading premises; linking with markets within the country and outside and promoting trade-related investments.

5.2.4 National Assembly and Zanzibar House of Representatives

These are the two supreme law-making institutions in the United Republic of Tanzania. They play a critical role in national trade policy implementation, through legislative, budgetary and oversight functions. They have the constitutional role of ratifying international trade agreements and assent domestication of international trade agreements. They are also responsible for making legislation and allocating resources for policy implementation. Moreover, they provide an oversight role through the Standing Committee responsible for trade.

5.2.5 The Judiciary

The Judiciary plays a critical role in the policy formulation and implementation process. The Judiciary interprets international treaties, contracts and conventions that have a bearing on the national trade policy.

5.2.6 Private Sector

As implementers of the National Trade Policy, the Private Sector is expected to play a greater role in trading in terms of production and exchange of goods and services.

5.2.7 Academic and Research Institutions

Providing research, consultancy and training on trade and trade-related matters essential in informing decision-making and policy formulation.

5.2.8 Non-Governmental Organizations (NGOs) and Civil Society Organizations (CSOs)

The main roles expected to be played by NGOs and CSOs are that of advocacy and facilitation. With respect to advocacy, the roles center around policy

dissemination and raising awareness of the National Trade Policy. This group of stakeholders is also expected to support initiatives for trade development and link actors in both domestic and export markets; facilitate access to critical financial support, especially to small firms; and capacitate traders in Business Development Services (BDS) to mention a few.

5.2.9 Development Partners

The role expected to be played by Development Partners is that of providing support to the trade policy process (formulation, implementation, monitoring and evaluation, and review).

5.2.10 Media

The role of media is publicity and advocacy – policy dissemination and awareness creation on initiatives for trade development; market development; and domestic as well as export market linkages.

5.2.11 Diaspora

Given their international connections, this group of stakeholders is tasked to explore external trade opportunities in their countries of domicile and engage in actual trade (including investments in trade-related sectors in Tanzania).

5.2.12 Individuals

Individuals are the main agents that both cause trade and consume traded goods and services. This group of stakeholders is expected to undertake actual trading and consume the traded merchandise and services.

5.3 Monitoring and Evaluation

For effective implementation of National Trade Policy 2023, a robust monitoring system must be in place to track implementation and thus enable assessment of progress. The overall responsibility for the monitoring and evaluation of Trade Policy implementation rests on the Ministry responsible for Trade in close collaboration with the proposed Trade Lead Sector Ministries; other MDAs; LGAs; Private sector; NGOs and CSOs; Development Partners; as well as individuals. It is through such coordination that smart partnerships can be forged and ensured, for effective implementation of National Trade Policy 2023.



Effective monitoring requires the establishment of a robust framework that has milestones and performance indicators; enables reporting, and supports coordination systems for implementation. Monitoring should be performed quarterly, semi-annually and annually through progress reports while evaluation in cycles of five years to assess the efficacy of instruments and implementation arrangement.

5.3.1 Institutional Arrangement for Monitoring and Evaluation Framework

The Ministry responsible for trade has the primary responsibility of coordinating monitoring and evaluation in collaboration with all other stakeholders.

5.3.2 Monitoring and Evaluation Indicators

As the first step, indicators will have to be identified and developed for monitoring the performance of the National Trade Policy 2023. These will be reviewed periodically to accommodate new and emerging realities at national, regional and global levels. Benchmarks/baseline data will have to be determined for tracking the implementation. Key performance indicators will be developed to measure the implementation of the policy.

5.3.3 Monitoring and Evaluation Tools

The following tools are proposed for monitoring and evaluation of the National Trade Policy 2023: Implementation Strategy; quarterly reports; semi-annual reports and annual performance reports. Evaluation will be done after five years; with a mid-term review after three years or so to assess the continued fit of the Policy and consequently adjust its implementation strategy.

5.4 Conclusion

This National Trade Policy 2023 is a vehicle for accelerating the socio-economic development envisaged in Tanzania Development Vision 2025 and the Third Five-Year Development Plan (2021/22-2025/26). To this end, the Policy addresses the constraints and challenges to sustainable trade growth. More emphasis has been placed on Policy Coherence, Legal and Regulatory Framework and Institutional coordination, Domestic Trade Development, Trade Integration, Marketing Infrastructure, Trade Policy Instruments, Trade in Services, Trade Facilitation, E-commerce and Private Sector engagement and inclusiveness. The Policy also

addresses Cross-Cutting Issues which are related to trade such as Environmental Issues; HIV/AIDS, Good Governance, Gender and Youth in Trade.

The policy has addressed in its formulation issues emanating from the analysis of the performance of the National Trade Policy of 2003 and identified limitations and challenges to be addressed in its implementation. It is intended to serve as a basis for expanding and deepening trade opportunities for the whole population.

For National Trade Policy 2023 to deliver the intended results, there will be a need to attract and promote new investments into export-led industrialization, and export diversification to promote international competitiveness. This is achieved through building technological capabilities to support the diversification of products for gaining greater competitiveness and value. In regional integration schemes, there is a pressing need to expedite deeper integration, as contemporary times highlight the substantial and enduring benefits it offers. Lastly, there is a crucial need to enhance and integrate data systems for effective tracking of trade policy and implementation strategies, ensuring optimal trade performance.





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