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**Global Preparatory Meeting on the Mid-Term Review of  
the Implementation of the Almaty Programme of Action**

on

**Trade Facilitation Opportunities for Landlocked and  
Transit Developing Countries**

Geneva, 8–9 July 2008

**Tanzania National Experience**

by

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Geneva**

**GLOBAL PREPARATORY MEETING TO THE  
MID-TERM REVIEW OF THE  
IMPLEMENTATION OF THE ALMATY POA**

**TRADE FACILITATION OPPORTUNITIES  
FOR LAND LOCKED AND TRANSIT  
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***Tanzania National Experience***



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**INTRODUCTION (1)**

- Tanzania is the largest and most centrally located country on the East Coast of Africa bordering 8 countries 6 of which are landlocked.
- Uniqueness: Mt. Kilimanjaro with snow cap throughout the year, Mt. climbing lions in Manyara N.P, birth giving frogs at Kihansi in Morogoro
- With the Tanzanian ports of DSM, Tanga and Mtwara, the landlocked countries have and can be served by:
  - Rail networks, road systems and connecting water transport
- To cope with the increasing volume of transit trade that contributed about 50% of DSM ports revenue in 1970/80's, the following was created:
  - Zam-Tan Road,
  - Tazama Pipeline,
  - TAZARA railway line,
  - Dedicated Inland cargo centres (ZCC &MCC), and
  - Purchase of new equipments at DSM port



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**INTRODUCTION (2)**

- Apart from the opportunities, as a coastal state, Tanzania is duty bound and/or has an obligation to provide the landlocked countries access to the sea.
- Customs plays an important role in trade facilitation.
- In the last twelve years, Customs has devoted itself to strengthening its automation, facilitation, and transparency.



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**MORDENISATION/AUTOMATION PROCESS**

- Processing of TRA/Customs Single Bill of Entry declarations were undertaken through the ASYCUDA System 2.7 Version but now recently changed to ASYCUDA ++.
- Introduction of RADDEX System to allow Simba 2005(K) and ASYCUDA ++ (T&U) to exchange data with one another
- The PI eliminated because procedures were time consuming at port of export/import and consequently affected clearance times at destination.



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**RISK MANAGEMENT**

- Customs introduced Destination Inspection (DI) Scheme in 2004 to replace PI
  - Associated with computerised Risk Management System
  - The X-Ray Scanner Machine
  - The Scheme reduces the burden on the part of the importers to have their goods inspected overseas prior to export (as the case was under PI)



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**POST ENTRY AUDITING**

- The system is not yet in place although it is good for speeding up customs clearance and preventing fraud
- In light of new introduction of risk management, this system might prove necessary

**PRE-ARRIVAL DECLARATION**

- The system is in practice
- Shipping agents ensure cargo manifests are submitted to TRA-Customs and other relevant institutions in time before the arrival of the ships
- However, some problems due to failure to submit complete documents and also failure by cargo owners to pay the assessed taxes and fees



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## AUTHORISED TRADERS

- ❑ So far not in practice

## SYSTEM OF APPEALS

- ❑ As far as Customs claims are concerned, one can appeal to the Custom's Commissioner and if not satisfied to the Tax Tribunal; and finally to the Minister responsible for Customs affairs

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## ADVANCE RULING

- ❑ Incentives, taxes, fees, regulations and procedures known in advance
- ❑ Tariffs and fees are public
- ❑ Websites for stakeholders are available

## TRANSPARENCY

- Tariffs for Customs and THA are available, creation of websites and brochures
- Before any law or amendment of law is made the same is subjected to Public hearing

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## CAPACITY OF PORTS - EQUIPMENT/SPACE

- ❑ Total No. Of Quay Berths - 11
- ❑ General Cargo Berths - 8
- ❑ Container handling/dedicated berths - 3
- ❑ Liquid cargo dedicated Berths/Jetty - 2
- ❑ Sizable port equipment to handle transit trad such as: cranes/gantry cranes, loaders, trailers, tug boats
- ❑ Throughput Capacity (Liquid cargo) - 6.0 mil. MT
- ❑ Throughput Capacity (Dry cargo) - 3.1 mil. MT/0.25 mil. TEUs
- ❑ Availability of Railway Siding TRL/TAZARA
- ❑ Container terminal Holding Capacity (in TEUs) - 7500

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## RAIL CAPACITY

### TAZARA:

- ❑ 1860 Km. from DSM to Kapiri Mposhi, Zambia
- ❑ Transit time 8 days against target of 4 days
- ❑ Installed capacity of 2 mil. Tons (Potential to increase up to 5 mil. Tons if improvement is done on rolling stock and additional stations are built).

### TRL

- ❑ Dsm-Mwnza- 1230 km; Trans Time-5days≠3 target
- ❑ Dsm-Kgma- 1254 km; Trans Time-10days≠4 target
- ❑ Dsm-Isaka- 982 km; Trans Time-5days≠3 target
- ❑ Capacity-2.5 mil. Tons (Only 30% achieved because of lack of locomotive power and wagons).

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## OPPORTUNITIES FROM TRANSIT TRAFFIC

- ❑ Creation of employment and
- ❑ Direct monetary earnings to various institutions in Tanzania including:
  - Port operators,
  - Clearing and forwarding agents,
  - Truck operators,
  - Shipping Agents etc.

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## MAGNITUDE AND TREND OF TRANSIT TRAFFIC

- ❑ The overall cargo traffic through the port of Dar es Salaam decreased by around 0.2% per annum since 1995 because of:-
  - Poor economic performance of some LLCs using the port
  - Competition between regional ports
  - Wars and insecurity in some of the countries using the port
  - Constraints in inland transport
- ❑ The share of transit cargo also decreased over the years due to increasing competition and poor economic performance of the LLCs. As a % of the total overall cargo transit traffic was between 20-25%.

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## WHY LOSE CARGO TO OTHER PORTS

- ❑ Factors that come to play include:
  - Transit Time for the consignment
  - Total transport cost via the corridor/route
  - Security of the consignment
  - Procedural and administrative issues
    - *Delays in processing claims*
    - *Delays at weigh bridge stations.*
  - Documentation procedures
    - *Cargo release time; maximum 48 hrs but typically 24 hours.*

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## PROBLEMS FACING TRADE FACILITATION

- ❑ Declining commodity prices
- ❑ High Transport costs
  - Lack of national shipping line
  - 90% of trade is seaborne
  - Make world prices very uncompetitive
- ❑ Lack of strong shipper's council
- ❑ Financial constraints leading to improper IT
- ❑ Lack of adequate infrastructure to mitigate problems facing both domestic and transit trade
- ❑ Lack of appropriate technical assistance
- ❑ Lack of enough rolling stock and wagons at TRL

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## FUTURE PLANS IN PROMOTING TF.

- ❑ Efforts to modernise Customs and other related institution to continue
- ❑ Improvement of road and railway network thru EAC (Regional Approach) particularly central corridors
- ❑ Address the gaps arising from the TF National Needs and Priority Assessment (Solicit financial and TACB from Development partners to address physical infrastructure)
- ❑ Involvement of more TF experts from Capital in the current TF negotiations

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## CONCLUSION

- ❑ Tanzania has undergone major reforms in trade facilitation under various international regimes to handle both local and transit trade.
- ❑ Following the on going negotiations under WTO, implementation of any outcome should be based on the capacity attained by developing countries particularly LDCs

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THANK YOU

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