



# Strengthening capacity for effective implementation of export competitiveness and diversification policies in Tanzania/East Africa

February 4, 2020

Cluster 1: Trade policy and regulation

ACP House, Brussels

# January 2020 launch and field work in Dodoma, Dar es Salaam, Arusha and Zanzibar



# Tanzanian NTBs hinder its own exports and imports



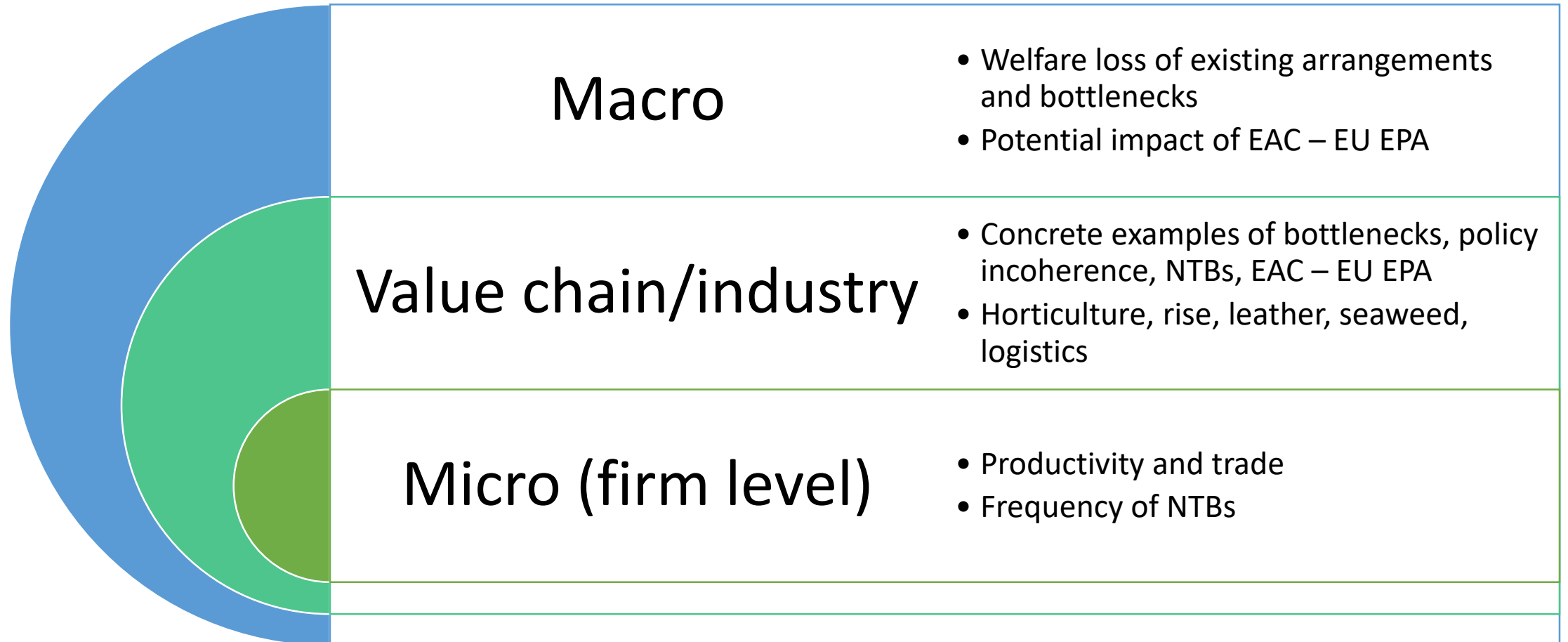
- **Policy incoherence:** Government taxes and regulates activities that it wants to encourage.
- **Tanzanian Exporters and Importers** have to deal with (too) many ministries and regulators.
- **Costs of taxation and regulation** are not appropriately recognized.

# More than competition and diversification



- Lacking harbor and airport facilities are **physical bottlenecks** that structurally limit trade.
- Trade is redirected via Mombasa or Nairobi in Kenya.
- **Mainland versus Zanzibar**
  - **Domestic trade** often treated as import and export.
  - Diverging trade policies and regulatory **frameworks** impact on value chains (Rice)
- **Missing firms/industries** (some of which have existed in the past): low value-added trap (Leather)

# Three interrelated approaches



# Effective implementation of trade policy requires: Data, Analysis, Design and Execution

## Data

- Micro data, exist but need to be unlocked
- NTBs, non-existent

## Analysis

- Scarce and scattered capabilities
- Small groups (often individuals)

## Design

- Need for draft plans for action (protocols) and clearly identified benefits
- Tailor made (Mainland vs. Zanzibar; value chain specific)

## Execution

- Policy incoherence
- Political economy: No sense of urgency



# Key deliverables to enhance effective policy implementation

What	Why	When
Gravity trade model	Estimated costs of business regulation – sense of urgency	May 2020 (ballpark numbers)
	Review of EAC–EU EPA	2021
Value chain analyses	Concrete examples and building blocks for plans of action; costs and benefits of EAC – EU EPA	2020 – 2021
Projects and workshops for universities	Strengthen Tanzanian analytic capacity; stimulate cooperation; incentivize trade	Started and ongoing
Trade data base (micro data and NTBs)	Biggest problem according to trade ministers and international organizations	Requires lobbying
Study visit to Netherlands	Demonstrate best practice trade policy preparation; determine required technical assistance and training needs	Flexible



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Thank you for your attention